

Report for the quarter & nine  
months ended 30 September 2015



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# Company Information

As at 27 October 2015

## Board of Directors

Kwan Ho Lee	Chairman
Humair Ijaz	Chief Executive
Soo Chan Ko	Non-executive
Nak Sun Seong	Non-executive
Sang Hyeon Lee	Executive
Mohammad Qasim Khan	Independent
Pervaiz Akhtar	Independent
Istaqbal Mehdi	Non-executive

## Audit Committee

Pervaiz Akhtar	Chairman
Kwan Ho Lee	Member
Istaqbal Mehdi	Member
Ashiq Ali	Secretary & Head of Internal Audit

## HR & Remuneration Committee

Kwan Ho Lee	Chairman
Sang Hyeon Lee	Member
Nak Sun Seong	Member

## Shares Sub Committee

Sang Hyeon Lee	Chairman
Mohammad Qasim Khan	Member
Kwan Ho Lee	Member

## Chief Financial Officer and Company Secretary

Adnan Samdani

## Executive Management Team

Humair Ijaz	Chief Executive
Adnan Samdani	Director Finance & Company Secretary
Mohammad Wasim	Director Manufacturing
Waheed U Khan	Corporate Human Resource Manager

## Bankers

Askari Bank Limited  
Citibank NA  
Deutsche Bank AG  
Habib Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited

## Internal Auditors

KPMG Taseer Hadi & Co.,  
Chartered Accountants

## External Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## Legal Advisor

Mohammad Mitha  
148, 18<sup>th</sup> East Street,  
Phase 1, DHA, Karachi

## Registered Office

EZ/1/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,  
Shahra-e-Faisal  
Karachi.

# Directors' Report

For the third quarter ended 30 September 2015

The Directors are pleased to present their report for the third quarter ended 30 September 2015 together with the un-audited condensed interim financial information of the Company as at and for the third quarter and nine months ended 30 September 2015.

## Business overview

Crude oil prices plummeted to the lowest levels since 2009 during the quarter.

The slump in the Crude oil prices sent the entire Petrochemical chain into a downward spiral and Paraxylene (PX) prices also followed the same trend. However, limited supply situation of PX caused by both planned and unplanned PX plant outages kept prices range bound, which kept margins for PX producers at profitable levels.

The business environment for the PTA industry, however, turned dire during the quarter. This was primarily a result of stable PX and weak PTA prices. The PTA industry in the region, especially in China, was forced to rationalize its output levels, due to poor off take and demand from the downstream polyester industry. While these measures were vital in avoiding a total collapse in PTA prices, the industry margins remained much lower than previous quarter.

The domestic PSF market was adversely affected by several factors which led to its underperformance during the period. The Government increased power tariffs and introduced new taxes in the budget, resulting in increased costs for the entire industry. Moreover, power was allocated away from industries, which reduced productivity in the downstream sectors. The demand for PET sector remained uncharacteristically weak as the domestic bottling industries introduced lighter bottles in order to manage their cost base.

## Operations

Sales volume, comprising of domestic sales only, for Q3 2015 at 102,701 tonnes was 15% lower than the corresponding quarter last year. This was primarily due to weak demand from the domestic PSF and PET industries as explained above.

Production during the quarter at 107,043 tonnes was 8% lower than the corresponding period last year. The plant operating rate was curtailed during August and September to match sales so as to avoid PTA inventory build up.

## Profit, finance & taxation

Due to lower sales volume and lower PTA margin over Px, your Company incurred a gross loss of Rs 249 million for the quarter as compared to gross loss of Rs 146 million during the same period last year.

Distribution and selling expenses were lower than the corresponding quarter last year mainly due to zero export sales. Administration expenses for the quarter were marginally higher than the corresponding quarter last year.

The taxation charge for the quarter consists of tax charged under Final Tax Regime (FTR) and minimum tax calculated on turnover as adjusted by the movement in the deferred tax account.

The loss after taxation for the quarter ended 30 September 2015 amounted to Rs 268 million as compared to loss after taxation of Rs 230 million in Q3 last year.

# Directors' Report

For the third quarter ended 30 September 2015

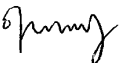
## Future outlook

Crude Oil (WTI) prices are expected to remain subdued and move in a tight range. The production levels of Crude Oil, both from OPEC and Non-OPEC members will play an important role in determining the price direction in a fundamentally oversupplied market.

PX prices will continue to follow the trend in the upstream markets. The supply/demand equilibrium is largely balanced and will not have a substantial impact on the PX prices.

The PTA industry has been struggling due to the overcapacity in the region and the prices and margins for the commodity will be influenced by the overall operating rate of the PTA producers.

The domestic polyester industry is expected to regain strength, after the imposition of Anti Dumping Duties on PSF from China. This development is expected to improve operating rates in the months to come. The export PET business is also expected to improve after the lifting of the Countervailing duties in the EU.



**Kwan Ho Lee**  
Chairman

27 October 2015  
Karachi



**Humair Ijaz**  
Chief Executive

# Condensed Interim Balance Sheet

As at 30 September 2015

Amount in Rs '000

	Note	30 September 2015 (Un-audited)	31 December 2014 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	5	6,462,577	7,379,579
Long-term loans and advances		47,359	41,536
Long-term deposits and prepayments		59,975	63,518
Deferred tax asset		1,291,730	939,035
		<b>7,861,641</b>	<b>8,423,668</b>
<b>Current assets</b>			
Stores and spares		990,854	1,057,920
Stock-in-trade		2,620,138	2,784,277
Trade debts		1,433,867	1,316,984
Loans and advances		24,621	28,092
Trade deposits and short-term prepayments		120,599	27,462
Mark-up accrued on bank deposits		3,336	2,242
Other receivables		201,134	145,128
Tax refunds due from government - sales tax		377,242	423,847
Taxation - payments less provision		1,460,207	1,657,673
Cash and bank balances	6	1,041,731	1,025,890
		<b>8,273,729</b>	<b>8,469,515</b>
<b>Total assets</b>		<b>16,135,370</b>	<b>16,893,183</b>
<b>Equity</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital			
1,514,207,208 (31 December 2014: 1,514,207,208)			
ordinary shares of Rs 10 each		15,142,072	15,142,072
Capital reserves		2,345	2,345
Accumulated losses		(4,943,532)	(4,438,899)
		<b>10,200,885</b>	<b>10,705,518</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Retirement benefit obligation		59,501	54,540
<b>Current liabilities</b>			
Trade and other payables		5,715,864	5,980,316
Interest accrued		159,120	152,809
		<b>5,874,984</b>	<b>6,133,125</b>
<b>Total liabilities</b>		<b>5,934,485</b>	<b>6,187,665</b>
<b>Contingencies and commitments</b>	7		
<b>Total equity and liabilities</b>		<b>16,135,370</b>	<b>16,893,183</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Kwan Ho Lee**  
Chairman



**Humair Ijaz**  
Chief Executive

# Condensed Interim Profit and Loss Account (Un-audited)

For the quarter and nine months period ended 30 September 2015

Amount in Rs '000

	Note	Quarter ended 30 September		Nine months ended 30 September	
		2015	2014 (Re-stated- Note 3.2)	2015	2014 (Re-stated- Note 3.2)
<b>Revenue</b>	8	<b>7,357,304</b>	12,874,478	<b>25,634,532</b>	37,678,825
Cost of sales	9	<b>(7,606,464)</b>	(13,020,243)	<b>(25,839,198)</b>	(38,299,103)
<b>Gross loss</b>		<b>(249,160)</b>	(145,765)	<b>(204,666)</b>	(620,278)
Distribution and selling expenses		<b>(18,397)</b>	(36,771)	<b>(63,409)</b>	(145,260)
Administrative expenses		<b>(93,370)</b>	(90,405)	<b>(254,073)</b>	(317,269)
Other expenses	10	<b>(831)</b>	(14,931)	<b>(1,677)</b>	(57,869)
Other income	11	<b>21,555</b>	24,120	<b>71,030</b>	90,347
Finance (costs) / income	12	<b>(5,642)</b>	157	<b>(29,727)</b>	39,088
<b>Loss before taxation</b>		<b>(345,845)</b>	(263,595)	<b>(482,522)</b>	(1,011,241)
Taxation	13	<b>77,760</b>	33,459	<b>(22,111)</b>	158,064
<b>Loss after taxation</b>		<b>(268,085)</b>	(230,136)	<b>(504,633)</b>	(853,177)

### Amount in Rupees

<b>Earnings per share -basic and diluted - (loss)</b>	<b>(0.18)</b>	(0.15)	<b>(0.33)</b>	(0.56)
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The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Kwan Ho Lee**  
Chairman



**Humair Ijaz**  
Chief Executive



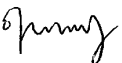
# Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter and nine months period ended 30 September 2015

Amount in Rs '000

	Quarter ended 30 September		Nine months ended 30 September	
	2015	2014 (Re-stated- Note 3.2)	2015	2014 (Re-stated- Note 3.2)
<b>Loss after taxation</b>	<b>(268,085)</b>	(230,136)	<b>(504,633)</b>	(853,177)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss</b>	<b>(268,085)</b>	(230,136)	<b>(504,633)</b>	(853,177)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Kwan Ho Lee**  
Chairman



**Humair Ijaz**  
Chief Executive

# Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended 30 September 2015

Amount in Rs '000

	Note	Nine months ended 30 September	
		2015	2014 (Re-stated- Note 3.2)
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	14	302,921	(1,009,806)
Long-term loans and advances - net		(5,823)	(2,350)
Long-term deposits and prepayments - net		3,543	(1,787)
Finance costs paid		(29,419)	(65,987)
Payments to staff retirement benefit scheme		(576)	(886)
Taxes paid		(177,340)	(728,428)
Mark-up received from bank deposits		59,730	88,398
Net cash generated from / (used in) operating activities		153,036	(1,720,846)
<b>Cash flows from investing activities</b>			
Payments for capital expenditure		(137,859)	(30,871)
Proceeds from sale of operating assets		741	1,776
Net cash used in investing activities		(137,118)	(29,095)
<b>Cash flows from financing activities</b>			
Dividend paid		(77)	(39)
Net cash used in financing activities		(77)	(39)
<b>Net increase / (decrease) in cash and cash equivalents</b>		15,841	(1,749,980)
Cash and cash equivalents at 1 January		1,025,890	3,068,673
<b>Cash and cash equivalents at 30 September</b>		1,041,731	1,318,693

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Kwan Ho Lee**  
Chairman



**Humair Ijaz**  
Chief Executive

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

For the nine months period ended 30 September 2015

Amount in Rs '000

	Issued, subscribed and paid-up capital	Capital reserves	Accumulated losses	Total
<b>Balance as at 1 January 2015</b>	15,142,072	2,345	(4,438,899)	10,705,518
Total comprehensive loss for the nine months period ended 30 September 2015				
- Loss for the nine months period ended 30 September 2015	-	-	(504,633)	(504,633)
- Other comprehensive income for the nine months period ended 30 September 2015	-	-	-	-
	-	-	(504,633)	(504,633)
<b>Balance as at 30 September 2015</b>	<u>15,142,072</u>	<u>2,345</u>	<u>(4,943,532)</u>	<u>10,200,885</u>
<b>Balance as at 1 January 2014 - re-stated - note 3.2</b>	15,142,072	2,345	(3,334,528)	11,809,889
Total comprehensive loss for the nine months period ended 30 September 2014				
- Loss for the nine months period ended 30 September 2014	-	-	(853,177)	(853,177)
- Other comprehensive income for the nine months period ended 30 September 2014	-	-	-	-
	-	-	(853,177)	(853,177)
<b>Balance as at 30 September 2014 - re-stated - note 3.2</b>	<u>15,142,072</u>	<u>2,345</u>	<u>(4,187,705)</u>	<u>10,956,712</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**Kwan Ho Lee**  
Chairman



**Humair Ijaz**  
Chief Executive

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

## For the nine months period ended 30 September 2015

### 1. Status and nature of business

Lotte Chemical Pakistan Limited (“the Company”) was incorporated in Pakistan on 30 May 1998 and is listed on Karachi, Lahore and Islamabad Stock Exchanges, and is engaged in the manufacture and sale of Pure Terephthalic Acid (PTA). The Company’s registered office is situated at EZ/1/P-4, Eastern Industrial Zone, Port Qasim, Karachi.

Lotte Chemical Corporation, South Korea is the parent company and South Korean Conglomerate Lotte is the ultimate parent company.

### 2. Amalgamation

Through a scheme of arrangement the Company’s wholly owned subsidiary - Lotte Powergen (Private) Limited, engaged in generation and sale of electricity and steam to the Company, amalgamated with and into the Company. The amalgamation and its related Scheme of Arrangement, effective from 01 January 2014, was approved by the Honorable Sindh High Court vide its order J.M. No. 29 of 2014 dated 29 January 2015 and filed with the registrar of companies on 02 February 2015, for which the Company’s shareholders approval was obtained in their Extraordinary General Meeting held on 25 November 2014.

### 3. Basis of preparation

3.1 These condensed interim financial statements of the Company for the nine months period ended 30 September 2015 have been prepared in accordance with the requirements of the International Accounting Standard 34 - “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

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 annual financial statements, of the Company for the year ended 31 December 2014.

3.2 Amalgamation of the wholly owned subsidiary - Lotte Powergen (Private) Limited with and into the Company has been accounted for using the predecessor method of accounting. The method requires the merged entity’s results incorporated by line by line adding them at their pre-combination carrying values as if both entities had always been combined. Accordingly, the corresponding amounts for the same period last years have also been restated to reflect the combined results of both entities.

### 4. Significant accounting policies

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual financial statements for the preceding year ended 31 December 2014, except for the adoption of the following new and amended standards which became effective for the current period.

#### Standard or Interpretation

IFRS 10 - Consolidated Financial Statements

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)

IFRS 11 - Joint Arrangements

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 13 - Fair Value Measurement

IAS 19 - Employee Benefits (Amendment)

IAS 27- Separate Financial Statements (Revised)

IAS 28 - Investments in Associates and Joint Ventures (Revised)

The Company expects that the adoption of the above new standards, revisions, amendments and interpretations of the standards will not have any material impact on these condensed interim financial statements for the current period.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects such improvements to the standards will not have any material impact on these condensed interim financial statements for the current period.

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

## For the nine months period ended 30 September 2015

Amount in Rs '000

### 5. Fixed assets

The following fixed assets have been added / disposed of during the nine months period ended 30 September:

	2015		2014	
	Additions cost	Disposals net book value	Additions cost	Disposals net book value
<b>Property, plant and equipment</b>				
<b>Operating assets - owned</b>				
Buildings on leasehold land	-	-	463	-
Plant and machinery	88,856	-	11,019	766
Furniture and equipment	2,537	-	7,812	200
Motor vehicles	-	20	-	-
<b>Capital work-in-progress</b>	46,466	-	11,552	-
<b>Intangible assets</b>	-	-	25	-

6. Cash and bank balances	30 September 2015	31 December 2014
	Short-term fixed deposits	1,016,550
With banks in current accounts	18,777	18,677
Cash in hand	6,404	6,213
	<b>1,041,731</b>	<b>1,025,890</b>

### 7. Contingencies and commitments

#### 7.1 Contingencies

The Income Tax Appellate Tribunal (ITAT) vide order no ITA.No.111/KB/2006 dated 20 April 2006 had set aside the taxation officer's assessment order for the assessment year 2002-2003 (income year ending 31 December 2001) whereby the assessing officer had been directed to re-examine the issue of allocation of cost of goods sold to export sales, strictly in accordance with Rule 216 of the Income Tax Rules, 1982. The taxation officer vide order no. DC20/106 dated 29 June 2007 had used volume basis to determine the allocation of cost of goods sold to export sales, against which the Company had filed an appeal. The Commissioner Inland Revenue (Appeals-I) [CIR(A)] vide order numbers 153 and 391 dated 31 January 2011 (received by the Company on 4 June 2011) has set aside the taxation officer's order with instructions to strictly comply with the directions contained in the ITAT's order of 20 April 2006 in relation to the basis of allocation of cost of goods sold to export sales. The Deputy Commissioner Inland Revenue vide number 01/171 dated 25 June 2012 (received by the Company in July 2012) has maintained the above basis of allocation to export sales. The Company filed an appeal against the said order in August 2012. The CIR(A) vide its order dated 29 May 2013 has disagreed with 'basis of dual allocation' as per taxation officer's assessment order and has directed the officer to accordingly determine the amount on the basis of "sales" and finalise the assessment on such basis. The department filed an appeal against the said order on 15 August 2013. The Income Tax Appellate Tribunal (ITAT) vide order no. ITA No.744/KB-2013 dated 27 August 2015 has rejected the department appeal and the matter has now been taken up with the taxation officer for rectification as per the recent order passed.

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

## For the nine months period ended 30 September 2015

Amount in Rs '000

### 7.2 Commitments

**7.2.1** Outstanding guarantees and letters of credit issued on behalf of the Company as at 30 September 2015 were Rs 1.95 billion (31 December 2014: Rs 1.84 billion) and Rs 0.65 billion (31 December 2014: Rs 1.40 billion), respectively.

**7.2.2** Commitments in respect of capital expenditure as at 30 September 2015 amount to Rs 126.51 million (31 December 2014: Rs 39.78 million).

**7.2.3** Commitments for rentals under operating lease agreements / Ijarah contracts in respect of vehicles are as follows:

Year	30 September 2015	31 December 2014
2015	6,045	24,771
2016	22,153	21,005
2017	16,257	14,857
2018	7,960	5,892
2019	3,054	-
2020	2,267	-
	<b>57,736</b>	<b>66,525</b>

**7.2.4** Commitments for rentals under operating lease agreements for certain supplies in respect of goods and services are as follows:

Year	30 September 2015	31 December 2014
2015	154,925	578,648
2016	602,555	611,679
2017	583,873	592,714
	<b>1,341,353</b>	<b>1,783,041</b>

**7.2.5** Commitments for rentals under operating lease agreements in respects of goods and services are stated at minimum lease payments. These are priced in foreign currency and payable in Pakistan Rupees, converted at the exchange rates applicable on the date of payment.

### 8. Revenue

	Quarter ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
<b>Manufactured goods</b>				
Local sales	8,083,009	13,388,162	27,667,179	37,308,812
Export sales	-	599,680	-	3,205,675
	<b>8,083,009</b>	13,987,842	<b>27,667,179</b>	40,514,487
Less: Sales tax	<b>(589,201)</b>	(644,733)	<b>(1,720,635)</b>	(1,990,018)
Price settlements and discounts	<b>(185,261)</b>	(629,250)	<b>(509,397)</b>	(1,362,531)
	<b>7,308,547</b>	12,713,859	<b>25,437,147</b>	37,161,938
<b>Trading goods</b>				
Local sales	53,498	173,943	210,874	566,863
Less: Sales tax	<b>(4,203)</b>	(8,841)	<b>(10,747)</b>	(34,199)
Price settlements and discounts	<b>(538)</b>	(4,483)	<b>(2,742)</b>	(15,777)
	<b>48,757</b>	160,619	<b>197,385</b>	516,887
	<b>7,357,304</b>	12,874,478	<b>25,634,532</b>	37,678,825

Notes to the Condensed Interim Financial Statements (Un-audited)  
For the nine months period ended 30 September 2015

Amount in Rs '000

9.	Cost of sales	Quarter ended		Nine months ended	
		30 September	2014	30 September	2014
		2015	(Re-stated- Note 3.2)	2015	(Re-stated- Note 3.2)
	<b>Manufactured goods</b>				
	Opening stock of raw and packing materials	3,111,993	3,232,470	1,590,090	2,166,141
	Purchases	5,896,662	11,227,193	21,765,798	34,948,285
	Closing stock of raw and packing materials	(2,179,247)	(3,304,302)	(2,179,247)	(3,304,302)
	Raw and packing materials consumed	6,829,408	11,155,361	21,176,641	33,810,124
	Manufacturing costs	1,034,198	1,330,607	3,839,228	3,785,222
	Cost of goods manufactured	7,863,606	12,485,968	25,015,869	37,595,346
	Opening stock of finished goods	100,728	864,821	1,031,428	723,359
		7,964,334	13,350,789	26,047,297	38,318,705
	Closing stock of finished goods	(402,572)	(470,848)	(402,572)	(470,848)
		7,561,762	12,879,941	25,644,725	37,847,857
	<b>Trading goods</b>				
	Opening stock	49,375	102,922	162,759	71,589
	Purchases	33,646	78,142	70,033	420,419
	Closing stock	(38,319)	(40,762)	(38,319)	(40,762)
		44,702	140,302	194,473	451,246
		7,606,464	13,020,243	25,839,198	38,299,103
10.	<b>Other expenses</b>				
	Donations	557	250	706	3,793
	Workers' Profit Participation Fund	-	9,716	-	35,555
	Workers' Welfare Fund	60	4,917	179	17,624
	Others	214	48	792	897
		831	14,931	1,677	57,869
11.	<b>Other income</b>				
	Scrap sales	-	192	2,608	4,735
	Gain on disposal of property, plant and equipment	-	576	721	810
	Mark-up on bank deposits	18,966	22,650	60,824	84,100
	Others	2,589	702	6,877	702
		21,555	24,120	71,030	90,347
12.	<b>Finance costs / (income)</b>				
	Bank overdraft	-	6	-	36
	Discounting charges	2,229	24,306	17,033	54,105
	Bank charges	2,739	3,041	18,697	6,877
	Exchange loss / (gain) - net	674	(27,510)	(6,003)	(100,106)
		5,642	(157)	29,727	(39,088)

Notes to the Condensed Interim Financial Statements (Un-audited)  
For the nine months period ended 30 September 2015

Amount in Rs '000

**13. Taxation**

The current tax charge for the nine months period ended 30 September 2015 consists of tax charged under Final Tax Regime (FTR) and minimum tax calculated on turnover.

	<b>Nine months ended 30 September</b>	
	<b>2015</b>	2014 (Re-stated- Note 3.2)
<b>14. Cash generated from / (used in) operations</b>		
Loss before taxation	<b>(482,522)</b>	(1,011,241)
<b>Adjustments for non cash charges and other items:</b>		
Depreciation and amortisation	<b>1,054,841</b>	1,043,862
Gain on disposal of property, plant and equipment	<b>(721)</b>	(810)
Provision for staff retirement benefit scheme	<b>5,537</b>	2,245
Finance costs	<b>35,730</b>	61,018
Mark-up on bank deposits	<b>(60,824)</b>	(84,100)
Infrastructure Cess	<b>105,975</b>	146,912
Gas Infrastructure Development Cess	<b>285,418</b>	212,181
	<b>1,425,956</b>	1,381,308
<b>Effect on cashflows due to working capital changes</b>	<b>943,434</b>	370,067
Decrease / (increase) in current assets:		
Stores and spares	<b>67,066</b>	(79,746)
Stock-in-trade	<b>164,139</b>	(854,823)
Trade debts	<b>(116,883)</b>	(9,744)
Loans and advances	<b>3,471</b>	(5,043)
Deposits and short-term prepayments	<b>(93,137)</b>	(47,271)
Other receivables and tax refunds due from government	<b>(9,401)</b>	(146,861)
	<b>15,255</b>	(1,143,488)
Decrease in trade and other payables	<b>(655,768)</b>	(236,385)
Cash generated from / (used in) operations	<b>302,921</b>	(1,009,806)



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

## For the nine months period ended 30 September 2015

Amount in Rs '000

### 15. Transactions with related parties

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

Relationship	Nature of transaction	Quarter ended 30 September		Nine months ended 30 September	
		2015	2014	2015	2014
Key management personnel	Salaries and other short-term benefits	16,151	11,940	48,956	46,041
	Ex gratia to Ex Chief Executive	-	-	-	59,645
	Post employment benefits	1,764	1,328	4,714	6,668
Others	Payments to staff retirement benefit funds	13,925	13,182	41,180	40,456

### 16. General

Figures have been rounded-off to the nearest thousand rupees except as stated otherwise.

### 17. Corresponding figures

Corresponding figures have been re-arranged in line with the reclassifications made in the annual financial statements for the year ended 31 December 2014.

Reclassification from component	Reclassification to component	Nine months ended 30 September 2014
Other income	Finance (cost) / income	
- Exchange gain - net	- Exchange (loss) / gain - net	100,106

### 18. Date of authorisation

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 27 October 2015.

  
**Kwan Ho Lee**  
 Chairman

  
**Humair Ijaz**  
 Chief Executive

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