



THATTA CEMENT
COMPANY LIMITED

REPORT
MARCH 2024



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Vision

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

Mission

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

COMPANY INFORMATION

BOARD OF DIRECTORS

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

Chairman
Chief Executive
Director
Director
Director
Director
Director

AUDIT COMMITTEE

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

Chairperson
Member
Member

IT STEERING COMMITTEE

Mr. Khawaja Muhammad Salman Younis
Mr. Kamran Munir Ansari
Mr. Muhammad Abid Khan

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Abid Khan

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

COMPANY SECRETARY

Mr. Muhammad Abid Khan

STATUTORY AUDITOR

M/s BDO Ebrahim & Co., Chartered Accountants

FACTORY

Ghulamullah Road, Makli,
District Thatta, Sindh 73160

CORPORATE ADVISOR

M/s Sharjeel Ayub & Co., Chartered Accountants

LEGAL ADVISOR

M/s Usmani & Iqbal

SHARE REGISTRAR

THK Associates (Pvt) Limited
Plot # 32-C, Jami Commercial
Street 2, Phase-VII, DHA,
Karachi, Pakistan.
UAN: 021-111-000-322
Fax: 021-35655595
Website: www.thk.com.pk

BANKERS - CONVENTIONAL

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

DIRECTORS' REVIEW TO SHAREHOLDERS

The Board of Directors is pleased to present its review together with the un-audited condensed interim financial statements for the nine months period ended March 31, 2024.

OVERVIEW

Production and dispatch statistics for the nine months period ended March 31, 2024 are as follows:

Description	March 31, 2024	March 31, 2023	Variance	%
-----Metric Tons-----				
<u>Production</u>				
Clinker	301,427	308,777	(7,350)	(2.38)
Cement	383,006	323,633	59,373	18.35
<u>Dispatches</u>				
Cement	387,774	319,959	67,814	21.20

Throughout the first nine months of fiscal year 2024, the nation grappled with significant hurdles amidst economic turbulence. Inflation surged to 23%, prompting a rise in interest rates, while adjustments to petrol and gas tariffs aligned with IMF directives added pressure on businesses. The State Bank of Pakistan (SBP) has kept the policy rate at 22%, with any future cuts contingent upon a decline in inflationary pressures. Government crackdowns on smuggling and illegal currency outflows yielded positive outcomes, aiding in stabilizing the exchange rate. Additionally, anticipation runs high post-general election for resurgence of both political and economic stability.

However, in sharp contrast, the Company's performance improved considerably in the third quarter of fiscal year 2024. Local cement dispatches increased by 21.20% during the nine months period ended March 31, 2024 as compared with the corresponding period of last year.

The Company achieved 60.90% overall clinker production capacity by producing 301,427 tons of clinker against 62.38% capacity utilization with clinker production of 308,777 tons in the same period of last year.

INDUSTRY REVIEW

During the first nine months (July-March) of the current fiscal year, total cement dispatches (domestic and exports) were recorded at 34.502 million tons, showing an increase of 2.68%, compared to 33.600 million tons dispatched during the corresponding period of last fiscal year.

Domestic dispatches in the July-March period were 29.401 million tons against 30.564 million tons during the same period last year showing a reduction of 3.81%. Export dispatches rose significantly by 68.03% as the volumes increased to 5.101 million tons during the first nine months of the current fiscal year compared to 3.036 million tons of exports done during the same period of last fiscal year. The increase in sales volumes can be attributed to the improved viability of exports and a lower base of domestic sales the previous year, which were impacted by adverse weather conditions and an economic slowdown.

SALES REVIEW

During the period under review, local sales of the Company, in terms of volume increased by 21.20% as compared to the corresponding period of last year. By the Grace of Allah the Almighty, the Company achieved 41.06% increase in sales revenue as compared to the corresponding period, due to substantial increase in the retention price.

FINANCIAL REVIEW

A comparison of the financial results of the Company's performance for the nine months period ended March 31, 2024 with the same period last year is as under:

Particulars	March 31, 2024	March 31, 2023
	Rupees in thousands	
Sales – net	5,417,608	3,840,469
Gross profit	1,505,185	204,662
Selling and Distribution Cost	43,185	65,516
Finance Cost	41,470	36,639
Other income	312,999	138,411
Profit before taxation	1,484,318	116,735
Profit after taxation	888,233	80,558
Earnings per share (Rupee)	9.47	0.86

During the period gross profit margin improved significantly, rising from 5.33% to 27.78% compared to the same period in the previous year. The Company earned a profit before tax of Rs. 1,484.3 million.

(i) Sales Performance

Sales revenue of the Company during the period in value terms posted an increase of 41.06%, mainly due to appreciation in local cement sales and substantial increase in the retention price.

(ii) Cost of Sales

Cost to Sales ratio decreased to 72.22% during the period as compared to 94.67% of the corresponding period of last year. The primary factors contributing to the reduction is the company's transition to utilizing cheaper domestic coal sources and installation of 3.5 MW solar project.

(iii) Buy Back of Shares

In an Annual General Meeting held on October 26, 2023, buy back of upto 15 million ordinary shares of the company has been approved under Buy Back scheme pursuant to section 88 of the Companies Act 2017 read with Buy Back Regulations. As on reporting date, the Company has managed to purchase 15 million ordinary shares which are disclosed as Treasury Shares in the notes to the financial statements.

FUTURE OUTLOOK

In 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, after the general election anticipation runs high for resurgence of both political and economic stability.

Installation of Wind Power project

The Company aims to diminish reliance on conventional electricity sources prone to price fluctuations by promoting more resilient and environmentally friendly approach to power generation. As part of this initiative, it has initiated the installation of various power generation projects.

Initially, the Company successfully commissioned a 3.5 MW solar power project, effectively lowering energy expenses. Building on this success, the Company has now decided to install a 4.8 MW wind turbine, which will further driving down energy costs.

PERFORMANCE OF THE GROUP

A brief of the financial position and performance of the Group for the nine months period ended March 31, 2024 are as follows:

Statement of Financial Position

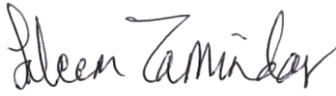
	March 31, 2024	June 30, 2023
	-----(Rupees in thousands)---	
Property, plant and equipment	3,885,379	3,811,303
Stock-in-Trade	279,596	926,376
Trade Debts	828,269	969,709
Total Equity - Holding Company	4,702,644	4,186,946
Trade and Other payables	1,379,330	1,165,830

Statement of Profit or Loss

	March 31, 2024	March 31, 2023
	-----(Rupees in thousands)---	
Sales - net	5,468,527	3,948,478
Gross Profit	1,469,247	384,251
Selling, Distribution cost & Administrative Expense	168,737	180,028
Profit before taxation	1,352,599	124,744
Profit after taxation	734,498	83,439
Earnings per share (in Rupees)	8.44	0.88

ACKNOWLEDGEMENT

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



Saleem Zamindar
Director



Khawaja Muhammad Salman Younis
Chairman

Karachi: April 29, 2024

**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
MARCH 31, 2024**

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	5	2,003,279	1,838,811
Intangible Asset	6	3,217	4,095
Long term investment in Subsidiary Company	7	299,158	299,158
Long term deposits		5,125	5,125
		2,310,779	2,147,189
CURRENT ASSETS			
Stores, spare parts and loose tools	8	169,795	187,776
Stock-in-trade	9	267,324	933,536
Trade debts	10	300,956	424,518
Advances		75,334	48,104
Deposits and prepayments		14,992	5,542
Short term Investment		819,825	223,715
Gratuity fund asset		23,100	23,100
Other receivables and accrued mark-up		75,103	16,430
Taxation - net		-	66,000
Cash and bank balances		2,068,517	667,071
		3,814,946	2,595,792
TOTAL ASSETS		6,125,725	4,742,981
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	11	2,000,000	2,000,000
Share capital	11	847,181	997,181
Share premium		99,718	99,718
Accumulated profit		2,649,485	1,887,810
		3,596,384	2,984,709
NON - CURRENT LIABILITIES			
Long term deposits		37,137	2,787
Long term employee benefit		19,536	19,694
Deferred taxation		292,049	278,073
		348,722	300,554
CURRENT LIABILITIES			
Trade and other payables	12	1,571,596	1,236,387
Dividend payable		1,957	1,957
Accrued mark-up		11,915	12,765
Income Tax Payable		397,502	-
Short term borrowings		197,649	206,609
		2,180,619	1,457,718
TOTAL EQUITY AND LIABILITIES		6,125,725	4,742,981
CONTINGENCIES AND COMMITMENTS			
	13		

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



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Note	Nine months ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		(Rupees in thousands)			
Sales - net	14	5,417,608	3,840,469	2,293,641	1,435,255
Cost of sales	15	(3,912,423)	(3,635,807)	(1,449,525)	(1,275,591)
Gross profit		1,505,185	204,662	844,116	159,664
Selling and distribution cost		(43,185)	(65,516)	(15,482)	(24,804)
Administrative expenses		(120,254)	(109,873)	(35,969)	(37,981)
		1,341,746	29,273	792,665	96,879
Other operating expenses		(110,136)	(14,310)	(63,025)	(11,216)
Expected credit loss allowance		(18,821)	-	-	-
Other income		312,999	138,411	132,886	49,692
Operating profit		1,525,788	153,374	862,526	135,355
Finance cost		(41,470)	(36,639)	(12,697)	(10,087)
Profit before taxation		1,484,318	116,735	849,829	125,268
Taxation					
Current		(569,671)	(48,671)	(313,345)	(18,221)
Prior		(12,438)	38	-	-
Deferred		(13,976)	12,456	(6,335)	(20,254)
		(596,085)	(36,177)	(319,680)	(38,475)
Profit for the period		888,233	80,558	530,149	86,793
			Restated		Restated
Earnings per share - basic and diluted (Rupees)	16	9.47	0.86	5.65	0.93

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in thousands)			
Profit for the period	888,233	80,558	530,149	86,793
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	888,233	80,558	530,149	86,793

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



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended	
	March 31, 2024	March 31, 2023
Note	----- (Rupees in thousands) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,484,318	116,735
Adjustment for:		
Depreciation	5.1 101,131	96,645
Amortization	878	878
Provision for slow moving & obsolete stores and impairment of major stores & spares	-	4,223
Finance cost	41,470	36,639
Provision for gratuity	-	10,017
Provision for leave encashment	1,371	4,108
Provision for expected credit loss allowance	18,822	-
Provision for Workers' Welfare Fund	30,286	3,162
Provision for Workers' Profit Participation Fund	79,700	6,398
Other charge	575	-
Gain on disposal of property, plant and equipment	(44,269)	(3,070)
	229,964	158,999
Operating cash flows before working capital changes	1,714,282	275,734
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	17,981	(76,781)
Stock-in-trade	666,212	(183,592)
Trade debts	104,740	79,603
Loan to the Subsidiary	-	95,846
Advances	(27,230)	(3,999)
Trade deposits and prepayments	(9,450)	(21,446)
Other receivable and accrued mark-up	(58,673)	(35,207)
	693,580	(145,576)
Increase in current liabilities		
Trade and other payables	252,242	83,559
Cash generated from operations	2,660,104	213,717
Finance cost paid	(40,454)	(33,211)
Gratuity paid	-	(9,998)
Leave encashment paid	(1,529)	(1,346)
Income tax paid - net	(118,607)	(19,964)
Workers' Welfare Fund	(8,015)	(3,760)
Workers' Welfare Fund	(21,445)	(8,343)
Net cash generated from operating activities	2,470,053	137,095

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended	
	March 31, 2024	March 31, 2023
Note	----- (Rupees in thousands) -----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(267,002)	(45,488)
Proceeds from sale of property, plant and equipment	45,673	3,880
Short term investment	(596,110)	50,000
Long term deposit - assets	-	(1,296)
Long term deposit - liabilities	34,350	-
Net cash used in investing activities	(783,089)	7,096
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(15)
Buy back of shares	(276,558)	-
Net cash used in financing activities	(276,558)	(15)
Net increase in cash and cash equivalents	1,410,406	144,176
Cash and cash equivalents at the beginning of the period	460,462	15,890
Cash and cash equivalents at the end of the period	1,870,868	160,066
CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,068,517	366,646
Short term borrowings	(197,649)	(206,580)
	1,870,868	160,066

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



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

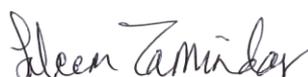
THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Share capital	Reserves		Total
		Share premium	Accumulated profit	
	(Rupees in thousands)			
Balance as at July 1, 2022 (audited)	997,181	99,718	1,367,680	2,464,579
Total comprehensive income for the period ended March 31, 2023				
Profit for the period	-	-	80,558	80,558
Other comprehensive income	-	-	-	-
	-	-	80,558	80,558
Balance as at March 31, 2023 (unaudited)	997,181	99,718	1,448,238	2,545,137
Balance as at July 1, 2023 (audited)	997,181	99,718	1,887,810	2,984,709
Total comprehensive income for the period ended March 31, 2024				
Profit for the period	-	-	888,233	888,233
Other comprehensive income	-	-	-	-
Buy back of shares during the period	(150,000)	-	(126,558)	(276,558)
	(150,000)	-	761,675	611,675
Balance as at March 31, 2024 (unaudited)	847,181	99,718	2,649,485	3,596,384

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



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

1 STATUS AND NATURE OF BUSINESS

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

These condensed interim unconsolidated financial statements for the nine months period ended March 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

2.2 These condensed interim unconsolidated financial statements do not include all the statements and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2023 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.3 The comparative unconsolidated statement of financial position presented in these condensed interim unconsolidated financial statements has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from the unaudited condensed interim unconsolidated financial statements for the nine months period ended March 31, 2023.

2.4 Basis of measurement

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

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

2.5 Functional and presentation currency

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

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

3 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in preparation of the annual audited unconsolidated financial statements as at and for the year ended June 30, 2023.

4 ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2023.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	(Rupees in thousands)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,840,576	1,756,027
Major stores and spares	5.2	45,271	65,145
Capital work in progress	5.3	117,432	17,639
		2,003,279	1,838,811
5.1 Operating fixed assets			
Opening net book value (NBV)		1,756,027	1,791,462
Additions during the period / year at cost	5.1.1	187,084	103,913
		1,943,111	1,895,375
WDV of disposals during the period / year		(1,404)	(1,599)
Depreciation charge for the period / year		(101,131)	(137,749)
		(102,535)	(139,348)
Closing net book value (NBV)		1,840,576	1,756,027
5.1.1 Detail of additions (at cost) during the period / year are as follows:			
Plant and machinery		31,250	19,656
Electrical installations		131,370	77,485
Office building on freehold land		14,813	769
Furniture and fixtures		-	1,989
Laboratory equipment		-	1,452
Vehicles		8,512	-
Computers		1,139	2,562
		187,084	103,913
5.2 Major stores and spares			
Cost			
Opening balance		112,243	108,319
Additions during the period / year		41,308	17,253
Transferred during the period / year		(61,183)	(13,329)
Closing balance		92,368	112,243
Accumulated impairment			
Opening balance		(47,098)	(42,448)
Reversal / (impairment) charge for the period / year		-	(4,650)
Closing balance		(47,098)	(47,098)
Net book value		45,271	65,145

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
Note	(Rupees in thousands)	
5.3 Capital work in progress		
Opening Balance	17,639	62,730
Additions during the period / year	245,872	42,980
Transfers during the period / year	(146,079)	(88,071)
Closing Balance	117,432	17,639
6 INTANGIBLE ASSETS		
Cost	5,850	5,850
Amortization on intangibles		
Opening balance	(1,755)	(585)
Charge for the period / year	(878)	(1,170)
Closing balance	(2,633)	(1,755)
Net book value	3,217	4,095
7 LONG TERM INVESTMENT IN SUBSIDIARY COMPANY		
Thatta Power (Private) Limited (TPPL)	7.1 & 7.2 299,158	299,158
7.1	The Company owns 62.43% shareholding of TPPL as at March 31, 2024 (June 30, 2023: 62.43%). The principal business of the Subsidiary Company is generation and supply of electric power. As at March 31, 2024, TPPL has authorized and issued share capital of Rs. 500.00 million and Rs. 479.16 million divided into 50,000,000 and 47,915,830 ordinary shares respectively. Investment in Subsidiary Company is accounted and carried at cost.	
7.2	Thatta Cement Company Limited has pledged its investment in shares of TPPL in favor of National Bank of Pakistan (NBP) as the security trustee against syndicate term finance facility extended by NBP and other syndicated banks of TPPL.	
8 STORES, SPARE PARTS AND LOOSE TOOLS		
Coal and other fuels	28,452	34,253
Stores and spare parts	188,180	200,299
Loose tools	68	129
	216,700	234,681
Provision for obsolete stores	(3,833)	(3,833)
Provision for slow moving stores and spares	(43,072)	(43,072)
	(46,905)	(46,905)
	169,795	187,776
9 STOCK-IN-TRADE		
Raw material	19,735	26,029
Packing material	27,624	76,089
Work-in-process	180,876	737,889
Finished goods	39,089	93,529
	267,324	933,536

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
Note	(Rupees in thousands)	
10 TRADE DEBTS		
Considered good		
Local - unsecured	319,777	424,751
Considered doubtful		
Local - unsecured	75,341	75,107
	395,118	499,858
Provision for doubtful debts	(94,162)	(75,340)
	300,956	424,518

11 SHARE CAPITAL

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
Number of shares					
Authorised share capital					
	200,000,000	200,000,000	Ordinary shares of Rs. 10/- each	2,000,000	2,000,000
Issued, subscribed and paid-up capital					
	89,418,125	89,418,125	Ordinary shares of Rs. 10/- each shares allotted for consideration paid in cash	894,181	894,181
	10,300,000	10,300,000	Ordinary shares of Rs 10/- each shares allotted for consideration other than cash	103,000	103,000
	(15,000,000)	-	Treasury shares	(150,000)	-
	84,718,125	99,718,125		847,181	997,181

11.1 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

11.2 In the Annual General Meeting held on October 26, 2023, it was hereby approved to purchase upto 15 million ordinary shares of the company under Buy Back scheme pursuant to section 88 of the Companies Act 2017 read with Buy Back Regulations. The Buy Back was made through Pakistan Stock Exchange Limited at the spot/current price. The Company has purchased 15 million ordinary shares which are disclosed as Treasury Shares in the notes to the Financial statements.

12 TRADE AND OTHER PAYABLES

Trade creditors	453,053	372,411
Accrued liabilities	718,063	459,405
Contract liability	119,977	267,867
Excise duty and sales tax payable	166,835	100,659
Workers' Profit Participation Fund	79,700	19,579
Workers' Welfare Fund	30,286	7,440
Other liabilities	3,682	9,026
	1,571,596	1,236,387

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

The status of contingencies as disclosed in annual audited unconsolidated financial statements for the year ended June 30, 2023 are same as at March 31, 2024.

13.2 Commitments

- 13.2.1 Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Company amounts to Rs. 45 million (June 30, 2023: Rs. 45 million).
- 13.2.2 Irrevocable letter of credit under revenue expenditure as at reporting date is Rs. 8.6 million (June 30, 2023: Rs. NIL)
- 13.2.3 Other outstanding guarantees given on behalf of the Company by banks amounting to Rs. 75.8 million (June 30, 2023: Rs. 223.715 million).

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Note	------(Rupees in thousands)-----			
14 SALES - NET				
Gross Sales				
Local	7,216,703	5,040,215	3,033,859	1,855,110
Export	-	-	-	-
	7,216,703	5,040,215	3,033,859	1,855,110
Less: Sales tax & Federal Excise Duty	(1,799,095)	(1,199,746)	(740,218)	(419,855)
	5,417,608	3,840,469	2,293,641	1,435,255
14.1	Company's revenue disaggregated by primary geographical markets is as follows:			
Sale of cement and clinker				
Primary geographical markets				
Within Pakistan	5,417,608	3,840,469	2,293,641	1,435,255
Outside Pakistan	-	-	-	-
	5,417,608	3,840,469	2,293,641	1,435,255
14.2	Company's revenue disaggregated by pattern / timing of revenue recognition is as follows:			
Timing of revenue recognition				
Goods transferred at a point in time	5,417,608	3,840,469	2,293,641	1,435,255
15 COST OF SALES				
Raw material consumed	258,637	281,275	126,507	116,160
Clinker purchase	-	-	-	-
Manufacturing expenses				
Packing material consumed	303,528	205,266	129,826	62,301
Stores, spare parts & loose tools consumed	133,093	97,751	52,565	47,442
Fuel and power	2,144,484	2,810,195	1,009,496	1,132,386
Salaries, wages and other benefits	300,879	258,707	94,586	86,842
Insurance	24,729	18,401	7,968	6,130
Repairs and maintenance	10,779	9,019	6,104	3,878
Depreciation	98,411	93,800	42,840	35,409
Vehicle hire, running & maintenance	17,113	19,316	4,375	6,266
Communication	1,418	1,581	442	436
Entertainment	2,530	1,224	1,082	501
Provision for slow moving & obsolete stores and spares	-	4,223	-	-
Other production overheads	5,369	7,359	3,389	4,353
	3,042,333	3,526,842	1,352,673	1,385,944
Cost of production	3,300,970	3,808,117	1,479,180	1,502,104

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	------(Rupees in thousands)-----			
Work-in-process				
Opening balance	737,889	415,294	136,955	386,868
Closing balance	(180,876)	(533,228)	(180,876)	(533,228)
	557,013	(117,934)	(43,921)	(146,360)
Cost of goods manufactured	3,857,983	3,690,183	1,435,259	1,355,744
Finished goods				
Opening balance	93,529	59,425	53,355	33,648
Closing balance	(39,089)	(113,801)	(39,089)	(113,801)
	54,440	(54,376)	14,266	(80,153)
	3,912,423	3,635,807	1,449,525	1,275,591

16 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period (Rupees in thousands)	888,233	80,558	530,149	86,793
		Restated		Restated
Weighted average number of ordinary shares	93,819,939	93,819,939	93,819,939	93,819,939
		Restated		Restated
Earnings per share - basic and diluted (Rupees)	9.47	0.86	5.65	0.93

17 RELATED PARTY TRANSACTIONS & BALANCES

Related parties comprise of subsidiary company, associated undertakings, Directors of the Company, key management personnel and staff retirement funds. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions except for service level agreement for business support services with the Subsidiary Company for which the basis are approved by the Board of Directors. Details of transactions during the period ended/outstanding balances as at March 31, 2024 with related parties are as follows:

17.1 Transactions with related parties

Subsidiary Company

Thatta Power (Private) Limited

Common shared expenses	3,843	3,337	1,095	1,010
Receipts for common shared expenses (Purchase)/sale of store items - net	2,315	6,469	-	1,010
(Payment)/receipts on account of Purchase/sale of store items - net	(173)	781	159	1,449
(Purchase) of electricity (inclusive of GST)	(633)	(433)	-	(98)
Payment on account of electricity (inclusive of GST)	1,056,910	(577,789)	546,107	(212,623)
Management fee claimed	794,179	(508,169)	335,000	(53,049)
Management fee received	26,378	23,980	8,792	7,993
Sale of waste heat	14,122	45,296	-	7,993
Receipt for sale of waste heat	2,457	30,937	-	13,336
(Loan) disbursed	15,541	56,014	-	17,256
Receipt on account of loan	-	(54,192)	-	-
Interest accrued on loan	-	150,038	-	-
Receipt on account of interest accrued on loan	-	11,550	-	-
	20	20,838	-	1,330

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
------(Rupees in thousands)-----				
Key management personnel				
Salaries and benefits	79,419	64,447	24,821	22,785
Other related parties				
Contribution to Gratuity Fund	-	9,998	-	-
Contribution to Provident Fund	9,625	8,214	3,151	3,184
Education expense - Model tarbiat school	2,852	3,294	547	1,015

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
(Rupees in thousands)		

17.2 Balances with related parties

Subsidiary Company

Thatta Power (Private) Limited

Payable against purchase of electricity (inclusive of GST)	476,680	213,949
Receivable against management fee (inclusive of SST)	17,584	5,328
Receivable against common shared expenses	2,423	895
Receivable / (payable) against sale of store items - net	270	(190)
Receivable against sale of waste heat	(4,670)	8,414

Other related parties

(Receivable) / Payable to Gratuity Fund	(23,100)	(23,100)
---	-----------------	----------

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

18 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

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

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

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

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

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

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

19 CORRESPONDING FIGURES

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

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

20 NUMBER OF EMPLOYEES

The number of employees as at March 31, 2024 was 460 (June 30, 2023: 493) and average number of employees during the period was 489 (June 30, 2023: 497).

21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorized for issue on April 29, 2024 by the Board of Directors of the Company.

22 GENERAL

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



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
MARCH 31, 2024**

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	5	3,885,379	3,811,303
Intangible Assets	6	3,217	4,095
Long term deposits		5,125	5,125
		3,893,721	3,820,523
CURRENT ASSETS			
Stores, spare parts and loose tools	7	206,185	223,534
Stock-in-trade	8	279,596	926,376
Trade debts	9	828,269	969,709
Short term investment		819,825	323,715
Advances		91,075	50,027
Deposits and prepayments		241,207	231,744
Other receivables and accrued mark-up		112,125	25,050
Gratuity Fund asset		23,100	23,100
Short term loan		-	300,000
Taxation - net		18,922	103,284
Cash and bank balances		2,414,674	684,452
		5,034,978	3,860,991
TOTAL ASSETS		8,928,699	7,681,514
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	10	2,000,000	2,000,000
Share capital	10	847,181	997,181
Share premium		99,718	99,718
Accumulated profit		3,755,745	3,090,047
Equity attributable to the owners of the Holding Company		4,702,644	4,186,946
Non-controlling interests		847,086	904,844
		5,549,730	5,091,790
NON - CURRENT LIABILITIES			
Long term deposits		37,137	2,787
Employee benefits		19,536	19,694
Deferred taxation		292,049	278,073
		348,722	300,554
CURRENT LIABILITIES			
Trade and other payables	11	1,379,330	1,165,830
Unclaimed dividend		1,957	1,957
Accrued mark-up		302,481	163,445
Current maturity of long term financing		751,329	751,329
Taxation - net		397,502	-
Short term borrowings		197,649	206,609
		3,030,248	2,289,170
TOTAL EQUITY AND LIABILITIES		8,928,699	7,681,514
CONTINGENCIES AND COMMITMENTS			
	12		

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



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Note	Nine months ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		(Rupees in thousands)			
Sales - net	13	5,468,527	3,948,478	2,313,918	1,456,513
Cost of sales	14	(3,999,280)	(3,564,227)	(1,469,784)	(1,219,480)
Gross profit		1,469,247	384,251	844,134	237,033
Selling and distribution cost		(43,185)	(65,516)	(15,482)	(24,804)
Administrative expenses		(125,552)	(114,512)	(36,578)	(38,730)
		1,300,510	204,223	792,074	173,499
Other operating expenses		(110,146)	(14,310)	(63,035)	(11,216)
Expected credit loss allowance		(18,821)	-	-	-
Other income		364,417	96,506	145,905	42,434
Operating profit		1,535,960	286,419	874,944	204,717
Finance cost		(183,361)	(161,675)	(59,477)	(58,447)
Profit before taxation		1,352,599	124,744	815,467	146,270
Taxation					
Current		(591,687)	(53,799)	(319,489)	(21,536)
Prior		(12,438)	38	-	-
Deferred		(13,976)	12,456	(6,335)	(20,254)
		(618,101)	(41,305)	(325,824)	(41,790)
Profit for the period		734,498	83,439	489,643	104,480
Profit for the period attributable to:					
Equity holders of the Holding Company		792,256	82,357	504,861	97,835
Non-controlling interests		(57,758)	1,082	(15,218)	6,645
		734,498	83,439	489,643	104,480
			Restated		Restated
Earnings per share - basic and diluted (Rupees)	15	8.44	0.88	5.38	1.04

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- (Rupees in thousands) -----			
Profit for the period	734,498	83,439	489,643	104,480
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	734,498	83,439	489,643	104,480
Total comprehensive income for the period attributable to:				
Equity holders of the Holding Company	792,256	82,357	504,861	97,835
Non-controlling interests	(57,758)	1,082	(15,218)	6,645
	734,498	83,439	489,643	104,480

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended	
	March 31, 2024	March 31, 2023
Note	----- (Rupees in thousands) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,352,599	124,744
Adjustment for:		
Depreciation on property, plant and equipment	5.1 193,353	177,467
Amortization on intangibles	878	878
Provision for slow moving & obsolete stores and impairment of major stores & spares	-	4,223
Finance cost	183,361	161,675
Provision for gratuity	-	10,017
Provision for leave encashment	1,371	4,108
Provision for expected credit loss allowance	18,822	-
Provision for Workers' Welfare Fund	30,286	3,162
Provision for Workers' Profit Participation Fund	79,700	6,398
Other charge	575	-
Gain on disposal of property, plant and equipment	(44,269)	(3,070)
	464,077	364,857
Operating cash flows before working capital changes	1,816,676	489,601
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	17,349	(79,241)
Stock-in-trade	646,780	(180,582)
Trade debts	122,618	552,721
Advances	(41,048)	(7,872)
Trade deposits and prepayments	(9,463)	(224,186)
Other receivable and accrued mark-up	(87,292)	(46,208)
	648,944	14,632
Increase in current liabilities		
Trade and other payables	130,750	53,390
Cash generated from operations	2,596,370	557,623
Finance cost paid	(42,459)	(104,759)
Gratuity paid	-	(9,998)
Leave encashment paid	(1,529)	(1,346)
Income tax paid - net	(122,261)	(22,313)
Workers' Welfare Fund	(8,015)	(3,760)
Workers' Profit Participation Fund	(21,445)	(8,343)
Net cash generated from operating activities	2,400,660	407,104

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine months ended	
	March 31, 2024	March 31, 2023
Note	----- (Rupees in thousands) -----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(268,833)	(45,488)
Short term investment	(496,110)	(50,000)
Proceeds from disposal of property, plant & equipment	45,673	3,880
Short term loan	300,000	-
Long term deposit - assets	-	(1,296)
Long term deposit - liabilities	34,350	-
Net cash used in investing activities	(384,920)	(92,904)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy back of shares	(276,558)	-
Repayment of long term financing	-	(121,602)
Dividend paid	-	(15)
Net cash used in financing activities	(276,558)	(121,617)
Net increase in cash and cash equivalents	1,739,182	192,583
Cash and cash equivalents at beginning of the period	477,843	25,223
Cash and cash equivalents at end of the period	2,217,025	217,806
CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,414,674	424,386
Short term borrowings	(197,649)	(206,580)
	2,217,025	217,806

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

THATTA CEMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Attributable to the owners of the Holding Company			Total	Non-controlling interests	Total shareholders' equity
	Share capital	Reserves				
		Share premium	Accumulated profits			
----- Rupees in thousands -----						
Balance as at July 1, 2022 (audited)	997,181	99,718	2,807,821	3,904,720	882,081	4,786,801
<i>Total comprehensive income for the period ended March 31, 2023</i>						
Profit for the period	-	-	82,357	82,357	1,082	83,439
Balance as at March 31, 2023 (un-audited)	<u>997,181</u>	<u>99,718</u>	<u>2,890,178</u>	<u>3,987,077</u>	<u>883,163</u>	<u>4,870,240</u>
Balance as at July 1, 2023 (audited)	997,181	99,718	3,090,047	4,186,946	904,844	5,091,790
<i>Total comprehensive income for the period ended March 31, 2024</i>						
Profit for the period	-	-	792,256	792,256	(57,758)	734,498
Buy back of shares during the period	(150,000)	-	(126,558)	(276,558)	-	(276,558)
	<u>(150,000)</u>	<u>-</u>	<u>665,698</u>	<u>515,698</u>	<u>(57,758)</u>	<u>457,940</u>
Balance as at March 31, 2024 (un-audited)	<u>847,181</u>	<u>99,718</u>	<u>3,755,745</u>	<u>4,702,644</u>	<u>847,086</u>	<u>5,549,730</u>

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

1 THE GROUP AND ITS OPERATIONS

- 1.1** The Group consists of Thatta Cement Company Limited (TCCL) and Thatta Power (Private) Limited (TPPL) (together referred as "the Group").
- 1.2** Thatta Cement Company Limited (the Holding Company) was incorporated in Pakistan in 1980 as a public limited company. The shares of the Holding Company are quoted at the Pakistan Stock Exchange. The Holding Company's main business activity is manufacturing and marketing of cement. The registered office of the Holding Company is situated at CL 5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi, Pakistan. The production facility of the Holding Company is located at Ghulamullah Road, Makli, District Thatta, Sindh.
- 1.3** Thatta Power (Private) Limited (the Subsidiary Company) is a 62.43% owned subsidiary of the Holding Company as at March 31, 2024 (June 30, 2023: 62.43%). The principal business activity of the Subsidiary Company is generation and supply of electric power. As at March 31, 2024 TPPL has authorized and issued capital of Rs. 500 million and Rs. 479.16 million divided into 50,000,000 (June 30, 2023: 50,000,000) ordinary shares and 47,915,830 (June 30, 2023: 47,915,830) ordinary shares respectively. The registered office and generation facility of the Subsidiary Company is situated at Ghulamullah Road, Makli, District Thatta, Sindh.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statements for the nine months period ended March 31, 2024 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017. In case the requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail. The disclosures in these condensed interim consolidated financial statements do not include all of the information required in the annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended June 30, 2023.

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

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

2.2 Basis of consolidation

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

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

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

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

THATTA CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of the annual audited consolidated financial statements as at and for the year ended June 30, 2023.

4 ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying the group's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2023.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	(Rupees in thousands)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	3,719,733	3,725,575
Major stores and spares	5.2	48,214	68,089
Capital work in progress	5.3	117,432	17,639
		<u>3,885,379</u>	<u>3,811,303</u>
5.1 Operating fixed assets			
Opening net book value (NBV)		3,725,575	3,900,987
Additions during the period at cost	5.1.1	188,915	107,313
		<u>3,914,490</u>	<u>4,008,300</u>
WDV of disposals during the period / year		(1,404)	(37,689)
Depreciation charge for the period / year		(193,353)	(245,036)
		<u>(194,757)</u>	<u>(282,725)</u>
Closing net book value (NBV)		<u>3,719,733</u>	<u>3,725,575</u>
5.1.1 Detail of additions (at cost) during the period are as follows:			
Plant and machinery		32,975	23,056
Electrical installations		131,370	77,485
Office building on freehold land		14,813	769
Furniture and fixtures		-	1,989
Laboratory equipment		-	1,452
Vehicles		8,512	-
Office Equipment		106	-
Computer		1,139	2,562
		<u>188,915</u>	<u>107,313</u>

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	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
Note	(Rupees in thousands)	
5.2 Major stores and spares		
Cost		
Opening balance	115,187	111,263
Additions during the period / year	41,308	17,253
Transferred during the period / year	(61,183)	(13,329)
Closing balance	95,312	115,187
Accumulated impairment		
Opening balance	(47,098)	(42,448)
Impairment charge for the period / year	-	(4,650)
Closing balance	(47,098)	(47,098)
Net book value	48,214	68,089
5.3 Capital work in progress		
Opening Balance	17,639	62,730
Additions during the period / year	245,872	42,980
Transfers during the period / year	(146,079)	(88,071)
Closing Balance	117,432	17,639
6 INTANGIBLE ASSETS		
Cost	5,850	5,850
Amortization on intangibles		
Opening balance	(1,755)	(585)
Charge for the period / year	(878)	(1,170)
Closing balance	(2,633)	(1,755)
Net book value	3,217	4,095
7 STORES, SPARE PARTS AND LOOSE TOOLS		
Coal and other fuels	28,452	34,253
Stores & spare parts	228,490	239,977
Loose tools	68	129
	257,010	274,359
Provision for obsolete stores	(3,833)	(3,833)
Provision for slow moving stores and spares	(46,992)	(46,992)
	(50,825)	(50,825)
	206,185	223,534
8 STOCK-IN-TRADE		
Raw material	19,735	26,029
Packing material	27,624	76,089
Work-in-process	191,900	731,279
Finished goods	40,337	92,979
	279,596	926,376

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		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)	
	Note	(Rupees in thousands)		
9	TRADE DEBTS			
	Considered good			
	Local - unsecured	9.1	847,090	969,942
	Considered doubtful			
	Local - unsecured		75,341	75,107
			922,431	1,045,049
	Allowance for expected credit losses		(94,162)	(75,340)
			828,269	969,709

9.1 It includes receivable from HESCO by the Subsidiary Company is secured against Standby Letter of Credit (SBLC) issued by National Bank of Pakistan to the extent of Rs. 286.71 million.

10 **SHARE CAPITAL**

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)			
--- Number of shares ---					
Authorized share capital					
	200,000,000	200,000,000	Ordinary shares of Rs. 10/- each	2,000,000	2,000,000
Issued, subscribed and paid-up share capital					
	89,418,125	89,418,125	Ordinary shares of Rs. 10/- each - shares allotted for consideration fully paid in cash	894,181	894,181
	10,300,000	10,300,000	Ordinary shares of Rs. 10/- each - shares allotted for consideration other than cash	103,000	103,000
	(15,000,000)	-	Treasury shares	(150,000)	-
	84,718,125	99,718,125		847,181	997,181

11 **TRADE AND OTHER PAYABLES**

Trade creditors	459,322	374,929
Accrued liabilities	464,711	319,311
Contract liability	119,977	267,867
Excise duty and sales tax payable	166,835	100,659
Workers' Profit Participation Fund (WPPF)	119,356	59,235
Workers' Welfare Fund (WWF)	45,355	22,509
Sales tax payable	-	12,215
Other liabilities	3,774	9,105
	1,379,330	1,165,830

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	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	(Rupees in thousands)
12	CONTINGENCIES AND COMMITMENTS	
12.1	Contingencies	
	The status of contingencies is same as disclosed in the annual audited consolidated financial statements for the year ended June 30, 2023 are same as at March 31, 2024.	
12.2	Commitments	
12.2.1	Guarantee given by a commercial bank to Sui Southern Gas Company Limited on behalf of the Holding Company amounts to Rs. 45 million (June 30, 2023: Rs. 45 million).	
12.2.2	Irrevocable letter of credit under revenue expenditure as at reporting date is Rs. 8.6 million (June 30, 2023: Rs. NIL)	
12.2.3	Guarantee issued by a bank on behalf of the Subsidiary Company amounts to Rs. 200 million (June 30, 2023: Rs. 200 million).	
12.2.4	Other outstanding guarantees given on behalf of the Group by banks amount to Rs. 75.8 million (June 30, 2023: Rs. 223.715 million).	

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	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in thousands) -----				
13 SALES - NET				
Gross Sales				
Local	7,276,787	5,167,092	3,057,785	1,880,460
Export	-	-	-	-
	7,276,787	5,167,092	3,057,785	1,880,460
Less: Sales tax & Federal Excise Duty	(1,808,260)	(1,218,614)	(743,867)	(423,947)
	5,468,527	3,948,478	2,313,918	1,456,513
13.1 Group's revenue disaggregated by primary geographical markets is as follows:				
Primary geographical markets				
Sale of cement and clinker				
Within Pakistan	5,417,608	3,840,469	2,293,641	1,435,255
Outside Pakistan	-	-	-	-
Sale of electric power				
Within Pakistan	50,919	108,009	20,277	21,258
	5,468,527	3,948,478	2,313,918	1,456,513
13.2 Group's revenue disaggregated by pattern/timing of revenue recognition is as follows:				
Timing of revenue recognition				
Goods / electric power transferred at a point in time	5,468,527	3,948,478	2,313,918	1,456,513
14 COST OF SALES				
Raw material consumed	258,637	281,275	126,507	116,160
Manufacturing expenses				
Fuel and power	2,069,607	2,596,209	974,599	1,021,799
Salaries, wages and other benefits	300,879	258,707	94,586	86,842
Depreciation	190,632	174,623	76,337	67,817
Packing material consumed	303,528	205,266	129,826	62,301
Stores, spare parts and loose tools consumed	186,097	130,085	68,624	58,177
Vehicle hire, running & maintenance	17,113	19,316	4,375	6,266
Repairs, operations and maintenance	36,100	26,630	12,006	9,653
Insurance	34,934	26,737	11,320	9,669
Other production overheads	5,784	7,651	3,577	4,445
Communication	1,418	1,581	442	436
Entertainment	2,530	1,224	1,082	501
Provision for slow moving & obsolete stores and spares				
Stores & spares	-	4,223	-	-
	3,148,622	3,452,252	1,376,774	1,327,906
Cost of production	3,407,259	3,733,527	1,503,281	1,444,066
Work-in-process				
Opening balance	731,279	417,627	143,969	388,241
Closing balance	(191,900)	(532,804)	(191,900)	(532,804)
	539,379	(115,177)	(47,931)	(144,563)
Cost of goods manufactured	3,946,638	3,618,350	1,455,350	1,299,503

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	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in thousands)			
Finished goods				
Opening balance	92,979	59,620	54,771	33,720
Closing balance	(40,337)	(113,743)	(40,337)	(113,743)
	52,642	(54,123)	14,434	(80,023)
	3,999,280	3,564,227	1,469,784	1,219,480

15 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period attributable to the owners of the Holding Company (Rupees in thousands)	792,256	82,357	504,861	97,835
		Restated		Restated
Weighted average number of ordinary shares	93,819,939	93,819,939	93,819,939	93,819,939
		Restated		Restated
Earnings per share - basic and diluted (Rupees)	8.44	0.88	5.38	1.04

16 RELATED PARTY TRANSACTIONS & BALANCES

Related parties comprise of associated undertakings, directors of the Group, key management personnel and staff retirement funds. The Group continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions. Further, contribution to the defined contribution plan (provident fund) is made as per the terms of employment and trust deed and contribution to the defined benefit plan (provident fund) is in accordance with the actuarial advice. Details of transactions during the period ended / outstanding balances as at March 31, 2024 with related parties are as follows:

16.1 Transactions with related parties

16.1.1 Key management personnel				
Salaries and benefits	79,419	64,447	24,821	22,785
16.1.2 Other related parties				
Contribution to Gratuity Fund	-	9,998	-	-
Contribution to Provident Fund	9,625	8,214	3,151	3,184
Education expense - Model tarbiat school	2,852	3,294	547	1,015
			March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
			-- Rupees in thousands --	

16.2 Balances with related parties

16.2.1 Other related parties				
(Receivable) / Payable to Gratuity Fund			(23,100)	(23,100)

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

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17 OPERATING SEGMENTS

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

Cement Engaged in manufacturing and marketing of cement.

Power Engaged in generation and supply of electric power.

17.1 Revenues	Cement		Power		Intra group adjustment		Consolidated	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- Un-audited -----								
----- Rupees in thousands -----								
Sales - net	5,417,608	3,840,469	946,605	600,790	(895,686)	(492,781)	5,468,527	3,948,478
Cost of sales	(3,912,423)	(3,635,807)	(1,003,119)	(445,660)	916,262	517,240	(3,999,280)	(3,564,227)
Gross profit	1,505,185	204,662	(56,514)	155,130	20,576	24,459	1,469,247	384,251
Selling and distribution cost	(43,185)	(65,516)	-	-	-	-	(43,185)	(65,516)
Administrative expenses	(120,254)	(109,873)	(28,642)	(25,861)	23,344	21,222	(125,552)	(114,512)
	1,341,746	29,273	(85,156)	129,269	43,920	45,681	1,300,510	204,223
Other operating expenses	(110,136)	(14,310)	(10)	-	-	-	(110,146)	(14,310)
Expected credit loss allowance	(18,821)	-	-	-	-	-	(18,821)	-
Other income	312,999	138,411	75,906	18,336	(24,488)	(60,241)	364,417	96,506
Operating profit	1,525,788	153,374	(9,260)	147,605	19,432	(14,560)	1,535,960	286,419
Finance cost	(41,470)	(36,639)	(141,891)	(136,586)	-	11,550	(183,361)	(161,675)
Segment results	1,484,318	116,735	(151,151)	11,019	19,432	(3,010)	1,352,599	124,744
Unallocated expenditures	-	-	-	-	-	-	-	-
Profit/(loss) before tax	1,484,318	116,735	(151,151)	11,019	19,432	(3,010)	1,352,599	124,744
Taxation	(596,085)	(36,177)	(22,016)	(5,128)	-	-	(618,101)	(41,305)
Profit/(loss) for the period	888,233	80,558	(173,167)	5,891	19,432	(3,010)	734,498	83,439

17.2 Other information	Cement		Power		Intra group adjustment		Consolidated	
	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
----- Rupees in thousands -----								
Segment assets	6,125,725	4,742,981	3,568,143	3,475,066	(765,169)	(536,533)	8,928,699	7,681,514
Unallocated corporate assets	-	-	-	-	-	-	-	-
Total assets	6,125,725	4,742,981	3,568,143	3,475,066	(765,169)	(536,533)	8,928,699	7,681,514
Segment liabilities	2,529,341	1,758,272	1,326,309	1,060,064	(476,680)	(228,612)	3,378,970	2,589,724
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
Total liabilities	2,529,341	1,758,272	1,326,309	1,060,064	(476,680)	(228,612)	3,378,970	2,589,724
Capital expenditure	267,002	62,746	1,831	3,400	-	-	268,833	66,146
Depreciation	101,131	137,750	92,222	107,285	-	-	193,353	245,035
Non-cash expenses other than depreciation	1,453	12,173	-	40	-	-	1,453	12,213

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

		Consolidated	
		March 31, 2024 (Un-audited)	March 31, 2023 (Un-audited)
-- Rupees in thousands --			
17.3.1 Operating revenues			
	Total revenue of reportable segments	6,364,213	4,441,259
	Elimination of intra group revenue	(895,686)	(492,781)
	Consolidated revenue	5,468,527	3,948,478
17.3.2 Profit and loss			
	Total profit before tax of reportable segments	1,333,167	127,754
	Adjustment of unrealized profit and intra group transactions	19,432	(3,010)
	Consolidated profit before taxation	1,352,599	124,744
		Consolidated	
		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
-- Rupees in thousands --			
17.3.3 Assets			
	Total assets of reportable segments	9,693,868	8,218,047
	Elimination of intra group balances and unrealised profit	(763,566)	(534,930)
	Reclassification for consolidation purposes	(1,603)	(1,603)
	Consolidated assets	8,928,699	7,681,514
17.3.4 Liabilities			
	Total liabilities of reportable segments	3,855,650	2,818,336
	Elimination of intra group balances	(476,680)	(228,612)
	Consolidated liabilities	3,378,970	2,589,724

17.4 Information about major customers

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

18 FAIR VALUE MEASUREMENTS

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

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

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

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

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

19 CORRESPONDING FIGURES

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

20 NUMBER OF EMPLOYEES

The number of employees as at March 31, 2024 was 460 (June 30, 2023: 493) and average number of employees during the period was 489 (June 30, 2023: 497).

21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been authorized for issue on April 29, 2024 by the Board of Directors of the Holding Company.

22 GENERAL

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


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR



THATTA CEMENT

COMPANY LIMITED

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

Factory
Ghulamullah Road, Makli,
District Thatta, Sindh