

Financial Report
March
2023



THATTA CEMENT
COMPANY LIMITED



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Vision

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

Mission

To provide quality products to customers at competitive prices; and
To generate sufficient profit to add to the shareholder's value.

COMPANY INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------------------|-----------------|
| Mr. Khawaja Muhammad Salman Younis | Chairman |
| Mr. Muhammad Aslam Shaikh | Chief Executive |
| Ms. Naheed Memon | Director |
| Mr. Noor Muhammad | Director |
| Mr. Saleem Zamindar | Director |
| Mr. Kamran Munir Ansari | Director |

AUDIT COMMITTEE

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

HR & REMUNERATION COMMITTEE

| | |
|---------------------------|----------|
| Mr. Noor Muhammad | Chairman |
| Mr. Muhammad Aslam Shaikh | Member |
| Mr. Kamran Munir Ansari | Member |

IT STEERING COMMITTEE

| | |
|------------------------------------|----------|
| Mr. Khawaja Muhammad Salman Younis | Chairman |
| Mr. Muhammad Aslam Shaikh | Member |
| Mr. Muhammad Rafique | Member |
| Mr. Muhammad Abid Khan | Member |

CHIEF FINANCIAL OFFICER

Mr. Muhammad Rafique

COMPANY SECRETARY

Mr. Muhammad Abid Khan

STATUTORY AUDITOR

M/s BDO Ebrahim & Co., Chartered Accountants

CORPORATE ADVISOR

M/s Sharjeel Ayub & Co., Chartered Accountants

LEGAL ADVISOR

M/s Usmani & Iqbal

BANKERS - CONVENTIONAL

National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited

REGISTERED OFFICE

CL/5-4 State Life Building # 10,
Abdullah Haroon Road, Karachi, Pakistan.
UAN: 0092-21-111-842-82
Fax no.: 0092-21-35665976-77
Website: www.thattacement.com
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

DIRECTORS' REVIEW TO SHAREHOLDERS

The Board of Directors of the company feels pleasure to present its review together with the un-audited condensed interim financial statements for the nine months period ended March 31, 2023.

OVERVIEW

Production and dispatch statistics for the nine months period ended March 31, 2023 are as follows:

| Description | March 31, 2023 | March 31, 2022 | Variance | % |
|------------------------------|---------------------------|---------------------------|-----------------|----------|
| -----Metric Tons----- | | | | |
| <u>Production</u> | | | | |
| Clinker | 308,777 | 262,108 | 46,669 | 17.80 |
| Cement | 323,633 | 358,296 | (34,663) | (9.67) |
| <u>Dispatches</u> | | | | |
| Clinker | - | 4,987 | (4,987) | (100) |
| Cement | 319,959 | 359,723 | (39,764) | (11.05) |

Pakistan's economy is currently under severe stress with low foreign reserves, a depreciating currency, and high inflation. The economic activity has fallen with policy tightening, flood impacts, import controls, fuel costs, low investors; confidence, and protracted policy and political uncertainty. The unprecedented rise in SBP policy rate further worsened the country's economic condition. The restriction on imports has adversely impacted domestic manufacturing across various sectors. To address these issues it is crucial for the Government to implement strategic structural reforms whereby exports of goods and services in the medium term can be boosted, thus bringing stability to the economy.

However, the management of your Company closely monitors the situation and develops and implements mitigating strategies to minimize the impact on its operational and financial performance. Under these circumstances, the performance of the Company remained adversely affected in the first quarter of the period under review. However, in the second and third quarters, the Company's performance picked up and the Company achieved 62.38% overall clinker production capacity by producing 308,777 tons of clinker with 52.95% capacity utilization as compared to that of 262,108 tons in the corresponding period last year.

INDUSTRY REVIEW

During the period under review, cement industry posted a decline of 17.59% in local and export dispatches. Local dispatches remained low at 30.56 million tons (2021-22: 36.14 million tons) with a decline of 15.40%. Moreover, the industry exhibited constantly declining trend in export dispatches throughout the period under review. Consequently, export dispatches posted a decline of 34.62% and stood at 3.03 million tons (2021-22: 4.64 million tons).

In the southern region specifically dispatches to the local market posted a decrease of 10.86% in volumetric terms, from 6.19 million tons to 5.52 million tons whereas export dispatches showed a huge decline of 43.05% from 3.96 million tons to 2.26 million tons during the period under review.

SALES REVIEW

Local cement sales of the Company in terms of volume for the period under review decreased by 11.05% as compared to the corresponding period of last year. But, it is heartening to report here that despite decrease in volume of local sales the revenue increased by 33.36% as compared to the corresponding period, which is predominantly due to substantial increase achieved in cement retention prices.

FINANCIAL REVIEW

A comparison of the financial results of the Company's performance for the nine months period ended March 31, 2023 with the same period last year is as under:

| Particulars | March 31, 2023 | March 31, 2022 |
|-------------------------------|----------------|----------------|
| Rupees in thousands | | |
| Sales – net | 3,840,469 | 2,896,249 |
| Gross profit | 204,662 | 236,303 |
| Selling and Distribution Cost | 65,516 | 40,308 |
| Finance Cost | 36,639 | 17,741 |
| Profit before taxation | 116,735 | 107,374 |
| Profit after taxation | 80,558 | 88,865 |
| Earnings per share (Rupee) | 0.81 | 0.89 |

Cost to Sales ratio increased to 97.67% during the reporting period as compared to 91.84% of the corresponding period last year. The increase in fuel and other input cost along with continuous escalating dollar rate has resulted in increasing the cost of cement by considerable margin. Moreover, during the period under review, the Company purchased electricity from HESCO at high rates due to non-availability of gas to Thatta Power (Private) Limited, a wholly owned subsidiary of Thatta Cement Company Limited. Therefore, power and fuel cost of the Company increased that consequently reduced the gross profit margin of the company.

FUTURE OUTLOOK

The overall economic scenarios, as depicted supra, will continue to prevail and can result in slowing down of the business in the remaining period of the current fiscal year. The ongoing restriction on imports and increase in the construction related product will have a negative impact on our company's prospects. The recent increase in sale tax and excise duty rates may also pose challenge to boost dispatches and recoup the lost business of the foregoing months of current fiscal year. The possibility for continual provision of gas supplies to the industry also seems gloomy that is source of cheap source of electricity for the company. If the Government is able to secure funding from foreign lenders to rebuild the flood-affected areas, then that can play catalyst factor in rising demand for cement will increase in the medium to long term.

In spite of facing all these odds your Board is determined to tap business from all possible avenues and close this fiscal year in relatively fair operational outcome.

PERFORMANCE OF THE GROUP

A brief of the financial position and performance of the Group for the nine months period ended March 31, 2023 are as follows:

| | | |
|---|--|---------------------------|
| Property, plant and equipment | 3,894,389 | 4,032,532 |
| Stock-in-Trade | 746,313 | 565,731 |
| Trade Debts | 998,732 | 1,551,453 |
| Total Equity - Holding Company | 3,987,077 | 3,904,720 |
| Trade and Other payables | 1,472,175 | 1,421,311 |
| | March 31, 2023 | March 31, 2022 |
| | ----- (Rupees in thousands) ---- | |
| <u>Statement of Profit or Loss</u> | | |
| Sales - net | 3,948,478 | 3,000,424 |
| Gross Profit | 384,251 | 319,555 |
| Selling, Distribution cost & Administrative Expense | 180,028 | 130,407 |
| Profit before taxation | 124,744 | 61,791 |
| Profit after taxation | 83,439 | 41,116 |
| Earnings per share (in Rupees) | 0.83 | 0.59 |

BOARD OF DIRECTORS

The following change has taken place in the Board of your Company since the last Annual Report June 30 2022:

Mr. Muhammad Jamshid Malik resigned from the directorship of the Company on February 22, 2023 after serving the Board for 3 years. The Directors would like to express their appreciation for the contributions made by Mr. Muhammad Jamshid Malik during his tenure as director of the Company.

ACKNOWLEDGEMENT

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



Muhammad Aslam Shaikh
Chief Executive Officer



Khawaja Muhammad Salman Younis
Chairman

Karachi: April 28, 2023

**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
MARCH 31, 2023**

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|--|------|-----------------------------------|-------------------------------|
| | Note | (Rupees in thousands) | |
| ASSETS | | | |
| NON - CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 1,862,742 | 1,920,063 |
| Right of use Asset | | - | 42,184 |
| Intangible Assets | 6 | 4,387 | 5,265 |
| Long term investment in Subsidiary Company | 7 | 299,158 | 299,158 |
| Long term deposits | | 5,096 | 3,796 |
| | | 2,171,383 | 2,270,466 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | 8 | 341,800 | 263,932 |
| Stock-in-trade | 9 | 746,795 | 563,203 |
| Trade debts | 10 | 444,544 | 524,147 |
| Loan to the Subsidiary | | - | 95,846 |
| Advances | | 52,445 | 48,446 |
| Trade deposits and prepayments | | 26,772 | 5,326 |
| Short Term Investment | | 423,715 | 473,715 |
| Other receivables & accrued mark-up | | 47,267 | 12,060 |
| Taxation - net | | 118,979 | 147,648 |
| Cash and bank balances | | 366,646 | 228,182 |
| | | 2,568,963 | 2,362,505 |
| TOTAL ASSETS | | 4,740,346 | 4,632,971 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | 11 | 2,000,000 | 2,000,000 |
| Share capital | 11 | 997,181 | 997,181 |
| Share premium | | 99,718 | 99,718 |
| Accumulated profit | | 1,723,967 | 1,643,410 |
| | | 2,820,866 | 2,740,309 |
| NON - CURRENT LIABILITIES | | | |
| Lease liability | | - | 35,726 |
| Long term deposits | | 2,787 | 2,791 |
| Long term employee benefit | | 21,351 | 18,589 |
| Deferred taxation | | 265,903 | 278,359 |
| | | 290,041 | 335,465 |
| CURRENT LIABILITIES | | | |
| Current maturity of lease liability | | - | 6,493 |
| Trade and other payables | 12 | 1,410,736 | 1,329,702 |
| Unclaimed dividend | | 1,957 | 1,972 |
| Accrued mark-up | | 10,166 | 6,738 |
| Short term borrowings | | 206,580 | 212,292 |
| | | 1,629,439 | 1,557,197 |
| TOTAL EQUITY AND LIABILITIES | | 4,740,346 | 4,632,971 |

CONTINGENCIES AND COMMITMENTS

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Note | Nine months ended | | Quarter ended | |
|--|------|-----------------------|-------------------|--------------------|-------------------|
| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | | (Rupees in thousands) | | | |
| Sales - net | 14 | 3,840,469 | 2,896,249 | 1,435,255 | 1,289,256 |
| Cost of sales | 15 | (3,635,807) | (2,659,946) | (1,275,591) | (1,205,406) |
| Gross profit | | 204,662 | 236,303 | 159,664 | 83,850 |
| Selling and distribution cost | | (65,516) | (40,308) | (24,804) | (18,209) |
| Administrative expenses | | (109,873) | (85,971) | (37,981) | (26,967) |
| | | 29,273 | 110,024 | 96,879 | 38,674 |
| Other operating expenses | | (14,310) | (40,817) | (11,216) | (4,329) |
| Impairment reversal / (loss) - trade debts | | - | 3,783 | - | - |
| Other income | | 138,411 | 52,125 | 49,692 | 21,221 |
| Operating profit | | 153,374 | 125,115 | 135,355 | 55,566 |
| Finance cost | | (36,639) | (17,741) | (10,087) | (8,603) |
| Profit before taxation | | 116,735 | 107,374 | 125,268 | 46,963 |
| Taxation | | | | | |
| Current | | (48,671) | (36,685) | (18,221) | (16,317) |
| Prior | | 38 | 1,789 | - | - |
| Deferred | | 12,456 | 16,387 | (20,254) | (1,601) |
| | | (36,177) | (18,509) | (38,475) | (17,918) |
| Profit for the period | | 80,558 | 88,865 | 86,793 | 29,045 |
| Earnings per share - basic and diluted (Rupees) | 16 | 0.81 | 0.89 | 0.87 | 0.29 |

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | | Quarter ended | |
|--|-----------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | (Rupees in thousands) | | | |
| Profit for the period | 80,558 | 88,865 | 86,793 | 29,045 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 80,558 | 88,865 | 86,793 | 29,045 |

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | |
|---|-----------------------------------|-------------------|
| | March 31, 2023 | March 31, 2022 |
| Note | ----- (Rupees in thousands) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 116,735 | 107,374 |
| Adjustment for: | | |
| Depreciation | 5.1 96,645 | 83,668 |
| Amortization | 878 | 293 |
| Provision for slow moving & obsolete stores and impairment of major stores & spares | 4,223 | 4,588 |
| Finance cost | 36,639 | 17,741 |
| Provision for gratuity | 10,017 | 9,900 |
| Provision for leave encashment | 4,108 | 2,042 |
| Provision / (reversal) for loss allowance | - | (3,783) |
| Provision for Workers' Welfare Fund | 3,162 | 2,236 |
| Provision for Workers' Profit Participation Fund | 6,398 | 5,769 |
| Fixed assets written off | - | - |
| Gain on disposal of property, plant and equipment | (3,070) | (1,390) |
| | 158,999 | 121,064 |
| Operating cash flows before working capital changes | 275,734 | 228,438 |
| (Increase) / decrease in current assets | | |
| Stores, spare parts and loose tools | (76,781) | (62,837) |
| Stock-in-trade | (183,592) | 67,937 |
| Trade debts | 79,603 | (322,721) |
| Loan to subsidiary | 95,846 | (5,090) |
| Advances | (3,999) | (49,586) |
| Trade deposits and prepayments | (21,446) | 3,745 |
| Short term investment | 50,000 | |
| Other receivable and accrued mark-up | (35,207) | (17,846) |
| | (95,576) | (386,398) |
| Increase in current liabilities | | |
| Trade and other payables | 83,559 | 80,522 |
| Cash generated from / (used in) operations | 263,717 | (77,438) |
| Finance cost paid | (33,211) | (16,232) |
| Gratuity paid | (9,998) | (16,168) |
| Leave encashment paid | (1,346) | (1,028) |
| Workers' Welfare Fund | (3,760) | (3,688) |
| Workers' Profit Participation Fund | (8,343) | (14,559) |
| Income tax (paid) / refund - net | (19,964) | (10,443) |
| Net cash generated from / (used in) operating activities | 187,095 | (139,556) |

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | |
|---|-----------------------------------|-------------------|
| | March 31, 2023 | March 31, 2022 |
| Note | ----- (Rupees in thousands) ----- | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (45,488) | (61,911) |
| Proceeds from sale of property, plant and equipment | 3,880 | 1,500 |
| Addition in intangible assets | - | (5,850) |
| Long term deposit - assets | (1,296) | (2,700) |
| Net cash used in investing activities | (42,904) | (68,961) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (15) | (24,768) |
| Net cash used in financing activities | (15) | (24,768) |
| Net increase / (decrease) in cash and cash equivalents | 144,176 | (233,285) |
| Cash and cash equivalents at the beginning of the period | 15,890 | 156,866 |
| Cash and cash equivalents at the end of the period | 160,066 | (76,419) |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 366,646 | 80,669 |
| Short term borrowings | (206,580) | (157,088) |
| | 160,066 | (76,419) |

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Share capital | Reserves | | Total |
|---|-----------------------|---------------|--------------------|------------------|
| | | Share premium | Accumulated profit | |
| | (Rupees in thousands) | | | |
| Balance as at July 1, 2021 (audited) | 997,181 | 99,718 | 1,567,307 | 2,664,206 |
| Total comprehensive income for the period ended March 31, 2022 | | | | |
| Profit for the period | - | - | 88,865 | 88,865 |
| Other comprehensive income | - | - | - | - |
| | - | - | 88,865 | 88,865 |
| Transactions with shareholders | | | | |
| Final cash dividend @ Rs. 0.25 per share for the year ended June 30, 2021 | - | - | (24,930) | (24,930) |
| Balance as at March 31, 2022 (unaudited) | 997,181 | 99,718 | 1,631,242 | 2,728,141 |
| Balance as at July 1, 2022 (audited) | 997,181 | 99,718 | 1,643,409 | 2,740,308 |
| Total comprehensive income for the period ended March 31, 2023 | | | | |
| Profit for the period | - | - | 80,558 | 80,558 |
| Other comprehensive income | - | - | - | - |
| | - | - | 80,558 | 80,558 |
| Balance as at March 31, 2023 (unaudited) | 997,181 | 99,718 | 1,723,967 | 2,820,866 |

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

1 STATUS AND NATURE OF BUSINESS

Thatta Cement Company Limited (the Company) was incorporated in Pakistan in 1980 as a public limited Company. The shares of the Company are quoted at the Pakistan Stock Exchange. The Company's main business activity is manufacturing and marketing of cement. The registered office of the Company is situated at CL 5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi, Pakistan. The production facility of the Company comprises of 233 acres and is located at Ghulamullah Road, Makli, District Thatta, Sindh.

The Company owns 62.43% shareholding of Thatta Power (Private) Limited (the Subsidiary Company). Thatta Power (Private) Limited has only class of shares and all shares have equal voting rights. The principal business of the Subsidiary Company is generation and supply of electric power.

These financial statements represent standalone financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. Details of investment held by the Company in the Subsidiary Company has been given in note 7.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

These condensed interim unconsolidated financial statements for the nine months period ended March 31, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017.

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

2.2 These condensed interim unconsolidated financial statements do not include all the statements and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2022 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.3 The comparative unconsolidated statement of financial position presented in these condensed interim unconsolidated financial statements has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from the unaudited condensed interim unconsolidated financial statements for the nine months period ended March 31, 2022.

2.4 Basis of measurement

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

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

2.5 Functional and presentation currency

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

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

3 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in preparation of the annual audited unconsolidated financial statements as at and for the year ended June 30, 2022.

4 ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|---|-------|-----------------------------------|-------------------------------|
| | Note | (Rupees in thousands) | |
| 5 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 1,708,516 | 1,791,462 |
| Major stores and spares | 5.2 | 59,796 | 65,871 |
| Capital work in progress | 5.3 | 94,430 | 62,730 |
| | | 1,862,742 | 1,920,063 |
| 5.1 Operating fixed assets | | | |
| Opening net book value (NBV) | | 1,791,462 | 1,859,848 |
| Additions during the period / year at cost | 5.1.1 | 14,508 | 58,715 |
| | | 1,805,970 | 1,918,563 |
| WDV of disposals during the period / year | | (809) | - |
| Fixed assets written off during the period / year | | - | (110) |
| Depreciation charge for the period / year | | (96,645) | (126,991) |
| | | (97,454) | (127,101) |
| Closing net book value (NBV) | | 1,708,516 | 1,791,462 |
| 5.1.1 Detail of additions (at cost) during the period / year are as follows: | | | |
| Plant and machinery | | 12,199 | 4,714 |
| Laboratory equipment | | 1,452 | - |
| Lease hold improvement | | - | 820 |
| Vehicles | | - | 3,042 |
| Computers | | 857 | 113 |
| | | 14,508 | 8,689 |
| 5.2 Major stores and spares | | | |
| Cost | | | |
| Opening balance | | 108,319 | 106,259 |
| Additions during the period / year | | 4,489 | 18,048 |
| Transferred during the period / year | | (9,705) | (15,988) |
| Closing balance | | 103,103 | 108,319 |
| Accumulated impairment | | | |
| Opening balance | | (42,448) | (42,141) |
| Reversal / (impairment) charge for the period / year | | (858) | (307) |
| Closing balance | | (43,306) | (42,448) |
| Net book value | | 59,796 | 65,871 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|---|--|-------------------------------|
| Note | (Rupees in thousands) | |
| 5.3 Capital work in progress | | |
| Opening Balance | 62,730 | 27,780 |
| Additions during the period / year | 31,699 | 80,414 |
| Transfers during the period / year | - | (45,464) |
| Closing Balance | 94,429 | 62,730 |
| 6 INTANGIBLE ASSETS | | |
| Cost | 5,850 | 5,850 |
| Amortization on intangibles | | |
| Opening balance | (585) | - |
| Charge for the period / year | (878) | (585) |
| Closing balance | (1,463) | (585) |
| Net book value | 4,387 | 5,265 |
| 7 LONG TERM INVESTMENT IN SUBSIDIARY COMPANY | | |
| Thatta Power (Private) Limited (TPPL) | 7.1 & 7.2 | 299,158 |
| | | <u>299,158</u> |
| 7.1 | The Company owns 62.43% shareholding of TPPL as at March 31, 2023 (June 30, 2022: 62.43%). The principal business of the Subsidiary Company is generation and supply of electric power. As at March 31, 2023 TPPL has authorized and issued share capital of Rs. 500.00 million and Rs. 479.16 million divided into 50,000,000 and 47,915,830 ordinary shares respectively. Investment in Subsidiary Company is accounted and carried at cost. | |
| 7.2 | Thatta Cement Company Limited has pledged its investment in shares of TPPL in favor of National Bank of Pakistan (NBP) as the security trustee against syndicate term finance facility extended by NBP and other syndicated banks of TPPL. | |
| 8 STORES, SPARE PARTS AND LOOSE TOOLS | | |
| Coal and other fuels | 85,814 | 96,606 |
| Stores and spare parts | 299,503 | 211,933 |
| Loose tools | 110 | 107 |
| | 385,427 | 308,646 |
| Provision for obsolete stores | - | (3,843) |
| Provision for slow moving stores and spares | (43,627) | (40,871) |
| | (43,627) | (44,714) |
| | 341,800 | 263,932 |
| 9 STOCK-IN-TRADE | | |
| Raw material | 21,224 | 14,957 |
| Packing material | 78,542 | 73,526 |
| Work-in-process | 533,228 | 415,295 |
| Finished goods | 113,801 | 59,425 |
| | 746,795 | 563,203 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|------------------------------|-----------------------------------|-------------------------------|
| Note | (Rupees in thousands) | |
| 10 TRADE DEBTS | | |
| Considered good | | |
| Local - unsecured | 444,544 | 525,044 |
| Considered doubtful | | |
| Local - unsecured | 75,107 | 74,210 |
| | 519,651 | 599,254 |
| Provision for doubtful debts | (75,107) | (75,107) |
| | 444,544 | 524,147 |

11 SHARE CAPITAL

| March 31, 2023 (Un-audited) | June 30, 2022 (Audited) | | | | |
|---|-------------------------------|--|------------------|-----------|--|
| Number of shares | | | | | |
| Authorised 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 capital | | | | | |
| 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 | 103,000 | 103,000 | |
| 99,718,125 | 99,718,125 | | 997,181 | 997,181 | |

12 TRADE AND OTHER PAYABLES

| | | |
|---|------------------|-----------|
| Trade creditors | 463,765 | 429,156 |
| Accrued liabilities | 362,536 | 120,823 |
| Advances from customers | 434,423 | 711,660 |
| Excise duty and sales tax payable | 94,485 | 19,565 |
| Payable to Gratuity Fund | 32,333 | 32,314 |
| Workers' Profit Participation Fund (WPPF) | 6,398 | 8,343 |
| Workers' Welfare Fund (WWF) | 3,162 | 3,760 |
| Other liabilities | 13,635 | 4,081 |
| | 1,410,737 | 1,329,702 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

The status of contingencies is same as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2022 except for the matters which are mentioned below:

- 13.1.1 During the year 2014-2015, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 122(1)(5) of the Income Tax Ordinance, 2001 in respect of Tax Year 2014 raising a tax demand of Rs. 78.35 million by making certain disallowances and additions in taxable income as reported in the tax return of that year. The Holding Company filed an appeal with the Commissioner Inland Revenue - Appeals (CIR-A) against which the adverse order was passed by the CIR(A). Therefore, appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A. On November 30, 2021, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Holding Company. However, during the period, the Commissioner Inland Revenue has filed an appeal in the High Court of Sindh against the order passed by ATIR. The matter is pending for adjudication. In view of Holding Company's legal counsel, the case is sound in law, however definite outcome cannot be predicted with any degree of certainty.
- 13.1.2 The learned DCIR passed an amended assessment order on April 28, 2020 for the tax year 2015 and raised the tax demand of Rs. 0.6 million by disallowing certain admissible expenses including leave encashment, donation expense, salary expense and Tax credit u/s 65B. The Holding Company has filed an appeal before Commissioner Inland Revenue - Appeal (CIR-A) against the disallowances. Based on the appeal filed, the Commissioner (Appeals-I) dated December 17, 2020 remanded back the disallowance made on account of donations while confirmed the remaining disallowance. Therefore, appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A. On April 27, 2021, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Holding Company. However, during the period, the Commissioner Inland Revenue has filed an appeal in the High Court of Sindh against the order passed by ATIR. The matter is pending for adjudication. In view of Holding Company's legal counsel, the case is sound in law, however definite outcome cannot be predicted with any degree of certainty.
- 13.1.3 The Company has adjusted minimum tax aggregating to Rs. 31.47 million against its income tax liability in terms of section 113(2)(c) of the Income Tax Ordinance, 2001 (the Ordinance). An appeal was filed before the Commissioner Inland Revenue - Appeals (CIR-A) against the order of the Assessing Officer disallowing adjustment of minimum tax amounting to Rs. 15.721 million in respect of Tax Year 2012. However, the appeal before CIR-A has been decided against the Holding Company, therefore, further appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A. On August 28, 2017, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Holding Company. However, during the period, the Commissioner Inland Revenue has filed an appeal in the High Court of Sindh against the order passed by ATIR. The matter is pending for adjudication. In view of Holding Company's legal counsel, the case is sound in law, however definite outcome cannot be predicted with any degree of certainty.
- 13.1.4 On September 06, 2021, the Company has filed a Constitutional Petition (CP) No. 5382 before the Honorable High Court of Sindh (SHC) against arbitrary increase in the royalty rates through impugned notification No. T.O/M&MDD/15- 3/2021 dated June 30, 2021 issued by Ministry of Mines and Minerals Development Department, Government of Sindh. The Company's legal consultants have attended several hearings and presented their point of view before the Honourable 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. The overall impact of the aforementioned increase in royalty rates would be approximately Rs. 109.226 million as at March 31, 2023, however, management has recorded provision amounting to Rs. 54.612 million on prudent basis. Moreover, the management of the Company is considering various options available to the Company including relevant forums as per Sindh Mining Concession Rules, 2002 as also referred to by the Honorable High Court of Sindh in their judgement. The management is confident that the Company has an arguable case on merits.

13.2 Commitments

- 13.2.1 Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Company amounts to Rs. 45 million (June 30, 2022: Rs. 45 million).

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | | Quarter ended | |
|--|----------------------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Note | ------(Rupees in thousands)----- | | | |
| 14 SALES - NET | | | | |
| Gross Sales | | | | |
| Local | 5,040,215 | 4,133,034 | 1,855,110 | 1,819,737 |
| Export | - | 707 | - | - |
| | 5,040,215 | 4,133,741 | 1,855,110 | 1,819,737 |
| Less: | | | | |
| Federal excise duty | (496,960) | (546,960) | (174,848) | (231,805) |
| Sales tax | (702,786) | (690,532) | (245,007) | (298,676) |
| | (1,199,746) | (1,237,492) | (419,855) | (530,481) |
| | 3,840,469 | 2,896,249 | 1,435,255 | 1,289,256 |
| 14.1 Company's revenue disaggregated by primary geographical markets is as follows: | | | | |
| Sale of cement and clinker | | | | |
| Primary geographical | | | | |
| Within Pakistan | 3,840,469 | 2,895,542 | 1,435,255 | 1,289,256 |
| Outside Pakistan | - | 707 | - | - |
| | 3,840,469 | 2,896,249 | 1,435,255 | 1,289,256 |
| 14.2 Company's revenue disaggregated by pattern / timing of revenue recognition is as follows: | | | | |
| Timing of revenue recognition | | | | |
| Goods transferred at a point in time | 3,840,469 | 2,896,249 | 1,435,255 | 1,289,256 |
| 15 COST OF SALES | | | | |
| Raw material consumed | 281,275 | 116,427 | 116,160 | 57,649 |
| Clinker purchase | - | 188,412 | - | - |
| Manufacturing expenses | | | | |
| Packing material consumed | 205,266 | 179,049 | 62,301 | 81,267 |
| Stores, spare parts & loose tools consumed | 97,751 | 58,418 | 47,442 | 23,620 |
| Fuel and power | 2,810,195 | 1,668,680 | 1,132,386 | 902,762 |
| Salaries, wages and other benefits | 258,707 | 251,861 | 86,842 | 83,611 |
| Insurance | 18,401 | 18,110 | 6,130 | 6,357 |
| Repairs and | 9,019 | 5,274 | 3,878 | 1,145 |
| Depreciation | 93,800 | 82,027 | 35,409 | 39,328 |
| Vehicle hire, running | 19,316 | 11,419 | 6,266 | 4,408 |
| Communication | 1,581 | 1,464 | 436 | 634 |
| Entertainment | 1,224 | 820 | 501 | 278 |
| Provision for slow moving & obsolete | 4,223 | 4,588 | - | - |
| Other production overheads | 7,359 | 4,031 | 4,353 | 1,827 |
| | 3,526,842 | 2,285,741 | 1,385,944 | 1,145,237 |
| Cost of production | 3,808,117 | 2,590,580 | 1,502,104 | 1,202,886 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | | Quarter ended | |
|----------------------------|----------------------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | ------(Rupees in thousands)----- | | | |
| Work-in-process | | | | |
| Opening balance | 415,294 | 334,414 | 386,868 | 260,865 |
| Closing balance | (533,228) | (254,044) | (533,228) | (254,044) |
| | (117,934) | 80,370 | (146,360) | 6,821 |
| Cost of goods manufactured | 3,690,183 | 2,670,950 | 1,355,744 | 1,209,707 |
| Finished goods | | | | |
| Opening balance | 59,425 | 43,615 | 33,648 | 50,318 |
| Closing balance | (113,801) | (54,619) | (113,801) | (54,619) |
| | (54,376) | (11,004) | (80,153) | (4,301) |
| | 3,635,807 | 2,659,946 | 1,275,591 | 1,205,406 |

16 EARNINGS PER SHARE - BASIC AND DILUTED

| | | | | |
|---|-------------------|------------|-------------------|------------|
| Profit for the period | 80,558 | 88,865 | 86,793 | 29,045 |
| Weighted average number of ordinary shares | 99,718,125 | 99,718,125 | 99,718,125 | 99,718,125 |
| Earnings per share - basic and diluted (Rupees) | 0.81 | 0.89 | 0.87 | 0.29 |

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

17 RELATED PARTY TRANSACTIONS & BALANCES

Related parties comprise of subsidiary company, associated undertakings, Directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions except for service level agreement for business support services with the Subsidiary Company for which the basis are approved by the Board of Directors. Details of transactions during the period ended/outstanding balances as at March 31, 2023 with related parties are as follows:

17.1 Transactions with related parties

Subsidiary Company

Thatta Power (Private) Limited

| | | | | |
|---|------------------|-----------|------------------|----------|
| Common shared | 3,337 | 3,035 | 1,010 | 948 |
| Receipts for common shared expenses | 6,469 | - | 1,010 | - |
| Sale / (purchase) of store items - net | 781 | (1,597) | 1,449 | (10) |
| (Payment) on account of purchase/sale of (Purchase) of electricity (inclusive of (Payment) for electricity (inclusive of Management fee claimed (inclusive of Management fee received (inclusive of Sale of waste heat Receipt for sale of waste heat (Loan) disbursed Receipt on account of loan Interest accrued on loan Receipt on account of interest accrued on loan | (433) | (1,774) | (98) | (22) |
| | (577,789) | (360,931) | (212,623) | (61,911) |
| | (508,169) | (394,841) | (53,049) | (26,459) |
| | 23,980 | 21,800 | 7,993 | 7,266 |
| | 45,296 | - | 7,993 | - |
| | 30,937 | 19,656 | 13,336 | 11,233 |
| | 56,014 | - | 17,256 | - |
| | (54,192) | (40,000) | - | (40,000) |
| | 150,038 | 34,910 | - | 14,910 |
| | 11,550 | 5,508 | - | 2,284 |
| | 20,838 | - | 1,330 | (3,224) |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | | Quarter ended | |
|---|-------------------|-------------------|-----------------------------------|-------------------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| ------(Rupees in thousands)----- | | | | |
| Key management personnel | | | | |
| Salaries and benefits | 64,447 | 45,660 | 22,785 | 15,048 |
| Other related parties | | | | |
| Contribution to Gratuity Fund | 9,998 | 16,168 | - | - |
| Contribution to Provident Fund | 8,214 | 8,214 | 3,184 | 1,854 |
| Education expense - Model tarbiat school | 3,294 | 3,245 | 1,015 | 1,124 |
| | | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
| | | | (Rupees in thousands) | |

17.2 Balances with related parties

Subsidiary Company

Thatta Power (Private) Limited

| | | |
|--|----------------|---------|
| Payable against purchase of electricity (inclusive of GST) | 183,175 | 113,556 |
| Receivable against management fee (inclusive of SST) | 5,329 | 26,645 |
| Receivable against common shared expenses | 684 | 3,816 |
| Receivable / (payable) against sale of store items - net | - | 156 |
| Loan/advance to the Subsidiary Company | - | 95,846 |
| Receivable against accrued interest on loan | 3 | 9,288 |
| Receivable against sale of waste heat (inclusive of GST) | 8,202 | 33,278 |

Other related parties

| | | |
|---------------------------|---------------|--------|
| Payable to Gratuity Fund | 32,333 | 32,316 |
| Payable to Provident Fund | - | - |

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

18 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

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

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

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

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

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

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

19 CORRESPONDING FIGURES

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

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

20 NUMBER OF EMPLOYEES

The number of employees as at period ended March 31, 2023 was 494 (June 30, 2022: 501) and average number of employees during the period was 498 (June 30, 2022: 497).

21 DATE OF AUTHORIZATION FOR ISSUE

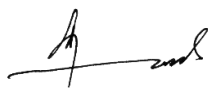
These condensed interim unconsolidated financial statements have been authorized for issue on April 28, 2023 by the Board of Directors of the Company.

22 GENERAL

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|--|------|-----------------------------------|-------------------------------|
| | Note | (Rupees in thousands) | |
| ASSETS | | | |
| NON - CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 1,862,742 | 1,920,063 |
| Right of use Asset | | - | 42,184 |
| Intangible Assets | 6 | 4,387 | 5,265 |
| Long term investment in Subsidiary Company | 7 | 299,158 | 299,158 |
| Long term deposits | | 5,096 | 3,796 |
| | | 2,171,383 | 2,270,466 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | 8 | 341,800 | 263,932 |
| Stock-in-trade | 9 | 746,795 | 563,203 |
| Trade debts | 10 | 444,544 | 524,147 |
| Loan to the Subsidiary | | - | 95,846 |
| Advances | | 52,445 | 48,446 |
| Trade deposits and prepayments | | 26,772 | 5,326 |
| Short Term Investment | | 423,715 | 473,715 |
| Other receivables & accrued mark-up | | 47,267 | 12,060 |
| Taxation - net | | 118,979 | 147,648 |
| Cash and bank balances | | 366,646 | 228,182 |
| | | 2,568,963 | 2,362,505 |
| TOTAL ASSETS | | 4,740,346 | 4,632,971 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | 11 | 2,000,000 | 2,000,000 |
| Share capital | 11 | 997,181 | 997,181 |
| Share premium | | 99,718 | 99,718 |
| Accumulated profit | | 1,723,967 | 1,643,410 |
| | | 2,820,866 | 2,740,309 |
| NON - CURRENT LIABILITIES | | | |
| Lease liability | | - | 35,726 |
| Long term deposits | | 2,787 | 2,791 |
| Long term employee benefit | | 21,351 | 18,589 |
| Deferred taxation | | 265,903 | 278,359 |
| | | 290,041 | 335,465 |
| CURRENT LIABILITIES | | | |
| Current maturity of lease liability | | - | 6,493 |
| Trade and other payables | 12 | 1,410,736 | 1,329,702 |
| Unclaimed dividend | | 1,957 | 1,972 |
| Accrued mark-up | | 10,166 | 6,738 |
| Short term borrowings | | 206,580 | 212,292 |
| | | 1,629,439 | 1,557,197 |
| TOTAL EQUITY AND LIABILITIES | | 4,740,346 | 4,632,971 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 13 | | |

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Note | Nine months ended | | Quarter ended | |
|--|------|-----------------------|----------------|--------------------|----------------|
| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | | (Rupees in thousands) | | | |
| Sales - net | 14 | 3,840,469 | 2,896,249 | 1,435,255 | 1,289,256 |
| Cost of sales | 15 | (3,635,807) | (2,659,946) | (1,275,591) | (1,205,406) |
| Gross profit | | 204,662 | 236,303 | 159,664 | 83,850 |
| Selling and distribution cost | | (65,516) | (40,308) | (24,804) | (18,209) |
| Administrative expenses | | (109,873) | (85,971) | (37,981) | (26,967) |
| | | 29,273 | 110,024 | 96,879 | 38,674 |
| Other operating expenses | | (14,310) | (40,817) | (11,216) | (4,329) |
| Impairment reversal / (loss) - trade debts | | - | 3,783 | - | - |
| Other income | | 138,411 | 52,125 | 49,692 | 21,221 |
| Operating profit | | 153,374 | 125,115 | 135,355 | 55,566 |
| Finance cost | | (36,639) | (17,741) | (10,087) | (8,603) |
| Profit before taxation | | 116,735 | 107,374 | 125,268 | 46,963 |
| Taxation | | | | | |
| Current | | (48,671) | (36,685) | (18,221) | (16,317) |
| Prior | | 38 | 1,789 | - | - |
| Deferred | | 12,456 | 16,387 | (20,254) | (1,601) |
| | | (36,177) | (18,509) | (38,475) | (17,918) |
| Profit for the period | | 80,558 | 88,865 | 86,793 | 29,045 |
| Earnings per share - basic and diluted (Rupees) | 16 | 0.81 | 0.89 | 0.87 | 0.29 |

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | | Quarter ended | |
|--|-----------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | (Rupees in thousands) | | | |
| Profit for the period | 80,558 | 88,865 | 86,793 | 29,045 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 80,558 | 88,865 | 86,793 | 29,045 |

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | | Nine months ended | |
|---|---|-----------------------------------|-------------------|
| | | March 31, 2023 | March 31, 2022 |
| Note | | ----- (Rupees in thousands) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| | Profit before taxation | 116,735 | 107,374 |
| | Adjustment for: | | |
| | Depreciation | 5.1 96,645 | 83,668 |
| | Amortization | 878 | 293 |
| | Provision for slow moving & obsolete stores and impairment of major stores & spares | 4,223 | 4,588 |
| | Finance cost | 36,639 | 17,741 |
| | Provision for gratuity | 10,017 | 9,900 |
| | Provision for leave encashment | 4,108 | 2,042 |
| | (Reversal) / provision for loss allowance | - | (3,783) |
| | Provision for Workers' Welfare Fund | 3,162 | 2,236 |
| | Provision for Workers' Profit Participation Fund | 6,398 | 5,769 |
| | Fixed assets written off | - | - |
| | Gain on disposal of property, plant and equipment | (3,070) | (1,390) |
| | | 158,999 | 121,064 |
| | Operating cash flows before working capital changes | 275,734 | 228,438 |
| | (Increase) / decrease in current assets | | |
| | Stores, spare parts and loose tools | (76,781) | (62,837) |
| | Stock-in-trade | (183,592) | 67,937 |
| | Trade debts | 79,603 | (322,721) |
| | Loan to subsidiary | 95,846 | (5,090) |
| | Advances | (3,999) | (49,586) |
| | Trade deposits and prepayments | (21,446) | 3,745 |
| | Short term investment | 50,000 | |
| | Other receivable and accrued mark-up | (35,207) | (17,846) |
| | | (95,576) | (386,398) |
| | Increase in current liabilities | | |
| | Trade and other payables | 83,559 | 80,522 |
| | Cash generated from / (used in) operations | 263,717 | (77,438) |
| | Finance cost paid | (33,211) | (16,232) |
| | Gratuity paid | (9,998) | (16,168) |
| | Leave encashment paid | (1,346) | (1,028) |
| | Workers' Welfare Fund | (3,760) | (3,688) |
| | Workers' Profit Participation Fund | (8,343) | (14,559) |
| | Income tax (paid) / refund - net | (19,964) | (10,443) |
| | Net cash generated from / (used in) operating activities | 187,095 | (139,556) |

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | |
|---|-----------------------------------|-------------------|
| | March 31, 2023 | March 31, 2022 |
| Note | ----- (Rupees in thousands) ----- | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (45,488) | (61,911) |
| Proceeds from sale of property, plant and equipment | 3,880 | 1,500 |
| Addition in intangible assets | - | (5,850) |
| Long term deposit - assets | (1,296) | (2,700) |
| Net cash used in investing activities | (42,904) | (68,961) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (15) | (24,768) |
| Net cash used in financing activities | (15) | (24,768) |
| Net increase / (decrease) in cash and cash equivalents | 144,176 | (233,285) |
| Cash and cash equivalents at the beginning of the period | 15,890 | 156,866 |
| Cash and cash equivalents at the end of the period | 160,066 | (76,419) |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 366,646 | 80,669 |
| Short term borrowings | (206,580) | (157,088) |
| | 160,066 | (76,419) |

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Share capital | Reserves | | Total |
|---|-----------------------|---------------|--------------------|------------------|
| | | Share premium | Accumulated profit | |
| | (Rupees in thousands) | | | |
| Balance as at July 1, 2021 (audited) | 997,181 | 99,718 | 1,567,307 | 2,664,206 |
| Total comprehensive income for the period ended March 31, 2022 | | | | |
| Profit for the period | - | - | 88,865 | 88,865 |
| Other comprehensive income | - | - | - | - |
| | - | - | 88,865 | 88,865 |
| Transactions with shareholders | | | | |
| Final cash dividend @ Rs. 0.25 per share for the year ended June 30, 2021 | - | - | (24,930) | (24,930) |
| Balance as at March 31, 2021 (unaudited) | 997,181 | 99,718 | 1,631,242 | 2,728,141 |
| Balance as at July 1, 2022 (audited) | 997,181 | 99,718 | 1,643,409 | 2,740,308 |
| Total comprehensive income for the period ended March 31, 2023 | | | | |
| Profit for the period | - | - | 80,558 | 80,558 |
| Other comprehensive income | - | - | - | - |
| | - | - | 80,558 | 80,558 |
| Transactions with shareholders | | | | |
| Final cash dividend @ Rs. 0.25 per share for the year ended June 30, 2021 | - | - | (24,930) | (24,930) |
| Balance as at March 31, 2023 (unaudited) | 997,181 | 99,718 | 1,723,967 | 2,820,866 |

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

1 STATUS AND NATURE OF BUSINESS

Thatta Cement Company Limited (the Company) was incorporated in Pakistan in 1980 as a public limited Company. The shares of the Company are quoted at the Pakistan Stock Exchange. The Company's main business activity is manufacturing and marketing of cement. The registered office of the Company is situated at CL 5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi, Pakistan. The production facility of the Company comprises of 233 acres and is located at Ghulamullah Road, Makli, District Thatta, Sindh.

The Company owns 62.43% shareholding of Thatta Power (Private) Limited (the Subsidiary Company). Thatta Power (Private) Limited has only class of shares and all shares have equal voting rights. The principal business of the Subsidiary Company is generation and supply of electric power.

These financial statements represent standalone financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. Details of investment held by the Company in the Subsidiary Company has been given in note 7.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

These condensed interim unconsolidated financial statements for the nine months period ended March 31, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017.

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

2.2 These condensed interim unconsolidated financial statements do not include all the statements and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2022 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.3 The comparative unconsolidated statement of financial position presented in these condensed interim unconsolidated financial statements has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from the unaudited condensed interim unconsolidated financial statements for the nine months period ended March 31, 2022.

2.4 Basis of measurement

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

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

2.5 Functional and presentation currency

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

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

3 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in preparation of the annual audited unconsolidated financial statements as at and for the year ended June 30, 2022.

4 ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|---|-------|-----------------------------------|-------------------------------|
| | Note | (Rupees in thousands) | |
| 5 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 1,708,516 | 1,791,462 |
| Major stores and spares | 5.2 | 59,796 | 65,871 |
| Capital work in progress | 5.3 | 94,430 | 62,730 |
| | | 1,862,742 | 1,920,063 |
| 5.1 Operating fixed assets | | | |
| Opening net book value (NBV) | | 1,791,462 | 1,859,848 |
| Additions during the period / year at cost | 5.1.1 | 14,508 | 58,715 |
| | | 1,805,970 | 1,918,563 |
| WDV of disposals during the period / year | | (809) | - |
| Fixed assets written off during the period / year | | - | (110) |
| Depreciation charge for the period / year | | (96,645) | (126,991) |
| | | (97,454) | (127,101) |
| Closing net book value (NBV) | 5.1.2 | 1,708,516 | 1,791,462 |
| 5.1.1 Detail of additions (at cost) during the period / year are as follows: | | | |
| Plant and machinery | | 12,199 | 4,714 |
| Laboratory equipment | | 1,452 | - |
| Lease hold improvement | | - | 820 |
| Vehicles | | - | 3,042 |
| Computers | | 857 | 113 |
| | | 14,508 | 8,689 |
| 5.2 Major stores and spares | | | |
| Cost | | | |
| Opening balance | | 108,319 | 106,259 |
| Additions during the period / year | | 4,489 | 18,048 |
| Transferred during the period / year | | (9,705) | (15,988) |
| Closing balance | | 103,103 | 108,319 |
| Accumulated impairment | | | |
| Opening balance | | (42,448) | (42,141) |
| Reversal / (impairment) charge for the period / year | | (858) | (307) |
| Closing balance | | (43,306) | (42,448) |
| Net book value | | 59,796 | 65,871 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|---|--|-------------------------------|
| Note | (Rupees in thousands) | |
| 5.3 Capital work in progress | | |
| Opening Balance | 62,730 | 27,780 |
| Additions during the period / year | 31,699 | 80,414 |
| Transfers during the period / year | - | (45,464) |
| Closing Balance | 94,429 | 62,730 |
| 6 INTANGIBLE ASSETS | | |
| Cost | 5,850 | 5,850 |
| Amortization on intangibles | | |
| Opening balance | (585) | - |
| Charge for the period / year | (878) | (585) |
| Closing balance | (1,463) | (585) |
| Net book value | 4,387 | 5,265 |
| 7 LONG TERM INVESTMENT IN SUBSIDIARY COMPANY | | |
| Thatta Power (Private) Limited (TPPL) | 7.1 & 7.2 299,158 | 299,158 |
| 7.1 | The Company owns 62.43% shareholding of TPPL as at March 31, 2023 (June 30, 2022: 62.43%). The principal business of the Subsidiary Company is generation and supply of electric power. As at March 31, 2023 TPPL has authorized and issued share capital of Rs. 500.00 million and Rs. 479.16 million divided into 50,000,000 and 47,915,830 ordinary shares respectively. Investment in Subsidiary Company is accounted and carried at cost. | |
| 7.2 | Thatta Cement Company Limited has pledged its investment in shares of TPPL in favor of National Bank of Pakistan (NBP) as the security trustee against syndicate term finance facility extended by NBP and other syndicated banks of TPPL. | |
| 8 STORES, SPARE PARTS AND LOOSE TOOLS | | |
| Coal and other fuels | 85,814 | 96,606 |
| Stores and spare parts | 299,503 | 211,933 |
| Loose tools | 110 | 107 |
| | 385,427 | 308,646 |
| Provision for obsolete stores | - | (3,843) |
| Provision for slow moving stores and spares | (43,627) | (40,871) |
| | (43,627) | (44,714) |
| | 341,800 | 263,932 |
| 9 STOCK-IN-TRADE | | |
| Raw material | 21,224 | 14,957 |
| Packing material | 78,542 | 73,526 |
| Work-in-process | 533,228 | 415,295 |
| Finished goods | 113,801 | 59,425 |
| | 746,795 | 563,203 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|-----------|---------------------------------|--|-----------------------------------|-------------------------------|
| | Note | | (Rupees in thousands) | |
| 10 | TRADE DEBTS | | | |
| | | Considered good | | |
| | | Local - unsecured | 444,544 | 525,044 |
| | | Considered doubtful | | |
| | | Local - unsecured | 75,107 | 74,210 |
| | | | 519,651 | 599,254 |
| | | Provision for doubtful debts | (75,107) | (75,107) |
| | | | 444,544 | 524,147 |
| 11 | SHARE CAPITAL | | | |
| | | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
| | | | Number of shares | |
| | | Authorised 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 capital | | |
| | | | 89,418,125 | 89,418,125 |
| | | Ordinary shares of Rs. 10/- each shares allotted for consideration paid in cash | 894,181 | 894,181 |
| | | Ordinary shares of Rs. 10/- each shares allotted for consideration other than cash | 103,000 | 103,000 |
| | | | 99,718,125 | 99,718,125 |
| 12 | TRADE AND OTHER PAYABLES | | | |
| | | Trade creditors | 463,765 | 429,156 |
| | | Accrued liabilities | 362,536 | 120,823 |
| | | Advances from customers | 434,423 | 711,660 |
| | | Excise duty and sales tax payable | 94,485 | 19,565 |
| | | Payable to Gratuity Fund | 32,333 | 32,314 |
| | | Workers' Profit Participation Fund (WPPF) | 6,398 | 8,343 |
| | | Workers' Welfare Fund (WWF) | 3,162 | 3,760 |
| | | Other liabilities | 13,635 | 4,081 |
| | | | 1,410,737 | 1,329,702 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

The status of contingencies is same as disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2022 except for the matters which are mentioned below:

- 13.1.1 During the year 2014-2015, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 122(1)(5) of the Income Tax Ordinance, 2001 in respect of Tax Year 2014 raising a tax demand of Rs. 78.35 million by making certain disallowances and additions in taxable income as reported in the tax return of that year. The Holding Company filed an appeal with the Commissioner Inland Revenue - Appeals (CIR-A) against which the adverse order was passed by the CIR(A). Therefore, appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A. On November 30, 2021, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Holding Company. However, during the period, the Commissioner Inland Revenue has filed an appeal in the High Court of Sindh against the order passed by ATIR. The matter is pending for adjudication. In view of Holding Company's legal counsel, the case is sound in law, however definite outcome cannot be predicted with any degree of certainty.
- 13.1.2 The learned DCIR passed an amended assessment order on April 28, 2020 for the tax year 2015 and raised the tax demand of Rs. 0.6 million by disallowing certain admissible expenses including leave encashment, donation expense, salary expense and Tax credit u/s 65B. The Holding Company has filed an appeal before Commissioner Inland Revenue - Appeal (CIR-A) against the disallowances. Based on the appeal filed, the Commissioner (Appeals-I) dated December 17, 2020 remanded back the disallowance made on account of donations while confirmed the remaining disallowance. Therefore, appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A. On April 27, 2021, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Holding Company. However, during the period, the Commissioner Inland Revenue has filed an appeal in the High Court of Sindh against the order passed by ATIR. The matter is pending for adjudication. In view of Holding Company's legal counsel, the case is sound in law, however definite outcome cannot be predicted with any degree of certainty.
- 13.1.3 The Company has adjusted minimum tax aggregating to Rs. 31.47 million against its income tax liability in terms of section 113(2)(c) of the Income Tax Ordinance, 2001 (the Ordinance). An appeal was filed before the Commissioner Inland Revenue - Appeals (CIR-A) against the order of the Assessing Officer disallowing adjustment of minimum tax amounting to Rs. 15.721 million in respect of Tax Year 2012. However, the appeal before CIR-A has been decided against the Holding Company, therefore, further appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A. On August 28, 2017, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Holding Company. However, during the period, the Commissioner Inland Revenue has filed an appeal in the High Court of Sindh against the order passed by ATIR. The matter is pending for adjudication. In view of Holding Company's legal counsel, the case is sound in law, however definite outcome cannot be predicted with any degree of certainty.
- 13.1.4 On September 06, 2021, the Company has filed a Constitutional Petition (CP) No. 5382 before the Honorable High Court of Sindh (SHC) against arbitrary increase in the royalty rates through impugned notification No. T.O/M&MDD/15- 3/2021 dated June 30, 2021 issued by Ministry of Mines and Minerals Development Department, Government of Sindh. The Company's legal consultants have attended several hearings and presented their point of view before the Honourable 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. The overall impact of the aforementioned increase in royalty rates would be approximately Rs. 109.226 million as at March 31, 2023, however, management has recorded provision amounting to Rs. 54.612 million on prudent basis. Moreover, the management of the Company is considering various options available to the Company including relevant forums as per Sindh Mining Concession Rules, 2002 as also referred to by the Honorable High Court of Sindh in their judgement. The management is confident that the Company has an arguable case on merits.

13.2 Commitments

- 13.2.1 Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Company amounts to Rs. 45 million (June 30, 2022: Rs. 45 million).

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | | Quarter ended | |
|-----------------------|----------------------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Note | ------(Rupees in thousands)----- | | | |
| 14 SALES - NET | | | | |
| Gross Sales | | | | |
| Local | 5,040,215 | 4,133,034 | 1,855,110 | 1,819,737 |
| Export | - | 707 | - | - |
| | 5,040,215 | 4,133,741 | 1,855,110 | 1,819,737 |
| Less: | | | | |
| Federal excise duty | (496,960) | (546,960) | (174,848) | (231,805) |
| Sales tax | (702,786) | (690,532) | (245,007) | (298,676) |
| | (1,199,746) | (1,237,492) | (419,855) | (530,481) |
| | 3,840,469 | 2,896,249 | 1,435,255 | 1,289,256 |

14.1 Company's revenue disaggregated by primary geographical markets is as follows:

Sale of cement and clinker

| | | | | |
|----------------------|------------------|-----------|------------------|-----------|
| Primary geographical | | | | |
| Within Pakistan | 3,840,469 | 2,895,542 | 1,435,255 | 1,289,256 |
| Outside Pakistan | - | 707 | - | - |
| | 3,840,469 | 2,896,249 | 1,435,255 | 1,289,256 |

14.2 Company's revenue disaggregated by pattern / timing of revenue recognition is as follows:

| | | | | |
|--------------------------------------|------------------|-----------|------------------|-----------|
| Timing of revenue recognition | | | | |
| Goods transferred at a point in time | 3,840,469 | 2,896,249 | 1,435,255 | 1,289,256 |

15 COST OF SALES

| | | | | |
|--|------------------|-----------|------------------|-----------|
| Raw material consumed | 281,275 | 116,427 | 116,160 | 57,649 |
| Clinker purchase | - | 188,412 | - | - |
| Manufacturing expenses | | | | |
| Packing material consumed | 205,266 | 179,049 | 62,301 | 81,267 |
| Stores, spare parts & loose tools consumed | 97,751 | 58,418 | 47,442 | 23,620 |
| Fuel and power | 2,810,195 | 1,668,680 | 1,132,386 | 902,762 |
| Salaries, wages and other benefits | 258,707 | 251,861 | 86,842 | 83,611 |
| Insurance | 18,401 | 18,110 | 6,130 | 6,357 |
| Repairs and | 9,019 | 5,274 | 3,878 | 1,145 |
| Depreciation | 93,800 | 82,027 | 35,409 | 39,328 |
| Vehicle hire, running | 19,316 | 11,419 | 6,266 | 4,408 |
| Communication | 1,581 | 1,464 | 436 | 634 |
| Entertainment | 1,224 | 820 | 501 | 278 |
| Provision for slow moving & obsolete | 4,223 | 4,588 | - | - |
| Other production overheads | 7,359 | 4,031 | 4,353 | 1,827 |
| | 3,526,842 | 2,285,741 | 1,385,944 | 1,145,237 |
| Cost of production | 3,808,117 | 2,590,580 | 1,502,104 | 1,202,886 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | | Quarter ended | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| ------(Rupees in thousands)----- | | | | |
| Work-in-process | | | | |
| Opening balance | 415,294 | 334,414 | 386,868 | 260,865 |
| Closing balance | (533,228) | (254,044) | (533,228) | (254,044) |
| | (117,934) | 80,370 | (146,360) | 6,821 |
| Cost of goods manufactured | 3,690,183 | 2,670,950 | 1,355,744 | 1,209,707 |
| Finished goods | | | | |
| Opening balance | 59,425 | 43,615 | 33,648 | 50,318 |
| Closing balance | (113,801) | (54,619) | (113,801) | (54,619) |
| | (54,376) | (11,004) | (80,153) | (4,301) |
| | 3,635,807 | 2,659,946 | 1,275,591 | 1,205,406 |

15.1 As disclosed in note 5.1.2 to the annexed financial statements, the Company has incurred additional insurance expenditure due to revaluation of fixed assets.

16 EARNINGS PER SHARE - BASIC AND DILUTED

| | | | | |
|---|-------------------|------------|-------------------|------------|
| Profit for the period | 80,558 | 88,865 | 86,793 | 29,045 |
| weighted average number of ordinary shares | 99,718,125 | 99,718,125 | 99,718,125 | 99,718,125 |
| Earnings per share - basic and diluted (Rupees) | 0.81 | 0.89 | 0.87 | 0.29 |

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

17 RELATED PARTY TRANSACTIONS & BALANCES

Related parties comprise of subsidiary company, associated undertakings, Directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions except for service level agreement for business support services with the Subsidiary Company for which the basis are approved by the Board of Directors. Details of transactions during the period ended/outstanding balances as at March 31, 2023 with related parties are as follows:

17.1 Transactions with related parties

Subsidiary Company

Thatta Power (Private) Limited

| | | | | |
|---|--|---|--|--|
| Common shared | 3,337 | 3,035 | 1,010 | 948 |
| Receipts for common shared expenses | 6,469 | - | 1,010 | - |
| Sale / (purchase) of store items - net (Payment) on account of purchase/sale of (Purchase) of electricity (inclusive of (Payment) for electricity (inclusive of Management fee claimed (inclusive of Management fee received (inclusive of Sale of waste heat Receipt for sale of waste heat (Loan) disbursed Receipt on account of loan Interest accrued on loan | 781 (433) (577,789) (508,169) 23,980 45,296 30,937 56,014 (54,192) 150,038 11,550 | (1,597) (1,774) (360,931) (394,841) 21,800 - 19,656 - (40,000) 34,910 5,508 | 1,449 (98) (212,623) (53,049) 7,993 7,993 13,336 17,256 - - - | (10) (22) (61,911) (26,459) 7,266 - 11,233 - (40,000) 14,910 2,284 |
| Receipt on account of interest accrued on loan | 20,838 | - | 1,330 | (3,224) |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | | Quarter ended | |
|---|-------------------|-------------------|-----------------------------------|-------------------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| ------(Rupees in thousands)----- | | | | |
| Key management personnel | | | | |
| Salaries and benefits | 64,447 | 45,660 | 22,785 | 15,048 |
| Other related parties | | | | |
| Contribution to Gratuity Fund | 9,998 | 16,168 | - | - |
| Contribution to Provident Fund | 8,214 | 8,214 | 3,184 | 1,854 |
| Education expense - Model tarbiat school | 3,294 | 3,245 | 1,015 | 1,124 |
| | | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
| | | | (Rupees in thousands) | |

17.2 Balances with related parties

Subsidiary Company

Thatta Power (Private) Limited

| | | |
|--|----------------|---------|
| Payable against purchase of electricity (inclusive of GST) | 183,175 | 113,556 |
| Receivable against management fee (inclusive of SST) | 5,329 | 26,645 |
| Receivable against common shared expenses | 684 | 3,816 |
| Receivable / (payable) against sale of store items - net | - | 156 |
| Loan/advance to the Subsidiary Company | - | 95,846 |
| Receivable against accrued interest on loan | 3 | 9,288 |
| Receivable against sale of waste heat (inclusive of GST) | 8,202 | 33,278 |
| Other related parties | | |
| Payable to Gratuity Fund | 32,333 | 32,316 |
| Payable to Provident Fund | - | - |

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

18 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

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

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

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

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

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

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

19 CORRESPONDING FIGURES

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

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

20 NUMBER OF EMPLOYEES

The number of employees as at period ended March 31, 2023 was 494 (June 30, 2022: 501) and average number of employees during the period was 498 (June 30, 2022: 497).

21 DATE OF AUTHORIZATION FOR ISSUE

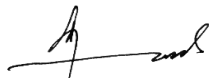
These condensed interim unconsolidated financial statements have been authorized for issue on April 28, 2023 by the Board of Directors of the Company.

22 GENERAL

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
MARCH 31, 2023**

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|--|------|-----------------------------------|-------------------------------|
| | Note | (Rupees in thousands) | |
| ASSETS | | | |
| NON - CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 3,894,389 | 4,032,532 |
| Right-of-use-assets | 6 | - | 42,184 |
| Intangible Assets | 7 | 4,387 | 5,265 |
| Long term deposits | | 5,096 | 3,796 |
| | | 3,903,872 | 4,083,777 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | 8 | 378,516 | 298,188 |
| Stock-in-trade | 9 | 746,313 | 565,731 |
| Trade debts | 10 | 998,732 | 1,551,453 |
| Short term investment | | 723,715 | 673,715 |
| Advances | | 92,660 | 84,788 |
| Deposits and prepayments | | 230,350 | 6,164 |
| Other receivables and accrued mark-up | | 49,224 | 3,016 |
| Taxation - net | | 163,136 | 194,584 |
| Cash and bank balances | | 424,386 | 237,515 |
| | | 3,807,032 | 3,615,154 |
| TOTAL ASSETS | | 7,710,904 | 7,698,931 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | 11 | 2,000,000 | 2,000,000 |
| Share capital | 11 | 997,181 | 997,181 |
| Share premium | | 99,718 | 99,718 |
| Accumulated profit | | 2,890,178 | 2,807,821 |
| Equity attributable to the owners of the Holding Company | | 3,987,077 | 3,904,720 |
| Non-controlling interests | | 883,163 | 882,081 |
| | | 4,870,240 | 4,786,801 |
| NON - CURRENT LIABILITIES | | | |
| Long term financing | | 432,241 | 553,843 |
| Lease liability | 12 | - | 35,726 |
| Long term deposits | | 2,787 | 2,791 |
| Long term employee benefit | | 21,351 | 18,589 |
| Deferred taxation | | 265,903 | 278,359 |
| | | 722,282 | 889,308 |
| CURRENT LIABILITIES | | | |
| Current maturity of lease liability | | - | 6,493 |
| Trade and other payables | 13 | 1,472,175 | 1,421,311 |
| Unclaimed dividend | | 1,957 | 1,972 |
| Accrued mark-up | | 124,614 | 67,698 |
| Current maturity of long term financing | | 313,056 | 313,056 |
| Short term borrowings | | 206,580 | 212,292 |
| | | 2,118,382 | 2,022,822 |
| TOTAL EQUITY AND LIABILITIES | | 7,710,904 | 7,698,931 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 14 | | |

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Note | Nine months ended | | Quarter ended | |
|--|------|-----------------------|----------------|--------------------|----------------|
| | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | | (Rupees in thousands) | | | |
| Sales - net | 15 | 3,948,478 | 3,000,424 | 1,456,513 | 1,289,257 |
| Cost of sales | 16 | (3,564,227) | (2,680,869) | (1,219,480) | (1,184,705) |
| Gross profit | | 384,251 | 319,555 | 237,033 | 104,552 |
| Selling and distribution cost | | (65,516) | (40,308) | (24,804) | (18,209) |
| Administrative expenses | | (114,512) | (90,099) | (38,730) | (27,688) |
| | | 204,223 | 189,148 | 173,499 | 58,655 |
| Other operating expenses | | (14,310) | (40,817) | (11,216) | (4,329) |
| Impairment reversal / (loss) - trade debts | | - | 3,783 | - | - |
| Other income | | 96,506 | 18,573 | 42,434 | 2,752 |
| Operating profit | | 286,419 | 170,687 | 204,717 | 57,078 |
| Finance cost | | (161,675) | (108,896) | (58,447) | (42,826) |
| Profit before taxation | | 124,744 | 61,791 | 146,270 | 14,252 |
| Taxation | | | | | |
| Current | | (53,799) | (38,851) | (21,536) | (16,189) |
| Prior | | 38 | 1,789 | - | - |
| Deferred | | 12,456 | 16,387 | (20,254) | (1,601) |
| | | (41,305) | (20,675) | (41,790) | (17,790) |
| Profit/(loss) for the period | | 83,439 | 41,116 | 104,480 | (3,538) |
| Profit/(loss) for the period attributable to: | | | | | |
| Equity holders of the Holding Company | | 82,357 | 59,055 | 97,835 | 8,703 |
| Non-controlling interests | | 1,082 | (17,939) | 6,645 | (12,241) |
| | | 83,439 | 41,116 | 104,480 | (3,538) |
| Earnings per share - basic and diluted (Rupees) | 17 | 0.83 | 0.59 | 0.32 | 0.09 |

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | | Quarter ended | |
|--|-----------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | (Rupees in thousands) | | | |
| Profit/(loss) for the period | 83,439 | 41,116 | 104,480 | (3,538) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income/(loss) for the period | 83,439 | 41,116 | 104,480 | (3,538) |
| Total comprehensive income/(loss) for the period attributable to: | | | | |
| Equity holders of the Holding Company | 82,357 | 59,055 | 97,835 | 8,703 |
| Non-controlling interests | 1,082 | (17,939) | 6,645 | (12,241) |
| | 83,439 | 41,116 | 104,480 | (3,538) |

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | |
|---|-----------------------------------|-------------------|
| | March 31, 2023 | March 31, 2022 |
| Note | ----- (Rupees in thousands) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 124,744 | 61,791 |
| Adjustment for: | | |
| Depreciation | 5.1 177,467 | 159,406 |
| Amortization | 878 | 293 |
| Provision for slow moving & obsolete stores and impairment of major stores & spares | 4,223 | 5,721 |
| Finance cost | 161,675 | 108,896 |
| Provision for gratuity | 10,017 | 9,900 |
| Provision for leave encashment | 4,108 | 2,042 |
| Provision / (reversal) for loss allowance | - | (3,783) |
| Provision for Workers' Welfare Fund | 3,162 | 2,236 |
| Provision for Workers' Profit Participation Fund | 6,398 | 5,769 |
| Fixed assets written off | - | - |
| Gain on disposal of property, plant and equipment | (3,070) | (1,390) |
| | 364,857 | 289,090 |
| Operating cash flows before working capital changes | 489,601 | 350,881 |
| (Increase) / decrease in current assets | | |
| Stores, spare parts and loose tools | (79,241) | (64,566) |
| Stock-in-trade | (180,582) | 59,308 |
| Trade debts | 552,721 | (374,441) |
| Advances | (7,872) | (65,465) |
| Trade deposits and prepayments | (224,186) | (199,355) |
| Other receivable and accrued mark-up | (46,208) | (3,493) |
| | 14,632 | (648,012) |
| Increase in current liabilities | | |
| Trade and other payables | 53,390 | 91,485 |
| Cash generated from / (used in) operations | 557,623 | (320,646) |
| Finance cost paid | (104,759) | (74,976) |
| Gratuity paid | (9,998) | (16,168) |
| Leave encashment paid | (1,346) | (1,028) |
| Workers' Welfare Fund | (22,313) | (11,822) |
| Workers' Profit Participation Fund | (3,760) | (3,688) |
| Income tax paid - net | (8,343) | (14,559) |
| Net cash generated from / (used in) operating activities | 407,104 | (327,887) |



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Nine months ended | |
|---|-----------------------------------|-------------------|
| | March 31, 2023 | March 31, 2022 |
| Note | ----- (Rupees in thousands) ----- | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (45,488) | (61,911) |
| Proceeds from disposal of property, plant & equipment | 3,880 | 1,500 |
| Short term investment | (50,000) | - |
| Addition in intangible assets | - | (5,850) |
| Long term deposit - assets | (1,296) | (2,700) |
| Net cash used in investing activities | (92,904) | (68,961) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from encashment of short term investment | - | 306,000 |
| Repayment of long term financing | (121,602) | (125,223) |
| Dividend paid | (15) | (24,768) |
| Net cash (used in) / generated from financing activities | (121,617) | 156,009 |
| Net increase / (decrease) in cash and cash equivalents | 192,583 | (240,839) |
| Cash and cash equivalents at beginning of the period | 25,223 | 173,403 |
| Cash and cash equivalents at end of the period | 217,806 | (67,436) |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 424,386 | 89,652 |
| Short term borrowings | (206,580) | (157,088) |
| | 217,806 | (67,436) |

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | Attributable to the owners of the Holding Company | | | Total | Non-controlling interests | Total shareholders' equity |
|--|---|----------------------|-------------------------|-------------------------|---------------------------|----------------------------|
| | Share capital | Reserves | | | | |
| | | Share premium | Accumulated profits | | | |
| ----- Rupees in thousands ----- | | | | | | |
| Balance as at July 1, 2021 (audited) | 997,181 | 99,718 | 2,752,233 | 3,849,132 | 894,427 | 4,743,559 |
| <i>Final cash dividend @ Rs. 0.25 per share for the year ended June 30, 2021</i> | - | - | (24,930) | (24,930) | - | (24,930) |
| <i>Total comprehensive income for the period ended March 31, 2022</i> | | | | | | |
| Profit for the period | - | - | 59,055 | 59,055 | (17,939) | 41,116 |
| Balance as at March 31, 2022 (un-audited) | <u>997,181</u> | <u>99,718</u> | <u>2,670,579</u> | <u>3,767,478</u> | <u>888,095</u> | <u>4,655,573</u> |
| Balance as at July 1, 2022 (audited) | 997,181 | 99,718 | 2,807,821 | 3,904,720 | 882,081 | 4,786,801 |
| <i>Total comprehensive income for the period ended March 31, 2023</i> | | | | | | |
| Profit / (loss) for the period | - | - | 82,357 | 82,357 | 1,082 | 83,439 |
| <i>Transactions with shareholders</i> | | | | | | |
| Balance as at March 31, 2023 (un-audited) | <u>997,181</u> | <u>99,718</u> | <u>2,890,178</u> | <u>3,987,077</u> | <u>883,163</u> | <u>4,870,240</u> |

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

1 THE GROUP AND ITS OPERATIONS

- 1.1** The Group consists of Thatta Cement Company Limited (TCCL) and Thatta Power (Private) Limited (TPPL) (together referred as "the Group").
- 1.2** Thatta Cement Company Limited (the Holding Company) was incorporated in Pakistan in 1980 as a public limited company. The shares of the Holding Company are quoted at the Pakistan Stock Exchange. The Holding Company's main business activity is manufacturing and marketing of cement. The registered office of the Holding Company is situated at CL 5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi, Pakistan. The production facility of the Holding Company is located at Ghulamullah Road, Makli, District Thatta, Sindh.
- 1.3** Thatta Power (Private) Limited (the Subsidiary Company) is a 62.43% owned subsidiary of the Holding Company as at March 31, 2023 (June 30, 2022: 62.43%). The principal business activity of the Subsidiary Company is generation and supply of electric power. As at March 31, 2023 TPPL has authorized and issued capital of Rs. 500 million and Rs. 479.16 million divided into 50,000,000 (June 30, 2022: 50,000,000) ordinary shares and 47,915,830 (June 30, 2022: 47,915,830) ordinary shares respectively. The registered office and generation facility of the Subsidiary Company is situated at Ghulamullah Road, Makli, District Thatta, Sindh.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statements for the nine months period ended March 31, 2023 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case the requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail. The disclosures in these condensed interim consolidated financial statements do not include all of the information required in the annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended June 30, 2022.

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

These condensed interim consolidated financial statements comprise of the condensed interim consolidated statement of financial position as at June 30, 2022 and condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity for the nine months period ended March 31, 2023.

2.2 Basis of consolidation

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

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

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

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of the annual audited consolidated financial statements as at and for the year ended June 30, 2022.

4 ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the group's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|--|-------|-----------------------------------|-------------------------------|
| | Note | (Rupees in thousands) | |
| 5 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 3,737,219 | 3,900,987 |
| Major stores and spares | 5.2 | 62,741 | 68,815 |
| Capital work in progress | 5.3 | 94,429 | 62,730 |
| | | 3,894,389 | 4,032,532 |
| 5.1 Operating fixed assets | | | |
| Opening net book value (NBV) | | 3,900,987 | 4,055,939 |
| Additions during the period at cost | 5.1.1 | 14,508 | 75,793 |
| | | 3,915,495 | 4,131,732 |
| WDV of disposals during the period / year | | (809) | (110) |
| Fixed assets written off during the period / year | | - | - |
| Depreciation charge for the period / year | | (177,467) | (230,635) |
| | | (178,276) | (230,745) |
| Closing net book value (NBV) | | 3,737,219 | 3,900,987 |
| 5.1.1 Detail of additions (at cost) during the period are as follows: | | | |
| Plant and machinery | | 12,199 | 23,584 |
| Electrical installations | | - | 38,250 |
| Leasehold improvements | | - | 6,459 |
| Office equipment | | - | 2,005 |
| Furniture and fixtures | | - | 252 |
| Vehicles | | 1,452 | 2,199 |
| Computer | | 857 | 3,044 |
| | | 14,508 | 75,793 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|---|--|-----------------------------------|-------------------------------|
| | Note | (Rupees in thousands) | |
| 5.2 Major stores and spares | | | |
| Cost | | | |
| Opening balance | | 111,263 | 109,203 |
| Additions during the period | | 4,489 | 18,048 |
| Transferred during the period | | (9,705) | (15,988) |
| Closing balance | | 106,047 | 111,263 |
| Accumulated impairment | | | |
| Opening balance | | (42,448) | (42,141) |
| Reversal / (impairment) charge for the period | | (858) | (307) |
| Closing balance | | (43,306) | (42,448) |
| Net book value | | 62,741 | 68,815 |
| 5.3 Capital work in progress | | | |
| Opening Balance | | 62,730 | 27,780 |
| Additions during the period / year | | 31,699 | 80,414 |
| Transfers during the period / year | | - | (45,464) |
| Closing Balance | | 94,429 | 62,730 |
| 6 RIGHT-OF-USE ASSET | | | |
| Cost | | 45,197 | 45,197 |
| Amortization on right-of-use asset | | | |
| Opening balance | | (3,013) | - |
| Charge for the period / year | 6.2 | (3,766) | (3,013) |
| Lease cancellation | 6.3 | (38,418) | - |
| Closing balance | | (45,197) | (3,013) |
| | | - | 42,184 |
| 6.1 | The Holding Company has entered into a lease agreement during the year for an office building used as head office. The Holding Company intends to use the office for the next five years. Accordingly, the Holding Company has account the right-of-use asset on five years. | | |
| 6.2 | Depreciation charged on right-of-use assets has been allocated to administrative expenses amounting to Rs. 3.766 million (June 2022: 3.013 million). | | |
| 6.3 | During the period, the Holding Company has canceled lease contract and has shifted its office. | | |
| 7 INTANGIBLE ASSETS | | | |
| Cost | | 5,850 | 5,850 |
| Amortization on intangibles | | | |
| Opening balance | | (585) | - |
| Charge for the period / year | | (878) | (585) |
| Closing balance | | (1,463) | (585) |
| Net book value | | 4,387 | 5,265 |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|---|---|-----------------------------------|---|
| | Note | (Rupees in thousands) | |
| 8 | STORES, SPARE PARTS AND LOOSE TOOLS | | |
| Coal and other fuels | | 85,814 | 96,606 |
| Stores & spare parts | | 340,098 | 250,068 |
| Loose tools | | 110 | 107 |
| | | 426,022 | 346,781 |
| Provision for obsolete stores | | - | (3,843) |
| Provision for slow moving stores and spares | | (47,506) | (29,531) |
| | | (47,506) | (33,374) |
| | | 378,516 | 313,407 |
| 9 | STOCK-IN-TRADE | | |
| Raw material | | 21,224 | 14,957 |
| Packing material | | 78,542 | 73,526 |
| Work-in-process | | 532,804 | 417,628 |
| Finished goods | | 113,743 | 59,620 |
| | | 746,313 | 565,731 |
| 10 | TRADE DEBTS | | |
| Considered good | | | |
| Local - unsecured | 10.1 | 998,732 | 1,552,350 |
| Considered doubtful | | | |
| Local - unsecured | | 75,107 | 74,210 |
| | | 1,073,839 | 1,626,560 |
| Provision for doubtful debts | | (75,107) | (75,107) |
| | | 998,732 | 1,551,453 |
| 10.1 | It includes receivable from HESCO by the Subsidiary Company is secured against Standby Letter of Credit (SBLC) issued by National Bank of Pakistan to the extent of Rs. 286.71 million. | | |
| 11 | SHARE CAPITAL | | |
| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
| | --- Number of shares --- | | |
| | Authorized share capital | | |
| | 200,000,000 | 200,000,000 | Ordinary shares of Rs. 10/- each |
| | 2,000,000 | 2,000,000 | 2,000,000 |
| | Issued, subscribed and paid-up share capital | | |
| | 89,418,125 | 89,418,125 | Ordinary shares of Rs. 10/- each - shares allotted for consideration fully paid in cash |
| | 10,300,000 | 10,300,000 | Ordinary shares of Rs. 10/- each - shares allotted for consideration other than cash |
| | 99,718,125 | 99,718,125 | |
| | 997,181 | 997,181 | |

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

| | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|---|-----------------------------------|-------------------------------|
| Note | (Rupees in thousands) | |
| 12 LEASE LIABILITY | | |
| Balance as at July 01, | 42,219 | - |
| Addition during the period / year | - | 45,197 |
| | 42,219 | 45,197 |
| Repayments during the period / year | (1,554) | (2,978) |
| Balance as at March 31, | 40,665 | 42,219 |
| Lease cancellation | (40,665) | - |
| Less: current portion of lease liability | - | (6,493) |
| Non current portion of lease liability | - | 35,726 |
| 13 TRADE AND OTHER PAYABLES | | |
| Trade creditors | 299,827 | 505,494 |
| Accrued liabilities | 453,855 | 67,909 |
| Bills payable | 59,858 | - |
| Advances from customers | 434,423 | 711,660 |
| Payable to Gratuity Fund | 110,268 | 29,258 |
| Payable to Provident Fund | 32,333 | 32,315 |
| Workers' Profit Participation Fund (WPPF) | 61,123 | 47,999 |
| Workers' Welfare Fund (WWF) | 3,162 | 18,829 |
| Other liabilities | 17,327 | 7,847 |
| | 1,472,175 | 1,421,311 |

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

The status of contingencies is same as disclosed in the annual audited consolidated financial statements for the year ended June 30, 2022 except for the matters which are mentioned below:

- 14.1.1** During the year 2014-2015, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order under section 122(1)(5) of the Income Tax Ordinance, 2001 in respect of Tax Year 2014 raising a tax demand of Rs. 78.35 million by making certain disallowances and additions in taxable income as reported in the tax return of that year. The Holding Company filed an appeal with the Commissioner Inland Revenue - Appeals (CIR-A) against which the adverse order was passed by the CIR(A). Therefore, appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A. On November 30, 2021, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Holding Company. However, during the period, the Commissioner Inland Revenue has filed an appeal in the High Court of Sindh against the order passed by ATIR. The matter is pending for adjudication. In view of Holding Company's legal counsel, the case is sound in law, however definite outcome cannot be predicted with any degree of certainty.
- 14.1.2** The learned DCIR passed an amended assessment order on April 28, 2020 for the tax year 2015 and raised the tax demand of Rs. 0.6 million by disallowing certain admissible expenses including leave encashment, donation expense, salary expense and Tax credit u/s 65B. The Holding Company has filed an appeal before Commissioner Inland Revenue - Appeal (CIR-A) against the disallowances. Based on the appeal filed, the Commissioner (Appeals-I) dated December 17, 2020 remanded back the disallowance made on account of donations while confirmed the remaining disallowance. Therefore, appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A. On April 27, 2021, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Holding Company. However, during the period, the Commissioner Inland Revenue has filed an appeal in the High Court of Sindh against the order passed by ATIR. The matter is pending for adjudication. In view of Holding Company's legal counsel, the case is sound in law, however definite outcome cannot be predicted with any degree of certainty.

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14.1.3 On September 06, 2021, the Holding Company has filed a Constitutional Petition (CP) No. 5382 before the Honorable High Court of Sindh (SHC) against arbitrary increase in the royalty rates through impugned notification No. T.O/M&MDD/15- 3/2021 dated June 30, 2021 issued by Ministry of Mines and Minerals Development Department, Government of Sindh. The Holding Company's legal consultants have attended several hearings and presented their point of view before the Honourable 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. The overall impact of the aforementioned increase in royalty rates would be approximately Rs. 109.226 million as at March 31, 2023, however, management has recorded provision amounting to Rs. 54.612 million on prudent basis. Moreover, the management of the Company is considering various options available to the Company including relevant forums as per Sindh Mining Concession Rules, 2002 as also referred to by the Honorable High Court of Sindh in their judgement. The management is confident that the Company has an arguable case on merits.

14.2 Commitments

14.2.1 Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Holding Company amounts to Rs. 45 million (June 30, 2022: Rs. 45 million).

14.2.2 Other outstanding guarantees given on behalf of the Group by banks amount to Rs. 247.96 million (June 30, 2022: Rs. 273.68 million).

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(UN-AUDITED)
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| | Nine months ended | | Quarter ended | |
|---|-----------------------|-------------------|-------------------|-------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | (Rupees in thousands) | | | |
| 15 SALES - NET | | | | |
| Gross Sales | | | | |
| Local | 5,167,092 | 4,254,919 | 1,880,460 | 1,819,738 |
| Export | - | 707 | - | - |
| | 5,167,092 | 4,255,626 | 1,880,460 | 1,819,738 |
| Less: | | | | |
| Federal excise duty | (496,960) | (546,960) | (174,848) | (231,805) |
| Sales tax | (721,654) | (708,242) | (249,099) | (298,676) |
| | (1,218,614) | (1,255,202) | (423,947) | (530,481) |
| | 3,948,478 | 3,000,424 | 1,456,513 | 1,289,257 |
| 15.1 Group's revenue disaggregated by primary geographical markets is as follows: | | | | |
| Primary geographical markets | | | | |
| Sale of cement and clinker | | | | |
| Within Pakistan | 3,840,469 | 2,895,542 | 1,435,255 | 1,289,257 |
| Outside Pakistan | - | 707 | - | - |
| Sale of electric power | | | | |
| Within Pakistan | 108,009 | 104,175 | 21,258 | - |
| | 3,948,478 | 3,000,424 | 1,456,513 | 1,289,257 |
| 15.2 Group's revenue disaggregated by pattern/timing of revenue recognition is as follows: | | | | |
| Timing of revenue recognition | | | | |
| Goods / electric power transferred at a point in time | 3,948,478 | 3,000,424 | 1,456,513 | 1,289,257 |
| 16 COST OF SALES | | | | |
| Raw material consumed | 281,275 | 116,427 | 116,160 | 57,649 |
| Clinker purchase | - | 188,412 | - | - |
| Manufacturing expenses | | | | |
| Fuel and power | 2,596,209 | 1,571,120 | 1,021,799 | 850,194 |
| Salaries, wages and other benefits | 258,707 | 251,861 | 86,842 | 83,611 |
| Depreciation | 174,623 | 157,766 | 67,817 | 59,143 |
| Packing material consumed | 205,266 | 179,049 | 62,301 | 81,267 |
| Stores, spare parts and loose tools consumed | 130,085 | 82,166 | 58,177 | 27,551 |
| Vehicle hire, running & maintenance | 19,316 | 11,419 | 6,266 | (6,315) |
| Repairs, operations and maintenance | 26,630 | 22,578 | 9,653 | 15,567 |
| Insurance | 26,737 | 27,100 | 9,669 | 11,349 |
| Other production overheads | 7,651 | 4,229 | 4,445 | 1,861 |
| Communication | 1,581 | 1,464 | 436 | 634 |
| Entertainment | 1,224 | 820 | 501 | 278 |
| Provision for slow moving & obsolete stores and spares | 4,223 | 5,721 | - | - |
| | 3,452,252 | 2,315,293 | 1,327,906 | 1,125,140 |
| Cost of production | 3,733,527 | 2,620,132 | 1,444,066 | 1,182,789 |
| Work-in-process | | | | |
| Opening balance | 417,627 | 329,838 | 388,241 | 263,697 |
| Closing balance | (532,804) | (257,365) | (532,804) | (257,365) |
| | (115,177) | 72,473 | (144,563) | 6,332 |
| Cost of goods manufactured | 3,618,350 | 2,692,605 | 1,299,503 | 1,189,121 |

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(UN-AUDITED)
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| | Nine months ended | | Quarter ended | |
|-----------------|-----------------------|------------------|------------------|------------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| | (Rupees in thousands) | | | |
| Finished goods | | | | |
| Opening balance | 59,620 | 43,279 | 50,599 | 50,599 |
| Closing balance | (113,743) | (55,015) | (113,743) | (55,015) |
| | (54,123) | (11,736) | (63,144) | (4,416) |
| | <u>3,564,227</u> | <u>2,680,869</u> | <u>1,236,359</u> | <u>1,184,705</u> |

17 EARNINGS PER SHARE - BASIC AND DILUTED

| | | | | |
|---|------------|------------|------------|------------|
| Profit for the period attributable to the owners of the Holding Company | 82,357 | 59,055 | 32,005 | 8,703 |
| Weighted average number of ordinary shares | 99,718,125 | 99,718,125 | 99,718,125 | 99,718,125 |
| Earnings per share - basic and diluted (Rupees) | 0.83 | 0.59 | 0.32 | 0.09 |

18 RELATED PARTY TRANSACTIONS & BALANCES

Related parties comprise of associated undertakings, directors of the Group, key management personnel and staff retirement funds. The Group continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions. Further, contribution to the defined contribution plan (provident fund) is made as per the terms of employment and trust deed and contribution to the defined benefit plan (gratuity fund) is in accordance with the actuarial advice. Details of transactions during the period ended / outstanding balances as at March 31, 2023 with related parties are as follows:

18.1 Transactions with related parties

18.1.1 Key management personnel

| | | | | |
|-----------------------|--------|--------|--------|--------|
| Salaries and benefits | 64,447 | 45,660 | 22,785 | 15,048 |
|-----------------------|--------|--------|--------|--------|

18.1.2 Other related parties

| | | | | |
|--|-------|--------|-------|-------|
| Contribution to Gratuity Fund | 9,998 | 16,168 | - | - |
| Contribution to Provident Fund | 8,214 | 8,214 | 3,184 | 1,854 |
| Education expense - Model tarbiat school | 3,294 | 3,245 | 1,015 | 1,124 |

| | |
|--------------------------------|----------------------------|
| March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
|--------------------------------|----------------------------|

-- Rupees in thousands --

18.2 Balances with related parties

18.2.1 Other related parties

| | | |
|---------------------------|--------|--------|
| Payable to Gratuity Fund | 32,333 | 32,316 |
| Payable to Provident Fund | - | - |

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

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19 OPERATING SEGMENTS

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

Cement Engaged in manufacturing and marketing of cement.

Power Engaged in generation and supply of electric power.

19.1 Revenues

| | Cement | | Power | | Intra group adjustment | | Consolidated | |
|--|--------------------|----------------|------------------|----------------|------------------------|----------------|--------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| ----- Un-audited ----- | | | | | | | | |
| ----- Rupees in thousands ----- | | | | | | | | |
| Sales - net | 3,840,469 | 2,896,249 | 600,790 | 683,901 | (492,781) | (308,488) | 3,948,478 | 3,271,662 |
| Cost of sales | (3,635,807) | (2,659,946) | (445,660) | (548,252) | 517,240 | 335,028 | (3,564,227) | (2,873,170) |
| Gross profit | 204,662 | 236,303 | 155,130 | 135,649 | 24,459 | 26,540 | 384,251 | 398,492 |
| Selling and distribution cost | (65,516) | (40,308) | - | - | - | - | (65,516) | (40,308) |
| Administrative expenses | (109,873) | (85,971) | (25,861) | (21,723) | 21,222 | 19,292 | (114,512) | (88,402) |
| Other operating expenses | (14,310) | (40,817) | - | (52) | - | - | (14,310) | (40,869) |
| Impairment reversal/(loss) - trade debts | - | 3,783 | - | - | - | - | - | 3,783 |
| Other income | 138,411 | 52,125 | 18,336 | 22,160 | (60,241) | (42,711) | 96,506 | 31,574 |
| Operating profit | 153,374 | 125,115 | 147,605 | 136,034 | (14,560) | 3,121 | 286,419 | 264,270 |
| Finance cost | (36,639) | (17,741) | (136,586) | (94,134) | 11,550 | 5,508 | (161,675) | (106,367) |
| Segment results | 116,735 | 107,374 | 11,019 | 41,900 | (3,010) | 8,629 | 124,744 | 157,903 |
| Unallocated expenditures | - | - | - | - | - | - | - | - |
| Profit/(loss) before tax | 116,735 | 107,374 | 11,019 | 41,900 | (3,010) | 8,629 | 124,744 | 157,903 |
| Taxation | (36,177) | (18,509) | (5,128) | (5,785) | - | - | (41,305) | (24,294) |
| Profit/(loss) for the period | 80,558 | 88,865 | 5,891 | 36,115 | (3,010) | 8,629 | 83,439 | 133,609 |

19.2 Other information

| | Cement | | Power | | Intra group adjustment | | Consolidated | |
|---|-----------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
| ----- Rupees in thousands ----- | | | | | | | | |
| Segment assets | 4,740,346 | 4,632,971 | 3,454,975 | 3,582,882 | (484,418) | (457,073) | 7,710,903 | 7,758,780 |
| Unallocated corporate assets | - | - | - | - | - | - | - | - |
| Total assets | 4,740,346 | 4,632,971 | 3,454,975 | 3,582,882 | (484,418) | (457,073) | 7,710,903 | 7,758,780 |
| Segment liabilities | 1,919,480 | 1,892,662 | 1,104,357 | 1,238,155 | (183,175) | (151,399) | 2,840,663 | 2,979,418 |
| Unallocated corporate liabilities | - | - | - | - | - | - | - | - |
| Total liabilities | 1,919,480 | 1,892,662 | 1,104,357 | 1,238,155 | (183,175) | (151,399) | 2,840,663 | 2,979,418 |
| Capital expenditure | 45,488 | 61,911 | - | 17,078 | - | - | 45,488 | 78,989 |
| Depreciation | 96,645 | 83,668 | 75,738 | 115,557 | - | - | 172,383 | 199,225 |
| Non-cash expenses other than depreciation | 1,153 | 3,198 | 1,133 | 210 | - | - | 2,286 | 3,408 |

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

| | | Consolidated | |
|----------------------------------|--|-----------------------------------|-----------------------------------|
| | | March 31, 2023 (Un-audited) | March 31, 2022 (Un-audited) |
| | | -- Rupees in thousands -- | |
| 19.3.1 Operating revenues | | | |
| | Total revenue of reportable segments | 4,441,259 | 3,308,912 |
| | Elimination of intra group revenue | (492,781) | (308,488) |
| | Consolidated revenue | 3,948,478 | 3,000,424 |
| 19.3.2 Profit and loss | | | |
| | Total profit before tax of reportable segments | 127,754 | 53,162 |
| | Adjustment of unrealized profit and intra group transactions | (3,010) | 8,629 |
| | Consolidated profit before taxation | 124,744 | 61,791 |
| | | Consolidated | |
| | | March 31, 2023 (Un-audited) | June 30, 2022 (Audited) |
| | | -- Rupees in thousands -- | |
| 19.3.3 Assets | | | |
| | Total assets of reportable segments | 8,195,321 | 8,215,853 |
| | Elimination of intra group balances and unrealised profit | (482,815) | (455,470) |
| | Reclassification for consolidation purposes | (1,603) | (1,603) |
| | Consolidated assets | 7,710,903 | 7,758,780 |
| 19.3.4 Liabilities | | | |
| | Total liabilities of reportable segments | 3,023,838 | 3,130,817 |
| | Elimination of intra group balances | (183,175) | (151,399) |
| | Consolidated liabilities | 2,840,663 | 2,979,418 |

19.4 Information about major customers

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

20 FAIR VALUE MEASUREMENTS

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

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

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

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

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

21 CORRESPONDING FIGURES

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

22 NUMBER OF EMPLOYEES

The number of employees as at period ended March 31, 2023 was 494 (June 30, 2022: 501) and average number of employees during the period was 498 (June 30, 2022: 497).

23 DATE OF AUTHORIZATION FOR ISSUE


These condensed interim consolidated financial statements have been authorized for issue on April 28, 2023 by the Board of Directors of the Holding Company.

24 GENERAL

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



THATTA CEMENT

COMPANY LIMITED

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

Factory
Ghulamullah Road, Makli,
District Thatta, Sindh