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17th

**Annual Report
2009**

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ARUJ GARMENT ACCESSORIES LIMITED

COMPANY PROFILE

BOARD OF DIRECTORS

- | | | |
|-------------------------------|---|----------------------------|
| 1. Mr. Maqsood Ahmad Butt FCA | : | Chief Executive / Director |
| 2. Dr. Mrs. Naseem Maqsood | : | Director |
| 3. Mr. Ali Maqsood Butt | : | Director |
| 4. Mrs. Durray Zara Butt | : | Director |
| 5. Mrs. Naheed Muneer | : | Director |
| 6. Ms. Aruj Butt | : | Director |
| 7. Mr. Sheikh Ghulam Mustafa | : | Director |

COMPANY SECRETARY

Muhammad Sajjad Hussain

SHARE REGISTRAR

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

LEGAL ADVISORS

Mian Waheed Akhtar
Advocate High Court
Lahore

AUDITORS

M/s. Qadeer & Company
Chartered Accountants
89-F, Jail Road,
Lahore

REGISTERED OFFICE:

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

WORKS:

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

BANKERS:

Habib Bank Limited
Bank Alfalah Ltd.
Faysal Bank Ltd.
Bank Al-Habib Ltd.

ARUJ GARMENT ACCESSORIES LIMITED

NOTICE OF 17th ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of **Aruj Garment Accessories Limited**, will be held on Thursday 30th October 2009 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.-

- 1) To confirm the minutes of the last Annual General Meeting of the Company.
- 2) To consider, approve and adopt the annual audited accounts of the Company for the year ending 30th June, 2009 together with the Directors/Auditors reports thereon.
- 3) To approved the cash dividend @15% (Rs. 1.50 per share) as recommended by the Board of Directors.
- 4) To appoint auditors for the year ending 30th June 2010 and to fix their remuneration. The present auditors M/s Qadeer & Company Chartered Accountants, being eligible, have offered themselves for re-appointment.
- 5) To transact any other business with the permission of the Chair.

Lahore:

Dated: 30th September, 2009

by Order of the Board

Muhammad Sajjad Hussain
Company Secretary

Notes:

- 1) A member eligible to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies must be received at the Company's Registered Office not later than 48 hours before the time of holding of the meeting.
- 2) The Share Transfer Books of the Company will remain closed from 23 October to 30 October, 2009 (both days inclusive).
- 3) Shareholders are requested to immediately notify the change in their address, if any.

ARUJ GARMENT ACCESSORIES LIMITED

DIRECTORS' REPORT

The Directors of your Company welcome you to the 17th Annual General Meeting of your Company, and present their report together with the audited accounts for the year ended 30th June 2009.

OPERATING RESULTS:

	For the year ended June 30th, 2009 Rupees	For the year ended June 30th, 2008 Rupees
Sales	298,971,529	263,444,415
Gross Profit	30,953,628	27,484,241
Profit before Taxation	8,591,912	12,189,117
Taxation	5,632,702	2,288,093
Profit after Taxation	2,959,210	9,901,024
Earnings per Share	0.48	1.61

During the year under review, the net sales of the company amounted to Rs. 298,971,529.00 as compared to the lower sales last year of Rs.263,444,415.00 This increase of 13.48% represents a dramatic increase in sales in the last financial year. Gross profit has also increased by 12.62% to Rs.30,953,628.

While the decrease in Profit Before Taxation can largely be accredited to high financial charges incurred by your Company. Due to the ongoing process of expansion undertaken by AGAL, we have increased our bank loan limit from Rs.40,000,000.00 to Rs.45,000,000.00. This limit has been utilized for the smooth running of machinery and purchase of bulk quantities of raw materials. Further, there were also fluctuations in the KIBOR rate which also put pressure on the financial costs.

Profit after taxation was Rs. 2,959,210; which is lower than for the same period last year.

Over the past year, we have also successfully sold off assets pertaining to the non-woven side of the business. The assets were sold for a profit of Rs.1,948,806 as represented by other operating income.

The Directors would like to point out that Net Sales have yet again increased this year, following the trend set in the past years by your Company. The Company hope to increase their sales in the coming year as well. For this end, the increase in the production capacity shall come on line completely during the next financial year. We hope to increase our sales, and especially export oriented sales, in the coming year.

The Board of Directors have kept a close watch on the daily affairs of your Company and have been involved in all the major decision making processes. The management has kept the Board well-informed on all matters of significance.

APPROPRIATIONS:

A final cash dividend for the year ended 30th June, 2009 is declared at Rs. 1.50 per share, which is 15%.

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 listing regulations of the stock exchanges and necessary steps have been taken for its effective implementation within allowed time frame, which are as follows:

ARUJ GARMENT ACCESSORIES LIMITED

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 flow 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 statements and accounting estimates are based on reasonable and prudent judgement.

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS:

International Accounting Standards as applicable in Pakistan, have been followed in preparation of financial statement and any departure therefrom 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. Maqsood Ahmad Butt	6
2. Dr. Mrs. Naseem Maqsood	4
3. Mr. Ali Maqsood Butt	6
4. Mr. Durray Zara Butt	1
5. Ms Aruj Butt	3
6. Mrs. Rabia Butt	1
7. Mrs. Naheed Muneer	4
8. Mr. Sheikh Ghulam Mustafa	6

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

ARUJ GARMENT ACCESSORIES LIMITED

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. | Dr. Mrs. Naseem Maqsood | Chairperson |
| 2. | Mrs. Naheed Muneer | Member |
| 3. | Mr. Sheikh Ghulam Mustafa | Member |

EARNING PER SHARES:

Earning per share for the period ended 30 June 2009 works out to Rs. 0.48 as compared to Rs. 1.61 per share of the last year.

AUDITORS:

The auditors, M/s Qadeer & Company, Chartered Accountants, retired and being eligible, have offered themselves for re-appointment. The audit committee has recommended to the board their appointment as auditors of the Company for the year 2009-10.

PATTERN OF SHAREHOLDING:

Statements showing the Pattern of Shareholding as at 30 June, 2009 required under the Company ordinance, 1984 and the code of corporate governance are annexed.

TRADING IN COMPANY'S SHARES:

The Directors, CEO, Company Secretary have not traded in the shares of the Company during the year under review.

ACKNOWLEDGEMENT:

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

For and on Behalf of the Board

Lahore:
Dated: 30th, September 2009

Ali Maqsood Butt
Director

ARUJ GARMENT ACCESSORIES LIMITED

KEY OPERATING & FINANCIAL DATA FROM 2002-03 TO 2007-08

	2004	2005	2006	2007	2008	2009
Net Sales Revenue	71,408,516.00	77,805,950.00	193,649,491.00	231,260,016.00	263,444,415.00	298,971,529.00
Cost of Goods Sold	62,762,086.00	68,704,071.00	166,856,573.00	202,320,586.00	235,960,174.00	268,017,901.00
Gross Profit	8,646,430.00	9,101,879.00	26,792,918.00	28,939,430.00	27,484,241.00	30,953,628.00
Operating Profit (Loss)	4,156,667.00	4,414,112.00	20,184,327.00	21,230,305.00	19,686,836.00	19,370,056.00
Profit (Loss) before Tax	1,873,197.00	2,971,140.00	17,336,045.00	16,388,953.00	12,189,117.00	8,591,912.00
Profit (Loss) after Tax	985,972.00	2,544,755.00	10,677,266.00	9,395,091.00	9,901,024.00	2,959,210.00
Paid up Capital	27,520,000.00	61,517,000.00	61,517,000.00	61,517,000.00	61,517,000.00	61,517,000.00
Current Assets	29,461,310.00	50,543,526.00	74,460,925.00	100,200,311.00	92,252,144.00	118,111,165.00
Current Liabilities	33,136,568.00	38,313,822.00	48,876,206.00	66,881,682.00	74,156,622.00	82,154,899.00

ARUJ GARMENT ACCESSORIES LIMITED

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CORPORATE GOVERNANCE TO THE MEMBERS

This statement is being presented to comply with the Code of Corporate Governance as contained in Listing Regulations of the Karachi Stock Exchange for the purpose of establishing a frame work of good corporate governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner.

- The Company encourages the representation of independent non-executive directors. At present the Board has five independent non-executive directors.
- The directors have confirmed that none of them is serving as a director in more than ten listed companies including this Company.
- A casual vacancy occurred in the office of the director which was duly filled in accordance with the provision of Companies Ordinance, 1984.
- The Company has prepared a "Standard of Ethics and Business Practices" which has been signed by all the directors and employees of the Company.
- The board has developed a vision/mission statement, overall corporate strategy. Significant policies of the Company are being developed.
- All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors have been taken by the Board.
- The meeting of the Board is presided by the Chairman / CEO and Board meets at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
- Orientation course for its directors has been arranged to apprise them of their duties and responsibilities.
- The director's report for the period ended June 30, 2009 has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.
- The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
- The directors, CEO and executives do not hold any interest in the shares of the Company, other than that disclosed in the pattern of shareholding.
- The Company has complied with all the corporate and financial reporting requirements of the code.
- The Board has formed an audit committee. It comprises of three members, all of whom are non-executive directors including the Chairman of the Committee.
- The meeting of the audit committee was held at least once every quarter prior to approval of interim and final results of the Company and as required by the code. The terms of reference of the committee have been formed and advised to the committee for compliance.

ARUJ GARMENT ACCESSORIES LIMITED

- The board has set up an effective internal audit function manned by suitable qualified and experienced personnel who are conversant with policies and procedures of the Company in the mid of current financial year. They are involved in the internal audit function on full time basis.
- The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountant 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 Institute of Chartered Accountants of Pakistan.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulation and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that other material principles contained in the Code have been complied with.

For and on Behalf of the Board

Lahore:
Dated: 30th, September 2009

Ali Maqsood Butt
Director

STATEMENT OF COMPLIANCE:

With the best practices on transfer pricing the Company has fully complied with the best practices of transfer pricing as contained in the related listing regulations of stock exchanges.

For and on Behalf of the Board

Lahore:
Dated: 30th, September 2009

Ali Maqsood Butt
Director

- The Chief Executive of the Company is at present out of country, due to which the financial statement have been signed by two Directors of the Company under section 241 of the Companies Ordinance, 1984.

ARUJ GARMENT ACCESSORIES LIMITED

AUDITORS' REVIEW REPORT TO THE MEMBERS On Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2009 prepared by the Board of Directors of **ARUJ GARMENT ACCESSORIES LIMITED**, (the Company) to comply with the Listing Regulations of the respective Stock Exchanges (Guarantee) Limited where the Company is listed.

The reasonability for the compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our Responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of Compliance reflects the status of the Company's Compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of the audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and effectiveness of such internal controls.

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 best practices contained in the Code of Corporate Governance as applicable to the Company upto period ended June 30, 2009

ARUJ GARMENT ACCESSORIES LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of ARUJ GARMENT ACCESSORIES LIMITED as at June 30, 2009 and the related Profit and Loss Account, Cash Flow Statement and Statement of changes in equity together with the notes forming part thereof, for the period then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating to the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement and Statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2009 and of the profit and the cash flow and changes in equity for the year then ended; and
- d) in our opinion, no Zakat is deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in central Zakat Fund established under section 7 of that Ordinance.

ARUJ GARMENT ACCESSORIES LIMITED

BALANCE SHEET AS AT 30 JUNE 2009

	NOTE	June 30, 2009 Rupees	June 30, 2008 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
SHARE CAPITAL			
Authorised			
8,000,000 (2008:8,000,000) Ordinary Shares of Rs. 10/- each		80,000,000	80,000,000
Issued, Subscribed & Paid up:	05	61,517,000	61,517,000
Retained earnings		24,078,023	30,346,363
Total equity		85,595,023	91,863,363
NON-CURRENT LIABILITIES			
Long-term finance	06	8,556,918	17,286,600
Liabilities against assets subject to Finance lease	07	5,924,575	4,289,481
Loan from directors	08	26,511,387	11,601,066
Deferred liabilities	09	14,895,178	9,531,603
		55,888,058	42,708,750
CURRENT LIABILITIES			
Trade and other payables	10	48,252,969	35,779,148
Accrued mark-up on short term finance		1,351,140	1,215,478
Short-term finance-secured	11	30,445,252	35,844,774
Current portion of long term liabilities	12	9,032,383	4,341,726
Provision for Taxation	29	2,105,538	1,317,222
		91,187,282	78,498,348
CONTINGENCIES AND COMMITMENTS	13	--	--
		232,670,363	213,070,461
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	112,878,748	119,906,867
Long term security deposits		1,680,450	911,450
CURRENT ASSETS:			
Stores, spares parts and loose tools	15	332,000	130,813
Stock in trade	16	66,795,729	61,701,106
Trade Debts	17	4,060,433	1,245,706
Loans and advances	18	12,920,690	8,989,550
Trade deposits and short term prepayments	19	4,232,517	3,089,293
Other receivables	20	15,508,759	10,819,768
Cash and bank balances	21	14,261,037	6,275,908
		118,111,165	92,252,144
		232,670,363	213,070,461

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

The Chief Executive of the Company is at present out of country, due to which the financial statement have been signed by two Directors of the Company under section 241 of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR

ARUJ GARMENT ACCESSORIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009

	NOTE	June 30, 2009 Rupees	June 30, 2008 Rupees
Sales - net	22	298,971,529	263,444,415
Cost of sales	23	268,017,901	235,960,174
Gross profit		<u>30,953,628</u>	<u>27,484,241</u>
Operating Expenses			
Distribution and selling cost	24	1,910,877	1,085,851
Administrative expenses	25	9,672,695	6,711,554
		<u>11,583,572</u>	<u>7,797,405</u>
Operating profit		19,370,056	19,686,836
Other operating expenses	26	452,206	641,533
Finance cost	27	12,376,256	6,856,186
Other operating income	28	2,050,318	--
Profit before taxation		8,591,912	12,189,117
Taxation	29	5,632,702	2,288,093
Profit after taxation		<u>2,959,210</u>	<u>9,901,024</u>
Earnings Per Share – basic	30	<u>0.48</u>	<u>1.61</u>

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

The Chief Executive of the Company is at present out of country, due to which the financial statement have been signed by two Directors of the Company under section 241 of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR

ARUJ GARMENT ACCESSORIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2009

	Note	June 30, 2009 Rupees	June 30, 2008 Rupees
CASH FLOW FROM OPERATING ACTIVITIES:			
Cash generated from operations	A	28,838,315	41,088,163
Financial charges paid		(12,144,990)	(6,424,381)
Staff Retirement benefits paid		(70,600)	--
Workers' Profit participation fund paid		(811,840)	(1,791,224)
Taxes paid		(2,831,411)	(1,457,239)
Net cash inflow from operating activities		12,979,474	31,415,319
CASH FLOWS FROM INVESTING ACTIVITIES			
Long – term security deposits		(769,000)	--
Fixed capital expenditure		(5,932,483)	(39,935,254)
Sales proceeds of fixed assets		8,378,000	--
Net cash inflow / (outflow) from investing activities		1,676,517	(39,935,254)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing received (paid)		(4,634,149)	20,036,600
Increase / payments of liabilities against assets Subject to finance lease		(2,475,202)	(1,473,868)
Loan from Directors received / (paid)		14,910,321	(6,134,074)
Dividend paid		(9,072,310)	(9,064,602)
Net cash /inflow (outflow) from financing activities		(1,271,340)	3,364,056
Net Increase in cash and cash equivalents		13,384,651	(5,155,879)
Cash and cash equivalents at the beginning of the year		(29,568,866)	(24,412,987)
Cash and cash equivalents at the end of the year	B	(16,184,215)	(29,568,866)

The annexed notes 'A' and 'B' form an integral part of cash flow statements.

The Chief Executive of the Company is at present out of country, due to which the financial statement have been signed by two Directors of the Company under section 241 of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR

ARUJ GARMENT ACCESSORIES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2009

	June 30, 2009 Rupees	June 30, 2008 Rupees
A- CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	8,591,912	12,189,117
Adjustment for non cash charges and other items:		
Depreciation	11,236,828	8,738,159
Financial charges	12,376,256	6,856,186
Gain /Profit on disposal of fixed assets	(1,948,806)	--
Provision for gratuity	589,789	590,917
Worker's profit participation fund	452,206	641,533
	22,706,273	16,826,795
Profit before working capital changes	31,298,185	29,015,912
Effect on cash flow due to working capital changes		
(Increase)/decrease in		
Stores, spares parts & loose tools	(201,187)	157,410
Stock in trade	(5,094,623)	3,891,829
Due from related parties	--	48,393
Trade debts	(2,814,727)	3,409,591
Loan and advances	(1,099,729)	2,143,378
Trade deposits and short term prepayments	(1,143,224)	(548,574)
Other receivables	(4,688,991)	(2,891,519)
	(15,042,481)	6,210,508
Increase /(decrease) in trade & other payables	12,582,611	5,861,743
	(2,459,870)	12,072,251
Cash generated from operations	28,838,315	41,088,163
B- CASH AND CASH EQUIVALENTS		
Cash and bank balances	14,261,037	6,275,908
Short-term finances-secured	(30,445,252)	(35,844,774)
	(16,184,215)	(29,568,866)

The Chief Executive of the Company is at present out of country, due to which the financial statement have been signed by two Directors of the Company under section 241 of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR

ARUJ GARMENT ACCESSORIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2009

R U P E E S

	SHARE CAPITAL	UNAPPRO- PRIATED PROFIT	TOTAL
Balance as at 30 June 2007	61,517,000	29,672,889	91,189,889
Net Profit for the year ended 30 June, 2008	--	9,901,024	9,901,024
Final dividend for the year 2007	--	(9,227,550)	(9,227,550)
Balance as at June 30, 2008	61,517,000	30,346,363	91,863,363
Net profit for the year ended June 30, 2009	--	2,959,210	2,959,210
Final dividend for the year 2008	--	(9,227,550)	(9,227,550)
Balance as at 30 June 2009	61,517,000	24,078,023	85,595,023

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

DIRECTOR

The Chief Executive of the Company is at present out of country, due to which the financial statement have been signed by two Directors of the Company under section 241 of the Companies Ordinance, 1984.

DIRECTOR

ARUJ GARMENT ACCESSORIES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2009

1. LEGAL STATUS AND OPERATIONS

The Company was incorporated in Pakistan on December 31, 1992 under the Companies Ordinance, 1984, as a Public Company, limited by shares which are quoted on all Stock Exchanges in Pakistan. It is principally engaged in manufacturing of Fusible Interlinings and Dying / Bleaching of Fabric. The Company commenced its commercial operations on May 15, 1995.

2. STATEMENT OF COMPLIANCE

- 2.01 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards / IFRS as notified under the provisions of the Companies Ordinance 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.
- 2.02 **Standards, interpretations and amendments to published approved accounting standards that are not yet effective.**
- 2.021 The following standards, amendments and interpretations of approved accounting standards effective for annual periods beginning on or after 01 July 2008 are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures in certain cases:
- 2.022 IFRS 2 (amendment) 'Share-based payments' (effective for annual periods beginning on or after 01 January 2009). IFRS 2 clarifies the vesting conditions and cancellation in the share-based payment arrangement.
- 2.023 IFRS 3 (amendment) 'Business Combinations' and consequential amendments to IAS 27-Consolidated and separate financial statement, IAS 28 – Investment in associate and IAS 31 – Interest in Joint Venture. (effective prospectively to business combinations for which the acquisition date is on after beginning of the 1st annual reporting period beginning on or after 01 July 2009).
- 2.024 IFRS 8 'Operating Segments' (effective for annual periods beginning on or after 01 July 2008).
- 2.025 IAS 1 'Presentation of Financial Statements' – Amendments relating to Capital Disclosures' (effective for annual periods beginning on or after 01 January 2009)
- 2.026 IAS 23 'Borrowing Costs' (effective in case of borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after 01 January 2009)
- 2.027 IAS 29 Financial Reporting in Hyperinflationary Economies' (effective for annual periods beginning on or after 01 July 2008).
- 2.028 IAS 32 (amendment) 'Financial Instruments' Presentation and consequential amendment to IAS 1 – Presentation of financial statements (effective for annual periods beginning on or after 01 January 2009). IAS 32 amended classification of puttable financial instruments.

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2.029 IFRIC 12 'Service Concession Arrangements' (effective for annual periods beginning on or after 01 January 2008)

2.030 IFRIC 15 'Agreement for the Construction of Real Estate' (effective for annual period beginning on or after 01 October 2009).

2.031 IFRIC 16 'Hedge of Net Investment in a Foreign Operation' (effective for annual periods beginning on or after 01 October 2008).

3. BASIS OF PREPARATION

These financial statements have been prepared under historical cost convention except for certain staff retirement benefits at present value.

Functional and presentation currency

These financial statements are presented in Pak Rupees which is company's functional currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.01 Foreign currency translation

Assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rate prevailing at the balance sheet date. Transaction in foreign currency are recorded at the exchange rate prevailing on the date of transaction whereas exchange differences, if any, are charged to profit and loss account.

4.02 Staff retirement benefits

The company operates an unfunded gratuity scheme covering all permanent employee eligible for the benefits. Provision is made annually to cover obligation under the scheme. The most recent actuarial valuation of the scheme was carried out as at June 30, 2009. The actuary used the 'Projected Unit Credit (PUC) Actuarial Cost Method relying on the following significant assumptions:

	2009	2008
Discount rate	12%	12%
Annual incremental rate	11%	11%
Average remaining working life time of employee	14 Years	14 Years

4.03 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

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 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, 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 obligation.

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4.06 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cash at banks in current account & deposits accounts and short-term finances readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

4.07 Offsetting of financial assets and financial liabilities

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

4.08 Taxation

a) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax rebates available, under the provision of Income Tax Ordinance, 2001.

b) Deferred

The Company accounts for deferred taxation, using the liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date. Accordingly deferred tax liability is recognized and is reduced by the deferred tax asset expected to be realized in due course of time.

4.09 Property, plant, equipment and depreciation

Owned

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). 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 capitalised as part of historical cost. Freehold land is stated at 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 cost of the item can be measured reliably. All other repair and maintenance cost are charged to profit and loss account during the year in which they are incurred.

Residual value and the useful life of assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

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Assets subject to finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreement and the fair value of assets acquired on lease. Aggregate amount of obligation relating to assets subject to finance lease is accounted for at net present value of liabilities. Assets so acquired are depreciated over their respective useful life of the assets on reducing balance method using the same rate as of owned assets. Depreciation of leased assets is charged to current year's income.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost/depreciable amount of the assets over their estimated useful lives at the rates. The company charges the depreciation on additions from the date when the asset is available for use and on deletion up to the date when the asset is recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

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 profit and loss account in the year the asset is de-recognized.

4.10 Stocks, stores and spares

These are valued at lower of cost and net realizable value. Cost is determined as under:

Raw material	Weighted average except items in transit which are valued at cost accumulated up to the balance sheet date.
Work in process and Finished goods	Material as stated above plus proportionate production overheads
Waste	Net realizable value

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

Stores and spares are valued at moving average cost. Items in transit are valued at cost comprising of invoice values plus other charges paid thereon.

4.11 Borrowing cost

Borrowing costs are charged to income in the period in which these are incurred.

4.12 Financial Instruments

All the financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are de-recognized when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired.

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4.13 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

4.14 Revenue recognition

Local sales/processing is recognized on dispatch of goods to customers and export sales are accounted for on shipment basis and exchange difference, if any, on account of export proceeds are adjusted in the period of realization.

4.15 Related party transactions and transfer pricing

Transactions and contracts with related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method.

4.16 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies, reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follow:

- Property, plant and equipment – useful lives and residual value (Note 14)
- Taxation (Note 29)

4.17 Dividend and other appropriations

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

	June 30, 2009 Rupees	June 30, 2008 Rupees
05 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
2,752,000 (2008: 2,752,000) ordinary shares of Rs. 10/- each fully paid in cash	27,520,000	27,520,000
3,399,700 (2008: 3,399,700) ordinary shares of Rs. 10/- each issued for consideration other than cash	33,997,000	33,997,000
	<u>61,517,000</u>	<u>61,517,000</u>

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06	LONG TERM FINANCING – SECURED	Limit		
	Habib Bank Limited (a banking company)	Rupees in Million		
	Demand finance	25.00	15,402,451	20,036,600
	Less: current portion		<u>6,845,533</u>	<u>2,750,000</u>
			<u>8,556,918</u>	<u>17,286,600</u>

6.01 This facility has been obtained for BMR/expansion of project. It carries mark up at the rate of 3 months KIBOR + 3 percent per annum. It is secured against first charge on all present and future assets of the company. The expiry date of this facility is September 30, 2011.

07	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	Note	June 30, 2009 Rupees	June 30, 2008 Rupees
	The amounts of future lease rentals are payable during:			
	30 JUNE			
	2008 – 2009		--	2,241,940
	2009 – 2010		3,077,697	2,032,788
	2010 – 2011		2,724,092	1,631,920
	2011 – 2012		1,477,651	403,260
	2012 – 2013		1,061,208	--
	2013 – 2014		<u>196,548</u>	--
			<u>8,537,196</u>	<u>6,309,908</u>
	Add: Security adjustable at the expiry of lease term		<u>1,680,450</u>	<u>911,450</u>
			<u>10,217,646</u>	<u>7,221,358</u>
	Less: Financial charges not currently due		<u>2,106,221</u>	<u>1,340,151</u>
	Present value of minimum lease payments		<u>8,111,425</u>	<u>5,881,207</u>
	Less: Current portion shown under current liabilities		<u>2,186,850</u>	<u>1,591,726</u>
			<u>5,924,575</u>	<u>4,289,481</u>

Reconciliation between total of minimum lease payments and their present value:

Gross minimum lease payments:

Due not later than one year	3,077,697	2,241,940
Due later than one year but not later than five years	7,139,949	4,979,418
	<u>10,217,646</u>	<u>7,221,358</u>

Present value of minimum lease payments:

Due not later than one year	2,186,850	1,591,726
Due later than one year but not later than five years	5,924,575	4,289,481
	<u>8,111,425</u>	<u>5,881,207</u>

The minimum lease payments under the lease agreements are payable in 48 – 60 equal monthly installments. The minimum lease payments have been discounted at an implicit rate ranging from 8% to 16% per annum to arrive at their present value.

In the above leases purchase option is available to the Company.

Taxes, repairs, replacements and insurance costs are to be borne by the Company.

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	Note	June 30, 2009 Rupees	June 30, 2008 Rupees
08 LOAN FROM DIRECTORS		<u>26,511,387</u>	<u>11,601,066</u>
This represents loan from Chief Executive and directors for the smooth operations of the Company. It is unsecured and interest free.			
09 DEFERRED LIABILITIES			
Deferred tax liability	9.01	13,323,971	8,479,585
Staff retirement benefits-gratuity	9.02	1,571,207	1,052,018
		<u>14,895,178</u>	<u>9,531,603</u>
9.01 Deferred tax has been created due to temporary difference as under:			
Accelerated depreciation		14,894,197	13,523,853
Staff retirement benefits		(461,934)	(320,339)
Recognized tax losses		(1,108,292)	(4,723,929)
		<u>13,323,971</u>	<u>8,479,585</u>
Movement in deferred tax is as under:			
Opening balance		8,479,585	6,198,646
Change during the current year	29	4,989,503	2,280,939
		<u>13,469,088</u>	<u>8,479,585</u>
9.02 Staff retirement benefits-gratuity			
9.021 Movement during the year in the net liability recognized in the financial statements is as under:			
Opening liability		1,052,018	461,101
Current service cost		464,908	415,096
Mark up cost for the year		124,881	36,427
Past service cost		--	139,394
Un-recognized actuarial Gain/(loss)		98,687	--
Actuarial (Gains) / Losses charge		(98,687)	--
Charge for the year		589,789	590,917
		1,641,807	1,052,018
Less: Paid during the year		70,600	--
		<u>1,571,207</u>	<u>1,052,018</u>
9.022 The amount recognized in balance sheet are as follows:			
Present value of defined benefit obligation		1,461,177	1,040,675
Add: Payables		45,326	45,326
Add/less Unrecognized actuarial gains/(loss)		64,704	(33,983)
Total balance sheet liability		<u>1,571,207</u>	<u>1,052,018</u>
9.023 Expense recognized in the profit and loss account is:			
Current service cost		464,908	415,096
Interest cost		124,881	36,427
Past service cost		--	139,394
Actuarial (Gains) / Losses Charge		--	--
		<u>589,789</u>	<u>590,917</u>

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9.024 Historical information for gratuity:

	2009 Rupees	2008 Rupees	2007 Rupees	2006 Rupees	2005 Rupees
Present value of defined Benefit obligation	<u>1,461</u>	<u>1,041</u>	<u>364</u>	<u>N/A</u>	<u>N/A</u>
Experience adjustment arising on plan liabilities	<u>(99)</u>	<u>85</u>	<u>(52)</u>	<u>N/A</u>	<u>N/A</u>
			June 30, 2009 Rupees	June 30, 2008 Rupees	

10 TRADE AND OTHER PAYABLES

Trade Creditors			21,457,733	26,757,021
Advances from customers			20,718,299	3,989,449
Accrued expenses			4,272,018	3,109,269
Unpaid wages			--	2,440
Zakat payable			37,140	44,400
Worker's profit participation fund	10.01		703,761	967,791
Unclaimed dividend			1,064,018	908,778
			<u>48,252,969</u>	<u>35,779,148</u>

10.01 WORKERS' PROFIT PARTICIPATION FUND

Opening Balance			967,791	1,931,962
Allocation for the year			452,206	641,533
			1,419,997	2,573,495
Interest on funds utilized in company's business	27		95,604	185,520
			1,515,601	2,759,015
Less: Paid during the year			811,840	1,791,224
			<u>703,761</u>	<u>967,791</u>

11 SHORT-TERM FINANCES-SECURED

		Limit Rupees in Million		
Habib Bank Limited (a banking company)				
Running Finance	11.01	45.00	19,832,252	33,358,000
FATR	11.02	5.00	4,950,000	2,486,774
ERF	11.03	12.50	5,663,000	--
			<u>30,445,252</u>	<u>35,844,774</u>

11.01 This facility has been obtained to meet the working capital requirements. It carries mark up at the rate of 3 months KIBOR + 3 percent per annum. It is secured against first charge on all current assets of the company. The expiry date of this facility is October 31, 2009.

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- 11.02 This facility has been obtained to retire import documents. It carries mark up at the rate of 3 months KIBOR + 3 percent per annum. It is secured against first charge on all current assets of the company. The expiry date of this facility is October 31, 2009 or 60 days for each bill.
- 11.03 This facility has been obtained to meet export orders. It carries mark up as per Directives of State Bank of Pakistan. It is secured against first charge on all current assets of the company and Lien on contracts/Lcs at 10% margin. The expiry date of this facility is October 31, 2009.

The finances mentioned in note No. 6.01, 11.01, 11.02, 11.03 are collaterally secured against.

1. Charge on all present and future fixed assets of company including land, building, plant and machinery of the company of Rs. 130.000 Million registered with SECP to be enhanced to Rs. 140.000 M.
2. EM/TLM of all that piece and parcel of land and building measuring 13 Kanals and 8 Marlas situated in Distt. Kasur.
3. EM/TLM of all that piece and parcel of land and building measuring 20 Kanals and 1 Marla situated in Distt. Kasur.
4. EM/TLM of all that piece and parcel of land and building measuring 20 Kanals and 1 Marla situated in Distt. Kasur.
5. Personal guarantee of the following Directors of the Company with PNWS namely :-
 1. Mr. Maqsood Ahmed Butt
 2. Mrs. Naseem Maqsood
 3. Mr. Ali Maqsood Butt

12 CURRENT PORTION OF LONG TERM LIABILITIES

Long term financing	6,845,533	2,750,000
Liabilities against assets subject to finance lease	2,186,850	1,591,726
	<u>9,032,383</u>	<u>4,341,726</u>

13. CONTINGENCIES AND COMMITMENTS

On behalf of the company Habib Bank Limited has issued guarantee amounted to Rs. 9,126,000 (2008: Rs.8,515,000 in favour of SNGPL.

Commitments under Letters of credit for the import of raw material amounted to Rs. 7,173,587 (2008: Rs.12,230,480)

Commitments in respect of capital expenditure contracted for as at 30 June 2009 amounted to Rs. 5,166,900 (2008: Rs. Nil). This includes commitment in respect of capital expenditure on Coating Plant with essential accessories from Switzerland.

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14. PROPERTY, PLANT AND EQUIPMENT

Following is the statement of fixed assets - tangible

PARTICULARS	COST			Rate %	DEPRECIATION				Written down Value as at June 30, 2009
	As at July 01, 2008	Addition (Deletion)	As at June 30, 2009		As at July 01, 2008	Adjustments	For the Year	As at June 30, 2009	
OPERATING ASSETS									
Freehold Land	7,544,681	--	7,544,681	0	--	--	--	--	7,544,681
Building on Freehold Land	39,492,490	--	39,492,490	5	12,395,291	--	1354,860	13,750,151	25,742,339
Plant and Machinery	133,730,583	5,932,483 (10,500,000)	129,163,066	10	60,392,572	(4,299,885)	6,865,016	62,957,733	66,205,333
Office Equipment	863,020	--	863,020	10	486,019	--	37,700	523,719	339,301
Furniture and Fixture	791,024	--	791,024	10	560,536	--	23,049	583,585	207,439
Motor vehicles	4,268,012	(1,719,000)	2,549,012	20	3,054,771	(1,489,951)	196,838	1,761,658	787,354
Loose Tools	118,117	--	118,117	10	71,457	--	4,666	76,123	41,994
Laboratory Equipment	366,921	--	366,921	10	185,472	--	18,145	203,617	163,304
Electric Installation	1,100,000	--	1,100,000	10	358,243	--	74,176	432,419	667,581
Fire Fighting Equipment	556,587	--	556,587	10	153,938	--	40,265	194,203	362,384
Telephone Installation	113,775	--	113,775	10	83,295	--	3,048	86,343	27,432
Gas Installation	1,310,000	--	1,310,000	10	257,810	--	105,219	363,029	946,971
LEASED ASSETS	190,255,210	5,932,483 (12,219,000)	183,968,693		77,999,404	(5,789,506)	8,722,982	80,932,580	103,036,113
Motor Vehicles	6,940,000	4,705,420	11,645,420	20	3,489,267	--	2,093,813	5,583,080	6,062,340
Plant & Machinery	4,650,000	--	4,650,000	10	449,672	--	420,033	869,705	3,780,295
RUPEES 2009	201,845,210	10,637,903 (12,219,000)	200,264,113		81,938,343	(5,789,806)	11,236,828	87,385,365	112,878,748
RUPEES 2008	161,909,956	39,935,254	201,845,210		73,200,184	--	8,738,159	81,938,343	119,906,867

14.01 Depreciation is allocated as under:

	June 30, 2009 RUPEES	June 30, 2008 RUPEES
Cost of sales	8,908,477	7,532,574
Administrative expenses	2,328,351	1,205,585
	<u>11,236,828</u>	<u>8,738,159</u>

14.02 Disposal of fixed assets

RUPEES							Mode of Disposal	Particulars of the Purchaser
PARTICULARS	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain			
Plant and Machinery	10,500,000	4,299,855	6,200,145	7,500,000	1,299,855		Negotiation	Haji Aslam, Lahore
Motor Vehicles								
LOY 9445	599,000	521,284	77,716	400,000	322,284		Insurance claim	Adam Jee Insurance Co. Ltd.
LXF 7719	69,000	64,160	4,840	18,000	13,160		Negotiation	Abdul Latif Malik Distt. Kasur
LXF 3656	980,000	861,620	118,380	425,000	306,620		Negotiation	Ghulam Sabir Distt. Kasur
LZE 8762	71,000	42,887	28,113	35,000	6,887		Negotiation	Muhammad Ramzan Raiwind City
	1,719,000	1,489,951	229,049	878,000	648,951			
Rupees 2009	12,219,000	5,789,806	6,429,194	8,378,000	1,948,806			
Rupees 2008	--	--	--	--	--			

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	June 30, 2009 Rupees	June 30, 2008 Rupees
15. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	159,360	62,755
Spare parts	109,560	43,791
Loose tools	63,080	24,267
	332,000	130,813
16. STOCK IN TRADE		
Packing material	4,730,919	4,501,784
Rice Husk for boiler	2,446,200	2,833,064
Fabric	18,988,625	32,460,424
Chemicals	40,629,985	12,662,762
Finished goods	--	9,243,072
	66,795,729	61,701,106
No stock in trade has been pledged by any institution / party.		
17. TRADE DEBTS		
Considered good		
Export – secured against letters of credit	530,965	954,538
Local – unsecured	3,529,468	291,168
	4,060,433	1,245,706
18. LOANS AND ADVANCES		
Advances considered good	1,821,603	4,204,919
Letter of credit – Margin	5,270,024	1,786,979
Advance income tax	5,829,063	2,997,652
	12,920,690	8,989,550
18.01 ADVANCES		
Considered good		
To suppliers	1,162,876	3,399,647
To Employees – Interest free	515,840	670,620
For local guarantee	142,887	134,652
	1,821,603	4,204,919
19. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Security deposits	3,455,806	2,359,806
Prepaid insurance	776,711	729,487
	4,232,517	3,089,293
20. OTHER RECEIVABLES		
Sales tax – refundable	15,392,114	10,703,123
Insurance claim receivable	116,645	116,645
	15,508,759	10,819,768

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		June 30, 2009 Rupees	June 30, 2008 Rupees
21. CASH AND BANK BALANCES			
Cash in hand		692,805	395,715
Cash at banks			
- In current accounts		13,558,528	5,870,489
- In saving account	21.01	9,704	9,704
		<u>13,568,232</u>	<u>5,880,193</u>
		<u>14,261,037</u>	<u>6,275,908</u>
21.01 It carries mark up at the rate of Nil% (2008: 2.50%) per annum.			
22. SALES AND PROCESSING CHARGES – NET			
Sales – Local		72,394,831	56,325,779
- Export		78,732,843	31,971,095
Processing and coating Charges		147,745,121	175,110,383
Export rebates		98,734	37,158
		<u>298,971,529</u>	<u>263,444,415</u>
23. COST OF SALES			
Fabric consumed	23.01	84,058,230	28,380,676
Chemicals consumed	23.02	109,337,601	131,371,829
Packing materials consumed	23.03	6,659,035	6,090,701
Fiber consumed	23.04	--	1,888,640
Tear away consumed	23.05	--	44,643
Stores and spares consumed	23.06	2,113,984	717,410
Salaries and other benefits	23.07	5,047,519	5,318,326
Fuel and power		35,297,438	34,118,202
Postage, telephone and telegram		89,107	85,061
Insurance		1,207,794	1,124,619
Freight and Octroi		3,510,106	3,931,272
Repair and maintenance – machinery		1,532,017	1,739,366
Sales tax disallowed by the department		1,013,521	--
Depreciation	14.01	8,908,477	7,532,574
Cost of goods manufactured		<u>258,774,829</u>	<u>239,337,319</u>
Opening nonwoven finished goods		9,243,072	5,865,927
Finished goods transferred from trial run		--	--
Closing nonwoven finished goods		--	(9,243,072)
		<u>9,243,072</u>	<u>(3,377,145)</u>
		<u>268,017,901</u>	<u>235,960,174</u>

ARUJ GARMENT ACCESSORIES LIMITED

	June 30, 2009 Rupees	June 30, 2008 Rupees
23.01 Fabric consumed		
Opening Stock	32,460,424	19,230,850
Add: Purchases	70,586,431	41,610,250
	103,046,855	60,841,100
Less: Closing stock	18,988,625	32,460,424
	84,058,230	28,380,676
23.02 Chemicals consumed		
Opening Stock	12,662,762	26,995,126
Add: Purchases	137,304,824	117,039,465
	149,967,586	144,034,591
Less: Closing stock	40,629,985	12,662,762
	109,337,601	131,371,829
23.03 Packing material consumed		
Opening Stock	4,501,784	4,137,715
Add: Purchases	6,888,170	6,454,770
	11,389,954	10,592,485
Less: Closing stock	4,730,919	4,501,784
	6,659,035	6,090,701
23.04 Fiber consumed		
Opening Stock	--	9,318,674
Add: Purchases	--	9,563,966
	--	18,882,640
Less: Closing stock	--	--
	--	18,882,640
23.05 Tear away consumed		
Opening Stock	--	44,643
Add: Purchases	--	--
	--	44,643
Less: Closing stock	--	--
	--	44,643
23.06 Stores and spares consumed		
Opening Stock	2,963,877	288,223
Add: Purchases	1,928,307	3,393,064
	4,892,184	3,681,287
Less: Closing stock	2,778,200	2,963,877
	2,113,984	717,410
23.07 Salaries and other benefits include staff retirement benefits amounting to Rs. 465,933 (2008: Rs. 466,824)		

24. DISTRIBUTION AND SELLING COST

Ocean freight	1,354,791	146,756
Clearing and forwarding	556,086	939,095
	1,910,877	1,085,851

ARUJ GARMENT ACCESSORIES LIMITED

		June 30, 2009 Rupees	June 30, 2008 Rupees
25. ADMINISTRATIVE AND GENERAL EXPENSES			
Director's remuneration		1,260,000	564,000
Salaries and other benefits	25.01	2,266,329	2,100,724
Office rent		--	120,000
Electricity, water and gas		278,241	292,163
Telephone and fax		632,454	508,736
Printing and stationery		158,905	100,317
Vehicle running and maintenance		1,017,132	772,003
Postage and telegram		257,829	150,497
Insurance		426,853	335,424
Newspaper and periodicals		9,590	14,141
Fees and subscription		578,720	193,675
Entertainment		41,489	58,317
Auditors' remuneration	25.02	180,000	180,000
Advertisement		11,200	11,200
Legal and professional		13,500	18,000
Depreciation	14.01	2,328,351	1,205,585
Miscellaneous		212,102	86,772
		9,672,695	6,711,554
<p>25.01 Salaries and other benefits include staff retirement benefits amounting to Rs. 123,856 (2008: Rs. 124,093).</p> <p>25.02 Auditor's remuneration</p>			
		125,000	125,000
		50,000	50,000
		5,000	5,000
		180,000	180,000
26. OTHER OPERATING EXPENSES			
Worker's profit participation fund	10.01	452,206	641,533
27. FINANCE COST			
Interest / Mark up on:			
Long – term financing		3,449,906	748,745
Short – term finance		6,964,540	4,465,189
Finance lease		1,071,220	829,918
Worker's Profit Participation Fund	10	95,604	185,520
Commission on local guarantee		182,281	177,947
Bank charges		612,705	448,867
		12,376,256	6,856,186
28. OTHER OPERATING INCOME			
Income from non financial assets:			
Gain on disposal of fixed assets		1948,806	--
Miscellaneous income		101,512	--
		2,050,318	--

ARUJ GARMENT ACCESSORIES LIMITED

		June 30, 2009 Rupees	June 30, 2008 Rupees
29. TAXATION			
Current:			
For the year	29.01	788,316	1,317,222
Prior years		--	(1,310,068)
Deferred	9	4,844,386	2,280,939
		<u>5,632,702</u>	<u>2,288,093</u>

- 29.01** Provision for tax for current year has been accounted for in accordance with the applicable tax rates under the provisions of Income Tax Ordinance, 2001.
- 29.02** Income Tax return has been filed to income tax authorities up to and including tax year 2008 under the provisions of The Income Ordinance, 2001.
- 29.03** Relationship between tax expense and accounting profit has not been given as tax for current year has been provided for under the presumptive tax regime only and no tax is payable on local sales due to assessed tax losses.

30. EARNINGS PER SHARE BASIC

Net profit for the year		<u>2,959,210</u>	<u>9,901,025</u>
		(Number of shares)	
Weighted average number of ordinary shares Outstanding during the year/period		<u>6,151,700</u>	<u>6,151,700</u>
Earnings per share – basic	Rs.	<u>0.48</u>	<u>1.61</u>

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

31. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per balance sheet			
Long term security deposits		1,680,450	911,450
Trade debts		4,060,433	1,245,706
Loans and advances		5,928,751	2,592,251
Trade deposits		3,455,806	2,359,806
Other receivables		116,645	116,645
Cash and bank balances		14,261,037	6,275,908
		<u>29,503,122</u>	<u>13,501,766</u>
Financial liabilities as per balance sheet			
Long term financing		15,402,451	20,036,600
Liability against assets subject to finance lease		8,111,425	5,881,207
Loan from directors		26,511,387	11,601,066
Trade and other payables		26,830,909	30,821,908
Accrued interest / mark-up		1,351,140	1,215,478
Short term finance		30,445,252	35,844,774
		<u>108,652,564</u>	<u>105,401,033</u>

ARUJ GARMENT ACCESSORIES LIMITED

31.01 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transactions.

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

32 FINANCIAL INSTRUMENTS

32.01 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 programme 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 chemicals such as HDPE 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 items of property, plant and equipment denominated in Euro. The Company's exposure to foreign currency risk in US Dollars is as follows:

	2009 Rupees	2008 Rupees
Foreign trade debts	530,965	954,538
Foreign creditors	--	--
Gross balance sheet exposure	530,965	954,538
Outstanding letter of credit	12,340,487	12,230,480
Net exposure	<u>12,871,452</u>	<u>13,185,018</u>

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

USD to PKR	<u>81.30</u>	<u>68.20</u>
Euro to PKR	<u>114.82</u>	<u>106.75</u>

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, 2009, if the Pakistan rupee had weakened/strengthened by 5% against the US Dollar with all other variables held constant, post-tax loss/profit for the year would have been higher/lower by Rs. 26,548 (2008: Rs.47,727), mainly as a result of foreign exchange losses/gains on transaction of US Dollar-denominated trade debts.

ARUJ GARMENT ACCESSORIES LIMITED

(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 flows 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:

	June 30, 2009 Rupees	June 30, 2008 Rupees	June 30, 2009 Rupees	June 30, 2008 Rupees
	Effective Rate (in percent)		Carrying amount	
Financial assets				
Cash and bank balances	0 to 3	0 to 2.5	9,704	9,704
Financial liabilities			9,704	9,704
Long term financing				
- Variable rate instruments	16.24 to 19.03	16.15 to 16.74	15,402,451	20,036,600
Trade and other payables			--	--
Accrued interest/mark-up			--	--
Short term borrowings	16.24 to 19.03	16.15 to 16.74	30,445,252	35,844,774
			45,847,703	55,881,374
Total yield / mark up rate risk sensitivity gap			(45,837,999)	(55,871,670)

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) loss for the year by the amount shown below. This analysis assumes that all other variable, in particular foreign currency rates, remains constants. This analysis is performed on the same basis for 2008.

	Profit and Loss 1% rate Increase	Loss 1% rate Decrease
As at June 30, 2009		
Cash flow sensitivity – variable rate financial liabilities	(685,275)	685,275
As at June 30, 2008		
Cash flow sensitivity – variable rate financial liabilities	(625,366)	625,366

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(III) Other price risk

Other price risk is the risk that the fair value or future 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 customer considered credit worthy and obtaining securities where applicable. Where considered necessary advance payments are obtained from certain parties. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 37,271,772 (2008: Rs.20,628,552) the financial assets exposed to credit risk amount to Rs. 29,503,122 (2008: Rs.13,501,766).

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

	June 30, 2009 Rupees	June 30, 2008 Rupees
Local debts	3,529,468	291,168
Foreign debts	530,965	954,538
	<u>4,060,433</u>	<u>1,245,706</u>

The majority of foreign debtors of the company are situated in Middle East..

The maximum exposure to credit risk for loans and receivables at the reporting date by the types of goods are:

	June 30, 2009 Rupees	June 30, 2008 Rupees
Interlining 10-13	3,390,000	1,040,023
Interlining 10-18	547,475	167,960
Others	122,958	37,723
	<u>4,060,433</u>	<u>1,245,706</u>

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

Past due 0-6 months	--	442,542
Past due 6-12 months	3,390,000	754,214
More than one year	670,433	48,950
	<u>4,060,433</u>	<u>1,245,706</u>

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

ARUJ GARMENT ACCESSORIES LIMITED

Long term security deposits	1,660,450	911,450
Trade debts	4,060,751	1,245,706
Loans and advances	5,928,751	2,592,251
Trade deposits	3,455,806	2,359,806
Other receivables	116,645	116,645
Cash and bank balances	14,261,037	6,275,908
	29,503,122	13,501,766

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:

Bank	Rating Agency	Short term	Rating Long term
Bank Al-Habib Limited	PACRA	A1+	AA+
Habib Bank Limited	JCR-VIS	A1+	AA+
Bank Al-Falah Limited	PACRA	A1+	AA
Faysal Bank Limited	JCR-VIS	A1+	AA

(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 businesses the Company maintains flexibility in funding by maintaining committed credit lines available.

The table below analysis how management monitors net liquidity based on details of the remaining contractual maturities of financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	RUPEES - 2009						
	Interest / mark up bearing			Non interest bearing			
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
FINANCIAL ASSETS							
Long-terms security deposit	--	--	--	--	1,680,450	1,680,450	1,680,450
Trade debts	--	--	--	4,060,433	--	4,060,433	4,060,433
Loans and Advances	--	--	--	7,091,627	--	7,091,627	7,091,627
Trade deposits	--	--	--	3,455,806	--	3,455,806	3,455,806
Other receivables	--	--	--	116,645	--	116,645	116,645
Cash and bank balances	9,704	--	9,704	14,251,333	--	14,251,333	14,261,037
	9,704	--	9,704	28,975,844	1,680,450	30,656,294	30,665,998
FINANCIAL LIABILITIES							
Long term financing	6,845,533	8,556,918	15,402,451	--	--	--	15,402,451
Liability against assets							
Subject to finance lease	2,186,850	5,924,575	8,111,425	--	--	--	8,111,425
Loan from directors	--	--	--	--	26,511,387	26,511,387	26,511,387
Trade and other payables	--	--	--	26,793,769	--	26,793,769	26,793,769
Accrued mark up	--	--	--	1,351,140	--	1,351,140	1,351,140
Short-term finance	30,445,252	--	30,445,252	--	--	--	30,445,252
	39,477,635	14,481,493	53,959,128	28,144,909	26,511,387	54,656,296	108,615,424
Net liquidity	(39,467,931)	(14,481,493)	(53,949,424)	830,935	(24,830,937)	(24,000,002)	(77,949,426)

ARUJ GARMENT ACCESSORIES LIMITED

RUPEES - 2008

	Interest / mark up bearing			Non interest bearing			Total
	Maturity Upto one Year	Maturity After one Year	Sub-total	Maturity Upto one Year	Maturity After one Year	Sub-total	
FINANCIAL ASSETS							
Long-term security deposit	--	--	--	--	911,450	911,450	911,450
Trade debts	--	--	--	1,245,706	--	1,245,706	1,245,706
Loans and advances	--	--	--	5,991,898	--	5,991,989	5,991,898
Trade deposits	--	--	--	2,359,806	--	2,359,806	2,359,806
Other receivables	--	--	--	116,645	--	116,645	116,645
Cash and Bank Balances	9,704	--	9,704	6,266,204	--	6,266,204	6,275,908
	<u>9,704</u>	<u>--</u>	<u>9,704</u>	<u>15,980,259</u>	<u>911,450</u>	<u>16,891,709</u>	<u>16,901,413</u>
FINANCIAL LIABILITIES							
Long term financing	2,750,000	17,286,600	20,036,600	--	--	--	20,036,600
Liabilities against assets							
Subject to finance lease	1,591,726	4,289,481	5,881,207	--	--	--	5,881,207
Loan from directors	--	--	--	--	11,601,066	11,601,066	11,601,066
Trade and other payables	--	--	--	30,777,508	--	30,777,508	30,777,508
Accrued mark up	--	--	--	1,215,478	--	1,215,478	1,215,478
Short-term finance	35,844,774	--	35,844,774	--	--	--	35,844,774
	<u>40,186,500</u>	<u>21,576,081</u>	<u>61,762,581</u>	<u>31,992,986</u>	<u>11,601,066</u>	<u>43,594,052</u>	<u>105,356,633</u>
Net liquidity	<u>(40,176,796)</u>	<u>(21,576,081)</u>	<u>(61,752,877)</u>	<u>(16,012,727)</u>	<u>(10,689,616)</u>	<u>(26,702,343)</u>	<u>(88,455,220)</u>

32.02 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 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, 2009 and 2008 were as follows:

	June 30, 2009 Rupees	June 30, 2008 Rupees
Long term financing	15,402,451	20,036,600
Short term finance	30,445,252	35,844,774
Total debt	<u>45,847,703</u>	<u>55,881,374</u>
Total Equity	<u>85,595,023</u>	<u>91,863,363</u>
Total Capital	<u>131,442,726</u>	<u>147,744,737</u>
Gearing Ratio	<u>34.88%</u>	<u>37.82%</u>

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 minimise risk.

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33. REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS

	CHIEF EXECUTIVE		DIRECTORS	
	2009	2008	2009	2008
Managerial Remuneration	621,000	224,000	237,600	158,400
Allowances:				
House rent Allowances	261,000	94,900	108,000	72,000
Utilities	18,000	5,100	14,400	9,600
Total Rupees	900,000	324,000	360,000	240,000
Number of Persons	1	1	1	1

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

33.02 No person qualified as executive of the company.

34 AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Amounts due from and due to related parties are shown under receivables and payables, if any. Remuneration of Chief Executive Officer, Directors and Executive is disclosed in note 32. Other significant transactions with related parties are as under:

Relationship	Nature of transaction	June 30, 2009 Rupees	June 30, 2008 Rupees
Key management personnel (Chief Executive)	Rent	--	120,000

35. PLANT CAPACITY AND ACTUAL PRODUCTION

	Meters	Meters
Installed:		
Woven interlining plant - based on triple shift	14,040,000	14,040,000
Nonwoven interlining plant - based on triple shift	--	12,168,000
Actual utilization		
Woven interlining plant	9,554,926	12,535,809
Nonwoven interlining plant	--	4,228,200

ARUJ GARMENT ACCESSORIES LIMITED

36. ACCOUNTING ESTIMATES AND JUDGMENT

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. Furthermore, the company may be able to avail the benefit of the payment of turnover tax, provided sufficient taxable profits are available in next five years when this credit can be utilized.

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. Any changes in these assumptions in future year might affect unrecognized gains and losses in those years.

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 expenditures to make sales.

	June 30, 2009	June 30, 2008
37. NUMBER OF EMPLOYEES		
Average number of employees as at year end	48	62

38. POST BALANCE SHEET EVENTS

The board of directors of the company in its meeting held on 30th September, 2009 has proposed a final cash dividend of Rs. 1.50 (2008: Rs. 1.50) per share for approval of the members at the annual general meeting to be held on October 30, 2009. The financial statements for the year ended June 30, 2009 do not include the effect of the proposed cash dividend which will be accounted for in the financial statements for the year ending on June 30, 2010.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the directors on 30th September, 2009.

40. GENERAL

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been re-arranged wherever necessary for the purpose of Comparison.

The Chief Executive of the Company is at present out of country, due to which the financial statement have been signed by two Directors of the Company under section 241 of the Companies Ordinance, 1984.

DIRECTOR

DIRECTOR

ARUJ GARMENT ACCESSORIES LIMITED

FORM 34

**THE COMPANIES ORDINANCE 1984
(SECTION 236(1) AND 464)
PATTERN OF SHAREHOLDING**

1. Incorporation Number L 05840 of 1992-93
2. Name of the Company ARUJ GARMENT ACCESSORIES LTD.
3. Pattern of holding of the shares held by the shareholders as at 30-06-2009

4. No. of Shareholders	Shareholding		Total Shares held
	From	To	
23	1	100	2,022
454	101	500	219,878
43	501	1000	42,700
29	1,001	5000	61,900
8	5,001	10,000	53,000
2	10,001	15,000	24,700
1	15,001	20,000	15,500
1	25,001	30,000	25,500
1	40,001	45,000	42,500
1	60,001	65,000	64,500
3	65,001	70,000	206,600
1	125,001	130,000	129,500
1	185,001	190,000	187,700
1	265,001	270,000	269,300
1	1,130,001	1,135,000	1,132,500
1	3,670,001	3,675,000	3,673,900
571			6,151,700

5. Categories of shareholders	Share held	Percentage
5.1 Directors, Chief Executive, Officers, And their spouse and minor children	5,079,500	82.5707%
5.2 Associated Companies, Undertakings and related parties	187,700	3.0512%
5.3 NIT and ICP	137,600	2.2368%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
5.5 Insurance Companies	0	0.0000%
5.6 Modarabas and Mutual Funds	0	0.0000%
5.7 Share holders holding 10%	4,806,400	78.1312%
5.8 General Public a: Local b: Foreign	744,400	12.1007%
5.9 Others (to be specified) Joint Stock Companies	2,500	0.0406%
6. Signature of Company Secretary		
7. Name of Signatory	Muhammad Sajjad Hussain	
8. Designation	Company Secretary	
9. NIC Number	35202-7700649-3	
10. Date	30	06
		2009

ARUJ GARMENT ACCESSORIES LIMITED

Categories of Shareholders as required under C.C.G.,
As on 30th June, 2009

S. NO.	NAME	HOLDING	%AGE
<u>ASSOCIATED COMPANIES</u>			
1.	ARUJ NONWOVEN INDUSTRIES (PVT) LTD.	187,700	3.0512%
		<u>187,700</u>	<u>3.0512%</u>
<u>NIT & ICP</u>			
1.	NATIONAL BANK OF PAKISTAN TRUSTEE DEPTT. (CDC)	67,780	1.1018%
2.	NBP TRUSTEE - NI(U)T (LOC) FUND (CDC)	69,820	1.1350%
		<u>137,600</u>	<u>2.2368%</u>
<u>DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN</u>			
1.	MR. MAQSOOD AHMAD BUTT	3,673,900	59.7217%
2.	DR. MRS. NASEEM MAQSOOD	269,300	4.3777%
3.	MR. ALI MAQSOOD BUTT	1,132,500	18.4095%
4.	MRS. NAHEED MUNEER	1,800	0.0293%
5.	MR. SHEIKH GHULAM MUSTAFA	1,000	0.0163%
6.	MRS. RABIA BUTT	500	0.0081%
7.	MISS ARUJ BUTT	500	0.0081%
		<u>5,079,500</u>	<u>82.5707%</u>
<u>PUBLIC SECTOR COMPANIES & CORPORATIONS</u>			
1.	DJM SECURITIES (PVT) LTD. (CDC)	500	0.0081%
2.	VALUE STOCK SECURITIES (PVT) LTD. (CDC)	500	0.0081%
3.	TIME SECURITIES (PVT) LTD. (CDC)	500	0.0081%
4.	Y.S. SECURITIES & SERVICES (PVT) LTD. (CDC)	500	0.0081%
5.	CLICKTRADE LIMITED (CDC)	500	0.0081%
		<u>2,500</u>	<u>0.0406%</u>
<u>BANKS, DEVELOPMENT FINANCE INSTITUTIONS</u>			
		0	0.0000%
<u>NON BANKING FINANCE INSTITUTIONS</u>			
<u>MODARABA COMPANIES</u>			
		0	0.0000%
<u>SHARES HELD BY THE GENERAL PUBLIC</u>			
		744,400	12.1007%
TOTAL SHARES		<u>6,151,700</u>	<u>100.0000%</u>
<u>SHARE HOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL</u>			
1.	MR. MAQSOOD AHMAD BUTT	3,673,900	59.7217%
2.	MR. ALI MAQSOOD BUTT	1,132,500	18.4095%
	Total	<u>4,806,400</u>	<u>78.1312%</u>

During the financial year the trading in shares of the Company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

Nil

ARUJ GARMENT ACCESSORIES LIMITED

FORM OF PROXY

Folio No. _____

Shares Held _____

I/We _____

of _____

being a member of **ARUJ GARMENT ACCESSORIES LIMITED** hereby appoint

Mr./Mrs./Ms _____

of _____

or failing him/her _____

_____ of _____

(another member of Company) as my/our proxy to vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 30, 2009 at 9.00 a.m. at Registered Office 2 KM Off Raiwind – Manga Road, Raiwind, Lahore and at any adjournment thereof.

Affix Rs 5/-
Revenue Stamp

Witness:

Name: _____

Signature _____

SIGNATURE OF SHARE HOLDER

Date _____

Place _____

1. Proxies, in order to be effective, 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.

