



THATTA CEMENT
COMPANY LIMITED

Half Yearly Report December 2021



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
Mr. Muhammad Aslam Shaikh
Ms. Naheed Memon
Mr. Noor Muhammad
Mr. Saleem Zamindar
Mr. Muhammad Jamshid Malik
Mr. Kamran Munir Ansari

Chairman
Chief Executive
Director
Director
Director
Director
Director

AUDIT COMMITTEE

Mr. Noor Muhammad
Mr. Khawaja Muhammad Salman Younis
Mr. Saleem Zamindar

Chairman
Member
Member

HR & REMUNERATION COMMITTEE

Ms. Naheed Memon
Mr. Muhammad Aslam Shaikh
Mr. Kamran Munir Ansari

Chairperson
Member
Member

IT STEERING COMMITTEE

Mr. Khawaja Muhammad Salman Younis
Mr. Muhammad Aslam Shaikh
Mr. Fuad Zakaria Bhuri

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

Mr. Fuad Zakaria Bhuri

REGISTERED OFFICE

Office No. 606-608A, Continental
Trade Center, Block 8, Clifton,
Karachi, Pakistan.
UAN: 0092-21-111-842-82
Fax no.: 0092-21-35303074-75
Website: www.thattacement.com
E-mail: info@thattacement.com

COMPANY SECRETARY

Mr. Muhammad Abid Khan

STATUTORY AUDITOR

M/s BDO Ebrahim & Co., Chartered Accountants

FACTORY

Ghulamullah Road, Makli,
District Thatta, Sindh 73160

CORPORATE ADVISOR

M/s Sharjeel Ayub & Co., Chartered Accountants

LEGAL ADVISOR

M/s Usmani & Iqbal

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

BANKERS - CONVENTIONAL

National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited

DIRECTORS' REVIEW

The Board of Directors present herewith their review together with the un-audited condensed interim financial statements for the half year ended December 31, 2021.

OVERVIEW

Production and dispatch statistics for the half year ended December 31, 2021 are as follows:

Description	December 31, 2021	December 31, 2020	Variance	
	-----Metric Tons-----			%
<u>Production</u>				
Clinker	121,964	183,719	(61,755)	(33.61)
Cement	203,550	123,245	80,305	65.16
<u>Dispatches</u>				
Clinker	4,987	52,416	(47,429)	(90.49)
Cement	205,186	122,676	82,510	67.26

During the period under review, your company showed exceptional increase in the cement dispatches. Cement dispatches of your company increased by 67.26% in comparison with corresponding period last year.

Moreover, during the period ended, the Company achieved 36.96% overall clinker production capacity by producing 121,964 tons of clinker against 55.67% capacity utilization with clinker production of 183,719 tons in the same period last year. The main reason of decline in the production of clinker was due to utilization of available stock of clinker. Moreover, the Company purchased clinker from local market at very attractive price to compensate the impact of sudden rise in coal prices in the international market coupled with deterioration in rupee-dollar parity during the period.

INDUSTRY REVIEW

Cement Industry witnessed downward trend in cement exports and posted a decline of 4.06% in overall dispatches during the period under review. Local dispatches remained at 24.06 million tons (2020: 23.60 million tons) with a growth of merely 1.95%. Exports during the period remained severely affected showing a decline of 32.34 % and stood at 3.39 million tons (2020: 5.01 million tons).

In the southern region, local dispatches posted an increase of 15.38% in volumetric terms from 3.38 million tons to 3.90 million tons whereas export dispatches showed decline of 25% from 3.80 million tons to 2.85 million tons during the period under review.

The unpredictable trend of coal prices in the global markets have negative impact on the cement industry. In addition to this, other macro-economic factors such as rise in energy prices, high inflation coupled with rupee depreciation significantly increased the input cost hence making it difficult for Cement Industry in Pakistan to compete globally thus adversely affecting export sales.

SALES REVIEW

During the period under review, local cement sales of the Company in terms of volume increased by 67.26 % as compared to corresponding period last year. The increase in local sales volumes resulted in growth of revenue from local sales by 58% as compared to corresponding period. Your Company showed overall improvement in sales performance as compared to corresponding period and successfully improved its market position in the South Region.

FINANCIAL REVIEW

A comparison of the financial results of the Company's performance for the half year ended December 31, 2021 with the same period last year is as under:

Particulars	December 31, 2021	December 31, 2020
	Rupees in thousands	
Sales – net	1,606,993	1,105,138
Gross Profit	152,453	142,636
Selling and Distribution Cost	22,099	51,757
Finance Cost	9,138	9,424
Profit before taxation	60,411	66,616
Profit after Taxation	59,820	70,722
Earnings per share (Rupees)	0.60	0.71

Cost to Sales ratio increased to 90.51% during the period as compared to 87.09% in the corresponding period last year. The main reason of increase in coal prices in the international market along with continuous escalating dollar rate has resulted in increasing the cost of cement by considerable margin.

FUTURE OUTLOOK

Cement industry severely affected due to volatility in coal prices in the global markets and consequently reduced the industry margins. we foresee that coal prices along with other economic factors such as continuous rise in energy prices, high inflation and depreciation of 'Pak Rupee' will continue to exert considerable pressure on cost of production of the cement industry in the future as well.

However, we are optimistic that these conditions will reverse and cement demand will again increase due to on-going private and Government sector construction activities including but not limited to small and mega-capacity/multi-purpose water reservoirs/dams, construction of Special Economic Zones as part of CPEC projects/and low-cost affordable houses.

PERFORMANCE OF THE GROUP

A brief of the financial position and performance of the Group for the half year ended December 31, 2021 are as follows.

	December 31, 2021	June 30, 2021
<u>Statement of Financial Position</u>	----- (Rupees in thousands) ---	
Property, plant and equipment	4,094,369	4,150,781
Stock-in-Trade	369,813	431,528
Trade Debts	1,426,753	1,139,897
Total Equity - Holding Company	3,874,554	3,849,132
Trade and Other payables	622,627	593,986
	December 31, 2021	December 31, 2020
<u>Statement of Profit or Loss</u>	----- (Rupees in thousands) ---	
Sales - net	1,711,167	1,337,709
Gross Profit	215,003	267,766
Selling, Distribution cost & Administrative Expense	84,510	101,781
Profit before taxation	47,539	118,411
Profit after taxation	44,654	117,979
Earnings per share (in Rupees)	0.5	1.01

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.



Muhammad Aslam Shaikh
Chief Executive



Khawaja Muhammad Salman Younis
Chairman

Karachi: February 28, 2022

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **THATTA CEMENT COMPANY LIMITED** ("the Company") as at December 31, 2021 and the related condensed interim unconsolidated statement of profit or loss, the condensed interim unconsolidated statement of comprehensive income, the condensed interim unconsolidated statement of cash flows, the condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim unconsolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements as at and for the six-month period ended December 31, 2021 are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarters ended December 31, 2021 and December 31, 2020 in the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 28 February, 2022



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2021**

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	5	1,951,259	1,951,747
Long term investment in Subsidiary Company	6	299,158	299,158
Long term deposits		1,096	1,096
		2,251,513	2,252,001
CURRENT ASSETS			
Stores, spare parts and loose tools	7	303,671	192,056
Stock-in-trade	8	366,700	436,440
Trade debts	9	398,937	192,284
Loan to the Subsidiary	10	50,000	70,000
Advances		4,221	6,052
Trade deposits and prepayments		35,285	26,784
Other receivables & accrued mark-up		33,631	2,104
Taxation - net		178,633	199,939
Cash and bank balances	11	79,522	317,412
		1,450,600	1,443,071
TOTAL ASSETS		3,702,113	3,695,072
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	12	2,000,000	2,000,000
Share capital	12	997,181	997,181
Share premium		99,718	99,718
Accumulated profit		1,602,197	1,567,307
		2,699,096	2,664,206
NON - CURRENT LIABILITIES			
Long term deposits		2,792	2,791
Long term employee benefit		15,647	15,113
Deferred taxation		278,986	307,717
		297,425	325,621
CURRENT LIABILITIES			
Trade and other payables	13	543,204	539,378
Unclaimed dividend		2,101	1,814
Accrued mark-up		3,200	3,507
Short term borrowings		157,087	160,546
		705,592	705,245
TOTAL EQUITY AND LIABILITIES		3,702,113	3,695,072

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 25 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 PERIOD ENDED DECEMBER 31, 2021

		Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note		(Rupees in thousands)			
Sales - net	15	1,606,993	1,105,138	910,047	659,179
Cost of sales	16	(1,454,540)	(962,502)	(839,682)	(536,089)
Gross profit		152,453	142,636	70,365	123,090
Selling and distribution cost		(22,099)	(51,757)	(13,935)	(42,483)
Administrative expenses		(59,004)	(46,859)	(27,172)	(25,121)
		71,350	44,020	29,258	55,486
Other operating expenses		(36,488)	(6,074)	(10,220)	(6,074)
Impairment reversal/(loss)-trade debts		3,783	(1,261)	3,783	(1,261)
Other income		30,904	39,355	17,175	27,640
Operating profit		69,549	76,040	39,996	75,791
Finance cost		(9,138)	(9,424)	(6,074)	(4,124)
Profit before taxation		60,411	66,616	33,922	71,667
Taxation					
Current		(20,368)	(17,110)	(11,512)	(10,245)
Prior		1,789	(3)	1,789	(3)
Deferred		17,988	21,219	16,329	16,899
		(591)	4,106	6,606	6,651
Profit for the period		59,820	70,722	40,528	78,318
Earnings per share - basic and diluted (Rupee)	17	0.60	0.71	0.41	0.79

The annexed notes from 1 to 25 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 PERIOD ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in thousands)			
Profit for the period	59,820	70,722	40,528	78,318
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	59,820	70,722	40,528	78,318

The annexed notes from 1 to 25 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 PERIOD ENDED DECEMBER 31, 2021

		Half year ended	
		December 31, 2021	December 31, 2020
Note		----- (Rupees in thousands) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit before taxation	60,411	66,616
	Adjustment for:		
	Depreciation on property, plant and equipment	43,790	55,562
5.1	Provision for slow moving & obsolete stores and impairment of major stores & spares	4,588	1,854
	Finance cost	9,138	9,424
	Provision for gratuity	6,600	7,765
	Provision for leave encashment	1,226	1,641
	(Reversal) / provision for loss allowance	(3,783)	1,261
	Provision for Workers' Welfare Fund	643	-
	Provision for Workers' Profit Participation Fund	2,433	-
	Other reversals	(1,403)	-
	Gain on disposal of property, plant and equipment	-	(662)
		63,232	76,845
	Operating cash flows before working capital changes	123,643	143,461
	(Increase) / decrease in current assets		
	Stores, spare parts and loose tools	(116,429)	9,848
	Stock-in-trade	69,740	(25,564)
	Trade debts	(202,870)	(139,210)
	Loan to subsidiary	20,000	-
	Advances	1,831	1,346
	Trade deposits and prepayments	(8,501)	(3,257)
	Other receivable and accrued mark-up	(31,527)	1,099
		(267,756)	(155,738)
	Increase in current liabilities		
	Trade and other payables	28,565	163,611
	Cash (used in) / generated from operations	(115,548)	151,334
	Finance cost paid	(9,445)	(13,724)
	Gratuity paid	(16,168)	(23,979)
	Leave encashment paid	(692)	(570)
	Workers' Welfare Fund	(3,426)	-
	Workers' Profit Participation Fund	(13,418)	-
	Income tax (paid) / refund - net	(8,016)	175
	Net cash (used in) / generated from operating activities	(166,713)	113,236


THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

		Half year ended	
		December 31, 2021	December 31, 2020
Note		----- (Rupees in thousands) -----	
CASH FLOWS FROM INVESTING ACTIVITIES			
	Fixed capital expenditure	(43,075)	(7,488)
	Proceeds from sale of property, plant and equipment	-	662
	Net cash used in investing activities	(43,075)	(6,826)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Repayment of long-term financing from banking companies	-	-
	Dividend paid	(24,643)	(33)
	Net cash used in financing activities	(24,643)	(33)
	Net increase / (decrease) in cash and cash equivalents	(234,431)	106,377
	Cash and cash equivalents at the beginning of the period	156,866	(284,079)
	Cash and cash equivalents at the end of the period	(77,565)	(177,702)
CASH AND CASH EQUIVALENTS			
	Cash and bank balances	79,522	133,735
	Short term borrowings	(157,087)	(311,437)
		(77,565)	(177,702)

The annexed notes from 1 to 25 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 PERIOD ENDED DECEMBER 31, 2021

	Share capital	Reserves		Total
		Share premium	Accumulated profit	
	(Rupees in thousands)			
Balance as at July 1, 2020 (audited)	997,181	99,718	1,367,680	2,464,579
Total comprehensive income for the period ended December 31, 2020				
Profit for the period	-	-	70,722	70,722
Other comprehensive income	-	-	-	-
	-	-	70,722	70,722
Balance as at December 31, 2020 (unaudited)	997,181	99,718	1,438,402	2,535,301
Balance as at July 1, 2021 (audited)	997,181	99,718	1,567,307	2,664,206
Total comprehensive income for the period ended December 31, 2021				
Profit for the period	-	-	59,820	59,820
Other comprehensive income	-	-	-	-
	-	-	59,820	59,820
Transactions with shareholders				
Final cash dividend @ Rs. 0.25 per share for the year ended June 30, 2021	-	-	(24,930)	(24,930)
Balance as at December 31, 2021 (unaudited)	997,181	99,718	1,602,197	2,699,096

The annexed notes from 1 to 25 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 UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

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 supply of electric power.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements are unaudited but subject to the limited scope review by auditors and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

These condensed interim unconsolidated financial statements for the half year ended December 31, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting 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, 2021 which have been prepared in accordance with 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, 2021, 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 half year ended December 31, 2020.

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 presented in Pakistani Rupee, which is the functional and presentation currency of the Company.

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

3 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

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, 2021.

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2021. The adoption of these new and amended standards did not have material impact on these condensed interim unconsolidated financial statements.

4 ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim unconsolidated financial statements require management to make certain judgements, 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 judgements 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, 2021.

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees in thousands)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,857,746	1,859,849
Major stores and spares	5.2	68,804	64,118
Capital work in progress	5.3	24,709	27,780
		1,951,259	1,951,747
5.1 Operating fixed assets			
Opening net book value (NBV)		1,859,849	1,959,623
Additions during the period / year at cost	5.1.1	41,687	8,689
		1,901,536	1,968,312
Depreciation charge for the period / year		(43,790)	(107,736)
Adjustments (NBV)		-	(727)
Write off during the period / year		-	-
		(43,790)	(108,463)
Closing net book value (NBV)		1,857,746	1,859,849
5.1.1 Detail of additions (at cost) during the period / year are as follows:			
Plant and machinery		3,354	4,714
Electrical installations		35,549	-
Laboratory equipment		-	820
Office equipments		301	-
Computers		284	113
Vehicles		2,199	3,042
		41,687	8,689

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees in thousands)	
5.2 Major stores and spares			
Cost			
Opening balance		106,259	100,766
Additions during the period / year		10,641	11,001
Transferred during the period / year		(6,181)	(5,508)
Closing balance		110,719	106,259
Accumulated impairment			
Opening balance		(42,141)	(38,919)
Reversal / (impairment) charge for the period / year		226	(3,222)
Closing balance		(41,915)	(42,141)
Net book value		68,804	64,118
5.3 Capital work in progress			
Solar panel project	5.3.1	24,709	27,780
5.3.1 Movement of capital work in progress:			
Opening Balance		27,780	-
Additions during the period / year		32,478	27,780
Transfers during the period / year		(35,549)	-
Closing Balance		24,709	27,780
6 LONG TERM INVESTMENT IN SUBSIDIARY COMPANY			
Thatta Power (Private) Limited (TPPL)	6.1 & 6.2	299,158	299,158
6.1	The Company owns 62.43% shareholding of TPPL as at December 31, 2021 (June 30, 2021: 62.43%). The principal business of the Subsidiary Company is generation and supply of electric power. As at December 31, 2021 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 is accounted and carried at cost.		
6.2	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.		
7 STORES, SPARE PARTS AND LOOSE TOOLS			
Coal and other fuels	7.1	116,196	23,288
Stores and spare parts		223,386	199,831
Loose tools		75	109
		339,657	223,228
Provision for obsolete stores		(3,843)	(3,843)
Provision for slow moving stores and spares		(32,143)	(27,329)
		(35,986)	(31,172)
		303,671	192,056
7.1	This includes coal in transit amounting to Rs. Nil (June 30, 2021: Rs. 2.357 million).		

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees in thousands)	
8 STOCK-IN-TRADE			
Raw material		13,749	13,938
Packing material		41,768	44,473
Work-in-process		260,865	334,414
Finished goods		50,318	43,615
		366,700	436,440
9 TRADE DEBTS			
Considered good			
Local - unsecured		398,937	192,284
Considered doubtful			
Local - unsecured		75,107	78,890
		474,044	271,174
Provision for doubtful debts	9.1	(75,107)	(78,890)
		398,937	192,284
9.1 Allowance for expected credit losses			
Balance at beginning of the period / year		78,890	75,107
(Reversal) / allowance for expected credit losses		(3,783)	3,783
Balance at end of the period / year		75,107	78,890
10 LOAN TO SUBSIDIARY			
Loan to Thatta Power (Private) Limited	10.1	50,000	70,000
10.1	Loan is extended to Thatta Power (Private) Limited (TPPL), the Subsidiary Company, to honour its financial obligations including working capital requirements which will ensure smooth business operations of the Subsidiary Company. This will in turn ensure uninterrupted supply of electricity to the Company and hence, maintaining sustainable cement production. The Company sought approval from its shareholders in Annual General Meeting held on October 15, 2021, to provide loan facility aggregating to Rs. 300 million. The loan facility carries markup at the rate of 3 months KIBOR plus 2.62% per annum payable on quarterly basis. As the Company owns majority shares of the Subsidiary Company, the loan was extended without any collateral security.		
11 CASH AND BANK BALANCES			
Cash in hand		2,742	2,475
Cash at bank			
Current account		85,300	246,476
Profit and loss sharing (PLS) accounts		(8,520)	68,461
		76,780	314,937
		79,522	317,412

12 SHARE CAPITAL

13 TRADE AND OTHER PAYABLES

14 CONTINGENCIES AND COMMITMENTS

19

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

However, the DCIR has passed an assessment order no. 13/51/2021-2022 on September 02, 2021 disallowing input tax to the extent of Rs. 5.41million. The Company filed an appeal with Commissioner Inland Revenue - Appeal (CIR-A) against the order of DCIR. In view of Company's tax consultant, favorable outcome of such appeal is anticipated.

- 14.1.2 The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice dated May 18, 2021 regarding Sales Tax Audit of the Company u/s 25 and 46 of the Sales Tax Act, 1990 and Federal Excise Act, 2005 respectively for the tax period from July 01, 2018 to June 30, 2019. DCIR disallowed input tax amounting to Rs. 62.11 million on some taxable purchases and services received by the Company for the purpose of business during the period from July 01, 2018 to June 30, 2019. In response to show cause notice, the Company attended hearings from time to time and provide documents, explanations and supporting evidences. However, the DCIR has passed an assessment order no. 14/51/2021-2022 on September 02, 2021 disallowing input tax to the extent of Rs. 11.52 million. The Company filed an appeal with Commissioner Inland Revenue - Appeal (CIR-A) against the order of DCIR. In view of Company's tax consultant, favorable outcome of such appeal is anticipated.
- 14.1.3 The Deputy Commissioner Inland Revenue (DCIR) issued show cause notice dated May 18, 2021 regarding Sales Tax Audit of the Company u/s 25 and 46 of Sales Tax Act, 1990 and Federal Excise Act, 2005 respectively for the tax period from July 01, 2019 to June 30, 2020. DCIR disallowed input tax amounting to Rs. 107.07 million on some taxable purchases and services received by the Company for the purpose of business during the period from July 01, 2019 to June 30, 2020. In response to show cause notice, the Company attended hearings from time to time and provide documents, explanations and supporting evidences. However, the Learned DCIR has passed an assessment order no. 15/51/2021-2022 on September 02, 2021 disallowing input tax to the extent of Rs. 20.60 million. The management filed an appeal with Commissioner Inland Revenue - Appeal (CIR-A) against the order of DCIR. In view of Company's tax consultant, favorable outcome of such appeal will be anticipated.
- 14.1.4 On September 06, 2021, the Company has filed a Constitutional Petition (CP) No. 5382 before the Honorable High Court of Sindh (SHC) against arbitrary increase in the royalty rates through impugned notification No. T.O/M&MDD/15-3/2021 dated June 30, 2021 issued by Ministry of Mines and Minerals Development Department, Government of Sindh. The Company's legal consultants attended the hearing and presented his point of view before the Honourable High Court of Sindh. However, the Court proceedings have been adjourned till the next hearing which is fixed on March 28, 2022.

In the view of Company's legal consultant, favourable outcome of the petition is anticipated. Hence no provision of excess royalty amount resulted due to revision in rates has been recorded by the Company in these condensed interim unconsolidated financial statements.

- 14.1.5 The status of other contingencies are same as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2021 except for the matters disclosed above.

14.2 Commitments

- 14.2.1 Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Company amounts to Rs. 45 million (June 30, 2021: Rs. 45 million).
- 14.2.2 Performance guarantee in terms of CDRs given by a commercial bank to CMES Navy on behalf of the Company amounting to Rs. 348.225 million (June 30, 2021: Rs. 428.209 million).
- 14.2.3 Other outstanding guarantees given on behalf of the Company by banks amount to Rs. 39.24 million (June 30, 2021: Rs. 3 million).

December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
(Rupees in thousands)	

14.2.4 Operating lease commitments

0-1 year

2,108	1,916
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THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
------(Rupees in thousands)-----				
15 SALES - NET				
Gross Sales				
Local	2,313,297	1,504,602	1,298,410	845,862
Export	707	88,170	-	88,170
	2,314,004	1,592,772	1,298,410	934,032
Less:				
Federal excise duty	(315,155)	(238,338)	(170,802)	(133,882)
Sales tax	(391,856)	(249,296)	(217,561)	(140,971)
	(707,011)	(487,634)	(388,363)	(274,853)
	1,606,993	1,105,138	910,047	659,179
15.1 Company's revenue disaggregated by primary geographical markets is as follows:				
Sale of cement and clinker				
Primary geographical markets				
Within Pakistan	1,606,286	1,016,968	910,047	571,009
Outside Pakistan	707	88,170	-	88,170
	1,606,993	1,105,138	910,047	659,179
15.2 Company's revenue disaggregated by pattern / timing of revenue recognition is as follows.				
Timing of revenue recognition				
Goods transferred at a point in time	1,606,993	1,105,138	910,047	659,179
16 COST OF SALES				
Raw material consumed	58,778	60,222	26,708	39,507
Clinker purchase	188,412	-	188,412	-
Manufacturing expenses				
Fuel and power	765,918	655,284	341,244	439,998
Salaries, wages and other benefits	168,250	142,705	73,927	78,032
Depreciation	42,699	54,213	19,029	35,766
Packing material consumed	97,782	48,347	53,864	26,339
Stores, spare parts and loose tools consumed	34,798	23,267	27,020	12,944
Vehicle hire, running & maintenance	7,011	5,450	3,605	2,750
Repairs and maintenance	4,129	5,054	2,426	2,263
Insurance	11,753	2,830	6,365	1,418
Other production overheads	2,204	1,372	345	473
Communication	830	797	414	401
Entertainment	542	339	272	183
Provision / (reversal) for slow moving & obsolete stores and spares	4,588	1,854	4,588	1,854
	1,140,504	941,512	518,270	602,421
Cost of production	1,387,694	1,001,734	733,390	641,928

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	------(Rupees in thousands)-----			
Work-in-process				
Opening balance	334,414	303,363	379,980	243,465
Closing balance	(260,865)	(347,554)	(260,865)	(347,554)
	73,549	(44,191)	119,115	(104,089)
Cost of goods manufactured	1,461,243	957,543	852,505	537,839
Finished goods				
Opening balance	43,615	51,278	37,495	44,569
Closing balance	(50,318)	(46,319)	(50,318)	(46,319)
	(6,703)	4,959	(12,823)	(1,750)
	1,454,540	962,502	839,682	536,089

17 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

Profit for the period	59,820	70,722	40,528	78,318
Weighted average number of ordinary shares	99,718,125	99,718,125	99,718,125	99,718,125
Basic earnings per share (Rupee)	0.60	0.71	0.41	0.79

There is no dilutive effect on the basic earnings per shares of the Company.

18 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 period ended/outstanding balances as at December 31, 2021 with related parties are as follows:

18.1 Transactions with related parties

Subsidiary Company

Thatta Power (Private) Limited

Common shared expenses	2,087	1,955	1,019	929
Receipts for common shared expenses	-	2,346	-	693
(Purchase) / sale of store items - net	(1,587)	(685)	(30)	(155)
(Payment) / receipts of store items - net	(1,752)	(645)	(1,689)	(305)
Purchase of electricity (incl. of GST)	299,020	329,701	130,506	211,636
Payment for electricity (incl. of GST)	368,382	331,542	191,417	181,847
Management fee claimed (incl. of SST)	14,534	13,212	7,258	6,606
Management fee received (incl. of SST)	-	14,614	-	4,404
Sale of waste heat	8,423	12,541	2,898	8,888
Receipt for sale of waste heat	-	16,826	-	1,833
Loan disbursed	-	15,000	-	15,000
Receipt on account of loan	20,000	15,000	20,000	15,000
Interest accrued on loan	3,224	98	1,447	98

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
------(Rupees in thousands)-----				
Key management personnel				
Salaries and benefits	30,612	26,086	15,769	14,907
Other related parties				
Contribution to Gratuity Fund	16,168	23,979	16,168	18,979
Contribution to Provident Fund	6,360	4,795	3,740	2,366
Education expense - Model tarbiat school	2,121	2,225	1,024	554

December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
(Rupees in thousands)	

18.2 Balances with related parties

Subsidiary Company

Thatta Power (Private) Limited

Payable against purchase of electricity (inclusive of GST)	11,548	80,910
Receivable against management fee (inclusive of SST)	21,140	6,607
Receivable against common shared expenses	3,191	1,104
Receivable against sale of store items - net	147	(19)
Loan/advance to the Subsidiary Company	50,000	70,000
Receivable against waste heat recovery plant	15,393	6,970
Accrued mark-up on loan	3,650	427

Other related parties

Payable to Gratuity Fund	6,600	16,168
Payable to Provident Fund	-	766

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

19 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2021.

20 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

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.

21 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 reporting period.

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

22 NUMBER OF EMPLOYEES

The number of employees as at the end of reporting period was 499 (June 30, 2021: 497) and average number of employees during the reporting period was 500 (June 30, 2021: 503).

23 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to quantify. As of the release date of these condensed interim financial statements, there has been no specifically material quantifiable impact of COVID-19 that has been reported by the management.

24 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorized for issue on February 28, 2022 by the Board of Directors of the Company.

25 GENERAL

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2021**

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
Note		(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
	5	4,094,369	4,150,781
Property, plant and equipment		1,096	1,096
Long term deposits		4,095,465	4,151,877
CURRENT ASSETS			
Stores, spare parts and loose tools	6	338,454	230,504
Stock-in-trade	7	369,813	431,528
Trade debts	8	1,426,753	1,139,897
Short term investment		-	306,000
Advances		49,367	32,694
Deposits and prepayments		237,207	28,059
Other receivables and accrued mark-up		8,809	2,039
Taxation - net		224,848	247,332
Cash and bank balances		135,577	333,949
		2,790,828	2,752,002
		6,886,293	6,903,879
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		2,000,000	2,000,000
Share capital	9	997,181	997,181
Share premium		99,718	99,718
Accumulated profit		2,777,655	2,752,233
Equity attributable to the owners of the Holding Company		3,874,554	3,849,132
Non-controlling interests		888,729	894,427
		4,763,283	4,743,559
NON - CURRENT LIABILITIES			
Long term financing		676,651	799,461
Long term deposits		2,792	2,791
Long term employee benefit		15,647	15,113
Deferred taxation		278,986	307,717
		974,076	1,125,082
CURRENT LIABILITIES			
Trade and other payables	10	622,627	593,986
Dividend payable		2,101	1,814
Accrued mark-up		54,063	28,448
Current maturity of long term financing		313,056	250,444
Short term borrowings		157,087	160,546
		1,148,934	1,035,238
		6,886,293	6,903,879
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			

11

The annexed notes from 1 to 21 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 PERIOD ENDED DECEMBER 31, 2021

		Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note		(Rupees in thousands)			
Sales - net	12	1,711,167	1,337,709	961,778	764,581
Cost of sales	13	(1,496,164)	(1,069,943)	(866,226)	(568,701)
Gross profit		215,003	267,766	95,552	195,880
Selling and distribution cost		(22,099)	(51,757)	(13,935)	(42,483)
Administrative expenses		(62,411)	(50,024)	(28,290)	(26,632)
		130,493	165,985	53,327	126,765
Other operating expenses		(36,488)	(6,096)	(10,220)	(6,092)
Impairment reversal / (loss) - trade debts		3,783	(1,261)	3,783	(1,261)
Other income		15,821	33,028	9,289	18,129
Operating profit		113,609	191,656	56,179	137,541
Finance cost		(66,070)	(73,245)	(34,739)	(36,691)
Profit before taxation		47,539	118,411	21,440	100,850
Taxation					
Current		(22,662)	(21,648)	(12,336)	(12,313)
Prior		1,789	(3)	1,789	(3)
Deferred		17,988	21,219	16,329	16,899
		(2,885)	(432)	5,782	4,583
Profit for the period		44,654	117,979	27,222	105,433
Profit for the period attributable to:					
Equity holders of the Holding Company		50,352	100,225	32,221	95,246
Non-controlling interests		(5,698)	17,754	(4,999)	10,187
		44,654	117,979	27,222	105,433
Earnings per share - basic and diluted (Rupees)	14	0.50	1.01	0.32	0.96

The annexed notes from 1 to 21 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 PERIOD ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in thousands)			
Profit for the period	44,654	117,979	27,222	105,433
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	44,654	117,979	27,222	105,433
Total comprehensive income for the period attributable to:				
Equity holders of the Holding Company	50,352	100,225	32,221	95,246
Non-controlling interests	(5,698)	17,754	(4,999)	10,187
	44,654	117,979	27,222	105,433

The annexed notes from 1 to 21 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 PERIOD ENDED DECEMBER 31, 2021

		Half year ended	
		December 31, 2021	December 31, 2020
Note		----- (Rupees in thousands) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		47,539	118,411
Adjustment for:			
Depreciation	5.1	99,714	116,257
Provision for slow moving & obsolete stores and impairment of major stores & spares		5,721	2,055
Finance cost		66,070	73,245
Provision for gratuity		6,600	7,765
Provision for leave encashment		1,226	1,641
(Reversal) / provision for loss allowance		(3,783)	1,261
Provision for Workers' Welfare Fund		643	-
Provision for Workers' Profit Participation Fund		2,433	-
Other reversals		(1,403)	-
Gain on disposal of property, plant and equipment		-	(662)
		177,221	201,562
Operating cash flows before working capital changes		224,760	319,973
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(113,896)	10,552
Stock-in-trade		61,715	(33,781)
Trade debts		(283,073)	(227,808)
Advances		(16,673)	1,270
Trade deposits and prepayments		(209,148)	(5,880)
Other receivable and accrued mark-up		(6,770)	7,541
		(567,845)	(248,106)
Increase in current liabilities			
Trade and other payables		53,379	158,620
Cash generated from operations		(289,706)	230,487
Finance cost paid		(38,042)	(84,050)
Gratuity paid		(16,168)	(23,979)
Leave encashment paid		(692)	(570)
Workers' Welfare Fund		(3,426)	-
Workers' Profit Participation Fund		(13,418)	-
Income tax paid - net		(9,132)	(3,442)
Net cash (used in)/generated from operating activities		(370,584)	118,446



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

	Half year ended	
	December 31, 2021	December 31, 2020
Note	----- (Rupees in thousands) -----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(43,075)	(13,379)
Proceeds from disposal of property, plant & equipment	-	662
Net cash used in investing activities	(43,075)	(12,717)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from encashment of short term investment	306,000	-
Repayment of long term financing	(62,611)	(25,380)
Dividend paid	(24,643)	(33)
Net cash used in financing activities	218,746	(25,413)
Net increase / (decrease) in cash and cash equivalents	(194,913)	80,316
Cash and cash equivalents at beginning of the period	173,403	(245,945)
Cash and cash equivalents at end of the period	(21,510)	(165,629)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	135,577	145,808
Short term borrowings	(157,087)	(311,437)
	(21,510)	(165,629)

The annexed notes from 1 to 21 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 PERIOD ENDED DECEMBER 31, 2021

	Attributable to the owners of the Holding Company					
	Share capital	Reserves		Total	Non-controlling interests	Total shareholders' equity
		Share premium	Accumulated profits			
	----- Rupees in thousands -----					
Balance as at July 1, 2020 (audited)	997,181	99,718	2,512,111	3,609,010	870,058	4,479,068
Total comprehensive income for the period ended December 31, 2020						
Profit for the period	-	-	100,225	100,225	17,754	117,979
Balance as at December 31, 2020 (un-audited)	997,181	99,718	2,612,336	3,709,235	887,812	4,597,047
Balance as at July 1, 2021 (audited)	997,181	99,718	2,752,233	3,849,132	894,427	4,743,559
Total comprehensive income for the period ended December 31, 2021						
Profit / (loss) for the period	-	-	50,352	50,352	(5,698)	44,654
Transactions with shareholders						
Final cash dividend @ Rs. 0.25 per share for the year ended June 30, 2021	-	-	(24,930)	(24,930)	-	(24,930)
Balance as at December 31, 2021 (un-audited)	997,181	99,718	2,777,655	3,874,554	888,729	4,763,283

The annexed notes from 1 to 21 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 CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

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 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 December 31, 2021 (June 30, 2021: 62.43%). The principal business activity of the Subsidiary Company is generation and supply of electric power. As at December 31, 2021 TPPL has authorized and issued capital of Rs. 500 million and Rs. 479.16 million divided into 50,000,000 (June 30, 2021: 50,000,000) ordinary shares and 47,915,830 (June 30, 2021: 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 half year ended December 31, 2021 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, 2021.

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, 2021 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 period ended December 31, 2021.

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.

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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.

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, 2021.

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, 2021.

5 PROPERTY, PLANT AND EQUIPMENT

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees in thousands)	
Operating fixed assets	5.1	3,997,912	4,055,939
Major stores and spares	5.2	71,748	67,062
Capital work in progress	5.3	24,709	27,780
		4,094,369	4,150,781

5.1 Operating fixed assets

Opening net book value (NBV)		4,055,939	4,260,881
Additions during the period at cost	5.1.1	41,687	19,078
		4,097,626	4,279,959
Fixed assets written off during the period		-	(727)
Depreciation charge for the period		(99,714)	(223,293)
		(99,714)	(224,020)
Closing net book value (NBV)		3,997,912	4,055,939

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		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees in thousands)	
5.1.1	Detail of additions (at cost) during the period are as follows:		
Plant and machinery		3,354	15,103
Electrical installations		35,549	-
Office equipment		301	-
Laboratory equipment		-	820
Vehicles		2,199	3,042
Computer		284	113
		41,687	19,078
5.2	Major stores and spares		
Cost			
Opening balance		109,203	103,710
Additions during the period		10,641	11,001
Transferred during the period		(6,181)	(5,508)
Closing balance		113,663	109,203
Accumulated impairment			
Opening balance		(42,141)	(38,919)
Reversal / (impairment) charge for the period		226	(3,222)
Closing balance		(41,915)	(42,141)
Net book value		71,748	67,062
5.3	Capital work in progress		
Solar panel project		24,709	27,780
6	STORES, SPARE PARTS AND LOOSE TOOLS		
Coal and other fuels	6.1	116,196	23,288
Stores & spare parts		261,503	240,481
Loose tools		75	109
		377,774	263,878
Provision for obsolete stores		(3,843)	(3,843)
Provision for slow moving stores and spares		(35,477)	(29,531)
		(39,320)	(33,374)
		338,454	230,504
7	STOCK-IN-TRADE		
Raw material		13,749	13,938
Packing material		41,768	44,473
Work-in-process		263,697	329,838
Finished goods		50,599	43,279
		369,813	431,528

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			December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note		(Rupees in thousands)	
8		TRADE DEBTS		
		Considered good		
		Local - unsecured	8.1 1,426,753	1,139,897
		Considered doubtful		
		Local - unsecured	75,107	78,890
			1,501,860	1,218,787
		Provision for doubtful debts	(75,107)	(78,890)
			1,426,753	1,139,897
8.1	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.			
9		SHARE CAPITAL		
		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)	
		--- Number of shares ---		
		Authorized share capital		
		200,000,000	200,000,000 Ordinary shares of Rs. 10/- each	2,000,000 2,000,000
		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
		99,718,125	99,718,125	997,181 997,181
10		TRADE AND OTHER PAYABLES		
		Trade creditors	71,869	72,026
		Accrued liabilities	105,111	125,338
		Bills payable	241,869	181,252
		Advances from customers	22,234	34,842
		Excise duty and sales tax payable	111,123	81,880
		Payable to Gratuity Fund	6,600	16,168
		Payable to Provident Fund	-	1,531
		Workers' Profit Participation Fund (WPPF)	42,089	54,215
		Workers' Welfare Fund (WWF)	15,712	18,757
		Other liabilities	6,020	7,977
			622,627	593,986

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11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The status of contingencies as disclosed in annual audited consolidated financial statements for the year ended June 30, 2021 are same as at December 31, 2021. The status of further matters are mentioned below:

- 11.1.1** The Deputy Commissioner Inland Revenue (DCIR) issued show cause notice dated May 18, 2021 regarding Sales Tax Audit of the Holding Company u/s 25 and 46 of the Sales Tax Act, 1990 and Federal Excise Act, 2005 respectively for the tax period from July 01, 2016 to June 30, 2017. The DCIR disallowed input tax amounting to Rs. 93.28 million on some taxable purchases and services received by the Holding Company for the purpose of business during the period from July 01, 2016 to June 30, 2017. In response to show cause notice, the Holding Company attended hearings from time to time and provide documents, explanations and supporting evidences. However, the Learned DCIR has passed an assessment order no. 13/51/2021-2022 on September 02, 2021 disallowing input tax to the extent of Rs. 5.41million. The management filed an appeal with Commissioner Inland Revenue - Appeal (CIR-A) against the order of DCIR. In view of Holding Company's tax consultant, favorable outcome of such appeal will be anticipated.
- 11.1.2** The Deputy Commissioner Inland Revenue (DCIR) issued show cause notice dated May 18, 2021 regarding Sales Tax Audit of the Holding Company u/s 25 and 46 of the Sales Tax Act, 1990 and Federal Excise Act, 2005 respectively for the tax period from July 01, 2018 to June 30, 2019. DCIR disallowed input tax amounting to Rs. 62.11 million on some taxable purchases and services received by the Holding Company for the purpose of business during the period from July 01, 2018 to June 30, 2019. In response to show cause notice, the Holding Company attended hearings from time to time and provide documents, explanations and supporting evidences. However, the Learned DCIR has passed an assessment order no. 14/51/2021-2022 on September 02, 2021 disallowing input tax to the extent of Rs. 11.52 million. The management filed an appeal with Commissioner Inland Revenue - Appeal (CIR-A) against the order of DCIR. In view of Holding Company's tax consultant, favorable outcome of such appeal will be anticipated.
- 11.1.3** The Deputy Commissioner Inland Revenue (DCIR) issued show cause notice dated May 18, 2021 regarding Sales Tax Audit of the Holding Company u/s 25 and 46 of Sales Tax Act, 1990 and Federal Excise Act, 2005 respectively for the tax period from July 01, 2019 to June 30, 2020. DCIR disallowed input tax amounting to Rs. 107.07 million on some taxable purchases and services received by the Holding Company for the purpose of business during the period from July 01, 2019 to June 30, 2020. In response to show cause notice, the Holding Company attended hearings from time to time and provide documents, explanations and supporting evidences. However, the Learned DCIR has passed an assessment order no. 15/51/2021-2022 on September 02 2021 disallowing input tax to the extent of Rs. 20.60 million. The management filed an appeal with Commissioner Inland Revenue - Appeal (CIR-A) against the order of DCIR. In view of Holding Company's tax consultant, favorable outcome of such appeal will be anticipated.
- 11.1.4** On September 06, 2021, the Holding Company has filed a Constitutional Petition (CP) No. 5382 before the Honorable High Court of Sindh (SHC) against arbitrary increase in the royalty rates through impugned notification No. T.O/M&MDD/15-3/2021 dated June 30, 2021 issued by Ministry of Mines and Minerals Development Department, Government of Sindh. The Holding Company's legal consultants attended the hearing and presented his point of view before the Honourable High Court of Sindh. However, the Court proceedings have been adjourned till the next hearing which is fixed on March 28, 2022.

In the view of Holding Company's legal consultant, favourable outcome of the petition is anticipated. Hence no provision of excess royalty amount resulted due to revision in rates has been recorded by the Holding Company in these condensed interim consolidated financial statements.

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11.2 Commitments

- 11.2.1 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, 2021: Rs. 45 million).
- 11.2.2 Performance guarantee in terms of CDRs given by a commercial bank to CMES Navy on behalf of the Holding Company amounting to Rs. 348.225 million (June 30, 2021: Rs. 428.209 million).
- 11.2.3 Other outstanding guarantees given on behalf of the Group by banks amount to Rs. 239.24 million (June 30, 2021: Rs. 309 million).

	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	-- Rupees in thousands --	
11.2.4 Operating lease commitments	2,108	2,047

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	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
----- (Rupees in thousands) -----				
12 SALES - NET				
Gross Sales				
Local	2,435,181	1,776,710	1,358,936	969,183
Export	707	88,170	-	88,170
	<u>2,435,888</u>	<u>1,864,880</u>	<u>1,358,936</u>	<u>1,057,353</u>
Less:				
Federal excise duty	(315,155)	(238,338)	(170,802)	(133,882)
Sales tax	(409,566)	(288,833)	(226,356)	(158,890)
	<u>(724,721)</u>	<u>(527,171)</u>	<u>(397,158)</u>	<u>(292,772)</u>
	<u>1,711,167</u>	<u>1,337,709</u>	<u>961,778</u>	<u>764,581</u>
12.1 Group's revenue disaggregated by primary geographical markets is as follows:				
Sale of cement and clinker				
Primary geographical markets				
Within Pakistan	1,606,286	1,016,968	910,047	571,009
Outside Pakistan	707	88,170	-	88,170
Sale of electric power				
Within Pakistan	104,174	232,571	51,731	105,402
	<u>1,711,167</u>	<u>1,337,709</u>	<u>961,778</u>	<u>764,581</u>
12.2 Group's revenue disaggregated by pattern/timing of revenue recognition is as follows:				
Timing of revenue recognition				
Goods / electric power transferred at a point in time	<u>1,711,167</u>	<u>1,337,709</u>	<u>961,778</u>	<u>764,581</u>
13 COST OF SALES				
Raw material consumed	58,778	60,222	26,708	39,507
Clinker purchase	188,412	-	188,412	-
Manufacturing expenses				
Fuel and power	720,926	679,469	325,354	419,117
Salaries, wages and other benefits	168,250	142,705	73,927	78,032
Depreciation	98,623	114,908	46,420	66,723
Stores, spare parts and loose tools consumed	97,782	48,347	53,864	26,339
Packing material consumed	54,615	36,393	15,636	21,297
Repairs, operations and maintenance	7,011	5,450	3,605	2,750
Insurance	15,751	16,698	8,211	8,064
Vehicle hire, running & maintenance	17,734	8,452	9,441	3,986
Other production overheads	2,368	1,557	417	658
Communication	830	797	414	401
Entertainment	542	339	272	183
Provision for slow moving & obsolete stores and spares	5,721	2,055	5,721	2,055
	<u>1,190,153</u>	<u>1,057,170</u>	<u>543,282</u>	<u>629,605</u>
Cost of production	<u>1,437,343</u>	<u>1,117,392</u>	<u>758,402</u>	<u>669,112</u>
Work-in-process				
Opening balance	329,838	288,870	384,387	241,600
Closing balance	(263,697)	(340,571)	(263,697)	(340,571)
	<u>66,141</u>	<u>(51,701)</u>	<u>120,690</u>	<u>(98,971)</u>
Cost of goods manufactured	<u>1,503,484</u>	<u>1,065,691</u>	<u>879,092</u>	<u>570,141</u>

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	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in thousands)			
Finished goods				
Opening balance	43,279	50,095	37,733	44,403
Closing balance	(50,599)	(45,843)	(50,599)	(45,843)
	(7,320)	4,252	(12,866)	(1,440)
	1,496,164	1,069,943	866,226	568,701

14 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period attributable to the owners of the Holding Company	50,352	100,225	32,221	95,246
Weighted average number of ordinary shares	99,718,125	99,718,125	99,718,125	99,718,125
Earnings per share - basic and diluted (Rupees)	0.50	1.01	0.32	0.96

15 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 period ended / outstanding balances as at December 31, 2021 with related parties are as follows:

15.1 Transactions with related parties

15.1.1 Key management personnel

Salaries and benefits	30,612	26,086	15,769	14,907
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Other related parties

Contribution to Gratuity Fund	16,168	23,979	16,168	18,979
Contribution to Provident Fund	6,360	4,795	3,740	2,366
Education expense - Model tarbiat school	2,121	2,225	1,024	554

December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
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-- Rupees in thousands --

15.2 Balances with related parties

15.2.1 Other related parties

Payable to Gratuity Fund	6,600	16,168
Payable to Provident Fund	-	766

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

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16 OPERATING SEGMENTS

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

Cement Engaged in manufacturing and marketing of cement.

Power Engaged in generation and supply of electric power.

16.1 Revenues

	Cement		Power		Intra group adjustment		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
----- Un-audited -----								
----- Rupees in thousands -----								
Sales - net	1,606,993	1,105,138	359,747	514,367	(255,573)	(281,796)	1,711,167	1,337,709
Cost of sales	(1,454,540)	(962,502)	(313,149)	(408,802)	271,525	301,361	(1,496,164)	(1,069,943)
Gross profit	152,453	142,636	46,598	105,565	15,952	19,565	215,003	267,766
Selling and distribution cost	(22,099)	(51,757)	-	-	-	-	(22,099)	(51,757)
Administrative expenses	(59,004)	(46,859)	(16,269)	(14,857)	12,862	11,692	(62,411)	(50,024)
	71,350	44,020	30,329	90,708	28,814	31,257	130,493	165,985
Other operating expenses	(36,488)	(6,074)	-	(22)	-	-	(36,488)	(6,096)
Impairment loss - trade debts	3,783	(1,261)	-	-	-	-	3,783	(1,261)
Other income	30,904	39,355	9,357	16,811	(24,440)	(23,138)	15,821	33,028
Operating profit/(loss)	69,549	76,040	39,686	107,497	4,374	8,119	113,609	191,656
Finance cost	(9,138)	(9,424)	(60,582)	(63,919)	3,650	98	(66,070)	(73,245)
Segment results	60,411	66,616	(20,896)	43,578	8,024	8,217	47,539	118,411
Unallocated expenditures	-	-	-	-	-	-	-	-
Profit/(loss) before tax	60,411	66,616	(20,896)	43,578	8,024	8,217	47,539	118,411
Taxation	(591)	4,106	(2,294)	(4,538)	-	-	(2,885)	(432)
Profit/(loss) for the period	59,820	70,722	(23,190)	39,040	8,024	8,217	44,654	117,979

16.2 Other information

	Cement		Power		Intra group adjustment		Consolidated	
	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
----- Rupees in thousands -----								
Segment assets	3,702,113	3,695,072	3,575,348	3,665,880	(391,168)	(457,073)	6,886,293	6,903,879
Unallocated corporate assets	-	-	-	-	-	-	-	-
Total assets	3,702,113	3,695,072	3,575,348	3,665,880	(391,168)	(457,073)	6,886,293	6,903,879
Segment liabilities	1,003,017	1,030,866	1,213,511	1,280,853	(93,518)	(151,399)	2,123,010	2,160,320
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
Total liabilities	1,003,017	1,030,866	1,213,511	1,280,853	(93,518)	(151,399)	2,123,010	2,160,320
Capital expenditure	43,075	41,962	-	10,389	-	-	43,075	52,351
Depreciation	43,790	107,736	28,533	115,557	-	-	72,323	223,293
Non-cash expenses other than depreciation	4,588	8,765	1,133	210	-	-	5,721	8,975

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

16.3.1 Operating revenues

Total revenue of reportable segments
 Elimination of intra group revenue
 Consolidated revenue

Consolidated	
December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited)
-- Rupees in thousands --	

1,966,740	1,619,505
(255,573)	(281,796)
1,711,167	1,337,709

16.3.2 Profit and loss

Total profit before tax of reportable segments
 Adjustment of unrealized profit and intra group transactions
 Consolidated profit before taxation

39,515	110,194
8,024	8,217
47,539	118,411

Consolidated	
December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
-- Rupees in thousands --	

16.3.3 Assets

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

7,277,461	7,360,952
(389,565)	(455,470)
(1,603)	(1,603)
6,886,293	6,903,879

16.3.4 Liabilities

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

2,216,528	2,311,719
(93,518)	(151,399)
2,123,010	2,160,320

16.4 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).

17 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 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.

18 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.

19 NUMBER OF EMPLOYEES

The number of employees as at December 31, 2021 was 499 (June 30, 2021: 497) and average number of employees during the period was 500 (June 30, 2021: 503).

20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been authorized for issue on February 28, 2022 by the Board of Directors of the Company.

21 GENERAL

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

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