



LIFE ENHANCED

IT'S OUR NATURE

2025
ANNUAL REPORT



LIFE ENHANCED

IT'S OUR NATURE

Archroma is leading the shift to create a sustainable future for generations to come. We deliver solutions that are environmentally viable.

We are committed to drive a meaningful change. Together, we can make lasting impact for a life enhanced.

The Future is in our Hands

Our **PLANET CONSCIOUS+** vision guides us as we redefine what's possible, partnering with brands and mills to deliver solutions that make sense, environmentally and economically. The future is in our hands, and we're committed to driving meaningful change – quickly and at scale. Together, we can create lasting impact and help consumers achieve their goals, for a life enhanced. As the industry embraces a cleaner and more transparent value chain, we partner brands and mills in their journey as they navigate the evolving regulatory requirements and help them stay ahead of the curve with innovations that anticipate future regulatory changes and trends.



PLANET CONSCIOUS⁺

THE SUSTAINABLE ECOSYSTEM



Designing solutions that have a positive environmental impact. Innovating cleaner chemistry and durable effects for improved circularity and resource efficiency in manufacturing.

INNOVATION⁺



Enabling sustainable color management from inspiration to execution. A comprehensive off the shelf and custom color system that guides the designer to select color with sustainability attributes that can be achieved in manufacturing.

COLOR MANAGEMENT⁺



Designing end-to-end systems with economic and environmental sustainability. Combining processing solutions and intelligent effects that bring measurable environmental impact and increased process efficiency.

SUPER SYSTEMS⁺



Implementing processes with measurable environmental impact. Combining the ONE WAY impact calculator with the Sustainability Improvement Program for measurable resource savings and productivity improvement.

ONE WAY⁺



Ensuring clear, transparent and readily available compliance information for the value chain. Providing 24/7 online access to product certificates and expert notes. Future-proofing our portfolio by leading the shift to cleaner chemistries through the removal of hazardous or restricted substances.

SAFE EDGE⁺



Communicating to all stakeholders with authentic, fact-based information. Avoiding greenwashing and improving transparency across the value chain.

COMMUNICATION⁺

About the Report

The Annual Report for the Financial Year (FY) 2025 is prepared in accordance with the Integrated Reporting Framework, providing an extensive overview of Archroma Pakistan Limited (APL) efforts throughout the year to create value for its internal and external stakeholders.

By sharing relevant information about the Company's key milestones, financial and sustainability performance and accomplishments throughout the year, APL aims to present an overview of its achievements and contributions. The information disclosed in this Report is in accordance with the Best Corporate Reporting criteria applicable for FY2025.

Reporting Period

This report covers the period from 01 October 2024 to 30 September 2025

Reporting Framework

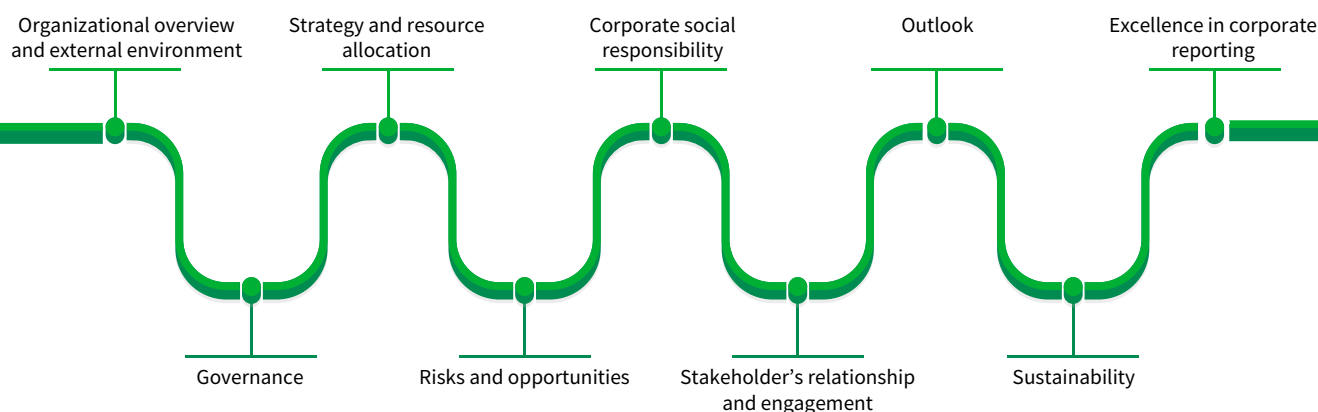
This Report provides an in-depth and transparent disclosure of the Company's financial, environmental, and social performance. In preparing this Report, the Company was guided by the local statutory and regulatory requirements and is also in compliance with the following:

01. International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board as notified under the Companies Act, 2017
02. Companies Act, 2017, and other allied laws and regulations
03. Listed Companies (Code of Corporate Governance) Regulations, 2019
04. Rule Book of the Pakistan Stock Exchange
05. Income Tax Ordinance, 2001 and related rules
06. Other Rules, Regulations, Circulars, Notifications, and Guidelines of the SECP
07. Global Reporting Initiative Standards for Sustainability Reporting
08. UN Sustainable Development Goals



Report Boundary

This report incorporates all 9 core Content Elements of the Integrated Reporting Framework and integrates the following sections:



Materiality

The Company's process for the determination of materiality has been carried out in accordance with the applicable financial reporting framework.

Board Approval

The Directors' Report and the financial statements contained within have been approved by the Board of Directors at its meeting held on 29 October 2025.

Assurance

Independent external auditors KPMG Taseer Hadi & Co. Chartered Accountants have assured the Company's financial statements. In line with the regulatory requirements, the appointment of auditors is subject to the approval of members at the Annual General Meeting of the Company.

Forward Looking Statement

We would like to note that any performance outlook and forecasts based on projections and plans for the future are subject to several risks, uncertainties and assumptions that may cause actual results to differ materially from those indicated in any forward-looking statement. Furthermore, any forward-looking statements are subject to change as a result of new information, future events, or other developments.

Thank you for taking the time to read our report. We hope you find it informative and helpful.



Table of Contents

01

Organizational Overview

Company Profile	03
Our Journey	05
Company Information	07
Key Highlights for the Year	09
Vision & Mission	11
Global Presence	13
Presence in Pakistan	15
CEO's Message	17
Significant Factors Affecting the External Environment Principal Business Activities	19
Principal Business Activities	21
Calendar of Major Events	25
Code of Conduct	27
Swot Analysis	29
Accolades & Recognitions	31
Grand Happenings	33

02

Governance

Directors' Profile	41
Chairman's Review	45
Organogram	49
Governance	52
Role of the Chairman	53
Role of the Chief Executive Officer	53
Terms of Reference (TOR) of Audit Committee	63
Report of the Board Audit Committee	68
Review Report to the Members on Statement of Compliance	71
Statement of Compliance	72
Gender Pay Gap Statement	75
Directors' Report	77
Directors' Report Urdu	98

03

Strategies and Resource Allocation

Strategic Objectives	101
Business Model	103
Competitive Landscape and Market Positioning	104
Key Capabilities and Resources Providing Sustainable Competitive Advantage	106
Business Value Chain	109

04

Risk and Opportunities

Risk Management Framework & Methodology	113
Risks, Mitigation Plans & Opportunities	115

05

Corporate Social Responsibility

Sustainable Development Goals	127
Sustainability Report	139
Corporate Social Responsibility	161

07

Future Outlook

Future Outlook	179
----------------	-----

09

Performance and Position

Horizontal Analysis - Statement of Financial Position	187
Horizontal Analysis - Statement of Profit or Loss	188
Vertical Analysis - Statement of Financial Position	189
Vertical Analysis - Statement of Profit or Loss	190
Performance Indicators	191
Six Years Analysis - Statement of Financial Position and Profit or Loss	194
Six Years Analysis - Summary of Cash Flow	195

11

Stakeholders Information

Pattern of Shareholding	267
Notice of Meeting	271
BCR Criteria	278
Proxy Form English	284
Proxy Form Urdu	286

06

Stakeholders Relationship and Engagement

Shareholder Engagement Policy	171
Stakeholders Engagement Process	172

08

Disclosures on IT Governance and Cybersecurity

Disclosures on IT Governance and Cybersecurity	183
--	-----

10

Financial Statements

Independent Auditors' Report to the Members on Financial Statements	199
Statement of Financial Position	205
Statement of Profit or Loss and other Comprehensive Income	206
Statement of Changes in Equity	207
Statement of Cash Flows	208
Notes to and Forming Part of the Financial Statements	209



CEO Video Link:

<https://archroma.com.pk/-ceo-message-3/>



Annual Report 2025 Link:

<https://archroma.com.pk/wp-content/uploads/2025/11/Annual-Report-2025.pdf>

INDIGO

Archroma's **DENISOL®** range of pre-reduced indigo dyes empower you to produce the iconic indigo blue that defines denim and jeans – without the risks associated with traditional indigo dyeing. We revolutionized denim dyeing a decade ago with DENISOL® Indigo 30, a pre-reduced liquid indigo that is easy to use and produces consistent deep shades with good rubbing fastness. It helps mills increase productivity and reduce pressure on wastewater treatment compared to powder indigo, using up to 10% less dye to achieve the same color depth.



A man in a dark suit is seen from the back, looking out at a city skyline. The image features a double exposure effect, with the city buildings appearing both inside the man's silhouette and in the background. The scene is set on a balcony or rooftop with a glass railing, and a bright sun is visible, creating a lens flare effect. The overall tone is professional and aspirational.

Organizational Overview

Company Profile (BCR 1.02 & 1.06)

Archroma Pakistan Limited was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017). The Company is listed on Pakistan Stock Exchange. The address of its registered office is 1-A/1, Sector 20, Korangi Industrial Area, Korangi, Karachi, Pakistan.

The Company is a subsidiary of Archroma Textiles GmbH, registered and having head quarter in Pratteln, Switzerland which holds 75% of share capital of the Company. The Company operates a highly integrated, customer-focused platform that delivers specialized performance and color solutions in over 80 locations. Archroma works with over 4,100 employees in 38 countries and with over 30 production sites.

Principal Business Activities (BCR 1.02)

The Company is engaged in the manufacturing, sales and indenting business of Specialty Chemicals including Dye stuffs and Coating adhesives & Sealants.



Our Heritage

Archroma's heritage traces back to when Kern & Sandoz was established in 1886 in Basel to produce textile dyes. In 1995 Clariant was formed, as a spin-off from Sandoz, and in 1997 acquired the specialty chemicals business of Hoechst. Clariant then sold its textile chemicals, paper specialties, and emulsion businesses to SK Capital in September 2013. The three divisions were combined into an integrated, market-focused, and collaborative company and renamed Archroma upon becoming an independent entity.

Through this direct lineage and acquisitions, Archroma has knowledge and experience of chemistry and industry spanning more than 160 years.



Our Journey (BCR 1.06)

Sandoz begins producing
textile dyes in Basle
Switzerland

1886

Karachi pilot project
started for manufacturing
of Chemicals and
Dyestuffs

1963

Sandoz (Pakistan) Limited
incorporated

1965

Manufacturing of
Chemicals commenced at
Jamshoro factory

1970

Pilot project for
manufacturing of
Dyestuffs also shifted to
Jamshoro factory

1980

Masterbatch factory at
Korangi, Karachi started

1994

Sandoz Chemicals
Division globally
demerged by
establishment of Clariant
Limited.

1995

Clariant Pakistan Limited
incorporated by
demerging Chemicals
Division of Sandoz
(Pakistan) Limited

1996

1997

Acquisition of Hoechst
Specialty Chemical

Divestment of textile,
paper and emulsions
businesses by Clariant
International Limited to
SK Capital

2013

2013

Archroma Textiles S.a.r.l
establish by SK Capital.

Clariant Pakistan Limited
name changed to
Archroma Pakistan
Limited

2013

2015

Archroma acquires BASF
Textiles Chemicals

Archroma acquired
Huntsman Textiles Effects
businesses

2023

Company Information

Chairman

Mujtaba Rahim

Board of Directors

Irfan Chawala
Chief Executive Officer

Dr. Lalarukh Ejaz

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

Irfan Chawala

Patrick Verraes
(Alternate: Naveed Kamil)

Irfan Lakhani
Secretary

Management Committee

Irfan Chawala

Muhammad Altaf

Naveed Kamil

Qazi Naeemuddin

Altaf Jamal Khan

Hadi Raza lakhani

Chief Financial Officer

Altaf Jamal Khan

Company Secretary

Irfan Lakhani

Bankers



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

Key Highlights for the Year (BCR 1.09)

Revenue

Rupees in million

32,184
2025

13% Growth

28,533
2024

Gross Margin

Percentage

24.10
2025

32% Growth

18.20
2024

Equity

Rupees in million

4,410
2025

17% Growth

3,778
2024

Return on Equity

Percentage

26.69
2025

284% Growth

(14.47)
2024

Return on Assets

Percentage

7.48
2025

295% Growth

(3.82)
2024

Profit After Tax

Rupees in million

1,177
2025
315% Growth
(546)
2024

Total Assets

Rupees in million

15,728
2025
10% Growth
14,303
2024



Earnings Per Share

Rupees

34.05
2025
315% Growth
(15.81)
2024



Our Vision (BCR 1.01)

We are passionate to deliver leading and innovative solutions, enhancing people's lives and respecting our planet.

Our Mission (BCR 1.01)

We are growing business by leveraging local entrepreneurship and global organization in a collaborative way. We enable our customers to win in their markets, we push limits to outperform and we never give up!



Global Presence (BCR 1.05)

90 markets served, including 30 production sites

Over 4100 employees,
over 80 locations (including
30 production sites) across
38 countries worldwide

- Headquarters
- Offices
- Laboratories
- Production sites
- Sales countries

List of all our sites

- | | |
|-------------------------|-----------------|
| 1. Ameriya (Alexandria) | 16. Lurin |
| 2. Ankleshwar | 17. Mahachai |
| 3. Atoto | 18. Maipu |
| 4. Bangpoo | 19. Martin |
| 5. Baroda | 20. Prat |
| 6. Bogota | 21. Panyu |
| 7. Castellbisbal | 22. Resende |
| 8. Cilegon | 23. Roha |
| 9. Fraijanes | 24. Salvatierra |
| 10. Jamshoro | 25. Santa Clara |
| 11. Gendorf | 26. Suzano |
| 12. Gersthofen | 27. Tangerang |
| 13. Lamotte | 28. Tianjin |
| 14. Karachi | 29. Wiesbaden |
| 15. Langweid | 30. Zarate |





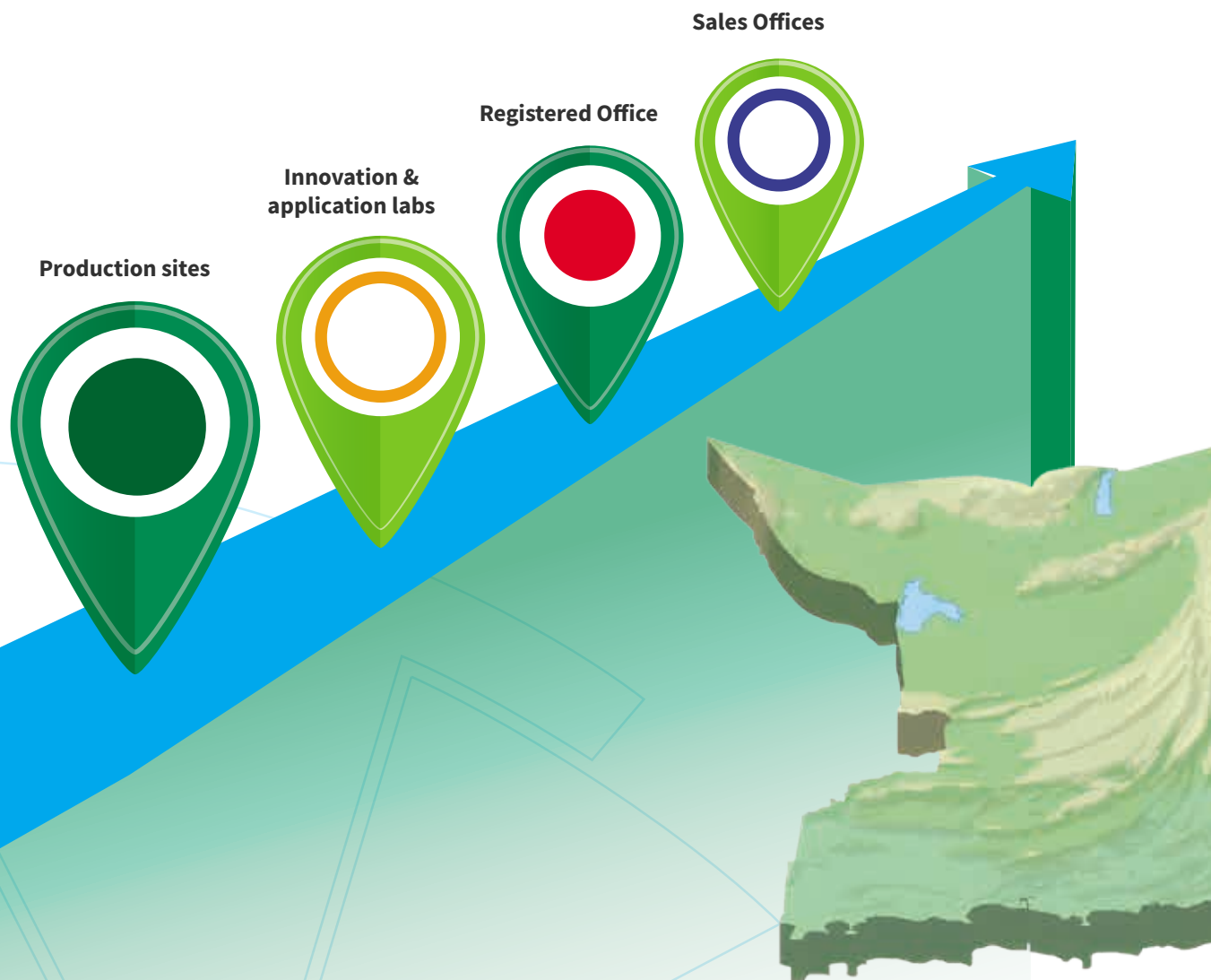
Markets served

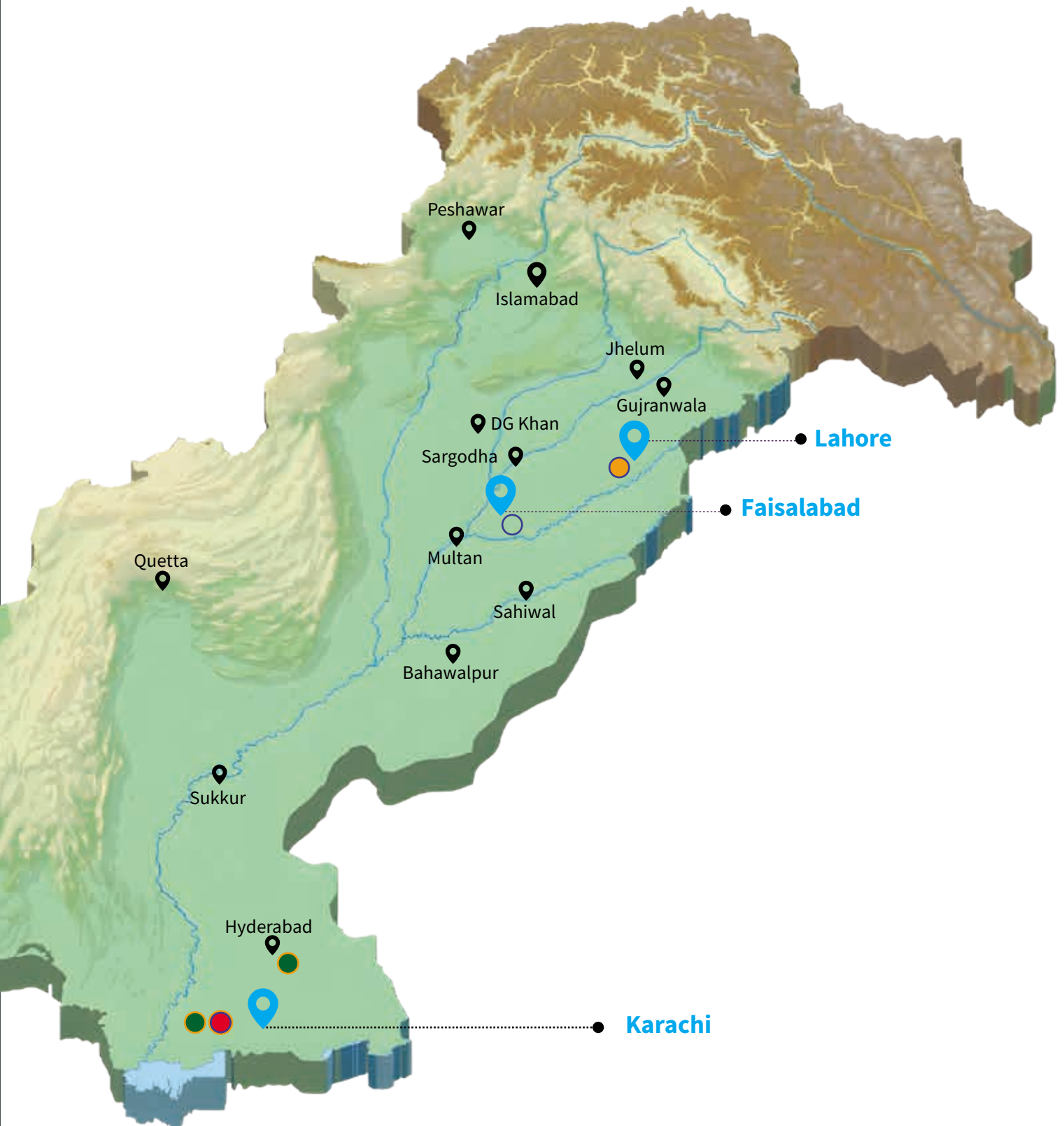
We currently serve 90 markets worldwide, organized into six regions: North Asia, South Asia, Pakistan, North America and Mexico, South and Central America, and Europe, and Middle East and Africa. Archroma has suspended its operations in Russia and Belarus until further notice.

Scale of operations

Archroma currently has over 80 locations in 38 countries worldwide, 30 production sites, 23 locations with laboratory facilities, 38 warehouses, and ~50 offices. We have significant operations in Brazil, China, Germany, India, Indonesia, Mexico, Pakistan, Spain, Thailand and in the USA.

Presence in Pakistan (BCR 1.03)







CEO's Message

I feel privileged and very much delighted to present Archroma's Annual Report for 2025 with a hope that you will find its contents and commentary an interesting follow through of our Performance for the year and some highlights from global happenings.

Our Report would give you some insight on local and global business scenario, broadened product portfolio, multi-dimensional research, trends leading to new product developments, technology-based innovations, roadmap towards sustainability and encouraging financial outlook.

Archroma achieved bottom-line profitability of PKR 1,177 million compared to the loss of PKR 546 Million last year. Our Gross Revenues increased to PKR 32,184 million which is 13% higher than previous year. The significant improvement to our profitability is mainly coming from improved Raw Materials' supply chain & sourcing, effective cost savings initiatives, growing Sales volumes supporting better Plant Capacity utilization and meticulous financial planning & debt management. Based on the above improvements your Company was also able to declare Dividends of 300% for the Year 2025. Your Company's share prices have also started to reflect some of these improvements with APL now hovering around PKR 450 per share from PKR 256 per share few months back.

During the year Archroma has further strengthened its locally manufactured portfolio through Transfer of Manufacturing of legacy Huntsman Dyes and certain chemicals portfolio to further reduce import reliance of our Textiles Industry customers. Global products like Novacron S & Novacron Bold are now being manufactured in Jamshoro. Our Textile Effects portfolio has significantly strengthened due to these initiatives to further support the Industry & Country's Textile Exports and overcome growing Cost challenges coming from US Imports Tariffs' increase. Further, this year we also introduced new ranges of Dyes, Pigments & Chemicals for the Homecare and Personal Care customers' portfolio, who also continue to increase their reliance on local supplies from Archroma to successfully pursue their objectives to reduce Global supply chain uncertainties and further improve upon imports substitution.

Our Packaging Technologies business is also growing its Market share with the additions of new Colorants and water-based Packaging Inks for the Industry. Moreover, with the strengthening of our Construction Chemicals team, Archroma has been able to launch new products for the Concrete mix & water-proofing portfolio. We remain confident to move even faster in coming months to cater to the broader market requirements and earn customer satisfaction.

Securing uninterrupted supplies to produce quality products has been our hallmark since inception. We formed a highly beneficial partnership with Pakistan Oxygen Limited to strengthen Hydrogen supply to our Jamshoro site. Hydrogen is a critical component in Indigo production. With the strengthening of our alliance through this preferential arrangement, we will go one step ahead in strengthening local Denim industry, a key export contributor to national exchequer.

We also enhanced our efforts towards sustainability by taking a major decision to partially switch from Grid electricity to renewable Solar energy solutions. The 1,590 KW solar systems will generate over 2.4 million kWh annually providing substantial clean energy to power our two production sites at Jamshoro and Landhi. This project will create phenomenal environmental impact by reducing our carbon emissions at 1,148 metric tons, thereby contributing to reduce environmental pollution by generating clean air. On the other hand, we will be assisting the Government by adding our share towards climate action & change initiatives.

Sustainable Effluent Treatment plant at Jamshoro entered its second decade of saving water through recycling for re-use. In line with corporate social responsibility, Responsible Care® and Sustainable Neighborhood initiatives, we continue to provide

about 200,000 gallons of clean drinking water after purification to the surrounding community on daily basis absolutely free of cost.


Archroma continues with its compliance with best sustainability practices and is part of the Top 5% of more than 130,000 Companies from amongst 180 Countries & 220 industries, based on four criteria i.e. Environment, Labour & Human Rights, Ethics & Sustainable Sourcing.

Archroma is also Cradle to Cradle Material Health Gold level certified across 10 Product groups which include Reactive, Acid, Disperse, Indigo & Sulphur Dyes plus a series of Chemical products such as pretreatment, optical brightening agents, sizing, dyeing auxiliaries & flame retardants, which helps Textile Mills & brands to confidently use our products to achieve Cradle to Cradle certification for their finished fabrics & garments.

An important appreciation came through our way when our efforts on Water Stewardship and Management were recognized by Overseas Investors Chamber of Commerce & Industry. We were conferred with a Special Recognition Award at 3rd Climate Conference. This, indeed, is highly motivating for our team who work tirelessly in sustainable water saving practices.

Archroma Center of Excellence (ACE) continues to stand as an icon in shaping the future of Textile Industry by giving the young human resource' hands-on experience in Textile Wet Processing and Dyeing techniques. A number of ACE interns have found their career progression in the Textile Industry with this training. The highly sought after Internship Program in Chemistry and Textile Sciences has become Archroma's signature initiative amongst Pakistan's Textile academia and institutions. Scope of training has recently been broadened adding quality management and sustainability to the syllabus.

I would like to express my profound gratitude to all our partners, customers and associates for their confidence and exceptional support. My sincere appreciation goes to the highly dedicated team, who have turned every challenge into a growth opportunity for Archroma.



Irfan Chawala
Chief Executive Officer

Significant Factors Affecting the External Environment (BCR 1.12a)



Description		
<p>Political uncertainty continues to influence the business environment, affecting investor confidence and operational continuity.</p> <p>Abrupt changes in the government's macroeconomic policies also adversely affect the company's business and sales projections.</p> <p>Geo-political tensions between other countries, as also witnessed throughout the year, may result in supply disruptions leading to price volatility with a negative pass-through effect on our customers.</p>	<p>Sluggish economic growth, continued price volatility, and high taxation continue to suppress demand across multiple sectors.</p> <p>Volatility in global trade and cost structures affects export margins.</p> <p>Reduced Government spending and slower economic growth contribute to a decrease in demand across various industries.</p>	<p>Economic challenges in the country creates potential social and well-being challenges in the community.</p> <p>Rising expectations around corporate responsibility and social impact require businesses to be more engaged and transparent.</p>

Organizational Response		
<p>The company closely observes ongoing political developments and government's regulatory policies that may affect the Company. Industry-related issues are addressed through forums such as the Pakistan Business Council (PBC), Overseas Investors Chamber of Commerce & Industry (OICCI).</p> <p>Strategic and timely procurement of imported material keeping in mind the geopolitical situation to maintain price stability.</p>	<p>The Company closely monitor all economic factors and remains focused on margin improvement, operational efficiency, and disciplined capital allocation, balancing strategic investments with a cautious view of the macroeconomic landscape.</p> <p>The Company continues to search for and identify new markets for its products, both locally and internationally.</p>	<p>Archroma actively assessing the needs of their communities at local level. Community representatives are consulted, and programs are organized accordingly to support and uplift the communities.</p> <p>Archroma carries out its corporate social responsibility (CSR) activities in and around the areas where it operates. Its collaborative efforts are focused on areas like health, education, women's empowerment, community development, and environmental sustainability.</p>

T

Technological

E

Environmental

L

Legal

Description

Technological obsolescence, striving to competitive edge competitors on new opportunities created by technological advancements.

Climate change remains one of the biggest threats to humankind, given the increase in the number of climate related calamities, thereby resulting in loss of productivity, inflation and other negative social impacts.

Other significant threats to the company besides climate change are depleting gas reserves, water scarcity, high temperatures, fog, and smog. These threats require a shift in strategy, investments in new technologies, and reducing impacts to ensure business continuity.

Various laws and regulations applicable on the company, i.e statutory, corporate legal, secretarial, taxation, import, environmental, health and safety laws and regulations.

Organizational Response

We have a dedicated team of professionals which ensures that all its processes comply with the applicable regulatory requirements. The Company has taken various initiatives for digitalization and automation of its processes and strengthened its cybersecurity framework to address evolving digital threats. This strategic approach not only underscores its commitment to staying at the forefront of technology but also positions it as a pioneer in harnessing technological advancements.

The Company takes various steps to protect the environment including compliance with applicable environment standards. We manage our environmental performance through efficient use of natural resources and identifying and implementing green alternatives. The Company has made considerable progress in solar energy generation projects.

KPIs and associated annual targets are defined for each production site and monitored on a monthly basis using scorecards or dashboards. In addition, specific operational excellence and resource optimization projects have been initiated focusing on process simplification, yield improvement as well as energy, water and waste reduction.

The company ensures compliance with all the applicable laws and regulations. The Company's finance, compliance, and regulatory departments monitor any new legislations impacting the company and ensure meticulous compliance.

Principal Business Activities

Textile Effects

At Archroma, we've been pushing the boundaries of sustainable innovation for decades, continually redefining what's possible in the textile and apparel industry. Our Textile Effects division – an industry powerhouse of leading solutions for specialty textile chemicals, dyes and digital inks – creates innovative technologies that add value and performance to apparel, home textiles and technical textiles, etc.

The pressure for sustainable practices in the chemical industry has increased over time, influenced by global environmental movements and a widespread acknowledgment of the need for ecological responsibility.

Our purpose is to lead our customers and markets towards a more sustainable future. How we do this matters. Through constant innovation and close collaboration, we deliver cutting-edge products, more resource efficient processing, cleaner processes and expert support. Our goal is to empower our customers to create distinctive textiles with sustainability at their core.

OUR MARKETS

Archroma serves a wide range of markets, with textile and apparel as a primary market where we provide innovative solutions to brands and mills. Whether it is casual wear, denim, sportswear, swimwear or formal

wear, we offer products that enhance color, performance, and sustainability. We also serve the home and hospitality markets with innovative solutions for home textiles, upholstery, carpets, bedding, and other applications.

As demand for technical textiles grows in sectors like healthcare, construction, and protective clothing, we provide solutions that enhance the performance, durability, and safety of these materials. The automotive industry is another important sector that demands high quality and sustainable solutions for interior and exterior materials. Our products and solutions have diverse applications in industries beyond key markets to help our customers extend their capabilities and market share.

Our innovative solutions are also highly valued in the home and personal care sector. For home care, we offer high performance, rapidly biodegradable surfactants and optical brighteners for laundry, hand dishwashing liquids and a broad range of cleaning products. Other home care solutions include soil and stain release agents, anti-redeposition polymers and coloration.

For Personal Care, our trusted range of antiperspirant agents have been keeping people fresh for over 50 years. Additionally, we bring decades of expertise in specialty chemicals to the leather industry, offering a comprehensive portfolio designed to enhance every stage of processing.



HOME TEXTILES

HOME AND INSTITUTIONAL



APPAREL

CASUAL WEAR
DENIM
PERFORMANCE APPAREL
FORMAL WEAR



SPECIALIZED TEXTILES

TECHNICAL TEXTILES
AUTOMOTIVE
PROTECTION TEXTILES



HOME CARE

HOME CARE, PERSONAL CARE,
PLASTICS & LEATHER

Packaging Technologies

At Archroma Packaging Technologies, our century-long legacy in water-based chemistries inspires our continuous pursuit of more sustainable formulations. We take pride in leveraging our expertise in fiber-based materials and our leadership on a global scale to provide innovative solutions that improve the look and performance of products in the paper and packaging industries, while offering more sustainable options to our customers.

With a robust background in specialty chemicals and advanced research, we are a reliable partner for pulp and paper mills and packaging converters worldwide, delivering sustainable solutions that enhance consumer experiences while upholding environmental standards.



Driving Innovation Across our Customer Industries

At Archroma Packaging Technologies, our innovations are seamlessly woven into every aspect of modern life, advancing sustainable chemistry across industries such as food and beverage packaging, printing and writing paper, e-commerce boxes, luxury packaging, and even construction. Our diverse portfolio of sustainable chemistries, crafted using cutting-edge technologies, ensures that we consistently meet and exceed the evolving demands of the markets we serve, enhancing product performance while contributing to a more sustainable future.

Despite operating across varied markets, our core water-based chemistry remains the foundational element of our sustainable solutions. Our focus on innovation ensures our products are not only effective but also environmentally responsible, reflecting our commitment to sustainability. With water-based chemistry at our core, we continue to invest in innovation that goes even further with some partially and fully bio-based solutions. We have invested significantly in 2025 to bring bio-based products to the market, thereby enabling industry transition to a circular economy



Calendar of Major Events (BCR 1.17)

**31 October
2024**

Board Meeting held for
approval of Annual
Accounts 2024

**26 December
2024**

29th Annual
General Meeting

**26 December
2024**

Corporate Briefing
Session to brief Company
Profile and its
Performance 2024

**30 June
2025**

Appointment Of CFO

**01 July
2025**

Appointment Of Chairman

**29 July
2025**

Board Meeting held for
approval of 3rd Quarter
Accounts for Financial
Year 2025

27 January
2025

Board Meeting held for approval of Quarterly Accounts for Financial Year 2025

28 April
2025

Board Meeting held for approval of Half Yearly Accounts for Financial Year 2025

30 June
2025

Appointment Of CEO

28 August
2025

Corporate Briefing Session to brief Company Profile and its Nine Month Performance for financial year 2025

25 September
2025

Human Resources & Remuneration Committee Meeting

Code of Conduct

At Archroma, our passion for who we are and for deciding and doing the right thing gives us a competitive advantage. Each of us must live up to the Archroma Values of integrity/honesty, respect, and responsibility which are the foundation of our culture, our Code of Conduct and our AACC Cultural Pillars, so that we make the right decisions and do the right things every day everywhere. This unites us globally and guides us to foster trust and sustainable relationships with all our stakeholders including our employees, our business partners, our shareholders and our communities.

Ensuring Non-Retaliation: At Archroma, we do not tolerate retaliation. Retaliation is any negative consequence you experience as a result of making a report, participating in an investigation, asking a question or refusing to follow an instruction to act in a way that is inconsistent with the law, our Code or internal policies.

When a Breach Occurs: When a breach of the Code or applicable laws is found to have taken place by an employee, Archroma will act quickly and fairly including taking all necessary disciplinary action such as dismissal and informing the authorities.

Embracing Diversity and Inclusion: At Archroma, being a global company, our workforce is incredibly diverse. We embrace diversity not only because it is the right thing to do, but also because it is good business.

Fostering a Respectful Workplace and Preventing Harassment: We must always treat everyone fairly and with respect, fostering a productive and inclusive work environment. We never engage in harassment (sexual or otherwise) or any other unprofessional behavior.

Protection of Company Assets: By working for Archroma, we have the responsibility and legal duty to protect all physical assets, intellectual property and financial assets of Archroma. We must safeguard them from theft, loss, misuse and waste and limit personal use of company assets.

Misappropriation: is dishonest, unfair or improper taking of something that belongs to another for one's own use. We never misappropriate Archroma's physical property or allow anyone else to do so. Do not use Archroma's resources, including property, information, or time, to do work which is not for Archroma or for personal gain.

Protecting Confidential Information and Intellectual Property: Like the Company's physical assets, our confidential and proprietary information and our intellectual property (IP) including trade secrets help us create value for our partners and customers.

Understanding Confidential Information: All Archroma information not in the public domain must be treated confidentially. The same applies to third party confidential information. Confidential information can come in many forms.

Third-Party Intellectual Property: We always respect the intellectual property (IP) rights of others when carrying out Archroma business.

Safeguarding Information Technology: Digital technologies are now standard tools in business. We are all aware that electronic data is vulnerable to security risks. As such, the way we manage our information technology (IT) systems and records is increasingly important.

Anti-corruption, anti-bribery and Kickbacks: We earn business on our merits and with integrity. We never seek to influence business decisions through inappropriate payments or favors. Anti-corruption laws carry potential criminal penalties.

Gifts and Hospitality: Archroma acknowledges that the exchange of gifts and entertainment can promote good business relationships and goodwill. However, we do not offer or accept gifts and entertainment or other business courtesies that could create the appearance of improper influence.

Fair Competition: We compete vigorously and fairly in the marketplace, in compliance with all applicable laws. We never compromise our ethical standards to gain a competitive advantage or to meet a business objective.

Conflict of Interest: Our reputation as a company depends heavily on the independence of our decision-making processes and the integrity of our employees. We make impartial decisions and act in Archroma's best interests when doing our work. A conflict of interest occurs when your personal interests or relationships interfere or may reasonably be perceived to interfere with or influence your ability to make objective business decisions. Such conflicts can also impair your ability to work effectively on Archroma's behalf

Safety, Health and Environment (SHE) Commitments: Archroma's purpose is to lead our industry towards a more sustainable future for our customers and markets. We apply science to create, manufacture and sell innovative market-leading solutions that enrich lives and help create a sustainable future.

Anti- Money Laundering Regulations: Archroma complies with all relevant national and international laws and regulations covering anti-money laundering and anti-terrorism laws. Archroma is committed to the international fight against money laundering and the financing of terrorism. Money laundering involves processing illicit funds, so they look legitimate.

Complying with International Trade Compliance Laws: As a global company, we respect all applicable international and national laws. Our ability to maintain and grow our business depends on it. International trade compliance laws are complex and vary from location to location.

Political and lobbying activities: Each of us is free to have our own political beliefs as citizens. We may be personally involved in politics during our personal time and make political contributions within legal limits.

Respecting Human Rights: We respect the human rights of individuals and communities around the world. We work to ensure those rights wherever we do business, and we expect the same from our business partners.

Strategy, Purpose and Values

Our Culture Landscape



ACHIEVE AND EXCEED

- / We **relentlessly drive for achievements** and results
- / We succeed by taking **smart risks**
- / We believe that **it's possible** to create growth and success
- / We are **passionate for the business** and **inspired by our purpose**



CENTER ON CUSTOMER

- / We put **customer needs at the center** of all our decisions
- / We build **long-lasting relationships** with our customers
- / We co-create with **our customers to make them win**
- / We focus on **value creation together with our customers**



ADAPT AND INNOVATE

- / We strive for **value-enhancing solutions** and services
- / We enrich our customers through **R&D-enabled innovation**
- / We embrace **agility for fast decision making**
- / We **pursue excellence** and we **push for more**



COLLABORATE AND EMBRACE DIVERSITY

- / We **collaborate** in a **diverse and inclusive** environment
- / We **empower our people** equally
- / We challenge each other in a **positive and respectful** way
- / We continuously **share knowledge** and ideas

Swot Analysis (BCR 1.14)

Strengths

- Market Leadership Position.
- Strong brand image and robust value system.
- State-of-the-art productions facilities with deep knowledge and expertise in manufacturing leading to efficient production processes, innovative problem-solving, and higher quality products.
- Leading Indigo producer in Pakistan, with a growing presence in international markets.
- Diversified portfolio with presence across multiple customer segments and geographies.
- Well-invested manufacturing and supply chain infrastructure that supports reliability and growth.
- International footprint.
- Experienced workforce with exposure of national and international trainings.
- System Selling approach.
- Strong Corporate Governance Structure.
- Environmental Sustainability.
- Strong relationship with customers, suppliers and partners.



Opportunities

- Import substitution / solution provider in the Market.
- Diversification into new businesses & market segments with high local & export potential.
- Improvement in overall efficiency through cost-saving / innovation initiatives across the organization.
- Access to foreign markets, driving increased market share and contributing to the country's foreign exchange reserves.
- Enhanced capacity utilization through improvements in manufacturing and expanded production capabilities.



W

Weakness

- High dependence on imported raw materials, exposing the business to supply chain and foreign exchange risks.
- Longer Lead times and Cash cycle.
- Limited access to untapped markets
- Cost of sales exposed to variation in prices of various fuel sources due to high proportion of energy cost in overall cost of production.
- Constraints in passing on cost increase in current economic conditions, impacting margin control.

T

Threats

- Supply chain constraints, lack of raw material availability and volatility in international commodity prices.
- Global geopolitical tensions and supply chain disruptions affecting availability, lead times, and cost of critical materials.
- Rising competition from international players.
- Lack of level playing field for local manufacturing.
- Government Policies.
- Inconsistent gas supply and rising cost of major inputs.
- Political and regulatory uncertainty impacting business confidence and investment planning.
- Continuous delays In Sales & Income tax refunds.
- Currency devaluation and restrictive import regulations.
- Continued high tax burden and evolving fiscal policies affecting cost structures and returns.
- Slowdown in demand due to global/local economic situation.

Accolades & Recognitions

**Archroma Pakistan
wins Skills
Development
Employers'
Recognition Award**

**Archroma Pakistan
receives Special
Recognition Award
at the 3rd Climate
Conference**

**Archroma honored
at 5th EFP Women
Empowerment and
Gender Equality
Awards 2025**



**Archroma Pakistan
receives 3rd
position in
Occupational Safety
& Health Awards**

**Archroma Pakistan
wins Fire Protection
Award - 2025**

**Archroma wins 2025
Just Style Excellence
Awards for
sustainable product
and water
circularity project**



Grand Happenings (BCR 1.16)

Archroma Pakistan Takes a Major Step by Switching to Renewable Energy

Archroma Pakistan recently took a big step towards sustainability by shifting to alternate renewable Solar energy solutions. The 1,590 KW solar system will generate over 2.4 million kWh annually providing substantial clean energy to power our production sites distributing 875 KW at Jamshoro and 698 KW at Landhi respectively. The environmental impact of solar installation will prevent 1,148 metric tons of carbon emissions annually that is equivalent to removing hundreds of cars from the road and contributing to cleaner air.

The project will be executed by m/s K-Solar, an organization with a proven track record in this field. An agreement was signed on 9 September 2025 at Archroma Center of Excellence, Karachi by Mr. Irfan Chawala, CEO, Archroma Pakistan and Mr. Fahad Khawaja, CEO, K-Solar (Private) Limited in the presence of team leads of both organizations.



Archroma Pakistan R&D Team takes an Innovative Leap by Formulating Mowilith® Waterproofing Solutions for Construction Industry

Our Packaging Technologies team at Archroma Centre of Excellence developed two new water proofing solutions: Mowilith® WP1 and WP2. These two modified formulations are designed to add value to construction processes, making them an ideal choice due to easy application, durability and quality. Both products have already been introduced in the local market and have earned positive response from builders, homeowners and constructors.



Archroma Partners with Pakistan Oxygen to Strengthen Hydrogen Supply

We established a strategic partnership with Pakistan Oxygen Limited, leading supplier of industrial and medical solutions, fostering a mutually beneficial relationship. The agreement was signed on 17 April in Karachi by Mr. Mujtaba Rahim and Mr. Matin Amjad, CEO, Pakistan Oxygen Limited. This collaboration aims to ensure a reliable supply of Hydrogen, a critical component in Indigo production at Jamshoro site. By securing uninterrupted access to this essential resource, we reinforce our commitment to support Pakistan's denim industry, a key contributor to national exports.

The partnership underscores the team's dedication to operational excellence and sustainability while contributing to the growth of Pakistan's textile sector.



Colgate Pakistan Team Visits Archroma Pakistan

Archroma is progressively becoming trusted partner for Home and Personal care businesses. The team from Colgate Pakistan, which is one of the largest FMGC setups in Pakistan, recently visited Archroma's Landhi plant, as well as ACE Applications laboratory and R&D facilities in Korangi, Karachi on 16th October. The purpose of this visit was to explore Archroma's existing and potential product portfolio. Through a collaborative approach, Archroma is committed to supporting Colgate Pakistan in its localization efforts. This visit has been instrumental in strengthening Colgate-Archroma relationship and growing trust between both multinational entities.



Orientation Visit of Artistic Milliners team

Artistic Milliners team visited Jamshoro site on 3 October 2025 for a full day site tour and discussion on importance of Water Treatment and Chemical management. We presented the site report of Jamshoro followed by a detailed site tour including Sustainable Effluent Treatment Plant, filtration area, recycling methodology, water reservoir and distribution of clean water to the community. Chemical management system, which is an important component of every production site was explained in detail to the visitors.

We signed an MoU with Artistic Milliners in March 2024. This orientation visit was planned in line with the same.



Staying Closer to Customers

Multidisciplinary teams joined hands to discuss adoption of customer-centric approach during a meet up. After thoughtful and lengthy deliberations, an action plan was developed with a way forward. The plan includes strengthening of confidence building measures, product portfolio enhancement and seamless coordination with our customers providing them innovative solutions of their requirements at micro level.



Production Sites to Partnering with Sales & Marketing Teams

Our production teams produce specialty chemicals with high expertise and quality. In order to extend their technical capabilities, teams will now work in partnership with sales & marketing to enlighten customers on exhaustive product applications and usage. This new step will create better understanding within Archroma as well as at customers.



Customers Unite in Joint Strategy to Enhance Revenue

Successful achievement of revenue targets can only be achieved when our customers are fully taken on board and affiliated at all fronts as One Team. This extended strategy is deemed to be supportive in enhancing our revenue targets. The team has developed a plan to take this new methodology forward.



AVITERA

Our revolutionary **AVITERA®** SE range of dyes now includes the introduction of AVITERA® GENERATION NEXT. The new colors from GENERATION NEXT features the same great innovation with even greater economic sustainability, enabling brands and mills across the textile industry to have more access to greater color combinations.





Governance

Directors' Profile (BCR 5.01d)



IRFAN CHAWALA

Mr. Irfan Chawala was elected as Executive Director on the Board of Archroma Pakistan Limited in March 2024. However, he has been holding Directorship position in Archroma since 2020.

He is a Finance graduate and a Fellow member of Institute of Chartered Accountants of Pakistan (ICAP) with over 30 years of diverse working & cultural experiences of various industries & geographical locations.

He is currently working as CEO of Archroma Pakistan and is additionally Regional Vice President (RVP) for Textile Effects business of Archroma in Pakistan. He has earlier worked with Clariant for about 14 years in different roles in Finance, Marketing, Commercial Operations and Business Support in Pakistan, China, Singapore and South-east Asia. He started his professional career with PricewaterhouseCoopers and has also worked in the past with Lucky Cement Limited as CFO / Director Finance. He re-joined Archroma in February 2020 and later also worked as RVP for Packaging Technologies for Pakistan & Central Asia before taking over the current role in June 2025.

He strongly believes in the core values that motivate people to collaborate and play to win as one-team with shared objectives.



NAVEED KAMIL

Mr. Naveed Kamil was re-appointed to the Board of Directors in April 2024 and holding this position since 2017.

He graduated in Mathematics & Computing from UK in 1985. He started his carrier in 1986 from National Development Finance Corporation (NDFC) and in 1989 joined Sandoz as System Analyst. He is currently Head of Human Resources of Region Pakistan.



MUJTABA RAHIM

Mr. Mujtaba Rahim was appointed as Chairman of the Board of Directors in July 2025.

He holds a master's degree in Applied Chemistry from the University of Karachi and has studied Strategic Management at INSEAD Business School in Fontainebleau, France. He has also completed several high-profile national and international leadership and strategic management programs, gaining extensive expertise in organizational development.

He began his career with Sandoz Pakistan Limited in 1982 in the Dyes & Chemicals department. He quickly transitioned to the Sales team and rose to become Product Manager for Textiles. In 2004, he was promoted to Divisional Head of Textile, Leather, and Paper one of the largest business units at Clariant Pakistan. In 2006, he was appointed Chief Executive Officer of Clariant Pakistan Limited, a role he continued following its transition to Archroma Pakistan Limited in January 2014. Under his leadership, Archroma successfully integrated BASF's global textile chemicals business in 2014, establishing itself as a market leader in specialty chemicals in Pakistan. In 2022, He played a pivotal role in Archroma's acquisition of Huntsman's Textile Effects business, ensuring a smooth unification of both teams and strengthening the company's organizational foundation.

He also served as President Swiss Business Council in 2013, 2014 and 2019, contributing significantly to strengthening bilateral corporate and industrial collaboration.



VICTOR GARCIA

Mr. Victor Garcia was appointed to the Board of Directors in July 2024.

He joined Archroma in February 2022, holding the Group's Vice President Internal Audit & Risk Management role. His professional background includes several years as a senior consultant at Deloitte and several positions at Applus+, the last of them as Corporate Risk & Internal Control Director.

Industrial Engineer and BBA by training, he brings specialized knowledge with several master degrees in the audit and finance fields, from some of the top business schools: Master in Audit by Barcelona School of Management (UPF), Executive Master in Finance by ESADE and Senior Management Program by IE Business School.

He is also a Certified Internal Auditor and certified in COSO Internal Control by the Institute of Internal Auditors, as well as Certified Fraud Examiner by ACFE.



PATRICK VERRAES

Mr. Patrick Verraes was elected to the Board of Directors in March 2024.

He has been holding Directorship position in Archroma since 2023. Patrick joins Archroma from the Huntsman Corporation, where he has been Corporate Vice President, Global Deputy General Counsel & Assistant Secretary to the Board since 2018. Before that he performed senior legal roles in Huntsman in Belgium & Shanghai. He holds a Master of Law degree from the University of Leuven, Belgium and a Postgraduate degree in EC Competition Law from King's College, London. Patrick is based in Basel.



Dr. LALARUKH EJAZ

Dr. Lalarukh Ejaz, a distinguished academic, joined the Board of Directors at Archroma Pakistan Limited as an Independent Director in March 2024.

She is a prominent faculty member at the Institute of Business Administration (IBA), Karachi, where she also serves as the Director of the Center for Entrepreneurial Development (CED). Dr. Ejaz is affiliated with leading global research initiatives, including her roles as a Research Associate at the Center for Inclusive and Sustainable Entrepreneurship and Innovation, University of Southampton, UK, and a Research Fellow at the Population Research Center, IBA-Karachi.

Her extensive academic qualifications include a P.H.D. in Entrepreneurship from the University of Southampton Business School, UK, and dual master's degrees in economics from York University, Canada, and the University of Karachi. She is a certified teaching fellow from Babson College in the U.S. and a certified SECP Director, further underscoring her leadership and governance expertise.

She has authored and published numerous research papers and case studies in prestigious international journals, alongside presenting her work at globally recognized conferences. Her professional contributions extend to developing and conducting training programs focusing on entrepreneurship, gender, diversity, and inclusion. With a rich global perspective, Dr. Ejaz has engaged with learners and professionals in Canada, the U.S., and the UK. Her work continues to bridge academia, entrepreneurship, and leadership, making her an invaluable asset to Archroma Pakistan Limited and the broader business community.



SHAHID GHAFFAR

Mr. Shahid Ghaffar was re-elected to the Board of Directors as Independent Director in March 2024 and holding this position since 2018.

He is also Chairman of Board Audit Committee. He holds Master Degree in Business Administration. In the past he was associated with various institutions such as Commissioner SECP, Member Audit Oversight Board, Managing Director Pakistan Stock Exchange, CEO HBL Asset Management Ltd. and Chairman & Managing Director National Investment Trust Ltd. He is presently serving as Independent Director on various companies.



YASMIN PEERMOHAMMAD

Ms. Yasmin Peermohammad was re-elected to the Board of Directors in March 2024 as an Independent director and holding this position since 2018.

She holds a Bachelor's degree in Commerce. She has a number of training and certifications in different fields to her credit from Swissair Training School, Switzerland. Ms. Yasmin Habib Peermohammad specializes in Marketing, Communications, and Customer Management.



Chairman's Review (BCR 5.04)

I feel privilege to be entrusted with the chairmanship of the Board of Archroma Pakistan Limited, which comprises of dynamic and highly skilled professionals. Together, we aspire to achieve new milestones of success. I also extend my appreciation to the outgoing Chairperson, Dr. Lalarukh Ejaz, for her contributions to APL's enduring legacy.

Mujtaba Rahim
Chairman

The Board also welcomes Mr. Irfan Chawala as the new Chief Executive Officer of the Company and expresses its gratitude to the outgoing CEO, Mr. Mujtaba Rahim for his significant contributions during his tenure.

It is with great pleasure that on behalf of the Board of Directors, I am honored to present our Audited Financial Statements, along with the Auditor's Report and the Directors' Report to the members for the financial year ending September 2025. In yet another year marked by significant challenges, the Company has demonstrated resilience, adaptability, and an unwavering commitment to its guiding principle of Delivering Enduring Value to all stakeholders. I extend my heartfelt appreciation to our valued stakeholders for their continued trust, and I commend the dedication of our employees, whose steadfast commitment remains the bedrock of our sustained progress.

On behalf of the Board of Directors, it is my pleasure to present to you, the Chairman's Review on the Board's performance and role in achieving the Company's objectives, in accordance with Section 192 of the Companies Act, 2017. The year was marked by strategic foresight, with a strong focus on sustainable and long-term value creation for the stakeholders.

The year 2025 posed significant challenges to industries worldwide, and Archroma Pakistan Ltd. was not exempt. Geopolitical uncertainties, supply chain disruptions, and global inflationary pressures contributed to a challenging business environment. Despite these headwinds, our strategic focus on innovation, efficiency, and sustainability allowed the Company to remain competitive and responsive to market. With sustainability at the forefront, we continued to prioritize eco-friendly practices and technologies to meet the evolving regulatory standards and consumer expectations that are reshaping the chemical industry.

In the face of economic challenges, Archroma Pakistan Ltd delivered an expected financial performance in 2025. The Company recorded sales revenue of Rs 32,184 million and earned a Profit after tax of Rs 1,177 million as compared to Rs 28,533 million of sales revenue and incurred a loss of Rs 546 million during the previous year. Prudent financial management has enabled your Company to navigate fluctuations in raw material costs and currency exchange rates ensure stability for stakeholders in the future. Detailed financial analysis is available in the Financial Performance section of this report, where key figures and trends from the fiscal year are highlighted.

The Company's commitment to operational efficiency and sustainable practices remained a core focus this year. The Company remained dedicated to transparency and accountability by aligning its operations with the best practices outlined in global sustainability framework; proof of which lies in numerous accolades received during the period.

The Board is highly diverse and competent, firmly committed to the Company's vision, mission, and core values, with the overarching goal of serving the interests of all stakeholders. The Board closely monitors business performance, focusing on improving productivity and efficiency, while optimizing costs and processes to ensure sustainable growth. The Board's guidance and timely input have been invaluable in steering the Company toward its strategic objectives.

All members of the Board actively participate in the decision-making process, contributing significantly to the direction of the Company. The Board held four meetings during the year, in addition to those of its sub-committees i.e., the Audit Committee and the Human Resource and Remuneration Committee, ensuring consistent monitoring of performance. Furthermore, both the sub-committees are chaired by independent directors, underscoring your Company's commitment to the highest standards of governance and transparency.

The Board's self-assessment is an important tool for measuring progress against objectives and identifying areas for continuous improvement. An annual self-evaluation of the Board's performance for 2025 yielded positive results, meeting the criteria set for the year.

The Board has consistently fulfilled its responsibilities, playing an integral role in guiding the Company's strategic direction. Current areas of focus include risk management, business growth opportunities, and ongoing oversight of management performance. The Board sets clear targets for the CEO and management team, covering both short-term and long-term strategic goals.

The Board adopts a proactive approach to risk management, regularly reviewing the material risks facing the Company and assessing their alignment with the long-term strategic objectives. Where risks exceed acceptable thresholds, the Board evaluates mitigation measures to reduce both their likelihood and potential impact. Through this process, the Board ensures that risk-taking remains balanced and oriented, supporting sustainable growth while safeguarding stakeholder interests.

The Board:

- actively participated in Board meetings and deliberations.
- reviewed all related party transactions to ensure compliance and transparency.
- ensured the Company adheres to all regulatory requirements and best practices.
- took steps to safeguard the Company's assets and resources.
- oversaw the adequacy of the Company's internal control systems.

The Board has diligently met its obligations under the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations 2019.

Looking ahead, I anticipate continued challenges but also significant opportunities in 2026. As regulatory and environmental pressures on our industry increase, Archroma Pakistan Limited is well-positioned to capitalize on the growing demand for sustainable and innovative solutions. The Company remain committed to leveraging R&D capabilities to drive growth and create value while maintaining our focus on cost efficiency and operational resilience. I am pleased to report that the Company's infrastructure and talent are well-positioned to drive resilience and growth, equipping us to reach new milestones in the years ahead.

On behalf of the Board of Directors, I would like to express our sincere appreciation to the regulatory authorities for their continued guidance and support.

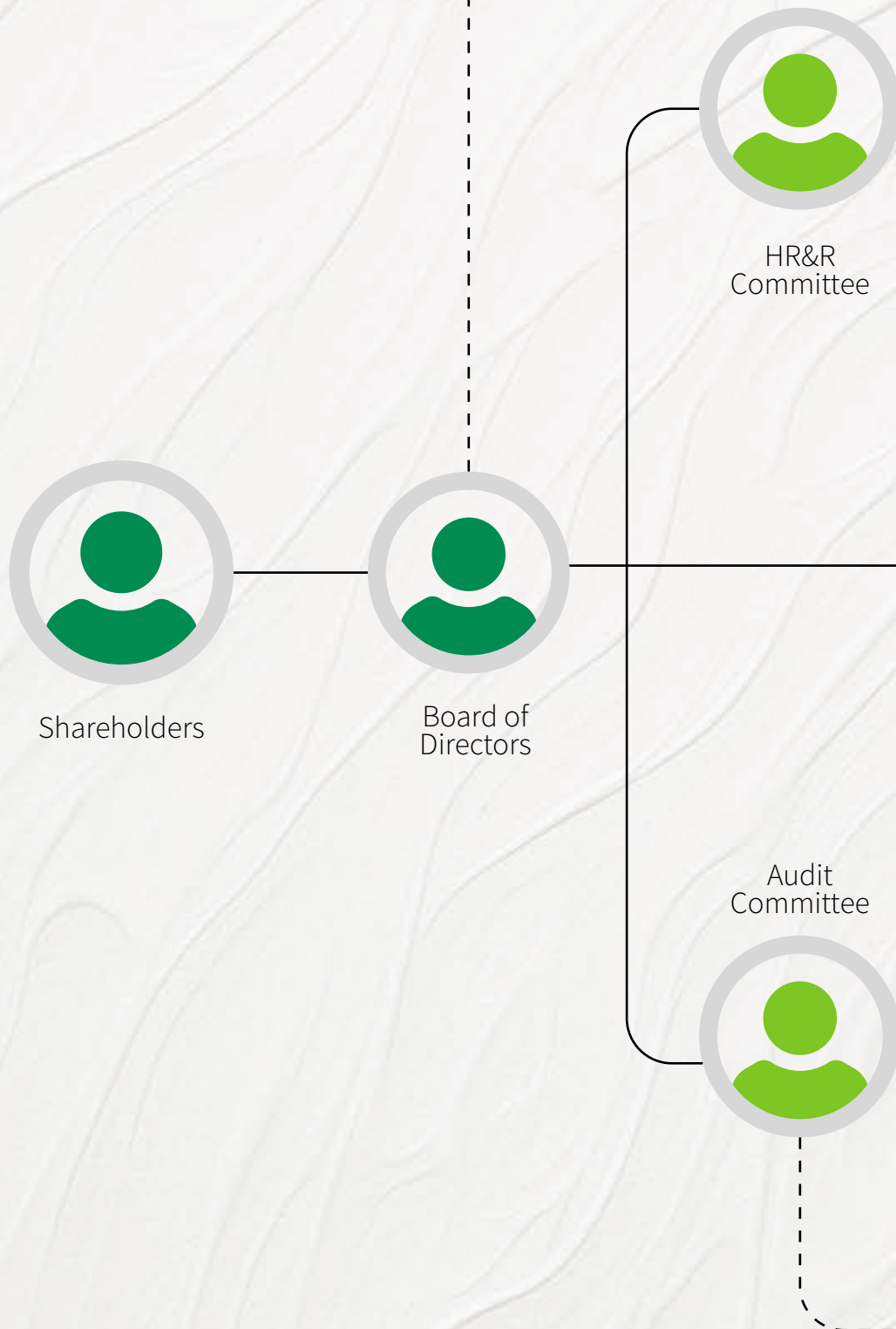
I extend my sincere appreciation to the Board of Directors and its committees for their invaluable guidance and support. My heartfelt thanks also go to our investors, employees, and loyal customers whose continued trust plays a vital role in our journey. This collective commitment will remain the cornerstone of our sustained growth and success.

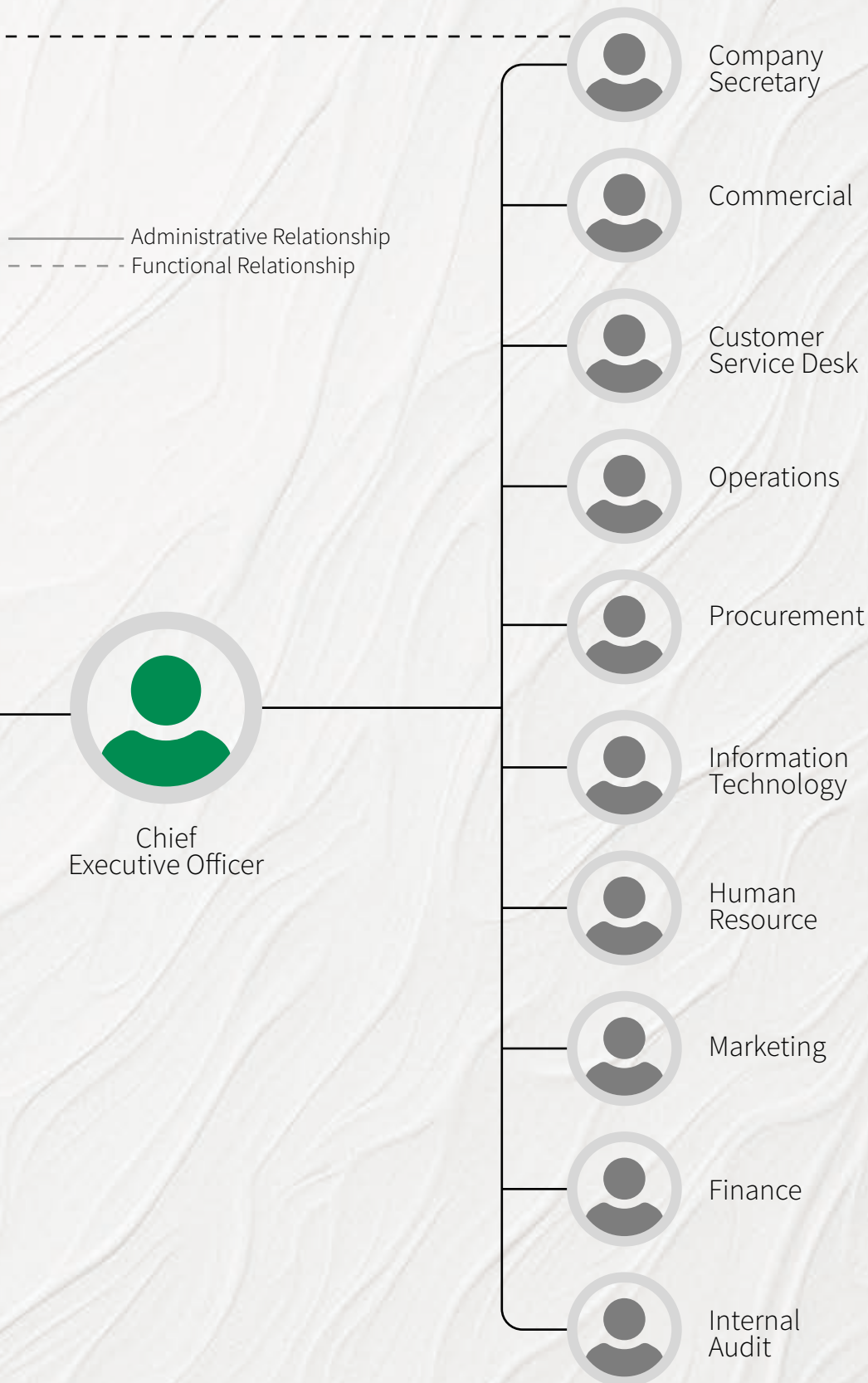
Lastly, I extend my heartfelt recognition to the management team, under the leadership of the CEO, for their unwavering dedication and tireless efforts in steering the Company forward.



Mujtaba Rahim
Chairman

Organogram (BCR 1.08)







Governance

Independent Directors indicating justification for their independence (BCR 5.01b)

Our Independent Directors are compliant with all the requirements of the Listed Companies {Code of Corporate Governance} Regulations, 2019 and the eligibility criteria as set out in Section 153 and 166 of the Companies Act, 2017 to act as Director or an Independent Director of a listed company.

Following are independent Directors of our Company.

- Mr. Shahid Ghaffar
- Ms. Yasmin Peermohammad
- Dr. Lalarukh Ejaz

Both our Audit Committee and HR&R Committee are chaired by independent directors, indicating our commitment to the highest levels of independence, governance and transparency.

Diversity in the Board (BCR 5.01c)

The Company has a highly effective and balanced Board. A diverse group of highly qualified professionals having appropriate mix of core competencies, diversity, requisite skills, knowledge and experience. This diversity ensures that all relevant perspectives are represented in decision making.

List of Companies in which Executive Director is acting as a Non-Executive Director (BCR 5.01e)

The Company has One Executive Director on the Board. The CEO of the Company is not holding Non-Executive Directorship in any other Company.

Role of the Chairman (BCR 5.02)

The Chairman is responsible for the Board's leadership and effective performance of the Board and sets high standards of governance.

Chairman, ensures that the Board as a whole is thoroughly and constructively involved in establishing and determining the strategy and policies of the Company and that the decisions taken by the Board are in the best interests of the Company and represent the consensus of the Board. Chairman promotes the highest standards of integrity and corporate governance and establishes best policies and practices and ensures that the Chief Executive Officer and management successfully execute all the plans and policies advised by the Board.

Chairman has all the powers vested in him under the Code of Corporate Governance and presides over all the Board meetings. The Primary role of the Chairman is to ensure that the Board of Directors remain effective in its tasks of setting and implementing the Company's direction and has the power to set the agenda, give directions and sign the minutes of the Board meetings. Chairman is also responsible to ensure that the Board plays an effective role in fulfilling its responsibilities, besides assessing, and making recommendations on the efficiency of the Committees and individual Directors in fulfilling their responsibilities.

He ensures a conducive environment for overall effectiveness of the Board, and facilitates and encourages the contribution of executive, non-executive, and independent directors in carrying out the Board's business in line with applicable laws, rules and regulations. At the start of the term of newly appointed directors, the Chairman informs them about their roles, responsibilities, duties, and powers to help them effectively manage the affairs of the Company.

Role of the Chief Executive Officer (BCR 5.02)

The Chief Executive Officer (CEO) is entrusted with the general management of the Company's business and affairs with authority to exercise all such powers and directions as are conferred upon the Board of Directors by Articles and Memorandum of Association of the Company.

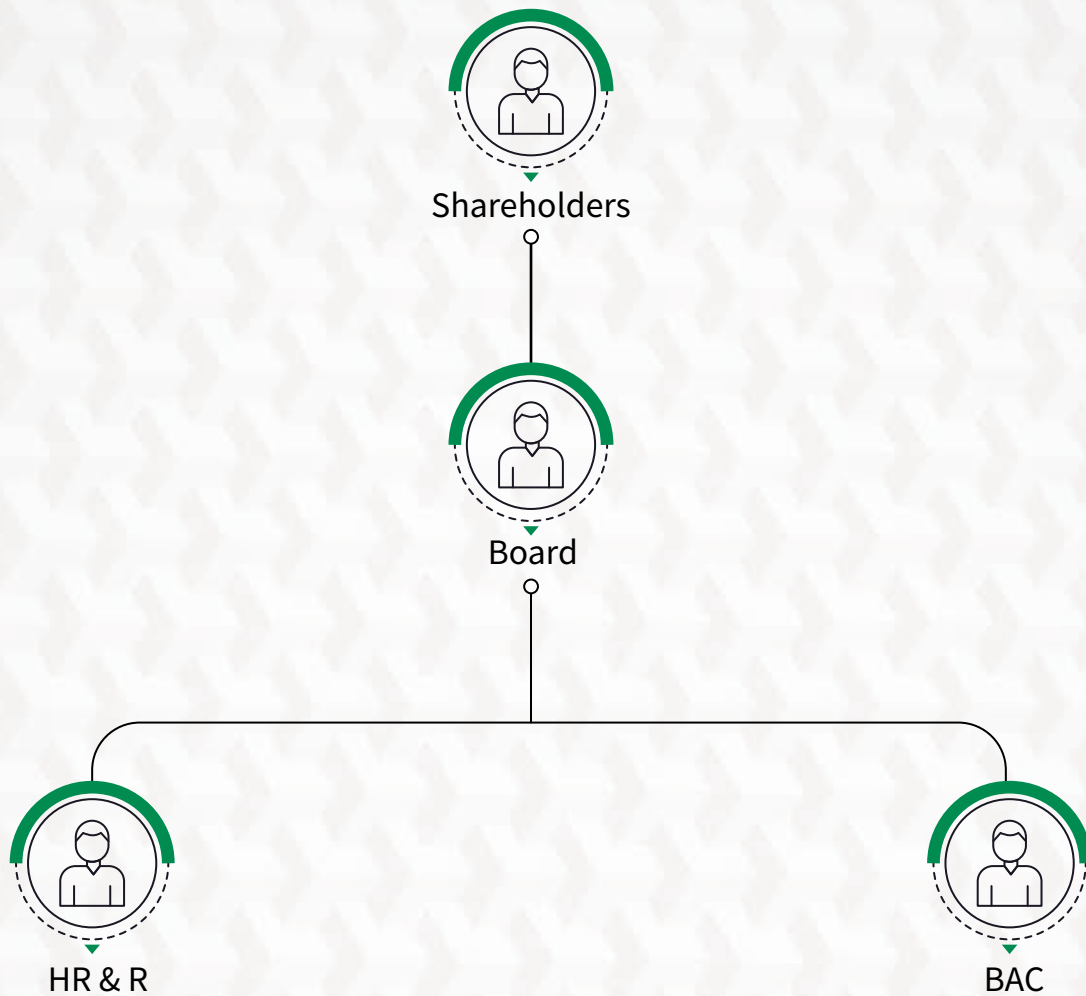
The CEO leads the management, builds an organizational culture and is the role model for the entire Company. He is responsible for proposing and developing the Company's strategy and overall commercial objectives, which he does in close consultation with the Chairman and the Board of Directors. He is responsible for the implementation of the plans and policies approved by the Board.

He performs his duties under the powers vested by the law and the Board, recommends and implements the business plans and is responsible for overall control and operations of the Company. All Business and Functional Heads of the Company directly or indirectly report to the CEO.

He is responsible for providing effective leadership to the management and employees. He keeps the Board updated on all significant and sensitive issues that might affect the Company.

Board Committees (BCR 5.01a)

The Board has developed the following Committees to help it carry out its oversight duties. The Board gives the Sub Committees some of its specific work. Each Committee holds routine meetings:



BAC: Board Audit Committee

HR & R: Board Human Resource & Remuneration Committee

Board Performance Evaluation (BCR 5.06)

In pursuance of Clause 10(3)(v) of Listed Companies (Code of Corporate Governance) Regulations 2019 a formal and effective mechanism is in place for annual evaluation of the Board's own performance, Committees, and Members of the Board.

The Board has an evaluation process to assess its own performance. Board evaluations are carried out annually. The recent evaluation found that Archroma Pakistan Limited's Board holds many strong attributes including highly relevant Board capability and governance processes. The said evaluation was carried out for Financial Year 2025 as required under Clause No. 10 (v) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan. The performance framework is in the light of following guidelines:

- Is the composition of the board appropriate, having the right mix of knowledge, expertise, and skills to maximize performance.
- How well the board exercise its role ensuring that the organization supports and upholds the vision and mission, core values etc.
- What has been the board's contribution towards developing strategies.
- Is the board able to make timely strategic decisions ensuring operations are in line with strategies.
- Has the board ensured that internal control, audit function and IT security function works in an effective manner.
- Has the board ensured timely and accurate disclosure on all material information.
- Is the board as a whole, up to date with latest development in the regulatory environment.
- Are the board procedures conducive to effective performance and flexible enough to deal with all eventualities.
- Is the board effective in adherence to the code of conduct.
- Has the chairman played his role in ensuring adequate and constructive debate on important matters, conflict resolution, leadership qualities etc.

Mechanism for Board's Performance Evaluation Template contains areas such as Composition of the Board and its Committees, Functions and Performance of the Board and its Committees, Governance Structure and Practices, and Company Performance Monitoring System.

For FY 2025, Evaluation Templates were forwarded to all Board Members. The Directors were requested to rate each Factor on a scale of 1 to 5. The scores were consolidated and designed appropriately.

Results of Evaluation for FY 2025

Board Evaluation for the year 2025 revealed that the average mean value against all performance factors was above 3, which showed that in the opinion of the Directors, the composition and performance of the Board and overall governance of the affairs of the Company were satisfactory.

Board's Performance Evaluation by External Consultant (BCR 5.07)

Evaluation of the Board, Committees and Individual Directors is significant activity during the period under review. After weighing all the pros and cons of different evaluation methods, the Company has adopted Self Evaluation Methodology for the Board's evaluation. However, the Company may engage the services of an external consultant in future for improving the evaluation mechanism and / or conducting the evaluation for more objective results.

Orientation Program (BCR 5.08)

When a new member is appointed on the Board it is ensured that he/she is provided with a detailed orientation of the Company, covering the following:

- The Company's vision and mission
- Role and responsibilities of the Director as per the Companies Act, including Code of Corporate Governance and any other regulatory laws applicable in Pakistan
- Financial information / history
- Summary of major members, stakeholders, suppliers and auditors

Directors' Training Program (BCR 5.09)

The Company encourages that its Directors have completed the Directors Training Program as per the requirements of the Companies Listed (Code of Corporate Governance) Regulations, 2019. Six Directors had acquired the prescribed certification under the Director Training Program offered by institutions that meet the criteria specified by the Commission and approved by it.

The Board is kept up to-date on legal, regulatory and governance matters through regular papers and briefings from the Company Secretary.

Directors are responsible for upholding the corporate governance and giving the Company a strategic direction. To optimize the effectiveness of the Board, it is pertinent for new members to learn the dynamics and operations of the Company.

Names of Directors who have successfully completed the Director Training Program certification from SECP approved institutions are provided below:

- Mr. Mujtaba Rahim
- Mr. Irfan Chawala
- Mr. Naveed Kamil
- Mr. Shahid Ghaffar
- Ms. Yasmin Peermohammad
- Dr. Lalarukh Ejaz

From time to time, orientation sessions/ presentations are carried out to further apprise the Board Members about the latest changes in the Corporate, Regulatory and Governance framework in the Country.

Oversight by External Auditors (BCR 5.10)

ISO surveillance audit by external auditors.

BV (Bureau Veritas Pakistan) on behalf of Bureau Veritas Switzerland AG, carried out ISO certification audit for following standards:

- BS EN ISO 9001:2015 (Quality management system)
- BS EN ISO 14001:2015 (Environmental management system)
- BS EN ISO 45001:2018 (Health & Safety management System)

Areas of strength as highlighted by Auditors are:

- Standards and Legal compliance
- Management commitment
- Documentation & Record Keeping
- Operational controls
- ISO Internal Audit

Audit by EFP (Employer Federation of Pakistan)

Highly competent and experienced OSHW professionals from EFP has evaluated and verified the Occupational health, safety, and wellbeing systems, arrangements, performance, practices, and records including:

- Policy, Leadership & Commitment to Health, Safety & Wellbeing
- Safe Operating & Working Procedures, Information & Instructions
- Training & Competency Management & Behavior-Based Safety
- Managing Safety with Contractors, 3rd Parties & Supply Chain
- Incident Investigation, Learning, Sharing & Incorporating
- Emergency Response Planning & Preparedness
- Use of technology, innovation & sustainability initiatives

Certifications against Global Organic Textile Standard (GOTS)

Control Union auditors has audited our manufacturing sites and evaluated and verified the compliance for:

- Product Stewardship of chemical inputs
- Safe chemical handling, storage, transportation
- Safe manufacturing practices and personal protection
- Environmental management
- Wastewater treatment & waste management
- Safe and hygienic working conditions
- Social arrangements and compliance
- Legal compliances

Review by Environmental Protection Agency

ISO surveillance audit by external auditors.

Officials from Sindh Environmental protection Agency (SEPA) occasionally visited (surprise or planned) our manufacturing site to review the environmental management and compliances:

- Sustainable Effluent Treatment (SET) plant based on recycling & reuse at site.
- Regular environmental monitoring through SEPA approved third party lab and environmental consultant.
- Environmental audit by third party environmental consultant.
- Environmental monitoring in presence of SEPA team

Related Party Transactions Policy (BCR 5.11 a)

The Board of Directors of Archroma Pakistan Limited, in pursuance of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, has adopted the Related Party Transactions Policy to regulate the transactions between Archroma Pakistan Limited and its related parties. The Policy is applicable to all Related Party Transactions irrespective of their nature & value. The Policy is intended to ensure that Related Party Transactions are conducted in a manner that will protect the Company from conflict of interest, which may arise between the Company and its Related Parties and to ensure proper review approval, and disclosure of transactions between the Company and its Related Parties as required in compliance with regulatory requirements.

Related Party Transactions During the year (BCR 5.11b)

The Company entered into Related party transactions during the year. Details of these transactions are disclosed in note 36 to financial statements attached therein.

Disclosure of director's interest in related party transactions (BCR 5.11d)

The Company has a formal documented Related Party Transactions Policy that governs 'transactions between APL and its related parties'. It provides a framework for governance and reporting of all related party transactions in compliance with the applicable legal and regulatory requirements.

Transactions with related parties arising in the normal course of business are carried out on an unbiased, arm's length basis at normal commercial terms and conditions.

Pursuant to the regulatory requirements, all related party transactions are placed before the Audit Committee every quarter, for review and recommendation to the Board of Directors. The same are then considered and approved by the Board; keeping in view the Committee's recommendations.

All members of the Board are required to disclose their interests held in their individual capacity. Any related party transactions, where majority of APL directors are interested (if any), are referred to the shareholders in a general meeting for approval.

Names of all related parties with whom the Company had entered into transactions during the year, along with the nature of their relationship and percentage holdings have been appropriately disclosed in Note 36 of the Financial Statements.

In compliance with the requirements of Fourth schedule of the Companies Act 2017, detailed disclosure regarding related party transactions has been presented in Note 36 of the Financial Statements.

Conflict of Interest of Board Members (BCR 5.11e)

Within the framework of their roles and responsibilities, all Board members are exclusively committed to the interests of the Company and neither pursue personal interests nor grant unjustified advantages to third parties. The Board members are responsible for appropriate self-disclosure in a transparent manner and in the case of doubtful situation, are encouraged to discuss it with peers or the Chair of the meeting for guidance.

Internal Control System

The Board reviews the effectiveness of established internal controls through the Audit Committee, which receives reports from Internal Audit, and the External Auditor on the systems of internal control and risk management arrangements. The Board confirms that the actions they consider necessary have been taken to remedy such weaknesses as it has determined to be significant from its review of the system of internal control.

The Internal Control System carries out the Internal audit of various activities in accordance with the audit plan approved by the Board Audit Committee (BAC) prior to execution. Emphasis continues to be on internal compliance measured against set standards and best practices.

Risk Management Policy (BCR 5.12a)

Archroma Pakistan Limited's risks may come from any internal or external events which, if they incur, may affect the ability of the Company to efficiently and effectively operate. Internal risks are faced from within the Company and arise during the normal operations of the Company. External risks are those risks that are outside the control of the Company. External risks include risks related to market conditions and regulatory and/or legal obligations. The specific objectives of this Policy is to ensure that risk management is adopted throughout the Organization as a prudent management practice and to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified and appropriately mitigated.

Board's Policy on Diversity (BCR 5.12g)

Archroma Pakistan Limited has a diverse and balanced Board which provides a mix of professional expertise in leadership, finance, economics, corporate law, and production disciplines and business management skills and experiences.

Currently the Board comprises of one executive director, three non-executive directors and three independent directors.

In compliance with regulatory requirements, two female directors were elected on the Board in the elections held in March 2024.

Archroma Pakistan Limited takes a progressive approach to diversity because the Company wants everyone to be themselves and bring their own perspectives to the Company's business. Together, this unique perspective and wide variety of personal experiences make the Company stronger and enhances its ability to innovate.

Archroma believes that everyone has a part to play in creating a fair and inclusive work environment that respects human rights and the diversity of the cultures it operates in. Archroma does not tolerate harassment, unwelcome, unreasonable, offensive behaviors or discrimination of any kind.

The Board recognizes the importance of having an inclusive culture and the value that diversity brings to Archroma Pakistan Limited. The Board also aims to reflect this within the composition of the Board. The Board seeks to ensure that the composition of the Board includes individuals whose varied backgrounds, experience, knowledge, and expertise bring a wide range of perspectives to the business.

Board Meetings Held Outside Pakistan (BCR 5.12f)

As a good governance practice, no Board meetings was held outside Pakistan during the year 2025.

Remuneration Policy for Non-Executive Directors Including Independent Directors (BCR 5.12c)

This Policy sets out to provide remuneration guidelines for members of the Board. The policy is aimed at providing a market competitive remuneration to the members of the Board in furtherance of achieving the Company's objectives. The objectives of the remuneration policy for the Board Members are to attract and retain qualified and experienced Directors to drive the Company's strategy and attain its objectives.

Keeping in view of the Company's objectives, Archroma Pakistan Limited operates an independent and transparent method in order to fix independent directors' remuneration. The key element of determining the remuneration is by market benchmarking against other key players of the Industry and remuneration is not at a level that could be perceived to compromise the independence of the Directors. For the purposes of clarity, no Director is involved in deciding their own remuneration.

Independent Directors are only entitled to receive fixed fees in lieu of remuneration for attendance of the Board and Committee Meetings.

Policy of Retention of Board Fee by the Executive Director on Other Companies' Boards (BCR 5.12d)

As per Directors' Remuneration Policy, executive directors are not paid any fee for attending the Board, committee or general meetings. On the other hand, the policy does not restrict an executive director from retaining meeting fee earned for the services as non-executive director to other companies.

Security Clearance of Foreign Directors (BCR 5.12e)

The Company obtains security clearance from the Ministry of Interior (MOI) in case of its foreign directors, in the manner prescribed.

All foreign directors on our Board are required to submit relevant documents, including declarations and/or undertaking and any other document required to facilitate security clearance undertaken by the Ministry of Interior. The documents of all foreign directors are submitted to SECP within the prescribed time and further documentation to assist the clearance from Ministry of Interior are made available as and when needed.

Succession Planning Policy (BCR 5.12g)

Archroma Pakistan Limited is fully committed to maintaining the bench-strength of highly skilled and professionally competent business leaders. The Company has a well-structured Succession Planning Policy for achieving the desired results. Critical or high turnover positions are reviewed frequently to ensure smooth succession planning and availability of the right resources.

Environmental Policy (BCR 5.12h)

Archroma Pakistan Limited is committed to ensuring a safe and healthy workplace for its employees and minimizes any potential negative impact on the environment, either because of its products or because of its operations. The management is responsible for the safe operation of its manufacturing facilities in a manner that employees, neighboring communities and the environment is not endangered.

Communication and Investor Relation Policy (BCR 5.12i)

The Communication and Investor Relation Policy sets out the Company's policies and procedures in terms of its communication and disclosures, which are aimed at ensuring that the Company complies with the applicable laws and regulations. The goal of this Policy is to ensure that all shareholders and stakeholders have, simultaneously and without delay, sufficient, reliable, essential and consistent information about the Company and its operations as well as about matters affecting the value of the Company's financial strength.

The Legislative and Regulatory Environment (BCR 1.04)

Archroma Pakistan Limited is a listed Company engaged in the manufacturing of Specialty Chemicals . Being a listed Company, it operates in a tightly regulated environment. There are plenty of regulatory compliances that have to be satisfied.

The Company is required to comply with a variety of laws on a regular basis including the Companies Act 2017, Sales Tax Act of 1990, Income Tax Ordinance 1990, various labour laws and laws relating to protection of environment, Pakistan Stock Exchange Regulations and the listed Companies (Code of Corporate Governance) Regulations 2019. As a matter of policy, the Company is required to ensure complete compliance with all relevant laws to avert the risk of any liability arising from due to breach of any law.

Employee Health, Safety and Protection (BCR 5.12l)

Safety is Archroma's uncompromised top priority, aiming to protect our people, our communities, and the environment. We set ambitious goals for safety, health and environment which are valid throughout the entire company. The company has developed 12 "Life Saving" rules, and each employee is trained on these rules and required to sign a written commitment to ensure they are followed. Beside these 12 lives saving rules company has also issued 27 comprehensive guidelines These guidelines also define the tasks and responsibilities enabling us to reach the protection goals.

Being a Socially Responsible chemical company, Archroma is committed to ethical and sustainable operation and development in all business activities in accordance with the principles of the Responsible Care® Initiative and Archroma's own Code of Conduct focusing on conserving resources, protecting the environment, creating a pleasant and performance enhancing workplace, and treating people with respect.

We continuously drive initiatives to reduce safety, health and environmental risks in the production, storage, distribution, usage of our products and in the disposal of waste. This includes the efficient use of energy and resources, and the continuous improvement of our processes to minimize the impact of our activities on the environment.

A comprehensive assessment of risks related to our operations and products is a prerequisite for all our business processes. Global and local emergency organizations are in place to ensure comprehensive emergency management and response.

Whistleblowing Policy (BCR 5.12m)

This Policy intends to provide a mechanism where employees can, without fear of reprisal, report illegal and unethical activities for preemptive remedial measures in a confidential manner. The Whistleblowing Policy is applicable to all employees and outsiders for the reporting of any illegal or unethical activities that may harm the interests of Archroma Pakistan Limited and/or any stakeholder or external agency dealing with the Company. This Policy covers all illegal and unethical activities that include but are not limited to violation of any of the related laws or policies of Archroma Pakistan Limited.

Policy of Safeguarding of Records (BCR 5.12o)

As part of our comprehensively formulated Business Continuity Plan (BCP), APL 'Record Retention Policy' provides for preservation of Company records of significant or permanent value for periods exceeding the legally stipulated timeframe, at secure locations to cater for any future retrieval.

The record includes books of account, documentation pertaining to secretarial, legal, contractual, taxation and other matters, which have been archived where needed, in a well preserved manner as follows:

- Real-time back up of data at on and off-site locations.
- Storage of data at secure location with state of the art protections against physical deterioration, fire, natural disasters etc.
- Whistle Blowing – Immediate reporting of breach of security or damage of record to the management.

Maintenance of a fire-proof vault for the safekeeping of legal documents and conduct trainings to deal with fire hazards.

Ensure and maintain digital back-up of all the records, wherever deemed necessary.

Review by the Board of the Organization's Business Continuity Plan (BCR 5.13)

APL Pakistan puts significant efforts in ensuring uninterrupted business operations. Business Continuity Plan (BCP) is in place to ensure that any adverse or unforeseen events cause minimum disruption. The plan encompasses our response strategy, minimum operating requirements, BCP team organization, damage assessment, and primary site restoration activities. It ensures preservation of critical data by mapping out key elements of the process of disaster recovery. APL ensures effective crisis management and business continuity plans, including authorized response and recovery strategies, key areas of responsibility and clear communication routes, are in place before any business disruption occurs.

APL has adopted an effective disaster recovery plan to minimize and contain any disaster, to provide a rapid and smooth transition to a backup mode of operations and expeditiously recover the normal operations in the data center. Such planning ensures that essential/critical functions are supported with minimum disruption following a disaster. Our management regularly evaluates the threats to its business and infrastructure and has developed a strategy to adequately respond to any unpredictable challenges it might face.

BCP demonstrates that the organization was being run well from top to bottom. Business Continuity was a proactive plan to avoid and mitigate risks associated with a disruption of operations. It details steps to be taken before, during and after an event to maintain the financial viability of an organization. The Manual also addresses disaster recovery which is a reactive plan for responding after an event.

The Board also appreciated the efforts of the management in developing a comprehensive Business Continuity Plan and commented that BCP would go a long way in protecting the interests of the Company.

Terms of Reference (TOR) of Audit Committee (BCR 5.17)

Introduction

Audit committee should consist of at least three members, comprising of non - executive Directors. The audit committee is formed to comply with the Code of Corporate Governance applicable to all companies listed on the Pakistan Stock Exchange. This code is also a part of the listing regulations of the Pakistan Stock Exchange.

Frequency of Meetings

The Audit Committee shall meet at least once every quarter of the financial year. A meeting of the Audit Committee shall also be held if requested by the external auditors or the Head of internal audit.

Internal Audit

There should be an internal audit function in the company. The Head of internal audit shall have access to the chair of the Audit Committee. The auditors shall discuss any major findings in relation to the review reports with the Audit Committee, which shall report matters of significance to the Board of Directors. Internal Audit is engaged in performing following categories of audit.

- Financial Audit
- Operational Audit
- Compliance Audit

Terms of Reference

In line with best practices the Board of Directors has established the audit committee. The Term of Reference of the committee have been developed on the lines as laid down in the Code of Corporate Governance and approved by the Board.

These include:

To recommend to the Board of Directors the appointment of external auditors and consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service in addition to audit of its financial

Statements:

- To review the quarterly, half-yearly and annual financial statements prior to their approval by the Board of Directors;
- To facilitate the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight;
- To review the management letter issued by external auditors and management's response thereto;
- To ensure coordination between internal and external auditors;
- To review the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- To consider the major findings of internal investigation and management's response thereto;

- To ascertain that the internal control system including financial and operational control, accounting system and reporting structure is adequate and effective;
- Instituting special projects and value for money studies.
- To determine compliance with relevant statutory requirements ; and
- To monitor compliance with the best practices of corporate governance and identification of any significant violation thereof.

Reporting Procedure

The Audit Committee shall appoint secretary of the Committee. The Secretary shall circulate the minutes of the meetings of the Audit Committee to all members, person entitled to attend the meeting.

Presence of the Chairman Audit Committee at the Annual General Meeting (AGM) (BCR 5.20)

Chairman of the Audit committee Mr. Shahid Ghaffar was present at the last AGM to answer any questions on the Committee's activities and matters within the scope of the Committee's responsibilities.

Shareholders Encouraged to Attend General Meetings

Notice of the Annual General Meeting, along with the Company's Annual Report, is sent to all shareholders at least 21 days prior to the meeting day. Simultaneously, it is published in leading newspapers (in both Urdu and English languages) having Countrywide circulation and placed on the PSX and APL respective websites. All shareholders can appoint proxy, participate through video conference (VC) and vote through e-voting. They can suggest, propose, comment or record their reservations during the meeting, and enjoy full rights to propose and second any agenda item presented. They can demand the draft minutes of meeting within stipulated time post the event and are privileged to object on any matter discussed. APL values and honors the shareholders' inputs; records their concerns, prepositions, suggestions in minutes and keeps them abreast on the progress and subsequent actions.

Composition of Board Audit Committee (BAC)

An Audit Committee was set up by the Board since the enforcement of the Code of Corporate Governance. At present all three members (Mr. Shahid Ghaffar, Mr. Patrick Verraes, & Dr. Lalarukh Ejaz) of the committee are non-executive directors. The chairman of Audit Committee is an independent director.

The terms of reference of the Audit Committee are those as specified in the Code of Corporate Governance. In addition, the Audit Committee is free to ask for any information and explanation in order to satisfy itself regarding the financial statements and internal controls.

The committee met at least once in a quarter to review the financial statements and any major judgmental area with reference to Company's business. The Audit Committee gives its recommendation to the Board for the approval of financial statements which are duly endorsed by the CEO and CFO.

- Mr. Shahid Ghaffar Independent Director Chairman
- Dr. Lalarukh Ejaz Independent Director Member
- Mr. Patrick Verraes Non-Executive Director Member

Review by the Board of the Organization's Business Continuity Plan

Board of Archroma Pakistan puts significant efforts in ensuring uninterrupted business operations. Business Continuity Plan (BCP) is in place to ensure that any adverse or unforeseen events cause minimum disruption.

Terms of Reference of Human Resource & Remuneration Committee

The Terms of reference of the committee shall be determined by the board of directors, which may include the following:

- i. Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- ii. undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- iii. recommending human resource management policies to the board;
- iv. recommending to the board for the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v. consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

External Auditors

- The statutory auditors of the Company, KPMG Taseer Hadi & Co, Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 September 2025.
- The management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the listing regulations and shall therefore accordingly be discussed in the next Board Audit Committee meeting.
- The Audit firm has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.
- Being eligible for re-appointment as auditors of the Company, the Audit Committee has recommended the appointment of M/s. KPMG Taseer Hadi & Co. Chartered Accountants as external auditors of the Company for the year ending 30 September 2026.

The Audit Committee

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with the Terms of Reference approved by the Board.

Connection of External Search Consultancy for Appointment of Chairman or Independent Directors

The Company has effectively maintained the structure of its Board of Directors with the composition of a Chairman, three independent directors and three non-executive directors. During the year, the need for an external search consultancy for the appointment of Chairman or independent directors did not arise.

Disclosure about the Government policies related to company's business (BCR 5.22)

With the government's continued focus on construction and textile industry, our products will see increasing demand due to these industries depending on our chemicals for raw material. The share price is also sensitive to any changes in government or regulatory authority policies, both specific to the chemical industry and broader business operations; these changes may be positive or negative, depending on whether the policy is favorable to or unfavorable to the industry.

Governance Practices Exceeding Legal Requirements

With the legacy of high moral and ethical standards spanning over decades, APL continues to further optimize its governance framework by voluntary adoption and implementation of governance practices exceeding legal requirements, some of which include:

- Adoption of best reporting practices recommended by ICAP / ICMAP and SAFA to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies
- Implementation of aggressive Health, Safety and Environment Strategies to ensure safety of employees, equipment and surrounding communities
- Adoption of Pakistan Stock Exchange criteria for selecting top companies
- Implementation of various social projects for welfare of the community as part of its Corporate Social Responsibility
- Adoption of framework for UN Global Compact "Ten Principles"
- Disclosure of various financial analysis including ratios, reviews, risk matrices and graphs etc in the Annual Report

Report of the Board Audit Committee (BCR 5.19)

The Audit Committee of Archroma Pakistan Limited is appointed by the Board and has three (3) non-executive directors out of which Chairman of the Committee, Mr. Shahid Ghaffar, is an Independent Director. The committee as a whole possess significant economic, financial and business acumen. During the year, four meetings of the Audit Committee were held which the Chief Financial Officer also attended by invitation.

The Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended 30 September 2025 and reports that:

- The Company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company's Code of Conduct and Values throughout the year.
- The Company has issued a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" which has also been reviewed and certified by the External Auditors of the Company.
- The Company's Code of Conduct has been disseminated and placed on Company's website.
- The Audit Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended for approval of the Board of Directors. It has also reviewed preliminary announcements of results prior to publication and the internal audit reports.
- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements. Applicable International Financial Reporting Standards were followed in the preparation of financial statements of the Company, for the financial year ended 30 September 2025, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the applicable laws and financial reporting is consistent with Management processes and adequate for shareholders needs.
- These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 (the Act), provisions of and directives issued under the Act. In case requirements differ, the provisions of or directives under the Act prevail.
- The CEO, a Director and the CFO have endorsed the standalone financial statements of the Company while the directors report is signed by CEO and one director. They acknowledge their responsibility for true and fair presentation of the Company's financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the company.
- All the related parties' transactions have been reviewed by the Committee prior to the approval by the Board.

- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company's shares, prior to each Board meeting involving announcement of interim/final results, distribution of dividend to the shareholders or communication of any other business decision, which could materially affect the market share price of the Company.

All direct or indirect trading and holdings of Company's shares by Directors & executives or their spouses (if any) were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.

- The Committee members carried out the Annual Evaluation of the Board Audit Committee in terms of board structure, Strategy, Decision Making, Internal Controls and Risk Management.

Annual Report 2025

The Company has issued a very comprehensive Integrated Annual Report, which gives fair, balanced and understandable information in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year and future prospects to various stakeholders of the Company.

- The Board Audit Committee has effectively implemented the internal control framework through an in-house Internal Audit function, which is independent of the External Audit function. The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company and the shareholders wealth through effective financial, operational and compliance controls and risk management at all levels within the Company.
- The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee. Further, the Board Audit Committee has reviewed material Internal Audit findings and management's response thereto, taking appropriate action or bringing the matters to the Board's attention where required.
- The Head of Internal Audit has direct access to the Chairman of the Board Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Auditors

- The statutory auditors of the Company, KPMG Taseer Hadi & Co, Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 September 2025 .
- The management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the listing regulations and shall therefore accordingly be discussed in the next Board Audit Committee meeting.

- The Audit firm has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.
- Being eligible for re-appointment as auditors of the Company, the Audit Committee has recommended the appointment of M/s. KPMG Taseer Hadi & Co. Chartered Accountants as external auditors of the Company for the year ending 30 September 2026.

The Audit Committee

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with the Terms of Reference approved by the Board.



Shahid Ghaffar
Chairman Audit Committee

Karachi: 29 October 2025



KPMG Taseer Hadi & Co.
Chartered Accountants
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Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Archroma Pakistan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Archroma Pakistan Limited ("the Company") for the year ended **30 September 2025** in accordance with the requirements of Regulation No. 36 of the Regulations.

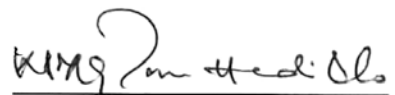
The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended **30 September 2025**.

Date: 1 November 2025
Karachi
UDIN: CR202510096wOdNvbSo1


KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with Listed Companies

(Code Of Corporate Governance) Regulations, 2019

Archroma Pakistan Limited

For the year ended 30 September 2025

The Company has complied with the requirements of the Regulations in the following manner:

- The total number of directors are seven as per the following:

Male	5
Female	2

- The composition of the Board is as follows:

Executive Director	Mr. Irfan Chawala – Chief Executive Officer
Non-Executive Directors	Mr. Mujtaba Rahim – Chairman Mr. Patrick Verraes (Alternate Mr. Naveed Kamil) Mr. Victor Garcia
Independent Director (Male)	Mr. Shahid Ghaffar
Independent Directors (Female)	Dr. Lalarukh Ejaz Ms. Yasmin Peermohammad

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
- The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies, along with their date of approval or updating, is maintained by the Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017, and the Regulations.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Companies Act, 2017, and the Regulations.

9. The Board has arranged Directors' Training program for the following:
 1. Mr. Mujtaba Rahim
 2. Mr. Irfan Chawala
 3. Dr. Lalarukh Ejaz
 4. Mr. Naveed Kamil
 5. Mr. Shahid Ghaffar
 6. Ms. Yasmin Peermohammad
10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed the following Committees comprising of members given below:

Audit Committee

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

HR and Remuneration Committee

Ms. Yasmin Peermohammad	Chairperson
Mr. Irfan Chawala	Member
Mr. Patrick Verraes (Alternate: Mr. Naveed Kamil)	Member
Mr. Irfan Lakhani	Secretary

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Audit Committee	Four quarterly meetings during the financial year ended 30 September 2025
HR and Remuneration	One meeting during the financial year ended 30 September 2025
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. 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 Accountants of Pakistan (ICAP) and are registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head Of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all the requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

Explanation for non-compliance with (non-mandatory requirements), other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Requirement	Explanation	Reg. No
1	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being taken care by the board as and when needed so a separate committee is not considered to be necessary.	29
2	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a risk management committee as risk management framework is managed by Audit Committee.	30
3	The significant policies may include but not limited to the anti-harassment policy to safeguard the rights and well-being of employees, incorporating the mechanism as prescribed under the Protection Against Harassment of Women at the Workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024.	The Company's Code of Conduct covers the element of workplace harassment and Human Resources committee also reviews the same in its meetings.	10(4) (xvi)
4	The board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director.	Board provides governance and oversight in relation to Company's initiatives on Environmental, Social and Governance (ESG) matters.	10(A) (5)
5	Directors training program	6 Directors have undergone the Directors Training Program in previous years. Training for rest of the Directors will be completed in the next year, 2026.	19(3)



MUJTABA RAHIM
CHAIRMAN



IRFAN LAKHANI
COMPANY SECRETARY

Dated: 29 October 2025
Karachi

Gender Pay Gap Statement

under Circular No. 10 2024



Following is the gender pay gap calculated for the year 30 September 2025.

Archroma's commitment to Diversity, Equity, and Inclusion (DE&I) has been central to its talent acquisition and engagement strategies. The Company follows a rigorous, merit-based process for all employment practice including recruitment, annual salary reviews, and career advancement, ensuring there is no discrimination based on gender, race, or ethnicity – thereby compensating employees fairly and equitably.


0.62%	-39.08%
Mean Gender Pay Gap:	Median Gender Pay Gap:

This is based on an 2.5% - 97.5% employee representation ratio for women and men respectively.

However, the remuneration philosophy at APL does not differentiate based on gender. Employee remuneration is determined based on several factors, including professional experience, tenure, education, job role, performance, market dynamics, and geographical location.

APL's approach to promoting a fair and inclusive workplace includes:

- **Equal Employment Opportunity:** Upholding equal opportunity by maintaining a discrimination-free workplace, applying nondiscriminatory hiring practices, and offering equal chances for advancement to all employees regardless of gender.
- **Merit-based Evaluations and Growth:** Following fair and transparent evaluation processes for promotions and salary adjustments, conducting annual reviews based on equitable, merit-driven, and market-aligned criteria free from gender bias. Employees are recognized based on roles, performance, and responsibilities.
- **Inclusive Workplace Policies:** Implementing various policies embedded within the organization including sabbaticals, maternity and paternity leave policies, and an anti-harassment policy, to foster an inclusive workplace environment.




Irfan Chawala
Chief Executive

Date: 30 September 2025

Directors' Report

Report of the Board of Directors for the year ended 30 September 2025

On behalf of the Board of Directors of the Company, we are pleased to submit the Directors' Report and the audited financial statements of the Company for the year ended 30 September 2025.

Business Overview

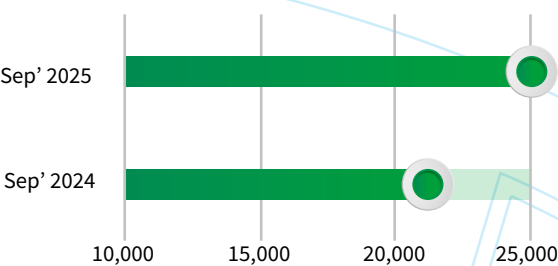
Archroma's major consumption markets (i.e. the Textiles' and Construction industries) showed positive development, both locally as well as for exports, during the Financial Year under review, despite higher energy, commodity prices, on-going Russia-Ukraine & other regional conflicts and many other challenges.

In the light of the prevailing challenging business environment, your Company continued its fullest support to its customers in meeting their demands and cost targets. As a consequence, it managed to achieve net sales of PKR 27,407 million during the year ended 30 September 2025, compared to PKR 24,773 million last year. Positive contributions from various Savings and efficiency improvement programs launched at the end of last year, along with the market driven changes to Sales product mix, further supported Gross Margins' development, which improved to PKR 6,607 million compared to 4,502 million for last year.

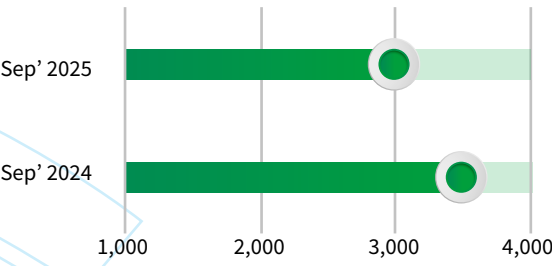
Moreover, considerably stable foreign exchange rates and reduced bank borrowing costs further contributed to improving the bottom-line profitability of your Company to PKR 1,177 million as compared to loss of PKR 546 million last year.

Business Update

Textiles Effects
Net Turnover (PKR in millions)



Packaging Technologies
Net Turnover (PKR in millions)



Financial Performance

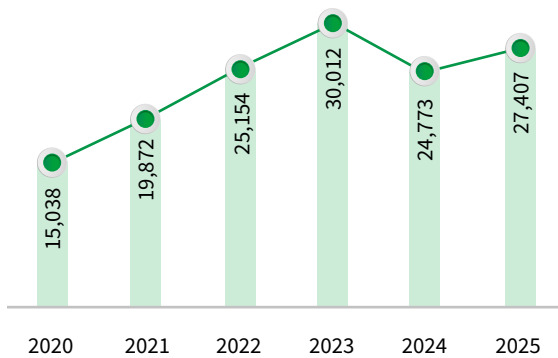
Your Company achieved a gross revenue of PKR 32,184 million which is 13% higher as compared to last year's revenue of PKR 28,533 million.

PKR in million

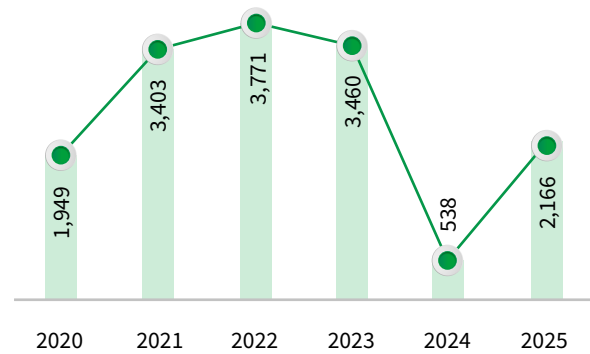
Particulars	30-Sep-25	30-Sep-24	Change %
Gross Revenue	32,184	28,533	13
Net Revenue	27,407	24,773	11
Gross Profit	6,607	4,502	47
Operating Profit	2,166	538	303
Profit / (Loss) Before Minimum, Final and Income Tax	1,940	(513)	478
Profit / (Loss) before Income Tax	1,927	(811)	337
Profit / (Loss) After tax	1,177	(546)	315
Earnings / (loss) Per Share (PKR)	34.05	(15.81)	315

Six Years' Financial Performance

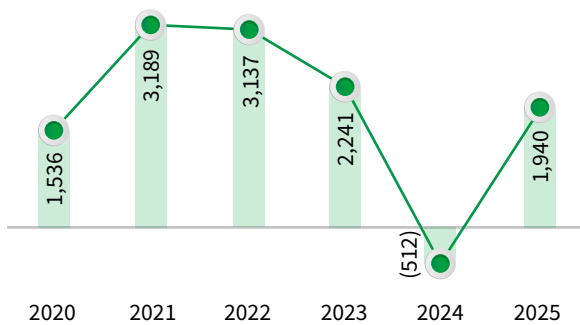
Net Revenue (PKR in millions)



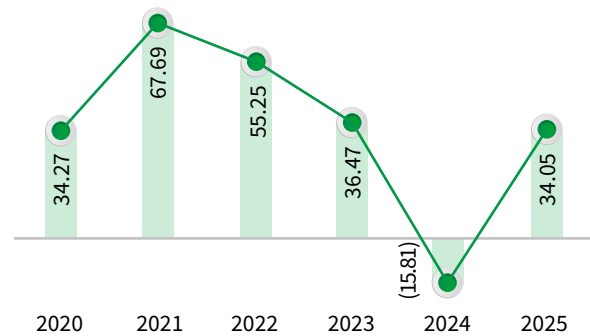
Operating Profit (PKR in millions)



Profit / (Loss) Before Tax (PKR in millions)



EPS (PKR)



Principal Business Activities

The Company is engaged in the manufacturing, sales and indenting business of Specialty Chemicals including Dyestuffs and Coating adhesives & Sealants.

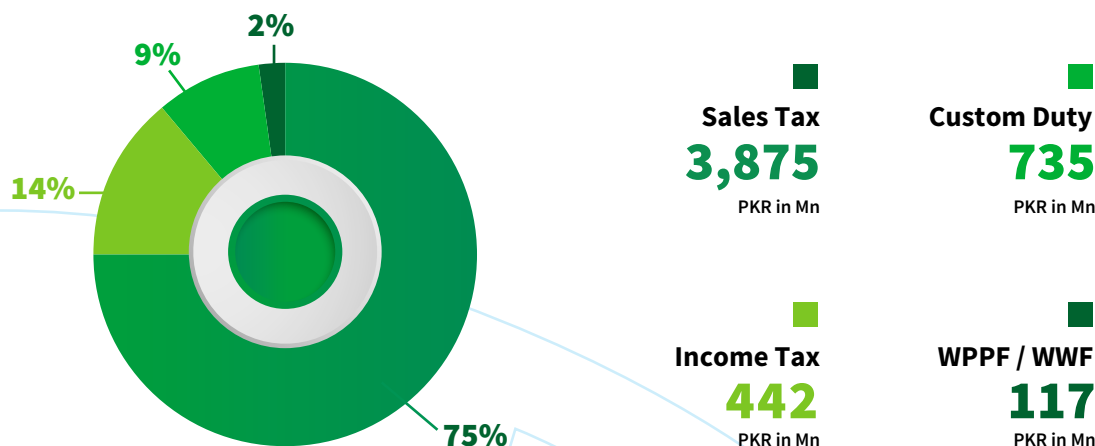
Future Outlook

The global business and trade environment has become increasingly complex following the imposition of country-specific import tariffs by USA, which also affected trade, logistics and consequentially the raw materials' supply chain and availability for the Company. Although the balance of trade and forex reserves' situation in Pakistan has considerably improved, it is expected to remain under pressure in the coming months due to evolving Global Trade environment and Pakistan's short-term fiscal commitments. However, we believe that the recent US tariff changes, may bring more opportunities for Pakistan's Textiles and other export businesses in the medium to long-term, compared to other competing countries.

The Management of your Company is confident that the stringent measures already in place for operational adaptability, cost efficiency and net working capital management, along with a strong projects' pipeline aimed at increasing Market penetration and portfolio expansion, particularly following the Huntsman Textile Effects' acquisition, shall further support new business development and initiatives, going forward into the new financial year.

Contribution to National Exchequer (BCR 5.23)

The Company's overall contribution during the year to the Government exchequer on account of income tax, excise duty, sales tax, and other government levies stood at PKR 5,169 million.



Earnings Per Share

The Company posted a profit after tax of PKR 1,177 million compared to loss after tax of PKR 546 million in 2024. As a result, earnings per share rose to PKR 34.05 per share compared to PKR 15.81 loss per share in 2024.

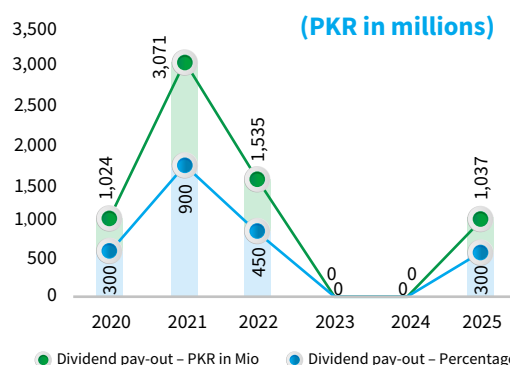
Appropriation of Profit

The proposed appropriation of profit of the company is as under:

	(Rupees in million)
Total comprehensive income for the period	1,324
Profit available for appropriation	1,324
Appropriation:	
Interim cash dividend 200 %	691
Proposed 100 % final cash dividend	346
To be paid after approval in the Annual General Meeting	
Transfer to revenue reserves	287

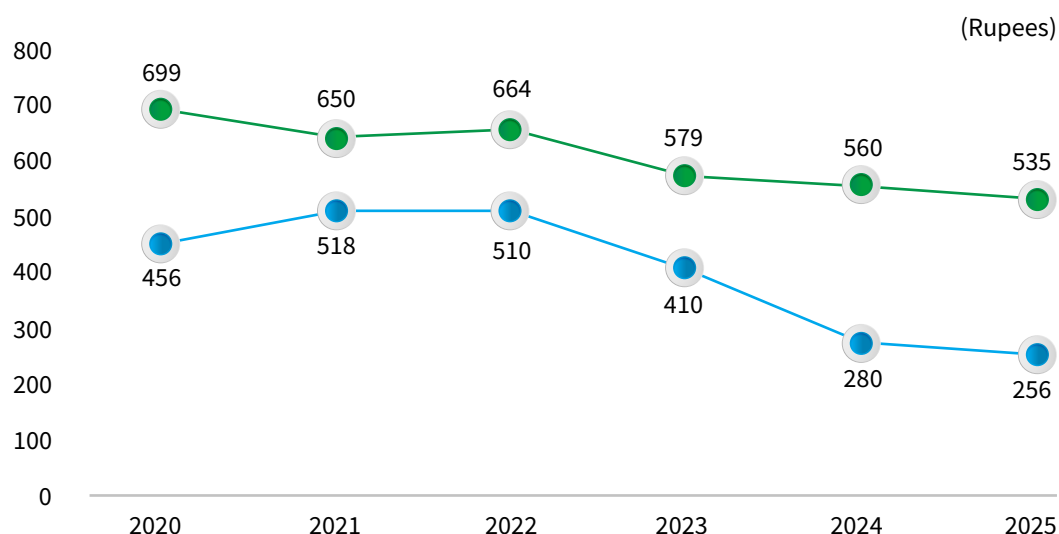
Dividend

In view of the financial results of the Company for the year ended 30 September 2025, the Board of Directors of the Company has proposed a final cash dividend of 100% i.e., Rs.10 per share in addition to 200% interim cash dividend announced and paid, making a total dividend payout of 300 % per share for the year ended 30 September 2025.



Share Price

During the year under review, Company's share price touched the peak of PKR 535 whereas, the lowest recorded price was PKR 256 on the Pakistan Stock Exchange Ready Board quotations.



Corporate Social Responsibility

Archroma bears an ethical responsibility for sustainable, economic and ecological, as well as fair, business practices. Corporate Social Responsibility is therefore an integral component of your company's philosophy. It actively develops talent, promotes diversity and invests in employees' skills to enable high-level performance for both current and future responsibilities. During the year under review your Company incurred CSR cost amount worth Rs. 19.96 million.

Sustainability

Archroma is committed to leading the sustainability transformation of its industry. By constantly engaging with partners in the value chain on their needs and expectations, it drives a proactive adaptation of its portfolio towards future market expectations.

The Company strongly believes that potential risks can be turned into opportunities by continuing our shift to a more sustainable product portfolio.

For this purpose, the Company has developed a sustainability framework in line with our material topics alongside the three GRI pillars – Environment, Social, and Governance (ESG). – and an integration of SDGs. Currently a broader revision of our sustainability objectives, including a further deep dive on the SDGs, is underway. The goal for the next strategic cycle is to revise and strengthen targets for each ESG pillar to increase the Company's positive impact on society and the planet and to deliver new sustainable solutions for our customers.

As part of its annual report, the Company publishes a detailed sustainability report which includes sustainability risks & mitigation strategies.

Safety, Health and Environment

A strong focus on Health, Safety and Environment (SHE) lies at the core of all operations of your Company. By strictly adhering to established SHE guidelines, your Company is dedicated to ensuring a safe working environment for its employees, contractors, and all stakeholders involved in its business activities. The Company upholds the highest health and safety standards, both for its on-site stakeholders and the communities in which it operates.

The effective implementation of Archroma safety guidelines, hazard Identification, Risk Assessment, Job Safety Analysis, Employee's involvement and leadership commitment towards safety, health and wellbeing support to keep the Archroma Pakistan safest place and accident-free workplace for not only our employees but also to the visitors, contractors and neighboring community and also contributing to achieve global target Lost time Accident (LTA).

To enhance SHE awareness and foster a culture of continuous improvement in personal and process safety, job safety analysis and risk assessments are conducted for all critical and non-routine tasks. Additionally, the delivery of regular SHE talks and in-depth awareness sessions further reinforced a safety culture, cultivating an environment where SHE is regarded as a collective responsibility.

The Company continues to deliver high performance in safety. Collectively, the Company's businesses logged approximately 4.6 million safe man-hours as of 30 September 2025.

Planet Earth is facing multifaceted challenges e.g., global warming, ozone depletion and pollution due to rapid environmental degradation. Archroma Pakistan believe that trees are extremely important to reduce global warming, carbon footprint and pollution as well as create a clean environment. The lush green environment with hundreds of various trees at our manufacturing sites Jamshoro and Landhi is clear evidence of our green environmental policy.

In addition, your Company has implemented extensive tree plantation drives in and around its plant facilities, demonstrating a strong commitment to sustainable, eco-friendly practices. This proactive approach to environmental stewardship goes beyond regulatory compliance, fostering a healthier ecosystem and a safer community. Through these initiatives, your Company continues to lead the industry in environmental responsibility and innovation.

Community Development

As a good corporate citizen, Archroma assists local communities in the vicinity of Jamshoro by providing free of cost water and supporting the communities in their dire need. Skills development is also your Company's key area of interest. At Archroma Center of Excellence, Korangi, Karachi, educational programs run throughout the year for students pursuing textiles education. Tailor-made programs are also designed for technical staff from mills based on their specific needs. For fresh graduates, a two-year program runs to provide hands-on experience and basic management enabling them to make progression and career growth.

CSR focus areas

Together with our community partners, we create social impact through the following six strategic priorities:



Diversity, Equity and Inclusion

Archroma recognizes the dignity, privacy and personal rights of all individuals working together with various ethnic backgrounds, cultures, religions, ages, disabilities, races, sexual identity, world view and gender.

The Company aims to:

- Generate an environment in which individual differences and the contributions of all our employees are promoted, recognized and valued
- Create a working environment that promotes dignity and respect for all, where no form of intimidation, bullying or harassment is tolerated
- Ensure that training, development and progression opportunities are available to all
- Regularly review all employment practices and procedures to ensure that job applicants and employees are treated on an equal footing
- Treat breaches of the diversity policy seriously and take disciplinary action when required.

The Company adheres to all relevant laws and regulations, ensuring compliance through systematic evaluations at key employment touchpoints, including:

- Hiring: Implementation of rigorous, non-discriminatory evaluation criteria to ensure gender equality when hiring new employees.
- Annual Salary Reviews: Salary reviews are conducted annually with strict adherence to equitable standards, ensuring any adjustments are free from gender bias.
- Career Advancement: Evaluation of role changes and promotions using transparent and fair criteria, providing equal opportunities for advancement to all employees.

Archroma is committed to transparency in its pay practices and remains steadfast in its commitment to providing equal opportunities for all its employees.

Risk Management

Archroma is committed to a strong risk management throughout the company and implemented at all levels. Your Company understands that risks are inherent to all businesses, therefore it strives to create sustainable value by understanding and managing the existing and potential threats. Simultaneously, opportunities are also identified which contribute to the achievement of Archroma's strategic objectives. The Company has a strong Business Continuity Plan which highlighted the situations and actions to be taken in case of any uncertain situation.

The Board of Directors has the overall responsibility of overseeing risk management processes and internal control procedures. These processes are documented and reviewed annually by the Board Audit Committee. Identified risks that could potentially affect the achievement of the Company's strategic, operational, financial, and/or compliance objectives are promptly reported to the Board and senior management for timely action to safeguard assets, address possible risks to the Company, and ensure business continuity.

The Company maintains a clear organizational structure with a well-defined chain of authority. Senior Management is responsible for implementing procedures, monitoring risks and assessing the effectiveness of various controls.

The Company continues to employ a robust Enterprise Risk Management (ERM) framework, which is integrated within the organization to ensure that risks are proactively identified, and assessed, and addressed. All highlighted risks are prioritized according to their impact, likelihood, and timescale, with remedial actions devised accordingly.

A detailed report on the Company's risk management philosophy, governance, and key risks and opportunities is available on pages 113 to 123 of the annual report.

Compliance with the Code of Corporate Governance

The Company has complied with all the requirements of the Code of Corporate Governance as required by the listing regulations.

Accordingly, the Directors are pleased to confirm the following:

- The financial statements prepared by the management of the Company, presents fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements of the Company and accounting estimates are based on reasonable and prudent judgment.
- Accounting and Reporting Standards, as applicable in Pakistan, have been followed in preparation of the Company's financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control of the Company is sound in design and has been effectively implemented and monitored:
- There are no significant doubts upon the Company's ability to continue as a going concern.
- Key operating and financial data of last six years in summarized form is annexed on page 194 of the financial statements.
- Outstanding taxes and levies have been adequately disclosed in the annexed audited Financial Statements; and
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

Statement of Ethics and Business Practices (Code of Conduct)

To put in place professional standards and corporate values for promotion of integrity of the Board of your Company, senior management and other employees, the board has disseminated a Code of Conduct, defining therein acceptable and unacceptable behaviors. The same has been placed on the Company's website as well.

Your Company also has a mandatory requirement for all employees to attend an online training session of the Company's Code of Conduct; certificate of completion is presented to all successful participants at the end of the training.

Composition of the Board

The Company has a highly effective board, having diverse mix of gender, core competencies, skills, knowledge and experience. The composition of the Board is fully in compliance with the requirements of the listed companies (Code of Corporate Governance) Regulations, 2019 applicable on listed entities which is given below:

Total numbers of directors:	
a) Male	05
b) Female	02
	07

Composition:	
i) Executive Director	01
ii) Non-executive Directors	03
iii) Independent Directors	03
	07

Positions of Chairman of the Board and CEO are held by two different individuals

Committees of the Board of Directors

The Company's Board of Directors oversees the operations and affairs of the Company in an efficient and effective manner, and in line with applicable laws, rules and regulations. The Board has constituted two committees to assist the Board in its operations. These committees consider important matters relating to their respective domains and present their recommendations to the Board for final decision-making.

Audit Committee

An Audit Committee was set up by the Board since the enforcement of the Code of Corporate Governance. Audit Committee of the Board currently comprises of the following directors:

Name of Director	Designation
Shahid Ghaffar Dr. Lalarukh Eijaz Patrick Verraes	Chairman (Independent Director) Member (Independent Director) Member (Non-executive Director)

The terms of reference of the Audit Committee are those as specified in the Code of Corporate Governance. In addition, the Audit Committee is free to ask for any information and explanation to satisfy itself regarding the accuracy of financial statements and effectiveness of internal controls.

The committee met at least once in every quarter to review the financial statements and any major judgmental areas with reference the Company's business. The Audit Committee gives its recommendation to the Board for the approval of financial statements which are duly endorsed by the CEO, CFO and a director authorized to do so.

Human Resource & Remuneration (HR&R) Committee

The Board in accordance with the Code of Corporate Governance has also constituted HR&R Committee. The terms and reference of the committee include but not limited to those as mentioned in the Code of Corporate Governance. The (HR&R) Committee of the Board currently comprises of the following directors:

Name of Director	Designation
Yasmin Peermohammad	Chairperson (Independent Director)
Irfan Chawala	Member (Executive Director)
Patrick Verraes	Member (Non-executive Director)

Attendance of Board and Committees Meetings (BCR 5.16)

During the year under review Board and Committees meetings held and attendance by each Director are as follows:

Name of Directors	Designation	Board of Directors 4 Meetings Attended	Audit Committee 4 Meetings Attended	HR & R 1 Meeting Attended
Dr. Lalarukh Ejaz	Independent	4	4	-
Mujtaba Rahim	Executive	3	-	-
Mujtaba Rahim	Non-Executive	1	-	1
Irfan Chawala	Executive	4	-	-
Patrick Verraes	Non-Executive	4	4	1
(Alternate: Naveed Kamil)				
Victor Garcia	Non-Executive	4	-	-
Shahid Ghaffar	Independent	4	4	-
Yasmin Peermohammad	Independent	4	-	1

Leave of absence was granted to Directors who could not attend the meetings and were represented by their respective alternates.

Directors' Training Program

The Directors training program helps the Board fulfill its role and make a real difference to the Company's performance. The Company strongly encourages its Directors to complete the Directors' Training Program as per the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Six Directors have already successfully completed the Directors' Training Program.

Remuneration Policy of Non-Executive Directors

The Board of Directors has an approved 'Remuneration Policy for Non-Executive and Independent Directors, which states that the remuneration of a Director for attending meetings of the Board of Directors, or its Committees shall from time to time be determined and approved by the Board of Directors.

Board Evaluation

As required under the Listed Companies (Code of Corporate Governance Regulations), 2019, the Board conducts a self-evaluation of its performance on an annual basis. The evaluation also includes an assessment of performance of the Executive Directors, Independent Directors and the Board Sub – Committees. The Directors' believe that continuous assessment is critical to assess effectiveness of Board performance against the set objectives and goals. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of Archroma Pakistan Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

The Board has completed its annual self-evaluation for the year ended 30 September 2025. The overall performance of the Board measured based on approved criteria for the year was satisfactory.

Gratuity and Provident Funds

The value of investments of Gratuity and Provident funds based on unaudited financial statements at 30 September 2025 and audited financial statements at 30 September 2024 are as follows.

Particulars	2025	2024
	(Rupees in million)	
Gratuity Fund	1,501	1,427
Provident Fund	1,154	1,069

The value of investment includes accrued mark-up.

Related Party Transactions

During the year, the Company also carried out transactions with related parties. Details of these transactions are disclosed in note 36 to financial statements attached therein.

During the period under review, the Company entered into Technical Advisory Service agreement with Mr. Mujtaba Rahim as per terms and conditions approved by the Board.

Mr. Mujtaba Rahim possesses deep industry knowledge, long-standing sector experience, and proven technical competency in areas directly linked to the Company's operational and strategic needs. By having an existence of this agreement, Company anticipates to achieve value driven benefits.

Default of Payments, Debt / Loan Taxes and Duties

In adherence to the best business practices, the Company adheres to the schedule of repayments of the amounts due. Furthermore, no payment on account of taxes, duties and levies was overdue or outstanding during or at the end of financial year under review.

Internal Controls

The Company maintains a sound internal control system which gives reasonable assurance against any material misstatement or loss. The internal control system is regularly reviewed. The Board assumes the overall responsibility of overseeing the internal control process. The risk management and internal control processes are designed to safeguard the Company's assets and to appropriately address and/or mitigate emerging risks being faced by the Company. Comprehensive details regarding the Risk Management System are separately disclosed in the financial statements of the Company.

Holding Company

Archroma Textiles GmbH is a global, diversified provider of dyes and specialty chemicals serving the textiles, packaging and paper, and coatings, adhesives and Construction chemicals markets. Headquartered in Pratteln, Switzerland, the company operates a highly integrated, customer-focused platform that delivers specialized performance and color solutions in over 80 locations. Archroma works with 4,100 employees in over 38 countries and with 30 production sites.

Subsequent Events

There were no material changes or commitments affecting the financial position of the Company occurring between the end of the financial year of the Company and the date of this report.

Website.

All our stakeholders and general public can visit Archroma Pakistan Limited's website, www.archroma.com.pk, which has a designated section for investors containing relevant information.

E-mail.

archroma.pakistan@archroma.com

Financial Statements and Auditors.

The financial statements of the company have been audited and approved without qualification by the auditors, M/s. KPMG Taseer Hadi & Co. Chartered Accountants. The present auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants, will retire and being eligible, have offered themselves for re-appointment as external auditors of the Company.

The Board has recommended the appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants as auditors for the financial year 2026, as recommended by the Audit Committee, subject to approval of members in the upcoming 30th Annual General Meeting.

Key Operating & Financial Data

Key Operating and Financial data for last six years shown on page 194.

Pattern of Shareholding

A statement showing the pattern of shareholding as of 30 September 2025 required under section 227 (2) (f) of the Companies Act, 2017 is annexed to this report.

Acknowledgement

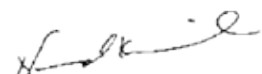
The Board would like to appreciate & acknowledge all the employees for their excellent performance during this very challenging year and looks forward to their continued contribution to overcome these challenges to drive more success in the future.

On behalf of the Board, we would like to put on record our sincere gratitude towards valued shareholders, customers, suppliers, contractors, bankers and other stakeholders for their support, trust and confidence.

On behalf of the Board



Irfan Chawala
Chief Executive Officer



Naveed Kamil
Director

Karachi: 29 October 2025

ہولڈنگ کمپنی

آرکرو مائیکسٹائلز GmbH ایک عالمی سطح پر معروف فراہم کنندہ ہے جو ٹیکسٹائل، پیکیجنگ اور بیچہ، اور کونٹیکٹر، چکنے والے مواد اور کنسٹرکشن کیمیکلز کی مارکیٹس میں ڈائیز اور اسپیشلٹی کیمیکلز فراہم کرتی ہے۔ ہیڈ کوارٹر Pratteln سوئٹزرلینڈ میں ہے، اور کمپنی ایک مربوط، کسٹمر فوکسڈ پبلٹ فارم چلاتی ہے جو 80 سے زائد ممالک میں اسپیشلائزڈ پرفارمنس اور کلرسلوشن فراہم کرتا ہے۔ 38 ممالک آرکرو مائیکسٹائلز 4,100 ملازمین کام کرتے ہیں اور 30 پروڈکشن سائٹس موجود ہیں۔

بعد کے واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی صورتحال پر اثر انداز ہونے والی کوئی اہم تبدیلی یا ذمہ داری نہیں ہوئی۔

ویب سائٹ

تمام اسٹیک ہولڈرز اور عوام آرکرو مائیکسٹائلز پاکستان کی ویب سائٹ www.archroma.com.pk وزٹ کر سکتے ہیں، جہاں سرمایہ کاروں کے لیے مخصوص سیکشن میں متعلقہ معلومات دستیاب ہیں۔

ای میل

archroma.pakistan@archroma.com

مالی گوشوارے اور آڈیٹرز

کمپنی کے مالی گوشوارے میسرز KPMG تاخیر ہادی اینڈ کمپنی کی جانب سے بغیر کسی شرط کے آڈٹ اور منظور شدہ ہیں۔ موجودہ آڈیٹرز ریٹائر ہو رہے ہیں اور اہل ہونے کی صورت میں دوبارہ آڈیٹر کے طور پر نامزد ہونے کی پیشکش کر چکے ہیں۔

بورڈ نے سال 2026 کے مالی سال کے لیے میسرز KPMG تاخیر ہادی اینڈ کمپنی کو آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے، جیسا کہ آڈٹ کمیٹی نے تجویز کیا، جو کہ آنے والی 30 ویں سالانہ اجلاس عام میں ممبران کی منظوری سے مشروط ہے۔

کلیدی آپریشننگ اور مالیاتی ڈیٹا

گزشتہ چھ سالوں کے کلیدی آپریشننگ اور مالیاتی ڈیٹا صفحہ 194 پر درج ہے۔

شیئر ہولڈنگ کی ترتیب

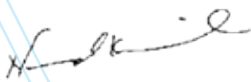
اس رپورٹ کیساتھ کنجیز ایکٹ، 2017 کی دفعہ (f) 272(2) کی ضروریات کے تحت 30 ستمبر 2025 کو شیئر ہولڈنگ کی ترتیب کا ایک اسٹیٹمنٹ منسلک ہے۔

اعتراف

بورڈ تمام ملازمین کی شاندار کارکردگی پر شکرگزار ہے، خاص طور پر اس انتہائی چیلنجنگ سال کے دوران، اور امید کرتا ہے کہ وہ آئندہ بھی اپنی کوششوں کے ذریعے ان چیلنجز پر قابو پانے اور مستقبل میں مزید کامیابیاں حاصل کرنے میں اپنا حصہ ڈالیں گے۔

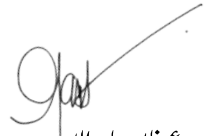
بورڈ کی جانب سے، ہم اپنے معزز شیئر ہولڈرز، صارفین، سپلائرز، ٹھیکے داروں، بینکروں اور دیگر اسٹیک ہولڈرز کا، ان کے تعاون، اعتماد اور بھروسے پر تہ دل سے شکریہ ادا کرتے ہیں۔

بورڈ کی جانب سے:



نوید اکمل

ڈائریکٹر



عرفان چاہ والا

چیف ایگزیکٹو آفیسر

کراچی: 29 اکتوبر 2025

جوڈائیز کٹر جلاس میں شریک نہیں ہو سکے، انہیں غیر حاضری کی اجازت دی گئی تھی، اور وہ اپنے متعلقہ متبادل نمائندوں کے ذریعے نمائندگی کر رہے تھے۔

ڈائریکٹر کٹر ترقیاتی پروگرام (Directors Training Program)

ڈائریکٹر کٹر ترقیاتی پروگرام بورڈ کو اپنا کردار ادا کرنے اور کمپنی کی کارکردگی میں حقیقی فرق ڈالنے میں مدد دیتا ہے۔ کمپنی اپنے ڈائریکٹر کی بھرپور حوصلہ افزائی کرتی ہے کہ وہ لیکچرینز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق ڈائریکٹر ٹریننگ پروگرام مکمل کریں۔ چھ ڈائریکٹر پہلے ہی اس پروگرام کو کامیابی سے مکمل کر چکے ہیں۔

نان ایگزیکٹو ڈائریکٹر کی ریویژن پالیسی

بورڈ آف ڈائریکٹر نے نان ایگزیکٹو اور آزاد ڈائریکٹر کے لیے ریویژن پالیسی منظور کی ہے، جس کے مطابق ڈائریکٹر کی بورڈ یا اس کی کمیٹیوں کے اجلاس میں شرکت کے عوض ریویژن وقتاً فوقتاً بورڈ آف ڈائریکٹر کی منظوری سے مقرر کی جاتی ہے۔

بورڈ کی تفصیل

لیکچرینز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق، بورڈ سالانہ بنیاد پر اپنی کارکردگی کا خود جائزہ لیتا ہے۔ یہ جائزہ ایگزیکٹو ڈائریکٹر، آزاد ڈائریکٹر اور بورڈ کی سب کمیٹیوں کی کارکردگی کے بھی جائزے پر مشتمل ہوتا ہے۔ ڈائریکٹر کا خیال ہے کہ مسلسل جائزہ لینا بورڈ کی کارکردگی اور کمپنی کے مقررہ مقاصد کے خلاف اس کی موثریت کو پرکھنے کے لیے نہایت اہم ہے۔ کارپوریٹ گورننس کے رابطہ کے تحت، آرکرو پاکستان لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹر (بورڈ) کی سالانہ جانچ کی جاتی ہے۔ اس جانچ کا مقصد یہ ہے کہ بورڈ کی مجموعی کارکردگی اور منوشریت کو کمپنی کے لیے مقرر کردہ مقاصد کے تناظر میں توقعات کے مطابق پرکھا اور جانچا جائے۔ آرکرو پاکستان لمیٹڈ کے بورڈ نے سالانہ جائزہ مکمل کر لیا ہے اور 30 ستمبر 2025 کو ختم ہونے والے سال کے لیے بورڈ کی مجموعی کارکردگی منظور شدہ معیار کی بنیاد پر اطمینان بخش رہی۔

گرہجی بی اور پروویڈنٹ فنڈز

گرہجی بی اور پروویڈنٹ فنڈز کی سرمایہ کاری کی قدر غیر آڈٹ شدہ مالی گوشواروں کے مطابق 30 ستمبر 2025 اور آڈٹ شدہ مالی گوشواروں کے مطابق 30 ستمبر 2024 کو درج ذیل ہے:

فند	2025	2024
(ملین روپے)		
گرہجی بی فند	1,501	1,427
ایمپلائز پروویڈنٹ فند	1,154	1,609

سرمایہ کاری کی قدر میں سود کی مد میں حاصل کیا گیا منافع شامل ہے۔

ریلیف پارٹی کے لین دین

سال کے دوران کمپنی نے ریلیف پارٹیوں کے ساتھ بھی لین دین کیے۔ ان لین دین کی تفصیلات مالی گوشواروں کے نوٹ 36 میں بیان کی گئی ہیں۔ زیر جائزہ جاری سال کے دوران، کمپنی نے مسٹر مجتبیٰ رحیم کے ساتھ مکمل کی مشاورتی خدمات کا معاہدہ کیا، جو بورڈ کی منظور شدہ شرائط و ضوابط کے مطابق ہے۔ مسٹر مجتبیٰ رحیم صنعت کا گہرا علم، طویل مدتی شعبہ جاتی تجربہ، اور ان مکمل کی مہارتوں کے حامل ہیں جو کمپنی کی عملی اور حکمت عملی سے متعلق ضروریات سے براہ راست منسلک ہیں۔ اس معاہدے کی موجودگی سے کمپنی توقع کرتی ہے کہ اسے قدر افزا اور فائدہ مند نتائج حاصل ہوں گے۔

ادائیگی میں تاخیر قرض، قرضہ جات، ٹیکس اور محصولات

بہترین کاروباری عملیاتی ضوابط کی تعمیل میں، کمپنی واجب الادا رقم کی ادائیگی کے شیڈول پر عمل کرتی ہے۔ مزید یہ کہ جائزہ سال کے دوران یا اختتام پر ٹیکسز، ڈیوٹیز اور دیگر محصولات کی کوئی واجب الادا رقم یا بھائی نہیں تھی۔

اندرونی کنٹرول

کمپنی ایک مضبوط اندرونی کنٹرول سسٹم برقرار رکھتی ہے جو کسی بھی مالی غلطی یا نقصان کے خطرے کے خلاف معقول یقین دہانی فراہم کرتا ہے۔ اندرونی کنٹرول سسٹم کا باقاعدہ جائزہ لیا جاتا ہے۔ بورڈ اندرونی کنٹرول کے عمل کی مجموعی نگرانی کی ذمہ داری قبول کرتا ہے۔ رسک مینجمنٹ اور اندرونی کنٹرول کے عمل کمپنی کے اثاثوں کے تحفظ اور سامنے آنے والے خطرات سے نمٹنے کے لیے ڈیزائن کیے گئے ہیں۔ رسک مینجمنٹ سسٹم کی جامع تفصیلات کمپنی کے مالی گوشواروں میں الگ سے ظاہر کی گئی ہیں۔

بورڈ آف ڈائریکٹرز کی کمیٹیاں:

کمپنی کا بورڈ آف ڈائریکٹرز کمپنی کے معاملات اور آپریشنز کی نگرانی مؤثر اور موزوں طریقے سے کرتا ہے اور متعلقہ قوانین، قواعد اور ضوابط کی مکمل پاسداری میں کام کرتا ہے۔ بورڈ نے اپنے کام میں معاونت کے لیے دو کمیٹیاں تشکیل دی ہیں۔ یہ کمیٹیاں اپنے شعبوں سے متعلق اہم معاملات کا جائزہ لیتی ہیں اور حتمی فیصلے کے لیے اپنی سفارشات بورڈ کو پیش کرتی ہیں۔

آڈٹ کمیٹی

کارپوریٹ گورننس کے کوڈ کے نفاذ کے بعد سے بورڈ نے ایک آڈٹ کمیٹی قائم کر رکھی ہے۔ بورڈ کی آڈٹ کمیٹی اس وقت مندرجہ ذیل ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹر کا نام	عہدہ
جناب شاہد غفار	چیئر مین (آزاد ڈائریکٹر)
ڈاکٹر لالہ رخ اعجاز	ممبر (آزاد ڈائریکٹر)
جناب پیٹرک ویرائیس	ممبر (نان ایگزیکٹو ڈائریکٹر)

آڈٹ کمیٹی کے دائرہ کار وہی ہیں جو کوڈ آف کارپوریٹ گورننس میں بیان کیے گئے ہیں۔ اس کے علاوہ آڈٹ کمیٹی کو یہ مکمل اختیار ہے کہ وہ کسی بھی معلومات یا وضاحت کا مطالبہ کر سکے، تاکہ کمپنی کے مالی بیانات کی درستگی اور اندرونی کنٹرولز کی مؤثریت کے بارے میں اطمینان حاصل کیا جاسکے۔

کمپنی نے ہر سال ہائیڈروجن میں کم از کم ایک اجلاس منعقد کیا، جس میں کمپنی کے کاروبار کے حوالے سے مالی بیانات اور کسی بھی اہم فیصلہ کن معاملات کا جائزہ لیا جاتا ہے۔ آڈٹ کمیٹی مالی بیانات کی منظوری کیلئے اپنی سفارشات بورڈ کو بھیجتی ہے، جن کی تصدیق CFO، CEO اور ایک مجاز ڈائریکٹر کرتے ہیں۔

ہیومن ریسورس اینڈ ریلیویشن (HR&R) کمیٹی

بورڈ نے کوڈ آف کارپوریٹ گورننس کے مطابق HR&R کمیٹی بھی تشکیل دی ہے۔ کمیٹی کے دائرہ کار میں وہ تمام امور شامل ہیں جو کوڈ آف کارپوریٹ گورننس میں بیان کیے گئے ہیں، علاوہ ازیں اضافی ذمہ داریاں بھی شامل ہو سکتی ہیں۔ HR&R کمیٹی اس وقت مندرجہ ذیل ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹر کا نام	عہدہ
محترمہ یاسمین بیگم	چیئر پرسن (آزاد ڈائریکٹر)
جناب عرفان چاہ والا	ممبر (ایگزیکٹو ڈائریکٹر)
جناب پیٹرک ویرائیس	ممبر (نان ایگزیکٹو ڈائریکٹر)

بورڈ اور کمیٹیوں کے اجلاسوں میں حاضری

جائزہ سال کے دوران بورڈ اور کمیٹیوں کے اجلاس منعقد ہوئے، اور ہر ڈائریکٹر کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	عہدہ	بورڈ آف ڈائریکٹرز 14 اجلاس شرکت	آڈٹ کمیٹی 14 اجلاس شرکت	HR&R 14 اجلاس شرکت
ڈاکٹر لالہ رخ اعجاز	آزاد	4	4	-
محبتی رحیم	ایگزیکٹو	3	-	-
محبتی رحیم	نان ایگزیکٹو	1	-	1
عرفان چاہ والا	ایگزیکٹو	4	4	-
پیٹرک ویرائیس	نان ایگزیکٹو	4	4	1
(تبادلہ: نوید کمال)				
وکیل گارشا	نان ایگزیکٹو	4	-	-
شاہد غفار	آزاد	4	4	-
یاسمین بیگم	آزاد	4	-	1

کارپوریٹ گورننس کے کوڈ کی تعمیل

کمپنی نے، لسٹنگ ریگولیشنز کے مطابق، کارپوریٹ گورننس کے کوڈ کی تمام ضروریات کی مکمل تعمیل کی ہے۔ اسی کے مطابق، ڈائریکٹر حضرات مندرجہ ذیل امور کی تصدیق کرتے ہوئے خوشی محسوس کرتے ہیں:

- کمپنی کے انتظامیہ کی جانب سے تیار کردہ مالی بیانات اس کی مالی حالت، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو درست انداز میں ظاہر کرتے ہیں۔
- کمپنی کی درست بک آف اکاؤنٹس برقرار رکھی گئی ہیں۔
- مالی گواہیوں کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مسلسل لاگو کی گئی ہیں اور اکاؤنٹنگ تخمینے معقول اور محتاط انداز پر مبنی ہیں۔
- پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے، اور اگر کسی جگہ انحراف ہوا ہو تو اسے مناسب طور پر ظاہر اور وضاحت کیا گیا ہے۔
- کمپنی کا اندرونی کنٹرول سسٹم بہتر ڈیزائن شدہ ہے اور اسے مؤثر طور پر نافذ اور مانیٹر کیا گیا ہے۔
- کمپنی کے بطور جاری کاروبار جاری رہنے پر کوئی اہم شبہ موجود نہیں ہے۔
- گزشتہ چھ سالوں کے کلیدی آپریشننگ اور مالیاتی اعداد و شمار کا خلاصہ مالی بیانات کے صفحہ 194 پر منسلک ہے۔
- زیر التواء ٹیکسز اور ریویز کو منسلک آڈٹ شدہ مالی گواہیوں میں مناسب طور پر ظاہر کیا گیا ہے۔ اور
- لسٹنگ ریگولیشنز میں درج کارپوریٹ گورننس کی بہترین روایات سے کوئی اہم انحراف نہیں ہوا۔**

اخلاقیات اور کاروباری طرز عمل کا بیان (کوڈ آف کنڈکٹ)

بورڈ، سینیٹر مینجمنٹ اور دیگر ملازمین کی دیانت داری کے فروغ کے لیے پیشہ ورانہ معیار اور کارپوریٹ اقدار قائم کرنے کی غرض سے، آپ کی کمپنی کے بورڈ نے کوڈ آف کنڈکٹ جاری کیا ہے، جس میں قابل قبول اور ناقابل قبول رویوں کی وضاحت کی گئی ہے۔ یہ کوڈ کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

آپ کی کمپنی میں یہ بھی لازمی شرط ہے کہ تمام ملازمین کمپنی کے کوڈ آف کنڈکٹ کی آن لائن تربیتی نشست میں شرکت کریں۔ تربیت مکمل کرنے والے تمام شرکاء کو آخر میں تکمیل کا شواہد پیش کیا جاتا ہے۔

بورڈ کی تشکیل

کمپنی کا بورڈ نہایت مؤثر ہے، جس میں جنس، بنیادی صلاحیتوں، مہارت، علم اور تجربے کا متنوع امتزاج شامل ہے۔ بورڈ کی تشکیل مکمل طور پر انڈیپنڈنٹ ریگولیشنز 2019 (کوڈ آف کارپوریٹ گورننس) کی ضروریات کے مطابق ہے۔ تفصیلات درج ذیل ہیں:

ڈائریکٹرز کی کل تعداد:		
05	a. مرد	
02	b. خواتین	
07		
تفصیل:		
01	i. ایگزیکٹو ڈائریکٹر	
03	ii. نان ایگزیکٹو ڈائریکٹرز	
03	iii. آزاد ڈائریکٹرز	
07		

بورڈ کے چیئرمین اور چیف ایگزیکٹو آفیسر (CEO) کے عہدے دو مختلف افراد کے پاس ہیں۔

تنوع، مساوات اور شمولیت

آکر کو تمام افراد کی عزت، رازداری اور ذاتی حقوق کو تسلیم کرتی ہے، چاہے ان کا تعلق کسی بھی قومیت، ثقافت، مذہب، عمر، معذوری، نسل، جنسی شناخت، نظریے یا صنف سے ہو۔

کمپنی کے اہم مقاصد یہ ہیں:

- ایسا ماحول پیدا کرنا جہاں انفرادی فرق اور تمام ملازمین کی صلاحیتوں اور کارکردگی کو سراہا جائے اور قدر دی جائے۔
- ایسا ماحول قائم کرنا جو ہر فرد کے احترام اور وقار کو فروغ دے، جہاں دھمکانے، بدتمیزی یا ہراسانی کی کوئی گنجائش نہ ہو۔
- اس بات کو یقینی بنانا کہ تربیت، ترقی اور کیریئر میں آگے بڑھنے کے مواقع سب کے لیے یکساں دستیاب ہوں۔
- روزگار سے متعلق تمام طریقہ کار اور پالیسیوں کا باقاعدہ جائزہ لینا تاکہ درخواست دہندگان اور ملازمین کے ساتھ بغیر کسی امتیاز کے برابری کی بنیاد پر برتاؤ کیا جائے۔
- تنوع سے متعلق پالیسی کی خلاف ورزیوں کو سختی سے لینا اور ضرورت پڑنے پر تادیبی کارروائی کرنا۔

کمپنی تمام متعلقہ قوانین اور ضوابط کی پابندی کرتی ہے، اور کلیدی ملازمت کے مراحل پر منظم جائزوں کے ذریعے تیل کو یقین بناتی ہے، جن میں شامل ہیں۔

بھرتی

غیر جانبدار اور منصفانہ اصولوں پر مبنی انتخاب کے طریقہ کار کے ذریعے نئی بھرتیوں میں صنفی مساوات کو یقینی بنایا جاتا ہے۔

سالانہ تنخواہ کا جائزہ

سالانہ بنیاد پر تنخواہوں کا جائزہ لیا جاتا ہے، جس میں مکمل طور پر منصفانہ اصولوں کا لحاظ کیا جاتا ہے تاکہ کسی بھی قسم کا صنفی امتیاز شامل نہ ہو۔

کیریئر میں ترقی

تہذیبوں اور پروموشنز کا جائزہ شفاف اور منصفانہ اصولوں کے مطابق کیا جاتا ہے تاکہ تمام ملازمین کو ترقی کے یکساں مواقع فراہم کیے جاسکیں۔

آکر کو اپنی تنخواہوں سے متعلق پالیسی میں شفافیت برقرار رکھے اور تمام ملازمین کو مساوی مواقع فراہم کرنے کے عزم پر قائم ہے۔

رиск مینجمنٹ

آکر کو ماپوری کمپنی میں مضبوط رиск مینجمنٹ کے نفاذ کے لیے پرعزم ہے، جو تمام سطحوں پر لاگو کیا جاتا ہے۔ کمپنی سمجھتی ہے کہ ہر کاروبار کو مختلف خطرات کا سامنا ہوتا ہے، لہذا یہ پائیدار قدر پیدا کرنے کے لیے موجودہ اور ممکنہ خطرات کو سمجھنے اور ان کا صحیح انتظام کرنے کی کوشش کرتی ہے۔ ساتھ ہی ساتھ وہ مواقع بھی تلاش کرتی ہے جو کمپنی کے اسٹریٹجک مقاصد کے حصول میں مدد دے سکیں۔ کمپنی کے پاس ایک جامع ریسک لنٹی نیوٹی پلان موجود ہے، جو ہنگامی یا غیر متوقع حالات میں کیے جانے والے اقدامات اور حکمت عملی کو واضح کرتا ہے۔

بورڈ آف ڈائریکٹرز رиск مینجمنٹ اور اندرونی کنٹرول کے نظام کی نگرانی کی مجموعی ذمہ داری رکھتا ہے۔ عمل دستاویزی شکل میں موجود ہے اور بورڈ آڈٹ کمیٹی ہر سال اس کا جائزہ لیتی ہے۔ ایسے خطرات جو کمپنی کے اسٹریٹجک، عملیاتی، مالیاتی یا ریگولیٹری مقاصد پر اثر انداز ہو سکتے ہیں، فوراً بورڈ اور سینئر مینجمنٹ کو رپورٹ کیے جاتے ہیں تاکہ بروقت کارروائی کی جاسکے، کمپنی کے اثاثوں کا تحفظ ہو، خطرات کم کیے جائیں اور کاروبار کا تسلسل برقرار رکھا جاسکے۔ کمپنی ایک واضح تنظیمی ڈھانچہ برقرار رکھتی ہے جس میں اختیارات کی صاف طور پر متعین سلسلہ بندی موجود ہے۔ اعلیٰ انتظامیہ طریقہ کار نافذ کرنے، خطرات کی نگرانی کرنے اور مختلف کنٹرولز کی مؤثر ہونے کا جائزہ لینے کی ذمہ دار ہے۔

کمپنی ایک مضبوط انٹر پرائز رиск مینجمنٹ (ERM) فریم ورک استعمال کرتی ہے، جو تنظیم کے اندر مکمل طور پر ضم ہے تاکہ خطرات کو پیشگی طور پر شناخت، جانچا اور حل کیا جاسکے۔ تمام نمایاں کردہ خطرات کو ان کے اثر، امکان اور وقت کے مطابق ترجیح دی جاتی ہے، اور اس کے مطابق اصلاحی اقدامات تیار کیے جاتے ہیں۔

کمپنی کے رиск مینجمنٹ کے فلسفے، گورننس، اور کلیدی خطرات و مواقع سے متعلق تفصیلی رپورٹ سالانہ رپورٹ کے صفحات 113 تا 123 پر دستیاب ہے۔

آرکروما کے حفاظتی رہنما اصولوں پر مؤثر عمل درآمد، خطرات کی نشاندہی، رسک اسسمنٹ، جاب سیفٹی ایندلیس، ملازمین کی شمولیت اور سینئر قیادت کی جانب سے سیفٹی اور صحت کے لیے مکمل کمٹمنٹ کے باعث آرکروما پاکستان ملکی سطح پر ایک انتہائی محفوظ اور حادثات سے پاک کام کی جگہ بنی ہوئی ہے۔ اس میں ملازمین کے ساتھ ساتھ وزیٹرز، ٹھیکے دار اور ارد گرد کی کمیونٹی بھی شامل ہیں، جس کے ذریعے کمپنی عالمی مقصد Lost Time Accident (LTA) کے حصول میں بھی مسلسل کامیابی حاصل کر رہی ہے۔

SHE کے بارے میں آگاہی بڑھانے اور ذاتی و عملی حفاظت میں مسلسل بہتری کے لیے کمپنی ہر اہم اور غیر معمولی کام کے لیے جاب سیفٹی ایندلیس اور رسک اسسمنٹ کرتی ہے۔ مزید یہ کہ باقاعدہ SHE ٹاکس اور آگاہی سیشنز ایک مضبوط سیفٹی کلچر کو فروغ دیتے ہیں، جہاں SHE کو مشترکہ ذمہ داری سمجھا جاتا ہے۔

کمپنی سیفٹی کے شعبے میں بہترین کارکردگی برقرار رکھے ہوئے ہے۔ 30 ستمبر 2025 تک کمپنی نے مجموعی طور پر تقریباً 4.6 ملین محفوظ ورکنگ مین آؤز کارپورٹڈ قائم کیا۔ زمین مختلف ماحولیاتی مسائل جیسے گلوبل وارمنگ، اوزون کی تہہ میں کمی اور ماحولیاتی آلودگی کا سامنا کر رہی ہے۔ آرکروما پاکستان کا یقین ہے کہ درخت گلوبل وارمنگ، کاربن فوٹ پرنٹ اور آلودگی کم کرنے اور صاف ماحول پیدا کرنے کے لیے انتہائی ضروری ہیں۔ جامشورو اور لاہور میں ہمارے مینوفیکچرنگ سائٹس پر سنکڑوں درختوں پر مشتمل سرسبز ماحول ہماری ماحول دوست پالیسی کا واضح ثبوت ہے۔ اس کے علاوہ، کمپنی نے فیکٹریوں کے اندر اور اطراف میں بڑے پیمانے پر شجرکاری مہمات جاری رکھی ہوئی ہیں، جو ماحول دوست اور پائیدار طرز عمل کے لیے کمپنی کے مضبوط عزم کو ظاہر کرتی ہیں۔ یہ فعال اقدامات صرف قوانین کی پابندی سے آگے بڑھ کر ماحول کو بہتر بنانے، صحت مند نظام ماحول کے فروغ اور محفوظ کمیونٹی قائم کرنے میں اہم کردار ادا کرتے ہیں۔ ان سرگرمیوں کے ذریعے کمپنی ماحول کے تحفظ اور جدت میں صنعت کی رہنما بن کر سامنے آئی ہے۔

کمیونٹی ڈیولپمنٹ

ایک ذمہ دار کارپوریٹ شہری کی حیثیت سے، آرکروما جامشورو کے آس پاس کی مقامی کمیونٹی کی مدد کرتی ہے، جس میں مفت پانی کی فراہمی اور ضرورت کے وقت کمیونٹی کی معاونت شامل ہے۔ اسکول ڈیولپمنٹ بھی کمپنی کی ترجیحات میں شامل ہے۔ کورنگی، کراچی میں قائم Archroma Center of Excellence میں ٹیکسٹائل کے شعبے سے تعلق رکھنے والے طلبہ کے لیے پور سال تعلیمی اور عملی تربیتی پروگرام چلائے جاتے ہیں۔ ٹیکنیکل اسٹاف کے لیے ان کی ضروریات کے مطابق خصوصی تربیتی پروگرام بھی ترتیب دیے جاتے ہیں۔ نئے گریجویٹس کے لیے ایک دو سالہ پروگرام بھی چلایا جاتا ہے جس میں عملی تجربہ اور بنیادی مینجمنٹ کی تربیت دی جاتی ہے تاکہ وہ کیریئر میں ترقی کر سکیں۔

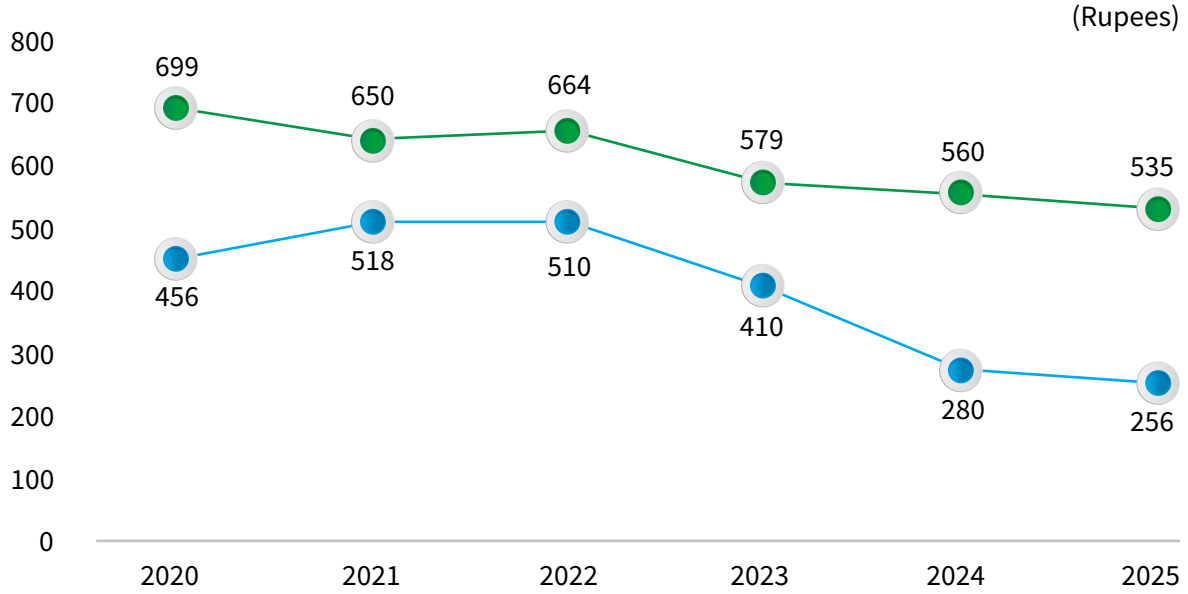
CSR کے فوکس علاقے

اپنی کمیونٹی کے شراکت داروں کے تعاون سے، ہم درج ذیل چھ اسٹریٹجک ترجیحات کے ذریعے سماجی اثر پیدا کرتے ہیں:



حصص کی قیمت

زیرجائزہ سال کے دوران کمپنی کے شیئر کی سب سے زیادہ قیمت PKR535 ریکارڈ کی گئی، جبکہ سب سے کم قیمت PKR256 تھی، جیسا کہ پاکستان اسٹاک ایکسچینج کی ریڈی بورڈ کوئٹیشنز میں ظاہر ہوا۔



کارپوریٹ سوشل ریسپانسیبلٹی

آکر و ما پائیدار، معاشی، ماحولیاتی اور منصفانہ کاروباری عملیوں کی اخلاقی ذمہ داری محسوس کرتی ہے۔ اسی وجہ سے کارپوریٹ سوشل ریسپانسیبلٹی (CSR) آپ کی کمپنی کے بنیادی فلسفے کا ایک اہم حصہ ہے۔ کمپنی باصلاحیت افراد کی ترقی، تنوع کے فروغ، اور ملازمین کی صلاحیتوں میں سرمایہ کاری کرتی ہے تاکہ وہ موجودہ اور مستقبل کی ذمہ داریوں کو اعلیٰ کارکردگی کے ساتھ انجام دے سکیں۔ زیرجائزہ سال کے دوران کمپنی نے 19.96 ملین روپے CSR سرگرمیوں پر خرچ کیے۔

استحکام

آکر و ما اپنی صنعت میں استحکام کی قیادت کرنے کے لیے پُر عزم ہے۔ کمپنی ویلیو چین کے شراکت داروں کے ساتھ ان کی ضروریات اور توقعات کے بارے میں مسلسل رابطے میں رہتی ہے، جس کے نتیجے میں مستقبل کے مارکیٹ کے رجحانات کے مطابق مصنوعات کے پورٹ فولیو میں فعال تبدیلیاں لائی جاتی ہیں۔

کمپنی کا مضبوط یقین ہے کہ ممکنہ خطرات کو بہتر حکمت عملی کے ذریعے مواقع میں بدلا جاسکتا ہے، خصوصاً جب ہم مزید پائیدار مصنوعات کی طرف منتقل ہو رہے ہیں۔

اسی مقصد کے تحت، کمپنی نے استحکام کیلئے ایک فریم ورک تیار کیا ہے جو اس کے مرکزی موضوعات اور تین GRI ستونوں — ماحول (Environment)، سماجی (Social)، اور گورننس (Governance) اور SDGs (Sustainable Development Goals) کے امتزاج پر مبنی ہے۔

اس وقت کمپنی اپنے استحکام کے اہداف کا تفصیلی جائزہ لے رہی ہے، جس میں SDGs پر مزید گہرائی سے کام شامل ہے۔ آئندہ اسٹریٹجک سائیکل کا مقصد ہر ESG ستون کے لیے مضبوط اور مؤثر اہداف مقرر کرنا ہے، تاکہ کمپنی معاشرے اور ماحول پر اپنا مثبت اثر بڑھا سکے اور اپنے صارفین کے لیے نئی پائیدار مصنوعات فراہم کر سکے۔

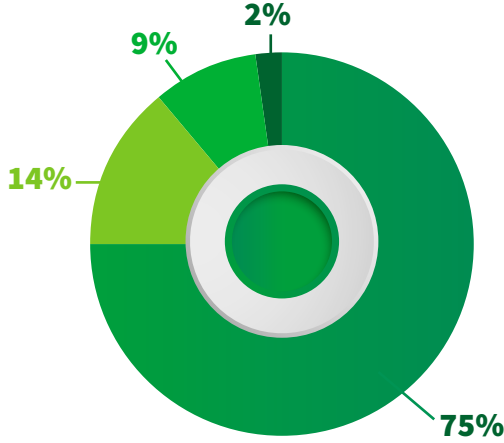
سالانہ رپورٹ کا حصہ ہونے کے ناطے، کمپنی ایک تفصیلی استحکام کی رپورٹ بھی شائع کرتی ہے، جس میں استحکام سے متعلق خطرات اور ان کے تدارک کی حکمت عملی شامل ہوتی ہے۔

حفاظت، صحت اور ماحول

آپ کی کمپنی کی تمام سرگرمیوں کے بنیادی اصولوں میں صحت، حفاظت اور ماحول (SHE) پر مضبوط توجہ شامل ہے۔ SHE کے مقرر کردہ رہنما اصولوں پر سختی سے عمل کرتے ہوئے، کمپنی اپنے ملازمین، ٹھیکے داروں اور کاروباری سرگرمیوں سے وابستہ تمام اسٹیک ہولڈرز کے لیے محفوظ ماحول فراہم کرنے کی بھرپور کوشش کرتی ہے۔ کمپنی اپنے کام کی جگہوں اور جن کمیونٹیوں میں یہ کام کرتی ہے، دونوں کے لیے اعلیٰ ترین صحت اور سیفٹی کے معیار کو برقرار رکھتی ہے۔

قومی خزانے میں حصہ

کمپنی نے اس سال انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر سرکاری محصولات کی مد میں مجموعی طور پر PKR5,169 ملین قومی خزانے میں ادا کیے۔



Sales Tax
3,875
PKR in Mn

Custom Duty
735
PKR in Mn

Income Tax
442
PKR in Mn

WPPF / WWF
117
PKR in Mn

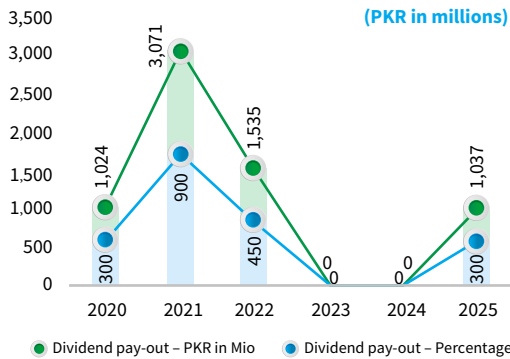
فی حصص آمدنی

کمپنی نے بعد از ٹیکس PKR1,177 ملین منافع حاصل کیا، جبکہ سال 2024 میں PKR546 ملین کا خسارہ تھا۔ اس کے نتیجے میں، فی حصص آمدنی بڑھ کر PKR34.05 ہو گئی، جبکہ 2024 میں فی حصص PKR15.81 کا نقصان تھا۔

منافع کی تقسیم

کمپنی کے مجوزہ منافع کی تقسیم درج ذیل ہے:

(رقم: بلین روپے میں)	
1,324	مدت کے لیے مجموعی جامع آمدنی
1,324	منافع جو تقسیم کے لیے دستیاب ہے
691	تقسیم منافع:
346	عبوری نقد منافع 200%
287	تجویز کردہ 100% حتمی نقد منافع
	(ادائیگی سالانہ عام اجلاس میں منظوری کے بعد کی جائے گی)
	ریونیوریز روز میں منتقلی

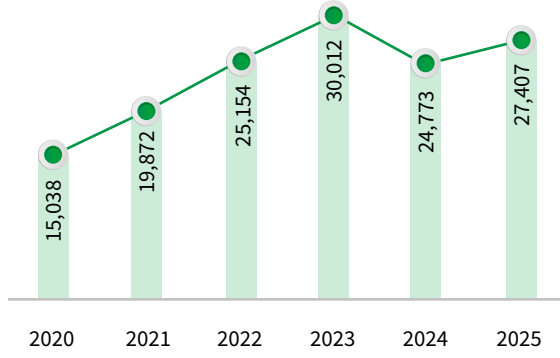


منافع

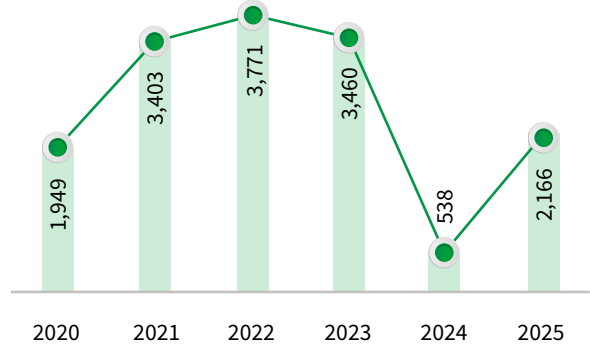
30 ستمبر 2025 کو ختم ہونے والے سال کے مالی نتائج کو مد نظر رکھتے ہوئے، کمپنی کے بورڈ آف ڈائریکٹرز نے 100% یعنی فی شیئر 10 روپے کے فائنل نقد منافع کی سفارش کی ہے۔ یہ اس 200% عبوری نقد منافع کے علاوہ ہے جو پہلے ہی اعلان اور ادا کیا جا چکا ہے۔ اس طرح ختم ہونے والے ستمبر 2025 کے لیے کل منافع کی ادائیگی 300% فی شیئر ہو گئی ہے۔

چھ سالہ مالی کارکردگی

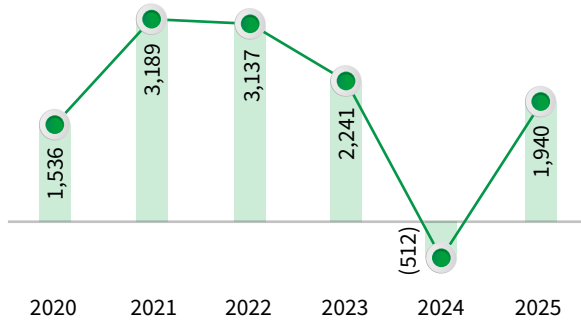
Net Revenue
(PKR in millions)



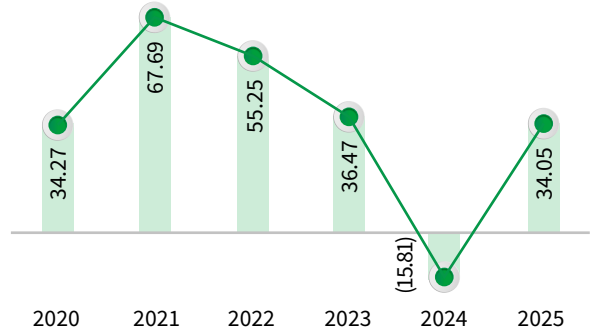
Operating Profit
(PKR in millions)



Profit / (Loss) Before Tax
(PKR in millions)



EPS
(PKR)



بنیادی کاروباری سرگرمیاں

کمپنی خصوصی کیمیکلز، بشمول ڈائ الیفٹ، کوئلہ ایڈیوٹو اور سیلینس، کی مینوفیکچرنگ، فروخت اور انڈسٹریل کے کاروبار میں مصروف ہے۔

مستقبل کا جائزہ

عالمی کاروباری اور تجارتی ماحول مزید پیچیدہ ہو گیا ہے، امریکہ کی جانب سے مخصوص ممالک پر امپورٹ ٹیرف (درآمدی ڈیوٹی) نافذ کیے جانے کے بعد۔ ان ٹیرف نے عالمی تجارت، لاجسٹکس، اور اس کے نتیجے میں کمپنی کے عام مال کی سپلائی چین اور دستیابی کو بھی متاثر کیا ہے۔ اگرچہ پاکستان میں تجارت کے توازن اور زر مبادلہ کے ذخائر کی صورتحال میں نمایاں بہتری آئی ہے، تاہم توقع ہے کہ یہ آئندہ مہینوں میں دباؤ کا شکار رہے گا، کیونکہ عالمی تجارتی حالات بدل رہے ہیں اور پاکستان کو قلیل مدتی مالی ذمہ داریوں کا سامنا ہے۔ اس کے باوجود، ہمیں یقین ہے کہ امریکہ کی جانب سے حالیہ ٹیرف تبدیلیاں دوسرے مقابل ممالک کے مقابلے میں پاکستان کی ٹیکسٹائل اور دیگر برآمدی صنعتوں کے لیے درمیانی اور طویل مدت میں زیادہ مواقع پیدا کر سکتی ہیں۔

آپ کی کمپنی کی مینجمنٹ پر اعتماد ہے کہ آپ پریشور میں پگ، لاگت کی کارکردگی، اور نیٹ ورکنگ کپٹل کے بہتر انتظام کے لیے جو سخت اقدامات پہلے سے نافذ کیے گئے ہیں، ساتھ ہی مارکیٹ میں رسائی بڑھانے اور مصنوعات کے پورٹ فولیو کو وسعت دینے کے لیے جاری مضبوط منصوبہ جات۔ خصوصاً ہینس میں ٹیکسٹائل انشیکلس کی خریداری کے بعد، آنے والے مالی سال میں نئے کاروبار اور ترقی کے اقدامات کو مزید مضبوط سہارا فراہم کریں گے۔

ڈائریکٹرز کی رپورٹ

30 ستمبر 2025 کو ختم ہونے والے سال کیلئے بورڈ آف ڈائریکٹرز کی رپورٹ

30 ستمبر 2025 کو ختم ہونے والے سال کیلئے کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں ڈائریکٹرز کی رپورٹ اور سالانہ آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

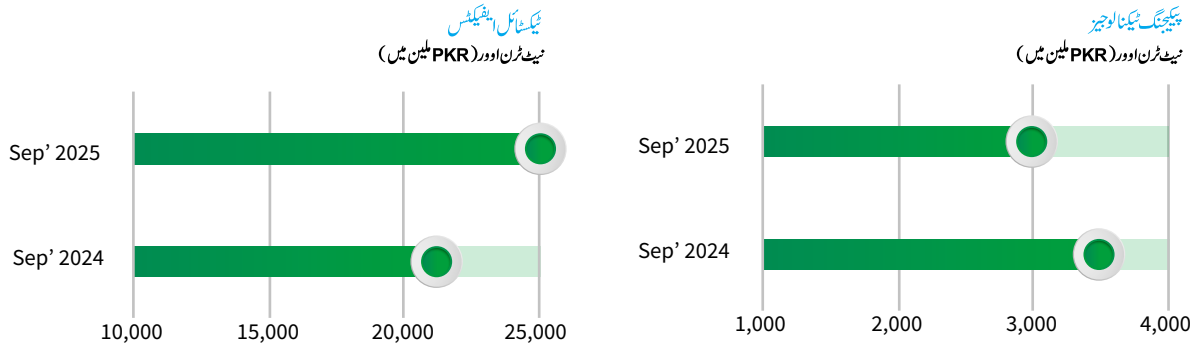
کاروباری جائزہ

آکرودہ کی بڑی صارفین (یعنی ٹیکسٹائل اور تعمیرات کی صنعتیں) مقامی سطح پر اور برآمدات کے لحاظ سے زیر جائزہ مالی سال کے دوران مثبت رہیں، باوجود اس کے کہ توانائی اور اشیائے صرف کی بلند قیمتوں، روس۔ یوکرین اور دیگر علاقائی تنازعات سمیت متعدد چیلنجز کا سامنا رہا۔

موجودہ کاروباری ماحول کے پیش نظر چیلنجز کے باوجود، آپ کی کمپنی نے اپنے صارفین کی ضروریات اور لاگت کے اہداف کو پورا کرنے کے لیے اپنا بھرپور تعاون جاری رکھا۔ اسی نتیجے میں کمپنی نے 30 ستمبر 2025 کو ختم ہونے والے سال کیلئے سالانہ خالص فروخت 27,407PKR ملین حاصل کی، جو گزشتہ سال کے 24,773PKR ملین کے مقابلے میں زیادہ ہے۔ گزشتہ سال کے اختتام پر شروع کیے گئے پخت اور کارکردگی میں بہتری کے مختلف پروگراموں کے مثبت اثرات، اور سٹیز پروڈکٹس میں مارکیٹ سے متاثر ہونے والی تبدیلیوں نے مجموعی منافع کی بہتری میں بھرپور کردار ادا کیا، جو گزشتہ سال کے 4,502PKR ملین کے مقابلے میں بڑھ کر 6,607PKR ملین ہو گیا۔

مزید برآں، زرمبادلہ کی شرحوں میں نمایاں استحکام اور بینک قرضوں کی لاگت میں کمی نے بھی آپ کی کمپنی کے خالص منافع کو بہتر بنانے میں مدد کی، جو گزشتہ سال کے 546PKR ملین کے خسارے کے مقابلے میں اس سال 1,177PKR ملین منافع میں تبدیل ہو گئی۔

کاروباری تازہ ترین معلومات



مالی کارکردگی

آپ کی کمپنی نے 32,184PKR ملین کی مجموعی آمدنی حاصل کی، جو گزشتہ سال کی آمدنی 28,533PKR ملین کے مقابلے میں 13% زیادہ ہے۔

تبدیلی %	30 ستمبر - 24	30 ستمبر - 25	تفصیلات
13	28,533	32,184	مجموعی فروخت
11	24,773	27,407	نیٹ فروخت
47	4,502	6,607	مجموعی منافع
303	538	2,166	آپریٹنگ منافع
478	(513)	1,940	منافع / (نقصان) کم از کم، حتیٰ اور انکم سے قبل
337	(811)	1,927	قبل از انکم ٹیکس منافع / (نقصان)
315	(546)	1,177	سال کیلئے منافع / (نقصان)
315	(15.81)	34.05	فی شیئر (PKR) منافع / (نقصان)

NOVACRON BOLD

NOVACRON® BOLD dyes strike the perfect balance between exceptional color performance, process safety, and operational excellence. Suitable for both exhaust and continuous processes, these dyes enable mills to achieve high-depth shades with consistent and reliable results while providing the best possible cost-to-performance ratio for those who refuse to compromise on quality.





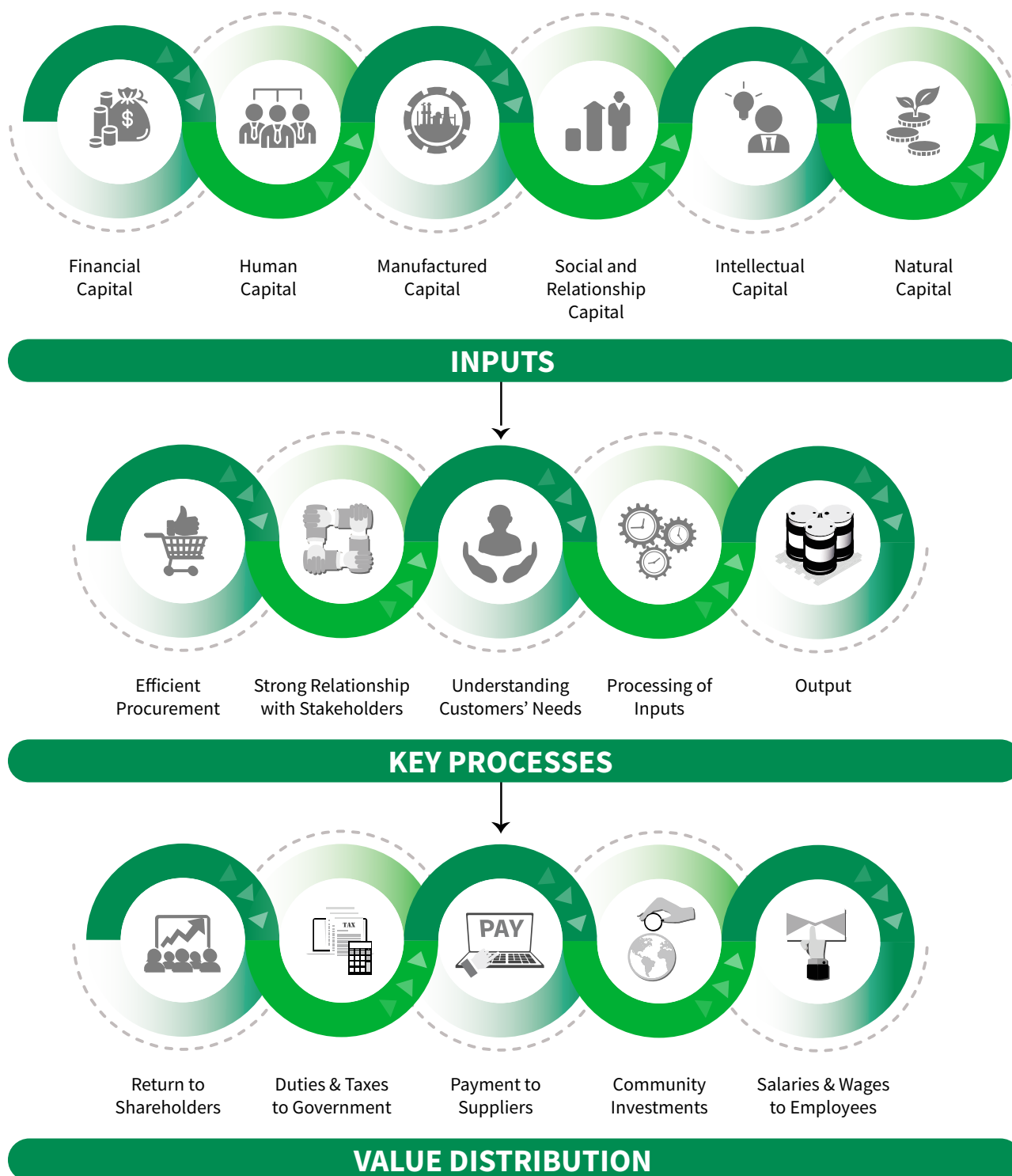
Strategies and Resource Allocation

Strategic Objectives (BCR 2.01 & 2.06)

Strategic Objective	Strategies in place or intended to be implemented to achieve those strategic objectives	Nature	Priority	KPI Monitored
Maintain leadership position in the local market	Our focus remains on designing business strategies for the local markets with the aim to sustain market position by utilizing business expertise, maintain production capacities and to support the industry with sustainable, problem-solving and cost effective solutions. We continuously invest in new products to cater to the requirements of customers.	Medium to Long Term	High	<ul style="list-style-type: none"> • Production • Market Share • Net Profit Margin
Increasing share in international market	The company has international production footprint which enables us to enter into new markets and territories. The Company achieved exports of PKR 6,104 million with existing and new international markets. Further, diversification into new business segments is creating new export opportunities also for the Company.	Medium to Long Term	High	<ul style="list-style-type: none"> • Production • Market Share • Net Profit Margin
Risk Management	The Company has developed a sound mechanism for identification of risks and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company.	Short term	High	<ul style="list-style-type: none"> • Compliance of Internal Control System
Sustainability	<p>The Company has focus on long-term environmental concerns especially climate change. Reduce greenhouse gas emissions and contribute positively to protect the environment by investing in projects to reduce waste, conserve water and energy. Archroma's commitment to sustainable social, environmental and corporate governance provides confidence to stakeholders which consequently generates reputational excellence in the chemical and industrial sector of the country.</p> <p>Strict adherence to SHE procedures and guidelines to maintain a zero Lost time Accident (LTA).</p> <p>Continued investment in community uplift initiatives and employee volunteer programs to meet key performance indicators and targets.</p>	Long term	High	<ul style="list-style-type: none"> • Environmental impact indicators (e.g., carbon emissions, waste reduction). • LTA rate. • Community engagement (e.g., participation, feedback).

Strategic Objective	Strategies in place or intended to be implemented to achieve those strategic objectives	Nature	Priority	KPI Monitored
Operational Efficiency and Cost Transformation	Realign and implement policies and procedures for cost optimization and implement systems and processes to enhance synergy among functions.	Medium to Long Term	High	<ul style="list-style-type: none"> Net Profit Margin
Diversification	Archroma is bringing in new products in Home Care and Home Hygiene. Specially developed to maintain clean living space, manage disinfection, better odour & aesthetics.	Medium to Long Term	Short Term, Medium Term and Long Term	<ul style="list-style-type: none"> Return on Invested Capital Gearing Ratio and Interest Cover
Human Capital	<p>Human capital is an asset and plays an important role in our success. The Company has put following strategies to achieve its objectives:</p> <ul style="list-style-type: none"> Job rotations/ enrichment is planned to ensure retention of talent and diverse workforce Foster an inclusive and performance-oriented culture that promotes employee engagement and growth. Provide regular training and development opportunities to enhance talent. <p>Development of a succession plan for all key positions within the organization</p>	Medium to Long Term	High	<ul style="list-style-type: none"> Employee satisfaction Employee retention rate
Maintain outstanding brand image by providing premium quality innovative products and services	<p>Invest in R&D and innovative solutions for introducing new products as per the evolving needs of the customers.</p> <p>Strong brand image enables Archroma to market new products and services while maintaining existing market position.</p>	Short to Medium Term	High	<ul style="list-style-type: none"> Customer Satisfaction Index Number of new product launches or innovation. Percentage of revenue from new products or services.
Shareholder Value Creation	<p>Safeguarding of shareholders' interest through a healthy and viable business.</p> <p>Optimize capital allocation by conducting thorough portfolio analysis to pursue strategic growth initiatives.</p>	Medium to Long Term	High	<ul style="list-style-type: none"> Total Shareholders Return (TSR) compared to industry benchmark. Profit after tax (PAT) growth.

Business Model (BCR 7.01)



Competitive Landscape and Market Positioning (BCR 1.15)

As one of the leading manufacturers of specialty chemicals in Pakistan, Archroma continues to drive sustainable growth by focusing on operational excellence, product innovation, comprehensive market research, and building strong relationships with the suppliers and customers, Archroma delivers high-quality products that meet evolving customer needs and stay ahead of the competition. The Company's competitive landscape and market position is described below.



Suppliers hold a key position in our entire value chain, as imports denominated in US Dollars account for a significant portion of its portfolio. To ensure continued growth, the company requires a sustainable framework that guarantees a steady and seamless supply of inputs. Archroma maintains strategic partnerships with its suppliers, ensuring smooth access to both raw materials and capital inputs. The procurement of raw materials and industrial machinery is managed by the company's manufacturing and commercial departments, following approved planning and budgeting guidelines. Further the strong capability of Company to timely meet its financial commitments enable us to negotiate better credit rates and terms with our credit suppliers.

We always strive for higher value delivery to our customers through system selling approach, product quality to meet their requirements and after sales service. We value our customers and strives to maintain their trust. We are conscious of the fact that our customers are key to our success, therefore we put customers at the core of our decisions which help to manage the power of customers.



Archroma Pakistan is market leader in specialty chemical industry, maintaining its position through long- standing relationships with major customers and timely upgrades and expansions of its manufacturing capabilities in line with customer demand. We believe in a healthy competition to keep us conscious for maintaining our market share and continuously improve and maintain the high-quality standards. Archroma Pakistan is the only company to produce Denisol Pure Indigo on its state-of the-art sustainable facilities which give us edge over our competitors.

Being the largest producer of specialty chemical with state-of the-art sustainable facilities, marketing and distribution network across the length and breadth of the country, the threat of new entrants in chemical industry of Pakistan is significantly low & because of the nature of products the threat of substitute products in the market is also very low.



Resource Allocation Plans to implement the Strategy (BCR 2.02)

Our focus is always to realize the maximum potential of our resources including but not limited to financial, manufactured capital, intellectual capital, human capital, social and relationship capital, natural capital, with the ultimate objective of increasing the shareholder value, continually improve the efficiency of our operations, putting customers at the core of our decisions through strategic management of costs and investments in order to boost the use of our resources, managing the allocation and cost of capital. To achieve our strategic objectives the management continues to monitor the changes in external and internal environment to capitalize on better resource allocation opportunities.

The Company aims to become Pakistan's leading player in Specialties chemicals with international footprint. To achieve this, we will utilize the optimum mix of our resources and leverage our rich experience in manufacturing and marketing of products in Pakistan as well as in international markets.

Effects of External factors on Strategy and Resource Allocation (BCR 2.05)

Archroma proactively addresses new developments in technology, sustainability and matters related to environment, social and governance (ESG). While making its wider business strategies, matters such as demographic changes, health, poverty alleviation and educational requirements are also brought into considerations keeping in view the flux in external business environment. Such externalities have a profound influence in reshaping the future business strategy of the organization. Management monitors imminent challenges and prioritizes its actions through appropriate resource allocation. Nonetheless, any development that has potential to materialize in future also remains under the radar for effective planning and formulation of alternatives.

Board Statement on the Internal Controls Including IT Control (BCR 2.08)

The Board of Directors affirms its responsibility for maintaining effective internal controls, including IT controls, to safeguard Archroma's assets, ensure reliable financial reporting and compliance with laws. Archroma has a comprehensive risk management framework covering operational, financial and technological risks, with particular emphasis on cybersecurity, information security and data privacy. Through the Audit Committee, the Board regularly reviews and strengthens these controls, supporting management in mitigating emerging risks and ensuring continuous improvement in line with evolving business and technological requirements.

Effect of Seasonality on Business in Terms of Production and Sales (BCR 1.12b)

The Company's primary business is derived from the manufacturing and sale of textile chemicals. The demand of the chemicals increases in summer as compared to winter. The Company risk assessment team strategizes seasonality through proper inventory, procurement and production planning; whereas the marketing team performs regular trend analysis to pursue demand well before seasonal impact etc.

Key Capabilities and Resources Providing Sustainable Competitive Advantage (BCR 2.03)

Strong Brand Reputation

The Company's strong legacy and positive brand reputation built on quality, reliability, and customer trust provides Archroma with a competitive advantage.

Manufacturing Excellence

Best in class facilities and manufacturing practices in adherence to the highest quality standards.

Research and Development (R&D)

Robust R&D enables the Company to innovate and develop new products, processes, and technologies, giving competitive edge to Archroma.

Human Capital

Archroma benefits from a dynamic and diverse workforce that significantly contributes to the exceptional performance and growth of the company and play a vital role in providing it the edge over its competitors.

Distribution Network

Well-established network ensures broad market coverage, timely delivery, and customer accessibility.

Advance Technological Infrastructure

State-of-the-art technologies, systems, and IT infrastructure enhance operational efficiency, streamline processes, and enable effective data management and analysis, supporting informed decision-making.

Smart Logistics Setup and Supply-Chain Management

With an enviable array of business partners in every domain, our fully integrated supply chain is a key source of competitive advantage for its business. Ensures timely availability of raw materials, efficient production, and seamless distribution, enabling cost savings, responsiveness, and competitive pricing.

International Footprint

A strong presence in local and international markets is at the forefront of Archroma Pakistan business strategy.

Sustainable and Responsible Practices

Embracing sustainability, environmental stewardship, and Corporate Social Responsibility (CSR) practices not only contribute to societal well-being but also enhance the Company's reputation, attracting environmentally conscious customers and investors.

Strategy on Market and Product Development (BCR 2.04)

Our market and product development strategy is based on the principles of providing high quality products for Textile, Paper, Emulsion, Construction and Home Care industries while deploying, both proven and innovative, technologies as well as highly skilled workforce. We are committed to comply with global operational SHE standards, best practices and talent development while ensuring sustainable business growth and industry leadership meeting all legal and regulatory requirements.

Boards Statement on Significant Plans and Decisions (BCR 2.09)

Major Capital Expenditure

Company will keep investing in process efficiencies and new products development.

Discontinuance of Operations

Company has no plans for discontinuation of any of its operations in foreseeable future.

Information About Defaults in Payment of Debt (BCR 2.10a)

There is no default on account of payment of any debt of the Company during the year. All debt repayments are being made as per terms of financing agreements.

Board Strategy to Overcome Liquidity Problems, Repayment of Debts and Operational Losses (BCR 2.10b)

Based on current projections the company has the capacity to produce enough cash flows to meet its liquidity needs. It regularly tracks and forecasts the amount of cash coming in and going out. Due to its robust business model, operational efficiencies, prudent financial management and diverse income streams, it has never faced liquidity problems. The Company's liquidity management strategy encompasses projecting cash flows and considering the level of liquid assets necessary to meet the cash flow requirements as well as maintaining the debt financing plans; the company faces no risk of default in payment of any obligation, as it has sufficient capacity of generating cash flows.

Specific Processes used to Make Strategic Decisions

The Company undertakes strategic planning to establish its direction, set priorities and ensure that employees and other stakeholders are working towards common goals and adjust the Company's direction in response to a changing environment. The strategic decision making process focusses on the structural decisions which are necessary to build on an organization's strengths, mitigate its weaknesses, tap the opportunities and address the threats. Inherently such decisions include a wide range of uncertainties and carry higher levels of risk. Archroma establish the goals and objectives of the organization and identify best courses of action among all available alternative strategies to achieve them. In this phase, we ensure that our business strategies and goals are aligned with our Vision, Mission and Core Values.

Management Committee is typically involved in the strategic decision making process. With the support of key team members, the Management Committee identifies a problem or an opportunity and prepares a methodology to address it. For any strategic decision making, following specific processes are used:

- Problem Definition
- Gathering of information
- Development and evaluation of different options
- Selection of best option
- Implementation and monitoring of decision

Significant changes in objectives and strategies from prior years

The Company's main areas of focus are the same as those in the previous year, however, the targets are revised in line with the strategic priorities set by the management for the FY 2025. Strategies are revised or re-aligned according to the objectives and targets set for the year.

Linkage Of Vision and Mission & Strategic Objectives (BCR 2.07)

Vision and mission are the inspiration for our strategic planning to set benchmarks for business operations and outcomes. It is embedded in each objective and strategy of the Company.

Vision & Mission	Corresponding Strategic Objectives
Vision We are passionate to deliver leading and innovative solutions, enhancing people's lives and respecting our planet.	<ul style="list-style-type: none"> The aim to sustain market position by utilizing business expertise, maintain production capacities and to support the industry with sustainable, problem-solving and cost-effective solutions. We continuously invest in new products to cater to the requirements of customers.
Mission We are growing business by leveraging local entrepreneurship and global organization in a collaborative way. We enable our customers to win in their markets, we push limits to outperform and we never give up!	<ul style="list-style-type: none"> implement policies and procedures for cost optimization and implement systems and processes to enhance synergy among functions. Invest in R&D and innovative solutions for introducing new products as per the evolving needs of the customers. Strong brand image enables Archroma to market new products and services while maintaining existing market position.

Legitimate Needs, Interests of Key Stakeholders and Industry Trends (BCR 1.13)

At Archroma, we consider the legitimate needs and interests of our key stakeholders. Our key stakeholders includes customers, employees, shareholders, suppliers, regulators, and the wider community in which the business operates. Each of our business unit understands needs and interests of our shareholders and take adequate steps to build trust, loyalty and a positive reputation. Industry trends also play a crucial role in shaping our business strategy and operations and our leadership teams ensure that changes in market conditions, consumer behavior, technology, and regulatory requirements are properly addressed and embedded in our business processes.

Integrating Sustainability Across the Value Chain (BCR 1.11)

The textile and apparel sector delivers essential products and significantly impacts the global economy, with Archroma playing a key role in its complex supply chain. Covering the entire textile supply chain from fiber to finish, Archroma offers tailored system solutions for spinning, sizing, pretreatment, dyeing, printing, and finishing processes, ensuring high quality results and improved performance throughout.

We are committed to addressing environmental challenges and climate change in the textile industry. We aim to play a pivotal role in achieving a more sustainable and planet-conscious future. To this end, we continuously develop innovative solutions that enhance the environmental footprint of our products and processes while helping our mill customers remain competitive and deliver high-value end-articles that perform as required.



The journey from raw pulp to the finished package is a complex one, with sustainability standing as a monumental challenge of our time. At Archroma Packaging Technologies, we navigate this intricate process by delivering water-based, low-carbon, and recyclable products tailored for paper and packaging applications throughout the entire value chain. By replacing harmful solvent-based systems with water – a natural and sustainable resource – we enable our customers to significantly reduce their environmental impact without sacrificing product quality. Our advanced chemistry enhances both recyclability and biodegradability, seamlessly aligning with the global shift towards a low-carbon,

waste-free economy. Whether we're innovating renewable, repulpable coatings or providing enhanced brightness solutions that minimize energy consumption, we offer solutions that not only advance industry standards but also contribute positively to the planet's well-being.

Through our commitment to more sustainable advancements, we ensure that our products support the evolving demands of a sustainable future, solidifying our role as leaders in the movement towards environmentally responsible packaging.



TERASIL W/WW

TERASIL® W/WW washfast dyes are designed to meet the most demanding requirements for polyester and polyester blend textiles. These high-performance dyes are well-suited to meet the requirements of top brands with their outstanding wash fastness at all temperatures, exceptional color blocking and right-first-time performance.





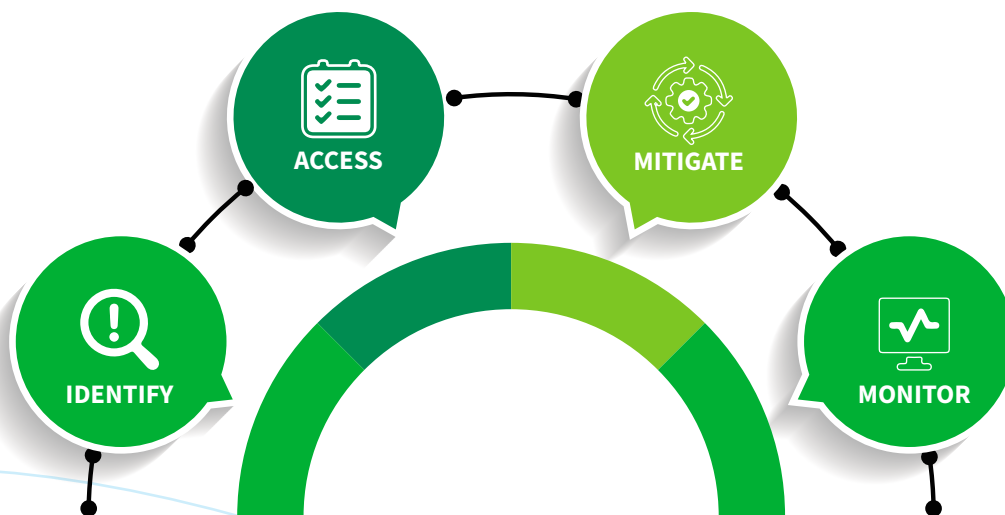
Risk and Opportunities

Risk Management Framework & Methodology^(BCR 3.03)

Archroma is committed to a strong risk management framework throughout the company, supported by the Leadership Team and Board of Directors and implemented at all levels. We understand that risks are inherent to all businesses. Consequently, we strive to create sustainable value by understanding and managing such risks. Simultaneously, we identify opportunities which contribute to the achievement of Archroma's strategic objectives.

Our risk management process

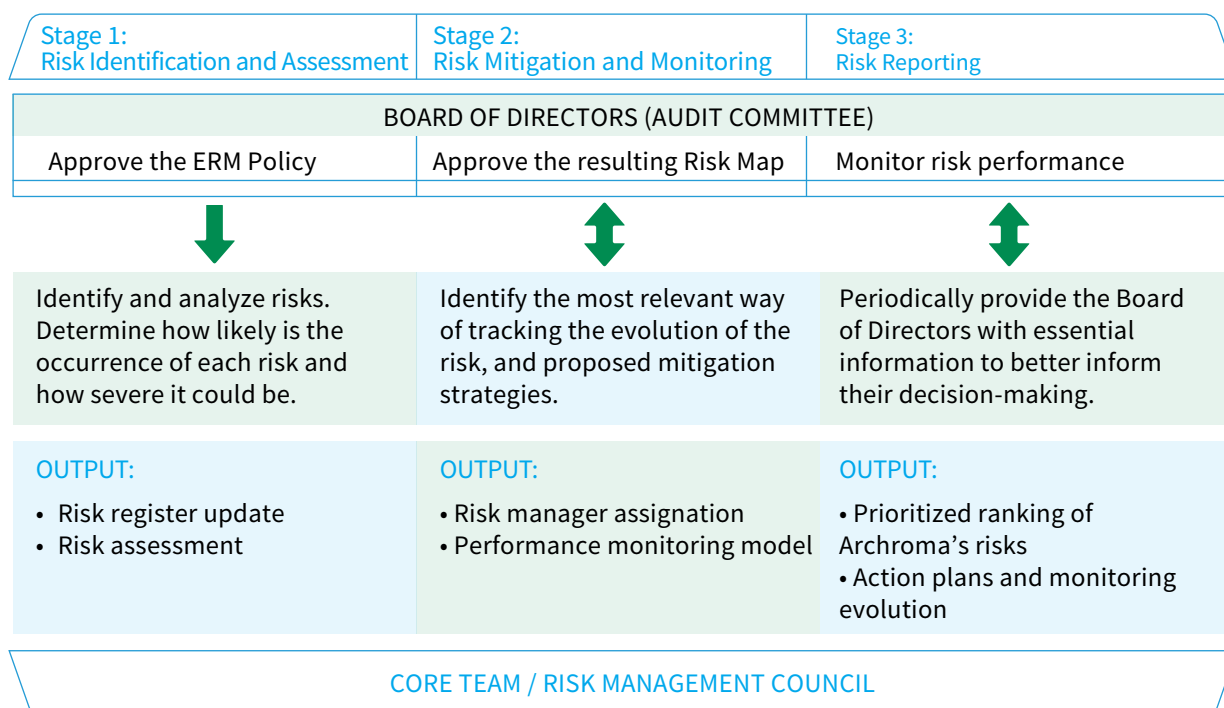
The risk management function is under the responsibility of the Head of Risk Management & Internal Audit, reporting on risk management areas to the Audit Committee. The company has a Risk Management Policy in place since 2015, which was last updated in the year 2021 and has been undergoing regular risk evaluation reviews.



Functional Risk Maps have been built through specific workshops with the functional leaders and their teams, following the stages above:

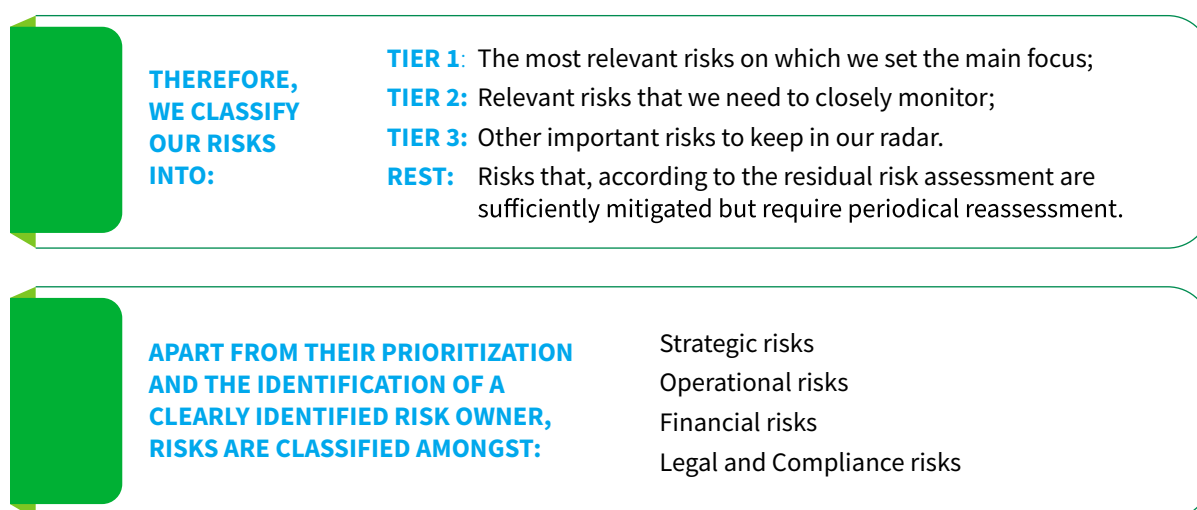
1. Understanding each function's strategic objectives and challenges, allowing top management to tailor the risks and detail them more so they are aligned with their daily activities. Thus, making the risk management methodology become an additional input in managerial activities.
2. Both the impact and likelihood for each risk has been assessed in different scenarios (ranging from the best-case scenario to the worst-case scenario).
3. Existing and additional mitigation actions have been discussed, in order to propose improvements in Archroma's processes, policies and strategies that adjust the risk profile to the desired risk appetite.
4. Key Risk Indicators have been defined and will start being tracked to monitor the evolution and exposure that Archroma has to each of the risks identified.

In line with the overall Governance structure of the company, the outcome of the assessment prepared by the Group Risk Management Council has been aligned with the Core Team. The resulting Corporate Risk Map, alongside with the proposed mitigation plans, has been subsequently submitted for approval to the Group Audit Committee of the Group Board of Directors.



Risk mapping results

Archroma defined the risk management process with the objective to have an overview of the main risks affecting the company and, subsequently, to our stakeholders and society. Risk landscape a is very broad topic, and hence the assessment result requires prioritization to focus on the most relevant matters.



Once consolidated into Level 1 risks for the Corporate Risk Map, the shortlisted risk register includes relevant risks in all areas, such as demand decrease, cybersecurity, talent shortage and a number of environmental risks related to climate change.

Constructive risk management

Risk management at Archroma is not only managed at top management level and driven by the risk mapping exercise. At the same time, it is also translated into the daily activities through our policies and procedures and the control activities established in our Internal Control System.

Archroma wants to raise awareness about risk management across the organization. Apart from the functional risk maps described above, there are several initiatives in place which enable such a risk-oriented approach in daily managerial activities.

Risks, Mitigation Plans & Opportunities (BCR 3.01)

01. Risk

Volatility in Foreign Currency Exchange Rates

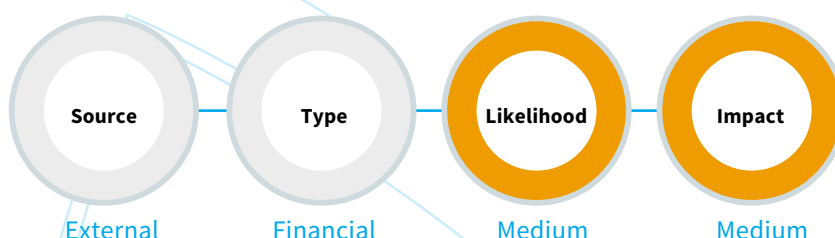
Exchange rate risk impacting transactions in foreign currency which lead to negative impact the Company's profitability.

Mitigation Measure

The treasury function continuously monitors market rate movements, foreign exchange trends, and actively manages open positions to minimize exposure to interest rate and foreign exchange volatility. The also Company has created natural hedge through exports and pricing to cover for its foreign currency exposure from major imported source of raw materials. Further, the Company also actively seeks to identify competitive local sources for its raw materials to effectively manage its exposure to foreign currency fluctuations.

Associated Objective

Mitigating impact of devaluation of currency on margins.



02. Risk

Increasing raw material prices and Other Operating Costs

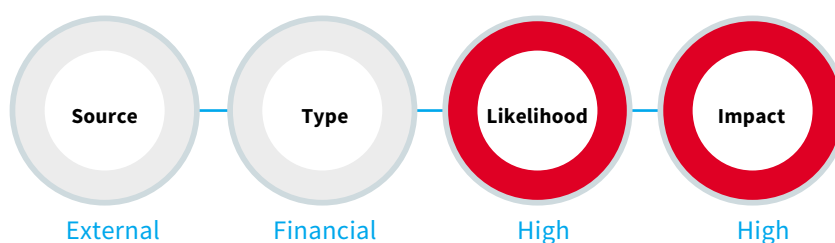
The escalation in Raw Material prices and operating costs results to significant impairment in margins.

Mitigation Measure

Increase in prices of Raw Materials is beyond the control of the Company. However, the Company is committed to implement effective cost controls, operational efficiencies and cost pass through measures to mitigate this risk.

Associated Objective

Improve operational efficiency through cost economization and enhanced synergies among functions..



03. Risk

Production supplies availability

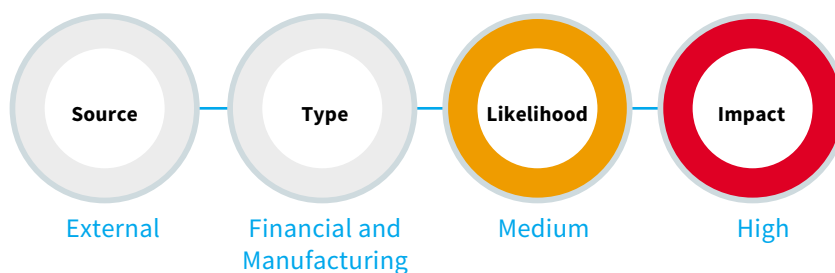
Lack or scarcity of raw materials, delay in raw material feeding and other production supplies

Mitigation Measure

Although above Risk is high and significant due to heavy dependence on Imports (approx. 80%). However, Company's regular import lead times' cycle and local manufacturing enables it to convert such risks into opportunity.

Associated Objective

Sustainability of business operations



04. Risk

Inconsistent Government Policies

Changing government policies and unstable economic conditions adversely affecting the Archroma's business.

Mitigation Measure

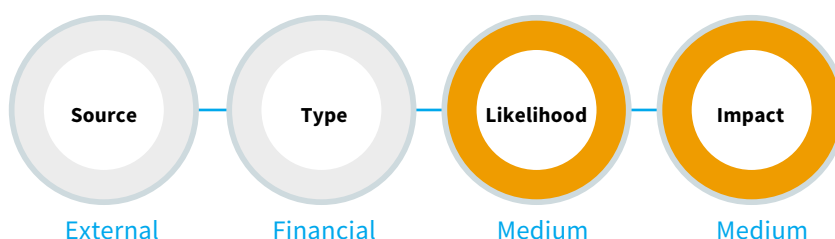
Government intervention is beyond Company's control. However, management regularly monitors the changing regulatory and competitive environment and assesses the impact of any change in Government policy, so as to take proactive measures.

Regular advocacy through different forums, like OICCI, Pakistan Business Council etc. to timely apprise the relevant Government departments and Regulators of all issues that may have an adverse impact on the industry or competitive environment.

However, Archroma being major stakeholder in the Textiles / Exports (major source of FX for the Country) gets positive consideration while making any such changes.

Associated Objective

Sustainable growth



05. Risk

Non-compliance of laws and regulations

Exposures to liabilities arising from non-compliance with the laws and regulations.

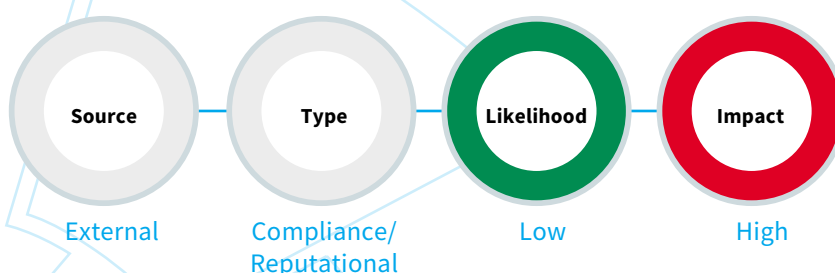
Mitigation Measure

The Company closely monitors changes in the regulatory environment and adapts to all significant changes in a timely manner to prevent any breach of law. External experts are also engaged for consultations. Trainings are conducted to keep employees abreast of all latest developments in laws and regulations.

Being a Chemical Manufacturing concern, this inherent risk exists but all safety measures, regular monitoring & testing is done to mitigate such risks.

Associated Objective

Commitment to social, environmental, and corporate governance.



06. Risk

Natural disasters / Climatic uncertainties and pandemic

Disruption in business operations due to unforeseen events, disaster or climate uncertainties.

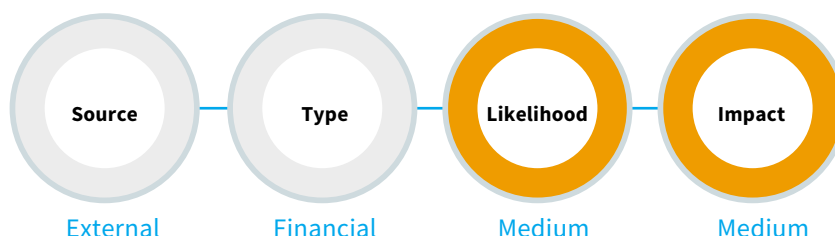
Mitigation Measure

The Company has established disaster recovery / business continuity plans in place to ensure that any adverse or unforeseen events/disasters cause minimum disruption with expeditious recovery of the normal operations. The Company also has insurance coverage to safeguard against any monetary losses.

The Company also undertakes routine emergency handling drills and regular patrolling of critical installations.

Associated Objective

Sustainable growth



07. Risk

Interest rate, Credit & Liquidity Risk

Credit risk and liquidity risk adversely affecting financial performance.

Mitigation Measure

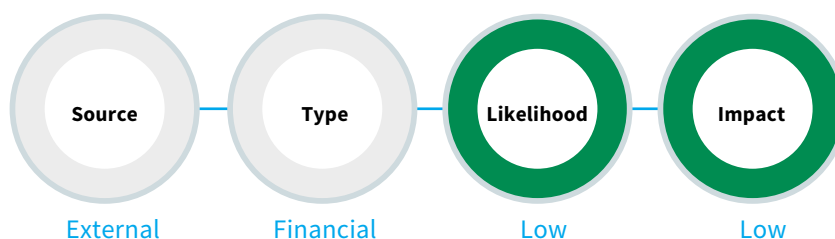
Our efficient business finance/treasury management function ensures that adequate funds/credit lines as per Company's approved policies secure the Company against any adverse credit risk. Further the Company's treasury function closely monitors and manages the interest rate risk through viable negotiations with lenders and effective fund utilization.

Credit limits are established for key customers and credit reviews are regularly conducted to manage the credit and liquidity risk.

We ensure to properly utilize all available economical borrowing options and negotiate better terms with suppliers and customers in order to increase DPO and reduce DSO.

Associated Objective

Sustainable growth / Profitability



08. Risk

Information Technology Risks

Loss of confidential information due to data theft. IT Systems becoming unavailable because of System/Network failure, cyber-attacks etc.

Mitigation Measure

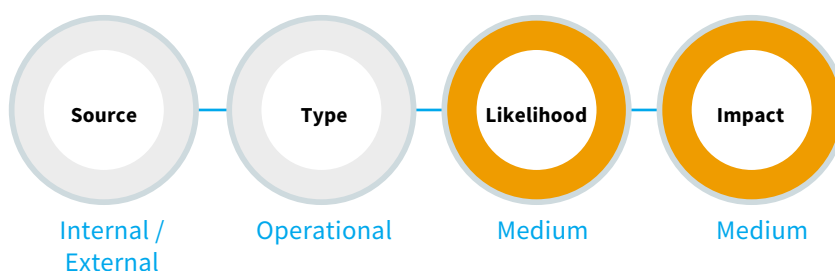
Archroma is strongly committed to the protection of the information and data of its employees, customers, and partners in general.

Archroma counts with best-in-class cybersecurity standards and controls while all end-user computing devices are protected with up-to-date antivirus, latest operative system, periodic security patches, solid firewalls and multifactor authentication access.

IT audits, vulnerability awareness campaigns, and trainings are conducted to monitor and minimize the risk.

Associated Objective

Protection of data and information from external threats.



09. Risk

Employee Retention

It is critical for the company to attract, develop, and retain the right talent to accomplish the company's goal.

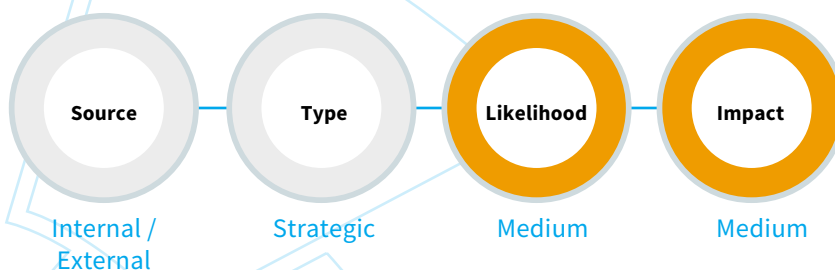
Mitigation Measure

The Company's key focus remains on the training and development of its intellectual capital and to provide meaningful opportunities to foster a thriving work environment and a high-performance culture.

The Company has a formal succession planning process aided by market competitive compensation.

Associated Objective

Commitment to high performance culture and conducive work environment.



10. Risk

Loss of customer confidence

Customer dissatisfaction due to product quality issues.

Mitigation Measure

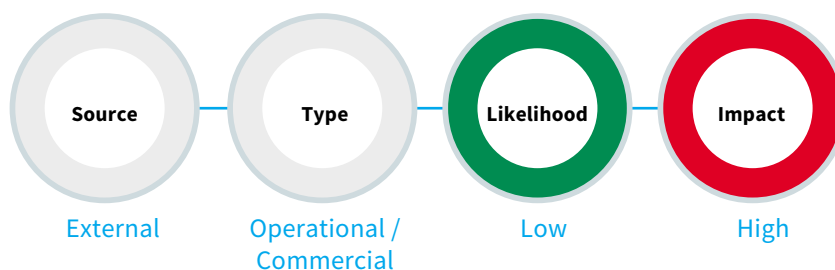
The Company maintains its brand value through the years of quality specialty chemicals to the industry. Archroma has a robust system of quality testing at the procurement and manufacturing/production stages.

Company has established stringent quality control protocols and SOPs which are in line with the best practices and global/local quality standards.

Moreover, company's customer complaint system aids in conducting a timely review of customer feedback. Archroma also carries out regular gap analysis to improve testing methodologies to comply with its core value of Customer Centricity.

Associated Objective

Customer Satisfaction



11. Risk

Water supply stress

Continued drought in the region might lead to restrictions in the use of water supply, causing operational disruptions in the production process.

Mitigation Measure

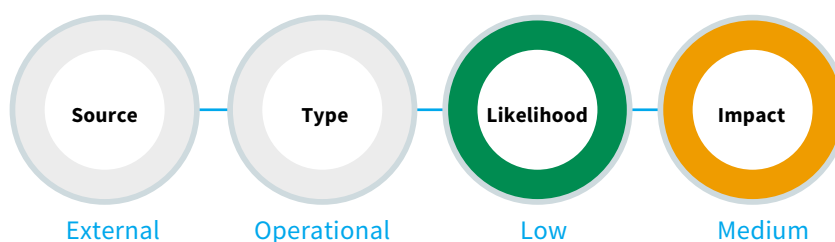
Water efficiency projects are proactively and systematically identified and executed in the relevant sites, as part of our plan to meet our water intensity reduction target (-40% by 2030), to reduce our water consumption and improve management of effluent discharge.

We mitigate water risk and improve water quality management aspects in our supply chain and in our communities.

We carry out regular assessments of potential risks and back-up plans.

Associated Objective

Sustainable Production



12. Risk

Energy supply stress

Energy shortages or imposed restrictions in the use of electricity or problems with the power grid can cause operational disruption if they affect an Archroma production site.

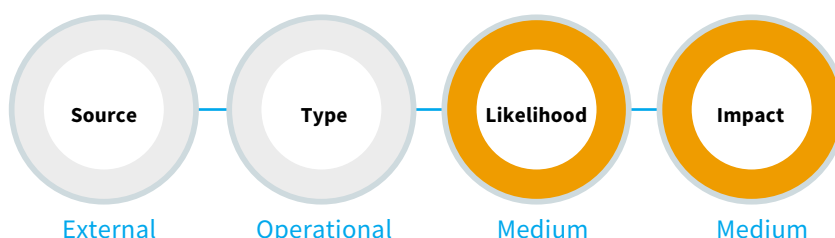
Mitigation Measure

We proactively and systematically identify and execute energy efficiency projects in our sites, as part of our plan to meet our energy intensity reduction target (-15% by 2030).

We engage in procurement practices in renewable electricity to reduce our dependence on fossil-based energy supply, and aim to significantly increase our share as part of our Scope 2 GHG emission target by 2030.

Associated Objective

Sustainable Production



13. Risk

Inability to meet ESG reporting requirements

The increasing reporting needs in ESG-related matters, and diversity of scopes and methodologies in the requirements will create an increase in our operational cost to adapt and comply with different reporting requirements in diverse jurisdictions.

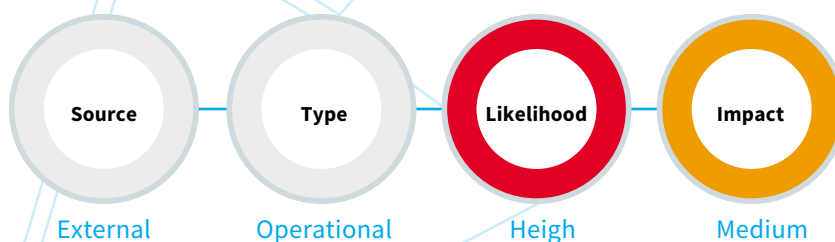
Mitigation Measure

We identify of the requirements that are applicable to Archroma, and to identify the gaps and actions required to ensure compliance.

We constantly seek for efficiency improvement in the collection and consolidation of data, and in the reports preparation efforts to minimize the costs, while identifying the synergies in the different jurisdiction requirements to leverage the efforts that have already been done.

Associated Objective

Sustainable Production



Opportunities

Archroma is currently pursuing opportunities to create value in the short, medium, and long term through identification of potential areas with its strategic objective, policies and targeted growth.

Considering the immense potential of Specialty chemicals sector in Pakistan, Archroma's recent move into the new markets can potentially open a whole new dimension to its business portfolio and also contribute towards its growth.

The state of the art technology for production. This will results not only in attracting and retaining new customers but will also increase value for stakeholders.

Alternate energy and operational efficiency projects may not only provide cost savings but also contribute positively towards environment sustainability.

Improved working conditions, personal and professional development of employees leads to efficient work environment and making our employees an assets for our organization.

Determining Level of Risk Tolerance and Establishing Risk Management Policies

In today's dynamic and ever-evolving business landscape, understanding and managing risks is paramount to safeguarding our business, stakeholders, and the trust they place in us. Risk-taking is inherent in business growth, innovation, and value creation. However, it must be approached with a clear understanding of our risk appetite and tolerance.

Board has approved risk policy and a risk management framework which determine and assess the Company's level of risk tolerance; and present a mechanism to minimize the negative impact of such risks on Company's business. The framework describes the risk identification and management process; and provides guidelines that cover key risk areas.

Internal Control represents a key element of Corporate Governance and Risk Management, helping to ensure that operating, financial and compliance objectives are attained. It provides reasonable assurance to Group Management and Stakeholders regarding:



Robust Assessment of Principal Risks (BCR 3.02)

The Board oversees the governance of risk and level of risk tolerance and for this purpose the Board undertakes an overall review of business risks on annual basis to ensure that the management maintains a sound system of risk identification, risk management and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders. The Board of Directors are satisfied with the Company's risk management practices and the mitigating strategies adopted to counter such risks.

Factors Impacting the Supply Chain (BCR 3.05)

The Company acknowledges the potential risks stemming from these factors, particularly those impacting the supply chain and it maintains a comprehensive risk assessment framework to proactively identify potential supply chain disruption risks linked to ESG incidents. To ensure the ongoing evaluation of supply chain risks, we employ a robust monitoring system that enables real-time tracking of relevant ESG incidents.

The Company remains dedicated in its commitment to addressing ESG-related supply chain disruption risks.

The Company has established a comprehensive strategy to address these challenges effectively through Supplier Engagement and Collaboration, Diversification of Suppliers and Resilience Enhancement.

Company by identifying, monitoring, and mitigating these risks ensure the long-term sustainability of our operations, minimize potential adverse impacts, and contribute to a more resilient and responsible business ecosystem.

Liquidity Management

Owing to strong financial health, the Company does not have or forecast any liquidity issues. The Company always strives to maintain a strong liquidity position to ensure availability of sufficient working capital besides identification and mitigation of cash flow risks. The Company actively monitors daily cash position and revenue receipts from sales are managed through optimized control of customer credit.

The Company manages liquidity risk through efficient cash flow management and by maintaining sufficient balances with banks and short-term financing facilities. The Company maintains a good business relationship with some reputable banks and financial institutions of the Country and all the financing facilities are readily available.

Adequacy in Capital Structure

The Company primarily manages its long-term investment requirements and short-term working capital requirements from its internally generated cash-flows; however, it takes advantage of any short-term financing available at subsidized rates as part of any scheme announced by the Government or central bank. Healthy cash flows and prudent liquidity management aids the Company to maintain its strong liquidity position. The Company believes that it is maintaining an optimal capital structure.



NOVACRON® EC

NOVACRON® EC dyes deliver outstanding color fastness, ensuring your textiles remain vibrant wash after wash. Ideal for a wide range of applications, from fashion and apparel to home textiles and more, experience the perfect blend of color, quality, and sustainability with NOVACRON® EC dyes.





Corporate Social Responsibility



**SUSTAINABLE
DEVELOPMENT**

GOALS





Sustainable Development Goals

United Nations Sustainable Development Goals adopted in September 2015 by all 193 Members to achieve a better future for all (SDGs).

At Archroma, Sustainable Development Goals (SDGs) are not just a framework which helps us to set the right ambitions, but a strategic lever to turn potential risks into opportunities. They serve as a compass to navigate on next steps in our journey towards innovative products and value creation for our stakeholders. As a responsible corporate citizen, SDGs are embedded as a core value of our operations.

1 NO POVERTY



What it means to us

We aim to eradicate poverty in our domain by ensuring adherence to social protection measures, abiding with the given legal frameworks and community welfare. Employees access and benefits are ensured in accordance with prevailing market conditions.

Our Contribution

Gainful employment leads to reduction in poverty. At Archroma we recognize human rights, dignity of labor, and compliance to international labor standards. We provide:

- fair chances of employment without any discrimination on merit with affirmative action towards disabilities, diversity and inclusion.
- employment conditions align with Decent Work Agenda Program of International Labor Organization.
- we offer employment on prevailing market remuneration practices fully cognizant of ILO Conventions on equal pay for equal value of work (C 100) and non-discrimination (C 111).
- work environment is congenial, enabling employees to utilize their full potential.
- we endeavor to reduce poverty through implementation of officially declared minimum wages.
- our Collective Bargaining Agreements are quantitatively enhanced, wherein with mutual consent within shortest negotiation time frame.
- we have cordial relationships with our two Workers' Unions at Jamshoro and Landhi sites. No industrial relations dispute has arisen in the past five decades.
- Work force is provided regular training enabling them to sharpen their skills to perform better which in turn increases their individual remuneration package.

2 ZERO HUNGER



What is means to us

The basic need of food and nutrition is rated at the top for human survival. At Archroma we take care of our employees by providing healthy and nutritious food during working hours.

To achieve the target of zero hunger, sustainable agriculture plays a vital role with more crops and better yield. A policy solution was implemented wherein open spaces at our sites have, therefore, been converted with plantation of fruit trees and vegetation. An innovative experimentation to grow wheat at a small patch gave excellent results and wheat harvesting has become a permanent feature at Jamshoro site.

Our Contribution

Archroma sites and offices provide healthy meals to employees, visitors & vendors who are in the premises during lunch hours. For Night shifts meals and refreshments are served at regular intervals. Kitchen facility is run by a team of Chefs. We ensure complete hygiene, a balanced diet plan and take pride in our equality practice by offering one-menu-for-all cadres.

60% of land at Archroma sites has been converted to green spaces wherein fruits and vegetables are cultivated. Home grown organic vegetables & fruits are used for meals and enjoyed by employees.

Fruit & vegetable produce is enhanced by using in-house organic compost. A sizeable fish farm has also been developed wherein farming of local species is going in full swing. Wheat is also grown on four-acre area. After harvest of high-quality wheat, we store it for use at our canteen.

3 GOOD HEALTH AND WELL-BEING



What is means to us

Ensuring healthy lives and promote well-being leads to higher productivity and motivation amongst employees in particular and society in general.

Archroma Is committed to take care of Its employees and their families through Health coverage scheme. Similarly, during the Covid pandemic, we ensured safe and affordable medical solutions. Our care gave deep satisfaction to employees, and they continued to perform well from "work from home" arrangement.

Inequalities In healthcare facilities are non-existent at Archroma. Employee health and well-being any financial considerations whatsoever.

We have crafted a healthcare system that ensure speedy medical solutions to support any health threats. Safety rules are mandatory and strictly followed. Safety Indicators a lways remain positive.

Our Contribution

Archroma encourages employees to adopt principles of good health in their daily routine. Global Online Webinars are held on Good Health & Well Being by renowned international experts. Topics include effective diet plans, managing health issues, work-life-balance, reducing stress etc. Individual medical guidance is provided to employees by our Company Physician who visits sites and offices on weekly basis.

The 12 principles of Safety contribute to well-being of staff round-the-clock. Adherence to the twelve principles of safety enable employees to conduct daily work routines in a disciplined manner.

Training on Fire Fighting and First Aid exercises are held. We won several Awards on Occupational Safety & Health and Fire Fighting.

4 QUALITY EDUCATION



What is means to us

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

We believe that in addition to formal education, access to vocational training is very important for career growth and personal grooming.

At Archroma Center of Excellence, a practical hands-on Internship program takes care of adding quality to academic education. It is our aim to provide equal access and eliminate gender disparity.

Quality Education goal is achieved with Quality Training which we offer free of any charge to the students making them professionally sound in their career growth.

Education is also crucial to fostering tolerance between people and contributes to more peaceful societies.

Our Contribution

Archroma Center of Excellence instituted in 1996 is our model sustainable development initiative for textile industry to provide technical expertise. A well-crafted six-week Internship is our flagship program which runs round the year. It has been chalked out for Chemistry and Textile Science & Engineering students. Our team gives lectures, tutorials and hand-on training to students. To date more than 84000 students have benefitted from this Program and are successfully pursuing their careers in the industry.

Archroma partners with all major universities and training institutes and have signed specific Memorandum of Understandings.

5 GENDER EQUALITY



What is means to us

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world. Achieve gender equality and empowerment. Women represent half of the world's population and therefore also half of its potential. But gender inequality persists and stagnates social progress.

Gender equality is a cross-cutting objective and occupies an important value at Archroma policy level. We adhere to national, provincial and our own corporate guidelines that create a non-discriminatory environment for female workforce.

Our Contribution

Archroma has the unique distinction of being the first organization in Pakistan to adopt Gender Equality Policy rolled out by Employers Federation of Pakistan in November 2008. We have incorporated all mechanisms set out by Gender Equality Policy in our procedures manual i.e. being an equal opportunity employer, providing nondiscriminatory career growth, equal remuneration for equal value of work, zero-tolerance to harassment. Archroma Code of Conduct is binding for all employees. Principles of Diversity & Inclusion, Non-discrimination and Welcoming Workplace are practiced. Women are working on decision making positions. We do not tolerate any form of harassment, bullying and unbecoming behavior. Anti-harassment policies are integral part of our policy guideline.

Archroma wins all major awards on Best Practices in Women Empowerment, Diversity & Inclusion

6 CLEAN WATER AND SANITATION



What is means to us

Access to water, sanitation and hygiene is a human right. Yet billions are still faced with daily challenges accessing even the most basic of services. At Archroma we ensure sustainable management of water and sanitation within our premises.

Water scarcity is projected to increase global warming with extreme climatic changes. Being amongst the water stressed countries and worst hit by climate change consequences, we ensure that clean water is provided by Filtration Plant to the neighborhood communities in the vicinity of Jamshoro site. It is a part of our Corporate Social Responsibility initiative and is continuously giving this vital service since 2013.

Further parameters of this SDG is being followed related to industrial wastewater treatment, development of green ecosystem and safe management of drinking water.

Our Contribution

Clean Water

At Jamshoro site, we initiated exemplary water saving measures. A state-of-the art Sustainable Effluent Treatment (SET) Plant was built and commenced operation in December 2013. The principles of “Zero Liquid Discharge” apply to this advanced technical facility wherein not a single drop of water goes out of the cycle.

In line with “Responsible Care” and “Sustainable Neighborhood” initiatives, Archroma supplies clean water from our Filtration plant, Jamshoro to the community and neighborhood residents. Approximately 30,000 liters/day water is distributed free of cost.

At Landhi site, Biological Effluent Treatment was built in 2002 wherein water is recycled and re-used.

Archroma received “Global Water Stewardship Award” in 2014 in Paris on our water saving measures. SET plant was selected out of 600 global nominations on water management.

Sanitation:

An innovative methodology was initiated by our team to reduce organic solid waste and transform it into Compost through a simple process. To date, 12000 kgs of compost has been produced. This valuable organic manure is an excellent food for plants. We have reduced the burden of organic waste and converted into a useful purpose.

7 AFFORDABLE AND CLEAN ENERGY



What is means to us

We ensure a reliable energy management system at all premises that also caters to continuous running of production cycles as well as effective cost energy saving measures. Improvement In energy efficiency is our sustainable target.

We shifted to energy saving initiatives and are presently in the scope of installing renewable solar energy solutions at both sites. It is estimated that shift to solarizing will contribute to decrease in greenhouse gas emissions.

Our Contribution

Solar System is being installed at production sites in Jamshoro and Karachi.

Employees have been trained on green office measures of voluntary energy saving.

We shifted to LED lights and energy saver bulbs at all sites. At Research Labs, we make good use of sunlight during the day. It has substantially reduced our electricity consumption cost. Besides reducing the power cost, these measures also enhance cleaner environment.

8 DECENT WORK AND ECONOMIC GROWTH



What it means to us

Decent work agenda calls for sustained, inclusive and sustainable economic growth through full and productive employment. We improve on labor productivity by offering on-job training, peer cooperation and mentoring.

Employment conditions at Archroma meet Decent Work directives e.g. no gender-based pay gaps, safe and secure working conditions, ergonomically suitable workstations and harassment free congenial environment.

Our Contribution

Archroma is associated with Decent Work Program since its inception, enabling us to become an Employer of choice within the industry. Decent work practices are fully implemented. Work ethics revolve around transparent communication systems that are free from discrimination and unfair employment practices. All employment contracts are in written form, voluntary and merit being our sole recruitment criteria.

We train our employees and harness their soft and technical skills on continuous basis. Training, coaching and mentoring is part of continuous career development.

Our remuneration basket is regularly updated through local comparative assessments and holds remuneration and benefits equivalent or above market.

Voluntary self-evaluation methods have increased productivity and employee motivation.

Freedom of Association is practiced in letter and spirit, as our two CBAs operate with complete openness and transparency. Worker/management relations are cordial. There has been no industrial relations dispute since past five decades.

Salaries are market competitive and paid monthly on time. Regulatory payments are deposited as per schedule in the government treasury.

We comply with core ILO Conventions on non-discrimination, freedom of association, minimum wage, maternity leaves, night shifts, overtime.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



What is means to us

Our premises are built with resilient infrastructure, pleasantly designed décor and architecturally blended cultural environment. Our robust work environment provides motivation to employees giving them a sense of belonging to the organization.

We invested in infrastructure, transport, energy and information technology and communication technology to achieve sustainable development empowering our workforce to benefit from advanced technological development.

Our Contribution

Our building structures are blended with quality construction material and aligned with local architectural semblance.

Archroma has its own brand guidelines of office décor, and we comply with the same. Office designs are ergonomically correct and aesthetically pleasant making Archroma an attractive place to work. Walkways are broad and spacious. Amenities are easily accessible to all employees and visitors. Canteen, assembly points, stairs and workstations are designated with décor matching company culture. Archroma infrastructure fully integrate with the jobs operated at sites and offices.

Open green spaces are part of sustainable industrialization designs. 60% of land comprises of open green spaces with tall trees, grassy lawns, seasonal flower beds, vegetable & fruit plantation.

At Jamshoro site, the buildings have unique spacious design. Landhi site is multi-storeyed saving space for other units e.g. warehousing. Offices and labs in Korangi are modular in line with our requirements.

10 REDUCED INEQUALITIES



What is means to us

Our premises are built with resilient infrastructure, pleasantly designed décor and architecturally blended cultural environment. Our robust work environment provides motivation to employees giving them a sense of belonging to the organization.

We invested in infrastructure, transport, energy and information technology and communication technology to achieve sustainable development empowering our workforce to benefit from advanced technological development.

Our Contribution

Archroma takes the lead when it comes to adopting global corporate initiatives.

We are the first company to sign Integrity Pact with Transparency International Pakistan in 2004. We have zero tolerance on compliance related issues. Complete transparency in reporting, adherence to tax and regulatory laws are followed.

Archroma is also amongst the first twenty companies to have signed United Nations Global Compact rolled out by Employers Federation of Pakistan in December 2005.

Equality is part of our management practice. There is no discrimination at any level in pay and promotion. Performance Appraisal process is participatory and fully transparent.

11 SUSTAINABLE CITIES AND COMMUNITIES



What is means to us

Within the Archroma sites, our structures are safe, resilient and sustainable.

Our productions sites are situated at the sizeable distance from the urban centers however we developed entire facilities / Infrastructure above the given standards.

Our workforce belong to the nearby areas which plays an important role In reducing internal migration.

Our Contribution

After devastating floods of 2010, Archroma decided to construct a housing facility near our Jamshoro production site. The houses were handed over to residents, who did not have financial means to restore their residences.

A Water Filtration Plant was renovated and made fully operational. It gave access clean water to the residents of the locality.

At Landhi site, Archroma has refurbished Science labs of Workers Model School. In line with initiatives of Responsible Care® we take shoulder our civic responsibilities to make our cities sustainable and enhance quality of life of communities.

12 RESPONSIBLE CONSUMPTION



What is means to us

If the global population reaches 9.8 billion by 2050, the equivalent of almost three planets will be required to provide the natural resources needed to sustain current lifestyles. At Archroma, we have, therefore, ensured sustainable consumption and production patterns.

We carry out sustainable sourcing and incorporated a strong supply chain system that reduces burden of large inventories and storage.

On the other hand, Archroma product lines comprises of specialty chemicals that are safe, efficient and enhance in quality. Sustainability is the central focus of all actions.

Our Contribution

Archroma is a responsible corporate citizen. Our product portfolio comprises of specialty chemicals that are unique and have evolved after years of research. All product lines fall into three defined categories of “The Archroma Way” – Safe, Efficient and Enhanced.

The introduction of ‘PLANET CONSCIOUS+’ deepens our commitment to innovation and partnership and sharpens focus on consumers and environment to bring meaningful change with pace and scale. PLANET CONSCIOUS+ is a roadmap designed to support brands and mills to chart their sustainability journey.

Award winning “Sustainable Effluent Treatment Plant @ Zero Liquid Discharge”, Jamshoro is another commitment that enables us to save millions of liters of water every day. Our goal aims to foster eco-friendly production, reduce waste and boost recycling.

The two production sites of Archroma at Jamshoro and Landhi, Karachi operate with full compliance on the principles of Good Manufacturing Practices (GMP).

Natural resource i.e. sunlight is utilized at its maximum thereby reducing electricity cost and environmental impact.

13 CLIMATE ACTION



What is means to us

We combat the harsh threats of climate change and its impact.

Climate change is a global challenge that affects everyone. It is caused by human activities and threatens the future of our planet. With rising greenhouse gas emissions, climate change is occurring at rates much faster than anticipated and its effects are clearly at all levels.

We are witnessing changing weather patterns, rising sea level, and more extreme weather events e.g. floods, droughts, storms & rising sea levels. If left unchecked, climate change will undo a lot of the progress made over the past years in development.

We are rapidly following scalable solutions to move closer to resilient climate change.

Our Contribution

Climate changes brought by Nature require climate action by all stakeholders. World is grappling with massive disasters in the form torrential rains, floods, ozone layer depletion and melting glaciers causing havoc with high financial liabilities. At Archroma we work with steady dedication to combat climate changes. Since 2005, Archroma, being a founding member of United Nations Global Compact in Pakistan, has complied with all environmental standards. Accordingly, we support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage the development of environmentally friendly technologies. We comply with guidelines ensuring a better environment and future. We report on environmental regulations laid by Sindh Environmental Protection Agency (SEPA). The two production sites are fully compliant towards gas emissions, which are within the prescribed limits. Archroma has Quality certification on Environment Management Systems – EMS 14001 along with ISO 9001:2000 and OHSAS 18001 from international auditors. Our technical managers train staff of textile mills teaching them ways & means to enhance environmental parameters.

14 LIFE BELOW WATER



What is means to us

Oceans cover three-quarters of the Earth's surface, contain 97 percent of the Earth's water, and represent 99 percent of the living space on the planet by volume. The world's oceans provide key natural resources. Marine pollution is reaching alarming levels.

Careful management of this essential global resource is a key feature of a sustainable future.

Archroma being cognizant to this fact undertook research to remove "Aniline" from production cycle. Aniline is being used in the commercial production of Denim apparel. Introduction of Aniline-free Denim is our endeavor to reduce life below water, that is, the Ocean and Sea as well as smaller water channels.

Our Contribution

Archroma is a pioneer in protecting life below water. Aniline is a toxic substance widely used by mills in the production of Denim. Aniline is harmful for aquatic life, human skin and soil. We took the innovative lead through high-end research to remove Aniline from production cycle thereby providing environmental protection to life below water and human beings.

Commercial production of Aniline-free* Indigo was commenced at Jamshoro site in 2019. Jamshoro is the first site in the world that produces Aniline-free* Indigo dye for Denim industry.

Aniline-free* Indigo manufactured at Jamshoro site is exported to the world from Pakistan. Many mills have completely shifted to Aniline-free Indigo dye.

It is estimated that tons of Aniline have been removed from the environment and aquatic life. We have thus protected life below water through clean chemistry.

15 LIFE ON LAND



What is means to us

Archroma protect, restores and promote sustainable use of its product lines. They are devoid of harmful impact on environment.

60% of our open spaces are filled with greenery e.g. trees, fruit gardens, vegetable farms and wheat plantation. It is our contribution to improve life on land.

We achieve biodiversity by Installing Composting at both sites.

Our Contribution

Archroma takes measures to improve quality of life on land through reduce, reuse and recycle. Our main natural resources is water, and we take great pride in saving it @ millions of liters per day through our Sustainable Effluent Treatment Plant, Jamshoro and Biological Effluent Treatment Plant, Landhi.

In offices and labs, employees voluntarily take steps to minimize water usage.

Greenhouse gas emissions are under the prescribed limits. No hazardous substance is released in the drainage. Organic solid waste is converted into Compost often called "Brown Gold". More than 10,000 kgs of compost has been made and consumed for vegetation.

16 PEACE, JUSTICE AND STRONG



What is means to us

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

People everywhere should be free of fear from all forms of violence and feel safe as they go about their lives.

Governments, civil society and communities need to work together to find lasting solutions to conflict and insecurity.

Strengthening the rule of law and promoting human rights is key to this process, as is reducing the flow of illicit arms, combating corruption, and always ensuring inclusive participation.

Our Contribution

Our employees, associates, vendors and customers belong to diverse ethnic, cultural and religious backgrounds and work with us in complete harmony.

The congenial work environment at Archroma Is an example of corporate justice wherein no conflict has arisen since decades. Code of Conduct is fully implemented with the result that every employee works in complete harmony, transparency and without any fear whatsoever.

We collaborate with civic agencies, regulatory authorities and pay our taxes and dues on time without any conflicts.

We endeavor to make institutions stronger through full compliance of laws, rules and regulations.

17 PARTNERSHIPS FOR THE GOALS



What is means to us

Archroma plays its role by joining organizations to strengthen means of implementation and revitalize partnership for sustainable development.

We comply with UN Sustainable Development Goals and wish to realize them with a strong commitment to local partnership and cooperation.

To be successful, everyone will need to mobilize both existing and additional resources.

We have formed strong partnerships with academic institutions by joining hands to provide knowledge and hands-on experience to students.

Our Contribution

Archroma has built strong partnership with Academia. We have signed Memorandum of Understanding leading institutions. We take pride in sharing latest technical expertise with students.

As a step forward we are closely collaborating with textile industry assisting them in technical expertise.

Archroma Center of Excellence hosts Chemistry and Textile Science students to provide Internships round the year

Sustainability Report

**COMMITTED TO
REDUCING ECOLOGICAL
IMPACT**

Our purpose is to lead our industries towards a more sustainable future for our customers and markets. This commitment drives our continuous effort for cleaner operations and innovative product solutions. Our Environment, Social and Governance (ESG) strategy is reflected in our Sustainability Framework which sets our long-term ambition in line with the United Nations agenda. The strategic focus areas "Climate & energy, Health & safety and Waste & circularity" prioritize our environmental sustainability journey.

Company's Sustainability Strategy

Archroma envisions sustainability as a commitment to managing the sustainability impacts of its operations, risks, and opportunities posed by the external environment while creating value for the company and its stakeholders through responsible business operations and best practices.

In response to the evolving sustainability landscape and the global and national challenges faced by the industry, Archroma has developed a comprehensive sustainability framework. This framework is designed to effectively manage environmental impacts and risks while capitalizing on opportunities to deliver value. Additionally, it supports our contribution to the nation's energy and food security.

We are mindful of the broader economic challenges affecting Pakistan, including energy crises, food security, economic distress, and pressure on foreign exchange reserves. In developing our sustainability strategy and interventions, we address these industry and economic challenges comprehensively. We evaluate sustainability-related risks and opportunities, considering their time horizons and potential impacts on our value chain business model.

We strive to foster positive relationships with our investors, employees, suppliers, communities, and other stakeholders while addressing the social, environmental, and economic impacts of transitioning to an environmentally sustainable economy.

Archroma Sets New Ambitious Sustainability Operations Targets by 2030

Archroma's commitment to sustainable solutions is pivotal to every aspect of our operations, and we are proud of our part in driving the sustainability agenda for our industry. As we advance our ESG goals, we are seeking to harness innovation and partnerships to make an even bigger impact as we create even more value for customers.

This is reflected in our own operations through our new environmental targets. These are set within a broad framework that covers water, energy, waste and greenhouse gas (GHG) emissions. And they are ambitious! To meet them, the whole Archroma team will need to think creatively, support one another and work together to enhance operations and sustainability hand in hand.

Sustainability Operations Targets

Reductions for key climate and environmental parameters



-30%

Absolute Scope 1&2 greenhouse gas emissions



-20%

Absolute Scope 1 greenhouse gas emissions



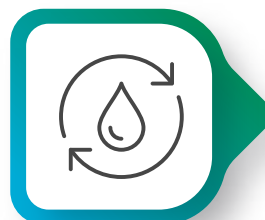
-40%

Absolute Scope 2 greenhouse gas emissions



Zero

Hazardous waste to landfill



-40%

Water intensity reduction



-10%

Waste intensity reduction



-15%

Energy intensity reduction

Our GHG emissions target of a 30% reduction in the GHG emissions related to our own production encompasses a 20% reduction in absolute Scope 1 emissions and a 40% reduction in absolute Scope 2 emissions. Scope 1 emissions are direct emissions from our plants and processes, while Scope 2 emissions are indirect emissions from the energy we consume.

In the coming year, we will work to develop a near-term Scope 3 target for indirect emissions from our value chain. While this is challenging, we remain committed to putting both short-term and long-term GHG reduction targets in place in line with the Science Based Targets initiative framework.

Our success is intertwined with the well-being of the communities where we operate. Through targeted initiatives in education, healthcare, and skill development, we seek to uplift these communities and create a better quality of life. By fostering strong partnerships and transparent communication, we strive to be a force for positive change and progress.

Sustainability is not just a strategy; it's our responsibility towards the planet and future generations. By embracing innovation, fostering collaboration, and redefining industry norms, we are confident in our ability to create a world where economic growth coexists harmoniously with environmental preservation.

Environment, Social and Governance (ESG)

ESG is a system for measuring the sustainability of a company in three specific categories: environmental, social and governance. It has developed into a broad framework that addresses key aspects including environmental and social impact, as well as how governance structures can be changed to enhance stakeholder well-being. We believe strongly that stakeholder value maximization is possible on a long-term basis by implementing best-in-class ESG protocols and therefore, ESG remains a key dimension in our strategic decision making. Alongside on the path to growth, we also continue upon our journey of Excellence and building Enterprise of the Future, by delivering on our Environment Social and Governance agenda. With the evolved ESG agenda, we have embarked upon on some amazing projects pertaining to all the key elements of ESG that are shaping the sustainability of business and industries in Pakistan.

Statement for Adoption of Best Practices for CSR (BCR 4.04)

Responsibility (CSR) as an integral component of our organizational ethos and commitment to sustainable growth. We recognize our responsibility to positively impact the communities and environment in which we operate, and we are dedicated to upholding the highest standards of ethical conduct and social contribution.

With unanimous endorsement from our Board of Directors, we proudly announce the adoption of comprehensive CSR best practices that reflect our dedication to making a meaningful difference. This decision underscores our belief that business success must align harmoniously with societal well being.

Our CSR approach will be guided by a steadfast commitment to:

Ethical Governance: We commit to conducting our business with the utmost integrity, adhering to ethical principles that prioritize transparency, accountability, and fairness in all our interactions.

Stakeholder Engagement: We will engage closely with our stakeholders, including employees, customers, partners, and local communities, to understand their needs and concerns, and to collaboratively develop initiatives that address pressing social and environmental challenges.

Community Development: Through strategic philanthropic investments, skill development programs, and community partnerships, we aim to uplift under-served communities, enabling them to thrive and contribute positively to society.

Environmental Stewardship: We resolute in minimizing our ecological footprint by embracing sustainable practices, resource efficiency, and conservation efforts that safeguard the environment for future generations.

Employee Empowerment: Our commitment extends to our employees, whom we consider vital contributors to our CSR journey. We will provide them with a safe, inclusive, and diverse work environment that fosters professional growth and nurtures a culture of giving back.

Transparency and Reporting: We pledge to transparently communicate our CSR initiatives, progress, and impact to our stakeholders through regular and comprehensive reporting, allowing for accountability and fostering a spirit of continuous improvement.

Our Board's endorsement of these best practices reflects our conviction that responsible business practices are not merely a moral obligation, but an essential driver of long-term success. We believe that by embracing these practices, we can create a lasting positive impact on society while ensuring the sustainable growth and resilience of our company.

Statement about the Company Strategic Objectives on ESG and Sustainability Reporting (BCR 4.01d)

The Board remains steadfast in its commitment to fostering a sustainable and responsible business ecosystem. With the recognition that environmental, social, and governance (ESG) considerations are vital components of our corporate strategy, we are dedicated to integrating ESG principles into every facet of our operations, aligning with our core values and the expectations of our stakeholders.

Our strategic objectives encompass

Environmental Responsibility: We are resolute in minimizing our environmental footprint through innovative practices that conserve resources, reduce emissions, and protect biodiversity.

Social Well-being: By prioritizing employee welfare, diversity, equity, and inclusion, and by collaborating with local communities, we endeavor to create a positive impact on the lives of those we touch.

Effective Governance: Sound governance is integral to our sustainability journey. We are committed to maintaining a governance framework that emphasizes transparency, accountability, and ethical behavior across all levels of our organization.

Stakeholder Engagement: We recognize that shared success emerges from effective engagement with our stakeholders. Through open dialogue and partnerships, we seek to address concerns, gather insights, and collaboratively develop solutions that drive positive change.

Innovation and Adaptation: Our commitment to sustainability demands continuous innovation and adaptation. We will invest in research, development, and technological advancements that enable us to evolve in a dynamic and responsible manner.

Robust Reporting: We acknowledge the importance of transparent and comprehensive reporting. Our ESG and sustainability reports will provide a clear view of our progress, challenges, and opportunities, allowing our stakeholders to hold us accountable and participate in our journey.

We recognize that by setting these strategic objectives, we strengthen our resilience, enhance our reputation, and contribute to a world that thrives for generations to come.

Positive Impact Creation

Through our value chain we strive to creating innovative products and solutions that have a positive impact on the environment and the society. The corresponding outputs deliver growth – in partnership with our customers – as we touch and color people’s lives every day, everywhere.

Understanding:

THE KEY CHALLENGES TOWARDS OUR INDUSTRY

Committed to contributing to
UN Sustainable Development Goals



**Climate Change &
Decarbonization**

**Support To
Circular Economy**

**Human & Labor
Rights Compliance**

Recognizing **our impacts**

NET-ZERO
CIRCULARITY
RESOURCE EFFICIENCY

SAFETY-FIRST CULTURE
ATTRACTIVE EMPLOYER
DIVERSITY FOR ALL

SUPPLIER ENGAGEMENT
CUSTOMER CENTRICITY
STRONG GOVERNANCE



Full Outline of Materiality Topics

ENVIRONMENT

SUSTAINABLE MATERIALS

- Sustainable innovation & circular material alternatives
- Resource optimization along the value chain
- Product safety & stewardship
- Transparent and reliable communication

CLIMATE & ENERGY

- GHG emissions
- Energy use in operations
- Renewable energy

WASTE & CIRCULARITY

- Circularity
- Waste
- Wastewater

WATER & LAND

- Water stewardship
- Environmental safety
- Biodiversity

SOCIAL

HEALTH & SAFETY

- Occupational Safety
- Health and well-being at work
- Process safety & quality

FAIR & ATTRACTIVE EMPLOYER

- Fair labor practice
- Diversity, equity and inclusion
- Talent retention, attraction and engagement

CORPORATE CITIZENSHIP

- Community engagement
- Local community impact

GOVERNANCE

BUSINESS ETHICS & COMPLIANCE

- Corporate governance
- Responsible business practices, compliance and anti-corruption
- Risk management
- Data privacy and safety
- Cybersecurity

SUSTAINABLE SUPPLY CHAIN

- Sustainable & transparent sourcing practices
- Human rights & child labor

ECONOMIC PERFORMANCE

- Sales development
- Benefit plans
- Tax transparency approach

Key Sustainability Related Risk and Opportunities (BCR 4.01a)

While integrating sustainable development into our operations, our risk and strategy approach prioritizes the issues most critical to our business. This analysis allows us to evaluate our overall risk exposure and aids in strategic decision-making, maximizing opportunities that emerge from challenges:

Related to Environment

Topic	Sub-Categories	Company Initiatives
Sustainable materials	<ul style="list-style-type: none"> Sustainable innovation & circular material alternatives Resource optimization along the value chain Product safety & stewardship Transparent and reliable communication 	<p>Archroma's product portfolio is its main direct impact on sustainable development. The design phase determines a product's environmental or social impacts during its life cycle. We therefore consider it crucial to take the entire life cycle into account during this phase. The notion of a circular economy is integrated into product development at a very early stage. Different components are analyzed to decide whether they are reusable or recyclable. It is essential for Archroma to have a precise understanding of customers' needs and to provide them with the right solution. Our two divisions can only have a positive impact on sustainability by working closely with their customers. Product and consumer safety is integral to product development; it is essential for preventing individuals from being harmed by hazardous substances or materials, particularly in the disassembly phase. It is vital for Archroma to comply with applicable laws (such as REACH) and ensure that all necessary declarations are in place, visible, and understandable for its customers.</p>
Climate & energy	<ul style="list-style-type: none"> GHG emissions Energy use in operations Renewable energy 	<p>Energy consumption is a major source of GHG emissions. Climate change is the biggest energy-related concern of many external stakeholders and regulators; and the international community is broadly committed to tackling the challenges it presents. Being a global industrial company makes it essential for Archroma to understand, manage and reduce the GHG emissions attributable to its operations as well as supply chain and customers' use of its products. Increasing renewable energy is an essential factor to reduce negative climate impacts. As part of our efforts, Archroma continuously increases the share of renewable energy purchased and self-generated.</p> <p>Archroma Pakistan recently took a big step towards sustainability by shifting to alternate renewable Solar energy solutions. The 1589.78 KW solar system will generate over 2.4 million kWh annually providing substantial clean energy to power our production sites distributing 875 KW at Jamshoro and 698 KW at Landhi respectively.</p>

Topic	Sub-Categories	Company Initiatives
		<p>The environmental impact of solar installation will prevent 1147.97 metric tons of carbon emissions annually that is equivalent to removing hundreds of cars from the road and contributing to cleaner air. The changeover from fossil fuel to solar energy will enhance Archroma's efforts to strengthen environmental upgrading. Our initiative can be termed as a catalyst for positive change within the chemical industry, ready to be emulated by corporate sector.</p>
Waste & circularity	<ul style="list-style-type: none"> • Circularity • Waste • Wastewater 	<p>Valuable natural resources and other inputs are essential for the manufacture of Archroma's products. Manufacture results in products, and also waste and wastewater. As part of our commitment to being a responsible industrial company, it is therefore important for us to continuously work to ensure that this waste is minimized and that circular approaches are implemented by each division wherever feasible. This applies to Archroma's use of resources and materials at its operations, its treatment of waste, and its efforts to reuse or recycle itself or to work with outside partners to find possible reuse and recycling options.</p>
Water & land	<ul style="list-style-type: none"> • Water stewardship • Environmental safety • Biodiversity 	<p>Water is used along the entire value chain, but is particularly high in some upstream processes. Sustainable water management (e.g. access to clean water) is an urgent societal issue that Archroma takes very seriously. Quality is always controlled before water is returned to source. Archroma is committed to protecting the environment and using natural resources carefully and efficiently.</p> <p>Our actions are guided by the precautionary principle, in which we actively work to identify and prevent any risks associated with our products or processes. To reduce its impact on the environment, Archroma is committed to finding opportunities to continuously improve its environmental management processes. When we develop products and solutions, we consider their environmental impact along the entire life cycle. Environmental aspects are therefore integrated into business decisions starting with the R&D phase.</p> <p>Biodiversity provides the existential basis for human beings to live on this planet. It is critical to maintaining the quality, resilience and quantity of the natural assets that both business and society rely upon. The potential impact of our activities on biodiversity in our various locations is important to us and other stakeholders such as NGOs and local communities. Therefore, we seek to understand, avoid and respond to any potential impacts our activities may have on biodiversity. We also look for opportunities across our operations to make a positive contribution to conservation. Nevertheless, Archroma adopts the precautionary principle. It therefore places a high priority on environmental management and ensures its compliance with all applicable laws and regulations.</p>

Related to Social

Topic	Sub-Categories	Company Initiatives
Health & safety	<ul style="list-style-type: none"> Occupational Safety Health and well-being at work Process safety and quality 	Occupational safety is of paramount importance to Archroma and many of its stakeholders. Caring about the people who work for Archroma (or on its premises) is integral to our corporate culture. We are therefore committed to fostering a robust safety culture and, more broadly, to providing a work environment that promotes its employees' overall well-being. Archroma and all its subsidiaries operate according to a global integrated management system based on following international standards: SN EN ISO 9001: 2015 Quality Management System, SN EN ISO 14001: 2015 Environmental Management System and SN EN ISO 45001: 2018 Occupational Health and Safety Management System. Our integrated Quality Management plays a critical role in our activities to prevent either the introduction of, or the production of, unwanted hazardous substances in our commercial products.
Fair and attractive employer	<ul style="list-style-type: none"> Fair labor practice Diversity, equity and inclusion Talent retention, attraction and engagement 	Archroma treats all employees equally, motivates them, enables them to achieve a healthy work-life balance, supports freedom of association, and provides training and development opportunities. A respectful and diverse work environment in which all employees feel included and affirmed regardless of their gender, nationality, ethnic origin, age, identity, or sexual orientation, is essential: Retaining diverse and skilled talent supports future business growth.
Corporate citizenship	<ul style="list-style-type: none"> Community engagement Local community impact 	Archroma is committed to having a positive impact on the communities where it operates. We are at the same time a global and a local citizen: Maintaining good relations with our neighbors and partnering with them to achieve common goals are of great importance to the Group. All Archroma sites are actively assessing the needs of their communities at local level and engaging with all stakeholders based on the topics that the local management teams have been made aware of. Community representatives are consulted, and programs are organized accordingly to create positive impacts for those communities.

Related to Governance

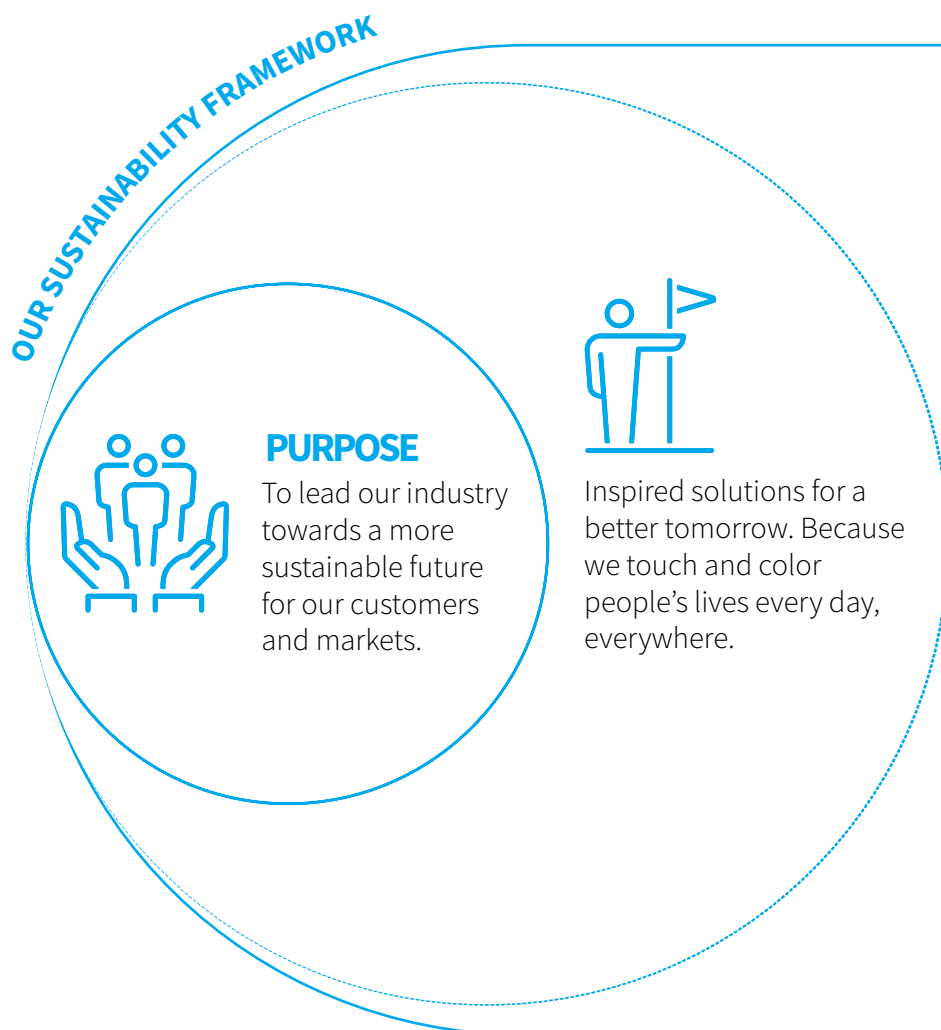
Topic	Sub-Categories	Company Initiatives
Business ethics & compliance	<ul style="list-style-type: none"> • Corporate governance • Responsible business practices, compliance and anti-corruption • Risk management • Data privacy and safety • Cybersecurity 	<p>Good corporate governance enables us to address the interests of all internal and external stakeholders. It ensures objective decision making, clear checks and balances, and legal and regulatory compliance. Risk and opportunity management is crucial for Archroma and its outside stakeholders to maintain business continuity in a rapidly changing environment and to systematically identify and manage, emerging and potentially disruptive developments. Although we do not collect sensitive customer data, we do store employees' personal data. Archroma handles all such data in full compliance with applicable data protection laws in the jurisdictions in which it operates. During ongoing digitalization, data availability, integrity, and security are crucial for our IT infrastructure and business systems.</p>
Sustainable supply chain	<ul style="list-style-type: none"> • Sustainable & transparent sourcing practices • Human rights & child labor 	<p>Archroma's supply chain could potentially be a source of adverse social and environmental impacts. We therefore have a responsibility to systematically manage our suppliers in order to minimize these risks. Respect for human rights and the prevention of human rights violations are integral to responsible supply chain management. As a basis for long-term partnerships with its suppliers, Archroma expects them to do their part to ensure the protection of human rights.</p>
Economic performance	<ul style="list-style-type: none"> • Sales development • Benefit plans • Tax transparency approach 	<p>Economic performance refers to our ability to operate in a profitable business model that also has a positive impact on people and the planet. Working hand-in-hand with our customers, we respond to changing consumer needs for products that support their sustainability expectations and demand for greater transparency. We feel that business can, and should, play its part to help address challenges such as the climate crisis, inequality and economic uncertainty. Strong economic growth allows us to focus on our people, making sure that everyone has the right skills and competences to grow and feel valued. We support the UN Sustainable Development Goals and focus our efforts on those goals to which we can contribute the most. Archroma recognizes that administration and payment of taxes forms an integral part of each company's responsibility to a functioning society. Our benefit plans are equally an essential component of our employee value proposition and a key driver of both individual and business performance.</p>

Our Sustainability Ambition

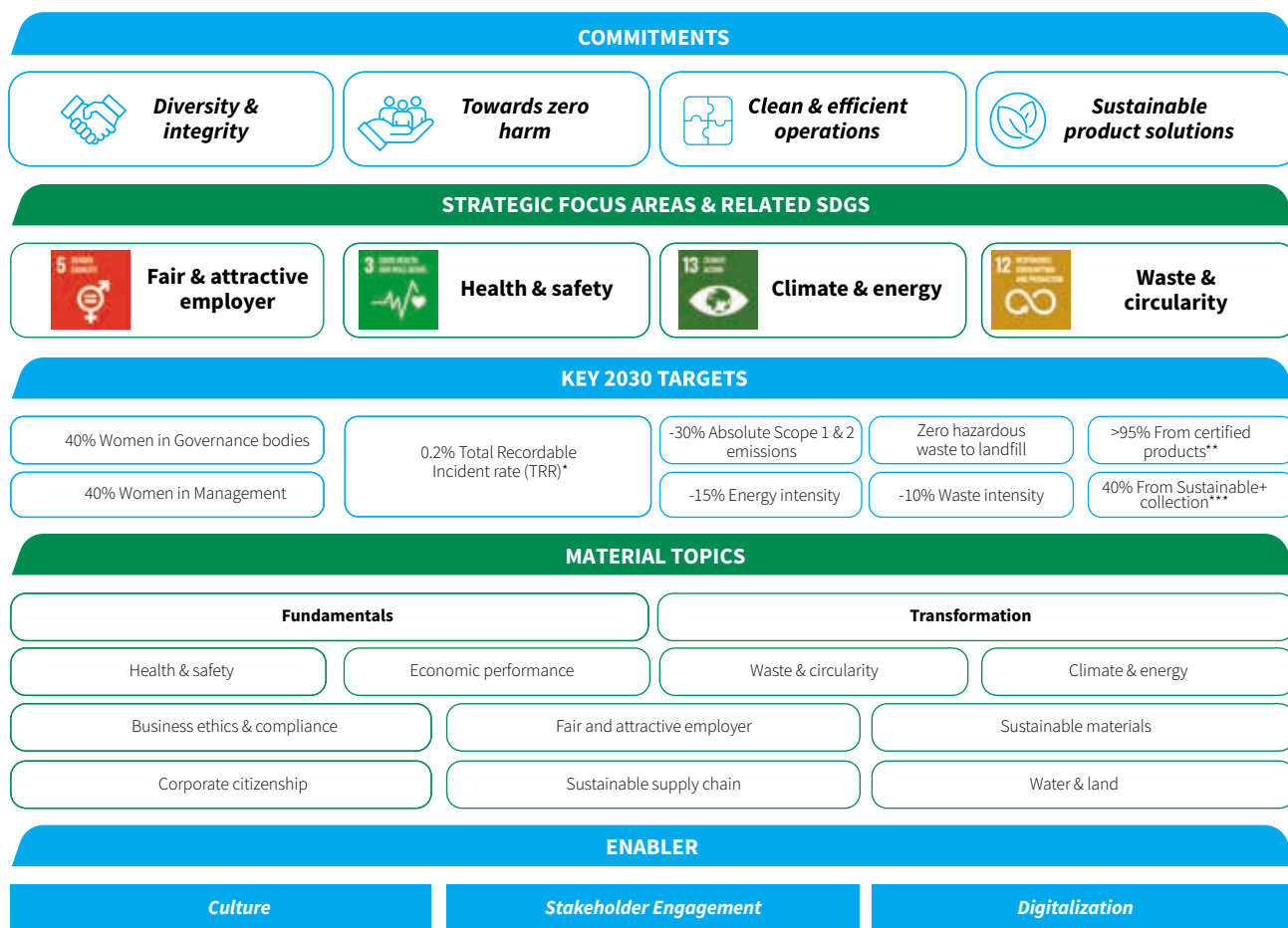
It is our strong believe that potential risks can be turned into opportunities by continuing our shift to a more sustainable product portfolio.

Our focus was to revise and strengthen our targets for each ESG pillar to increase our positive impact on society and the planet and deliver new sustainable solutions for our customers. As a result, we accomplished our goal to significantly enhance our sustainability framework in this reporting period. We have included the major ESG targets as well as our material topics alongside the three GRI pillars Environment, Social and Governance (ESG), and we integrated the previously identified key SDGs.

In addition, a comprehensive Sustainability target dashboard has been added with detailed information on all our ESG goals, including elements such as Key Performance Indicators (KPIs), baseline and status.



“Archroma is committed to lead the sustainability transformation of its industries. By constantly exchanging with our partners along the value chain on their needs and expectations we drive the proactive adaptation of our portfolio towards future market expectations.”



* Index based on 200,000 working hours by full time employees, part time employees and temporary employees

** Total sales %; C2C, Bluesign, GOTS, ZDHC compliance, Ecopassport

*** Sustainability+ criteria = cleaner chemistry, circularity, resource efficiency in use

Disclosure about four Pillar Core Content (Governance, Strategy, Risk Management, Metrics and Targets) (BCR 4.01b)

Corporate Governance

Through unwavering commitment to sustainability and business ecosystem, the Board plays an integral role in fostering a culture of sustainability and driving continuous improvement in ESG performance. This commitment involves embedding environmental, social, and governance (ESG) principles into the core of our business strategy and ensure robust governance practices.

The Board ensures that sustainability goals are clearly defined, monitored, and integrated into all aspects of operations, aligning with stakeholder expectations and the company's long-term vision for sustainable growth.

The strategic oversight of board ensures continuous development and advancement in technology to enable us to evolve in a responsible manner.

Sustainability Strategy

At Archroma Pakistan, our sustainability strategy is integral to our corporate vision and operations. We are committed to driving sustainable growth by integrating environmental, social, and governance (ESG) principles into our business strategy. Our approach ensures that we contribute positively to society and the environment while creating long term value for our stakeholders.

Our strategy to achieve sustainability goals primarily focuses on reduces our carbon footprint through innovative technologies and processes, enhance energy efficiency and increase the use of renewable energy sources, responsible water management, focus on waste reduction, foster a safe, diversify, and equitable workplace.

Risk Management

Our Robust Enterprise Risk Management (ERM) provides a framework to identify, assess and mitigate risk across the organization that could potentially impact the company's commitment to sustainability and long-term business success. This framework encompasses environmental, social, and governance (ESG) risks, alongside traditional financial, compliance and operational risks, ensuring a comprehensive approach to risk management.

This involves identifying all potential strategic, financial, compliance, operational and ESG-related risks based on regular risk assessment, industry benchmarking and stakeholder consultation. Each identified risk is evaluated and ranked based on its potential impact and the likelihood of occurrence.

Appropriate mitigation strategies tailored to reach identified risk are then developed to implement proactive solution to minimize the probability of occurrence of such risks. Regular updates on risk status and management activities are provided to the Board and relevant committees. Transparent communication of our ERM practices and performance is maintained through annual reports and other stakeholder engagements.

Metrics and Targets

Environment	
Green House Gas Emission	<ul style="list-style-type: none"> 9,942 tons of CO₂ released during the year 2025 936 tons of CO₂ emission prevented from releasing in the environment during FY 2025 from energy conservative initiatives
Energy Usage	<ul style="list-style-type: none"> 8,656 MWH of total energy consumed during the year 2025
Energy Mix	<ul style="list-style-type: none"> 100% of energy requirement is met from national grids.
Water Management	<ul style="list-style-type: none"> 392,478 M³/MWh water consumed during the year 2025 during different processes of power generation out of which 45% recycled water used for showering

Social	
Employee Turnover	<ul style="list-style-type: none"> 4 % is the year-over-year change for full-time employees during the year 2025
Gender Diversity	<ul style="list-style-type: none"> APL promotes an inclusive work environment by ensuring equitable representation at all levels within the organization.
Non-Discrimination	<ul style="list-style-type: none"> APL has established a defined code of conduct and a whistle-blower policy to address all employee grievances, including workplace harassment, and establish an environment to ensure inclusion and non-discrimination among employees at all levels. To eliminate discrimination APL is focused on employing persons with disabilities in-line with best practice
Global Health and Safety	<ul style="list-style-type: none"> APL is committed to maintaining a safe and healthy working environment by establishing and adhering to global health and safety policies and providing health and safety insurance coverage to all employees.
Employee Training and Succession Planning	<ul style="list-style-type: none"> APL aims to invest in employee professional development in this regard 98 trainings were conducted on various topics; attended by 3200 participants.

Governance	
Board Diversity	<ul style="list-style-type: none"> 71% of the board seats are occupied by men, while 29% are occupied by women.
Board Independence	<ul style="list-style-type: none"> 43% of the board seats are occupied by Independent Directors.
Ethics and Anti-Corruption	<ul style="list-style-type: none"> APL has a robust code of conduct to address all ethics and anti-corruption related issues.
Data Privacy	<ul style="list-style-type: none"> APL is committed to maintaining a safe and healthy working environment by establishing and adhering to global health and safety policies and providing health and safety insurance coverage to all employees.

Our Affiliations and Memberships

Archroma engages with relevant stakeholders in order to support and drive initiatives that are bringing concrete and ambitious solutions and innovations.

We feel that only through active positive participation will we be able to bring about measurable change.

Global Affiliations and Memberships



American Association of Textile Chemists and Colorists (AATCC) provides test methods, quality control materials, and education programs for textile and apparel professionals worldwide.



The bluesign® system partners are responsibly acting parties of the textile value chain. They are committed to applying the bluesign® system.



The Blue Angel has been the Ecolabel for German Federal Government for more than 45 years. It is an independent and credible label that sets stringent standards for environmental friendly products and services.



Cefic is a committed partner to EU policymakers, facilitating dialogue with industry and sharing our broad-based expertise.



The Global Standard for Resilient, Sustainable Supply Chains Trusted data, actionable Insight, continuous improvement.

Corporate Social Responsibility



The Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers Is the only Independent International association for colorant-producing companies. For 50 years, we have been successfully supporting colorant manufacturers who care for the quality and safety of their products.



EU Ecolabel - The official European Union voluntary label for environmental exercise.



Founder of SCTI (Sustainable Chemistry for the Textile Industry) aiming to drive transformational change in the textile and leather industries

Chemical companies unit to accelerate sustainability for the textile and leather Industries.



Society Dyers & Colorants (SDC)



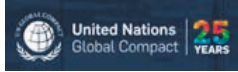
SPC Global - GreenBlue's mission is to accelerate the transition to a regenerative, just and sustainable materials economy



Member, Association of Manufacturers of Process and Performance Chemical: Association of producers of textile, paper, leather and fur auxiliaries and colorants, surfactants, complexing flocculants, cosmetic raw materials, pharmaceutical excipients and allied products.



Together for Sustainability (TfS), is a joint initiative of chemical companies that delivers the de facto global standard for environmental, social and governance performance of chemical supply chains.



A voluntary Initiative based on CEO commitments to Implement universal sustainability principles and to take steps to support UN goals. The ambition of the UN Global Compact Is to accelerate and scale the global collective Impact of business by upholding the Ten Principles and delivering the SDGs through accountable companies and ecosystems that enable change.



4evergreen Is proud to bring together members from across the entire packaging value chain. From paper and board producers to packaging converters, food and drink brand-owners and retailers, technology and material supplies, waste sorters and collectors, research organizations, technical universities and start-ups.



Signatory, International Council of Chemical Associations Responsible Care®
Contributor, Zero Discharge of Hazardous Chemicals (ZDHC) Foundation



The Nordic Swan Ecolabel Is an environmental labelling scheme certifying that a product or service complies with the requirements for the label.

Our Local Affiliations and Memberships

Archroma collaborates with local trade bodies and organizations that work to enhance business initiatives and improvements at macro level. It supports the initiatives taken by them driving through solutions and innovations. With these joint collaborations we align with the industry, stakeholders, and government to create a positive change.



Archroma is a public limited company in Pakistan. Stocks are traded at Pakistan Stock Exchange. Our share value is regarded with high credentials. We follow strict regulatory procedures of Security and Exchange Commission of Pakistan.



Employers Federation of Pakistan is the ace body of employers with over 1000 nationwide members. It facilitates the issues of Employers with the government and other partner organizations. Archroma is an active member since decades and is conferred with honors and awards on regular basis.



As the oldest and largest investment Chamber, Overseas Investors Chamber of Commerce & Industry (OICCI) serves as a platform to promote foreign investments thereby playing a major role in the growth of commerce and industry in the country. Archroma participates in various committees and forums of OICCI.



The Pakistan Business Council (PBC) is an advocacy forum established in 2005 to improve business environment. It works closely with relevant government departments, ministries, regulators and institutions, as well as other organizations and professional bodies. Archroma is an active member of PBC.



Swiss Business Council (SBC) was established in 2008, it is a partner of Switzerland Global Enterprise (S-GE) and has an alliance with the Swiss-Asian Chamber of Commerce (SACC) in Switzerland. Archroma is a member of SBC.



Management Association of Pakistan (MAP) is a well known forum of providing service to the industry. They organize nationwide management excellence awards of which Archroma is a regular recipient.



Archroma is amongst the first twenty founding members of Global Compact in Pakistan since December 2005. Global Compact has a local network which safeguards the implementation of its ten principles. Archroma has been a recipient of Sustainable Best Practices of Global Compact Awards.



Pakistan Chemical Manufacturers Association (PCMA) is trade body formed to cater to the needs of the chemical industry. It takes up matters related to import & export, liaison with government and other associations of the chemical industry worldwide.



Korangi Association of Trade & Industry (KATI) was established in 1970 to promote industrial harmony and bridge between public, private sectors and liaison with government. Korangi Industrial area covers over 10000 acres of land having over 5000 industrial, commercial, and service industries including two main oil refineries of the country.



Landhi Association of Trade & Industry (LATI) was established in 1967. It covers a huge industrial area wherein a number of textile mills, Export Processing Zone and Industrial Parks are situated.



Kotri Association of Trade and Industry (KATI) comprises membership of industry within Kotri area. Archroma is a member of KATI and our managers serve on its committees and board during different time intervals.



The Jamshoro Chamber of Commerce (JCCI) is a representative body of the business community in District Jamshoro. It aims to promote, encourage, and support business community. Its role as the spokesmen to voice the collective opinion, concern and aspirations of the private sector and offers helpful advice, assistance and accumulated experience of the business community to the Government.

Corporate Social Responsibility (BCR 4.05)

We are committed to operate and conduct all our business activities in an ethical and fair manner and in accordance with the principles of the United Nations Global Compact, Responsible Care®, and our Code of Conduct. Corporate Social Responsibility is an integral component of our philosophy. We develop talent, promote diversity, and invest in our employees' skills to enable superior business performance.

World Environment Day



Archroma actively celebrated World Environment Day on 5th June at Jamshoro site in collaboration with Sindh Environmental Protection Agency (SEPA) and District & Sessions Judge at Judicial Complex, Jamshoro. Director General of SEPA, was the Chief Guest. This year's theme focused on "Ecosystem restoration and prevention of plastic pollution" aligned with global theme and efforts to promote sustainable environmental practices.

Stakeholders from different walks of life participated in the event including representatives from civil society, local chambers of commerce, SEPA officials, legal community and environment activists. An interactive exchange of views took place on harmful impact of plastic pollution. Archroma distributed cloth bags as replacement of plastic bags to promote eco-friendly alternatives on individual responsibility towards environment protection.

Tree Plantation Drive was held within Judicial Complex, Jamshoro. Officials planted indigenous tree saplings symbolizing long term investment in local eco-system for climate resilience.

The event concluded with renewed commitments by all participating institutions to foster green practices and collaborative actions for a cleaner, healthier future.



World Day for Safety & Health at Work Celebrated at all Sites



The day commenced with activities related to Safety & Health at Jamshoro & Landhi sites, Archroma Centre of Excellence, Korangi and Lahore office. This year's theme was " Revolutionizing Health & Safety: the role of AI and digitalization at work". Employee teams actively participated in all events that included:

An awareness session was held through Teams Connect for all employees by an AI expert from Mehran University of Engineering & Technology, Jamshoro, Prof. Dr. Tariq Jamil Saifullah Khanzada on "The Future of Work, Automation, Big Data and AI for Worker Management". It highlighted transformative impact of technology on workplace and safety followed by awareness session on Behaviour Based Safety, Life Saving Rules and Personal Protection with demos and signature commitments.

A specially designed frame booth captured photographs of participants. It will serve as a memoir on theme "Safety First". Safety walk and interactive group discussions enabled the team to informally discuss issues related to Safety.



Archroma Internship Program is a Great Support to Students & Industry



The idea of passing on technical hands-on education to the students of textile engineering and chemistry was initiated in 1996. Our experts prepared a comprehensive training program of six weeks wherein theory & practice was combined with lectures and laboratory tests. The syllabus comprised of yarn analysis, methods of dyeing, fastness, multiple designs in dyeing and fabric consistency. During the course of years, more academic topics on new technology have been added. On completion of six weeks, tutorials and tests are given and the reward of successful completion is Archroma Certificate which carries a heavy weight to get employment in industry. To date around 8,400 students have participated in our Internship Program. Our Internship Program runs round-the-year and is very popular amongst the students. List of enrollment seekers is quite robust. Another feature of Internship Program relates to Diversity & Inclusion. Approximately 30% of Internees are females. Our interns are Textile Champions & Ambassadors. They continuously enhance standards of industry.

Corporate Social Responsibility

When Archroma came into existence, the need was felt that technicians from the textile industry also required updates on new systems. Hence, we designed tailor-made courses for different levels. Industry technicians now regularly visit our Training Lab and learn techniques in their respective fields. Our Fault Finding Lab solves problems faced by the technicians and when they return to their workplaces, it is easier for them to replicate the methodology shown enabling our industry to add value.



International Women's Day Celebrated



A lively interactive session was held at Korangi office on 10th March with female staff of Korangi & Landhi sites. We invited Dr. Shahida Sajjad, Vice Chancellor, Metropolitan University, Karachi to give insights on Time Management & Work Life Balance. The session concluded with cake cutting and gift hampers. Jamshoro site recognized their female staff as well in a ceremony showing appreciation on IWD.



Archroma Pakistan Holds Technical Training Session for Soorty Team



An engaging hands-on training session was held for the R&D team of Soorty Enterprises from 6-10 January at Archroma Centre of Excellence, Karachi. Key focus of training was based on "The Archroma Way" Systems for Garment Dyeing & Finishing. Participants were given a detailed overview in our Training labs followed by short tutorials and hands-on technical experimentation. Certificates of Appreciation were presented to the participants by Mr. Mujtaba Rahim. More collaborations are on the way towards this important industrial liaison.



Water Saving Sustainable Effluent Treatment (Set) Plant Enters Second Decade



Only some years ago, River Indus, parallel to Archroma's Jamshoro site, flowed with full force being a source of livelihood for millions. Indus was also a connecting route to many regions within Pakistan. In recent years, water got scarcer and more shrunk due to drought and excessive usage due to urbanization.

As good corporate citizen Jamshoro team decided to shoulder their responsibility to preserve water of River Indus. An innovative project on saving water based on Zero Discharge was designed. Sustainable Effluent Treatment (SET) with zero liquid discharge was inaugurated in December 2013. The plant is in full operation ever since and has entered its second decade and continues to recycle water for reuse water at maximum level.

SET plant is spread over an area of 25 acres consisting of flocculation, equalization, surface aeration, clarification, ultra-filtration and reverse osmosis to yield colourless water with a COD (Chemical Oxygen Demand) and TDS (Total Dissolvable Solids) of less than 75 ppm. Since the plant has zero liquid discharge, no water goes out of the circulation system.

The Jamshoro site is one of the largest textile chemical sites within Archroma. The plant conserves millions of litres of water every day. In 2014, the SET Plant won the prestigious Corporate Water Stewardship Award from the Global Water Intelligence in Paris. Archroma Pakistan has set a benchmark, and we continue with our commitment to save water passionately.



World Water Day



Jamshoro site observed World Water Day on 22nd March. The team collaborated with Sindh Environment Protection Agency, Liaquat University of Medical & Health Sciences, school students and civil society activists. Participants planted tree saplings near our site. Enthusiastic participants pledged to promote water conservation, speeding up efforts to reduce environment degradation and strengthening sustainable water management practices.



Jamshoro Site Observes Earth Hour



Earth Hour was observed at Jamshoro site on 22nd March. All non-essential lights were switched off from 8.30 pm to 9.30 pm. This symbolic gesture aligns Archroma with global and national commitment to encourage action against climate change and reducing carbon footprint.



Beach Cleaning & Awareness Drive at International Volunteers Day



Jamshoro site celebrated International Volunteers Day on 5th December 2024. Daylong activities were organized focused on Sustainable Development Goal # 3 - Good Health & Well-Being and Goal # 6 - Clean Water and Sanitation. The events brought together volunteers from Archroma, Liaquat University of Medical and Health Sciences (LUMHS), Government Primary School Jamshoro and Sindh Environmental Protection Agency (SEPA).

The day commenced with tree plantation at the banks of Indus River, Jamshoro Barrage where volunteers planted tree saplings to contribute to greener environment. It was followed by a massive clean-up exercise at the banks of Indus River. Volunteers collected sizeable quantities of plastic garbage and leftovers, highlighting the importance and their share of preserving natural resources. Students from Government Primary School Jamshoro, led by their Headmaster showed great motivation and enthusiasm for environment conservation. Regional Head of SEPA, along with his team, was also present to show support for the initiative.

An awareness seminar was also organized focusing on the two SDGs. Dr. Gulzar Usman, Professor of Community Medicine, LUMHS gave a presentation on how good health, clean water and sanitation plays a significant role in a community in particular and society in general.

International Volunteer Day is a pledge towards the power of volunteerism and community spirit. Archroma takes pride in partnering with such dedicated organizations and individuals to promote SDGs #3 and #6 and shall continue efforts towards a more sustainable future. The events were a big success, wherein all participants demonstrated their reassurance to create positive impact on the environment and community.



Health Initiative - Dengue Spray at Jamshoro Site



In the wake of Dengue fever outburst during the winter season our EHS team took the initiative to organize a massive spray campaign in collaboration with Town Committee at Jamshoro plant. The spray arrangement was also extended to surrounding communities, schools and the nearby SOS village. Awareness campaign was also held to advise the community regarding elimination of stagnant water, maintaining hygiene & cleanliness, fumigation, prevention & protection measures and treatment of Dengue fever.



Tree Plantation at Sites



Archroma being associated with Sustainable Neighbourhood at Responsible Care® ensures that our sites are green with attractive landscape. Regular tree plantation campaigns are internally organized during spring and monsoon seasons.

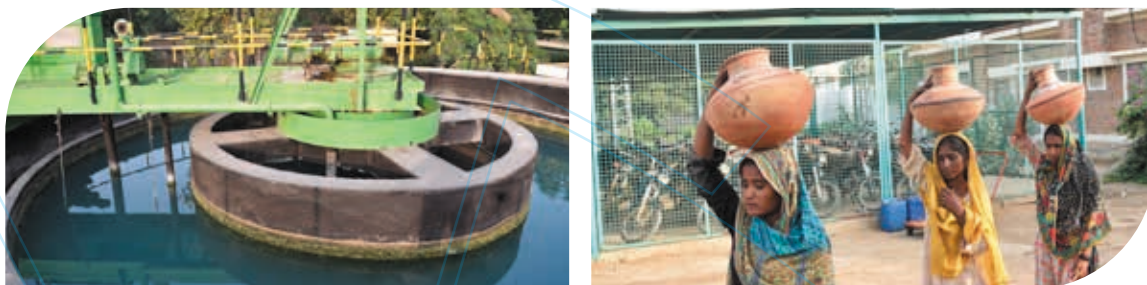
More than 60% of Jamshoro site and 40% of Landhi site have open green spaces with tree, fruits, vegetable and flower plantation. More recently we are growing wheat on four acres on regular basis at Jamshoro.



Distribution of Water



As a good corporate citizen, Archroma is proud to assist local communities in the vicinity of Jamshoro. We support and foster their dire need by providing free of cost water.



Blood Donation Camp



A Blood Donation Camp was organized at Landhi site on 17th February for Indus Hospital Blood Bank. Enthusiastic team of Archroma employees lined up to donate blood for patients who need blood transfusions. An Awareness Session was also held wherein experts from Indus Hospital lectured on the importance of blood donation.

Lecture on Environment Protection



Sindh Environment Protection Agency (SEPA), Jamshoro invited our Head of SHE, Mr. Abdul Salam as Guest Speaker on 24th June at SEPA office. The lecture was attended by SEPA interns. Mr. Abdul Salam spoke on present environment scenario and improvement through best environmental practices. SEPA appreciated Archroma's initiatives, highlighting our commitment towards environment protection and occupational safety.

NOVACRON® S

NOVACRON® S dyes are the ultimate solution for achieving deep and extremely deep shades with uncompromising quality. Designed for exhaust, pad batch, and continuous applications, our expertly crafted reactive dyes enable mills to achieve superior color intensity and unsurpassed fixation rates for long-lasting deep shades. Meet the strictest standards of top brands and retailers without compromising on performance with NOVACRON® S dyes.



A close-up photograph of several hands of different skin tones clasped together in a circle, symbolizing teamwork, collaboration, and unity. The hands are positioned in the center of the frame, with some wearing dark blue business suits and others in lighter-colored clothing. The background is blurred, showing what appears to be an office environment with papers and a desk. The overall tone is professional and positive.

Stakeholders Relationship and Engagement

Shareholders Engagement Policy (BCR 10.01)

The Company regularly engages with shareholders through various disclosures during the year. The purpose is to provide shareholders and other parties with equal and simultaneous information about matters that may influence the share price of the Company. The Company communicates with all of its investors through meetings such as the general meetings of the shareholders, annual and interim reports, regular disclosures of information. Furthermore, the Company makes available Annual and Quarterly Reports, etc. as required by Companies Act, 2017, and other applicable laws on the Company's website for the information of its members and also transmitted electronically to the SECP and PSX.

Our Stake holders

The management of the Company take pleasure in identifying and assessing the needs of all the stakeholders of the Company. Our stakeholders are all the people and corporations impacted by our business processes. Our stakeholders include



Stakeholders Engagement Process (BCR 10.02)

Engagement with Regulators

- Relationship with SECP and PSX are managed as per applicable corporate laws/rules/regulations/ notifications, notably the Companies Act 2017, Listed Companies (Code of Corporate Governance) Regulations 2019, Listing Regulations of PSX, and the Memorandum and Articles of Association of the Company.
- Annual and Quarterly Accounts of the Company are filed with the Registrar of the Companies and SECP and are also circulated to PSX.
- Material Information pertaining to the Company's operations is circulated to the PSX and SECP as and when need arises.
- The Company also participates in trainings and awareness seminars arranged by PSX and SECP from time to time.

Engagement with Shareholders

- Relationships with the shareholders are managed in line with the provisions of the Shareholders and Participation Agreement, applicable corporate laws/rules/ regulations/notifications, notably the Companies Act 2017, Listed Companies (Code of Corporate Governance) Regulations 2019, Listing Regulations of PSX, and the Memorandum and Articles of Association of the Company. Annual and Quarterly Financial Statements of the Company are placed on the Company's Website while Annual Audited Financial Statements are also provided to the Shareholders in physical form, if demanded.
- Besides their right to appoint directors to oversee affairs of the Company, the Shareholders are invited to all the shareholders meetings (AGMs, EOGMs) and are encouraged to present their viewpoint on important matters.
- There is an Investor Relations Section on the Company's website which contains important Investor specific information as well as an Online Complaint Form for investors.
- The Board has approved an Investor Relations & Communication Policy which contains the mechanism for handling shareholders complaints and queries.
- Minority investors can also lodge their complaints and submit their queries directly to the Shares Department using conventional mail, email or phone.
- Material Information pertaining to the Company's operations is circulated to PSX, SECP and the Shareholders as and when need arises.

Engagement with Institutional Investors

Investor's trust and honour is acknowledged at Archroma through a steady return on investment. As a listed entity, A transparent relationship is rigorously enforced with all stakeholders. We maintain discussion with investors to communicate our strategy and performance in order to promote investor confidence. We strive to do so by holding successfully engaging corporate Briefing Sessions and holding General Meetings.

Suppliers

We work with numerous suppliers, large and small, who provide goods and services that support us in delivering high-quality, products for our consumers.

Customers & Distributors

Our customers are mostly corporate entities in dedicated sectors of Textiles, Packaging and Construction. Our interaction with these customers is B2B in nature. The Company maintains constant contact with all its customers through periodic meetings, official correspondences, and personal visits. Archroma segments its suppliers, and then employs an appropriate interaction model for each segment to maintain a collaborative working relationship with them. The Company treats its suppliers as strategic business partners for sustainable (reliable, ethical, cost effective) sourcing.

Employees

As a modern employer, we want to make sure that everyone is empowered to be themselves, feel good and keep growing at Archroma. We believe this will help us to attract, retain and motivate the very best people to support our business now and in the future. We involve and listen to employees to help us maintain strong employee engagement and retain talented people. We conduct regular employee surveys, so we can act on employees feedback.

Banks and Other Lenders

Company negotiates on an on-going basis the rates, lending purposes, short term financing, deposits and investments. Banks are also consulted on issues linked with letters of credit, payments to suppliers, and any disbursement of operational nature.

Media

Different communication mediums are used on need basis to apprise the general public about new developments, activities and philanthropic initiatives of Archroma.

Local Community and General Public

In addition to local communities near plant sites, Archroma engages with general public at large through its CSR Department. It helps to identify needed interventions in the field of education, health and general economic uplift of the society. Archroma has also aligned its interventions with the UN's Sustainable Development Goals.

Encouraging Minority Shareholders to Attend General Meetings (BCR 10.03)

The Company encourages attendance and participation of all its shareholders, including minority shareholders, to attend its general meetings and complies with all the regulatory requirements necessary to facilitate them to do so. Each shareholder is important to the Company irrespective of the holding and voting power. We value our investors, their concerns and grievances (if any). At the Annual and Extraordinary General Meetings we ensure a two-way communication with the shareholders particularly the minority shareholders. To encourage the minority shareholders to attend the general meeting, the Company informs them to attend the meeting through video conferencing. The shareholders, irrespective of their holding can attend the general meeting, if they register themselves with the Company within the prescribed time, before the date of general meeting. Apart from this, following steps are taken to encourage our minority shareholders to attend the general meetings:

- Notice of the meeting and email is sent to all the shareholders at least 21 days before the meeting.
- Notices are published in the English and Urdu newspapers having country-wide circulation.
- Notice of Meeting with the printed proxy forms are circulated to every shareholder. The proxy forms enables them to nominate someone to attend the meeting on their behalf.
- Notices are posted on the Company's website and disseminated to PSX for better reach to the shareholders.
- We encourage and appreciate two-way communication in the general meetings, in this way we listen to our shareholders views and concerns.



Investors' Relation Section on Website (BCR 10.04)

Archroma website provides a comprehensive collection of information and data relating to investors, including various announcements, quarterly, half-yearly, annual reports, and investors' relations. The Company's current information for investors is available on its website under the section "Investors Information" on the Company's website <http://www.archroma.com.pk> to enable access to the Company's stakeholders. This page is updated frequently to provide all investors and stakeholders open, accurate and up-to-date information. Complying with the laws and regulations, all details are made available on the Archroma website.

Corporate Briefing Session (CBS) (BCR 10.06)

The Board values the importance of building a strong relationship with shareholders and investors. During the year under review, our corporate briefing sessions were focused on improving investors' understanding of the Company's strategy, operations, and performance.

Corporate briefings are interactive sessions between the Management of the Company and the investors' community which gives the Management an opportunity to inform them about the Company's operational and financial performance, the competitive business environment in which the Company operates, investment decisions, challenges, and business outlook.

As per the requirement of the Pakistan Stock Exchange, it is mandatory for all listed companies to hold at least one Corporate Briefing Session (CBS) for shareholders and analysts during a financial year.

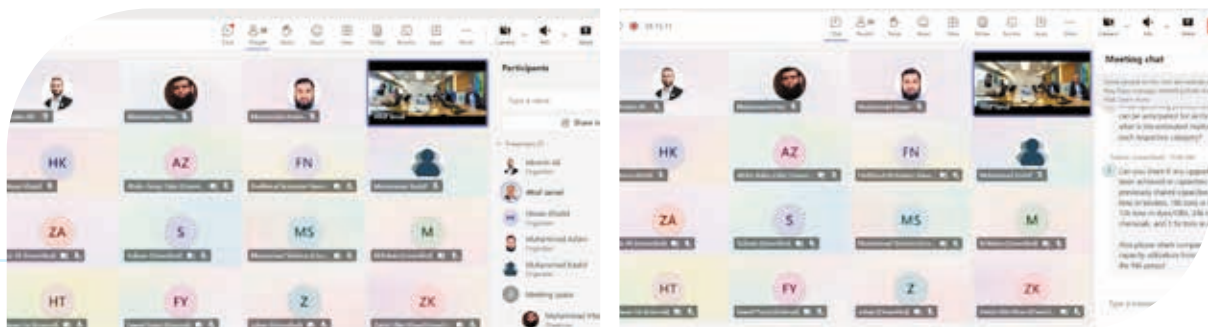
Archroma Pakistan Limited had one Corporate Briefing Session during the year under review:

Period

Year ended 30 September 2024
Nine months ended 30 June 2025

Date

26 December 2024
28 August 2025



CEO's Video Message on Website (BCR 6.09)

CEO's message has been uploaded on the Company's website at www.archroma.com.pk



CEO Video Link:

<https://archroma.com.pk/-ceo-message-3/>

Reaching out to Shareholders for Delivery of Unclaimed Dividends/ Shares

Pursuant to Section 244 of Companies Act 2017, the Company is vigorously reaching out to its shareholders to deliver unclaimed shares/dividends that have been pending with the Company since inception. During the period under review company sent notices to shareholders and publicized advertisements in newspapers asking them to claim dividend / shares without any lapse of time.

Market Disclosures

Through timely announcements and disclosures, the Company fully informed to Pakistan Stock Exchange Limited thus providing investors and stakeholders equal and timely access to material information.

Insider Information Registers

In compliance with the regulatory requirements, the Company ensures that it maintains Insider Information Register, which is updated on a regular basis.

Investor Relations Contact

Mr. Irfan Lakhani
Company Secretary
Telephone: (+9221) 111-275-786
Fax: (+9221) 35032337
E-mail: muhammad.irfan@archroma.com

Web Reference

The Company maintains a functional website. Annual, Half-yearly and Quarterly reports are regularly posted at the Company's website <http://www.archroma.com.pk>

ARKOFIL EWB / ARKOFIL 1012

Arkofil EWB/Arkofil 1012 serve as essential additives in detergent formulations. They are copolymers derived from Acrylic Acid. Polymeric Dispersing Agents are highly effective in preventing incrustation and scale formation. This stems from its capability to effectively disperse suspended solids. Arkofil EWB/Arkofil 1012 enhance detergency performance, effectively addressing the challenges posed by phosphate-free formulations. They prevent crust formation and redeposition while enhancing cleaning performance. They are effectively utilized as dispersing and chelating agents in water treatment processes, efficiently managing calcium and magnesium levels.



A man in a dark suit and glasses stands with his back to the camera on a rooftop. He is looking out over a city skyline under a clear blue sky. The image is framed by large, curved, white geometric shapes that create a modern, architectural feel. The man's arms are slightly out to his sides, resting on the rooftop edge.

Future Outlook

Future Outlook

Forward Looking Statement (BCR 9.01)

The global business and trade environment has become increasingly complex following the imposition of country-specific import tariffs by USA, which also affected trade, logistics and consequentially the raw materials' supply chain and availability for the Company. Although the balance of trade and forex reserves' situation in Pakistan has considerably improved, it is expected to remain under pressure in the coming months due to evolving Global Trade environment and Pakistan's short-term fiscal commitments. However, we believe that the recent US tariff changes, may bring more opportunities for Pakistan's Textiles and other export businesses in the medium to long term, compared to other competing countries.

The Management of your Company is confident that the stringent measures already in place for operational adaptability, cost efficiency and net working capital management, along with a strong projects' pipeline aimed at increasing market penetration and portfolio expansion, particularly supporting new business development and initiatives, going forward into the new financial year.

Responding to Challenges and Uncertainties

The Company has a robust Business Continuity Plan in place to ensure that any adverse or unforeseen events cause minimum disruption. The Company has also developed a sound mechanism for identification of risks and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company. The Company intends to keep pace with the changing business environment to meet the demand of our customers, thus ensuring growth and sustainability. The Board will continue to improve oversight and governance of all aspects of the business.

Complete detail of Company's risk profiling has been discussed in detail under "Risk and Opportunities" section.

Company Performance against forward looking disclosures made last year (BCR 9.02)

The Company made good progress on optimizing performance, streamlining costs, and capitalizing on our significant growth opportunities. The Company recorded a gross profit of Rs 6,607 million, which is an 47% increase from the previous year. The net profit was also an impressive 1,177 million as compared to loss of PKR 546 million last year. The continued growth and profitability of the Company are a reflection of its prudent strategy.

The increase in costs of utilities and hike in raw materials prices was passed on or controlled through efficiency improvement projects. During the year company further explored opportunities by diversifying into new products and markets.

External Environment (BCR 9.04)

The external environment comprises of political, economic, socio cultural, technological, legal and environmental (PESTEL) factors which are beyond the control of the Company and can affect operations, decisions, strategies, processes and performance of the business. The Company conducts PESTLE analysis that describes a framework of macro-environmental factors such as inflation, political instability, obsolescence of production facilities, applicable laws and regulations for environmental stability. The external environment plays a critical role in shaping the future of our business.

The Company closely monitors regulatory changes that may have adverse impact on the Company's operations. The Company also gives special emphasis on the adoption of the latest technology to enhance its operations to safeguard against the technical obsolescence of production facilities.

To keep the business ahead the management continuously adjusts its strategies to reflect the environment of the Company.

Future Plans for AI Adoption (BCR 9.03)

We acknowledge the transformative potential of Artificial Intelligence (AI) in enhancing production efficiency, quality control, and predictive maintenance. We are actively evaluating AI-based solutions for the relevant area where we can incorporate the AI based solutions.

Source of Information and Assumptions Used for Forecasting (BCR 9.05)

The future projections and forecasts are made by making certain assumptions, keeping in mind the macroeconomic conditions, historical trends, and prospective developments, as well as other factors that might impact the chemical industry. The external information, such as macroeconomic factors, market dynamics, etc. is obtained through various publications, forums, and relevant representatives of each business attend important conferences / seminars around the world to stay abreast with emerging trends.

On the other hand, internal information is obtained through a collaborative effort of various departments with in your company. The management carries out a corporate planning activity to forecast future revenues and trends for the company while considering the market dynamics, demand/ supply situation, seasonal variations, and international prices. To make future projections, the management makes use of their best judgment and estimates. Such projections are then reviewed and agreed upon amongst the Executive Management Team of the Company for review and approval by the Board of Directors.

While our future strategy is based on historical market trends and data-driven forecasts, we recognize that market conditions remain dynamic and subjected to unexpected fluctuations. As a result, actual outcomes may differ from our projections.

LEUCOTINT BLACK HC-07 / LEUCOTINT GREEN H-ECO G

The Archroma team in its effort to support the personal care industry is now offering a wider range of pigments for both personal and home care applications. These innovative products offer a reliable, tested, and compliant pigment solution not only meeting customer's needs for ensuring precise shade accuracy but also maintaining necessary compliance requirements for consumers as per the global industry standards.



A woman with blonde hair and glasses, wearing a brown blazer, is shown in profile, interacting with a futuristic digital interface. She is holding a tablet in her left hand and pointing at a large, glowing blue padlock icon on the screen with her right index finger. The interface is dark with various glowing blue and green elements, including circular gauges, a world map, and a bar chart. The scene is dimly lit, with a desk lamp providing light on the desk surface. The overall aesthetic is high-tech and professional.

Disclosures on IT Governance and Cybersecurity

Disclosures on it Governance and Cybersecurity

Information Technology (IT) Governance and Cybersecurity.

Archroma have in place a wide range of solutions, process and procedures ensuring that we have best in class security protection in place to protect our employees and our data.

Information Technology Governance and Cybersecurity Programs (BCR 8.02)

Our Information Security Management System is based on ISO 27001 Standards, having Information Security and other related policies in place, available in Archroma management system. Our approach to information security is holistic, foundational in Archroma Digital Roadmap and integrated in company processes to ensure all IT / digital initiatives are assessed from an architecture and information security perspective.

Our information security team follows a proactive risk management approach to determine suitable strategies and tactics to protect the confidentiality, integrity and availability of Archroma information assets.

As an integral part of IT corporate governance, the Information Security team reports to Archroma CIO.

Multi-Factor Authentication (MFA)

MFA is a security feature that requires individuals to verify their identity using two or more authentication methods before granting access to a system or application. This additional layer of security offers numerous benefits that directly impact our company's safety and resilience.

Cybersecurity and Board's Risk Oversight (BCR 8.03)

Cybersecurity threats have become a cause of concern globally owing to high-profile data breaches in recent years leading to many corporate crises. Cybersecurity and cyber risks have become a corporate governance issue for boards.

The management regularly apprises the Board on overall performance / evaluation of Information Security in the Company.

Disaster Recovery Plan (BCR 8.06)

Archroma Pakistan Limited has fully tested DRP in place for the continuity of the Business and takes the following areas into consideration:

- IBM iSeries – AS400 - Application Server
- Organizational ERP System – BPCS

A backup AS400 Server is installed at Landhi Site for this purpose and the data is replicated daily to keep the Server updated and available in case of disaster. DR Drills also performed once in a year to ensure the effectiveness.

The Company has an updated Disaster Recovery plan in place for the continuity of Company's business and operations in case of any extra ordinary circumstances. The comprehensive plan is designed to ensure the protection of company's IT operations and assets along with regular archival and system-backups at remote sites. The Disaster Recovery Plan is regularly tested to ensure the readiness of the IT systems in case of any disaster.

The key highlights and actions of Archromas' Disaster Recovery Plan are as follows:

- The Management has put in place-adequate systems of IT Security, real-time data backup, Off-site storage of data back-up, establishment of disaster recovery facility (alternate Data Centre), identification of primary and secondary sites and identification of critical persons for disaster recovery.
- The development of the plan has been done keeping in view the on-going business needs and the environment it is operating in.
- A company-wide and detailed Process Documentation Activity has been done whereby all the processes are mapped and serve as an SOP / Work Instructions for all practices.
- Employees are imparted multi-skill training which helps in the continuity of business activities.
- To ensure protection of employees and assets, fire alarm systems are installed in the premises of all the offices. Moreover, adequate systems are in place for extinguishing fire.
- The Company ensures backup of all the assets whether physical or virtual; the physical assets are backed by insurance, whereas back-up of virtual assets and data is created on a routine basis.

Advancement in Digital Transformation (BCR 8.07)

Our core infrastructure has been upgraded in the first phase of Archroma Digital Roadmap, including Cloud migration for all data center services into Microsoft Azure and full network transformation implemented at all Archroma sites. Both projects providing much higher standards of security, management and control.

Archroma have moved to Zero trust network access, including remote access. Zscaler has been replaced by Netskope client in Archroma. "a lightweight application that steers traffic from end-user devices to the Netskope Security Cloud for security enforcement". Users are never actually placed on the Archroma network and internet security controls are in place.

Training and Awareness (BCR 8.08)

Mandatory security training released to all employees. Internal phishing campaigns established as recurrent process to improve and measure Archroma Phishing-prone rate, with latest indicator of 2.4% which remains lower than industry benchmark of 7.6%.

Phish Alert Button implemented in email client to enable users to quickly and accurately report new phishing emails, with great success and adoption.

MOWILITH WP

Mowilith WP is our range of waterproofing solutions designed to enhance lives by providing reliable protection for concrete structures. These products are specifically designed for constructors, builders, and homeowners who value quality, durability, and ease of use.

Powered by Archroma's proven chemistry, Mowilith WP waterproofing solutions keeps concrete watertight and resilient, built to withstand the toughest conditions and stop water in its tracks.



2025



Performance and Position

Horizontal Analysis (BCR 6.03)

Statement of Financial Position

	2025 Rs in mio	25 V/s 24 %age	2024 Rs in mio	2023 Rs in mio	2022 Rs in mio	2021 Rs in mio	2020 Rs in mio
ASSETS							
Non - current assets							
Property, plant and equipment	2,524.1	8.0	2,338.1	1,901.9	1,929.5	1,865.0	1,976.8
Long term deposits and prepayments	13.2	-	13.2	13.2	12.7	16.6	6.1
Deferred taxation - net	-	(100.0)	294.7	-	-	-	15.5
Employee benefit	27.9	100.0	-	56.1	25.0	75.8	-
	<u>2,565.1</u>	<u>(3.1)</u>	<u>2,646.1</u>	<u>1,971.2</u>	<u>1,967.2</u>	<u>1,957.4</u>	<u>1,998.4</u>
Current assets							
Stores and spares	93.7	20.0	78.1	71.5	60.6	62.6	53.6
Stock-in-trade	4,511.2	(4.2)	4,709.3	6,756.1	3,986.0	2,652.7	3,089.9
Trade receivables	5,700.5	14.5	4,978.0	9,312.9	4,826.6	3,769.7	2,788.2
Advances	14.1	7.7	13.1	11.4	1.4	2.9	0.7
Trade deposits and short-term prepayments	82.2	(2.1)	84.0	146.6	101.0	39.2	24.4
Other receivables	101.0	(27.4)	139.2	25.0	28.8	29.1	24.6
Sales Tax	1,216.3	(11.1)	1,368.9	1,836.3	1,328.0	1,328.0	1,378.0
Taxation - net	458.2	260.3	127.2	-	-	-	225.2
Short Term Investment	-	-	-	-	-	601.0	-
Cash and cash equivalents	985.2	517.6	159.5	315.4	96.0	1,267.9	269.2
	<u>13,162.5</u>	<u>12.9</u>	<u>11,657.2</u>	<u>18,475.1</u>	<u>10,428.3</u>	<u>9,753.0</u>	<u>7,853.8</u>
TOTAL ASSETS	<u>15,727.7</u>	<u>9.9</u>	<u>14,303.2</u>	<u>20,446.4</u>	<u>12,395.5</u>	<u>11,710.3</u>	<u>9,852.3</u>
EQUITY AND LIABILITIES							
Share capital and reserves							
Authorised capital							
63,000,000 ordinary shares of Rs. 10 each	630.0	-	630.0	500.0	500.0	500.0	500.0
Share capital							
Issued, subscribed and paid-up capital	345.6	-	345.6	341.2	341.2	341.2	341.2
Capital reserve							
Amalgamation reserve	93.5	-	93.5	-	-	-	-
Revenue Reserves							
General reserve	2,747.0	-	2,747.0	2,747.0	2,434.0	3,138.0	3,238.0
Unappropriated profit	1,223.8	106.9	591.4	1,246.0	996.6	2,368.4	924.7
	<u>3,970.8</u>	<u>18.9</u>	<u>3,338.4</u>	<u>3,993.0</u>	<u>3,430.6</u>	<u>5,506.4</u>	<u>4,162.7</u>
	<u>4,410.0</u>	<u>16.7</u>	<u>3,777.6</u>	<u>4,334.1</u>	<u>3,771.8</u>	<u>5,847.6</u>	<u>4,503.9</u>
LIABILITIES							
Non - current liabilities							
Deferred taxation - net	158.3	100.0	-	70.5	58.9	52.2	-
Employee benefit obligations	18.8	(90.6)	200.3	10.4	11.2	12.5	341.1
Long term loan - secured	-	-	-	-	-	44.4	209.8
Lease liabilities	151.6	27.9	118.5	118.9	104.7	104.3	95.7
Liabilities against diminishing musharika financing	243.7	71.8	141.8	140.4	115.3	59.0	94.1
	<u>572.4</u>	<u>24.3</u>	<u>460.6</u>	<u>340.2</u>	<u>290.1</u>	<u>272.5</u>	<u>740.7</u>
Current liabilities							
Trade and other payables	7,113.7	22.9	5,787.9	10,349.2	5,750.4	3,772.4	2,173.5
Unclaimed dividend	85.8	24.6	68.8	90.9	88.4	72.1	67.5
Unpaid dividend	18.6	(13.4)	21.4	511.8	-	-	-
Mark-up accrued	56.8	(65.5)	164.6	167.4	24.2	3.6	17.9
Short-term borrowings - Secured	3,325.9	(15.6)	3,938.6	4,370.6	1,977.5	1,475.6	2,143.0
Current portion of long term loan - Secured	-	-	-	-	42.6	177.5	148.2
Current portion of lease liabilities	49.3	104.2	24.1	23.6	20.1	16.6	21.5
Current portion of liabilities against diminishing musharika finance	95.3	59.9	59.6	50.4	49.0	38.8	36.0
Taxation - net	-	-	-	208.2	381.4	33.6	-
	<u>10,745.4</u>	<u>6.8</u>	<u>10,065.0</u>	<u>15,772.1</u>	<u>8,333.6</u>	<u>5,590.3</u>	<u>4,607.7</u>
	<u>11,317.8</u>	<u>7.5</u>	<u>10,525.7</u>	<u>16,112.2</u>	<u>8,623.7</u>	<u>5,862.8</u>	<u>5,348.4</u>
TOTAL EQUITY AND LIABILITIES	<u>15,727.7</u>	<u>10.0</u>	<u>14,303.2</u>	<u>20,446.4</u>	<u>12,395.5</u>	<u>11,710.3</u>	<u>9,852.3</u>

Horizontal Analysis (BCR 6.03)

Statement of Profit and Loss

	2025 Rs in mio	25 V/s 24 %age	2024 Rs in mio	2023 Rs in mio	2022 Rs in mio	2021 Rs in mio	2020 Rs in mio
Sales	32,183.6	12.8	28,533.4	34,900.1	29,430.1	23,561.0	17,893.7
Trade discounts and rebates	902.1	9.1	827.0	1,043.7	924.2	923.6	746.8
Sales tax	3,874.8	32.1	2,933.2	3,843.6	3,351.8	2,765.2	2,107.8
	4,776.9	27.0	3,760.2	4,887.3	4,276.0	3,688.8	2,854.7
Sales - Net	27,406.6	10.6	24,773.1	30,012.7	25,154.0	19,872.2	15,038.9
Cost of sales	20,799.2	2.6	20,271.6	22,544.9	17,933.5	13,692.9	10,834.2
Gross profit	6,607.4	46.8	4,501.5	7,467.7	7,220.4	6,179.3	4,204.7
Distribution and marketing expenses	3,315.2	11.2	2,982.6	3,065.2	2,594.3	1,973.3	1,569.5
Administrative expenses	999.5	8.0	925.3	767.6	627.3	583.7	560.0
Impairment (Reversal) /loss on trade receivables	8.8	(80.2)	44.9	(5.9)	(16.7)	(28.0)	13.1
Other operating expenses	117.3	1,037.1	10.3	180.6	244.0	247.0	112.0
	4,440.9	12.1	3,963.2	4,007.5	3,449.0	2,776.1	2,254.9
Operating Profit	2,166.4	302.5	538.2	3,460.2	3,771.4	3,403.1	1,949.8
Other income	224.0	29.3	173.2	43.0	58.9	57.9	25.9
	2,390.5	236.0	711.5	3,503.2	3,830.4	3,461.0	1,975.7
Finance costs	450.0	(63.2)	1,224.3	1,262.2	693.0	271.6	439.2
Profit / (Loss) before minimum, final and income taxes	1,940.4	478.4	(512.7)	2,240.9	3,137.3	3,189.3	1,536.4
Minimum and final taxes charge	(13.9)	(95.3)	(298.6)	(72.0)	-	-	-
Profit / (loss) before income tax	1,926.5	337.4	(811.4)	2,169	3,137.3	3,189.3	1,536.4
Income Tax (charge) / reversal	(749.5)	382.9	265.0	(924.5)	1,252.3	880.0	367.2
Profit / (loss) for the year	1,176.96	315.4	(546.4)	1,244.3	1,885.0	2,309.3	1,169.2

Vertical Analysis (BCR 6.03)

Statement of Financial Position

	2025 Rs in mio	25 V/s 24 %age	2024 Rs in mio	2023 Rs in mio	2022 Rs in mio	2021 Rs in mio	2020 Rs in mio
ASSETS							
Non - current assets							
Property, plant and equipment	2,524.1	16.0	2,338.1	1,901.9	1,929.5	1,865.0	1,976.8
Long term deposits and prepayments	13.2	0.1	13.2	13.2	12.7	16.6	6.1
Employee benefits	27.8	0.2	-	56.1	25.0	75.8	-
Deferred taxation - net	-	-	294.7	-	-	-	15.5
	2,565.3	16.3	2,646.1	1,971.2	1,967.2	1,957.4	1,998.4
Current assets							
Stores and spares	93.7	0.6	78.1	71.5	60.6	62.6	53.6
Stock-in-trade	4,511.2	28.7	4,709.3	6,756.1	3,986.0	2,652.7	3,089.9
Trade receivables	5,700.5	36.2	4,978.0	9,312.9	4,826.6	3,769.7	2,788.2
Advances	14.1	0.1	13.1	11.4	1.4	2.9	0.7
Trade deposits and short-term prepayments	82.2	0.5	84.0	146.6	101.0	39.2	24.4
Other receivables	101.0	0.6	139.2	25.0	28.8	29.1	24.6
Sales Tax	1,216.3	7.7	1,368.9	1,836.3	1,328.0	1,328.0	1,378.0
Taxation - net	458.2	2.9	127.2	-	-	-	225.2
Short term Investment	-	-	-	-	-	601.0	-
Cash and cash equivalents	985.2	6.3	159.5	315.4	96.0	1,267.9	269.2
	13,162.5	83.7	11,657.2	18,475.1	10,428.3	9,753.0	7,853.8
TOTAL ASSETS	15,727.7	100.0	14,303.2	20,446.4	12,395.5	11,710.3	9,852.3
EQUITY AND LIABILITIES							
Share capital and reserves							
Authorised capital							
63,000,000 ordinary shares of Rs. 10 each	630.0	4.0	630.0	500.0	500.0	500.0	500.0
Share capital							
Issued, subscribed and paid-up capital	345.6	2.2	345.6	341.2	341.2	341.2	341.2
Capital reserve - amalgamation reserve	93.5	0.6	93.5				
Revenue Reserves							
General reserve	2,747.0	17.5	2,747.0	2,747.0	2,434.0	3,138.0	3,238.0
Unappropriated profit	1,223.8	7.8	591.4	1,246.0	996.6	2,368.4	924.7
	3,970.8	25.2	3,338.4	3,993.0	3,430.6	5,506.4	4,162.7
	4,410.0	28.0	3,777.6	4,334.1	3,771.8	5,847.6	4,503.9
LIABILITIES							
Non - current liabilities							
Deferred taxation - net	158.3	1.0	-	70.5	58.9	52.2	
Employee benefits obligations	18.8	0.1	200.3	10.4	11.2	12.5	341.1
Long term loan - secured	-	-	-	-	-	44.4	209.8
Lease liabilities	151.6	1.0	118.5	118.9	104.7	104.3	95.7
Liabilities against diminishing musharika finance	243.7	1.5	141.8	140.4	115.3	59.0	94.1
	572.4	3.6	460.6	340.2	290.1	272.5	740.7
Current liabilities							
Trade and other payables	7,113.7	45.2	5,787.9	10,349.2	5,750.4	3,772.4	2,173.5
Unclaimed dividend	85.8	0.5	68.8	90.9	88.4	72.1	67.5
Unpaid dividend	18.5	0.1	21.4	511.8	-	-	-
Taxation - net	-	-	-	208.2	381.4	33.6	-
Mark-up accrued	56.8	0.4	164.6	167.4	24.2	3.6	17.9
Short-term borrowings - secured	3,325.9	21.1	3,938.6	4,370.6	1,977.5	1,475.6	2,143.0
Current portion of long term loan - secured	-	-	-	-	42.6	177.5	148.2
Current portion of lease liabilities	49.3	0.3	24.1	23.6	20.1	16.6	21.5
Current portion of liabilities against diminishing musharika finance	95.3	0.6	59.6	50.4	49.0	38.8	36.0
	10,745.4	68.3	10,065.0	15,772.1	8,333.6	5,590.3	4,607.7
	11,317.8	72.0	10,525.7	16,112.2	8,623.7	5,862.8	5,348.4
TOTAL EQUITY AND LIABILITIES	15,727.7	100.0	14,303.2	20,446.4	12,395.5	11,710.3	9,852.3

Vertical Analysis (BCR 6.03)

Statement of Profit and Loss

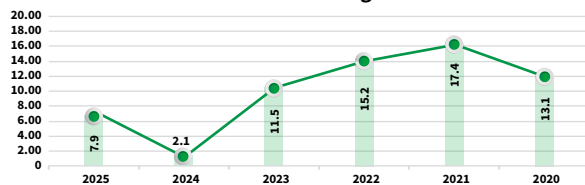
	2025 Rs in mio	25 V/s 24 %age	2024 Rs in mio	2023 Rs in mio	2022 Rs in mio	2021 Rs in mio	2020 Rs in mio
Sales	32,183.6	100.0	28,533.4	34,900.1	29,430.1	23,561.1	17,893.7
Trade discounts and rebates	902.1	2.8	827.1	1,043.7	924.3	923.6	746.9
Sales tax	3,874.8	12.0	2,933.2	3,843.7	3,351.8	2,765.2	2,107.9
	4,776.9	14.8	3,760.3	4,887.4	4,276.1	3,688.8	2,854.8
Sales - Net	27,406.7	85.2	24,773.1	30,012.7	25,154.0	19,872.2	15,038.9
Cost of sales	20,799.2	64.6	20,271.6	22,545.0	17,933.6	13,692.9	10,834.2
Gross profit	6,607.4	20.5	4,501.5	7,467.8	7,220.5	6,179.3	4,204.7
Distribution and marketing expenses	3,315.2	10.3	2,982.6	3,065.2	2,594.4	1,973.4	1,569.6
Administrative expenses	999.6	3.1	925.4	767.6	627.4	583.8	560.1
Impairment (Reversal)/loss on trade receivables	8.9	0.0	45.0	(5.9)	(16.7)	(28.0)	13.2
Other operating expenses	117.3	0.4	10.3	180.7	244.0	247.0	112.1
	4,441.0	13.8	3,963.3	4,007.6	3,449.1	2,776.2	2,254.9
Operating Profit	2,166.5	6.7	538.2	3,460.2	3,771.4	3,403.1	1,949.8
Other income	224.1	0.7	173.3	43.0	59.0	57.9	25.9
	2,390.5	7.4	711.5	3,503.3	3,830.4	3,461.0	1,975.7
Finance costs	450.0	1.4	1,224.3	1,262.3	693.0	271.7	439.2
Profit / (Loss) before minimum, final and income taxes	1,940.5	6.0	(512.8)	2,241.0	3,137.4	3,189.4	1,536.5
Minimum and final taxes charge	13.9	0.0	(298.7)	(72.0)	-	-	-
Profit / (loss) before income tax	1,926.5	6.0	(811.4)	2,169.0	3,137.4	3,189.4	1,536.5
Income Tax (charge) / reversal	749.6	2.3	(265.0)	(924.6)	1,252.3	880.0	367.2
Profit / (loss) for the year	1,177.0	3.7	(546.5)	1,244.4	1,885.1	2,309.4	1,169.3

Performance Indicators (BCR 6.02)

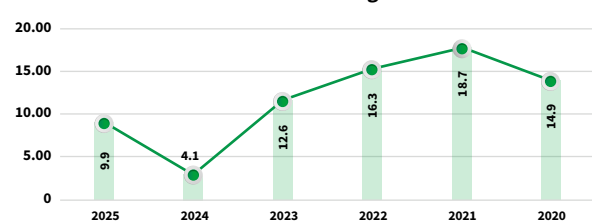
		2025	2024	2023	2022	2021	2020
Profitability Ratios							
Net profit / profit to net sales	%	4.2	(2.2)	4.1	7.4	11.6	7.7
Operating profit to net sales	%	7.9	2.1	11.5	15.2	17.4	13.1
EBITDA margin to net sales	%	9.9	4.1	12.6	16.3	18.7	14.9
Return on equity	%	26.6	(14.4)	28.7	49.9	39.4	25.9
Liquidity Ratios							
Current ratio	Times	1.2	1.1	1.1	1.2	1.7	1.7
Quick Ratio	Times	0.8	0.6	0.7	0.7	1.2	1.0
Cash to current liabilities	Times	0.0	0.0	0.0	0.0	0.2	0.0
Activity / Turnover Ratios							
Cash conversion cycle	Days	75.0	92.0	86.0	69.0	75.0	131.0
Days sales outstanding / debtor days	Days	76.0	73.0	113.0	70.0	69.0	68.0
Days inventory outstanding	Days	79.0	85.0	109.0	81.0	71.0	104.0
Days payable outstanding	Days	80.0	66.0	137.0	83.0	65.0	41.0
Debtor turnover	Times	4.8.0	4.9	3.2	5.2	5.2	5.39.0
Total assets turnover	Times	1.7.0	1.7	1.4	2.0	1.7	1.53.0
Fixed assets turnover	Times	10.8	10.6	15.7	13.0	10.6	7.61.0
Investment / Market Ratios							
Earnings / (loss) per share	Rupees	34.0	(15.8)	36.4	55.2	67.6	34.2
Price earnings - on the basis of profit / (loss) earning per share	Times	13.6	(18.2)	12.0	9.8	9.2	16.5
Price to book ratio	Times	3.6	2.6	3.4	4.9	3.6	4.3
Dividend yield	%	6.4	0.0	0.0	8.2	14.4	5.2
Dividend payout ratio	%	88.1	0.0	0.0	81.4	133.2	87.5
Dividend per share	Rupees	30.0	0.0	0.0	45.0	90.0	30.0
Market value per share:							
Year end	Rupees	464.0	288.0	440.0	544.0	625.0	567.0
Highest during the year	Rupees	535.0	560.0	579.0	664.0	650.0	699.0
Lowest during the year	Rupees	256.0	280.0	410.0	510.0	518.0	456.0
Capital Structure Ratios							
Mark-up Cover Ratio	Times	8.0	0.4	5.6	23.9	35.5	8.4

Profitability Ratios

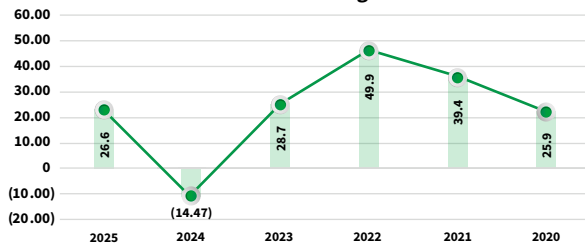
Operating profit to net sales
Percentage



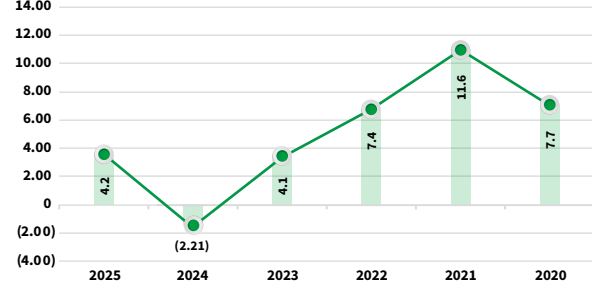
EBITDA margin to net sales
Percentage



Return on equity
Percentage

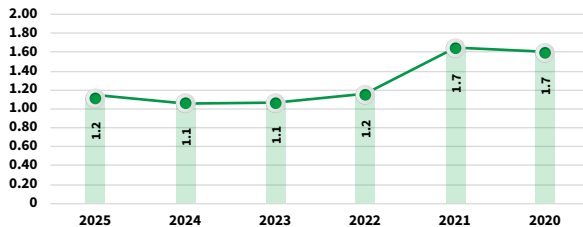


Net profit to net sales
Percentage

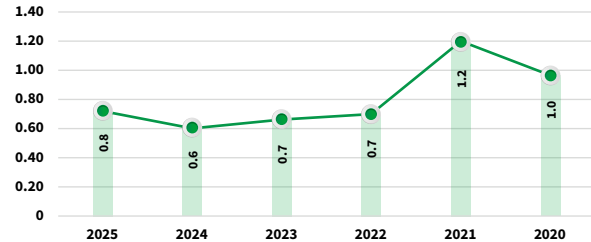


Liquidity Ratios

Current Ratio
Times

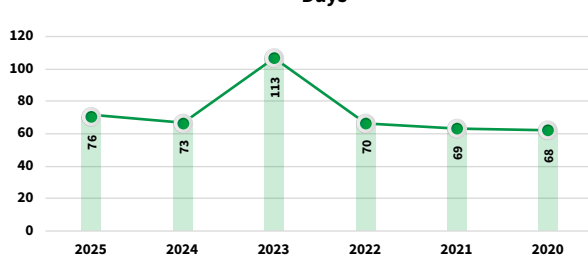


Quick Ratio
Times

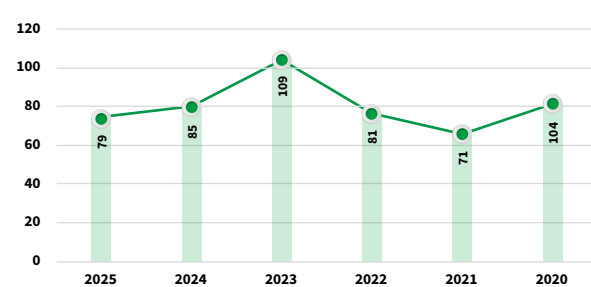


Activity Ratios

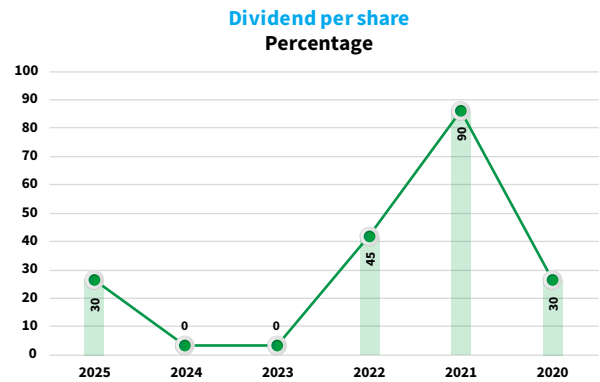
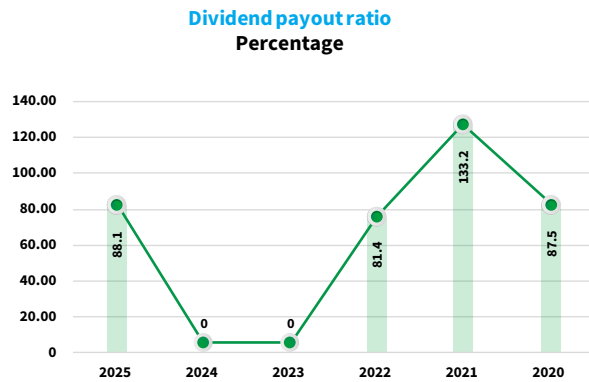
Days sales outstanding
Days



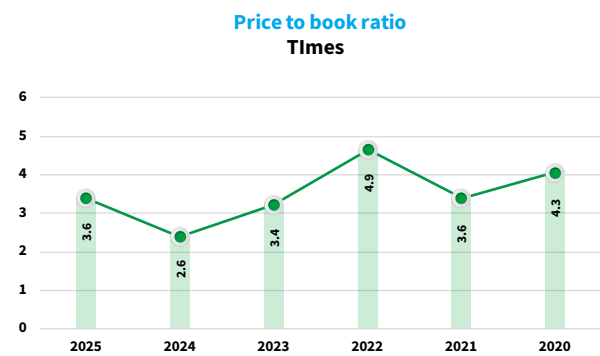
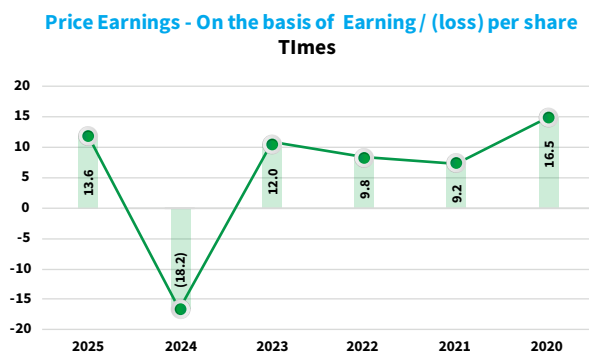
Days inventory outstanding
Days



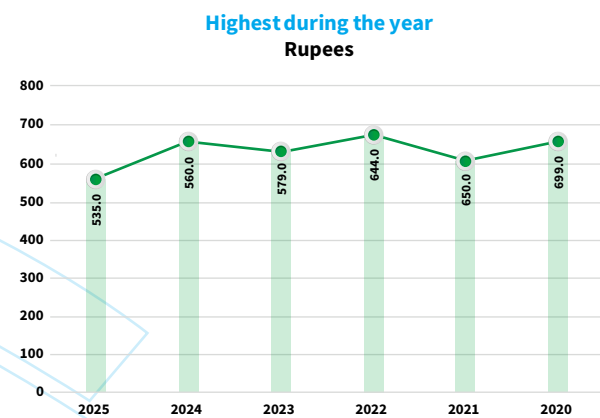
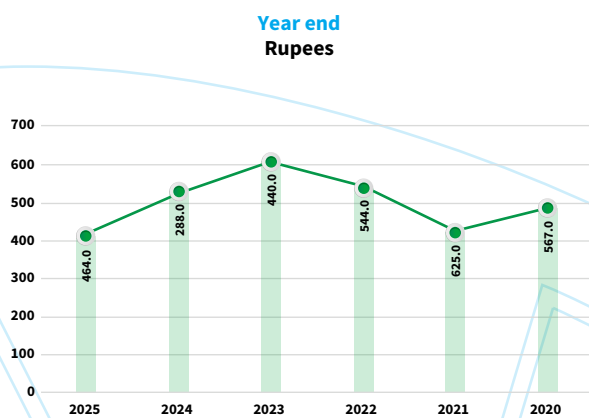
Dividend



Investment / Market Ratios



Market value per share:

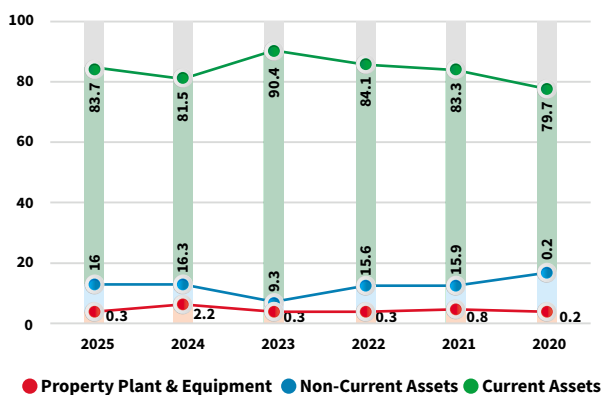


Six Years Analysis

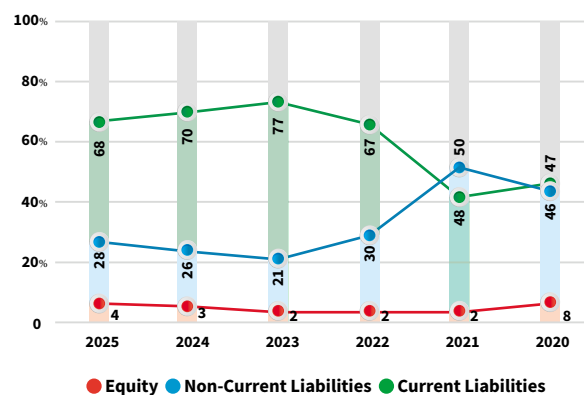
Statement of Financial Position and Profit or Loss

	2025 RS in mio	2024 RS in mio	2023 RS in mio	2022 RS in mio	2021 RS in mio	2020 RS in mio
Property plant & equipment	2,524,103	2,338,149	1,901,906	1,929,532	1,865,030	1,976,820
Other assets	41,182	307,911	69,326	37,659	92,356	21,598
Current assets	13,162,455	11,657,170	18,475,145	10,428,314	9,752,958	7,853,837
Total assets employed	15,727,740	14,303,230	20,446,377	12,395,505	11,710,344	9,852,255
Share capital	345,633	345,633	341,179	341,179	341,179	341,179
Revenue reserves and unappropriated profit	4,064,345	3,431,934	3,992,951	3,430,630	5,506,412	4,162,681
Bank borrowings	3,325,939	3,938,588	4,370,646	2,020,124	1,697,510	2,501,054
Other liabilities	7,991,823	6,587,075	11,741,601	6,603,572	4,165,243	2,847,341
Total funds employed	15,727,740	14,303,230	20,446,377	12,395,505	11,710,344	9,852,255
Net sales	27,406,657	24,773,123	30,012,733	25,154,026	19,872,237	15,038,941
Profit / (loss) before minimum, final and income taxes	1,940,473	(512,778)	2,240,984	3,137,384	3,189,391	1,536,493
Profit / (loss) for the year	1,176,961	(546,452)	1,244,382	1,885,066	230,366	1,169,266
Cash dividend %	300	-	-	450	900	300
Earning / (loss) per share	34.05	(15.81)	36.47	55.25	67.69	34.27
Break-up value per share	127.59	109.29	127.03	110.55	171.39	132.00

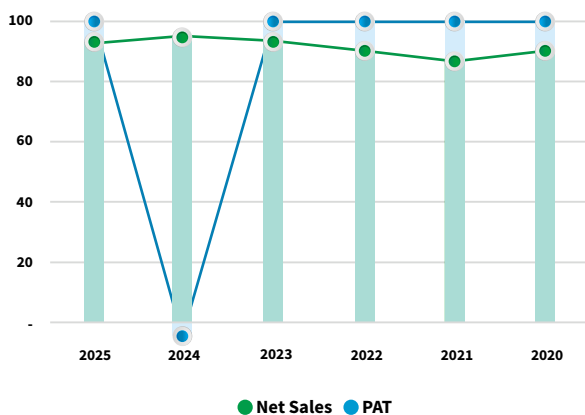
Financial Position Analysis - Assets



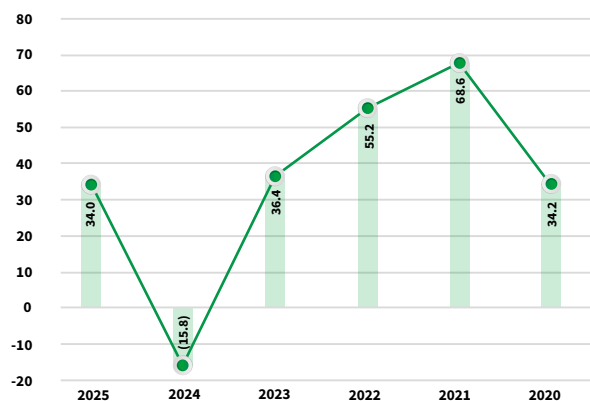
Financial Position Analysis - Equity & Liabilities



Profit or Loss Analysis - Income over Sales



EPS



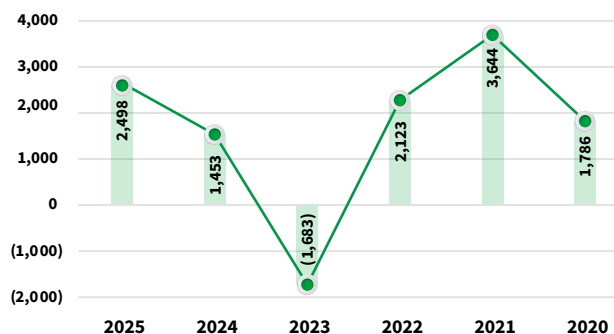
Six Years Analysis

Summary of Cash Flow

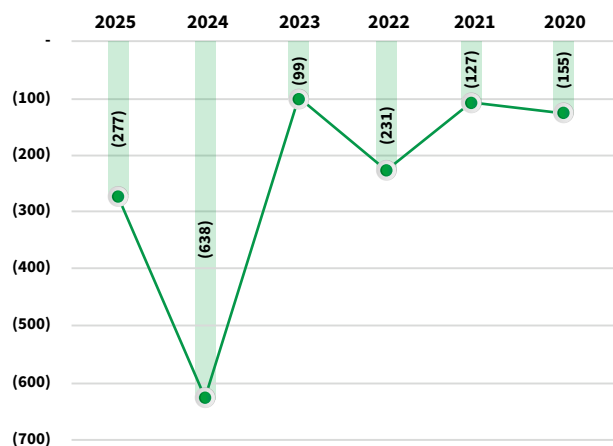
	2025	2024	2023	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit / (loss) before minimum, final and income taxes	1,940,473	(512,778)	2,240,984	3,137,384	3,189,391	1,536,493
Adjustments for non-cash charges and other items:						
Depreciation	334,618	310,867	295,619	285,721	270,991	277,972
Impairment charge / (reversal) on trade receivables	8,893	44,984	(5,942)	(16,716)	(28,021)	13,183
Loss / (gain) on disposal of operating property, plant and equipment	(9,438)	(230)	(167)	(215)	658	52
Provision for staff gratuity	79,386	21,498	26,587	29,552	54,212	19,325
Other long term benefit	7,461	7,071	2,360	5,871	(1,819)	9,178
Interest / mark-up expense	298,169	1,230,344	613,856	159,463	94,890	226,240
Grant Income	-	-	-	(5,644)	(14,409)	-
Working capital changes	976,484	2,168,476	(3,222,716)	(453,495)	1,102,195	567,533
Cash generated from operations	3,636,046	3,270,232	(49,419)	3,141,921	4,668,088	2,649,976
Staff gratuity paid	(51,957)	(37,332)	(57,282)	(28,933)	(377,664)	(73,053)
Other long term employee benefits paid	(3,810)	(2,327)	(3,110)	(7,233)	(3,341)	(1,283)
Mark-up paid	(347,394)	(1,166,179)	(414,039)	(102,118)	(61,734)	(270,748)
Income tax paid	(735,338)	(611,577)	(1,158,360)	(884,972)	(571,314)	(519,578)
Movement in long term loans	-	-	-	-	-	107
Movement in long term deposits and prepayments	-	-	(550)	3,949	(10,505)	1,069
Net cash generated from operating activities	2,497,547	1,452,817	(1,682,760)	2,122,614	3,643,530	1,786,490
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditure	(310,008)	(645,479)	(113,688)	(240,779)	(158,244)	(162,349)
Proceeds from disposal of property, plant and equipment	32,945	7,711	14,318	9,526	30,922	7,646
Net cash used in investing activities	(277,063)	(637,768)	(99,370)	(231,253)	(127,322)	(154,703)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments against lease liabilities	(24,913)	(23,641)	(32,121)	(11,967)	(23,320)	(31,873)
Payments against diminishing musharika financing - net	(80,037)	(140,878)	(148,800)	(73,268)	(60,318)	24,819
Long term loans - proceeds	-	-	(42,633)	(173,627)	(146,520)	356,324
Short-term borrowings - proceeds	1,357,486	2,500,000	923,381	773,007	2,678,222	2,022,246
Short-term borrowings - repayments	(1,781,486)	(1,540,471)	(164,221)	(325,478)	(3,433,996)	(2,080,973)
Dividend paid	(677,207)	(512,349)	(168,126)	(3,907,223)	(1,018,975)	(1,533,755)
Net cash (used) in / generated from financing activities	(1,206,157)	282,661	367,480	(3,718,556)	(2,004,907)	(1,243,212)
Net increase / (decrease) in cash and cash equivalents	1,014,327	1,097,710	1,414,650	(1,827,195)	1,511,301	388,575
Cash and cash equivalents due to amalgamation	-	138,030	-	-	-	-
Cash and cash equivalents at beginning of the year	(384,619)	(1,620,359)	(205,709)	1,621,486	110,185	(278,390)
Cash and cash equivalents at end of the year	629,708	(384,619)	(1,620,359)	(205,709)	1,621,486	110,185

Graphical Presentation of Cash Flow

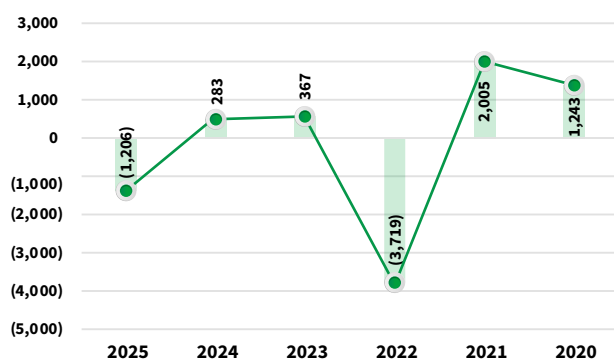
Net cash generated from / used in operating activities



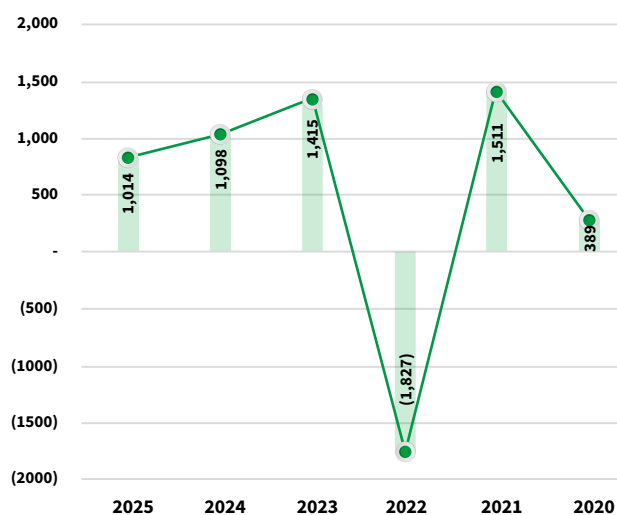
Net cash used in Investing activities



Net cash (used) in / generated from financing activities



Net increase / (decrease) in cash and cash equivalents



PURE INDIGO

For designers and brand owners who long for authentic indigo inspiration, the new Denisol® Pure Indigo 30 liq now also makes it possible to produce indigo-dyed denim without high levels aniline impurities. Archroma's new aniline-free* indigo dye, Denisol® Pure Indigo 30 liq, reduces risk when producing the traditional, iconic indigo blue that consumers associate with denim and jeans.

*Below limits of detection according to industry standard test methods



A photograph of a business meeting. A person in a blue shirt stands and points at a document on a table. Two other people are seated at the table, one holding a pen and the other pointing at the document. The document contains various charts and graphs, including a bar chart and a pie chart. A coffee cup is visible on the table. The image is framed by a white diagonal shape on the left and bottom.

Financial Statements



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REPORT

To the members of Archroma Pakistan Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Archroma Pakistan Limited** (the Company), which comprise the statement of financial position as at **30 September 2025**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 September 2025** and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Following are the Key audit matters:

S No.	Key audit matters	How the matters were addressed in our audit
1.	<p>Revenue recognition</p> <p>Refer notes 3.10 and 23 to the Company's financial statements.</p> <p>The Company's revenue for the year ended 30 September 2025 was Rs. 27.41 billion</p> <p>Revenue is recognized when control of the underlying product has been transferred to the customer.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential inherent risk that revenue transactions may not be recognized in the appropriate period.</p>	<p>Our audit procedures in relation to recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none">• obtained an understanding through walkthrough over the Company's revenue recognition process;• assessed the appropriateness of the Company's accounting policies for revenue recognition including its compliance with applicable accounting standards;• obtained an understanding of the nature of the revenue contracts entered and tested a sample of sales contracts to understand and assessed the appropriateness of management's application of applicable accounting standard's requirements;• obtained invoices and related documents, on sample basis, for selected revenue transactions recorded during the current year to assess whether the related revenue was recognized in accordance with the requirements of applicable accounting standard; and• tested on sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period.

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S No.	Key audit matters	How the matters were addressed in our audit
2.	<p>Valuation of Stock-in-trade</p> <p>Refer notes 3.4 and 6 to the Company's financial statements.</p> <p>The Company's stock-in-trade as at 30 September 2025 was Rs. 4.51 billion.</p> <p>Stock-in-trade forms a significant part of the Company's total assets. Stock-in-trade comprise of raw material, packing material, work in process and finished goods which are stated at lower of cost and estimated net realizable value.</p> <p>We identified the valuation of stock-in-trade as a key audit matter as it directly affects the profitability of the Company and determining an appropriate write-down as a result of net realizable value (NRV) being lower than their cost and provisions for obsolete and slow moving stock-in-trade involves significant management judgment and estimation.</p>	<p>Our audit procedures in relation to valuation of stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none"> obtained an understanding through walkthrough over the Company's process of valuation of stock-in-trade including identification of slow moving and obsolete stock-in-trade and estimation of NRV; assessed that valuation of stock-in-trade has been appropriately done at lower of cost and net realizable value by developing an independent expectation using the recent sales prices and executed purchase orders for future sales, if any; and tested the accuracy of provision for slow moving and obsolete stock-in-trade with the help of aging report and underlying documentation.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

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with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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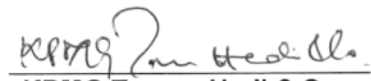
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Amyr Malik**.

Date: 1 November 2025

Karachi

UDIN: AR202510096nCS2YdwJU


KPMG Taseer Hadi & Co.
Chartered Accountants

Financial Statements

Statement of Financial Position

As at 30 September 2025

	Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,524,103	2,338,149
Long term deposits and prepayments		13,205	13,205
Deferred taxation - net	14	-	294,706
Employee benefits	15	27,977	-
		<u>2,565,285</u>	<u>2,646,060</u>
Current assets			
Stores and spares	5	93,689	78,093
Stock-in-trade	6	4,511,178	4,709,255
Trade receivables	7	5,700,521	4,977,952
Advances	8	14,086	13,075
Trade deposits and short-term prepayments	9	82,193	83,979
Other receivables	10	101,045	139,165
Sales tax	11	1,216,330	1,368,937
Taxation - net	32.4	458,206	127,184
Cash and cash equivalents	12	985,207	159,529
		<u>13,162,455</u>	<u>11,657,169</u>
		<u>15,727,740</u>	<u>14,303,229</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
63,000,000 (September 30, 2024: 63,000,000) ordinary shares of Rs.10 each	13.1	<u>630,000</u>	<u>630,000</u>
Issued, subscribed and paid-up share capital			
34,563,341 (September 30, 2024: 34,563,341) ordinary shares of Rs.10 each	13.2	<u>345,633</u>	<u>345,633</u>
Capital reserve			
Amalgamation reserve		<u>93,545</u>	<u>93,545</u>
Revenue reserves			
General reserve		<u>2,747,000</u>	<u>2,747,000</u>
Unappropriated profit		<u>1,223,800</u>	<u>591,389</u>
		<u>3,970,800</u>	<u>3,338,389</u>
		<u>4,409,978</u>	<u>3,777,567</u>
TOTAL EQUITY			
LIABILITIES			
Non-current liabilities			
Deferred taxation - net	14	<u>158,292</u>	<u>-</u>
Employee benefit obligations	15	<u>18,809</u>	<u>200,271</u>
Lease liabilities	16	<u>151,599</u>	<u>118,509</u>
Liabilities against diminishing musharika financing	17	<u>243,698</u>	<u>141,834</u>
		<u>572,398</u>	<u>460,614</u>
Current liabilities			
Trade and other payables	18	<u>7,113,651</u>	<u>5,787,855</u>
Unclaimed dividend		<u>85,794</u>	<u>68,860</u>
Unpaid dividend	19	<u>18,579</u>	<u>21,453</u>
Mark-up accrued	20	<u>56,847</u>	<u>164,577</u>
Short-term borrowings - secured	21	<u>3,325,939</u>	<u>3,938,588</u>
Current portion of lease liabilities	16	<u>49,267</u>	<u>24,130</u>
Current portion of liabilities against diminishing musharika financing	17	<u>95,287</u>	<u>59,585</u>
		<u>10,745,364</u>	<u>10,065,048</u>
		<u>11,317,762</u>	<u>10,525,662</u>
		<u>15,727,740</u>	<u>14,303,229</u>
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES			
Contingencies and commitments			
	22		

The annexed notes, from 1 to 44 form an integral part of these financial statements.



Irfan Chawla
Chief Executive Officer



Naveed Kamil
Director



Altaf Jamal Khan
Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income


For the year ended 30 September 2025

	Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
Sales	23	32,183,597	28,533,396
Trade discounts and rebates		(902,109)	(827,062)
Sales tax		(3,874,831)	(2,933,211)
Sales - net	23	27,406,657	24,773,123
Cost of sales	24	(20,799,234)	(20,271,622)
Gross profit		6,607,423	4,501,501
Distribution and marketing expenses	25	(3,315,201)	(2,982,596)
Administrative expenses	26	(999,576)	(925,363)
Impairment loss on trade receivables	7.1	(8,893)	(44,984)
Other operating expenses	28	(117,300)	(10,316)
		(4,440,970)	(3,963,259)
Operating profit		2,166,453	538,242
Other income	29	224,069	173,286
		2,390,522	711,528
Finance costs	30	(450,049)	(1,224,306)
Profit / (loss) before minimum, final and income taxes		1,940,473	(512,778)
Minimum and final taxes charge	31	(13,928)	(298,670)
Profit / (loss) before income tax		1,926,545	(811,448)
Income tax (charge)/reversal	32	(749,584)	264,996
Profit / (loss) for the year		1,176,961	(546,452)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
Re-measurement gain / (loss) on defined benefit obligations	27.1.6	240,519	(257,068)
Related deferred tax (charge) / reversal	14.1	(93,802)	100,257
		146,717	(156,811)
Total comprehensive income / (loss) for the year		1,323,678	(703,263)
		(Rupees)	
Earning/(loss) per share (basic and diluted)	33	34.05	(15.81)

The annexed notes, from 1 to 44 form an integral part of these financial statements.



Irfan Chawla
Chief Executive Officer



Naveed Kamil
Director



Altaf Jamal Khan
Chief Financial Officer

Statement of Changes in Equity

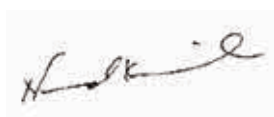
For the year ended 30 September 2025

	Issued, subscribed and paid-up capital	Capital Reserve Amalgamation reserve	Revenue Reserve General Reserve	Unappropriated profit	Total equity
	(Rupees in '000)				
Balance as at 30 September 2023	341,178	-	2,747,000	1,245,951	4,334,129
Transaction with owners of the Company					
Contributions and distributions					
Effects of scheme of arrangement / merger	4,455	93,545	-	48,701	146,701
Total comprehensive loss for the year					
Loss for the year	-	-	-	(546,452)	(546,452)
Other comprehensive loss	-	-	-	(156,811)	(156,811)
	-	-	-	(703,263)	(703,263)
Balance as at 30 September 2024	345,633	93,545	2,747,000	591,389	3,777,567
Transaction with owners of the Company					
Contributions and distributions					
Interim cash dividend at 200% (i.e. Rs. 20 per share) for the period ended 30 June 2025	-	-	-	(691,267)	(691,267)
Total comprehensive income for the year					
Profit for the year	-	-	-	1,176,961	1,176,961
Other comprehensive income	-	-	-	146,717	146,717
	-	-	-	1,323,678	1,323,678
Balance as at 30 September 2025	345,633	93,545	2,747,000	1,223,800	4,409,978

The annexed notes, from 1 to 44 form an integral part of these financial statements.



Irfan Chawla
Chief Executive Officer



Naveed Kamil
Director



Altaf Jamal Khan
Chief Financial Officer

Statement of Cash Flows


For the year ended 30 September 2025

	Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before minimum, final and income taxes		1,940,473	(512,778)
Adjustments for non-cash charges and other items:			
Depreciation	4.2	334,618	310,867
Impairment reversal on trade receivables	7.1	8,893	44,984
Gain on disposal of operating property, plant and equipment	29	(9,438)	(230)
Provision for staff gratuity	27.1.6	79,386	21,498
Other long term benefit	27.3.5	7,461	7,071
Interest / mark-up expense	30	298,169	1,230,344
Working capital changes	39	976,484	2,168,476
Cash generated from operations		3,636,046	3,270,232
Staff gratuity paid	27.1.6	(51,957)	(37,332)
Other long term employee benefits paid	27.3.4	(3,810)	(2,327)
Mark-up paid		(347,394)	(1,166,179)
Income tax paid		(735,338)	(611,577)
Net cash generated from operating activities		2,497,547	1,452,817
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	4.1	(310,008)	(645,479)
Proceeds from disposal of property, plant and equipment	4.3	32,945	7,711
Net cash used in investing activities		(277,063)	(637,768)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments against lease liabilities		(24,913)	(23,641)
Payments against diminishing musharika financing - net		(80,037)	(140,878)
Short-term borrowings - proceeds		1,357,486	2,500,000
Short-term borrowings - repayments		(1,781,486)	(1,540,471)
Dividend paid		(677,207)	(512,349)
Net cash (used) in / generated from financing activities		(1,206,157)	282,661
Net increase in cash and cash equivalents		1,014,327	1,097,710
Cash and cash equivalents due to amalgamation		-	138,030
Cash and cash equivalents at beginning of the year		(384,619)	(1,620,359)
Cash and cash equivalents at end of the year	40	629,708	(384,619)

The annexed notes, from 1 to 44 form an integral part of these financial statements.



Irfan Chawla
Chief Executive Officer



Naveed Kamil
Director



Altaf Jamal Khan
Chief Financial Officer

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

1. THE COMPANY AND ITS OPERATIONS

Archroma Pakistan Limited (“the Company”) was incorporated on 26 November 2013 in Pakistan as a public limited company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange. The address of its registered office is 1-A/1, Sector 20 Korangi Industrial Area, Korangi, Karachi, Pakistan. The Company is a subsidiary of Archroma Textiles GmbH, registered and having head quarter in Pratteln, Switzerland which holds 75% of 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or IFAS Standards, The provision of and directives issued under the companies Act 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for retirement benefit obligations, which have been measured at fair value of plan assets less the present value of the defined benefit obligation.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company’s functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand of rupees, unless otherwise stated.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

2.4 Key judgements and estimates

The preparation of these financial statements in conformity with accounting and reporting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about judgments made by the management in the application of approved accounting and reporting standards, as applicable in Pakistan that have the most significant effects on the amount recognized in the financial statements and information about assumptions and estimation uncertainties with significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the subsequent year are described as follows:

- i) Useful lives and residual values of property, plant and equipment and leases (notes 3.1, 3.2, 4.1 and 16);
- ii) Estimation in writing down items of stock in trade and stores and spares to their net realisable value (notes 3.3, 3.4, 5 and 6);
- iii) Allowance for impairment loss against trade receivables (notes 3.7.1 and 7.1);
- iv) Taxation and levies (notes 3.5 and 32);
- v) Employee benefit obligations (notes 3.9 and 27); and
- vi) Provisions and contingencies (notes 3.13, 22.1 and 22.2).

2.5 Accounting standards, interpretations and amendments to published accounting and reporting standards

2.5.1 Standards, interpretations and amendments to published accounting and reporting standards that are effective during the year

There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 1 January 2024, that are considered not to have a material impact on the Company's financial statements, except for:

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O.1278(I)/2024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities as their core business activities. Such information is disclosed in note 41 to the financial statements.

2.5.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

- **Lack of Exchangeability (amendments to IAS 21) clarify:**

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

- **Financial Assets with ESG-Linked features:**

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met. The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- **Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:**

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

- The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the amount determined by applying IFRS 15; and

- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:
When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- Contracts Referencing Nature-dependent Electricity – (Amendments to IFRS 9 and IFRS 7) address the challenges faced by Companies in applying IFRS 9 Financial Instruments to contracts referencing nature-dependent electricity – sometimes renewable power purchase agreements (PPAs). The IASB has also added new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures.

The amendments include guidance on:

- The 'own-use' exemption for purchasers of electricity under such PPAs; and
- Hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

The amendments for the own-use exemption:

- Existing IFRS 9 guidance left ambiguity on whether PPAs could qualify for the own-use exemption (i.e., not accounted for as derivatives).
- The amendments allow a company to apply the own-use exemption to PPAs if the company has been, and expects to be, a net-purchaser of electricity for the contract period.
- The amendments apply retrospectively using facts and circumstances at the beginning of the reporting period of initial application, without requiring prior periods to be restated.

The amendments for hedge accounting:

- Virtual PPAs and other PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL. Hedge accounting under IFRS 9 can help reduce volatility by reflecting how PPAs hedge future electricity purchases or sales, but applying it presents challenges. A key issue arises from a mismatch between the P50 estimate used to measure the PPA and the P90 estimate required for the highly probable hedged transaction, which may prevent hedge accounting qualification. Subject to certain conditions, the amendments permit designation of a variable nominal volume of forecasted renewable electricity sales or purchases as the hedged transaction, rather than a fixed volume based on P90 estimate. This variable volume reflects what is expected to be delivered by the referenced generation facility, supporting an economic offset and enabling hedge accounting. A P50 estimate indicates the volume of energy production expected to be exceeded with 50 percent probability. A P90 estimate indicates the volume of energy production expected to be exceeded with 90 percent probability.

The amendments apply prospectively to new hedging relationships designated on or after the date of initial application.

They also allow companies to discontinue an existing hedging relationship if the same hedging instrument is designated under the new requirements.

- The new disclosure requirements:

- A company may apply the own-use exemption to certain PPAs under the amendments and therefore would not recognise these PPAs in its statement of financial position. Where this is the case, a company is required to disclose further information such as:
 - contractual features exposing the company to variability in electricity volume and risk of oversupply;
 - estimated future cash flows from unrecognised contractual commitments to buy electricity in appropriate time bands;
 - qualitative information about how the company assessed whether a contract might become onerous; and
 - qualitative and quantitative information about the costs and proceeds associated with purchases and sales of electricity, based on the information used for the 'net-purchaser' assessment.
- In addition, for PPAs designated in a cash flow hedging relationship, companies need to disaggregate the information disclosed about terms and conditions by risk category.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted.

The above standards, interpretations and amendments are not likely to have an impact on the Company's financial statements.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Company has consistently applied the following accounting policies to all periods presented in these financial statements for the year ended 30 September 2025.

3.1 Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment except for freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. Freehold land is measured at cost less impairment, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Subsequent expenditure incurred is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment, other than freehold land, less their estimated residual values using the straight-line method and is charged to the statement of profit or loss at the rates specified in note 4.1 to these financial statements. The cost of leasehold land is amortised equally over the lease period.

Depreciation on additions during the year is charged from the date in which the asset is put to use, whereas no depreciation is charged from the date the asset is disposed of. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gain/loss on disposal of property, plant and equipment is recognised in the statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred in respect of operating property, plant and equipment in the course of their acquisition, construction and installation. The assets are transferred to relevant category of operating property, plant and equipment when they are available for use.

3.2 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Company recognises lease liability measured at present value of lease payments to be made over the lease term and right-of-use assets representing the right to use the underlying assets. At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises right-of-use asset (ROU asset) and its related lease liability at the commencement date of the lease.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

i) Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use asset that do not meet the definition of investment property in property, plant and equipment.

ii) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing source and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents lease liabilities as a separate line item in the statement of financial position.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

3.3 Stores and spares

Stores and spare parts are measured at lower of cost and net realisable value. Cost is determined using the weighted average method and comprises all costs of purchase and other costs incurred in bringing the stores and spares to their present location and condition and is also adjusted through systematic provision for damaged, obsolete and slow moving items. Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale.

3.4 Stock-in-trade

Stock-in-trade are measured at the lower of cost determined on the weighted average method and net realisable value.

Cost of raw and packing material comprises of purchase price including directly related expenses less trade discounts, if any. Cost of work-in-process and manufactured finished goods comprises cost of raw and packing materials, direct labour and an appropriate share of production overheads based on normal operating capacity. Cost in respect of items in transit includes the invoice values and other charges incurred thereon.

Provision for obsolete and slow moving inventories is determined based on management's assessment regarding their future usability.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated costs necessarily to be incurred to make the sale.

3.5 Taxation and levies

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in other comprehensive income. Levy is tax charged which is not based on taxable income as disclose in 3.5.3.

3.5.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

3.5.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, levies, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

3.5.3 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income, or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax is classified as levy in the statement of profit or loss as these levies fall under the scope of IFRIC 21 / IAS 37.

3.6 Financial instruments

3.6.1 Recognition and initial measurement

All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.6.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as subsequently measured at: amortised cost, FVOCI, or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (mark-up) on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (mark-up) on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual mark-up income, maintaining a particular mark-up rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest (mark-up)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' (mark-up) is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest (mark-up), the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest (mark-up) criterion if the prepayment amount substantially represents unpaid amounts of principal and interest (mark-up) on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (mark-up) (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest (mark-up) or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest (mark-up) income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Interest (mark-up) income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest (mark-up) expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest (mark-up) expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.6.3 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.6.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

3.7 Impairment

3.7.1 Impairment on financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt instruments measured at FVOCI, if any; and
- contract assets, if any.

The Company measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date, if any; and
- other debt securities and bank balances, if any for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes inducing forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the customer is unlikely to pay its balance to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is past due on the agreed terms.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12 - month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due for more than the agreed term;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.7.2 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, then an asset's recoverable amount is estimated.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows i.e. cash-generating units (CGU).

The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. An impairment loss is recognised as an expense in the profit or loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. Value in use is ascertained through discounting of the estimated future cash flows using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the assets. The fair value less costs to sell calculation is based on the available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash in hand, balances held with banks in current and saving accounts, short term highly liquid investments that are readily convertible to known amount of cash with insignificant risk of change in value having maturity of three months or less from the date of acquisition and short-term running finances that are repayable on demand and form an integral part of Company's cash management. Short-term running finances are shown within short-term borrowings in current liabilities on the statement of financial position.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

3.9 Employee benefits

3.9.1 Retirement benefits

a) Defined contribution plan (provident fund)

The Company operates an approved contributory provident fund for all eligible employees. Equal monthly contributions are made to the fund, both by the Company and the employees. The Company has no further payment obligations once the contributions have been paid.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

b) Defined benefit plan (gratuity fund)

The Company operates an approved gratuity fund for all its eligible employees.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c) Other long-term employee benefits (long service award)

The Company's net obligation in respect of other long-term employee benefits [i.e. long service award (Jubilee Plan)] is the amount of future benefit that employees have earned in return for their services in the current and prior periods.

The calculation of it is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurements are recognised in profit or loss in the period in which they arise.

3.9.2 Compensated absences

The provision in respect of compensated absences of employees on unavailed leave balances is accounted for in the period in which the leave is earned.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

3.10 Revenue recognition

The Company is in the business of sale of goods to customers under the contractual arrangement. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Standard products - sale of goods	Customers obtain control of products when the goods are delivered to and have been accepted. Invoices are generated at that point in time.	Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer i.e. when goods are dispatched or invoiced (for bill and hold arrangements). The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (i.e. discounts and volume rebates). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).
Indenting Commission	Customers obtain control of products when the goods are delivered to and have been accepted.	Indenting income is recognised at the point in time when control of the goods is transferred to the customer i.e. when receipt of shipment is confirmed from the suppliers.

3.11 Foreign currency transactions

Transactions in foreign currencies are translated to Pakistan Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the Pakistan Rupees at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Pakistan Rupees at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

3.12 Dividend and appropriations

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognized in the year in which these are approved by the Board of Directors. The Company is a subsidiary of Archroma Textiles GmbH, whereas its ultimate parent company is SK Capital Partners.

3.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

3.14 Segment reporting

Operating segments are determined and presented in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Company's Maturity Analysis

The Company has determined operating segments using business units. The business units have been established on the basis of products offered to external customers. The Company's Chief Executive Officer reviews the financial performance of the Company by business units. In accordance with the Company's internal reports, that are regularly reviewed by the entity's Chief Executive Officer to allocate resources to the segments and assess their performance, function costs (comprising those with respect to finance, procurement, other administration, legal, information technology, human resources, etc.) are allocated to the respective operating segments.

3.15 Finance costs and finance income

The Company's finance income and finance costs include:

- mark-up income, if any;
- mark-up expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating mark-up income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis making as much use of available and supportable market data as possible).

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

All assets and liabilities for which fair value is measured or disclosed in these financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value.

Level 1: Quoted prices (unadjusted) in active markets for identical asset.

Level 2: Inputs other than quoted prices included in 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: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurs.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
Operating property, plant and equipment	4.1	2,455,034	2,184,021
Capital work-in-progress	4.7	69,069	154,128
		2,524,103	2,338,149

4.1 Operating property, plant and equipment

	30 September 2025										
	Land		Buildings			Plant and machinery	Furniture, fixtures and equipment		Vehicles		Total
	Freehold	Leasehold	On leasehold land	On freehold land	ROUA		Owned	ROUA	Owned	ROUA	
----- (Rupees in '000) -----											
At 1 October 2024											
Cost	47	392,232	248,411	632,846	159,003	3,176,628	1,073,492	99,910	48,235	306,566	6,137,370
Accumulated depreciation	-	(38,229)	(126,292)	(460,631)	(46,538)	(2,321,160)	(739,368)	(70,609)	(12,473)	(138,049)	(3,953,349)
Net book value	47	354,003	122,119	172,215	112,465	855,468	334,124	29,301	35,762	168,517	2,184,021
Year ended 30 September 2025											
Opening net book value	47	354,003	122,119	172,215	112,465	855,468	334,124	29,301	35,762	168,517	2,184,021
Transfer from CWIP	-	-	9,683	933	-	218,535	103,496	-	12,981	-	345,628
Additions / remeasurment	-	-	-	-	(19,496)	69,601	49,439	10,480	-	181,653	291,677
Disposals / write-offs:											
Cost	-	-	-	-	-	(75,998)	(82,708)	-	(1,511)	(80,761)	(240,978)
Accumulated depreciation	-	-	-	-	-	75,998	72,605	-	1,511	59,190	209,304
	-	-	-	-	-	-	(10,103)	-	-	(21,571)	(31,674)
Depreciation charge for the year	-	(3,962)	(11,378)	(24,210)	(10,846)	(125,410)	(80,376)	(15,883)	(658)	(61,895)	(334,618)
Closing net book value	47	350,041	120,424	148,938	82,123	1,018,194	396,580	23,898	48,085	266,704	2,455,034
At 30 September 2025											
Cost	47	392,232	258,094	633,779	139,507	3,388,766	1,143,719	110,390	59,705	407,458	6,533,697
Accumulated depreciation	-	(42,191)	(137,670)	(484,841)	(57,384)	(2,370,572)	(747,139)	(86,492)	(11,620)	(140,754)	(4,078,663)
Net book value	47	350,041	120,424	148,938	82,123	1,018,194	396,580	23,898	48,085	266,704	2,455,034
----- % -----											
Depreciation rate	-	1%	3-10%	2-20%	2-35%	4-35%	10 - 33.33%	33.33%	10 - 33.33%	20 - 25%	

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

	30 September 2024										
	Land		Buildings			Plant and machinery	Furniture, fixtures and equipment		Vehicles		Total
	Freehold	Leasehold	On leasehold land	On freehold land	ROUA		Owned	ROUA	Owned	ROUA	
----- (Rupees in '000) -----											
At 1 October 2023											
Cost	47	392,232	233,565	573,361	159,003	2,792,128	992,764	80,485	48,235	248,418	5,520,238
Accumulated depreciation	-	(34,267)	(116,316)	(436,243)	(35,692)	(2,194,368)	(665,202)	(56,001)	(12,275)	(117,756)	(3,668,120)
Net book value	47	357,965	117,249	137,118	123,311	597,760	327,562	24,484	35,960	130,662	1,852,118
Year ended 30 September 2024											
Opening net book value	47	357,965	117,249	137,118	123,311	597,760	327,562	24,484	35,960	130,662	1,852,118
Transfer from CWIP	-	-	14,846	59,485	-	384,500	67,019	-	-	45,209	571,059
Additions / remeasurment	-	-	-	-	-	-	16,004	19,425	-	43,763	79,192
Disposals / write offs:											
Cost	-	-	-	-	-	-	(2,295)	-	-	(30,824)	(33,119)
Accumulated depreciation	-	-	-	-	-	-	2,295	-	-	23,343	25,638
	-	-	-	-	-	-	-	-	-	(7,481)	(7,481)
Depreciation charge for the year	-	(3,962)	(9,976)	(24,388)	(10,846)	(126,792)	(76,461)	(14,608)	(198)	(43,636)	(310,867)
Closing net book value	47	354,003	122,119	172,215	112,465	855,468	334,124	29,301	35,762	168,517	2,184,021
At 30 September 2024											
Cost	47	392,232	248,411	632,846	159,003	3,176,628	1,073,492	99,910	48,235	306,566	6,137,370
Accumulated depreciation	-	(38,229)	(126,292)	(460,631)	(46,538)	(2,321,160)	(739,368)	(70,609)	(12,473)	(138,049)	(3,953,349)
Net book value	47	354,003	122,119	172,215	112,465	855,468	334,124	29,301	35,762	168,517	2,184,021
----- % -----											
Depreciation rate	-	1%	3-10%	2-20%	2-35%	4-35%	10 - 33.33%	33.33%	10 - 33.33%	20 - 25%	

4.1.1 The cost of fully depreciated assets of the Company are Rs. 2,936.28 million as at 30 September 2025 (2024: Rs. 2,415.08 million).

4.1.2 Adjustment to lease facilities includes Rs. 19.49 million, relating to the remeasurement of lease liabilities under agreements linked to the Consumer Price Index (CPI). Further, the addition to plant and machinery represents ISO tanks classified as ROUA.

4.2 The depreciation charge for the year has been allocated as follows:

	Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
Cost of goods sold	24	244,363	238,360
Distribution and marketing expenses	25	53,276	37,067
Administrative expenses	26	36,979	35,440
		334,618	310,867

4.3 Details of operating property, plant and equipment disposed off / written off during the year having book value of Rs. 500,000 or more where the aggregate book value of such operating property, plant and equipment sold exceeds five million rupees are as follows:

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

Asset	Mode of disposal	Cost	Book Value	Sale proceeds	Gain / (loss) on disposal	Purchaser	Relationship with purchaser
----- (Rupees in '000) -----							
Particulars							
Equipment	Company policy	3,102	1,603	1,499	(104)	Mujtaba Rahim	Ex- CEO/NED
Vehicle leased	Company policy	3,107	603	603	-	Mujtaba Rahim	Ex- CEO/NED
Vehicle leased	Company policy	16,100	3,220	3,220	-	Mujtaba Rahim	Ex- CEO/NED
Vehicle leased	Company policy	12,177	2,460	2,460	-	Irfan Chawala	CEO
Vehicle leased	Company policy	7,980	1,596	1,596	-	Naveed Kamil	Director
Vehicle leased	Company policy	5,281	3,090	3,090	-	Anwaar Haider	Ex- Employee
Vehicle leased	Company policy	3,632	1,557	1,557	-	Imran Younus	Ex- Employee
Vehicle leased	Company policy	3,505	701	701	-	M Aslam	Employee
Vehicle leased	Company policy	3,505	701	701	-	A Ahmed Siddiqui	Employee
Vehicle leased	Company policy	3,505	876	876	-	Ihtesham Elahi	Employee
Vehicle leased	Company policy	3,437	2,011	2,011	-	M Adnan	Employee
Vehicle leased	Company policy	2,725	681	681	-	Waseem Saeed	Employee
Vehicle leased	Company policy	2,624	1,028	1,028	-	Arbab Sukundar	Ex- Employee
Vehicle leased	Company policy	2,347	587	587	-	Khurram Shahzad	Employee
Vehicle leased	Company policy	2,050	513	513	-	Hasnain Sharif	Employee
Vehicle leased	Company policy	2,050	513	513	-	Shahzad Zia	Ex- Employee
		<u>77,127</u>	<u>21,740</u>	<u>21,636</u>	<u>(104)</u>		

Write-offs/disposal below book value of Rs. 500,000:

Equipments	Write-off/disposal	151,350	1,767	11,309	9,542	Various	None
Equipments	Company policy	12,501	8,167	-	-	Various	Employees
		<u>240,978</u>	<u>31,674</u>	<u>32,945</u>	<u>9,438</u>		

4.4 Particulars of immovable property (i.e. land & building) of the Company are as follows:

Locations	Usage of immovable property	Classification	Total Area (in Sq. Ft)	Covered Area (in Sq. Ft)
Landhi	Manufacturing Plant	Leasehold land & building	<u>452,082</u>	<u>180,909</u>
Jamshoro	Manufacturing Plant	Freehold land	<u>3,920,400</u>	<u>2,093,580</u>

Additions /Remesurements
Lahore Office (sq ft 10,990) and Faisalabad Office (sq ft 2,995).

4.5 Operating property, plant and equipment includes residential equipment held in the possession of employees having carrying amount of Rs. Nil as at 30 September 2025 (2024:Rs.12.85 million).

4.6 During the year the Company has written off assets amounting to Rs. 8.167 million. (2024:Rs nil).

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

4.7	Capital work-in-progress	Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
	Plant and machinery		44,092	82,359
	Equipment		24,977	71,769
		4.7.1	<u>69,069</u>	<u>154,128</u>
4.7.1	Capital work-in-progress - movement			
	Opening balance		154,128	49,788
	Additions		260,569	675,399
	Transferred to operating property, plant and equipment	4.1	(345,628)	(571,059)
	Closing balance		<u>69,069</u>	<u>154,128</u>
5.	STORES AND SPARES			
	In hand		92,620	73,067
	In transit		1,069	5,026
		5.1	<u>93,689</u>	<u>78,093</u>
5.1	Provision against slow moving and obsolete stores and spares amounts to Rs.9.93 million (2024: Rs.9.99 million).			
6.	STOCK-IN-TRADE	Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
	Raw and packing materials including goods in transit of Rs. 642.98 million (2024: Rs. 339.751 million) - net	6.2 & 6.4	2,778,712	2,936,321
	Work-in-process - net	6.2, 6.4 & 24	353,534	567,523
	Finished goods including goods in transit of Rs. 17.137 million (2024: Rs.11.024 million) - net	6.2, 6.4 & 6.5	1,378,932	1,205,411
			<u>4,511,178</u>	<u>4,709,255</u>
6.1	Movement of impairment loss on stock-in-trade:			
	Balance as at October 1		270,600	176,590
	Charge for the year		156,964	127,535
	Written off during the year	6.2	(205,335)	(33,525)
	Balance as at September 30	6.3 & 6.4	<u>222,229</u>	<u>270,600</u>
6.2	Stock-in-trade written off during the year amounts to Rs. 205.33 million (2024: 33.52 million) which includes raw and packing material of Rs. 189.73 million (2024: 10.96 million), finished goods of Rs. 12.29 million (2024: 22.56 million) and work in process of Rs. 3.31 million (2024:Nil).			

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

- 6.3** The Company follows a Group-wide uniform policy for the valuation of slow moving stock which apply a minimum write off rate by ageing classes which are as follows:

Ageing class	Write off rates
Less than 12 months	0%
12 - 24 months	50%
Greater than 24 months	100%

- 6.4** Provision against slow moving and obsolete stock amounts to Rs. 222.23 million (2024: 270.6 million) which includes raw & packing material of Rs.175.60 million (2024: Rs. 220.11 million), finished goods of Rs. 39.89 million (2024: 33.22 million) and work-in-process of Rs.6.74 million (2024: Rs. 17.27 million).

- 6.5** This includes imported finished goods amounting to Rs. 45.94 million (2024: Rs. 97.92 million).

7. TRADE RECEIVABLES	Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
Related parties - secured (foreign)			
- Archroma (Thailand) Company Limited		119,466	108,525
- Archroma Singapore,Pte Ltd.		64,286	-
- Archroma Chemicals China Limited		14,654	11,876
- PT Archroma Specialties Indonesia		7,213	-
- PT Archroma Indonesia		6,986	10,203
- Archroma Japan KK		4,362	18,855
- Archroma Turkey Chemical Industry and Trade		1,069	159,540
	7.2	218,036	308,999
Others			
- Unsecured (local)		5,662,171	4,882,324
- Secured (foreign)		361,366	318,788
	7.3	6,241,573	5,510,111
Less: Impairment loss on trade receivables	7.1	(541,052)	(532,159)
		<u>5,700,521</u>	<u>4,977,952</u>

7.1 Movement of impairment loss on trade receivables:

Balance as at October 1		532,159	487,175
Charge for the year		8,893	44,984
Balance as at September 30	7.3	<u>541,052</u>	<u>532,159</u>

- 7.2** The aging of the trade receivables from related parties as at the reporting date is as under:

	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
Not past due	<u>218,036</u>	<u>308,999</u>

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

7.3 The aging of the total trade receivables including related parties as at the reporting date is as under:

2025					
	Credit impaired	Weighted average loss rate %	Gross receivables	Impairment loss on trade receivables	Net receivables
			(Rupees in '000)		
Not past due	No	0.00%	5,253,134	-	5,253,134
Past due 1 - 30 days	No	1.44%	376,170	5,429	370,741
Past due 31 - 60 days	No	5.87%	57,479	3,373	54,106
Past due 61 - 90 days	No	17.99%	23,407	4,210	19,197
Past due 91 - 180 days	Yes	91.67%	14,419	13,218	1,201
Past due 181 - 360 days	Yes	93.12%	31,129	28,987	2,142
Over 360 days	Yes	100.00%	485,835	485,835	-
			6,241,573	541,052	5,700,521

2024					
	Credit impaired	Weighted average loss rate %	Gross receivables	Impairment loss on trade receivables	Net receivables
			(Rupees in '000)		
Not past due	No	0.00%	4,695,215	-	4,695,215
Past due 1 - 30 days	No	0.72%	136,799	989	135,810
Past due 31 - 60 days	No	1.15%	72,707	839	71,868
Past due 61 - 90 days	No	3.03%	32,927	998	31,929
Past due 91 - 180 days	No	24.46%	47,807	11,692	36,115
Past due 181 - 360 days	Yes	81.88%	38,704	31,689	7,015
Over 360 days	Yes	100.00%	485,952	485,952	-
			5,510,111	532,159	4,977,952

7.4 Majority of trade receivables of the Company are located in Pakistan. The exposure to credit risk from trade receivables at 30 September by geographic region are as follows:

2025						
Regions	Sales during the year	Gross receivables			Impairment loss on trade	Net
		Foreign trade receivables	Local trade receivables	Total Trade receivables		
	(Rupees in '000)					
Domestic	21,302,371	-	5,662,171	5,662,171	541,052	5,121,119
Asia	2,688,693	578,333	-	578,333	-	578,333
Europe	3,415,593	1,069	-	1,069	-	1069
Others	-	-	-	-	-	-
	27,406,657	579,402	5,662,171	6,241,573	541,052	5,700,521

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

Regions	2024					
	Sales during the year	Gross receivables			Impairment loss on trade Receivable	Net Receivable
		Foreign	Local	Total		
		trade	trade	Trade		
		receivables	receivables	receivables		
-----Rupees in '000-----						
Domestic	19,761,769	-	4,882,324	4,882,324	532,159	4,350,165
Asia	3,306,255	468,247	-	468,247	-	468,247
Europe	1,650,271	159,540	-	159,540	-	159,540
Others	54,828	-	-	-	-	-
	24,773,123	627,787	4,882,324	5,510,111	532,159	4,977,952

7.5 The maximum aggregate amount due from the related parties at the end of any month during the year are as follows:

	Month	2025 (Rupees in '000)	Month	2024 (Rupees in '000)
- Archroma Turkey Chemical Industry and Trade	June	899,457	October	652,113
- Archroma (Thailand) Company Limited	June	167,728	July	139,238
- Archroma Chemical China Ltd.	January	45,281	November	50,788
- Archroma Japan KK	May	37,933	October	45,044
- PT Archroma Indonesia	June	12,118	September	10,217
- Archroma Singapore Pte Limited	August	63,965	-	-
- PT Archroma Specialties - Indonesia	September	7,193	-	-

8. ADVANCES

	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
Advances for supplies and services - Unsecured	<u>14,086</u>	<u>13,075</u>

9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits		
Deposits	4,834	6,505
Margin on import letters of credit	1,121	13,039
	<u>5,955</u>	<u>19,544</u>
Short-term prepayments		
Prepaid insurance	48,865	46,361
Prepaid IT services and others	27,373	18,074
	<u>76,238</u>	<u>64,435</u>
	<u>82,193</u>	<u>83,979</u>

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

10. OTHER RECEIVABLES

Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
10.1	23,768	95,123
10.2	-	18,097
	-	16,898
	28,904	4,094
10.3	48,373	4,953
	<u>101,045</u>	<u>139,165</u>

10.1 Indenting commission due from related parties:

Archroma Singapore Pte Limited	13,592	67,661
Archroma Management GmbH	10,176	24,654
Archroma (Thailand) Company Limited	-	1,700
Archroma Indonesia Private Limited	-	1,108
10.1.1	<u>23,768</u>	<u>95,123</u>

10.1.1 The aging of the indenting commission due from related parties as at the reporting date is as under:

Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
10.1.2	<u>23,768</u>	<u>95,123</u>

10.1.2 The maximum aggregate amount due from the related parties at the end of any month during the year is the same as the amount due as at the year end.

10.2 This represents amount receivable on account of excess payment on behalf of employee on their entitlement. The amount is settled when the car is delivered to the employee.

10.3 This amount represents the Sindh Sales Tax paid under the reverse charge mechanism on royalty payments made to the Parent Company and is claimable as input tax.

11. SALES TAX

Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
11.1	1,136,099	1,136,099
11.2	80,231	232,838
	<u>1,216,330</u>	<u>1,368,937</u>

11.1 Under S.R.O 1125 (1)/2011, the Company's local sales to export oriented sectors were taxed at reduced or zero rates. In this respect sales tax refundable of Rs. 1.216 billion (2024: Rs. 1.369 billion) including sales tax legacy receivable of Rs. 1.14 billion (2024: Rs. 1.14 billion) have been accumulated over time. Sales tax contingencies are disclosed in note 22 of these financial statements.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

11.2 This sales tax receivable represents current input tax claims filed by the Company, which are under verification by the department. The Company and its tax consultants are confident that the amount will be recovered in due course during the forthcoming year.

12. CASH AND CASH EQUIVALENTS	Note	30 September 2025 (Rupees in '000)	30 September 2024 (Rupees in '000)
With banks on:			
Foreign			
- In current accounts	12.1	90,821	52,617
Local			
- In current accounts	12.1	119,414	1,059
- In saving accounts	12.2	187,243	15,127
-Certificates of Investments	12.3	587,500	90,500
		984,978	159,303
Cash in hand		229	226
		985,207	159,529

12.1 Cash at banks are placed with banks under Islamic banking arrangements.

12.2 The saving accounts carry profit rates ranging from 5% to 10.9% per annum (2024: 18% to 19.5% per annum).

12.3 This includes Certificates of Investments amounting to Rs. 587.50 million (2024: Rs. 90.50 million), at pre-agreed rate maturing on 30 December 2025. The mark-up percentage on the short-term deposits during the year ranged between 10.65% to 10.90% per annum.

13. SHARE CAPITAL

13.1 Authorised capital

30 September 2025	30 September 2024		30 September 2025	30 September 2024
Number of Shares			(Rupees in '000)	
50,000,000	50,000,000	Ordinary shares of Rs 10 each before arrangement / merger	500,000	500,000
13,000,000	13,000,000	Ordinary shares of Rs 10 each acquired under the approved scheme of arrangement / merger	130,000	130,000
63,000,000	63,000,000		630,000	630,000

13.2 Issued, subscribed and paid-up share capital

30 September 2025	30 September 2024		30 September 2025	30 September 2024
Number of Shares			(Rupees in '000)	
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 allotted as bonus shares before merger	266,762	266,762
		Ordinary shares of Rs. 10 each issued to shareholders of Archroma Chemicals Pakistan (Private) Limited under the approved scheme of arrangement / merger (note 13.3)		
445,460	445,460		4,455	4,455
34,563,341	34,563,341		345,633	345,633

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

13.3	Movement in issued, subscribed, and paid-up share capital	Note	30 September 2025 (Number of shares)	30 September 2024
	Ordinary shares			
	Number of shares outstanding at beginning of the period		34,563,341	34,117,881
	Additional shares issued under the approved scheme of arrangement / merger		-	445,460
	Number of shares outstanding at the end of the period		<u>34,563,341</u>	<u>34,563,341</u>

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

13.5 Archroma Textiles GmbH, held 26,033,992 (2024: 26,033,992) ordinary shares of Rs. 10 each at 30 September 2025.

14.	DEFERRED TAXATION - NET	Note	30 September 2025 (Rupees in '000)	30 September 2024
	Taxable temporary differences:			
	Accelerated tax depreciation allowance		459,682	427,278
	Employees retirement benefits - net		93,802	-
			<u>553,484</u>	<u>427,278</u>
	Deductible temporary differences:			
	Impairment loss against trade receivables		(211,011)	(207,542)
	Obligation under finance lease		(176,845)	(134,183)
	Other long term employee benefits		(7,336)	(5,912)
	Excess of minimum turnover tax carried forward		-	(183,539)
	Business losses other than depreciation carried forward		-	(47,364)
	Unrealized tax depreciation losses carried forward		-	(71,250)
	Employees retirement benefits - net		-	(72,194)
			<u>(395,192)</u>	<u>(721,984)</u>
	Deferred tax liability/(asset)- net		<u>158,292</u>	<u>(294,706)</u>

14.1	Analysis of change in deferred tax	Note	2025			
			Net balance at at 1 October 2024	Recognized in profit or loss	Recognized in OCI	Net balance at 30 September 2025
			(Rupees in 000)			
	Taxable temporary differences:					
	Property, plant and equipment		427,278	32,404	-	459,682
	Employee retirement benefits - net		(72,194)	72,194	93,802	93,802
			<u>355,084</u>	<u>104,598</u>	<u>93,802</u>	<u>553,484</u>
	Deductible temporary differences:					
	Allowance for impairment loss against trade receivables		(207,542)	(3,469)	-	(211,011)
	Obligation under finance lease		(134,183)	(42,662)	-	(176,845)
	Other long term employee benefits		(5,912)	(1,424)	-	(7,336)
	Excess of minimum turnover tax carried forward		(183,539)	183,539	-	-
	Business losses other than depreciation carried forward	14.2	(47,364)	47,364	-	-
	Unrealized tax depreciation losses carried forward	14.2	(71,250)	71,250	-	-
			<u>(649,790)</u>	<u>254,598</u>	<u>-</u>	<u>(395,192)</u>
			<u>(294,706)</u>	<u>359,196</u>	<u>93,802</u>	<u>158,292</u>

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

	Note	2024		
		Net balance at at 1 October 2023	Recognized in profit or loss	Recognized in OCI Net balance at 30 September 2024
		----- (Rupees in 000) -----		
Taxable temporary differences:				
Property, plant and equipment		300,546	126,732	-
Deductible temporary differences:				
Allowance for impairment loss against trade receivables		(144,646)	(62,896)	-
Excess of minimum turnover tax carried forward		-	(183,539)	-
Obligation under finance lease		(98,924)	(35,259)	-
Employee retirement benefits - net		16,663	11,400	(100,257)
Unrealized tax depreciation losses carried forward	14.2	-	(71,250)	-
Business losses other than depreciation carried forward	14.2	-	(47,364)	-
Other long term employee benefits		(3,092)	(2,820)	-
		(229,999)	(391,728)	(100,257)
		70,547	(264,996)	(100,257)
				(294,706)

14.2 In the year ended 30 September 2024, the Company incurred a taxable loss, leading to the recognition of deferred tax assets of Rs. 118 million on business losses and unrealized tax depreciation, in accordance with the requirements of IAS 12. Furthermore, a deferred tax asset of Rs. 183 million was also recognized on minimum tax carried forward under Section 113 of the Income Tax Ordinance, 2001.

During the current financial year, the Company earned sufficient taxable profits, resulting in the complete utilization of the previously recognized deferred tax assets, including unabsorbed tax losses, unabsorbed depreciation and excess minimum tax. Accordingly, these deferred tax assets have been fully reversed in the current year.

15. EMPLOYEE BENEFITS

	Note	30 September 2025	30 September 2024
		(Rupees in '000)	
Net defined benefit - asset			
Employee retirement benefits - gratuity	27.1.3	27,977	-
Net defined benefit - liability			
Employee retirement benefits - gratuity	27.1.3	-	185,113
Other long term employee benefits - long service award	15.1 & 27.3.4	18,809	15,158
		18,809	200,271

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

15.1 This represents long service awards operated by the Company for eligible employees. The Company's obligation is determined by the Archroma Group's globally appointed actuary using projected unit credit method.

16. LEASE LIABILITIES

Note	30 September 2025	30 September 2024
	(Rupees in '000)	
Current	49,267	24,130
Non-current	151,599	118,509
16.2	<u>200,866</u>	<u>142,639</u>

16.1 Movement of lease liabilities during the year:

Balance as at 1 October	142,639	142,437
Addition / remeasurement	66,705	-
Finance cost	16,435	23,843
Payments	(24,913)	(23,641)
Balance as at 30 September	<u>200,866</u>	<u>142,639</u>

16.2 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.

16.3 Maturity Analysis

	30 September 2025	30 September 2024
	(Rupees in '000)	
Payable within one year	49,267	24,130
Payable after one year but not later than 5 years	101,134	96,520
Payable after 5 years	213,535	80,306
Total undiscounted lease liabilities	363,936	200,956
Future finance charges	(163,070)	(58,317)
Net lease liabilities	<u>200,866</u>	<u>142,639</u>

17. LIABILITIES AGAINST DIMINISHING MUSHARIKA FINANCING

Current	95,287	59,585
Non-current	243,698	141,834
	<u>338,985</u>	<u>201,419</u>

17.1 Movement of diminishing musharika financing during the year:

Balance as at 1 October	201,419	190,745
Additions	175,534	108,397
Finance cost	42,070	43,155
Payments	(80,037)	(140,878)
	<u>338,986</u>	<u>201,419</u>

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

17.2	Maturity Analysis	Due within one year		Due after one year but within 5 years		Total as at 30 September	
		2025	2024	2025	2024	2025	2024
		(Rupees in '000)					
	Liabilities against diminishing musharika financing	95,287	59,585	243,698	141,834	338,985	201,419

During the year, the Company has obtained various vehicles and laptops under diminishing musharika financing arrangement entered into with a Modaraba having various maturity dates up to 10 September 2030 with monthly principal repayments. The financing is secured against the respective vehicles and laptop. The rate of profit on the borrowing ranges from 3 months KIBOR + 0.50% per annum to 3 months KIBOR + 0.9% per annum.

18.	TRADE AND OTHER PAYABLES	Note	30 September 2025	30 September 2024
			(Rupees in '000)	
	Trade payables:			
	Foreign:		326,246	460,722
	- Related parties		2,573,375	2,119,273
	- Others		1,677,737	1,072,639
	Local	18.1	1,810,800	1,354,657
	Accrued liabilities and provisions		264,106	259,636
	Royalty payable to Archroma Management GmbH		102,350	106,114
	Workers' Welfare Fund		79,545	89,657
	Export rebates / Commission	18.3	3,436	-
	Workers' Profit Participation Fund	18.2	8,465	25,954
	Advance from customers		267,591	299,203
	Others		7,113,651	5,787,855

18.1 This includes gratuity of contractual employees amounting to Rs. 160.63 million (2024: Rs. 134.60 million) and employees compensated absences amounting to Rs. 96.16 million (2024: Rs. 100.20 million) and certain other provisions amounting to Rs. 278.77 million (2024: Rs. 218.04 million). As detailed in note 22.1.3, this also includes provision for certain contingencies amounting to Rs. 904.97 million (2024: Rs. 843.96 million).

18.2 The amount of Rs. 25.95 million outstanding in relation to advance from customers at the beginning of the year has been recognised as revenue for the year ended 30 September 2025, while new advances amounting to Rs. 8.47 million were further received during the year which will be recognized as revenue in the next year.

18.3	Workers' Profit Participation Fund	Note	30 September 2025	30 September 2024
			(Rupees in '000)	
	As at 1 October		-	33,098
	Allocation for the year	28	101,436	-
			101,436	33,098
	Less: adjustments		-	(24,230)
			101,436	8,868
	Markup on funds utilised in the Company's business	30	-	1,771
			101,436	10,639
	Less: Amounts paid to and on behalf of the Fund		(98,000)	(10,639)
	As at 30 September		3,436	-

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

18.4 Workers' Welfare Fund

During the year, the Company recognized the expense amounting to Rs. 37.82 million, and payments made during the year amounted to Rs. 41.59 million .

19. UNPAID DIVIDEND	Note	30 September 2025 (Rupees in '000)	30 September 2024
		<u>18,579</u>	<u>21,453</u>
20. MARK-UP ACCRUED			
Mark-up accrued on:			
Short term finance facilities		3,749	101,789
Short term borrowing under Islamic Export Refinance Scheme		<u>53,098</u>	<u>62,788</u>
		<u>56,847</u>	<u>164,577</u>
21. SHORT-TERM BORROWINGS - SECURED			
Short-term running facilities under Islamic mode	21.1	355,499	544,148
Short-term borrowing under Islamic Export Refinance Scheme and others	21.1 & 21.2	<u>2,970,440</u>	<u>3,394,440</u>
		<u>3,325,939</u>	<u>3,938,588</u>

21.1 Short term Islamic and conventional finance facilities are available from various banks under profit arrangements, amounting to Rs. 11,000 million (Islamic Rs. 8,750 million & Conventional Rs. 2,250 million) (2024: Rs. 10,500million). These facilities have various maturity dates up to 31 July 2026. These arrangements are secured against a pari passu charge of hypothecation on stock-in-trade and trade receivables with minimum 16.7% margin. These facilities other than Islamic Export Refinance Facility, carry profit ranging from 1 month KIBOR +0.1% to 3 month KIBOR + 0.35%. The aggregate amount of these facilities which has not been utilized as at reporting date was Rs. 7,674 million (2024: Rs. 6,562 million).

21.2 The Company has availed "Islamic Export Refinance Facility under Part II" amounting to Rs. 2,970 million (2024: Rs 2,894 million under the Export Financing Scheme of the State Bank of Pakistan (SBP). This also includes loan from a islamic bank at KIBOR rate amounting to Rs. 500 million). 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 7.20% to 8.00% per annum (2024: 14.50% to 19.00% per annum).

22. CONTINGENCIES AND COMMITMENTS

22.1 Legal contingencies

22.1.1 In the year 2007, damages and compensation case was filed in the Civil Court, Lahore against the Company and one of its affiliates for claim (including damages) of Rs. 50 million (USD 833,333) on account of short supplies and late shipment. The Company acted as an indenting agent for this supply. Management is confident that the matter will be decided in favour of the Company and it will not be exposed to any loss on account of this claim. Accordingly, no provision has been recognised in these financial statements.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

22.1.2 Octroi levies amounting to Rs. 31.32 million are in dispute with a contractor. A petition has been filed by the Company in the Court challenging the above levies which was decided in favor of the Company during the year ended 31 December 2012. However, an appeal has been filed by the counter party which is pending for hearing. The management along with its advisors are confident that the decision will be in favour of the Company, therefore no provision has been recognised in these financial statements in respect of the aforesaid amount.

22.1.3 On June 4, 2021, the SHC through its judgment upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Cess) promulgated retrospectively with effect from July 1, 1994 as valid and declaring it within the competence of provincial legislature. The company filed a petition against the judgment before the Honorable Supreme Court of Pakistan (SCP) challenging the SHC judgement. In September 2021, the SCP suspended the Judgement of SHC along with the recovery of Cess. Management in consultation with its legal advisor is confident that ultimate outcome of the case will come in its favour.

22.2 Tax contingencies

22.2.1 In the year 2009, the Company received notices from the sales tax authorities demanding payment of Rs. 233.42 million (in addition to the disallowance of refund of Rs. 247 million) on account of sales tax along with the default surcharges on supply of the products to its customers as zero rated by the Company from June 2007 to June 2009. The Company had filed a suit before single judge of the High Court of Sindh against which the Court had issued decree dated 4 August 2017 in favor of the Company. In the decree, the Court had declared that the product will be given the benefit of SRO 163 (1)/2011; hence, the impugned letters including demand of defendants are illegal which have been set aside and the defendants are directed to consider the refund claims of plaintiff within the parameters of the law. Subsequently, tax authorities filed an appeal against the Company before a Division Bench of the High Court of Sindh against the decree from single judge. The Division Bench of the High Court of Sindh vide its Order dated 30 December 2022 set aside the decree from single judge dated 4 August 2017 and directed the Company to respond to the notices issued by the department.

Consequently, the Company filed an appeal in the Supreme Court of Pakistan against the above Order of the Division Bench of the High Court of Sindh, which is currently pending. Management in consultation with its legal advisor is confident that the appeal will be decided in favour of the Company. Accordingly, no provision has been recognised in these financial statements for such overdue sales tax refunds of the Company.

22.2.2 The Deputy Commissioner Inland Revenue (DCIR) passed an Order against the Company, whereby sales tax demand of Rs. 91.08 million along with penalty of Rs. 6.63 million has been established on short payment of sales tax for the tax periods from July 2017 to June 2018. The Company filed an appeal before the Commissioner of Inland Revenue (Appeals) [CIR(A)]. CIR(A) has remanded back the case on certain allegations to the extent of Rs. 69.18 million and remaining impugned demand has been annulled and deleted. The department has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against Order of CIR(A). The management in consultation with its tax advisor are confident that the outcome of the appeal effect will be in the favour of the Company therefore, no provision is required to be recognized in these financial statements.

22.2.3 The Deputy Commissioner Inland Revenue (DCIR) passed an Order against the Company, whereby sales tax demand of Rs. 9.7 million along with penalty of Rs. 0.49 million has been raised on account of input sales tax claimed by the Company for the tax periods from October 2015 to September 2016. The Company filed an appeal before the Commissioner of Inland Revenue (Appeals). CIR(A) has remanded back the case on certain allegations to the extent of Rs. 6.9 million and annulled the demand of Rs. 0.39 million. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against remaining impugned demand. The management in consultation with its tax advisor are confident that the outcome of the appeal effect will be in the favour of the Company therefore, no provision is required to be recognized in these financial statements.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

22.2.4 The Deputy Commissioner Inland Revenue (DCIR) passed an Order against the Company, whereby sales tax demand of Rs. 5.6 million has been raised on account of input sales tax claimed by the Company for the tax periods from July 2018 to September 2019. The Company filed an appeal before the Commissioner of Inland Revenue (Appeals). CIR(A), However, the CIRA has upheld the order in original (ONO) and established impugned tax demand. The company has filed reference before the Honourable Sindh High Court against impugned Order-in-Appeal and stayed has been granted by Sindh High Court. The management in consultation with its tax advisor are confident that the outcome of the appeal effect will be in the favour of the Company therefore, no provision is required to be recognized in these financial statements.

22.2.5 Income tax contingencies are disclosed in note 32.5 to these financial statements.

22.3 Commitments

22.3.1 Commitments for capital expenditure as at 30 September 2025 aggregated Rs. 30.759 million (2024: Rs. 64.124 million).

22.3.2 Commitments under letters of credit for stock-in-trade and stores and spares as at 30 September 2025 amounted to Rs. 1,236.61 million (2024: Rs. 1,335.611 million).

22.3.3 Banks have provided guarantees to various parties on behalf of the Company. Guarantees outstanding as at 30 September 2025 amounted to Rs. 1,149.42 million (2024: Rs. 821.97 million). This includes guarantee amounting to Rs. 833.62 millions (2024: Rs. 555 million) provided to Excise and Taxation department in respect of infrastructure cess (as detailed in note 22.1.3)

22.3.4 The Company has provided post dated cheques amounting to Rs. 6,371.382 million (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.

23. SALES - net

		Textile Effect (TE)		Packaging Technologies (PT)		Total	
	Note	30 September 2025	30 September 2024	30 September 2025	30 September 2024	30 September 2025	30 September 2024
(Rupees in '000)							
Sales							
Local	23.1	22,505,873	19,194,803	3,573,438	4,214,498	26,079,311	23,409,301
Export		6,104,286	5,124,095	-	-	6,104,286	5,124,095
Total sales		28,610,159	24,318,898	3,573,438	4,214,498	32,183,597	28,533,396
Trade discounts and rebates		(881,059)	(822,596)	(21,050)	(4,466)	(902,109)	(827,062)
Sales tax		(3,320,790)	(2,292,808)	(554,041)	(640,403)	(3,874,831)	(2,933,211)
		(4,201,849)	(3,115,404)	(575,091)	(644,869)	(4,776,940)	(3,760,273)
Sales - net		24,408,310	21,203,494	2,998,347	3,569,629	27,406,657	24,773,123

23.1 This includes local supplies made to export oriented customers at zero rate of sales tax.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

24. COST OF SALES	Note	30 September 2025 (Rupees in '000)	30 September 2024
Raw and packing materials consumed		18,108,730	17,420,496
Stores, spares and supplies consumed		211,554	176,774
Fuel and power		540,777	640,924
Salaries, wages and benefits	24.1	677,868	608,413
Outside service charges		460,764	404,566
Depreciation	4.2	244,363	238,360
Insurance		40,187	59,423
Repairs and maintenance		75,810	48,878
Traveling and entertainment		12,759	16,354
Rent, rates and taxes		3,188	9,701
Printing and stationery		7,300	6,152
Communication		13,589	3,736
Legal and professional charges		285	140
Opening stock of work-in-process	6	567,523	188,807
Closing stock of work-in-process	6	(353,533)	(567,523)
Cost of goods manufactured		20,611,164	19,255,201
Opening stock of finished goods		1,205,411	1,072,872
Finished goods purchased		366,552	1,156,494
Included under distribution and marketing expenses:			
Cost of samples issued	25	(657)	(7,362)
Cost of shortages and breakages	25	(2,905)	(172)
Rebate on exports		(1,399)	-
Closing stock of finished goods		(1,378,932)	(1,205,411)
	6	<u>20,799,234</u>	<u>20,271,622</u>

24.1 Salaries, wages and benefits include Rs. 43.66 million and Rs. 22.66 million (2024: Rs. 11.74 million and Rs. 21.54 million) in respect of defined benefit scheme and defined contribution plan respectively.

25. DISTRIBUTION AND MARKETING EXPENSES	Note	30 September 2025 (Rupees in '000)	30 September 2024
Royalty		1,349,544	1,175,662
Outward freight and handling		1,106,939	939,529
Salaries and benefits	25.1	477,623	436,712
Outside service charges		116,997	104,305
Traveling and entertainment		63,241	69,659
Supplies, printing and stationery		21,767	55,769
Fuel and power		40,497	44,285
Depreciation	4.2	53,276	37,067
Insurance		7,804	33,796
Business event participation		19,593	31,541
Rent, rates and taxes		19,547	27,207
Repairs and maintenance		23,022	10,975
Samples issued	24	657	7,362
Communication		8,766	6,231
Fees and subscription		1,628	1,453
Legal and professional charges		1,368	846
Shortages and breakages	24	2,905	172
Books and periodicals		27	25
		<u>3,315,201</u>	<u>2,982,596</u>

25.1 Salaries and benefits include Rs. 30.17 million and Rs. 17.19 million (2024: Rs. 8.23 million and Rs. 16.80 million) in respect of defined benefit scheme and defined contribution plan respectively.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

26. ADMINISTRATIVE EXPENSES	Note	30 September 2025 (Rupees in '000)	30 September 2024
Salaries and benefits	26.1	409,515	367,647
Outside service charges		401,757	394,773
Repairs and maintenance		39,323	33,616
Depreciation	4.2	36,979	35,440
Insurance		27,958	3,038
Legal and professional charges		16,639	13,800
Traveling and entertainment		15,723	14,657
Printing and stationery		13,891	14,252
Fees and subscription		8,702	8,956
Communication		7,673	18,745
Auditors' remuneration	26.2	7,160	6,725
Rent, rates and taxes		5,921	3,023
Fuel and power		5,269	7,801
Donations	26.3 & 26.4	2,940	2,755
Books and periodicals		126	135
		999,576	925,363

26.1 Salaries and benefits include Rs. 5.56 million and Rs.16.813 million (2024: Rs.1.52 million and Rs.16.5 million) in respect of defined benefit scheme and defined contribution plan respectively.

26.2 Auditors' remuneration	30 September 2025 (Rupees in '000)	30 September 2024
Annual audit fee	5,724	5,228
Fee for half yearly review	650	650
Fee for statutory certifications	75	75
Out of pocket expenses	711	772
	7,160	6,725

26.3 Donations do not include any amount paid to any person or organization or institution in which a director or his / her spouse had any interest.

26.4 No directors or their spouses had any interest in any donee to which donations were made. During the year, the Company made donations to SIUT amounting to Rs. 1.20 million and to the Benevolent Fund amounting to Rs. 1.44 million.

27. EMPLOYEE BENEFIT OBLIGATIONS

27.1 Defined benefit plan - approved gratuity fund

27.1.1 Salient features

The Company operates an approved gratuity fund for eligible employees. Contributions are made annually based on actuarial recommendations, in accordance with the Trust Act, 1882, the Trust Deed and Rules of the Fund, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Benefits vary with length of service and type of separation, ranging from half to two months' basic salary per completed year of service on retirement, resignation or termination, while in case of death, two months' last drawn basic salary is payable for each year of eligible service. The Company is exposed to the following risks on account of gratuity fund.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

Final salary risks

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility

Most assets are invested in risk - free investments. However, investments in mutual fund units and term finance certificates are subject to adverse fluctuation as a result of change in market price.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets

This is managed by making regular contribution to the Fund as advised by the actuary.

27.1.2 Valuation results

Actuarial valuation is carried out every year and the latest valuation was carried out as at 30 September 2025 and 30 September 2024 by the Archroma Group on global basis. The information provided in notes 27.1.3 to 27.1.13 has been obtained from the actuarial valuation carried out as at 30 September 2025 and 30 September 2024. The following significant assumptions have been used for valuation of this scheme:

Financial assumptions	2025	2024
a) Expected rate of increase in salary level	7.0%	9.0%
b) Discount rate	11.4%	12.8%
c) Expected return on plan assets	11.3%	12.8%
d) Price inflation	6.5%	8.5%
Demographic assumptions		
Mortality rate	SLIC (2001-05)	SLIC (2001-05)
Rates of employee turnover	Low	Low

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

27.1.3 Amounts recognised in the statement of financial position:

Note	30 September 2025	30 September 2024
	(Rupees in '000)	
Present value of defined benefit obligation	1,425,611	1,617,336
Less: Fair value of plan assets	(1,453,588)	(1,432,223)
	<u>(27,977)</u>	<u>185,113</u>

27.1.4 Movement in present value of defined benefit obligation:

Obligation at beginning of the year	1,617,336	1,016,060
Current service cost	59,017	34,437
Interest cost	199,195	164,586
Benefits paid	(433,767)	(51,876)
Remeasurement (loss) / gain	(16,170)	454,129
Obligation at end of the year	<u>1,425,611</u>	<u>1,617,336</u>

27.1.5 Movement in fair value of plan assets:

Fair value at beginning of the year	1,432,223	1,072,181
Return on plan assets	178,826	177,525
Company contribution	51,957	37,332
Benefits paid	(433,767)	(51,876)
Remeasurement gain	224,349	197,061
Fair value at end of the year	<u>1,453,588</u>	<u>1,432,223</u>

27.1.6 Movement in the net defined benefit asset / (liability)

Opening balance	(185,113)	56,121
Cost for the year	(79,386)	(21,498)
Contribution paid during the year	51,957	37,332
Re-measurements recognised in other comprehensive income during the year	240,519	(257,068)
Closing balance	<u>27,977</u>	<u>(185,113)</u>

27.1.7 Amounts recognised in statement of profit or loss and other comprehensive income:

The following amounts have been charged in respect of these benefits to statement of profit or loss and other comprehensive income:

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

	30 September 2025	30 September 2024
	(Rupees in '000)	
Component of defined benefit costs recognised in statement of profit or loss and other comprehensive income		
- Current service cost	59,017	34,437
- Net interest	20,369	(12,939)
	79,386	21,498
Component of defined benefit costs (re-measurement) recognised in other comprehensive income		
(Gain) / loss due to change in experience adjustments	(16,170)	454,129
Actuarial gain on fair value of plan assets during the year	(224,349)	(197,061)
Net re-measurement recognised in other comprehensive income	(240,519)	257,068
Total defined benefit cost recognised in statement of profit or loss and other comprehensive income	(161,133)	278,566

27.1.8 Actual return on plan assets during the year was Rs. 510.786 million (2024: Rs. 19.535 million).

27.1.9 Sensitivity analysis

The impact of 0.5% change in following variables on defined benefit obligation is as follows:

	2025		
	Change in assumption	Percentage change	Impact of (decrease) / increase (Rupees in '000)
Increase by 50 basis points	Discount rate	+ 0.5%	(27,410)
Decrease by 50 basis points	Discount rate	- 0.5%	28,617

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant assumptions, same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

The comparative figures of sensitivity analysis are as follows:

	2024		
	Change in assumption	Percentage change	Impact of (decrease) / increase (Rupees in '000)
Increase by 50 basis points	Discount rate	+ 0.5%	(30,198)
Decrease by 50 basis points	Discount rate	- 0.5%	31,366

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

27.1.10 The weighted average duration of the defined benefit obligation is 15 years.

27.1.11 Plan assets comprise of the following:

	30 September 2025		30 September 2024	
	(Rupees in '000) (Un-audited)	Percentage composition	(Rupees in '000) (Un-audited)	Percentage composition
Sukuks	100,000	6.88%	150,000	10.47%
Term deposit certificates	50,000	3.44%	50,000	3.49%
Mutual funds	937,309	64.48%	1,010,614	70.56%
Direct equity	365,528	25.15%	220,343	15.39%
Cash	750	0.05%	1,266	0.09%
	1,453,587	100.00%	1,432,223	100.00%

27.1.12 As per the actuarial recommendations, the expected return on plan assets was taken as 11.30% (2024: 12.80%), which is representative of yields on long-term government bonds. Due to the increased volatility of share prices in recent months, there is no clear indication of return on equity. It is therefore assumed that the yield on equity matches the return on debt.

27.1.13 Based on actuarial advice, the Company intends to charge an amount of Rs. 42.55 million in the financial statements for the year ending 30 September 2026

27.2 Defined contribution plan - Employees Provident Fund

27.2.1 During the year, an amount of Rs. 56.66 million (2024: Rs. 54.84 million) has been charged to profit or loss in respect of the Company's contributions towards employees provident fund.

27.2.2 All investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

27.3 Defined benefit plan - Long service awards

27.3.1 Salient features

The Company operates a Long Service Award scheme for all eligible employees. Employees are entitled to a certificate of service together with a prize Bond, the value of which increases with the length of continuous service, ranging from Rs. 15,000 to Rs. 50,000 for service periods between 15 and 40 years. In addition, a 15-gram gold medal is awarded upon completion of 25 years of continuous service. The Company's obligation is determined by the Archroma Group's globally appointed actuary using the projected unit credit method.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

27.3.2 Valuation results

Actuarial valuation is carried out every year and the latest valuation was carried out as at 30 September 2025 and 30 September 2024 by the Archroma Group on global basis. The information provided in notes 27.3.2 to 27.3.6 has been obtained from the actuarial valuation carried out as at 30 September 2025 and 30 September 2024. The following significant assumptions have been used for valuation of this scheme:

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

Financial assumptions	2025	2024
a) Discount rate	11.40%	13.50%
b) Price inflation	6.50%	7.50%
Demographic assumptions		
Mortality rate	SLIC (2001-05)	SLIC (2001-05)
Rates of employee turnover	Low	Low
27.3.3 Amounts recognised in the statement of financial position	30 September 2025	30 September 2024
	(Rupees in '000)	
Present value of defined benefit obligation	18,809	15,158
27.3.4 Movement in present value of defined benefit obligation		
Obligation as at 1 October	15,158	10,414
Current service cost	922	656
Interest cost	1,804	1,710
Benefits paid	(3,810)	(2,327)
Remeasurement loss	4,735	4,705
Obligation as at 30 September	18,809	15,158
27.3.5 Amounts recognised in statement of profit or loss and other comprehensive income		
The following amounts have been charged in respect of these benefits to statement of profit or loss and other comprehensive income:		
	30 September 2025	30 September 2024
	(Rupees in '000)	
- Current service cost	922	656
- Net interest	1,804	1,710
Actuarial loss on defined benefit obligation	4,735	4,705
	7,461	7,071

27.3.6 Based on actuarial advice, the Company intends to charge an amount of Rs. 3.22 million in the financial statements for the year ending 30 September 2026.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

28.	OTHER OPERATING EXPENSES	Note	30 September 2025 (Rupees in '000)	30 September 2024
	Workers' Profit Participation Fund	18.3	101,436	-
	Workers' Welfare Fund		15,864	10,316
		28.1	<u>117,300</u>	<u>10,316</u>
28.1	Other operating expenses previously included auditors' remuneration and donations which are reclassified into administrative expenses for better presentation.			
29.	OTHER INCOME	Note	30 September 2025 (Rupees in '000)	30 September 2024
	Indenting commission - net of payment of Rs.48.58 million (2024: Rs.68.74 million)		171,862	152,460
	Sale of scrap		42,769	20,596
	Gain on disposal of operating property, plant and equipment	4.3	9,438	230
			<u>224,069</u>	<u>173,286</u>
30.	FINANCE COSTS			
	Exchange loss/(gain)		90,024	(32,136)
	Interest on Workers' Profit Participation Fund	18.3	-	1,771
	Interest / mark-up on:			
	- Lease obligations		58,505	66,998
	- Short-term running finances	30.1	29,337	704,069
	- Export refinance facility	30.2	210,327	457,506
	Bank charges		61,856	26,098
			<u>450,049</u>	<u>1,224,306</u>
30.1	This represents mark-up on running finance balance obtained from Islamic banks.			
30.2	This represents mark-up on export refinance facility balance obtained from Islamic banks.			
31.	MINIMUM AND FINAL TAXES	Note	30 September 2025 (Rupees in '000)	30 September 2024
	Minimum taxes	31.1	11,724	220,670
	Final tax		2,204	78,000
		32.1	<u>13,928</u>	<u>298,670</u>
31.1	This represents minimum taxes payable under section 113, 148 and 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21 / IAS 37.			
31.2	Reconciliation of current tax charge charged as per tax laws for the year with current tax recognised in the profit and loss account	Note	30 September 2025 (Rupees in '000)	30 September 2024

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

Current tax liability as per applicable tax laws	31 & 32	763,512	33,674
Portion of current tax liability as per tax laws, representing income tax under IAS 12		(749,584)	264,996
Portion of current tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		(13,928)	(298,670)
Difference		-	-

32. INCOME TAX

Current		390,388	-
Deferred		359,196	(264,996)
	32.1	749,584	(264,996)

32.1 Relationship between income, minimum and final tax expense and accounting profit	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	(Effective tax rate %)		(Rupees in '000)	
Profit / (loss) before minimum, final and income tax			1,940,473	(512,778)
Minimum and final taxes			13,928	298,670
Current tax			390,388	-
Deferred tax			359,196	(264,996)
			763,512	33,674
Tax on accounting profit / (loss)	29.00	29.00	562,737	(148,706)
Tax effect of super tax	10.00	0.00	194,047	-
Impact of reduced rate	0.00	(25.40)	-	130,269
Tax effect of change in rate	0.00	(5.15)	-	26,397
Tax effect of items that are not deductible in determining taxable profit - permanent differences	0.00	(5.03)	-	25,798
Others	0.35	0.02	6,728	(84)
	39.35	(6.57)	763,512	33,674

32.2 The Company has filed a constitutional petition with the High Court of Sindh (HCS) challenging the vires of section 4C of the Income tax Ordinance, 2001 relating to Super Tax for tax year 2022. Petitions are allowed on the ground that such tax cannot be imposed on retrospectively as tax levied on past and closed transactions. As per the order of the HCS, the Company has submitted Bank Guarantee of Rs. 287 million to the Nazir of the High Court of Sindh against the disputed amount of super tax for the tax year 2022. The Supreme Court of Pakistan vide its interim order dated 16 February 2023 has required payment of super tax @ 4% amounting to Rs. 115 million till the matter is finally decided by the Supreme Court of Pakistan.

The Company filed a constitutional petition in the High Court of Islamabad challenging the vires of Section 4C of the Income Tax Ordinance, 2001 relating to tax year 2023. The High Court of Islamabad passed an interim Order dated 4 October 2023 preventing the department to recover super tax in excess of 4% prescribed before the amendment made vide Finance Act 2023. The FBR has filed an intra-court appeal against the said order.

32.3 Income tax assessments of the Company have been submitted up to and including tax year 2025 on self assessment basis under section 120 of the Income Tax Ordinance 2001 (the Ordinance). However, the return(s) may be selected for detailed audit within six years from the date of filing of return Tax related contingencies are disclosed in note 32.5.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

32.4	Taxation - net	Note	30 September 2025	30 September 2024
			(Rupees in '000)	
	Tax (refundable) / payable at beginning of the year		(127,184)	208,173
	Tax and levies adjustment on account of amalgamation of Archroma Chemicals Pakistan (Private) Limited	1.2	-	(22,450)
	Minimum, final and income tax payments / adjustments made during the year		(735,338)	(611,577)
			(862,522)	(425,854)
	Less: Income tax	32	390,388	-
	Less: Minimum and final taxes	31	13,928	298,670
			404,316	298,670
	Tax recoverable/refundable at end of the year		(458,206)	(127,184)

32.5 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)	For the tax year 2011, the Company was selected for tax audit under Section 177 of the Income Tax Ordinance, 2001 (the Ordinance). The Deputy Commissioner Inland Revenue (DCIR) had passed an order that amended the assessment under section 122(4) of the Ordinance by raising a tax demand of Rs. 48 million. The Company filed an appeal before the CIR(A) against the order passed by DCIR, which was decided in favor of the Company against certain disallowances made by DCIR. However, the company has paid Rs. 40 million against the order. The income tax department has filed an appeal before the learned ATIR against the decisions of CIR(A). the appeal is pending for adjudication.	The Deputy Commissioner Inland Revenue (DCIR) and the Company	21 June 2017
Appellate Tribunal Inland Revenue (ATIR)	The Company was selected for audit for tax year 2014 under section 177 and consequently order u/s 122(1) was passed creating a demand of Rs. 155 million on certain disallowances. The Company filed an appeal against the amended assessment order before CIR(A) who vide its order dated 19 October 2020 has provided certain reliefs. The Company has preferred an appeal before the ATIR on the issues decided by the CIR(A) against the Company, whereas ACIR has also filed appeal before ATIR against disallowance of certain demand.	The Assistant Commissioner Inland Revenue (ACIR) and the Company	19 October 2020

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

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 2015 was selected for audit under section 214D (now section 214C) of the Income Tax Ordinance, 2001. The audit proceedings have been completed and ACIR passed an order demanding Rs. 37 million, wherein certain additions and disallowances were made. The management filed an appeal against the aforementioned order before the CIR(A). The CIR(A) passed an appellate order with relief on certain disallowances by ACIR. The Company has filled an appeal before ATIR on issues decided by CIR(A) against the Company.	The Assistant Commissioner Inland Revenue (ACIR) and the Company	29 March 2021
Appellate Tribunal Inland Revenue (ATIR)	The income tax return for Tax Year 2018 was selected for audit under Section 214D (now Section 214C) of the Income Tax Ordinance, 2001. Upon completion of the audit proceedings, the ACIR passed an order under Section 122(5A) creating a tax demand of Rs. 102 million on account of certain additions and disallowances. The Company preferred an appeal against the said order before the CIR(A). Subsequently, the Company has filed an appeal before the ATIR on the matters decided by the CIR(A) against the Company, which is currently pending adjudication.	The Assistant Commissioner Inland Revenue (ACIR) and the Company	24 November 2021
Appellate Tribunal Inland Revenue (ATIR)	The income tax return for Tax Year 2019 was selected for audit under Section 214D (now Section 214C) of the Income Tax Ordinance, 2001. Upon completion of the audit proceedings, an assessment order under Section 122(5A) of the Ordinance was passed by the ACIR, creating a demand of Rs. 125 million on account of certain additions and disallowances. The Company preferred an appeal against the aforementioned order before the CIR(A), who granted partial relief by deleting certain disallowances made by the ACIR. The Company has further preferred an appeal before the ATIR on the issues decided by the CIR(A) against the Company, which is currently pending adjudication.	The Assistant Commissioner Inland Revenue (ACIR) and the Company	31 January 2022
Appellate Tribunal Inland Revenue (ATIR)	The Company's income tax return for Tax Year 2020 was selected for audit under Section 214D (now Section 214C) of the Income Tax Ordinance, 2001. Following completion of audit proceedings, the Assistant Commissioner Inland Revenue (ACIR) passed an amended assessment order under Section 122(5A), raising a demand of Rs. 218 million due to various additions and disallowances. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who granted partial relief by deleting certain disallowances while upholding others. The Company then preferred an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the issues decided adversely by the CIR(A), which is currently pending adjudication. Subsequently, the ACIR passed the appeal effect order, wherein most of the issues were deleted while a few additions were confirmed, and the matter relating to allocation of expenses was remanded back; however, the ACIR repeated the earlier addition. Moreover, the ACIR did not comply with the CIR(A)'s directions regarding the federal levy of Workers Welfare Fund (WWF) and erroneously added the same to the total tax liability, which constitutes a mistake apparent from the record. The Company has filed a rectification application in this regard, and following the appeal effect order, a revised tax demand of Rs. 202 million has been raised, against which an appeal has been filed before the ATIR, currently pending adjudication.	The Assistant Commissioner Inland Revenue (ACIR) and the Company	29 December 2022

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

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 Company's income tax return for Tax Year 2022 was selected for audit under Section 214D (now Section 214C) of the Income Tax Ordinance, 2001. Following the completion of audit proceedings, the Assistant Commissioner Inland Revenue (ACIR) amended the assessment under Section 122(5A), raising a demand of Rs. 978 million on account of certain additions and disallowances. The Company filed an appeal against the aforementioned order before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The appeal was heard and reserved for order; however, the CIR(A) had not issued the appellate order by the cut-off date for transfer of pending appeals to the Appellate Tribunal Inland Revenue (ATIR). Consequently, the appeal was required to be transferred to the ATIR for further adjudication.	The Assistant Commissioner Inland Revenue (ACIR) and the Company	27 November 2023
Appellate Tribunal Inland Revenue (ATIR)	The Deputy Commissioner Inland Revenue (DCIR) passed orders under Sections 161(1A) and 205 of the Income Tax Ordinance, 2001, raising an aggregate demand of Rs. 106 million, including default surcharge and penalty, for Tax Years 2016 and 2018. Of this amount, Rs. 31 million pertains to Tax Year 2016, while Rs. 75 million relates to Tax Year 2018. The Company filed appeals against these orders before the Commissioner Inland Revenue (Appeals) [CIR(A)], who upheld the DCIR's orders in entirety. The Company thereafter preferred appeals before the Appellate Tribunal Inland Revenue (ATIR), which has remanded the cases back to the officer having lawful jurisdiction for fresh proceedings in accordance with law. No further proceedings have been initiated to date.	The Deputy Commissioner Inland Revenue (DCIR) and the Company	26 January 2022 and 25 June 2024
Appellate Tribunal Inland Revenue (ATIR)	The Income tax return for tax year 2021 was selected for audit under section 214 of the Income Tax Ordinance, 2001. The audit proceedings have been completed and ACIR passed an order demanding Rs. 191 million, wherein certain additions and disallowances were made. The management filed an appeal against the aforementioned order before the CIR(A).	The Assistant Commissioner Inland Revenue (ACIR) and the Company	20 December 2024
Appellate Tribunal Inland Revenue (ATIR)	For the tax year 2019, the proceedings for monitoring of withholding taxes were finalized, pursuant to which the DCIR passed an order under Section 161(1A) of the Income Tax Ordinance, 2001, creating an aggregate tax demand of Rs. 160 million. The said demand comprises tax recoverable under Section 161(1) amounting to Rs. 131 million, penalty under Section 182 at 10% amounting to Rs. 13 million, and default surcharge under Section 205 amounting to Rs. 15 million. The Company has preferred an appeal against the aforementioned order before the CIR(A), which is currently pending adjudication.	Deputy Commissioner Inland Revenue (DCIR) and the Company	30 June 2025

The management based on consultation with its tax advisor is confident that there will be no unfavorable outcome for the aforementioned tax years and 'accordingly no provision has been made in these financial statements.

33.	EARNINGS PER SHARE (BASIC AND DILUTED)	Note	30 September 2025	30 September 2024
			(Rupees in '000)	
33.1	Basic			
	Profit / (loss) after taxation attributable to ordinary shareholders		1,176,961	(546,452)
			(Number of shares)	
	Weighted average number of ordinary shares outstanding during the year	13.2	34,563,341	34,563,341
			(Rupees)	
	Earnings / (loss) per share		34.05	(15.81)

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

33.2 Diluted

There were no convertible dilutive potential ordinary shares in issue as at 30 September 2025 and 30 September 2024.

34. SEGMENT INFORMATION

	Textile Effect (TE)		Packaging Technologies (PT)		Total	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	(Rupees in '000)					
Net revenue from contracts with customers	24,408,310	21,203,494	2,998,347	3,569,629	27,406,657	24,773,123
Segment results based on 'management approach'	2,165,098	428,697	332,760	287,887	2,497,858	716,584
Other operating expenses - WPPF and WWF					(117,300)	(10,316)
Assets charged to profit and loss for internal reporting purposes based on group guidelines					9,964	5,260
Operating profit					2,390,522	711,528
Finance costs					(450,049)	(1,224,306)
Profit / (loss) before levies and income tax					1,940,473	(512,778)
34.1 Segment assets	10,951,029	10,539,599	1,613,087	1,260,801	12,564,116	11,800,400
Unallocated					3,163,624	2,502,829
					15,727,740	14,303,229
34.2 Segment liabilities	4,852,096	5,233,082	520,235	716,991	5,372,331	5,950,073
Unallocated					5,945,4310	4,575,589
					11,317,761	10,525,662
34.3 Capital expenditures	304,498	643,553	752	851	305,250	644,404
Unallocated					4,758	1,075
					310,008	645,479
34.4 Depreciation	332,239	308,498	481	269	332,720	308,767
Unallocated					1,898	2,100
					334,618	310,867

34.5 Geographical information

Note	30 September 2025	30 September 2024
	(Rupees in '000)	
The Company's gross revenue from external customers by geographical location is detailed below:		
Domestic sales	26,079,311	23,409,301
Export sales	6,104,286	5,124,095
23	32,183,597	28,533,396

The Company exports its products to numerous countries.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

- 34.6** As at 30 September 2025 and 30 September 2024, all non-current assets of the Company are located in Pakistan.
- 34.7** Management considers that revenue from its ordinary activities are shariah compliant.
- 34.8** 16.13% and 11.32% (collectively 27.45%) of the Company's gross revenue from contracts with customers for the year ended 30 September 2025 {(2024:14.68% and 10.04% (collectively 24.72%)} were made to two distributors. The segment wise sales to these two distributors is as follows:

	Textile Effect (TE)		Packaging Technologies (PT)		Total	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	----- % -----					
Distributor 1	16.13	14.68	-	-	16.13	14.68
Distributor 2	11.32	10.04	-	-	11.32	10.04
Total %	27.45	24.72	-	-	27.45	24.72

35. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

- 35.1** The aggregate amounts charged in these financial statements in respect of remuneration including all benefits to Chief Executive Officer, Directors and Executives of the Company are as follows:

	Chief Executive Officer		Directors		Executives		Total	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	----- (Rupees in '000) -----							
Short-term employee benefits								
Managerial remuneration (including and leave pay)	57,236	59,530	58,378	53,400	539,331	464,656	654,945	577,586
Fees (note 35.3)	-	-	1,680	1,680	-	-	1,680	1,680
Bonus	15,113	7,002	15,065	5,269	76,035	21,691	106,213	33,962
Housing and utilities	23,459	23,200	27,011	25,021	233,151	207,057	283,621	255,278
Medical	229	250	192	274	13,034	10,233	13,455	10,757
Post employment benefits								
Retirement benefits	11,981	13,851	9,464	10,474	94,306	88,738	115,751	113,063
	108,018	103,833	111,790	96,118	955,857	792,375	1,175,665	992,326
Number of person(s)	2	1	8	7	135	126	145	134

- 35.2** The Chief Executive Officer is provided with free furnished accommodation. In addition, the Chief Executive Officer, Directors and certain Executives are also provided with free use of the Company cars, residential equipment and reimbursement of utilities in accordance with their entitlements and Company policy. Furthermore, various vehicle and equipments were sold to Chief Executive Officer, Directors and certain Executives which are disclosed in note 4.3 of these financial statements.
- 35.3** During the year, the Company had three (2024: four) Non-Executive Directors who were paid Rs. Nil meeting fees (2024: Rs. Nil).
- 35.4** The above remuneration includes nine months' remuneration for the outgoing Chief Executive Officer and three months' remuneration for the newly appointed Chief Executive Officer .

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

35.5 In accordance with the requirements of the fourth schedule to the Companies Act 2017, employees whose basic salary for the year exceed Rs. 1.2 million have been considered 'Executives' for the purpose of these consolidated financial statements.

36. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties are entered into at agreed terms. Details of transactions with related parties, unless specifically disclosed elsewhere in these financial statements are as follows:

Name of related party	Nature of Relationship	Nature of Transactions	Aggregate % of shareholding	30 September 2025	30 September 2024
---- (Rupees in '000) ----					
Archroma Textiles GmbH, Switzerland	Parent / Holding Company	Dividend	75.32%	520,680	-
Archroma Management GmbH, Switzerland	Associated Company	Purchases and services	N/A	467,511	636,190
		Royalty expenses		1,349,544	1,175,662
		Indenting commission		42,169	51,576
Archroma Turkey Chemical Industry and Trade	Associated Company	Purchases	N/A	21,635	5,273
		Revenue		3,230,516	1,504,939
Archroma Singapore, Pte Ltd	Associated Company	Purchases	N/A	523,978	815,055
		Revenue		82,183	42,164
		Indenting commission		176,499	164,745
Archroma Textile Mexico S.De	Associated Company	Purchases	N/A	-	135,491
		Revenue		-	2,151
Archroma (Thailand) Company Limited	Associated Company	Purchases	N/A	320	7,635
		Revenue		416,784	364,077
		Indenting commission		1,310	3,199
PT Archroma Indonesia	Associated Company	Purchases	N/A	24,072	42,346
		Revenue		24,344	22,942
		Indenting commission		465	1,685
Archroma Textile Effects	Associated Company	Revenue	N/A	2,275	-
Archroma Egypt for Chemical SAE	Associated Company	Purchases	N/A	1,695	-
Spice Industria Quimica	Associated Company	Purchases	N/A	-	1,838
PT Archroma Specialties Indonesia	Associated Company	Revenue	N/A	9,074	-
Archroma Chemical China Limited	Associated Company	Revenue	N/A	105,769	62,467
Archroma Peru S.A.	Associated Company	Revenue	N/A	-	20,411
Archroma Iberica, S.L.	Associated Company	Revenue	N/A	185,077	124,439
Archroma Japan KK	Associated Company	Revenue	N/A	61,194	75,524
Archroma U.S	Associated Company	Purchases	N/A	5,948	8,775

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

Name of related party	Nature of Relationship	Nature of Transactions	Aggregate % of shareholding	30 September 2025	30 September 2024
---- (Rupees in '000) ----					
Swiss Business Council	Common directorship	Subscription	N/A	139	130
Jubilee Life Insurance Company Limited	Common directorship	Insurance	N/A	73,582	59,956
Chief Executive and Directors	Key management personnel	Remuneration - note 35.1	N/A	219,808	199,951
Executives	Key management personnel	Proceeds from disposal of property, plant and equipment	N/A	9,066	774
Archroma Management GmbH, Switzerland	Associated Company	Receivable Payable	N/A	10,176 355,034	13,867 483,953
Archroma Turkey Chemical Industry and Trade	Associated Company	Receivable Payable	N/A	1,069 3,321	159,540 5,202
Archroma Singapore, Pte Ltd	Associated Company	Receivable Payable	N/A	77,878 118,733	67,662 113,170
Archroma Textile Mexico S.De	Associated Company	Payable		100,429	98,420
Archroma (Thailand) Company Limited	Associated Company	Receivable Payable	N/A	119,466 -	108,525 5,869
PT Archroma Indonesia	Associated Company	Receivable Payable	N/A	6,986 9,133	- -
PT Archroma Specialties Indonesia	Associated Company	Receivable Payable	N/A	7,213 -	10,203 16,665
Archroma Chemical China Limited	Associated Company	Receivable	N/A	14,654	11,876
Archroma U.S	Associated Company	Payable	N/A	3,353	847
Archroma Egypt for Chemical SAE	Associated Company	Payable	N/A	1,120	-
Archroma Japan KK	Associated Company	Receivable	N/A	4,362	18,855

36.1 All related parties disclosed above under the nature of 'Associated Company' are under common control.

36.2 Outstanding balances with related parties as at reporting date have been included in other receivables (note 10) and trade and other payables (note 18) respectively and are settled in ordinary course of business.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

37. CAPACITY AND PRODUCTION

30 September 2025 30 September 2024
(Tonnes)

Actual production 56,535 51,140

The installed / actual capacity is indeterminable because of multi-product plants involving varying processes of manufacture.

The Company's production was according to market demand.

38. NUMBER OF EMPLOYEES

30 September 2025 30 September 2024
Non of employs

38.1 Number of employees of the company at the year end 255 261

Average number of employees of the company during the year 255 257

38.2 Total number of factory employees of the company at the year end 95 95

Average number of factory employees of the company during the year 95 95

38.3 In addition to the above, the Company also engages third party and contractual staff for both office and factory operations.

39. WORKING CAPITAL CHANGES

30 September 2025 30 September 2024
(Rupees in '000)

(Increase) / decrease in current assets

Stores and spares	(15,596)	(6,573)
Stock-in-trade	198,077	2,046,844
Trade receivables	(731,462)	4,305,962
Advances	(1,011)	(1,707)
Trade deposits and short-term prepayments	1,786	62,615
Other receivables	38,120	(114,162)
Tax refunds from Government - sales tax	152,607	459,512
Assets charged to expenses	8,167	-
	(349,312)	6,752,491

Increase / (decrease) in current liabilities

Trade and other payables	1,325,7965	(4,584,015)
	976,4843	2,168,476

40. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flow comprise of the following statement of financial position amounts:

Note	30 September 2025	30 September 2024
	(Rupees in '000)	
Cash and bank balances	12 985,207	159,529
Short-term running facilities under Islamic mode	21.1 (355,499)	(544,148)
	629,708	(384,619)

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

41. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(1)12024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities as their core business activities. Following information is disclosed pursuant to the amendment:

Description	Note	30 September 2025	30 September 2024
Statement of financial position		(Rupees in '000)	
Diminishing musharika financing - Shariah Compliant	17	338,985	201,419
Short term borrowing as per Islamic mode	21	3,325,939	3,938,588
Mark-up accrued on short term borrowing - Islamic mode	20	56,847	164,577
Shariah compliant bank deposits, bank balances and TDR	12	985,207	159,529

Statement of profit or loss and other comprehensive income

Revenue earned from shariah-compliant business segment	23	27,406,657	24,773,123
Mark up paid on Islamic mode of financing	30	360,025	1,254,671

Source and detailed break up of other income:

Shariah compliant other income	29	224,069	173,286
--------------------------------	----	---------	---------

The following information has been disclosed as required under Paragraph 10 of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

Description	Explanation
i) Diminishing Musharika Financing	Disclosed in note 17
ii) Loans and advances obtained as per Islamic mode	Disclosed in note 21
iii) Relationship with banks having Islamic windows	Following is the list of banks & financial institution with which the Company has a relationship with Islamic window of operations: 1. Meezan Bank Limited 2. Standard Chartered Bank (Pakistan) Limited 3. Habib Bank Limited 4. First Habib Modaraba 5. Bank Islami Pakistan Limited 6. Dubai Islami Bank 7. Habib Metropolitan Bank Limited

42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

42.1 Financial instruments by category and fair value measurement

The following table shows the carrying amounts financial assets and financial liabilities along with fair value measurement hierarchy.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

42.2.1 Credit risk and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk arises from bank balances, short term investments, deposits and credit exposures to customers, including trade receivables and other receivables.

The total bank balance of Rs. 985.21 million (2024 Rs. 159.53 million) has been placed with banks having short-term credit ratings of A1+. Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company.

Deposits are provided to counterparties as security for continued provision of services to the Company. Management does not expect to incur material losses as such amounts are provided based on agreement with counterparties and are refundable upon termination of related services.

The most significant financial asset exposed to credit risk is the trade receivables of the Company. For trade receivables, individual credit limits are assigned to customers based on the recommendations from respective business unit heads keeping in view their payment history, financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The concentration of credit risk lies in the top 5 (2024: 5) customers which constitute 39.74% (2024: 36.81%) of the Company's trade receivables.

The break down of amount due from customers other than related parties as disclosed in note 7 to these financial statements is presented below:

	30 September 2025	30 September 2024
	(Rupees in '000)	
Due from customers		
Direct customers	3,758,107	3,456,836
Distributors	2,265,430	1,744,276
	6,023,537	5,201,112
Less: Impairment loss on trade receivables	(541,052)	(532,159)
	5,482,485	4,668,953
Related parties	218,036	308,999
	5,700,521	4,977,952

Out of the total trade receivables including related parties of Rs. 5,700.52 million (2024: Rs. 4,977.95 million), the Company has made an allowance for impairment loss amounting to Rs. 541.05 million (2024: Rs. 532.16 million)

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

42.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines open.

The maturity profile of the Company's liabilities based on contractual maturities is as follows:

	30 September 2025				
	Carrying amount	Contractual cash flows	Less than one month	Upto one year	More than one year
	(Rupees in '000)				
Financial liabilities					
Trade and other payables	6,999,400	6,999,400	-	6,999,400	-
Unclaimed dividend	85,794	85,794	85,794	-	-
Unpaid dividend	18,579	18,579	18,579	-	-
Mark-up accrued	56,847	56,847	56,847	-	-
Short term borrowings	3,325,939	3,325,939	355,499	2,970,440	-
Lease liabilities	200,866	363,936	-	49,267	314,669
Liabilities against diminishing musharika financing	338,985	373,240	-	129,542	243,698
	11,026,410	11,223,735	516,719	10,148,649	558,367

	30 September 2024				
	Carrying amount	Contractual cash flows	Less than one month	Upto one year	More than one year
	(Rupees in '000)				
Financial liabilities					
Trade and other payables	5,622,476	5,622,476	-	5,622,476	-
Unclaimed dividend	68,860	90,313	90,313	-	-
Unpaid dividend	21,453	-	-	-	-
Mark-up accrued	164,577	164,577	164,577	-	-
Short term borrowings	3,938,588	3,938,588	544,148	3,394,440	-
Lease liabilities	142,639	200,956	-	24,130	176,826
Liabilities against diminishing musharika financing	201,419	279,159	-	96,424	182,735
	10,160,012	10,296,069	799,038	9,137,470	359,561

42.2.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk.

i) Currency Risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company primarily has foreign currency exposures in US Dollars (USD), Euro (EUR), Great British Pound (GBP), Chinese Renminbi (RMB), Japanese Yen (JPY) and Swiss Francs (CHF). The details of balances are as follows:

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

	30 September 2025			
	(USD '000)	(EUR '000)	(CHF '000)	(RMB '000)
Trade and other receivables	2,141	-	-	-
Trade payables	(7,639)	(58)	(9)	(25,077)
Other payables	(134)	-	-	-
Net foreign currency exposure	<u>(5,631)</u>	<u>(58)</u>	<u>(9)</u>	<u>(25,077)</u>
Spot rate as at 30 September 2025	281.65	330.15	353.10	39.50
Equivalent USD - US Dollar	(5,631)	(69)	(11)	(3,517)
Total exposure in US Dollar	<u>(9,228)</u>			

	30 September 2024			
	(USD '000)	(EUR '000)	(CHF '000)	(RMB '000)
Trade and other receivables	2,254	-	-	-
Trade payables	(3,843)	(99)	-	(32,405)
Other payables	-	-	-	-
Net foreign currency exposure	<u>(1,589)</u>	<u>(99)</u>	<u>-</u>	<u>(32,405)</u>
Spot rate as at 30 September 2024	277.95	310.05	329.97	39.61
Equivalent USD - US Dollar	(1,589)	(110)	-	(4,618)
Total exposure in US Dollar	<u>(6,317)</u>			

At 30 September 2025, if the Pakistani Rupee had weakened / strengthened by Rs 10 against the US Dollar with all other variables held constant, profit before taxation for the year would have been higher / lower by Rs. 92.28 million (2024: Rs. 63.17 million). The sensitivity analysis is not actual indicator of impact owing to future fluctuation in exchange rate.

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. The majority of the interest rate exposure arises from short and long term borrowings from banks and savings account balances with banks.

At the statement of financial position date, the interest rate profile of the Company's interest-bearing financial instrument is:

	Carrying amount	
	30 September 2025	30 September 2024
	(Rupees in '000)	
Variable rate instruments	187,243	15,127
Financial assets	(3,865,790)	(4,282,646)
Financial liabilities	(3,678,547)	(4,267,519)

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 or loss account'. Therefore a change in interest rates at the reporting date would not affect the statement of profit or loss and other comprehensive income account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and the profit by Rs. 38.45 million (2024: Rs. 42.67 million) with the corresponding effect on the carrying amount of the liability and asset. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at reporting date, the Company is not exposed to other price risk.

42.3 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2025					
	Other short term borrowings	Unclaimed Dividend	Diminishing Musharika Liabilities	Lease Liabilities	Equity	Total
	(Rupees in '000)					
Balance as at 1 October 2024	3,394,440	90,313	201,419	142,639	3,777,567	3,828,811
Changes from financing cash flows						
Repayment of loan and borrowing	(1,781,486)	-	-	-	-	(1,781,486)
Proceeds from loan and borrowing	1,357,486	-	-	-	-	1,357,486
Dividend paid	-	(677,207)	-	-	-	(677,207)
Payments against lease liabilities	-	-	-	(24,913)	-	(24,913)
Financing against diminishing musharika finance - net	-	-	(80,037)	-	-	(80,037)
Total changes from financing activities	(424,000)	(677,207)	(80,037)	(24,913)	-	(1,206,157)
Liability related other changes						
Mark-up expense - net (note 42.3.1)	-	-	42,070	16,435	-	58,505
Additions	-	-	175,533	66,705	-	242,238
Dividend declared	-	691,267	-	-	(691,267)	-
Total liability related other changes	-	691,267	217,603	83,140	(691,267)	300,743
Total comprehensive income for the year	-	-	-	-	1,323,678	1,323,678
Balance as at 30 September 2025	2,970,440	104,373	338,985	200,866	4,409,978	8,024,641

	2024					
	Other short term borrowings	Unclaimed Dividend	Diminishing Musharika Liabilities	Lease Liabilities	Equity	Total
	(Rupees in '000)					
Balance as at 1 October 2023	2,434,911	602,662	190,745	142,437	4,334,129	7,704,884
Changes from financing cash flows						
Repayment of loan and borrowing	(1,540,471)	-	-	-	-	(1,540,471)
Proceeds from loan and borrowing	2,500,000	-	-	-	-	2,500,000
Dividend paid	-	(512,349)	-	-	-	(512,349)
Payments against lease liabilities	-	-	-	(23,641)	-	(23,641)
Financing against diminishing musharika finance - net	-	-	(140,878)	-	-	(140,878)
Total changes from financing activities	959,529	(512,349)	(140,878)	(23,641)	-	282,661
Liability related other changes						
Mark-up expense - net (note 42.3.1)	-	-	43,155	23,843	-	66,998
Additions	-	-	108,397	-	-	108,397
Dividend declared	-	-	-	-	-	-
Total liability related other changes	-	-	151,552	23,843	-	175,395
Total comprehensive loss and effect of scheme of arrangement	-	-	-	-	(556,562)	(556,562)
Balance as at 30 September 2024	3,394,440	90,313	201,419	142,639	3,777,567	7,606,378

Notes to and forming part of the Financial Statements

For the year ended 30 September 2025

42.3.1 Mark-up expense on long term loan and short-term borrowings aggregating to Rs. 347.39 million (2024: Rs.1,163.35 million) have been classified as operating activities in the statement of cash flows.

42.4 Capital risk management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The gearing ratio of the Company is as follows:

	30 September 2025	30 September 2024
	(Rupees in '000)	
Debt to equity ratio		
Total interest bearing debt	3,865,790	4,282,646
Less: Cash and bank balances	(985,207)	(159,529)
Net interest bearing debt	<u>2,880,583</u>	<u>4,123,117</u>
Equity	<u>4,409,978</u>	<u>3,777,567</u>
Debt to equity (in times)	<u>0.65</u>	<u>1.09</u>
Current ratio		
Current assets	<u>13,162,455</u>	<u>11,657,169</u>
Current liabilities	<u>10,745,364</u>	<u>10,065,048</u>
Current ratio	<u>1.22:1</u>	<u>1.16:1</u>

43. NON-ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Company in their meeting held on 29 October 2025 has proposed a cash dividend in respect of the year ended 30 September 2025 of Rs. 10 per share (2024: cash dividend of Rs. Nil per share).

44. DATE OF AUTHORISATION

These financial statements were authorised for issue on 29 October 2025 by the Board of Directors of the Company.



Irfan Chawla
Chief Executive Officer



Naveed Kamil
Director



Altaf Jamal Khan
Chief Financial Officer

MOWILITH CONCRETE ADDITIVES

Where Innovation Meets Endurance.

Our Concrete Additives combine advanced chemistry with real-world durability.

Helping contractors build stronger, enhancing lives, strengthening structures. Synthesized from our state of the art process, Mowilith Concrete Additives are based upon precisely engineered polymers with reliable formulations ensuring uniform results across construction projects.

Mowilith Concrete Additives are specifically designed solutions that improve strength, reduce permeability, and extend service life while delivering high flow mixes for faster placement with less labor, and promoting sustainability through lower water and energy demands.





Stakeholders Information

Pattern of Shareholding

As at 30 September 2025

No of Shareholders	From	To	Total Shares
784	1	100	25,842
522	101	500	148,894
206	501	1,000	162,238
314	1,001	5,000	716,886
80	5,001	10,000	577,570
22	10,001	15,000	258,675
11	15,001	20,000	198,616
11	20,001	25,000	242,689
8	25,001	30,000	222,837
4	35,001	40,000	158,886
5	40,001	45,000	210,448
1	45,001	50,000	50,000
1	60,001	65,000	60,050
1	70,001	75,000	74,500
2	75,001	80,000	154,369
1	80,001	85,000	80,800
2	95,001	100,000	200,000
2	145,001	150,000	300,000
1	170,001	175,000	174,600
1	175,001	180,000	177,406
1	255,001	260,000	255,550
2	340,001	345,000	685,697
1	385,001	390,000	389,850
1	810,001	815,000	812,000
1	820,001	825,000	823,857
1	1,365,001	1,370,000	1,367,089
1	26,030,001	26,035,000	26,033,992
1,987			34,563,341

SNO.	Shareholders Category	No of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	3	1,301	0.00
2	Associated Companies, Undertakings and related Parties	2	26,033,993	75.32
3	NIT and ICP	1	700	0.00
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	3	176,387	0.51
5	Insurance Companies	4	1,088,157	3.15
6	Modarabas and Mutual Funds	8	2,282,962	6.61
7	Share holders holding 10%	1	26,033,992	75.32
8	General Public :			
	a. local	1,918	4,635,860	13.41
	b. Foreign	-	-	-
9	Others	48	343,981	1.00
Total (excluding : share holders holding 10%)		1,987	34,563,341	100.00

Pattern of Shareholding

As at 30 September 2025

SNO.	Shareholders Category	Holding
	Directors, Chief Executive Officer, and their spouse and minor children (to be confirm by Company)	
1	MRS. YASMIN HABIB PEERMOHAMMAD	1
2	SHAHID GHAFAR	500
3	MUHAMMAD IRFAN HUSAIN CHAWALA	800
	TOTAL >>	1,301
	Associated Companies, Undertakings and related Parties (to be confirm by Company)	
1	ARCHROMA PAPER GMBH	1
2	ARCHROMA TEXTILES GMBH	26,033,992
	TOTAL >>	26,033,993
	NIT and ICP	
1	NATIONAL BANK OF PAKISTAN	700
	TOTAL >>	700
	Banks, Development Financial Institutions, Non Banking Financial Institutions	
1	INDUSTRIAL DEVELOPMENT BANK LIMITED	698
2	NATIONAL BANK OF PAKISTAN	1,089
3	NATIONAL BANK OF PAKISTAN	174,600
	TOTAL >>	176,387
	Insurance Companies	
1	STATE LIFE INSURANCE CORP. OF PAKISTAN	823,857
2	GHAF LIMITED	255,550
3	GHAF LIMITED	7,650
4	ASKARI LIFE ASSURANCE COMPANY LIMITED	1,100
	TOTAL >>	1,088,157
	Modarabas and Mutual Funds	
1	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	341,936
2	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	343,761
3	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	22,800
4	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	44,394
5	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	13,000
6	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	74,500
7	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	75,482
8	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,367,089
	TOTAL >>	2,282,962

Pattern of Shareholding

As at 30 September 2025

SNO.	Shareholders Category	Holding
Others		
1	M/S KAZI & KAZI LIMITED	202
2	M/S ZAM ZAM LIMITED	115
3	M/S MODARABA AL-MAL CORP. LTD.	106
4	M/S SITARA ENTERPRISES (PVT) LTD.	7
5	M/S N.H. HOLDING (PVT) LTD.	131
6	Y.S. SECURITIES & SERVICES (PVT) LTD.	125
7	KHOJA (PIRHAI) SHIA ISNA ASHARI JAMAT	268
8	TECHNOLOGY LINKS (PVT.) LIMITED	6,100
9	FREEDOM ENTERPRISES (PVT) LTD	1,257
10	TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.G.FUND	1,000
11	TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.P.FUND	120
12	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	177,406
13	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	6,225
14	TRUSTEES OF FRIENDS EDUCATIONAL AND MEDICAL TRUST	7,300
15	AL-ABBAS EDUCATIONAL AND WELFARE SOCIETY	4,800
16	MERIN (PRIVATE) LIMITED	1,000
17	TRUSTEES D.G.KHAN CEMENT CO.LTD.EMP. P.F	16,700
18	NH HOLDINGS (PVT) LTD	153
19	NH SECURITIES (PVT) LIMITED.	263
20	MAPLE LEAF CAPITAL LIMITED	1
21	IRFAN MAZHAR SECURITIES (PVT) LTD.	5,000
22	ORIENTAL SECURITIES (PVT) LTD.	3,000
23	KHAYYAM SECURITIES (PVT.) LIMITED	250
24	SHERMAN SECURITIES (PRIVATE) LIMITED	1
25	SHAHMURAD SUGAR MILLS LIMITED	602
26	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	1,051
27	GHULAMAN-E-ABBAS EDUCATIONAL AND MEDICAL TRUST	1,073
28	THE TIMES PRESS (PRIVATE) LIMITED	1,701
29	TOPLINE ASSOCIATE (PRIVATE.) LIMITED	40,000
30	ALI ASGHAR TEXTILE MILLS LIMITED	800
31	BRR FINANCIAL SERVICES (PVT.) LIMITED	2,000
32	MUHAMMAD AHMAD NADEEM SECURITIES (SMC-PVT.) LIMITED	1,250
33	AL-AMEEN TRADING CORPORATION (PRIVATE) LIMITED	3,000
34	MIANSONS TEXTILES (PRIVATE) LIMITED	1,000
35	MINDSTORM STUDIOS (PRIVATE) LIMITED	1,944

Pattern of Shareholding

As at 30 September 2025

SNO.	Shareholders Category	Holding
36	MERIN (PRIVATE) LIMITED	5,900
37	ISPI CORPORATION (PRIVATE) LIMITED	6,200
38	HONDA SOUTH (PRIVATE) LIMITED	2,500
39	NOVARTIS PHARMA PAKISTAN LIMITED SENIOR PROVIDENT FUND	1,651
40	ENGRO CORPORATION LIMITED PROVIDENT FUND	1,102
41	ENGRO CORPORATION LTD MPT EMPLOYEES DEFINED CONTRIBUTION GF	171
42	NOVARTIS PHARMA PAKISTAN LIMITED SENIOR PROVIDENT FUND	1,000
43	FIKREES (PRIVATE) LIMITED	100
44	CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	18,500
45	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	19,857
46	KTRADE SECURITIES LIMITED	1
47	MRA SECURITIES LIMITED - MF	674
48	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	374
	TOTAL >>	343,981

Notice of Meeting

NOTICE is hereby given that the Thirtieth Annual General Meeting of Archroma Pakistan Limited will be held at the Company's Registered Office at 1-A/1, Sector 20, Korangi Industrial Area, Korangi, Karachi on Wednesday, 24 December 2025 at 10:00 a.m. for the purpose of transacting following business:

ORDINARY BUSINESS

1. To receive and approve the Audited Financial Statements for the Period ended 30 September 2025 along with the Chairman's Review, Directors' and Auditor's report thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:

<https://archroma.com.pk/wp-content/uploads/2025/11/Annual-Report-2025.pdf>



2. To approve final cash dividend @ 100% i.e. (Rs: 10/- per share), as recommended by the Board.
3. To approve appointment of external auditors for the year 2026 and to fix their remuneration. The Members are hereby notified that the Board Audit Committee and Board of Directors have recommended the name of retiring Auditors M/s. KPMG Taseer Hadi & Co. Chartered Accountants for re-appointment as Auditor of Company.

ANY OTHER BUSINESS

4. To transact any other ordinary business with the permission of the Chair.

By order of the Board

Karachi: 02 December 2025

M. Irfan Lakhani
Company Secretary

NOTES:

1. Closure of Share Transfer Books

- (i) The share transfer books of the Company will remain closed from 17 December 2025 to 24 December 2025 (both days inclusive) and transfers received and found in order by the Company's Registrars, M/s. FAMCO Share Registration Services (Pvt) Limited, 8-F, Near to Hotel Faran, Nursery Block 6, P.E.C.H.S Shahrah-e-Faisal, Karachi at the close of business on 16 December 2025 will be treated in time to entitle the transferees for the dividend and for the purpose of determining the entitlement for attending the Annual General Meeting.

2. Requirements for appointing Proxies

- A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy need not be a member of the Company.
- Form of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company located at 1-A/1, Sector 20, Korangi Industrial Area, Korangi, Karachi not later than 48 hours before the time of the meeting excluding holidays.
- The proxy form shall be witnessed by two persons whose names, addresses and Computerized National Identity Card (CNIC) numbers shall be mentioned on the form.
- Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
- In the case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.

3. Participation in the Annual General Meeting via physical presence or through video conferencing

A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number along with original (CNIC) or original Passport at the time of attending the meeting.

The Company will be providing the facility to shareholders who wish to attend the Annual General Meeting electronically are hereby requested to get themselves registered by sending their particulars at the designated email address mohsin.ali@archroma.com, giving particulars as per below table not later than 48 hours before the time of meeting i.e. 10:00 am on 22 December 2025.

Name of Shareholder /Proxy Holder	CNIC No./NTN No. /Passport No.	Folio No./CDC Account No.	*Mobile No.	*Email Address

*Shareholders are requested to provide their active mobile numbers and email address to ensure timely communication.

Participants can join the meeting via video link beginning at 09:30 a.m., with the proceedings scheduled to commence at 10:00 a.m.

4. Updation of shareholder addresses/other particulars:

The Members are requested to notify the Company if there is any change in their addresses or other particulars immediately; in case of physical shares, to the Company/Share Registrar and for CDC shares, to respective Central Depository System (CDS) Participants.

Further, to comply with requirements of Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to provide their email address and cell phone numbers incorporated / updated in their physical folio or CDC Account.

5. Submission of CNIC and NTN Not Provided Earlier

As per the requirement if your CNIC number is not available in the company's records, your dividend will not be credited in your given account. In order to comply with this regulatory requirement, you are requested to kindly send photocopy of your CNIC to your broker (Participant) / CDC Investor Account Services and in case of physical shareholding immediately to Company's Share Registrar M/S FAMCO Share Registration Services (Pvt) Limited.

In compliance with regulatory directives issued from time to time, members who have not yet provided their CNIC Numbers and/or National Tax Numbers (NTN), as the case may be, are requested to kindly provide copies of their valid CNIC and/or NTN certificates at the earliest:

- The shareholders who hold Company's shares in physical form are requested to submit the above information to the Share Registrar of the Company M/s. FAMCO Share Registration Services (Pvt) Limited.
- Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit the above information directly to relevant Participant/CDC Investor Account Service.

In order to comply with the SECP's directives and in term of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the dividend, in case of non-availability of valid CNIC (for individuals) and National Tax Numbers (for corporate entity).

6. Prohibition on grant of gifts to Shareholders:

In compliance with section 185 of the Companies Act, 2017 and SRO 452(I)/2025 dated March 17, 2025, issued by SECP, it is hereby notified that no gifts in any form or manner, shall be distributed to shareholders at the Annual General Meeting.

7. Payment of Cash Dividend Electronically (Mandatory)

In compliance with Section 242 of the Companies Act, 2017 it is mandatory for a public listed company to pay cash dividend to its shareholders through electronic mode ONLY, directly into the bank account designated by the eligible shareholder.

Therefore, all shareholders of Archroma Pakistan Limited, who have not provided their bank details are once again, through this notice, requested to update their accurate and complete 24 digits IBAN together with the bank's name, branch's address, CNIC number and active email address & cell number with respective Participants/Investors' Account Services of CDC for electronic form of shares, and in case of physical shareholding to our Shares Registrar, M/S FAMCO Share Registration Services (Pvt) Limited, 8-F near Hotel Faran, Nursery Block 6, P.E.C.H.S, Shahrah-e-Faisal Karachi.

Please note that as per Section 243(3) of the Companies Act, 2017, listed companies are entitled to withhold payment of dividend, if the necessary information is not provided by shareholders.

E-Dividend mandate Form is available on the Company's website (<https://archroma.com.pk/>) for the convenience of shareholders.

The payment of cash dividend will be processed based on the account number alone. Your company is entitled to rely on the account number as per your instructions. The company shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and /or due to any event beyond the control of the company.

8. Transmission of Annual Reports via QR Enabled Code and E-mail

As permitted by SECP vide S.R.O 389(I)2023 dated March 21,2023, shareholders in their Annual General Meeting held on December 28, 2023 have authorized the Company to circulate annual audited financial statements through QR enabled code and weblink <https://archroma.com.pk/wp-content/uploads/2025/11/Annual-Report-2025.pdf> instead of circulating the same through CD / DVD / USB.

9. Registration in CDR web portal of CDC (Mandatory)

Central Depository Company (CDC) has developed Centralized Cash Dividend Registrar ("CCDR"), on eServices web portal, which contains details pertaining to cash dividends paid, unpaid or withheld by listed companies. The CCDR will help to maintain history of dividends paid to shareholders by listed companies and access to all such information is provided to the respective shareholders including details of Income Tax / Zakat deduction etc. (if any) and the net amount credited into their accounts.

The Shareholders are requested to registrar themselves on CDC's eservices Portal <https://csp.cdcaccess.com.pk> to avail the facility.

10. Deduction of Income Tax for Filer and Non-filer

The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment, if any, effective from 1st July 2021 are as follows.

- a) Rate of tax deduction for shareholders appearing in Active Taxpayer List (ATL) 15%
- b) Rate of tax deduction for shareholders not appearing in Active Taxpayer List (ATL) 30 %

To enable the company to make tax deduction in the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold share jointly are requested to provide shareholding proportions of Principal shareholding and joint-holder(s) in respect of shares held by them to our Share registrar, in writing as follows:

Company name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must be provided to our share Registrar M/s. FAMCO Share Registration Services (Pvt) Limited, 8-F Next to Hotel Faran, Nursery Block 6, P.E.C.S, Shahrah-e-Faisal Karachi as soon as possible. Otherwise, it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be.

A valid tax exemption certificate is necessary pursuant to Section 150 of the Income Tax Ordinance, 2001 for claiming an exemption from the deduction of withholding tax. A copy of a valid tax exemption certificate should be submitted to the Company's Share Registrar before the date of book closure by members who wish to avail an exemption from withholding tax.

11. Deduction of Zakat

Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat to our share registrar before commencement of book closure otherwise deduction will be made as per applicable rates. Shareholders holding shares in electronic form are requested to send their zakat declaration to their broker (participant) / CDC Investor Account Services.

- i. For any query/problem/information, the investors may contact the Company Secretary at phone: 021-111-275-786 and email address: archroma.pakistan@archroma.com and / M/s. FAMCO Share Registration Services (Pvt) Limited, At phone: 021-34380101-5 and email address: info.shares@famcosrs.com.pk
- ii. The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to M/s. FAMCO Share Registration Services (Pvt) Limited. The shareholders while sending CNIC copies or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

12. Unclaimed Dividend

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company had approached the shareholders to claim their unclaimed dividends in accordance with the law.

An updated list of unclaimed dividends of the Company, which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable, is available on the Company's website www.archroma.com.pk.

Claims can be lodged by shareholders on Claim Form as is available on the Company's website. Claim Forms must be submitted to the Company's Share Registrar for receipt of dividend.

Shareholders, whose dividends still remain unclaimed, are hereby once again requested to approach the Company to claim their outstanding dividend amounts.

13. Electronic transmission of Annual Report 2025:

In compliance with Section 223(6) of the Companies Act, 2017, the Company has transmitted the Annual Report 2025 electronically via email to those shareholders whose email addresses are available in the records of the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited. In cases where shareholders' email addresses are not available, printed notices of the Annual General Meeting, together with the weblink and QR code for downloading the Annual Report, have been dispatched. The Company shall, however, provide a hard copy of the Annual Report, free of cost, to any member upon written request at the member's registered address, within seven (7) days of receipt of such request.

Furthermore, shareholders are requested to furnish their valid email addresses, together with a copy of their valid CNIC, to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in the case of shareholding in physical form, or to their respective Participant/Investor Account Services, in the case of shareholding in book-entry form.

14. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 (Act) every existing listed company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the date of commencement of the Act i.e. May 30, 2017. Further, SECP vide its letter dated March 26, 2021 has advised Companies to comply with the requirements of Section 72 of the Act and encourage shareholders to convert their shares in book entry form.

In light of above, the shareholders having physical shareholding are requested to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, which will facilitate them in many ways, including safe custody and sale of shares at any time they want.

15. Consent for Video Link Facility

In terms of section 134(1)(b) of the Act, if the Company receives request / demand from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility.

In this regard, please fill the following form and submit to the Company at its registered address 10 days before holding of the AGM. After receiving the request / demand of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of AGM along with complete information necessary to enable them to access such facility.

REQUEST FOR VIDEO CONFERENCE FACILITY

I / We / Messrs. _____ of _____ being Member(s) of Archroma Pakistan Limited, holder of _____ ordinary share(s) as per Folio # _____ and / or CDC Participant ID & Sub- Account No. _____, hereby, opt for video conference facility at _____ City.

Signature of the Member(s)
(please affix company stamp
in case of corporate entity)

16. Placement of Financial Accounts in Website

The audited financial statements of the Company for the year ended 30 September 2025 have been made available on the Company's website www.archroma.com.pk.

It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member(s) will be provided a printed version of the same free of cost in accordance with the aforementioned SRO. No change to that right / privileged is being proposed.

17. Code of Conduct for Shareholders in Annual General Meeting:

Section 215 of the Companies Act, 2017 ("the Act") and Regulation 55 of the Companies Regulations, 2024, "Conduct of Shareholders at Meetings" state as follows:

- i. shall not bring such material that may cause threat to participants or premises where meeting is being held;
- ii. shall confine themselves to the agenda items covered in the notice of meeting;
- iii. shall keep comments and discussion restricted to the affairs of the company; and
- iv. shall not conduct in a manner to disclose any political affiliation or offend religious susceptibility of other members

BCR Criteria

1	Organizational Overview and External Environment	Page No:
1.01	Mission, vision, code of conduct, ethical, principal and core values.	11
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	3
1.03	Geographical location and address of all business units including sales units and plants.	15
1.04	The legislative and regulatory environment in which the company operates.	61
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	13
1.06	Name and country of origin of the holding company / subsidiary company, if such companies are a foreign company.	3
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	49
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	109
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	19
	b) The effect of seasonality on business in terms of production and sales.	105
1.13	The legitimate needs, interests of key stakeholders and industry trends.	108
1.14	SWOT Analysis of the company.	29
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	104
1.16	History of major events.	33
1.17	Details of significant events occurred during the year and after the reporting period.	25
2	Strategy and Resource Allocation	Page No:
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	101-102
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital."	105
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	106
2.04	Company's strategy on market development, product and service development.	106
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	105
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	101
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	108
2.08	Board's statement on the internal controls including IT controls of the company.	105
2.09	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	107
2.10	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	107

3	Risks and Opportunities	Page No:
3.01	Key risks and opportunities (internal and external), including sustainability-related risks and opportunities, affecting availability, quality and affordability of Capitals.	115-122
3.02	Company's robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	123
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	113-114
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	115-122
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	123
4	Corporate Social Responsibility	Page No:
4.01	Disclosure of the role of the Board to address the company's sustainability risks and opportunities, as required under the recent amendments of the SECP 'Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following:	
	a) Disclosures of company specific sustainability-related risks and opportunities (climate- related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated;	147-150
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company.	153-155
	c) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored.	150
	d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/)	144
4.04	Board's statement for the adoption of CSR best practices including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	143
4.05	Highlights of the company's performance, policies, initiatives for CSR.	161-168
5	Governance	Page No:
5.01	Board composition:	
	a) Leadership structure of those charged with governance;	54
	b) Name of independent directors indicating justification for their independence;	52
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	52
	d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	41-44
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	52
5.02	A brief description about role of the Chairman and the CEO.	53
5.04	Chairman's Review Report on the overall performance of the board including:	
	a) Effectiveness of the role played by the board in achieving the company's objectives;	
	b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year;	
	c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	45-48

		Page No:
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	55
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	55
5.08	Details of formal orientation courses for directors.	56
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	56-57
5.11	Disclosure about related party transactions:	
	a) Approved policy for related party transactions;	58
	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	58
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement;	87
	d) Disclosure of director's interest in related party transactions;	58
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	58
	Disclosure of Board's Policy on the following significant matters:	
	a) Risk Management and internal control policies.	59
	b) Disclosure of director's interest in significant contracts and arrangements.	58
	c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	60
	d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	60
	e) Security clearance of foreign directors.	60
	f) Board meetings held outside Pakistan.	59
5.12	g) Human resource management including: <ul style="list-style-type: none"> Preparation of succession plan; Merit based recruitment; Performance based appraisal system; Promotion, reward and motivation; Training and development; Diversity, Equity & Inclusion (DE&I) policy; and Employee engagement /feedback. 	59-60
	h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	61
	i) Communication with stakeholders.	61
	l) Employee's health, safety and protection.	61
	m) Whistle blowing policy	62
	o) Safety of records of the company.	
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	62
	Disclosure about:	
5.15	a) Shares held by Sponsors / Directors / Executives;	267-270
	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	267-270
5.16	Details about Board meetings and its attendance.	86
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	63-64

		Page No:
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	
	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	68-67
5.19	<ul style="list-style-type: none"> a) Composition of the committee with at least one member qualified as “financially literate” and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee’s overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee’s overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor’s performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor’s objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee’s views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company’s position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year. 	67-68
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee’s activities / matters that are within the scope of the Audit Committee’s responsibilities. <ul style="list-style-type: none"> a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system; b) Management support in the effective implementation and continuous updation; c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties. 	65
5.22	Disclosure about the Government of Pakistan policies related to company’s business / sector in Directors’ Report and their impact on the company business and performance.	67
5.23	Information on company’s contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	79
6	Analysis of the Financial Information	Page No:
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.	191
6.03	b) Explanation of negative change in the performance as compared to last year. Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	187-190
6.09	CEO presentation video on the company’s business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company’s annual report).	175

7	Business Model	Page No:
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	103
8	Disclosures on IT Governance and Cybersecurity	Page No:
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	183
8.03	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	183
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	183
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (Artificial Intelligence (AI), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	184
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	
9	Future Outlook	Page No:
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	179-180
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward- looking statement.	179-180
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	179-180
9.04	Disclosure about company's future Research & Development initiatives.	179-180
9.05	Sources of information and assumptions used for projections / forecasts in the forward- looking statement, and any assistance taken by any external consultant	179-180
10	Stakeholders Relationship and Engagement	Page No:
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	171
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	172
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	173
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	174
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	175

11	Striving for Excellence in Corporate Reporting	Page No:
11.02	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).	84
11.02	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	278

FORM OF PROXY

Please quote Folio
Number

I/We _____

of _____

being a member of ARCHROMA PAKISTAN LIMITED, hereby appoint _____

of _____

or failing him/her _____

of _____

as my/our Proxy in my/our absence to attend and vote for me/use and on my/our behalf at the 30th Annual General Meeting of the Company to be held on Wednesday, 24 December 2025 at 10:00 a.m. and at any adjournment thereof.

Revenue Stamp

Signed by the said _____

Witness 1

Signature _____

Name _____

CNIC No. _____

Address _____

Witness 2

Signature _____

Name _____

CNIC No. _____

Address _____

Place: _____

Date _____

NOTES:

1.

This form of proxy duly completed, must be deposited at the Company's Registered Office at 1-A/1, Sector 20, Korangi Industrial Area, Korangi, Karachi not later than 48 hours before the meeting.
2.

In pursuance of Circular No. 1 of 2000 of Securities and Exchange Commission of Pakistan (SECP) dated 26 January 2000, the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their original Computerized National Identity Card (CNIC) or Passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, alongwith attested copies of the CNIC or the Passport of the beneficial owner and the proxy.

پراکسی فارم

برائے کرم
فولیو نمبر درج کریں

میں مسمیٰ/مسمیٰ ساکن _____

ضلع _____ بحیثیت ممبر _____ لمیٹڈ، مسمیٰ/مسمیٰ _____

ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے

کمپنی کے تیسواں سالانہ اجلاس صبح 10.00 بجے، بتاریخ 24 دسمبر 2025ء بروز بدھ منعقد ہو رہا ہے میں اور اس کے کسی ملوثی شدہ اجلاس میں ووٹ ڈالے۔

(ریونیو اسٹیپ)

دستخط از:

گواہ (1):

دستخط:

نام:

شناختی کارڈ:

پتہ:

گواہ (2):

دستخط:

نام:

شناختی کارڈ:

پتہ:

جگہ:

تاریخ:

نوٹس:

۱۔ اس پراکسی فارم کو مکمل طور پر پُر کر کے میٹنگ سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس واقع 1-A/1، سیکٹر 20، کورنگی انڈسٹریل ایریا کورنگی کراچی میں جمع کرا دیا جائے۔

۲۔ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلر نمبر 1/2000 مورخہ 26 جنوری 2000 کی روشنی میں سینٹرل ڈپازٹری کمپنی (CDC) کے نام پر رجسٹرڈ شدہ شیئرز کے مالکان یا ان کے نائبین کے لئے ضروری ہے کہ وہ میٹنگ میں حاضری کے وقت اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ پیش کریں۔ پراکسی فارم متعلقہ مدت میں کمپنی میں جمع کروائیں جس پر دو افراد گواہی کے طور پر دستخط کریں گے اس کے علاوہ ان کے نام پتے اور CNIC نمبر بھی فارم پر درج کرنا ہونگے اس کے علاوہ متعلقہ مالک یا اس کے نائب کے CNIC یا پاسپورٹ کی مصدقہ کاپیاں بھی جمع کرانی ہونگی۔

The Archroma Way

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