



**THATTA CEMENT**  
COMPANY LIMITED

**REPORT**  
**SEPTEMBER 2023**



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# vision

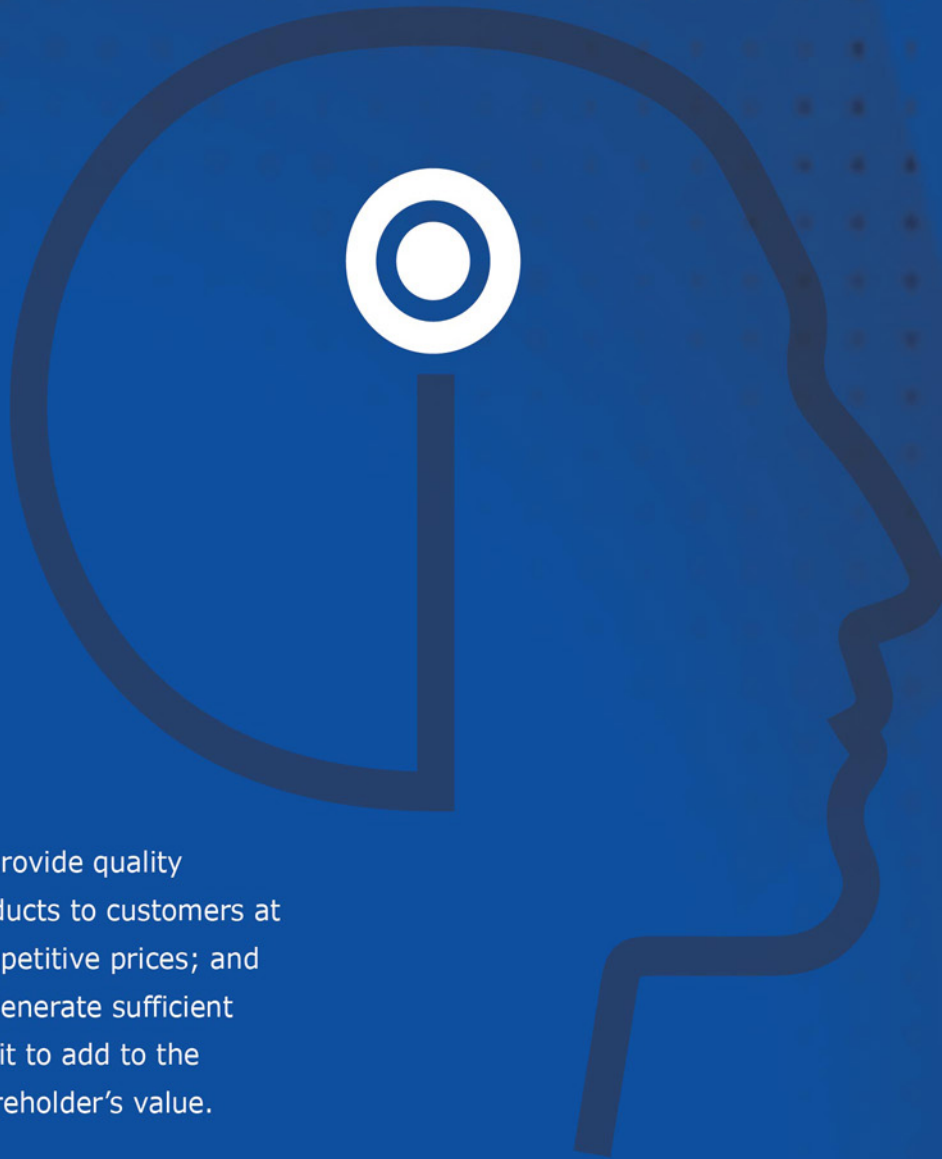
Foresight of the Future



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

Prosperity with a Purpose



- 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  
Mr. Kamran Munir Ansari  
Ms. Naheed Memon  
Mr. Noor Muhammad  
Mr. Saleem Zamindar  
Mr. Alamuddin Bullo

Chairman  
Chief Executive  
Director  
Director  
Director  
Director

### **AUDIT COMMITTEE**

Ms. Naheed Memon  
Mr. Khawaja Muhammad Salman Younis  
Mr. Saleem Zamindar

Chairperson  
Member  
Member

### **IT STEERING COMMITTEE**

Mr. Khawaja Muhammad Salman Younis  
Mr. Kamran Munir Ansari  
Mr. Muhammad Abid Khan

Chairman  
Member  
Member

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Abid Khan

### **COMPANY SECRETARY**

Mr. Muhammad Abid Khan

### **STATUTORY AUDITOR**

M/s BDO Ebrahim & Co., Chartered Accountants

### **CORPORATE ADVISOR**

M/s Sharjeel Ayub & Co., Chartered Accountants

### **LEGAL ADVISOR**

M/s Usmani & Iqbal

### **BANKERS - CONVENTIONAL**

National Bank of Pakistan  
Sindh Bank Limited  
Summit Bank Limited

### **REGISTERED OFFICE**

CL/5-4 State Life Building # 10,  
Abdullah Haroon Road, Karachi, Pakistan.  
UAN: 0092-21-111-842-82  
Fax no.: 0092-21-35665976-77  
Website: [www.thattacement.com](http://www.thattacement.com)  
E-mail: [info@thattacement.com](mailto:info@thattacement.com)

### **FACTORY**

Ghulamullah Road, Makli,  
District Thatta, Sindh 73160

### **SHARE REGISTRAR**

THK Associates (Pvt) Limited  
Plot # 32-C, Jami Commercial  
Street 2, Phase-VII, DHA,  
Karachi, Pakistan.  
UAN: 021-111-000-322  
Fax: 021-35655595  
Website: [www.thk.com.pk](http://www.thk.com.pk)



## DIRECTORS' REVIEW

The Board of Directors present herewith their review together with the un-audited condensed interim financial statements for the quarter ended September 30, 2023.

## **OVERVIEW**

Production and dispatch statistics for the quarter ended September 30, 2023 are as follows:

Description	September 30, 2023	September 30, 2022	Variance	
	-----Metric Tons-----			%
<b><u>Production</u></b>				
Clinker	63,104	61,566	1,538	2.50
Cement	106,878	87,914	18,964	21.57
<b><u>Dispatches</u></b>				
Clinker	1,451	-	1,451	100
Cement	108,540	90,287	18,253	20.22

Cement dispatches of your company increased by 20.22% during the quarter under review as compared to corresponding period last year.

The Company achieved 38.24% overall clinker production capacity by producing 63,104 tons of clinker against 37.31% capacity utilization with clinker production of 61,566 tons in the same period last year.

## **INDUSTRY REVIEW**

During the first quarter of the current fiscal year, total dispatches (local and exports) posted an increase of 23.39% in volumetric terms from 9.62 million tons to 11.87 million tons in the same period last year. Local dispatches posted an increase of 17.67% in volumetric terms from 8.60 million tons to 10.12 million tons whereas export dispatches also showed an increase of 71.57% from 1.02 million tons to 1.75 million tons during the period under review.

In the southern region, local dispatches posted an increase of 33.58% in volumetric terms from 1.34 million tons to 1.79 million tons whereas export dispatches also showed an increase of 80.82% from 0.73 million tons to 1.32 million tons during the period under review. Total dispatches in the southern region showed an increase of 50.24% from 2.07 million tons to 3.11 million tons during the period under review.

## FINANCIAL REVIEW

A comparison of the financial results of the Company's performance for the period ended September 30, 2023 with the same period last year is as under:

Particulars	September 30, 2023	September 30, 2022
	Rupees in thousands	
Sales – net	1,470,533	932,365
Gross Profit/(Loss)	214,158	(44,768)
Selling and Distribution Cost	13,399	19,087
Finance Cost	14,664	15,527
Profit/(Loss) before taxation	200,953	(75,618)
Profit/(Loss) for the quarter	121,312	(53,906)
Earnings/(Loss) per share (Rupees)	1.22	(0.54)

During the period gross profit margin improved significantly, rising from a negative figure of (4.80%) to 14.56% when compared to the same period in the previous year. The Company earned a profit before tax of Rs. 200.95 million after providing for depreciation of Rs. 24.10 million.

**(i) Sales Performance**

Sales revenue of the Company during the period in value terms posted an increase of 57.72%, mainly due to appreciation in local sales of cement as a result of better market penetration strategy.

**(ii) Cost of Sales**

Cost to Sales ratio decreased to 85.44% as compared to 104.80% during the same period last year.

**(iii) Selling and Distribution**

Selling and Distribution cost decreased by 29.80% as compared to the same period last year.

## FUTURE OUTLOOK

In current fiscal year 2023-24, Pakistan continues to face significant political and economic challenges, casting a somewhat gloomy outlook. The nation finds itself navigating a complex economic situation marked by global economic downturn repercussions, soaring inflation rates, limited financial resources, and environmental disasters.

However, despite these difficulties, there has been a recent development on the economic front offers a glimmer of hope. The Federal Government has inked a 'Standby Agreement' to reinstate the much-anticipated IMF program. This agreement entails the disbursement of USD 3.0 billion over a nine-month period, providing a much-needed respite to the economy and addressing immediate to medium-term financing needs.

The revival of the IMF program carries several positive implications. It can help mitigate financial uncertainty, fostering a sense of stability and predictability for businesses and investors. Additionally, it opens doors for Pakistan to secure further financial support from other international lenders and friendly nations, enhancing financial flexibility.

Despite the challenges that lie ahead, the resurgence of the IMF program injects optimism into Pakistan's economic prospects for the current fiscal year. To navigate the ongoing difficulties and nurture sustainable economic growth, it remains crucial to uphold fiscal discipline, implement effective financial management practices, and engage in strategic collaboration with international financial institutions.

Establishing political stability in the country is paramount to restoring confidence in the economy and ensuring long-term economic prosperity. The forthcoming general elections are anticipated to bring political stability, playing a pivotal role in rejuvenating the current economic landscape. Restoring faith in the economy and paving the way for a prosperous future will hinge on the implementation of sustainable, long-term measures.

## PERFORMANCE OF THE GROUP

A brief of the financial position and performance of the Group for the quarter ended September 30, 2023 are as follows.

	September 30, 2023	June 30, 2023
	----- (Rupees in thousands) -----	
<b>Statement of Financial Position</b>		
Property, plant and equipment	3,778,636	3,811,303
Stock-in-Trade	554,763	926,376
Trade Debts	955,909	969,709
Total Equity - Holding Company	4,322,666	4,186,946
Trade and Other payables	1,088,889	1,165,830

	September 30, 2023	September 30, 2022
	----- (Rupees in thousands) -----	
<b>Statement of Profit or Loss</b>		
Sales - net	1,495,625	995,376
Gross Profit	283,413	(3,181)
Selling, Distribution cost & Administrative Expense	56,140	58,843
Profit/(Loss) before taxation	231,887	(92,978)
Profit/(Loss) after taxation	144,391	(71,339)
Earnings per share (in Rupees)	1.36	(0.65)

## 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 and dedicated services, team work, loyalty and hard work of all the employees of the Company and hope their continued dedication shall further consolidate the Company and keep it abreast to face future developments and demands.



**Kamran Munir Ansari**  
Chief Executive



**Khawaja Muhammad Salman Younis**  
Chairman

Karachi: October 27, 2023



# THATTA CEMENT COMPANY LIMITED

UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

**Thatta Cement Company Limited**  
**Condensed Interim Unconsolidated Statement of Financial Position**  
**As at September 30, 2023**

		(Un-audited)	(Audited)
		September 30,	June 30,
		2023	2023
	Note	----- Rupees in thousands -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,833,126	1,838,811
Intangible Assets	6	3,802	4,095
Long term investment in the Subsidiary	7	299,158	299,158
Long term deposits		5,125	5,125
		2,141,211	2,147,189
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	8	234,307	187,776
Stock-in-trade	9	564,011	933,536
Trade debts	10	422,199	424,518
Advances		42,800	48,104
Deposits and prepayments		32,147	5,542
Short term Investment		441,865	223,715
Gratuity fund asset		23,100	23,100
Other receivables and accrued mark-up		45,733	16,430
Taxation - net		3,322	66,000
Cash and bank balances		898,953	667,071
		2,708,437	2,595,792
<b>TOTAL ASSETS</b>		4,849,648	4,742,981
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Authorized capital		2,000,000	2,000,000
Share capital	11	997,181	997,181
Share premium		99,718	99,718
Accumulated profit		2,009,122	1,887,810
		3,106,021	2,984,709
<b>NON-CURRENT LIABILITIES</b>			
Long term deposits		35,937	2,787
Long term employee benefit		20,881	19,694
Deferred taxation		292,518	278,073
		349,336	300,554
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,182,449	1,236,387
Dividend payable		1,957	1,957
Accrued mark-up		13,259	12,765
Short term borrowings		196,626	206,609
		1,394,291	1,457,718
<b>TOTAL EQUITY AND LIABILITIES</b>		4,849,648	4,742,981
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

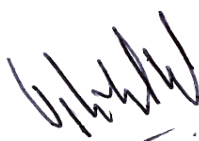
**Thatta Cement Company Limited**  
**Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)**  
**For the quarter ended September 30, 2023**

	Note	Quarter ended	
		September 30,	
		2023	2022
		----- Rupees in thousands -----	
Sales - net	14	1,470,533	932,365
Cost of sales	15	(1,256,375)	(977,133)
<b>Gross profit / (loss)</b>		<b>214,158</b>	<b>(44,768)</b>
Selling and distribution cost		(13,399)	(19,087)
Administrative expenses		(39,483)	(36,769)
		161,276	(100,624)
Other operating expenses		(14,917)	-
Other income		69,258	40,533
<b>Operating profit / (loss)</b>		<b>215,617</b>	<b>(60,091)</b>
Finance cost		(14,664)	(15,527)
<b>Profit / (loss) before taxation</b>		<b>200,953</b>	<b>(75,618)</b>
Taxation			
Current		(65,196)	(11,814)
Deferred		(14,445)	33,526
		(79,641)	21,712
<b>Profit / (loss) for the quarter</b>		<b>121,312</b>	<b>(53,906)</b>
<b>Earnings / (loss) per share - basic and diluted (Rupee)</b>	16	<b>1.22</b>	<b>(0.54)</b>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**Thatta Cement Company Limited**  
**Condensed Interim Unconsolidated Statement of Comprehensive**  
**Income (Un-audited)**

**For the quarter ended September 30, 2023**

	Quarter ended	
	September 30,	
	2023	2022
	----- Rupees in thousands -----	
Profit / (loss) for the quarter	121,312	(53,906)
Other comprehensive income / (loss)	-	-
<b>Total comprehensive profit / (loss) for the quarter</b>	<b>121,312</b>	<b>(53,906)</b>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**Thatta Cement Company Limited**  
**Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)**  
**For the quarter ended September 30, 2023**

	Quarter ended	
	September 30,	
	2023	2022
	----- Rupees in thousands -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (loss) before taxation</b>	200,953	(75,618)
<b>Adjustment for:</b>		
Depreciation on property, plant and equipment	24,102	22,066
Depreciation on right-of-use-assets	-	2,260
Amortization	293	293
Finance cost	14,664	15,527
Provision for gratuity	-	5,009
Provision for leave encashment	1,371	1,365
Gain on disposal of property, plant and equipment	(4,703)	(279)
	35,727	46,241
<b>Operating cash flows before working capital changes</b>	236,680	(29,377)
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(46,531)	(138,621)
Stock-in-trade	369,525	151,903
Trade debts	2,318	124,293
Advances	5,304	18,312
Trade deposits and prepayments	(26,605)	(18,885)
Other receivables and accrued mark-up	(29,303)	(21,974)
	274,708	115,028
<b>Decrease in current liabilities</b>		
Trade and other payables	(53,938)	(13,283)
<b>Cash generated from operations</b>	457,450	72,368
Finance cost paid	(14,170)	(13,900)
Gratuity paid	-	(10,000)
Lease rentals paid	-	(1,554)
Leave encashment paid	(184)	(556)
Income tax paid - net	(2,518)	(1,376)
<b>Net cash generated from operating activities</b>	440,578	44,982
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(18,416)	(19,495)
Short term investment	(218,150)	-
Proceeds from disposal of property, plant & equipment	4,703	279
Long term deposit - liabilities	33,150	-
Loan / Advance to Subsidiary	-	(54,192)
<b>Net cash used in investing activities</b>	(198,713)	(73,408)
<b>Net increase / (decrease) in cash and cash equivalents</b>	241,865	(28,426)
Cash and cash equivalents at beginning of the quarter	460,462	15,890
<b>Cash and cash equivalents at end of the quarter</b>	702,327	(12,536)

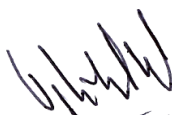
**Thatta Cement Company Limited**  
**Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)**  
**For the quarter ended September 30, 2023**

	Quarter ended	
	September 30,	
	2023	2022
	----- Rupees in thousands -----	
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	898,953	191,038
Short term borrowings	(196,626)	(203,574)
	<u>702,327</u>	<u>(12,536)</u>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



**Thatta Cement Company Limited**  
**Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)**  
**For the quarter ended September 30, 2023**

	Share capital	Reserves		Total
		Share premium	Accumulated profit	
----- Rupees in thousands -----				
<b>Balance as at July 1, 2022 (audited)</b>	997,181	99,718	1,643,410	2,740,309
Total comprehensive loss for the quarter ended September 30, 2022				
Loss for the quarter	-	-	(53,906)	(53,906)
<b>Balance as at September 30, 2022 (un-audited)</b>	<u>997,181</u>	<u>99,718</u>	<u>1,589,504</u>	<u>2,686,403</u>
<b>Balance as at July 1, 2023 (audited)</b>	997,181	99,718	1,887,810	2,984,709
Total comprehensive profit for the quarter ended September 30, 2023				
Profit for the quarter	-	-	121,312	121,312
<b>Balance as at September 30, 2023 (un-audited)</b>	<u>997,181</u>	<u>99,718</u>	<u>2,009,122</u>	<u>3,106,021</u>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

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**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 CL/5-4, State Life Building No. 10, Abdullah Haroon Road, Karachi, Pakistan. 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 supply of electric power.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

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 for the quarter ended September 30, 2023 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 Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017.

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

**2.2** These condensed interim unconsolidated financial statements do not include all the statements and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2023 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

**2.3** The comparative unconsolidated statement of financial position presented in these condensed interim unconsolidated financial statements has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023, whereas the comparative 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 are extracted from the unaudited condensed interim unconsolidated financial statements for the quarter ended September 30, 2022.

**2.4 Basis of measurement**

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention unless stated otherwise.

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

**2.5 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.

**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, 2023.

**4 ESTIMATES AND JUDGEMENTS**

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

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2023.

**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

		(Unaudited)	(Audited)
		September 30,	June 30,
		2023	2023
	Note	----- Rupees in thousands -----	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	1,747,424	1,756,027
	Major stores and spares	56,413	65,145
	Capital work in progress	29,289	17,639
		<u>1,833,126</u>	<u>1,838,811</u>
<b>5.1</b>	<b>Operating fixed assets</b>		
	Opening net book value (NBV)	1,756,027	1,791,462
	Additions during the quarter / year at cost	15,499	103,913
		<u>1,771,526</u>	<u>1,895,375</u>
	WDV of disposals during the quarter / year	-	(1,599)
	Depreciation charge for the quarter / year	(24,102)	(137,749)
		<u>(24,102)</u>	<u>(139,348)</u>
	Closing net book value (NBV)	<u>1,747,424</u>	<u>1,756,027</u>
<b>5.1.1</b>	Detail of additions (at cost) during the quarter / year are as follows:		
	Plant and machinery	14,256	19,656
	Electrical installations	104	77,485
	Office equipment	-	769
	Furniture and fixtures	-	1,989
	Laboratory equipment	-	1,452
	Computers	1,139	2,562
		<u>15,499</u>	<u>103,913</u>
<b>5.2</b>	<b>Major stores and spares</b>		
	<b>Cost</b>		
	Opening balance	112,243	108,319
	Additions during the quarter / year	5,534	17,253
	Transferred during the quarter / year	(14,266)	(13,329)
	Closing balance	<u>103,511</u>	<u>112,243</u>
	<b>Accumulated impairment</b>		
	Opening balance	(47,098)	(42,448)
	Impairment charge for the quarter / year	-	(4,650)
	Closing balance	<u>(47,098)</u>	<u>(47,098)</u>
	Net book value	<u>56,413</u>	<u>65,145</u>
<b>5.3</b>	<b>Capital work-in-progress</b>		
	Opening Balance	17,639	62,730
	Additions during the quarter / year	11,650	42,980
	Transfers during the quarter / year	-	(88,071)
	Closing Balance	<u>29,289</u>	<u>17,639</u>

**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

		(Unaudited)	(Audited)
		September 30,	June 30,
		2023	2023
	Note	----- Rupees in thousands -----	
<b>6</b>	<b>INTANGIBLE ASSETS</b>		
Cost		5,850	5,850
Amortization on intangibles			
Opening balance		(1,755)	(585)
Charge for the quarter / year		(293)	(1,170)
Closing balance		(2,048)	(1,755)
Net book value		<u>3,802</u>	<u>4,095</u>
<b>7</b>	<b>LONG TERM INVESTMENT IN SUBSIDIARY COMPANY</b>		
Thatta Power (Private) Limited (TPPL)	7.1 & 7.2	<u>299,158</u>	<u>299,158</u>
<b>7.1</b>	The Company owns 62.43% shareholding of TPPL as at September 30, 2023 (June 30, 2023: 62.43%). The principal business of the Subsidiary Company is generation and sale of electric power. As at September 30, 2023, TPPL has authorized and issued share capital of Rs. 500.00 million and Rs. 479.16 million divided into 50,000,000 and 47,915,830 ordinary shares respectively. Investment in Subsidiary Company is accounted and carried on the basis of cost.		
<b>7.2</b>	Thatta Cement Company Limited has pledged its investment in shares of TPPL in favor of National Bank of Pakistan (NBP) as the security trustee against syndicate term finance facility extended by NBP and other syndicated banks of TPPL.		
<b>8</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
Coal and other fuels		81,267	34,253
Stores & spare parts		199,881	200,299
Loose tools		64	129
		<u>281,212</u>	<u>234,681</u>
Provision for obsolete stores		(3,833)	(3,833)
Provision for slow moving stores and spares		(43,072)	(43,072)
		<u>(46,905)</u>	<u>(46,905)</u>
		<u>234,307</u>	<u>187,776</u>
<b>9</b>	<b>STOCK-IN-TRADE</b>		
Raw material		28,441	26,029
Packing material		61,640	76,089
Work-in-process		394,261	737,889
Finished goods		79,669	93,529
		<u>564,011</u>	<u>933,536</u>

**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

	(Un-audited)	(Audited)	
	September 30,	June 30,	
	2023	2023	
	----- Rupees in thousands -----		
<b>10 TRADE DEBTS</b>			
<b>Considered good</b>			
Local - unsecured	422,433	424,751	
<b>Considered doubtful</b>			
Local - unsecured	75,107	75,107	
	497,540	499,858	
Allowance for expected credit losses	(75,341)	(75,340)	
	<u>422,199</u>	<u>424,518</u>	
<b>11 SHARE CAPITAL</b>			
	(Un-audited)	(Audited)	
	September 30,	June 30,	
	2023	2023	
	--- Number of shares ---		
	----- Rupees in thousands -----		
<b>Authorized share capital</b>			
<u>200,000,000</u>	200,000,000	200,000,000	Ordinary shares of Rs. 10/- each
<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	
<b>Issued, subscribed and paid-up share capital</b>			
<u>89,418,125</u>	89,418,125	894,181	Ordinary shares of Rs. 10/- each - shares allotted for consideration fully paid in cash
<u>10,300,000</u>	10,300,000	103,000	Ordinary shares of Rs. 10/- each - shares allotted for consideration other than cash
<u>99,718,125</u>	<u>99,718,125</u>	<u>997,181</u>	
<b>12 TRADE AND OTHER PAYABLES</b>			
Trade creditors	349,720	372,411	
Accrued liabilities	471,702	459,405	
Contract liability	242,027	267,867	
Excise duty and sales tax payable	73,383	100,659	
Workers' Profit Participation Fund	30,372	19,579	
Workers' Welfare Fund	11,542	7,440	
Other liabilities	3,703	9,026	
	<u>1,182,449</u>	<u>1,236,387</u>	
<b>13 CONTINGENCIES AND COMMITMENTS</b>			
<b>13.1 Contingencies</b>			
The status of contingencies as disclosed in annual audited unconsolidated financial statements for the year ended June 30, 2023 are same as at September 30, 2023.			
<b>13.2 Commitments</b>			
<b>13.2.1</b>	Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Company amounts to Rs. 45 million (June 30, 2023: Rs. 45 million).		
<b>13.2.2</b>	Irrevocable letter of credit under revenue expenditure as at reporting date is Rs. 20.952 million (June 30, 2023: Rs. NIL)		
<b>13.2.3</b>	Other outstanding guarantees given on behalf of the Company by banks amounting to Rs. 198.715 million (June 30, 2023: Rs. 223.715 million).		

**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

		Quarter ended	
		September 30,	
		2023	2022
		----- Rupees in thousands -----	
<b>14</b>	<b>SALES - NET</b>		
	Gross sales		
	Local	1,977,631	1,258,027
	Export	-	-
		<u>1,977,631</u>	<u>1,258,027</u>
	Less:		
	Federal Excise Duty	(219,982)	(135,431)
	Sales tax	(287,116)	(190,231)
		<u>(507,098)</u>	<u>(325,662)</u>
		<u>1,470,533</u>	<u>932,365</u>
<b>15</b>	<b>COST OF SALES</b>		
	Raw material consumed	57,485	58,521
	Packing material consumed	83,812	54,423
	Stores, spare parts and loose tools consumed	45,936	21,019
	Fuel and power	573,791	555,510
	Salaries, wages and other benefits	95,069	86,379
	Insurance	8,793	6,129
	Repairs and maintenance	2,155	2,157
	Depreciation	23,153	21,120
	Vehicle hire, running & maintenance	6,615	6,383
	Communication	562	398
	Entertainment	480	294
	Other production overheads	1,036	694
	<b>Cost of production</b>	<u>898,887</u>	<u>813,027</u>
	<b>Work-in-process</b>		
	Opening balance	737,889	415,294
	Closing balance	(394,261)	(266,484)
		<u>343,628</u>	<u>148,810</u>
	<b>Cost of goods manufactured</b>	<u>1,242,515</u>	<u>961,837</u>
	<b>Finished goods</b>		
	Opening balance	93,529	59,425
	Closing balance	(79,669)	(44,129)
		<u>13,860</u>	<u>15,296</u>
		<u>1,256,375</u>	<u>977,133</u>
<b>16</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	Profit/(loss) for the quarter (Rupees in thousands)	121,312	(53,906)
	Weighted average number of ordinary shares	99,718,125	99,718,125
	Earnings/(loss) per share - basic and diluted (Rupees)	<u>1.22</u>	<u>(0.54)</u>



**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

**17 RELATED PARTY TRANSACTIONS & BALANCES**

Related parties comprise of 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. Details of transactions during the quarter ended/outstanding balances as at September 30, 2023 with related parties are as follows:

	Quarter ended	
	September 30,	
	2023	2022
	----- Rupees in thousands -----	
<b>17.1 Transactions with related parties</b>		
<b>17.1.1 Subsidiary Company</b>		
<b>Thatta Power (Private) Limited</b>		
Common shared expenses	1,421	1,261
Receipts on account of common shared expenses	1,848	-
Purchase of store items - net	453	528
Payment on account of purchase of store items - net	723	-
Purchase of electricity (inclusive of GST)	307,112	180,328
Payment on account of electricity (inclusive of GST)	286,270	200,543
Management fee claimed	8,793	7,993
Management fee received	11,191	-
Sale of waste heat	7,133	5,487
Receipt on account of sale of waste heat	10,837	-
Loan disbursement	-	54,192
Interest accrued on loan	-	5,880
<b>17.1.2 Key management personnel</b>		
Salaries and benefits	30,832	18,869
<b>17.1.3 Other related parties</b>		
Contribution to employees' Gratuity Fund	-	10,000
Contribution to employees' Provident Fund	3,292	2,975
Education expenses - Model Terbiat School	1,057	1,234
	(Un-audited)	(Audited)
	September 30,	June 30,
	2023	2023
	----- Rupees in thousands -----	
<b>17.2 Balances with related parties</b>		
<b>17.2.1 Subsidiary Company</b>		
<b>Thatta Power (Private) Limited</b>		
Payable against purchase of electricity (inclusive of GST)	234,791	213,949
Receivable against management fee (inclusive of SST)	2,930	5,328
Receivable against common shared expenses	468	895
Receivable / (payable) against purchase of store items - net	80	(190)
Receivable against sale of waste heat (inclusive of GST)	4,710	8,414
<b>17.2.2 Other related parties</b>		
Payable to Gratuity Fund	23,100	23,100
<b>17.3</b>		
There are no transactions with key management personnel other than under their terms of employment.		

**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

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**18 FAIR VALUE MEASUREMENTS**

The carrying values of all financial assets and liabilities reflected in the condensed interim unconsolidated financial statements approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.

Level 3: inputs for the asset or liability that are not based on observable market data (unadjusted) inputs.

The fair value of all other assets and liabilities is estimated to approximate their carrying value.

**19 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

**20 NUMBER OF EMPLOYEES**

The number of employees as at September 30, 2023 was 507 (June 30, 2023: 493) and average number of employees during the period was 499 (June 30, 2023: 497).

**21 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim unconsolidated financial statements have been authorized for issue on October 27, 2023 by the Board of Directors of the Company.

**22 GENERAL**

Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.



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**CHIEF FINANCIAL OFFICER**



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**CHIEF EXECUTIVE**



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**DIRECTOR**

# THATTA CEMENT COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2023

**Thatta Cement Company Limited**  
**Condensed Interim Consolidated Statement of Financial Position**  
**As at September 30, 2023**

		(Un-audited)	(Audited)
		September 30,	June 30,
		2023	2023
	Note	---- Rupees in thousands ----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3,778,636	3,811,303
Intangible Assets	6	3,802	4,095
Long term deposits		5,125	5,125
		3,787,563	3,820,523
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	7	264,103	223,534
Stock-in-trade	8	554,763	926,376
Trade debts	9	955,909	969,709
Advances		54,104	50,027
Deposits and prepayments		263,539	231,744
Short term investment		566,865	323,715
Other receivables and accrued mark-up		89,271	25,050
Gratuity Fund asset		23,100	23,100
Short term loan		300,000	300,000
Taxation - net		33,777	103,284
Cash and bank balances		943,211	684,452
		4,048,642	3,860,991
<b>TOTAL ASSETS</b>		7,836,205	7,681,514
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	997,181	997,181
Share premium		99,718	99,718
Accumulated profit		3,225,767	3,090,047
<b>Equity attributable to the owners of the Holding Company</b>		4,322,666	4,186,946
<b>Non-controlling interests</b>		913,515	904,844
		5,236,181	5,091,790
<b>NON-CURRENT LIABILITIES</b>			
Long term deposits		35,937	2,787
Long term employee benefit		20,881	19,694
Deferred taxation		292,518	278,073
		349,336	300,554
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,088,889	1,165,830
Dividend payable		1,957	1,957
Accrued mark-up		211,887	163,445
Current maturity of long term financing		751,329	751,329
Short term borrowings		196,626	206,609
		2,250,688	2,289,170
<b>TOTAL EQUITY AND LIABILITIES</b>		7,836,205	7,681,514
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		


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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**Thatta Cement Company Limited**  
**Condensed Interim Consolidated Statement of Profit or Loss (Un-audited)**  
**For the quarter ended September 30, 2023**

	Note	Quarter ended	
		September 30,	
		2023	2022
		---- Rupees in thousands ----	
Sales - net	13	1,495,625	995,376
Cost of sales	14	(1,212,212)	(998,557)
<b>Gross profit / (loss)</b>		<b>283,413</b>	<b>(3,181)</b>
Selling and distribution cost		(13,399)	(19,087)
Administrative expenses		(42,741)	(39,756)
		227,273	(62,024)
Other operating expenses		(14,917)	-
Other income		82,145	22,820
<b>Operating profit / (loss)</b>		<b>294,501</b>	<b>(39,204)</b>
Finance cost		(62,614)	(53,774)
<b>Profit / (loss) for the quarter</b>		<b>231,887</b>	<b>(92,978)</b>
Taxation			
Current		(73,051)	(11,887)
Deferred		(14,445)	33,526
		(87,496)	21,639
<b>Profit / (loss) for the quarter</b>		<b>144,391</b>	<b>(71,339)</b>
<b>Profit / (loss) for the period attributable to:</b>			
Equity holders of the Holding Company		135,720	(64,789)
Non-controlling interests		8,671	(6,550)
		<b>144,391</b>	<b>(71,339)</b>
<b>Earnings / (loss) per share - basic and diluted (Rupee)</b>	15	<b>1.36</b>	<b>(0.65)</b>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

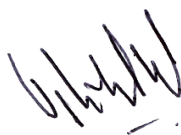
**Thatta Cement Company Limited**  
**Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)**  
**For the quarter ended September 30, 2023**

	Quarter ended	
	September 30,	
	2023	2022
	---- Rupees in thousands ----	
Profit / (loss) for the quarter	144,391	(71,339)
Other comprehensive income / (loss)	-	-
<b>Total comprehensive income / (loss) for the quarter</b>	<b>144,391</b>	<b>(71,339)</b>
<b>Total comprehensive income / (loss) for the period attributable to:</b>		
Equity holders of the Holding Company	135,720	(64,789)
Non-controlling interests	8,671	(6,550)
	<b>144,391</b>	<b>(71,339)</b>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



**Thatta Cement Company Limited**  
**Condensed Interim Consolidated Statement of Cash Flows (Un-audited)**  
**For the quarter ended September 30, 2023**

	Quarter ended	
	September 30,	
	2023	2022
	---- Rupees in thousands ----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (loss) before taxation</b>	231,887	(92,978)
<b>Adjustment for:</b>		
Depreciation on property, plant and equipment	52,809	52,227
Depreciation on right-of-use-assets	-	2,260
Amortization	293	293
Finance cost	62,614	53,774
Provision for gratuity	-	5,009
Provision for leave encashment	1,371	1,365
Gain on disposal of property, plant and equipment	(4,703)	(279)
	112,384	114,649
<b>Operating cash flows before working capital changes</b>	344,271	21,671
<b><i>(Increase) / decrease in current assets</i></b>		
Stores, spare parts and loose tools	(40,569)	(138,347)
Stock-in-trade	371,613	150,647
Trade debts	13,799	92,215
Advances	(4,077)	7,969
Trade deposits and prepayments	(31,795)	(24,663)
Other receivables and accrued mark-up	(64,221)	(15,965)
	244,750	71,856
<b><i>Increase / (decrease) in current liabilities</i></b>		
Trade and other payables	(76,941)	16,114
<b>Cash generated from operations</b>	512,080	109,641
Finance cost paid	(14,172)	(45,005)
Gratuity paid	-	(10,000)
Lease rentals paid	-	(1,554)
Leave encashment paid	(184)	(556)
Income tax paid - net	(3,544)	(1,384)
<b>Net cash generated from operating activities</b>	494,180	51,142
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(20,141)	(19,495)
Short term investment	(243,150)	-
Long term deposit - liabilities	33,150	-
Proceeds from disposal of property, plant & equipment	4,703	279
<b>Net cash used in investing activities</b>	(225,438)	(19,216)

**Thatta Cement Company Limited**  
**Condensed Interim Consolidated Statement of Cash Flows (Un-audited)**  
**For the quarter ended September 30, 2023**

	Quarter ended	
	September 30,	
	2023	2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	-	(62,609)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(62,609)</b>
<b>Net increase / (decrease)in cash and cash equivalents</b>	<b>268,742</b>	<b>(30,683)</b>
Cash and cash equivalents at beginning of the quarter	477,843	25,223
<b>Cash and cash equivalents at end of the quarter</b>	<b>746,585</b>	<b>(5,460)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	943,211	198,114
Short term borrowings	(196,626)	(203,574)
	<b>746,585</b>	<b>(5,460)</b>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**Thatta Cement Company Limited**  
**Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)**  
**For the quarter ended September 30, 2023**

	Equity attributable to owners of the Holding Company				Non-controlling interests	Total equity
	Share capital	Share premium	Accumulated profit	Total		
----- Rupees in thousands -----						
<b>Balance as at July 1, 2022 (audited)</b>	997,181	99,718	2,807,821	3,904,720	882,081	4,786,801
Total comprehensive profit for the quarter ended September 30, 2022						
Loss for the quarter	-	-	(64,789)	(64,789)	(6,550)	(71,339)
<b>Balance as at September 30, 2022 (un-audited)</b>	<u>997,181</u>	<u>99,718</u>	<u>2,743,032</u>	<u>3,839,931</u>	<u>875,531</u>	<u>4,715,462</u>
<b>Balance as at July 1, 2023 (audited)</b>	997,181	99,718	3,090,047	4,186,946	904,844	5,091,790
Total comprehensive profit for the quarter ended September 30, 2023						
Profit for the quarter	-	-	135,720	135,720	8,671	144,391
<b>Balance as at September 30, 2023 (un-audited)</b>	<u>997,181</u>	<u>99,718</u>	<u>3,225,767</u>	<u>4,322,666</u>	<u>913,515</u>	<u>5,236,181</u>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

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**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 CL/5-4, State Life Building No. 10, Abdullah Haroon Road, Karachi, Pakistan. The production facility of the Holding Company 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 September 30, 2023 (June 30, 2023: 62.43%). The principal business activity of the Subsidiary Company is generation and sale of electric power. As at September 30, 2023 TPPL has authorized and issued capital of Rs. 500 million and Rs. 479.16 million divided into 50,000,000 (June 30, 2022: 50,000,000) ordinary shares and 47,915,830 (June 30, 2022: 47,915,830) ordinary shares respectively. The registered office and generation facility of the Subsidiary Company 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 quarter ended September 30, 2023 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 of 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, 2023.

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 comprise of the condensed interim consolidated statement of financial position as at June 30, 2023 and 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 for the quarter ended September 30, 2022.

**2.2 Basis of consolidation**

These condensed interim consolidated financial statements include 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 and 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 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.

**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

**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, 2023.

**4 ESTIMATES AND JUDGEMENTS**

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

The significant judgments made by management in applying the group's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2023.

		(Un-audited)	(Audited)
		September 30,	June 30,
		2023	2023
	Note	---- Rupees in thousands ----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>3,689,990</b>	3,725,575
Major stores and spares	5.2	<b>59,357</b>	68,089
Capital work in progress	5.3	<b>29,289</b>	17,639
		<b>3,778,636</b>	<b>3,811,303</b>
<b>5.1 Operating fixed assets</b>			
Opening net book value (NBV)		3,725,575	3,900,987
Additions during the quarter / year at cost	5.1.1	17,224	107,313
		<b>3,742,799</b>	4,008,300
WDV of disposals during the quarter / year		-	(37,689)
Depreciation charge for the quarter / year		<b>(52,809)</b>	(245,036)
		<b>(52,809)</b>	(282,725)
Closing net book value (NBV)		<b>3,689,990</b>	3,725,575
<b>5.1.1 Detail of additions (at cost) during the period / year are as follows:</b>			
Plant and machinery		15,981	23,056
Electrical Installations		104	77,485
Office building on freehold land		-	769
Furniture and fixtures		-	1,989
Laboratory equipment		-	1,452
Computers		1,139	2,562
		<b>17,224</b>	<b>107,313</b>
<b>5.2 Major stores and spares</b>			
<b>Cost</b>			
Opening balance		115,187	111,263
Additions during the quarter / year		5,534	17,253
Transferred during the quarter / year		<b>(14,266)</b>	(13,329)
Closing balance		<b>106,455</b>	115,187
<b>Accumulated impairment</b>			
Opening balance		<b>(47,098)</b>	(42,448)
Impairment charge for the quarter / year		-	(4,650)
Closing balance		<b>(47,098)</b>	(47,098)
Net book value		<b>59,357</b>	68,089
<b>5.3 Capital work-in-progress</b>			
Opening Balance		17,639	62,730
Additions during the quarter / year		11,650	42,980
Transfers during the quarter / year		-	(88,071)
Closing Balance		<b>29,289</b>	17,639

**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

		(Un-audited)	(Audited)
		September 30,	June 30,
		2023	2023
Note		---- Rupees in thousands ----	
<b>6</b>	<b>INTANGIBLE ASSETS</b>		
	Cost	5,850	5,850
	Amortization on intangibles		
	Opening balance	(1,755)	(585)
	Charge for the quarter / year	(293)	(1,170)
	Closing balance	(2,048)	(1,755)
	Net book value	3,802	4,095
<b>7</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
	Coal and other fuels	81,267	34,253
	Stores & spare parts	233,597	239,977
	Loose tools	64	129
		314,928	274,359
	Provision for obsolete stores	(3,833)	(3,833)
	Provision for slow moving stores and spares	(46,992)	(46,992)
		(50,825)	(50,825)
		264,103	223,534
<b>8</b>	<b>STOCK-IN-TRADE</b>		
	Raw material	28,441	26,029
	Packing material	61,640	76,089
	Work-in-process	385,833	731,279
	Finished goods	78,849	92,979
		554,763	926,376
<b>9</b>	<b>TRADE DEBTS</b>		
	<b>Considered good</b>		
	Local - unsecured	956,143	969,942
	<b>Considered doubtful</b>		
	Local - unsecured	75,107	75,107
		1,031,250	1,045,049
	Allowance for expected credit losses	(75,341)	(75,340)
		955,909	969,709
9.1	It includes receivable from HESCO by the Subsidiary Company is secured against Standby Letter of Credit (SBLC) issued by National Bank of Pakistan to the extent of Rs. 286.71 million.		
<b>10</b>	<b>SHARE CAPITAL</b>		
		(Un-audited)	(Audited)
		September 30,	June 30,
		2023	2023
	--- Number of shares ---		
		(Un-audited)	(Audited)
		September 30,	June 30,
		2023	2023
	---- Rupees in thousands ----		
	<b>Authorized share capital</b>		
	200,000,000	2,000,000	2,000,000
	Ordinary shares of Rs. 10/- each		
	<b>Issued, subscribed and paid-up share capital</b>		
	89,418,125	894,181	894,181
	Ordinary shares of Rs. 10/- each		
	- shares allotted for consideration fully paid in cash		
	10,300,000	103,000	103,000
	Ordinary shares of Rs. 10/- each		
	- shares allotted for consideration other than cash		
	99,718,125	997,181	997,181



**Thatta Cement Company Limited**  
**Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)**  
**For the quarter ended September 30, 2023**

<b>11</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Trade creditors	355,869	374,929
	Accrued liabilities	315,888	319,311
	Contract liability	242,027	267,867
	Excise duty and sales tax payable	74,342	112,874
	Workers' Profit Participation Fund (WPPF)	70,028	59,235
	Workers' Welfare Fund (WWF)	26,611	22,509
	Other liabilities	4,124	9,105
		<u>1,088,889</u>	<u>1,165,830</u>

**12 CONTINGENCIES AND COMMITMENTS**

**12.1 Contingencies**

The status of contingencies as disclosed in annual audited consolidated financial statements for the year ended June 30, 2023 are same as at September 30, 2023.

**12.2 Commitments**

**12.2.1** Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Holding Company amounts to Rs. 45 million (June 30, 2023: Rs. 45 million).

**12.2.2** Irrevocable letter of credit under revenue expenditure as at reporting date is Rs. 20.952 million (June 30, 2023: Rs. NIL)

**12.2.3** Other outstanding guarantees given on behalf of the Company by banks amounting to Rs. 398.715 million (June 30, 2023: Rs. 423.715 million).

		Quarter ended	
		September 30,	
		2023	2022
		----- Rupees in thousands -----	
<b>13</b>	<b>SALES - NET</b>		
	Gross sales		
	Local	2,099,844	1,331,750
	Export	-	-
		<b>2,099,844</b>	<b>1,331,750</b>
	Less:		
	Federal Excise Duty	(219,982)	(135,431)
	Sales tax	(384,237)	(200,943)
		<b>(604,219)</b>	<b>(336,374)</b>
		<b>1,495,625</b>	<b>995,376</b>
<b>14</b>	<b>COST OF SALES</b>		
	Raw material consumed	57,485	58,521
	Packing material consumed	83,812	54,423
	Stores, spare parts and loose tools consumed	69,419	32,853
	Fuel and power	465,642	528,747
	Salaries, wages and other benefits	95,069	86,379
	Insurance	12,220	7,474
	Repairs, operations and maintenance	8,334	8,162
	Depreciation	51,858	51,280
	Vehicle hire, running & maintenance	6,615	6,383
	Communication	562	398
	Entertainment	480	294
	Other production overheads	1,140	793
	<b>Cost of production</b>	<b>852,636</b>	<b>835,707</b>
	<b>Work-in-process</b>		
	Opening balance	731,279	417,627
	Closing balance	(385,833)	(269,932)
		<b>345,446</b>	<b>147,695</b>
	<b>Cost of goods manufactured</b>	<b>1,198,082</b>	<b>983,402</b>
	<b>Finished goods</b>		
	Opening balance	92,979	59,620
	Closing balance	(78,849)	(44,465)
		<b>14,130</b>	<b>15,155</b>
		<b>1,212,212</b>	<b>998,557</b>

	Quarter ended	
	September 30,	
	2023	2022
	----- Rupees in thousands -----	
<b>15 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit for the period attributable to the equity holders of the Holding Company (Rupees in thousands)	135,720	(64,789)
Weighted average number of ordinary shares	99,718,125	99,718,125
Earnings per share - basic and diluted (Rupees)	1.36	(0.65)

**16 RELATED PARTY TRANSACTIONS & BALANCES**

Related parties comprise 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. Details of transactions during the quarter ended / outstanding balances as at September 30, 2023 with related parties are as follows:

	Quarter ended	
	September 30,	
	2023	2022
	----- Rupees in thousands -----	
<b>16.1 Transactions with related parties</b>		
<b>16.1.1 Key management personnel</b>		
Salaries and benefits	30,832	18,869
<b>16.1.2 Other related parties</b>		
Contribution to employees' Gratuity Fund	-	10,000
Contribution to employees' Provident Fund	3,292	2,975
Education expenses - Model Terbiat School	1,057	1,234
	(Un-audited)	(Audited)
	September 30,	June 30,
	2023	2023
	---- Rupees in thousands ----	
<b>16.2 Balances with related parties</b>		
<b>16.2.1 Other related parties</b>		
Payable to Gratuity Fund	23,100	23,100

**16.3** There are no transactions with key management personnel other than under their terms of employment.

## 17 OPERATING SEGMENTS

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

<b>Cement</b>	Engaged in manufacturing and marketing of cement.
<b>Power</b>	Engaged in generation and sale of electric power.

17.1 Revenues	Cement		Power		Intra group adjustment		Consolidated	
	September 2023	September 2022	September 2023	September 2022	September 2023	September 2022	September 2023	September 2022
----- Un-audited -----								
----- Rupees in thousands -----								
Sales - net	1,470,533	932,365	285,356	217,138	(260,264)	(154,127)	1,495,625	995,376
Cost of sales	(1,256,375)	(977,133)	(220,432)	(181,867)	264,595	160,443	(1,212,212)	(998,557)
<b>Gross profit</b>	<b>214,158</b>	<b>(44,768)</b>	<b>64,924</b>	<b>35,271</b>	<b>4,331</b>	<b>6,316</b>	<b>283,413</b>	<b>(3,181)</b>
Selling and distribution cost	(13,399)	(19,087)	-	-	-	-	(13,399)	(19,087)
Administrative expenses	(39,483)	(36,769)	(11,039)	(10,061)	7,781	7,074	(42,741)	(39,756)
	161,276	(100,624)	53,885	25,210	12,112	13,390	227,273	(62,024)
Other operating expenses	(14,917)	-	-	-	-	-	(14,917)	-
Other income	69,258	40,533	27,087	302	(14,200)	(18,015)	82,145	22,820
<b>Operating profit</b>	<b>215,617</b>	<b>(60,091)</b>	<b>80,972</b>	<b>25,512</b>	<b>(2,088)</b>	<b>(4,625)</b>	<b>294,501</b>	<b>(39,204)</b>
Finance cost	(14,664)	(15,527)	(47,950)	(44,127)	-	5,880	(62,614)	(53,774)
<b>Segment results</b>	<b>200,953</b>	<b>(75,618)</b>	<b>33,022</b>	<b>(18,615)</b>	<b>(2,088)</b>	<b>1,255</b>	<b>231,887</b>	<b>(92,978)</b>
Unallocated expenditures	-	-	-	-	-	-	-	-
<b>Profit / (loss) before taxation</b>	<b>200,953</b>	<b>(75,618)</b>	<b>33,022</b>	<b>(18,615)</b>	<b>(2,088)</b>	<b>1,255</b>	<b>231,887</b>	<b>(92,978)</b>
Taxation								
Current	(65,196)	(11,814)	(7,855)	(73)	-	-	(73,051)	(11,887.0)
Deferred	(14,445)	33,526	-	-	-	-	(14,445)	33,526.0
	(79,641)	21,712	(7,855)	(73)	-	-	(87,496)	21,639
<b>Profit / (loss) for the period</b>	<b>121,312</b>	<b>(53,906)</b>	<b>25,167</b>	<b>(18,688)</b>	<b>(2,088)</b>	<b>1,255</b>	<b>144,391</b>	<b>(71,339)</b>

17.2 Other information	Cement		Power		Intra group adjustment		Consolidated	
	September 2023	June 2022	September 2023	June 2022	September 2023	June 2022	September 2023	June 2022
----- Rupees in thousands -----								
Segment assets	4,849,648	4,742,981	3,531,357	3,475,066	(544,800)	(536,533)	7,836,205	7,681,514
Unallocated corporate assets	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>4,849,648</b>	<b>4,742,981</b>	<b>3,531,357</b>	<b>3,475,066</b>	<b>(544,800)</b>	<b>(536,533)</b>	<b>7,836,205</b>	<b>7,681,514</b>
Segment liabilities	1,743,627	1,758,272	1,091,187	1,060,064	(234,790)	(228,612)	2,600,024	2,589,724
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,743,627</b>	<b>1,758,272</b>	<b>1,091,187</b>	<b>1,060,064</b>	<b>(234,790)</b>	<b>(228,612)</b>	<b>2,600,024</b>	<b>2,589,724</b>
<b>Capital expenditure</b>	<b>18,416</b>	<b>62,746</b>	<b>1,722</b>	<b>3,400</b>	<b>-</b>	<b>-</b>	<b>20,138</b>	<b>66,146</b>
<b>Depreciation</b>	<b>24,102</b>	<b>137,750</b>	<b>28,705</b>	<b>107,285</b>	<b>-</b>	<b>-</b>	<b>52,807</b>	<b>245,035</b>
Non-cash expenses other than depreciation	(4,410)	12,173	-	40	-	-	(4,410)	12,213

### 17.3 Reconciliation of reportable segment revenues, profit and loss, assets and liabilities:

	Consolidated	
	September 30, 2023	September 30, 2022
----- Rupees in thousands -----		
<b>17.3.1 Operating revenues</b>		
Total revenue of reportable segments	1,755,889	1,149,503
Elimination of intra group revenue	(260,264)	(154,127)
Consolidated revenue	<b>1,495,625</b>	<b>995,376</b>
<b>17.3.2 Profit or loss</b>		
Total profit before tax of reportable segments	233,975	(94,233)
Adjustment of unrealized profit and intra group transactions	(2,088)	1,255
Consolidated (loss) / profit before taxation	<b>231,887</b>	<b>(92,978)</b>

Consolidated	
(Un-audited)	(Audited)
September 30,	June 30,
2023	2023
-- Rupees in thousands --	
8,381,005	8,218,047
(543,197)	(534,930)
(1,603)	(1,603)
<u>7,836,205</u>	<u>7,681,514</u>
2,834,814	2,818,336
(234,790)	(228,612)
<u>2,600,024</u>	<u>2,589,724</u>

### 17.3.3 Assets

Total assets of reportable segments  
Elimination of intra group balances and unrealised profit  
Reclassification for consolidation purposes  
Consolidated assets

### 17.3.4 Liabilities

Total liabilities of reportable segments  
Elimination of intra group balances  
Consolidated liabilities

### 17.4 Information about major customers

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

### 18 FAIR VALUE MEASUREMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim consolidated financial statements approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.

Level 3: inputs for the asset or liability that are not based on observable market data (unadjusted) inputs.

The fair value of all other assets and liabilities is estimated to approximate their carrying value.

### 19 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

### 20 NUMBER OF EMPLOYEES

The number of employees as at September 30, 2023 was 507 (June 30, 2023: 493) and average number of employees during the period was 499 (June 30, 2023: 497).

### 21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been authorized for issue on October 27, 2023 by the Board of Directors of the Holding Company.

### 22 GENERAL

Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



# THATTA CEMENT

COMPANY LIMITED

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Head Office  
CL/5-4 State Life Building # 10,  
Abdullah Haroon Road, Karachi, Pakistan.

Factory  
Ghulamullah Road, Makli,  
District Thatta, Sindh