



**THATTA CEMENT**  
COMPANY LIMITED



September 12, 2024

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

Subject: **Disclosure of Material Information**

Dear Sir,

In accordance with the requirement of clause 5.6.1 of PSX Regulations, we are pleased to inform you that:

VIS Credit Rating Company Limited (VIS) has upgraded the medium to long term rating of Thatta Cement Company Limited at 'A' (Single A) from 'A-' (Single A Minus) while maintaining the short term rating at 'A-2'. Medium to long term rating of 'A' indicates good credit quality; protection factors are adequate. Risk factors may vary with possible changes in the economy.

The upgrade in the medium to long term entity ratings is on account of sustainable improvement in TCCL's financial performance during FY24, primarily due to increased profitability and enhanced liquidity. In FY24, TCCL's financial performance demonstrated significant improvement with increase in revenue on account of higher dispatches and cement prices. Shift to cost-effective domestic coal from imported coal and commissioning of a 3.5 MW solar energy project contributed to a reduction in production costs which further gave an uptick to the profitability margins. TCCL's debt servicing capacity remains strong and capitalization metrics are viewed as conservative, with no long-term debt and low short-term borrowing. Moreover, the liquidity position of the Company also remains sound.

Press Release by VIS Credit Rating Company Limited of September 12, 2024 is also attached with this letter.

Yours Sincerely,



**Muhammad Abid Khan**  
Company Secretary

**Head Office:**

CL 5/4, State Life Building # 10  
Main Abdullah Haroon Road, Karachi-75350  
Tel : 92 21 111 842 882  
Fax : 92 21 35665976-77  
Web : www.thattacement.com

**Factory:**

Ghulamullah Road, Makli,  
District Thatta, Sindh 73160  
Tel : 92 298 111 842 882  
Fax : 92 298 555004  
E-mail : info@thattacement.com

# Press Release

## VIS Upgrades Entity Ratings of Thatta Cement Company Limited

Karachi, September 12, 2024: VIS Credit Rating Company Limited (VIS) upgrades entity ratings of Thatta Cement Company Limited ("TCCL" or "the Company") at 'A/A-2' (Single A /A Two) from 'A-/A-2' (Single A Minus / A-Two). Medium to long term rating of 'A' indicates good credit quality; protection factors are adequate. Risk factors may vary with possible changes in the economy. Short-term rating of 'A-2' indicates good likelihood of timely repayment of short-term obligations with sound short-term liquidity factors. Outlook on the assigned ratings remains 'Stable'. Previous rating action was announced on May 14, 2024.

Thatta Cement Company Limited ("TCCL" or "the Company") was incorporated in Pakistan in 1980 as a public limited company and is listed on PSX in 2008. The Company's main business activity is manufacturing and sale of cement.

The upgrade in the medium to long term entity ratings is on account of sustainable improvement in TCCL's financial performance during FY24, primarily due to increased profitability and enhanced liquidity. In FY24, TCCL's financial performance demonstrated significant improvement with increase in revenue on account of higher dispatches and cement prices. Shift to cost-effective domestic coal from imported coal and commissioning of a 3.5 MW solar energy project contributed to a reduction in production costs which further gave an uptick to the profitability margins. TCCL's debt servicing capacity remains strong and capitalization metrics are viewed as conservative, with no long-term debt and low short-term borrowing. Moreover, the liquidity position of the Company also remains sound

For further information on this ratings announcement, please contact at 021-35311861-64 or email at [info@vis.com.pk](mailto:info@vis.com.pk).

### Applicable Rating Criteria:

Industrial Corporates

<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

VIS Issue/Issuer Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>