



**LOTTE CHEMICAL**  
PAKISTAN LTD

# **QUARTERLY REPORT**

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## **JAN - MAR 2025**



# Contents

|   |    |
|---|----|
| Company Information                                 | 03 |
| Directors' Review                                   | 04 |
| Condensed Interim Statement of Financial Position   | 06 |
| Condensed Interim Statement of Profit or Loss       | 07 |
| Condensed Interim Statement of Comprehensive Income | 08 |
| Condensed Interim Statement of Changes in Equity    | 09 |
| Condensed Interim Statement of Cash Flows           | 10 |
| Notes to the Condensed Interim Financial Statements | 11 |

# Company Information

As at 17 April 2025

## Board of Directors

|                |                 |
|----------------|-----------------|
| Jo Hyun Kwoun  | Chairman        |
| Young Dae Kim  | Chief Executive |
| Seong Jun Park | Non-Executive   |
| Jae Sun Park   | Non-Executive   |
| Cheolsoo Kim   | Non-Executive   |
| Shabbir Diwan  | Non-Executive   |
| Rashid Ibrahim | Independent     |
| Khurram Rashid | Independent     |

## Audit Committee

|                |           |
|----------------|-----------|
| Rashid Ibrahim | Chairman  |
| Seong Jun Park | Member    |
| Khurram Rashid | Member    |
| Faisal Abid    | Secretary |

## HR & Remuneration Committee

|                |           |
|----------------|-----------|
| Rashid Ibrahim | Chairman  |
| Jo Hyun Kwoun  | Member    |
| Young Dae Kim  | Member    |
| Waheed U Khan  | Secretary |

## Shares Sub Committee

|                |          |
|----------------|----------|
| Young Dae Kim  | Chairman |
| Cheolsoo Kim   | Member   |
| Khurram Rashid | Member   |

## Executive Management Team

|                     |                            |
|---------------------|----------------------------|
| Young Dae Kim       | Chief Executive            |
| Tariq Nazir Virk    | Director Manufacturing     |
| Waheed U Khan       | Director Admin, HR & IT    |
| Ashiq Ali           | Chief Financial Officer    |
| Muhammed Talha Khan | General Manager Commercial |

## Chief Financial Officer

Ashiq Ali

## Company Secretary

Faisal Abid

## Bankers

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Citibank NA  
Deutsche Bank AG  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Ltd  
Industrial and Commercial Bank of China  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited

## Internal Auditors

KPMG Taseer Hadi & Co.,  
Chartered Accountants

## External Auditors

A.F. Ferguson & Co.,  
Chartered Accountants

## Legal Advisor

Naz Toosy  
148, 18th East Street, Phase 1, DHA, Karachi

## Registered Office

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

## Shares Registrar

FAMCO Share Registration Services (Pvt) LTD.  
8-F, Near Hotel Faran, Nursery,  
Block 6, P.E.C.H.S.,  
Shahrah-e-Faisal, Karachi

# Directors' Review

For the first quarter ended 31 March 2025

The Directors are pleased to present their review report for the first quarter ended 31 March 2025 together with the un-audited condensed interim financial information of the Company as at and for the first quarter ended 31 March 2025.

## BUSINESS OVERVIEW

Crude oil (WTI) prices experienced persistent downward pressure throughout Q1 2025. Although prices found strength at the start of the quarter resulting from higher demand for heating fuels on account of the winter season in the Northern Hemisphere as well as positive market sentiment arising from healthy economic indicators from the West, however, the upward movement was short-lived as the market reacted to a fundamental market glut. With the expectations of unwinding of production cuts by OPEC+ as well as uninterrupted flow of supplies on account of a ceasefire in the Middle East, crude oil prices softened. Additionally, uncertainty around U.S. trade policies and persistent inflationary pressures resulted in a relentless downward movement in the Oil market. The average price for the quarter was US\$ 71.15 per barrel, an increase of 1.1% from the previous quarter.

Paraxylene (PX) prices at the start of the quarter uncharacteristically moved against the trend of the upstream energy markets. Despite a fundamentally oversupplied market, unplanned outages along with scheduled maintenance activities at various PX units resulted in tight spot availability of product. Additionally, stable PTA production resulted in consistent downstream demand post Lunar New Year holidays which helped in keeping prices propped. Toward the end of Q1, market sentiment weakened as the uncertainty around U.S. import tariffs and the prospects of disrupted trade flows weighed on the market. In tandem with the crude oil market, PX prices fell significantly resulting in compressed margins over Naphtha which averaged at US\$ 201.79 per metric tonne for the quarter. PX prices averaged at US\$ 859.66 per tonne for the quarter.

PTA prices moved parallel to the upstream Paraxylene market. Despite a temporary dip in demand during the Lunar New Year holidays, restocking activities post-holiday season kept spot availability tight. However, competitive supplier offers capped price gains resulting in squeezed margins which averaged at US \$ 75 per metric tonne for the quarter, 2.6% lower than the previous quarter. Regardless of the addition of approximately 4.6 million tons of PTA capacity in the market, most producers ramped up operations and maintained high run rates to optimize energy efficiency, further contributing to abundant supply conditions. However, global trade tensions and economic uncertainty discouraged inventory accumulation in the entire chain, reinforcing cautious buying sentiment which contributed to the downward pressure on prices. The average PTA price for the quarter was US \$ 642.75 per metric tonne.

The Domestic Polyester Industry has operated at the rate of 75% during the first quarter of 2025, a significant improvement as compared to the previous quarter. Operations remained higher on account of demand arising from both, the Textile and the PET sectors ahead of the festival season during the month of Ramadan. However, actual demand was reported to be lower compared to the previous years on account of ongoing high inflation as well as the continued ingress of cheaper imports through the EFS scheme.

## OPERATIONS

Production volume during the quarter at 115,996 tonnes was 8% higher than the corresponding period last year.

Sales volume, comprising of domestic sales only, for Q1 2025 at 99,671 tonnes was 22% lower than the corresponding quarter last year due to increased consumption of cheaper imports.

The Company suspended its Plant operations from 28 March 2025 to 17 April 2025 in order to efficiently manage its inventory.

# Directors’ Review

For the first quarter ended 31 March 2025

## FINANCIAL PERFORMANCE

Revenue for the quarter was 33% lower than the corresponding period last year mainly due to lower volume sold. This, together with higher cost of sales mainly on account of significant increase in gas prices resulted in a lower gross profit of Rs 1,332 million for the quarter as compared to gross profit of Rs 1,684 million during the same period last year.

Administrative and general expenses were 11% higher than the corresponding period last year due to overall impact of high inflation. The taxation charge for the quarter is based on statutory income tax rate and super tax as adjusted by the movement in the deferred tax account.

Earnings per share (EPS) for the quarter stood at Rs 0.44 per share as compared to Rs 0.59 per share for Q1 2024.

## FUTURE OUTLOOK

Crude Oil (WTI) prices are likely to face continued pressure as markets react to the reciprocal tariffs imposed by the U.S. Administration and retaliatory tariffs imposed by impacted countries. Additionally, the unwinding of OPEC+ production cuts is expected to overwhelm the market with additional barrels. Meanwhile, ongoing geopolitical uncertainty may fuel volatility, prompting a more cautious approach from market participants. On the demand side, a slower-than-expected recovery in China’s industrial activity—combined with potentially muted seasonal consumption in the Northern Hemisphere—may further dampen global demand, limiting any meaningful upside in prices over the coming months.

Paraxylene (PX) prices are expected to closely follow trends in upstream energy markets, with near-term support likely from tightening supply due to ongoing turnarounds at several PX units. Operational run rates are anticipated to remain steady, driven by consistent seasonal demand from downstream sectors. Additionally, with no major capacity additions expected, supply may tighten further as some PX volume may be diverted to the gasoline pool ahead of the summer season which may lend upward support to PX prices in the coming months.

In the coming months, PTA prices are expected to broadly follow trends in upstream energy and feedstock (PX) markets. However, despite the seasonal demand expected from the downstream, the existing over supplied market may come under further pressure as the ongoing high operating rates along with PTA capacity additions of 5.7 million tonnes may result in margins remaining under pressure.

Despite the positive sentiment surrounding the domestic polyester industry against strong demand expected in the peak summer season, manufacturers are expected to face continued cost pressure against uncertainty surrounding the rising energy prices and the persistent influx of cheaper imports. Additionally, the market is expected to face headwinds from the recent reciprocal tariffs implemented by the US Administration which may contribute to heightened global market volatility.



**Jo Hyun Kwoun**  
Chairman



**Young Dae Kim**  
Chief Executive

Date: 17 April 2025  
Karachi

# Condensed Interim Statement of Financial Position

## As at 31 March 2025

Amounts in Rs '000

|   | Note | 31 March<br>2025<br>(Un-audited) | 31 December<br>2024<br>(Audited) |
|---|------|----------------------------------|----------------------------------|
| <b>Assets</b>                                   |      |                                  |                                  |
| <b>Non-current assets</b>                       |      |                                  |                                  |
| Property, plant and equipment                   | 4    | 6,066,636                        | 6,320,304                        |
| Intangible assets                               |      | 9,887                            | 13,542                           |
| Right-of-use assets                             |      | 166,362                          | 211,733                          |
| Long-term loans                                 |      | 182,354                          | 169,738                          |
| Long-term deposits and prepayments              |      | 32,138                           | 32,432                           |
| Deferred taxation - net                         |      | 2,360,489                        | 2,347,857                        |
|   |      | 8,817,866                        | 9,095,606                        |
| <b>Current assets</b>                           |      |                                  |                                  |
| Stores and spare parts                          |      | 2,473,370                        | 2,302,911                        |
| Stock-in-trade                                  |      | 5,008,019                        | 6,746,190                        |
| Trade debts                                     | 5    | 5,383,441                        | 3,602,907                        |
| Loans and advances                              |      | 76,882                           | 68,112                           |
| Trade deposits and short-term prepayments       |      | 266,159                          | 115,552                          |
| Accrued interest                                |      | 41,439                           | 99,089                           |
| Other receivables                               | 6    | 475,221                          | 23,319                           |
| Short-term investments - at amortised cost      | 7    | 5,770,799                        | 414,499                          |
| Sales tax refunds due from government           | 8    | 4,058,767                        | 3,913,275                        |
| Taxation - net                                  |      | 6,874,273                        | 6,826,435                        |
| Cash and bank balances                          | 9    | 75,558                           | 8,833,047                        |
|   |      | 30,503,928                       | 32,945,336                       |
| <b>Total assets</b>                             |      | 39,321,794                       | 42,040,942                       |
| <b>Equity and liabilities</b>                   |      |                                  |                                  |
| <b>Share capital and reserves</b>               |      |                                  |                                  |
| Issued, subscribed and paid-up capital          |      |                                  |                                  |
| 1,514,207,208 (31 December 2024: 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         |      | 7,931,099                        | 7,269,198                        |
| <b>Total equity</b>                             |      | 23,075,516                       | 22,413,615                       |
| <b>Liabilities</b>                              |      |                                  |                                  |
| <b>Non-current liabilities</b>                  |      |                                  |                                  |
| Retirement benefit obligations                  |      | 212,957                          | 208,591                          |
| Lease liability                                 |      | 161,926                          | 314,039                          |
|   |      | 374,883                          | 522,630                          |
| <b>Current liabilities</b>                      |      |                                  |                                  |
| Trade and other payables                        | 10   | 14,798,515                       | 18,062,263                       |
| Lease liability                                 |      | 573,809                          | 542,777                          |
| Accrued interest                                | 11   | 426,973                          | 424,189                          |
| Unclaimed dividend                              |      | 72,098                           | 75,468                           |
|   |      | 15,871,395                       | 19,104,697                       |
| <b>Total liabilities</b>                        |      | 16,246,278                       | 19,627,327                       |
| <b>Contingencies and commitments</b>            | 12   |                                  |                                  |
| <b>Total equity and liabilities</b>             |      | 39,321,794                       | 42,040,942                       |

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

  
Jo Hyun Kwoun  
Chairman

  
Young Dae Kim  
Chief Executive

  
Ashiq Ali  
Chief Financial Officer

# Condensed Interim Statement of Profit or Loss (Un-audited)

For the first quarter ended 31 March 2025

Amounts in Rs '000

|   | Note | Quarter ended<br>31 March (Un-audited) |              |
|---|------|--|--------------|
|   |      | 2025                                   | 2024         |
| Revenue - net                                 | 13   | 21,505,196                             | 32,276,924   |
| Cost of sales                                 | 14   | (20,172,962)                           | (30,592,943) |
| <b>Gross profit</b>                           |      | <b>1,332,234</b>                       | 1,683,981    |
| Distribution and selling expenses             |      | (48,172)                               | (48,693)     |
| Administrative and general expenses           |      | (201,470)                              | (182,349)    |
| Other operating expenses                      | 15   | (81,209)                               | (111,947)    |
| <b>Operating profit</b>                       |      | <b>1,001,383</b>                       | 1,340,992    |
| Other income                                  | 16   | 208,767                                | 351,092      |
| Finance costs                                 | 17   | (124,250)                              | (222,775)    |
| <b>Profit before taxation and levies</b>      |      | <b>1,085,900</b>                       | 1,469,309    |
| Levies  | 18   | (181)                                  | (34)         |
| <b>Profit before taxation</b>                 |      | <b>1,085,719</b>                       | 1,469,275    |
| Taxation                                      | 19   | (423,818)                              | (572,149)    |
| <b>Profit after taxation</b>                  |      | <b>661,901</b>                         | 897,126      |
| .....Amount in Rupees.....                    |      |  |              |
| <b>Earnings per share - basic and diluted</b> |      | <b>0.44</b>                            | 0.59         |

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

  
Jo Hyun Kwoun  
Chairman

  
Young Dae Kim  
Chief Executive

  
Ashiq Ali  
Chief Financial Officer

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

For the first quarter ended 31 March 2025

|   |                       |         |
|---|-----------------------|---------|
|   | Amounts in Rs '000    |         |
|   | Quarter ended         |         |
|   | 31 March (Un-audited) |         |
|   | 2025                  | 2024    |
| Profit after taxation                     | 661,901               | 897,126 |
| Other comprehensive income                | -                     | -       |
| Total comprehensive income for the period | 661,901               | 897,126 |

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

  
Jo Hyun Kwoun  
Chairman

  
Young Dae Kim  
Chief Executive

  
Ashiq Ali  
Chief Financial Officer



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

For the first quarter ended 31 March 2025

Amounts in Rs '000

|  | Share capital                          | Reserves         |                       |           | Total equity |
|--|--|------------------|-----------------------|-----------|--------------|
|  | Issued, subscribed and paid-up capital | Capital reserves | Unappropriated profit | Sub-total |              |
| Balance as at 1 January 2024   | 15,142,072                             | 2,345            | 6,867,542             | 6,869,887 | 22,011,959   |
| Total comprehensive income for the quarter ended 31 March 2024         |  |                  |                       |           |              |
| - Profit for the first quarter ended 31 March 2024                     | -                                      | -                | 897,126               | 897,126   | 897,126      |
| - Other comprehensive income for the first quarter ended 31 March 2024 | -                                      | -                | -                     | -         | -            |
|  | -                                      | -                | 897,126               | 897,126   | 897,126      |
| Balance as at 31 March 2024  | 15,142,072                             | 2,345            | 7,764,668             | 7,767,013 | 22,909,085   |
| Balance as at 1 January 2025   | 15,142,072                             | 2,345            | 7,269,198             | 7,271,543 | 22,413,615   |
| Total comprehensive income for the quarter ended 31 March 2025         |  |                  |                       |           |              |
| - Profit for the first quarter ended 31 March 2025                     | -                                      | -                | 661,901               | 661,901   | 661,901      |
| - Other comprehensive income for the first quarter ended 31 March 2025 | -                                      | -                | -                     | -         | -            |
|  | -                                      | -                | 661,901               | 661,901   | 661,901      |
| Balance as at 31 March 2025  | 15,142,072                             | 2,345            | 7,931,099             | 7,933,444 | 23,075,516   |

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

  
Jo Hyun Kwoun  
Chairman

  
Young Dae Kim  
Chief Executive

  
Ashiq Ali  
Chief Financial Officer

# Condensed Interim Statement of Cash Flows (Un-audited)

For the first quarter ended 31 March 2025

Amounts in Rs '000

|   |      | Quarter ended<br>31 March (Un-audited) |                  |
|---|------|--|------------------|
|   | Note | 2025                                   | 2024             |
| <b>Cash flows from operating activities</b>                   |      |  |                  |
| Cash (used in) / generated from operations                    | 20   | (2,873,840)                            | 3,039,971        |
| Finance costs paid - conventional                             |      | (22,352)                               | (35,060)         |
| Payments to retirement benefit obligations                    |      | (1,271)                                | (891)            |
| Long-term loans and advances - net                            |      | (12,616)                               | (10,544)         |
| Long-term deposits and prepayments - net                      |      | 294                                    | 343              |
| Taxes and levies paid   |      | (484,469)                              | (477,413)        |
| Finance income received - conventional                        |      | 265,844                                | 257,952          |
| Finance income received - islamic                             |      | -                                      | 79,485           |
| Net cash (used in) / generated from operating activities      |      | (3,128,410)                            | 2,853,843        |
| <b>Cash flows from investing activities</b>                   |      |  |                  |
| Payments for capital expenditure                              |      | (102,626)                              | (54,904)         |
| Net cash used in investing activities                         |      | (102,626)                              | (54,904)         |
| <b>Cash flows from financing activities</b>                   |      |  |                  |
| Dividend paid   |      | (3,370)                                | (1,523)          |
| Repayment of short-term financing                             |      | -                                      | (1,000,000)      |
| Payment of lease liability                                    |      | (166,783)                              | (166,755)        |
| Net cash used in financing activities                         |      | (170,153)                              | (1,168,278)      |
| <b>Net (decrease) / increase in cash and cash equivalents</b> |      | <b>(3,401,189)</b>                     | <b>1,630,661</b> |
| Cash and cash equivalents at 1 January                        |      | 9,247,546                              | 5,766,422        |
| <b>Cash and cash equivalents at 31 March</b>                  | 9.2  | <b>5,846,357</b>                       | <b>7,397,083</b> |


The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Jo Hyun Kwoun  
Chairman



Young Dae Kim  
Chief Executive



Ashiq Ali  
Chief Financial Officer

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

For the first quarter ended 31 March 2025

## 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) 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/1/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** Lotte Chemical Corporation, South Korea ("LCC Korea"), the majority shareholder of the Company has entered into Share Purchase Agreement dated 19 February 2025 with AsiaPak Investments Limited and Montage Oil DMCC for the sale of all of the Company's shares held by LCC Korea.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statements of the Company for the three months period ended 31 March 2025 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;
- 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 2024. 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 retirement benefit obligations 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.

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

For the first quarter ended 31 March 2025

Amounts in Rs '000

### 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 2024.

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 2024.

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 2024.

|   | Note | 31 March<br>2025<br>(Un-audited) | 31 December<br>2024<br>(Audited) |
|---|------|----------------------------------|----------------------------------|
| <b>4. PROPERTY, PLANT AND EQUIPMENT</b> |      |                                  |                                  |
| Operating property, plant and equipment | 4.1  | <b>5,706,843</b>                 | 5,762,835                        |
| Capital work-in-progress                | 4.1  | <b>359,793</b>                   | 557,469                          |
|   |      | <b>6,066,636</b>                 | 6,320,304                        |

4.1 The following property, plant and equipment have been added / disposed off during the three months period ended 31 March:

|                                       | 2025              |                                | 2024              |                                |
|---------------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|
|                                       | Additions<br>cost | Disposals<br>net book<br>value | Additions<br>cost | Disposals<br>net book<br>value |
| <b>Property, plant and equipment</b>  |                   |                                |                   |                                |
| <b>Operating assets - owned</b>       |                   |                                |                   |                                |
| Plant and machinery                   | <b>287,223</b>    | -                              | 92,186            | -                              |
| Furniture and equipment               | <b>4,897</b>      | -                              | 15,187            | -                              |
| Motor vehicles                        | <b>8,182</b>      | -                              | -                 | -                              |
| <b>Capital work-in-progress - net</b> | <b>(197,676)</b>  |                                | (52,469)          |                                |

### 5. TRADE DEBTS

- 5.1 All of the Company's trade debts are secured by letters of credit of 30 to 120 days issued by various banks. These balances are neither past due nor impaired and are considered good.
- 5.2 This includes receivable from Gatron Industries Limited and Novatex Limited - related parties amounting to Rs 517.20 million (31 December 2024: Rs 658.14 million) and Rs 1,697.34 million (31 December 2024: Rs 251.33 million) respectively.
- 5.3 The maximum aggregate amount due from the related party at the end of any month during the three months period was Rs 2,214.54 million (31 December 2024: Rs 6,535.50 million).

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

For the first quarter ended 31 March 2025

Amounts in Rs '000

6. OTHER RECEIVABLES

This includes Rs 469.62 million receivable from CHIMET SpA on account of sale of palladium metal recovered from a used batch (31 December 2024: Rs Nil).

| 31 March<br>2025 | 31 December<br>2024 |
|------------------|---------------------|
| (Un-audited)     | (Audited)           |

7. SHORT-TERM INVESTMENTS - at amortised cost

Conventional

Term deposit receipts

3,770,799 414,499

Islamic

Term deposit receipts

2,000,000 -

|           |         |
|-----------|---------|
| 5,770,799 | 414,499 |
|-----------|---------|

7.1 These carry interest rate on term deposit receipt ranged from 7.0% to 11.70% (31 December 2024: 9.50%) per annum and had original maturities of less than three months.

| Note | 31 March<br>2025 | 31 December<br>2024 |
|------|------------------|---------------------|
|      | (Un-audited)     | (Audited)           |

8. SALES TAX REFUNDS DUE FROM GOVERNMENT

Sales tax refundable

4,232,105 4,086,613

Provision for impairment

(173,338) (173,338)

|           |           |
|-----------|-----------|
| 4,058,767 | 3,913,275 |
|-----------|-----------|

9. CASH AND BANK BALANCES

Conventional

Current accounts

9,069 9,224

Savings account

9.1 2,460 8,756,487

11,529 8,765,711

Islamic

Current accounts

63,947 67,336

Savings account

9.1 82 -

64,029 67,336

|        |           |
|--------|-----------|
| 75,558 | 8,833,047 |
|--------|-----------|

9.1 These carry interest rate from 7.25% to 11.00% per annum (31 December 2024: 13.50% per annum)

| 31 March<br>2025 | 31 March<br>2024 |
|------------------|------------------|
| (Un-audited)     | (Un-audited)     |

9.2 CASH AND CASH EQUIVALENTS

Cash and bank balances

75,558 112,188

TDRs with banks having maturity less than three months

5,770,799 7,284,895

|           |           |
|-----------|-----------|
| 5,846,357 | 7,397,083 |
|-----------|-----------|

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

For the first quarter ended 31 March 2025

Amounts in Rs '000

|  | 31 March<br>2025<br>(Un-audited) | 31 December<br>2024<br>(Audited) |
|--|----------------------------------|----------------------------------|
| <b>10. TRADE AND OTHER PAYABLES</b>                      |                                  |                                  |
| Trade creditors including bills payable                  | 3,140,750                        | 7,064,563                        |
| Sindh Development and maintenance of Infrastructure Cess | 6,481,572                        | 6,205,754                        |
| Provision for Gas Infrastructure Development Cess (GIDC) | 3,113,744                        | 3,113,744                        |
| Provision for Captive Gas Tariff rate differential       | 201,802                          | 201,802                          |
| Accrued expenses   | 1,478,139                        | 1,195,680                        |
| Workers' Profit Participation Fund (WPPF)                | 58,355                           | -                                |
| Workers' Welfare Fund (WWF)                              | 137,706                          | 114,852                          |
| Contract liabilities - advances from customers           | 7,549                            | 387                              |
| Retention money  | 6,575                            | 276                              |
| Withholding tax payable                                  | 10,711                           | 4,706                            |
| Others   | 161,612                          | 160,499                          |
|  | <u>14,798,515</u>                | <u>18,062,263</u>                |

**11. ACCRUED INTEREST**

This mainly represents interest payable to Mortar Investments International Limited amounting to USD 1.52 million (31 December 2024: USD 1.52 million) on long-term loans previously repaid by ICI Pakistan Limited. The amount is still unpaid due to certain legal and procedural complexities with respect to foreign remittance.

**12. CONTINGENCIES AND COMMITMENTS**

**12.1 Contingencies**

There is no significant change in the status of contingencies as reported in the annual financial statement for the year ended 31 December 2024.

**12.2 Commitments and Guarantees**

**12.2.1** Commitments for capital expenditure as at 31 March 2025 amounted to Rs 162.45 million (31 December 2024: Rs 88.39 million).

**12.2.2** Commitments for rentals under Ijarah contracts for vehicles are as follows:

|  | 31 March<br>2025<br>(Un-audited) | 31 December<br>2024<br>(Audited) |
|--|----------------------------------|----------------------------------|
| Not later than 1 year                        | 58,969                           | 79,731                           |
| Later than 1 year and not later than 5 years | 185,390                          | 183,275                          |
|  | <u>244,359</u>                   | <u>263,006</u>                   |

**12.2.3** Commitments for rentals under agreement in respect of services are priced in foreign currency and converted at the exchange rate are as follows:

|  | 31 March<br>2025<br>(Un-audited) | 31 December<br>2024<br>(Audited) |
|--|----------------------------------|----------------------------------|
| Not later than 1 year                        | 666,787                          | 1,015,740                        |
| Later than 1 year and not later than 5 years | 457,860                          | 584,050                          |
|  | <u>1,124,647</u>                 | <u>1,599,790</u>                 |

**12.2.4** The facilities for guarantees from banks as at 31 March 2025 amounted to Rs 12,200 million (31 December 2024: Rs 12,200 million). Outstanding guarantees of the Company as at 31 March 2025 were Rs 8,658.44 million (31 December 2024: Rs 8,158.44 million).

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

For the first quarter ended 31 March 2025

Amounts in Rs '000

**12.2.5** The facilities for opening letters of credit from banks as at 31 March 2025 amounted to Rs 50,800 million (31 December 2024: Rs 50,800 million). Letters of credit issued on behalf of the Company as at 31 March 2025 were Rs 7,767.40 million (31 December 2024: Rs 2,826.96 million).

|  |      | Quarter ended         |             |
|--|------|-----------------------|-------------|
|  |      | 31 March (Un-audited) |             |
|  | Note | 2025                  | 2024        |
| <b>13. REVENUE - net</b>                   |      |                       |             |
| <b>Manufactured goods</b>                  |      |                       |             |
| Local sales                                |      | 25,216,094            | 37,752,959  |
| Less: Sales tax                            |      | (3,846,523)           | (5,594,774) |
| Price settlements and discounts / rebates  |      | (486,277)             | (583,246)   |
|  |      | 20,883,294            | 31,574,939  |
| <b>Trading goods</b>                       |      |                       |             |
| Local sales                                |      | 740,584               | 834,535     |
| Less: Sales tax                            |      | (112,970)             | (127,302)   |
| Price settlements and discounts            |      | (5,712)               | (5,248)     |
|  |      | 621,902               | 701,985     |
|  |      | 21,505,196            | 32,276,924  |
| <b>14. COST OF SALES</b>                   |      |                       |             |
| <b>Manufactured goods</b>                  |      |                       |             |
| Opening stock of raw and packing materials |      | 6,101,430             | 5,852,346   |
| Purchases                                  |      | 14,468,444            | 25,346,305  |
| Closing stock of raw and packing materials |      | (989,451)             | (8,808,566) |
| Raw and packing materials consumed         | 14.1 | 19,580,423            | 22,390,085  |
| Salaries, wages and benefits               |      | 262,367               | 225,227     |
| Stores and spares consumed                 |      | 113,071               | 101,948     |
| Rentals under ijarah arrangements          |      | 7,070                 | 7,556       |
| Insurance                                  |      | 57,961                | 72,493      |
| Oil, gas and electricity                   |      | 2,377,667             | 1,958,425   |
| Travelling                                 |      | 34,961                | 34,452      |
| Depreciation and amortisation              |      | 393,221               | 306,278     |
| Repairs and maintenance                    |      | 127,485               | 121,430     |
| Others                                     |      | 19,526                | 16,116      |
| Cost of goods manufactured                 |      | 22,973,752            | 25,234,010  |
| Opening stock of finished goods            |      | 332,132               | 7,176,790   |
|  |      | 23,305,884            | 32,410,800  |
| Closing stock of finished goods            |      | (3,651,269)           | (2,356,413) |
| Cost of goods manufactured sold            |      | 19,654,615            | 30,054,387  |
| <b>Trading goods</b>                       |      |                       |             |
| Opening stock                              |      | 312,628               | 333,039     |
| Purchases                                  |      | 573,018               | 448,873     |
| Closing stock                              |      | (367,299)             | (243,356)   |
| Cost of trading goods sold                 |      | 518,347               | 538,556     |
|  |      | 20,172,962            | 30,592,943  |

**14.1** This includes reversal of charge related to palladium metal recovered from a used batch (31 March 2024: Rs Nil).

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

For the first quarter ended 31 March 2025

Amounts in Rs '000

|  | Note  | Quarter ended<br>31 March (Un-audited) |                |
|--|---|--|----------------|
|  |   | 2025                                   | 2024           |
| <b>15. OTHER OPERATING EXPENSES</b>                        |   |  |                |
| Workers' Profit Participation Fund                         |   | 58,355                                 | 79,063         |
| Workers' Welfare Fund                                      |   | 22,854                                 | 32,884         |
|  |   | <b>81,209</b>                          | <b>111,947</b> |
| <b>16. OTHER INCOME</b>                                    |   |  |                |
| <b>Income from financial assets</b>                        |   |  |                |
| Income on term deposit receipts - conventional             |   | 51,279                                 | 199,176        |
| Income on savings account - conventional                   |   | 149,893                                | 78,567         |
| Income on term deposit receipts - islamic                  |   | 7,022                                  | 52,044         |
|  |   | <b>208,194</b>                         | <b>329,787</b> |
| <b>Income from non-financial assets</b>                    |   |  |                |
| Scrap sales  |   | -                                      | 3,448          |
| Reversal of provision against receipt of sales tax refunds |   | -                                      | 13,255         |
| Indenting commission - net                                 |   | 138                                    | 2,446          |
| Rental income from tower on leasehold land                 |   | 435                                    | 1,008          |
| Others   |   | -                                      | 1,148          |
|  |   | <b>573</b>                             | <b>21,305</b>  |
|  |   | <b>208,767</b>                         | <b>351,092</b> |
| <b>17. FINANCE COSTS</b>                                   |   |  |                |
| Interest / mark-up on:                                     |   |  |                |
| - Short-term financing                                     |   | -                                      | 2,569          |
| - Interest on lease liability                              |   | 40,462                                 | 47,920         |
| - Markup on LC discounting                                 |   | 1,316                                  | 6,343          |
| Exchange loss - net  |   | 61,436                                 | 141,952        |
| Bank, LCs and other charges                                |   | 21,036                                 | 23,700         |
| Interest on Workers' Profit Participation Fund             |   | -                                      | 291            |
|  |   | <b>124,250</b>                         | <b>222,775</b> |
| <b>18. LEVIES</b>  |   |  |                |
| Final tax u/s 154A   |   | 181                                    | 34             |
| <b>19. TAXATION</b>  |   |  |                |
| Current  | 19.1  | 436,450                                | 628,367        |
| Deferred   |   | (12,632)                               | (56,218)       |
|  |   | <b>423,818</b>                         | <b>572,149</b> |
| <b>19.1</b>  | This includes provision for super tax amounting to Rs 111.91 million @10% (31 March 2024: Rs 161.13 million). |  |                |



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

For the first quarter ended 31 March 2025

Amounts in Rs '000

|   | Quarter ended         |             |
|---|-----------------------|-------------|
|   | 31 March (Un-audited) |             |
|   | 2025                  | 2024        |
| <b>20. CASH GENERATED FROM OPERATIONS</b>                 |                       |             |
| Profit before taxation and levies                         | 1,085,900             | 1,469,309   |
| <b>Adjustments for non-cash charges and other items</b>   |                       |             |
| Depreciation and amortisation                             | 405,320               | 318,377     |
| Provision for retirement benefit obligations              | 5,637                 | 5,148       |
| Finance cost  | 70,838                | 60,891      |
| Income from financial assets                              | (208,194)             | (329,787)   |
|   | 273,601               | 54,629      |
|   | 1,359,501             | 1,523,938   |
| <b>Effect on cashflows due to working capital changes</b> |                       |             |
| Decrease / (increase) in current assets:                  |                       |             |
| Stores and spare parts                                    | (170,459)             | (349,619)   |
| Stock-in-trade  | 1,738,171             | 1,953,840   |
| Trade debts   | (1,780,534)           | (3,631,371) |
| Loans and advances  | (8,770)               | (21,816)    |
| Trade deposits and short-term prepayments                 | (150,607)             | 50,032      |
| Other receivables   | (451,902)             | 2,326       |
| Sales tax refunds due from government                     | (145,492)             | (477,222)   |
|   | (969,593)             | (2,473,830) |
| (Decrease) / increase in trade and other payables         | (3,263,748)           | 3,989,863   |
| Cash (used in) / generated from operations                | (2,873,840)           | 3,039,971   |

## 21. 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 these condensed interim financial statements are as follows:

| Relationship                            | Nature of transactions                                   | Quarter ended         |            |
|---|--|-----------------------|------------|
|   |  | 31 March (Un-audited) |            |
|   |  | 2025                  | 2024       |
| <b>Associates - Common Directorship</b> | Sale of goods to Novatex Limited - gross sales           | 5,958,527             | 11,498,633 |
|   | Sale of goods to Gatron Industries Limited - gross sales | 893,888               | 1,180,266  |
| <b>Key management personnel</b>         | Salaries and other short-term benefits                   | 16,307                | 18,723     |
|   | Retirement benefits                                      | 556                   | 2,004      |
| <b>Others</b>                           | Payments to retirement benefit funds                     | 32,113                | 28,853     |

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

For the first quarter ended 31 March 2025

## 22. GENERAL

Figures have been rounded-off to the nearest thousand rupees except as stated otherwise. Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and to reflect the substance of the transactions.

## 23. DATE OF AUTHORISATION


These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 17 April 2025.



**Jo Hyun Kwoun**  
Chairman



**Young Dae Kim**  
Chief Executive



**Ashiq Ali**  
Chief Financial Officer



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