



**3RD QUARTER
REPORT
2024**
(Ended June 2024)



**CELEBRATING 10 YEARS OF ENHANCING LIVES
THROUGH SUSTAINABILITY AND INNOVATION**

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COMPANY INFORMATION

Chairperson	<ul style="list-style-type: none">• Dr. Lalarukh Eijaz	
Board of Directors	<ul style="list-style-type: none">• Mujtaba Rahim• Irfan Chawala• Patrick Verraes• Shahid Ghaffar• Victor Garcia• Yasmin Peermohammad	- Chief Executive Officer (Alternate: Naveed Kamil)
Audit Committee	<ul style="list-style-type: none">• Shahid Ghaffar• Dr. Lalarukh Eijaz• Patrick Verraes• Irfan Lakhani	- Chairman (Alternate: Naveed Kamil) - Secretary
Human Resources and Remuneration Committee	<ul style="list-style-type: none">• Yasmin Peermohammad• Mujtaba Rahim• Patrick Verraes• Irfan Lakhani	- Chairperson (Alternate: Naveed Kamil) - Secretary
Management Committee	<ul style="list-style-type: none">• Mujtaba Rahim• Irfan Chawala• Muhammad Altaf• Naveed Kamil• Qazi Naeemuddin	
Chief Financial Officer	<ul style="list-style-type: none">• Irfan Chawala	
Company Secretary	<ul style="list-style-type: none">• Irfan Lakhani	
Bankers	<ul style="list-style-type: none">• Bank Al Falah Limited• Bank Al Habib 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	<ul style="list-style-type: none">• KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisor	<ul style="list-style-type: none">• Fazleghani Advocates	
Share Registrar	<ul style="list-style-type: none">• FAMCO Share Registration Services (Pvt) Limited 8-F, Next to Hotel Faran, Nursery Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi	
Registered Office	<ul style="list-style-type: none">• 1-A/1, Sector 20, Korangi Industrial Area, Korangi, Karachi	
Factories	<ul style="list-style-type: none">• Petaro Road, Jamshoro• LX-10, LX-11 Landhi Industrial Area Karachi	
Sales & Marketing Offices	<ul style="list-style-type: none">• Katar Bund Road, Off. Multan Road, Thokar Niaz Baig, Lahore• P-277, Kashmir Road, Amin Town, Faisalabad.	
Website	<ul style="list-style-type: none">• www.archroma.com.pk	
E-mail	<ul style="list-style-type: none">• archroma.pakistan@archroma.com	

REPORT OF BOARD OF DIRECTORS

The Directors of your Company are pleased to present the financial report for the nine months ended 30 June 2024, together with the un-audited condensed interim financial information of the Company for the period ended 30 June 2024.

BOARD CHANGES

During the period under review a casual vacancy occurred upon the resignation of Mr. Thomas Bucher, which was filled with the appointment of Mr. Victor Garcia.

COMPOSITION OF BOARD

The composition of the Board is as follows:

- a) Male members: 05
- b) Female members: 02

Out of the above:

- a) Executive Directors: 02
- b) Non-Executive Directors: 02
- c) Independent Directors: 03

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 nine months period of the current Financial Year under review. This was mainly due to higher energy & commodity prices and inflation in all business costs due to the continuing Middle East crisis and Russia-Ukraine conflict.

Despite the above increasingly challenging environment and less than 50% production capacity utilization for the Textiles' Industry, your Company managed to achieve net sales of PKR 19,060 million during the nine months period ended 30th June 2024, which was 9% lower versus PKR 21,036 million in comparison to the same period last year.

In view of the above Market scenario, focus of the Company, especially during the quarter, remained on reducing the Networking Capital and Bank borrowings.

Gross Margins for all the business segments of the Company remained under severe pressure due to challenging cost pass through situation on the back of lower market demand and increasing costs of imported Raw materials during the period under review. Further, increasing selling & administration costs, exceptionally high borrowing costs and Taxation, continued to impact the bottom-line results of the Company for the nine months period, which remained in losses after taxation amounting to PKR 308 million as against profit of PKR 903 million achieved in the same period last year.

On behalf of the Board



Mujtaba Rahim
Chief Executive Officer

PROJECTS

After the closing of the global acquisition of Huntsman Textile Effects business and local acquisition of Huntsman Textile Effects Pakistan (Private) Limited now Archroma Chemicals Pakistan (Private) Limited by the Company's Holding Company i.e. Archroma Textiles GmbH, the Company initiated the process to merge Archroma Chemicals Pakistan (Private) Limited, i.e. formerly, Huntsman Textile Effects Pakistan (Private) Limited within and into the Company.

The Board of Directors of the Company in their meeting held on 27th April 2023 approved the Scheme of Arrangement, which was subsequently also approved by the members in the Extra Ordinary General Meeting held on 23rd June 2023 and later on sanctioned by the Honorable High Court of Sindh on 31st October 2023.

The entire undertaking, comprising of all Assets, Liabilities and Obligations of Archroma Chemicals Pakistan (Private) Limited, i.e. Formerly Huntsman Textile Effects Pakistan (Private) Limited, now stand merged with the Company, effective from 1st October 2023.

As consideration for the above, the Company issued 445,460 shares on the basis of a swap ratio of approximately 0.0455 Company's shares for every one share to the shareholders of Archroma Chemicals Pakistan (Private) Limited, i.e. formerly Huntsman Textile Effects Pakistan (Private) Limited.

FUTURE OUTLOOK

The Global energy and commodities' prices, Raw Materials' supply chain and availability situation remains complex due to the ongoing Middle East situation. As a consequence, Balance of Trade and Forex reserves' situation in Pakistan is anticipated to remain under pressure and create more challenges for the business & economic outlook for the Country in the coming months. However, the financing programs to be finalized with IMF and certain corrective fiscal measures 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 Industry of the Country.

The Management is confident that with the stringent measures already put in place to further control the Company's Net Working Capital situation and strong projects' pipeline to increase its Market Share through portfolio expansion and business development post Huntsman Textile Effects' acquisition, the Company shall return back to the profitable growth track in the short to medium term.



Irfan Chawala
Director and Chief Financial Officer

آپ کی کمپنی کے ڈائریکٹرز، 30 جون 2024 کو ختم ہونے والے 9 ماہ کیلئے مالیاتی رپورٹ، بشمول 30 جون 2024 کو ختم ہونے والی مدت کیلئے کمپنی کی غیر آڈٹ شدہ کنڈینڈ عبوری مالیاتی معلومات، پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

بورڈ میں تبدیلیاں

زیر جائزہ مدت کے دوران مسٹر قاسم بوچر کے مستعفی ہونے پر ایک اسامی خالی ہوئی، جسے مسٹر لوگر رسیا کی تقرری سے پر کیا گیا۔

بورڈ کی تشکیل

بورڈ کی تشکیل مندرجہ ذیل ہے

(الف)	حضرات	05
(ب)	خواتین	02

مندرجہ بالا میں سے:

(i)	ایگزیکٹو ڈائریکٹرز	02
(ii)	نان ایگزیکٹو ڈائریکٹرز	02
(iii)	انڈیپنڈنٹ ڈائریکٹرز	03

بزنس کا جائزہ:

آکروما کی بڑی کھپت کی مارکیٹس یعنی ٹیکسٹائل اور تعمیراتی صنعت کی طلب اور کنزومر سیکٹرز پر جائزہ موجودہ مالی سال کے 9 ماہ کے دوران لوکل اور ایکسپورٹس دونوں کیلئے بدستور رہی، جس کی بنیادی وجہ توانائی اور ایشیاء کی قیمتوں میں اضافہ اور تمام کاروباری لاگت میں افراتر، اور مشرق وسطیٰ کے جاری بحران اور روس یوکرین تنازعہ کی وجہ سے تھا۔

مندرجہ بالا بڑھتے ہوئے چیلنجز کا ماحول ٹیکسٹائل کی صنعت کیلئے 50% سے کم پیداواری صلاحیت کے استعمال کے باوجود، آپ کی کمپنی 30 جون 2024 کو ختم ہونے والی 9 ماہ کی مدت کے دوران 19,060 PKR ملین کی خالص فروخت حاصل کرنے میں کامیاب رہی، جو پچھلے سال کی اسی مدت کے مقابلے میں 21,036 PKR ملین کے مقابلے میں 9% کم تھی۔

مندرجہ بالا مارکیٹ کے مظننہ سے پیش نظر، کمپنی کی توجہ، خاص طور پر سہ ماہی کے دوران، ہیٹ ورننگ کپٹیل اور پیٹک کے قرضوں کو کم کرنے پر رہی۔

زیر نظر مدت کے دوران مارکیٹ کی کم طلب اور درآمدی خام مال کی بڑھتی ہوئی لاگت کی وجہ سے کمپنی کے تمام کاروباری طبقات کیلئے مجموعی مارجن شدید دباؤ میں رہے۔ مزید برآں، بڑھتی ہوئی فروخت اور انتظامی لاگت، غیر معمولی طور پر زیادہ قرضہ لینے کے اخراجات اور ٹیکسیشن، کمپنی کے پچھلے دہے کے نتائج کو 9 ماہ کی مدت تک متاثر کرتے رہے، جو کہ 903 PKR ملین کے منافع کے مقابلے میں گزشتہ سال اسی مدت میں حاصل کئے گئے 308 ملین روپے، بعد از ٹیکس، خسارے میں رہے۔

بورڈ کی جانب سے:



محمد نذیم
چیف ایگزیکٹو آفیسر

کراچی ۲۳ جولائی ۲۰۲۴ء

پرڈیکشن

ہینٹس مین ٹیکسٹائل اینڈ ٹیکسٹائل کے کاروبار کے عالمی حصول اور ہینٹس مین ٹیکسٹائل اینڈ ٹیکسٹائل پاکستان (پرائیویٹ) لمیٹڈ کے مقامی حصول کے بند ہونے کے بعد اب آرکروما کیمیکلز پاکستان (پرائیویٹ) لمیٹڈ نے کمپنیز ہولڈنگ کمپنی یعنی آرکروما ٹیکسٹائل GmbH کے ذریعہ، آرکروما کیمیکلز پاکستان (پرائیویٹ) لمیٹڈ، یعنی سابقہ ہینٹس مین اینڈ ٹیکسٹائل پاکستان (پرائیویٹ) لمیٹڈ کو کمپنی کے ساتھ اور کمپنی میں انضمام کا فیصلہ کیا ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز نے 27 اپریل 2023 کو ہونے والی اپنی میٹنگ میں اسٹیم آف انٹرنیٹ کی منظوری دی، جسے بعد ازاں 23 جون 2023 کو ہونے والے غیر معمولی اجلاس عام میں بھی ممبران نے منظور کیا اور بعد ازاں ہائی کورٹ آف سندھ کی جانب سے مورخہ 31 اکتوبر 2023 کو اس کی منظوری دی گئی۔


آکروما کیمیکلز پاکستان (پرائیویٹ) لمیٹڈ یعنی سابقہ ہینٹس مین ٹیکسٹائل اینڈ ٹیکسٹائل پاکستان (پرائیویٹ) لمیٹڈ کے تمام اثاثوں، واجبات اور ذمہ داریوں پر مشتمل مکمل انڈر ٹیکنگ، اب کمپنی کیساتھ ضم ہوگئی ہے، جو یکم اکتوبر 2023 سے نافذ العمل ہے۔

مذکورہ بالا پر غور کرنے کے نتیجے میں، کمپنی نے آرکروما کیمیکلز پاکستان (پرائیویٹ) لمیٹڈ یعنی سابقہ ہینٹس مین ٹیکسٹائل اینڈ ٹیکسٹائل پاکستان (پرائیویٹ) لمیٹڈ کے شیئرز ہولڈرز کو ہر ایک شیئرز کے عوض تقریباً 0.0455 کمپنی کے شیئرز کے تناسب کی بنیاد پر 445,460 شیئرز جاری کئے۔

مستقبل کا منظر نامہ

عالمی توانائی اور ایشیاء کی قیمتیں، خام مال کی سپلائی چین اور دستیابی کی صورت حال، مشرق وسطیٰ کی جاری صورتحال کی وجہ سے مزید پیچیدہ ہے اور اس کے نتیجے میں پاکستان کے تجارتی توازن اور زرمبادلہ کے ذخائر کی صورت حال بدستور دباؤ میں رہنے اور آنے والے مہینوں میں ملک کیلئے کاروباری اور اقتصادی نقطہ نظر کیلئے مزید چیلنجز پیدا ہونے کی توقع ہے، تاہم، آئی ایم ایف کیساتھ مالیاتی پروگراموں کو حتمی شکل دینے اور بعض اصلاحی مالیاتی اقدامات سے پاکستان کی مجموعی بیکرو اکٹناک صورتحال میں بہتری کیلئے مثبت کردار ادا کرنے کی توقع ہے، جس کے نتیجے میں ملک کی ٹیکسٹائل اور تعمیراتی صنعت کیلئے کاروباری ترقی میں بھی مدد کی توقع ہے۔

انتظامیہ کو یقین ہے کہ کمپنی کی ہیٹ ورننگ کپٹیل کی صورتحال کو مزید کنٹرول کرنے کیلئے پہلے سے کئے گئے سخت اقدامات اور پورٹ فولیو کی توسیع اور کاروباری ترقی کے بعد ہینٹس مین ٹیکسٹائل اینڈ ٹیکسٹائل کے حصول کے ذریعے اپنے مارکیٹ شیئرز کو بڑھانے کیساتھ کمپنی مختصر سے درمیان مدت میں منافع بخش ترقی کے راستے پر واپس لوٹ آئیگی۔


عرفان چاہ والا
آئی ایف او/ڈائریکٹر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)


As at 30 June 2024

	Note	Unaudited 30 June 2024 (Rupees in '000)	Audited 30 September 2023 (Rupees in '000)
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,208,978	1,901,906
Long-term deposits		13,205	13,205
Deferred taxation - net		244,551	-
Employee benefits	10	28,123	56,121
		2,494,857	1,971,232
Current assets			
Stores and spares		86,226	71,520
Stock-in-trade	6	6,103,527	6,756,099
Trade receivables	7	6,719,261	9,312,865
Advances		10,717	11,369
Trade deposits and short-term prepayments		120,704	146,594
Other receivables		106,633	25,003
Sales tax	14	1,689,438	1,836,319
Cash and bank balances	8	104,167	315,376
		14,940,673	18,475,145
TOTAL ASSETS		17,435,530	20,446,377
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Issued, subscribed and paid-up capital	9	345,634	341,179
Reserves			
Capital reserve			
Amalgamation reserve	1.1	93,545	-
Revenue reserve			
General reserve		2,747,000	2,747,000
Unappropriated profit		986,759	1,245,951
		3,733,759	3,992,951
LIABILITIES		4,172,938	4,334,130
Non-current liabilities			
Deferred taxation - net	15.1.2	-	70,547
Employee benefits	10	14,792	10,414
Lease liabilities	12	133,425	118,864
Liabilities against diminishing musharaka financing	13	138,385	140,356
		286,602	340,181
Current liabilities			
Trade and other payables		6,875,439	10,349,213
Short-term borrowings - secured	11	5,639,359	4,370,646
Current portion of lease liabilities	12	23,885	23,573
Current portion of liabilities against diminishing musharaka financing	13	57,590	50,389
Unclaimed dividend		90,636	90,891
Unpaid dividend		-	511,771
Mark-up accrued		264,919	167,410
Taxation - net		24,162	208,173
		12,975,990	15,772,066
TOTAL LIABILITIES		13,262,592	16,112,247
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		17,435,530	20,446,377

The annexed notes 1 to 22 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

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)


For the nine months period ended 30 June 2024

	Note	Nine months period ended		Quarter ended	
		30 June	30 June	30 June	30 June
		2024	2023	2024	2023
		(Rupees in '000)		(Rupees in '000)	
Sales	17	21,862,513	24,543,844	5,351,603	7,805,397
Trade discounts and commission	17	681,942	730,440	114,120	223,199
Sales tax	17	2,120,237	2,777,124	458,731	835,335
		2,802,179	3,507,564	572,851	1,058,534
Sales - net	17	19,060,334	21,036,280	4,778,752	6,746,863
Cost of sales		15,627,798	15,601,575	4,024,877	5,090,593
Gross profit		3,432,536	5,434,705	753,875	1,656,270
Distribution and marketing expenses		2,276,137	2,171,142	651,202	731,299
Administrative expenses		694,162	591,421	233,339	206,591
Impairment loss on trade receivables		16,843	(3,754)	8,701	(14,556)
Other expenses		16,685	127,666	7,320	47,885
		3,003,827	2,886,475	900,562	971,219
		428,709	2,548,230	(146,687)	685,051
Other income		114,446	33,197	44,672	13,037
		543,155	2,581,427	(102,015)	698,088
Finance costs		917,709	1,023,365	325,551	111,313
(Loss) / Profit before taxation		(374,554)	1,558,062	(427,566)	586,775
Taxation	15.1.2	(66,661)	654,923	(244,844)	305,403
(Loss) / profit after taxation		(307,893)	903,139	(182,722)	281,372
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the period		(307,893)	903,139	(182,722)	281,372
----- (Rupees) -----					
Earnings per share	18	(8.91)	26.47	(5.29)	8.25

The annexed notes 1 to 22 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

/ CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

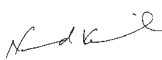
For the nine months period ended 30 June 2024

	Note	30 June 2024	30 June 2023
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19	614,162	1,130,382
Staff gratuity and other long-term service awards paid		(3,492)	-
Mark-up paid		(741,164)	(219,559)
Income taxes paid		(422,026)	(928,940)
Net cash used in from operating activities		(552,520)	(18,117)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(487,199)	(142,699)
Proceeds from disposal of property, plant and equipment		2,734	11,302
Net cash (used) in investing activities		(484,465)	(131,397)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease liabilities		(22,575)	1,635
Payment against diminishing musharika financing - net		(45,837)	(45,724)
Long term loan - repayment		-	(42,633)
Short-term borrowings - proceeds		1,600,000	815,160
Short-term borrowings - repayments		(821,000)	-
Dividend paid		(512,026)	(167,746)
Net cash generated from financing activities		198,562	560,692
Net decrease in cash and cash equivalents		(838,423)	411,178
Cash and cash equivalents transferred due to arrangement / merger	1.2	138,030	-
Cash and cash equivalents at beginning of the period		(1,620,359)	(205,709)
Cash and cash equivalents at end of the period	19.2	(2,320,752)	205,469

The annexed notes 1 to 22 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

/ CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine months period ended 30 June 2024

	Issued, subscribed and paid- up capital	Capital reserve Amalgamation reserve	Revenue reserves General reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----				
Balance as at 30 September 2022 (Audited)	341,179	-	2,434,000	996,630	3,771,809
Transfer from unappropriated profit to general reserve subsequent to year end	-	-	313,000	(313,000)	-
Transactions with owners of the Company - Distribution					
- Final cash dividend at 200% (i.e. Rs. 20 per share) for the year ended 30 September 2022	-	-	-	(682,358)	(682,358)
Total comprehensive income for the period ended 30 June 2023					
Profit for the period	-	-	-	903,139	903,139
Balance as at 30 June 2023 (Unaudited)	<u>341,179</u>	<u>-</u>	<u>2,747,000</u>	<u>904,411</u>	<u>3,992,590</u>
Balance as at 30 September 2023 (Audited)	341,179	-	2,747,000	1,245,951	4,334,130
Transactions with owners of the Company					
Effects of scheme of arrangement / merger (notes 1.1 and 1.2)	4,455	93,545	-	48,701	146,701
Total comprehensive income for the period ended 30 June 2024					
Loss for the period	-	-	-	(307,893)	(307,893)
Balance as at 30 June 2024 (Unaudited)	<u>345,634</u>	<u>93,545</u>	<u>2,747,000</u>	<u>986,759</u>	<u>4,172,938</u>

The annexed notes 1 to 22 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 (UN-AUDITED)

For the nine months period ended 30 June 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 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:

Factories

- 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

Effects of scheme of arrangement / merger

- 1.1** After the closing of the global acquisition of Huntsman Textile Effects business and local acquisition of Huntsman Textile Effects Pakistan (Private) Limited now Archroma Chemicals Pakistan (Private) Limited, by the Company's Holding Company i.e. Archroma Textiles GmbH, the Company initiated the process to merge Archroma Chemicals Pakistan (Private) Limited (formerly: Huntsman Textile Effects Pakistan (Private) Limited) with and into the Company. The Board of Directors of the Company in their meeting held on 27 April 2023 approved the Scheme of Arrangement under Sections 279 to 283 and 285 of the Companies Act, 2017 which was subsequently also approved by the members in the Extra Ordinary General Meeting held on 23 June 2023 and later on sanctioned by the Honorable High Court of Sindh on 31 October 2023. In pursuance with the requirements of Companies Act 2017, an order of the Court sanctioning the Scheme of Arrangement for the merger was submitted to Registrar of Companies dated 8 Nov 2023.

The salient features of the arrangement are as follows:

- The entire undertaking, comprising of all Assets, Liabilities and Obligations of Archroma Chemicals Pakistan (Private) Limited Formerly: Huntsman Textile Effects Pakistan (Private) Limited shall, Effective from 1 October 2023 (effective date) stand merged with, transferred to, vested in (along with ancillary matters thereto), and be assumed by Archroma. These condensed Interim Financial Statements have been prepared taking the effect of merger and amalgamation of Assets, Liabilities, and all obligations of Archroma Chemicals Pakistan (Private) Limited (formerly: Huntsman Textile Effects Pakistan (Private) Limited) into the Company as per the scheme of arrangement Sanctioned by Honorable High Court of Sindh.
- As consideration for the above, Archroma Pakistan Limited issued 445,460 shares at Rs 10 each amounting to Rs 4.455 million, on the basis of a swap ratio as determined by EY Ford Rhodes of approximately 0.0455 Company shares for every one share to the shareholders of Archroma Chemicals Pakistan (Private) Limited Formerly: Huntsman Textile Effects Pakistan (Private) Limited.
- Upon the merger and transfer of Archroma Chemicals Pakistan (Private) Limited. Formerly: Huntsman Textile Effects Pakistan (Private) Limited. in the manner prescribed under this Scheme, Archroma Chemicals Pakistan (Private) Limited. Formerly: Huntsman Textile Effects Pakistan (Private) Limited shall stand dissolved without winding up.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

- 1.2** As Archroma Chemicals Pakistan (Private) Limited (formerly: Huntsman Textile Effects Pakistan (Private) Limited) was a wholly owned subsidiary, the amalgamation has been accounted for as a common control transaction and predecessor accounting has been applied. Under predecessor accounting, balances relating to Archroma Chemicals Pakistan (Private) Limited (formerly: Huntsman Textile Effects Pakistan (Private) Limited) on as of 1 October 2023 have been amalgamated on a line by line basis on the date of merger. Further, reserves including unappropriated profits / losses of Huntsman amounting to Rs 48.701 million, up to and immediately preceding the Effective Date has been treated as revenue reserves of a corresponding nature in Archroma and has been accounted for on that basis in the books of account of Archroma in line with scheme of arrangement. Accordingly the remaining amount of Rs 93.545 million has been treated as amalgamation reserve. Details of the Archroma Chemicals Pakistan (Private) Limited (formerly: Huntsman Textile Effects Pakistan (Private) Limited) balances merged are as follows:

	(PKR in '000')
Non-current assets	
Property, plant and equipment	715
Current assets	
Trade receivables, trade deposits and short-term prepayments	16,033
Taxation - net	22,450
	38,483
Cash and cash equivalents transferred due to arrangement / merger	
Short term investments	100,000
Cash and bank balances	38,030
	138,030
Total current assets	176,513
Total assets	177,228
Issued, subscribed and paid-up capital	98,000
Unappropriated profit	48,701
Equity	146,701
Non-current liabilities - employee benefits	7,870
Current liabilities -trade and other payables	22,657
Liabilities	30,527
	177,228

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 2023.

2.3 Functional and presentation currency

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 The Company has consistently applied the accounting policies to all periods presented in these financial statements adopted in the preparation of these condensed interim financial statements. These are consistent with those applied in preparation of the published annual audited financial statements of the Company for the year ended 30 September 2023. In addition, the Company has adopted Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the Disclosure of "material" rather than "significant" accounting policies. The amendments did not result in any changes to the accounting policies.

3.2 A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2024 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 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 30 September 2023.

5. PROPERTY, PLANT AND EQUIPMENT

		30 June 2024 (Un-audited)	30 September 2023 (Audited)
(Rupees in '000)			
Operating property, plant and equipment	5.1	1,744,410	1,852,118
Capital work-in-progress	5.3	464,568	49,788
		<u>2,208,978</u>	<u>1,901,906</u>

5.1 The following operating property, plant and equipment have been added during the nine months period ended 30 June:

	Building on free hold	Plant and machinery	Furniture, fixtures and equipment	Vehicles	30 June 2024	30 June 2023
(Rupees in '000)						
----- (Rupees in '000) -----						
Additions for the HY-2024	-	2,733	23,086	19,425	9,044	54,288
Additions for the quarter 30 June 2024	17,175	10,360	19,244	-	22,598	69,377
Total	17,175	13,093	42,330	19,425	31,642	123,665
				31,642	123,665	278,460

5.1.1 Operating property, plant and equipment include right-of-use asset on buildings of Rs.Nil (2023: Rs. 31.92 million) recognised during the period.

5.1.2 Additions to furniture, fixtures and equipments includes direct additions of Rs. 20.21 million (2023: Rs. 12.60 million) and transfers from capital work in progress of Rs. 41.54 million (2023: Rs. 102.85 million) respectively.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

5.2 Property, plant and equipment disposed off during the nine months period ended 30 June are as follows:

	Furniture, fixtures and equipment	Vehicles	30 June 2024 (Un-audited)	30 June 2023
	----- (Rupees in '000) -----			
Cost	2,295	12,351	14,646	43,834
Accumulated depreciation	(2,295)	(9,617)	(11,912)	(32,532)
Net book value	<u>-</u>	<u>2,734</u>	<u>2,734</u>	<u>11,302</u>

5.3 Additions to capital work in progress during the nine months period ended 30 June 2024 amounted to Rs. 495.64 million (2023: Rs. 172.72 million) and transfers to operating fixed assets amounted to Rs. 80.86 million (2023: Rs. 215.86 million)

6. STOCK-IN-TRADE

	30 June 2024 (Un-audited)	30 September 2023 (Audited)
	----- (Rupees in '000) -----	
Raw and packing materials including goods in transit of Rs. 974.50 million (30 September 2023: Rs. 2,052.52 million)	4,032,568	5,494,420
Work-in-process	324,569	188,807
Finished goods including goods in transit of Rs. 29.04 million (30 September 2023: Rs. 32.55 million)	1,746,390	1,072,872
	<u>6,103,527</u>	<u>6,756,099</u>

7. TRADE RECEIVABLES

Considered good	6,719,261	9,312,865
Considered doubtful	504,018	487,175
	<u>7,223,279</u>	<u>9,800,040</u>
Provision for impairment loss on trade receivables	(504,018)	(487,175)
	<u>6,719,261</u>	<u>9,312,865</u>

8. CASH AND BANK BALANCES

Cash at banks		
- in current accounts	13,001	224,209
- in saving accounts	90,649	90,892
	<u>103,650</u>	<u>315,101</u>
Cash in hand	517	275
	<u>104,167</u>	<u>315,376</u>

9. SHARE CAPITAL

9.1 Authorised Capital

30-June 2024	30 September 2023			
Number of Shares				
50,000,000	50,000,000	Ordinary shares of Rs 10 each before merger	500,000	500,000
13,000,000	-	Ordinary shares of Rs 10 each acquired under the approved scheme of arrangement / merger	130,000	-
<u>63,000,000</u>	<u>50,000,000</u>	Ordinary shares of Rs 10 each after arrangement / merger	<u>630,000</u>	<u>500,000</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

9.2 Issued, Subscribed and paid-up share capital

30-June 2024	30 September 2023			
Number of Shares				
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	-	Ordinary shares of Rs10 each issued to Archroma Chemicals Pakistan (Private) Limited under the approved scheme of arrangement / merger (note 9.4)	4,455	-
<u>34,563,341</u>	<u>34,117,881</u>		<u>345,634</u>	<u>341,179</u>

9.3 Movement in issued, subscribed and paid-up share capital

	30-June 2024	30 September 2023
Ordinary Shares	----- Number of shares -----	
Number of shares outstanding at beginning of the period	34,117,881	34,117,881
Additional shares issued under the approved scheme of arrangement / merger (note 9.4)	445,460	-
Number of shares outstanding at the end of the period	<u>34,563,341</u>	<u>34,117,881</u>

9.4 The members of the Company approved the Scheme of Arrangement in the Extra Ordinary General Meeting held on 23 June 2023 and sanctioned by the Honorable High Court of Sindh on 31 October 2023 effective from 1 October 2023. As a consequence, the Company has now allotted and issued an aggregate of 445,460 shares to the shareholders of Archroma Chemicals Pakistan (Private) Limited (formerly: Huntsman Textile Effects Pakistan (Private) Limited) i.e M/s Archroma Textiles GmbH on the basis of the approved swap ratio of approximately 0.0455 Company shares for every one share of Archroma Chemicals Pakistan (Private) Limited (formerly: Huntsman Textile Effects Pakistan (Private) Limited). The details of merger is included in notes 1.1 and 1.2.

9.5 Archroma Textiles GmbH, held 26,033,992 (2023: 25,588,533) ordinary shares of Rs.10 each at 30 June 2024.

9.6 All the ordinary shares carry one vote per share and right to dividend.

10. EMPLOYEE BENEFITS

	30 June 2024 (Un-audited)	30 September 2023 (Audited)
Net defined benefit - assets	----- (Rupees in '000) -----	
Employee retirement benefits - Gratuity	28,123	56,121
Net defined benefit - Liability		
Other long term employee benefits - Long service award	8,087	10,414
Employee retirement benefits transferred from Archroma Chemicals Pakistan (Private) Limited (formerly: Huntsman Textile Effects Pakistan (Private) Limited) - un-funded Gratuity	6,705	-
	<u>14,792</u>	<u>10,414</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

11. SHORT-TERM BORROWINGS - secured

Short term Islamic and conventional finance facilities are available from various banks under profit arrangements, amounting to Rs. 10,250million (Islamic Rs. 8,000 million & Conventional Rs. 2,250 million) (30 September 2023: Rs. 8,050 million). These facilities have various maturity dates up to 30 June 2025. These arrangements are secured against a pari passu charge of hypothecation on stock-in-trade and trade receivables with minimum 10% margin. These facilities other than below mentioned Islamic facilities, carry profit ranging from 1 month KIBOR+0.10% to 1 month KIBOR+ 0.20% and 3 months KIBOR flat to 3 months KIBORE+ 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. 4,611 million (30 September 2023: Rs. 3,679 million).

11.1 The Company has availed Islamic Export Refinance Facility - Part II amounting to Rs. 2,614 million (30 September 2023: Rs. 2,434 million) under the Export Financing Scheme of the State Bank of Pakistan (SBP). These arrangements are secured against a pari passu charge of hypothecation on stock-in-trade and trade receivables. The profit rates on these facilities range from 19.0% to 20.0% per annum (30 September 2023: 19.2% to 20.0% per annum). Further the company has availed short term loan of Rs. 600 million. The profit rate of these loan are 1 month KIBOR flat to 1 month KIBOR+0.05%.

12. LEASE LIABILITIES

	30 June 2024 (Un-audited)	30 September 2023 (Audited)
	----- (Rupees in '000) -----	
12.1 Lease liabilities included in the statement of financial position as at 30 June 2024		
Current	23,885	23,573
Non-Current	133,425	118,864
	<u>157,310</u>	<u>142,437</u>

12.2 Maturity Analysis – Discounted Cash Flows

Payable within one year	23,885	23,573
Payable after one year but not later than 5 years	73,262	82,284
Payable after 5 years	60,163	36,580
	<u>157,310</u>	<u>142,437</u>

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.

13. LIABILITIES AGAINST DIMINISHING MUSHARIKA FINANCING

	Due within one year		Due after one year but within 5 years		Total	
	30 June 2024	30 September 2023	30 June 2024	30 September 2023	30 June 2024	30 September 2023
	----- (Rupees in '000) -----					
Liabilities against diminishing musharika financing	57,590	50,389	138,385	140,356	195,975	190,745

The Company has obtained various vehicles under diminishing musharika financing arrangement entered into with a Modaraba having various maturity dates up to 25 Dec 2028 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.

14. Sales Tax

The sales tax matter is same as disclosed in the annual financial statements for the year ended 30 September 2023 except during the period, the Company has received refunds amounting to Rs. 301.80 million and refund payment orders amounting to Rs. 78.41 million.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 Contingencies are the same as those disclosed in annual audited financial statements for the year ended 30 September 2023 except for the following:

Name of the court, agency or authority	Description of the factual basis of the proceedings and relief sought	Principal parties	Date instituted
Commissioner Inland Revenue Appeals (CIRA)	For the tax year 2022, Additional Commissioner (Audit-I) Inland Revenue (ACIR) had passed an order dated 28 November 2023 that amended the assessment under section 122(5A) of the Ordinance. The Company filed an appeal dated 21 December 2023 before the CIR(A) against the order passed by ACIR. The appeal date is yet to be communicated. The management based on consultation with its tax advisor is confident that there will be no unfavorable outcome for the said tax year and accordingly no provision has been made in the these financial statements.	The Assistant Commissioner Inland Revenue (ACIR) and the Company	23-Nov-23

15.1.2 The tax charge pertains to minimum turnover tax under section 113 and final tax on exports. On abundant caution and based on the economic and geopolitical situation of the country / region, the Company has not recognized deferred tax asset of Rs. 59,835 million as the timing and availability of sufficient taxable profits cannot be accurately forecasted at the period end.

15.2 Commitments

15.2.1 Banks have provided guarantees to various parties on behalf of the Company. Guarantees outstanding as at 30 June 2024 amounted to Rs. 772 million (30 September 2023: Rs. 667 million).

15.2.2 The Company has provided post dated cheques amounting to Rs. 6,405 million (30 September 2023: Rs. 8,566 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.

15.2.3 Commitments for capital expenditure as at 30 June 2024 aggregated to Rs. 152.11 million (30 September 2023: Rs. 209.16 million).

15.2.4 Commitments under letters of credit for stock-in-trade and stores and spares as at 30 June 2024 amount to Rs. 520 million (30 September 2023: Rs. 3,295 million).

15.3 Tax contingencies

Tax contingencies are the same as those disclosed in the audited annual financial statements for the year ended 30 September 2023.

16. 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, 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 2023. 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:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 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).

16.1 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:

		30 June 2024 (Unaudited)					Fair value		
		Carrying amount				Total	Level 1	Level 2	Level 3
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'					
----- Rupees in '000 -----									
Financial assets - not measured at fair value									
	Deposits	16.1.1	-	-	38,126	-	-	-	
	Trade receivables	16.1.1	-	-	6,719,261	-	-	-	
	Other receivables	16.1.1	-	-	106,633	-	-	-	
	Cash and bank balances	16.1.1	-	-	104,167	-	-	-	
			-	-	6,968,187	-	-	-	
Financial liabilities - not measured at fair value									
	Lease liabilities	16.1.1	-	-	157,310	157,310	-	-	
	Liabilities against diminishing musharaka financing	16.1.1	-	-	195,975	195,975	-	-	
	Trade and other payables	16.1.1	-	-	6,875,439	6,875,439	-	-	
	Short-term borrowings	16.1.1	-	-	5,639,359	5,639,359	-	-	
	Mark-up accrued	16.1.1	-	-	264,919	264,919	-	-	
	Unclaimed dividend	16.1.1	-	-	90,636	90,636	-	-	
	Unpaid dividend	16.1.1	-	-	-	-	-	-	
			-	-	13,223,638	13,223,638	-	-	
----- Rupees in '000 -----									
		30 September 2023 (Audited)					Fair value		
		Carrying amount				Total	Level 1	Level 2	Level 3
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'					
----- Rupees in '000 -----									
Financial assets - not measured at fair value									
	Deposits	16.1.1	-	-	46,205	-	-	-	
	Trade receivables	16.1.1	-	-	9,312,865	-	-	-	
	Other receivables	16.1.1	-	-	25,003	-	-	-	
	Cash and bank balances	16.1.1	-	-	315,376	-	-	-	
			-	-	9,699,449	-	-	-	
Financial liabilities - not measured at fair value									
	Lease liabilities	16.1.1	-	-	142,437	142,437	-	-	
	Liabilities against diminishing musharaka financing	16.1.1	-	-	190,745	190,745	-	-	
	Trade and other payables	16.1.1	-	-	10,160,958	10,160,958	-	-	
	Short-term borrowings	16.1.1	-	-	4,370,646	4,370,646	-	-	
	Mark-up accrued	16.1.1	-	-	167,410	167,410	-	-	
	Unclaimed dividend	16.1.1	-	-	90,891	90,891	-	-	
	Unpaid dividend	16.1.1	-	-	511,771	511,771	-	-	
			-	-	15,634,858	15,634,858	-	-	

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

17. SEGMENT INFORMATION

17.1 Segment information for the nine months period ended:

	Textile Effect (TE)		Paper, Packaging and Coatings (PP&C)		Total	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	----- (Rupees in '000) -----					
Sales						
Domestic**	14,539,782	16,610,145	3,459,373	2,834,192	17,999,155	19,444,337
Export	3,863,358	5,099,507	-	-	3,863,358	5,099,507
Total sales	18,403,140	21,709,652	3,459,373	2,834,192	21,862,513	24,543,844
Discount and commission	663,861	717,730	18,081	12,711	681,942	730,441
Sales tax	1,596,424	2,351,828	523,813	425,295	2,120,237	2,777,123
	2,260,285	3,069,558	541,894	438,006	2,802,179	3,507,564
Net sales (from external customers)	16,142,855	18,640,094	2,917,479	2,396,186	19,060,334	21,036,280
Segment results based on 'management approach'	315,452	2,125,864	234,901	580,353	550,353	2,706,217
Other expenses - WPPF and WWF					(10,000)	(118,700)
Assets charged to profit and loss for internal reporting purposes based on group guidelines					2,802	(6,090)
					543,155	2,581,427
Finance costs					917,709	1,023,365
Profit before taxation					(374,554)	1,558,062
Capital expenditure including CWIP	485,290	142,216	851	80	486,141	142,296
Unallocated					1,058	403
					487,199	142,699
Depreciation	206,668	211,438	3,779	3,060	210,447	214,498
Unallocated					18,728	5,575
					229,175	220,073
	Textile Effect (TE)		Paper, Packaging and Coatings (PP&C)		Total	
	Unaudited 30 June 2024	Audited 30 September 2023	Unaudited 30 June 2024	Audited 30 September 2023	Unaudited 30 June 2024	Audited 30 September 2023
	----- (Rupees in '000) -----					
Segment Assets	12,909,321	14,389,495	1,626,541	2,198,283	14,535,862	16,587,778
Unallocated					2,899,668	3,858,599
Total assets	17,435,530				17,435,530	20,446,377
Segment Liabilities	4,448,504	8,096,084	570,009	987,126	5,018,513	9,083,210
Unallocated					8,244,079	7,029,037
Total liabilities	13,262,592				13,262,592	16,112,247

** This includes sales under Export Facilitation scheme 2021 at zero rate of sales tax.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

17.2 Segments information for the quarter ended:

	Textile Effect (TE)		Paper, Packaging and Coatings (PP&C)		Total	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
----- (Rupees in '000) -----						
Sales						
Domestic	3,465,812	4,710,486	899,634	1,154,171	4,365,446	5,864,657
Export	986,157	1,940,740	-	-	986,157	1,940,740
	4,451,969	6,651,226	899,634	1,154,171	5,351,603	7,805,397
Discount & commission	108,090	217,697	6,030	5,502	114,120	223,199
Sales tax	318,779	661,427	139,952	173,908	458,731	835,335
	426,869	879,124	145,982	179,410	572,851	1,058,534
Net sales (from external customers)	4,025,100	5,772,102	753,652	974,761	4,778,752	6,746,863
Segment results based on 'management approach'	(133,930)	517,705	37,793	226,615	(96,137)	744,320
Other expenses - WPPF / WWF					(5,000)	(45,000)
Assets charged to profit and loss for internal reporting purposes based on group guidelines					(878)	(1,232)
					(102,015)	698,088
Finance costs					325,551	111,313
Profit before taxation					(427,566)	586,775
Fixed capital expenditure	392,439	5,281	-	80	392,439	5,361
Unallocated					178	168
					392,617	5,529
Depreciation	69,322	76,702	1,044	3,056	70,366	79,758
Unallocated					6,309	1,492
					76,675	81,250
18 EARNINGS PER SHARE	Nine months ended		Quarter ended			
	30 June		30 June			
	2024	2023	2024	2023	2024	2023
18.1 Basic	----- (Rupees in '000) -----					
Profit after taxation attributable to ordinary shareholders	(307,893)	903,139	(182,722)	281,372		
	----- (Number of shares) -----					
Weighted average number of ordinary shares outstanding during the period	34,563,341	34,117,881	34,563,341	34,117,881		
	----- (Rupees) -----					
Earnings per share	(8.91)	26.47	(5.29)	8.25		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

18.2 Diluted

There were no convertible dilutive potential ordinary shares in issue as at 30 June 2024 and 30 June 2023.

19 CASH GENERATED FROM OPERATIONS

	Nine months ended	
	30 June 2024	30 June 2023
	----- (Rupees in '000) -----	
Profit before taxation	(374,554)	1,558,062
Adjustment for non-cash charges and other items:		
Depreciation	229,175	220,073
Provision for staff gratuity	27,998	24,297
Mark-up expense	888,678	957,262
Impairment loss of trade receivable	16,843	(3,754)
Working capital changes	(173,978)	(1,625,558)
	614,162	1,130,382

19.1 Working capital changes

Decrease/(increase) in current assets

Stores and spares	(14,706)	(4,585)
Stock-in-trade	652,572	(3,107,329)
Trade receivables	2,592,794	(2,422,293)
Loans and advances	652	(22,377)
Trade deposits and short-term prepayments	25,890	(16,562)
Other receivables	65,251	(575,350)
	3,322,453	(6,148,496)

(Decrease)/increase in current liabilities

Trade and other payables	(3,496,431)	4,522,938
	(173,978)	(1,625,558)

19.2 CASH AND CASH EQUIVALENTS

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

Cash and bank balances	104,167	312,379
Short-term running finance	(2,424,919)	(106,910)
	(2,320,752)	205,469

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

20. 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	
			2024	2023
			30 June	
			(Rupees in '000)	
Archroma Textile GmbH, Switzerland	Parent / Holding Company	Dividend	-	511,771
Archroma Management GmbH, Switzerland	Associated company	Purchases & Services	515,019	408,265
		Royalty expenses	887,598	1,030,923
		Indenting commission	36,504	18,718
Archroma Turkey Limited	Associated company	Sales	1,029,335	2,414,172
Archroma Singapore, Pte Ltd	Associated company	Purchases	743,678	150,062
		Sales	42,164	31,722
		Indenting commission	109,050	6,805
Archroma Textile Mexico S.De	Associated company	Purchases	132,398	116,647
		Sales	2,151	6,868
Archroma Thailand	Associated company	Purchases	586	941
		Sales	255,382	324,927
		Indenting commission	1,893	1,729
PT Archroma Indonesia	Associated company	Purchases	37,162	17,299
		Sales	12,724	20,917
		Indenting commission	788	-
Archroma Brazil	Associated company	Sales	-	1,854
Archroma Tianjin Ltd	Associated company	Purchases	-	15,387
Spice Industria Quimica	Associated company	Purchases	1,401	-
Archroma Chemical China	Associated company	Sales	50,563	113,210
Archroma Peru S.A.	Associated company	Sales	20,412	16,944
Archroma Iberica, S.L.	Associated company	Sales	88,751	104,079
Archroma Japan KK	Associated company	Sales	56,104	40,350
Archroma Germany GmbH	Associated company	Sales	-	1,251
Archroma U.S	Associated company	Purchases	1,902	5,413
Swiss Business Council	Common directorship	Subscription	130	110
Jubilee life Insurance Company	Common directorship	Insurance	56,956	49,714
Key management personnel	Related parties	Salaries, benefits and compensations	194,232	128,878
		Post employment benefits	21,882	16,472

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended 30 June 2024

Details of balances with related parties are as follows:


Name of related party	Nature of Relationship	Nature of balances	30 June 2024 (Un-audited)	30 September 2023 (Audited)
			(Rupees in '000)	
Archroma Management Gmbh, Switzerland	Associated company	Receivable	23,978	14,558
		Payable	1,404,074	913,790
Archroma Turkey Limited	Associated company	Receivable	265,591	944,666
Archroma Singapore,Pte Ltd	Associated company	Receivable	55,208	804
		Payable	235,085	320,431
Archroma Textile Mexico S.De	Associated company	Receivable	2,117	4,813
		Payable	98,639	46,724
Archroma Thailand	Associated company	Receivable	123,733	168,121
PT Archroma Indonesia	Associated company	Receivable	4,160	3,073
		Payable	24,610	4,796
Archroma Peru,SA	Associated company	Receivable	6,767	9,668
PT Archroma Specialties Indonesia	Associated company	Receivable	-	1,778
Archroma Chemical China Limited	Associated company	Receivable	-	34,809
Archroma Japan KK	Associated company	Receivable	35,695	24,717
Archroma Brazil	Associated company	Payable	1,161	-
Archroma U.S.Inc	Associated company	Payable	1,259	4,853
Archroma Shanghai (WFOE)	Associated company	Receivable	4,678	-
Archroma HN	Associated company	Payable	3,925	-

21. DATE OF AUTHORISATION


These condensed interim financial statements were authorised for issue on 23 July 2024 by the Board of Directors of the Company.

22. 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

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