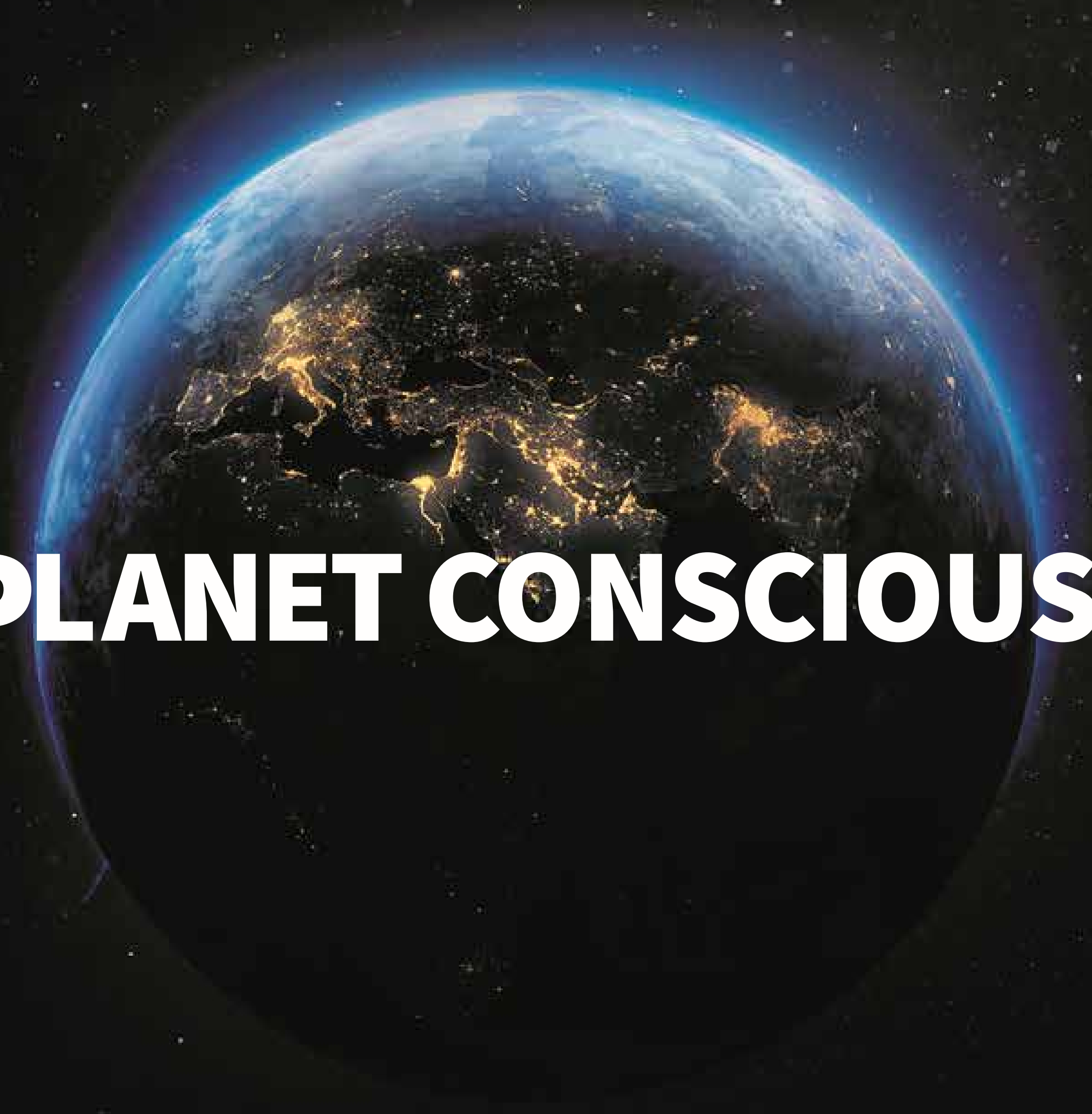
ARCHROMA
LIFE ENHANCED



PLANET CONSCIOUS+

QUARTERLY REPORT 2025
(October-December 2024)

CONTENTS

COMPANY INFORMATION

CHAIRPERSON

- Dr. Lalarukh Ejaz

BOARD OF DIRECTORS

Mujtaba Rahim	Chief Executive Officer
Irfan Chawala	
Patrick Verraes	(Alternate: Naveed Kamil)
Shahid Ghaffar	
Victor Garcia	
Yasmin Peermohammad	

AUDIT COMMITTEE

Shahid Ghaffar	Chairman
Dr. Lalarukh Ejaz	
Patrick Verraes	(Alternate: Naveed Kamil)
Irfan Lakhani	Secretary

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Yasmin Peermohammad	Chairperson
Mujtaba Rahim	
Patrick Verraes	(Alternate: Naveed Kamil)
Irfan Lakhani	Secretary

MANAGEMENT COMMITTEE

- Mujtaba Rahim
- Irfan Chawala
- Muhammad Altaf
- Naveed Kamil
- Qazi Naeemuddin

CHIEF FINANCIAL OFFICER

- Irfan Chawala

COMPANY SECRETARY

- Irfan Lakhani

BANKERS

- Bank Al Falah Limited
- Faysal Bank Limited
- Dubai Islamic Bank Pakistan
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan
- Standard Chartered Bank (Pakistan) Limited

AUDITORS

- KPMG Taseer Hadi & Co. Chartered Accountants

LEGAL ADVISOR

- Fazleghani Advocates

SHARE REGISTRAR

- FAMCO Share Registration Services (Pvt) Limited 8-F, Near to Hotel Faran, Nursery Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi

REGISTERED OFFICE

- 1-A/1, Sector 20 Korangi Industrial Area, Korangi, Karachi

FACTORIES

- Petaro Road, Jamshoro
- LX-10, LX-11 Landhi Industrial Area Karachi

SALES & MARKETING OFFICES

- Katar Bund Road, Off. Multan Road, Thokar Niaz Baig, Lahore
- P-277, Kashmir Road, Amin Town, Faisalabad.

WEBSITE

- www.archroma.com.pk

E-MAIL

- archroma.pakistan@archroma.com

REPORT OF BOARD OF DIRECTORS

The Directors of your Company are pleased to present their report for the first quarter ended 31 December 2024, together with the un-audited condensed interim financial information of the Company.

Composition of Board

The composition of the Board is as follows:

a) Male	5
b) Female	2

Out of the above:

a) Executive Director:	2
b) Non-Executive Directors:	2
c) Independent Directors:	3

Business Overview

Archroma's major consumption Markets i.e. Textiles' and Construction Industry demand & consumer sales continued to remain slow both for local as well as exports during the first quarter of the current Financial Year under review, mainly due to higher energy, commodity prices and continuing Russia-Ukraine and Middle East conflicts.

Despite the above challenging environment and low production capacity utilization for the Textiles' Industry, your Company continued to provide fullest support to its customers and managed to achieve net sales of PKR 7,217 million during the first quarter ended 31st December 2024 versus PKR 7,233 million in comparison to the same period last year. Positive contributions coming from various savings & efficiency improvement programs launched at the end of the last year and changes to Sales product mix further supported Gross Margins, which improved to PKR 1,641 million versus 1,363 million for the Company in comparison to the same period last year.

Moreover, stable foreign exchange rates and reducing bank borrowing rates & costs further contributed to improving the bottom-line profitability of the Company to PKR 356 Million versus loss of PKR 104 million in the same period last year.

Future Outlook

The Global energy and commodities' prices, Raw Materials' supply chain and availability situation continues to remain complex due to the ongoing Russia-Ukraine and Middle East situation. Consequently, balance of trade and forex reserves' situation in Pakistan is anticipated to remain under pressure and may create more challenges for the businesses in the coming months. However, the long-term financing arrangements recently finalized with the World bank and debt rescheduling programs currently under discussions with certain lending agencies and neighboring countries along with stricter implementation of corrective fiscal measures' in progress are expected to positively contribute towards improvement in the overall macro-economic situation of Pakistan, which in turn is also anticipated to support business development for Textiles and Construction Industries of the Country.

Management of your Company is confident that with the stringent measures in place to maintain control on the Company's net working capital situation and strong projects' pipeline to increase its market penetration and share through portfolio expansion and business development post Huntsman Textile Effects' acquisition will further support new business development for the Company in the current financial year.

On behalf of the Board

Mujtaba Rahim
Chief Executive Officer

Irfan Chawala
Director

Karachi: 27th January 2025

بورڈ آف ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز، 31 دسمبر 2024 کو ختم ہونے والی پہلی سہ ماہی کیلئے کمپنی کی غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی معلومات کیساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

ڈائریکٹرز کی کل تعداد

a)	مرد	5
b)	خواتین	2

ترتیب

a)	ایگزیکٹوڈائریکٹرز	2
b)	نان ایگزیکٹوڈائریکٹرز	2
c)	آزادڈائریکٹرز	3

کاروبار کا جائزہ:

آرکروما کی بڑی کھپت کی مارکیٹس یعنی ٹیکسٹائل اور تعمیراتی صنعت کی طلب اور کنزیومر سیلز زیر جائزہ موجودہ مالی سال کی پہلی سہ ماہی کے دوران لوکل اور ایکسپورٹس دونوں کیلئے بدستور سست رہی، جس کی بنیادی وجہ بہت زیادہ توانائی اوراشیاء کی قیمتیں اور روس یوکرائن اور مشرق وسطیٰ کا جاری تنازعہ تھا۔

مندرجہ بالا بڑھتے ہوئے چیلنجنگ ماحول اور ٹیکسٹائل کی صنعت کیلئے کم پیداواری صلاحیت کے استعمال کے باوجود، آپ کی کمپنی اپنے صارفین کو بھرپور تعاون فراہم کرنا جاری رکھا اور 31 دسمبر 2024 کو ختم ہونے والی پہلی سہ ماہی کے دوران، پچھلے سال کی اسی مدت میں PKR 7,233 ملین کے مقابلے میں PKR 7,217 ملین کی خالص فروخت حاصل کرنے میں کامیاب رہی، پچھلے سال کے آخر میں شروع کیے گئے مختلف بچت اور کارکردگی میں بہتری کے پروگراموں سے آنے والی مثبت شراکتیں اور سیلز پروڈکٹ مکس میں تبدیلیوں نے مجموعی مارجن کو مزید سہارا دیا، جو گزشتہ سال کی اسی مدت کے مقابلے میں 1,363 ملین کے مقابلے PKR1,641 ملین تک بہتر ہوا۔

مزید برآں، مستحکم زرمبادلہ کی شرح اور بینک سے قرض لینے کی شرحوں اور اخراجات میں کمی نے کمپنی کے نچلے درجے کے منافع کو PKR356 ملین تک بہتر بنانے میں مزید کردار ادا کیا جبکہ گزشتہ سال کے مقابلے اسی مدت میں PKR104 ملین کا نقصان ہوا تھا۔

مستقبل پر نظر

روس۔ یوکرین اور مشرق وسطیٰ کی جاری صورتحال کی وجہ سے عالمی توانائی اور اشیاء کی قیمتیں، خام مال کی سپلائی چین اور دستیابی کی صورت حال بدستور پیچیدہ ہے اور اس کے نتیجے میں پاکستان کے تجارتی توازن اور غیر ملکی زرمبادلہ کے ذخائر کی صورت حال دباؤ میں رہنے کی توقع ہے اور آنے والے مہینوں میں ملک کیلئے کاروبار کیلئے مزید چیلنجز پیدا ہوسکتے ہیں، تاہم، حال ہی میں عالمی بینک کیساتھ طویل مدتی مالیاتی انتظامات کو حتمی شکل دی گئی ہے اور قرضوں کی بحالی کے پروگرام جو فی الحال کچھ قرض دینے والی ایجنسیوں اور پڑوسی ممالک کیساتھ زیر بحث ہیں اور اس کے ساتھ ساتھ اصلاحی مالیاتی اقدامات پر سختی سے عمل درآمد جاری ہے، توقع ہے کہ مجموعی میکرو میں بہتری پاکستان میں معاشی صورت حال میں مثبت کردار ادا کریں گے، جس کے نتیجے میں ملک میں ٹیکسٹائل اور تعمیراتی صنعتوں کیلئے کاروباری ترقی میں معاونت کی توقع ہے۔

آپ کی کمپنی کی انتظامیہ کو یقین ہے کہ کمپنی کے نیٹ ورکنگ کیپٹل کی صورتحال پر کنٹرول برقرار رکھنے کیلئے سخت اقدامات اور مارکیٹ میں رسائی بڑھانے کیلئے مضبوط پروجیکٹس، پورٹ فولیو کی توسیع اور ہنٹس مین ٹیکسٹائل ایفکٹس کے حصول کے بعد موجودہ مالی سال میں کمپنی کیلئے نئی کاروباری ترقی کے حصول میں مزید مدد ملے گی۔

بورڈ کی جانب سے

مجتبیٰ رحیم
چیف ایگزیکٹو آفیسر

عرفان چاؤ والا
ڈائریکٹر

کراچی 27 جنوری 2025

CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 31 December 2024

	Note	Unaudited 31 December 2024	Audited 30 September 2024
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,360,092	2,338,149
Long-term deposits and prepayments		13,205	13,205
Deferred taxation - net		381,496	294,706
		2,754,793	2,646,060
Current assets			
Stores and spares		101,415	78,093
Stock-in-trade	6	4,704,968	4,709,255
Trade receivables	7	6,438,454	4,977,952
Advances		12,880	13,076
Trade deposits and short-term prepayments		66,824	83,979
Other receivables		270,784	139,165
Sales tax		1,136,099	1,368,937
Taxation - net		238,506	127,184
Cash and bank balances		927,792	159,529
		13,897,722	11,657,170
TOTAL ASSETS		16,652,515	14,303,230
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
63,000 (30 September 2023:50,000) ordinery shares of PKR 10 each		630,000	630,000
Issued, subscribed and paid-up capital	9	345,634	345,634
Capital reserve-amalgamtion reserve		93,545	93,545
Revenue Reserves			
General reserve		2,747,000	2,747,000
Unappropriated profit		947,443	591,389
		3,694,443	3,338,389
		4,133,622	3,777,568
LIABILITIES			
Non-current liabilities			
Employee benefits	10	213,166	200,271
Lease liabilities	12	122,856	118,509
Liabilities against diminishing musharika financing	13	182,723	141,834
		518,745	460,614
Current liabilities			
Trade and other payables		8,620,743	5,787,855
Short-term borrowings - secured	11	3,140,321	3,938,588
Current portion of lease liabilities	12	24,612	24,130
Current portion of liabilities against diminishing musharaka financing	13	68,331	59,585
Unclaimed dividend		89,193	90,313
Mark-up accrued		56,948	164,577
		12,000,148	10,065,048
TOTAL LIABILITIES		12,518,893	10,525,662
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		16,652,515	14,303,230

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Mujtaba Rahim	Naveed Kamil	Irfan Chawala
Chief Executive Officer	**Director**	**Director and Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months period ended 31 December 2024

	Note	Quarter ended	
		31 December 2024	31 December 2023
		(Rupees in '000)	
Sales	16	8,519,021	8,358,266
Trade discounts and rebates	16	283,917	288,783
Sales tax	16	1,017,921	836,245
		1,301,838	1,125,028
Sales - net	16	7,217,183	7,233,238
Cost of good sold		5,576,593	5,870,641
Gross profit		1,640,590	1,362,597
Distribution and marketing expenses		862,158	830,605
Administrative expenses		254,990	229,551
Impairment loss on trade receivables		994	3,313
Other expenses		37,318	2,281
		1,155,460	1,065,750
Operating profit		485,130	296,847
Other income		42,658	28,401
		527,788	325,248
Finance costs		114,188	349,810
Profit / (loss) before minimum, final and income taxes		413,600	(24,562)
Minimum and final taxes charge		92,120	83,417
Profit / (loss) before income tax		321,480	(107,979)
Income tax (reversal) / charge		(34,574)	(3,835)
Profit / (loss) after taxation		356,054	(104,144)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		356,054	(104,144)
		---------------- (Rupees) ----------------	
Earnings / (loss) per share	17	10.30	(3.01)

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Mujtaba Rahim	Naveed Kamil	Irfan Chawala
Chief Executive Officer	**Director**	**Director and Chief Financial Officer**

CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UNAUDITED)

For the three months period ended 31 December 2024

	Note	31 December 2024	31 December 2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before minimum, final and income taxes		413,600	(24,562)
Adjustments for non-cash charges and other items:			
Depreciation		87,576	75,905
Impairment reversal on trade receivables		994	3,313
Provision for staff gratuity & Other long term benefit		12,989	16,038
Interest / mark-up expense		121,120	336,483
Working capital changes	18	1,470,927	(1,328,079)
Cash generated from / (used in) operations		2,107,206	(920,902)
Staff gratuity paid & Other long term employee benefits paid		(93)	(1)
Mark-up paid		(228,749)	(170,328)
Minimum, final and income taxes paid		(255,658)	(228,184)
Net cash generated from / (used in) operating activities		1,622,706	(1,319,415)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(39,674)	(41,433)
Amalgamation of Associated company Archroma Chemicals Pakistan (Private) Ltd (formarly: Huntsman Textile Effects Pakistan (Pvt) Ltd.)		-	146,701
Proceeds from disposal of property, plant and equipment		4,171	-
Net cash (used in) / generated from investing activities		(35,503)	105,268
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments against lease liabilities		4,829	4,651
Payments against diminishing musharika financing - net		(24,382)	(13,279)
Short-term borrowings - proceeds		200,000	500,000
Short-term borrowings - repayments		(500,000)	(396,000)
Dividend paid		(1,120)	(511,773)
Net cash used in financing activities		(320,673)	(416,401)
Net increase / (decrease) in cash and cash equivalents		1,266,530	(1,630,548)
Cash and cash equivalents at beginning of the period		(384,619)	(1,620,359)
Cash and cash equivalents at end of the period	18.1	881,911	(3,250,907)

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Mujtaba Rahim	Naveed Kamil	Irfan Chawala
Chief Executive Officer	**Director**	**Director and Chief Financial Officer**

CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months period ended 31 December 2024

	Issued, subscribed and paid-up capital	Capital reserve Amalgamation reserve	Revenue reserve	Unappropriated profit	Total
	---- (Rupees in '000) ----				
Balance as at 30 September 2023 (Audited)	341,179	-	2,747,000	1,245,951	4,334,130
Transfer from revenue reserve appropriated subsequent to year end	-	-	-	-	-
Transactions with owners in capacity as owner directly recorded in equity-distribution.	4,455	93,545	-	48,701	146,701
Total comprehensive income for the period ended 31 December 2023					
Profit for the period	-	-	-	(104,144)	(104,144)
Other comprehensive income	-	-	-	-	-
	-		-	(104,144)	(104,144)
Balance as at 31 December 2023 (Unaudited)	345,634	93,545	2,747,000	1,190,508	4,376,687
Balance as at 30 September 2024 (Audited)	345,634	93,545	2,747,000	591,389	3,777,568
Profit for the period	-	-	-	356,054	356,054
Other comprehensive income	-	-	-	-	-
	-	-	-	356,054	356,054
Balance as at 31 December 2024 (Unaudited)	**345,634**	**93,545**	**2,747,000**	**947,443**	**4,133,622**

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Mujtaba Rahim
Chief Executive Officer

Naveed Kamil
Director

Irfan Chawala
Director and Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 31 December 2024

1. THE COMPANY AND ITS OPERATIONS

Archroma Pakistan Limited ("the Company") is a limited liability company, incorporated and domiciled in Pakistan. The address of its registered office is 1-A/1, Sector 20, Korangi Industrial Area, Korangi, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange. The Company is a subsidiary of Archroma Textiles GmbH, registered and head quartered in Pratteln, Switzerland which holds 75% of the share capital of the Company.

The Company is primarily engaged in the manufacture import and sale of chemicals, dyestuffs and coating, adhesive and sealants. It also acts as an indenting agent.

The manufacturing facilities and sales offices of the Company are situated at the following locations:

Manufacturing Facilities

- Petaro Road, Jamshoro
- LX-10 & LX-11 Landhi Industrial Area Karachi

Sales offices

- Katar Bund Road, Off. Multan Road, Thokar Niaz Baig, Lahore
- P-277, Kashmir Road, Amin Town, Faisalabad

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 September 2024.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency.

3. ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in preparation of the published annual audited financial statements of the Company for the year ended 30 September 2024.

3.2 A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Company has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed interim financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual audited financial statements for the year ended 30 September 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statement for the year ended 30 September 2024.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2024 (Un-audited)	30 September 2024 (Audited)
		(Rupees in '000)	
Operating property, plant and equipment	5.1	2,182,598	2,184,021
Capital work-in-progress	5.3	177,494	154,128
		2,360,092	2,338,149

5.1 The following operating property, plant and equipment have been added during the three months period ended 31 December 2024:

	Building on leasehold land	Furniture, fixtures and equipment		Vehicles		Total December 2024	Total December 2023
	Owned	Owned	ROUA	Owned	ROUA		
	(Rupees in '000)						
Additions for the quarter							
31-Dec-24	2,042	10,798	7,766	3,468	66,251	90,325	6,948
Total	2,042	10,798	7,766	3,468	66,251	90,325	6,948

5.1.1 Operating property, plant and equipment include right-of-use asset on buildings of Rs.Nil recognised during the period.

5.1.2 Additions to owned furniture, fixtures and equipments includes direct additions of Rs. 11,835 million and transfers from capital work in progress of Rs.6,728 million respectively.

5.2 Property, plant and equipment disposed off during the three months period ended 31 December 2024 are as follows:

	Plant and machinery	Furniture, fixtures and equipment	Vehicles		Total December 2024	Total December 2023
	Owned	Owned	Owned	ROUA		
	(Rupees in '000)					
Cost	-	373	-	19,407	19,780	-
Accumulated depreciation	-	(357)	-	(15,252)	(15,609)	-
Net book value	-	16	-	4,155	4,171	-

5.3 Additions to capital work in progress during the three months period ended 31 December 2024 amounted to Rs. 35.604 million and transfers to operating fixed assets amounted to Rs. 12.238 million.

6. STOCK-IN-TRADE

	31 December 2024 (Un-audited)	30 September 2024 (Audited)
	--------- (Rupees in '000)	---------
Raw and packing materials including goods in transit of Rs. 1,541.456 million (30 September 2024: Rs. 339.751 million)	3,312,970	2,936,321
Work-in-process	426,016	567,523
Finished goods including goods in transit of Rs. 25.859 million (30 September 2024: Rs. 11.024 million)	965,982	1,205,411
	4,704,968	4,709,255

7. TRADE RECEIVABLES

Considered good	6,438,454	4,977,952
Considered doubtful	533,153	532,159
	6,971,607	5,510,111
Provision for impairment loss on trade receivables	(533,153)	(532,159)
	6,438,454	4,977,952

8. CASH AND BANK BALANCES

Cash at banks		
Foreign		
- In current accounts	43,482	52,617
Local		
In current accounts	44,665	1,059
In saving accounts	839,194	105,627
	927,341	159,303
Cash in hand	451	226
	927,792	159,529

9. SHARE CAPITAL

9.1 Authorised Capital

31 December 2024	30 September 2024		31 December 2024 (Un-audited)	30 September 2024 (Audited)
Number of Share				
50,000,000	50,000,000	Ordinary shares of Rs 10 each before merger	500,000	500,000
13,000,000	13,000,000	Ordinary shares of Rs 10 each acquired under the approved scheme of merger	130,000	130,000
63,000,000	63,000,000	Ordinary shares of Rs 10 each after merger	630,000	630,000

9.2 Issued, Subscribed and paid-up share capital

31 December 2024	30 September 2024		31 December 2024 (Un-audited)	30 September 2024 (Audited)
Number of Share				
7,441,639	7,441,639	Ordinary shares of Rs 10 each issued for consideration other than cash before merger	74,416	74,416
26,676,242	26,676,242	Ordinary shares of Rs 10 each issued for consideration other than cash before arrangement/merger	266,763	266,763
445,460	445,460	Ordinary shares of Rs10 each issued to Archroma Chemicals Pakistan (Pvt) Ltd. (formerly: Huntsman Textile Effects Pakistan (Pvt) Ltd., under the approved scheme of merger(note 9.4)	4,455	4,455
34,563,341	34,563,341		345,634	345,634

9.3 Archroma Textiles GmbH, held 26,033,993 (2024: 26,033,993) ordinary shares of Rs.10 each at 31 December 2024.

9.4 All the ordinary shared carry one vote per share and right to dividend.

10 EMPOLYEE BENEFITS

	31 December 2024 (Un-audited)	30 September 2024 (Audited)
	--------- (Rupees in '000)	---------
Net defined benefit - Liability	198,102	185,113
Employee retirement benefits - Gratuity	15,064	15,158
Other long term empolyee benefits - Long service award	213,166	200,271

11. SHORT-TERM BORROWINGS - secured

11.1 Short term Islamic and conventional finance facilities are available under Islamic financing from various banks under profit arrangements,amounting to Rs.10,500 million (Islamic Rs. 8,250 million & Conventional Rs. 2,250 million) (30 September 2024: Rs. 10,500 million). These facilities have various maturity dates up to 31 July 2025. These arrangements are secured against a pari passu charge of hypothecation on stock-in-trade and trade receivables at 1.2 X times. These facilities other than Islamic Export Refinance facility, carry profit ranging from 3 months KIBOR flat to 3 months KIBOR + 0.35% per annum calculated on a daily product basis and payable quarterly. The aggregate amount of these facilities which have not been availed as at the reporting date amounts to Rs. 6,618 million (30 September 2024: Rs. 6,562 million).

11.2 The Company has availed Islamic Export Refinance Facility - Part II amounting to Rs. 3,094 million (30 September 2024: Rs. 2,894 million) under the Export Financing Scheme of the State Bank of Pakistan (SBP). These arrangement are secured against a pari passu charge of hypothecation on stock in trade and trade receivables. The profit rates on theses facilities range from 9.2% to 10% per annum.September 2023: 19.2% to 20.0% per annum.

12. LEASE LIABILITIES

12.1 Lease liabilities included in the statement of financial position as at 31 Dec 2024

	31 December 2024 (Un-audited)	30 September 2024 (Audited)
	--------- (Rupees in '000)	---------
Current	24,612	24,130
Non-Current	122,856	118,509
	147,468	142,639

12.2 Maturity Analysis – Discounted Cash Flows

	31 December 2024	30 September 2024
Payable within one year	24,612	24,130
Payable after one year but not later than 5 years	67,843	62,337
Payable after 5 years	55,013	56,172
	147,468	142,639

12.3 This includes present value of lease liabilities discounted at the incremental borrowing rate of 3 months KIBOR + 0.21% of the Company against lease agreement of head office and area office premises, respectively.

12.4 During the period, the Company has obtained various vehicles under diminishing musharika financing arrangement entered into with a Modaraba having various maturity dates up to 20 Dec 2029 with monthly principal repayments. The financing is secured against the respective vehicles. The rate of profit on the borrowing ranges from 3 months KIBOR + 0.50% per annum to 3 months KIBOR + 0.9% per annum.

13. LIABILITIES AGAINST DIMINISHING MUSHARIKA FINANCE

	Due within one year		Due after one year but within 5 years		Total	
	31-Dec 2024	30 September 2024	31-Dec 2024	30 September 2024	31-Dec 2024	30 September 2024
	------------	------------	------------ (Rupees in '000)	------------	------------	------------
Liabilities against diminishing musharika finance	68,331	59,585	182,723	141,834	251,054	201,419

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Contingencies are the same as those disclosed in annual audited financial statements for the year ended 30 September 2024.

14.2 Commitments

14.2.1 Banks have provided guarantees to various parties on behalf of the Company. Guarantees outstanding as at 31 December 2024 amount to Rs. 866.892 million (30 September 2024: Rs. 821.969 million).This includes guarantee amounting to Rs.592 million (30 September 2024: Rs.555 million) provide to Excise and Taxation department in respect of infrastructure cess.

14.2.2 The Company has provided post dated cheques amounting to Rs. 6,405.892 million (30 September 2024: Rs. 6,405.892 million) in favour of the collector of customs and which are, in the normal course of business, to be returned to the Company after fulfilment of certain conditions.

14.2.3 Commitments for capital expenditure as at 31 December 2024 aggregated to Rs. 49.078 million (30 September 2024: Rs. 64.124 million).

14.2.4 Commitments under letters of credit for stock-in-trade and stores and spares as at 31 December 2024 amount to Rs. 2,112 million (30 September 2024: Rs. 1,335.611 million).

14.3 Tax Contingencies

Tax contingencies are the same as those disclosed in the audited annual financial statements 30 September 2024.Except for the following.

Description of tax proceedings

Name of the court, agency or authority	Description of the factual basis of the proceedings and relief sought	Principal parties	Date instituted
Appellate Tribunal Inland Revenue (ATIR)	The Income tax return for tax year 2021 was selected for audit under section 122(5A) of the Income Tax Ordinance, 2001. The audit proceedings have been completed and ACIR passed an order demanding PKR 192 Million, wherein certain additions and disallowances were made. The management will file an appeal against the aforementioned order before ATIR. The management along with its tax advisor are confident that the outcome of the case will be in their favour, therefore, no provision has been recognised in the financial statements.	The Assistant Commissioner Inland Revenue (ACIR) and the Company	27-Nov-23

15. FAIR VALUE OF FINANCIAL INSTRUMENTS/ FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risk namely credit risk, foreign exchange risk (note 16), interest rate risk and liquidity risk. The Company is not exposed to any price risk as it does not hold any investment exposed to price risk. The Company has established adequate procedures to manage these risks.

These condensed interim financial statements does not include the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with Company's annual audited financial statements for the year ended 30 September 2024. There have been no changes in the risk management policies since the year end.

Fair Value Hierarchy

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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For the three months period ended 31 December 2024

Level 1: Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

15.1 Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

		31 Dec 2024 (Unaudited)							
		Carrying amount					Fair value		
	Note	Financial assets 'at fair value through other comprehensive income'	Financial assets 'at fair value through profit or loss'	Financial assets 'at amortised cost'	Financial liabilities measured 'at amortised cost'	Total	Level 1	Level 2	Level 3
		Rupees in '000							
Financial assets - not measured at fair value									
Deposits	15.1.1	-	-	26,458	-	26,458			
Trade receivables	15.1.1	-	-	6,438,454	-	6,438,454			
Other receivables	15.1.1	-	-	270,784	-	270,784			
Cash and bank balances	15.1.1	-	-	927,792	-	927,792			
		-	-	7,663,488	-	7,663,488			
Financial liabilities - not measured at fair value									
Lease liabilities	15.1.1	-	-	-	147,468	147,468			
Liabilities against diminishing musharaka finance	15.1.1	-	-	-	251,054	251,054			
Trade and other payables	15.1.1	-	-	-	8,511,217	8,511,217			
Short-term borrowings	15.1.1	-	-	-	3,140,321	3,140,32			
Mark-up accrued	15.1.1	-	-	-	56,948	56,984			
Unclaimed dividend	15.1.1	-	-	-	89,193	89,193			
		-	-	-	12,196,201	12,196,201			

		30 September 2024 (Audited)							
		Carrying amount					Fair value		
	Note	Financial assets 'at fair value through other comprehensive income'	Financial assets 'at fair value through profit or loss'	Financial assets 'at amortised cost'	Financial liabilities measured 'at amortised cost'	Total	Level 1	Level 2	Level 3
		Rupees in '000							
Financial assets - not measured at fair value									
Deposits	15.1.1	-	-	32,749	-	32,749			
Trade receivables	15.1.1	-	-	4,977,952	-	4,977,952			
Other receivables	15.1.1	-	-	139,165	-	139,165			
Cash and bank balances	15.1.1	-	-	159,529	-	159,529			
		-	-	5,309,395	-	5,309,395			
Financial liabilities - not measured at fair value									
Lease liabilities	15.1.1	-	-	-	142,639	142,639			
Liabilities against diminishing musharaka finance	15.1.1	-	-	-	201,419	201,419			
Trade and other payables	15.1.1	-	-	-	5,622,476	5,622,476			
Short-term borrowings	15.1.1	-	-	-	3,938,588	3,938,588			
Mark-up accrued	15.1.1	-	-	-	164,577	164,577			
Unclaimed dividend					90,313	90,313			
		-	-	-	10,160,012	10,160,012			

15.1.1 The Company has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

16 SEGMENT INFORMATION

16.1 Segment information for the three months period ended 31 December 2024:

	Textile Effect (TE)		Packaging Technologies (PT)		Total	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	(Rupees in '000)					
Sales						
Domestic	5,907,832	5,472,108	984,741	1,178,621	6,892,573	6,650,729
Export	1,626,448	1,707,537	-	-	1,626,448	1,707,537
Total sales	7,534,280	7,179,645	984,741	1,178,621	8,519,021	8,358,266
Discount and Rebate	277,017	282,762	6,900	6,021	283,917	288,783
Sales tax	865,276	665,040	152,645	171,205	1,017,921	836,245
	1,142,293	947,802	159,545	177,226	1,301,838	1,125,028
Net sales (from external customers)	6,391,987	6,231,843	825,196	1,001,395	7,217,183	7,233,238
Segment results based on 'management approach'	483,276	262,826	83,343	62,301	566,619	325,127
Other expenses - WPPF and WWF					(35,000)	-
Assets charged to profit and loss for internal reporting purposes based on group guidelines					(3,831)	121
					527,788	325,248
Finance costs					114,188	349,810
Profit/(Loss) before taxation					413,600	(24,562)
Capital Expenditure including CWIP	38,319	40,556	523	-	38,842	40,556
Unallocated					832	877
					39,674	41,433
Depreciation	85,165	75,046	1,945	517	87,110	75,563
Unallocated					466	342
					87,576	75,905

	Textile Effect (TE)		Packaging Technologies (PT)		Total	
	Unaudited 31 Dec 2024	Audited 30 Sep 2024	Unaudited 31 Dec 2024	Audited 30 Sep 2024	Unaudited 31 Dec 2024	Audited 30 Sep 2024
	(Rupees in '000)					
Segment Assets	11,439,966	10,539,599	1,433,943	1,260,801	12,873,909	11,800,400
Unallocated					3,778,606	2,502,830
Total Assets					16,652,515	14,303,230
Segment Liabilities	5,920,332	5,233,082	736,350	716,991	6,656,682	5,950,073
Unallocated					5,862,211	4,575,589
Total Liabilities					12,518,893	10,525,662

17 EARNINGS PER SHARE

	Quarter ended 31 Dec 2024	Quarter ended 31 Dec 2023
	--------- (Rupees in '000) ---------	
17.1 Basic		
Profit/(Loss) after taxation attributable to ordinary shareholders	356,054	(104,144)
	------- (Number of shares) --------	
Weighted average number of ordinary shares outstanding during the period	34,563,341	34,563,341
	--------- (Rupees in '000) ---------	
Earnings/(Loss) per share	10.30	(3.01)

17.2 Diluted

There were no convertible dilutive potential ordinary shares in issue as at 31 Dec 2024 and 31 Dec 2023.

18. Working capital changes

	Three months ended 31 Dec 2024	Three months ended 31 Dec 2023
	-------- (Rupees in '000) --------	
(Increase) / decrease in current assets		
Stores and spares	(23,322)	(9,541)
Stock-in-trade	4,287	(849,356)
Trade receivables	(1,461,496)	247,495
Loans and advances	196	(8,512)
Trade deposits and short-term prepayments	17,155	33,375
Other receivables	101,219	(115,416)
	(1,361,961)	(701,955)
Increase in current liabilities		
Trade and other payables	2,832,888	(626,124)
	1,470,927	(1,328,079)

18.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the condensed interim statement of cash flows comprise of the following:

	2024	2023
Cash and bank balances	927,792	118,080
Short-term running finance	(45,881)	(3,368,987)
	881,911	(3,250,907)

19. TRANSACTIONS WITH RELATED PARTIES

The related parties comprises of group companies, directors and their close family members, key management personnel and staff retirement funds. The Company enters into transactions with related parties for the sale of its products, purchase of goods, indenting business and rendering of certain services. Consideration for purchases and sales of goods and for services is determined with mutual agreement considering the nature and level of such goods and services.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers all members of their management team, including the CEO and Directors to be key management personnel. There are no transactions with key management personnel other than those under their terms of employment.

Details of transactions with related parties are as follows:

Name of related party	Nature of Relationship	Nature of transactions	Unaudited 31 Dec 2024	2023
			(Rupees in '000)	
Archroma Management Gmbh, Switzerland	Associated company	Purchases & Services	87,161	174,383
		Royalty expenses	352,447	309,504
		Indenting commission	11,636	11,859
Archroma Turkey Limited	Associated company	Purchases	1,592	-
		Sales	909,288	355,021
Archroma Singapore,Pte Ltd	Associated company	Purchases	46,586	359,404
		Sales	-	42,164
		Indenting commission	34,366	14,923
Archroma Textile Mexico S.De	Associated company	Purchases	-	19,920
		Sales	-	2,151
Archroma Thailand	Associated company	Purchases	320	586
		Sales	66,932	47,776
		Indenting commission	373	845
PT Archroma Indonesia	Associated company	Purchases	722	6,199
		Sales	3,911	-
		Indenting commission	-	346
Archroma Chemical China	Associated company	Sales	34,444	32,034
Archroma US Inc.	Associated company	Purchases	1,790	
Archroma Peru S.A.	Associated company	Sales	-	13,646
Archroma Iberica, S.L.	Associated company	Sales	15,002	45,734
Archroma Japan KK	Associated company	Sales	18,896	20,462
Swiss Business Council	Common directorship	Subscription	130	130
Jubilee life Insurance Company	Common directorship	Insurance	5,000	-
Key management personnel	Related parties	Salaries, benefits and compensations	68,774	58,049
		Post employment benefits	7,888	7,251

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Name of related party	Nature of Relationship	Nature of balances	31 December 2024 (Un-audited)	30 September 2024 (Audited)
			(Rupees in '000)	
Archroma Management Gmbh, Switzerland	Associated company	Receivable	25,518	13,867
		Payable	360,520	483,953
Archroma Turkey Limited	Associated company	Receivable	630,340	159,540
		Payable	5,211	5,202
Archroma Singapore,Pte Ltd	Associated company	Receivable	78,144	67,662
		Payable	40,245	113,170
Archroma Textile Mexico S.De	Associated company	Payable	98,612	98,420
Archroma Thailand	Associated company	Receivable	99,976	108,525
		Payable	-	5,869
PT Archroma Indonesia	Associated company	Receivable	7,033	-
		Payable	8,735	-
PT Archroma Specialties Indonesia	Associated company	Receivable	-	10,203
		Payable	-	16,665
Archroma Chemical China Limited	Associated company	Receivable	34,481	11,876
Archroma Japan KK	Associated company	Receivable	18,892	18,855
Archroma U.S.Inc	Associated company	Payable	6,857	847

20 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on 27 January 2025 by the Board of Directors of the Company.

21 GENERAL

Figures have been rounded off to the nearest thousand rupees.

Mujtaba Rahim
Chief Executive Officer

Naveed Kamil
Director

Irfan Chawala
Director and Chief Financial Officer

ARCHROMA WAY
TO A SUSTAINABLE WORLD

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