

# QUARTERLY REPORT 2018 (Oct - Dec 2017)



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## COMPANY INFORMATION

Chairman / Chief Executive Officer	• Mujtaba Rahim	
Directors	• Dr S Mubarik Ali • Hans Lourens (Alternate: Naveed Kamil) • M Veqar Arif • Rahat Kaunain Hassan • Roland Waibel • Thomas Winkler	
Company Secretary	• M Veqar Arif	
Management Committee	• Mujtaba Rahim • Qazi Naeemuddin • Muhammad Altaf	• M Veqar Arif • Naveed Kamil • Muhammad Haroon
Audit Committee	• Dr S Mubarik Ali • Hans Lourens • Rahat Kaunain Hassan • M Irfan Lakhani	- Chairman (Alternate: Naveed Kamil) - Secretary
Human Resources and Remuneration Committee	• Dr S Mubarik Ali • Mujtaba Rahim • Thomas Winkler • Naveed Kamil	- Chairman - Secretary
Bankers	• Bank Al Habib Limited • Habib Bank Limited • Meezan Bank Limited • National Bank of Pakistan • Standard Chartered Bank (Pakistan) Limited	
Auditors	• KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisors	• RIAA Barker Gillette	
Share Registrars	• FAMCO Associates (Pvt) Limited 8-F, Next 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 • Canal Road, Abdullah Pur, Faisalabad • House # 78, Block S, Masoom Shah Road, Gulistan Chowk, Near Multan.	
Website	• <a href="http://www.archroma.com.pk">www.archroma.com.pk</a>	
E-mail	• <a href="mailto:archroma.pakistan@archroma.com">archroma.pakistan@archroma.com</a>	

## REPORT OF BOARD OF DIRECTORS

The Directors' are pleased to present their report, together with the unaudited condensed interim financial information of the Company for the first quarter ended 31 December 2017.

### BUSINESS OVERVIEW

The company had decent start of the year 2018 with an increased sales of Rs. 2,998 million as compared to Rs. 2,671 million for the same period last year. Sales growth has been contributed by business line Paper & Packaging by 34.3% and Brand & Performance Textile Specialty by 13.5%.

During the period under review, economic activities was experienced moderate in all business lines. The Management continued its focus on positioning itself to capture the growth and increase the market share by introducing its strategy of Customer Focus and capitalizing new opportunities through its prudent and sustainable growth.

### FUTURE OUTLOOK

Rupee depreciation coupled with imposition of regulatory duty & increase in raw material prices and geo political conditions are main challenges for the business. The company will remain strongly focused to overcome these challenges.

We are hopeful that with continued and concerted efforts, the Company would achieve the desired results and will strive hard to have a decent finish of the Financial Year 2018.

On behalf of the Board



Mujtaba Rahim  
Chairman & Chief Executive Officer

Karachi: 30 January 2018

### مستقبل کا منظر نامہ

روپے کی قدر میں کمی کے ساتھ ساتھ ریگولیٹری ڈیوٹی کا نفاذ اور خام مال کی قیمتوں میں اضافہ اور جغرافیائی سیاسی حالات کاروبار کے لیے بنیادی چیلنجز ہیں۔ یہ کمپنی ان چیلنجز پر قابو پانے کے لیے بھرپور توجہ مرکوز کیے رکھے گی۔

ہم پر امید ہیں کہ مسلسل اور اجتماعی کوششوں سے یہ کمپنی مطلوبہ نتائج حاصل کر لے گی اور مالی سال 2018 کے ایک شاندار اختتام کے لیے کوشاں رہے گی۔

ڈائریکٹرز 31 دسمبر 2017 کو ختم ہونے والی پہلی سہ ماہی کے لیے کمپنی کی غیر آڈٹ شدہ مختصر مالیاتی معلومات کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوش ہیں۔

### کاروبار کا جائزہ

کمپنی نے سال 2018 کا بہترین آغاز اضافہ شدہ سیلز 2,998 ملین روپے کے ساتھ کیا یہ نسبت گزشتہ سال کے اسی مدت کے لیے 2,671 ملین روپے کے سیلز نمونہ میں بزنس لائن پیپر اینڈ پیکنگ کی طرف سے 34.3 فیصد اور برانڈ اینڈ پرفارمنس ٹیکسٹائل اسپیشلسٹی کی طرف سے 13.5 فیصد کا اضافہ ہوا۔

زیر جائزہ مدت کے دوران، تمام کاروباری سلسلوں میں اقتصادی سرگرمیاں معتدل رہیں۔ انتظامیہ نے اضافے کے حصول کے لیے خود پر توجہ مرکوز رکھی اور صارف پر توجہ اور محتاط اور پائیدار ترقی کے ذریعے نئے مواقع کی فراہمی کی حکمت عملی متعارف کراتے ہوئے مارکیٹ شیئر میں اضافہ کیا۔

On behalf of the Board



Mujtaba Rahim  
Chairman & Chief Executive Officer

# CONDENSED INTERIM BALANCE SHEET

As at 31 December 2017

		Unaudited	Audited
	Note	31 December 2017	30 September 2017
		----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	1,750,522	1,744,273
Long-term loans and advances		1,678	1,791
Long-term deposits		5,690	5,387
Long-term prepayments		4,087	4,067
		<u>1,761,977</u>	<u>1,755,518</u>
<b>Current Assets</b>			
Stores and spares		55,954	40,243
Stock-in-trade		2,282,692	2,107,644
Trade debts		3,221,147	3,165,832
Loans and advances		19,433	8,661
Trade deposits and short-term prepayments		44,866	59,073
Other receivables		1,656,402	1,954,007
Taxation - net		268,587	72,031
Cash and bank balances		567,451	587,885
		<u>8,116,532</u>	<u>7,995,376</u>
<b>Total Assets</b>		<u><b>9,878,509</b></u>	<u><b>9,750,894</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and reserves</b>			
Authorised share capital			
50,000,000 ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital		341,179	341,179
Revenue reserves		2,968,000	2,808,000
Unappropriated profit		283,284	1,868,467
		<u>3,592,463</u>	<u>5,017,646</u>
<b>Shareholders' Equity</b>			
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred tax - net		151,455	152,903
Deferred liabilities		13,956	13,956
Liabilities against assets subject to finance lease		14,639	44,447
Liabilities against diminishing musharaka finance		77,972	37,826
		<u>258,022</u>	<u>249,132</u>
<b>Current Liabilities</b>			
Trade and other payables		4,353,411	2,711,450
Mark-up accrued		17,583	11,262
Short-term borrowings		1,626,010	1,732,030
Current portion of liabilities against assets subject to finance lease		7,269	21,933
Current portion of liabilities against diminishing musharaka finance		23,751	7,441
		<u>6,028,024</u>	<u>4,484,116</u>
<b>Total Liabilities</b>		<u><b>6,286,046</b></u>	<u><b>4,733,248</b></u>
<b>Contingencies and Commitments</b>			
	7		
<b>Total Equity and Liabilities</b>		<u><b>9,878,509</b></u>	<u><b>9,750,894</b></u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Mujtaba Rahim  
Chairman & Chief Executive Officer



M Veqar Arif  
Director & Chief Financial Officer

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the Three Months Ended 31 December 2017

	Note	31 December 2017	31 December 2016
		(Rupees '000)	
<b>Sales</b>	9	3,228,298	2,882,349
Discount & Commission	9	151,811	138,348
Sales tax	9	78,286	72,984
		230,097	211,332
<b>Net Sales</b>	9	2,998,201	2,671,017
Cost of goods sold		2,123,498	1,831,551
<b>Gross profit</b>		874,703	839,466
Distribution and marketing expenses		220,517	211,419
Administrative expenses		122,652	112,738
Other operating expenses		44,515	40,227
		387,684	364,384
		487,019	475,082
Other operating income		4,700	6,817
Operating Profit		491,719	481,899
Finance cost		97,449	6,576
<b>Profit before taxation</b>		394,270	475,323
Taxation - net		113,559	129,933
<b>Profit after taxation</b>		280,711	345,390
Other comprehensive Income		-	-
<b>Total Comprehensive Income for the Period</b>		280,711	345,390
		( Rupees)	
<b>Earnings per share</b>	<b>10.1</b>	8.23	10.12

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Mujtaba Rahim  
Chairman & Chief Executive Officer



M Veqar Arif  
Director & Chief Financial Officer

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

For the Three Months Ended 31 December 2017

	Note	31 DECEMBER	
		2017	2016
		----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>			
Cash generated from operations	11	582,330	1,085,635
Staff gratuity paid		(3,000)	(174,097)
Mark-up paid		(11,002)	(7,906)
Income taxes paid		(311,563)	(212,061)
Movement in long-term loans and advances		113	1,803
Movement in long-term deposits and prepayments		(323)	(1,885)
<b>Net cash generated from operating activities</b>		256,555	691,489
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(48,416)	(4,685)
<b>Net cash used in investing activities</b>		(48,416)	(4,685)
<b>Cash flows from financing activities</b>			
Payment against finance lease obligations		(10,300)	(7,004)
Short-term loans - proceeds		-	-
- repayments		-	-
Dividend paid		(112,253)	(127)
<b>Net cash used in financing activities</b>		(122,553)	(7,131)
<b>Net increase in cash and cash equivalents</b>		85,586	679,673
Cash and cash equivalents at beginning of the period		(644,145)	(267,250)
<b>Cash and cash equivalents at end of the period</b>	12	(558,559)	412,423

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Mujtaba Rahim  
Chairman & Chief Executive Officer



M Veqar Arif  
Director & Chief Financial Officer



# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Three Months Ended 31 December 2017

	Issued, subscribe d and paid- up capital	Revenue reserves	Unapprop ri-ated profit	Total shareholde rs' equity
	----- (Rupees in '000) -----			
<b>Balance as at 30 September 2016 - Audited</b>	341,179	3,248,000	1,798,233	5,387,412
Transfer to revenue reserves appropriated subsequent to year end	-	(440,000)	440,000	-
Final cash dividend for the year ended 30 September 2016 declared subsequent to year end	-	-	(2,047,073)	(2,047,073)
Total comprehensive income for the three months ended 31 December 2016	-	-	345,390	345,390
<b>Balance as at 31 December 2016 - Un-audited</b>	<u>341,179</u>	<u>2,808,000</u>	<u>536,550</u>	<u>3,685,729</u>
<b>Balance as at 30 September 2017 - Audited</b>	341,179	2,808,000	1,868,467	5,017,646
Transfer to revenue reserves appropriated subsequent to year end	-	160,000	(160,000)	-
Final cash dividend for the year ended 30 September 2017 declared subsequent to year end	-	-	(1,705,894)	(1,705,894)
Total comprehensive income for the three months ended 31 December 2017	-	-	280,711	280,711
<b>Balance as at 31 December 2017 - Un-audited</b>	<u>341,179</u>	<u>2,968,000</u>	<u>283,284</u>	<u>3,592,463</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Mujtaba Rahim  
Chairman & Chief Executive Officer



M Veqar Arif  
Director & Chief Financial Officer

Karachi: 30 January 2018

# **CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)**

For the Three Months Ended 31 December 2017

## **1. THE COMPANY AND ITS OPERATIONS**

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

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

## **2. STATEMENT OF COMPLIANCE**

This condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of the International Accounting Standard 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board the requirement of the Companies Ordinance 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where the requirement of the Companies Ordinance, 1984 and the directives issued by the SECP differ with the requirements of IAS 34, requirements of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information should be read in conjunction with the annual financial statements of the company for year ended 30 September 2017.

## **3. ACCOUNTING POLICIES**

- 3.1** The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in preparation of the published annual financial information of the Company for the year ended 30 September 2017.

## **4. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Company for the year ended 30 September 2017

## **5. PROPERTY, PLANT AND EQUIPMENT**

- 5.1** The following operating assets have been added during the quarter ended 31 December 2017:

	Building	Plant and machinery	Furniture, fixtures and equipments	Vehicles	Total December 2017	Total December 2016
	(Rupees in '000)					
Additions for the quarter 31 December 2017		10,431	3,720	23,992	38,143	32,377
Total	-	10,431	3,720	23,992	38,143	32,377

- 5.2** Disposal of property, plant and equipment has been made during the quarter ended 31 December 2017:

	Building	Plant and machinery	Furniture, fixtures and equipments	Vehicles	Total December 2017	Total December 2016
	(Rupees in '000)					
Cost	-	-	-	3,084	3,084	-
Accumulated depreciation	-	-	-	(1,376)	(1,376)	-
Net book value	-	-	-	1,708	1,708	-

- 5.3** Addition to Capital work-in-progress amounting to Rs. 118.571 million during the three months period ended 31 December 2017.

# CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2017

## 6. SHORT TERM BORROWING - secured

- 6.1** Short term Islamic finance facilities are available under Islamic financing from various banks under profit arrangements, amounting to Rs.3,100 million (2017: Rs.2,800 million).These facilities have various maturity dates up to 22 August 2018. These arrangements are secured against pari passu charge of hypothecation on stock-in-trade and trade debts with minimum 16.67% margin. These facilities carry profit ranging from 1 month KIBOR+0.75% to 3 month KIBOR+ 0.25% per annum calculated on daily products basis and payable quarterly. The aggregate amount of these facilities which have not been availed as at the balance sheet date to Rs. 1,473.99 million (2017: Rs 1,067.97).
- 6.2** The company has Islamic Export Refinance facility amounting to Rs. 500 million under the Islamic Export financing Scheme of the State Bank of Pakistan (SBP). Which is unavailed at reporting date (2017: Rs 500 million ).The profit rate of the facility is 2.5% per annum.

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

- 7.1.1** There have been no changes in the contingencies as disclosed in the annual financial statements of the Company for the year ended 30 September 2017.
- 7.1.2** The Company has provided bank guarantees amounting to Rs. 101.217 million (30 September 2017: Rs 101.22 million) in favour of third parties.
- 7.1.3** The Company has provided post dated cheques amounting to Rs. 478.030 million (30 September 2017:298.88 million) in favour of the collector of customs and which are, in the normal course of business, to be returned to the Company after fulfillment of certain conditions.

### 7.2 Commitments

- 7.2.1** Commitments for rentals under operating lease agreements in respect of vehicles and equipment amounted to Rs 1.402 million (30 September 2017: Rs 1.77 million) payable as following:

	Unaudited December 31, 2017	Audited September 30, 2017
	----(Rupees in '000)----	
Not later than one year	1,054	1,313
Later than one year but not later than five years	348	464
	<u>1,402</u>	<u>1,777</u>

- 7.2.2** Commitments for rentals under operating lease agreement in respect of rented property amounted to Rs. 52.738 million (30 September 2017:Rs. 60.42 million)

	Unaudited December 31, 2017	Audited September 30, 2017
	----(Rupees in '000)----	
Not later than one year	10,731	10,243
Later than one year but not later than five years	35,406	39,738
Later than five years	6,601	10,439
	<u>52,738</u>	<u>60,420</u>

- 7.2.3** Commitments for ijarah rentals in respected of ijarah transactions amount to Rs 2.677 million (30 September 2017:Rs. 4.10 million).

	Unaudited December 31, 2017	Audited September 30, 2017
	----(Rupees in '000)----	
Not later than one year	2,394	3,723
Later than one year but not later than five years	283	377
	<u>2,677</u>	<u>4,100</u>

## **CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)**

For the Three Months Ended 31 December 2017

**7.2.4** Commitments for capital expenditure as at 31 December 2017 aggregated Rs 165.47 mio (30 September 2017: Rs 86.19 million).

### **8. FINANCIAL RISK MANAGEMENT**

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

This condensed interim financial information does not include the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with Company's annual financial statements as at 30 September 2017. There have been no changes in the risk management policies since the year end.

#### **Fair Value Hierarchy**

The table below analysis financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for asset or liability.

	Carrying amount		
	Loans and receivables	Other financial assets	Other financial liabilities
	31 December 2017		
	----(Rupees in '000)----		
<b>Financial assets not measured at fair value</b>			
Investment in subsidiary	-	-	-
Long-term loans	1,678	-	-
Long-term deposits	5,690	-	-
Long-term Prepayments	4,087	-	-
Trade debts - net	3,221,147	-	-
Loans to employees	19,433	-	-
Trade deposits	44,866	-	-
Other receivables	1,656,402	-	-
Cash and bank balances	567,451	-	-
<b>Financial liabilities not measured at fair value</b>			
Liabilities against assets subject to finance lease	-	-	92,611
Trade and other payable	-	-	4,353,411
Short tem borrowings - secured	-	-	1,626,010
Mark-up accrued	-	-	17,583
Current portion of liabilities against assets subject to finance lease	-	-	31,020

The Company has not disclosed the fair value of financial instruments (i.e. financial assets and financial liabilities) as management considers their carrying amounts as reasonable approximate of fair value.

# CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2017

## 9. Segment Information

Segment information for the three months ended 31 December 2017

	Brand & Performance Textile Specialties						Coating, Adhesives & Sealants		Packaging & Paper Specialties		Others *		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(Rs '000)														
<b>Sales</b>														
Domestic	2,413,236	2,038,965	325,103	339,137	106,761	92,329	37,524	35,460	2,882,624	2,505,891				
Export	329,651	375,515	-	-	16,023	943	-	-	345,674	376,458				
<b>Total sales</b>	<b>2,742,887</b>	<b>2,414,480</b>	<b>325,103</b>	<b>339,137</b>	<b>122,784</b>	<b>93,272</b>	<b>37,524</b>	<b>35,460</b>	<b>3,228,298</b>	<b>2,882,349</b>				
Discount & commission	148,724	133,139	3,064	5,185	23	24	-	-	151,811	138,348				
Sales tax	13,304	7,697	49,470	51,872	15,512	13,415	-	-	78,286	72,984				
	162,028	140,836	52,534	57,057	15,535	13,439	-	-	230,097	211,332				
<b>Net sales (from external customers)</b>	<b>2,580,859</b>	<b>2,273,644</b>	<b>272,569</b>	<b>282,080</b>	<b>107,249</b>	<b>79,833</b>	<b>37,524</b>	<b>35,460</b>	<b>2,998,201</b>	<b>2,671,017</b>				
<b>Segment results based on 'management approach'</b>	<b>466,348</b>	<b>439,421</b>	<b>19,083</b>	<b>47,692</b>	<b>37,229</b>	<b>30,415</b>	<b>-</b>	<b>-</b>	<b>522,660</b>	<b>517,528</b>				
Other operating expenses - WPPF & WWF									(29,699)	(34,700)				
Assets charged to profit and loss for internal reporting purposes based on group guidelines									(1,242)	(929)				
<b>Operating profit</b>									<b>491,719</b>	<b>481,899</b>				
Finance costs									97,449	6,576				
<b>Profit before taxation</b>									<b>394,270</b>	<b>475,323</b>				
<b>Fixed Capital</b>														
<b>Expenditure</b>	<b>47,880</b>	<b>4,287</b>	<b>160</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,070</b>	<b>4,287</b>				
Unallocated									346	398				
									<b>48,416</b>	<b>4,685</b>				
<b>Depreciation / Amortisation</b>	<b>60,919</b>	<b>60,756</b>	<b>261</b>	<b>178</b>	<b>5</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>61,185</b>	<b>60,938</b>				
Unallocated									3,266	3,608				
									<b>64,451</b>	<b>64,546</b>				

	Brand & Performance Textile Specialties				Coating, Adhesives & Sealants		Packaging & Paper Specialties		Others		Total	
	Unaudited Dec. 31, 2017	Audited Sept. 30, 2017	Unaudited Dec. 31, 2017	Audited Sept. 30, 2017	Unaudited Dec. 31, 2017	Audited Sept. 30, 2017	Unaudited Dec. 31, 2017	Audited Sept. 30, 2017	Unaudited Dec. 31, 2017	Audited Sept. 30, 2017	Unaudited Dec. 31, 2017	Audited Sept. 30, 2017
(Rs '000)												
<b>Segment Assets</b>	<b>6,369,140</b>	<b>6,237,836</b>	<b>573,090</b>	<b>579,498</b>	<b>77,423</b>	<b>61,200</b>	<b>-</b>	<b>-</b>	<b>7,019,653</b>	<b>6,878,534</b>		
Unallocated									2,858,856	2,872,360		
<b>Total Assets</b>									<b>9,878,509</b>	<b>9,750,894</b>		
<b>Segment Liabilities</b>	<b>2,012,849</b>	<b>2,013,696</b>	<b>210,552</b>	<b>205,850</b>	<b>23,152</b>	<b>22,791</b>	<b>-</b>	<b>-</b>	<b>2,246,553</b>	<b>2,242,337</b>		
Unallocated									4,039,493	2,490,911		
<b>Total Liabilities</b>									<b>6,286,046</b>	<b>4,733,248</b>		

\* This represent revenue from non-core business activities of the Company.

# CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2017

		Three months Ended 31 December	
		2017	2016
<b>10. EARNINGS PER SHARE</b>			
		(Rupees 000)	
<b>10.1 Basic</b>			
Profit after taxation attributable to ordinary shareholders		280,711	345,390
		Number of shares	
Weighted average number of ordinary shares outstanding during the period		34,117,881	34,117,881
		(Rupees)	
Earning per share		8.23	10.12

## 10.2 Diluted

There were no convertible dilutive potential ordinary shares in issue as at 31 December 2017 and 2016.

		Note	Three months Ended 31-Dec	
			2017	2016
			----- (Rupees in '000) -----	
<b>11. CASH GENERATED FROM OPERATIONS</b>				
Profit before taxation			394,270	475,323
Adjustment for non-cash charges and other items:				
Depreciation / amortisation			64,451	64,546
Provision for staff gratuity			4,929	13,245
Mark-up expense			17,323	2,595
Provision for impairment of trade receivables			11,905	3,979
Working capital changes	11.1		89,452	525,947
			582,330	1,085,635
<b>11.1 Working capital changes</b>				
<b>(Increase) / decrease in current assets</b>				
Stores and spares			(15,711)	(1,437)
Stock-in-trade			(175,048)	(171,676)
Trade debts			(67,220)	232,069
Loans and advances			(10,772)	2,331
Trade deposits and short-term prepayments			14,207	23,076
Other receivables			295,676	315,599
			41,132	399,962
<b>Increase in current liabilities</b>				
Trade and other payables-net			48,320	125,985
			89,452	525,947

# CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2017

	Three months Ended 31 December	
	2017	2016
	----- (Rupees in '000) -----	
<b>12. CASH AND CASH EQUIVALENT</b>		
Cash and bank balances	567,451	467,017
Short-term running finance	(1,126,010)	(54,594)
<b>Cash and Cash Equivalents at end of the period</b>	<b>(558,559)</b>	<b>412,423</b>

## 13. TRANSACTIONS WITH RELATED PARTIES

	Parent Company Three months 31 December	
	2017	2016
	----- (Rupees in '000) -----	
Dividend Paid	-	-
<b>Other Related Parties</b>		
<b>Three months 31 December</b>		
	<b>2017</b>	<b>2016</b>
	----- (Rupees in '000) -----	
Sales	251,649	202,906
Purchases of goods and machinery	160,633	100,981
Indenting commission income	1,572	1,339
Export commission expense	1,031	8,157
Royalty expenses	22,393	19,631
Other charges	32,057	31,456
Key management personnel:		
- Salaries benefits and compensations	32,828	27,700
- Post employment benefits	3,980	3,813

## 14. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.

## 15. DATE OF AUTHORISATION

These financial statements were authorised for issue on 30 January 2018 by the Board of Directors of the Company.

## 16. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Mujtaba Rahim  
Chairman & Chief Executive Officer

M Veqar Arif  
Director & Chief Financial Officer

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