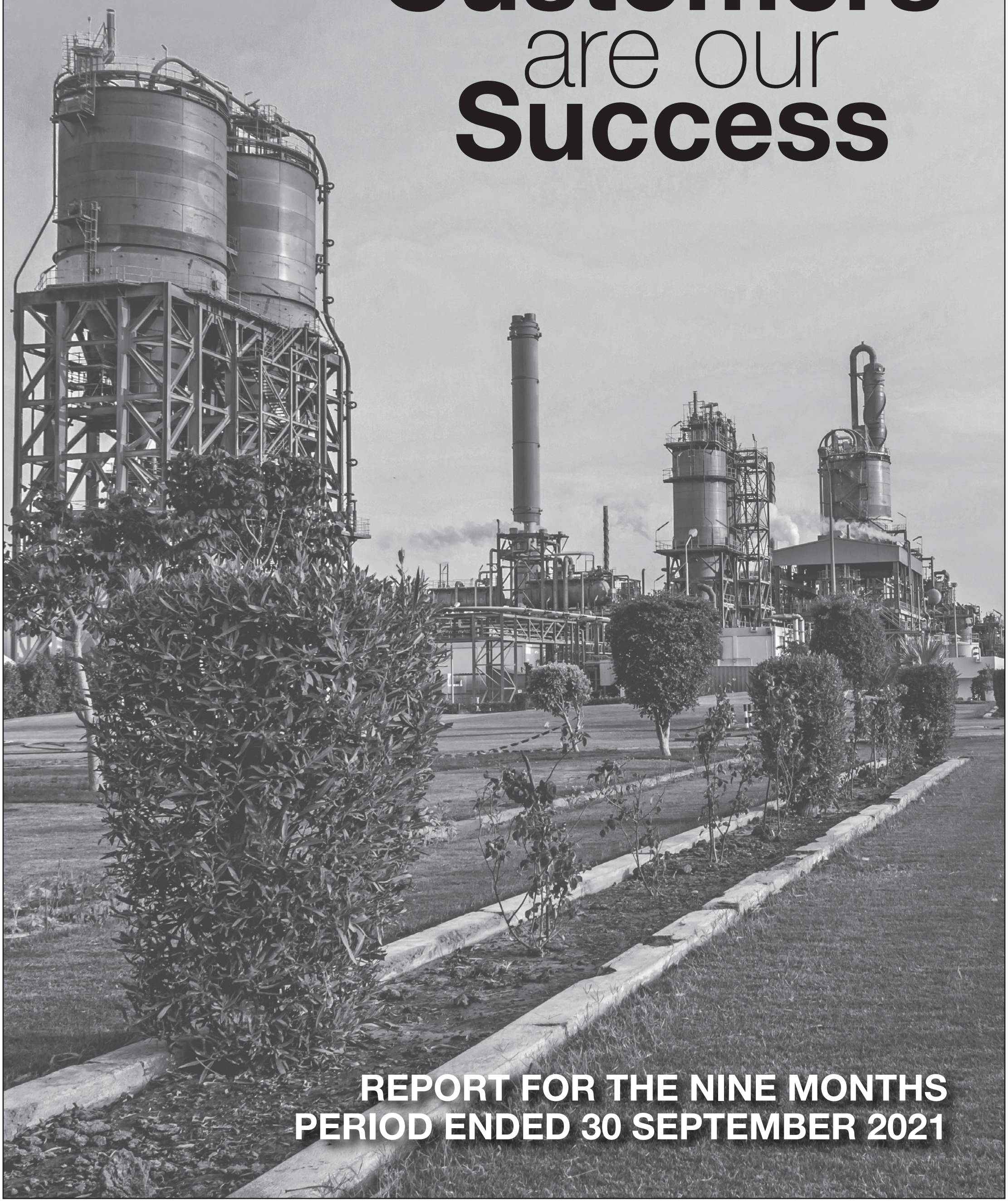
LOTTE CHEMICAL
PAKISTAN LTD

Our **Customers** are our **Success**



REPORT FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021

Contents

Company Information
As at 15 October 2021

Board of Directors

Min Jae Hwang	Chairman
Humair Ijaz	Chief Executive
Sang Hyeon Lee	Non-Executive
Young Dae Kim	Executive
Won Lee	Non-Executive
Pervaiz Akhtar	Independent
Adnan Afridi	Independent
Mohammad Zubair	Independent

Audit Committee

Pervaiz Akhtar	Chairman
Sang Hyeon Lee	Member
Adnan Afridi	Member
Faisal Abid	Secretary

HR & Remuneration Committee

Pervaiz Akhtar	Chairman
Sang Hyeon Lee	Member
Young Dae Kim	Member
Waheed U Khan	Secretary

Shares Sub Committee

Young Dae Kim	Chairman
Min Jae Hwang	Member
Mohammad Zubair	Member

Executive Management Team

Humair Ijaz	Chief Executive
Tariq Nazir Virk	General Manager Manufacturing
Waheed U Khan	General Manager HR & IT

Chief Financial Officer
Ashiq Ali

Company Secretary
Faisal Abid

Bankers
Askari Bank Limited
Citibank NA
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
Industrial and Commercial Bank of China
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Internal Auditors
EY Ford Rhodes
Chartered Accountants

External Auditors
KPMG Taseer Hadi & Co.,
Chartered Accountants

Legal Advisor
Naz Toosy

Registered Office
EZ/I/P-4, Eastern Industrial Zone,
Port Qasim, Karachi

Shares Registrar
Famco Associates (Pvt) Limited
8-F, Next to Hotel Faran, Nursery,
Block 6, P.E.C.H.S., Shahrah-e-Faisal,
Karachi

Directors' Review
For the third quarter ended 30 September 2021

The Directors are pleased to present their review report for the third quarter ended 30 September 2021 together with the un-audited condensed interim financial information of the Company as at and for the third quarter and nine months period ended 30 September 2021.

Business Overview

The third quarter commenced with Crude Oil (WTI) prices trending lower as OPEC+ announced its plan to ease production curbs adding 400,000 barrels per month till the end of 2021. Furthermore, the resurgence of Covid-19 cases in China followed by their imposition of a zero-tolerance policy on the spread of the disease crippled demand outlook as the World's biggest importer reduced its refinery throughput. However, towards the second half of the quarter prices started to regain strength due to a consistent drop in US Oil inventories fueled by US supply disruptions from the Gulf of Mexico as several refineries were forced to reduce output amid the hurricane season. The average price for the quarter was US$ 70 per barrel, up by approximately 6.6% from the previous quarter.

Paraxylene (PX) prices, at the start of the quarter, uncharacteristically did not follow the trend of the upstream Crude Oil market and exhibited bullishness. Delays in the start-up of a 2.2 million MTs new PX capacity in China ignited the market sentiment, boosting prices for prompt supply. However, towards the second half of the quarter, prices fell due to weak downstream demand coupled with the resurgence of the Covid-19 virus in China. Additionally, on-spec production from the aforementioned new PX plant added length to the market. Thereafter, despite improvement in the Crude Oil market, the prices failed to recover as downstream PTA and polyester markets in China lowered operating rates to cater to the government's energy-saving objectives. The average PX price for the quarter was US$ 920 per metric tonne while the PX-Naptha spread averaged at US$ 247 per tonne.

As the quarter commenced, PTA prices followed the trend of the upstream PX market. However, the resurgence of Covid-19 cases in China and its imposition of a zero-tolerance policy resulted in a drastic decrease in downstream demand and an inevitable inventory build-up which weakened the prices ensuing squeezed PTA-PX spot margins. Additionally, producers were forced to rationalize operations to balance the supply/demand equation as well as to comply with China's environment related dual control policy. Towards the end of the quarter, industry resisted downward pricing trend to cope with the Acetic Acid prices which nearly doubled from the start of the year. The average PTA price for the quarter was US$ 708 per metric tonne, whereas, the average PTA margin over PX for the quarter was US$ 101 per metric tonne.

The domestic polyester market was forced to reduce operating rates as logistical constraints and rising freights continued to hamper imports. The average operating rate for the quarter was 87%.

Operations

Production volume during the quarter at 122,067 tonnes was 3% lower than the corresponding period last year.

Sales volume, comprising of domestic sales only, for Q3 2021 at 128,949 tonnes was 4% higher than the corresponding quarter last year due to consistent demand from the domestic market.

Directors’ Review
For the third quarter ended 30 September 2021

Financial Performance

Revenue for the quarter was higher than the corresponding period last year mainly due to higher PTA price. Your Company generated a gross profit of Rs 1,394 million for the quarter as compared to gross profit of Rs 1,340 million during the same period last year.

Distribution and selling expenses were 4% lower than the corresponding quarter last year. Administrative expenses were 12% higher than the corresponding period last year due to overall impact of inflation.

The taxation charge for the quarter is based on statutory income tax rate and tax under Final Tax Regime (FTR) as adjusted by the movement in the deferred tax account.

Earnings per share (EPS) for the quarter stood at Rs 0.41 per share as compared to Rs 0.63 per share for Q3 2020.

Future Outlook

Moving forward, Crude Oil (WTI) prices are expected to trend downwards as pressure mounts on OPEC+ to keep the rising prices in check by increasing output. Additionally, we expect the refineries at the Gulf of Mexico to resume normal operations soon which may help stabilize prices. However, continued improvement in global oil demand may restrict any significant downward movement in prices.

Paraxylene (PX) market is expected to remain downbeat as capacity additions in China and Saudi Arabia will further increase supply in the market. Additionally, no foreseeable upside in demand would further weigh on the prices.

PTA demand is expected to remain weak in the last quarter of 2021 as downstream industries are forced to comply with China’s dual control policy. However, producers are expected to resist a drastic reduction in price as high co-feedstock, Acetic Acid prices are adding pressure to existing near break-even margins.

The demand of the domestic Polyester market is expected to remain healthy as the country continues to recover from the pandemic. However, persistent logistical issues in regional trade may hamper availability of feedstock, restricting local producers from ramping up their operating rates to optimum levels.

Min Jae Hwang
Chairman

Humair Ijaz
Chief Executive

Date: 15 October 2021
Karachi

Condensed Interim Statement of Financial Position
As at 30 September 2021

Amounts in Rs '000

	Note	30 September 2021 (Un-audited)	31 December 2020 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	4	**5,817,552**	4,990,862
Intangible assets		**2,759**	20
Right-of-use assets		**1,275,059**	1,448,323
Long-term loans		**127,865**	125,302
Long-term prepayments		**775**	1,222
Deferred taxation - net		**940,513**	778,519
		8,164,523	7,344,248
Current assets			
Stores and spare parts		**1,217,689**	965,528
Stock-in-trade		**4,797,420**	4,298,785
Trade debts	5	**5,230,382**	2,998,642
Loans and advances		**40,337**	42,833
Trade deposits and short-term prepayments		**99,774**	99,098
Interest accrued		**22,741**	120,908
Sales tax refunds due from government	6	**564,167**	362,923
Taxation - net		**-**	215,885
Other receivables	7	**359,984**	12,277
Short-term investments - at amortised cost	8	**15,886,057**	14,999,418
Cash and bank balances	9	**38,411**	35,588
		28,256,962	24,151,885
Total assets		**36,421,485**	31,496,133
Equity and liabilities			
Share capital and reserves			
Issued, subscribed and paid-up capital 1,514,207,208 (31 December 2020: 1,514,207,208) ordinary shares of Rs 10 each		**15,142,072**	15,142,072
Capital reserve		**2,345**	2,345
Revenue reserve - Unappropriated profit		**4,698,565**	2,604,574
Total equity		**19,842,982**	17,748,991
Liabilities			
Non-current liabilities			
Retirement benefit obligations		**135,592**	125,787
Provision for Gas Infrastructure and Development Cess (GIDC)	10.2	**1,397,916**	1,723,961
Lease liability		**1,540,715**	1,582,188
		3,074,223	3,431,936
Current liabilities			
Trade and other payables	10	**12,991,843**	9,863,361
Lease liability		**207,209**	177,625
Accrued interest		**259,463**	242,930
Unclaimed dividend		**11,100**	10,316
Unpaid dividend		**21,905**	20,974
Taxation - net		**12,760**	-
		13,504,280	10,315,206
Total liabilities		**16,578,503**	13,747,142
Contingencies and commitments	11		
Total equity and liabilities		**36,421,485**	31,496,133

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Min Jae Hwang	**Humair Ijaz**	**Ashiq Ali**
Chairman	Chief Executive	Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-audited)
For the nine months period ended 30 September 2021

Amounts in Rs '000

	Note	Nine months period ended 30 September		Quarter ended 30 September	
		2021	2020 Restated	**2021**	2020 Restated
Revenue - net	12	**48,221,116**	26,986,936	**17,298,872**	10,864,608
Cost of sales	13	**(42,914,825)**	(25,765,838)	**(15,904,902)**	(9,524,623)
Gross profit		**5,306,291**	1,221,098	**1,393,970**	1,339,985
Distribution and selling expenses		**(85,591)**	(80,847)	**(27,559)**	(28,583)
Administrative expenses		**(351,288)**	(318,084)	**(123,508)**	(110,221)
Other expenses	14	**(436,018)**	(244,051)	**(97,559)**	(101,497)
Other income	15	**876,730**	886,813	**290,017**	266,043
Finance cost	16	**(778,244)**	(174,408)	**(576,803)**	(37,810)
Profit before taxation		**4,531,880**	1,290,521	**858,558**	1,327,917
Taxation	17	**(1,302,234)**	(423,208)	**(230,776)**	(377,225)
Profit after taxation		**3,229,646**	867,313	**627,782**	950,692
		--------------- **Amount in Rupees** ---------------			
			Restated		Restated
Earnings per share - basic and diluted		**2.13**	0.57	**0.41**	0.63

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Min Jae Hwang
Chairman

Humair Ijaz
Chief Executive

Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended 30 September 2021

Amounts in Rs '000

	Nine months period ended 30 September		Quarter ended 30 September	
	2021	2020 Restated	**2021**	2020 Restated
Profit after taxation	**3,229,646**	867,313	**627,782**	950,692
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income for the period	**3,229,646**	867,313	**627,782**	950,692

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Min Jae Hwang
Chairman

Humair Ijaz
Chief Executive

Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months period ended 30 September 2021

Amounts in Rs '000

	Note	Share capital	Reserves		
		Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total equity
Balance as at 1 January 2020 - Restated		15,142,072	2,345	465,674	15,610,091
Total comprehensive income for the nine months period ended 30 September 2020 - Restated					
- Profit for the nine months period ended 30 September 2020	22	-	-	867,313	867,313
- Other comprehensive income for the nine months period ended 30 September 2020		-	-	-	-
		-	-	867,313	867,313
Balance as at 30 September 2020 - Restated		15,142,072	2,345	1,332,987	16,477,404
Balance as at 1 January 2021		**15,142,072**	**2,345**	**2,604,574**	**17,748,991**
Total comprehensive income for the nine months period ended 30 September 2021					
- Profit for the nine months period ended 30 September 2021		**-**	**-**	**3,229,646**	**3,229,646**
- Other comprehensive income for the nine months period ended 30 September 2021		**-**	**-**	**-**	**-**
		-	**-**	**3,229,646**	**3,229,646**
Final dividend for the year ended 31 December 2020 @ Rs 0.75 per share		**-**	**-**	**(1,135,655)**	**(1,135,655)**
Balance as at 30 September 2021		**15,142,072**	**2,345**	**4,698,565**	**19,842,982**

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Min Jae Hwang
Chairman

Humair Ijaz
Chief Executive

Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)
For the nine months period ended 30 September 2021

Amounts in Rs '000

	Note	Nine months period ended 30 September	
		2021	2020 Restated
Cash flows from operating activities			
Cash generated from operations	18	**4,438,119**	4,034,753
Finance cost paid		**(27,563)**	(31,164)
Payments to retirement benefit obligations		**(1,498)**	(651)
Long-term loans and advances - net		**(2,563)**	(7,739)
Long-term deposits and prepayments - net		**447**	(384)
Taxes paid		**(1,328,099)**	(635,149)
Interest received		**952,169**	860,919
Net cash generated from operating activities		**4,031,012**	4,220,585
Cash flows from investing activities			
Payments for capital expenditure		**(1,723,379)**	(1,131,789)
(Purchase) / Redemption of short-term investments - net		**(3,650,240)**	680,642
Net cash used in investing activities		**(5,373,619)**	(451,147)
Cash flows from financing activities			
Dividend paid		**(1,133,940)**	(3,145)
Payment of lease liability		**(284,230)**	(289,749)
Net cash used in financing activities		**(1,418,170)**	(292,894)
Net (decrease) / increase in cash and cash equivalents		**(2,760,777)**	3,476,544
Cash and cash equivalents at 1 January		**14,373,888**	8,057,022
Cash and cash equivalents at 30 September (Un-audited)	19	**11,613,111**	11,533,566

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Min Jae Hwang	**Humair Ijaz**	**Ashiq Ali**
Chairman	Chief Executive	Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited)

For the nine months period ended 30 September 2021

1. STATUS AND NATURE OF BUSINESS

1.1 Lotte Chemical Pakistan Limited ("the Company") was incorporated in Pakistan on 30 May 1998 under Companies Ordinance 1984 (Repealed with enactment of the Companies Act 2017 on 30 May 2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and sale of Purified Terephthalic Acid (PTA).

1.2 The geographical location and addresses of business units are as under:

Location	Address
Registered Office	EZ/I/P-4, Eastern Industrial Zone, Port Qasim, Karachi.
City Office	Al-Tijarah Centre, 14th Floor, 32/1-A, Main Shahrah-e-Faisal, Block 6, P.E.C.H.S., Karachi.

1.3 The Company is a subsidiary of Lotte Chemical Corporation, South Korea and its ultimate parent company is South Korean Conglomerate Lotte.

1.4 Impact of Covid-19 on financial statements

The events surrounding the COVID-19 pandemic (the virus) continue to evolve and impact global markets. The spread of the virus has resulted in authorities implementing numerous measures to try to contain the virus, such as vaccination campaigns, travel bans and restrictions, quarantines, shelter-in-place orders. During the current period, the Company has improved from COVID-19 financial effects of the prior period which is evident from the positive operating results of the Company i.e. the Company earned revenue of Rs. 48.2 billion and generated operating cash flows of Rs. 4.03 billion as compared to Rs. 26.9 billion and Rs. 4.22 billion respectively in the prior period ended 30 September 2020. Furthermore, the Company has a strong position, having accumulated profits amounting to Rs. 4.69 billion and available cash and cash equivalents amounting to Rs. 11.61 billion as at 30 September 2021. The Company has sufficient financial resources to meet its anticipated working capital requirements and obligations as they come due. Further, based on its assessment along with consideration of revenue forecasts and future plans and business activities, management has determined that events or conditions do not exist that would result in material uncertainty with regards to going concern.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Company for the nine months period ended 30 September 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

2.1.1 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020. However, selected explanatory notes are included to explain events and transactions that are significant to understanding of changes in Company's financial position and performance since the last annual financial statements.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for provision for retirement benefit obligations, provision for Gas Infrastructure and Development Cess (GIDC) and lease liability which have been measured at present value.

2.3 Functional and presentation currency

The condensed interim financial statements are presented in Pak Rupee which is also the functional currency of the Company and rounded off to the nearest thousand, unless otherwise stated.

2.4 Standards and amendments to accounting and reporting standards that are not yet effective

There are certain amendments and interpretations listed below, to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an ‘economically equivalent’ basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard’s previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

  The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

  Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

- there is no substantive change to the other terms and conditions of the lease.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Annual improvements to IFRS Standards 2018-2020

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;

- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Amounts in Rs '000

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends 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.

  The above amendments are effective from annual period beginning on or after 1 July 2021 and are not likely to have an impact on the Company's condensed interim financial statements.

3. ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2020.

The preparation of these condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the annual audited financial statements of the Company for the year ended 31 December 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 31 December 2020.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	**30 September 2021 (Un-audited)**	31 December 2020 (Audited)
Operating property, plant and equipment		**4,787,770**	4,562,599
Capital work-in-progress		**1,029,782**	428,263
	4.1	**5,817,552**	4,990,862

Notes to the Condensed Interim Financial Statements (Un-audited)
For the nine months period ended 30 September 2021

Amounts in Rs '000

4.1 The following property, plant and equipment have been added / disposed off during the nine months period ended 30 September:

	2021 (Un-audited)		2020 (Un-audited)	
	Additions cost	**Disposals net book value**	Additions cost	Disposals net book value
Property, plant and equipment				
Operating assets - owned				
Buildings on leasehold land	**-**	**-**	5,230	-
Plant and machinery	**1,221,949**	**154,088**	861,092	-
Furniture and equipment	**51,199**	**-**	4,680	-
Motor vehicles	**-**	**-**	781	-
Capital work-in-progress - net	**601,519**		260,006	
Intangible assets	**2,800**	**-**	-	-

	Note	**30 September 2021 (Un-audited)**	31 December 2020 (Audited)
5. TRADE DEBTS			
Trade debts - *considered good*	5.1	**5,230,382**	2,998,642

5.1 All of the Company's trade debts are secured by letters of credit of 30 to 90 days issued by various banks except for receivable from K-Electric against the sale of electricity. These balances are neither past due nor impaired and are considered good.

	Note	**30 September 2021 (Un-audited)**	31 December 2020 (Audited)
6. SALES TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax refundable	6.1	**720,220**	518,976
Provision for impairment		**(156,053)**	(156,053)
		564,167	362,923

6.1 This includes Rs 27.65 million (31 December 2020: Rs 27.65 million) on account of input tax arising from sales tax charged to the Company under the Sindh Sales Tax on Services Act, 2011 which is administered by the Sindh Revenue Board with effect from 01 July 2011. This is being deferred due to procedural issues between Federal and Provincial Tax collecting agencies, resulting in lack of verification by the refund issuing authority i.e. the Federal Board of Revenue (FBR). The Company had approached Federal Tax Ombudsman (FTO) for resolution of the matter. The FTO in its order dated 02 May 2013 have directed FBR, with certain recommendations, to resolve the issue. The Company has filed a Suit No. 537 of 2014 before the Sindh High Court (SHC) to resolve this issue as per the prevailing Sales Tax Law. The SHC passed an order dated 14 January 2015 directing the FBR to verify exact amount of refund of sales tax to which plaintiff is entitled and submit their report accordingly. In the prior year, the Company had received a refund of Rs 46.04 million from FBR, hence no provision has been recognised in the current period.

	Note	**30 September 2021 (Un-audited)**	31 December 2020 (Audited)
7. OTHER RECEIVABLES - ***considered good***			
Rebates receivable - net	7.1	**330,445**	-
Insurance claims - net		**23,494**	8,276
Others		**6,045**	4,001
		359,984	12,277

7.1 This represents amount receivable from suppliers on account of price and exchange rate differentials in respect of paraxylene and acetic acid settlements.

Notes to the Condensed Interim Financial Statements (Un-audited)
For the nine months period ended 30 September 2021

Amounts in Rs '000

	Note	30 September 2021 (Un-audited)	31 December 2020 (Audited)
8. SHORT-TERM INVESTMENTS - at amortised cost			
Term deposit receipts (TDRs)	8.1	**11,574,700**	14,338,300
Treasury Bills		**4,311,357**	661,118
		15,886,057	14,999,418

8.1 These carry interest ranging from 6% to 9% per annum (31 December 2020: 6% to 14% per annum) and has original maturities of less than three months.

	Note	30 September 2021 (Un-audited)	31 December 2020 (Audited)
9. CASH AND BANK BALANCES			
Cash in hand		**107**	387
With banks in:			
Current accounts		**33,534**	32,204
Saving account	9.1	**4,770**	2,997
		38,304	35,201
		38,411	35,588

9.1 These carry interest at 5.5% to 5.75% per annum (31 December 2020: 5.5% to 11.25% per annum).

	Note	30 September 2021 (Un-audited)	31 December 2020 (Audited)
10. TRADE AND OTHER PAYABLES			
Trade creditors including bills payable		**6,889,524**	4,758,150
Accrued expenses		**805,652**	771,006
Contract liabilities - advances from customers		**26,669**	21,114
Withholding tax payable		**2,534**	2,528
Infrastructure Cess	10.1	**3,163,206**	2,901,748
Current portion of provision for GIDC	10.2	**1,557,477**	1,142,213
Workers' Profit Participation Fund (WPPF)		**243,904**	22,829
Workers' Welfare Fund (WWF)		**119,475**	87,939
Retention money		**26,556**	626
Others	10.3	**156,846**	155,208
		12,991,843	9,863,361

10.1 In the current period, the appeal filed by the Company at Sindh High Court in respect of Development and Maintenance of Infrastructure Cess (as reported in note 24.1 to the annual financial statements of the Company for the year ended 31 December 2020) was dismissed in favour of the Government of Sindh. The Company (along with a number of other parties) has filed an appeal in the Honourable Supreme Court of Pakistan. As a matter of abundant caution, full amount of provision has been made in these condensed interim financial statements in this respect.

10.2 There is no change in the status of Gas Infrastructure Development Cess as disclosed in note 24.2 to the annual financial statements of the Company for the year ended 31 December 2020.

	30 September 2021 (Un-audited)	31 December 2020 (Audited)
The movement of balance is as follows:		
Opening	**2,866,174**	2,904,230
Charge for the period / year	**-**	209,514
Unwinding of GIDC provision	**89,219**	-
Discounting of GIDC provision	**-**	(247,570)
Closing	**2,955,393**	2,866,174
Non-current portion of provision for GIDC	**1,397,916**	1,723,961
Current portion of provision for GIDC	**1,557,477**	1,142,213
	2,955,393	2,866,174

10.3 This includes stale cheques amounting to Rs 140.60 million (31 December 2020: Rs 142.99 million).

Notes to the Condensed Interim Financial Statements (Un-audited)
For the nine months period ended 30 September 2021

Amounts in Rs '000

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no significant change in the status of contingencies as reported in the annual audited financial statements for the year ended 31 December 2020, except for the following:

	Name of the court, agency or authority	Description of the factual basis of the proceedings and relief sought	Principal parties	Date instituted
11.1.1	Federal Board of Revenue	**Tax Year 2014** In respect of tax year 2014, an Assessment Order was passed whereby an amount of Rs. 31.4 million pertaining to unrealized losses was disallowed. The Company has filed an appeal which was decided in favour of the Company by Commissioner Inland Revenue (Appeals) [CIR(A)] vide its Order dated 10 November 2015. However, the tax department has filed an appeal against the Appellate Order before the Tribunal who vide its Order dated 15 February 2021 has remanded back the matter to the CIR(A) for readjudication of the proceedings which are pending.	Federal Board of Revenue and the Company	November 10, 2015
11.1.2	Federal Board of Revenue	**Tax Years 2016 to 2020** On 29 April 2021, Assessment Orders were passed in respect of Tax years 2016 to 2020 which created additional tax liability of Rs. 1.71 billion and consequently tax refundable of Rs. 0.75 billion was converted to a tax liability of Rs. 0.96 billion. Details of the demand raised and major issues are as follows: **Tax year 2016:** Tax refundable of Rs. 369 million was reduced to Rs. 204.7 million as the amount of Rs. 164 million has been adjusted by the tax department. However, Tax Order was raised mainly on account of consequential effect of disallowance of unabsorbed tax depreciation and apportionment of expenditures. **Tax year 2017:** Tax refundable of Rs. 15 million has been substituted by a tax liability of Rs. 23.6 million mainly on account of levy of super tax. **Tax Year 2018:** Tax refundable of Rs. 241 million was substituted by a tax liability of Rs. 516 million mainly by disallowing unabsorbed tax depreciation Rs. 420 million, WPPF/WWF Rs. 24 million and levy of Super tax Rs. 95 million. **Tax Year 2019:** Tax refundable of Rs. 113 million was substituted by a tax liability of Rs. 634 million mainly on account of short adjustment of minimum turnover tax non-filing of Rs. 467 million, disallowance of WPPF/WWF expense Rs. 107.7 million and a levy of super tax charge amounting to Rs. 138.8 million. **Tax Year 2020:** Tax refundable of Rs. 14 million was substituted by a tax liability of Rs. 150 million mainly by disallowing expenses on account of WPPF/WWF and apportionment of expenses. The Company has filed appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] in respect of the aforementioned Orders which are pending adjudication. The Company along with its tax advisor, is confident that decisions will be in favour of the Company, therefore no provision has been recognised in the condensed interim financial statements.	Federal Board of Revenue and the Company	April 29, 2021
11.1.3	Federal Board of Revenue	**Sales tax - Tax periods from January to December 2019** The Deputy Commissioner Inland Revenue (DCIR) passed an Order, whereby sales tax demand of Rs. 153.7 million along with penalty of Rs. 7.7 million has been raised on account of certain discrepancies in the sales tax return filed. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] which is pending. Management along with its tax advisor are confident that the outcome of the case will be in their favour, therefore, no provision has been recognised in the condensed interim financial statements.	Deputy Commissioner Inland Revenue and the Company	December 31, 2020

Amounts in Rs '000

11.1.4 Outstanding guarantees of the Company as at 30 September 2021 were Rs 3,634.1 million (31 December 2020: Rs 3,232.6 million).

11.2 COMMITMENTS

11.2.1 Commitments for capital expenditure as at 30 September 2021 amounted to Rs 12.53 million (31 December 2020: Rs 12.42 million).

11.2.2 Commitments for rentals under Ijarah contracts for vehicles are as follows:

	30 September 2021 (Un-audited)	31 December 2020 (Audited)
Not later than 1 year	**8,212**	22,561
Later than 1 year and not later than 5 years	**65,386**	34,469
	73,598	57,030

11.2.3 Commitments for rentals under service agreements for certain supplies in respect of goods and services are as follows:

	30 September 2021 (Un-audited)	31 December 2020 (Audited)
Not later than 1 year	**406,647**	536,020
Later than 1 year and not later than 5 years	**169,436**	639,686
	576,083	1,175,706

11.2.4 Commitments for rentals under service agreements in respect of goods and services are priced in foreign currency and payable in Pakistani Rupees, converted at exchange rates applicable on the date of payment.

11.2.5 Letters of credit issued on behalf of the Company as at 30 September 2021 were Rs 2,760.7 million (31 December 2020: Rs 2,191.2 million).

	Nine months period ended 30 September (Un-audited)		**Quarter ended 30 September (Un-audited)**	
	2021	2020	**2021**	2020
12. REVENUE - net				
Manufactured goods				
Local sales	**54,409,074**	32,576,055	**19,900,806**	12,888,303
Less: sales tax and excise duty	**(7,905,592)**	(4,733,273)	**(2,891,570)**	(1,872,659)
price settlements and discounts / rebates	**(618,401)**	(1,435,111)	**(424,337)**	(409,746)
	45,885,081	26,407,671	**16,584,899**	10,605,898
Trading goods				
Local sales	**1,846,005**	574,936	**627,183**	193,267
Less: sales tax and excise duty	**(268,223)**	(83,538)	**(91,129)**	(28,082)
price settlements and discounts / rebates	**(14,594)**	(7,649)	**(5,142)**	(1,991)
	1,563,188	483,749	**530,912**	163,194
Sale of electricity				
Local sales	**904,231**	111,754	**214,181**	111,754
Less: sales tax	**(131,384)**	(16,238)	**(31,120)**	(16,238)
	772,847	95,516	**183,061**	95,516
	48,221,116	26,986,936	**17,298,872**	10,864,608

Notes to the Condensed Interim Financial Statements (Un-audited)

For the nine months period ended 30 September 2021

Amounts in Rs '000

	Nine months period ended 30 September (Un-audited)		Quarter ended 30 September (Un-audited)	
	2021	2020	**2021**	2020
13. COST OF SALES				
Manufactured goods				
Opening stock of raw and packing materials	**3,644,232**	2,411,469	**3,334,804**	1,940,332
Purchases	**37,029,439**	20,847,330	**13,985,621**	9,138,034
Closing stock of raw and packing materials	**(4,225,652)**	(2,907,932)	**(4,225,652)**	(2,907,932)
Raw and packing materials consumed	**36,448,019**	20,350,867	**13,094,773**	8,170,434
Manufacturing costs	**4,114,223**	3,521,786	**1,422,411**	1,315,439
Cost of goods manufactured	**40,562,242**	23,872,653	**14,517,184**	9,485,873
Opening stock of finished goods	**506,676**	1,912,025	**950,413**	334,306
	41,068,918	25,784,678	**15,467,597**	9,820,179
Closing stock of finished goods	**(218,193)**	(526,798)	**(218,193)**	(526,798)
Cost of goods manufactured sold	**40,850,725**	25,257,880	**15,249,404**	9,293,381
Trading goods				
Opening stock	**6,461**	158,974	**85,157**	43,678
Purchases	**1,691,343**	342,699	**750,631**	181,279
Closing stock	**(353,575)**	(80,051)	**(353,575)**	(80,051)
Cost of trading goods sold	**1,344,229**	421,622	**482,213**	144,906
Cost to produce electricity	**719,871**	86,336	**173,285**	86,336
	42,914,825	25,765,838	**15,904,902**	9,524,623
14. OTHER EXPENSES				
Auditors' remuneration	**1,695**	1,616	**53**	17
Donations - note 14.1	**-**	130,078	**-**	3,462
Unwinding of GIDC provision	**89,219**	-	**27,694**	-
Workers' Profit Participation Fund	**242,805**	78,675	**45,375**	70,004
Workers' Welfare Fund	**102,297**	33,682	**24,437**	28,014
Others	**2**	-	**-**	-
	436,018	244,051	**97,559**	101,497

14.1 This includes payment made to Lotte Pakistan Foundation (Head Office, Karachi) amounted to Rs. 100 million in the prior period. The Chief Executive, Executive Director and two employees of the Company are amongst the Trustees of the Foundation.

	Nine months period ended 30 September (Un-audited)		Quarter ended 30 September (Un-audited)	
	2021	2020	**2021**	2020
15. OTHER INCOME				
Income from financial assets				
Mark-up income	**854,002**	877,687	**282,968**	263,547
Income from non-financial assets				
Scrap sales	**6,123**	-	**7**	-
Indenting commission - net	**3,753**	6,249	**2,036**	1,098
Rental income from tower on leasehold land	**896**	862	**-**	-
Income from sale of water	**11,888**	2,015	**4,990**	1,398
Others	**68**	-	**16**	-
	22,728	9,126	**7,049**	2,496
	876,730	886,813	**290,017**	266,043

Amounts in Rs '000

	Nine months period ended 30 September (Un-audited)		Quarter ended 30 September (Un-audited)	
	2021	2020 Restated	**2021**	2020 Restated
16. FINANCE COST				
Interest on lease liability	**150,816**	167,674	**51,899**	57,492
Exchange loss / (gain) - net	**599,749**	(24,456)	**518,377**	(29,309)
Bank, LCs and other charges	**27,563**	31,164	**6,527**	9,601
Interest on Workers' Profit Participation Fund	**116**	26	**-**	26
	778,244	174,408	**576,803**	37,810

17. TAXATION

The taxation charge for the nine months is based on the statutory income tax rate and tax under Final Tax Regime (FTR) as adjusted by the movement in the deferred tax account.

	Note	Nine months period ended 30 September (Un-audited)	
		2021	2020 Restated
18. CASH GENERATED FROM OPERATIONS			
Profit before taxation		**4,531,880**	1,290,521
Adjustments for non-cash charges and other items:			
Depreciation and amortisation		**1,067,214**	895,870
Provision for retirement benefit obligations		**11,303**	9,436
Finance cost		**316,437**	358,347
Mark-up income	15	**(854,002)**	(877,687)
Infrastructure Cess		**261,458**	141,280
Unwinding of GIDC provision		**89,219**	-
Provision for Gas Infrastructure and Development Cess		**-**	209,514
		891,629	736,760
		5,423,509	2,027,281
Effect on cashflows due to working capital changes			
(Increase) / decrease in current assets:			
Stores and spare parts		**(252,161)**	251,128
Stock-in-trade		**(498,635)**	967,687
Trade debts		**(2,231,740)**	463,505
Loans and advances		**2,496**	3,237
Trade deposits and short-term prepayments		**(676)**	(9,159)
Other receivables		**(347,707)**	231,655
Sales tax refunds due from government		**(201,244)**	(29,793)
		(3,529,667)	1,878,260
Increase in trade and other payables		**2,544,277**	129,212
Cash generated from operations		**4,438,119**	4,034,753

	Note	**30 September 2021 (Un-audited)**	30 September 2020 (Un-audited)
19. CASH AND CASH EQUIVALENTS			
Cash and bank balances	9	**38,411**	45,366
TDRs with banks having maturity less than three months	8	**11,574,700**	11,488,200
		11,613,111	11,533,566

Amounts in Rs '000

20. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of parent company, related group companies, directors of the Company, companies where directors also hold directorships, key management personnel and staff retirement funds. All transactions with related parties are entered into at agreed terms. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim financial statements are as follows:

Relationship	**Nature of transactions**	**Nine months period ended 30 September (Un-audited)**		**Quarter ended 30 September (Un-audited)**	
		2021	2020	**2021**	2020
Parent / Associate / Related parties					
Lotte Chemical Corporation	Legal and professional charges	**2,755**	-	**835**	-
	Dividend paid	**851,895**	-	**-**	-
Lotte Academy	Purchase of services	**50**	-	**-**	-
Lotte Kolson Private Limited	Purchase of goods	**161**	-	**-**	-
Key management personnel	Salaries and other short-term benefits	**45,677**	46,478	**15,496**	15,717
	Post employment benefits	**5,753**	5,261	**1,981**	1,809
	Loan repaid	**3,150**	3,150	**1,050**	1,050
Others	Payments to retirement benefit funds	**66,367**	62,420	**22,863**	21,543
	Donation paid to Lotte Pakistan Foundation	**-**	128,163	**-**	28,163

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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: Inputs for the asset or liability that are not based on observable market date (i.e., unobservable inputs).

21.1 Accounting classifications and fair values

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

Amounts in Rs '000

		30 September 2021 (Un-audited)								
		Carrying amount					Fair value			
	Note	Financial assets 'at fair value through other comprehensive income'	Financial assets 'at fair value through profit or loss'	Financial assets 'at amortised cost'	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets - not measured at fair value										
Loans	21.1.1	**-**	**-**	**168,202**	**-**	**168,202**				
Trade deposits	21.1.1	**-**	**-**	**46,308**	**-**	**46,308**				
Trade debts	21.1.1	**-**	**-**	**5,230,382**	**-**	**5,230,382**				
Other receivables	21.1.1	**-**	**-**	**359,984**	**-**	**359,984**				
Short-term investments										
- TDRs	21.1.1	**-**	**-**	**11,574,700**	**-**	**11,574,700**				
- T-Bills	21.1.2	**-**	**-**	**4,311,357**	**-**	**4,311,357**	**-**	**4,311,357**	**-**	**4,311,357**
Interest accrued	21.1.1	**-**	**-**	**22,741**	**-**	**22,741**				
Cash and bank	21.1.1	**-**	**-**	**38,411**	**-**	**38,411**				
		-	**-**	**21,752,085**	**-**	**21,752,085**				
Financial liabilities - not measured at fair value										
Trade and other payables	21.1.1	**-**	**-**	**-**	**7,878,578**	**7,878,578**				
Accrued interest	21.1.1	**-**	**-**	**-**	**259,463**	**259,463**				
Unclaimed dividend	21.1.1	**-**	**-**	**-**	**11,100**	**11,100**				
Unpaid dividend	21.1.1	**-**	**-**	**-**	**21,905**	**21,905**				
Lease liability	21.1.1	**-**	**-**	**-**	**1,747,924**	**1,747,924**				
		-	**-**	**-**	**9,918,970**	**9,918,970**				

		31 December 2020 (Audited)								
		Carrying amount					Fair value			
	Note	Financial assets 'at fair value through other comprehensive income'	Financial assets 'at fair value through profit or loss'	Financial assets 'at amortised cost'	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets - not measured at fair value										
Loans	21.1.1	-	-	167,489	-	167,489				
Trade deposits	21.1.1	-	-	57,295	-	57,295				
Trade debts	21.1.1	-	-	2,998,642	-	2,998,642				
Other receivables	21.1.1	-	-	12,277	-	12,277				
Short-term investments										
- TDRs	21.1.1	-	-	14,338,300	-	14,338,300				
- T-Bills	21.1.2	-	-	661,118	-	661,118	-	661,118	-	661,118
Interest accrued	21.1.1	-	-	120,908	-	120,908				
Cash and bank	21.1.1	-	-	35,588	-	35,588				
		-	-	18,391,617	-	18,391,617				
Financial liabilities - not measured at fair value										
Trade and other payables	21.1.1	-	-	-	5,684,990	5,684,990				
Accrued interest	21.1.1	-	-	-	242,930	242,930				
Unclaimed dividend	21.1.1	-	-	-	10,316	10,316				
Unpaid dividend	21.1.1	-	-	-	20,974	20,974				
Lease liability	21.1.1	-	-	-	1,759,813	1,759,813				
		-	-	-	7,719,023	7,719,023				

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

21.1.2 Valuation techniques used in determination of fair values within level 2:

Investments in Market Treasury Bills are valued on the basis of the PKRVs announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

Amounts in Rs '000

22. LEASES AS LESSEE - RESTATEMENT

The Company restated its annual audited financial statements for the year ended 31 December 2020 as disclosed in note 48 to the said financial statements. Accordingly, the comparative figures of these condensed interim financial statements (i.e. 30 September 2020) have also been restated. The following tables summarise the effects of reassessment and their impact on prior period condensed interim financial statements:

	Nine months period ended 30 September 2020 Impact of restatement		
	As previously reported	**Adjustments**	**As restated**
Impact on statement of profit or loss*			
For the period ended 30 September 2020			
Finance (income) / cost	(135,718)	310,126	174,408
Cost of sales			
- Depreciation and amortisation	722,606	150,245	872,851
- Purchases	21,137,079	(289,749)	20,847,330
Impact on statement of comprehensive income	1,037,935	(170,622)	867,313
Impact on statement of cash flows			
For the period ended 30 September 2020			
Changes in operating cashflows	3,930,836	289,749	4,220,585
Changes in financing cashflows	(3,145)	(289,749)	(292,894)
Effect on earnings per share		**Amount in Rupees**	
Earnings per share - basic and diluted	0.69	(0.12)	0.57

* Impact of taxation has been incorporated in the annual audited financial statement for the year ended 31 December 2020

22.2 The effects on statement of financial position has been incorporated and disclosed in note 48 to the annual financial statements.

23. Corresponding figures

Certain corresponding figures have been reclassified for the purpose of better presentation and comparison. Significant reclassification made during the period is as follows:

Component	From	Notes to the interim financial statements	To	Rupees
Statement of Profit or Loss	Other income	12	Revenue - net	183,061
	Other income	13	Cost of sales	173,285

24. Non-adjusting event after reporting date

The Directors in their meeting held on 15 October 2021 have recommended and approved an interim cash dividend of Rs 1.50 per share.

25. GENERAL

25.1 Segment reporting

The financial information has been prepared on the basis of a single reportable segment.Geographically, all the sales were carried out in Pakistan. All non-current assets of the Company as at 30 September 2021 are located in Pakistan.

26. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 15 October 2021.

Min Jae Hwang	**Humair Ijaz**	**Ashiq Ali**
Chairman	Chief Executive	Chief Financial Officer

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