THATTA CEMENT
COMPANY LIMITED

ANNUAL REPORT

CEMENTING PROGRESS WITH RESPONSIBILITY

Balancing PPP Profit, People, Planet !

2025

www.thattacement.com

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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 shareholders value

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Khawaja Muhammad Salman Younis	Chairman
Mr. Kamran Munir Ansari	Chief Executive
Ms. Naheed Memon	Director
Mr. Noor Muhammad	Director
Mr. Saleem Zamindar	Director
Mr. Alamuddin Bullo	Director
Ms. Shaista Bano Gilani	Director

BOARD OF DIRECTORS

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

HR & REMUNERATION COMMITTEE

Mr. Khawaja Muhammad Salman Younis	Member
Mr. Noor Muhammad	Member
Mr. Kamran Munir Ansari	Member

IT STEERINGCOMMITTEE

Mr. Khawaja Muhammad Salman Younis	Chairman
Mr. Kamran Munir Ansari	Member
Mr. MuhammadAbid Khan	Member

CHIEF FINANCIAL OFFICER

Mr. MuhammadOwais

COMPANY SECRETARY

Mr. MuhammadAbid Khan

STATUTORY AUDITOR

M/s BDO Ebrahim & Co., Chartered Accountants

CORPORATE ADVISOR

M/s Sharjeel Ayub & Co., Chartered Accountants

LEGAL ADVISOR

M/s LEX FIRMA, Advocates, Barristers and Legal Consultants

BANKERS - CONVENTIONAL

National Bank of Pakistan
Sindh Bank Limited
Bank Makramah Limited
MCB Bank Limited
Bank Al Habib Limited
Allied Bank Limited
Bank Alfalah Limited

REGISTERED OFFICE

CL/5-4 State Life Building # 10, Abdullah Haroon Road, Karachi, Pakistan
UAN: 0092-21-111-842-882
Fax no.: 0092-21-35665976-77
Website: www.thattacement.com
E-mail: 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

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE

It gives me great pleasure to place before you the Annual Report of Thatta Cement Company Limited for the year ended June 30, 2025.

Overall Business Performance

By the Grace of Allah Almighty, The Company reported a robust profit before tax of Rs. 3,639.915 million, achieved after charging depreciation of Rs. 175.986 million. This performance reflects effective financial management and the ability to deliver strong returns.
Revenue grew by 11.67% during the year, primarily due to improved retention prices. This growth highlights the Company's success in leveraging market opportunities and strengthening its revenue base.
The results of the Company's operations are dealt with in further detail in the annexed Directors' Report and Financial Statements.

On Board's overall Performance u/s 192 of the Companies Act 2017

The company complies with the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the Composition, procedures and meetings of Board of Directors and its committees. Code of Corporate Governance requires an annual evaluation of Board of Directors and its committees. The purpose of this evaluation is to bring improvement in the overall governance of the Company, efficiencies in Board process, enhancement of role of individual directors and sound support of Board Committees facilitating in discharging its responsibilities to achieve the objectives set for the Company.
The Board has approved a formal process for its performance evaluation and adopted self-evaluation mechanism based on comprehensive questionnaire. The obligation to undertake annual evaluation process is assigned to the Human Resource Committee of the Board. Accordingly, the performance evaluation of the Board, its members and Committees of the Board for the year ended June 30, 2025 was conducted as per mechanism approved by the Board and I report that:
The overall performance of the Board, Members and Committees of the Board on the basis of approved criteria for the year was satisfactory.
The overall assessment as satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of company's objectives.

- Composition of the Board and meeting procedures.
- Vision and strategic direction
- Monitoring of Company's performance
- Overall roles and responsibilities
- Relationship among the Board and Management
- Composition and performance of Board Committees.

In the end, I would like to commend my fellow directors for their commitment and the contribution they make to our strategic deliberations. On behalf of the Board, I would also like to thank every one of our stakeholders for their valuable contribution for the success of the Company.

Khawaja Muhammad Salman Younis
Chairman

September 08, 2025

DIRECTORS' REPORT

The Directors of Thatta Cement Company Limited (TCCL) are pleased to present this report, accompanied by the audited financial statements of the Company for the fiscal year ended June 30, 2025 and Auditors' report thereon, along with independent auditors' review report on Statement of Compliance Contained in Listed Companies Regulations (Code of Corporate Governance), 2019. The information provided below encompasses the unconsolidated and consolidated performance of the Company during this year.

OVERVIEW

Production and dispatches for the year ended on June 30, 2025 are as follows:

Description	2025	2024	Variance	
	--------------Metric Tons	-------------------------	-------------------------	%
Production				
Clinker	415,850	423,491	(7,641)	-1.80
Cement	502,985	529,700	(26,715)	-5.04
Dispatches				
Cement	508,513	533,880	(25,367)	-4.75
Clinker	--	4,455	(4,455)	-100
Total	508,513	538,335		

Pakistan's economy demonstrated steady improvement throughout FY25, driven by reform measures, stronger external inflows, and easing price pressures. Workers' remittances surged by 27% to an unprecedented USD 38.3 billion, providing crucial foreign exchange and supporting a current account surplus of USD 2.1 billion — Pakistan's first surplus in 14 years. This turnaround was reinforced by a stable exchange rate and reduced external financing pressures. Inflation slowed sharply, dropping to just 3.2% year-on-year in June 2025, bringing the annual average to around 4.5–4.7%, a significant improvement from over 23% in FY24. In response to this disinflation, the State Bank cut its policy rate to 11%, aiming to stimulate investment while maintaining price stability. Agreements with the IMF under the USD 7 billion Extended Fund Facility and a new USD 1.3 billion Resilience and Sustainability Facility further strengthened investor confidence and provided reliable external financing. Fitch Ratings also upgraded Pakistan's sovereign credit rating to B- with a Stable outlook, citing progress on fiscal discipline and structural reforms.

The Company delivered a notable improvement in performance during fiscal year 2025. While local cement dispatches declined slightly by 4.75% compared to the previous year, revenue rose impressively by 11.67%. This substantial growth in revenue was primarily driven by a significant increase in cement retention prices.

During the year, the Company achieved an overall clinker production capacity utilization of 63%, producing 415,850 tons of clinker—slightly lower than the previous year's utilization rate of 64.16%. Despite this marginal decline, the strong increase in cement retention prices reflects the Company's robust operational performance and resilience in a challenging economic environment.

To counter the ongoing challenges and keep up the financial and operational health, the Company is implementing a series of proactive measures. Our strategic focus includes cost optimization, comprehensive risk management, use of renewable energy source and a commitment to innovation. These efforts are designed to mitigate the adverse effects of upcoming challenges and to ensure the ever delivered sustainable value to our stakeholders.

Industry Review

Cement production in Pakistan saw a slight increase of 2.05% during this period. By the end of the fiscal year on June 30, 2025, total cement production had reached 46.2 million tons, up from 45.3 million tons on June 30, 2024. This modest growth in production indicates that the sector managed to maintain a steady output level despite the adverse conditions. However, local sales volumes faced a downturn. They fell by 3.04%, with total sales dropping to 37.02 million tons from the 38.18 million tons recorded in the previous year. This decline in domestic sales can be attributed to various factors, including reduced construction activity and tighter budgets within the local market, which were influenced by the aforementioned economic pressures.
On a more positive note, export performance in the cement sector experienced a significant boost. Export dispatches surged by an impressive 29.46%, climbing from 7.110 million tons in the previous fiscal year to 9.204 million tons by the end of June 2025. This sharp increase in exports reflects the sector's growing presence in international markets and its ability to capitalize on external demand despite the challenges faced domestically.

Sales Review

In the fiscal year 2024-25, the company achieved an impressive 11.67% rise in revenue. The substantial revenue growth is largely due to a significant increase in cement retention prices. This price adjustment not only enhanced the company's revenue but also demonstrated its ability to effectively respond to market conditions and optimize financial performance. The strong results highlight the company's successful strategy to boost profitability and solidify its competitive position.

Sales Review

A comparison of key financial results of your Company's performance for the year ended June 30, 2025 with last year is as under:

Particulars	2025	2024
	Rupees in thousands	
Sales – net	7,566,414	7,521,576
Gross profit	2,150,702	2,169,942
Finance Cost	43,032	53,291
Profit before taxation	3,639,915	2,473,588
Profit for the year	2,556,810	1,501,404
Earnings per share (Rupees)	30.18	16.40

The company reported a robust profit before tax amounting to **Rs. 3,639.915 million**. This figure was achieved after accounting for depreciation expenses of **Rs. 175.986 million**, which reflects the company's effective financial management and its ability to generate considerable returns.

In terms of sales performance, the company saw a 11.67% increase in revenue. This growth was primarily driven by a significant boost in local cement sales and a notable increase in retention prices, demonstrating the company's ability to capitalize on market opportunities and enhance its revenue streams.

The cost-to-sales ratio stood stagnant to 71.58% with 71.15% of the previous year. This cost control can be attributed to the company's strategic shift towards utilizing more cost-effective domestic coal sources and the successful implementation of a 5 MW solar energy project and 4.8 MW Wind Power Plant. These measures have contributed to lowering operational costs and improving profitability.

Impact of Company's business on the environment

The major impact of the cement manufacturing business on environment is related to particulate matter and fugitive dust emissions of both inhalable and respirable micron sizes emitted from processes adopted for clinker production that cause a chronic fatal disease i.e. Silicosis.

Proactively minimizing the impact of company's business on the environment, the Company has installed de-dusting equipment, such as, dust cyclones, bag houses, dust suppression by damping down method, electrostatic precipitators, personal protective equipment and speed limit controls that are operated by qualified technical staff with regulatory complied protocols, to overcome RSPM (respirable suspended particulate matter) and FRD (fugitive road dust).
In compliance with environmental regulations, the company adheres to the Environmental Quality Standards as mandated by the SEPA Act 2014. This includes rigorous monitoring and analysis of ambient air quality, drinking water, noise levels, and other relevant environmental parameters. To ensure adherence to these standards, the company utilizes a SEPA-certified environmental laboratory for comprehensive monitoring and analysis.
Furthermore, the company's commitment to reducing its environmental impact is exemplified by the subsidiary company of TCCL, which has implemented a Waste Heat Recovery System (WHRS). This system captures and reuses waste heat generated during cement production and power generation processes. By converting waste heat into usable energy, the WHRS minimizes global warming impacts and significantly reduces carbon emissions. This innovative approach not only supports the company's environmental stewardship goals but also contributes to overall energy efficiency and sustainability in industrial operations.

Renewable Energy Initiatives

The Company has made significant strides in adopting renewable energy technologies. It has successfully installed a 5 MW solar power plant, which generates clean electricity by harnessing solar energy. In addition, the Company has also successfully completed and commissioned on April 3, 2025, ahead of schedule, wind power generation project with a capacity of 4.8 MW.

These initiatives not only advance the Company's sustainability objectives but also improve its profitability by decreasing reliance on conventional energy sources. Moreover, they help reduce the Company's environmental impact by harnessing renewable energy sources such as solar and wind.

Furthermore, the Company's commitment to reducing its environmental impact is exemplified by the subsidiary company of TCCL, which has implemented a Waste Heat Recovery System (WHRS). This system reuses waste heat generated during cement production and power generation processes. By converting waste heat into usable energy, the WHRS minimizes global warming impacts and significantly reduces carbon emissions. This innovative approach not only supports the company's environmental stewardship goals but also contributes to overall energy efficiency and sustainability in industrial operations.

Looking ahead, the company is poised to expand its commitment to sustainability through a series of ambitious renewable energy projects. Building on the success of its recent 5 MW solar installation and 4.8 MW wind power project, the company plans to further invest in cutting-edge technologies and initiatives aimed at enhancing its environmental footprint. By integrating advanced renewable technologies into its infrastructure, the company aims to solidify its position as a leader in sustainable practices and contribute significantly to the transition toward a greener energy future. This forward-thinking approach reflects the company's dedication to innovation, long-term environmental stewardship, and commitment to achieving its sustainability goals.

Corporate Social Responsibility

As a responsible corporate entity, our Company is deeply committed to fulfilling its social responsibilities and contributing positively to the communities in which we operate. Throughout the fiscal year 2024-25, we have actively engaged in a range of initiatives aimed at enhancing the welfare of local residents.

A key focus of our efforts has been on promoting safety and health awareness. To this end, we have organized numerous educational sessions designed to inform and empower community members about best practices in safety and health. These sessions cover a variety of important topics, including preventive measures, emergency preparedness, and overall well-being.

In addition to these awareness programs, we are proud to have established a state-of-the-art Silicosis Diagnostic and Health Screening Center. This facility, staffed by highly qualified and experienced professionals, is dedicated to diagnosing and addressing silicosis and other related health conditions. Our center is equipped with the latest diagnostic tools and technology to ensure acute assessments and effective treatment plans.

During the year, the Company has made significant strides in addressing its environmental impact. In a dedicated effort to enhance the local ecosystem, we have successfully planted 10,000 trees in the surrounding area. This initiative is part of our broader commitment to environmental stewardship and sustainability. By expanding green spaces, we aim to improve air quality, support local wildlife habitats, and contribute to the overall health of the environment. Our efforts not only demonstrate our dedication to ecological responsibility but also foster a greener and more sustainable future for the community and beyond.

Through these initiatives, we aim to make a meaningful and lasting impact on the health and safety of the communities we serve, reinforcing our commitment to being a proactive and supportive corporate citizen.

Adequacy of Internal Controls

The Directors are diligently implementing all essential measures to ensure the efficiency of the Company's internal control systems at all horizons and affairs of the Company. This encompasses a comprehensive assessment of all significant controls, encompassing financial, operational, and compliance controls that may impact the Company's operations.

Related Party Transactions
All related party transactions entered into were reviewed and approved by the Audit Committee as well as the Board of Directors of the Company in compliance with the PSX Regulations of the Pakistan Stock Exchange Limited.

Corporate and Financial Reporting

a.The financial statements, prepared by the management of Thatta Cement Company Limited present fairly its state of affairs, the results of its operations, cash flows and changes in equity. All necessary steps are being taken to ensure good Corporate Governance.

b.Proper books of account have been maintained by the Company.

c.The financial statements together with notes thereto have been drawn in conformity with the Companies Act, 2017. International Financial Reporting Standards and International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and there has been no material departure therefrom.

d.Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

e.The system of internal control has been effectively implemented and is continuously reviewed and monitored.

f.The Company is a going concern and there is no doubt at all about the Company's ability to continue as a going concern.

g.There is nothing outstanding against the Company on account of taxes, duties, levies, and other charges except for those which are being made in the normal course of business and as disclosed in the financial statements.

h.Key operating and financial statistics for the last six years have been given separately.

i.Detailed statement on the number of Board, Audit Committee and Human Resources & Remuneration Committee meetings held during the year and attendance by each director/member is annexed to this report separately as Annexure I as required under 227(2)(a) of the Companies Act, 2017.

j.Pattern of Shareholding of the Company, in accordance with section 227(2)(f) of the Companies Act, 2017, is annexed to this report.

Gender Diversity

The management promotes an inclusive work environment by ensuring equitable representation at all levels within the organization. Currently, female employees make up 9.54% of TCCL's total workforce at the head office and female directors make up 28.57% of the Board.

Changes in Board of Directors

During the year, there is no change in the Board of Directors of the Company.

Code of Corporate Governance

a. The 'Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019 is annexed to this report.

b. Below is the Composition of Board of Directors, to be included in Annual Report, under section 227 of the Companies Act, 2017:

Description	Number of directors
1. Male	5
2. Female	2
Composition	
Independent Directors	4
Non-Executive	2
Executive Director	1
Female Director	2

(c) The details of Board Sub-Committees have been provided on **page 13** of annual report.

Remuneration/Fee of Directors

The remuneration of Directors is governed by the Articles of Association of the Company which requires that the remuneration/fee of a Director to be paid to every Director for attending the Meeting of the Directors or a committee of directors shall, from time to time, be determined by the Board of Directors taking into account the competencies and efforts in the light of scope of their responsibilities.

Detail of remuneration paid to the executive director (chief executive) of the Company is disclosed in Note ____ of the unconsolidated financial statements.

Board Evaluation

As required under the Listed Companies Code of Corporate Governance Regulations 2019, an annual evaluation of performance of the Board, members of the Board and its Committees was carried out to ensure that Board's overall performance and effectiveness is measured against the objectives set for the company. For that purpose, Board has developed a mechanism for evaluation of Board's own performance, members of the Board and its Committees. Based on the evaluation, overall performance of the Board, members and Committees of the Board for the year under review is satisfactory.

Subsequent Events

Subsequent to the year end, the Company carried out a stock split to improve the tradability and market liquidity of its shares. The nominal value of each share was reduced from Rs. 10 to Rs. 2, without any change in the overall paid-up share capital of the Company. This measure is aimed at broadening investor participation and enhancing long-term shareholder value. No material changes or commitments, affecting the financial position of the Company, have taken place between the end of financial year 2024-25 and the date of this Report.

External Auditors

The present auditors M/s BDO Ibrahim & Co, Chartered Accountants being eligible have offered themselves for re-appointment. As per recommendation of the Audit Committee, the Board recommends to the shareholders the appointment of M/s BDO Ibrahim & Co, Chartered Accountants as auditors of the Company for the year ending on June 30, 2026.

Revaluation of Property, Plant and Equipment

M/s. Joseph Lobo (Pvt.) Ltd. has conducted a valuation of the Company's property, plant, and equipment. According to the valuation report, the assessed market value of the property, plant, and equipment stands at Rs. 10.030 million. However, the Company has not incorporated this valuation in its financial statements, which continue to be maintained on a cost basis.

Certificate of Consistency of Performance (Ce Certification)

The Company has successfully obtained the CE Certification from the Council for Quality and Environment - Türkiye, reinforcing its commitment to quality and environmental standards. This achievement enhances operational efficiency, ensures regulatory compliance, and strengthens global market credibility. It will also open new export opportunities in Europe and other developed markets, boosting the company's growth and competitiveness.

Future Outlook

Since we stepped into the fiscal year 2024-25, Pakistan faces significant political and economic challenges, leading to a rather somber outlook. The country is grappling with a complex economic landscape, characterized by the ripple effects of a global economic downturn, high inflation rates, constrained financial resources, and environmental disasters.

However, under the US$7 billion IMF program, Pakistan achieved macroeconomic stabilization via tight policies, including cuts in Public Sector Development Projects (PSDP) spending and subsidy rationalization and the program continues to steer Pakistan toward macroeconomic stabilization, with successful reviews unlocking further disbursements and resilience funding.

The Ministry of Planning & Development (APCC) targets 4.2% GDP growth, reflecting expectations of broad-based recovery across agriculture, industry, and services. While the IMF forecasts a more cautious 3.6% growth, following FY 2024–25's estimated 2.6% to 2.7% growth. On the other hand, Inflation is expected to rise moderately to ~7.5%, owing to low base effects and ongoing trade and tariff adjustments.

The **"Uraan Pakistan"** five-year economic transformation plan targets export-led growth, infrastructure development, ICT advancement, and fiscal consolidation as key pillars. Early progress includes inflation reduction, remittance growth, and better fiscal indicators.

Therefore, Fiscal discipline, financial prudence, international cooperation for sustainable growth, and domestic political stability are crucial for economic revitalization. Sustainable measures will help rebuild confidence and pave the way for future prosperity.

The management is aware of the challenges ahead and is actively adapting its strategies to address market risks, tackle future obstacles, and sustain business growth. By continuously evolving its approach and implementing targeted measures, the Company aims to navigate uncertainties effectively and maintain a trajectory of success.

Credit Rating

The Company has been assigned a long term rating of "A" (Single) and short term rating of "A-2" (Single A Two) by JCR-VIS Credit Rating Company Limited.

Contribution to National Exchequer

The Company contributed Rs. 4.659 billion (2024: Rs. 3.357 billion) into the Government Treasury on account of income tax, excise duty, sales tax and other Government levies.

Performance of the Group

In compliance with section 226(4) of the Companies Act, 2017 the consolidated financial statements for the / as at year ended June 30, 2025 of TCCL (the Holding Company) and Thatta Power (Private) Limited (TPPL) (the Subsidiary Company) and Minsk Work Tractor & Assembling (Pvt.) Ltd (MWTAPL) (the Subsidiary Company) are attached with this report. Its key highlights are extracted below:

Paid-up Share Capital	847,181	847,181
Total Equity - Holding Company	7,134,572	4,425,387
Trade and Other payables	1,864,508	1,423,518
Short Term Borrowings	197,856	197,649
Statement of Profit or Loss		
Sales - net	9,443,838	7,683,766
Gross Profit	2,951,141	2,347,718
Selling, Distribution cost & Administrative Expense	213,824	204,506
Profit before taxation	3,438,632	2,274,345
Profit for the year	2,344,213	1,278,616
Earnings/(Loss) per share (in Rupees)	28.28	16.08

Acknowledgement

The Board of Directors is grateful indeed to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Board also acknowledges the relentless efforts and dedicated services, team work, loyalty and hard work of all the employees of the Company and hopes their continued dedication shall consolidate the Company further and keep it abreast to face future developments and demands.

Kamran Munir Ansari
Chief Executive Officer
Karachi: September 08, 2025

Khawaja Muhammad Salman Younis
Chairman ber 08, 2025

ANNEXURE I

Attendance of Directors in Board Meetingsheld during the year ended June 30, 2025

Names of Directors	No. of Meetings	Meeting attended
Mr. Khawaja Muhammad Salman Younis	4	3
Mr. Kamran Munir Ansari	4	4
Ms. Naheed Memon	4	3
Mr. Saleem Zamindar	4	4
Mr. Noor Muhammad	4	4
Mr. Alamuddin Bullo	4	4
Ms. Shaista Bano Gilani	4	3

Attendance of Members in Audit Committee Meetings held during the year ended June 30, 2025:

Name of Members	No. of Meetings	Meeting attended
Ms. Naheed Memon	4	3
Mr. Khawaja Muhammad Salman Younis	4	3
Mr. Saleem Zamindar	4	4

Attendance of Members in Human Resource & Remuneration Committee held during the year ended June 30, 2025:

Mr. Khawaja MuhammadSalman Younis	1	1
Mr. Noor Muhammad	1	1
Mr. Kamran Munir Ansari	1	1

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDINGS

AS AT JUNE 30, 2025

CATEGORY NO.	CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGES (%)
1	Directors, Chief Executive Officer and their spouse and minor children	7	1,796,725	1.80
2	Associated Companies, undertakings and related parties	6	53,254,027	53.40
3	Insurance Companies	3	584,332	0.59
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	2	4,648,400	4.66
6	Modarbas and Mutual Funds	16	3,178,861	3.19
7	General Public			
	(a) Local	4,299	8,946,865	8.97
	(b) Foreign	436	1,649,764	1.65
8	Others	50	25,659,151	25.73
TOTAL		4,819	99,718,125	100.00

SHAREHOLDERS HOLDING 10% OR MORE VOTING SHARES IN THE COMPANY			
TOTAL PAID UP SHARE CAPITAL OF THE COMPANY		99,718,125	Shares
10% OF THE PAID UP CAPITAL OF THE COMPANY		9,971,813	Shares
NAME(S) OF SHAREHOLDERS	DESCRIPTION	NO. SHARES HELD	PERCENTAGES
Sky Pak Holding (Private) Limited	Falls in Category # 2	21,152,787	21.21%
Al-Miftah Holding (Private) Limited	Falls in Category # 2	14,895,118	14.94%

Pattern of Shareholdings – CDC and Physical

AS AT JUNE 30, 2025

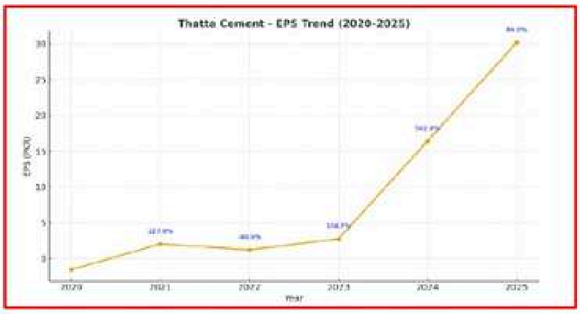
PATTERN OF SHAREHOLDING CDC AND PHYSICAL
AS AT JUNE 30, 2025

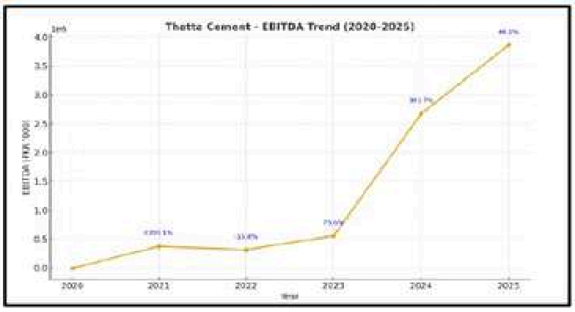
NO. OF SHAREHOLDINGS	SHAREHOLDINGS FROM	SHAREHOLDINGS TO	TOTAL SHARES HELD
1754	1	100	55,595
1573	101	500	556,180
519	501	1000	435,456
648	1001	5000	1,476,745
139	5001	10000	1,063,830
37	10001	15000	471,998
25	15001	20000	448,888
17	20001	25000	398,393
9	25001	30000	254,769
10	30001	35000	326,024
7	35001	40000	273,132
3	40001	45000	128,721
7	45001	50000	342,620
5	50001	55000	271,981
1	55001	60000	60,000
1	60001	65000	65,000
3	65001	70000	208,348
1	70001	75000	74,000
3	75001	80000	239,800
1	80001	85000	81,000
1	85001	90000	85,326
2	95001	100000	200,000
2	100001	105000	205,957
1	105001	110000	107,501
1	110001	115000	113,000
1	115001	120000	119,043
3	120001	125000	372,599
2	130001	135000	270,000
2	145001	150000	300,000
1	160001	165000	165,000
2	165001	170000	334,600
1	170001	175000	170,817
1	190001	195000	195,000
2	195001	200000	395,732
1	200001	205000	203,580
1	205001	210000	208,000
2	215001	220000	437,498
1	225001	230000	226,100
1	245001	250000	250,000
1	280001	285000	285,000
3	295001	300000	896,609
1	345001	350000	350,000
1	350001	355000	353,132
1	385001	390000	385,781
1	495001	500000	500,000
1	500001	505000	502,689
2	510001	515000	1,025,500
1	530001	535000	535,000
1	595001	600000	600,000
1	740001	745000	743,000
1	895001	900000	895,741
1	910001	915000	911,244
1	1005001	1010000	1,005,279
1	1125001	1130000	1,128,000
1	1295001	1300000	1,300,000
1	1620001	1625000	1,625,000
1	1780001	1785000	1,780,831
1	2595001	2600000	2,600,000
1	4640001	4645000	4,644,800
1	4640001	6535000	6,531,291
1	8475001	8480000	8,479,090
1	14895001	14900000	14,895,118
1	14995001	15000000	15,000,000
1	21150001	21155000	21,152,787
4,819			***99,718,125***

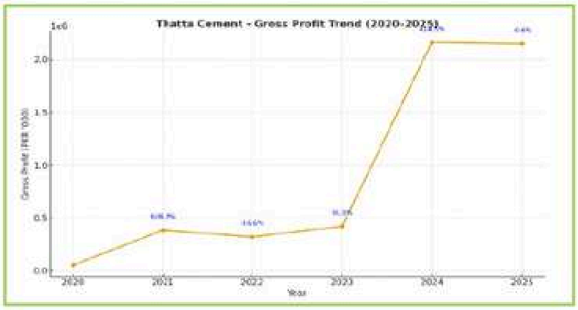
Key Operating and Financial Statistics of Six Years

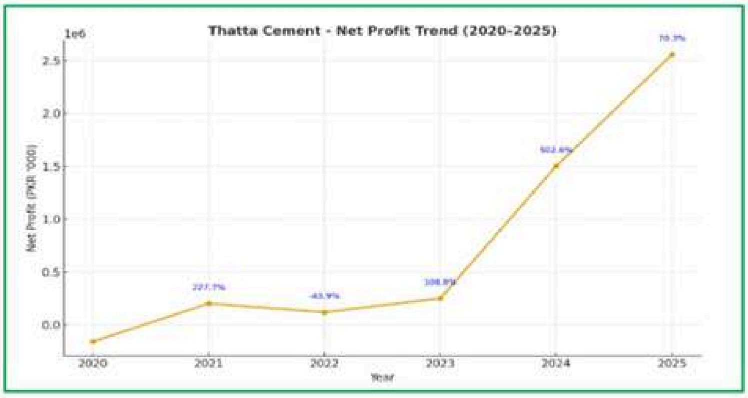
Key Operating Financial Stats	Rs in thousands					
	2025	2024	2023	2022	2021	2020
Summary of Statement of Financial Position						
Assets Employed						
Property, plant and equipment	3,425,606	2,219,818	1,838,811	1,920,063	1,951,747	2,021,470
Right-of-use assets	-	-	-	42,184	-	-
Intangible assets	1,755	2,925	4,095	5,265	-	-
Long term deposits	5,125	5,125	5,125	3,796	1,096	1,096
Gratuity fund assets	123,100	23,100	-	-	-	-
Long term investment in subsidiary	936,658	299,158	299,158	299,158	299,158	299,158
Current assets	4,885,729	5,076,455	2,595,792	2,362,505	1,443,071	1,155,376
Total Assets Employed	9,377,973	7,626,581	4,742,981	4,632,971	3,695,072	3,477,100
Financed by						
Shareholders equity	6,698,678	4,209,188	2,984,709	2,740,309	2,664,206	2,464,579
Long term financing	-	-	-	-	-	-
Current portion of long term financing	-	-	-	-	-	-
	-	-	-	-	-	-
Long term deposits & deferred liabilities	684,017	372,151	300,554	335,465	325,621	303,904
Current liabilities	1,995,278	3,045,242	1,457,718	1,557,197	705,245	708,617
Current portion of long term financing						
	1,995,278	3,045,242	1,457,718	1,557,197	705,245	708,617
Total funds invested	9,377,973	7,626,581	4,742,981	4,632,971	3,695,072	3,477,100
Summary of Statement of Profit & Loss						
Turnover	7,566,414	7,521,577	5,410,132	4,263,894	2,427,313	1,755,227
EBITDA	3,858,933	2,670,251	554,306	315,717	374,921	- 9,133
EBIT	3,682,947	2,526,278	415,386	188,141	267,185	- 140,934
Net Profit	2,556,810	1,501,037	249,077	119,294	201,793	- 158,018
% Change in Sales	1	39.03	26.89	75.66	38.29	49.39
% Change in EBITDA	45	381.73	75.57	- 15.79	4,205.12	101.87
% Change in EBIT	46	508.18	120.78	- 29.58	376.07	127.98
Gross Profit	2,150,702	2,163,726	420,512	320,621	384,661	52,100
Profit / (loss) before tax	3,639,915	2,472,987	364,528	154,766	250,115	- 140,934
Profit / (loss) after tax	2,556,810	1,501,037	249,077	119,294	201,793	- 158,018
Accumulated Profit carried forward	5,751,779	3,262,289	1,887,810	1,643,410	1,567,307	1,367,680
Earnings / (loss) per share	30.18	16.40	2.72	1.20	2.02	- 1.58

Key Operating and Financial Statistics of Six Years









Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Thatta Cement Company Limited will be held at Beach Luxury Hotel, M. T. Khan Road, Karachi on October 07, 2025 at 11:30 a.m. to transact the following business:

A.Ordinary Business

1. To confirm the minutes of Extra-Ordinary General Meeting of the shareholders held on May 29, 2025.

2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2025 together with the Board of Directors' and Independent Auditors' report thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code

https://thattacement.com/reports/2024-2025-Annual.pdf

3. To appoint external auditors of the Company for the year ending on June 30, 2026 and fix their remuneration. The present auditors, M/s BDO Ebrahim & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

B. Special Business

4. To consider and, if deem fit, to pass with or without any amendment/modification the following resolutions as Special Resolution for investment (loans/advances) in subsidiary company:

RESOLVED that the consent and approval be and is hereby accorded under section 199 of the Companies Act, 2017 to provide loan/advance upto maximum amount of Rs 750 million to Thatta Power (Private) Limited (TPPL), a Subsidiary Company to honor/meet its financial obligations and working capital requirements, subject to the terms and conditions mentioned in the annexed statement under section 166(3) of the Companies Act 2017.

FURTHER RESOLVED that the consent and approval be and is hereby accorded under section 199 of the Companies Act, 2017 to provide loan/advance upto maximum amount of Rs 750 million to Minsk Work Tractor & Assembling (Private) Limited (MTWPL), a Subsidiary Company to honor/meet its financial obligations and working capital requirements, subject to the terms and conditions mentioned in the annexed statement under section 166(3) of the Companies Act 2017.

5. To transact any other business with the permission of the Chair.

Karachi : September 16, 2025

By Order of the Board
Muhammad Abid Khan
Company Secretary

Notes:

1.Closure of Share Transfer Books

The Share Transfer Books of the Company shall remain closed from September 30, 2025 to October 07, 2025 (both days inclusive). Transfers received in order at our Share Registrar/Transfer Agent M/s THK Associates (Private) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, 75500 at the close of business on September 29, 2025 shall treated in time for the purpose of Annual General Meeting.

2. Participation in General Meeting

A member of the Company entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at the registered office of the Company duly stamped and signed not later than 48 hours before the time for holding the meeting. A member cannot appoint more than one proxy. Copy of the member's Computerized National Identity Card (CNIC) must be attached with the form. For any other relevant aspects, contents of section 137 of Companies Act, 2017 will apply.

CDC Account Holders will further have to follow the undermentioned guidelines, as laid down in Circular No. 1 of 2000 of SECP dated January 26, 2000.

For Attending the Meeting

In case of Individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his / her identity by showing his / her original CNIC or original passport at the time of attending the meeting.

Members registered on Central Depository Company (CDC) are also requested to bring their particulars, ID Number and account number in Central Depository System (CDS).

In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted along with proxy Form to the Company.

For appointing the proxies

- In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the Proxy Form as per the above requirement.
- Proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the Form.
- Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
- The Proxy shall produce his/her original CNIC or original passport at the time of meeting.
- In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted along with Proxy Form to the Company.

3. Deposit of physical shares into CDC Account

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission.

The Shareholders having physical shareholding are encouraged to open CDC-account with any of the brokers or Investor Account Directly with CDC to place their physical shares into scrip form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

4. Transmission of annual audited financial statements through QR enabled code and web link

The Company has circulated annual financial statements to its members through QR enabled code and web link. Printed copy of above referred statements can be provided to members upon request. Request form is available on the website of the Company, i.e. www.thattacement.com.

5. Availability of audited financial statements on company's website

The audited financial statements of the Company for the year ended June 30, 2025 has been made available on the Company's Website www.thattacement.com in addition to annual and quarterly financial statements of prior years.

6. Transmission of annual reports through e-mail

The SECP vide SRO 787(I)/2014 dated September 08, 2014 has been provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the standard form placed on the Company's website www.thattacement.com . The Company shall, however, additionally provide hard copies of the annual report to such members, on request, free of cost.

7. Request from Video Conference Facility

In terms of SECP's circular no. 10 of 2014 read with provisions contained under section 132 and 134 of the Act, if the Company receives request/demand from members holding in aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video conference at least Seven (07) days prior to the date of meeting. The Company will arrange video conference facility in that city, subject to availability of such facility in that city.

The Company will intimate members regarding venue of the video-link facility at least two (02) days before the date of the general meeting along with complete information necessary to enable them to access the facility.

In this regard, please fill the following form and submit to the Registered Office of the Company seven (07) days before holding of the general meeting.

I/We ________________of __________________being a member of Thatta Cement Company Limited, holder of _________________ Ordinary shares as per Registrar Folio No _____________ hereby opt for video conference facility at ________________.

____

Signature of Member

8. E-voting and Postal Ballot

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018, members will be allowed to exercise their right to vote for the special business(es) in the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:

a. E-Voting Procedure

1. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company within due course. Members who intend to exercise their right of vote through E-Voting shall provide their valid cell numbers and e-mail addresses on or before September 29, 2025.
2. The web address, login details, will be communicated to members via email.
3. iIdentity of the members intending to cast vote through e-Voting shall be authenticate through authentication for login.
4. E-Voting lines will start from September 30, 2025, 9 a.m. and shall close on October 06, 2025 at 5 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a member, he / she shallnot be allowedto change it subsequently.

b. Postal Ballot

1. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.thattacement.com to download.
2. The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at CL/5-4 State Life Building # 10, Abdullah Haroon Road, Karachi, Pakistan (Attention of the Company Secretary) by Monday, October 06, 2025 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC. A postal ballot received after this time / date shall not be considered for voting.

9. Information about Scrutinizer:

According to Regulations 4(4) and 11 of the Companies (Postal Ballot) Regulations 2018, the following information is being provided to the members about the scrutinizer for the upcoming Annual General Meeting to be held on October 07, 2025.

Name of Scrutinizer:	BDO Ebrahim & Co. Chartered Accountants
Qualification and experience:	BDO Ebrahim & Co., a Pakistan-registered partnership firm, is a member of BDO international Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. The firm is committed to operate as a seamless, integrated network so that it understands the client's business, wherever they are. BDO Pakistan currently boasts three locations in the major cities of Pakistan, with over 600 employees providing high-quality services. BDO is appointed as Scrutinizer under the Companies (Postal Ballot) Regulation, 2018. They fulfill all the eligibility conditions laid down by the Regulations and have the necessary knowledge and experience to independently scrutinize the voting process.
Purpose of Appointment:	The Company is required to appoint a scrutinizer for the purpose of voting in the AGM to transact business that pertains to investment in associated companies as mentioned in Section 199 of the Companies Act, 2017. The scrutinizer has been appointed to observe that satisfactory procedures of the voting process including adequate precautionary measures are ensured and reported as mentioned under regulation 11A.

I/We ________________of __________________being a member of Thatta Cement Company Limited, holder of _________________ Ordinary shares as per Registrar Folio No _____________ hereby opt for video conference facility at ________________.

____

Signature of Member

UNCONSOLIDATED FINANCIAL STATEMENTS
OF
THATTA CEMENT COMPANY LIMITED
FOR THE YEAR ENDED
JUNE 30, 2025

BDO

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Fax: +92 21 3568 4239
www.bdo.com.pk

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Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THATTA CEMENT COMPANY LIMITED

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **THATTA CEMENT COMPANY LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the unconsolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current year. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	Contingencies	
	As disclosed in note 29 to the unconsolidated financial statements. The Company has contingent liabilities and tax litigations in respect of income and sales tax matters, which are pending adjudication at different levels with the taxation authorities and other legal forums. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities and tax related litigations, a key audit matter.	Our audit procedures, amongst others, included the followings: 1. Discussed the progress of each case and the Company's estimate of the cost involved; 2. Reviewed the key elements and basis used by management while challenging reasonableness of the cost estimates; 3. Obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; 4. Checked orders by relevant authority on previous lawsuits / cases which are being disclosed in the unconsolidated financial statement 5. Made an assessment of likelihood of occurrence of such events and impact on the unconsolidated financial statements. 6. Reviewed the adequacy of the related disclosures in the unconsolidated financial statements in accordance with applicable financial reporting framework.

S. No	Key audit matters	How the matter was addressed in our audit
2.	**Addition to property, plant and equipment**	
	As disclosed in note 6 to the unconsolidated financial statements, The Company incurred Rs. 1,383 million on additions to property, plant and equipment (PPE) including transfers from capital work in progress (CWIP), particularly for electrical and gas installations. We consider the addition in electrical installation as Key Audit matter as amount is significant and capitalization involves management judgement and estimates with respect to useful life.	Our audit procedures, amongst others, included the followings: 1. Obtained and reviewed the agreement made with the supplier and assessed the terms of contract. 2. Tested on a sample basis, the cost incurred on project with relevant supporting invoices and contract. 3. Checked on a sample basis whether the items of cost capitalized meet the recognition criteria for an asset in accordance with the applicable financial reporting standards. 4. We also evaluated the basis used by the management for determining the useful life of the new asset and depreciation charged in relation thereto, by considering factors such as the current depreciation, estimates for similar and comparable assets, expected utilization of the assets, rate of depreciation based on estimated useful life and recalculated the depreciation charged. 5. We further assessed the adequacy of financial statements disclosures as per requirements set out in the applicable financial reporting framework.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980(XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 16 SEP 2025

UDIN: AR20251016674sWR1zed

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

THATTA CEMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		----- (Rupees in thousands) ------	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	3,425,606	2,219,818
Intangibles	7	1,755	2,925
Long term investment in subsidiary	8	936,658	299,158
Long term deposits	9	5,125	5,125
		4,369,144	2,527,026
CURRENT ASSETS			
Stores, spare parts and loose tools	10	358,337	176,343
Stock-in-trade	11	62,238	243,941
Trade debts	12	166,366	138,875
Advances	13	162,050	25,474
Receivable from gratuity fund	14	123,100	23,100
Deposits and prepayments	15	11,317	7,300
Short term investment	16	-	1,190,825
Other receivables and accrued mark-up	17	192,810	340,081
Cash and bank balances	19	4,069,729	2,953,616
		5,145,947	5,099,555
TOTAL ASSETS		9,515,091	7,626,581
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	20	2,000,000	2,000,000
Issued, subscribed and paid-up capital	20	847,181	847,181
Reserves	21	5,851,270	3,362,007
		6,698,451	4,209,188
NON CURRENT LIABILITIES			
Long term deposits	22	3,787	22,787
Deferred taxation	23	680,109	349,364
		683,896	372,151
CURRENT LIABILITIES			
Trade and other payables	24	1,349,140	2,165,615
Short term borrowings	28	197,856	197,649
Unclaimed dividend	25	1,933	1,933
Unpaid dividend	26	8,623	-
Accrued mark-up	27	8,937	11,911
Taxation- net	18	566,255	668,134
		2,132,744	3,045,242
TOTAL EQUITY AND LIABILITIES		9,515,091	7,626,581
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

THATTA CEMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		------- (Rupees in thousands)	--------
Sales - gross		11,142,255	9,977,643
Sales tax and federal excise duty		(3,575,841)	(2,456,066)
Sales - net		7,566,414	7,521,577
Cost of sales	30	(5,415,712)	(5,357,851)
Gross profit		2,150,702	2,163,726
Selling and distribution cost	31	(45,877)	(54,805)
Administrative expenses	32	(151,889)	(143,358)
		1,952,936	1,965,563
Other operating expenses	33	(269,726)	(183,479)
Operating profit		1,683,210	1,782,084
Other income	34	1,999,167	744,194
Finance cost	35	(43,032)	(53,291)
Profit before taxation		3,639,345	2,472,987
Taxation	36	(1,082,762)	(971,950)
Profit after taxation		2,556,583	1,501,037
Earnings per share - basic and diluted (Rupees)	37	30.18	17.72

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

THATTA CEMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	------- (Rupees in thousands)	--------
Profit for the year	2,556,583	1,501,037
Other comprehensive income:	-	-
Total comprehensive income for the year	2,556,583	1,501,037

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

THATTA CEMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid-up capital	Reserves		Total
		Capital reserve	Revenue reserves	
		Share Premium	Unappropriated profit	
	(Rupees in thousands)			
Balance as at July 1, 2023	997,181	99,718	1,887,810	2,984,709
Total comprehensive income for the year				
Profit for the year	-	-	1,501,037	1,501,037
Other comprehensive income for the year	-	-	-	-
Buy back of shares	(150,000)	-	(126,558)	(276,558)
	(150,000)	-	1,374,479	1,224,479
Balance as at June 30, 2024	847,181	99,718	3,262,289	4,209,188
Balance as at July 1, 2024	847,181	99,718	3,262,289	4,209,188
Total comprehensive income for the year				
Profit for the year	-	-	2,556,583	2,556,583
Other comprehensive income for the year	-	-	-	-
	-	-	2,556,583	2,556,583
Final cash dividend @ Rs. 1 per share for the year ended June 30, 2024	-	-	(33,660)	(33,660)
Interim cash dividend @ Rs. 0.5 per share for the quarter ended September 30, 2024	-	-	(16,830)	(16,830)
Interim cash dividend @ Rs. 0.5 per share for the quarter ended December 31, 2024	-	-	(16,830)	(16,830)
			(67,320)	(67,320)
Balance as at June 30, 2025	847,181	99,718	5,751,552	6,698,451

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

THATTA CEMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,639,345	2,472,987
Adjustment for income and expenses:			
Depreciation on property, plant and equipment	6.1.2	175,986	142,803
Amortization on intangibles	32	1,170	1,170
Reversal of Provision for obselete and slow moving of major stores and spares	30	(2,999)	(6,217)
Provision for obselete and slow moving stores and spares	34	7,108	5,646
Finance cost	35	43,032	53,291
Accumulated gain on plan assets	34	(300,000)	-
Reversal for leave encashment		-	(18,166)
Provision for loss allowance	32	420	-
Workers' Welfare Fund	33	74,272	50,473
Workers' Profit Participation Fund	33	195,454	132,823
Other charge		-	575
Gain on sale of property, plant and equipment	34	(1,800)	(48,569)
		192,643	313,829
Operating cash flows before working capital changes		3,831,988	2,786,816
(Increase) / decrease in current assets			
Store, spare parts and loose tools		(189,102)	17,650
Stock-in-trade		181,703	689,595
Trade debts		(27,911)	285,643
Advances		(136,576)	22,630
Deposits and prepayments		(4,017)	(1,758)
Other receivable and accrued mark-up		147,271	(323,651)
		(28,632)	690,109
(Decrease) / increase in current liabilities			
Trade and other payables		(902,905)	772,951
Cash generated from operations		2,900,451	4,249,876
Finance cost paid		(39,467)	(52,279)
Proceeds from gratuity fund		200,000	-
Leave encashment paid		-	(1,528)
Workers' Welfare Fund paid		(50,473)	(8,015)
Workers' Profit Participation Fund paid	24.4	(139,362)	(21,445)
Income tax paid- net	18	(853,896)	(166,525)
Net cash flows from operating activities		2,017,253	4,000,084
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property plant and equipment		(1,378,775)	(530,860)
Short term investment		1,190,825	(967,110)
Long term deposit - liabilities		(19,000)	20,000
Further investment in subsidiaries		(637,500)	-
Proceeds from sale of property, plant and equipment		1,800	49,973
Net cash used in investing activities		(842,650)	(1,427,997)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(58,697)	(24)
Buy back of shares		-	(276,558)
Net cash used in financing activities		(58,697)	(276,582)
Net increase in cash and cash equivalents		1,115,906	2,295,505
Cash and cash equivalents at the beginning of the year		2,755,967	460,462
Cash and cash equivalents at the end of the year	39	3,871,873	2,755,967

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

THATTA CEMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 STATUS AND NATURE OF BUSINESS

1.1 Thatta Cement Company Limited ("the Company") was incorporated in Pakistan in 1980 as a public limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and was is listed on Pakistan Stock Exchange in 2008. The Company's main business activity is manufacturing and marketing of clinker and cement.

1.2 The Company owns 88.52% shareholding of Thatta Power (Private) Limited (the Subsidiary Company). Thatta Power (Private) Limited has only one class of shares and all shares have equal voting rights. The principal business of the Subsidiary Company is generation and supply of electric power.

1.3 During the year, the Company has made investment in shares of Minsk Work Tractors and Assembling (Private) Limited "Wholly owned Subsidiary" (newly incorporated company). The Company has acquired 50,000,000 shares at Rs. 10 per share making it wholly owned subsidiary as at reporting date.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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 is located at Ghulamullah Road, Makli, District Thatta, Sindh.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act , 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost basis, except as disclosed in the relevant accounting policies to the unconsolidated financial statements.

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

3.3 Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with the accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions and judgments are evaluated at each reporting date and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management that are significant to the unconsolidated financial statements are as follows:

- depreciation method, useful lives and residual values of property, plant and equipment (notes 5.1 and 6.1);
- amortization method, useful lives and residual values of intangibles (notes 5.2);
- provision of slow moving and obsolete stores, spares and loose tools (notes 5.5);
- allowance for expected credit losses (notes 5.7);
- taxation (notes 5.11);
- contingencies (notes 5.14 and 28.1);

3.4 Functional and presentation currency

The unconsolidated financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs.'), which is the Company's functional and presentation currency.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following stantdards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on unconsolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	'January 01, 2024

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

	Effective date (annual periods beginning on or after)
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

5 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the presentation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

5.1 Property, plant and equipment

a) Operating fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on property, plant and equipment

Depreciation is charged using straight line method on all assets except on plant and machinery (other than utilities within plant and machinery) on which depreciation is charged by applying 'Units of Production (UoP) method'.In respect of additions and disposals of assets, depreciation is charged from the month in which the asset is available for use until it is derecognised, i.e. up to the date of disposal or when the asset is classified as 'held for sale' in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' whichever is earlier. Assets' residual values and useful lives are reviewed, and adjusted, if appropriate at each reporting date.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal maintenance and repairs are charged to unconsolidated statement of profit or loss as and when incurred whereas major renewals and improvements are capitalized if criteria is met.

Disposal

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognized in unconsolidated statement of profit or loss.

b) Capital work-in-progress (CWIP)

Capital work-in-progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to operating fixed assets as and when assets are available for use.

5.2 Intangible assets

a) Acquired

These are stated at cost less accumulated amortization and impairment losses, if any.

Costs associated with maintaining computer software programmes are recognized as an expense when incurred. However, costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognized as an intangible asset. Direct costs include the purchase cost of software (license fee) and related overhead cost.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Computer software and license cost treated as intangible assets are amortized from the date the software is put to use on a straight-line basis over the expected life of asset.

b) Internally generated

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by the management. After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and impairment losses, if any. These are amortized using the straight-line basis over the useful life of asset. Amortization on addition is charged from the month following the month in which the asset is available for use and on disposals upto the month preceding the month of disposal.

Expenditure on research (or the research phase of an internal project) is recognized as an expense in the year in which it is incurred.

Development costs incurred on specific projects are capitalized when all the following conditions are satisfied:

a) completion of the intangible asset is technically feasible so that it will be available for use or sale;
b) the Company intends to complete the intangible asset and use or sell it;
c) the Company has the ability to use or sell the intangible asset;
d) the intangible asset will generate probable future economic benefits. Among other things this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or if it is to be used internally, the asset will be used in generating such benefits;

e) there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f) the expenditure attributable to the intangible asset during its development can be measured reliably.

5.3 Impairment of non-financial assets

The carrying amounts of non-financial assets other than stock in trade and deferred tax asset, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the unconsolidated statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.4 Investment in subsidiary

Investment in subsidiary is initially recognized at cost in the unconsolidated financial statements. The carrying amount of investment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is higher of its value in use and its fair value less cost to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. Impairment losses are recognized in unconsolidated statement of profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount but limited to the extent of initial cost of investment. A reversal of impairment loss is recognized in the unconsolidated statement profit or loss.

5.5 Capital stores, spare parts and loose tools

These represents store and spares which are long term and short term in nature. These are stated at lower of cost (calculated on weighted average basis) and net realizable value, less provision for dead and slow moving stores and spares. Store and spares in-transit are valued at invoice value plus other charges incurred thereon as on the reporting date.

Provision of slow moving stores is made when the stores items are above seven years and not utilized. Such asset is subsequently used, the provision is reversed.

Provision for dead stores is made when stores items are not expected to be used.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost necessary to be incurred to make the sale.

5.6 Stock-in-trade

Stock of raw and packing material, work in process and finished goods are valued at the lower of cost or net realizable value. Cost in relation to work in process and finished goods includes prime cost and appropriate proportion of production overheads incurred in bringing the inventory to their present location and condition. Stocks of raw and packing material are valued at cost on weighted average basis. Stocks in transit are valued at cost comprising of invoice value plus other charges directly attributable to the acquisition of related purchase incurred upto the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessary to be incurred in order to make the sale.

5.7 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. The Company is required to recognize allowance for doubtful debts on all financial assets carried at amortized cost in accordance with Expected Credit Loss (ECL) requiring to recognize the loss irrespective whether the loss event has occurred. Allowances are written off when considered irrecoverable. Due to short term nature, trade and other receivables are not discounted.

5.8 Cash and cash equivalents

For the purpose of unconsolidated cash flow statement, cash and cash equivalents comprise of cash in hand and balance with banks. Cash and cash equivalents also include bank overdrafts / short term financing that are repayable on demand and form an integral part of the Company's cash management.

5.9 Employees benefits - Defined contribution plan

The Company operates an approved contributory provident fund for all its permanent employees to which equal monthly contributions are made, both by the Company and the employees at the rate of 10% of basic salary.

5.10 Borrowings and finance cost

Loans and borrowings are recorded as and when the proceeds are received.

Borrowing cost incurred on long term finances directly attributable to the construction / acquisition of qualifying asset are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to unconsolidated statement of profit or loss.

5.11 Taxation

a) Current

Provision for current taxation is computed in accordance with the provisions of Income Tax Ordinance, 2001. The charge for current income tax is recorded after adjustment, if any, to the provision for tax made in prior years including those arising from assessment and amendments in assessments during the year in such years.

b) Deferred

The Company accounts for deferred taxation on all temporary differences using liability method. Deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available and the credits can be utilized.

c) Levy

The Institute of Chartered Accountants of Pakistan issued guidance namely "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" through circular No. 7/2024 dated May 15, 2024, and defined the following two approaches for bifurcation of tax between current and minimum taxes. Given that the Company is subject to income tax at the normal corporate tax rate of 29% under the prevailing tax laws of Pakistan and does not fall under the minimum tax or final tax regime, this guidance does not impact its financial statements. The Company recognizes its income tax expense strictly in accordance with IAS 12 – Income Taxes, based on taxable income. Therefore, the requirement to classify any portion of the tax as a levy under IFRIC 21 or IAS 37 is not applicable.

5.12 Trade and other payables

These are recognized and carried at cost which is fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

5.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at the reporting date and adjusted to reflect the best estimate.

5.14 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.15 Transactions with related parties

Transactions in relation to sales, purchases and services with related parties are made at arm's length prices except for Business Support Services for which the pricing mechanism is subject to approval of the Board of Directors.

5.16 Revenue recognition

Revenue is recognized when control of a promised goods passes to a customer. It is measured at the fair value of the consideration received or receivable, sales tax and other duties collected on behalf of third parties are not taken into account.

The Company primarily generates revenue from sale of cement and recognized when control passes to the customer at a specific point in time.

The revenue is recorded on the basis of the consideration defined in the contract with the customer, including variable consideration such as discount, volume rebates or other contractual price reductions; if any.

Interest, rentals and other incomes are recognized on accrual basis.

5.17 Financial assets and liabilities

5.17.1 Financial assets

a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in unconsolidated statement of profit or loss.

Impairment

The Company recognize an allowance for expected credit loss on all financial assets carried at amortized cost irrespective whether a loss event has occurred. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for other financial assets (deposits, other receivables and cash and bank balances) i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition, and if otherwise, ECL to measure at life time expected credit losses.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the unconsolidated statement of profit or loss.

5.17.2 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in unconsolidated statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in unconsolidated statement of profit or loss.

5.18 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the unconsolidated statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the asset and discharge the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

5.19 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balance with banks. Cash and cash equivalents also include bank overdrafts / short term financing that are repayable on demand and form an integral part of the Company's cash management.

5.20 Segment reporting

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, mainly comprises of corporate assets, head office expenses and tax assets and liabilities. Management has determined that the Company has a single reportable segment and therefore it has only presented entity wide disclosures.

5.21 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistan Rupees using the exchange rates prevailing on the date of each transaction. Monetary assets and liabilities in foreign currencies are reported in Pakistan Rupees using the exchange rates prevailing on the reporting date. All exchange differences are taken into unconsolidated statement of profit or loss.

5.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, if any.

5.23 Dividends and appropriations

Dividends and reserve appropriations are recognized in the period in which these are approved.

	Note	2025	2024
		(Rupees in thousands)	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	3,154,342	1,946,349
Capital stores and spares	6.2	45,541	33,585
Capital work in progress	6.3	225,723	239,884
		3,425,606	2,219,818

6.1 Operating fixed assets

Description	Freehold land	Leasehold improvements	Quarries and improvements	Factory building on freehold land	Electrical and gas installation	Housing colonies	Office building on freehold land	Plant and machinery	Quarry equipment	Railway sidings	Vehicles	Furniture and fixtures	Office equipment	Medical equipment	Laboratory equipment	Computer equipment	Total
	---(Rupees in thousand)---																
Year ended June 30, 2025																	
Net carrying value basis																	
Opening net book value	6,116	3,767	90	16,056	379,285	9,895	2,879	1,482,349	-	-	31,037	2,280	2,843	-	5,838	3,844	1,946,349
Additions during the year	-	-	-	-	1,326,417	-	-	45,974	-	-	5,489	-	340	-	5,564	195	1,383,979
Depreciation charge	-	1,292	9	7,040	31,552	990	212	118,349	-	-	7,273	518	1,887	-	3,143	1,721	175,986
Closing net book value	6,116	2,475	81	9,016	1,674,150	8,905	2,667	1,409,974	-	-	29,253	1,762	1,296	-	8,259	2,318	3,154,342
Gross carrying value basis																	
Cost	6,116	9,044	11,963	261,455	1,746,642	74,096	23,050	3,548,712	19,296	14,905	106,483	13,264	20,441	629	79,605	28,768	5,964,539
Accumulated depreciation	-	6,569	11,882	252,439	72,492	65,191	20,383	2,138,738	19,296	14,905	77,230	11,502	19,145	629	71,346	26,450	2,810,197
Net book value	6,116	2,475	81	9,016	1,674,150	8,905	2,667	1,409,974	-	-	29,253	1,762	1,296	-	8,259	2,318	3,154,342
Year ended June 30, 2024																	
Net carrying value basis																	
Opening net book value	6,116	5,059	99	7,543	141,159	10,885	3,091	1,557,003	29	170	2,398	2,798	4,551	-	10,907	4,149	1,756,027
Additions during the year	-	-	-	14,813	245,225	-	-	41,408	-	-	31,654	-	139	-	-	1,290	334,529
Deletions- NBV	-	-	-		-	-	-	-	-	-	1,404	-	-	-	-	-	1,404
Depreciation charge	-	1,292	9	6,300	7,099	990	212	116,062	29	170	1,611	518	1,847	-	5,069	1,595	142,803
Closing net book value	6,116	3,767	90	16,056	379,285	9,895	2,879	1,482,349	-	-	31,037	2,280	2,843	-	5,838	3,844	1,946,349
Gross carrying value basis																	
Cost	6,116	9,044	11,963	261,455	420,225	74,096	23,050	3,502,738	19,296	14,905	100,994	13,264	20,101	629	74,041	28,573	4,580,560
Accumulated depreciation	-	5,277	11,873	245,399	40,940	64,201	20,171	2,020,389	19,296	14,905	69,957	10,984	17,258	629	68,203	24,729	2,634,211
Net book value	6,116	3,767	90	16,056	379,285	9,895	2,879	1,482,349	-	-	31,037	2,280	2,843	-	5,838	3,844	1,946,349

6.1.1 Depreciation rates (% per annum)	0	20	5	10	5-6	5	5	*UOP	20	10	20	10	10	10	10	30	

* uop = units of production

		Note	2025	2024
			(Rupees in thousands)	
6.1.2	Allocation of depreciation			
	The depreciation charge for the year has been allocated as under:			
	Cost of sales	30	166,695	139,175
	Selling and distribution cost	31	757	751
	Administrative expenses	32	8,534	2,877
			175,986	142,803

6.1.3 The immovable property of the Company comprises of 233 acres of land is located at Ghulamullah Road, Makli, District Thatta, Sindh.

6.2 Capital stores and spares

		Note	2025	2024
	Net carrying value basis			
	Opening net book value (NBV)		86,329	112,243
	Additions during the year		127,045	46,943
	Transferred during the year		(118,088)	(72,857)
			95,286	86,329
	Accumulated impairment	6.2.1	(49,745)	(52,744)
	Closing net book value (NBV)		45,541	33,585
6.2.1	Balance as at July 01,		(52,744)	(47,098)
	Reversal / (Impairment) charge for the year	30	2,999	(5,646)
	Balance as at June 30,		(49,745)	(52,744)
	Gross carrying value basis			
	Cost		95,286	86,329
	Accumulated impairment		(49,745)	(52,744)
	Net carrying value		45,541	33,585

6.3 Capital work in progress

Description	Solar Panel System	Wind Turbine Project	Makli Shed Extension	Balochistan Project	Lime Stone Shed	Clinker Crusher Project	Coal Yard Shed	New Clinker Crusher Project	Total
	----------------------------- (Rupees in thousands) -----------------------------								
Balance as at July 01, 2024	-	226,885	2,211	603	10,185	-	-	-	239,884
Capital expenditures incurred during the year	171,674	1,096,282	-	37	-	-	-	41,013	1,309,006
Transferred to property, Plant, and equipment	-	(1,323,167)	-	-	-	-	-	-	(1,323,167)
Balance as at June 30, 2025	171,674	-	2,211	640	10,185	-	-	41,013	225,723
Balance as at July 01, 2023	-	-	1,854	603.00	5,992.00	4,231.00	4,959.00	-	17,639
Capital expenditures incurred during the year	245,121	226,885	357	-	4,193	4,786	836		482,178
Transferred to property, Plant, and equipment	(245,121)	-	-	-	-	(9,017)	(5,795)	-	(259,933)
Balance as at June 30, 2024	-	226,885	2,211	603	10,185	-	-	-	239,884

	Note	2025	2024
		(Rupees in thousands)	
7 INTANGIBLE ASSETS			
ERP Software			
Net carrying value basis			
Opening net book value (NBV)		2,925	4,095
Amortization charged		(1,170)	(1,170)
Closing net book value (NBV)		1,755	2,925
Gross carrying value basis			
Cost		5,850	5,850
Accumulated amortization		(4,095)	(2,925)
Net book value		1,755	2,925
Amortization rate (% per annum)		20	20

7.1 Amortization charged on ERP software has been allocated to administrative expenses (note 31) amounting to Rs. 1.170 million (2024: Rs. 1.170 million).

8 LONG TERM INVESTMENT IN SUBSIDIARY

	Note	2025	2024
Thatta Power (Private) Limited - at cost	8.1, 8.1.1, 8.2 & 8.3	436,658	299,158
Minsk Work Tractor and Assembling (Private) Limited - at cost	8.4	500,000	-
		936,658	

8.1 Unquoted

	2025	2024
Thatta Power (Private) Limited (TPPL)		
Total Number of ordinary shares	47,915,830	47,915,830
Number of ordinary share Company hold	42,415,810	29,915,810
Company's holding percentage	88.52%	62.43%

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8.1.1 During the year, the Company has furthur consolidated its shareholding in Thatta power private limited from 62.43% to 88.52% pursuant to the special resolution passed by shareholders in extra ordinary general meeting (EOGM) dated on December 09, 2024. The Company has purchased further 12.5 million shares at the rate of Rs. 11 per share amounting to Rs. 137.5 million in aggregate from Rotocast Engineering company (Private) Limited.

8.2 The Company has pledged its investment in shares of TPPL in favor of National Bank of Pakistan (NBP) as the security against syndicate term finance facility extended by NBP, Sindh Bank Limited, and Summit Bank Limited to TPPL.

The principal activity of Thatta Power (Private) Limited is the generation and sale of electric power. The registered office and generation facility of the Company is situated at Ghulamullah Road, Makli, District Thatta, Sindh.

8.3 The net breakup value as per unaudited financial statements as at June 30, 2025 of Thatta Power (Private) Limited is Rs. 37.94 per share (2024: Rs. 45.53 per share).

8.4 During the year, the Company has made investment in shares of Minsk Work Tractors and Assembling Private Limited "Wholly owned Subsidiary" (newly incorporated company) in pursuant to the special resolution passed by share holders in Extra Ordinary General meeting (EOGM) dated on December 09, 2024. The Company has invested 50,000,000 shares at Rs. 10 per share making it wholly owned subsidiary as at reporting date.

8.5 The net breakup value as per unaudited financial statements as at June 30, 2025 of Minsk Work Tractor & Assembling (Private) Limited is Rs. 10.87 per share.

	Note	2025	2024
		(Rupees in thousands)	
9 LONG TERM DEPOSITS			
Long term deposits		5,125	5,125
10 STORES, SPARE PARTS AND LOOSE TOOLS			
Coal and other fuels		42,008	33,033
Stores and spare parts		364,063	183,949
Loose tools		62	49
		406,133	217,031
Provision for obsolete stores		(12,239)	(10,898)
Provision for slow moving stores and spares		(35,557)	(29,790)
	10.1	(47,796)	(40,688)
		358,337	176,343

		Note	2025	2024
			(Rupees in thousands)	
10.1	**Movement in provision**			
	Balance as at July 01,		40,688	46,905
	Provision/ (reversal) charged during the year	30	7,108	(6,217)
	Balance as at June 30,		47,796	40,688
11	**STOCK-IN-TRADE**			
	Raw material	30.1	29,086	12,959
	Packing material	30.2	26,281	21,322
	Work-in-process	30	6,783	146,166
	Finished goods	30	88	63,494
			62,238	243,941
12	**TRADE DEBTS**			
	Considered good			
	Local - unsecured	12.1	166,786	138,875
	Considered doubtful			
	Local - unsecured	12.2	75,340	75,340
			242,126	214,215
	Allowance for expected credit losses	12.3	(75,760)	(75,340)
			166,366	138,875
12.1	The aging of local unsecured balances at the reporting date is as follows:			
	Within 30 days		19,316	52,112
	Past due from 31 to 60 days		58,539	50,354
	Past due from 61 to 90 days		15,218	18,478
	Past due from 91 to 360 days		70,065	17,931
	Past due for more than 360 days	12.2	78,988	75,340
			242,126	214,215

12.2 This includes balance Rs. 74.210 million (2024: Rs. 74.210 million) outstanding for more than ten years. Management contends that the amount recoverable from cement stockiest were misappropriated and certain unauthorized excessive rebates were allowed by collusion of certain personnel of the Company whose services had been terminated, when the Company was operating under State Cement Corporation of Pakistan (SCCP). Accordingly, Management had lodged references for the recovery of misappropriated amount with the National Accountability Bureau (NAB). The NAB had recovered an amount of Rs.2.276 million in preceding years. The Company is continuously following with NAB officials for early realization of amount owed to the Company and has also written letters in this regard for which reply has not yet been received, therefore, provision has been maintained in respect of outstanding amount as a matter of prudence and abundant precaution.

		Note	2025	2024
			(Rupees in thousands)	
12.3	**Allowance for expected credit losses**			
	Balance as at July 01,		75,340	75,340
	Allowance for expected credit losses		420	-
	Balance as at June 30,		75,760	75,340
13	**ADVANCES**			
	Considered good - unsecured			
	To vendors		88,088	25,379
	Against LCs		73,875	-
	Others		87	95
			162,050	25,474
14	**RECEIVABLE FROM GRATUITY FUND**	14.1	123,100	23,100

14.1 The Board of Directors, via resolution passed on December 30, 2022, approved discontinuation of the Company's Employees' Gratuity Fund and the liability towards eligible employees was frozen at terminal values as of the discontinuation date. The Fund, however, remains active under the management of trustees, who are discharging their responsibilities to manage the Fund.

This represents receivable from Gratuity fund as at the reporting date upon revaluation of planned assets restricted to Rs. 300 million over its frozen liability out of which 200 million received during the year.

		Note	2025	2024
15	**DEPOSITS AND PREPAYMENTS**			
	Deposits		3,810	1,810
	Prepayments	15.1	7,507	5,490
			11,317	7,300
15.1	Movement during the year is as follows;			
	Balance as at July 01,		5,490	3,905
	Addition during the year		45,349	48,104
	Utilized during the year		(43,332)	(46,519)
	Balance as at June 30,		7,507	5,490
16	**SHORT TERM INVESTMENT**			
	Term Deposit Receipt (TDR)		-	1,190,825

	Note	2025	2024
		(Rupees in thousands)	

17 OTHER RECEIVABLES AND ACCRUED MARKUP

	Note	2025	2024
Receivables from the subsidiary	17.1	191,104	311,577
Others		1,706	28,504
		192,810	340,081

17.1 This includes amount receivable from TPPL on sale of waste heat and provision of business support services The maximum balance receivable at any of the month during the year amounting to Rs. 191.104 million (2024: Rs. 311.577 million).

The aging of receivable from subsidiary balances at the reporting date is as follows:

	2025	2024
Within 30 days	26,731	37,526
Past due from 31 to 60 days	32,585	13,660
Past due from 61 to 90 days	3,781	33,784
Past due from 91 to 360 days	128,007	226,608
	191,104	311,578

18 TAXATION - NET

	2025	2024
Advance Income Tax	435,359	166,525
Provision for taxation	(1,001,614)	(888,221)
Income tax refundable	-	53,562
	(566,255)	(668,134)

19 CASH AND BANK BALANCES

	Note	2025	2024
Cash in hand		3,476	4,302
Cash at bank			
Current accounts	19.1	10,225	13,216
Profit and loss sharing (PLS) accounts	19.2	4,056,028	2,936,098
		4,066,253	2,949,314
		4,069,729	2,953,616

19.1 This includes unclaimed or unpaid dividend amounting to Rs. 9.80 million (2024: 1.933 million) kept in a separate bank account.

19.2 During the year, the profit rates on PLS accounts are 9.5% - 19.5% (2024: 19.5% - 20.5%) per annum.

20 SHARE CAPITAL

2025	2024		2025	2024
-----Number of Shares-----			(Rupees in thousands)	
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			2025	2024
			(Rupees in thousands)	
89,418,125	89,418,125	Ordinary shares of Rs. 10/- each shares allotted for consideration 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 (19.2)	103,000	103,000
(15,000,000)	(15,000,000)	Treasury Shares	(150,000)	(150,000)
84,718,125	84,718,125		847,181	847,181

20.1 The Company has only one class of ordinary shares which carries no right to fixed income. The shareholders are entitled to receive dividend as declared from time to time and are entitled to one vote per share at Annual General Meetings (AGM) of the Company. All shares rank equally with regard to the Company's residual assets and right of first refusal.

20.2 This represents shares issued against plant and machinery as consideration.

21 RESERVES

	2025	2024
	(Rupees in thousands)	
Capital Reserve		
Share premium	99,718	99,718
Revenue Reserve		
Unappropriated profit	5,751,552	3,287,393
Actuarial loss on remeasurement of defined benefit liability	(25,104)	(25,104)
	5,726,448	3,262,289
	5,826,166	3,362,007

	Note	2025	2024
		(Rupees in thousands)	

22 LONG TERM DEPOSITS

	Note	2025	2024
Dealers	22.1	3,110	22,110
Customers	22.2	677	677
		3,787	22,787

22.1 These represent interest free security deposits, received from dealers, suppliers and contractors. The contract does not have any specific clause on usability of these deposits. These are repayable / adjustable on cancellation or withdrawal of dealership and completion of contract in case of suppliers and contractors.

22.2 These also include deposits pertaining to dealers against whom recovery proceedings are in process with National Accountability Bureau (NAB) and are adjustable against the amount owed by them to the Company (refer note 12.2).

23 DEFERRED TAXATION

	Note	2025	2024
Taxable temporary differences arising in respect of			
Accelerated tax depreciation		732,277	400,219
Deductible temporary differences arising in respect of			
Other provisions - for doubtful debts and stores		(50,257)	(48,944)
Remeasurement of defined benefit liability		(1,911)	(1,911)
	23.1	680,109	349,364

23.1 Movement in deferred tax

	Opening balance	Charge / (adjustment) to profit or loss	Charge / (adjustment) to other comprehensive	Closing balance
2025	(Rupees in thousands)			
Deferred tax liabilities				
Accelerated tax depreciation	400,219	332,058	-	732,277
Deferred tax asset				
Other provisions - for doubtful debts and stores	(48,944)	(1,313)	-	(50,257)
Remeasurement of defined benefit liability	(1,911)	-	-	(1,911)
	349,364	330,745	-	680,109

2024	Opening balance	Charge / (adjustment) to profit or loss	Charge / (adjustment) to other comprehensive	Closing balance
	(Rupees in thousands)			
Deferred tax liabilities				
Accelerated tax depreciation	329,094	71,125	-	400,219
Deferred tax asset				
Other provisions - for doubtful debts and stores	(49,110)	166	-	(48,944)
Remeasurement of defined benefit liability	(1,911)	-	-	(1,911)
	278,073	71,291	-	349,364

24 TRADE AND OTHER PAYABLES

	Note	2025	2024
		(Rupees in thousands)	
Trade creditors		604,592	470,484
Accrued liabilities	24.1	164,034	1,078,159
Royalty payable	24.2	91,685	234,641
Contract liability	24.3	131,122	136,512
Excise duty and sales tax payable		69,925	56,696
Workers' Profit Participation Fund	24.4	195,454	132,823
Workers' Welfare Fund	24.5	74,272	50,473
Other liabilities	24.6	18,057	5,827
		1,349,140	2,165,615

24.1 This includes amount of Rs. 34.218 million (2024: Rs. 1,014.714 million) payable to the Subsidiary Company.

The maximum balance outstanding at any of the month end during the year amounting to Rs. 1,001.278 million (2024: Rs. 1,014.714 million).

24.2 This represents royalty relating to Lime Stone and Clay Shale, payable to Director General Mines and Mineral Development, Government of Sindh.

The Company has filed a Constitutional Petition (CP) No. 5382 before the Honorable High Court of Sindh (The Court) on September 06, 2021 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 legal consultants have attended several hearings and presented their point of view before the Honorable High Court of Sindh. On October 17, 2022, the Honorable High Court of Sindh dismissed the petition on the grounds that the relevant forums as per Sindh Mining Concession Rules, 2002 were not approached. However, in the prior year, the Company has filed for the adjudication in the Honorable Supreme Court of Pakistan against the judgment of the Court and the case is pending for adjudication. The management is confident that the Company has an arguable case on merits.The Company on a prudent basis had recorded provision in the unconsolidated financial statements amounts to Rs. 234.723 million, reflecting the overall impact of the increase in royalty rates, till June 30, 2024.

During the year, Department of Minerals and Mines development Govt. of Sindh has made downward revision in the rates of Lime stone and Shale Clay amounting to Rs. 52 and 42 per one thousand kg respectively vide notification DMD/S/Misc-(09)/24 dated Sept 13, 2024. Moreover, the above department vide its letter dated November 25, 2042 has worked out an outstanding liability regarding arrears pertaining from FY 2022 to FY 2024 by using the current rates. Therefore, the management of the company has reversed an excess provision of Rs. 150.84 million in respect of Royalty.

24.3 Advances received from customer are recognised as revenue when the performance obligation in accordance with the policy as described in note 5.16 to these unconsolidated financial statements is satisfied. Revenue for an amount of Rs. 113.847 million (2024: Rs. 213.512 million) has been recognised in current year in respect of advances from customers at the beginning of the year.

	Note	2025	2024
		(Rupees in thousands)	
24.4 Workers' Profit Participation Fund (WPPF)			
Balance as at July 01,		132,823	19,579
Charge for the year	33	195,454	132,823
Interest on opening balance	35	6,539	1,866
		334,816	154,268
Payments made during the year		(139,362)	(21,445)
Balance as at June 30,		195,454	132,823

	Note	2025	2024
		(Rupees in thousands)	

24.5 Workers' Welfare Fund

Balance as at July 01,		50,473	7,440
Allocation for the year		74,272	51,048
		124,745	58,488
Payments made during the year		(50,473)	(8,015)
Balance as at June 30,		74,272	50,473

24.6 This include withholding tax payable amounting to Rs 10.412 million (2024: Rs 99.127 million).

25 UNCLAIMED DIVIDEND		1,933	1,933

This represents unclaimed dividend amounting to Rs. 1.933 million (2024: Rs. 1.933 million) outstanding for more than 3 years from the date of declaration. Such unclaimed dividend is payable to the Federal Government as per the Companies Act, 2017 subject to fulfilment / clarification on certain pre-conditions specified in the Companies Act, 2017.

26 UNPAID DIVIDEND		8,623	-

This represents dividend announced for the period ended June 30, 2024, September 30, 2024 and December 31, 2024, out of which Rs. 8.623 million which remain unpaid as of June 30, 2025.

27 ACCRUED MARK-UP

Short term borrowings		8,937	11,911

28 SHORT TERM BORROWINGS

From banking companies - secured			
NBP Running Finance	28.1	85,150	85,254
Sindh Bank Running Finance	28.2	64,377	64,377
Bank Makaramah Running Finance	28.3	48,329	48,018
		197,856	197,649

28.1 The running finance facility available from National Bank of Pakistan as at June 30, 2025 amounting to Rs. 100 million (2024: Rs.100 million) out of which Rs. 14.850 million (2024: Rs. 14.746 million) remained unutilized at the year end. The facility is secured by way of first charge of hypothecation over all present and future plant and machinery of the Company to the extent of PKR 266.66 million inclusive of 25% margin. The facility is renewable annually and carry mark-up at 3-month KIBOR plus 2.0% per annum (2024: 3-months KIBOR plus 1.5%).

28.2 The running finance facility available from Sindh Bank Limited as at June 30, 2025 amounting to Rs. 250 million (2024: Rs. 250 million). The facility is secured by way of first pari passu charge over current asset with 25% margin and Ranking charges on fixed assets with 25% margin .The facility is renewable annually and carry mark-up at 3-month KIBOR plus 3% per annum (2024: 3-months KIBOR plus 3%) .

28.3 The running finance facility available from Bank Makaramah (formaly Summit Bank Limited) as at June 30, 2025 amounting to Rs. 50 million (2024: Rs.50 million) out of which 1.982 million (2024: Rs. 1.982 million) remained unutilized at the year end. The facility is secured by way of first pari passu charge on current assets of the company with 25% margin. .The facility is renewable annually and carry mark-up at 3-month KIBOR plus 2.5% per annum (2024: 3-months KIBOR plus 2.5%) .

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 In respect of tax periods from July 2012 to December 2014, an Order in Original (ONO) has been issued by an Officer of Sales Tax in 2014-15 against the Company raising a demand of Rs. 244.274 million which is mainly based on comparison of industry average for fuel and power consumption with that of the Company and thereby presuming the production quantities which in the view of tax authorities have not been subject to Sales Tax and Federal Excise Duty. Accordingly, the Company has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) against the ONO passed by Officer of Sales Tax. However, CIR-A decided the case against the Company. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A.

Moreover, recovery proceedings were also initiated by tax authorities in the matter for an aggregate demand amount of Rs 488.548 million including 100% penalty on the principal amount as aforesaid. Therefore, the Company filed a stay application against the said aggregate demand before the honorable High Court of Sindh. The Sindh High Court has allowed ad interim relief against recovery of demand and refrained tax authorities to take any adverse action in this respect. During 2017, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Company. During 2018, the CIR has filed an appeal in the Honorable High Court of Sindh against the order passed by ATIR in favor of the Company. The matter is pending for adjudication. In view of Company's legal counsel, the case is sound in law; however, an outcome cannot be predicted with any degree of certainty. Hence, no provision has been recorded in unconsolidated financial statements.

29.1.2 In Year 2018, an order in original (ONO) has been issued by Deputy Commissioner Inland Revenue (DCIR) against the Company in respect of tax periods from July 2013 to August 2017 raising a demand of Rs. 56.632 million by disallowing certain input tax claimed by the Company in its sales tax returns for the aforesaid tax periods. The Company has filed an appeal on March 28, 2018 against the ONO passed by DCIR before Commissioner Inland Revenue - Appeals (CIR-A). The appeal has been decided in favor of the Company.

The Commissioner Inland Revenue has filed an appeal in Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A) in favor of the Company. The matter is pending for adjudication. The Company is confident based on its legal opinion that decision will come in its favour, hence no provision has been recorded in unconsolidated financial statements.

29.1.3 In 2018, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 161/205 of the Income Tax Ordinance, 2001 (the Ordinance) in respect of tax year 2017 raising a tax demand of Rs. 94.670 million including default surcharge and penalty aggregating to Rs 15.208 million on the ground that Company has not deducted applicable withholding taxes while making payments for purchases and certain expenses and hence, made default under section 161/205 of the Ordinance. The Company has filed an appeal on May 4, 2018 before Commissioner Inland Revenue - Appeals (CIR-A) against the order passed by DCIR. The CIR-A has passed an order in favor of the Company.

However, Commissioner Inland Revenue (CIR) has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of Commissioner Inland Revenue - Appeals (CIR-A) passed in favor of the Company. The Company is confident based on its legal opinion that decision will come in its favour, hence no provision has been recorded in these unconsolidated financial statements.

29.1.4 In the year 2019, Assistant Commissioner Inland Revenue (ACIR) has passed an order under section 122(1) of the Income Tax Ordinance, 2001 (the Ordinance) in relation to tax audit conducted under section 177 of the Ordinance, in respect of tax year 2016. Through the said order, ACIR has disallowed deduction of certain expenses, deductible allowance of WPPF and tax credit claimed under section 65B of the Ordinance amounting to Rs 28.497 million, Rs 35.768 million and Rs 16.915 million respectively. The Company has filed an appeal on September 13, 2018 before Commissioner Inland Revenue - Appeals (CIR-A) against the order passed by ACIR. While deciding the appeal, CIR-A has allowed deduction of Rs 28.497 million whereas deduction allowance of WPPF and tax credit under section 65B were upheld by CIR-A. Therefore, the Company has filed an appeal on November 12, 2018 before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A on the said disallowances which is pending for hearing. In view of Company's tax consultant, favorable outcome of such appeal is anticipated; hence no provision is required to be made in these unconsolidated financial statements.

29.1.5 The Deputy Commissioner Inland Revenue (DCIR) issued an order-in-original (ONO) dated June 28, 2019 in respect of sales tax audit for the tax period from July 2017 to June 2018 raising a demand of Rs. 7.452 million (including default surcharge and penalty) by disallowing certain input tax claimed by the Company in its sales tax return for the aforesaid tax period.

The Company filed an appeal before Commissioner Inland Revenue-Appeals (CIR-A) against ONO issued by DCIR. While deciding appeal, CIR-A has deleted the disallowances of input tax amounting to Rs. 7.086 million and confirmed disallowance amounting to Rs. 0.011 million. The Department has filed an appeal against the CIR-A's Order before the Appellate Tribunal Inland Revenue Karachi (ATIR). The case is not yet fixed for hearing. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in unconsolidated financial statements.

29.1.6 The Additional Commissioner Inland Revenue (ACIR) had issued Showcause notice u/s 122 (5A) of the Income Tax Ordinance, 2001 dated February 15, 2019 containing observations relating to self-assessment order u/s 120 of the Income Tax Ordinance, 2001 for the tax year 2017. The Company explained observations and attended hearings from time to time. However, learned ACIR passed Amended Assessment Order dated July 02, 2019 raising a demand of Rs. 34.094 million by disallowing certain expenses and tax credits. Such disallowances include fuel adjustment of Rs. 3.678 million, reduction in carry forward tax credit u/s 65B of Income Tax Ordinance, 2001 (the Ordinance) relating to tax year 2016 and disallowance of WPPF contribution. Management of the Company has filed the appeal against the impugned order before Commissioner Inland Revenue-Appeals (CIR-A). The CIR-Appeals annulled the assessment order vide his order no. 18 dated September 06, 2019.

On November 21, 2019, ACIR issued notice to the company for further clarification/explanation regarding fuel adjustment, WPPF and WWF to pass the appeal effect order. The management of the Company provided the required clarification/explanation, however, appeal effect order has not yet been passed by ACIR.

29.1.7 Sales tax affairs relating to tax year 2017 were selected for audit u/s 25 of the Sales Tax Act, 1990 (the 'Act'). Show cause notice (SCN) dated February 22, 2019 was issued by Deputy Commissioner Inland Revenue (DCIR), Audit Unit-01, Zone II, LTU for which management of the company provided documents in supports, explanations required and attended hearings from time to time. Learned DCIR passed order creating demand of Rs 5,414,205/=.

However, the management of the Company had filed appeal against the impugned order before Commissioner Inland Revenue (Appeals). The Hon'ble CIR-Appeals confirmed the disallowance of input tax amounting to Rs 4,770,777 /- and default surcharge applied on sales tax chargeable on advance received from customers amounting to Rs 271,881/= The management has preferred an appeal against the CIR-A's order before Appellate Tribunal Inland Revenue Karachi and expect favourable outcome based on merits of the case.

29.1.8 During the year, the Additional Commissioner Inland Revenue (ACIR) has issued an order against the Company regarding the adjustment of minimum tax amounting to Rs. 23.59 million for the tax year 2021. The Company's management has filed an appeal against this order before the Appellate Tribunal Inland Revenue (ATIR), Karachi however, no hearing has taken place during the period. Based on legal advice, the Company is confident of a favorable outcome therefore, no provision has been recorded in these unconsolidated financial statements.

29.1.9 During the year, the Deputy Commissioner Inland Revenue (DCIR), through an order dated May 17, 2025, has raised an aggregate sales tax demand of Rs. 122.97 million for the period July 1, 2015 to June 30, 2016 by disallowing certain input tax claimed by the Company in its sales tax return for the said period. The Company has filed an appeal against this order before the Appellate Tribunal Inland Revenue (ATIR), Karachi, which is currently pending for adjudication. In view of Company's tax consultant, favorable outcome of such appeal is anticipated; hence no provision is required to be made in these unconsolidated financial

29.1.10 During the year, the Company filed a petition before the Islamabad High Court challenging S.R.O. No. 746(1)/2025 dated April 4, 2025 issued by the Federal Board of Revenue, which arbitrarily fixed the minimum retail price of cement for sales tax purposes based on the "Average National Retail Price" published by the Pakistan Bureau of Statistics. The petition is currently pending for adjudication.

29.1.11 During the year, the Company filed a petition in the Islamabad High Court challenging the imposition of Super Tax under Section 4C of the Income Tax Ordinance, 2001, for the year ended June 30, 2024. The Islamabad High Court decided the matter in favor of the Company. However, the Federation of Pakistan has filed an appeal before the Hon'ble Supreme Court of Pakistan against the High Court's decision, which is currently pending for adjudication.

29.1.12 During the year, M/s Lucky Cement filed a case before the Intellectual Property Tribunal, Karachi, challenging the use of the trademark "Black Star" and sought a stay order against the Company's use of the mark. The Tribunal dismissed Lucky Cement's stay application. Subsequently, Lucky Cement filed an appeal before the High Court of Sindh, Karachi, against the dismissal of the stay application, which is currently pending for adjudication.

29.1.13 An ex-employee of the Company had filed CP # 86/2013 on May 21, 2013 for recovery of Rs. 2.10 million out of which an amount of Rs. 0.248 million has been claimed on account of 60 days gratuity and numerous other false and fabricated claims of short payments of Rs. 1.86 million. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these unconsolidated financial statements.

29.1.14 In the year 2000, two cement dealers had filed Suit no. 150/2001 & 151/2001 against the Company for Rs. 6.5 million and Rs. 1.5 million respectively being value of trucks which were handed over to the Company in lieu of outstanding dues from these dealers. The matter is pending for adjudication. In view of the Company's legal counsel, no unfavorable outcome can be estimated.

29.1.15 In the year 2018, an ex-employee of the Company filed a Suit no. 1272/2018 against the Company for recovery of outstanding balance in provident fund and other dues amounting to Rs. 50 million in the High Court of Sindh (The Court). The outstanding provident fund and other dues were settled in 1999 and the claim of such dues is false and fabricated. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these unconsolidated financial statements.

29.1.16 In the year 2021, some of the ex-employees of the Company had filed case # 301/2021 amount of Rs. 13,334,867/- before Workmen Compensation & Authority Under Payment of Wages Act, Hyderabad has been claimed on account of gratuity and numerous false and fabricated claims. The Company is confident based on its legal opinion that decision will come in its favour. Hence, no provision has been recorded in these unconsolidated financial statements.

29.1.17 In the year 2022, some of the ex-employees of the Company had filed case # 159/2022 amount of Rs. 2,135,562/- before Workmen Compensation & Authority Under Payment of Wages Act, Hyderabad has been claimed on account of gratuity and numerous false and fabricated claims. The Company is confident based on its legal opinion that decision will come in its favour. Hence, no provision has been recorded in these unconsolidated financial statements.

29.1.18 In the year 2022, some of the ex-employees of the Company had filed CP # D-641/2022 before High Court of Sindh (The Court) has been claimed on account of all legal dues i.e. gratuity/ Golden Handshake 2000 & 2004. The Company is confident based on its legal opinion that decision will come in its favour. Hence, no provision has been recorded in these unconsolidated financial statements.

29.1.19 As per section 5A of the Income Tax Ordinance, 2001, in case of a public company which does not distributes 20% of its after tax profit for the year within six months of the end of the tax year through cash, a tax rate of additional 5% of its accounting profit before tax shall be imposed. The Company earned a profit after tax of Rs. 213.522 million for the year ended June 30, 2019, however, keeping in view the lower profitability and foreseeing the challenging conditions faced by cement sector in the year ahead, the Board of Directors did not recommended any dividend for the year ended June 30, 2019.

The Company filed a Constitutional Petition (CP) before the Honourable Sindh High Court challenging the vires of Section 5A of the Income Tax Ordinance, 2001. The Honourable Sindh High Court while deciding the petition declared that Section 5A ultra vires of Constitution and is hereby struck down. However, Federal Board of Revenue (FBR) has filed in the Supreme Court of Pakistan against the decision of Sindh High Court. However till date no such proceeding has been initiated yet.

In the view of Company's management, favourable outcome is anticipated. Hence no provision for the tax liability in this respect has been recorded by the Company in these unconsolidated financial statements.

29.2 Commitments

29.2.1 Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Company amounting to Rs. 45 million (2024: Rs. 45 million).

29.2.2 Irrevocable letter of credit under capital expenditure as at reporting date against wind mill is amounting to Rs. Nil million (2024: 881.257) and against import of stores and spares is amounting to Rs. 76.635 (2024: 73.512) million.

29.2.3 Other outstanding guarantees given on behalf of the Company by banks amounting to Rs. 1.5 million (2024: Rs. 52.325 million).

	Note	2025	2024
		(Rupees in thousands)	
30 COST OF SALES			
Raw material consumed	30.1	625,561	355,718
Packing material consumed	30.2	378,058	424,412
Stores, spare parts and loose tools		261,239	189,244
Fuel and power		3,387,408	3,208,875
Salaries, wages and other benefits	30.3	321,724	333,397
Insurance		21,101	32,696
Repairs and maintenance		12,938	11,795
Depreciation	6.1.2	166,695	139,175
Vehicle hire, running and maintenance		17,539	21,637
Communication		2,219	2,008
Entertainment		3,095	3,315
Provision for slow moving of capital stores and spares	6.2	-	5,646
Provision for obsolete and slow moving of stores and spares		7,108	-
Other production overheads		8,238	8,175
Cost of production		5,212,923	4,736,093
Work-in-process			
Balance as at July 01,		146,166	737,889
Balance as at June 30,	11	(6,783)	(146,166)
		139,383	591,723
Cost of goods manufactured		5,352,306	5,327,816
Finished goods			
Balance as at July 01,		63,494	93,529
Balance as at June 30,	11	(88)	(63,494)
		63,406	30,035
		5,415,712	5,357,851

	Note	2025	2024
		(Rupees in thousands)	

30.1 Raw material consumed

	Note	2025	2024
Balance as at July 01,		12,959	26,029
Purchases / Extracted		641,688	342,648
		654,647	368,677
Balance as at June 30,	11	(29,086)	(12,959)
Consumption during the year	30.1.1	625,561	355,718

30.1.1 It includes royalty amounting to Rs. 34.853 million (2024: Rs. 84.723 million) relating to Lime Stone and Clay Shale, payable to Director General Mines and Mineral Development, Government of Sindh. (Refer note 23.2)

30.2 Packing material consumed

	Note	2025	2024
Balance as at July 01,		21,322	76,089
Purchases		383,017	369,645
		404,339	445,734
Balance as at June 30,	11	(26,281)	(21,322)
Consumption during the year		378,058	424,412

30.3 This includes employees' retirement benefits amounting to Rs. 7.890 million (2024: Rs. 9.118 million).

31 SELLING AND DISTRIBUTION COST

	Note	2025	2024
Salaries, wages and other benefits	31.1	3,791	5,904
Vehicle running expenses		157	607
Travelling and conveyance		241	312
Communication		275	227
Printing and stationery		-	13
Entertainment		330	347
Repair and maintenance		13	31
Rent, rates and taxes		3,798	3,517
Utilities		1,390	3,249
Advertisements		100	190
Freight charges - local sale		13,063	17,475
Certification charges		4,117	-
Commission		-	1,829
Depreciation	6	757	751
Marking fee expense		7,368	7,049
Loading and others		10,076	13,150
Miscellaneous		401	154
		45,877	54,805

31.1 This includes employees' retirement benefit amounting to Rs. 0.058 million (2024: Rs. 0.292 million).

		Note	2025	2024
			(Rupees in thousands)	
32	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	32.1	76,808	78,970
	Director's fees		7,750	10,750
	Vehicle running expenses		5,424	7,440
	Travelling and conveyance		3,272	155
	Advertisements		2,189	1,258
	Communication, postage, telegram		2,389	1,765
	Printing and stationery		481	1,238
	Rent, rates and taxes		6,454	5,931
	Entertainment		1,833	1,268
	Legal and professional charges		12,873	5,124
	Insurance		891	1,626
	Repairs and maintenance		821	1,779
	Utilities		2,911	6,033
	Fees and subscription		7,396	6,120
	Corporate expenses		1,671	1,601
	Charity and donation	32.2	1,474	134
	Auditors' remuneration	32.3	2,483	2,169
	Other consultants' remuneration	32.4	2,815	2,407
	Depreciation on property, plant and equipment	6.1.2	8,534	2,877
	Amortization of intangible assets	7.1	1,170	1,170
	Staff welfare expenses		1,451	3,091
	Provision for loss allowance		420	-
	Miscellaneous		379	452
			151,889	143,358

32.1 This includes employees' retirement benefit amounting to Rs. 3.182 million (2024: Rs. 3.289 million).

32.2 None of the directors or their spouses have any interest in any donee's fund to which donation was made.

32.3 Auditor's remuneration

	2025	2024
Annual audit fee	1,849	1,608
Half yearly review fee	261	237
Audit fee for consolidated financial statements	85	74
Fee for Code of Corporate Governance and other		

	Note	2025	2024
		(Rupees in thousands)	
services		53	45
Out of pocket expenses		236	205
		2,483	2,169

32.4 Other consultant's remuneration

	Note	2025	2024
Cost audit fee		402	372
Internal audit fee		2,057	1,830
Out of pocket expenses		356	205
		2,815	2,407

33 OTHER OPERATING EXPENSES

	Note	2025	2024
Workers' Welfare Fund (WWF)		74,272	50,473
Workers' Profit Participation Fund (WPPF)	24	195,454	132,823
Exchange loss		-	183
		269,726	183,479

34 OTHER INCOME

	Note	2025	2024
Income from financial assets			
Income on bank deposit accounts	34.1	368,675	248,940
Interest income from TDR's		113,154	168,306
Gain on disposal of short term investment	34.4	63,921	-
Dividend income	34.3	600,369	-
Reversal of provision for slow moving of major stores and spares		2,999	-
Reversal of provision for obsolete and slow moving of stores and spares	10.1	-	6,217
		1,149,118	423,463
Income from non-financial assets			
Management fee	34.2	34,237	31,125
Waste heat recovery	35.5	270,384	238,110
Rental income		2,695	2,464
Gain on sale of property, plant and equipment		1,800	48,569
Scrap sales		66,265	-
Reversal of provision of royalty	24.2	150,844	-
Gratuity income	14.1	300,000	
Contract liability not payable		23,064	-
Exchange Gain		193	-
Others		567	463
		850,049	320,731
		1,999,167	744,194

34.1 This represents the income earned during the year from bank deposits are under interest / mark-up arrangements with conventional banking system.

34.2 This represents management fee charged to the Thatta Power (Private) Limited Company for business support services. Service fee charged is amounting to Rs. 2.853 per month million plus applicable taxes payable in arrears and is subject to increase of 10% per annum with mutual consent of both the parties.

34.3 This includes dividend income received from its subsidiary Thatta Power (Private) Limited Company amounting to Rs. 562 million (2024: Nil).

34.4 This represents income on short term investments in shares amount to Rs. 63.92 million.

35.5 This represents the sale of waste heat to its subsidiary Thatta Power (Private) Limited Company under the arrangement mutually agreed between both parties and are approved by the board of directors.

		Note	2025	2024
			(Rupees in thousands)	
35	**FINANCE COST**			
	Mark-up on short term borrowings		34,180	48,067
	Mark-up on Workers' Profit Participation Fund		6,539	1,866
	Bank charges and commission		2,313	3,358
			43,032	53,291
36	**TAXATION**			
	Current		815,399	888,221
	Prior		(63,382)	12,438
	Deferred		330,745	71,291
		36.1	1,082,762	971,950
36.1	**Relationship between tax expense and accounting profit**			
	Profit before tax		3,639,345	2,472,987
	Tax at 29%		1,055,410	717,166
	Tax effect of			
	(admissible) / inadmissible expenses in determining taxable income - net		(329,311)	(56,694)
	Prior year tax charge		(63,382)	12,438

	2025	2024
	(Rupees in thousands)	
Income subject to Final Tax Regime (FTR)	(94,651)	-
Tax effect on taxable temporary differences - net	330,745	71,291
Super Tax @ 10% (2024: 10%)	183,950	227,749
	1,082,761	971,950

Numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:

	2025	2024
	%	%
Applicable tax rate	29.00	29.00
Final Tax	(2.60)	-
Super tax	5.05	9.21
Others	(1.69)	1.09
	0.76	10.30
Average effective rate	29.75%	39.30

	2025	2024
	(Rupees in thousands)	

37 EARNINGS PER SHARE - BASIC AND DILUTED

37.1 Basic earnings per share

Profit for the year (Rupees)	2,556,583	1,501,037
Number of ordinary shares	84,718,125	84,718,125
Earnings per share - basic and diluted (Rupees) per share	30.18	17.72

37.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024 which would have any effect on the earnings per share if the option to convert is exercised.

38 RECONCILIATION OF MOVEMENT OF CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	2025 Unclaimed Dividend	2025 Buy Back of Shares	Total
	Rupees		
Balance as at July 1, 2024	1,933	-	1,933
Dividend payable	67,320	-	67,320
Dividend paid	(58,697)	-	(58,697)
Balance as at June 30, 2025	10,556	-	10,556

Description	2024 Unclaimed Dividend	2024 Buy Back of Shares	Total
	Rupees		
Balance as at July 1, 2023	1,957	-	1,957
Dividend payable	-	-	-
Dividend paid	(24)	-	(24)
Buyback of shares	-	(276,558)	(276,558)
Balance as at June 30, 2024	1,933	(276,558)	(274,625)

	Note	2025	2024
		(Rupees in thousands)	
39 CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	4,069,729	2,953,616
Short term running finance	28	(197,856)	(197,649)
		3,871,873	2,755,967
40 CAPACITY AND ACTUAL PRODUCTION			
Production capacity - clinker (tons)	40.1	660,000	660,000
Actual production - clinker (tons)	40.1	415,850	423,491
Production capacity - cement (tons)	40.2	693,000	693,000
Actual production - cement (tons)	40.2	502,985	529,700

40.1 The production capacity utilization of clinker during the year has remained at 63.01% (2024: 64.17%).

40.2 Cement from clinker is produced in accordance with the market demand.

41 RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprises of subsidiaries and other associated companies, key management personnel and staff retirement funds. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions except for Service Level Agreement for business support services with the Subsidiary Company for which the basis are approved by the Board of Directors.

Further, contribution to defined contribution plan (provident fund) is made as per the terms of employment and trust deed. Detail of transactions during the year ended June 30, 2025 and outstanding balances as at June 30, 2025 with related parties are as follows:

41.1 Transactions with related parties other than disclosed else where in the Financial Statements are summarized as follows:

Related Party	Basis of Relationship	Nature of transactions	2025	2024
			(Rupees in thousands)	
Thatta Power (Private) Limited	Subsidiary			
		Common shared expenses	5,832	5,276
		Receipts on account of common shared expenses	-	2,315
		Sales / (purchase) of store items (inclusive of GST) - net	91	(72)
		(Receipt) / payment on account of purchase of store items -net	-	(633)
		Purchase of electricity (inclusive of GST)	1,436,623	1,805,227
		Payment on account of electricity (inclusive of GST)	2,412,450	1,009,179
		Management fee claimed (inclusive of SST)	39,373	35,171
		Management fee received (inclusive of SST)	-	14,122
		Sale of waste heat (inclusive of GST)	319,053	283,427
		Receipts on account of sale of waste heat (inclusive of GST)	543,816	15,541
		Paid on behalf against LC	63,663	-
Minsk Work Tractor and Assembling (Private) Limited	Subsidiary	Purchase of shares	500,000	-
		Contribution to Employees' Provident Fund	11,131	12,634
Other related parties				
		Education expenses - Model Terbiat School	1,451	3,091

41.2 Year end balances

Related Party	Basis of Relationship	Nature	2025	2024
Thatta Power (Private) Limited	Subsidiary			
		Payable against purchase of electricity (inclusive of GST)	34,220	1,010,047
		Receivable against management fee (inclusive of SST)	65,750	26,377
		Receivable against common shared expenses	9,688	3,856
		Receivable against LC	63,663	-
		Receivable against sale/purchase of store items-net	462	371
		Receivable against sale of waste heat (inclusive of GST)	51,537	276,300
Staff retirement benefits	Fund			
		Receivable from Gratuity Fund	123,100	23,100

41.3 All transactions with related parties have been carried out on commercial terms and conditions as approved by the Board of Directors.

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

42 REMUNERATION OF CHIEF EXECUTIVE , DIRECTORS AND EXECUTIVES

The aggregate amounts charged during the year in the unconsolidated financial statements for remuneration, including all benefits to Chief Executive and Executives of the Company were as follows:

	2025		2024	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in thousands)		(Rupees in thousands)	
Managerial remuneration	16,800	52,924	17,115	47,672
Leave fare allowance	-	-	-	-
Bonus	-	4,963	1,250	6,107
Retirement benefits	1,018	2,682	1,037	2,454
Other benefits	1,413	25,348	2,309	20,438
Total	19,231	85,917	21,711	76,671
Number of persons	1	19	2	17

42.1 The Chief Executive and Executives are provided with car monetization and other benefits in accordance with their entitlement as per rules of the Company.

42.2 An aggregate amount of Rs. 7.750 million (2024: Rs. 10.750 million) was paid to Non-Executive Directors/Members during the year on account of Board, Audit Committee and Human Resource & Remuneration Committee meeting fee.

43 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

During the year, the Company did not maintain any financial assets, deposits, or borrowings with Islamic banks or Islamic windows of conventional banks. All banking relationships and financing arrangements were with conventional financial institutions

44 OPERATING SEGMENTS

44.1 These unconsolidated financial statements have been prepared on the basis of single reportable segment.

44.2 Revenue from sale of cement and clinker represents 100% (2024: 100%) of the total revenue of the Company.

44.3 100% (2024: 100%) sales of the Company relates to customers in Pakistan.

44.4 All non-current assets of the Company as at June 30, 2025 are located in Pakistan.

45 FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

Taken as a whole the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments. Financial instruments of the Company are as under:

	Note	2025	2024
		(Rupees in thousands)	
Financial assets			
Long term deposits	9	5,125	5,125
Trade debts	12	166,366	138,875
Trade deposits	15	3,810	1,810
Short term investment	16	-	1,190,825
Other receivables	17	192,810	340,081
Receivables from gratuity fund	14	123,100	23,100
Cash and bank balances	19	4,069,729	2,953,616
		4,560,940	4,653,432
Financial liabilities			
Long term deposits	22	3,787	22,787
Trade and other payables	24	878,368	1,789,111
Unclaimed dividend	25	1,933	1,933
Accrued mark-up	27	8,937	11,911
Short term borrowings	28	197,856	197,649
		1,090,881	2,023,391

45.1 Financial risk management objectives

The Company has exposure to the following risks:

- credit risk
- liquidity risk
- market risk
- operational risk

The Board of Directors (the Board) of the Company has the overall responsibility for establishment and oversight of the Company's risk management framework. To assist the Board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Company's financial risk exposure. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

a) Credit risk

Credit risk is a risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with same party, or when counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly effected by change in economics, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

At the reporting date, the Company's total credit risk was concentrated in the following industrial / economic sectors:

	2025		2024	
	Rupees in thousands	**%**	**Rupees in thousands**	**%**
Banks	4,066,253	89%	2,949,314	63%
Others	494,687	11%	1,704,118	37%
	4,560,940	100%	4,653,432	100%

The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed a policy of obtaining advance payment from its customers against sale of cement. Except for customers relating to the Government and certain credit worthy customers, the management strictly adheres to this policy. For any balance receivable from such Government and credit worthy customers, the management continuously monitors the credit exposure towards them and make provisions against those balances considered doubtful. Cash is held only with banks with high quality credit worthiness. There is no significant risk exposure to loan and advances and other receivables.

The maximum exposure to credit risk at the reporting date is:

	Note	**2025**	**2024**
		(Rupees in thousands)	
Long term deposits	9	5,125	5,125
Trade debts	12	166,366	138,875
Trade deposits	15	3,810	1,810
Short term investment	16	-	1,190,825
Other receivables and accrued interest	17	192,810	340,081
Bank balances	19	4,066,253	2,949,314
		4,434,364	4,626,030

Financial assets that are neither past due nor impaired

The credit quality of assets that are neither past due nor impaired can be assessed by reference to historical information and external credit ratings or to historical counterparty default rates. As at June 30, 2025 trade debts of Rs. 73.713 million (2024: Rs. 17.931 million) were past due but not impaired. These relates to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debts is as follows:

	2025	2024
	(Rupees in thousands)	
Not past due		
- within 30 days	19,316	52,112
- 31 to 90 days	73,757	68,832
- 91 to 180 days	65,186	14,258
- over 180 days	8,527	3,673
	166,786	138,875

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The credit quality of cash at bank (in Current, PLS and deposit accounts) as per credit rating agencies is as follows:

Name of Banks	Rating agency	Ratings	
		Short-term	Long-term
National Bank of Pakistan	PACRA	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
Al Baraka Islamic Bank Limited	JCR-VIS	A-1	A+
Silk Bank Limited	JCR-VIS	A-	A-2
Summit Bank Limited	JCR-VIS	N/A	N/A
Faysal Bank Limited	PACRA	A1+	AA

Due to Company's long standing relationship with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligation to the Company. For trade debts, internal risk assessment process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are fixed based on internal or external ratings in accordance with limits set by the management. The utilization of said limits is regularly monitored.

Credit Rating of the Company

During the year, VIS Credit Rating Company Limited (VIS) has upgraded the entity ratings of Thatta Cement Company Limited at A/A-2 (Single A / A Two) from A-/A-2 (Single A Minus / A Two) with a stable outlook.

Financial assets that are past due or impaired

The credit quality of financial assets that are past due or impaired can be assessed by reference to note 12.1. The aging analysis of these impaired trade debts is as follows:

	2025	2024
	(Rupees in thousands)	
Below five years	3,732	3,312
Over five years	72,028	72,028
	75,760	75,340

b) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or may face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Company is exposed to liquidity risk in respect of non-current interest bearing liabilities, long term deposit, short term borrowings, trade and other payable and mark-up accrued.

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Maturity analysis for financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to maturity date and represents the undiscounted cash flows. The amounts in the table are the gross nominal undiscounted cash flows (including interest payments).

		2025				
		Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
		(Rupees in thousands)				
Non-derivative	**Note**					
Financial liabilities						
Long term deposits	22	3,787	(3,787)	-	-	(3,787)
Trade and other payables	24	1,218,019	(1,218,019)	(1,218,019)		
Short term borrowing	28	197,856	(197,856)	(197,856)	-	-
Accrued mark up	27	8,937	(8,937)	(8,937)	-	-
		1,428,599	(1,428,599)	(1,424,812)	-	(3,787)

		2024				
		Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
		(Rupees in thousands)				
Non-derivative	**Note**					
Financial liabilities						
Long term deposits	22	22,787	(22,787)	-	-	(22,787)
Trade and other payables	24	2,029,103	(2,029,103)	(2,029,103)		
Short term borrowing	28	197,649	(197,649)	(197,649)	-	-
Accrued mark up	27	11,911	(11,911)	(11,911)	-	-
		2,261,450	(2,261,450)	(2,238,663)	-	(22,787)

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective at the reporting date.

c) Market risk

Market risk is the risk that changes in market interest rates, foreign exchange rates and other prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

d) Interest / mark-up rate risk management

Interest / mark-up rate risk management arises from the possibility of changes in interest/mark-up rates which may affect the value of financial instruments. The Company has long term finance and short term borrowing at variable rates. The Company is exposed to interest / mark-up rates risk on long term financing, where interest rate risk is covered by holding "Prepayment option" which can be exercised upon any adverse movement in the underlying interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instruments is as follows:

	Carrying amount	
	2025	2024
Variable rate instruments	(Rupees in thousands)	
Financial assets	4,056,028	2,936,098
Financial liabilities	197,856	197,649

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect unconsolidated statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

Financial assets

If interest rate had fluctuated by 100 basis points with all other variables held constant, profit / (loss) before tax for the year would have been Rs. 40.56 million (2024: Rs 24.12 million) higher / lower, mainly as a result of higher / lower interest income from these financial assets.

Financial liabilities

If interest rate had fluctuated by 100 basis points with all other variables held constant, profit before tax for the year would have been Rs. 1.98 million (2024: Rs. 2.07 million) higher / lower, mainly as a result of higher / lower interest expense on these financial liabilities.

A summary of the Company's interest rate gap position, categorized by the earlier of contractual re-pricing or maturity dates at the end of year is as follows:

	Note	2025				
		Mark-up / return (%)	Less than 6 months	6 months to 1 year	More than 1 year	Total
		(Rupees in thousands)				
Assets						
Bank balance in PLS accounts	19	9.5% to 19.5%	4,056,028	-	-	4,056,028
Total assets			4,056,028	-	-	4,056,028
Liabilities						
Short term borrowings	28	14.14% to 23.24%	(197,856)	-	-	(197,856)
Total liabilities			(197,856)	-	-	(197,856)
On-balance sheet gap			3,858,172	-	-	3,858,172
Total interest risk sensitivity gap			3,858,172	3,858,172	3,858,172	3,858,172

	Note	2024				
		Mark-up / return (%)	Less than 6 months	6 months to 1 year	More than 1 year	Total
		(Rupees in thousands)				
Assets						
Bank balance in PLS accounts	19	19.5% to 20.5%	2,936,098	-	-	2,936,098
Total assets			2,936,098	-	-	2,936,098
Liabilities						
Short term borrowings	28	21.46% to 25.5%	(197,649)	-	-	(197,648)
Total liabilities			(197,649)	-	-	(197,648)
On-balance sheet gap			2,738,449	-	-	2,738,450
Total interest risk sensitivity gap			2,738,449	2,738,450	2,738,450	2,738,450

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e) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial asset or a liability will fluctuate due to change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable/payable from/to the foreign entities and outstanding letters of credit and bills payable.

The Company does not have any exposure to foreign currency risk at the reporting date.

Therefore, the Company does not obtain forward cover against the exposure. However, the following significant rates applied during the year:

	2025	2024	2025	2024
	Average Rate		Balance sheet date rate	
US Dollar to PKR	283.96	278.66	283.76	278.80

f) Fair value of financial instruments

Fair value of the financial instrument is the amount for which an asset could be sold or exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction.

The carrying amount of all financial assets and liabilities reflected in the unconsolidated financial statements approximate their fair values. The methods used for determining fair value of each class of financial assets and liabilities are disclosed in respective policy notes.

g) Fair value hierarchy

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

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

Level 2 other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

Level 3 techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

h) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

	2025	2024
Debt to equity ratio	0.03	0.05
Debt to asset ratio	0.02	0.03
Current ratio	2.41	1.67
Quick Ratio	2.22	1.53

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. The Company finances its operations through equity, borrowing and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

i) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its objectives of becoming a profitable organization, producing high quality cement and generating returns for investors. Primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- compliance with regulatory and other legal requirements;
- requirements for periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;

- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment supplier and related service providers.
- documentation of controls and procedures;
- requirements for appropriate segregation of duties between various functions, roles and responsibilities ;
- requirements for reconciliation and monitoring of transactions;

46 NUMBER OF EMPLOYEES

The total number of employees at the year end were 408 (2024: 409) and average number of employees during the year were 401 (2024: 476).

47 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on ___________, 2025 have proposed final cash dividend Rs.___ per share (2024: Rs. 1 per Share) in respect of year ended June 30, 2025.

48 DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue on _______________ by the Board of Directors of the Company.

49 CORRESPONDING FIGURES

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

50 GENERAL

Amounts have been rounded off to the nearest thousands of Rupees.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

Consolidated Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS
OF
THATTA CEMENT COMPANY LIMITED
FOR THE YEAR ENDED
JUNE 30, 2025

DRAFT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THATTA CEMENT COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **THATTA CEMENT COMPANY LIMITED** (the Holding Company) and its subsidiaries namely **THATTA POWER (PRIVATE) LIMITED** and **MINSK WORK TRACTOR AND ASSEMBLING (PRIVATE) LIMITED** (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of the profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion the consolidated financial statement gives a true and fair view of the consolidated financial position of the Group as at June 30, 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

a) We draw attention to note 23.2 to the consolidated financial statements which states that the subsidiary Company had defaulted in paying the instalments due on the payment dates. This results in breach of the terms and conditions of the agreement, due to which the outstanding loan was made payable on demand and was reclassified as current liability.

b) We draw attention to note 26.3.1 and 26.4.1 to the consolidated financial statements which states that the subsidiary Company has not recognized liabilities in respect of Workers' profit participation and workers' welfare fund post financial year 2015 nor has discharged the recorded liability till such date based on a legal advice.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	**Contingencies**	
	As disclosed in note 31.1 to the consolidated financial statements. The Holding Company has contingent liabilities and tax litigations in respect of income and sales tax matters, which are pending adjudication at different levels with the taxation authorities and other legal forums. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Holding Company for disclosure and recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities and tax related litigations, a key audit matter.	Our audit procedures, amongst others, included the followings: 1. Discussed the progress of each case and the Holding Company's estimate of the cost involved; 2. Reviewed the key elements and basis used by management while challenging reasonableness of the cost estimates; 3. Obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; 4. Checked orders by relevant authority on previous lawsuits / cases which are being disclosed in the consolidated financial statement 5. Made an assessment of likelihood of occurrence of such events and impact on the consolidated financial statements. 6. Reviewed the adequacy of the related disclosures in the consolidated financial statements in accordance with applicable financial reporting framework.
2.	**Addition to property, plant and equipment**	
	As disclosed in note 7 to the consolidated financial statements, The Holding Company incurred Rs. 1,383 million on additions to property, plant and equipment (PPE) including transfers from capital work in progress (CWIP), particularly for electrical and gas installations.	Our audit procedures, amongst others, included the followings: 1. Obtained and reviewed the agreement made with the supplier and assessed the terms of contract.

S. No	Key audit matters	How the matter was addressed in our audit
	We consider the addition in electrical installation as Key Audit matter as amount is significant and capitalization involves management judgement and estimates with respect to useful life.	2. Tested on a sample basis, the cost incurred on project with relevant supporting invoices and contract. 3. Checked on a sample basis whether the items of cost capitalized meet the recognition criteria for an asset in accordance with the applicable financial reporting standards. 4. We also evaluated the basis used by the management for determining the useful life of the new asset and depreciation charged in relation thereto, by considering factors such as the current depreciation, estimates for similar and comparable assets, expected utilization of the assets, rate of depreciation based on estimated useful life and recalculated the depreciation charged. 5. We further assessed the adequacy of financial statements disclosures as per requirements set out in the applicable financial reporting framework.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED:

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UDIN:

THATTA CEMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		----- (Rupees in thousands) ------	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	5,290,120	4,063,937
Intangibles	8	1,755	2,925
Long term deposits	9	5,125	5,125
		5,297,000	4,071,987
CURRENT ASSETS			
Stores, spare parts and loose tools	10	394,222	221,907
Stock-in-trade	11	558,533	250,702
Trade debts	12	1,226,288	745,025
Advances	13	167,086	38,486
Receivable from gratuity fund	14	123,100	23,100
Deposits and prepayments	15	217,840	233,502
Short term investment	16	-	1,190,825
Other receivables and accrued mark-up	17	38,040	29,738
Sales tax refundable		134,644	40,396
Short term loan	18	250,000	-
Cash and bank balances	20	4,229,291	2,992,916
		7,339,044	5,766,597
TOTAL ASSETS		12,636,044	9,838,584
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	21	2,000,000	2,000,000
Issued, subscribed and paid-up capital	21	847,181	847,181
Reserves	22	7,134,572	4,425,387
Equity attributable to the owners of the Holding Company		7,981,753	5,272,568
Non-controlling interests		178,613	821,280
		8,160,366	6,093,848
NON CURRENT LIABILITIES			
Long term financing	23	-	-
Long term deposits	24	3,787	22,787
Deferred taxation	25	680,109	349,364
		683,896	372,151
CURRENT LIABILITIES			
Trade and other payables	26	1,864,508	1,423,518
Short term borrowings	27	197,856	197,649
Current maturity of long term financing	23	751,329	751,329
Unclaimed dividend	28	1,933	1,933
Unpaid dividend	29	8,623	-
Accrued mark-up	30	478,827	348,088
Taxation- net	19	488,706	650,068
		3,791,782	3,372,585
TOTAL EQUITY AND LIABILITIES		12,636,044	9,838,584
CONTINGENCIES AND COMMITMENTS	31		

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

THATTA CEMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		------- (Rupees in thousands)	-------
Sales - gross		13,348,273	10,169,026
Sales tax and federal excise duty		(3,904,435)	(2,485,260)
Sales - net	32	9,443,838	7,683,766
Cost of sales	33	(6,492,697)	(5,336,048)
Gross profit		2,951,141	2,347,718
Selling and distribution expenses	34	(45,877)	(54,805)
Administrative expenses	35	(167,947)	(149,701)
		2,737,317	2,143,212
Other operating expenses	36	(269,726)	(183,495)
Other income	37	1,173,765	555,426
Operating profit		3,641,356	2,515,143
Finance cost	38	(202,724)	(240,798)
Profit before taxation		3,438,632	2,274,345
Taxation	39	(1,094,419)	(995,729)
Profit for the year		2,344,213	1,278,616
Profit for the year attributable to:			
- Equity holders of the Holding Company		2,396,086	1,362,180
- Non-controlling interests		(51,873)	(83,564)
		2,344,213	1,278,616
Earnings per share - basic and diluted (Rupees)	40	28.28	16.08

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

THATTA CEMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		------ (Rupees in thousands)	-------
Profit for the year		2,344,213	1,278,616
Other comprehensive income		-	-
Total comprehensive income for the year		2,344,213	1,278,616
Total comprehensive income for the year attributable to:			
- Equity holders of the Holding Company		2,396,086	1,362,180
- Non-controlling interests		(51,873)	(83,564)
		2,344,213	1,278,616

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

THATTA CEMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		------- (Rupees in thousands) --------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,438,632	2,274,345
Adjustment for:			
Depreciation on property, plant and equipment	7	298,185	270,063
Amortization on intangibles	35	1,170	1,170
Reversal / (provision) for obsolete and slow moving of major stores and spares	33	(2,999)	8,590
Reversal / (provision) for obsolete and slow moving stores and spares	33	7,570	(8,505)
Finance cost	38	202,724	240,798
Gain on plan assets	37	(300,000)	-
Reversal for leave encashment		-	(18,166)
Provision for expected credit loss	35	420	-
Workers' Welfare Fund	36	74,272	50,473
Workers' Profit Participation Fund	36	195,454	132,823
Other charge		-	575
Gain on sale of property, plant and equipment	37	(1,800)	(48,569)
		474,996	629,252
Operating cash flows before working capital changes		3,913,628	2,903,597
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(179,885)	10,133
Stock-in-trade		(307,831)	675,674
Trade debts		(481,683)	224,684
Advances		(128,600)	11,541
Deposits and prepayments		15,662	(1,758)
Other receivable and accrued mark-up		(8,302)	(4,688)
Sales tax refundable		(94,248)	(40,396)
		(1,184,887)	875,190
Increase in current liabilities			
Trade and other payables		354,560	101,411
Cash generated from operations		3,083,301	3,880,198
Finance cost paid		(65,446)	(54,289)
Proceeds from gratuity fund		200,000	-
Leave encashment paid		-	(1,528)
Workers' Welfare Fund paid		(50,473)	(8,015)
Workers' Profit Participation Fund paid	26.3	(139,362)	(21,445)
Income tax paid- net		(925,036)	(171,086)
Net cash flows generated from operating activities		2,102,984	3,623,835
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property plant and equipment	7.1	(1,521,369)	(532,692)
Short term investment		1,190,825	(867,110)
Short term loan	18	(250,000)	300,000
Long term deposit - liabilities		(19,000)	20,000
Further investment in subsidiary		(137,500)	-
Proceeds from sale of property, plant and equipment		1,800	49,973
Net cash flows (used in) investing activities		(735,244)	(1,029,829)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(131,572)	(24)
Buy back of shares		-	(276,558)
Net cash used in financing activities		(131,572)	(276,582)
Net increase in cash and cash equivalents		1,236,168	2,317,424
Cash and cash equivalents at the beginning of the year		2,795,267	477,843
Cash and cash equivalents at the end of the year	42	4,031,435	2,795,267

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER	**CHIEF EXECUTIVE**	**DIRECTOR**

THATTA CEMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid-up capital	Reserves			Non-controlling Interest	Total
		Capital reserve	Revenue reserve			
		Share Premium	Unappropriated profit	Sub total		
	(Rupees in thousands)					
Balance as at July 1, 2023	997,181	99,718	3,090,047	3,189,765	904,844	5,091,790
Total comprehensive income for the year						
Profit for the year	-	-	1,362,180	1,362,180	(83,564)	1,278,616
Other comprehensive income for the year	-	-	-	-	-	-
Buy back of shares	(150,000)	-	(126,558)	(126,558)	-	(276,558)
	(150,000)	-	1,235,622	1,235,622	(83,564)	1,002,058
Balance as at June 30, 2024	847,181	99,718	4,325,669	4,425,387	821,280	6,093,848
Balance as at July 1, 2024	847,181	99,718	4,325,669	4,425,387	821,280	6,093,848
Total comprehensive income for the year						
Profit for the year	-	-	2,396,086	2,396,086	(51,873)	2,344,213
Other comprehensive loss for the year	-	-	-	-	-	-
	-	-	2,396,086	2,396,086	(51,873)	2,344,213
Further investment in subsidiary	-	-	380,419	380,419	(517,919)	(137,500)
Final cash dividend @ Rs. 1 per share for the year ended June 30, 2024	-	-	(33,660)	(33,660)	-	(33,660)
Interim cash dividend @ Rs. 0.5 per share for the quarter ended September 30, 2024	-	-	(16,830)	(16,830)	-	(16,830)
Interim cash dividend @ Rs. 0.5 per share for the quarter ended December 31, 2024	-	-	(16,830)	(16,830)	-	(16,830)
Interim cash dividend @ Rs. 3.75 per share for the quarter ended March 31, 2025	-	-	-	-	(20,625)	(20,625)
Interim cash dividend @ Rs. 9.50 per share for the quarter ended June 30, 2025	-	-	-	-	(52,250)	(52,250)
	-	-	(67,320)	(67,320)	(72,875)	(140,195)
Balance as at June 30, 2025	847,181	99,718	7,034,854	7,134,572	178,613	8,160,366

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 STATUS AND NATURE OF BUSINESS

1.1 The Group consists of Thatta Cement Company Limited (THCCL), Thatta Power (Private) Limited (TPPL) and Minsk Work Tractors and Assembling (Private) Limited (MWTAPL), (together referred to as the Group).

2 STATUS, GEOGRAPHICAL LOCATION AND ADDRESSES OF THE HOLDING COMPANY AND ITS SUBSIDIARY COMPANIES.

Holding Company

Thatta Cement Company Limited

Thatta Cement Company Limited (the Holding Company) was incorporated in Pakistan in 1980 under repealed companies Act,1913 (repealed Companies ordinance, 1984 and now Companies Act, 2017) 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.

Following are the addresses of the registered office and the production facility:

i) The registered office of the Holding Company is situated at CL/5-4, State Life Building No. 10, Abdullah Haroon Road, Karachi, Pakistan.

ii) The production facility of the Holding Company is located at Ghulamullah Road, Makli, District Thatta, Sindh.

Subsidiary Companies

Thatta Power (Private) Limited

Thatta Power (Private) Limited (the Subsidiary Company) is a 88.52% owned subsidiary of the Holding Company as at June 30, 2025 (2024: 62.43%). The principal business of the subsidiary Company is generation and sale of electric power. As at June 30, 2025, the subsidiary Company has authorized and issued, subscribed and paid up capital of Rs. 500 million and Rs. 479.16 million divided into 50,000,000 (2024: 50,000,000) ordinary shares and 47,915,830 (2024: 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, which comprises of 3 acres.

Minsk Work Tractors and Assembling (Private) Limited

During the year, the Holding Company has made investment in shares of Minsk Work Tractors and Assembling (Private) Limited "Wholly owned Subsidiary" (newly incorporated company). The Company has acquired 50,000,000 shares at Rs. 10 per share making it wholly owned subsidiary as at reporting date.The subsidiary was incorporated in Pakistan on August 22, 2024 under the provisions of the Companies Act, 2017, with its registered office located at Plot No. A1-150, Nazar Chowrangi, Hub Industrial Trading Estate (HITE), Hub District Lasbela, Balochistan. The principal activity of the subsidiary is to import, assemble, and sale of completely built-up (CBU) units of tractors.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act , 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis, except as disclosed in the relevant accounting policies in note 6 to The consolidated financial statements.

3.3 Accounting estimates, assumptions and judgments.

The preparation of consolidated financial statements in conformity with the accounting and reporting standards requires management to make estimates, assumptions and judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions and judgments are evaluated at each reporting date and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively, commencing from the period of revision.

Judgments and estimates made by management that are significant to the consolidated financial statements are as follows:

- depreciation method, useful lives and residual values of property, plant and equipment (notes 6.1 and 7.1);

- amortization method, useful lives and residual values of intangibles (notes 6.2 & 8);

- provision of slow moving and obsolete stores, spares and loose tools (note 6.7);

- allowance for expected credit losses (notes 6.9 and 6.18.1);
- taxation (notes 6.13);
- contingencies (notes 6.16 and 31.1);

3.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees (PKR), which is the Group's functional and presentation currency.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following stantdards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on consolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024

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	Effective date (annual periods beginning on or after)
Amendmends to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

An amendment to the Fourth schedule to the Companies Act, 2017 has been made with respect to shariah and conventional elements due to which note 46 has been added to these financial statements.

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's consolidated financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

5 BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and the subsidiary Companies.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

The subsidiaries are being consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiary Companies are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

All intra-group balances, transactions and unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of the subsidiary Companies is less than hundred percent and therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in ownership interest of a subsidiaries, without a loss of control, is accounted for as an equity transaction. If the Group loses control over subsidiaries, it derecognizes the assets (including goodwill) and liabilities of the subsidiaries, carrying amount of any NCI, cumulative translation differences recognized in other comprehensive income, and recognizes fair value of consideration received, any investment retained, surplus or deficit in consolidated statement of profit or loss, and reclassifies the Group's share of components previously recognized in other comprehensive income to conslidated statement of profit or loss.

The assets, liabilities, income and expenses of subsidiary Companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary Companies Shareholder's equity in these consolidated financial statements.

6 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

6.1 Property, plant and equipment

a) Operating fixed assets

Property, plant and equipment (except freehold land) are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on property, plant and equipment

Depreciation is charged using straight line method on all assets except on plant and machinery (other than utilities within plant and machinery) on which depreciation is charged by applying 'Units of Production (UoP) method'. Depreciation on addition is charged from the month when the asset is available for use and no depreciation is charged in the month of disposal when the asset is classified as 'held for sale' in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' or the date when the asset is derecognized, whichever is earlier. Assets' residual values and useful lives are reviewed, and adjusted, if appropriate at each reporting date.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal maintenance and repairs are charged to consolidated statement of profit or loss as and when incurred whereas major renewals and improvements are capitalized if criteria is met.

Disposal

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognized in consolidated statement of profit or loss.

b) Capital work-in-progress (CWIP)

Capital work-in-progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to operating fixed assets as and when assets are available for use.

6.2 Intangible assets

a) Acquired

These are stated at cost less accumulated amortization and impairment losses, if any.

Costs associated with maintaining computer software programmes are recognized as an expense when incurred. However, costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognized as an intangible asset. Direct costs include the purchase cost of software (license fee) and related overhead cost.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Computer software and license cost treated as intangible assets are amortized from the date the software is put to use on a straight-line basis over the expected life of asset.

b) Internally generated

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by the management. After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and impairment losses, if any. These are amortized using the straight-line basis over the useful life of asset. Amortization on addition is charged from the month following the month in which the asset is available for use and on disposals upto the month preceding the month of disposal.

Expenditure on research (or the research phase of an internal project) is recognized as an expense in the year in which it is incurred.

Development costs incurred on specific projects are capitalized when all the following conditions are satisfied:

a) completion of the intangible asset is technically feasible so that it will be available for use or sale;
b) the Group intends to complete the intangible asset and use or sell it;
c) the Group has the ability to use or sell the intangible asset;
d) the intangible asset will generate probable future economic benefits. Among other things this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or if it is to be used internally, the asset will be used in
e) there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
f) the expenditure attributable to the intangible asset during its development can be measured reliably.

6.3 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the consolidated statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

6.4 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquirer's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary , except those part of the initial acquisition transaction, that do not result in a loss of control are accounted for as equity transactions.

6.5 Goodwill

Goodwill is initially measured at the acquisition date, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of identifiable assets acquired and the liabilities assumed at the acquisition date. Incase the fair value attributable to the Group interest in the identifiable net assets exceeds the faur value of consideration. The Group remeasures the resulting gain in the consolidated statement of profit or loss on the acquisition date. Goodwill acquired in a bussiness consideration is measured subsequent to initial recognition at cost less accumulated impairment losses, if any.

6.6 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Holding Company.

6.7 Capital stores, spare parts and loose tools

These represents store and spares which are long term and short term in nature. These are stated at lower of cost (calculated on weighted average basis) and net realizable value, less provision for dead and slow moving stores and spares.Store and spares in-transit are valued at invoice value plus other charges incurred thereon as on the reporting date.

Provision of slow moving stores is made when the stores items are above seven years and not utilized. Such asset is subsequently used, the provision is reversed.

Provision for dead stores is made when stores items are not expected to be used.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost necessary to be incurred to make the sale.

6.8 Stock-in-trade

Stock of raw and packing material, work in process and finished goods are valued at the lower of cost or net realizable value.Work in process and finished goods comprise of weighted average cost of raw and packing material, labour and appropriate proportion of production overheads. Raw and packing material are valued at cost on weighted average cost basis.

Stocks in transit are valued at cost comprising of invoice value plus other charges directly attributable to the acquisition of related purchase incurred upto the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessary to be incurred in order to make the sale.

6.9 Trade debts and other receivables

Trade debts and other receivables initially recognized at original invoice amount being the fair value of the consideration to be received in future, an allowance for expected credit loss (ECL) is made against trade debt on the basis of the lifetime expected credit loss model as explained in note 6.18.1, the amount of provision against ECL is charged to consolidated statement of profit or loss.

Trade debts and other receivables considered irrecoverable are written off.

6.10 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balance with banks. Cash and cash equivalents also include bank overdrafts / short term financing that are repayable on demand and form an integral part of the Group's cash management.

6.11 Employees benefits - Defined contribution plan

The Group operates an approved contributory provident fund for all its permanent employees to which equal monthly contributions are made, both by the Group and the employees at the rate of 10% of basic salary.

6.12 Borrowings and finance cost

Loans and borrowings are recorded as and when the proceeds are received.

Borrowing cost incurred on long term finances directly attributable to the construction / acquisition of qualifying asset are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to consolidated statement of profit or loss.

6.13 Taxation and levy

a) Taxation

- Current

Provision for current taxation is computed in accordance with the provisions of Income Tax Ordinance, 2001. The charge for current income tax is recorded after adjustment, if any, to the provision for tax made in prior years including those arising from assessment and amendments in assessments during the year in such years.

b) Deferred

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

c) Levy

The Institute of Chartered Accountants of Pakistan issued guidance namely "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" through circular No. 7/2024 dated May 15, 2024, and defined the following two approaches for bifurcation of tax between current and minimum taxes. Given that the Group is subject to income tax at the normal corporate tax rate of 29% under the prevailing tax laws of Pakistan and does not fall under the minimum tax or final tax regime, this guidance does not impact its consolidated financial statements. The Group recognizes its income tax expense strictly in accordance with IAS 12– Income Taxes, based on taxable income. Therefore, the requirement to classify any portion of the tax as a levy under IFRIC 21 or IAS 37 is not applicable.

6.14 Trade and other payables

These are recognized and carried at cost which is fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

6.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at the reporting date and adjusted to reflect the best estimate.

6.16 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

6.17 Revenue recognition

Thatta Cement Company Limited

Revenue is recognized when control of a promised goods passes to a customer. It is measured at the fair value of the consideration received or receivable, sales tax and other duties collected on behalf of third parties are not taken into account.

The Company primarily generates revenue from sale of cement and recognized when control passes to the customer at a specific point in time.

The revenue is recorded on the basis of the consideration defined in the contract with the customer, including variable consideration such as discount, volume rebates or other contractual price reductions; if any.

Interest, rentals and other incomes are recognized on accrual basis.

Thatta Power (Private) Limited

The Company has entered into Power Purchase Agreements with its customers for supply of electricity. The transmission of electricity is considered single performance obligation. The Company recognizes revenue at point of time when control of electricity is transferred to customer. Control is considered to be transferred when the electricity is directly transmitted in the customer terminals.

Minsk Work Tractor and Assembling (Private) Limited

Revenue is recognized when performance obligations are satisfied by transferring control of a good or service to a customer, either at a point in time or over time of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

6.18 Financial assets and liabilities

6.18.1 Financial assets

a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in consolidated statement of profit or loss.

Impairment

The Holding Company recognize an allowance for expected credit loss on all financial assets carried at amortized cost irrespective whether a loss event has occurred. For trade debts, the Holding Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for other financial assets (deposits, other receivables and cash and bank balances) i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition, and if otherwise, ECL to measure at life time expected credit losses.

The Holding Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Holding Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Holding Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the consolidated statement of profit or loss.

6.18.2 Financial liabilities

Financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in consolidated statement of profit or loss. Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in consolidated statement of profit or loss.

6.18.3 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the consolidated statement of financial position if the Group has a legally enforceable right to set-off the recognized amounts and the Group intends either to settle on a net basis or to realize the asset and discharge the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

6.18.4 Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, mainly comprises of corporate assets, head office expenses and tax assets and liabilities. Management has determined that the Group has a single reportable segment and therefore it has only presented entity wide disclosures.

6.18.5 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistan Rupees using the exchange rates prevailing on the date of each transaction. Monetary assets and liabilities in foreign currencies are reported in Pakistan Rupees using the exchange rates prevailing on the reporting date. All exchange differences are taken into consolidated statement of profit or loss.

6.18.6 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, if any.

6.18.7 Dividends and appropriations

Dividends and reserve appropriations are recognized in the period in which these are approved.

7	PROPERTY, PLANT AND EQUIPMENT	Note	2025	2024
			(Rupees in thousands)	
	Operating fixed assets	7.1	5,018,856	3,790,468
	Capital stores and spares	7.2	45,541	33,505
	Capital work in progress	7.3	225,723	239,964
			5,290,120	4,063,937

7.1 **Operating fixed assets**

Description	Freehold land	Leasehold improvements	Quarries and improvements	Factory building on freehold land	Electrical and gas installation	Housing colonies	Office building on freehold land	Cooling towers	Plant and machinery	Quarry equipment	Railway sidings	Vehicles	Furniture and fixtures	Office equipment	Medical equipment	Laboratory equipment	Computer equipment	Total
	(Rupees in thousands)																	
Year ended June 30, 2025																		
Net carrying value basis																		
Opening net book value	8,422	3,767	90	266,496	379,283	9,095	2,879	14,026	3,061,588	-	-	31,038	2,274	3,026	-	5,838	3,844	3,790,468
Additions during the year	-	-	-	-	1,326,427	-	-	1,910	188,188	-	-	5,489	-	820	-	5,564	195	1,528,573
Depreciation charge	-	1,292	9	22,604	31,552	890	212	5,138	219,778	-	-	7,273	518	1,940	-	5,143	1,721	298,185
Closing net book value	8,422	2,475	81	243,892	1,674,158	8,205	2,667	10,798	3,029,998	-	-	29,254	1,756	1,906	-	6,259	2,318	5,018,856
Gross carrying value basis																		
Cost	8,422	9,044	11,963	652,294	1,746,652	74,096	23,050	75,145	5,937,391	10,298	14,905	106,483	13,842	21,767	629	79,605	28,880	8,818,444
Accumulated depreciation	-	6,569	11,882	408,402	72,494	65,891	20,383	64,347	2,907,393	10,298	14,905	77,229	12,086	19,861	629	73,346	26,562	3,799,588
Net book value	8,422	2,475	81	243,892	1,674,158	8,205	2,667	10,798	3,029,998	-	-	29,254	1,756	1,906	-	6,259	2,318	5,018,856
Year ended June 30, 2024																		
Net carrying value basis																		
Opening net book value	8,422	5,059	99	273,577	141,159	10,085	3,091	19,152	3,241,038	29	170	2,399	2,792	4,847	-	10,907	4,149	3,725,575
Additions during the year	-	-	-	14,813	245,225	-	-	-	43,138	-	-	31,654	-	245	-	-	1,290	336,360
Deletions - NBV	-	-	-	-	-	-	-	-	-	-	-	1,404	-	-	-	-	-	1,404
Depreciation charge	-	1,292	9	21,894	7,088	990	212	5,126	222,588	29	170	1,611	518	2,066	-	5,069	1,595	270,063
Closing net book value	8,422	3,767	90	266,496	379,283	9,095	2,879	14,026	3,061,588	-	-	31,038	2,274	3,026	-	5,838	3,844	3,790,468
Gross carrying value basis																		
Cost	8,422	9,044	11,963	652,294	420,225	74,096	23,050	73,235	5,749,203	10,298	14,905	100,994	13,842	20,947	629	74,041	28,685	7,291,871
Accumulated depreciation	-	5,277	11,873	385,798	40,942	65,001	20,171	59,209	2,687,615	10,298	14,905	69,956	11,568	17,921	629	68,203	24,841	3,501,403
Net book value	8,422	3,767	90	266,496	379,283	9,095	2,879	14,026	3,061,588	-	-	31,038	2,274	3,026	-	5,838	3,844	3,790,468

7.1.1 Depreciation rates (% per annum)	-	20	5	10	5-6	5	5	7	*Uop	20	10	20	10	10	10	10	30

7.1.2 **Allocation of depreciation**

The depreciation charge for the year has been allocated as under:

	Note	2025	2024
		(Rupees in thousands)	
Cost of sales	33	288,894	266,435
Selling and distribution expense	34	757	751
Administrative expenses	35	8,534	2,877
		298,185	270,063

* uop = units of production

7.1.3 The immoveable property of the Company comprises of 293 acres of land is located at Ghulamullah Road, Makli, District Thatta, Sindh.

			Note	2025	2024
				(Rupees in thousands)	

7.2 Capital stores and spares

	Note	2025	2024
Net carrying value basis			
Opening net book value (NBV)		89,273	115,187
Additions during the year		127,045	46,943
Transferred during the year		(118,088)	(72,857)
		98,230	89,273
Accumulated impairment	7.2.1	(52,689)	(55,688)
Closing net book value (NBV)		45,541	33,585

7.2.1 Accumulated impairment

	Note	2025	2024
Balance as at July 01,		(55,688)	(47,098)
Reversal / (impairment) charge for the yeai	33	2,999	(8,590)
Balance as at June 30,		(52,689)	(55,688)

Gross carrying value basis

	2025	2024
Cost	98,230	89,273
Accumulated impairment	(52,689)	(55,688)
Net carrying value	45,541	33,585

7.3 Capital work in progress

Description	Solar Panel System	Wind Turbine Project	Makli Shed Extension	Balochistan Project	Lime Stone Shed	Clinker Crusher Project	Coal Yard Shed	New Clinker Crusher Project	Total
	— (Rupees in								
Balance as at July 01, 2024	-	226,885	2,211	603	10,185	-	-	-	239,884
Capital expenditures incurred during the year	171,674	1,096,282	-	37	-	-	-	41,013	1,309,006
Transferred to property, plant, and equipment	-	(1,323,167)	-	-	-	-	-	-	(1,323,167)
Balance as at June 30, 2025	171,674	-	2,211	640	10,185	-	-	41,013	225,723
Balance as at July 01, 2023	-	-	1,854	603	5,992	4,231	4,959	-	17,639
Capital expenditures incurred during the year	245,121	226,885	357	-	4,193	4,786	836	-	482,178
Transferred to property, plant, and equipment	(245,121)	-	-	-	-	(9,017)	(5,795)	-	(259,933)
Balance as at June 30, 2024	-	226,885	2,211	603	10,185	-	-	-	239,884

	Note	2025	2024
		(Rupees in thousands)	

8 INTANGIBLES

ERP Software

	2025	2024
Net carrying value basis		
Opening net book value (NBV)	2,925	4,095
Amortization charged	(1,170)	(1,170)
Closing net book value (NBV)	1,755	2,925

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	Note	2025	2024
		(Rupees in thousands)	
Gross carrying value basis			
Cost		5,850	5,850
Accumulated amortization		(4,095)	(2,925)
Net book value		1,755	2,925
Amortization rate (% per annum)		20	20

8.1 Amortization charged on ERP software has been allocated to administrative expenses (note 35) amounting to Rs. 1.170 million (2024: Rs. 1.170 million).

9 LONG TERM DEPOSITS

		2025	2024
Long term deposits		5,125	5,125

10 STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2025	2024
Coal and other fuels		42,008	33,033
Stores and spare parts		402,041	231,144
Loose tools		62	49
		444,111	264,226
Provision for obsolete stores		(12,239)	(10,898)
Provision for slow moving stores and spares		(37,650)	(31,421)
	10.1	(49,889)	(42,319)
		394,222	221,907

10.1 **Movement in provision**

	Note	2025	2024
Balance as at July 01,		(42,319)	(50,824)
Provision (recognized) / reversed during th	33	(7,570)	8,505
Balance as at June 30,		(49,889)	(42,319)

11 STOCK-IN-TRADE

	Note	2025	2024
Raw material	33.1	29,086	12,959
Packing material	33.2	26,281	21,322
Work-in-process	33	6,627	151,865
Finished goods	33	496,539	64,556
		558,533	250,702

	Note	2025	2024
		(Rupees in thousands)	

12 TRADE DEBTS

Considered good			
Local - secured		286,710	286,710
Local - unsecured		939,998	458,315
	12.1 & 12.2	1,226,708	745,025
Considered doubtful			
Local - unsecured	12.3	75,340	75,340
		1,302,048	820,365
Allowance for expected credit losses	12.4	(75,760)	(75,340)
		1,226,288	745,025

12.1 The aging of trade debts at the reporting date is as follows:

Within 30 days	360,036	93,439
Past due from 31 to 60 days	158,800	96,313
Past due from 61 to 90 days	132,125	29,649
Past due from 91 to 360 days	70,065	23,589
Past due for more than 360 days	581,022	577,375
	1,302,048	820,365

12.2 These include Rs. 502.034 million (2024: Rs. 502.034 million) which are disputed with Hyderabad Electric Supply Company ('HESCO') on grounds of tariff differential amount and subsequent deductions / adjustments made at the time of payment to the subsidiary Company by the HESCO. In respect of which both parties i.e. the subsidiary Company and HESCO are under litigation. The brief details of the matter are as under;

The subsidiary TPPL entered into Power Purchase Agreement (PPA) with Hyderabad Electric Supply Company Limited (HESCO) on May 14, 2011 to sell electricity at rates agreed in the said agreement. The agreement was executed in accordance with the Policy Framework for New - Captive Power Producers (N-CPPs).

Subsequently, National Electric Power Regulatory Authority (NEPRA) issued an order (dated January 9, 2013) revising the tariff formula resulting in reduced tariff. In view of the said order, HESCO intimated to pay its dues for electricity purchased as per the revised tariff formula. In response, the Company filed a petition # 132 before the Honourable High Court of Sindh on February 8, 2013, against HESCO, on the grounds that HESCO failed to pay the dues to the Company as per PPA. The Honourable High Court of Sindh disposed off the petition filed by the Company with the direction to HESCO to pay TPPL against purchase of electricity as per the rates stipulated in PPA until 01-02-2012 and thereafter on the rates determined by NEPRA. In view of the adverse order and according to the advice of the legal counsel the Company had filed CA No. 1133/2015 in CP No. 476-K/2015 before the Honorable Supreme Court of Pakistan on October 28, 2015 against the order passed by the Honorable High Court of Sindh. Consequently, HESCO & NEPRA have also filed appeals before the Supreme Court of Pakistan against the same order, which are pending for adjudication.

However, as the matter is pending before the Honorable Supreme Court and the legal advisor expects a successful outcome of the case, Therefore, the management strongly feels that under the terms of the PPA, the above amount of Rs 502.034 million is likely to be recovered by the Company. Further, Receivable from HESCO are secured to the extent of Rs.286.71 million (2023: Rs.286.71 million) against Stand by Letter of Credit (SBLC) issued by National Bank Of Pakistan.

Moreover from January 2017, the Company has resumed supplying power to HESCO and has been issuing monthly invoices based on the PPA tariff. However, HESCO continues to make payments according to NEPRA's tariff determinations. Following the promulgation of the Sindh New Captive Power Plants Subsidy Act 2017, the Government of Sindh has been providing tariff differential support to captive power plants. As at June 30, 2024, the Company has received a total subsidy of Rs. 821.107 million.

12.3 This includes balance Rs. 74.210 million (2024: Rs. 74.210 million) outstanding for more than ten years. Management of Holding Company contends that the amount recoverable from cement stockiest were misappropriated and certain unauthorized excessive rebates were allowed by collusion of certain personnel of the Holding Company whose services had been terminated, when the Holding Company was operating under State Cement Corporation of Pakistan (SCCP). Accordingly, Management of the Holding Company had lodged references for the recovery of misappropriated amount with the National Accountability Bureau (NAB). The NAB had recovered an amount of Rs.2.276 million in preceding years. The Holding Company is continuously following with NAB officials for early realization of amount owed to the Holding Company and has also written letters in this regard for which reply has not yet been received, therefore, provision has been maintained in respect of outstanding amount as a matter of prudence and abundant precaution.

		Note	2025	2024
			(Rupees in thousands)	
12.4	**Allowance for expected credit losses**			
	Balance as at July 01,		75,340	75,107
	Allowance for expected credit losses		420	233
	Balance as at June 30,		75,760	75,340
13	**ADVANCES**			
	Considered good - unsecured			
	to vendors		93,124	38,391
	against LCs		73,875	-
	Others		87	95
			167,086	38,486
14	**RECEIVABLE FROM GRATUITY FUND**	14.1	123,100	23,100

14.1 The Board of Directors, via resolution passed on December 30, 2022, approved discontinuation of the Company's Employees' Gratuity Fund and the liability towards eligible employees was frozen at terminal values as of the discontinuation date. The Fund, however, remains active under the management of trustees, who are discharging their responsibilities to manage the Fund.

This represents receivable from Gratuity Fund as at the reporting date upon revaluation of planned assets restricted to Rs. 300 million over its frozen liability out of which 200 million received during the year.

		Note	2025	2024
15	**DEPOSITS AND PREPAYMENTS**			
	High Court	15.1	-	26,202
	Against bank guarantee - SSGC		206,448	200,000
	Others		3,885	1,810
	Prepayments	15.2	7,507	5,490
			217,840	233,502

15.1 During the year, an amount of Rs. 26.2 million was transferred to advance income tax pursuant to the order of the Honourable High Court of Sindh..

		2025	2024
15.2	Movement during the year are as follows;		
	Balance as at July 01,	5,490	3,905
	Addition during the year	45,349	48,104
	Advance utilized during the year	(43,332)	(46,519)
	Balance as at June 30,	7,507	5,490

	Note	2025	2024
		(Rupees in thousands)	

16 SHORT TERM INVESTMENT

Term Deposit Receipt (TDR)		-	1,190,825

17 OTHER RECEIVABLES AND ACCRUED MARKUP

Interest receivable from banks		31,669	1,234
Others		6,371	28,504
		38,040	29,738

18 SHORT TERM LOAN

	Note	2025	2024
Secured -considered good			
Omni Power (Pvt) Ltd	18.1	70,000	-
Shikarpur Power (Pvt) Ltd	18.2	80,000	-
Dadu Energy (Pvt) Ltd	18.3	100,000	-
		250,000	-

18.1 The represents short term loan of Rs. 70 million provided in October 2024, for a period of one year. The loan carries mark-up at rate of 3 months KIBOR plus 150 bps and secured against personal guarantees of directors of Omni Power (Pvt) Limited.

18.2 The represents short term loan of Rs.80 million provided in October 2024, for a period of one year. The loan carries mark-up at rate of 3 months KIBOR plus 150 bps and secured against personal guarantees of directors of Shikarpur Power (Pvt) Limited.

18.3 The represents short term loan of Rs. 100 million provided in October 2024, for a period of one year. The loan carries mark-up at rate of 3 months KIBOR plus 150 bps and secured against personal guarantees of directors of Dadu Energy (Pvt) Limited.

19 TAXATION - NET

Advance income tax		524,565	166,525
Provision		(1,013,271)	(912,000)
Income tax refundable		-	95,407
		(488,706)	(650,068)

		Note	2025	2024
			(Rupees in thousands)	

20 CASH AND BANK BALANCES

	Note	2025	2024
Cash in hand		3,979	4,791
Cash at bank			
Current account	20.1	10,257	13,248
Profit and loss sharing (PLS) accounts	20.2	4,215,055	2,974,877
		4,225,312	2,988,125
		4,229,291	2,992,916

20.1 This includes unclaimed dividend of Holding Company amounting to Rs. 9.80 million (2024: 1.933 million) kept in a separate bank account.

20.2 There comes mark up rates on PLS accounts ranges from 9.5% - 19.5% (2024: 18.5% - 20.5%) per annum.

21 SHARE CAPITAL

2025	2024		2025	2024
Number of shares			(Rupees in thousands)	
Authorized share capital				
200,000,000	200,000,000	Ordinary shares of Rs. 10/- each	2,000,000	2,000,000

2025	2024		2025	2024
Issued, subscribed and paid-up capital				
Number of shares			(Rupees in thousands)	
89,418,125	89,418,125	Ordinary shares of Rs. 10/- each shares allotted for consideration 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 (20.2)	103,000	103,000
(15,000,000)	(15,000,000)	Treasury Shares	(150,000)	(150,000)
84,718,125	84,718,125		847,181	847,181

21.1 The Holding Company has only one class of ordinary shares which carries no right to fixed income. The shareholders are entitled to receive dividend as declared from time to time and are entitled to one vote per share at Annual General Meetings(AGM) of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets and right of first refusal.

21.2 This represents shares issued against plant and machinery as consideration.

	Note	2025	2024
		(Rupees in thousands)	
22 RESERVES			
Capital Reserve			
Share premium		99,718	99,718
Revenue Reserve			
Unappropriated profit		7,034,854	4,325,669
		7,134,572	4,425,387
23 LONG TERM FINANCING			
Loan from banking companies - secured			
Syndicated term finance facility II	23.1 & 23.2	751,329	751,329
		751,329	751,329
Current Maturity			
- overdue balance		(751,329)	(313,056)
- classified as current liability	23.2	-	(438,273)
		(751,329)	(751,329)
		-	-

23.1 The movement in syndicated term finance facility - II:

	2025	2024
Opening balance of loan	751,329	751,329
Payment during the period	-	-
	751,329	751,329
Amortization of transaction cost		
Less : Transaction cost incurred	-	-
Add : Transaction cost amortized :		
- Opening balance	-	-
- During the year	-	-
- Charged during the year due to classification in current liability	-	-

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	Note	2025	2024
		(Rupees in thousands)	
		-	-
		751,329	751,329
Less: Classified as current liability	23.2	(751,329)	(751,329)
		-	-

23.2 This syndicated term finance facility-II obtained from syndicate of banks comprising of National Bank of Pakistan, Sindh Bank Limited and Summit Bank Limited. The facility carried a floating mark-up linked to 3 months KIBOR as base rate plus 2.5% on annualized basis. The tenure of financing was 6 years including grace period of 18 months and the facility was payable in 18 equal quarterly installments of Rs. 62.61 million starting from April 2020.

The subsidiary Company TPPL was granted deferment of principal installment for further one year under State Bank's Banking Policy and Regulatory Department (BPRD) circular letter no. 13 of 2020 by member banks of this syndicate facility-II. There are no other changes in the terms of revised agreement. During the year the Company has repaid first quarter installment and defaulted in paying other installment on due dates. This results in breach of terms and conditions of the agreement, due to which outstanding loan was made payable on demand and is reclassified as current liability. The company is renegotiating with the banks for restructuring of the loan agreement and final agreement will be renewed in due course.

As security for the Syndicated Term Finance Facility, the subsidiary Company has agreed to create multiple charges and mortgages in favor of the Syndicate including Hypothecation Charge over fixed assets worth PKR 1.502 billion (with 25% margin), pari passu with existing creditors. Hypothecation Charge over current assets worth PKR 1.502 billion (with 25% margin), pari passu with existing creditors. Mortgage by way of deposit of title deeds of properties as security, pari passu with existing mortgages. Token registered mortgage over properties worth PKR 1.270 billion and Lien/Charge over Master Collection Account, the Debt Payment Account, Debt Service Reserve Account, and related accounts with the facility agent.

24 LONG TERM DEPOSITS

Dealers	24.1	3,110	22,110
Customers	24.2	677	677
		3,787	22,787

24.1 These represent interest free security deposits, received from dealers, suppliers and contractors. The contract does not have any specific clause on usability of these deposits. These are repayable / adjustable on cancellation or withdrawal of dealership and completion of contract in case of suppliers and contractors.

24.2 These also include deposits pertaining to dealers against whom recovery proceedings are in process with National Accountability Bureau (NAB) and are adjustable against the amount owed by them to the Company (refer note 12.3).

25 DEFERRED TAXATION

Taxable temporary differences arising in respect of			
Accelerated tax depreciation		732,277	400,219
Deductible temporary differences arising in respect of			
Other provisions - for doubtful debts and stores		(50,257)	(48,944)
Remeasurement of defined benefit liability		(1,911)	(1,911)
	25.1	680,109	349,364

25.1 Movement in deferred tax

	Opening balance	Charge / (adjustment) to profit or loss	Charge / (adjustment) to other comprehensive income	Closing balance
2025	(Rupees in thousands)			
Deferred tax liabilities				
Accelerated tax depreciation	400,219	332,058	-	732,277
Deferred tax asset				
Other provisions - for doubtful debts and stores	(48,944)	(1,313)	-	(50,257)
Remeasurement of defined benefit liability	(1,911)	-	-	(1,911)
	349,364	330,745	-	680,109

	Opening balance	Charge / (adjustment) to profit or loss	Charge / (adjustment) to other comprehensive income	Closing balance
2024	(Rupees in thousands)			
Deferred tax liabilities				
Accelerated tax depreciation	329,094	71,125	-	400,219
Deferred tax asset				
Other provisions - for doubtful debts and stores	(49,110)	166	-	(48,944)
Remeasurement of defined benefit liability	(1,911)	-	-	(1,911)
	278,073	71,291	-	349,364

		Note	2025	2024
			(Rupees in thousands)	
26	**TRADE AND OTHER PAYABLES**			
	Trade creditors		533,962	484,092
	Accrued liabilities		492,381	267,607
	Royalty payable	26.1	91,685	234,641
	Contract liability	26.2	333,872	136,512
	Excise duty and sales tax payable		69,925	56,696
	Workers' Profit Participation Fund	26.3	235,110	172,479
	Workers' Welfare Fund	26.4	89,341	65,542
	Other liabilities		18,233	5,949
			1,864,508	1,423,518

26.1 This represents royalty relating to Lime Stone and Clay Shale, payable to Director General Mines and Mineral Development, Government of Sindh.

The Holding Company has filed a Constitutional Petition (CP) No. 5382 before the Honourable High Court of Sindh (The Court) on September 06, 2021 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 legal consultants have attended several hearings and presented their point of view before the Honorable High Court of Sindh. On October 17, 2022, the Honorable High Court of Sindh dismissed the petition on the grounds that the relevant forums as per Sindh Mining Concession Rules, 2002 were not approached. However, during the year, the Holding Company has filed for the adjudication in the Honorable Supreme Court of Pakistan against the judgment of the Court and the case is not fixed for hearing. The provision recorded in the unconsolidated financial statements amounts to Rs. 234.723 million, reflecting the overall impact of the increase in royalty rates, as of June 30, 2024.

During the year, Department of Minerals and Mines development Govt. of Sindh has made downward revision in the rates of Lime stone and Shale Clay amounting to Rs. 52 and 42 per one thousand kg respectively vide notification DMD/S/Misc-(09)/24 dated Sept 13, 2024. Moreover, the above department vide its letter dated November 25, 2042 has worked out an outstanding liability regarding arrears pertaining from FY 2022 to FY 2024 by using the current rates. Therefore, the management of the Holding Company has reversed an excess provision of Rs. 150.84 million in respect of Royalty.

26.2 Advances received from customer are recognised as revenue when the performance obligation in accordance with the policy as described in note 5.16 to these unconsolidated financial statements is satisfied. Revenue for an amount of Rs. 113.847 million (2024: Rs. 213.512 million) has been recognised in current year in respect of advances from customers at the beginning of the year.

	Note	2025	2024
		(Rupees in thousands)	

26.3 Workers' Profit Participation Fund (WPPF)

	Note	2025	2024
Balance as at July 01		172,479	59,235
Charge for the year	36	195,454	132,823
Interest on balance as at July 01		6,539	1,866
		374,472	193,924
Payments made during the year		(139,362)	(21,445)
Balance as at June 30	26.3.1	235,110	172,479

26.3.1 This includes liability amounting to Rs. 39.656 million (2024: Rs. 39.656 million) accrued till 2015 by the subsidiary company and thereafter no such liabilities have been recognised based on legal opinion.

26.4 Workers' Welfare Fund

	Note	2025	2024
Balance as at July 01		65,542	22,509
Allocation for the year		74,272	51,048
		139,814	73,557
Payments made during the		(50,473)	(8,015)
Balance as at June 30	26.4.1	89,341	65,542

26.4.1 This includes liability amounting to Rs. 15.069 million (2024: Rs. 15.069 million) accrued till 2015 by the subsidiary Company and thereafter no such liabilities have been recognised based on legal opinion.

27 SHORT TERM BORROWINGS

	Note	2025	2024
From banking companies - secured			
NBP Running Finance	27.1	85,150	85,254
Sindh Bank Running Finance	27.2	64,377	64,377
Summit Bank Running Finance	27.3	48,329	48,018
		197,856	197,649

27.1 The running finance facility available to the Holding Company from National Bank of Pakistan as at June 30, 2025 amounting to Rs. 100 million (2024: Rs.100 million) out of which Rs. 14.850 million (2024: Rs. 14.746 million) remained unutilized at the year end. The facility is secured by way of first charge of hypothecation over all present and future plant and machinery of the Company to the extent of PKR 266.66 million inclusive of 25% margin. The facility is renewable annually and carry mark-up at 3-month KIBOR plus 2.0% per annum (2024: 3-months KIBOR plus 1.5%).

27.2 The running finance facility available to the Holding Company from Sindh Bank Limited as at June 30, 2025 amounting to Rs. 250 million (2024: Rs. 250 million). The facility is secured by way of first pari passu charge over current asset with 25% margin and Ranking charges on fixed assets with 25% margin .The facility is renewable annually and carry mark-up at 3-month KIBOR plus 3% per annum (2024: 3-months KIBOR plus 3%) .

27.3 The running finance facility available to the Holding Company from Bank Makaramah (formaly Summit Bank Limited) as at June 30, 2025 amounting to Rs. 50 million (2024: Rs.50 million) out of which 1.982 million (2024: Rs. 1.982 million) remained unutilized at the year end. The facility is secured by way of first pari passu charge on current assets of the company with 25% margin. .The facility is renewable annually and carry mark-up at 3-month KIBOR plus 2.5% per annum (2024: 3-months KIBOR plus 2.5%) .

		Note	2025	2024
			(Rupees in thousands)	
28	**Unclaimed dividend**		1,933	1,933

This represents unclaimed dividend amounting to Rs. 1.933 million (2024: Rs. 1.933 million) outstanding for more than 3 years from the date of declaration. Such unclaimed dividend is payable to the Federal Government as per the Companies Act, 2017 subject to fulfilment / clarification on certain pre-conditions specified in the Companies Act, 2017.

29	**Unpaid dividend**	8,623	-

This represents dividend announced for the period ended June 30, 2024, September 30, 2024 and December 31, 2024, out of which Rs. 8.623 million which remain unpaid as of June 30, 2025.

30 ACCRUED MARK-UP

	2025	2024
Syndicated term finance facility	469,890	336,177
Short term borrowing	8,937	11,911
	478,827	348,088

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

Holding Company

31.1.1 In respect of tax periods from July 2012 to December 2014, an Order in Original (ONO) has been issued by an Officer of Sales Tax in 2014-15 against the Company raising a demand of Rs. 244.274 million which is mainly based on comparison of industry average for fuel and power consumption with that of the Company and thereby presuming the production quantities which in the view of tax authorities have not been subject to Sales Tax and Federal Excise Duty. Accordingly, the Company has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) against the ONO passed by Officer of Sales Tax. However, CIR-A decided the case against the Company. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A.

Moreover, recovery proceedings were also initiated by tax authorities in the matter for an aggregate demand amount of Rs 488.548 million including 100% penalty on the principal amount as aforesaid. Therefore, the Company filed a stay application against the said aggregate demand before the honorable High Court of Sindh. The Sindh High Court has allowed ad interim relief against recovery of demand and refrained tax authorities to take any adverse action in this respect. During 2017, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Company. During 2018, the CIR has filed an appeal in the Honorable High Court of Sindh against the order passed by ATIR in favor of the Company. The matter is pending for adjudication. In view of Company's legal counsel, the case is sound in law; however, an outcome cannot be predicted with any degree of certainty. Hence, no provision has been recorded in consolidated financial statements.

31.1.2 In Year 2018, an order in original (ONO) has been issued by Deputy Commissioner Inland Revenue (DCIR) against the Company in respect of tax periods from July 2013 to August 2017 raising a demand of Rs. 56.632 million by disallowing certain input tax claimed by the Company in its sales tax returns for the aforesaid tax periods. The Company has filed an appeal on March 28, 2018 against the ONO passed by DCIR before Commissioner Inland Revenue - Appeals (CIR-A). The appeal has been decided in favor of the Company.

The Commissioner Inland Revenue has filed an appeal in Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A) in favor of the Company. The matter is pending for adjudication. The Company is confident based on its legal opinion that decision will come in its favour, hence no provision has been recorded in consolidated financial statements.

31.1.3 In 2018, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 161/205 of the Income Tax Ordinance, 2001 (the Ordinance) in respect of tax year 2017 raising a tax demand of Rs. 94.670 million including default surcharge and penalty aggregating to Rs 15.208 million on the ground that Company has not deducted applicable withholding taxes while making payments for purchases and certain expenses and hence, made default under section 161/205 of the Ordinance. The Company has filed an appeal on May 4, 2018 before Commissioner Inland Revenue - Appeals (CIR-A) against the order passed by DCIR. The CIR-A has passed an order in favor of the Company.

However, Commissioner Inland Revenue (CIR) has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of Commissioner Inland Revenue - Appeals (CIR-A) passed in favor of the Company. The Company is confident based on its legal opinion that decision will come in its favour, hence no provision has been recorded in these consolidated financial statements.

31.1.4 In the year 2019, Assistant Commissioner Inland Revenue (ACIR) has passed an order under section 122(1) of the Income Tax Ordinance, 2001 (the Ordinance) in relation to tax audit conducted under section 177 of the Ordinance, in respect of tax year 2016. Through the said order, ACIR has disallowed deduction of certain expenses, deductible allowance of WPPF and tax credit claimed under section 65B of the Ordinance amounting to Rs 28.497 million, Rs 35.768 million and Rs 16.915 million respectively. The Company has filed an appeal on September 13, 2018 before Commissioner Inland Revenue - Appeals (CIR-A) against the order passed by ACIR. While deciding the appeal, CIR-A has allowed deduction of Rs 28.497 million whereas deduction allowance of WPPF and tax credit under section 65B were upheld by CIR-A. Therefore, the Company has filed an appeal on November 12, 2018 before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A on the said disallowances which is pending for hearing. In view of Company's tax consultant, favorable outcome of such appeal is anticipated; hence no provision is required to be made in these consolidated financial statements.

31.1.5 The Deputy Commissioner Inland Revenue (DCIR) issued an order-in-original (ONO) dated June 28, 2019 in respect of sales tax audit for the tax period from July 2017 to June 2018 raising a demand of Rs. 7.452 million (including default surcharge and penalty) by disallowing certain input tax claimed by the Company in its sales tax return for the aforesaid tax period.

The Company filed an appeal before Commissioner Inland Revenue-Appeals (CIR-A) against ONO issued by DCIR. While deciding appeal, CIR-A has deleted the disallowances of input tax amounting to Rs. 7.086 million and confirmed disallowance amounting to Rs. 0.011 million. The Department has filed an appeal against the CIR-A's Order before the Appellate Tribunal Inland Revenue Karachi (ATIR). The case is not yet fixed for hearing. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in consolidated financial statements.

31.1.6 The Additional Commissioner Inland Revenue (ACIR) had issued Showcause notice u/s 122 (5A) of the Income Tax Ordinance, 2001 dated February 15, 2019 containing observations relating to self-assessment order u/s 120 of the Income Tax Ordinance, 2001 for the tax year 2017. The Company explained observations and attended hearings from time to time. However, learned ACIR passed Amended Assessment Order dated July 02, 2019 raising a demand of Rs. 34.094 million by disallowing certain expenses and tax credits. Such disallowances include fuel adjustment of Rs. 3.678 million, reduction in carry forward tax credit u/s 65B of Income Tax Ordinance, 2001 (the Ordinance) relating to tax year 2016 and disallowance of WPPF contribution. Management of the Company has filed the appeal against the impugned order before Commissioner Inland Revenue-Appeals (CIR-A). The CIR-Appeals annulled the assessment order vide his order no. 18 dated September 06, 2019.

On November 21, 2019, ACIR issued notice to the company for further clarification/explanation regarding fuel adjustment, WPPF and WWF to pass the appeal effect order. The management of the Company provided the required clarification/explanation, however, appeal effect order has not yet been passed by ACIR.

31.1.7 Sales tax affairs relating to tax year 2017 were selected for audit u/s 25 of the Sales Tax Act, 1990 (the 'Act'). Show cause notice (SCN) dated February 22, 2019 was issued by Deputy Commissioner Inland Revenue (DCIR), Audit Unit-01, Zone II, LTU for which management of the company provided documents in supports, explanations required and attended hearings from time to time. Learned DCIR passed order creating demand of Rs 5,414,205/=.

However, the management of the Company had filed appeal against the impugned order before Commissioner Inland Revenue (Appeals). The Hon'ble CIR-Appeals confirmed the disallowance of input tax amounting to Rs 4,770,777 /- and default surcharge applied on sales tax chargeable on advance received from customers amounting to Rs 271,881/= The management has preferred an appeal against the CIR-A's order before Appellate Tribunal Inland Revenue Karachi and expect favourable outcome based on merits of the case.

31.1.8 During the year, the Additional Commissioner Inland Revenue (ACIR) has issued an order against the Company regarding the adjustment of minimum tax amounting to Rs. 23.59 million for the tax year 2021. The Company's management has filed an appeal against this order before the Appellate Tribunal Inland Revenue (ATIR), Karachi however, no hearing has taken place during the period. Based on legal advice, the Company is confident of a favorable outcome therefore, no provision has been recorded in these unconsolidated financial statements.

31.1.9 During the year, the Deputy Commissioner Inland Revenue (DCIR), through an order dated May 17, 2025, has raised an aggregate sales tax demand of Rs. 122.97 million for the period July 1, 2015 to June 30, 2016 by disallowing certain input tax claimed by the Company in its sales tax return for the said period. The Company has filed an appeal against this order before the Appellate Tribunal Inland Revenue (ATIR), Karachi, which is currently pending for adjudication. In view of Company's tax consultant, favorable outcome of such appeal is anticipated; hence no provision is required to be made in these unconsolidated financial statements.

31.1.10 During the year, the Company filed a petition before the Islamabad High Court challenging S.R.O. No. 746(1)/2025 dated April 4, 2025 issued by the Federal Board of Revenue, which arbitrarily fixed the minimum retail price of cement for sales tax purposes based on the "Average National Retail Price" published by the Pakistan Bureau of Statistics. The petition is currently pending for adjudication.

31.1.11 During the year, the Company filed a petition in the Islamabad High Court challenging the imposition of Super Tax under Section 4C of the Income Tax Ordinance, 2001, for the year ended June 30, 2024. The Islamabad High Court decided the matter in favor of the Company. However, the Federation of Pakistan has filed an appeal before the Hon'ble Supreme Court of Pakistan against the High Court's decision, which is currently pending for adjudication.

31.1.12 During the year, M/s Lucky Cement filed a case before the Intellectual Property Tribunal, Karachi, challenging the use of the trademark "Black Star" and sought a stay order against the Company's use of the mark. The Tribunal dismissed Lucky Cement's stay application. Subsequently, Lucky Cement filed an appeal before the High Court of Sindh, Karachi, against the dismissal of the stay application, which is currently pending for adjudication.

31.1.13 An ex-employee of the Company had filed CP # 86/2013 on May 21, 2013 for recovery of Rs. 2.10 million out of which an amount of Rs. 0.248 million has been claimed on account of 60 days gratuity and numerous other false and fabricated claims of short payments of Rs. 1.86 million. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these consolidated financial statements.

31.1.14 In the year 2000, two cement dealers had filed Suit no. 150/2001 & 151/2001 against the Company for Rs. 6.5 million and Rs. 1.5 million respectively being value of trucks which were handed over to the Company in lieu of outstanding dues from these dealers. The matter is pending for adjudication. In view of the Company's legal counsel, no unfavorable outcome can be estimated.

31.1.15 In the year 2018, an ex-employee of the Company filed a Suit no. 1272/2018 against the Company for recovery of outstanding balance in provident fund and other dues amounting to Rs. 50 million in the High Court of Sindh (The Court). The outstanding provident fund and other dues were settled in 1999 and the claim of such dues is false and fabricated. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these consolidated financial statements.

31.1.16 In the year 2021, some of the ex-employees of the Company had filed case # 301/2021 amount of Rs. 13,334,867/- before Workmen Compensation & Authority Under Payment of Wages Act, Hyderabad has been claimed on account of gratuity and numerous false and fabricated claims. The Company is confident based on its legal opinion that decision will come in its favour. Hence, no provision has been recorded in these consolidated financial statements.

31.1.17 In the year 2022, some of the ex-employees of the Company had filed case # 159/2022 amount of Rs. 2,135,562/- before Workmen Compensation & Authority Under Payment of Wages Act, Hyderabad has been claimed on account of gratuity and numerous false and fabricated claims. The Company is confident based on its legal opinion that decision will come in its favour. Hence, no provision has been recorded in these consolidated financial statements.

31.1.18 In the year 2022, some of the ex-employees of the Company had filed CP # D-641/2022 before High Court of Sindh (The Court) has been claimed on account of all legal dues i.e. gratuity/ Golden Handshake 2000 & 2004. The Company is confident based on its legal opinion that decision will come in its favour. Hence, no provision has been recorded in these consolidated financial statements.

31.1.19 As per section 5A of the Income Tax Ordinance, 2001, in case of a public company which does not distributes 20% of its after tax profit for the year within six months of the end of the tax year through cash, a tax rate of additional 5% of its accounting profit before tax shall be imposed. The Company earned a profit after tax of Rs. 213.522 million for the year ended June 30, 2019, however, keeping in view the lower profitability and foreseeing the challenging conditions faced by cement sector in the year ahead, the Board of Directors did not recommended any dividend for the year ended June 30, 2019.

The Company filed a Constitutional Petition (CP) before the Honourable Sindh High Court challenging the vires of Section 5A of the Income Tax Ordinance, 2001. The Honourable Sindh High Court while deciding the petition declares that Section 5A ultra vires of Constitution and is hereby struck down. However, Federal Board of Revenue (FBR) has filed in the Supreme Court of Pakistan against the decision of Sindh High Court. However till date no such proceeding has been initiated yet.

In the view of Company's management, favourable outcome is anticipated. Hence no provision for the tax liability in this respect has been recorded by the Company in these consolidated financial statements.

Subsidiary Company - Thatta Power (Private) Limited

31.1.20 The Commissioner Inland Revenue has filed an appeal, I.T.R.A No. 303 of 2017, before the Honourable High Court of Sindh, challenging the order dated May 3, 2017, passed by the Appellate Tribunal Inland Revenue (ATIR) for the tax year 2013 on various matters involving an amount of Rs. 10.646 million. The case remains pending adjudication, and the Company is confident of a favorable decision.

31.1.21 The Company has received an intimation from the FBR regarding the filing of an appeal before the ATIR against the sales tax assessment for the year 2014–2015, challenging Order-in-Appeal No. 1969 dated May 31, 2018. The case is currently pending for adjudication, and the Company remains confident of a favorable outcome.

31.1.22 The Additional Commissioner Inland Revenue (ADCIR) of Federal Board of Revenue (FBR) has passed order u/s 122(5A) of the Income Tax Ordinance, 2001 (the 'Ordinance') wherein WWF amounting to Rs 123,882 is determined as payable for tax year 2016. The Commissioner (Appeals) vide his order 487 dated April 10, 2023 confirmed the amended order. The management of the Company has requested adjust the amount of tax payable with pending income tax refunds.

31.1.23 The Company has received notices u/s 221(2) of the ITO, 2001 from FBR relating to adjustment of tax payable for tax year 2020 and 2021 refunds. The management of the Company responded the notice within due time and explained the legal justification for doing so. No response from DCIR received as of the date. The Company based on its legal opinion is confident that decision will come in its favour.

31.1.24 The Company has received notice u/s 221 in respect of tax years 2018 for not charging WWF as tax payable amounting to Rs 0.181 million. The management of the Company responded the notice within due time and explained the legal justification for doing so. No response from DCIR received till the date of this letter. The Company based on its legal opinion is confident that decision will come in its favour.

31.1.25 The Commissioner (CIR-Appeals) Hyderabad vide his order dated June 26, 2023 confirmed the order passed u/s 161/124 for tax year 2019 which includes amount of Rs. 25.017 million on withholding of tax. The management of the Company has filed 2nd Appeal before Appellate Tribunal Inland Revenue (ATIR) on September 13, 2023. However the case was remanded back by the Appellate Tribunal IR vide order dated December 7, 2023 in ITA 2606/KB/2023. The Company based on its legal opinion is confident that decision will come in its favour.

31.1.26 The Assistant Commissioner (AC) of Sindh Revenue Board has passed an order Order-in-Original No. 716/2019 dated October 15, 2019 and claimed principle amount of Rs. 9.135 million along with penalties of Rs. 0.224 million against non-payment of Sindh Workers Participation Fund (SWPF) for the accounting year June 30, 2013. The Company has filed an appeal to the Commissioner Appeals (CIR-appeals) against the said order based on the grounds that, the AC wrongly relied upon the judgment dated February 12, 2018 in CP. No. D-1313 of 2013 of the Hon'ble High Court of Sindh as the Company has no direct, indirect or contractual workers besides other grounds. Further the Company has also challenged the jurisdiction of AC. The case is still pending. However, based on the legal opinion the management is confident that the case will be decided in the Company's favour.

31.2 Commitments

Holding Company

31.2.1 Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Holding Company amounting to Rs. 45 million (2024: Rs. 45 million).

31.2.2 Irrevocable letter of credit under capital expenditure as at reporting date against wind mill is amounting to Rs. Nil million (2024: 881.257) and against import of stores and spares is amounting to Rs. 76.635 (2024: 73.512) million.

31.2.3 Other outstanding guarantees given on behalf of the Holding Company by banks amounting to Rs. 1.5 million (2024: Rs. 52.325 million).

	Note	2025	2024
		(Rupees in thousands)	
Subsidiary Company			
Thatta Power (Private) Limited			
31.2.4 Guarantee issued by a bank on behalf of the subsidiary Company		232,238	200,000

32 SALES - NET

	2025	2024
Gross Sales		
Local	13,348,273	10,169,026
	13,348,273	10,169,026
Less:		
Federal excise duty	(2,034,052)	(1,076,670)
Sales tax	(1,870,383)	(1,408,590)
	(3,904,435)	(2,485,260)
	9,443,838	7,683,766

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		Note	2025	2024
			(Rupees in thousands)	

33 COST OF SALES

	Note	2025	2024
Raw material consumed	33.1	625,561	355,718
Cost of tractors imported		208,256	-
Packing material consumed	33.2	378,058	424,412
Stores, spare parts and loose tools		351,803	257,346
Fuel and power		3,996,476	2,959,319
Salaries, wages and other benefits	33.3	321,724	333,397
Insurance		35,680	46,290
Repairs and maintenance		37,522	43,280
Depreciation	7.1.2	288,894	266,435
Impairment of major stores and spares		-	2,944
Vehicle hire, running and maintenance		17,539	21,637
Communication		2,219	2,008
Entertainment		3,095	3,315
Provision for slow moving of capital stores and spares	7.2	-	5,646
Provision for obsolete and slow moving of stores and spares	10.1	7,570	(2,288)
Other production overheads		8,593	8,752
Cost of production		6,282,990	4,728,211
Work-in-process			
Balance as at July 01,		151,865	731,279
Balance as at June 30,	11	(6,627)	(151,865)
		145,238	579,414
Cost of goods manufactured		6,428,228	5,307,625
Finished goods			
Balance as at July 01,		64,556	92,979
Balance as at June 30,	12	(87)	(64,556)
		64,469	28,423
		6,492,697	5,336,048

33.1 Raw material consumed

	Note	2025	2024
Balance as at July 01,		12,959	26,029
Purchases		641,688	342,648
		654,647	368,677
Balance as at June 30,	11	(29,086)	(12,959)
	33.1.1	625,561	355,718

33.1.1 It includes royalty amounting to Rs. 34.853 million (2024: Rs. 84.723 million) relating to Lime Stone and Clay Shale, payable to Director General Mines and Mineral Development, Government of Sindh (Refer note 26.1).

		Note	2025	2024
			(Rupees in thousands)	
33.2	**Packing material consumed**			
	Balance as at July 01,		21,322	76,089
	Purchases		383,017	369,645
			404,339	445,734
	Balance as at June 30,	11	(26,281)	(21,322)
			378,058	424,412

33.3 This includes employees' retirement benefits amounting to Rs. 7.890 million (2024: Rs. 9.118 million).

34 SELLING AND DISTRIBUTION EXPENSES

	Note	2025	2024
Salaries, wages and other benefits	34.1	3,791	5,904
Vehicle running expenses		157	607
Travelling and conveyance		241	312
Communication		275	227
Printing and stationery		-	13
Entertainment		330	347
Repair and maintenance		13	31
Rent, rates and taxes		3,798	3,517
Utilities		1,390	3,249
Advertisements		100	190
Freight charges - local sale		13,063	17,475
Certification charges		4,117	-
Commission		-	1,829
Depreciation	7.1.2	757	751
Marking fee expense		7,368	7,049
Loading and others		10,076	13,150
Miscellaneous		401	154
		45,877	54,805

34.1 This includes employees' retirement benefit amounting to Rs. 0.058 million (2024: Rs. 0.292 million).

35 ADMINISTRATIVE EXPENSES

	Note	2025	2024
Salaries, wages and other benefits	35.1	76,808	78,970
Director's fees		7,750	10,750
Vehicle running expenses		5,424	7,440
Travelling and conveyance		3,285	186
Advertisements		2,189	1,258

	Note	2025	2024
		(Rupees in thousands)	
Communication, postage, telegram		2,389	1,765
Printing and stationery		500	1,238
Rent, rates and taxes		7,054	6,531
Entertainment		1,944	1,522
Legal and professional charges		14,690	6,153
Insurance		891	1,626
Repairs and maintenance		1,024	2,000
Utilities		2,911	6,033
Fees and subscription		14,614	7,707
Corporate expenses		1,671	1,601
Charity and donation	35.2	1,474	134
Auditors' remuneration	35.3	3,424	2,981
Other consultants' remuneration	35.4	3,446	2,945
Depreciation on property, plant and equipment	7.1.2	8,534	2,877
Amortization of intangibles	8.1	1,170	1,170
Education expenses		1,451	3,091
Provision for loss allowance		420	-
Miscellaneous		4,884	1,723
		167,947	149,701

35.1 This includes employees' retirement benefit amounting to Rs. 3.182 million (2024: Rs. 3.289 million).

35.2 None of the directors or their spouses have any interest in any donee's fund to which donation was made.

35.3 Auditor's remuneration

	2025	2024
Annual audit fee	2,713	2,348
Half yearly review fee	261	237
Audit fee for consolidated financial statements	85	74
Fee for Code of Corporate Governance and other services	53	45
Out of pocket expenses	312	277
	3,424	2,981

35.4 Other consultant's remuneration

	2025	2024
Cost audit fee	402	372
Internal audit fee	2,630	2,344
Out of pocket expenses	414	229
	3,446	2,945

	Note	2025	2024
		(Rupees in thousands)	

36 OTHER OPERATING EXPENSES

	Note	2025	2024
Workers' Welfare Fund		74,272	50,473
Workers' Profit Participation Fund	26.3	195,454	132,823
Exchange loss		-	199
		269,726	183,495

37 OTHER INCOME

	Note	2025	2024
Income from financial assets			
Income on bank deposit accounts	37.1	384,382	330,936
Interest income from TDR's		113,154	168,306
Income on short term loan		26,882	-
Gain on disposal of short term investment	37.2	63,921	-
Dividend income		38,360	-
Reversal of provision for slow moving of major stores and spares		2,999	-
Reversal of provision for obsolete and slow moving of stores and spares		-	6,217
		629,698	505,459
Income from non-financial assets			
Rental income		986	935
Gain on sale of property, plant and equipment		1,800	48,569
Scrap sales		66,602	-
Reversal of provision of royalty	26.1	150,844	-
Gratuity income	14.1	300,000	-
Contract liability not payable		23,064	-
Exchange Gain		204	-
Others		567	463
		544,067	49,967
		1,173,765	555,426

37.1 Income earned from bank deposits are under interest / mark-up arrangements with conventional banking system.

37.2 This represents income on short term investments in shares amount to Rs. 63.92 million.

	Note	2025	2024
		(Rupees in thousands)	

38 FINANCE COST

	Note	2025	2024
Mark-up on long term financing		133,714	185,497
Mark-up on short term borrowings		57,629	48,067
Mark-up on Workers' Profit Participation Fund		6,539	1,866
Bank charges and commission		4,842	5,368
		202,724	240,798

39 TAXATION

	Note	2025	2024
Current		827,056	912,000
Prior		(63,382)	12,438
Deferred		330,745	71,291
	39.1	1,094,419	995,729

39.1 **Relationship between tax expense and accounting profit**

	2025	2024
Profit before tax	3,438,632	2,274,345
Tax at 29%	997,203	659,560
Tax effect of		
Admissible / inadmissible expenses in determining taxable income - net	(259,446)	24,691
Prior year tax charge	(63,382)	12,438
Income subject to Final Tax Regime (FTR)	(94,651)	-
Tax effect on taxable temporary differences - net	330,745	71,291
Super Tax @ 10% (2024: 10%)	183,950	227,749
	1,094,419	995,729

Numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:

	2025 %	2024 %
Applicable tax rate	29.00	29.00
Final Tax	(2.75)	-
Super tax	5.35	10.01
Others	0.23	4.77
	2.83	14.78
Average effective rate	31.83	43.78

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	2025	2024
	(Rupees in thousands)	

40 EARNINGS PER SHARE - BASIC AND DILUTED

40.1 Basic earnings per share

	2025	2024
Profit for the year (Rupees in thousands)	2,396,086	1,362,180
Number of ordinary shares	84,718,125	84,718,125
Earnings per share - basic and diluted (Rupees) per share	28.28	16.08

40.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Group did not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024 which would have any effect on the earnings per share if the option to convert is exercised.

41 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	2025		Total
	Unclaimed Dividend	Buy Back of Shares	
	Rupees		
Balance as at July 1, 2024	1,933	-	1,933
Dividend payable	67,320	-	67,320
Dividend paid	(58,697)	-	(58,697)
Balance as at June 30, 2025	10,556	-	10,556

Description	2024		Total
	Unclaimed Dividend	Buy Back of Shares	
	Rupees		
Balance as at July 1, 2023	1,957	-	1,957
Dividend payable	-	-	-
Dividend paid	(24)	-	(24)
Buyback of shares	-	(276,558)	(276,558)
Balance as at June 30, 2024	1,933	(276,558)	(274,625)

42 CASH AND CASH EQUIVALENTS

	Note	2025	2024
		(Rupees in thousands)	
Cash and bank balances	20	4,229,291	2,992,916
Short term running finance	27	(197,856)	(197,649)
		4,031,435	2,795,267

	Note	2025	2024
		(Rupees in thousands)	

43 CAPACITY AND ACTUAL PRODUCTION

43.1 Thatta Cement Company Limited

	Note	2025	2024
Production capacity - clinker (tons)	43.1.1	660,000	660,000
Actual production - clinker (tons)	43.1.1	415,850	423,491
Production capacity - cement (tons)	43.1.2	693,000	693,000
Actual production - cement (tons)	43.1.2	502,985	529,700

43.1.1 The production capacity utilization of clinker during the year has remained at 63.01% (2024: 64.17%).

43.1.2 Cement from clinker is produced in accordance with the market demand.

43.2 Thatta Power Private Limited

	2025	2024
Installed Capacity-kWh	237,422,280	237,422,280
Total output-kWh	67,095,956	66,364,540
Load factor	28.26%	27.95%

43.2.1 Installed capacity has been computed on the basis of 8,760 hours (2024: 8,760 hours).

44 RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprises of associated undertakings, directors of the Group, key management personnel and staff retirement funds. The Group continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions except for Service Level Agreement for business support services with the subsidiary Company for which the basis are approved by the Board of Directors.

Further, contribution to defined contribution plan (provident fund) is made as per the terms of employment and trust deed. Detail of transactions during the year ended June 30, 2025 and outstanding balances as at June 30, 2025 with related parties are as follows:

44.1 Transactions with related parties are summarized as follows:

Related Party	Nature of transactions	2025	2024
		(Rupees in thousands)	
Staff retirement benefits			
	Contribution to Employees' Gratuity Fund	-	-
	Contribution to Employees' Provident Fund	11,131	12,634
Other related parties			
	Education expenses - Model Terbiat School	1,451	3,091

44.2 Year end balances

Related Party	Nature of transactions	2025	2024
		(Rupees in thousands)	
Staff retirement benefits			
	Receivable from Gratuity Fund	123,100	23,100

44.3 All transactions with related parties have been carried out on commercial terms and conditions as approved by the Board of Directors.

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

45

REMUNERATION OF CHIEF EXECUTIVE , DIRECTORS AND EXECUTIVES

The aggregate amounts charged during the year in the financial statements for remuneration, including all benefits to Chief Executive and Executives of the Group were as follows:

	2025		2024	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in thousands)		(Rupees in thousands)	
Managerial remuneration	16,800	52,924	17,115	47,672
Leave fare allowance	-	-	-	-
Bonus	-	4,963	1,250	6,107
Retirement benefits	1,018	2,682	1,037	2,454
Other benefits	1,413	25,348	2,309	20,438
Total	19,231	85,917	21,711	76,672
Number of persons	1	19	2	17

45.1 The Chief Executive and Executives are provided with car monetization and other benefits in accordance with their entitlement as per rules of the Group.

45.2 An aggregate amount of Rs. 7.750 million (2024: Rs. 10.750 million) was paid to Non-Executive Directors/Members during the year on account of Board, Audit Committee and Human Resource & Remuneration Committee meeting fee.

46 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

During the year, the Holding Company and its Subsidiaries did not maintain any Islamic mode financing, Shariah-compliant bank deposits, investments, or arrangements with Islamic banks or Islamic windows of conventional banks. All banking relationships and financing arrangements were with conventional financial institutions, and related interest/mark-up has been disclosed separately in the consolidated financial statements.

47 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 sale of electric power.
Tractor	Engaged in import and sale of tractors.

47.1 Year ended June 30, 2025

	Cement	Power	Tractor	Intra group adjustment	Consolidated
Revenues	Rupees in thousands				
Sales - net	7,566,414	2,803,374	233,553	(1,159,503)	9,443,838
Cost of sales	(5,415,712)	(2,293,406)	(208,256)	1,424,677	(6,492,697)
Gross profit	2,150,702	509,968	25,297	265,174	2,951,141
Selling and distribution cost	(45,877)	-	-	-	(45,877)
Administrative expenses	(151,889)	(46,072)	(4,222)	34,236	(167,947)
	1,952,936	463,896	21,075	299,410	2,737,317
Other operating expenses	(269,726)	-	-	-	(269,726)
Other income	1,999,167	35,095	7,842	(868,339)	1,173,765
	3,682,377	498,991	28,917	(568,929)	3,641,356
Finance cost	(43,032)	(136,223)	(23,469)	-	(202,724)
Segment results	3,639,345	362,768	5,448	(568,929)	3,438,632
Unallocated expenditures	-	-	-	-	-
Profit/(loss) before taxation	3,639,345	362,768	5,448	(568,929)	3,438,632
Taxation	(1,082,762)	(10,077)	(1,580)	-	(1,094,419)
Profit/(loss) for the year	2,556,583	352,691	3,868	(568,929)	2,344,213

Year ended June 30, 2024

	Cement	Power	Tractor	Intra group adjustment	Consolidated
Revenues					
Sales - net	7,521,577	1,692,085	-	(1,529,896)	7,683,766
Cost of sales	(5,357,851)	(1,758,709)	-	1,783,456	(5,333,104)
Gross profit	2,163,726	(66,624)	-	253,560	2,350,662
Selling and distribution cost	(54,805)	-	-	-	(54,805)
Administrative expenses	(143,358)	(40,412)	-	31,125	(152,645)
	1,965,563	(107,036)	-	284,685	2,143,212
Other operating expenses	(183,479)	(16)	-	-	(183,495)
Other income	744,194	81,996	-	(270,764)	555,426
	2,526,278	(25,057)	-	13,921	2,515,143
Finance cost	(53,291)	(187,507)	-	-	(240,798)
Segment results	2,472,987	(212,564)	-	13,921	2,274,345
Unallocated expenditures	-	-	-	-	-
Profit/(loss) before taxation	2,472,987	(212,564)	-	13,921	2,274,345
Taxation	(971,950)	(23,779)	-	-	(995,729)
Profit/(loss) for the year	1,501,037	(236,343)	-	13,921	1,278,616

47.2 **Year ended June 30, 2025**

Other information	Cement	Power	Tractor	Intra group adjustment	Consolidated
	Rupees in thousands				
Segment assets	9,515,091	3,619,829	664,865	(1,163,741)	12,636,044
Unallocated corporate assets	-	-	-	-	-
Total assets	9,515,091	3,619,829	664,865	(1,163,741)	12,636,044
Segment liabilities	2,816,640	1,723,360	160,998	(225,320)	4,475,678
Unallocated corporate liabilities	-	-	-	-	-
Total liabilities	2,816,640	1,723,360	160,998	(225,320)	4,475,678
Capital expenditure	1,378,775	142,595	-	-	1,521,370
Depreciation	175,986	122,199	-	-	298,185
Non-cash expenses other than depreciation	5,699	462	-	-	6,161
Year ended June 30, 2024					
Segment assets	7,626,581	3,832,298	-	(1,620,294)	9,838,585
Unallocated corporate assets	-	-	-	-	-
Total assets	7,626,581	3,832,298	-	(1,620,294)	9,838,585
Segment liabilities	3,417,393	1,653,636	-	(1,326,292)	3,744,737
Unallocated corporate liabilities	-	-	-	-	-
Total liabilities	3,417,393	1,653,636	-	(1,326,292)	3,744,737
Capital expenditure	530,860	3,400	-	-	534,260
Depreciation	142,803	107,285	-	-	250,088
Non-cash expenses other than depreciation	599	(2,288)	-	-	(1,689)

47.3 Reconciliation of reportable segment revenues, profit or loss, assets and liabilities .

	2025	2024
	(Rupees in thousands)	

47.3.1 Operating revenues

Total revenue of reportable segments	10,603,341	9,213,662
Elimination of intra group revenue	(1,159,503)	(1,529,896)
Consolidated revenue	9,443,838	7,683,766

47.3.2 Profit or loss

Total profit before taxation of reportable segments	4,007,561	2,260,423
Adjustment of unrealized profit	(568,929)	13,921
Consolidated profit before taxation	3,438,632	2,274,345

47.3.3 Assets

Total assets of reportable segments	13,799,785	11,458,879
Elimination of intra group balances	(1,162,138)	(1,618,691)
Reclassification for consolidation purposes	(1,603)	(1,603)
Consolidated assets	12,636,044	9,838,585

47.3.4 Liabilities

Total liabilities of reportable segments		
Elimination of intra group balances	4,700,998	5,071,029
Consolidated liabilities	(225,320)	(1,326,292)
	4,475,678	3,744,737

47.4 Geographical segment analysis

Year ended June 30, 2025	**Local**	**Export**
Revenue	9,443,838	-
Total Assets	12,636,044	-
Net Assets	8,160,366	-
	30,240,248	-
Year ended June 30, 2024		
Revenue	7,683,766	-
Total Assets	9,838,585	-
Net Assets	6,093,848	-
	23,616,199	-

47.5 Information about major

Major customers for cement segment are various individual dealers, builders & developers whereas major customer for power segment is Hyderabad Electric Supply Company limited and for tractor segment are various individual dealers.

48 FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

The Group finances its operations through equity, borrowing and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. Taken as a whole the Group's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments. Financial instruments of the Group are as under:

48.1 Financial instruments by category:

	Note	2025	2024
		(Rupees in thousands)	
Financial assets			
Long term deposits	9	5,125	5,125
Trade debts	12	1,226,288	745,025
Trade deposits	15	210,333	228,012
Short term investment	16	-	1,190,825
Other receivables and accrued mark-up	17	38,040	29,738
Receivables from gratuity fund	14	123,100	23,100
Cash and bank balances	20	4,229,291	2,992,916
		5,832,177	5,214,741
Financial liabilities			
Long term financing (including current maturity)	23	751,329	751,329
Long term deposits	24	3,787	22,787
Trade and other payables	26	1,136,261	992,289
Unclaimed dividend	28	1,933	1,933
Unpaid dividend	29	8,623	-
Accrued mark-up	30	478,827	348,088
Short term borrowings	27	197,856	197,649
		1,827,287	2,314,075

48.1 Financial risk management objectives

The Group has exposure to the following risks:

- credit risk
- liquidity risk
- market risk
- operational risk

The Board of Directors (the Board) of the Group has the overall responsibility for establishment and oversight of the Group's risk management framework. To assist the Board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Group's financial risk exposure. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance.

a) Credit risk

Credit risk is a risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with same party, or when counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly effected by change in economics, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

At the reporting date, the Group's total credit risk was concentrated in the following industrial / economic sectors:

	2025		2024	
	Rupees in thousands	%	Rupees in thousands	%
Banks	4,225,312	72%	2,988,125	57%
Others	1,606,865	28%	2,226,616	43%
	5,832,177	100%	5,214,741	100%

The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Group has developed a policy of obtaining advance payment from its customers against sale of cement. Except for customers relating to the Government and certain credit worthy customers, the management strictly adheres to this policy. For any balance receivable from such Government and credit worthy customers, the management continuously monitors the credit exposure towards them and make provisions against those balances considered doubtful. Cash is held only with banks with high quality credit worthiness. There is no significant risk exposure to loan and advances and other receivables.

The maximum exposure to credit risk at the reporting date is:

	Note	2025	2024
		(Rupees in thousands)	
Long term deposits	9	5,125	5,125
Trade debts	12	1,226,288	745,025
Trade deposits	15	210,333	228,012
Short term investment	16	-	1,190,825
Other receivables and accrued interest	17	38,040	29,738
Bank balances	20	4,225,312	2,988,125
		5,705,098	5,186,850

Financial assets that are neither past due nor impaired

The credit quality of assets that are neither past due nor impaired can be assessed by reference to historical information and external credit ratings or to historical counterparty default rates. As at June 30, 2025 trade debts of Rs. 575.327 million (2024: Rs. 525.623 million) were past due but not impaired. These relates to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debts is as follows:

	2025	2024
Not past due	(Rupees in thousands)	
- within 30 days	360,036	93,439
- 31 to 90 days	290,925	125,962
- 91 to 180 days	70,065	23,589
- over 180 days	505,262	502,034
	1,226,288	745,024

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The credit quality of cash at bank (in Current, profit or loss share account and deposit accounts) as per credit rating agencies is as follows:

Name of Banks	Rating agency	Ratings	
		Short-term	Long-term
National Bank of Pakistan	PACRA	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
Al Baraka Islamic Bank Limited	JCR-VIS	A-1	A+
Silk Bank Limited	JCR-VIS	A-	A-2
Summit Bank Limited	JCR-VIS	N/A	N/A
Faysal Bank Limited	PACRA	A1+	AA

Due to Group's long standing relationship with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligation to the Group. For trade debts, internal risk assessment process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are fixed based on internal or external ratings in accordance with limits set by the management. The utilization of said limits is regularly monitored.

Financial assets that are past due or impaired

The credit quality of financial assets that are past due or impaired can be assessed by reference to note 12.2. The aging analysis of these impaired trade debts is as follows:

	2025	2024
	(Rupees in thousands)	
Below five years	3,732	3,312
Over five years	72,028	72,028
	75,760	75,340

b) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or may face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Group is exposed to liquidity risk in respect of non-current interest bearing liabilities, long term deposit, short term borrowings, trade and other payable and mark-up accrued.

The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

Maturity analysis for financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to maturity date and represents the undiscounted cash flows. The amounts in the table are the gross nominal undiscounted cash flows (including interest payments).

		2025				
		Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
		(Rupees in thousands)				
Non-derivative	**Note**					
Financial liabilities						
Long term financing (including current maturity)	23	751,329	(751,329)	(751,329)	-	-
Long term deposits	24	3,787	(3,787)	-	-	(3,787)
Trade and other payables	26	1,530,637	(1,530,637)	(1,530,637)	-	-
Short term borrowing	27	197,856	(197,856)	(98,928)	(98,928)	-
Accrued mark up	30	478,827	(478,827)	(478,827)	-	-
		2,962,436	(2,962,436)	(2,859,721)	(98,928)	(3,787)

		2024				
		Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
		(Rupees in thousands)				
Non-derivative						
Financial liabilities						
Long term financing	23	751,329	(751,329)	(751,329)	-	-
Long term deposits	24	22,787	(22,787)	-	-	(22,787)
Trade and other payables	26	1,287,006	(1,287,006)	(1,287,006)	-	-
Short term borrowing	27	197,649	(197,649)	(98,825)	(98,825)	-
Accrued mark up	30	348,088	(348,088)	(348,088)	-	-
		2,606,859	(2,606,859)	(2,485,248)	(98,825)	(22,787)

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective at the reporting date.

c) Market risk

Market risk is the risk that changes in market interest rates, foreign exchange rates and other prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

d) Interest / mark-up rate risk management

Interest / mark-up rate risk management arises from the possibility of changes in interest/mark-up rates which may affect the value of financial instruments. The Group has long term finance and short term borrowing at variable rates. The Group is exposed to interest / mark-up rates risk on long term financing, where interest rate risk is covered by holding "Prepayment option" which can be exercised upon any adverse movement in the underlying interest rates. At the reporting date the interest rate profile of the Group's interest bearing financial instruments is as follows:

	Carrying amount	
	2025	**2024**
	(Rupees in thousands)	
Fixed rate instruments		
Financial assets	-	1,190,825
Variable rate instruments		
Financial assets	4,215,055	2,974,877
Financial liabilities	949,185	948,978

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect consolidated statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

Financial assets

If interest rate had fluctuated by 100 basis points with all other variables held constant, profit / (loss) before tax for the year would have been Rs. 42.15 million (2024: Rs 24.51 million) higher / lower, mainly as a result of higher / lower interest income from these financial assets.

Financial liabilities

If interest rate had fluctuated by 100 basis points with all other variables held constant, profit before tax for the year would have been Rs. 9.49 million (2024: Rs. 2.41 million) higher / lower, mainly as a result of higher / lower interest expense on these financial liabilities.

A summary of the Group's interest rate gap position, categorized by the earlier of contractual re-pricing or maturity dates at the end of year is as follows:

	Note	2025				
		Mark-up / return (%)	Less than 6 months	6 months to 1 year	More than 1 year	Total
		---------------- (Rupees in thousands) ----------------				
Assets						
Bank balance in PLS accounts	20	9.5% to 19.5%	4,215,055	-	-	4,215,055
Total assets			4,215,055	-	-	4,215,055
Liabilities						
Short term borrowings	27	14.14% to 23.24%	(197,856)	-	-	(197,856)
Long term financing	23		(751,329)	-	-	(751,329)
Total liabilities			(949,185)	-	-	(949,185)
On-balance sheet gap			3,265,870	-	-	3,265,870
Total interest risk sensitivity gap			3,265,870	-	-	3,265,870

	Note	2024				
		Mark-up / return (%)	Less than 6 months	6 months to 1 year	More than 1 year	Total
		---------------- (Rupees in thousands) ----------------				
Assets						
Bank balance in PLS accounts	20	18.25% to 20.5%	2,974,877	-	-	2,974,877
Short term investment	16	15.97% to 18.5%	1,190,825	-	-	1,190,825
Total assets			4,165,702	-	-	4,165,702
Liabilities						
Short term borrowings	27	21.46% to 25.5%	(197,649)	-	-	(197,649)
Long term financing			(751,329)	-	-	(751,329)
Total liabilities			(948,978)	-	-	(948,977)
On-balance sheet gap			3,216,725	-	-	3,216,725
Total interest risk sensitivity gap			3,216,725	-		3,216,725

e) Foreign exchange risk management

Foreign exchange risk is the risk that the value of financial asset or a liability will fluctuate due to change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. Currently, the Group's foreign exchange risk exposure is restricted to the amounts receivable/payable from/to the foreign entities and outstanding letters of credit and bills payable.

The Group does not have any exposure to foreign currency risk at the reporting date.

Therefore, the Group does not obtain forward cover against the exposure. However, the following significant rates applied during the year:

	2025	2024	2025	2024
	Average Rate		Balance sheet date rate	
US Dollar to PKR	283.96	278.66	283.76	278.80

f) Fair value of financial instruments

Fair value of the financial instrument is the amount for which an asset could be sold or exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction.

The carrying amount of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values. The methods used for determining fair value of each class of financial assets and liabilities are disclosed in respective policy notes.

g) Fair value hierarchy

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

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

Level 2 other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

Level 3 techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

h) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Group defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

The Group's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

	2025	2024
	(Rupees in thousands)	
Debt to equity ratio	0.55	0.61
Debt to asset ratio	0.35	0.38
Current ratio	1.94	1.70
Quick Ratio	1.68	1.56

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. The Group finances its operations through equity, borrowing and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

49 NUMBER OF EMPLOYEES

The total number of employees at the year end were 408 (2024: 409) and average number of employees during the year were 401 (2024: 476).

50 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on ___________, 2025 have proposed final cash dividend Rs.___ per share (2024: Rs. 1 per Share) in respect of year ended June 30, 2025.

51 DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on _______________ by the Board of Directors of the Group.

52 CORRESPONDING FIGURES

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

53 GENERAL

53.1 Amounts have been rounded off to the nearest thousands of Rupees.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

Form of Proxy

The Secretary
Thatta Cement Company Ltd.
CL, 5/4, State Life Building # 10,
Main Abdullah Haroon Road.
Karachi, Pakistan.

Please quote:
No. of shares held. ________
Folio No. ________

I / We ____

of ____

member (s) of Thatta Cement Company Limited, hereby appoint ____________________

____________________ or failing him/her ____________________

____________________ of ____________________

as proxy in my / our behalf at the Annual General Meeting of the Company to be held on Tuseday, October 07, 2025 at 11:30am at Beach Luxury Hotel, M.T.khan Road, Lalazar Karachi, and at any adjournment thereof.

As witness my hand this ____________ day of ____________________ 2025 ________

signed by ____

in the presence of ____

Signature

Rupee five revenue stamp

____
Signature of witness

____
Signature of witness

Important:

1. This Form of Proxy duly completed must be deposited at our Registered Office, not later than 48 hours before the time of holding the meeting.

2. A Proxy should also be a shareholder of the Company

Form of Proxy

پراکسی فارم

میں / ہم ---------------- کے --

ٹھٹھہ سیمنٹ کمپنی لمٹیڈ کے رکن اور عام شئیر کے حامل کی حثیت کے ------------------------------ (شئیرز کی تعداد)

رجسٹر کا فولیو نمبر ---------- اور / یا سی ڈی سی فولیو کا آئی ڈی نمبر ------ اور زیلی اکاونٹ نمبر ------------------------ کے

---------------- یا ------------------ کے --

کو کمپنی کے سالانہ اجلاس عام 07 اکتوبر 2025 کو 11:30 بجے دن منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحثیت اپنا پراکسی،

ووٹ دینے کے لئے نامزد کرتاہوں / کرتے ہیں۔

دستخط -------------- بروز ------------ تاریخ ---------- / ---------- 2025

گواہان:

دستخط: ----------------------------

نام: ----------------------------

پتہ: ----------------------------

CNIC / پاسپورٹ نمبر ----------------

دستخط: ----------------------------

نام: ----------------------------

پتہ: ----------------------------

CNIC / پاسپورٹ نمبر ----------------

دستخط شئیر ہولڈرز

دستخط کا کمپنی میں رجسٹرڈ نمونے کے ہوبہو مطابق ہونا ضروری ہے

دستخط: ----------------------------

نوٹ: نمائندے کو فعال بنانے کے لئے نامزدگی کا فارم میٹنگ سے کم از کم 48 گھنٹے قبل موصول ہو جانا چاہئے، نمائندے کو کمپنی کا رکن ہونا ضروری ہے۔ سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقل یا پاسپورٹ پراکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔