



THATTA CEMENT
COMPANY LIMITED

Nine Months Report

March 2019



Making
a Difference

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Vision

To transform the Company into a modern and dynamic cement manufacturing unit fully equipped to play a meaningful role on sustainable basis in the economy of Pakistan.

Mission

To provide quality products to customers at competitive prices; and

To generate sufficient profit to add to the shareholder's value.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Khawaja Muhammad Salman Younis	Chairman
Mr. Shahid Aziz Siddiqui	Director
Mr. Agha Sher Shah	Director
Mr. Saleem Zamindar	Director
Ms. Naheed Memon	Director
Mr. Noor Muhammad	Director
Mr. Muhammad Taha Hamdani	Chief Executive

AUDIT COMMITTEE

Mr. Saleem Zamindar	Chairman
Mr. Khawaja Muhammad Salman Younis	Member
Mr. Shahid Aziz Siddiqui	Member

HR & REMUNERATION COMMITTEE

Mr. Agha Sher Shah	Member
Ms. Naheed Memon	Member
Mr. Muhammad Taha Hamdani	Member

IT STEERING COMMITTEE

Mr. Khawaja Muhammad Salman Younis	Chairman
Mr. Muhammad Taha Hamdani	Member
Shahid Yaqoob	Member

CHIEF FINANCIAL OFFICER

Shahid Yaqoob

COMPANY SECRETARY

Mr. Muhammad Abid Khan

STATUTORY AUDITOR

M/s Grant Thornton Anjum Rahman, Chartered Accountants

CORPORATE ADVISOR

M/s Shekha & Mufti, Chartered Accountants

LEGAL ADVISOR

M/s Usmani & Iqbal

BANKERS - CONVENTIONAL

Sindh Bank Limited
National Bank of Pakistan
Summit Bank Limited
Silk Bank Limited

REGISTERED OFFICE

Office No. 606-608A, Continental Trade Center, Block 8, Clifton, Karachi.
UAN: 0092-21-111-842-882
Fax no.: 0092-21-35303074-75
Website: www.thattacement.com
E-mail: info@thattacement.com

FACTORY

Ghulamullah Road, Makli,
District Thatta, Sindh 73160

SHARE REGISTRAR

THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.,
Karachi-75400
UAN: 021-111-000-322
Fax: 021-34168271
Website: www.thk.com.pk

DIRECTORS' REVIEW

The Board of Directors of Thatta Cement Company Limited present herewith their review together with the un-audited financial statements for the nine months period ended March 31, 2019.

OVERVIEW

Production and sales figures for the nine months ended March 31, 2019 are as follows:

Description	March 2019	March 2018	Variance	
	----- Metric Tons -----		%	
Production				
Clinker	329,774	320,235	9,539	2.98
Cement	293,842	295,098	(1,256)	(0.42)
GGBFS	260	7,952	(7,692)	(96.73)
Dispatches				
Cement - local	293,600	294,714	(1,114)	(0.38)
Clinker - local	17,917	14,986	2,931	19.56
Clinker - export	157,369	-	157,369	100.00
GBFS & GGBFS – Local	260	7,952	(7,692)	(96.73)

The clinker production of your Company during the period under review was 329,774 tons resulting in capacity utilization of 86.21% in comparison with the clinker production of 320,235 tons implying capacity utilization of 83.72% during the corresponding period of previous year.

Industry Review

Local cement sales by the industry have shown a decline of 5.96% whereas exports reflect a substantial growth of 48.93% compared with the corresponding period of last year. Cement factories located in the South achieved a healthy growth of 15.16% whereas cement companies in the North showed a decline of 10.38% in domestic dispatches as compared to the corresponding period.

Sales Review

Overall sales of the company during the nine months ended March 31, 2019 decreased by 0.38% in terms of volume because of tough price competition due to availability of excess capacities which put pressure on sales volumes. Therefore, the Company has started export of clinker and dispatched 157,369 tons of clinker to customers abroad during the period under review.

Financial Review

A comparison of key financial results of your Company's performance for the nine months ended March 31, 2019 with the same period last year is as under:

Particulars	March 2019	March 2018
----- Rupees in thousands -----		
Sales – net	2,896,625	2,173,766
Gross profit	557,499	629,130
Selling & Distribution Cost	208,772	57,327
Finance Cost	39,077	50,392
Profit before taxation	232,084	429,524
Profit for the period	164,039	307,542
Earnings per share (Rupees)	1.65	3.08

Overall sales revenue of the company increased by 33.25% due to export of clinker during the period ended March 31, 2019 compared with corresponding period last year. Cost of production during the period has increased due to rise in coal and packing material prices and other input cost alongwith the impact of devaluation of Pak rupee against US\$. Consequently, gross margins are reduced significantly from 28.94% to 19.25% compared with same period last year.

Distribution cost has increased by Rs. 151.445 million during the period as compared to the corresponding period of last year mainly on account of exports related expenses incurred on export of clinker whereas finance cost has decreased by 22.45% due to reduction in outstanding amount of long term loan. As a result, the Company earned a net profit after tax of Rs. 164.039 million which is 46.66% lower as compared to same period last year.

FUTURE OUTLOOK

The positive outlook for the industry will be dependent on increase in development expenditure by the government by allocating more funds towards Public sector development projects and swiftly initiating the work on low cost housing schemes announced by the Government.

Coal prices are showing signs of stability and expected to continue the same pattern till the end of current financial year. However, uncertainty over rupee dollar parity remains a concern till the finalization of IMF bailout program.

Local demand of cement is expected to increase once uncertainty on economic front is dealt wisely by the Government. Moreover, growth in exports also provides an opportunity for cement companies to cover the loss due to under utilization of available capacities.

WASTE HEAT RECOVERY PROJECT

The project is in progress and is estimated to be completed by the end of current financial year.

PERFORMANCE OF THE GROUP

A brief of the financial position and performance of the Group for the nine months period ended March 31, 2019, is mentioned below:

Statement of Financial Position

	March 31, 2019	June 30, 2018
	----- Rupees in thousands -----	
Property, plant and equipments	4,344,118	3,395,307
Stock-in-trade	143,740	504,039
Trade debts	666,732	512,967
Share Capital	997,181	997,181
Total Equity – Holding Company	3,533,793	3,361,736
Trade and other payables	474,503	694,972
Short Term Borrowings	299,551	364,489

Statement of Profit or Loss Account

	March 31, 2019	March 31, 2018
	----- Rupees in thousands -----	
Sales – net	3,339,172	2,837,099
Gross profit	835,846	929,138
Profit before taxation	479,063	692,892
Profit for the period	406,890	569,056
Earnings per share (Rupees)	3.17	4.72

ACKNOWLEDGEMENT

The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Directors acknowledge the relentless efforts, dedicated services, teamwork, loyalty and hard work of all the employees of the Company and hope their continued dedication shall further consolidate the Company and keep its growth abreast to face future challenges.



Muhammad Taha Hamdani
Chief Executive



Khawaja Muhammad Salman Younis
Chairman

Karachi: April 24, 2019

Statement of Profit or Loss Account

	March 31, 2019	March 31, 2018
----- Rupees in thousands -----		
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اعتراف خدمات

ڈائریکٹرز کمپنی کے تمام حصص داران، مالیاتی اداروں اور اپنے صارفین کے بے حد مشکور ہیں کہ ان کا تعاون، حمایت اور رہنمائی ہمارے شامل حال رہی۔ ڈائریکٹرز کمپنی کے ملازمین کی جانب سے انتھک محنت، اجتماعی کوششوں اور اخلاص نیت کا احترام کرتے ہیں اور اس بات کی امید کرتے ہیں کہ مستقبل میں بھی کمپنی کو مزید مستحکم بنانے کیلئے ان کی جانب سے اسی جوش و جذبے کا اظہار کیا جائے گا اور ان کی کوششوں کے نتیجے میں کمپنی مستقبل میں پیش آنے والے چیلنجز سے نبرد آزما ہونے کیلئے تیار رہے گی۔



خواجہ محمد سلمان یونس
چئیرمین



محمد ظاہر ہمدانی
چیف ایگزیکٹو

کراچی: 24 اپریل 2019

مستقبل کا جائزہ

صنعت کی ترقی حکومت کی جانب سے عوامی ترقیاتی منصوبوں پر کئے جانے والے اخراجات کی مد میں بڑھائی جانے والی رقوم میں متوقع اضافے اور کم آمدن والے افراد کیلئے اعلان کردہ ہاؤسنگ اسکیم کے جلد از جلد آغاز پر منحصر ہے۔

کوئلے کی قیمتوں میں استحکام نظر آرہا ہے اور امید ہے کہ رواں مالی سال کے اختتام تک یہ رجحان جاری رہے گا۔ تاہم آئی ایم ایف کی جانب سے دیئے جانے والے بیل آؤٹ پروگرام کو حتمی شکل دینے جانے تک پاکستانی روپے اور امریکی ڈالر کے مابین قدر میں غیر یقینی صورتحال کا سامنا رہے گا۔

اگر حکومت معاشی محاز پر پائی جانے والی غیر یقینی صورتحال پر قابو پالیتی ہے تو اس بات کی قوی امید ہے کہ مقامی سطح پر سیمنٹ کی طلب میں اضافہ ہو گا۔ مزید برآں، سیمنٹ کی برآمدات میں اضافے کا رجحان سیمنٹ کمپنیوں کو یہ موقع بھی فراہم کر رہا ہے کہ وہ اپنی پیداواری صلاحیتوں کو مکمل طور پر بروئے کار نالاپانے کی وجہ سے ہونے والے نقصانات کا ازالہ کر سکیں۔

ویسٹ ہیٹ ریکوری منصوبہ

اس پروجیکٹ پر ترقیاتی کام جاری ہے اور امید کی جاتی ہے کہ رواں مالی سال کے اختتام تک اسے مکمل کر لیا جائے گا۔

گروپ کی کارکردگی

31 مارچ 2019 کو ختم ہونے والی نو ماہی کے دوران گروپ کی مالیاتی پوزیشن اور کارکردگی کو ذیل میں پیش کیا جا رہا ہے

Statement of Financial Position

Property, plant and equipments	4,344,118	3,395,307
Stock-in-trade	143,740	504,039
Trade debts	666,732	512,967
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Total Equity – Holding Company	3,533,793	3,361,736
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Short Term Borrowings	299,551	364,489

March 31, 2019	June 30, 2018
----- Rupees in thousands -----	

4,344,118	3,395,307
143,740	504,039
666,732	512,967
997,181	997,181
3,533,793	3,361,736
474,503	694,972
299,551	364,489

کمپنی کی فروخت کا جائزہ

مجموعی طور پر 31 مارچ 2019 کو ختم ہونے والی نو ماہی کے دوران بلحاظ حجم کمپنی کی فروخت میں 0.38 فیصد کی کمی درج کی گئی ہے۔ جس کی وجہ سے سینٹ کمپنیوں کی پیداواری صلاحیت میں اضافے کی وجہ سے قیمتوں میں پیدا ہونے والا سخت مسابقتی ماحول ہے جو کمپنی کی فروخت پر اثر انداز ہوا۔ یہی وجہ ہے کہ زیر نظر عرصے کے دوران کمپنی کی جانب سے کلنکر کی برآمدات بھی شروع کر دی گئی ہے اور کمپنی نے بیرون ملک اپنے صارفین کو 157,369 ٹن کلنکر برآمد کیا ہے۔

مالیاتی کارکردگی

31 مارچ 2019 کو ختم ہونے والی نو ماہی اور گزشتہ سال کی نو ماہی کا تقابلی جائزہ درج ذیل ہے:

Particulars	March 2019	March 2018
----- Rupees in thousands -----		
Sales – net	2,896,625	2,173,766
Gross profit	557,499	629,130
Selling & Distribution Cost	208,772	57,327
Finance Cost	39,077	50,392
Profit before taxation	232,084	429,524
Profit for the period	164,039	307,542
Earnings per share (Rupees)	1.65	3.08

31 مارچ 2019 کو ختم ہونے والی نو ماہی کے دوران گزشتہ سال کی نو ماہی کے مقابلے میں کلنکر کی برآمدات کی وجہ سے کمپنی کی آمدن میں 33.25 فیصد کا اضافہ درج کیا گیا ہے۔ زیر نظر عرصے کے دوران امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے ساتھ ساتھ کونٹے، پیکنگ کے سامان اور دیگر خام مال کی قیمتوں میں اضافے کے باعث پیداواری لاگت میں بھی اضافہ درج کیا گیا ہے۔ اس وجہ سے خام منافع کی شرح گزشتہ سال 28.94 فیصد سے گھٹ کر زیر نظر عرصے کے دوران 19.25 فیصد رہ گئی ہے۔

مال کی ترسیل کی لاگت میں گزشتہ سال کے مقابلے میں زیر نظر عرصے کے دوران 151.445 ملین روپے کا اضافہ درج کیا گیا اور اس اضافے کی اصل وجہ کلنکر کی برآمدات پر آنے والے اخراجات ہیں، جبکہ تمویلی لاگت میں 22.45 فیصد کمی واقع ہوئی ہے جس کی وجہ واجب الادا طویل المیعاد قرض کے حجم میں کمی ہے۔ ان وجوہات کی بناء پر کمپنی کی جانب سے بعد از ٹیکس 164.039 ملین روپے کا منافع کمایا گیا ہے جو گزشتہ سال کے اسی عرصے کے دوران کمائے جانے والے منافع کے مقابلے میں 46.66 فیصد کم ہے۔

ڈائریکٹرز کا تجزیہ

ٹھٹھہ سیمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2019 کو ختم ہونے والی نو ماہی کے غیر آڈٹ شدہ مالیاتی نتائج ذیل میں پیش خدمت ہیں۔

مجموعی جائزہ

31 مارچ 2019 کو ختم ہونے والی نو ماہی کے دوران پیداوار اور فروخت سے متعلق اعداد و شمار ذیل میں پیش کئے جا رہے ہیں:

Description	March 2019	March 2018	Variance	
	Metric Tons		%	
Production				
Clinker	329,774	320,235	9,539	2.98
Cement	293,842	295,098	(1,256)	(0.42)
GGBFS	260	7,952	(7,692)	(96.73)
Dispatches				
Cement - local	293,600	294,714	(1,114)	(0.38)
Clinker - local	17,917	14,986	2,931	19.56
Clinker - export	157,369	-	157,369	100.00
GBFS & GGBFS - Local	260	7,952	(7,692)	(96.73)

زیر نظر عرصے کے دوران آپ کی کمپنی کی جانب سے کلنکر کی پیداوار 329,774 ٹن رہی جو کہ پیداواری گنجائش کا 86.21 فیصد ہے۔ جبکہ گزشتہ سال اسی عرصے کے دوران کلنکر کی پیداوار 320,235 ٹن تھی جو کہ زیر استعمال لائی جانے والی صلاحیت کا 83.72 فیصد تھی۔

صنعتی جائزہ

گزشتہ سال کے مقابلے میں صنعت کی جانب سے سیمنٹ کی فروخت میں مقامی طور پر 5.96 فیصد کمی درج کی گئی ہے جبکہ دوسری جانب برآمدات میں 48.93 فیصد کا زبردست اضافہ درج کیا گیا ہے۔ ساؤتھ ریجن میں واقع فیکٹریوں کی جانب سے شرح نمومیں 15.16 فیصد کا بھرپور اضافہ ہوا جبکہ نور تھر ریجن میں مقامی سطح پر سیمنٹ کی ترسیل میں 10.38 فیصد کمی واقع ہوئی ہے۔

CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2019

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
	Note	----- Rupees in thousands -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,127,550	2,199,535
Intangible assets		700	2,800
Long term investment in Subsidiary		299,158	299,158
Long term deposits		1,096	1,096
Total non-current assets		2,428,504	2,502,589
CURRENT ASSETS			
Stores, spare parts and loose tools	6	528,047	610,702
Stock-in-trade	7	146,296	528,727
Trade debts	8	174,443	90,984
Advances		5,254	5,846
Trade deposits and short term prepayments		9,057	19,361
Other receivables and accrued interest		53,838	100,907
Taxation - net		221,477	210,405
Cash and bank balances		68,569	70,174
Total current assets		1,206,981	1,637,106
Total assets		3,635,485	4,139,695
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	9	997,181	997,181
Share premium		99,718	99,718
Accumulated profits		1,480,336	1,459,891
Total shareholders' equity		2,577,235	2,556,790
NON-CURRENT LIABILITIES			
Long term financing		-	87,817
Long term deposits		2,797	3,477
Long term employee benefit		17,764	15,884
Deferred taxation	10	291,895	285,986
Total non-current liabilities		312,456	393,164
CURRENT LIABILITIES			
Trade and other payables	11	293,008	584,084
Unclaimed dividend		2,650	1,351
Accrued mark-up		4,785	7,884
Current maturity of long term financing		145,800	231,933
Short term borrowings		299,551	364,489
Total current liabilities		745,794	1,189,741
Total equity and liabilities		3,635,485	4,139,695
CONTINGENCIES AND COMMITMENTS			
	12		


The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)

For the nine months period ended March 31, 2019

		Nine months ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
Note		----- Rupees in thousands -----			
Sales - net	13	2,896,625	2,173,766	903,848	836,105
Cost of sales	14	(2,339,126)	(1,544,636)	(734,323)	(597,803)
Gross profit		557,499	629,130	169,525	238,302
Selling and distribution cost		(208,772)	(57,327)	(71,200)	(21,890)
Administrative expenses		(77,711)	(95,496)	(23,905)	(30,620)
		(286,483)	(152,823)	(95,105)	(52,510)
Operating profit		271,016	476,307	74,420	185,792
Other operating expenses		(23,769)	(31,234)	(5,252)	(12,369)
Finance cost		(39,077)	(50,392)	(10,076)	(15,226)
		(62,846)	(81,626)	(15,328)	(27,595)
Other income		23,914	34,843	9,049	11,483
Profit before taxation		232,084	429,524	68,141	169,680
Taxation	15	(68,045)	(121,982)	(23,118)	(46,064)
Profit for the period		164,039	307,542	45,023	123,616
Earnings per share - basic and diluted (Rupees)	16	1.65	3.08	0.45	1.24

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine months period ended March 31, 2019

	Nine months ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
	----- Rupees in thousands -----			
Profit for the period	164,039	307,542	45,023	123,616
Other comprehensive income / (loss)				
<i>Items to be reclassified to unconsolidated statement of profit or loss account in subsequent periods</i>	-	-	-	-
<i>Items not to be reclassified to unconsolidated statement of profit or loss account in subsequent periods</i>	-	-	-	-
Total comprehensive income for the period	164,039	307,542	45,023	123,616

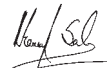
The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months period ended March 31, 2019

		Nine months ended March 31,	
		2019	2018
		----- Rupees in thousands -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		232,084	429,524
Adjustment for:			
Depreciation	5.1	100,538	96,247
Amortization		2,100	2,268
Provision /(reversal) for slow moving & obsolete stores and spares		1,953	(1,859)
Finance cost		39,077	50,392
Provision for gratuity		10,257	10,274
Provision for leave encashment		2,347	3,335
Property, plant and equipment written off		247	508
Loss on disposal of property, plant and equipment		20	122
		156,539	161,287
Operating cash flows before working capital changes		388,623	590,811
Working capital changes			
<i>(Increase) / decrease in current assets</i>			
Stores, spare parts and loose tools		82,634	247,228
Stock-in-trade		382,431	(165,268)
Trade debts		(83,459)	(44,169)
Loan/advance to the Subsidiary Company		-	125,000
Advances		592	(7,246)
Trade deposits and short term prepayments		10,304	(3,859)
Other receivables and accrued interest		47,069	96,349
		439,571	248,035
<i>Decrease in current liabilities</i>			
Trade and other payables excluding gratuity		(281,349)	(34,686)
Cash generated from operations		546,845	804,160
Finance cost paid		(42,176)	(45,463)
Gratuity paid		(19,984)	(14,326)
Leave encashment paid		(467)	(1,126)
Income tax paid - net		(73,208)	(121,671)
Long term deposits - net		(680)	643
		(136,515)	(181,943)
Net cash generated from operating activities		410,330	622,217

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months period ended March 31, 2019

Nine months ended March 31,	
2019	2018
----- Rupees in thousands -----	

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(30,876)	(215,619)
Proceeds from disposal of property, plant and equipment	124	447
Net cash used in investing activities	(30,752)	(215,172)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(173,950)	(173,950)
Dividend paid	(142,295)	(233,614)
Net cash used in financing activities	(316,245)	(407,564)

Net increase / (decrease) in cash and cash equivalents	63,333	(519)
Cash and cash equivalents at beginning of the period	(294,315)	(89,016)
Cash and cash equivalents at end of the period	(230,982)	(89,535)

CASH AND CASH EQUIVALENTS

Cash and bank balances	68,569	105,694
Short term borrowings	(299,551)	(195,229)
	(230,982)	(89,535)

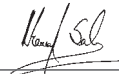
The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine months period ended March 31, 2019

	Issued, subscribed and paid-up share capital	Share premium	Accumulated profits	Total
	----- Rupees in thousands -----			
Balance as at July 1, 2017 (audited)	997,181	99,718	1,343,721	2,440,620
<i>Transactions with owners recorded directly in equity</i>				
Final dividend @ Rs. 2.35 per share for the year ended June 30, 2017	-	-	(234,337)	(234,337)
<i>Total comprehensive income for the nine months period ended March 31, 2018</i>				
Profit for the period	-	-	307,542	307,542
Balance as at March 31, 2018 (un-audited)	<u>997,181</u>	<u>99,718</u>	<u>1,416,926</u>	<u>2,513,825</u>
Balance as at July 1, 2018 (audited)	997,181	99,718	1,459,891	2,556,790
<i>Transactions with owners recorded directly in equity</i>				
Final dividend @ Rs. 1.44 per share for the year ended June 30, 2018	-	-	(143,594)	(143,594)
<i>Total comprehensive income for the nine months period ended March 31, 2019</i>				
Profit for the period	-	-	164,039	164,039
Balance as at March 31, 2019 (un-audited)	<u>997,181</u>	<u>99,718</u>	<u>1,480,336</u>	<u>2,577,235</u>

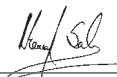
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CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended March 31, 2019

1 STATUS AND NATURE OF BUSINESS

Thatta Cement Company Limited (the Company) was incorporated in Pakistan in 1980 as a public limited Company. The shares of the Company are quoted at the Pakistan Stock Exchange. The Company's main business activity is manufacturing and marketing of cement. The registered office of the Company is situated at Office No. 606, 607, 608 & 608A, Continental Trade Centre, Block 8, Clifton, Karachi. The production facility of the Company comprises of 233 acres and is located at Ghulamullah Road, Makli, District Thatta, Sindh.

The Company owns 62.43% shareholding of Thatta Power (Private) Limited (the Subsidiary Company). The principal business of the Subsidiary Company is generation and sale of electric power.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim unconsolidated financial statements for the nine months period ended March 31, 2019 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case the requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail. The disclosures in these condensed interim unconsolidated financial statements do not include all the information required in the annual audited unconsolidated financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Company as at and for the year ended June 30, 2018.

These condensed interim unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the Pakistan Stock Exchange Regulations.

These condensed interim unconsolidated financial statements comprises of the condensed interim unconsolidated statement of financial position as at March 31, 2019 and condensed interim unconsolidated statement of profit or loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity for the nine months period ended March 31, 2019.

2.2 Use of estimates and judgments

The preparation of these condensed interim unconsolidated financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim unconsolidated financial statements, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that were applied to the annual audited unconsolidated financial statements as at and for the year ended June 30, 2018.

2.3 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except for recognition of staff retirement benefits at present value based on actuarial valuation and foreign currency assets and liabilities which are stated at the exchange rate on the date of condensed interim unconsolidated statement of financial position.

These condensed interim unconsolidated financial statements have been prepared following the accrual basis of accounting except for condensed interim unconsolidated statement of cash flows.

2.4 Functional and presentation currency

These condensed interim unconsolidated financial statements have been prepared and presented in Pakistani Rupee which is the Company's functional and presentation currency.

2.5 General

The figures have been rounded off to the nearest thousand of Rupees.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in preparation of the annual audited unconsolidated financial statements as at and for the year ended June 30, 2018.

3.1 Standards and amendments to published approved accounting standards which are effective during the nine months period ended March 31, 2019.

Following are certain new standards and amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018

However, the application of above standards do not have any significant impact on the Company's financial reporting and, therefore, have not been presented in these condensed interim unconsolidated financial statements.

3.2 Standards and amendments to published approved accounting standards which are not yet effective during the nine months period ended March 31, 2019.

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

4 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements as at and for the year ended June 30, 2018.

	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
Note	----- Rupees in thousands -----	

5 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	2,077,894	1,971,885
Capital work-in-progress	5.2	-	172,552
Major stores and spares		49,656	55,098
		<u>2,127,550</u>	<u>2,199,535</u>

	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
5.1 Operating fixed assets		
	Note	----- Rupees in thousands -----
Written Down Value (WDV) - opening	1,971,885	2,008,696
Additions during the period / year - at cost		
- Electrical installations	417	-
- Plant and machinery	205,875	81,186
- Quarry equipments	439	-
- Vehicles	-	4,178
- Office & other equipments	207	1,007
- Laboratory equipments	-	3,796
	206,938	90,167
WDV of disposals during the period / year	(144)	(2,304)
Property, plant and equipment written off during the period / year	(247)	(528)
Depreciation charge for the period / year	(100,538)	(124,146)
	(100,929)	(126,978)
WDV - closing	2,077,894	1,971,885
5.2 Capital work-in-progress		
Opening balance	172,552	-
Additions	18,001	218,808
Transferred to operating fixed assets	(190,553)	(46,256)
	-	172,552
6 STORES, SPARE PARTS AND LOOSE TOOLS		
Coal and other fuels	341,919	401,915
Stores & spare parts	213,972	236,381
Loose tools	46	275
	6.1 555,937	638,571
Provision for obsolete stores	(5,104)	(5,114)
Provision for slow moving stores and spares	(22,786)	(22,755)
	(27,890)	(27,869)
	528,047	610,702

6.1 This includes stores in transit of Rs. 69.327 million (June 30, 2018: Rs. 66.952 million) as at the date of condensed interim unconsolidated statement of financial position.

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
----- Rupees in thousands -----			
7	STOCK-IN-TRADE		
	Raw material	32,140	46,972
	Packing material	41,162	30,611
	Work-in-process	25,872	408,198
	Finished goods	47,122	42,946
		<u>146,296</u>	<u>528,727</u>
8	TRADE DEBTS		
	Considered good		
	Local - unsecured	174,443	90,984
	Considered doubtful		
	Cement stockiest	60,801	60,801
	Excessive rebate allowed	6,101	6,101
	Controller Military Accounts	5,126	5,126
		72,028	72,028
	Provision for doubtful debts	(72,028)	(72,028)
		<u>174,443</u>	<u>90,984</u>
9	SHARE CAPITAL		
		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
	----- Number of Shares -----		
	Authorized share capital		
	200,000,000	200,000,000	Ordinary shares of Rs. 10/- each
		<u>2,000,000</u>	<u>2,000,000</u>
	Issued, subscribed and paid-up share capital		
	89,418,125	89,418,125	Ordinary shares of Rs. 10/- each - shares allotted for consideration fully paid in cash
		<u>894,181</u>	<u>894,181</u>
	10,300,000	10,300,000	Ordinary shares of Rs. 10/- each - shares allotted for consideration other than cash
		<u>103,000</u>	<u>103,000</u>
	<u>99,718,125</u>	<u>99,718,125</u>	<u>997,181</u>
			<u>997,181</u>

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
10	DEFERRED TAXATION		
		Note	----- Rupees in thousands -----

Deferred tax liability comprises of temporary differences as follows:

Taxable temporary differences arising in respect of			
- Accelerated tax depreciation		330,580	325,419
Deductible temporary differences arising in respect of			
- Other provisions - for doubtful debts and slow moving & obsolete stores		(38,685)	(39,433)
		<u>291,895</u>	<u>285,986</u>

11 TRADE AND OTHER PAYABLES

Trade creditors		19,053	37,693
Accrued liabilities	11.1	148,109	193,246
Bills payable		66,889	216,986
Advances from customers		25,318	63,820
Contractors retention money		240	2,469
Payable to Gratuity Fund		10,257	19,984
Workers' Profit Participation Fund (WPPF)		12,508	26,650
Workers' Welfare Fund (WWF)		6,746	10,176
Other liabilities		3,888	13,060
		<u>293,008</u>	<u>584,084</u>

- 11.1 It includes Rs. 60.118 million (June 30, 2018: Rs. 69.43 million) payable to the Subsidiary Company, in respect of purchase of electric power.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

The status of contingencies is same as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2018 except for the matters disclosed in note 26.1.7 and 26.1.8, for which the status is mentioned below in note 12.1.1 and 12.1.2 respectively:

- 12.1.1 During the period, the Commissioner Inland Revenue (CIR) has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of Commissioner Inland Revenue – Appeals (CIR-A) passed in favor of the Company in relation to monitoring of withholding taxes for the tax year 2017.

12.1.2 During the period, the Company has filed an appeal before Commissioner Inland Revenue – Appeals (CIR-A) against the order of Assistant Commissioner Inland Revenue (ACIR) in relation to tax audit for the tax year 2016. While deciding an appeal, the CIR-A has allowed deduction of certain expenses that were disallowed by ACIR whereas deductible allowance of WPPF and certain portion of tax credit claimed under section 65B of the Income Tax Ordinance, 2001 have been disallowed. Therefore, the Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of Commissioner Inland Revenue – Appeals (CIR-A) on the said disallowances which is pending for hearing.

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
----- Rupees in thousands -----		
12.2 Commitments		
Commitments in respect of revenue & capital expenditure	11,552	4,502
Guarantees given by banks on behalf of the Company	57,784	60,784

	Nine months ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
----- (Un-audited) -----				
----- Rupees in thousands -----				
13 SALES - NET				
Gross sales				
- Local	2,981,225	3,050,421	819,644	1,179,933
- Export	784,738	-	278,037	-
	<u>3,765,963</u>	3,050,421	<u>1,097,681</u>	1,179,933
Less				
- Federal Excise Duty	424,642	387,126	93,380	152,157
- Sales tax	444,696	489,529	100,453	191,671
	869,338	876,655	193,833	343,828
	<u>2,896,625</u>	2,173,766	<u>903,848</u>	836,105

14 COST OF SALES

	Nine months ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
	----- (Un-audited) -----			
	----- Rupees in thousands -----			
Raw material consumed	145,092	147,358	49,870	51,185
Manufacturing expenses				
Packing material consumed	118,839	95,595	40,362	39,142
Stores, spare parts and loose tools consumed	43,588	76,521	17,242	22,981
Fuel and power	1,285,450	1,059,910	489,776	435,257
Salaries, wages and other benefits	230,460	236,192	76,991	84,449
Insurance	10,938	12,385	3,641	4,139
Repairs and maintenance	12,222	12,391	5,677	4,526
Depreciation	97,456	91,726	36,377	35,210
Vehicle hire, running & maintenance	8,929	7,988	3,026	2,743
Communication	1,599	1,358	498	434
Entertainment	919	1,416	230	475
Provision / (reversal) for slow moving & obsolete stores and spares	1,953	(1,859)	-	-
Other production overheads	3,527	4,122	1,383	1,714
	1,815,880	1,597,745	675,203	631,070
Cost of production	1,960,972	1,745,103	725,073	682,255
Work-in-process				
Opening balance	408,198	211,163	39,739	324,400
Closing balance	(25,867)	(407,081)	(25,867)	(407,081)
	382,331	(195,918)	13,872	(82,681)
Cost of goods manufactured	2,343,303	1,549,185	738,945	599,574
Finished goods				
Opening balance	42,946	36,454	42,501	39,232
Closing balance	(47,123)	(41,003)	(47,123)	(41,003)
	(4,177)	(4,549)	(4,622)	(1,771)
	2,339,126	1,544,636	734,323	597,803

		Nine months ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
----- (Un-audited) -----					
----- Rupees in thousands -----					
15	TAXATION				
	Current tax	62,136	112,258	18,672	41,631
	Prior year reversal	-	(259)	-	-
	Deferred tax	5,909	9,983	4,446	4,433
		<u>68,045</u>	<u>121,982</u>	<u>23,118</u>	<u>46,064</u>

15.1 Workers' Profit Participation Fund, Workers' Welfare Fund and Taxation

Allocation to Workers' Profit Participation Fund, Workers' Welfare Fund and charge for taxation are provisional. Final liability will be determined on the basis of annual results.

		Nine months ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
----- (Un-audited) -----					
16	EARNINGS PER SHARE - BASIC AND DILUTED				
	Profit for the period (Rupees in thousands)	<u>164,039</u>	<u>307,542</u>	<u>45,023</u>	<u>123,616</u>
	Weighted average number of ordinary shares	<u>99,718,125</u>	<u>99,718,125</u>	<u>99,718,125</u>	<u>99,718,125</u>
	Earnings per share - basic and diluted (Rupees)	<u>1.65</u>	<u>3.08</u>	<u>0.45</u>	<u>1.24</u>

17 RELATED PARTY TRANSACTIONS & BALANCES

Related parties comprises of the Subsidiary Company, associated undertakings, directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions except for Service Level Agreement for Business Support Services with the Subsidiary Company for which the basis are approved by the Board of Directors. Further, contribution to the defined contribution plan (provident fund) is made as per the terms of employment and trust deed and contribution to the defined benefit plan (gratuity fund) is in accordance with the actuarial advice. Detail of transactions during the period ended/outstanding balances as at March 31, 2019 with related parties are as follows:

		Nine months ended March 31,	
		2019	2018
		----- (Un-audited) -----	
		----- Rupees in thousands -----	
17.1	Transactions with related parties		
		Note	
17.1.1	Subsidiary Company		
	Thatta Power (Private) Limited		
-	Common shared expenses	2,637	2,597
-	Receipts on account of common shared expenses	2,728	2,647
-	Sale of store items (inclusive of GST) - net	12,413	138
-	Receipts on account of sale of store items - net	12,295	134
-	Purchase of electricity (inclusive of GST)	613,827	543,624
-	Payment on account of electricity (inclusive of GST)	623,139	524,120
-	Management fee claimed (inclusive of SST)	16,380	14,890
-	Management fee received (inclusive of SST)	16,214	14,740
-	Sale of cement	10,332	-
-	Receipt on account of sale of cement	11,265	-
-	Loan/advance to the Subsidiary Company	-	85,000
-	Receipt on account of loan/advance to the Subsidiary Company	-	210,000
-	Interest accrued on loan/advance to the Subsidiary Company	-	7,247
-	Receipts on account of interest on loan/advance to the Subsidiary Company	-	9,119
17.1.2	Key management personnel		
-	Salaries and benefits (2018: Restated)	21	60,013
-	Sale of vehicle		102
17.1.3	Other related parties		
-	Contribution to employees' Gratuity Fund		19,984
-	Contribution to employees' Provident Fund		7,472
-	Education expenses - Model Terbiat School		4,693

	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	----- Rupees in thousands -----	
17.2 Balances with related parties		
17.2.1 Subsidiary Company		
Thatta Power (Private) Limited		
- Payable against purchase of electricity (inclusive of GST)	60,118	69,430
- Receivable against management fee (inclusive of SST)	1,820	1,654
- Receivable against common shared expenses	267	358
- Receivable against sale of store items - net	1,088	970
- Receivable against sale of cement	493	1,426
17.2.2 Other related party		
- Payable to Gratuity Fund	10,257	19,984
17.3 There are no transactions with key management personnel other than under their terms of employment.		
17.4 All transactions with related parties have been carried out on commercial terms and conditions.		

18 FAIR VALUE DISCLOSURES

The carrying value of all financial assets and liabilities in these condensed interim unconsolidated financial statements approximate to their fair values.

	Nine months ended March 31,	
	2019	2018
	----- (Un-audited) -----	
	----- Rupees in thousands -----	
19 SUMMARY OF SIGNIFICANT TRANSACTION		
Sales - net	2,896,625	2,173,766

During the period, the sales of the Company increased by Rs. 722.859 million due to export of clinker amounting to Rs. 784.738 million.

20 OPERATING SEGMENTS

- 20.1** These condensed interim unconsolidated financial statements have been prepared on the basis of single reportable segment.
- 20.2** Revenue from cement segment represents 100% (March 31, 2018: 100%) of the total revenue of the Company.

20.3 72.91% (March 31, 2018: 100%) sales of the Company relates to customers in Pakistan.

20.4 All non-current assets of the Company as at March 31, 2019 are located in Pakistan.

21 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim unconsolidated statement of financial position has been compared with the balances of annual audited unconsolidated financial statements of the preceding financial year, whereas, the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figure for salaries and benefits disclosed under transactions with key management personnel (Note - 17.1.2) has been recalculated based on the definition of Executive as per Companies Act, 2017.

22 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorized for issue on April 24, 2019 by the Board of Directors of the Company.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

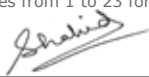
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2019

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
	Note	----- Rupees in thousands -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,344,118	3,395,307
Intangible assets		700	2,800
Long term deposits		1,096	1,096
Total non-current assets		4,345,914	3,399,203
CURRENT ASSETS			
Stores, spare parts and loose tools	6	585,938	660,012
Stock-in-trade	7	143,740	504,039
Trade debts	8	666,732	512,967
Short term investment - Held to maturity		306,000	306,000
Advances		86,997	52,241
Trade deposits and short term prepayments		12,546	26,683
Other receivables and accrued interest		116,778	105,726
Taxation - net		296,158	237,414
Cash and bank balances		283,093	147,878
Total current assets		2,497,982	2,552,960
Total assets		6,843,896	5,952,163
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	9	997,181	997,181
Share premium		99,718	99,718
Accumulated profit		2,436,894	2,264,837
Attributable to the owners of the Holding Company		3,533,793	3,361,736
Non-controlling interests		756,997	665,758
Total equity		4,290,790	4,027,494
NON-CURRENT LIABILITIES			
Long term financing	10	1,177,758	214,724
Long term deposits		2,797	3,477
Long term employee benefit		17,764	15,884
Deferred taxation	11	291,895	285,986
Total non-current liabilities		1,490,214	520,071
CURRENT LIABILITIES			
Trade and other payables	12	474,503	694,972
Unclaimed dividend		2,650	1,351
Accrued mark-up		38,863	10,328
Current maturity of long term financing		247,325	333,458
Short term borrowings		299,551	364,489
Total current liabilities		1,062,892	1,404,598
Total equity and liabilities		6,843,896	5,952,163
CONTINGENCIES AND COMMITMENTS			
	13		

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)

For the nine months period ended March 31, 2019

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
----- Rupees in thousands -----					
Sales - net	14	3,339,172	2,837,099	1,005,789	1,103,013
Cost of sales	15	(2,503,326)	(1,907,961)	(759,020)	(733,338)
Gross profit		835,846	929,138	246,769	369,675
Selling and distribution cost		(208,772)	(57,327)	(71,200)	(21,890)
Administrative expenses		(92,205)	(100,565)	(35,632)	(30,062)
		(300,977)	(157,892)	(106,832)	(51,952)
Operating profit		534,869	771,246	139,937	317,723
Other operating expenses		(23,769)	(31,234)	(5,252)	(12,369)
Finance cost		(63,187)	(76,380)	(18,105)	(22,144)
		(86,956)	(107,614)	(23,357)	(34,513)
Other income		31,150	29,260	14,911	10,958
Profit before taxation		479,063	692,892	131,491	294,168
Taxation	16	(72,173)	(123,836)	(25,517)	(46,779)
Profit for the period		406,890	569,056	105,974	247,389
Profit for the period attributable to:					
- Equity holders of the Holding Company		315,651	470,805	83,075	200,887
- Non-controlling interests		91,239	98,251	22,899	46,502
		406,890	569,056	105,974	247,389
Earnings per share - basic and diluted (Rupees)	17	3.17	4.72	0.83	2.01

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine months period ended March 31, 2019

	Nine months ended March 31,		Quarter ended March 31,	
	2019	2018	2019	2018
	----- Rupees in thousands -----			
Profit for the period	406,890	569,056	105,974	247,389
Other comprehensive income / (loss)				
<i>Items to be reclassified to consolidated statement of profit or loss account in subsequent periods</i>	-	-	-	-
<i>Items not to be reclassified to consolidated statement of profit or loss account in subsequent periods</i>	-	-	-	-
Total comprehensive income for the period	<u>406,890</u>	<u>569,056</u>	<u>105,974</u>	<u>247,389</u>
Total comprehensive income for the period attributable to:				
- Equity holders of the Holding Company	315,651	470,805	83,075	200,887
- Non-controlling interests	91,239	98,251	22,899	46,502
	<u>406,890</u>	<u>569,056</u>	<u>105,974</u>	<u>247,389</u>

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months period ended March 31, 2019

		Nine months ended March 31,	
		2019	2018
		----- Rupees in thousands -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
		479,063	692,892
Profit before taxation			
Adjustment for:			
Depreciation	5.1	138,018	131,052
Amortization		2,100	2,268
Provision / (reversal) for slow moving & obsolete stores and spares		1,953	(1,859)
Finance cost		63,187	76,380
Provision for gratuity		10,257	10,274
Provision for leave encashment		2,347	3,335
Property, plant and equipment written off		11,517	508
Loss on disposal of property, plant and equipment		20	122
		229,399	222,080
Operating cash flows before working capital changes		708,462	914,972
Working capital changes			
<i>Decrease / (increase) in current assets</i>			
Stores, spare parts and loose tools		74,053	229,608
Stock-in-trade		360,299	(150,491)
Trade debts		(153,765)	(132,334)
Advances		(34,756)	(12,855)
Trade deposits and short term prepayments		14,137	(6,363)
Other receivables and accrued interest		(11,052)	89,012
		248,916	16,577
<i>(Decrease) / increase in current liabilities</i>			
Trade and other payables excluding gratuity		(210,742)	6,184
Cash generated from operations		746,636	937,733
Finance cost paid		(66,416)	(72,181)
Gratuity paid		(19,984)	(14,326)
Leave encashment paid		(467)	(1,126)
Income tax paid - net		(125,008)	(126,483)
Long term deposits - net		(680)	643
		(212,555)	(213,473)
Net cash generated from operating activities		534,081	724,260

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months period ended March 31, 2019

Nine months ended March 31,	
2019	2018
----- Rupees in thousands -----	

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(1,068,658)	(233,577)
Proceeds from disposal of property, plant and equipment	124	447
Proceeds from maturity of short term investment	306,000	306,000
Short term investment	(306,000)	(306,000)
Net cash used in investing activities	(1,068,534)	(233,130)

CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing obtained	1,126,995	-
Repayment of long term financing	(250,094)	(250,094)
Dividend paid	(142,295)	(233,614)
Net cash generated from / (used in) financing activities	734,606	(483,708)

Net Increase in cash and cash equivalents	200,153	7,422
Cash and cash equivalents at beginning of the period	(216,611)	(36,569)
Cash and cash equivalents at end of the period	(16,458)	(29,147)

CASH AND CASH EQUIVALENTS

Cash and bank balances	283,093	166,082
Short term borrowings	(299,551)	(195,229)
	(16,458)	(29,147)

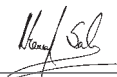
The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine months period ended March 31, 2019

	Equity attributable to owners of the Holding Company				Non-controlling interests	Total equity
	Issued, subscribed and paid-up share capital	Share premium	Accumulated profit	Total		
----- Rupees in thousands -----						
Balance as at July 1, 2017 (audited)	997,181	99,718	1,908,286	3,005,185	521,098	3,526,283
<i>Transactions with owners recorded directly in equity</i>						
Final dividend @ Rs. 2.35 per share for the year ended June 30, 2017	-	-	(234,337)	(234,337)	-	(234,337)
<i>Total comprehensive income for the nine months period ended March 31, 2018</i>						
Profit for the period	-	-	470,805	470,805	98,251	569,056
Balance as at March 31, 2018 (un-audited)	<u>997,181</u>	<u>99,718</u>	<u>2,144,754</u>	<u>3,241,653</u>	<u>619,349</u>	<u>3,861,002</u>
Balance as at July 1, 2018 (audited)	997,181	99,718	2,264,837	3,361,736	665,758	4,027,494
<i>Transactions with owners recorded directly in equity</i>						
Final dividend @ Rs. 1.44 per share for the year ended June 30, 2018	-	-	(143,594)	(143,594)	-	(143,594)
<i>Total comprehensive income for the nine months period ended March 31, 2019</i>						
Profit for the period	-	-	315,651	315,651	91,239	406,890
Balance as at March 31, 2019 (un-audited)	<u>997,181</u>	<u>99,718</u>	<u>2,436,894</u>	<u>3,533,793</u>	<u>756,997</u>	<u>4,290,790</u>

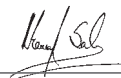
The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the nine months period ended March 31, 2019

1 THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of Thatta Cement Company Limited (TCCL) and Thatta Power (Private) Limited (TPPL) (together referred as "the Group").
- 1.2 Thatta Cement Company Limited (the Holding Company) was incorporated in Pakistan in 1980 as a public limited company. The shares of the Holding Company are quoted at the Pakistan Stock Exchange. The Holding Company's main business activity is manufacturing and marketing of cement. The registered office of the Holding Company is situated at Office No. 606, 607, 608 & 608A, Continental Trade Centre, Block 8, Clifton, Karachi. The production facility of the Holding Company comprises of 233 acres and is located at Ghulamullah Road, Makli, District Thatta, Sindh.
- 1.3 Thatta Power (Private) Limited (the Subsidiary Company) is a 62.43% owned subsidiary of the Holding Company as at March 31, 2019 (June 30, 2018: 62.43%). The principal business activity of the Subsidiary Company is generation and sale of electric power. As at March 31, 2019 TPPL has authorized and issued capital of Rs. 500 million and Rs. 479.16 million divided into 50,000,000 (June 30, 2018: 50,000,000) ordinary shares and 47,915,830 (June 30, 2018: 47,915,830) ordinary shares respectively. The registered office and generation facility of the Subsidiary Company comprises of 3 acres and is situated at Ghulamullah Road, Makli, District Thatta, Sindh.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statements for the nine months period ended March 31, 2019 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case the requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail. The disclosures in these condensed interim consolidated financial statements do not include all the information required in the annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended June 30, 2018.

These condensed interim consolidated financial statements are unaudited and are being submitted to the shareholders as required under section 228 and 237 of the Companies Act, 2017 and the Pakistan Stock Exchange Regulations.

These condensed interim consolidated financial statements comprises of the condensed interim consolidated statement of financial position as at March 31, 2019 and condensed interim consolidated statement of profit or loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity for the nine months period ended March 31, 2019.

2.2 Basis of consolidation

These condensed interim consolidated financial statements includes the condensed interim financial statements of the Holding Company and the Subsidiary Company.

The condensed interim financial statements of the Subsidiary Company are included in the condensed interim consolidated financial statements from the date on which more than 50% voting rights are transferred to the Holding Company or power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Upon loss of control, the Holding Company derecognises the assets and liabilities of the Subsidiary Company, any non-controlling interests and other components of equity related to the Subsidiary Company. Any surplus or deficit arising on the loss of control is recognised in profit or loss account.

The financial statements of the Subsidiary Company are prepared for the same reporting period as of the Holding Company, using accounting policies that are generally consistent with those of the Holding Company.

The assets and liabilities of the Subsidiary Company have been consolidated on a line-by-line basis. The carrying value of investment held by the Holding Company is eliminated against the Subsidiary Company's shareholders' equity in the condensed interim consolidated financial statements. Intra-group balances and transactions are eliminated.

2.3 Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim consolidated financial statements, the significant judgments made by the management in applying the Group's accounting policies and key sources of estimation and uncertainty were the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended June 30, 2018.

2.4 Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for recognition of staff retirement benefits at present value based on actuarial valuation and foreign currency assets and liabilities which are stated at the exchange rate on the date of condensed interim consolidated statement of financial position.

These condensed interim consolidated financial statements have been prepared following the accrual basis of accounting except for condensed interim consolidated statement of cash flows.

2.5 Functional and presentation currency

These condensed interim consolidated financial statements have been prepared and presented in Pakistani Rupee which is the Group's functional and presentation currency.

2.6 General

The figures have been rounded off to the nearest thousand of Rupees.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of the annual audited consolidated financial statements as at and for the year ended June 30, 2018.

3.1 Standards and amendments to published approved accounting standards which are effective during nine months period ended March 31, 2019.

Following are certain new standards and amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018

However, the application of above standards do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim consolidated financial statements.

3.2 Standards and amendments to published approved accounting standards which are not yet effective during nine months period ended March 31, 2019.

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2019. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

4 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended June 30, 2018.

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
5	PROPERTY, PLANT AND EQUIPMENT	----- Rupees in thousands -----	
	Operating fixed assets	5.1 3,267,215	3,123,053
	Capital work-in-progress	5.2 1,024,303	214,212
	Major stores and spares	52,600	58,042
		<u>4,344,118</u>	<u>3,395,307</u>
5.1	Operating fixed assets		
	Written Down Value (WDV) - opening	3,123,053	3,199,149
	Additions during the period / year - at cost		
	- Electrical installations	417	-
	- Plant and machinery	292,778	89,316
	- Quarry equipments	439	-
	- Vehicles	-	4,178
	- Office and other equipments	207	1,007
	- Laboratory equipments	-	3,796
		<u>293,841</u>	<u>98,297</u>
	WDV of disposals during the period / year	(144)	(2,304)
	Property, plant and equipment written off during the period / year	(11,517)	(528)
	Depreciation charge for the period / year	<u>(138,018)</u>	<u>(171,561)</u>
		<u>(149,679)</u>	<u>(174,393)</u>
	WDV - closing	<u>3,267,215</u>	<u>3,123,053</u>

	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	----- Rupees in thousands -----	
5.2 Capital work-in-progress		
Opening balance	214,212	17,180
Additions	1,000,644	243,288
Transferred to operating fixed assets	(190,553)	(46,256)
	<u>1,024,303</u>	<u>214,212</u>
6 STORES, SPARE PARTS AND LOOSE TOOLS		
Coal and other fuels	341,919	401,915
Stores & spare parts	271,823	285,678
Loose tools	86	288
	<u>613,828</u>	<u>687,881</u>
6.1		
Provision for obsolete stores	(5,104)	(5,114)
Provision for slow moving stores and spares	(22,786)	(22,755)
	<u>(27,890)</u>	<u>(27,869)</u>
	<u>585,938</u>	<u>660,012</u>
6.1	This includes stores in transit of Rs. 69.327 million (June 30, 2018: Rs. 66.952 million) as at the date of condensed interim consolidated statement of financial position.	
	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	----- Rupees in thousands -----	
7 STOCK-IN-TRADE		
Raw material	32,140	46,972
Packing material	41,162	30,611
Work-in-process	24,656	384,911
Finished goods	45,782	41,545
	<u>143,740</u>	<u>504,039</u>

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
----- Rupees in thousands -----			
8	TRADE DEBTS		
	Considered good		
	Local - unsecured	666,732	512,967
	Considered doubtful		
	Cement stockiest	60,801	60,801
	Excessive rebate allowed	6,101	6,101
	Controller Military Accounts	5,126	5,126
		72,028	72,028
	Provision for doubtful debts	(72,028)	(72,028)
		<u>666,732</u>	<u>512,967</u>

9 **SHARE CAPITAL**

(Un-audited)	(Audited)		
March 31, 2019	June 30, 2018		
----- Number of Shares -----			
Authorized share capital			
<u>200,000,000</u>	<u>200,000,000</u>	Ordinary shares of Rs. 10/- each	<u>2,000,000</u> <u>2,000,000</u>
Issued, subscribed and paid-up share capital			
89,418,125	89,418,125	Ordinary shares of Rs. 10/- each - shares allotted for consideration fully paid in cash	894,181 894,181
10,300,000	10,300,000	Ordinary shares of Rs. 10/- each - shares allotted for consideration other than cash	103,000 103,000
<u>99,718,125</u>	<u>99,718,125</u>		<u>997,181</u> <u>997,181</u>

10 LONG TERM FINANCING

Loan from Banking companies - secured

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
- Syndicated term finance facility (STFF) - TCCL	145,800	319,750
- Syndicated term finance facility (STFF - I) - TPPL	152,288	228,432
- Syndicated term finance facility (STFF - II) - TPPL	1,126,995	-
	1,425,083	548,182
Less: Current maturity	(247,325)	(333,458)
	<u>1,177,758</u>	<u>214,724</u>

Note

----- Rupees in thousands -----

10.1 This syndicated term finance facility-II has been obtained from syndicate of banks comprising of National Bank of Pakistan, Sindh Bank Limited and Summit Bank Limited. The facility carries a floating mark-up linked to 3 months KIBOR as base rate plus 2.5% on annualized basis. The tenure of financing is 6 years including grace period of 18 months and the facility is payable in 18 equal quarterly installments of Rs. 62.61 million.

10.2 The syndicated term finance facility-II provided by the syndicate of banks as explained in note 10.1 is secured by first joint pari passu charge by way of hypothecation on all present and future moveable and immovable fixed assets (other than land and Building), mortgage over all present and future immovable assets including land and building, first joint pari passu hypothecation charge on current assets of the Subsidiary Company.

11 DEFERRED TAXATION

Deferred tax liability comprises of temporary differences as follows:

Taxable temporary differences arising in respect of

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
- Accelerated tax depreciation	330,580	325,419
Deductible temporary differences arising in respect of		
- Other provisions - for doubtful debts and slow moving & obsolete stores	(38,685)	(39,433)
	<u>291,895</u>	<u>285,986</u>

(Un-audited)	(Audited)
March 31, 2019	June 30, 2018

----- Rupees in thousands -----

12 TRADE AND OTHER PAYABLES

Trade creditors	77,143	40,376
Accrued liabilities	216,063	234,374
Bills payable	66,889	216,986
Advances from customers	25,318	63,820
Contractors retention money	240	2,469
Excise duty and sales tax payable	-	5,586
Payable to Gratuity Fund	10,257	19,984
Workers' Profit Participation Fund (WPPF)	52,164	66,306
Workers' Welfare Fund (WWF)	21,815	25,245
Other liabilities	4,614	19,826
	<u>474,503</u>	<u>694,972</u>

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

The status of contingencies is same as disclosed in the annual audited consolidated financial statements for the year ended June 30, 2018 except for the matters disclosed in note 25.1.7 and 25.1.8. The status of 25.1.7 and 25.1.8 is mentioned below in note 13.1.1 and 13.1.2 respectively along with new matter as mentioned in note 13.1.3:

13.1.1 During the period, the Commissioner Inland Revenue (CIR) has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of Commissioner Inland Revenue – Appeals (CIR-A) passed in favor of the Holding Company in relation to monitoring of withholding taxes for the tax year 2017.

13.1.2 During the period, the Holding Company has filed an appeal before Commissioner Inland Revenue – Appeals (CIR-A) against the order of Assistant Commissioner Inland Revenue (ACIR) in relation to tax audit for the tax year 2016. While deciding an appeal, the CIR-A has allowed deduction of certain expenses that were disallowed by ACIR whereas deductible allowance of WPPF and certain portion of tax credit claimed under section 65B of the Income Tax Ordinance, 2001 have been disallowed. Therefore, the Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of Commissioner Inland Revenue – Appeals (CIR-A) on the said disallowances which is pending for hearing.

13.1.3 During the period, the Deputy Commissioner Inland Revenue(DCIR) has disallowed the input sales tax on service claimed by the Subsidiary Company and raised a demand of Rs. 2.77 million. The Subsidiary Company had filed an appeal against the order passed by DCIR before CIR-A through its consultant M/s Sharjeel Ayub & Co. Chartered Accountants. The hearing of the case was held on March 12, 2018 and a favorable order was passed by CIR-A on April 3, 2018, thereby allowing input sales tax claimed by the Subsidiary Company. Subsequently on August 27, 2018 CIR has filed an appeal in the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR-A, which is pending for adjudication.

13.2 Commitments

Commitments in respect of revenue & capital expenditure	<u>11,552</u>	<u>883,206</u>
Guarantees given by banks on behalf of the Group	<u>363,784</u>	<u>366,784</u>

		Nine months ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
----- (Un-audited) -----					
----- Rupees in thousands -----					
14	SALES - NET				
	Gross Sales - Local	3,499,004	3,826,521	938,914	1,492,215
	- Export	784,738	-	278,037	-
		4,283,742	3,826,521	1,216,951	1,492,215
	Less: - Federal Excise Duty	424,642	387,126	93,380	152,157
	- Sales tax	519,928	602,296	117,782	237,045
		944,570	989,422	211,162	389,202
		<u>3,339,172</u>	<u>2,837,099</u>	<u>1,005,789</u>	<u>1,103,013</u>
15	COST OF SALES				
	Raw material consumed	145,092	147,358	49,870	51,185
	Manufacturing expenses				
	Packing material consumed	118,839	95,595	40,362	39,142
	Stores, spare parts and loose tools consumed	85,253	145,024	28,404	48,843
	Fuel and power	1,368,437	1,280,986	483,676	518,100
	Salaries, wages and other benefits	230,460	236,192	76,991	84,449
	Insurance	15,362	17,628	4,923	5,861
	Repairs, operations and maintenance	31,890	31,246	12,321	10,715
	Depreciation	134,936	126,531	48,952	47,957
	Vehicle hire, running & maintenance	8,929	7,988	3,026	2,743
	Communication	1,599	1,358	498	434
	Entertainment	919	1,416	230	475
	Provision / (reversal) for slow moving & obsolete stores and spares	1,953	(1,859)	-	-
	Other production overheads	3,634	4,188	1,410	1,736
		2,002,211	1,946,293	700,793	760,455
	Cost of production	2,147,303	2,093,651	750,663	811,640
	Work-in-process				
	Opening balance	384,911	203,356	37,605	308,283
	Closing balance	(24,650)	(384,956)	(24,650)	(384,956)
		360,261	(181,600)	12,955	(76,673)
	Cost of goods manufactured	2,507,564	1,912,051	763,618	734,967
	Finished goods				
	Opening balance	41,545	35,558	41,185	38,019
	Closing balance	(45,783)	(39,648)	(45,783)	(39,648)
		(4,238)	(4,090)	(4,598)	(1,629)
		<u>2,503,326</u>	<u>1,907,961</u>	<u>759,020</u>	<u>733,338</u>

		Nine months ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
----- (Un-audited) -----					
----- Rupees in thousands -----					
16	TAXATION				
	Current tax	66,264	114,112	21,071	42,346
	Prior year reversal	-	(259)	-	-
	Deferred tax	5,909	9,983	4,446	4,433
		<u>72,173</u>	<u>123,836</u>	<u>25,517</u>	<u>46,779</u>

16.1 Workers' Profit Participation Fund, Workers' Welfare Fund and Taxation

Allocation to Workers' Profit Participation Fund, Workers' Welfare Fund and charge for taxation are provisional. Final liability will be determined on the basis of annual results.

		Nine months ended March 31,		Quarter ended March 31,	
		2019	2018	2019	2018
----- (Un-audited) -----					
17	EARNINGS PER SHARE - BASIC AND DILUTED				
	Profit for the period attributable to the owners of the Holding Company (Rupees in thousands)	<u>315,651</u>	470,805	<u>83,075</u>	200,887
	Weighted average number of ordinary shares	<u>99,718,125</u>	99,718,125	<u>99,718,125</u>	99,718,125
	Earnings per share - basic and diluted (Rupees)	<u>3.17</u>	4.72	<u>0.83</u>	2.01

18 RELATED PARTY TRANSACTIONS & BALANCES

Related parties comprises of associated undertakings, directors of the Group, key management personnel and staff retirement funds. The Group continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions. Further, contribution to the defined contribution plan (provident fund) is made as per the terms of employment and trust deed and contribution to the defined benefit plan (gratuity fund) is in accordance with the actuarial advice. Detail of transactions during the nine months period ended / outstanding balances as at March 31, 2019 with related parties are as follows:

		Nine months ended March 31,	
		2019	2018
----- (Un-audited) -----			
----- Rupees in thousands -----			
18.1	Transactions with related parties	Note	
18.1.1	Key management personnel		
	- Salaries and benefits (2018: Restated)	22	60,013
	- Sale of vehicle		433

	Nine months ended March 31,	
	2019	2018
	----- (Un-audited) -----	
	----- Rupees in thousands -----	
18.1.2 Other related parties		
- Contribution to employees' Gratuity Fund	19,984	14,326
- Contribution to employees' Provident Fund	7,472	7,328
- Education expenses - Model Terbiat School	4,693	3,878
	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	----- Rupees in thousands -----	
18.2 Balances with related parties		
18.2.1 Other related parties		
Payable to Gratuity Fund	10,257	19,984
18.3	There are no transactions with key management personnel other than under their terms of employment.	
18.4	All transactions with related parties have been carried out on commercial terms and conditions.	

19 FAIR VALUE DISCLOSURES

The carrying value of all financial assets and liabilities in these condensed interim consolidated financial statements approximate their fair values.

20 SUMMARY OF SIGNIFICANT TRANSACTION

Sales - net

During the period, the sales of the Holding Company increased by Rs. 722.859 million due to export of clinker amounting to Rs. 784.738 million.

21 OPERATING SEGMENTS

For management purposes the Group is organized into following major business segments.

Cement
Power

Engaged in manufacturing and marketing of cement.
Engaged in generation and sale of electric power.

	Cement		Power		Intra group adjustment		Consolidated	
	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018
	----- (Un-audited) -----							
21.1 Revenues	----- Rupees in thousands -----							
Sales - net	2,896,625	2,173,766	967,185	1,127,969	(524,638)	(464,636)	3,339,172	2,837,099
Cost of sales	(2,339,126)	(1,544,636)	(711,709)	(813,856)	547,509	450,531	(2,503,326)	(1,907,961)
Gross profit	557,499	629,130	255,476	314,113	22,871	(14,105)	835,846	929,138
Selling and distribution cost	(208,772)	(57,327)	-	-	-	-	(208,772)	(57,327)
Administrative expenses	(77,711)	(95,496)	(28,989)	(18,246)	14,495	13,177	(92,205)	(100,565)
	(286,483)	(152,823)	(28,989)	(18,246)	14,495	13,177	(300,977)	(157,892)
Operating profit	271,016	476,307	226,487	295,867	37,366	(928)	534,869	771,246
Other operating expenses	(23,769)	(31,234)	-	-	-	-	(23,769)	(31,234)
Finance cost	(39,077)	(50,392)	(24,110)	(33,235)	-	7,247	(63,187)	(76,380)
	(62,846)	(81,626)	(24,110)	(33,235)	-	7,247	(86,956)	(107,614)
Other income	23,914	34,843	22,470	15,513	(15,234)	(21,096)	31,150	29,260
Segment results	232,084	429,524	224,847	278,145	22,132	(14,777)	479,063	692,892
Unallocated expenditures	-	-	-	-	-	-	-	-
Profit before taxation	232,084	429,524	224,847	278,145	22,132	(14,777)	479,063	692,892
Taxation	(68,045)	(121,982)	(4,128)	(1,854)	-	-	(72,173)	(123,836)
Profit for the period	164,039	307,542	220,719	276,291	22,132	(14,777)	406,890	569,056

	Cement		Power		Intra group adjustment		Consolidated	
	March 2019	June 2018	March 2019	June 2018	March 2019	June 2018	March 2019	June 2018
	----- (Un-audited) -----							
21.2 Other information	----- Rupees in thousands -----							
Segment assets	3,635,485	4,139,695	3,571,846	2,208,773	(363,435)	(396,305)	6,843,896	5,952,163
Unallocated corporate assets	-	-	-	-	-	-	-	-
Total assets	3,635,485	4,139,695	3,571,846	2,208,773	(363,435)	(396,305)	6,843,896	5,952,163
Segment liabilities	1,058,250	1,582,905	1,554,974	412,620	(60,118)	(70,856)	2,553,106	1,924,669
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
Total liabilities	1,058,250	1,582,905	1,554,974	412,620	(60,118)	(70,856)	2,553,106	1,924,669
Capital expenditure	30,876	267,641	1,037,782	32,610	-	-	1,068,658	300,251
Depreciation	100,538	124,146	37,480	47,415	-	-	138,018	171,561
Non-cash expenses other than depreciation	4,300	(1,796)	11,270	-	-	-	15,570	(1,796)

21.3 Reconciliation of reportable segment revenues, profit or loss, assets and liabilities:

	Consolidated	
	March 31, 2019	March 31, 2018
	----- (Un-audited) -----	
	----- Rupees in thousands -----	
Total revenue of reportable segments	3,863,810	3,301,735
Elimination of intra group revenue	(524,638)	(464,636)
Consolidated revenue	<u>3,339,172</u>	<u>2,837,099</u>

21.3.1 Operating revenues

21.3.2 Profit or loss

Total profit before tax of reportable segments	456,931	707,669
Adjustment of unrealized profit	22,132	(14,777)
Consolidated profit before taxation	<u>479,063</u>	<u>692,892</u>

	Consolidated	
	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	----- Rupees in thousands -----	

21.3.3 Assets

Total assets of reportable segments	7,207,331	6,348,468
Elimination of intra group balances and unrealised profit	(361,832)	(394,702)
Reclassification for consolidation purposes	(1,603)	(1,603)
Consolidated assets	<u>6,843,896</u>	<u>5,952,163</u>

21.3.4 Liabilities

Total liabilities of reportable segments	2,613,224	1,995,525
Elimination of intra group balances	(60,118)	(70,856)
Consolidated liabilities	<u>2,553,106</u>	<u>1,924,669</u>

	Revenue		Total Assets		Net Assets	
	March 31, 2019	March 31, 2018	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	----- Rupees in thousands -----					
Local	2,554,434	2,837,099	6,843,896	5,952,163	4,290,790	4,027,494
Export	784,738	-	-	-	-	-
	<u>3,339,172</u>	<u>2,837,099</u>	<u>6,843,896</u>	<u>5,952,163</u>	<u>4,290,790</u>	<u>4,027,494</u>

21.4 Geographical segment analysis

21.5 Information about major customers

Major customers for cement segment are various individual dealers, builders, developers & manufacturers of building material whereas major customer for power segment is Hyderabad Electric Supply Company Limited (HESCO).

22 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim consolidated statement of financial position has been compared with the balances of annual audited consolidated statement of financial position of the preceding financial year, whereas, the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.


Corresponding figure for salaries and benefits disclosed under transactions with key management personnel (Note - 18.1.1) has been recalculated based on the definition of Executive as per Companies Act, 2017.

23 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been authorized for issue on April 24, 2019 by the Board of Directors of the Holding Company.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

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