THATTA CEMENT
COMPANY LIMITED

ANNUAL REPORT 2023

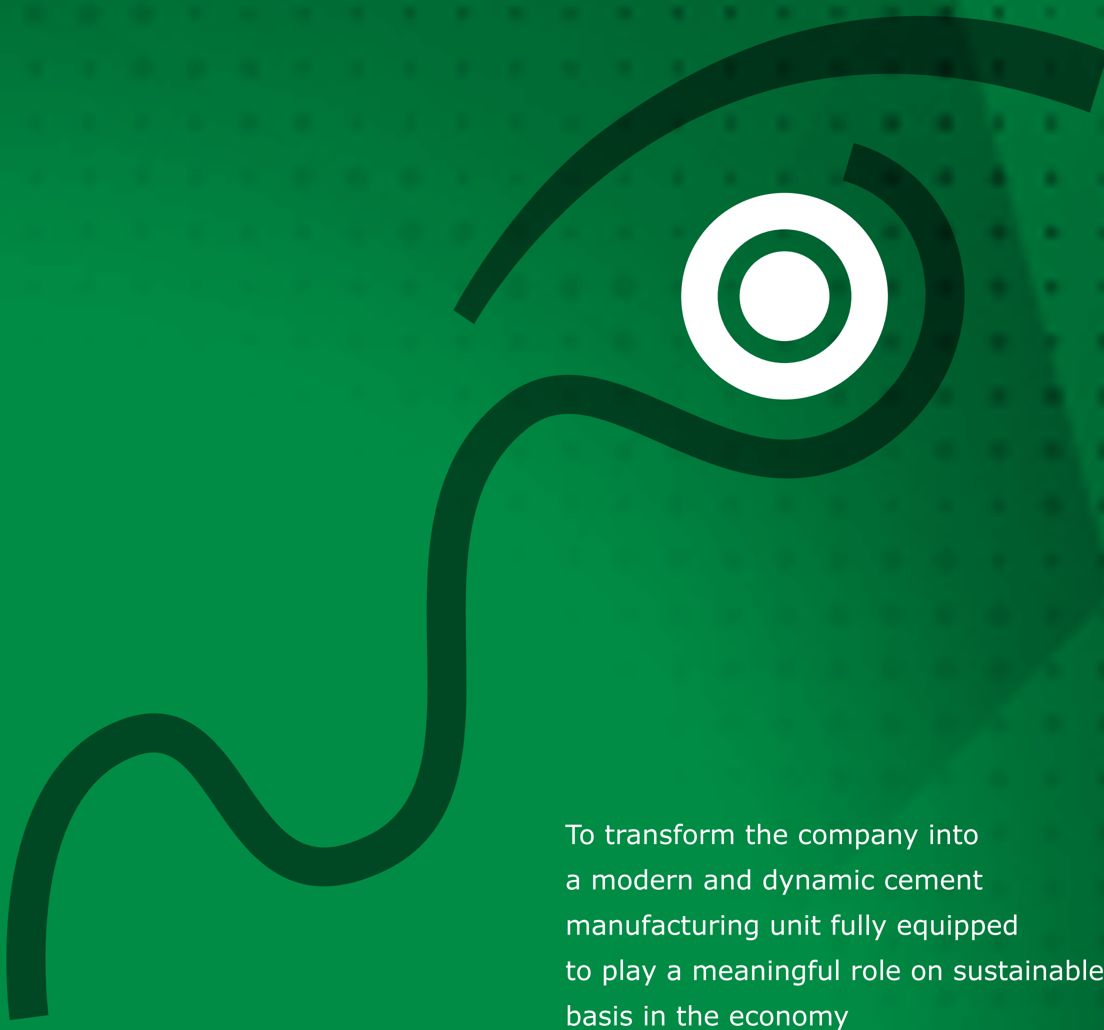
THATTA CEMENT

COMPANY LIMITED

Content

Vision

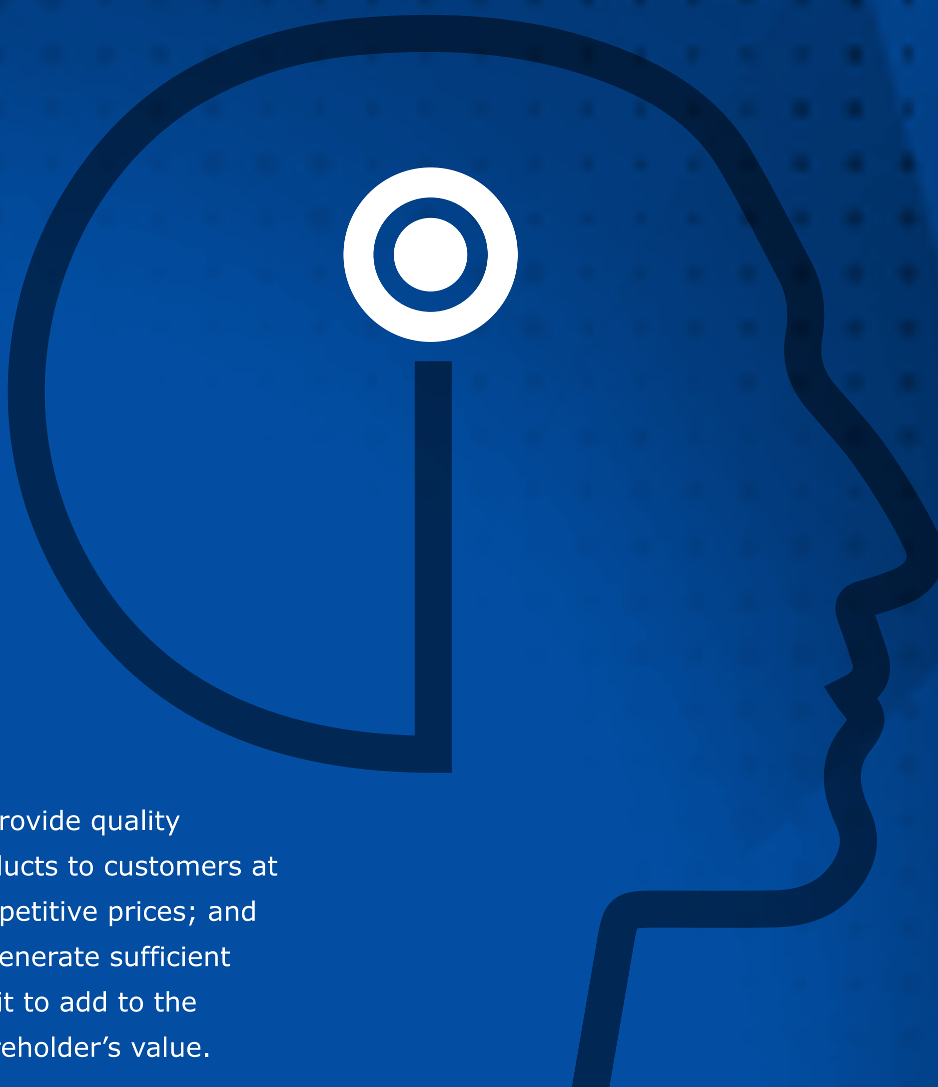
Foresight of the Future



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

mission

Prosperity with a Purpose



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

COMPANY INFORMATION

BOARD OF DIRECTORS

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

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE

It gives me great pleasure to place before you the Annual Report of Thatta Cement Company Limited for the year ended June 30, 2023.

Overall Business Performance

By the Grace of Allah Almighty, the Company showed better performance during the year despite of the Pakistan continues to face with significant political and economic challenges, setting a somewhat gloomy outlook. The country faces the repercussions of a global recessionary environment, substantial inflationary pressures, monetary constraints, and environmental disasters. Other economic factors such as significant currency depreciation and a hike in interest severely affected the industry as well as Company's performance.
The Company registered a slightly surge in its gross profit margin from 7.52% in the year 2022 to 7.77% during the year under review. The Company posted profit after tax of Rs. 249.07 million as compared to profit after tax of Rs. 119.29 million last year.

The results of the Company's operations are dealt with in further detail in the annexed Directors' Report and Financial Statements.

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

The company complies with the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the Composition, procedures and meetings of Board of Directors and its committees. Code of Corporate Governance requires an annual evaluation of Board of Directors and its committees. The purpose of this evaluation is to bring improvement in the overall governance of the Company, efficiencies in Board process, enhancement of role of individual directors and sound support of Board Committees facilitating in discharging its responsibilities to achieve the objectives set for the Company.

The Board has approved a formal process for its performance evaluation and adopted self-evaluation mechanism based on comprehensive questionnaire. The obligation to undertake annual evaluation process is assigned to the Human Resource Committee of the Board. Accordingly, the performance evaluation of the Board, its members and Committees of the Board for the year ended June 30, 2023 was conducted as per mechanism approved by the Board and I report that:

The overall performance of the Board, Members and Committees of the Board on the basis of approved criteria for the year was satisfactory.

The overall assessment as satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of company's objectives.

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

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

Khawaja Muhammad Salman Younis
Chairman
September 26, 2023

DIRECTORS' REPORT

The Directors of Thatta Cement Company Limited (TCCL) are pleased to present this report, accompanied by the audited financial statements of the Company for the fiscal year ended June 30, 2023 and Auditors' report thereon, along with independent and auditors' review report on Statement of Compliance Contained in Listed Companies Regulations (Code of Corporate Governance), 2019. The information provided below encompasses the unconsolidated and consolidated performance of the Company during this year.

OVERVIEW

Production and dispatches for the year ended on June 30, 2023 are as follows:

Description	2023	2022	Variance	
	------------------- Metric Tons	-------------------		%
Production				
Clinker	444,087	415,810	28,277	6.80%
Cement	441,480	502,659	(61,179)	(12.17%)
Dispatches				
Cement	438,739	504,496	(65,757)	(13.03%)
Clinker	-	4,987	(4,987)	(100.00%)
Total	438,739	509,483		

The year 2022-23 has proved to be a turbulent owning to period for our nation, marked by severe financial turmoil and the most substantial economic crisis our country has ever combatted. This challenging phase was initiated by a severe political-economic crisis which led to depletion of our foreign exchange reserves. To address this crisis, the government embarked on a determined effort to reestablish the existing IMF program enabling our country to stabilize economic landscape. These endeavors encompassed a range of policy actions, including hiking fuel and electricity prices, adopting a market-oriented exchange rate policy, implementing stringent taxation measures to enhance tax collections, and elevating the discount rate to its highest level, at 22%, to combat the ongoing inflationary pressures. Unfortunately, these measures contributed to an unprecedented surge in inflation, peaking at 38% in May 2023.

The first quarter of the financial year 2022-23 witnessed heavy rainfall and widespread floods, compounding the existing challenges. These natural disasters placed further strain on the economy, aggravating an already precarious situation we were facing.

Throughout the fiscal year under review, our country grappled with substantial economic hurdles, which adversely affected numerous sectors and businesses. However, your Company displayed resilience, experiencing a modest decline of 13.03% in cement dispatches compared to the previous year but we counterbalanced it by raising our retention price.

The Company achieved 67.29% overall clinker production of its capacity by producing 444,087 tons of clinker as against 63.00% capacity utilization with clinker production of 415,810 tons in the year 2021-22.

Industry Review

The fiscal year 2022-23 presented the construction sector with a series of formidable challenges, including political instability, surging inflation, escalating interest rates, catastrophic floods, constrained government spending on development projects, and constant rise in energy costs. Within this context, cement production in Pakistan registered a significant decline of 15.7%, with total production stood at 44.6 million tons as of June 30, 2023, compared to 52.9 million tons as at June 30, 2022. Local sales volumes also experienced a drop of 16.0%, resulting in a total of 40.0 million tons sold during the year, compared to 47.6 million tons of its preceding year. In addition, exports witnessed a decline of 13.1%, with volumes reaching 4.6 million tons, compared to 5.3 million tons of the previous year.

The primary factor responsible for the decline in exports was the elevated pricing of coal in the international market during the first half of the reporting fiscal year, coupled with rising shipping costs. Consequently, cement manufacturers shifted their focus towards the utilization of more affordable domestic coal sources and directed their efforts toward the implementation of environmentally friendly energy initiatives, such as, solar and wind power projects.

Sales Review

During the year 2022-23, company's local cement dispatches in terms of volume decreased by 13.03% as compared to its last year. However, it is encouraging to note that despite this decrease in sales volume, the revenue showed a remarkable increase of 26.88% compared to the corresponding period. This notable revenue growth can be primarily attributable to the substantial increase in cement retention prices.

Financial Review

A comparison of key financial results of your Company's performance for the year ended June 30, 2023 with last year is as under:

Particulars	2023	2022
	------ Rupees in thousands ------	
Sales – net	5,410,132	4,263,894
Gross profit	420,512	320,621
Selling & Distribution Cost	88,498	58,620
Finance Cost	50,858	33,375
Profit/(Loss) before taxation	364,528	154,766
Profit/(Loss) for the year	249,077	119,294
Earnings/(Loss) per share (Rupees)	2.50	1.20

During the year gross profit margin increased to 7.77% from 7.52% as compared with last year. The Company earned a profit before tax of Rs. 364.53 million after providing for depreciation of Rs. 137.75 million.

i) Sales Performance

Sales revenue of the Company during the year in value terms posted an increase of 26.88%, mainly due to appreciation in local sales of cement as a result of better market penetration strategy.

ii) Cost of Sales

Cost to Sales ratio slightly decrease to 92.23% during the year as compared to 92.48% as compared to last year.

iii) Selling and Distribution

Selling and Distribution cost increased by 50.97% due to increase in freight charges as compared to last year.

iv) Finance Cost

An increase in interest rates has led to a 52.38% increase in finance cost during the current year compared to the previous year.

Impact of Company's business on the environment

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

The Company has a dedicated and qualified staff to meet the statutory and regulatory compliances of SEPA and SEQS standards. Being proactive on the impact of company's business on the environment, the Company has installed de-dusting equipment, such as, dust cyclones, bag houses, dust suppression by damping down method, electrostatic precipitators, personal protective equipment and speed limit controls in Company's premises to overcome RSPM (respirable suspended particulate matter) and FRD (fugitive road dust).

Moreover, Environmental Quality Standards for ambient air, drinking water, noise and all other parameters are complied as required by SEPA Act 2014. Monitoring and Analysis procedures are also implemented through SEPA Certified Environmental Laboratory.

The Subsidiary Company of TCCL has got installed Waste Heat Recovery System (WHRS) to ensure its active contribution in minimizing Global Warming Impacts and reducing the Carbon Emissions resulting from cement production and power generation.

Corporate Social Responsibility

Being a responsible corporate citizen, the Company always strives to discharge its social responsibilities towards the society. The Company promotes and facilitates welfare of the local communities in the town where the Company operates. During the year 2022-23, the Company has arranged various safety and health awareness sessions. Further, a well equipped Silicosis Diagnostic & health screening center, with suitably qualified staff, has been established.

Adequacy of internal financial controls

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

Related Party Transactions

All related party transactions entered into were reviewed and approved by the Audit Committee as well as the Board of Directors of the Company in compliance with the PSX Regulations of the Pakistan Stock Exchange Limited. Moreover, In terms of the requirement of section 208 of Companies Act, 2017[Act], following matters are included herein:

a. Waste Heat Utilization Agreement [WHUA] with Thatta Power (Private) Limited, Subsidiary Company

Waste Heat Recovery Project [WHRP] of Subsidiary Company for generating 5 MW electricity, started its operations in 2019. TCCL is providing waste heat released from Air Quenching Chamber & Suspension Pre-heater to the Subsidiary Company to produce super heated steam. For that purpose, TCCL executed a WHUA to provide waste heat to the SC.

b. Service Level Agreement with Thatta Power (Private) Limited, Subsidiary Company

TCCL is providing business support services to its subsidiary company to facilitate on day to day operations. For that purpose, a service level agreement is in place which specifies scope of services and related terms and conditions. The said agreement was approved by the respective Board of Directors of TCCL and TPPL.

c. Power Purchase Agreement with Thatta Power (Private) Limited, Subsidiary Company for supply of electricity to TCCL.

TCCL has entered into a Power Purchase Agreement [PPA] on December 12, 2011 with TPPL for supplying of electricity. TPPL started its commercial operation effective from December 12, 2012. The pricing mechanism for invoicing/billing against supply of electricity along with terms and conditions are mentioned in the said PPA. The PPA was executed in accordance with the New Captive Power Policy, 2009.

Corporate and Financial Reporting

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

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

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

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

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

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

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

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

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

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

Code of Corporate Governance

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

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

Description		Number of directors
1.	Male	6
2.	Female	1

Composition

1.	Independent Directors	4
2.	Non-Executive	2
3.	Executive Director	1
4.	Female Director	1

(c) The details of Board Sub-Committees has been provided on page 05 of annual report.

Remuneration/Fee of Directors

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

Detail of remuneration paid to the executive director (chief executive) of the Company is disclosed in Note 45 of the unconsolidated financial statements.

Board Evaluation

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

Subsequent Events

No material changes or commitments, affecting the financial position of the Company, have taken place between the end of financial year 2022-23 and the date of this Report.

Default in Payments

There were no defaults in payment of any debts falling due during the current year.

External Auditors

The present auditors M/s BDO Ibrahim & Co, Chartered Accountants being eligible have offered themselves for re-appointment. As per recommendation of the Audit Committee, the Board recommends to the shareholders the appointment of M/s BDO Ibrahim & Co, Chartered Accountants as auditors of the Company for the year ending on June 30, 2024.

Future Outlook

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

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

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

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

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

Performance of the Group

In compliance with section 226(4) of the Companies Act, 2017 the consolidated financial statements for the / as at year ended June 30, 2023 of TCCL (the Holding Company) and Thatta Power (Private) Limited (TPPL) (the Subsidiary Company) are attached with this report. Its key highlights are extracted below:

	2023	2022
	------ Rupees in thousands ------	
Statement of Financial Position		
Property, plant and equipment	3,811,303	4,032,532
Stock-in-Trade	926,376	565,731
Trade Debts	969,709	1,551,453
Paid-up Share Capital	997,181	997,181
Total Equity - Holding Company	4,186,946	3,904,720
Trade and Other payables	1,165,830	1,388,996
Short Term Borrowings	206,609	212,292
Statement of Profit or Loss		
Sales - net	5,527,127	4,393,830
Gross Profit	658,969	477,207
Selling, Distribution cost & Administrative Expense	239,148	180,059
Profit before taxation	437,872	124,209
Profit for the year	309,666	86,433
Earnings/(Loss) per share (in Rupees)	3.11	0.99

Thatta Power (Private) Limited – Captive Power Plant

TPPL, a subsidiary of TCCL has earned a profit after tax of Rs 70.38 million; however, distribution of dividend to the shareholders of TPPL cannot be made this year, due to restricting covenants of financing agreements executed by the subsidiary company. Thus, distribution of profit to shareholders of the Subsidiary Company would be made in future, subject to in compliance with covenants of financing agreements.

The Subsidiary Company had entered into a Power Purchase Agreement (PPA) with HESCO on May 14, 2011 to sell electricity at rates agreed in the said agreement. The agreement was executed in accordance with the New Captive Power Policy (N-CPP) 2009. Subsequently, National Electric Power Regulatory Authority (NEPRA) issued an order revising the tariff formula resulting in reduced tariff. This act of downward revising the tariff for N-CPPs was unwarranted especially where there is severe electricity shortage in the province of Sindh. In view of the said order, HESCO intimated to pay its dues for electricity purchased as per the revised tariff formula. In response, the Subsidiary Company filed a petition before the Honorable High Court of Sindh, against HESCO, on the grounds that HESCO failed to pay its dues to the Subsidiary Company as per PPA. The Honorable High Court of Sindh disposed off the petition filed by TPPL with the direction to HESCO to pay TPPL against purchase of electricity as per the rates stipulated in PPA until 01-02-2012 and thereafter on the rates determined by NEPRA. In view of the adverse order and according to the advice of the legal counsel, the Company had filed an appeal before the Supreme Court of Pakistan on October 28, 2015 against the order passed by the High Court of Sindh. Consequently, HESCO & NEPRA have also filed appeals before the Supreme Court of Pakistan against the same order, which are pending for adjudication.

Acknowledgement

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

Muhammad Aslam Shaikh
Chief Executive

Khawaja Muhammad Salman Younis
Chairman

Karachi: September 26, 2023

ANNEXURE I

Attendance of Directors in Board Meetings held during the year ended June 30, 2023

Name of Directors	No. of Meetings	Meeting attended
Mr. Khawaja Muhammad Salman Younis	5	5
Mr. Aslam Shaikh	5	5
Ms. Naheed Memon	5	5
Mr. Saleem Zamindar	5	5
Mr. Noor Muhammad	5	5
Mr. Kamran Munir Ansari	5	4
Mr. Muhammad Jamshid Malik*	3	1
Mr. Alamuddin Bullo**	0	0

Attendance of Members in Audit Committee Meetings held during the year ended June 30, 2023:

Name of Members	No. of Meetings	Meeting attended
Ms. Naheed Memon	5	5
Mr. Khawaja Muhammad Salman Younis	5	5
Mr. Saleem Zamindar	5	5

Attendance of Members in Human Resource & Remuneration Committee held during the year ended June 30, 2023:

Name of Members	No. of Meetings	Meeting attended
Mr. Noor Muhammad	2	2
Mr. Aslam Shaikh	2	2
Mr. Kamran Munir Ansari	2	2

*Mr. Muhammad Jamshid Malik resigned on February 22, 2023.
**Mr. Alamuddin Bullo appointed on May 19, 2023.

ذیلی کمپنی نے حیسکو کے ساتھ 14 مئی 2011 کو پاور پرچیز ایگریمنٹ (پی پی اے) طے کیا،اس معاہدے کی رو سے کمپنی نے حیسکو کومعاہدے میں طے شدہ نرخوں پر بجلی فروخت کرنا تھی۔ یہ معاہدہ نیو کیپٹیو پاور پالیسی 2009 کی شقوں کی پاسداری کرتے ہوئے طے پایا۔ تاہم بعدازاں نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (نیپرا) کیجانب سے بجلی کے نرخ مقرر کرنے کیلئے ایک نیا فارمولہ پیش کیا گیا جس کے تحت بجلی فروخت کرنے کے نرخوں میں کمی کردی گئی۔ نیپرا کی جانب سے این۔ سی پی پیز کو کم نرخ دیئے جانے کا یہ فارمولہ بالخصوص ان حالات میں جبکہ صوبہ سندھ میں بجلی کا سخت بحران پایا جاتا ہے انتہائی نامناسب تھا۔ نیپرا کے اس آرڈر کو مدنظر رکھتے ہوئے حیسکو نے نوٹس دیا کہ وہ کمپنی کو خریدی گئی بجلی کے نرخ نئے فارمولے کے تحت ادا کریں گے۔ اس کے جواب میں ذیلی کمپنی کی جانب سے سندھ ہائی کورٹ کے روبرو ایک درخواست دائر کی گئی جس میں یہ مؤقف اپنایا گیا تھا کہ حیسکو ذیلی کمپنی کو پی پی اے کے مطابق ادئیگی کرنے میں ناکام رہی ہے۔ معزز عدالت کی جانب سے ٹی پی پی ایل کی درخواست کو خارج کرتے ہوئے حیسکو کو یہ ہدایت کی گئی کہ وہ ٹی پی پی ایل کو 2012-02-01 تک پی پی اے میں متعین نرخوں کے مطابق ادئیگیاں کرے اور اس تاریخ کے بعد سے ادئیگیاں نیپرا کی جانب سے پیش کئے گئے نئے فارمولے کے مطابق کی جائیں۔ امید کے برخلاف فیصلہ آنے اور قانونی ٹیم سے مشاورت کے بعد ذیلی کمپنی نے ہائی کورٹ کی جانب سے دیئے گئے فیصلے کے خلاف سپریم کورٹ آف پاکستان میں مورخہ 2015-10-28 کو ایک اپیل دائر کردی گئی ہے۔ نتیجتاً حیسکو اور نیپرا کی جانب سے بھی سندھ ہائی کورٹ کی جانب سے دیئے گئے فیصلے کے خلاف سپریم کورٹ کے روبرو اپیلیں دائر کردی گئی ہیں جو کہ عدالت عظمی کے سامنے زیرالتواء ہیں۔

اظہار تشکر

ڈائریکٹرز تمام حصص داران، مالیاتی اداروں اور صارفین کے تہہ دل سے مشکور ہیں کہ ان کا تعاون، انکی حمایت اور انکی رہنمائی ہمیشہ ہمارے شامل حال رہی۔ ڈائریکٹرز کمپنی کے تمام ملازمین کی جانب سے انتھک محنت، اجتماعی کوششوں اور اخلاص کیلئے ان کے بے حد مشکور ہیں اور امید کرتے ہیں کہ آئندہ بھی ان کی جانب سے کمپنی کی ترقی اور مستقبل کے چیلنجز اور تقاضوں سے نمٹنے کیلئے اسی عزم وہمت کا مظاہرہ کیا جائے گا۔

محمد اسلم شیخ
چیف ایگزیکیٹو آفیسر

خواجہ سلمان یونس
چیئرمین

کراچی: 26 ستمبر 2023

	2023	2022
	------ Rupees in thousands ------	
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Sales - net	5,527,127	4,393,830
Gross Profit	658,969	477,207
Selling, Distribution cost & Administrative Expense	239,148	180,059
Profit before taxation	437,872	124,209
Profit for the year	309,666	86,433
Earnings/(Loss) per share (in Rupees)	3.11	0.99

ٹھٹھہ پاور(پرائیویٹ)لمیٹڈ-کیپٹیو پاور پلانٹ

ٹھٹھہ سیمنٹ کمپنی لمیٹڈ(ٹی سی ایل) کی ذیلی کمپنی ٹھٹھہ پاور(پرائیویٹ)لمیٹڈ(ٹی پی پی ایل)نے 70.83 ملین روپے کا منافع بعداز ٹیکس کمایا ہے، تاہم اس سال حصص داران کو ڈیویڈنڈ نہیں دیئے جائیں گے جس کی وجہ ذیلی کمپنی کی جانب سے طے کئے جانے والے محدود تمویلی معاہدے ہیں جن کی وجہ سے یہ پابندی عائد ہے۔ لہذا حصص داران کو مستقبل میں منافع کی تقسیم کی جائے گی جس کا انحصار تمویلی معاہدات کی شرائط پر ہوگا۔

مستقبل پر نظر

جب سے ہم نے زیرِنظر مالی سال 23-2022 میں قدم رکھا ہے، پاکستان غیر معمولی سیاسی و معاشی بحرانوں سے نبرد آزما ہے جس کے باعث ایک پریشان کن صورتحال کا سامنا کرنا پڑ رہا ہے۔ پوری قوم معاشی اعتبار سے ایک پیچیدہ صورتحال سے گزر رہی ہے جس می عالمی سطح پر کساد بازاری، بلند شرح افراط زر، محدود مالی وسائل اور ماحولیاتی تباہی وغیرہ شامل ہیں۔

تاہم ان تمام مسائل کے باوجود معاشی محاذ پر کچھ نئے واقعات نے جنم لیا ہے جن سے امید کی کرن پیدا ہوئی ہے۔ وفاقی حکومت کی جانب سے آئی ایم ایف کے ساتھ ایک "اسٹینڈ بائے" معاہدہ طے کیا گیا ہے جس کی بہت اشد ضرورت تھی۔ اس معاہدے کے مطابق آئندہ نو ماہ کے عرصے کے دوران 3.0 بلین ڈالر فراہم کئے جائیں گے، اس اقدام سے معیشت میں نا صرف جان پڑے گی بلکہ قلیل المدتی عرصے کیلئے مالیاتی ضروریات بھی پوری کی جاسکیں گی۔

آئی ایم ایف کے پروگرام کی بحالی کے مثبت پہلو ہیں۔ اس سے مالیاتی غیر یقینی کو کم کرنے میں مدد ملے گی، استحکام پیدا ہوگا اور کاروباری حضرات اور سرمایہ کار مستقبل کے بارے میں بہتر انداز سے سوچ سکتے ہیں۔ علاوہ ازیں، اس کے باعث پاکستان کیلئے دیگر بین الاقوامی اداروں اور دوست ممالک کی جانب سے مالی اعانت کے دروازے بھی کھل سکتے ہیں اس طرح پاکستان میں مالی استحکام کو فروغ حاصل ہوگا۔

آئندہ پیش آنے والے مسائل کے باوجود آئی ایم ایف پروگرام پاکستان کی معیشت کیلئے رواں سال میں مثبت اشارئیے مل سکتے ہیں۔ موجودہ مسائل سے نمٹنے اور دیرپا معاشی نشو و نما کو پروان چڑھانے کیلئے لازم ہے کہ مالیاتی نظم وضبط کا قائم رکھا جائے، مؤثر مالیاتی نظم وضبط قائم کیا جائے اور بین الاقوامی مالیاتی اداروں کے ساتھ قربت قائم کرنے کیلئے حکمت عملی مرتب کی جائے۔

ملک کے اندر معاشی اعتماد بحال کرنے اور معاشی ترقی کو مستقل بنیادوں پر استوار کرنے کیلئے لازم ہے کہ سیاسی استحکام کو فروغ دیا جائے۔ آئندہ منعقد کئے جانے والے عام انتخابات سے سیاسی استحکام متوقع ہے جس کے باعث معاشی منظر نامے میں بھی ایک مرتبہ پھر جان پڑ سکتی ہے۔ دیرپا معاشی ترقی اور خوشحال مستقبل کیلئے طویل المیعاد اقدامات اٹھانے کی اشد ضرورت ہے۔

گروپ کی کارکردگی

کمپنیز ایکٹ 2017 کے سیکشن (4)226 کے تحت رپورٹ ہذا یعنی مالیاتی دستاویزات برائے سال 30 جون 2023 کے ساتھ ٹھٹھہ سیمنٹ کمپنی لمیٹڈ (ہولڈنگ کمپنی) اور ٹھٹھہ پاور (پرائیویٹ) لمیٹڈ (ذیلی کمپنی) کی مجموعی مالیاتی دستاویزات کو بھی منسلک کیا گیا ہے:

د۔ مالیاتی دستاویزات کی تیاری میں مستقل بنیادوں پر اکاؤنٹنگ کی مناسب پالیسیوں پر عمل کیا جارہا ہے اور تمام محاسبی تخمینے قرین قیاس ہیں۔

ھ۔ کمپنی کے اندرونی کنٹرول سسٹم کو جامع اور مؤثر انداز سے نافذ کیا گیا ہے اور اسکی مستقل بنیادوں پر نگرانی اور اصلاح کی جاتی ہے۔

و۔ کمپنی ہیشگی کی بنیاد پر اپنی کاروباری سرگرمیاں جاری رکھے ہوئے ہے اور اس سلسلے میں شک کی کوئی گنجائش موجود نہیں ہے کہ کمپنی اپنی کاروباری سرگرمیوں کو ہیشگی کی بنیاد پر آئندہ بھی جاری رکھے گی۔

ز۔ کمپنی کے ذمے ٹیکسوں، ڈیوٹیز، لیویز اور دیگر واجبات کے ضمن میں معمول کی کاروباری سرگرمیوں اور ان واجبات کے علاوہ اور کوئی واجبات نہیں ہیں جنہیں مالیاتی دستاویزات میں بیان کیا جاچکا ہے۔

ح۔ گزشتہ چھ سال سے متعلق تمام اہم کاروباری اور مالیاتی شماریات الگ سے فراہم کی گئی ہیں۔

ط۔ دوران سال بورڈ، آڈٹ کمیٹی اور انسانی وسائل وادائیگیوں کی کمیٹی کی جانب سے منعقد کی جانے والی میٹنگز کی تعداد اور ان میٹنگز میں شرکت کرنے والے ڈائریکٹروں کی حاضری سے متعلق ہر ڈائریکٹر کی فرداً فرداً تفصیل (ضمیمہ 1) جو کہ کمپنیز ایکٹ 2017 کے سیکشن 227 کے تحت سالانہ رپورٹ کا حصہ بنایا گیا ہے۔

ی- کمپنی کی ترتیب حصص داری کمپنیز ایکٹ 2017 کے سیکشن (f)(2)227 کے تحت رپورٹ ہذا کے ساتھ منسلک کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کی پاسداری

الف۔ دستاویز برائے (کوڈ آف کارپوریٹ گورننس) کی پاسداری برائے لسٹڈ کمپنیز ریگولیشنز 2019 کو بھی اس رپورٹ سے منسلک کیا گیا ہے۔

ب۔ کمپنیز ایکٹ 2017 کے سیکشن 227 کے تحت بورڈ آف ڈائریکٹرز کی درج ذیل ساخت کو سالانہ رپورٹ کے ساتھ منسلک کیا گیا ہے:

تفصیلات	ڈائریکٹروں کی تعداد
الف۔ مرد	6
ب۔ خواتین	1
ساخت	
i۔ غیر جانبدار ڈائریکٹرز	4
ii۔ غیر انتظامی ڈائریکٹرز	2
iii۔ انتظامی دائریکٹرز	1
iv۔ خاتون ڈائریکٹر	1

متعلقہ پارٹیوں سے کئے گئے لین دین کے تمام معاملات کے سلسلے میں پاکستان اسٹاک ایکسچینج لمیٹڈ کے ضوابط کے مطابق آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز سے نظر ثانی کے بعد منظوری حاصل کر لی گئی تھی۔مزید برآں کمپنیز ایکٹ 2017 کے سیکشن 208(ایکٹ) کے تقاضوں کو پورا کرنے کے لئے مندرجہ ذیل معلومات بھی شامل کر دی گئی ہے۔

الف۔ٹھٹھہ پاور (پرائیویٹ) لمیٹڈ، ذیلی کمپنی، کے ساتھ ویسٹ ہیٹ یوٹیلائزیشن ایگریمنٹ

ذیلی کمپنی کی جانب سے ویسٹ ہیٹ ریکوری پروجیکٹ کے تحت 5 میگاواٹ بجلی پیدا کرنے کے منصوبے نے کمرشل آپریشنز کا آغاز 2019 میں کیا۔ٹھٹھہ سیمنٹ کمپنی لمیٹڈ کی جانب سے ذیلی کمپنی کو ائیر کوئیچنگ چیمبر اور سسپنشن پری ہیٹر کے ذریعے ویسٹ ہیٹ فراہم کررہی ہے تاکہ سپر ہیٹڈ اسٹیم کے ذریعے ذیلی کمپنی مزکورہ بجلی پیدا کر سکے۔اس مقصد کیلئے ٹھٹھہ سیمنٹ کمپنی لمیٹڈ کی جانب سے ذیلی کمپنی کے ساتھ ویسٹ ہیٹ یوٹیلائزیشن ایگریمنٹ پر عمل کیا جارہا ہے تاکہ ذیلی کمپنی کو ویسٹ ہیٹ مہیا کی جا سکے۔

ب۔ ٹھٹھہ پاور (پرائیویٹ) لمیٹڈ، ذیلی کمپنی (ایس سی)، کے ساتھ سروس لیول ایگریمنٹ

ٹھٹھہ سیمنٹ کمپنی لمیٹڈ کی جانب سے ذیلی کمپنی کو اپنے روزمرہ کے کاروباری معاملات چلانے کیلئے خدمات فراہم کی جاتی ہیں۔ان خدمات کی فراہمی ایک سروس لیول ایگریمنٹ کے تحت ہوتی ہے جس میں ان خدمات کے دائرہ کار اور شرائط وضوابط کو طے کیا گیا ہے۔مزکورہ معاہدے کی منظوری ٹھٹھہ سیمنٹ کمپنی لمیٹڈ اور ذیلی کمپنی ٹھٹھہ پاور (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز سے حاصل کی جا چکی ہے۔

ج۔ ٹھٹھہ سیمنٹ کمپنی لمیٹڈ کو بجلی کی فراہمی کیلئے ٹھٹھہ پاور (پرائیویٹ) لمیٹڈ، ذیلی کمپنی کے ساتھ پاور پرچیز ایگریمنٹ

ٹھٹھہ سیمنٹ کمپنی لمیٹڈ کی جانب سے بجلی کی فراہمی کیلئے ذیلی کمپنی کے ساتھ 12 دسمبر 2011 کو پاور پرچیز ایگریمنٹ کیا گیا تھا۔ذیلی کمپنی کی جانب سے 12 دسمبر 2012 کو کمرشل بنیادوں پر بجلی کی پیداوار کا آغاز ہو چکا ہے۔پاور پرچیز ایگریمنٹ کے اندر بجلی کی فراہمی کے سلسلے میں انوائسنگ/بلنگ اور دیگر شرائط وضوابط کو طے کیا گیا ہے۔پاور پرچیز ایگریمنٹ کو نیو کیپٹیو پاور پالیسی 2009 کے تحت عمل میں لایا گیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ

الف۔ ٹھٹھہ سیمنٹ کمپنی لمیٹڈ کی جانب سے تیار کی جانے والی مالیاتی دستاویزات صحیح انداز سے کمپنی کے معاملات، کاروباری نتائج، نقد رقوم کی ترسیل اور سرمایہ پر مبنی حصص میں تبدیلی کی نمائندگی کرتی ہیں۔کارپوریٹ گورننس کے سنہرے اصولوں کی پاسداری کیلئے تمام ضروری اقدامات اٹھائے جا رہے ہیں۔

ب۔ کمپنی کی جانب سے تمام کھاتوں کو باقاعدہ محفوظ کیا جاتا ہے۔

ج۔ مالیاتی دستاویزات اور اس کے ساتھ منسلک نوٹس کی تیاری کے سلسلے میں کمپنیز ایکٹ 2017 اور پاکستان میں مستعمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز اور انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز کی مکمل پاسداری کی گئی ہے۔اور اس ضمن میں کسی قسم کی کوئی قابل ذکر روگردانی نہیں کی گئی۔

کمپنی کے کاروبار کے ماحول پر اثرات

سیمنٹ کی پیداوار سے ماحول کو سب سے بڑا خطرہ کلنکر کی پیداوار کے دوران خارج ہونے والے انتہائی چھوٹے چھوٹے ذرات سے ہے جنہیں با آسانی بذریعہ سانس اندر لے جایا جا سکتا ہے اور جو ایک مستقل اور مہلک بیماری سیلیکوسس باعث بن سکتے ہیں۔

کمپنی کے پاس اعلیٰ تربیت یافتہ اور دل جمعی کے ساتھ کام کرنے والا ایسا اسٹاف موجود ہے جو کہ ایس ای پی اے اور ایس ای کیو ایس کے معیارات کی پاسداری کیلئے ہمہ وقت کوشش میں لگا رہتا ہے۔ کمپنی کے کاروبار کی وجہ سے ماحولیات کو پہنچنے والے نقصانات سے نمٹنے کیلئے کمپنی اقدامی حکمت عملی پر یقین رکھتے ہوئے ایسے طریقے اپنائے ہوئے ہے جس سے ان خطرات کو کم از کم کیا جا سکے جیسا کہ کمپنی کی جانب سے گرد کو قابو میں رکھنے کی غرض سے ڈسٹ سائیکلون، بیگ ہاؤسز، نمی کے ذریعے گرد کو کنٹرول کرنے کا سسٹم اور الیکٹرواسٹیٹک نمی سسٹم اور پرسنل پر ڈیکٹیو سسٹم وغیرہ کی تنصیب کی گئی ہے اور اس کے ساتھ ساتھ کمپنی کے احاطے میں سانس کے ذریعے اندر سرائیت کر جانے والی گرد آر ایس پی ایم اور آر ایف ڈی کو قابو میں کرنے کیلئے اسپیڈ لمٹ کنٹرول کی تنصیب بھی کی گئی ہے۔

اس کے علاوہ قابل استعمال ہوا، پینے کے صاف پانی اور شور کی شدت سے متعلق ایس ای پی اے ایکٹ 2014 کے تحت ماحولیات کیلئے قائم کئے جانے والے معیارات کی بھی مکمل پاسداری کی جاتی ہے۔ ایس ای پی اے سے مصدقہ ماحولیاتی لیبارٹری کے ذریعے مانیٹرنگ اور تجزیات کا عمل بھی جاری رہتا ہے۔

ٹی سی ایل کی ایک ذیلی کمپنی کی جانب سے ویسٹ ہیٹ ریکوری سسٹم (ڈبلیو ایچ آر ایس) کی تنصیب کی گئی ہے تا کہ اس بات کو یقینی بنایا جا سکے کہ گلوبل وارمنگ میں اپنی جانب سے کم از کم حصہ ملایا جائے اور سیمنٹ پلانٹ اور پاور جنریشن سے کاربن کا اخراج بھی کم از کم ہو۔

کارپوریٹ معاشرتی ذمہ داری

ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے آپ کی کمپنی نے اپنی معاشرتی ذمہ داریوں کو ہمیشہ بطریق احسن نبھایا ہے۔ جس شہر میں کمپنی اپنے کاروباری افعال سرانجام دے رہی ہے وہاں کی مقامی کمیونٹیوں کی فلاح و بہبود کیلئے کمپنی اقدامات اٹھاتی رہتی ہے۔ دوران مالی سال 23-2022 کمپنی کی جانب سے صحت اور حفاظت کے ضمن میں شعور بیدار کرنے کیلئے اجلاس منعقد کئے گئے۔ اس سلسلے میں معیاری اسٹاف کے ساتھ تمام تر سہولیات سے آراستہ سیلیکوسز تشخیصی و صحتی مرکز بھی قائم کیا گیا ہے۔

اندرونی مالیاتی نظم وضبط

مالیاتی دستاویزات کی منظوری کی تاریخ تک کمپنی کے ڈائریکٹروں کی جانب سے کمپنی کے اندرونی مالیاتی نظم وضبط کو مظبوط کرنے کیلئے ہر ممکن اقدامات اٹھائے گئے ہیں۔ ان اقدامات کا تعلق ہر اس اہم معاملے سے ہے جو کہ کمپنی کے مالیاتی امور، کاروباری افعال اور ضوابط کی پاسداری سے ہے جو کہ کمپنی کے کاروبار پر اثر انداز ہو سکتے ہیں۔

متعلقہ پارٹیوں کے ساتھ معاملات

Particulars	2023	2022
	------ Rupees in thousands ------	
Sales – net	5,410,132	4,263,894
Gross profit	420,512	320,621
Selling & Distribution Cost	88,498	58,620
Finance Cost	50,858	33,375
Profit/(Loss) before taxation	364,528	154,766
Profit/(Loss) for the year	249,077	119,294
Earnings/(Loss) per share (Rupees)	2.50	1.20

زیرغور مالی سال کے دوران گزشتہ مالی سال کے مقابلے میں خام منافع کا مارجن 7.52% سے بڑھ کر 7.77% ہو گیا۔ کمپنی نے 137.75 ملین روپے کی فرسودگی منہا کرنے کے بعد قبل از ٹیکس 364.53 ملین روپے کا منافع کمایا۔

(i) فروخت کی کارکردگی

زیرغور مالی سال کے دوران بلحاظ قدر کمپنی کی آمدن از فروخت میں 26.88% کا اضافہ ہوا، اس اضافے کی بنیادی وجہ مارکیٹ میں بہتر رسائی کیلئے بنائے جانے والی حکمت عملی کی بنیاد پر مقامی فروخت میں ہونے والا اضافہ تھا۔

(ii) لاگت برائے فروخت

زیرغور مالی سال کے دوران لاگت بتناسب فروخت گزشتہ سال کے تناسب 92.48% کے مقابلے میں معمولی کمی کے ساتھ 92.23% رہا۔

(iii) لاگت برائے فروخت وترسیل

گزشتہ مالی سال کے مقابلے میں زیرغور مالی سال کے دوران لاگت برائے فروخت وترسیل میں 50.97% کا اضافہ ہوا ہے، اس اضافے کی وجہ کرایوں میں اضافہ تھا۔

(iv) تمویلی لاگت

گزشتہ مالی سال کے مقابلے میں زیرغور مالی سال کے دوران شرح سود میں اضافے کے باعث تمویلی لاگت میں 52.38% اضافہ ہوا ہے۔

مالی سال 2022-23 کی پہلی سہ ماہی میں شدید بارشوں اور سیلابی صورتحال کا سامنا کرنا پڑا جس کی وجہ سے پہلے سے موجود مسائل میں مزید اضافہ ہوگیا۔ان قدرتی آفات کی وجہ سے معاشی بحران بھی شدید تر ہوگیا اور پہلے سے موجود بحرانوں کی شدت میں مزید تیزی آ گئی۔

زیرِغور مالی سال کے دوران ہمارا ملک شدید معاشی بحرانوں کی لپیٹ میں رہا جن کے باعث کئی کاروباری شعبوں پر منفی اثرات مرتب ہوئے۔تاہم آپکی کمپنی کی جانب سے استقامت کا مظاہرہ کیا گیا،اس دوران گزشتہ مالی سال کے مقابلے میں سیمنٹ کی ترسیل میں 13.03% کی خفیف سی کمی کا سامنا بھی کرنا پڑا،لیکن ریٹنشن پرائس بڑھا کر اس نقصان کو پورا کرنے کی کوشش کی گئی۔

کمپنی کی جانب سے کلنکر کی پیداواری صلاحیت کو 67.29% کی حد تک استعمال میں لاتے ہوئے 444,087 ٹن کلنکر پیدا کیا گیا،جبکہ گزشتہ مالی سال 2021-22 کے دوران 63.00% پیداواری صلاحیت کو استعمال میں لاتے ہوئے 415,810 ٹن کلنکر پیدا کیا گیا۔

صنعتی جائزہ

مالی سال 2022-23 کے دوران تعمیرات کی صنعت بڑے اور سنجیدہ مسائل سے دوچار رہی،علاوہ ازیں زیرِغور مالی سال میں ہمیں سیاسی عدم استحکام،بلند افراطِ زر،شرح سود میں اضافے،تباہ کن سیلاب،حکومت کی جانب سے ترقیاتی پروگراموں پر اخراجات میں کٹوتی اور توانائی کی قیمت میں مسلسل اضافے جیسے مسائل کا سامنا کرنا پڑا۔اس تناظر میں پاکستان کے اندر سیمنٹ کی پیداوار میں 15.7% کی زبردست کمی واقع ہوئی اور مالی سال کے اختتام 30 جون 2023 تک اس پیداواری شرح کے ساتھ پیداوار کا حجم 44.6 ملین ٹن رہا جبکہ گزشتہ مالی سال کے اختتام 30 جون 2022 تک پیداواری حجم 52.9 ملین ٹن تھا۔مقامی سطح پر سیمنٹ کی فروخت میں 16.0% کی کمی واقع ہوئی جس کے نتیجے میں 40.0 ملین ٹن سیمنٹ زیرِنظر مالی سال کے دوران فروخت ہوا،جبکہ گزشتہ مالی سال فروخت کا حجم 47.6 ملین ٹن تھا۔اسی طرح سیمنٹ کی برآمدات کا حجم 13.1% کی کمی کے ساتھ 4.6 ملین ٹن رہا جبکہ گزشتہ مالی سال کے دوران برآمدات کا حجم 5.3 ملین ٹن تھا۔

برآمدات کے حجم میں ریکارڈ کی جانے والی کمی کی اصل وجہ زیرِغور مالی سال کے اول نصف کے دوران بین الاقوامی مارکیٹ میں کوئلے کی قیمت میں اضافہ تھا،جس میں مزید اضافہ شپنگ پر آنے والے اخراجات سے بھی ہوا۔نتیجتاً سیمنٹ ساز کمپنیوں کی جانب سے اپنی توجہ مقامی کوئلے کی جانب مبذول کی گئی اور مقامی طور پر توانائی کے حصول کیلئے ماحول دوست اقدامات بھی اٹھائے گئے جیسا کہ شمسی توانائی اور توانائی کے بادبانی پروجیکٹس کی تنصیب پر کام کیا گیا۔

فروخت کا جائزہ

زیرِنظر مالی سال 2022-23 کے دوران گزشتہ مالی سال کے مقابلے میں مقامی سطح پر سیمنٹ کی فروخت میں بلحاظ حجم 13.03% کی کمی ریکارڈ کی گئی۔تاہم یہ بات حوصلہ افزاء ہے کہ فروخت کے حجم میں اس کمی کے باوجود گزشتہ مالی سال کے اسی عرصے کے مقابلے میں زیرِغور عرصے کے دوران آمدن میں 26.88% تک کا زبردست اضافہ ریکارڈ کیا گیا ہے۔آمدن میں اس قابل ذکر اضافے کا سہرا بنیادی طور پر سیمنٹ کی ریٹنشن پرائس کو جاتا ہے۔

ڈائریکٹرز رپورٹ

ٹھٹہ سیمنٹ کمپنی لمیٹڈ (TCCL) کے ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کی آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال اختتامیہ 30 جون 2023، اس کے بارے میں آڈیٹرز کی رپورٹ بمعہ غیر جانبدار آڈیٹرز کی جائزہ رپورٹ بابت بیان برائے پاسداری جو کہ لسٹڈ کمپنیز ریگولیشنز (کوڈ آف کارپوریٹ گورننس) 2019 میں مذکور ہے پیش کررہے ہیں۔ مندرجہ ذیل معلومات میں زیرِ غور مالی سال سے متعلق کمپنی کی یکجا و غیر یکجا کارکردگی پیش کی جارہی ہے۔

جائزہ

مالی سال اختتامیہ 30 جون 2023 کے دوران پیداوار اور فروخت کے اعداد و شمار ذیل میں پیش کئے جارہے ہیں:

Description	2023	2022	Variance	
	--------------------- Metric Tons	---------------------		%
Production				
Clinker	444,087	415,810	28,277	6.80%
Cement	441,480	502,659	(61,179)	(12.17%)
Dispatches				
Cement	438,739	504,496	(65,757)	(13.03%)
Clinker	-	4,987	(4,987)	(100.00%)
Total	438,739	509,483		

مالی سال 23-2022 ہماری قوم کیلئے ہیجان خیز ثابت ہوا، اس سال کے دوران پاکستان کی تاریخ کے سب سے بڑے معاشی بحران اور شدید مالیاتی طلاطم کا سامنا رہا۔ اس معاشی بحران کا آغاز ایک بڑے سیاسی بحران کے ساتھ ہوا جس کے باعث پاکستان کے غیر ملکی زرمبادلہ کے ذخائر میں شدید کمی واقع ہوئی۔ اس بحران سے نمٹنے کیلئے حکومت کی جانب سے آئی ایم ایف کے ساتھ ایک مرتبہ پھر رابطے بحال کرنے کی کوششیں شروع کی گئیں جس کے باعث ملک معاشی استحکام کے قابل ہوا۔ یہ کوششیں بہت سے پالیسی ایکشن پر مشتمل تھے جن میں ایندھن اور بجلی کی قیمتوں میں اضافہ، مارکیٹ کے مطابق شرح مبادلہ میں اضافہ کرنا، زیادہ سے زیادہ ٹیکس جمع کرنے کیلئے ٹیکسوں کے سلسلے میں بڑی اصلاحات کرنا اور افراط زر کی بلند ترین شرح سے نمٹنے کیلئے ڈسکاؤنٹ ریٹ کو تاریخ کی بلند ترین سطح 2% تک لے جانا وغیرہ شامل ہیں۔ تاہم بدقسمتی سے ان اقدامات کی وجہ سے مئی 2023 میں تاریخ کی بلند ترین سطح 38% کا سامنا کرنا پڑا۔

مالی سال 23-2022 کی پہلی سہ ماہی میں شدید بارشوں اور سیلابی صورتحال کا سامنا کرنا پڑا جس کی وجہ سے پہلے سے موجود مسائل میں مزید اضافہ ہوگیا۔ ان قدرتی آفات کی

COMBINED PATTERN OF CDC AND PHYSICAL SHAREHOLDINGS AS AT JUNE 30, 2023

Category No.	Categories of Shareholders	Category wise no. of shareholders	Category wise shares held	Percentage %
1	Directors, Chief Executive Officer and their spouse and minor children	7	441,625	0.443
2	Associated Companies, undertakings and related parties	5	52,558,286	52.71
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	1	3,375,000	3.38
6	Modarbas and Mutual Funds	3	2,070,580	2.08
7	General Public			
	(a) Local	1,873	26,488,873	26.56
	(b) Foreign	126	6,144,760	6.16
8	Others	27	8,639,001	8.66
	TOTAL	2,042	99,718,125	100.00

SHAREHOLDERS HOLDING TEN PERCENT OR MORE VOTING INTEREST IN THE COMPANY

TOTAL PAID UP SHARE CAPITAL OF THE COMPANY	99,718,125	Shares
10% OF THE PAID UP CAPITAL OF THE COMPANY	9,971,813	Shares

NAME OF SHAREHOLDER	DESCRIPTION	NO. OF SHARES HELD	PERCENTAGE
Sky Pak Holding (Private) Limited	Falls in Category # 2	21,152,787	21.21%
Al-Miftah Holding (Private) Limited	Falls in Category # 2	14,895,118	14.94%

PATTERN OF SHAREHOLDING - CDC AND PHYSICAL AS AT JUNE 30, 2023

No. of shareholders	Shareholdings		Total shares held
	From	To	
242	1	100	2,880
687	101	500	332,667
310	501	1000	298,902
536	1001	5000	1,583,273
176	5001	10000	1,449,286
55	10001	15000	740,000
37	15001	20000	702,000
26	20001	25000	622,000
12	25001	30000	346,500
5	30001	35000	171,500
17	35001	40000	664,916
13	45001	50000	645,500
6	50001	55000	317,000
7	55001	60000	415,500
1	60001	65000	65,000
1	65001	70000	68,500
3	70001	75000	224,000
4	75001	80000	315,500
3	80001	85000	255,000
3	85001	90000	265,000
9	95001	100000	900,000
2	100001	105000	210,000
1	115001	120000	116,500
2	120001	125000	250,000
1	125001	130000	129,500
1	130001	135000	130,500
2	145001	150000	300,000
2	170001	175000	350,000
1	180001	185000	180,500
5	195001	200000	999,000
1	200001	205000	201,500
2	205001	210000	413,500
2	215001	220000	440,000
2	225001	230000	457,500
1	235001	240000	240,000
2	245001	250000	500,000

No. of shareholders	Shareholdings		Total shares held
	From	To	
1	250001	255000	250,500
1	265001	270000	268,000
1	270001	275000	274,000
1	275001	280000	278,000
1	280001	285000	281,500
1	285001	290000	285,500
1	310001	315000	312,500
1	325001	330000	328,000
2	340001	345000	683,000
1	345001	350000	350,000
1	390001	395000	393,000
1	395001	400000	400,000
1	450001	455000	453,580
1	515001	520000	519,500
1	555001	560000	560,000
1	595001	600000	600,000
1	645001	650000	648,500
1	740001	745000	743,000
1	845001	850000	848,000
1	995001	1000000	1,000,000
1	1005001	1010000	1,010,000
1	1010001	1015000	1,013,000
1	1045001	1050000	1,050,000
1	1110001	1115000	1,111,000
1	1125001	1130000	1,128,000
1	1475001	1480000	1,480,000
1	1495001	1500000	1,500,000
1	1855001	1860000	1,860,000
1	1885001	1890000	1,890,000
1	3370001	3375000	3,375,000
1	6530001	6535000	6,531,291
1	8460001	8465000	8,462,835
1	8475001	8480000	8,479,090
1	14895001	14900000	14,895,118
1	21150001	21155000	21,152,787
2,042			99,718,125

KEY OPERATING AND FINANCIAL STATISTICS OF SIX YEARS

	2023	2022	2021	2020	2019	2018
	----------------------Rupees in thousands----------------------					
Summary of Statement of Financial Position						
Assets Employed						
Property, plant and equipment	1,838,811	1,920,063	1,951,747	2,021,470	2,086,685	2,199,535
Right-of-use-assets	-	42,184	-	-	-	-
Intangible assets	4,095	5,265	-	-	-	2,800
Long term deposits	5,125	3,796	1,096	1,096	1,096	1,096
Long term investment in associate				-	-	-
Long term investment - Available for sale	-	-	-	-	-	-
Long term investment in subsidiary	299,158	299,158	299,158	299,158	299,158	299,158
Current assets	2,595,792	2,362,505	1,443,071	1,155,376	1,223,161	1,637,106
	4,742,981	4,632,971	3,695,072	3,477,100	3,610,100	4,139,695
Financed by						
Shareholders equity	2,984,709	2,740,309	2,664,206	2,464,579	2,618,906	2,556,790
Long term financing	-	-	-	-	-	87,817
Current portion of long term financing	-	-	-	-	87,817	231,933
				-	87,817	319,750
Long term deposits & deferred liabilities	300,554	335,465	325,621	303,904	315,909	305,347
Current liabilities	1,457,718	1,557,197	705,245	708,617	675,285	1,189,741
Current portion of long term financing	-	-	-	-	(87,817)	(231,933)
	1,457,718	1,557,197	705,245	708,617	587,468	957,808
Total funds invested	4,742,981	4,632,971	3,695,072	3,477,100	3,610,100	4,139,695
Summary of Statement of Profit or Loss						
Turnover	5,410,132	4,263,894	2,427,313	1,755,227	3,468,411	2,842,538
EBITDA	554,306	315,717	374,921	(9,133)	488,591	689,237
EBIT	415,386	188,141	267,185	(96,781)	345,938	562,098
% Change in Sales	26.88	75.66	38.29	49.39	22.02	(22.26)
% Change in EBITDA	75.57	(15.79)	4,205.12	101.87	(29.11)	(36.76)
% Change in EBIT	120.78	(29.58)	376.07	127.98	(38.46)	(40.39)
Gross Profit	420,512	320,621	384,661	52,100	671,967	756,004
Operating profit/(Loss)	145,631	145,631	209,695	(122,952)	349,465	563,202
Profit / (loss) before tax	364,528	154,766	250,115	(140,934)	295,318	497,371
Profit / (loss) after tax	249,077	119,294	201,793	(158,018)	213,522	356,860
Accumulated Profit carried forward	1,887,810	1,643,410	1,567,307	1,367,680	1,522,007	1,459,891
Earnings / (loss) per share (Rupees)	2.50	1.20	2.02	(1.58)	2.14	3.58

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Thatta Cement Company Limited will be held at Beach Luxury Hotel, M. T. Khan Road, Karachi on Thursday, October 26, 2023 at 11:00 a.m., to transact the following business.

A. Ordinary Business

1. To confirm the minutes of Annual General Meeting of the shareholders held on October 27, 2022.

2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2023 together with the Directors' and the Auditors' reports thereon.

3. To appoint external auditors of the Company for the year ending on June 30, 2024 and fix their remuneration. The present auditors, M/s BDO Ebrahim & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

B. Special Business

Purchase / buy-back up to Fifteen Million issued ordinary shares of the Company

4. To consider and, if deemed fit, pass, with or without modification(s), addition(s) or deletion(s), the following resolutions, as special resolutions, pursuant to Section 88 of the Companies Act, 2017 (the "Act")_read with Listed Companies (Buy-Back of Shares) Regulations, 2019 (the "Regulations"), for the purchase / buy-back by the Company of up to 15,000,000 (Fifteen Million) issued ordinary shares of the Company, having face value of PKR 10/- (Pak Rupees Ten Only) each, through the securities exchange (i.e. the Pakistan Stock Exchange Limited) at the spot / current price from time to time, acceptable to the Company, prevailing during the purchase period, as recommended by the Board of Directors of the Company:

RESOLVED that approval be and is hereby accorded to Thatta Cement Company Limited (the "Company"), under Section 88 of the Act read with the Regulations, to purchase / buy-back up to 15,000,000 (Fifteen Million) issued ordinary shares of the Company, having face value of PKR 10/- (Pak Rupees Ten Only) each, constituting up to approximately 15.04% of the current issued and paid up share capital of the Company, at the spot / current price acceptable to the Company prevailing during the purchase period, through the securities exchange (i.e. the Pakistan Stock Exchange Limited) in a way that neither the treasury shares should exceed 20% of the total paid-up capital of the Company nor after purchase the free float of the Company should fall below 25% of the total paid-up share capital of the Company, as per and in accordance with the salient features as mentioned in the Statement under Section 134(3) of the Act annexed to this Notice (the "Buy-Back").

FURTHER RESOLVED that the ordinary shares purchased by the Company pursuant to these special resolutions be held as treasury shares in accordance with the said Regulations.

FURTHER RESOLVED that the Buy-Back shall be made through the securities exchange (i.e. the Pakistan Stock Exchange Limited), and the purchase period shall be from November 2, 2023 to April 23, 2024, or till such date that the Buy-Back is completed, whichever is earlier.

FURTHER RESOLVED that the Chief Executive Officer of the Company, or any person authorized by him, be and is hereby authorized and empowered to determine and approve the quantum of shares that may be purchased by the Company (as may be deemed fit) on a day-to-day basis during the purchase period.

FURTHER RESOLVED that the Company Secretary (the "Authorized Person") be and is hereby, authorized to prepare, finalize, execute, issue and file all necessary documents, notices, applications and any ancillary documents, take and do, and / or cause to be taken or done, any / all necessary actions, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as deemed fit for giving effect to the aforementioned resolutions or for the Buy-Back, as well as do all acts, matters, deeds, and things which are necessary, incidental and / or consequential to the principal or any ancillary matters thereto to fully achieve the implementation aforesaid resolutions.

FURTHER RESOLVED that the Authorized Person be and is hereby further authorized and empowered to take or cause to be taken all actions including, but not limited to, obtaining any requisite regulatory or third party approvals, wherever required, preparing all documents, engaging legal counsel, financial advisors and consultants for the purposes of the Buy-Back, opening accounts / sub-accounts with the CDC / securities broker, filing of all the requisite statutory forms, returns and all other documents as may be required to be filled with the regulator(s) or any other institutions(s), executing all such documents or instrument, including any amendments or substitutions to any of the foregoing as may be required or necessary in respect of implementing, procuring and completing the Buy-Back and all other matters incidental or ancillary thereto.

FURTHER RESOLVED that the aforesaid resolutions shall be subject to any amendments, modifications, additions or deletions that may be suggested, directed and advised by the regulator(s), which shall, if determined to be prudent or necessary by the Authorized Person, be deemed to be part of these resolutions, without the need of the members to pass fresh special resolutions.

5. To consider and, if deemed fit, pass, with or without modification(s), addition(s) or deletion(s), the following resolution, as an ordinary resolution, to enable and authorize the Company to circulate the Annual Report (including the audited financial statements, auditor's report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and weblink, in accordance with Section 223(6) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.

   "RESOLVED THAT the Company be and is hereby authorized to circulate its annual report, including the annual audited financial statements, auditor's report, Directors' report, Chairman's review report and other reports contained therein, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 issued by the Securities and Exchange Commission of Pakistan, and that the practice of circulation of the annual report through CD / USB be discontinued."

6. To transact any other business that may be placed before the meeting with the permission of the Chair. The Statement of material facts under Section 134(3) of the Companies Act, 2017 pertaining to the Special Businesses to be transacted at the Annual General Meeting is attached to this notice.

By Order of the Board

Muhammad Abid Khan
Company Secretary

Karachi : October 05, 2023

Notes:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company shall remain closed from Thursday, October 19, 2023 to Thursday, October 26, 2023 (both days inclusive). Transfers received in order at our Share Registrar/Transfer Agent M/s THK Associates (Private) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi, 75500 at the close of business on October 18, 2023 shall treated in time for the purpose of Annual General Meeting and payment of cash dividend, if approved by shareholders.

2. Participation in General Meeting

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

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

➢ For Attending the Meeting

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

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

- In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be verified.

➢ For appointing the proxies

- In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the Proxy Form as per the above requirement.

- Proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the Form.

- Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.

- The Proxy shall verify his/her original CNIC or original passport at the time of meeting.

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

3. Deposit of physical shares into CDC Account

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

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

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

The audited financial statements of the Company for the year ended June 30, 2023 has been made available on the Company's Website www.thattacement.com in addition to annual and quarterly financial statements of prior years.

5. Transmission of annual audited financial statements through CD/DVD

The Company has circulated annual financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request form is available on the website of the Company, i.e. www.thattacement.com

6. Transmission of annual reports through e-mail

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

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

Material facts concerning special business at the Annual General Meeting are given below:

This Statement sets out the material facts pertaining to the Special Businesses to be transacted at the Annual General Meeting of Thatta Cement Company Limited (the "Company") to be held on Thursday, October 26, 2023.

Agenda Item No 01

The Board of Directors of the Company, in its meeting held on September 26, 2023, had approved, and decided to recommend to the members of the Company for their approval, by passing of special resolutions, the purchase / buy-back by the Company of up to 15,000,000 (Fifteen Million) issued ordinary shares of the Company, having face value of PKR 10/- (Pak Rupees Ten) each, constituting up to approximately 15.04% of the current issued and paid up share capital of the Company, in accordance with Section 88 of the Companies Act, 2017 (the "Act") read with the Listed Companies (Buy-Back of Shares) Regulations, 2019 (the "Regulations"), at the spot / current share price from time to time, acceptable to the Company, prevailing during the purchase period, through the securities exchange (i.e. the Pakistan Stock Exchange Limited) (the "Buy-Back").

In accordance with the Act and the Regulations, the Buy-Back is subject to the approval of the members of the Company by way of passing of special resolutions.

The following are the relevant details / salient features, as recommended by the Board of Directors of the Company, for the approval of the members in connection with the Buy-Back:

Description	Information required
Indicative (maximum) number and percentage of shares to be purchased (Buy-Back)	Up to 15,000,000 (Fifteen Million) issued ordinary shares of the Company, constituting up to approximately 15.04% of the current issued and paid up share capital of the Company.
Purpose of the Buy-Back	Holding the shares as treasury shares
Mode of the purchase	Through the securities exchange (i.e. the Pakistan Stock Exchange Limited).
Purchase price (per share)	The shares shall be purchased from time to time at the spot/ current share price acceptable to the Company prevailing during the purchase period in accordance with Regulation 8(2) of the Regulations, and subject to Section 88(8) of the Companies Act,2017.
Purchase Period	From November 2, 2023 to April 23, 2024, or till such date that the Buy-Back is completed, whichever is earlier
Allocated Funds	Since the Buy-Back is to be carried out at the spot/prevailing share price, the Company will ensure availability of funds with respect to the shares to be purchased. The actual purchase of shares by the Company shall be subject to varying factors during the purchase period, including market conditions.

Description	Information required
Source of Funds	The Buy-Back will be made from the distributable profits of the Company in accordance with Section 88(8) of the Act.
Justification of the purchase / Buy-Back and effect on the financial position of the Company	The proposed Buy-Back will have a positive effect on the future financial position of the Company, including the break-up value of the Company's shares and its Earnings per Share (EPS). The Buy-Back will also provide an opportunity of exit to those members who wish to liquidate their investment, fully or partially.

This statement is annexed to the Notice of the Annual General Meeting of the Company to be held on October 26, 2023 at which a special business is to be transacted and the purpose of this statement is to set out all the material facts concerning such special business in accordance with Regulation 3(1)(d) of the Regulations, the Board of Directors has undertaken that the funds specified/required for the Buy-Back (i.e. to the extent of the shares of the Company that will actually be purchased during the purchase period) are/shall be available with the Company, and that after the purchase, the Company shall be capable of meeting its obligation on time during the period up to the end of the immediately succeeding 12 (twelve) months. In accordance with Regulation 3(1)(e), it is confirmed that the Company is not on the defaulter counter of the PSX and that it has not defaulted on any debt instrument.

The Directors have no personal interest in the proposed special business for the Buy-Back, except to the extent of their respective shareholdings in the Company.

Procedure for Buy Back

As required under Section 88 of the Act, read with the Regulations, the following broad procedure shall be followed for Buy-Back:

1. The Company shall make a Public Announcement for the purchase / Buy-Back through the securities exchange (i.e. the Pakistan Stock Exchange Limited) within 2 (two) working days of the passing of the special resolutions by the members. The Public Announcement shall be published in 2 (two) daily newspapers.

2. It is clarified that, except for those persons mentioned in Regulation 12(2) of the Regulations, all those person who validly hold shares of the Company during the purchase period shall be eligible to participate in the Buy-Back even if their names do not appear on the Register of Members of the Company as on the book closure date.

3. Members of the Company who are eligible and willing to sell the shares, or part thereof, held by them in the Company, may sell the same to the securities broker through the securities exchange (i.e. the Pakistan Stock Exchange Limited) in the ordinary course by placing a sale order through their securities broker, which may then be purchased by the Company (if deemed fit by the Company).

4. The purchase/Buy-Back shall be made through the automated trading system of the securities exchange. All purchases shall be made at the spot/current share purchase at the time of purchase. No purchase shall be made through negotiated market deals.

5. The Company shall be entitled to purchase the shares through the securities exchange during the purchase period i.e. from November 2, 2023 to April 23, 2024 (both days inclusive), or till such date that the Buy-Back is completed, whichever is earlier.

Agenda Item No 02

In view of technological advancements, and taking into account that old technology is becoming obsolete, the Securities and Exchange Commission of Pakistan ("SECP") has, vide S.R.O. 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the Annual Report (including the audited financial statements, auditor's report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and web link. The SECP has also permitted that the circulation of annual financial statements through CD/DVD/USB may be discontinued.

In accordance with the aforesaid SRO, the same is subject to the approval of the members of the Company.

Considering the optimum use of advancements in technology and in order to fulfill the Company's corporate social responsibility to the environment and sustainability, the Company seeks to discontinue the circulation of the Annual Report through CDs in the future. Consequently, the Board of Directors of the Company has recommended that the ordinary resolution, as set out in the notice, be passed by the members for approving the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the members of the Company through QR enabled code and weblink.

This arrangement will help all members wherever they are located to access the financial statements of the Company. Additionally, it will also reduce unnecessary expenditure for making CDs.

It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member will be provided a printed version of the same free of cost in accordance with the aforementioned SRO. No change to that right / privileged is being proposed.

None of the Directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and Directors of the Company.

نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا نوٹس دیا جاتا ہے کہ ٹھٹھہ سیمنٹ کمپنی لمیٹڈ کا سالانہ اجلاس عام بمقام بیچ لگژری ہوٹل ایم ٹی خان روڈ، کراچی بروز جمعرات مؤرخہ 26 اکتوبر 2023 صبح 11:00 بجے منعقد کیا جا رہا ہے جس میں درج ذیل امور زیر بحث لائے جائیں گے:

الف۔ عمومی امور

1۔ حصص داران کے سالانہ اجلاس عام منعقدہ 27 اکتوبر 2022 کی شقوں کی توثیق کرنا۔

2۔ مالی سال اختتامیہ 30 جون 2023 سے متعلق کمپنی کی آڈٹ شدہ مالیاتی دستاویزات بمعہ ڈائریکٹرز رپورٹ اوران سے متعلق غیر جانبدار آڈیٹرز کی رپورٹ کو موصول کرنا، انھیں زیر غور لانا اور انھیں قبول کرنا۔

3۔ مالی سال اختتامیہ 30 جون 2024 کیلئے کمپنی کے بیرونی آڈیٹروں کی تعیناتی کرنا اوران کے مشاہرے کا تعین کرنا۔ موجودہ آڈیٹرز میسرز بی ڈی او ابراھیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں اور اپنی اہلیت کی بنیاد پر ایک مرتبہ پھر انکی جانب سے اپنی خدمات پیش کی گئی ہیں۔

ب۔ امور خصوصی

کمپنی کے جاری کردہ عام حصص بقدر پچاس ملین کی از خود خریداری کرنا

کمپنیز ایکٹ 2017 (ایکٹ) کے سیکشن 88، جسے لسٹڈ کمپنیز (بائے بیک آف شیئرز) ریگولیشنز 2019 (ریگولیشنز) کے ساتھ ملا کر پڑھا جائے، کے تحت درج ذیل قراردادوں کی بطور خصوصی قرارداد ترامیم، یا کمی یا بیشی کے ساتھ یا اس کے بغیر جیسا کہ ضروری سمجھا جائے، زیر غور لانا جس کے تحت بورڈ آف ڈائریکٹرز کے ساتھ کمپنی کی جانب سے جاری کردہ عام حصص بقدر 15,000,000 (پندرہ ملین) بحساب فی حصص تعارفی قیمت مبلغ 10 روپے کو بذریعہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (یعنی پاکستان اسٹاک ایکسچینج لمیٹڈ) اسپاٹ/مارکیٹ میں مروجہ ایسی قیمت پر از خود کمپنی کی جانب سے خریدنا/بائے بیک کرنا مقصود ہے جو کہ کمپنی کیلئے قابل قبول ہو:

قرار دیا جاتا ہے کہ ٹھٹھہ سیمنٹ کمپنی لمیٹڈ ("کمپنی") کو ایکٹ کے سیکشن 88، جسے ریگولیشنز 2019 کے ساتھ ملا کر پڑھا جائے، کے تحت یہ اختیار حاصل ہوا اور اسے اس بات کا مجاز بنایا جاتا ہے کہ کمپنی کی جانب سے جاری کردہ عام حصص بقدر 15,000,000 (پندرہ ملین) بحساب فی حصص تعارفی قیمت 10 روپے، جو کہ حالیہ جاری شدہ اور ادا شدہ سرمائے کا تقریباً 15.04% بنتا ہے، کو بذریعہ سیکیورٹیز اینڈ ایکسچینج (یعنی اسٹاک ایکسچینج پاکستان لمیٹڈ) خریداری کے عرصے کے دوران اسپاٹ/مارکیٹ میں مروجہ قیمت پر، نوٹس ہذا کے ساتھ منسلک نوٹ بعنوان (بائے بیک) زیر تحت ایکٹ کے سیکشن (3)134 میں بیان کردہ شرائط کے تحت، خریدے اس طرح سے کہ نا تو کمپنی کے ٹریژری حصص ادا شدہ حصص کے 20% سے تجاوز کریں اور نہ ہی خریداری کے بعد فری فلوٹ کمپنی ادا شدہ کیپٹل سے 25% سے کم ہو۔

مزید قرار دیا جاتا ہے کہ قواعد کی رو سے ان مذکورہ خصوصی قراردوں کے تحت کمپنی کی جانب سے خریدے گئے عام حصص کو ٹریژری حصص کے بطور تحویل میں رکھا جائے۔

مزید قرار دیا جاتا ہے کہ از خود خریداری (بائے بیک) کی کاروائی بذریعہ سیکیورٹیز ایکسچینج (یعنی پاکستان اسٹاک ایکسچینج لمیٹڈ) کے ذریعے عمل میں لائی جائے گی اور خریداری کا عرصہ 2 نومبر 2023 تا 23 اپریل 2024 یا خریداری مکمل ہونے تک، جو عرصہ بھی پہلے پایہ تکمیل کو پہنچے، وہی ہوگا۔

مزید قرار دیا جاتا ہے کہ کمپنی کے چیف ایگزیکیٹیو آفیسر، یا انکی جانب سے کسی اور مجاز شخص، کو اس بات کا مجاز بنایا جائے اور اختیار دیا جائے کہ کمپنی کی جانب سے یومیہ بنیادوں پر خریداری کے عرصے کے دوران خریدے جانے والے حصص کی تعداد کا تعین کرے (جو بھی مناسب سمجھا جائے)۔

مزید قرار دیا جاتا ہے کہ کمپنی کے چیف ایگزیکیٹو کو بذریعہ ہذا مجاز بنایا جاتا ہے کہ مزکورہ بالا قرارداد کو عملی جامہ پہنانے کیلئے کمپنی کے نام پر تمام ضروری اقدامات، افعال اور لوازمات کو پورا کریں، دستاویزات تیار کریں، نوٹسز، درخواستیں دیں یا کرنے کا باعث بنیں جو اس قرارداد کو عملی شکل دینے میں لازم ہوں اور ایسے اقدامات، معاملات اور معاہدات طے کریں جو کہ کمپنی کی جانب سے مزکورہ بالا از خود خریداری (بائے بیک) کے سلسلے میں نتیجہ خیز ثابت ہوں اور جو کہ مذکورہ بالا قراردادوں پر من وعن عمل کرنے کے سلسلے میں لازم ہوں۔

مزید قرار دیا جاتا ہے کہ مجاز شخص کو بذریعہ ہذا اس بات کا بھی مجاز بنایا جاتا ہے کہ ایسے اقدامات اٹھائے یا اٹھانے کا باعث بنے، جو کہ اس حد تک ہی محدود نا ہوں، مطلوبہ منظوریاں یا تھرڈ پارٹی منظوریاں، جہاں ضرورت ہو، حاصل کرے، دستاویزات تیار کرے، قانونی، مالیاتی اور دیگر مشیروں سے از خود خریداری (بائے بیک) کے سلسلے میں مشاورت کرے، سی ڈی سی/سیکیورٹیز بروکر کے پاس اکاؤنٹس/ذیلی اکاؤنٹس کھلوائے، تمام مروجہ دستاویزات، ٹیکس جو کہ ریگولیٹر/ریگولیٹرز یا کسی دیگر ادارے/اداروں کی جانب سے طلب کئے جائیں جمع کروائے، ایسی تمام دستاویزات، بشمول ترامیم/متبادل، جو کہ از خود خریداری (بائے بیک) کے عمل کو نافذ کرنے، مکمل کرنے یا اس سے منسلک کسی معاملے میں لازمی ہوں کی تعمیل کرے۔

مزید قرار دیا جاتا ہے کہ مذکورہ بالا قراردادیں ریگولیٹر/ریگولیٹرز کی جانب سے تجویز کردہ ترامیم، اصلاحات اور کمی و بیشی سے مشروط ہونگی جو کہ مجاز اتھارٹی کی جانب سے قرین قیاس یا ضروری سمجھے جانے کی صورت میں ان قراردادوں کا حصہ سمجھی جاسکتی ہیں اور اس امر کیلئے ممبران کی جانب سے خصوصی قراردادوں کو از سر نو پاس کیا جانا لازمی نا ہوگا۔

5۔ درج ذیل قراردادوں کوبطور عمومی قرارداد اگر ضروری سمجھا جائے تو ترامیم وکمی وبیشی کے ساتھ یا ان کے بغیر زیرغور لانا اور پاس کرنا تا کہ کمپنیز ایکٹ 2017 کے سیکشن (6)223، جسے ایس آر او 2023/(I)389 مؤرخہ 21 مارچ 2023 کے ساتھ ملا کر پڑھا جائے، کے تحت کمپنی کو اس قابل اور مجاز بنانا کہ سالانہ رپورٹ (بشمول آڈٹ شدہ مالیاتی دستاویزات، آڈیٹرز رپورٹ، ڈائریکٹرز رپورٹ، چیئرمین جائزہ رپورٹ) ممبران کو بذریعہ کارآمد کیو آر کوڈ اور ویب لنک ارسال کی جاسکیں۔

"قرار دیا جاتا ہے کہ (" کمپنی") اس بات کی مجاز ہے اور بذریعہ ہذا اسے مجاز بنایا جاتا ہے کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ایس آر او 2023/(I)389 کے تحت سالانہ رپورٹ بشمول آڈٹ شدہ مالیاتی دستاویزات، آڈیٹرز رپورٹ، ڈائریکٹرز رپورٹ، چیئرمین جائزہ رپورٹ اور میں موجود دیگر رپورٹس ممبران کو بذریعہ کارآمد کیو آر کوڈ اور ویب لنک ارسال کی جاسکیں اور یہ کہ سالانہ رپورٹس کو سی ڈی/ یو ایس بی کے ذریعے ارسال کئے جانے کی روایت کو منسوخ کردیا جائے۔

6۔ اور کسی بھی امور کو چیئرمین کی اجازت کے ساتھ زیر بحث لانا۔ کمپنیز ایکٹ 2017 کے سیکشن (3)134 کے تحت سالانہ اجلاس عام کے دوران امور خصوصی سے متعلق اہمیت کے حامل معاملات سے متعلق بیان بابت کو نوٹس ہذا کے ساتھ منسلک کیا جارہا ہے۔

بحکم بورڈ

محمد عابد خان
سیکرٹری

کراچی: 05 اکتوبر 2023

نوٹس:

1۔ حصص منتقلی کھاتوں کی بندش

کمپنی کے حصص منتقلی کے کھاتے بروز جمعرات مؤرخہ 19 اکتوبر 2023 تا بروز جمعرات مؤرخہ 26 اکتوبر 2023 (شمول ایام مزکورہ) بندرہیں گے۔ کاروبار کے آخری دن یعنی 18 اکتوبر 2023 تک ہمارے شیئر رجسٹرار/ ٹرانسفر ایجنٹ میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ 2، ڈی ایچ اے فیز VII، کراچی 75500 کو موصول ہونے والی منتقلیوں کو بروقت تصور کیا جائے گا ایسے افراد سالانہ اجلاس عام میں شرکت اور حصص داران کی جانب سے منظور کئے جانے کی صورت میں نقد ڈیویڈنڈ وصول کرنے کے حقدار ہونگے۔

2۔ اجلاس عام میں شرکت

کمپنی کا ایسا کوئی بھی ممبر جو اجلاس میں شرکت کرنے اور ووٹ ڈالنے کا حق رکھتا ہو اپنی جگہ کسی اور اجلاس میں شرکت اور حق رائے دہی کیلئے اپنا پراکسی مقرر کرسکتا ہے۔ پراکسی مقرر کرنے کیلئے لازم ہے کہ پراکسی کے کاغذات باقاعدہ دستخط شدہ اور مہر کے ساتھ اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار دفتر کو موصول ہو جائیں۔ کوئی بھی ممبر ایک سے زائد پراکسی مقرر کرنے کا مجاز نہیں ہے۔ ممبر کے کمپیوٹرائزڈ قومی شناختی کارڈ کی مصدقہ نقل فارم کے ساتھ لازماً منسلک کی جائے۔ دیگر متعلقہ معاملات کا اطلاق کمپنیز ایکٹ 2017 کی سیکشن 137 کے تحت ہوگا۔

حاملین سی ڈی سی اکاؤنٹ کیلئے لازم ہے کہ سرکلر نمبر 1 بابت 2000 از ایس ای سی پی مجریہ 26 جنوری 2000 کے مطابق درج ذیل ہدایات پر بھی عمل کریں۔

☆ **اجلاس میں شرکت کیلئے**

- بصورت افراد، حامل اکاؤنٹ یا ذیلی اکانٹ کے حامل اور/ یا ایسے افراد جن کے پاس سیکیورٹیز گروپ اکاؤنٹ کی صورت میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد کے مطابق اپ لوڈ کی جاچکی ہوں پر لازم ہوگا کہ اجلاس میں شرکت کے وقت اپنی شناخت ثابت کرنے کیلئے اپنا اصل قومی شناختی کارڈ یا پاسپورٹ ہمراہ لے کر آئیں۔
- سینٹرل ڈیپازیٹری کمپنی (سی ڈی سی) میں رجسٹرڈ شدہ ممبران سے بھی درخواست ہے کہ اپنے کوائف ہمراہ لے کر آئیں، آئی ڈی نمبر اور سینٹرل ڈیپازیٹری سسٹم (سی ڈی ایس) میں اپنا اکاؤنٹ نمبر۔
- بصورت کاروباری ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمونہ دستخط بھی پراکسی فارم کے ساتھ کمپنی میں جمع کروائے جائیں گے۔

☆ **پراکسی کی تعیناتی کیلئے**

- بصورت افراد، حامل اکاؤنٹ یا ذیلی اکانٹ کے حامل اور/ یا ایسے افراد جن کے پاس سیکیورٹیز گروپ اکاؤنٹ کی صورت میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد کے مطابق اپ لوڈ کی جاچکی ہوں پر لازم ہوگا کہ مزکورہ بالا قواعد کے تحت اپنے پراکسی فارم جمع کروائیں۔

- پراکسی فارم پر دو افراد بطور گواہ دستخط کریں گے اور فارم پر گواہوں کے دستخط کے ساتھ ساتھ ان کے نام، پتے اور قومی شناختی کارڈ کے نمبر کا درج ہونا لازم ہے۔

- پراکسی فارم کے ساتھ مستفید مالک اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا بھی لازم ہے۔
- پراکسی کیلئے لازم ہے کہ اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ ہمراہ لے کر آئے۔
- بصورت کاروباری ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمونہ دستخط بھی پراکسی فارم کے ساتھ کمپنی میں جمع کروائے جائیں گے۔

3۔ فزیکل/کاغذی حصص کی سی ڈی سی اکاؤنٹ میں حوالگی

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت ہر موجودہ لسٹڈ کمپنی پر لازم ہے کہ کاغذی صورت میں موجود حصص کو مجوزہ طریق کار کے تحت اور کمیشن کی جانب سے دی جانے والی تاریخ سے بک انٹری فارم میں تبدیل کروالیں۔

ایسے حصص داران جو کہ اب تک کاغذی صورت میں حصص کے حامل ہیں سے درخواست کی جاتی ہے کہ کسی بھی بروکر کے پاس اپنا سی ڈی سی اکاؤنٹ کھلوالیں یا سی ڈی سی کے پاس براہ راست اپنا انویسٹر اکاؤنٹ کھلوالیں تا کہ انکے کاغذی حصص کو اسکرپ کی صورت میں منتقل کیا جاسکے۔ ایسا کرنے سے انہیں کئی سہولیات میسر آسکتی ہیں جیسا کہ حصص کا محفوظ

تحویل میں ہونا، خرید وفروخت کا محفوظ ہونا اور جب چاہیں خرید فروخت ہونا وغیرہ اور اب پاکستان اسٹاک ایکسچینج کے مروجہ قواعد کے مطابق کاغذی صورت میں حصص کی خرید وفروخت ممنوع قرار دے دی گئی ہے۔

4۔ کمپنی کی ویب سائٹ پر آڈٹ شدہ سالانہ مالیاتی دستاویزات کی فراہمی

کمپنی کی سالانہ مالیاتی دستاویزات برائے مالی سال اختتامیہ 30 جون 2023 اور گزشتہ مالی سالوں سے متعلق سالانہ وسہ ماہی مالیاتی دستاویزات کمپنی کی ویب سائٹ www.thattacement.com پر موجود ہیں۔

5۔ آڈٹ شدہ سالانہ مالیاتی دستاویزات کی کمپنی ویب سائٹ پر دستیابی

کمپنی کی جانب سے سالانہ مالیاتی دستاویزات ممبران کو ان کے رجسٹرڈ شدہ پتوں پر بذریعہ سی ڈی ارسال کی جاچکی ہیں۔ مذکورہ بالا دستاویزات کی پرنٹ شدہ نقول ممبران کی درخواست انہیں فراہم کی جاسکتی ہیں۔ درخواست فارم کمپنی کی ویب سائٹ www.thattacement.com پر موجود ہیں۔

6۔ سالانہ مالیاتی دستاویزات کی ترسیل بذریعہ ای میل

ایس ای سی پی کے ایس آر او 787(1)2014 مؤرخہ 8 ستمبر 2014 کے مطابق تمام ممبران کو یہ اختیار دیا گیا ہے کہ وہ کمپنی کی آڈٹ شدہ مالیاتی دستاویزات بمعہ نوٹس برائے سالانہ اجلاس عام بذریعہ ای میل بھی حاصل کر سکتے ہیں۔ لہذا ایسے تمام ممبران جو کہ کمپنی کی آڈٹ شدہ مالیاتی دستاویزات بمعہ نوٹس برائے سالانہ اجلاس عام بذریعہ ای میل حاصل کرنے کے خواہشمند ہیں سے درخواست کی جاتی ہے کہ کمپنی کی ویب سائٹ www.thattacement.com پر موجود اسٹینڈرڈ فارم پر کر کے جمع کروادیں۔ تا کہ ایسے ممبران درخواست کر کے سالانہ رپورٹ کی مزید ہارڈ کاپیاں بھی مفت حاصل کر سکیں۔

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت بیان

سالانہ اجلاس عام کے دوران زیر بحث لائے جانے والے امور خصوصی سے متعلق اہمیت کے حامل معاملات کو ذیل میں پیش کیا جارہا ہے:

درج ذیل بیان میں بروز جمعرات مؤرخہ 26 اکتوبر 2023 ٹھٹہ سیمنٹ کمپنی لمیٹڈ (" کمپنی ") کے سالانہ اجلاس کے دوران زیر بحث لائے جانے والے امور خصوصی کو بیان کیا جارہا ہے۔

ایجنڈا آئٹم نمبر 01

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 26 ستمبر 2023 کو منعقد کئے جانے والے اپنے اجلاس میں یہ منظوری دی گئی تھی اور فیصلہ کیا تھا کہ کمپنی کے ممبران سے سفارش کی جائے کہ کمپنیز ایکٹ 2017 ("ایکٹ") کے سیکشن 88 جسے لسٹڈ کمپنیز (بائی بیک آف شیئرز) ریگولیشنز 2019 ("ریگولیشنز") کے ساتھ ملا کر پڑھا جائے، کے مطابق خصوصی قرار دادیں منظور کرتے ہوئے کمپنی کو اس بات کا مجاز بنایا جائے کہ کمپنی کے 15,000,000 (پندرہ ملین) تک کے جاری شدہ عام حصص جن کی تعارفی قیمت 10 روپے فی حصص ہے، جو کمپنی کے موجودہ جاری کردہ اور ادا شدہ حصص کیپٹل کا تقریباً 15.04% بنتا ہے، کی کمپنی کی جانب سے بذریعہ سیکیوریٹیز ایکسچینج (یعنی پاکستان اسٹاک ایکسچینج لمیٹڈ) ("بائی بیک") وقتاً فوقتاً اسپاٹ/ مارکیٹ میں رائج قیمت پر جو کہ کمپنی کے لیے قابل قبول ہو پر از خود خریداری (بائے بیک) کی جائے۔

ایکٹ اور ضوابط کے مطابق از خود خریداری (بائے بیک) کمپنی کے اراکین کی منظوری بذریعہ خصوصی قرار دادوں سے مشروط ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے از خود خریداری (بائے بیک) کے سلسلے میں ممبران کی منظوری کے لیے مندرجہ ذیل متعلقہ تفصیلات/ نمایاں خصوصیات ہیں پیش کیا جارہی ہیں:

بیان	تفصیلات/ اہم خصوصیات
از خود خریدے جانے والے حصص (بائے بیک) کی نشاندہی کردہ (زیادہ سے زیادہ) تعداد و فیصد	کمپنی کے 15,000,000 (پندرہ ملین) تک کے جاری شدہ عام حصص جو کمپنی کے موجودہ جاری کردہ اور ادا شدہ حصص کیپٹل کا تقریباً 15.04% بنتا ہے۔
از خود خریدار (بائے بیک) کا مقصد	حصص کو بطور ٹریژری حصص تحویل میں لینا۔
خریداری کا طریق کار	بذریعہ سیکیوریٹیز ایکسچینج (یعنی پاکستان اسٹاک ایکسچینج لمیٹڈ)۔
قیمت خرید (فی حصص)	حصص کو ریگولیشنز کے ریگولیشن نمبر (8)88 بابت ایکٹ کے تحت خریداری کے عرصے کے دوران وقتاً فوقتاً اسپاٹ/ مارکیٹ میں رائج قیمت جو کہ کمپنی کیلئے قابل قبول ہو پر خریدا جائے گا۔
خریداری کا عرصہ	مؤرخہ 22 نومبر 2023 تا 23 اپریل 2024 یا از خود خریداری (بائے بیک) کی کاروائی مکمل ہونے تک، دونوں میں جو عرصہ بھی پہلے پایہ تکمیل کو پہنچے۔
مختص شدہ فنڈز	جیسا کہ حصص وقتاً فوقتاً اسپاٹ/ مارکیٹ میں رائج قیمت پر خریدا جائیں گے، کمپنی اس بات کو یقینی بنائے گی کہ حصص کی خریداری کیلئے فنڈز کا بندوبست کیا جائے۔ کمپنی کی جانب سے حصص کی اصل خریداری مارکیٹ کے حالات کے علاوہ دیگر متغیر عوامل پر منحصر ہوگا۔
فنڈز کے ذرائع	ایکٹ کے سیکشن (8)88 کے مطابق از خود خریداری (بائے بیک) کمپنی کے قابل تقسیم منافع سے کی جائے گی۔
از خود خریداری (بائے بیک) کو جواز اور کمپنی کی مالیاتی پوزیشن پر اس کے اثرات	از خود خریداری (بائے بیک) کے باعث مستقبل میں کمپنی کی مالیاتی پوزیشن پر مثبت اثرات مرتب ہونگے، جس میں کمپنی کے حصص کی بریک اپ قدر اور آمدن فی حصص بھی شامل ہیں۔ از خود خریداری (بائے بیک) ان حصص داران کو بھی ایک موقع فراہم کرے گا جو جذوی یا مکمل طور پر اپنی سرمایہ کاری کو نقد رقوم میں تبدیل کرنے کے خواہاں ہیں۔

بیان ہذا 26 اکتوبر 2023 کو منعقد کئے جانے والے سالانہ اجلاس عام کے نوٹس کے ساتھ منسلک ہے جس کے دوران خصوصی امور کو زیر کاروائی لایا جائے گا اور بیان ہذا کا مقصد یہ بھی ہے کہ ریگولیشنز کے ریگولیشن نمبر (d)(1)3 کے مطابق اجلاس کی خصوصی کاروائی سے متعلق تمام اہم معلومات کو پیش کردیا جائے۔ کمپنی کی جانب سے اس بات کی ذمہ داری لی جاتی ہے کہ از خود خریداری (بائے بیک) کیلئے درکار فنڈز (خریداری کے عرصے کے دوران حصص کی اصلاً خریداری کی حد تک) کمپنی کے پاس موجود ہونگے اور یہ کہ خریداری کے فوراً بعد اور بارہ (12) بعد کے عرصے تک کمپنی کے پاس اتنے فنڈز موجود ہونگے کہ کمپنی اپنے واجبات ادا کر سکے۔ ریگولیشن نمبر (e)(1)3 کے تحت اس بات کی توثیق کی جاتی ہے کہ پاکستان اسٹاک ایکسچینج کے ڈیفالٹ کاؤنٹر پر نہیں ہے اور یہ کمپنی قرض کے کسی بھی معاہدے کے تحت نادہندہ نہیں ہے۔

مجوزہ از خود خریداری (بائے بیک) کے سلسلے میں ڈائریکٹرز کے ذاتی مفادات شامل نہیں ہیں ماسوائے ان مفادات کی حد تک جو کہ کمپنی کی ترتیب حصص داری کے تحت انہیں حاصل ہیں۔

از خود خریداری (بائے بیک) کا طریقہ کار

ایکٹ کی سیکشن (8)88، جسے ریگولیشنز کے ساتھ ملا کر پڑھا جائے، کے تحت از خود خریداری (بائے بیک) کیلئے مندرجہ ذیل طریقہ کار پر عمل کیا جائے گا:

1۔ کمپنی ممبران کی جانب سے خصوصی قرارداد پاس کئے جانے کے دو کاروباری ایام کے اندر اندر از خود خریداری (بائے بیک) بذریعہ سیکیورٹیز ایکسچینج کمیشن (یعنی پاکستان اسٹاک ایکسچینج لمیٹڈ) کیلئے اعلان عام کرے گی۔ اعلان عام دو (2) روزنامہ اخبارات میں شائع کیا جائے گا۔

2۔ اس بات کی توثیق کی جاتی ہے کہ ریگولیشن نمبر (2)12 بابت ریگولیشنز میں مذکور اشخاص کے علاوہ ایسے تمام افراد جن کے پاس کارآمد طریقے سے خریداری کے عرصے کے دوران حصص موجود ہوں از خود خریداری (بائے بیک) میں شرکت کے اہل ہوں خواہ ان کے نام کھاتے بند کئے جانے کی تاریخ پر کمپنی کے ممبران کے رجسٹر میں درج ہوں یا نا ہوں۔

3۔ کمپنی کے ممبران جن کی ملکیت میں کمپنی حصص موجود ہوں اور ان حصص یا ان کا کچھ حصہ بیچنے کے اہل ہیں اور بیچنے کے خواہشمند ہوں اپنے حصص بذریعہ سیکیورٹیز بروکر سیکیورٹیز ایکسچینج (یعنی پاکستان اسٹاک ایکسچینج لمیٹڈ) کو بیچ سکتے ہیں، ممبران اپنے حصص عام طریقہ کار کے مطابق سیکیورٹیز بروکر کے پاس سیل آرڈر کے ذریعے بیچ سکتے ہیں اور بعد ازاں ان حصص کو کمپنی کی جانب سے (اگر کمپنی مناسب سمجھے) خرید لیا جائے گا۔

4۔ از خود خریداری (بائے بیک) کی کاروائی سیکیورٹیز ایکسچینج کے خودکار ٹریڈنگ سسٹم کے تحت عمل میں لائی جائے گی۔ تمام حصص بوقت خریداری اسپاٹ/مارکیٹ میں رائج قیمت پر خریدے جائیں گے۔ مارکیٹ میں بھاؤ تاؤ کے ذریعے حصص نہیں خریدے جائیں گے۔

5۔ خریداری کے عرصے یعنی 2 نومبر 2023 تا 23 اپریل 2024 (بشمول ایام مذکورہ) یا از خود خریداری (بائے بیک) کا عمل مکمل ہونے تک، دونوں میں سے جو بھی تاریخ مقدم ہو، کے دوران، کمپنی اس بات کی مجاز ہو گی کہ بذریعہ سیکیورٹیز ایکسچینج حصص کی خریداری کرے۔

ایجنڈہ آئٹم نمبر 02

ٹیکنالوجی میں آنے والی نت نئی جدت اور پرانی ٹیکنالوجی کی فرسودگی کے پیش نظر، بحوالہ ایس آر او نمبر 2023/(I)389 مجریہ 21 مارچ 2023 سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") کی جانب سے لسٹڈ کمپنیوں کو اس بات کی اجازت دی گئی ہے کہ اپنی سالانہ رپورٹس (بشمول آڈٹ شدہ مالیاتی دستاویزات، آڈیٹرز کی رپورٹ، ڈائریکٹرز رپورٹ، چیئرمین کی جائزہ رپورٹ) ممبران کو بذریعہ کارآمد کیو آر کوڈ اور ویب لنک کے ذریعے بھی ارسال کی جاسکتی ہیں۔

مذکورہ بالا ایس آر او کی رو سے اس بات کی منظوری بھی کمپنی کے ممبران سے لی جانی لازم ہے۔

جدید ٹیکنالوجی سے زیادہ سے زیادہ فائدہ اٹھانے اور کمپنی کی جانب سے کارپوریٹ معاشرتی ذمہ داری اور ماحولیات اور اس کی بقاء سے متعلق کمپنی کی ذمہ داریوں کو مدنظر رکھتے ہوئے، کمپنی کی جانب سے آئندہ سالانہ رپورٹس کا بذریعہ سی ڈی ارسال کیا جانا منقطع کیا جارہا ہے۔ لہذا بورڈ آف ڈائریکٹرز کی جانب سے، جیسا کہ نوٹس میں بھی مذکور ہے، سفارش کی گئی ہے کہ ممبران کی جانب سے ایک عام قرارداد پاس کرلی جائے کہ سالانہ رپورٹ (بشمول آڈٹ شدہ مالیاتی دستاویزات و دیگر متعلقہ رپورٹس) کمپنی کے ممبران کو بذریعہ کارآمد کیو آر کوڈ اور ویب لنک ارسال کی جائے۔

اس بندوبست کے باعث کمپنی کے ممبران کو یہ سہولت بھی حاصل ہوجائے گی کہ وہ کسی بھی مقام سے کمپنی کی مالیاتی دستاویزات تک رسائی حاصل کرسکتے ہیں۔ علاوہ ازیں، اس اقدام سے سی ڈی بنانے پر آنے والے غیر ضروری اخراجات سے بھی چھٹکارا حاصل ہوجائے گا۔

یہاں اس بات کا ذکر بھی لازم ہے کہ اگر کسی ممبر کو سالانہ رپورٹ کی پرنٹ شدہ کاپی درکار ہو تو مذکورہ بالا ایس آر او کے تحت انہیں پرنٹ شدہ کاپی بلا عوض فراہم کی جائے گی، اس حق/سہولت کے خلاف کسی قسم کی کوئی تجویز پیش نہیں کی گئی۔

کمپنی کے کسی بھی ڈائریکٹرز کا کوئی ذاتی مفاد مذکورہ بالا امور خصوصی سے وابستہ نہیں ہیں، ماسوائے ان حقوق کے جو کہ انہیں بطور کمپنی ممبران و ڈائریکٹرز حاصل ہیں۔

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF THATTA CEMENT COMPANY LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Thatta Cement Company Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance the requirements of section 208 of the companies Act,2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

BDO Ebrahim & Co

KARACHI
DATED: October 3,2023
UDIN: CR202310166A2MJEIxw0

CHARTERED ACCOUNTANTS
Engagement Partner: Tariq Feroz Khan

BDO Ebrahim & Co. Chartered Accountants

Statement of Compliance with Listed Companies [Code of Corporate Governance] Regulations, 2019

For the year ended June 30, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following details:
   a. Male: six
   b. Female: one

2. The composition of the board is as follows:

Independent Directors:	four
Other Non-Executive Directors:	two
Executive Director:	one
Female Director:	one

3. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company;

4. The Company has prepared a 'Code of Conduct 'and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ['Act'] and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following:

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

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The board has formed following Committees as required under CCG, 2019 which comprises of members given below:

Name of Members		Audit Committee
1.	Ms. Naheed Memon	Chairperson of Committee
2.	Mr. Khawaja Muhammad Salman Younis	Member
3.	Mr. Saleem Zamindar	Member

Name of Members		Human Resource and Remuneration Committee
4.	Mr. Noor Muhammad	Chairman
5.	Mr. Muhammad Aslam Shaikh	Member
6.	Mr. Kamran Munir Ansari	Member

Name of Members		Risk Management Committee
7.	Mr. Saleem Zamindar	Chairman
8.	Mr. Noor Muhammad	Member
9.	Mr. Kamran Munir Ansari	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee were as per following:

Name of Committee	Number of Meetings held during year from July 1, 2022 to June 30, 2023
Audit Committee	Five
Risk Management Committee	Four
Human Resource and Remuneration Committee	Two

15. The Board has outsourced the internal audit function and also appointed a Head of Internal Audit who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are noted below:

S. No.	Requirement	Explanation	Reg. No.
1	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Since the constitution of the Committee is non-mandatory, therefore the responsibilities prescribed for the nomination Committee are being taken care of by the Board of Directors.	29

Muhammad Aslam Shaikh
Chief Executive Officer

Khawaja Muhammad Salman Younis
Chairman

Karachi: September 26, 2023

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

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **THATTA CEMENT COMPANY LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows, the unconsolidated statement of changes in equity for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows and the unconsolidated statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive loss, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	Contingencies	
	As disclosed in note 31 to the unconsolidated financial statements. The Company has contingent liabilities and tax litigations in respect of income and sales tax matters, which are pending adjudication at different levels with the taxation authorities and other legal forums. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities and tax related litigations, a key audit matter.	We undertook number of procedures to verify the appropriateness of contingencies in the unconsolidated financial statements. This included, among others: • We discussed the progress of each case and the Company's estimate of the cost to be incurred; • We reviewed with management the key elements of the basis used by management while challenging reasonableness of the cost estimates; • We obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; • Checked orders by relevant authority on previous lawsuits / cases which are being disclosed in the unconsolidated financial statements; • Obtained legal advice on the above cases with the legal advisors to assess expected outcome and any estimate of outflow. • Made an assessment of likelihood of occurrence of such events and impact on the unconsolidated financial statements.

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S. No	Key audit matters	How the matter was addressed in our audit
2.	**Existence and valuation of stock-in-trade**	
	As disclosed in note 12 to the unconsolidated financial statements, 'stock-in-trade' which includes limestone, coal, slag, gypsum, iron ore, shale and clinker are stored in the factory in the form of stockpiles and it represents 82% of the stock. Since the weighing of these inventories is not practicable, the management assessed the reasonableness of the quantities in hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volume by using an angle of repose and the bulk density. Due to the significance of the stock balances and related estimates involved, this is considered a key audit matter.	Our audit procedures to assess the existence and valuation of stock-in-trade, amongst others, included the following: • Obtained an understanding of the valuation methodology and the processes and controls with respect to the valuation of the stock in trade; • Attended the physical inventory count performed by the Company; • Assessed the reasonableness of management's measurement of stockpiles verified during the physical count at year end and reviewed the conversion to the unit of volume; • Tested the calculations of per unit cost of finished goods and assess the appropriateness of management's basis for the allocation of cost and production overheads and compared it with prior period to assess reasonableness; • Evaluated the appropriateness of the basis for identification of slow moving and obsolete stock, including accuracy of the provision made there against as assessed by the management, on a test basis; and • Tested the net realizable value and valuation methods in accordance with applicable financial reporting standards.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

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

KARACHI

BDO Ebrahim & Co

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

DATED: **September 26, 2023**

UDIN: **AR202310166CV8IHZ1gK**

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,838,811	1,920,063
Right-of-use-assets	7	-	42,184
Intangibles	8	4,095	5,265
Long term investment in subsidiary	9	299,158	299,158
Long term deposits	10	5,125	3,796
		2,147,189	2,270,466
CURRENT ASSETS			
Stores, spare parts and loose tools	11	187,776	263,932
Stock-in-trade	12	933,536	563,203
Trade debts	13	424,518	524,147
Loan to the subsidiary	14	-	95,846
Advances	15	48,104	48,446
Deposits and prepayments	16	5,542	5,326
Short term investment	17	223,715	473,715
Other receivables and accrued mark-up	18	16,430	12,060
Gratuity Fund asset	25.2.8	23,100	-
Taxation-net	19	66,000	147,648
Cash and bank balances	20	667,071	228,182
		2,595,792	2,362,505
TOTAL ASSETS		4,742,981	4,632,971
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	21	2,000,000	2,000,000
Issued, subscribed and paid-up capital	21	997,181	997,181
Capital reserve	22	99,718	99,718
Revenue reserve	22	1,887,810	1,643,410
		2,984,709	2,740,309
NON CURRENT LIABILITIES			
Lease liability	23	-	35,726
Long term deposits	24	2,787	2,791
Employee benefits	25	19,694	18,589
Deferred taxation	26	278,073	278,359
		300,554	335,465
CURRENT LIABILITIES			
Current maturity of lease liability	23	-	6,493
Gratuity fund payable	25	-	32,314
Trade and other payables	27	1,236,387	1,297,388
Unclaimed dividend	28	1,957	1,972
Accrued mark-up	29	12,765	6,738
Short term borrowings	30	206,609	212,292
		1,457,718	1,557,197
TOTAL EQUITY AND LIABILITIES		4,742,981	4,632,971
CONTINGENCIES AND COMMITMENTS	31		

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
Sales - net	32	5,410,132	4,263,894
Cost of sales	33	(4,989,620)	(3,943,273)
Gross profit		420,512	320,621
Selling and distribution cost	34	(88,498)	(58,620)
Administrative expenses	35	(144,299)	(116,370)
		187,715	145,631
Other operating expenses	36	(31,021)	(44,591)
Operating profit		156,694	101,040
Other income	37	258,692	87,101
Finance Tcost	38	(50,858)	(33,375)
Profit before taxation		364,528	154,766
Taxation	39	(115,451)	(35,472)
Profit after taxation		249,077	119,294
Earnings per share - basic and diluted (Rupees)	40	2.50	1.20

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
Profit for the year		249,077	119,294
Other comprehensive income:		-	-
Items that will not be subsequently reclassified to profit or loss			
Loss on remeasurement of defined benefit liability	25.2.13	(4,677)	(18,261)
Total comprehensive income for the year		244,400	101,033

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		364,528	154,766
Adjustment for income and expenses:			
Depreciation on property, plant and equipment	6.1.2	137,750	126,991
Depreciation on right-of-use-assets	35	3,766	3,013
Amortization on intangibles	35	1,170	585
Provision for obselete and slow moving of major stores and spares	33	4,650	307
Provision for obselete and slow moving stores and spares	33	6,012	13,542
Finance cost	38	50,858	33,375
Provision for gratuity	25.2.12	(52,004)	14,055
Provision for leave encashment	25.2.3	4,103	5,077
Provision for loss allowance		233	(3,783)
Workers' Welfare Fund	36	7,440	3,760
Workers' Profit Participation Fund	36	19,579	8,343
Gain on sale of property, plant and equipment	37	(3,658)	(1,390)
		179,899	203,875
Operating cash flows before working capital changes		544,427	358,641
(Increase) / decrease in current assets			
Store, spare parts and loose tools		73,965	(85,418)
Stock-in-trade		(370,333)	(126,763)
Trade debts		99,396	(328,080)
Advances		342	(42,394)
Deposits and prepayments		(216)	21,458
Other receivable and accrued mark-up		(4,370)	(9,956)
		(201,216)	(571,153)
(Decrease) / increase in current liabilities			
Trade and other payables		(75,917)	780,322
Cash generated from operations		267,294	567,810
Finance cost paid		(44,831)	(30,129)
Gratuity paid	25.2.10	(10,000)	(16,168)
Lease rentals paid		(5,020)	(2,979)
Leave encashment paid		(2,998)	(1,601)
Workers' Welfare Fund paid		(3,760)	(3,688)
Workers' Profit Participation Fund paid	27.5	(9,037)	(14,559)
Income tax paid- net	19	(34,089)	(12,550)
Net cash flows from operating activities		157,559	486,136

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in capital expenditure		(62,746)	(95,725)
Addition in intangible assets		-	(5,850)
Short term investment		250,000	(473,715)
Loan to subsidiary		95,846	(25,846)
Long term deposit - assets		(1,329)	(2,700)
Proceeds from sale of property, plant and equipment		5,257	1,500
Net cash generated from / (used in) investing activities		287,028	(602,336)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(15)	(24,776)
Net cash used in financing activities		(15)	(24,776)
Net increase / (decrease) in cash and cash equivalents		444,572	(140,976)
Cash and cash equivalents at the beginning of the year		15,890	156,866
Cash and cash equivalents at the end of the year	42	460,462	15,890

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

	Issued, subscribed and paid-up capital	Reserves				Total
		Capital reserve	Revenue reserves		Sub total	
		Share Premium	Acturial loss on remeasurement of defined benefit liability	Accumulated profit		
	---------- Rupees in thousands ----------					
Balance as at July 1, 2021	997,181	99,718	(2,166)	1,569,473	1,667,025	2,664,206
Transaction with owners						
Final cash dividend @ Rs. 025 per share for the year ended June30, 2021	-	-	-	(24,930)	(24,930)	(24,930)
Total comprehensive income for the year						
Profit for the year	-	-	-	119,294	119,294	119,294
Other comprehensive loss for the year	-	-	(18,261)	-	(18,261)	(18,261)
	-	-	(18,261)	119,294	101,033	101,033
Balance as at June 30, 2022	997,181	99,718	(20,427)	1,663,837	1,743,128	2,740,309
Balance as at July 1, 2022	997,181	99,718	(20,427)	1,663,837	1,743,128	2,740,309
Total comprehensive income for the year						
Profit for the year	-	-	-	249,077	249,077	249,077
Other comprehensive loss for the year	-	-	(4,677)	-	(4,677)	(4,677)
	-	-	(4,677)	249,077	244,400	244,400
Balance as at June 30, 2023	997,181	99,718	(25,104)	1,912,914	1,987,528	2,984,709

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

CHIEF FINANCIAL OFFICER | CHIEF EXECUTIVE | DIRECTOR

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

1 STATUS AND NATURE OF BUSINESS

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

1.2 The Company owns 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.

1.3 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. The consolidated financial statements of the Company and its subsidiary has been presented separately. Details of investment held by the Company in the Subsidiary Company has been given in note 9.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at CL/5-4, State Life Building No. 10, Abdullah Haroon Road, Karachi, Pakistan. The production facility of the Company is located at Ghulamullah Road, Makli, District Thatta, Sindh.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

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

3.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost basis, except as disclosed in the relevant accounting policies in note 5 to the unconsolidated financial statements.

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

3.3 Use of estimates and judgments

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

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

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

- depreciation method, useful lives and residual values of property, plant and equipment (notes 5.1 and 6.1);
- depreciation method, useful lives and residual values of right-of-use asset (notes 5.1 and 7);
- amortization method, useful lives and residual values of intangibles (notes 5.2);
- provision of slow moving and obsolete stores, spares and loose tools (notes 5.5, and 11);
- allowance for expected credit losses (notes 5.18.1 and 13);
- taxation (notes 5.11 and 19);
- employee benefit obligations (notes 5.9 and 25);
- contingencies (notes 5.15 and 31.1);

3.4 Functional and presentation currency

Items included in the unconsolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The unconsolidated financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs.'), which is the Company's functional and presentation currency.

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

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have material impact on the unconsolidated financial statements other than certain additional disclosures.

	Effective date (Annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022

	Effective date (Annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

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

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

	Effective date (Annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

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

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards; and
IFRS 17I nsurance Contracts.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

a) Operating fixed assets

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

Depreciation on property, plant and equipment

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

Subsequent costs

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

Disposal

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

b) Capital work-in-progress (CWIP)

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

c) Right-of-use asset and lease liabilities

The right-of-use asset is initially measured at the amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently amortized using straight line method from the date of commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the future lease payments over the lease term, discounted using the specific incremental borrowing rate. Subsequently, lease liabilities are measured at amortized cost using the effective interest rate method.

It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

5.2 Intangible assets

a) Acquired

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

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

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

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

b) Internally generated

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

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

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

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

5.3 Impairment of non-financial assets

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

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

5.4 Investment in subsidiary

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

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

5.5 Stores, spare parts and loose tools

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

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

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

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

5.6 Stock-in-trade

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

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

5.7 Trade debts and other receivables

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

5.8 Cash and cash equivalents

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

5.9 Employees benefits

The Company's employees benefits comprise of provident fund, gratuity scheme and leave encashment for eligible employees.

5.9.1 Employee retirement benefits

a) Defined benefit plan

The Company operates an approved funded gratuity scheme covering all permanent employees. The scheme is administered by the trustees nominated under the Trust Deed.

The liability recognized in respect of gratuity is the present value of the Company's obligations under the scheme at the date of unconsolidated statement of financial position less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses. Contribution is made to this scheme on the basis of actuarial recommendations. The actuarial valuation is carried out using the Projected Unit Credit Method.

The present value of obligations are determined by discounting the estimated future cash outflows using interest rates of government bonds. The government bonds are consistent with the estimated term of the post-employment benefit obligations.

b) Defined contribution plan

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

c) Leave encashment

The liability for accumulated earned leaves which are eligible for encashment relating to permanent employees are recognized on the basis of actuarial valuation in the period in which permanent employees render service that increases their entitlement to future leave encashment.

5.10 Borrowings and finance cost

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

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

5.11 Taxation

a) Current

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

b) Deferred

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

5.12 Trade and other payables

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

5.13 Provisions

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

5.14 Contingencies

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

5.15 Transactions with related parties

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

5.16 Revenue recognition

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

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

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

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

5.17 Financial assets and liabilities

5.17.1 Financial assets

a) Amortized cost

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

Impairment

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

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

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

5.17.2 Financial liabilities

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

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

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

5.18 Offsetting of financial assets and financial liabilities

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

5.19 Cash and cash equivalents

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

5.20 Segment reporting

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

5.21 Foreign currency transactions

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

5.22 Earnings per share

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

5.23 Dividends and appropriations

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

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		------ Rupees in thousands ------	
Operating fixed assets	6.1	1,756,027	1,791,462
Capital stores and spares	6.2	65,145	65,871
Capital work in progress	6.3	17,639	62,730
		1,838,811	1,920,063

6.1 Operating fixed assets

Description	Freehold land	Leasehold improvements	Quarries and improvements	Factory building on freehold land	Electrical and gas installations	Housing colonies	Office building on freehold land	Plant and machinery	Quarry equipments	Railway sidings	Vehicles	Furniture and fixtures	Office equipments	Medical equipment	Laboratory equipment	Computer equipments	Total
	------ Rupees in thousands ------																
Year ended June 30, 2023																	
Net carrying value basis																	
Opening net book value	6,186	6,351	108	13,102	68,022	11,875	2,550	1,652,549	117	342	4,691	1,410	6,395	-	14,646	3,118	1,791,462
Additions	-		-	-	77,485	-	769	19,656	-	-	-	1,989	-	-	1,452	2,562	103,913
Deletions-NBV	-	-	-		-	-	-	-	-	-	1,599	-	-	-	-	-	1,599
Adjustments- NBV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	1,292	9	5,559	4,348	990	228	115,202	88	172	694	601	1,844	-	5,191	1,531	137,749
Closing net book value	6,186	5,059	99	7,543	141,159	10,885	3,091	1,557,003	29	170	2,398	2,798	4,551	-	10,907	4,149	1,756,027
Gross carrying value basis																	
Cost	6,186	9,044	11,963	246,642	175,000	74,096	23,050	3,461,330	19,296	14,905	69,340	13,264	19,962	629	74,041	27,283	4,246,031
Accumulated depreciation	-	3,985	11,864	239,099	33,841	63,211	19,959	1,904,327	19,267	14,735	66,942	10,466	15,411	629	63,134	23,134	2,490,004
Net book value	6,186	5,059	99	7,543	141,159	10,885	3,091	1,557,003	29	170	2,398	2,798	4,551	-	10,907	4,149	1,756,027
Year ended June 30, 2022																	
Net carrying value basis																	
Opening net book value	6,186	-	117	18,661	33,544	12,865	2,762	1,751,621	205	514	5,074	1,653	6,348	-	19,715	583	1,859,848
Additions during the year	-	6,459	-	-	38,250	-	-	6,609	-	-	2,199	252	1,902	-	-	3,044	58,715
Deletions- NBV	-	-	-		-	-	-	-	-	-	-	-	110	-	-	-	110
Adjustments- NBV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	108	9	5,559	3,772	990	212	105,681	88	172	2,582	495	1,745	-	5,069	509	126,991
Closing net book value	6,186	6,351	108	13,102	68,022	11,875	2,550	1,652,549	117	342	4,691	1,410	6,395	-	14,646	3,118	1,791,462
Gross carrying value basis																	
Cost	6,186	9,044	11,963	246,642	97,515	74,096	22,281	3,441,674	19,296	14,905	69,340	11,275	19,962	629	72,589	24,721	4,142,118
Accumulated depreciation	-	2,693	11,855	233,540	29,493	62,221	19,731	1,789,125	19,179	14,563	64,649	9,865	13,567	629	57,943	21,603	2,350,656
Net book value	6,186	6,351	108	13,102	68,022	11,875	2,550	1,652,549	117	342	4,691	1,410	6,395	-	14,646	3,118	1,791,462
6.1.1 Depreciation rates (% per anum)	0	20	5	10	5	5	5	*Uop	20	10	20	10	10	10	10	30	

6.1.2 Allocation of depreciation

	Note	2023	2022
		------ Rupees in thousands ------	
The depreciation charge for the year has been allocated as under:			
Cost of sales	33	133,865	124,632
Selling and distribution cost	34	956	500
Administrative expenses	35	2,929	1,859
		137,750	126,991

* uop = units of production

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

6.1.4 Significant operating fixed assets of Cement production lines and power generation units, other than disclosed in note 6.1, inter alia, also includes following:

Crusher
Raw mill
Coal mill
Kiln
Slag mill
Cement mill
Packing Plant

6.2 Capital stores and spares

	Note	2023	2022
		------ Rupees in thousands ------	
Net carrying value basis			
Opening net book value (NBV)		108,319	106,259
Additions during the year		17,253	18,048
Transferred during the year		(13,329)	(15,988)
		112,243	108,319
Accumulated impairment	6.2.1	(47,098)	(42,448)
Closing net book value (NBV)		65,145	65,871

6.2.1 Accumulated impariment

	Note	2023	2022
Balance as at July 01		(42,448)	(42,141)
Impairment charge for the year	33	(4,650)	(307)
Balance as at June 30		(47,098)	(42,448)
Gross carrying value basis			
Cost		112,243	108,319
Accumulated impairment		(47,098)	(42,448)
Net carrying value		65,145	65,871

6.3 Capital work in progress

Description	Solar Panel project	Solar Panel System	Karsaz head office	State life building head office	Malik Shed Extension	Balochistan project	Lime Stone Shed	Clinker Crusher Project	Coal Yard Shed	Steel Cilo	Cement Silo	Total
	---------------------------------- (Rupees in thousands)											----------------------------------
Balance as at July 01, 2022	-	54,873	-	-	565	-	-	-	-	-	7,292	62,730
Capital expenditures incurred during the year	-	22,612	-	1,704	1,289	603	5,992	4,231	4,959	433	1,157	42,980
Transferred to property, Plant, and equipment	-	(77,485)	-	(1,704)	-	-	-	-	-	(433)	(8,449)	(88,071)
Balance as at June 30, 2023	-	-	-	-	1,854	603	5,992	4,231	4,959	-	-	17,639
Balance as at July 01, 2021	27,780	-	-	-	-	-	-	-	-	-	-	27,780
Capital expenditures incurred during the year	7,769	54,873	9,915	-	565	-	-	-	-	-	7,292	80,414
Transferred to property, Plant, and equipment	(35,549)	-	(9,915)	-	-	-	-	-	-	-	-	(45,464)
Balance as at June 30, 2022	-	54,873	-	-	565	-	-	-	-	-	7,292	62,730

7 Right-of-use Asset

The carrying amount of right-of-use assets recognized and the movement during the year are as follows:

	Note	2023	2022
		------ Rupees in thousands	------
Net carrying value basis			
Opening net book value (NBV)		42,184	-
Additions during the year		-	45,197
Depreciation charged	7.1	(3,766)	(3,013)
Lease cancelled during the year	7.2	(38,418)	-
Closing net book value (NBV)		-	42,184
Gross carrying value basis			
Cost		45,197	45,197
Accumulated depreciation		(6,779)	(3,013)
Lease cancelled during the year		(38,418)	-
Net book value		-	42,184
Depreciation rate (% per annum)		20	20

7.1 Depreciation charged on right-of-use assets has been allocated to administrative expenses amounting to Rs. 3.766 million (2022: Rs. 3.013 million).

7.2 During the year, the company has canceled the lease contract.

8 INTANGIBLE ASSETS

	2023	2022
	------ Rupees in thousands	------
ERP Software		
Net carrying value basis		
Opening net book value (NBV)	5,265	-
Addition during the year	-	5,850
Amortization charged	(1,170)	(585)
Closing net book value (NBV)	4,095	5,265

	2023	2022
	------ Rupees in thousands ------	
Gross carrying value basis		
Cost	5,850	5,850
Accumulated amortization	(1,755)	(585)
Net book value	4,095	5,265
Amortization rate (% per annum)	20	20

8.1 Amortization charged on ERP software has been allocated to administrative expenses (note 35) amounting to Rs. 1.170 million (2022: Rs. 0.585 million).

9 LONG TERM INVESTMENT IN SUBSIDIARY

	Note	2023	2022
		------ Rupees in thousands ------	
Subsidiary Company - at cost		299,158	299,158

9.1 Unquoted

	2023	2022
Thatta Power (Private) Limited (TPPL)		
Total Number of ordinary shares	47,915,830	47,915,830
Number of ordinary share Company hold	29,915,810	29,915,810
Company's holding percentage	62.43%	62.43%

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

9.3 The net breakup value as per audited financial statements as at June 30, 2023 of Thatta Power (Private) Limited is Rs. 49.16 per share (2022: Rs. 48.93 per share).

10 LONG TERM DEPOSITS

	Note	2023	2022
		------ Rupees in thousands ------	
Long term deposits		5,125	3,796

11 STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2023	2022
Coal and other fuels		34,253	96,606
Stores and spare parts		200,299	211,933
Loose tools		129	107
		234,681	308,646
Provision for obsolete stores		(3,833)	(3,843)
Provision for slow moving stores and spares		(43,072)	(40,871)
	11.1	(46,905)	(44,714)
		187,776	263,932

11.1 Movement in provision

	Note	2023	2022
Balance as at July 01,		44,714	31,172
Provision recognized during the year	33	2,191	13,542
Balance as at June 30,		46,905	44,714

		Note	2023	2022
			------ Rupees in thousands ------	
12	**STOCK-IN-TRADE**			
	Raw material	33.1	26,029	14,957
	Packing material	33.2	76,089	73,526
	Work-in-process	33	737,889	415,295
	Finished goods	33	93,529	59,425
			933,536	563,203
13	**TRADE DEBTS**			
	Considered good			
	Local - unsecured	13.1	424,751	525,044
	Considered doubtful			
	Local - unsecured	13.2	75,107	74,210
			499,858	599,254
	Allowance for expected credit losses	13.3	(75,340)	(75,107)
			424,518	524,147

13.1 The aging of local unsecured balances at the reporting date is as follows:

	2023	2022
Within 30 days	197,841	102,412
Past due from 31 to 60 days	103,422	85,644
Past due from 61 to 90 days	72,409	183,424
Past due from 91 to 360 days	51,079	153,564
Past due for more than 360 days	75,107	74,210
	499,858	599,254

13.2 This includes balance Rs. 74.210 million (2022: Rs. 74.210 million) outstanding for more than ten years. Management contends that the amount recoverable from cement stockiest were misappropriated and certain unauthorized excessive rebates were allowed by collusion of certain personnel of the Company whose services had been terminated, when the Company was operating under State Cement Corporation of Pakistan (SCCP). Accordingly, Management had lodged references for the recovery of misappropriated amount with the National Accountability Bureau (NAB). The NAB had recovered an amount of Rs.2.276 million in preceding years. The Company is continuously following with NAB officials for early realization of amount owed to the Company and has also written letters in this regard for which reply has not yet been received, therefore, provision has been maintained in respect of outstanding amount as a matter of prudence and abundant precaution.

		Note	2023	2022
			------ Rupees in thousands ------	
13.3	**Allowance for expected credit losses**			
	Balance as at July 01,		75,107	78,890
	Allowance for expected credit losses		233	-
	Reversal for expected credit losses		-	(3,783)
	Balance as at June 30,		75,340	75,107
14	**LOAN TO SUBSIDIARY COMPANY**			
	Loan to Thatta Power (Private) Limited	14.1	-	95,846

14.1 This represents loan provided to Thatta Power (Private) Limited (TPPL), the Subsidiary Company, to honour its financial obligations including working capital requirements which will ensure smooth business operations of the Subsidiary Company. In return TPPL ensure uninterrupted supply of electricity to the Company in order to maintain sustainable production of cement. The loan facility carries markup at the rate of 3 month KIBOR plus 2.62% per annum payable on quarterly basis. The loan was extended on October 15, 2021 without any collateral security. During the year the company has received all the principal and interest from the subsidiary company. The maximum balance outstanding at any month end during the year amounting to Rs.150.039 million (2022: Rs. 117.589 million).

		Note	2023	2022
			------ Rupees in thousands ------	
15	ADVANCES			
	Considered good - unsecured			
	To vendors	15.1	48,019	48,175
	Others		85	271
			48,104	48,446
15.1	Movement during the year are as follows:			
	Balance as at July 01,		48,175	5,919
	Advance received during the year		265,399	101,015
			313,574	106,934
	Charged to profit or loss		(265,555)	(58,759)
	Balance as at June 30,		48,019	48,175
16	DEPOSITS AND PREPAYMENTS			
	Deposits		1,637	1,933
	Prepayments	16.1	3,905	3,393
			5,542	5,326
16.1	Movement during the year are as follows;			
	Balance as at July 01,		3,393	1,684
	Addition during the year		60,666	46,345
	Utilized during the year		(60,154)	(44,636)
	Balance as at June 30,		3,905	3,393
17	SHORT TERM INVESTMENT			
	Term Deposit Receipt (TDR)		223,715	473,715

17.1 At June 30, 2023, the Company holds term deposit receipt carrying profit rate of 14.5% (2022: 14.5%) per annum and will mature by December 31, 2023.

18 OTHER RECEIVABLES AND ACCRUED MARKUP

	Note	2023	2022
		------ Rupees in thousands ------	
Receivables from the Subsidiary	18.1	14,663	9,288
Others		1,767	2,772
		16,430	12,060

18.1 The maximum balance receivable at any of the month during the year amounting to Rs.92.904 million (2022: Rs. 9.288 million).

19 TAXATION - NET

	Note	2023	2022
		------ Rupees in thousands ------	
Advance Income Tax		32,173	12,539
Provision for taxation		(113,864)	(55,876)
Income tax refundable	19.1	147,691	190,985
		66,000	147,648

19.1 This includes an amount of Rs. 147.691 million (2022: Rs. 190.985 million) representing tax refundable for the tax years 2015 through 2022.

20 CASH AND BANK BALANCES

	Note	2023	2022
		------ Rupees in thousands ------	
Cash in hand		4,660	3,104
Cash at bank			
Current account	20.1	2,404	3,040
Profit and loss sharing (PLS) accounts	20.2	660,007	222,038
		662,411	225,078
		667,071	228,182

20.1 This includes unpaid dividend amounting to Rs. 1.957 million (2022: Rs. 1.972 million) kept in a separate bank account.

20.2 During the year, the profit rates on PLS accounts ranges from 14.5% to 19.5% (2022: 6% to 13%) per annum.

21 SHARE CAPITAL

2023	2022		2023	2022
------ Number of Shares ------			------ Rupees in thousands ------	
Authorized share capital				
200,000,000	200,000,000	Ordinary shares of Rs. 10/- each	2,000,000	2,000,000
Issued, subscribed and paid-up share capital				
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

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

22 RESERVES

	Note	2023	2022
		------ Rupees in thousands ------	
Capital Reserve			
Share premium		99,718	99,718
Revenue Reserve			
Unappropriated profit		1,912,914	1,663,837
Actuarial gain on remeasurement of defined benefit liability		(25,104)	(20,427)
		1,987,528	1,743,128

23 LEASE LIABILITY

		2023	2022
Balance as at July 01,		42,219	-
Addition during the year		-	45,197
Repayments during the year		(1,554)	(2,978)
Balance as at June 30,		40,665	42,219
Lease cancelled during the year		(40,665)	
Less: Current portion of lease liability		-	(6,493)
Non current portion of lease liability		-	35,726

24 LONG TERM DEPOSITS

	Note	2023	2022
Dealers	24.1	2,110	2,110
Customers	24.2	677	681
		2,787	2,791

24.1 These relate to dealers against whom recovery proceedings are in process with National Accountability Bureau (NAB) and are adjustable against the amount owed by them to the Company (refer note 13.2).

24.2 These represent interest free security deposits, received from dealers, suppliers and contractors. These are repayable / adjustable on cancellation or withdrawal of dealership and completion of contract in case of suppliers and contractors.

25 EMPLOYEE BENEFITS

	Note	2023	2022
		------ Rupees in thousands ------	
Leave encashment	25.1	19,694	18,589
Gratuity fund payable	25.2	-	32,314
		19,694	50,903
Current liability:			
Gratuity fund payable		-	(32,314)
		19,694	18,589

25.1 This represents accrual for encashment of eligible earned leave balances in respect of permanent employees. Principal actuarial assumptions used for determining leave encashment liability are same as are used for gratuity actuarial valuation as disclosed in note 25.2.7

25.2 The Company has discontinued the funded gratuity scheme for future service w.e.f January 01, 2023. The amount of gratuity benefit has been frozen for service rendered up till December 31, 2022. Employees will get their frozen gratuity benefits when they leave the company service. Employees will not be entitled for any profit earned on fund assets after discontinuation of gratuity benefits. Principal actuarial assumptions used for determining gratuity fund liability are disclosed in note 25.2.7

25.2.1 "The amount recognized as liability in the unconsolidated statement of financial position is as follows:"

	Note	2023	2022
		------ Rupees in thousands ------	
Present value of defined benefit obligation	25.2.2	18,420	18,589
Benefits due but not paid (payables)		1,274	-
Closing net liability		19,694	18,589

25.2.2 Movement in present value of defined benefit obligation

	Note	2023	2022
Balance as at July 01		18,589	14,804
Current service cost	25.2.3	1,531	1,520
Interest cost	25.2.3	2,180	1,416
Benefits due but not paid (payables)		(1,274)	(9)
Benefits paid		(2,998)	(1,283)
Remeasurement gain due to change in experience adjustments	25.2.3	392	2,141
Balance as at June 30		18,420	18,589

25.2.3 The amount recognized in unconsolidated statement of profit or loss is as follows:

	Note	2023	2022
		------ Rupees in thousands ------	
Current service cost	25.2.2	1,531	1,520
Gain / (Loss) arising on present value of defined benefit obligation	25.2.2	392	2,141
Interest cost on defined benefit obligation	25.2.2	2,180	1,416
	25.2.4	4,103	5,077

25.2.4 Movement in liabilities

	Note	2023	2022
Balance as at July 01 (net liability)		18,589	15,113
Charge for the year	25.2.3	4,103	5,077
Benefits paid		(2,998)	(1,601)
Balance as at June 30 (net liability)		19,694	18,589

25.2.5 Sensitivity analysis (+ 100 bps) on present value of defined benefit obligation

	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	-------------------- Rupees in thousands --------------------			
2023	17,099	19,947	19,923	17,099
2022	17,258	20,141	20,117	17,258

25.2.6 The charge for the year has been allocated as follows:

	2023	2022
Cost of sales	2,778	3,407
Selling and distribution cost	246	233
Administrative expenses	1,079	1,437
	4,103	5,077

25.2.7 Payable to Gratuity Fund

Principal actuarial assumptions used in the actuarial valuation of the gratuity fund (the scheme) carried out under Projected Unit Credit (PUC) Actuarial Cost Method as at June 30, 2023 are as follows:

Discount rate used for year end obligation is 16.25 % per annum (2022: 13.25% per annum).

Discount rate used for interest cost in unconsolidated statement of profit or loss charge is 13.25% per annum (2022: 10 % per annum).

Expected rate of increase in salary level is NIL (2022: 12.25% per annum).

Mortality rate used is SLIC 2001-2005 (2022: SLIC 2001-2005).

25.2.8 "The amount recognized in the unconsolidated statement of financial position is as follows:"

	Note	2023	2022
		------ Rupees in thousands ------	
Present value of defined benefit obligation	25.2.9	65,589	129,263
Fair value of plan assets	25.2.10	(88,689)	(96,949)
Closing net (asset) / liability		(23,100)	32,314

25.2.9 Movement in present value of defined benefit obligation:

	Note	2023	2022
		------ Rupees in thousands ------	
Balance as at July 01		129,263	100,019
Current service cost		8,548	13,323
Interest cost		13,341	9,582
Benefits paid		(22,510)	(6,859)
Benefits due but not paid		(6,684)	(1,529)
Gains and losses arising on plan settlements		(58,821)	-
Remeasurement loss / (gain) due to change in :		-	-
Financial assumptions		(3,196)	-
Experience adjustments	25.2.13	5,648	14,727
Balance as at June 30		65,589	129,263

25.2.10 Movement in the fair value of plan assets

	Note	2023	2022
Balance as at July 01		96,949	83,851
Expected return / Interest income on plan assets	25.2.14	15,072	8,851
Contribution		10,000	16,168
Benefits paid		(22,510)	(6,859)
Benefit due but not paid		(6,686)	(1,529)
Return on plan assets excluding interest income	25.2.14	(4,136)	(3,533)
Balance as at June 30	25.2.16	88,689	96,949

25.2.11 Movement in liabilities

	Note	2023	2022
Balance as at July 01 (net liability)		32,316	16,168
Charge for the year	25.2.12	(52,004)	14,055
Remeasurements chargeable in other comprehensive income		6,588	18,261
Contribution		(10,000)	(16,168)
Balance as at June 30 (net liability)		(23,100)	32,316

25.2.12 The amount recognized in unconsolidated statement of profit or loss is as follows:

	Note	2023	2022
Current service cost		8,548	13,323
Gains and losses arising on plan settlements		(58,821)	-
Interest cost		13,341	9,583
Expected return / interest income on plan assets		(15,072)	(8,851)
	25.2.11	(52,004)	14,055

25.2.13 The amount recognized in unconsolidated statement of other comprehensive income is as follows:

	Note	2023	2022
Remeasurement (gain)/loss due to changes in assumption and experience adjustments	25.2.9	2,452	14,727
Return on plan assets excluding interest income	25.2.10	4,136	3,533
		6,588	18,260

25.2.14 Return on plan assets is as follows:

	Note	2023	2022
		------ Rupees in thousands ------	
Expected return / interest income on plan assets	25.2.12	15,072	8,851
Return on plan assets excluding interest income	25.2.13	(4,136)	(3,533)
		10,936	5,318

25.2.15 Analysis of present value of defined benefit obligation and fair value of plan assets

	2023	2022	2021	2020	2019
	------------------------ Rupees in thousands ------------------------				
Present value of defined benefit obligation	(65,589)	(129,263)	(100,019)	(90,172)	(93,877)
fair value of plan assets	88,689	96,948	83,851	55,377	72,654
Surplus/(Deficit)	23,100	(32,315)	(16,168)	(34,795)	(21,223)

25.2.16 Disaggregation of fair value of plan assets

The fair value of the plan assets at the reporting date for each category is as follows:

	Note	2023	2022
		------ Rupees in thousands ------	
Cash and cash equivalents (adjusted for current liabilities)		(4,155)	54,028
Investment in shares of TCCL		17,040	-
TDRs - Bank Alfalah		73,000	-
Accrued Income on TDRs		2,804	-
Mutual Islamic funds		-	43,071
Certificate of Islamic investments		-	(150)
	25.2.10	88,689	96,949

25.2.17 Sensitivity analysis (+ 100 bps) on present value of defined benefit obligation

	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	--------------------- Rupees in thousands ---------------------			
2023	64,028	67,280	65,589	65,589
2022	122,178	137,329	137,538	121,867

25.2.18 The charge for the year has been allocated as follows:

	Note	2023	2022
		------ Rupees in thousands ------	
Cost of sales	33	(45,801)	10,056
Selling and distribution cost	34	(2,582)	584
Administrative expenses	35	(3,621)	3,415
		(52,004)	14,055

25.2.19 Fair value of investment is held by provident fund

	2023		2022	
	Rupees in thousands	%	Rupees in thousands	%
Bank balances	10,604	12%	2,037	2%
Term deposit	70,000	77%	40,493	44%
Shares of Listed Co.	10,044	11%	-	0%
Mutual funds	-	0%	49,506	54%
	90,648	100%	92,036	100%

25.2.20 The investments out of Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and rules formulated for this purpose.

26 DEFERRED TAXATION

	Note	2023	2022
		------ Rupees in thousands ------	
Taxable temporary differences arising in respect of			
Accelerated tax depreciation		329,094	347,314
Deductible temporary differences arising in respect of			
Other provisions - for doubtful debts and stores		(49,110)	(47,058)
Remeasurement of defined benefit liability		(1,911)	-
Minimum tax	26.1	-	(21,897)
	26.2	278,073	278,359

26.1 The utilization of the deferred tax asset is depended on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

26.2 Movement in deferred tax

	Opening balance	Charge / (adjustment) to profit or loss	Charge / (adjustment) to othrt comprehensively	Closing balance
	------------- Rupees in thousands -------------			
2023				
Deferred tax liabilities				
Accelerated tax depreciation	347,314	(18,220)	-	329,094
Deferred tax asset				
Other provisions - for doubtful debts and stores	(47,058)	(2,052)	-	(49,110)
Remeasurement of defined benefit liability	-	-	(1,911)	(1,911)
Minimum tax	(21,897)	21,897	-	-
	278,359	1,625	(1,911)	278,073

	Opening balance	Charge / (adjustment) to profit or loss	Charge / (adjustment) to othrt comprehensively	Closing balance
	------------- Rupees in thousands -------------			
2022				
Deferred tax liabilities				
Accelerated tax depreciation	351,855	(4,541)	-	347,314
Deferred tax asset				
Other provisions - for doubtful debts and stores	(44,138)	(2,920)	-	(47,058)
Minimum tax	-	(21,897)	-	(21,897)
	307,717	(29,358)	-	278,359

	Note	2023	2022
		------ Rupees in thousands ------	

27 TRADE AND OTHER PAYABLES

	Note	2023	2022
Trade creditors		372,411	429,156
Accrued liabilities	27.1	304,060	113,119
Royalty payable	27.2	155,345	7,704
Contract liability	27.3	267,867	711,660
Excise duty and sales tax payable	27.4	100,659	19,565
Workers' Profit Participation Fund	27.5	19,579	8,343
Workers' Welfare Fund	27.6	7,440	3,760
Other liabilities		9,026	4,081
		1,236,387	1,297,388

27.1 This includes amount of Rs. 214.159 million (2022: Rs. 49.661 million) payable to the Subsidiary Company.

The maximum balance outstanding at any of the month end during the year amounting to Rs. 214.159 million (2022: Rs. 57.602 million).

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

	Note	2023	2022
		------ Rupees in thousands ------	

27.3 Contract liability

	Note	2023	2022
Balance as at July 01		711,660	34,842
Advance received during the year		332,961	1,269,606
		1,044,621	1,304,448
Charged to profit or loss		(776,754)	(592,788)
Balance as at June 30		267,867	711,660

27.4 Excise duty and sales tax payable

	Note	2023	2022
Balance as at July 01		19,565	75,203
Allocation for the year		4,682,097	1,111,394
		4,701,662	1,186,597
Payments made during the year		(4,601,003)	(1,167,032)
Balance as at June 30		100,659	19,565

27.5 Workers' Profit Participation Fund (WPPF)

	Note	2023	2022
Balance as at July 01		8,343	14,559
Charge for the year	36	19,579	8,343
Interest on opening balance		694	333
		28,616	23,235
Payments made during the year		(9,037)	(14,892)
Balance as at June 30		19,579	8,343

	Note	2023	2022
		------ Rupees in thousands ------	
27.6 Workers' Welfare Fund			
Balance as at July 01		3,760	3,688
Allocation for the year		7,440	3,760
		11,200	7,448
Payments made during the year		(3,760)	(3,688)
Balance as at June 30		7,440	3,760
28 UNCLAIMED DIVIDEND		1,957	1,972

Includes unclaimed dividend amounting to Rs. 1.721 million (2022: Rs. 1.735 million) outstanding for more than 3 years from the date of declaration. Such unclaimed dividend is payable to the Federal Government as per the Companies Act, 2017 subject to fulfilment / clarification on certain pre-conditions specified in the Companies Act, 2017.

	Note	2023	2022
		------ Rupees in thousands ------	
29 ACCRUED MARK-UP			
Short term borrowings		12,765	6,738
30 SHORT TERM BORROWINGS			
From banking companies - secured			
NBP Running Finance		94,214	99,589
Sindh Bank Running Finance		64,377	64,377
Summit Bank Running Finance		48,018	48,326
	30.1	206,609	212,292

30.1 The aggregate running finance facilities available from various banks as at June 30, 2023 amounting to Rs. 400 million (2022: Rs. 400 million) out of which Rs. 7.767 million (2022: Rs. 255.728 million) remained unutilized at the year end. The facilities aggregating to Rs. 50 million are secured by way of first pari passu charge over current assets with 25% margin. The remaining facilities aggregating to Rs. 100 million are secured by way of first pari passu hypothecation charge over all plant and machinery to the extent of Rs. 266.666 inclusive of 25% margin and ranking hypothecation charges over all present and future current assets. These facilities are renewable annually and carry mark-up at 3-months KIBOR plus ranging from 1.5% - 3% p.a (2022: 3-months KIBOR plus 1.5% - 3% p.a).

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

31.1.1 In year 2013-14, the Additional Commissioner Inland Revenue - (ACIR) issued assessment order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain disallowances and additions in taxable income thereby raising a tax demand of Rs. 2.787 million in respect of Tax Year 2008. The Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in unconsolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

31.1.8 On September 05, 2019, an order in original (ONO) has been issued by Deputy Commissioner Inland Revenue (DCIR) against the Company in respect of sales tax audit for the tax period from July 2018 to December 2019 raising a demand of Rs. 0.150 million including default surcharge and penalty by disallowing certain input tax amounting to Rs. 0.143 million claimed by the Company in its sales tax returns for the aforesaid tax period. The Company filed an appeal before Commissioner Inland Revenue –Appeals (CIR-A) against the said order. Based on the appeal by the Company, CIR(A) vide his order STA/402/LTO/2021/26 dated June 17, 2021 remanded back the case to DCIR. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these unconsolidated financial statements.

31.1.9 The Deputy Commissioner Inland revenue (DCIR) has issued showcause notice dated September 05, 2019 to the Company for the periods July 2018 to June 2019 and disallowed input tax amounting to Rs. 24.2 million on some taxable purchases and services received by the Company for the purpose of business during the said period. In response to showcause notice, the Company attended hearings from time to time and provide documents, explanations and supporting evidences.

However, the learned DCIR has passed an order in original (ONO) on February 13, 2020 disallowing input tax to the extent of Rs. 0.951 million. The Company has filed an appeal before Commissioner Inland Revenue – Appeals (CIR-A) against the said order. Based on appeal filed by the Company, CIR-A dated December 07, 2020 has remanded back the above disallowances. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these unconsolidated financial statements.

31.1.10 The Deputy Commissioner Inland Revenue (DCIR) had issued showcause notice u/s 122 (9) of the Income Tax Ordinance, 2001 (the Ordinance) dated April 24, 2021 to conduct the audit of income tax affairs under section 177 of the Ordinance for the Tax Year 2020. The Company explained observations and attended hearings from time to time. However, learned DCIR passed Amended Assessment Order dated June 24, 2021 by raising a tax demand of Rs. 46.43 million by making certain allowances and additions to the taxable income as reported in the income tax return of that year. Management of the Company filed the appeal against the impugned order before Commissioner Inland Revenue-Appeals (CIR-A). During the year, the CIR-A annulled the above assessment orders for the Tax Year 2020. After CIR-A order for tax year 2020, the company applied for appeal effect order, the learned DCIR initiated appeal effect proceedings for tax year 2020 and passed order u/s 124/129 dated Feb 21, 2023, wherein refund of Rs 65.481 million is determined. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these unconsolidated financial statements.

31.1.11 "The Deputy Commissioner Inland Revenue (DCIR) has issued Assessment Order dated June 30, 2021 for the period July 01, 2015 to June 30, 2016 raising an aggregate sales tax demand for Rs. 122.97 million by disallowing certain input tax claimed by the Company in its sales tax return for the said tax period . The Company filed appeal against such order before Commissioner Inland Revenue (CIR-A). Based on the appeal by the Company, CIR(A) vide his order STA/28/LTO/2021/45 dated February 28, 2022 remanded back the case for fresh proceedings for the period from July 2015 to June 2016 and confirmed the issue of inadmissible input tax and default surcharge on advance. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these unconsolidated financial statements."

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31.1.12 The Deputy Commissioner Inland Revenue (DCIR) issued show cause notice dated May 18, 2021 regarding Sales Tax Audit of the Company u/s 25 and 46 of Sales Tax Act, 1990 and Federal Excise Act, 2005 respectively for the tax period from July 01, 2019 to June 30, 2020. DCIR disallowed input tax amounting to Rs. 107.07 million on some taxable purchases and services received by the Company for the purpose of business during the period from July 01, 2019 to June 30, 2020. In response to show cause notice, the Company attended hearings from time to time and provide documents, explanations and supporting evidences. However, the learned DCIR has passed an assessment order no. 15/51/2021- 2022 on September 02, 2021 disallowing input tax to the extent of Rs. 20.60 million. The management filed an appeal with Commissioner Inland Revenue - Appeal (CIR-A) against the order of DCIR. Hearings of the case were attended from time to time and the case is reserved for order in appeal. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these unconsolidated financial statements.

31.1.13 The Deputy Commissioner Inland Revenue - (DCIR) had issued notice under section 122(2) of the Income Tax Ordinance, 2001 for the tax year 2021 relating to adjustment of tax payable of said year amounting to Rs. 2.29 million with available refunds from previous tax years. The Company responded the notice along with the legal justification of doing so, however, the learned DCIR was not agreed with the explanations and passed rectification of assessment order by creating tax demand of Rs. 2.29 million. The Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) against the order. The CIR-A remanded back case vide his order dated February 13, 2023. The Company is confident based on its legal opinion that decision will come in its favour, hence no provision has been recorded in these unconsolidated financial statements.

31.1.14 The Company has filed a Constitutional Petition (CP) No. 5382 before the Honorable High Court of Sindh (The Court) on September 06, 2021 against arbitrary increase in the royalty rates through impugned notification No. T.O/M&MDD/15-3/2021 dated June 30, 2021 issued by Ministry of Mines and Minerals Development Department, Government of Sindh. The Company legal consultants have attended several hearings and presented their point of view before the Honorable High Court of Sindh. On October 17, 2022, the Honorable High Court of Sindh dismissed the petition on the grounds that the relevant forums as per Sindh Mining Concession Rules, 2002 were not approached. However, during the year, the Company has filed for the adjudication in the Honorable Supreme Court of Pakistan against the judgment of the Court and the case is not fixed for hearing. The overall impact of the aforementioned increase in royalty rates would be approximately Rs. 155.345 million as at June 30, 2023 and management has recorded provision amounting to Rs. 155.345 million in these unconsolidated financial statements. The management is confident that the Company has an arguable case on merits.

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

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

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

31.2 Commitments

31.2.1 Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Company amounting to Rs. 45 million (2022: Rs. 45 million).

31.2.2 Irrevocable letter of credit under revenue expenditure as at reporting date is Rs. NIL (2022: 10.825 million)

31.2.3 Other outstanding guarantees given on behalf of the Company by banks amounting to Rs. 223.715 million (2022: Rs. 73.68 million).

32 SALES - NET

	Note	2023	2022
		------ Rupees in thousands ------	
Gross Sales			
Local		7,160,521	6,010,984
Export		-	707
		7,160,521	6,011,691
Less:			
Federal excise duty		(735,424)	(764,120)
Sales tax		(1,014,965)	(983,677)
		(1,750,389)	(1,747,797)
		5,410,132	4,263,894

33 COST OF SALES

	Note	2023	2022
Raw material	33.1	414,352	366,226
Packing material	33.2	307,049	259,956
Stores, spare parts and loose tools		149,093	82,849
Fuel and power		3,894,399	2,788,699
Salaries, wages and other benefits	33.3	342,469	348,589
Insurance		36,029	24,781
Repairs and maintenance		20,016	6,170
Depreciation	6	133,865	124,632
Vehicle hire, running and maintenance		25,274	15,617
Communication		2,030	1,896
Entertainment		2,776	1,499
Provision for slow moving of major stores and spares	6.2	4,650	307
Provision for obsolete and slow moving of stores and spares	11.1	6,012	13,542
Other production overheads		8,304	5,201
Cost of production		5,346,318	4,039,964

	Note	2023	2022
		------ Rupees in thousands ------	
Work-in-process			
Balance as at July 01,		415,295	334,414
Balance as at June 30,	12	(737,889)	(415,295)
		(322,594)	(80,881)
Cost of goods manufactured		5,023,724	3,959,083
Finished goods			
Balance as at July 01,		59,425	43,615
Balance as at June 30,	10	(93,529)	(59,425)
		(34,104)	(15,810)
		4,989,620	3,943,273

33.1 Raw material consumed

Balance as at July 01,		14,957	13,938
Purchases / Extracted	33.1.1	425,424	367,245
		440,381	381,183
Balance as at June 30,	12	(26,029)	(14,957)
Consumption	33.1.2	414,352	366,226

33.1.1 It includes clinker purchased locally by the company amounting to NIL (2022: Rs. 188.412 million) due to shortage of coal reserves.

33.1.2 It includes royalty amounting to Rs. 155.345 million (2022: Rs. 7.704 million) relating to Lime Stone and Clay Shale, payable to Director General Mines and Mineral Development, Government of Sindh.

33.2 Packing material consumed

	Note	2023	2022
		------ Rupees in thousands ------	
Balance as at July 01,		73,526	44,473
Purchases		309,612	289,009
		383,138	333,482
Balance as at June 30,	12	(76,089)	(73,526)
Consumption		307,049	259,956

33.3 This includes employees' retirement benefits amounting to Rs. 24.799 million (2022: Rs. 19.449 million).

34 SELLING AND DISTRIBUTION COST

	Note	2023	2022
		------ Rupees in thousands ------	
Salaries, wages and other benefits	34.1	15,803	14,346
Vehicle running expenses		1,970	1,285
Travelling and conveyance		639	1,402
Communication		361	310

	Note	2023	2022
		------ Rupees in thousands ------	
Printing and stationery		80	489
Entertainment		326	386
Repair and maintenance		-	570
Rent, rates and taxes		2,120	1,898
Utilities		1,355	317
Advertisements		96	178
Sales promotion expenses		-	123
Freight charges - local sale		46,215	18,837
Export logistics and related charges		-	3
Depreciation	6	956	500
Marking fee expense		4,186	3,077
Loading and others		14,194	14,310
Miscellaneous		197	589
		88,498	58,620

34.1 This includes employees' retirement benefit amounting to Rs. 1.824 million (2022: Rs. 1.169 million).

35 ADMINISTRATIVE EXPENSES

	Note	2023	2022
		------ Rupees in thousands ------	
Salaries, wages and other benefits	35.1	78,481	67,623
Director's fees		10,650	5,450
Vehicle running expenses		7,693	4,837
Travelling and conveyance		243	168
Advertisements		503	365
Communication, postage, telegram		1,788	1,479
Printing and stationery		1,126	1,190
Rent, rates and taxes		4,206	3,825
Entertainment		930	841
Legal and professional charges		9,842	4,615
Insurance		1,705	1,700
Repairs and maintenance		1,643	2,692
Utilities		3,453	2,054
Fees and subscription		3,267	3,167
Corporate expenses		435	1,080
Charity and donation	35.2	1,634	289
Auditors' remuneration	35.3	1,600	1,256
Other consultants' remuneration	35.4	1,672	1,691
Depreciation on property, plant and equipment	6	2,929	1,859
Amortization on right-of-use-assets	7.1	3,766	3,013
Amortization of intangible assets	8.1	1,170	585
Staff welfare expenses		4,359	4,126
Property, plant and equipment written off	6.1	-	-
Miscellaneous		1,204	2,465
		144,299	116,370

35.1 This includes employees' retirement benefit amounting to Rs. 7.458 million (2022: Rs. 6.860 million).

35.2 This includes donation paid to lucky cement against construction of Mosque in Kasur amounting to Rs. 1.48 million.

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

	Note	2023	2022
		------ Rupees in thousands ------	
35.3 Auditor's remuneration			
Annual audit fee		1,186	894
Half yearly review fee		162	136
Audit fee for consolidated financial statements		52	41
Fee for Code of Corporate Governance and other services		41	41
Out of pocket expenses		159	144
		1,600	1,256
35.4 Other consultant's remuneration			
Cost audit fee		200	216
Internal audit fee		1,320	1,320
Out of pocket expenses		152	155
		1,672	1,691
36 OTHER OPERATING EXPENSES			
Workers' Welfare Fund (WWF)		7,440	3,760
Workers' Profit Participation Fund (WPPF)	27	19,579	8,343
Exchange (loss) / gain		4,002	32,488
		31,021	44,591
37 OTHER INCOME			
Income from financial assets			
Income on bank deposit accounts	37.1	47,306	12,772
Interest income from TDR's		53,200	-
Interest earned on loan to Subsidiary Company		11,550	8,862
		112,056	21,634
Income from non-financial assets			
Management fee	37.2	28,295	25,723
Waste heat recovery		37,854	28,692
Rental income		2,205	2,141
Gain on sale of property, plant and equipment		3,658	1,390
Scrap sales		9,654	1,012
Others		64,970	6,509
		146,636	65,467
		258,692	87,101

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

37.2 This represents management fee charge to the Subsidiary Company for business support services. Service fee charged is amounting to Rs. 1 million plus applicable taxes, if any per month payable in arrears, are subject to increase of 10% per annum with mutual consent of both the parties.

		Note	2023	2022
			------ Rupees in thousands ------	
38	**FINANCE COST**			
	Mark-up on short term borrowings		39,992	27,917
	Mark-up on Workers' Profit Participation Fund		694	333
	Bank charges and commission		8,233	3,497
	Mark-up on leased asset		1,939	1,628
			50,858	33,375
39	**TAXATION**			
	Current		113,864	55,876
	Prior		(38)	(1,789)
	Deferred		1,625	(18,615)
		39.1	115,451	35,472
39.1	**Relationship between tax expense and accounting profit**			
	Profit / (loss) before tax		364,528	154,766
	Tax at 29%		105,713	44,882
	Tax effect of admissible / inadmissible expenses in determining taxable income - net		7,680	8,560

	Note	2023	2022
		------ Rupees in thousands ------	
income charged at different rates		-	7
Change in the ratio of income assessed under NTR and FTR		-	(6)
Prior year tax charge		(38)	(1,789)
Minimum Tax u/s 113		(12,427)	590
Alternate Corporate Tax u/s 113(c)		(10,564)	-
Tax effect on taxable temporary differences - net		1,625	(18,615)
Super Tax @ 6%		21,096	1,843
		113,085	35,472

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

	2023	2022
	%	
Applicable tax rate	29.00	29.00
Minimum Tax	(3.41)	0.16
Alternate Corporate Tax	(2.90)	-
Super tax	5.79	0.51
Others	2.54	(7.65)
	2.02	(6.98)
Average effective rate	31.02%	22.92%

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

The Company filed a Constitutional Petition (CP) before the Honourable Sindh High Court challenging the vires of Section 5A of the Income Tax Ordinance, 2001. The Honourable Sindh High Court while deciding the petition declares that Section 5A ultra vires of Constitution and is hereby struck down. However, Federal Board of Revenue (FBR) has filed in the Supreme Court of Pakistan against the decision of Sindh High Court.

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

39.3 In the year 2019, amendment made under section 65B of the Income Tax Ordinance, 2001 through the Finance Act, 2019 whereby the percentage of tax credit on investment in plant and machinery has been reduced from 10% to 5% for the tax year 2019 which is subject to adjustment against the refund or may required to be paid with the Return of Income. The Company filed a petition in the honourable High Court of Sindh against the amendment and obtained stay order as the likely impact of the amendment in 65B would be Rs. 10.398 million. The management is confident that the Company has an arguable case on merits. Hence, no provision has been recorded in the unconsolidated financial statements.

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

	Note	2023	2022
		------ Rupees in thousands ------	
40.1 Basic earnings per share			
Profit for the year (Rupees)		249,077	119,294
Weighted average number of ordinary shares		99,718,125	99,718,125
Earnings per share - basic and diluted (Rupees) per share		2.50	1.20

40.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2023 and June 30, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

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

Description	2023 Unclaimed Dividend	Total
	Rupees	
Balance as at July 1, 2022	1,972	1,972
Financing cash inflows	-	-
Financing cash outflows	(15)	(15)
Non Cash changes - Transfer current portion	-	-
Balance as at June 30, 2023	1,957	1,957

		2023	2022
		------ Rupees in thousands ------	
42 CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	667,071	228,182
Short term running finance	30	(206,609)	(212,292)
		460,462	15,890
43 CAPACITY AND ACTUAL PRODUCTION			
Production capacity - clinker (tons)	43.1	660,000	660,000
Actual production - clinker (tons)	43.1	444,087	415,810
Production capacity - cement (tons)	43.2	693,000	693,000
Actual production - cement (tons)	43.2	441,480	502,659

43.1 The production capacity utilization of clinker during the year has remained at 67.29% (2022: 63.00%).

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

44 RELATED PARTY TRANSACTIONS AND BALANCES

The related parties comprises of subsidiary and other associated companies, key management personnel and staff retirement funds. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions except for Service Level Agreement for business support services with the Subsidiary Company for which the basis are approved by the Board of Directors. Further, contribution to defined contribution plan (provident fund) is made as per the terms of employment and trust deed and contribution to the defined benefit plan (gratuity scheme) is in accordance with the actuarial advice. Detail of transactions during the year ended June 30, 2023 and outstanding balances as at June 30, 2023 with related parties are as follows:

44.1 Transactions with related parties are summarized as follows:

Related Party	Nature of transactions	2023	2022
		------ Rupees in thousands ------	
Thatta Power (Private) Limited			
	Common shared expenses	4,635	4,180
	Receipts on account of common shared expenses	7,554	1,468
	Sales / (purchase) of store items (inclusive of GST) - net	1,257	(1,837)
	(Receipt) / payment on account of purchase of store items -net	(403)	2,012
	Purchase of electricity (inclusive of GST)	(830,813)	577,855
	Payment on account of electricity (inclusive of GST)	(730,422)	545,209
	Management fee claimed (inclusive of SST)	31,974	29,067
	Management fee received (inclusive of SST)	53,290	9,029
	Loan/advance to the Subsidiary	54,192	82,499
	Receipts on account of loan/advance to the Subsidiary	150,038	56,653
	Markup earned on loan/advance to the Subsidiary	11,550	8,861
	Sale of waste heat (inclusive of GST)	44,456	33,569
	Receipts on account of sale of waste heat (inclusive of GST)	69,320	7,261
Staff retirement benefits			
	Contribution to Employees' Gratuity Fund	10,000	16,168
	Contribution to Employees' Provident Fund	23,903	11,964
Other related parties			
	Education expenses - Model Terbiat School	4,359	4,126

44.2 Year end balances

Related Party	Nature of transactions	2023	2022
		------ Rupees in thousands ------	
Thatta Power (Private) Limited			
	Payable against purchase of electricity (inclusive of GST)	213,949	113,556
	Receivable against management fee (inclusive of SST)	5,328	26,645
	Receivable against common shared expenses	895	3,816
	(Payable) / receivable against sale/purchase of store items-net	722	156
	Receivable against loan to the Subsidiary	-	95,846
	Receivable against sale of waste heat (inclusive of GST)	8,414	33,278
	Accrued mark-up on loan	-	9,288
Staff retirement benefits			
	(Receivable) / Payable to Gratuity Fund	(23,100)	32,316
	Payable to Provident Fund	-	-

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

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

45 REMUNERATION OF CHIEF EXECUTIVE , DIRECTORS AND EXECUTIVES

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

	2023		2022	
	Chief Executive	Executives	Chief Executive	Executives
	---------------- Rupees in thousands ----------------			
Managerial remuneration	15,000	44,714	13,212	30,443
Leave fare allowance	1,250	3,593	1,101	2,333
Bonus	-	1,492	-	-
Retirement benefits	2,308	7,199	2,153	4,657
Other benefits	-	-	-	-
Total	18,558	56,998	16,466	37,433
Number of persons	1	13	1	9

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

45.2 An aggregate amount of Rs. 10.650 million (2022: Rs. 5.450 million) was paid to Non-Executive Directors/Members during the year on account of Board, Audit Committee, Liquidity Risk Management and Human Resource & Remuneration Committee meeting fee.

46 OPERATING SEGMENTS

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

46.2 Revenue from sale of cement and clinker represents 100% (2022: 100%) of the total revenue of the Company.

46.3 100% (2022: 99.99%) sales of the Company relates to customers in Pakistan.

46.4 All non-current assets of the Company at June 30, 2023 are located in Pakistan.

47 FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

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

	Note	2023	2022
		------ Rupees in thousands ------	
Financial assets			
Long term deposits	10	5,125	3,796
Trade debts	13	424,518	524,147
Loan to the Subsidiary	14	-	95,846
Trade deposits	16	1,637	1,933
Short term investment	17	223,715	473,715
Other receivables and accrued mark-up	18	16,430	12,060
Gratuity Fund asset	25.2.8	23,100	-
Cash and Bank balances	20	667,071	228,182
		1,361,596	1,339,679
Financial liabilities			
Lease Liability	23	-	42,219
Long term deposits	24	2,787	2,791
Trade and other payables	27	840,842	586,374
Unclaimed Dividend	28	1,957	1,972
Accrued mark-up	29	12,765	6,738
Short term borrowings	30	206,609	212,292
		1,064,960	852,386

47.1 Financial risk management objectives

The Company has exposure to the following risks:

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

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

a) Credit risk

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

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

	2023		2022	
	Rupees in thousands	%	Rupees in thousands	%
Banks	662,411	49%	225,078	17%
Others	699,185	51%	1,112,126	83%
	1,361,596	100%	1,337,204	100%

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

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

	Note	2023	2022
		------ Rupees in thousands ------	
Long term deposits	10	5,125	3,796
Trade debts	13	424,518	524,147

	Note	2023	2022
		------ Rupees in thousands ------	
Loan to the subsidiary	14	-	95,846
Trade deposits	16	1,637	1,933
Short term investment	17	223,715	473,715
Other receivables and accrued interest	18	16,430	12,060
Bank balances	20	662,411	225,078
		1,333,836	1,336,575

Financial assets that are neither past due nor impaired

The credit quality of assets that are neither past due nor impaired can be assessed by reference to historical information and external credit ratings or to historical counterparty default rates. As at June 30, 2023 trade debts of Rs. 51.079 million (2022: Rs. 35.657 million) were past due but not impaired. These relates to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debts is as follows:

	Note	2023	2022
Not past due		------ Rupees in thousands ------	
- within 30 days		197,841	219,421
- 31 to 90 days		175,831	269,069
- 91 to 180 days		30,614	32,591
- over 180 days		20,465	3,066
		424,751	524,147

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

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

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

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

Financial assets that are past due or impaired

The credit quality of financial assets that are past due or impaired can be assessed by reference to note 13.2. The aging analysis of these impaired trade debts is as follows:

	2023	2022
	------ Rupees in thousands ------	
Below ten years	3,312	3,079
Over ten years	72,028	72,028
	75,340	75,107

b) Liquidity risk management

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

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

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

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

Maturity analysis for financial liabilities

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

		2023				
		Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
	Note	------------------------ Rupees in thousands ------------------------				
Non-derivative Financial liabilities						
Long term deposits	24	2,787	(2,787)	-	-	(2,787)
Trade and other payables	27	968,520	(968,520)	(968,520)		
Short term borrowing	30	206,609	(206,609)	(103,305)	(103,305)	-
Accrued mark up	29	12,765	(12,765)	(12,765)	-	-
		1,190,681	(1,190,681)	(1,084,590)	(103,305)	(2,787)

		2022				
		Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
	Note	------------------------ Rupees in thousands ------------------------				
Non-derivative Financial liabilities						
Long term deposits	24	2,791	(2,791)	-	-	(2,791)
Trade and other payables	27	585,728	(585,728)	(585,728)		
Short term borrowing	30	212,292	(212,292)	(106,146)	(106,146)	-
Accrued mark up	29	6,738	(6,738)	(6,738)	-	-
Lease Liability	23	42,219	(42,219)	(3,247)	(3,247)	(35,726)
		849,768	(849,768)	(701,859)	(109,393)	(38,517)

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

c) Market risk

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

d) Interest / mark-up rate risk management

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

	2023	2022
	------ Rupees in thousands ------	
Variable rate instruments		
Financial assets	660,007	317,884
Financial liabilities	206,609	212,292

Fair value sensitivity analysis for fixed rate instruments:

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

Cash flow sensitivity analysis for variable rate instruments:

Financial assets

If interest rate had fluctuated by 100 basis points with all other variables held constant, profit / (loss) before tax for the year would have been Rs. 4.75 million (2022: Rs 3.18 million) higher / lower, mainly as a result of higher / lower interest income from these financial assets.

Financial liabilities

If interest rate had fluctuated by 100 basis points with all other variables held constant, profit before tax for the year would have been Rs. 2.07 million (2022: Rs. 2.545 million) higher / lower, mainly as a result of higher / lower interest expense on these financial liabilities.

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

		2023				
		Mark-up / return (%)	Less than 6 months	6 months to 1 year	More than 1 year	Total
	Note	----------------------- (Rupees in thousands) -----------------------				
Assets						
Bank balance in PLS accounts	20	14.5% to 19.5%	660,007	-	-	660,007
Total assets			660,007	-	-	660,007
Liabilities						
Short term borrowings	30	16.66% to 24.98%	(103,305)	(103,305)	-	(206,609)
Total liabilities			(103,305)	(103,305)	-	(206,609)
On-balance sheet gap			556,703	(103,305)	-	453,398
Total interest risk sensitivity gap			556,703	453,398	453,398	453,398

		2022				
		Mark-up / return (%)	Less than 6 months	6 months to 1 year	More than 1 year	Total
	Note	----------------------- (Rupees in thousands) -----------------------				
Assets						
Bank balance in PLS accounts	20	6% to 13%	222,038	-	-	222,038
Loan to the Subsidiary	14	14.57% to 10.07%	95,846			95,846
Total assets			317,884	-	-	317,884
Liabilities						
Short term borrowings	30	9.2% to 13.45%	(106,146)	(106,146)	-	(212,292)
Lease liability		12.11%	(3,247)	(3,247)	(35,726)	(42,219)
Total liabilities			(109,393)	(109,393)	(35,726)	(254,511)
On-balance sheet gap			208,491	(109,393)	(35,726)	63,373
Total interest risk sensitivity gap			208,491	99,099	63,373	63,373

e) Foreign exchange risk management

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

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

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

	2023	2022	2023	2022
	Average rate		Balance sheet date rate	
US Dollar to PKR	276.92	204.59	287.10	206.00

f) Fair value of financial instruments

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

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

g) Fair value hierarchy

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

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

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

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

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

h) Capital Management

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

The Company's objectives when managing capital are:

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

(ii) to provide an adequate return to shareholders.

	2023	2022
Debt to equity ratio	0.07	0.08
Debt to asset ratio	0.05	0.05
Current ratio	1.78	1.52
Quick Ratio	1.01	0.99

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

i) Operational risk

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

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

- compliance with regulatory and other legal requirements;
- requirements for periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment supplier and related service providers.
- documentation of controls and procedures;
- requirements for appropriate segregation of duties between various functions, roles and responsibilities ;
- requirements for reconciliation and monitoring of transactions;

47 NUMBER OF EMPLOYEES

The total number of employees at the year end were 493 (2022: 501) and average number of employees during the year were 497 (2022: 497).

48 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on September 26, 2023 have proposed final cash dividend Rs. Nil per share (2022: Rs. Nil per Share) in respect of year ended June 30, 2023.

49 DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue on September 26, 2023 by the Board of Directors of the Company.

50 GENERAL

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

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **THATTA CEMENT COMPANY LIMITED** (the Holding Company) and its subsidiary namely **THATTA POWER (PRIVATE) LIMITED** (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of the profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion the consolidated financial statement gives a true and fair view of the consolidated financial positon of the group as at June 30, 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Emphasis of Matter

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

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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S. No	Key audit matters	How the matter was addressed in our audit
1.	**Contingencies**	
	As disclosed in note 32.1 to the annexed consolidated financial statements. The Group has contingent liabilities and tax litigations in respect of income and sales tax matters, which are pending adjudication at different levels with the taxation authorities and other legal forums. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Group for disclosure and recognition and measurement of any provision that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities and tax related litigations, as key audit matter.	We undertook number of procedures to verify the appropriateness of contingencies in the consolidated financial statements. This included, among others: • We discussed the progress of each case and the Group's estimate of the cost to be incurred; • We reviewed the key elements of the basis used by management while challenging reasonableness of the cost estimates; • We obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; • Checked orders by relevant authority on previous lawsuits / cases which are being disclosed in the consolidated financial statements; and • Obtained legal advice on the above cases with the legal advisors to assess expected outcome and any estimate of outflow. • Made an assessment of likelihood of occurrence of such events and impact on the consolidated financial statements.
2.	**Existence and valuation of stock-in-trade**	
	As disclosed in note 12 to the annexed consolidated financial statements, 'stock-in-trade' of the Holding Company includes limestone, coal, slag, gypsum, iron ore, shale and clinker are stored in the factory in the form of stockpiles. Since the weighing of these inventories is not practicable, management assesses the reasonableness of the quantities on hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volume by using an angle of repose and the bulk density. Due to the significance of the stock balances and related estimates involved, this is considered as key audit matter.	Our audit procedures to assess the existence and valuation of stock-in-trade of the Holding Company, amongst others, included the following: • Obtained an understanding of the valuation methodology and the processes and controls with respect to the valuation of the stock of the Holding Company; • Attended the physical inventory count performed by the Holding Company; • Assessed the reasonableness of management's measurement of stockpiles during the physical count at year end and reviewed the conversion to the unit of volume by the Holding Company;

BDO Ebrahim & Co. Chartered Accountants

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S. No	Key audit matters	How the matter was addressed in our audit
		• Tested the calculations of per unit cost of finished goods and assess the appropriateness of management's basis for the allocation of cost and production overheads and compared it with prior period to assess reasonableness; • Evaluated the appropriateness of the basis for identification of slow moving and obsolete stock, including accuracy of the provision made there against as assessed by the management, on a test basis by the Holding Company; and • Tested the net realizable value and valuation methods in accordance with applicable financial reporting standards by the Holding Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KARACHI

BDO Ebrahim & Co

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

DATED: October 03, 2023

UDIN: AR202310166324VyKSJs

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	3,811,303	4,032,532
Right-of-use-assets	8	-	42,184
Intangibles	9	4,095	5,265
Long term deposits	10	5,125	3,796
		3,820,523	4,083,777
CURRENT ASSETS			
Stores, spare parts and loose tools	11	223,534	298,188
Stock-in-trade	12	926,376	565,731
Trade debts	13	969,709	1,551,453
Advances	14	50,027	84,788
Deposits and prepayments	15	231,744	206,164
Short term investment	16	323,715	473,715
Other receivables and accrued mark-up	17	25,050	3,016
Gratuity Fund asset	26.2.8	23,100	-
Short term loan	18	300,000	-
Taxation-net	19	103,284	194,584
Cash and bank balances	20	684,452	237,515
		3,860,991	3,615,154
TOTAL ASSETS		7,681,514	7,698,931
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	21	2,000,000	2,000,000
Issued, subscribed and paid-up capital	21	997,181	997,181
Capital reserve	22	99,718	99,718
Revenue reserve	22	3,090,047	2,807,821
Equity attributable to the owners of the Holding Company		4,186,946	3,904,720
Non-controlling interests		904,844	882,081
Total equity		5,091,790	4,786,801
NON CURRENT LIABILITIES			
Long term financing	23	-	553,843
Lease liability	24	-	35,726
Long term deposits	25	2,787	2,791
Employee benefits	26	19,694	18,589
Deferred taxation	27	278,073	278,359
		300,554	889,308
CURRENT LIABILITIES			
Current maturity of lease liability	24	-	6,493
Gratuity fund payable	26	-	32,315
Trade and other payables	28	1,165,830	1,388,996
Unclaimed dividend	29	1,957	1,972
Accrued mark-up	30	163,445	67,698
Current maturity of long term financing	23	751,329	313,056
Short term borrowings	31	206,609	212,292
		2,289,170	2,022,822
TOTAL EQUITY AND LIABILITIES		7,681,514	7,698,931
CONTINGENCIES AND COMMITMENTS	32		

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
Sales - net	33	5,527,127	4,393,830
Cost of sales	34	(4,868,158)	(3,916,623)
Gross profit		658,969	477,207
Selling and distribution expenses	35	(88,498)	(58,620)
Administrative expenses	36	(150,650)	(121,439)
		419,821	297,148
Other operating expenses	37	(30,865)	(44,512)
Operating profit		388,956	252,636
Other income	38	266,363	31,794
Finance cost	39	(217,447)	(160,221)
Profit before taxation		437,872	124,209
Taxation	40	(128,206)	(37,776)
Profit for the year		309,666	86,433
Profit for the year attributable to:			
- Equity holders of the Holding Company		286,903	98,779
- Non-controlling interests		22,763	(12,346)
		309,666	86,433
Earnings per share - basic and diluted (Rupees)	41	3.11	0.99

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER | CHIEF EXECUTIVE | DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
Profit for the year		309,666	86,433
Other comprehensive income:		-	-
Items that will not be subsequently reclassified to profit or loss:			
Loss on remeasurement of defined benefit liability	26.2.11	(4,677)	(18,261)
Total comprehensive income for the year		304,989	68,172
Total comprehensive income for the year attributable to:			
- Equity holders of the Holding Company		282,226	80,518
- Non-controlling interests		22,763	(12,346)
		304,989	68,172

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		437,872	124,209
Adjustment for:			
Depreciation on property, plant and equipment	7	245,036	230,635
Depreciation on right-of-use-assets	36	3,766	3,013
Amortization on intangibles	36	1,170	585
Provision for obsolete and slow moving of major stores and spares	34	4,650	307
Provision for obsolete and slow moving stores and spares	34	6,052	15,220
Finance cost	39	217,447	160,221
Provision for gratuity	26.2.12	(52,004)	14,055
Provision for leave encashment	26.2.3	4,103	5,077
Provision for loss allowance		233	(3,783)
Workers' Welfare Fund	37	7,440	3,760
Workers' Profit Participation Fund	37	19,579	8,343
Gain on sale of property, plant and equipment	38	(45,968)	(1,390)
		411,504	436,043
Operating cash flows before working capital changes		849,376	560,252
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		72,422	(82,903)
Stock-in-trade		(360,645)	(134,203)
Trade debts		581,511	(407,773)
Advances		34,761	(52,094)
Deposits and prepayments		(25,580)	21,895
Other receivable and accrued mark-up		(22,034)	(977)
		280,435	(656,055)
Increase in current liabilities			
Trade and other payables		(238,082)	817,322
Cash generated from operations		891,729	721,519
Finance cost paid		(112,048)	(116,141)
Gratuity paid	26.2.10	(10,000)	(16,168)
Lease rentals paid		(5,020)	(2,979)
Leave encashment paid		(2,998)	(1,601)
Workers' Welfare Fund paid		(3,760)	(3,688)
Workers' Profit Participation Fund paid	28.4	(9,037)	(14,559)
Income tax paid- net		(37,203)	(14,386)
Net cash flows from operating activities		711,663	551,997

CHIEF FINANCIAL OFFICER   CHIEF EXECUTIVE   DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousands ------	
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in capital expenditure		(66,134)	(112,803)
Addition in intangible assets		-	(5,850)
Short term investment		150,000	(367,715)
Long term deposit - assets		(1,329)	(2,700)
Proceeds from sale of property, plant and equipment		83,657	1,500
Net cash used in investing activities		166,194	(487,568)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing from banking companies		(125,222)	(187,833)
Loan receivable		(300,000)	-
Dividend paid		(15)	(24,776)
Net cash used in financing activities		(425,237)	(212,609)
Net (decrease) / increase in cash and cash equivalents		452,620	(148,180)
Cash and cash equivalents at the beginning of the year		25,223	173,403
Cash and cash equivalents at the end of the year	43	477,843	25,223

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

	Issued, subscribed and paid-up capital	Reserves				Non-Controlling Interest	Total
		Capital reserve	Revenue reserves		Sub total		
		Share Premium	Acturial loss on remeasurement of defined benefit liability	Accumulated profit			
	---------- Rupees in thousands ----------						
Balance as at July 1, 2021	997,181	99,718	(2,166)	2,754,399	2,851,951	894,427	4,743,559
Transaction with owners							
Final cash dividend of Rs. 025 per share for the year ended June 30, 2021	-	-	-	(24,930)	(24,930)	-	(24,930)
Total comprehensive income for the year							
Profit for the year	-	-	-	98,779	98,779	(12,346)	86,433
Other comprehensive loss for the year	-	-	(18,261)	-	(18,261)	-	(18,261)
	-	-	(18,261)	98,779	80,518	(12,346)	68,172
Balance as at June 30, 2022	997,181	99,718	(20,427)	2,828,248	2,907,539	882,081	4,786,801
Balance as at July 1, 2022	997,181	99,718	(20,427)	2,828,248	2,907,539	882,081	4,786,801
Total comprehensive income for the year							
Profit for the year	-	-	-	286,903	286,903	22,763	309,666
Other comprehensive loss for the year	-	-	(4,677)	-	(4,677)	-	(4,677)
	-	-	(4,677)	286,903	282,226	22,763	304,989
Balance as at June 30, 2023	997,181	99,718	(25,104)	3,115,151	3,189,765	904,844	5,091,790

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2023

1 STATUS AND NATURE OF BUSINESS

1.1 The Group consists of Thatta Cement Company Limited (TCCL) and Thatta Power (Private) Limited (TPPL), (together referred to as the Group).

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

Holding Company
Thatta Cement Company Limited

Thatta Cement Company Limited (the Holding Company) was incorporated in Pakistan in 1980 as a public limited company. The shares of the Holding Company are quoted at the Pakistan Stock Exchange. The Holding Company's main business activity is manufacturing and marketing of cement. The registered office of the Holding Company is situated at CL/5-4, State Life Building No. 10, Abdullah Haroon Road, Karachi, Pakistan. The production facility of the Holding Company is located at Ghulamullah Road, Makli, District Thatta, Sindh.

Subsidiary Company
Thatta Power (Private) Limited

Thatta Power (Private) Limited (the Subsidiary Company) is a 62.43% owned subsidiary of the Holding Company as at June 30, 2022 (2021: 62.43%). The principal business of the Subsidiary Company is generation and sale of electric power. As at June 30, 2022, the Subsidiary Company has authorized and issued, subscribed and paid up capital of Rs. 500 million and Rs. 479.16 million divided into 50,000,000 (2021: 50,000,000) ordinary shares and 47,915,830 (2021: 47,915,830) ordinary shares respectively. The registered office and generation facility of the Subsidiary Company is situated at Ghulamullah Road, Makli, District Thatta, Sindh, which comprises of 3 acres.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

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

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis, except as disclosed in the relevant accounting policies in note 6 to the consolidated financial statements.
These consolidated financial statements have been prepared following accrual basis of accounting except for cash flows information.

3.3 Use of estimates and judgments

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

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

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

- depreciation method, useful lives and residual values of property, plant and equipment (notes 6.1 and 7.1);
- depreciation method, useful lives and residual values of right-of-use asset (notes 6.1 and 8);
- amortization method, useful lives and residual values of intangibles (notes 6.2);
- provision of slow moving and obsolete stores, spares and loose tools (notes 6.5, and 11);
- allowance for expected credit losses (notes 6.18.1 and 13);
- taxation (notes 6.13 and 19);
- employee benefit obligations (notes 6.11 and 26);
- contingencies (notes 6.17 and 32.1);

3.4 Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs.'), which is the Group's functional and presentation currency.

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

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have material impact on the consolidated financial statements other than certain additional disclosures.

	Effective date (Annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

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

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

	Effective date (Annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

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

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards; and
IFRS 17	Insurance Contracts.

5 BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

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

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Property, plant and equipment

a) Operating fixed assets

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

Depreciation on property, plant and equipment

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

Subsequent costs

The represents short term loan of Rs. 80 million advanced to Omni Power in March 2023, for a period of one year and repayable till February 2024. The loan carries mark-up at rate of 3 months KIBOR plus 265 bps and secured against personal guarantees of directors.

Disposal

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

b) Capital work-in-progress (CWIP)

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

c) Right-of-use asset and lease liabilities

The right-of-use asset is initially measured at the amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the future lease payments over the lease term, discounted using the specific incremental borrowing rate. Subsequently, lease liabilities are measured at amortized cost using the effective interest rate method.

It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

6.2 Intangible assets

a) Acquired

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

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

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

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

b) Internally generated

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

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

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

a) completion of the intangible asset is technically feasible so that it will be available for use or sale;
b) the Group intends to complete the intangible asset and use or sell it;
c) the Group has the ability to use or sell the intangible asset;

d) the intangible asset will generate probable future economic benefits. Among other things this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or if it is to be used internally, the asset will be used in generating such benefits;
e) there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
f) the expenditure attributable to the intangible asset during its development can be measured reliably.

6.3 Impairment of non-financial assets

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

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

6.4 Non-controlling interests (NCI)

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

6.5 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss account as a bargain purchase gain.

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

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

6.7 Stores, spare parts and loose tools

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

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

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

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

6.8 Stock-in-trade

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

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

6.9 Trade debts and other receivables

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

6.10 Cash and cash equivalents

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

6.11 Employees benefits

The Group's employees benefits comprise of provident fund, gratuity scheme and leave encashment for eligible employees.

6.11.1 Employee retirement benefits

a) Defined benefit plan

The Group operates an approved funded gratuity scheme covering all permanent employees. The scheme is administered by the trustees nominated under the Trust Deed.

The liability recognized in respect of gratuity is the present value of the Group's obligations under the scheme at the date of consolidated statement of financial position less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses. Contribution is made to this scheme on the basis of actuarial recommendations. The actuarial valuation is carried out using the Projected Unit Credit Method.

The present value of obligations are determined by discounting the estimated future cash outflows using interest rates of government bonds. The government bonds are consistent with the estimated term of the post-employment benefit obligations.

b) Defined contribution plan

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

c) Leave encashment

The liability for accumulated earned leaves which are eligible for encashment relating to permanent employees are recognized on the basis of actuarial valuation in the period in which permanent employees render service that increases their entitlement to future leave encashment.

6.12 Borrowings and finance cost

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

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

6.13 Taxation

a) Current

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

b) Deferred

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

6.14 Trade and other payables

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

6.15 Provisions

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

6.16 Contingencies

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

6.17 Revenue recognition

Thatta Cement Company Limited

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

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

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

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

Thatta Power (Private) Limited

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

6.18 Financial assets and liabilities

6.18.1 Financial assets

a) Amortized cost

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

Impairment

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

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

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

6.18.2 Financial liabilities

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

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

6.18.3 Offsetting of financial assets and financial liabilities

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

6.18.4 Segment reporting

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

6.18.5 Foreign currency transactions

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

6.18.6 Earnings per share

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

6.18.7 Dividends and appropriations

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

	Note	2023	2022
		------ Rupees in thousands ------	
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	3,725,575	3,900,987
Capital stores and spares	7.2	68,089	68,815
Capital work in progress	7.3	17,639	62,730
		3,811,303	4,032,532

7.1 Operating fixed assets

Description	Freehold land	Leasehold improvements	Quarries and improvements	Factory building on freehold land	Electrical and gas installations	Housing colonies	Office building on freehold land	Cooling towers	Plant and machinery	Quarry equipments	Railway sidings	Vehicles	Furniture and fixtures	Office equipments	Medical equipment	Laboratory equipment	Computer equipments	Total
		------ Rupees in thousands ------																
Year ended June 30, 2023																		
Net carrying value basis																		
Opening net book value	6,422	6,351	108	294,730	68,022	11,875	2,550	24,278	3,455,746	117	342	4,692	1,439	6,551	-	14,646	3,118	3,900,987
Additions	-	-	-	-	77,485	-	769	-	23,056	-	-	-	1,989	-	-	1,452	2,562	107,313
Deletions-NBV	-	-	-		-	-	-	-	36,090	-	-	1,599	-	-	-	-	-	37,689
Adjustments- NBV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	1,292	9	21,153	4,348	990	228	5,126	201,674	88	172	694	636	1,904	-	5,191	1,531	245,036
Closing net book value	6,422	5,059	99	273,577	141,159	10,885	3,091	19,152	3,241,038	29	170	2,399	2,792	4,647	-	10,907	4,149	3,725,575
Gross carrying value basis																		
Cost	6,422	9,044	11,963	636,481	175,000	74,096	23,050	73,235	5,706,070	19,296	14,905	69,340	13,842	20,702	629	74,041	27,395	6,955,511
Accumulated depreciation	-	3,985	11,864	362,904	33,841	63,211	19,959	54,083	2,465,032	19,267	14,735	66,941	11,050	16,055	629	63,134	23,246	3,229,936
Net book value	6,422	5,059	99	273,577	141,159	10,885	3,091	19,152	3,241,038	29	170	2,399	2,792	4,647	-	10,907	4,149	3,725,575
Year ended June 30, 2022																		
Net carrying value basis																		
Opening net book value	6,422	-	117	315,883	33,544	12,865	2,762	29,404	3,620,644	205	514	5,075	1,740	6,466	-	19,715	583	4,055,939
Additions during the year	-	6,459	-	-	38,250	-	-	-	23,584	-	-	2,199	252	2,005	-	-	3,044	75,793
Deletions- NBV	-	-	-	-	-	-	-	-	-	-	-	-	-	110	-	-	-	110
Adjustments- NBV	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
Depreciation charge	-	108	9	21,153	3,772	990	212	5,126	188,482	88	172	2,582	553	1,810	-	5,069	509	230,635
Closing net book value	6,422	6,351	108	294,730	68,022	11,875	2,550	24,278	3,455,746	117	342	4,692	1,439	6,551	-	14,646	3,118	3,900,987
Gross carrying value basis																		
Cost	6,422	9,044	11,963	636,481	97,515	74,096	22,281	73,235	5,683,014	19,296	14,905	69,340	11,853	20,702	629	72,589	24,833	6,848,198
Accumulated depreciation	-	2,693	11,855	341,751	29,493	62,221	19,731	48,957	2,227,268	19,179	14,563	64,648	10,414	14,151	629	57,943	21,715	2,947,211
Net book value	6,422	6,351	108	294,730	68,022	11,875	2,550	24,278	3,455,746	117	342	4,692	1,439	6,551	-	14,646	3,118	3,900,987
7.1.1 Depreciation rates (% per annum)	-	20	5	10	5	5	5	7	*Uop	20	10	20	10	10	10	10	30	

7.1.4 Significant operating fixed assets of cement production lines and power generation units, other than disclosed in note 7.1, inter alia, also includes following.

Crusher
Raw mill
Coal mill
Kiln
Slag mill
Cement mill
Packing Plant

7.2 Capital stores and spares

	Note	2023	2022
		------ Rupees in thousands ------	
Net carrying value basis			
Opening net book value (NBV)		111,263	109,203
Additions during the year		17,253	18,048
Transferred during the year		(13,329)	(15,988)
		115,187	111,263
Accumulated impairment	7.2.1	(47,098)	(42,448)
Closing net book value (NBV)		68,089	68,815

7.2.1 Accumulated impairment

	Note	2023	2022
Balance as at July 01,		(42,448)	(42,141)
Impairment charge for the year	34	(4,650)	(307)
Balance as at June 30,		(47,098)	(42,448)
Gross carrying value basis			
Cost		115,187	111,263
Accumulated impairment		(47,098)	(42,448)
Net carrying value		68,089	68,815

7.3 Capital work in progress

Description	Solar Panel Project	Solar Panel System	Karsaz Head office	State Life Building Head Office	Makli SHED Extension	Balochistan Project	Limestone SHED	Clinker Crusher Project	Coal Yard Shed	Steel Cilo	Cement Silo	Total
	------ (Rupees in thousands) ------											
Balance as at July 01, 2022	-	54,873	-	-	565	-	-	-	-	-	7,292	62,730
Capital expenditures incurred during the year	-	22,612	-	1,704	1,289	603	5,992	4,231	4,959	433	1,157	42,980
Tranferred to property, plant, and equipment	-	(77,485)	-	(1,704)	-	-	-	-	-	(433)	(8,449)	(88,071)
Balance as at June 30, 20223	-	-	-	-	1,854	603	5,992	4,231	4,959	-	-	17,639
Balance as at July 01, 2021	27,780	-	-	-	-	-	-	-	-	-	-	27,780
Capital expenditures incurred during the year	7,769	54,873	9,915	-	565	-	-	-	-	-	7,292	80,414
Tranferred to property, plant, and equipment	(35,549)	-	(9,915)		-	-	-	-	-	-	-	(45,464)
Balance as at June 30, 2022	-	54,873	-	-	565	-	-	-	-	-	7,292	62,730

8 Right-of-use Asset

The carrying amount of right-of-use assets recognized and the movement during the year are as follows:

	Note	2023	2022
		------ Rupees in thousands ------	
Net carrying value basis			
Opening net book value (NBV)		42,184	-
Addition during the year		-	45,197
Amortization charged	8.1	(3,766)	(3,013)
Lease cancelled during the year	8.2	(38,418)	-
Closing net book value (NBV)		-	42,184
Gross carrying value basis			
Cost		45,197	45,197
Accumulated amortization		(6,780)	(3,013)
Lease cancelled during the year		(38,418)	-
Net book value		-	42,184
Depreciation rate (% per annum)		20	20

8.1 Depreciation charged on right-of-use assets has been allocated to administrative expenses amounting to Rs. 3.766 million (2022: Rs. 3.013 million).

8.2 During the year, the Holding Company has canceled the lease contract.

9 INTANGIBLES

	Note	2023	2022
		------ Rupees in thousands ------	
ERP Software			
Net carrying value basis			
Opening net book value (NBV)		5,265	-
Addition during the year		-	5,850
Amortization charged		(1,170)	(585)
Closing net book value (NBV)		4,095	5,265
Gross carrying value basis			
Cost		5,850	5,850
Accumulated amortization		(1,755)	(585)
Net book value		4,095	5,265
Amortization rate (% per annum)		20	20

9.1 Amortization charged on ERP software has been allocated to administrative expenses (note 35) amounting to Rs. 1.170 million (2022: Rs. 0.585 million).

10 LONG TERM DEPOSITS

	Note	2023	2022
		------ Rupees in thousands ------	
Long term deposits		5,125	3,796

11 STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2023	2022
		------ Rupees in thousands ------	
Coal and other fuels		34,253	96,606
Stores and spare parts		239,977	250,068
Loose tools		129	107
		274,359	346,781
Provision for obsolete stores		(3,833)	(3,843)
Provision for slow moving stores and spares		(46,992)	(44,750)
	11.1	(50,825)	(48,593)
		223,534	298,188

11.1 Movement in provision

	Note	2023	2022
Balance as at July 01,		(48,593)	(33,374)
Provision recognized during the year	34	(2,232)	(15,219)
Balance as at June 30,		(50,825)	(48,593)

12 STOCK-IN-TRADE

	Note	2023	2022
Raw material	34.1	26,029	14,957
Packing material	34.2	76,089	73,526
Work-in-process	34	731,279	417,628
Finished goods	34	92,979	59,620
		926,376	565,731

13 TRADE DEBTS

	Note	2023	2022
Considered good			
Local - unsecured	13.1	969,942	1,552,350
Considered doubtful			
Local - unsecured	13.1 & 13.2	75,107	74,210
		1,045,049	1,626,560
Allowance for expected credit losses	13.3	(75,340)	(75,107)
		969,709	1,551,453

13.1 The aging of local unsecured balances at the reporting date is as follows:

	Note	2023	2022
		------ Rupees in thousands ------	
Within 30 days		205,349	117,217
Past due from 31 to 60 days		105,595	100,979
Past due from 61 to 90 days		73,364	183,424
Past due for more than 180 days		76,164	157,470
Past due for more than 360 days		584,577	1,067,470
		1,045,049	1,626,560

13.2 This includes balance Rs. 74.210 million (2022: Rs. 74.210 million) outstanding for more than ten years. Management of Holding Company contends that the amount recoverable from cement stockiest were misappropriated and certain unauthorized excessive rebates were allowed by collusion of certain personnel of the Holding Company whose services had been terminated, when the Holding Company was operating under State Cement Corporation of Pakistan (SCCP). Accordingly, Management of the Holding Company had lodged references for the recovery of misappropriated amount with the National Accountability Bureau (NAB). The NAB had recovered an amount of Rs.2.276 million in preceding years. The Holding Company is continuously following with NAB officials for early realization of amount owed to the Holding Company and has also written letters in this regard for which reply has not yet been received, therefore, provision has been maintained in respect of outstanding amount as a matter of prudence and abundant precaution.

		Note	2023	2022
			------ Rupees in thousands ------	
13.3	Allowance for expected credit losses			
	Balance as at July 01,		75,107	78,890
	Allowance for expected credit losses		233	-
	Reversal for expected credit losses		-	(3,783)
	Balance as at June 30,		75,340	75,107
14	ADVANCES			
	Considered good - unsecured			
	To vendors	14.1	49,942	84,517
	Others		85	271
			50,027	84,788
14.1	Movement during the year are as follows,			
	Balance as at July 01,		84,517	32,562
	Advance received during the year		265,399	106,215
			349,916	138,777
	Charged to profit or loss		(299,974)	(54,260)
	Balance as at June 30,		49,942	84,517
15	DEPOSITS AND PREPAYMENTS			
	Deposits		1,637	1,933
	Deposit - High Court		26,202	-
	Deposit against bank guarantee - SSGC		200,000	200,000
	Prepayments	15.1	3,905	4,231
			231,744	206,164
15.1	Movement during the year are as follows;			
	Balance as at July 01,		4,231	2,959
	Addition during the year		60,666	73,967
	Advance utilized during the year		(60,992)	(72,695)
	Balance as at June 30,		3,905	4,231
16	SHORT TERM INVESTMENT			
	Term Deposit Receipt (TDR)		323,715	473,715

16.1 This includes placement by Holding Company amounting to Rs. 223.715 million carrying profit at the rate of 14.5% (2022: 14.5%) per annum, maturing on December 31, 2023 and by Subsidiary Company amounting to Rs. 100 million carrying profit at the rate of 19.5% (2022: Nil) per annum.

		Note	2023	2022
			------ Rupees in thousands ------	
17	OTHER RECEIVABLES AND ACCRUED MARKUP			
	Interest receivable from banks		23,283	244
	Others		1,767	2,772
			25,050	3,016
18	SHORT TERM LOAN			
	Secured -considered good			
	Omni Power (Pvt) Ltd	18.1	80,000	-
	Shikarpur Power (Pvt) Ltd	18.2	100,000	-
	Dadu Energy (Pvt) Ltd	18.3	120,000	-
			300,000	-

18.1 The represents short term loan of Rs. 80 million advanced to Omni Power (Pvt) Limited from Subsidiary Company in March 2023, for a period of one year and repayable till February 2024. The loan carries mark-up at rate of 3 months KIBOR plus 265 bps and secured against personal guarantees of directors.

18.2 This represents short term loan of Rs. 100 million advanced to Shikarpur Power (Pvt) Limited from Subsidiary Company in March 2023, for a period of one year and repayable till February 2024. The loan carries mark-up at rate of 3 months KIBOR plus 265 bps and secured against personal guarantee of directors.

18.3 This represents short term loan of Rs. 120 million advanced to Dadu Energy (Pvt) Limited from Subsidiary Company in March 2023, for a period of one year and repayable till February 2024. The loan carries mark-up at rate of 3 months KIBOR plus 265 bps and secured against personal guarantee of directors.

		Note	2023	2022
			------ Rupees in thousands ------	
19	TAXATION - NET			
	Advance Income Tax		32,173	12,539
	Provision		(126,619)	(55,876)
	Income tax refundable	19.1	197,730	237,921
			103,284	194,584

19.1 This includes an amount of Rs. 147.691 million (2022: Rs. 190.985 million) representing tax refundable for the tax years 2015 through 2022.

20 CASH AND BANK BALANCES

	Note	2023	2022
		------ Rupees in thousands ------	
Cash in hand		5,165	3,456
Cash at bank			
Current account	20.1	2,436	3,041
Profit and loss sharing (PLS) accounts	20.2	676,851	231,018
		679,287	234,059
		684,452	237,515

20.1 This includes unpaid dividend by Holding Company amounting to Rs. 1.957 million (2022: 1.972 million) kept in a separate bank account.

20.2 During the year, the profit rates on PLS accounts ranges from 12.25% to 19.5% (2022: 5.5% to 13%) per annum.

21 SHARE CAPITAL

2023	2022		2023	2022
------ Number of Shares ------			------ Rupees in thousands ------	
Authorized share capital				
200,000,000	200,000,000	Rs. 10/- each	2,000,000	2,000,000
Issued, subscribed and paid-up share capital				
89,418,125	89,418,125	Ordinary shares of Rs. 10/- each shares allotted for consideration 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

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

22 RESERVES

	Note	2023	2022
		------ Rupees in thousands ------	
Capital Reserve			
Share premium		99,718	99,718
Revenue Reserve			
Unappropriated profit		3,115,151	2,754,399
Actuarial gain on remeasurement of defined benefit liability		(25,104)	(2,166)
		3,189,765	2,851,951

23 LONG TERM FINANCING

	Note	2023	2022
		------ Rupees in thousands ------	
Loan from banking companies - secured			
Syndicated term finance facility II	23.1 & 23.2	751,329	866,899
		751,329	866,899
Current Maturity			
- overdue balance		(313,056)	(313,056)
- classified as current liability	23.2	(438,273)	-
		(751,329)	(313,056)
		-	553,843

23.1 The movement in syndicated term finance facility - II:

	Note	2023	2022
Opening balance of loan		876,551	1,064,384
Payment during the period		(125,222)	(187,833)
		751,329	876,551
Amortization of transaction cost			
Less : Transaction cost incurred		(28,958)	(28,958)
Add : Transaction cost amortized :			
- Opening balance		19,306	14,479
- During the year		4,827	4,827
- Charged during the year due to classification in current liability		4,825	-
		28,958	19,306
		751,329	866,899
Less: Classified as current liability	23.2	(751,329)	-
		-	866,899

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

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

24 LEASE LIABILITY

	Note	2023	2022
		------ Rupees in thousands ------	
Balance as at July 01,		42,219	-
Addition during the year		-	45,197
		42,219	45,197
Repayments during the year		(1,554)	(2,978)
Balance as at June 30,		40,665	42,219
Lease cancelled during the year		(40,665)	
Less: Current portion of lease liability		-	(6,493)
Non current portion of lease liability		-	35,726

25 LONG TERM DEPOSITS

	Note	2023	2022
Dealers	25.1	2,110	2,110
Customers	25.2	677	681
		2,787	2,791

25.1 These relate to dealers against whom recovery proceedings are in process with National Accountability Bureau (NAB) and are adjustable against the amount owed by them to the Holding Company (refer note 13.2).

25.2 These represent interest free security deposits, received from dealers, suppliers and contractors. These repayable / adjustable on cancellation or withdrawal of dealership and completion of contract in case of suppliers and contractors.

26 EMPLOYEE BENEFITS

	Note	2023	2022
		------ Rupees in thousands ------	
Leave encashment	26.1	19,694	18,589
Gratuity fund payable	26.2	-	32,315
		19,694	50,904
Current liability:			
Gratuity fund payable		-	(32,315)
		19,694	18,589

26.1 This represents accrual for encashment of eligible earned leave balances in respect of permanent employees. Principal actuarial assumptions used for determining leave encashment liability are same as are used for gratuity actuarial valuation as disclosed in note

26.2 The Holding Company has discontinued the funded gratuity scheme for future service w.e.f January 01, 2023. The amount of gratuity benefit has been frozen for service rendered up till December 31, 2022. Employees will get their frozen gratuity benefits when they leave the company service. Employees will not be entitled for any profit earned on fund assets after discontinuation of gratuity benefits. Principal actuarial assumptions used for determining gratuity fund liability are disclosed in note 26.2.7

26.2.1 "The amount recognized as liability in the consolidated statement of financial position is as follows:"

	Note	2023	2022
		------ Rupees in thousands ------	
Present value of defined benefit obligation	26.2.2	18,420	18,589
Benefits due but not paid (payables)		1,274	-
Closing net liability		19,694	18,589

26.2.2 Movement in present value of defined benefit obligation

	Note	2023	2022
		------ Rupees in thousands ------	
Balance as at July 01,		18,589	14,804
Current service cost	26.2.3	1,531	1,520
Interest cost	26.2.3	2,180	1,416
Benefits due but not paid (payables)		(1,274)	(9)
Benefits paid		(2,998)	(1,283)
Remeasurement gain due to change in experience adjustments	26.2.3	392	2,141
Balance as at June 30,		18,420	18,589

26.2.3 The amount recognized in consolidated statement of profit or loss is as follows:

	Note	2023	2022
Current service cost	26.2.2	1,531	1,520
Gain / (Loss) arising on present value of defined benefit obligation	26.2.2	392	2,141
Interest cost on defined benefit obligation	26.2.2	2,180	1,416
	26.2.4	4,103	5,077

26.2.4 Movement in liabilities

	Note	2023	2022
Balance as at July 01, (net liability)		18,589	15,113
Charge for the year	26.2.3	4,103	5,077
Benefits paid		(2,998)	(1,601)
Balance as at June 30, (net liability)		19,694	18,589

26.2.5 Sensitivity analysis (+ 100 bps) on present value of defined benefit obligation

	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	---------- Rupees in thousands ----------			
2023	17,099	19,947	19,923	17,099
2022	17,258	20,141	20,117	17,258

26.2.6 The charge for the year has been allocated as follows:

	2023	2022
	------ Rupees in thousands ------	
Cost of sales	2,778	3,407
Selling and distribution expense	246	233
Administrative expenses	1,079	1,437
	4,103	5,077

26.2.7 Payable to Gratuity Fund

Principal actuarial assumptions used in the actuarial valuation of the gratuity fund (the scheme) carried out under Projected Unit Credit (PUC) Actuarial Cost Method as at June 30, 2023 are as follows:

Discount rate used for year end obligation is 16.25 % per annum (2022: 13.25% per annum).

Discount rate used for interest cost in consolidated statement of profit or loss charge is 13.25% per annum (2022: 10 % per annum).

Expected rate of increase in salary level is NIL (2022: 12.25% per annum).

Mortality rate used is SLIC 2001-2005 (2022: SLIC 2001-2005).

	2023	2022
26.2.8 "The amount recognized in the consolidated statement of financial position is as follows:"	------ Rupees in thousands ------	
Present value of defined benefit obligation	65,589	129,263
Fair value of plan assets	(88,689)	(96,948)
Closing net liability	(23,100)	32,315
26.2.9 Movement in present value of defined benefit obligation		
Balance as at July 01, (net liability)	129,263	100,019
Current service cost	8,548	13,323
Interest cost	13,341	9,582
Benefits paid	(22,510)	(6,859)
Benefits due but not paid	(6,684)	(1,529)
Gains and losses arising on plan settlements	(58,821)	-
Remeasurement loss / (gain) due to change in :		
Financial assumptions	(3,196)	-
Experience adjustments	5,648	14,727
Balance as at June 30, (net liability)	65,589	129,263
26.2.10 Movement in the fair value of plan assets		
Balance as at July 01,	96,949	83,850
Expected return / interest income on plan assets	15,072	8,851
Contribution	10,000	16,168
Benefits paid	(22,510)	(6,859)
Benefit due but not paid	(6,686)	(1,529)
Return on plan assets excluding interest income	(4,136)	(3,533)
Balance as at June 30,	88,689	96,948
26.2.11 Movement in liabilities		
Balance as at July 01, (net liability)	32,316	16,168
Charge for the year	(52,004)	14,055
Remeasurements chargeable in other comprehensive income	6,588	18,261
Contribution	(10,000)	(16,168)
Balance as at June 30, (net liability)	(23,100)	32,316
26.2.12 The amount recognized in consolidated statement of profit or loss is as follows:		
Current service cost	8,548	13,323
Gains and losses arising on plan settlements	(58,821)	-
Interest cost	13,341	9,583
Expected return / interest income on plan assets	(15,072)	(8,851)
	(52,004)	14,055

26.2.13 "The amount recognized in consolidated statement of other comprehensive income is as follows:"

	2023	2022
	------ Rupees in thousands ------	
Remeasurement loss due to changes in assumption and experience adjustments	2,452	14,727
Return on plan assets excluding interest income	4,136	3,533
	6,588	18,260

26.2.14 Return on plan assets is as follows:

	2023	2022
Expected return / interest income on plan assets	15,072	8,851
Return on plan assets excluding interest income	(4,136)	(3,533)
	10,936	5,318

26.2.15 Analysis of present value of defined benefit obligation and fair value of plan assets

	2023	2022	2021	2020	2019
	------------------------ Rupees in thousands ------------------------				
Present value of defined benefit obliogation	(65,589)	(129,263)	(100,019)	(90,172)	(93,877)
fair value of plan assets	88,689	96,948	83,851	55,377	72,654
Surplus/(Deficit)	23,100	(32,315)	(16,168)	(34,795)	(21,233)

26.2.16 Disaggregation of fair value of plan assets

The fair value of the plan assets at the reporting date for each category is as follows:

	Note	2023	2022
		------ Rupees in thousands ------	
Cash and cash equivalents (adjusted for current liabilities)		(4,155)	54,027
Investment in shares of TCCL		17,040	-
TDRs - Bank Alfalah		73,000	-
Accrued Income on TDRs		2,804	-
Mutual Islamic funds		-	43,071
Certificate of Islamic investments		-	(150)
	26.2.10	88,689	96,948

26.2.17 Sensitivity analysis (+ 100 bps) on present value of defined benefit obligation

	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	--------------------- Rupees in thousands ---------------------			
2023	64,028	67,280	65,589	65,589
2022	122,178	137,329	137,538	121,867

26.2.18 The charge for the year has been allocated as follows:

	Note	2023	2022
		------ Rupees in thousands ------	
Cost of sales	34	(45,801)	10,056
Selling and distribution cost	35	(2,582)	584
Administrative expenses	36	(3,621)	3,415
		(52,004)	14,055

26.2.19 Fair value of investment is held by provident fund

	2023		2022	
	Rupees in thousands	%	Rupees in thousands	%
Bank balances	10,604	12%	2,037	2%
Term deposit	70,000	77%	40,493	44%
Shares of Listed Co.	10,044	11%	-	
Mutual funds	-	0%	49,506	54%
	90,648	100%	92,036	100%

26.2.20 The investments out of Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and rules formulated for this purpose.

27 DEFERRED TAXATION

	Note	2023	2022
		------ Rupees in thousands ------	
Taxable temporary differences arising in respect of			
Accelerated tax depreciation		329,094	347,314
Deductible temporary differences arising in respect of			
Other provisions - for doubtful debts and stores		(49,110)	(47,058)
Remeasurement of defined benefit liability		(1,911)	
Minimum tax	27.1	-	(21,897)
	27.2	278,073	278,359

27.1 The utilization of the deferred tax asset is depended on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

27.2 Movement in deferred tax

	Opening balance	Charge / (adjustment) to profit or loss	Charge / (adjustment) to othrt comprehensively	Closing balance
	------------- Rupees in thousands -------------			
2023				
Deferred tax liabilities				
Accelerated tax depreciation	347,314	(18,220)	-	329,094
Deferred tax asset				
Other provisions - for doubtful debts and stores	(47,058)	(2,052)	-	(49,110)
Remeasurement of defined benefit liability	-		(1,911)	(1,911)
Minimum tax	(21,897)	21,897	-	-
	278,359	1,625	(1,911)	278,073

	Opening balance	Charge / (adjustment) to profit or loss	Charge / (adjustment) to othrt comprehensively	Closing balance
	------------- Rupees in thousands -------------			
2022				
Deferred tax liabilities				
Accelerated tax depreciation	351,855	(4,541)	-	347,314
Deferred tax asset				
Other provisions - for doubtful debts and stores	(44,138)	(2,920)	-	(47,058)
Minimum tax	-	(21,897)	-	(21,897)
	307,717	(29,358)	-	278,359

28 TRADE AND OTHER PAYABLES

	Note	2023	2022
		------ Rupees in thousands ------	
Trade creditors		374,929	505,494
Accrued liabilities		163,966	60,205
Royalty payable	28.1	155,345	7,704
Contract liability	28.2	267,867	711,660
Excise duty and sales tax payable	28.3	100,659	19,565
Workers' Profit Participation Fund	28.4	59,235	47,999
Workers' Welfare Fund	28.5	22,509	18,829
Sales tax payable		12,215	9,693
Other liabilities		9,105	7,847
		1,165,830	1,388,996

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

28.2 Contract liability

	Note	2023	2022
		------ Rupees in thousands ------	
Balance as at July 01		711,660	34,842
Advance received		332,961	1,269,606
		1,044,621	1,304,448
Charged to profit or loss		(776,754)	(592,788)
Balance as at June 30		267,867	711,660

28.3 Excise duty and sales tax payable

	Note	2023	2022
Balance as at July 01		19,565	75,203
Allocation for the year		4,682,097	1,111,394
		4,701,662	1,186,597
Payments made during the year		(4,601,003)	(1,167,032)
Balance as at June 30		100,659	19,565

28.4 Workers' Profit Participation Fund (WPPF)

	Note	2023	2022
Balance as at July 01		47,999	54,215
Charge for the year	37	19,579	8,343
Interest on opening balance		694	333
		68,272	62,891
Payments made during the year		(9,037)	(14,892)
Balance as at June 30	28.4.1	59,235	47,999

28.4.1 This includes liability amounting to Rs. 39.656 million (2022: Rs. 39.656 million) accrued till 2015 by the subsidary compay and thereafter no such liabilities have been recognised based on legal opinion.

28.5 Workers' Welfare Fund

	Note	2023	2022
		------ Rupees in thousands ------	
Balance as at July 01		18,829	18,757
Allocation for the year		7,440	3,760
		26,269	22,517
Payments made during the year		(3,760)	(3,688)
Balance as at June 30	28.5.1	22,509	18,829

28.5.1 This includes liability amounting to Rs. 15.069 million (2022: Rs. 15.069 million) accrued till 2015 by the subsidary company and thereafter no such liabilities have been recognised based on legal opinion.

		2023	2022
29 Unclaimed dividend		1,957	1,972

Includes unclaimed dividend amounting to Rs. 1.721 million (2022: Rs. 1.735 million) outstanding for more than 3 years from the date of declaration. Such unclaimed dividend is payable to the Federal Government as per the Companies Act, 2017 subject to fulfilment / clarification on certain pre-conditions specified in the Companies Act, 2017.

	Note	2023	2022
		------ Rupees in thousands ------	
30 ACCRUED MARK-UP			
Syndicated term finance facility		150,680	60,960
Short term borrowing		12,765	6,738
31 SHORT TERM BORROWINGS			
From banking companies - secured			
NBP Running Finance		94,214	99,589
Sindh Bank Running Finance		64,377	64,377
Summit Bank Running Finance		48,018	48,326
	31.1	206,609	212,292

31.1 The aggregate running finance facilities available from various banks to the Holding Company as at June 30, 2023 amounting to Rs. 400 million (2022: Rs. 400 million) out of which Rs. 7.767 million (2022: Rs. 255.728 million) remained unutilized at the year end. The facilities aggregating to Rs. 50 million are secured by way of first pari passu charge over current assets with 25% margin. The remaining facilities aggregating to Rs. 100 million are secured by way of first pari passu hypothecation charge over all plant and machinery to the extent of Rs. 266.666 inclusive of 25% margin and ranking hypothecation charges over all present and future current assets. These facilities are renewable annually and carry mark-up at 3-month KIBOR plus ranging from 1.5% - 3% per annum (2022: 3-month KIBOR plus 1.5% - 3% per annum).

32 CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

Holding Company

32.1.1 In year 2013-14, the Additional Commissioner Inland Revenue - (ACIR) issued assessment order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain disallowances and additions in taxable income thereby raising a tax demand of Rs. 2.787 million in respect of Tax Year 2008. The Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in financial statements for the year ended June 30, 2023.

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

Moreover, recovery proceedings were also initiated by tax authorities in the matter for an aggregate demand amount of Rs 488.548 million including 100% penalty on the principal amount as aforesaid. Therefore, the Company filed a stay application against the said aggregate demand before the honorable High Court of Sindh. The Sindh High Court has allowed ad interim relief against recovery of demand and refrained tax authorities to take any adverse action in this respect. During 2017, Appellate Tribunal Inland Revenue (ATIR) has passed an order in favor of the Company. During 2018, the CIR has filed an appeal in the Honorable High Court of Sindh against the order passed by ATIR in favor of the Company. The matter is pending for adjudication. In view of Company's legal counsel, the case is sound in law; however, an outcome cannot be predicted with any degree of certainty. Hence, no provision has been recorded in financial statements for the year ended June 30, 2023.

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

The Commissioner Inland Revenue has filed an appeal in Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A) in favor of the Company. The matter is pending for adjudication. The Company is confident based on its legal opinion that decision will come in its favour, hence no provision has been recorded in financial statements for the year ended June 30, 2023.

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

However, Commissioner Inland Revenue (CIR) has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of Commissioner Inland Revenue - Appeals (CIR-A) passed in favor of the Company. The Company is confident based on its legal opinion that decision will come in its favour, hence no provision has been recorded in financial statements for the year ended June 30, 2023.

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

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

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

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

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

32.1.8 On September 05, 2019, an order in original (ONO) has been issued by Deputy Commissioner Inland Revenue (DCIR) against the Company in respect of sales tax audit for the tax period from July 2018 to December 2019 raising a demand of Rs. 0.150 million including default surcharge and penalty by disallowing certain input tax amounting to Rs. 0.143 million claimed by the Company in its sales tax returns for the aforesaid tax period. The Company filed an appeal before Commissioner Inland Revenue –Appeals (CIR-A) against the said order. Based on the appeal by the Company, CIR(A) vide his order STA/402/LTO/2021/26 dated June 17, 2021 remanded back the case to DCIR. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these financial statements.

32.1.9 The Deputy Commissioner Inland revenue (DCIR) has issued showcause notice dated September 05, 2019 to the Company for the periods July 2018 to June 2019 and disallowed input tax amounting to Rs. 24.2 million on some taxable purchases and services received by the Company for the purpose of business during the said period. In response to showcause notice, the Company attended hearings from time to time and provide documents, explanations and supporting evidences.

However, the learned DCIR has passed an order in original (ONO) on February 13, 2020 disallowing input tax to the extent of Rs. 0.951 million. The Company has filed an appeal before Commissioner Inland Revenue – Appeals (CIR-A) against the said order. Based on appeal filed by the Company, CIR-A dated December 07, 2020 has remanded back the above disallowances. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these financial statements.

32.1.10 The Deputy Commissioner Inland Revenue (DCIR) had issued showcause notice u/s 122 (9) of the Income Tax Ordinance, 2001 (the Ordinance) dated April 24, 2021 to conduct the audit of income tax affairs under section 177 of the Ordinance for the Tax Year 2020. The Company explained observations and attended hearings from time to time. However, learned DCIR passed Amended Assessment Order dated June 24, 2021 by raising a tax demand of Rs. 46.43 million by making certain allowances and additions to the taxable income as reported in the income tax return of that year. Management of the Company filed the appeal against the impugned order before Commissioner Inland Revenue-Appeals (CIR-A). During the year, the CIR-A annulled the above assessment orders for the Tax Year 2020. After CIR-A order for tax year 2020, the company applied for appeal effect order, the learned DCIR initiated appeal effect proceedings for tax year 2020 and passed order u/s 124/129 dated Feb 21, 2023, wherein refund of Rs 65.481 million is determined. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these financial statements.

32.1.11 "The Deputy Commissioner Inland Revenue (DCIR) has issued Assessment Order dated June 30, 2021 for the period July 01, 2015 to June 30, 2016 raising an aggregate sales tax demand for Rs. 122.97 million by disallowing certain input tax claimed by the Company in its sales tax return for the said tax period . The Company filed appeal against such order before Commissioner Inland Revenue (CIR-A). Based on the appeal by the Company, CIR(A) vide his order STA/28/LTO/2021/45 dated February 28, 2022 remanded back the case for fresh proceedings for the period from July 2015 to June 2016 and confirmed the issue of inadmissible input tax and default surcharge on advance. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these financial statements."

32.1.12 The Deputy Commissioner Inland Revenue (DCIR) issued show cause notice dated May 18, 2021 regarding Sales Tax Audit of the Company u/s 25 and 46 of Sales Tax Act, 1990 and Federal Excise Act, 2005 respectively for the tax period from July 01, 2019 to June 30, 2020. DCIR disallowed input tax amounting to Rs. 107.07 million on some taxable purchases and services received by the Company for the purpose of business during the period from July 01, 2019 to June 30, 2020. In response to show cause notice, the Company attended hearings from time to time and provide documents, explanations and supporting evidences. However, the learned DCIR has passed an assessment order no. 15/51/2021- 2022 on September 02, 2021 disallowing input tax to the extent of Rs. 20.60 million. The management filed an appeal with Commissioner Inland Revenue - Appeal (CIR-A) against the order of DCIR. Hearings of the case were attended from time to time and the case is reserved for order in appeal. The Company is confident based on its legal opinion that decision will come in its favour hence, no provision has been recorded in these financial statements.

32.1.13 The Deputy Commissioner Inland Revenue - (DCIR) had issued notice under section 122(2) of the Income Tax Ordinance, 2001 for the tax year 2021 relating to adjustment of tax payable of said year amounting to Rs. 2.29 million with available refunds from previous tax years. The Company responded the notice along with the legal justification of doing so, however, the learned DCIR was not agreed with the explanations and passed rectification of assessment order by creating tax demand of Rs. 2.29 million. The Company filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) against the order. The CIR-A remanded back case vide his order dated February 13, 2023. The Company is confident based on its legal opinion that decision will come in its favour, hence no provision has been recorded in these financial statements.

32.1.14 The Company has filed a Constitutional Petition (CP) No. 5382 before the Honorable High Court of Sindh (The Court) on September 06, 2021 against arbitrary increase in the royalty rates through impugned notification No. T.O/M&MDD/15-3/2021 dated June 30, 2021 issued by Ministry of Mines and Minerals Development Department, Government of Sindh. The Company legal consultants have attended several hearings and presented their point of view before the Honorable High Court of Sindh. On October 17, 2022, the Honorable High Court of Sindh dismissed the petition on the grounds that the relevant forums as per Sindh Mining Concession Rules, 2002 were not approached. However, during the year, the Company has filed for the adjudication in the Honorable Supreme Court of Pakistan against the judgment of the Court and the case is not fixed for hearing. The overall impact of the aforementioned increase in royalty rates would be approximately Rs. 155.345 million as at June 30, 2023 and management has recorded provision amounting to Rs. 155.345 million in these financial statements. The management is confident that the Company has an arguable case on merits.

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

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

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

Subsidiary Company

32.1.18 The Commissioner Inland Revenue has filed an appeal having I.T.R.A No. 303 of 2017 against the company in the Honorable High Court of Sindh by challenged the ordered dated May 03, 2017 passed by Appellate Tribunal Inland Revenue (ARIT) for the tax year 2013 on various issues. Since the above case is still pending and involve issues of first impression, it is difficult to predict the outcome with any degree of certainty.

32.1.19 During the year, the company received intimation of filing of appeal before ATIR by FBR, sales tax assessment for the year 2014-2015, against Order-in-appeal No. 1969 dated May 31, 2018. Hearing in the case was fixed on September 14, 2023. However due to unavailability of department's representative it was adjourned till next date to be communicated. The Company is confident based on its legal opinion that decision will come in its favour.

32.1.20 The Deputy Commissioner Inland Revenue (DCIR) issued Show Cause Notice (SCN) dated March 02, 2021 in respect of the Sales tax period from March 2019 to June 2019. Hearings fixed in the case from time to time were attended by the management. On June 25, 2021, the DCIR concluded the proceedings and disallowed input tax credit amounting to Rs 701,800/= and levied penalty of Rs 35,090/-.

The management of the Company filed application for rectification u/s 57 of the Sales tax Act, 1990 as input tax disallowed by the learned DCIR is treated as allowed in the proceedings for the tax period July 2016 to June 2017 as mentioned above. The learned DCIR vide his letter dated February 28, 2022, rejected the application u/s 57. The company has paid 100% of the amount as determined in the order.

32.1.21 The Additional Commissioner Inland Revenue (ADCIR) of Federal Board of Revenue (FBR) has passed order u/s 122(5A) of the Income Tax Ordinance, 2001 (the 'Ordinance') wherein WWF amounting to Rs 123,882 is determined as payable for tax year 2016. The Commissioner (Appeals) vide his order 487 dated April 10, 2023 confirmed the amended order. The Company is confident based on its legal opinion that decision will come in its favour.

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

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

32.1.24 The Commissioner (CIR-Appeals) Hyderabad vide his order dated June 26, 2023 confirmed the order passed u/s 161/124 for tax year 2019. The management of the company has filed 2nd Appeal before Appellate Tribunal Inland Revenue (ATIR) on September 13, 2023. The Company is confident based on its legal opinion that decision will come in its favour.

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

32.1.26 The company has an outstanding liability of Rs 54.72 million (2022 Rs 54.72 million) on account of Workers Profit Participation Fund and Workers Welfare Fund, which is due since considerable period of time. The company had recognized the liability up till the financial year 2015. Based on the legal opinion obtained, the company considers that since it does not fall within the definition of industrial undertaking as defined under Workers Profit Participation Fund Act, 1968 (WPPF Act, 1968) and Workers Welfare Fund Act,1971 (WWF Act, 1971) (now Sindh Workers Profit Participant Fund Act, 2015 and Sindh Workers Welfare Fund Act, 2015) and coupled with the fact that the company does not have employees on its payroll, therefore both the Acts are not applicable on the company. Accordingly, no provision has been made on account of these liabilities.

32.2 Commitments

Holding Company

32.2.1 Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Company amounting to Rs. 45 million (2022: Rs. 45 million).

32.2.2 Irrevocable letter of credit under revenue expenditure as at reporting date is Rs. NIL (2022: 10.825 million)

32.2.3 Other outstanding guarantees given on behalf of the Company by banks amounting to Rs. 223.715 million (2022: Rs. 73.68 million).

Subsidiary Company

32.2.4 Guarantee issued by a bank on behalf of the Company	200,000	200,000

33 SALES - NET

	Note	2023	2022
		------ Rupees in thousands ------	
Gross Sales			
Local		7,297,965	6,163,009
Export		-	707
		7,297,965	6,163,716
Less:			
Federal excise duty		(735,424)	(764,120)
Sales tax		(1,035,414)	(1,005,766)
		(1,770,838)	(1,769,886)
		5,527,127	4,393,830

34 COST OF SALES

	Note	2023	2022
Raw material	34.1	414,352	366,226
Packing material	34.2	307,049	259,956
Stores, spare parts and loose tools		193,202	111,454
Fuel and power		3,575,283	2,600,351
Salaries, wages and other benefits	34.3	342,469	348,589
Insurance		48,225	36,810
Repairs and maintenance		43,946	29,352
Depreciation	7	241,152	228,276
Vehicle hire, running and maintenance		25,274	15,618
Communication		2,030	1,895
Entertainment		2,776	1,499
Provision for slow moving of capital stores and spares	7.2	4,650	307
Provision for obsolete and slow moving of stores and spares	11.1	6,052	15,220
Other production overheads		8,708	5,201
Cost of production		5,215,168	4,020,754
Work-in-process			
Balance as at July 01,		417,628	329,838
Balance as at June 30,	12	(731,279)	(417,628)
		(313,651)	(87,790)
Cost of goods manufactured		4,901,517	3,932,964
Finished goods			
Balance as at July 01,		59,620	43,279
Balance as at June 30,	12	(92,979)	(59,620)
		(33,359)	(16,341)
		4,868,158	3,916,623

34.1 Raw material consumed

	Note	2023	2022
Balance as at July 01,		14,957	13,938
Purchases	34.1.1	425,424	367,245
		440,381	381,183
Balance as at June 30,	12	(26,029)	(14,957)
Consumption	34.1.2	414,352	366,226

34.1.1 It includes clinker purchased locally by the Holding Company amounting to NIL (2022: Rs. 188.412 million) due to shortage of coal reserves.

34.1.2 It includes royalty amounting to Rs. 155.345 million (2022: Rs. 7.704 million) relating to Lime Stone and Clay Shale, payable to Director General Mines and Mineral Development, Government of Sindh.

34.2 Packing material consumed

	Note	2023	2022
		------ Rupees in thousands ------	
Balance as at July 01,		73,526	44,473
Purchases		309,612	289,009
		383,138	333,482
Balance as at June 30,	12	(76,089)	(73,526)
Consumption		307,049	259,956

34.3 This includes employees' retirement benefits amounting to Rs. 24.799 million (2022: Rs. 19.449 million).

35 SELLING AND DISTRIBUTION EXPENSES

	Note	2023	2022
		------ Rupees in thousands ------	
Salaries, wages and other benefits	35.1	15,803	14,346
Vehicle running expenses		1,970	1,285
Travelling and conveyance		639	1,402
Communication		361	310
Printing and stationery		80	489
Entertainment		326	386
Repair and maintenance		-	570
Rent, rates and taxes		2,120	1,898
Utilities		1,355	317
Advertisements		96	178
Sales promotion expenses		-	123
Freight charges - local sale		46,215	18,837
Export logistics and related charges		-	3
Depreciation	7.1.2	956	500
Marking fee expense		4,186	3,077
Loading and others		14,194	14,310
Miscellaneous		197	589
		88,498	58,620

35.1 This includes employees' retirement benefit amounting to Rs. 1.824 million (2022: Rs. 1.169 million).

36 ADMINISTRATIVE EXPENSES

	Note	2023	2022
		------ Rupees in thousands ------	
Salaries, wages and other benefits	36.1	78,481	67,623
Director's fees		10,650	5,450
Vehicle running expenses		7,693	4,837
Travelling and conveyance		257	168
Advertisements		503	365
Communication, postage, telegram		1,788	1,479
Printing and stationery		1,126	1,190
Rent, rates and taxes		4,806	4,525
Entertainment		1,094	923
Legal and professional charges		11,132	6,163
Insurance		1,705	1,700
Repairs and maintenance		1,869	2,830
Utilities		3,453	2,054
Fees and subscription		4,944	4,418
Corporate expenses		435	1,080
Charity and donation	36.2	1,634	289
Auditors' remuneration	36.3	2,095	1,643
Other consultants' remuneration	36.4	2,297	2,276
Depreciation on property, plant and equipment	7.1.2	2,929	1,859
Amortization on right-of-use-assets	8.1	3,766	3,013
Amortization of intangibles	9.1	1,170	585
Education expenses		4,359	4,126
Miscellaneous		2,464	2,844
		150,650	121,439

36.1 This includes employees' retirement benefit amounting to Rs. 7.458 million (2022: Rs. 6.860 million).

36.2 This includes donation paid to lucky cement against construction of Mosque in Kasur amounting to Rs. 1.48 million.

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

36.3 Auditor's remuneration

	Note	2023	2022
		------ Rupees in thousands ------	
Annual audit fee		1,641	1,250
Half yearly review fee		162	136
Audit fee for consolidated financial statements		52	41
Fee for Code of Corporate Governance and other services		41	41
Out of pocket expenses		199	175
		2,095	1,643

36.4 Other consultant's remuneration

	2023	2022
Cost audit fee	200	216
Internal audit fee	1,886	1,800
Out of pocket expenses	211	260
	2,297	2,276

		Note	2023	2022
37	OTHER OPERATING EXPENSES		------ Rupees in thousands ------	
	Workers' Welfare Fund (WWF)		7,440	3,760
	Workers' Profit Participation Fund (WPPF)	28.4	19,579	8,343
	Exchange loss		3,846	32,409
			30,865	44,512
38	OTHER INCOME			
	Income from financial assets			
	Income on bank deposit accounts	38.1	77,444	20,378
	Interest income from TDR's		67,044	-
			144,488	20,378
	Income from non-financial assets			
	Rental income		783	648
	Gain on sale of property, plant and equipment		45,968	1,390
	Scrap sales		10,154	2,869
	Others		64,970	6,509
			121,875	11,416
			266,363	31,794

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

		Note	2023	2022
39	FINANCE COST		------ Rupees in thousands ------	
	Mark-up on long term financing		153,927	117,031
	Mark-up on short term borrowings		39,992	27,917
	Mark-up on Workers' Profit Participation Fund		694	333
	Bank charges and commission		11,243	8,484
	Amortization of transaction cost		9,652	4,827
	Mark-up on leased assets		1,939	1,628
			217,447	160,221
40	TAXATION			
	Current		126,619	58,082
	Prior		(38)	(1,691)
	Deferred		1,625	(18,615)
		40.1	128,206	37,776

40.1 Relationship between tax expense and accounting profit	Note	2023	2022
		------ Rupees in thousands ------	
Profit before tax		437,872	124,209
Tax at 29%		126,983	36,021
Tax effect of			
Admissible / inadmissible expenses in determining taxable income - net		1,531	19,725
Income charged at different rates		-	7
Change in the ratio of income assessed under NTR and FTR		-	(6)
Prior year tax charge		(38)	(1,789)
Minimum Tax u/s 113		(12,427)	590
Alternate Corporate Tax u/s 113(c)		(10,564)	-
Tax effect on taxable temporary differences - net		1,625	(18,615)
Super Tax @ 6%		21,096	1,843
		128,206	37,776

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

	2023	2022
	%	
Applicable tax rate	29.00	29.00
Minimum Tax	(2.84)	0.48
Alternate Corporate Tax	(2.41)	-
Super tax	4.82	1.48
Others	0.71	(0.55)
	0.28	1.41
Average effective rate	29.28	30.41

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

The Holding Company filed a Constitutional Petition (CP) before the Honourable Sindh High Court (SHC) challenging the vires of Section 5A of the Income Tax Ordinance, 2001. The Honourable Sindh High Courts while deciding the petition declares that Section 5A ultra vires of Constitution and is hereby struck down. However, FBR has filed in the Supreme Court of Pakistan against the decision of Sindh High Court.

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

40.3 In the year 2019, amendment made under section 65B of the Income Tax Ordinance, 2001 through the Finance Act, 2019 whereby the percentage of tax credit on investment in plant and machinery has been reduced from 10% to 5% for the tax year 2019 which is subject to adjustment against the refund or may required to be paid with the Return of Income. The Holding Company filed a petition in the high court against the amendment and obtained stay order as the likely impact of the amendment in 65B would be Rs. 10.398 million. The management is confident that the Holding Company has an arguable case on merits. Hence, no provision has been recorded in the consolidated financial statements. To date, no adverse action shall be taken against the Holding Company in respect of this case.a

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

41.1 Basic earnings per share

	Note	2023	2022
		------ Rupees in thousands ------	
Profit for the year (Rupees in thousands)		309,666	98,779
Weighted average number of ordinary shares		99,718,125	99,718,125
Earnings per share - basic and diluted (Rupees) per share		3.11	0.99

41.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Group did not have any convertible instruments in issue as at June 30, 2023 and June 30, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

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

Description	2023		Total
	Loan Receivable	Unclaimed Dividend	
	Rupees		
Balance as at July 1, 2022	-	1,972	1,972
Financing cash inflows	-	-	-
Financing cash outflows	(3,000)	(15)	(3,015)
Non Cash changes - Transfer current portion	-	-	-
Balance as at June 30, 2023	(3,000)	1,957	(1,043)

43 CASH AND CASH EQUIVALENTS

	Note	2023	2022
		------ Rupees in thousands ------	
Cash and bank balances	20	684,452	237,515
Short term running finance	31	(206,609)	(212,292)
		477,843	25,223

44 CAPACITY AND ACTUAL PRODUCTION

44.1 Thatta Cement Company Limited

		2023	2022
Production capacity - clinker (tons)	44.1.1	660,000	660,000
Actual production - clinker (tons)	44.1.1	444,087	415,810
Production capacity - cement (tons)	44.1.2	693,000	693,000
Actual production - cement (tons)	44.1.2	441,480	502,659

44.1.1 The production capacity utilization of clinker during the year has remained at 67.29% (2022: 63.00%).

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

	Note	2023	2022
		------ Rupees in thousands ------	
4.2 Thatta Power Private Limited			
Installed Capacity-kWh		202,356,000	202,356,000
Total output-kWh		34,345,600	30,468,400
Load factor		16.97%	15.06%

44.2.1 Installed capacity has been computed on the basis of 8,760 hours (2022: 8,760 hours).

45 RELATED PARTY TRANSACTIONS AND BALANCES

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

Further, contribution to defined contribution plan (provident fund) is made as per the terms of employment and trust deed and contribution to the defined benefit plan (gratuity scheme) is in accordance with the actuarial advice. Detail of transactions during the year ended June 30, 2023 and outstanding balances as at June 30, 2023 with related parties are as follows:

45.1 Transactions with related parties are summarized as follows:

Related Party	Nature of transactions	2023	2022
		------ Rupees in thousands ------	
Staff retirement benefits			
	Contribution to Employees' Gratuity Fund	10,000	16,168
	Contribution to Employees' Provident Fund	23,903	11,964
Other related parties			
	Education expenses - Model Terbiat School	4,359	4,126

45.2 Year end balances

Related Party	Nature of transactions	2023	2022
		------ Rupees in thousands ------	
Staff retirement benefits			
	Payable to Gratuity Fund	(23,100)	32,316

45.3 All transactions with related parties have been carried out on commercial terms and conditions.

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

46 REMUNERATION OF CHIEF EXECUTIVE , DIRECTORS AND EXECUTIVES

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

	2023		2022	
	Chief Executive	Executives	Chief Executive	Executives
	---------------- Rupees in thousands ----------------			
Managerial remuneration	15,000	44,714	13,212	30,443
Leave fare allowance	1,250	3,593	1,101	2,333
Bonus	-	1,492	-	-
Retirement benefits	2,308	7,199	2,153	4,657
Other benefits	-	-	-	-
Total	18,558	56,998	16,466	37,433
Number of persons	1	13	1	9

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

46.2 An aggregate amount of Rs. 10.650 million (2022: Rs. 5.450 million) was paid to Non-Executive Directors/Members during the year on account of Board, Audit Committee, Liquidity Risk Management and Human Resource & Remuneration Committee meeting fee.

47 OPERATING SEGMENTS

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

Cement — Engaged in manufacturing and marketing of cement
Power — Engaged in generation and sale of electric power

47.1 Year ended June 30, 2023

	Cement	Power	Intra group adjustment	Consolidated
	------------------------ Rupees in thousands ------------------------			
Revenues				
Sales - net	5,410,132	824,203	(707,208)	5,527,127
Cost of sales	(4,989,620)	(615,334)	736,796	(4,868,158)
Gross profit	420,512	208,869	29,588	658,969
Selling and distribution cost	(88,498)	-	-	(88,498)
Administrative expenses	(144,299)	(34,646)	28,295	(150,650)
	187,715	174,223	57,883	419,821
Other operating expenses	(31,021)	-	-	(31,021)
Other income	258,692	86,948	(79,121)	266,519
	415,386	261,171	(21,238)	655,319
Finance cost	(50,858)	(178,139)	11,550	(217,447)
Segment results	364,528	83,032	(9,688)	437,872
Unallocated expenditures	-	-	-	-
Profit/(loss) before taxation	364,528	83,032	(9,688)	437,872
Taxation	(115,451)	(12,755)	-	(128,206)
Profit/(loss) for the year	249,077	70,277	(9,688)	309,666

Year ended June 30, 2022	Cement	Power	Intra group adjustment	Consolidated
Revenues	Rupees in thousands			
Sales - net	4,263,894	623,829	(493,893)	4,393,830
Cost of sales	(3,943,273)	(504,868)	531,518	(3,916,623)
Gross profit	320,621	118,961	37,625	477,207
Selling and distribution cost	(58,620)	-	-	(58,620)
Administrative expenses	(116,370)	(30,792)	25,723	(121,439)
	145,631	88,169	63,348	297,148
Other operating expenses	(12,103)	-	-	(12,103)
Other income	54,613	9,542	(64,769)	(614)
	188,141	97,711	(1,421)	284,430
Finance cost	(33,375)	(135,707)	8,861	(160,221)
Segment results	154,766	(37,996)	7,440	124,209
Unallocated expenditures	-	-	-	-
Profit/(loss) before taxation	154,766	(37,996)	7,440	124,209
Taxation	(35,472)	(2,304)	-	(37,776)
Profit/(loss) for the year	119,294	(40,300)	7,440	86,433

47.2 Year ended June 30, 2023

Other information	Cement	Power	Intra group adjustment	Consolidated
	Rupees in thousands			
Segment assets	4,742,981	3,475,066	(536,533)	7,681,514
Unallocated corporate assets	-	-	-	-
Total assets	4,742,981	3,475,066	(536,533)	7,681,514
Segment liabilities	1,758,272	1,060,064	(228,612)	2,589,724
Unallocated corporate liabilities	-	-	-	-
Total liabilities	1,758,272	1,060,064	(228,612)	2,589,724
Capital expenditure	62,746	3,400	-	66,146
Depreciation	137,750	107,285	-	245,035
Non-cash expenses other than depreciation	12,173	40	-	12,213
Year ended June 30, 2022				
Segment assets	4,632,971	3,582,882	(516,922)	7,698,931
Unallocated corporate assets	-	-	-	-
Total assets	4,632,971	3,582,882	(516,922)	7,698,931
Segment liabilities	1,892,662	1,238,155	(218,688)	2,912,129
Unallocated corporate liabilities	-	-	-	-
Total liabilities	1,892,662	1,238,155	(218,688)	2,912,129
Capital expenditure	95,725	17,078	-	112,803
Depreciation	126,991	103,644	-	230,635
Non-cash expenses other than depreciation	12,459	1,677	-	14,136

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

	Note	2023	2022
		Rupees in thousands	
47.3.1 Operating revenues			
Total revenue of reportable segments		6,234,335	4,887,723
Elimination of intra group revenue		(707,208)	(493,893)
Consolidated revenue		5,527,127	4,393,830
47.3.2 Profit or loss			
Total profit before taxation of reportable segments		447,560	116,770
Adjustment of unrealized profit		(9,688)	7,440
Consolidated profit before taxation		437,872	124,210

47.3.3 Assets

	Note	2023	2022
		------ Rupees in thousands ------	
Total assets of reportable segments		8,218,047	8,215,853
Elimination of intra group balances		(534,930)	(515,319)
Reclassification for consolidation purposes		(1,603)	(1,603)
Consolidated assets		7,681,514	7,698,931

47.3.4 Liabilities

	2023	2022
Total liabilities of reportable segments		
Elimination of intra group balances	2,818,336	3,130,817
Consolidated liabilities	(228,612)	(218,688)
	2,589,724	2,912,129

47.4 Geographical segment analysis

Year ended June 30, 2023	Local	Export
Revenue	5,527,127	-
Total Assets	7,681,514	-
Net Assets	5,091,790	-
	18,300,431	-
Year ended June 30, 2022		
Revenue	4,393,123	707
Total Assets	7,698,931	-
Net Assets	4,786,802	-
	16,878,856	707

47.5 Information about major customers

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

48 FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

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

	Note	2023	2022
		------ Rupees in thousands ------	
Financial assets			
Long term deposits	10	5,125	3,796
Trade debts	13	969,709	1,551,453
Trade deposits	15	227,839	201,933
Short term investment	16	323,715	473,715
Other receivables and accrued mark-up	17	25,050	3,016
Gratuity Fund asset	26.2.8	23,100	-
Cash and bank balances	20	684,452	237,515
		2,258,990	2,471,428

	Note	2023	2022
		------ Rupees in thousands ------	
Financial liabilities			
Long term financing (including current maturity)	23	751,329	866,899
Lease liability	24	-	42,219
Long term deposits	25	2,787	2,791
Trade and other payables	28	715,560	590,942
Unclaimed dividend	29	1,957	1,972
Accrued mark-up	30	163,445	67,698
Short term borrowings	31	206,609	212,292
		1,090,358	1,784,813

48.1 Financial risk management objectives

The Group has exposure to the following risks:

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

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

a) Credit risk

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

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

	2023		2022	
	Rupees in thousands	%	Rupees in thousands	%
Banks	679,287	30%	234,059	9%
Others	1,579,703	70%	2,234,894	91%
	2,258,990	100%	2,468,953	100%

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

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

	Note	2023	2022
		------ Rupees in thousands ------	
Long term deposits	10	5,125	3,796
Trade debts	13	969,709	1,551,453
Trade deposits	15	227,839	201,933
Short term investment	16	323,715	473,715
Other receivables and accrued interest	17	25,050	3,016
Bank balances	20	679,287	234,059
		2,230,725	2,467,972

Financial assets that are neither past due nor impaired

The credit quality of assets that are neither past due nor impaired can be assessed by reference to historical information and external credit ratings or to historical counterparty default rates. As at June 30, 2023 trade debts of Rs. 585.401 million (2022: Rs. 1,224.940 million) were past due but not impaired. These relates to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debts is as follows:

	Note	2023	2022
Not past due		------ Rupees in thousands ------	
- within 30 days		205,349	117,217
- 31 to 90 days		178,959	284,404
- 91 to 180 days		76,164	157,470
- over 180 days		509,237	992,362
		969,709	1,551,453

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

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

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

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

Financial assets that are past due or impaired

The credit quality of financial assets that are past due or impaired can be assessed by reference to note 13.2. The aging analysis of these impaired trade debts is as follows:

	Note	2023	2022
		------ Rupees in thousands ------	
Below ten years		3,312	3,079
Over ten years		72,028	72,028
		75,340	75,107

b) Liquidity risk management

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

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

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

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

Maturity analysis for financial liabilities

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

		2023				
		Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
	Note	------------------------ Rupees in thousands ------------------------				
Non-derivative Financial liabilities						
Long term financing (including current maturity)	23	751,329	(751,329)	(751,329)	-	-
Long term deposits	25	2,787	(2,787)	-	-	(2,787)
Trade and other payables	28	897,963	(897,963)	(897,963)	-	-
Short term borrowing	31	206,609	(206,609)	(103,305)	(103,305)	-
Accrued mark up	30	163,445	(163,445)	(163,445)	-	-
		2,022,133	(2,022,133)	(1,916,042)	(103,305)	(2,787)

		2022				
		Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	More than one year
	Note	------------------------ Rupees in thousands ------------------------				
Non-derivative Financial liabilities						
Long term financing	22	866,899	(866,899)	(156,528)	(156,528)	(553,843)
Long term deposits	24	2,791	(2,791)	-	-	(2,791)
Trade and other payables	27	677,336	(677,336)	(677,336)	-	-
Short term borrowing	30	212,292	(212,292)	(106,146)	(106,146)	-
Accrued mark up	29	67,698	(67,698)	(67,698)	-	-
Lease liability	23	42,219	(42,219)	(3,247)	(3,247)	(35,726)
		1,869,235	(1,869,235)	(1,010,955)	(265,921)	(592,360)

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

c) Market risk

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

d) Interest / mark-up rate risk management

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

	Carrying amount	
	2023	2022
	------ Rupees in thousands ------	
Fixed rate instruments		
Financial assets	323,715	473,715
Variable rate instruments		
Financial assets	676,851	231,018
Financial liabilities	957,938	1,079,191

Fair value sensitivity analysis for fixed rate instruments:

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

Cash flow sensitivity analysis for variable rate instruments:

Financial assets

If interest rate had fluctuated by 100 basis points with all other variables held constant, profit / (loss) before tax for the year would have been Rs. 6.77 million (2022: Rs 2.31 million) higher / lower, mainly as a result of higher / lower interest income from these financial assets.

Financial liabilities

If interest rate had fluctuated by 100 basis points with all other variables held constant, profit before tax for the year would have been Rs. 9.58 million (2022: Rs. 10.79 million) higher / lower, mainly as a result of higher / lower interest expense on these financial liabilities.

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

	Note	Mark-up / return (%)	Less than 6 months	6 months to 1 year	More than 1 year	Total
		2023				
		---------- (Rupees in thousands) ----------				
Assets						
Bank balance in PLS accounts	20	12.25% to 19.5%	676,851	-	-	676,851
Short term investment	16	14.5% to 19.5%	100,000	223,715	-	323,715
Total assets			776,851	-	-	1,000,566
Liabilities						
Short term borrowings	31	16.66% to 24.98%	(103,305)	(103,305)	-	(206,609)
Long term financing	23		(751,329)	-	-	(751,329)
Total liabilities			(854,634)	(103,305)	-	(957,938)
On-balance sheet gap			(77,783)	(103,305)	-	42,628
Total interest risk sensitivity gap			(77,783)	(181,087)	(181,087)	(181,087)

	Note	Mark-up / return (%)	Less than 6 months	6 months to 1 year	More than 1 year	Total
		2022				
		---------- (Rupees in thousands) ----------				
Assets						
Bank balance in PLS accounts	20	5.5% to 13%	231,018	-	-	231,018
Short term investment	16	6% to 14.5%	-	673,715	-	673,715
Total assets			231,018	673,715	-	904,733
Liabilities						
Short term borrowings	31	9.2% to 13.45%	(106,146)	(106,146)	-	(212,292)
Lease liability	24	12.11%	(3,247)	(3,247)	(35,726)	(42,219)
Long term financing	23		(156,528)	(156,528)	(1,187,687)	(1,500,743)
Total liabilities			(265,921)	(265,921)	(1,223,413)	(1,755,254)
On-balance sheet gap			(34,903)	407,794	(1,223,413)	(850,521)
Total interest risk sensitivity gap			(34,903)	372,892	(850,521)	(850,521)

e) Foreign exchange risk management

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

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

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

	2023	2022	2023	2022
	Average rate		Balance sheet date rate	
US Dollar to PKR	276.92	204.59	287.10	206.00

f) Fair value of financial instruments

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

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

g) Fair value hierarchy

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

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

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

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

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

h) Capital Management

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

The Group's objectives when managing capital are:

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

(ii) to provide an adequate return to shareholders.

	Note	2023	2022
		------ Rupees in thousands ------	
Debt to equity ratio		0.22	0.24
Debt to asset ratio		0.15	0.15
Current ratio		1.69	1.79
Quick Ratio		1.18	1.36

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

i) Operational risk

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

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

- compliance with regulatory and other legal requirements;
- requirements for periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment supplier and related service providers.
- documentation of controls and procedures;
- requirements for appropriate segregation of duties between various functions, roles and responsibilities ;
- requirements for reconciliation and monitoring of transactions;

49 NUMBER OF EMPLOYEES

The total number of employees at the year end were 493 (2022: 501) and average number of employees during the year were 497 (2022: 497).

50 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on September 26, 2023 have proposed final cash dividend Rs. Nil per share (2022: Rs. Nil per Share) in respect of year ended June 30, 2023.

51 DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on September 26, 2023 by the Board of Directors of the Group.

52 GENERAL

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

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

FORM OF PROXY

The Secretary
Thatta Cement Company Ltd.
CL, 5/4, State Life Building # 10,
Main Abdullah Haroon Road.
Karachi, Pakistan.

Please quote:
No. of shares held. ________
Folio No. ____________

I / We ____

of ____

member (s) of Thatta Cement Company Limited, hereby appoint ____________________

________________________ or failing him/her ______________________________

________________________ of ______________________________________

as proxy in my / our behalf at the Annual General Meeting of the Company to be held on Thursday, October 26, 2023 at 11:00 a.m. at Beach Luxury Hotel, M.T.khan Road, Lalazar Karachi, and at any adjournment thereof.

As witness my hand this ____________ day of ______________________ 2023______

signed by ____

in the presence of ______________________________________

Signature

Rupee five revenue stamp

______________________ Signature of witness

______________________ Signature of witness

Important:

1. This Form of Proxy duly completed must be deposited at our Registered Office, not later than 48 hours before the time of holding the meeting.

2. A Proxy should also be a shareholder of the Company

پراکسی فارم

میں / ہم۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کے۔۔

ٹھٹھہ سیمنٹ کمپنی لمٹیڈ کے رکن اور عام شئیر کے حامل کی حثیت کے۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔(شئیرز کی تعداد)

رجسٹر کا فولیو نمبر۔۔۔۔۔۔۔۔۔۔۔اور / یا سی ڈی سی فولیو کا آئی ڈی نمبر۔۔۔۔۔۔۔اور ذیلی اکاونٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کے

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔یا۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کے۔۔

کو کمپنی کے سالانہ اجلاس عام جو 26 اکتوبر 2023 کو 11:00 بجے دن منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں / کرتے ہیں۔

دستخط۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔بروز۔۔۔۔۔۔۔۔۔۔۔۔۔تاریخ۔۔۔۔۔۔۔۔۔۔۔/۔۔۔۔۔۔۔۔۔۔۔2023

گواہان:

دستخط:۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	دستخط:۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
نام:۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	نام:۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
پتہ:۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	پتہ:۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
CNIC / پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	CNIC / پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

دستخط شئیر ہولڈرز

دستخط کا کمپنی میں رجسٹرڈ نمونے کے ہو بہو مطابق ہونا ضروری ہے

دستخط:۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

نوٹ: نمائندے کو فعال بنانے کے لئے نامزدگی کا فارم میٹنگ سے کم از کم 48 گھنٹے قبل موصول ہو جانا چاہیئے، نمائندے کو کمپنی کا رکن ہونا ضروری ہے۔ سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقل یا پاسپورٹ پراکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔

THATTA CEMENT
COMPANY LIMITED

Head Office
Thatta Cement Company Ltd.
CL/5-4, State Life Building # 10,
Main Abdullah Haroon Road.
Karachi, Pakistan.

Factory
Ghulamullah Road, Makli,
District Thatta, Sindh