



Contents

| Company Information | 02 |
|---|----|
| Directors' Review | 03 |
| Condensed Interim Balance Sheet | 05 |
| Condensed Interim Profit & Loss Account | 06 |
| Condensed Interim Cash Flow Statement | 07 |
| Condensed Interim Statement of Changes in Equity | 08 |
| Notes to the Condensed Interim Financial Statements | 09 |



Company Information

BOARD OF DIRECTORS

Mr. Muhammad Arif Habib
Mr. Muhammad Fazlullah Shariff
Mr. Muhammad Kashif
Mr. Muhammad Kashif
Chief Executive
Executive Director

Mr. Muhammad Akmal Jameel Director
Mr. Muhammad Khubaib Director
Mr. Nasim Beg Director
Mr. Asadullah Khawaja Director

AUDIT COMMITTEE

Mr. Muhammad Khubaib Chairman Mr. Muhammad Kashif Member Mr. Muhammad Akmal Jameel Member

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Ashiq Hussain

STATUTORY AUDITOR

Hyder Bhimji & Co. Chartered Accountants

COST AUDITOR

Siddiqi & Co.

Cost & Management Accountants

LEGAL ADVISOR

Usmani & Iqbal

BANKERS

Al-Baraka Islamic Bank Arif Habib Bank Limited MCB Bank Limited National Bank of Pakistan Standard Chartered Bank Pakistan Limited

REGISTERED OFFICE

Pardesi House, Survey No.2/1, R.Y. 16, Old Queens Road, Karachi - 74000 Ph.(021) 32423295,32423478 Fax No. 021-32400989

Website: www.thattacement.com E-mail: info@thattacement.com

SHARE REGISTRAR

Nobel Computer Services (Pvt) Limited
Mezzaine Floor, House of Habib Building (Siddiqsons Tower)
3- Jinnah Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi-753350
PABX: (92-21) 34325482-87 Fax: (92-21) 34325542

FACTORY

Ghulamullah Road, Makli District Thatta, Sindh 73160



Directors' Review

On behalf of the Board of Directors of Thatta Cement Company Limited, I am pleased to present financial results for the nine months period ended March 31, 2010 along with unaudited financial statements.

OVERVIEW

Although overall cement sales in the country rose by about 12% over the same period of previous year but the pressure on ex-factory price increased due to tough competition among cement manufacturers. Cement manufacturers are trying to secure market share by lowering prices.

Steep and regular increase in electricity tariff throughout the financial period has significantly increased the cost of doing business in general. Rising fuel prices in International market coupled with devaluation of Pak Rupee significantly impacted on the cost of production and profitability of the Cement sector negating the impact of exchange gain on export sales.

Cement export is continuing unabated with declined prices which have drastically lowered the margins.

OPERATING RESULTS

Clinker and cement production for the nine months period ended fell short by 8.46% and 1.48% respectively as compared to the same period of the previous year.

Production:

The comparative figures of production are given as under:-

| | March 31, 2010 M.Tons | March 31, 2009 M.Tons | Variance |
|---------|-----------------------------|-----------------------------|----------|
| Clinker | 252,679 | 276,041 | (8.46)% |
| Cement | 243,742 | 247,414 | (1.48)% |
| GBFS | 3,415 | 4,375 | (21.95)% |

Sales:

Cement sales during the period under discussion were marginally lower than that for the same period of previous year. The Company tried to offset the deficit of local sale as much as possible through export of clinker and cement. However, due to the stiff competition the prices realized by the Company were low as compared to the same period of previous year. Comparative figures are given below:-

| 3 | | | | |
|--------------------|-----------------|-----------------------------|-----------------------------|---------------------------------|
| | | March 31, 2010 M.Tons | March 31, 2009 M.Tons | Variance |
| Cement Cement | Local Export | 155,724 <u>86,116</u> | 185,889 56,201 | (16.23)% 53.23 % |
| Clinker Clinker | Local Export | 241,840 - 49,493 | 242,090 1,492 54,376 | (0.10)% (100.00)% (8.98)% |
| GBFS | Local | 49,493 3,415 | 55,868 4,375 | (21.95)% |
| ODIS | Locui | 294,748 | 302,333 | (2.51)% |



FINANCIAL RESULTS

Average selling prices both local and export continued to decline due to stiff competition in the market and inverse relationship of supply & price. Increase in electricity tariff and inflationary trend in cost of other inputs additionally affected the margins of the Company.

Net sales revenue was lower by Rs. 232 million i.e. 16.16% as compared to the same period of the previous year. Gross profit went down during the period by 41.28%. Through better management of funds, your Company was able to reduce the finance cost despite increase in operating expenses. The Company was able to earn a profit before taxation of Rs. 1.787 million after incorporating accounting depreciation of Rs. 39.33 million.

The summary of comparative financial result for the nine months period ended is as under:

| | March 31, 2010 M.Tons | March 31, 2009 M.Tons | Variance |
|--------------------------------|-----------------------------|-----------------------------|-----------|
| | Rupees in | thousands | |
| Sales -net | 1,203,359 | 1,435,368 | (16.16)% |
| Gross profit | 221,285 | 376,816 | (41.28)% |
| Profit before taxation | 1,787 | 212,234 | (99.16)% |
| (Loss) / profit after taxation | (12,888) | 176,051 | (107.32)% |
| (Loss) / earnings per share | (0.16) | 2.21 | (107.32)% |

FUTURE OUTLOOK

Domestic demand is likely to pick up during the last quarter as demand is picking up in urban areas due to increased construction activities. Local prices are expected to improve going forward. Improved law and order position could further augment construction activity boosting local sales. Through effective measures and use of alternative fuels the Company has managed to curtail cost of production. To ensure maximum utilization of capacity the management is making efforts to explore new markets. The Company through promotional strategies aims to boost sales while maintaining reasonable margins.

Allocation of Rs.1 billion by the Government under the head of inland freight subsidy to exporters augers well for the industry. Rising prices of utilities and other inputs however, need to be addressed through cost effective measures. The Company is planning certain projects, which when implemented, would contribute towards further reduction in the cost of production.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Directors acknowledge the dedicated services, loyalty and hard work of all the employees of the Company and hope their continued dedication shall further consolidate the Company and its standing.

For and behalf of the Board

Muhammad Fazlullah Shariff Chief Executive Officer

- SLM

Karachi: April 27, 2010



Condensed Interim Balance Sheet

| As at March 31, 201 | As at I | ∕larch | 31, | 2010 |
|---------------------|---------|--------|-----|------|
|---------------------|---------|--------|-----|------|

| As at March 31, 2010 | | | 4. 4. 19 |
|---|------|----------------|-----------|
| | | (Unaudited) | (Audited) |
| | | March 31, | June 30, |
| | Note | 2010 | 2009 |
| ASSETS | | (Rupees in the | nousands) |
| NON CURRENT ASSETS | | , , | , |
| Property, plant & equipment | 4 | 833,045 | 809,468 |
| Agricultural land | | 15,297 | 15,297 |
| Long term deposits | | 88 | 88 |
| | | 848,430 | 824,853 |
| CURRENT ASSETS | | | |
| Stores, spare parts & loose tools | | 170,539 | 218,895 |
| Stock-in-trade | | 154,683 | 225,301 |
| Trade debts | | 38,462 | 56,135 |
| Loans and advances | | 14,446 | 16,694 |
| Trade deposits and short term prepayments | | 8,947 | 6,910 |
| Other receivables | | 3,223 | 1,225 |
| Short term investments | | - | 38,597 |
| Tax refundable | | 27,673 | - |
| Taxation-net | | 31,203 | 18,764 |
| Cash and bank balances | | 4,814 | 11,815 |
| | | 453,990 | 594,336 |
| | | 1,302,420 | 1,419,189 |
| Authorized capital 90,000,000 (June 30, 2009 : 90,000,000) ordinary shares of Rs. 10/- each | | | |
| 0.44, 0 | | 900,000 | 900,000 |
| Issued, subscribed and paid-up share capital | | 797,745 | 797,745 |
| Unrealised loss on investment available for sale | е | | (3,810) |
| Accumulated loss | | (36,012) | (23,124) |
| | | 761,733 | 770,811 |
| NON CURRENT LIABILITIES | | | |
| Long term financing | | 52,083 | 83,333 |
| Deferred taxation | 5 | 62,625 | 53,972 |
| Long term deposits | | 4,338 | 3,962 |
| | | 119,046 | 141,267 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 206,493 | 170,582 |
| Accrued markup | | 6,063 | 10,095 |
| Short term borrowings | | 167,418 | 243,102 |
| Current maturity of long term financing | | 41,667 | 83,332 |
| CONTINGENCIES & COMMITMENTS | 1 | 421,641 | 507,111 |
| CONTINGENCIES & COMMITMENTS | 6 | 1,302,420 | 1,419,189 |
| | | 1,302,720 | 1,417,107 |

The annexed selected explanatory notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

91 Mclubal DIRECTOR



Condensed Interim Profit and Loss Account (un-audited) For the third quarter and nine months period ended March 31, 2010

| | Nine months ended | | Quarte | r ended |
|---|-------------------|-------------------|---|-------------------|
| Note | March 31, 2010 | March 31, 2009 | March 31, 2010 | March 31, 2009 |
| | | (Rupees in | thousands) | |
| Turnover - net 7 | 1,203,359 | 1,435,368 | 464,004 | 442,635 |
| Cost of sales | (982,074) | (1,058,552) | (413,413) | (307,396) |
| Gross profit | 221,285 | 376,816 | 50,591 | 135,239 |
| Distribution cost | 148,988 | 106,410 | 59,217 | 31,356 |
| Administrative expenses | 33,065 | 16,354 | 11,417 | 5,829 |
| | (182,053) | (122,764) | (70,634) | (37,185) |
| Operating profit /(loss) | 39,232 | 254,052 | (20,043) | 98,054 |
| Other charges | (6,881) | (16,924) | 1,708 | (6,683) |
| Other operating income | 3,184 | 26,504 | 1,034 | 19,555 |
| Finance cost | (33,748) | (51,398) | (8,696) | (15,851) |
| | (37,445) | (41,818) | (5,954) | (2,979) |
| Profit / (loss) before taxatio | n 1,787 | 212,234 | (25,997) | 95,075 |
| Taxation | | | | |
| Current | (6,008) | (6,055) | (2,311) | (1,087) |
| Prior | (15) | (253) | (_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | (253) |
| Deferred | (8,652) | (29,875) | (757) | (6,625) |
| | (14,675) | (36,183) | (3,068) | (7,965) |
| (Loss) / profit after taxation | n (12,888) | 176,051 | (29,065) | 87,110 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive (loss) / | | | | |
| income for the period | (12,888) | 176,051 | (29,065) | 87,110 |
| | | (Rup | ees) | |
| (Loss) / earning per share | | | | |
| - basic & diluted | (0.16) | 2.21 | (0.36) | 1.09 |

The annexed selected explanatory notes form an integral part of these condensed interim financial

CHIEF EXECUTIVE OFFICER

Melubal DIRECTOR

THIRD QUARTER REPORT MARCH 2010



Condensed Interim Cash Flow Statement (un-audited) For the nine months period ended March 31, 2010

| A. CASH FLOWS FROM OPERATING ACTIVITIES Profit before taxation Adjustment for: Depreciation Finance cost Provision for doubtful debts Loss/(gain) on disposal of investments Unrealized again on short term investments - net Employees benefits - gratuity Provision for slow moving stores & spares Operating cash flows before working capital changes Decrease/(increase) in current assets Stores, spare parts & loose tools Stock-in-trade Trade debts Loans and advances Trade deposits and short term prepayments Trade and short term prepayments Other receivables / sales tax refundable Trade deposits and short term prepayments Trade and other poyables Trade and other poyables Cash generated from operations Finance cost paid Gratuity paid Toxes pa | Fo | r the nine months period ended March 31, 2010 | | |
|--|----|--|----------------|-----------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES Profit before traction Adjustment for: Depreciation Finance cost Provision for doubtful debts Loss/(gain) on disposal of investments Unrealized gain on short term investments - net Employee benefits - gratuity Provision of south term investments - net Employee benefits - gratuity Provision for slow moving stores & spares Operating cosh flows before working capital changes Stores, spare parts & loose tools Stock-in-trade Stores, spare parts & loose tools Stock-in-trade Trade debts Loons and advances Trade deposits and short term prepayments Cher receivables / sales tax refundable Increase / (decrease) in current ibilities Trade and other poyables Cash generated from operatings Carbotily paid Finance cost paid Gratuly paid Finance cost paid Finance finance finance finance finance finan | | | March 31, | March 31, |
| Activities Profit before taxation 1,787 212,234 Adjustment for: Depreciation | | | 2010 | 2009 |
| Activities Profit before taxation 1,787 212,234 Adjustment for: Depreciation | | | (Rupees in tho | usands) |
| Depreciation 39,334 51,398 Finance cost 1,599 1,59 | A. | | ٠. | • |
| Finance cost | | | | |
| Provision for doubtful debts Loss/(gain) on disposal of investments Loss/(gain) on disposal of investments Loss / (gain) on disposal of operating fixed assets Employee benefits - gratulity Employee benefits - gratulity Provision for slow moving stores & spares Operating cash flows before working capital changes States, spare parts & loose tools Stock-in-trade Stores, spare parts & loose tools Stock-in-trade Trade debts Loons and advances Trade deposits and short term prepayments Constand advances Indeed and other propables Trade deposits and short term prepayments Constand advances Indeed and other propables Trade and other propables Trade and other propables Cash generated from operating activities Finance cost paid Gratulty paid Gratulty paid Stock-in-trade Stock-in-trade Finance cost paid Gratulty paid Coral trade from operating activities Capital expenditure Proceeds and sipposal of operating fixed assets Stock in-trade (67,102) Spart Stock in-trade (78,259) Net cash generated from operating activities Capital expenditure Proceeds and sipposal of operating fixed assets Spara (79,259) Net cash used in investing activities 'B' Cc. CASH FLOWS FROM INVESTING ACTIVITIES Repayment of long term financing Receipt / (Fetund) of long term deposits Net cash used in investing activities 'B' Cc. ASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term deposits Net cash used in financing activities 'B' Cc. ASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term deposits Net cash used in financing activities 'B' Cc. ASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term deposits Net cash used in financing activities 'B' Cc. ASH Ecomos Flow financing activities 'B' Cc. ASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term deposits Net cash used in financing activities 'B' Cc. ASH Ecomos Flow financing activities 'B' Cc. ASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term deposits Not cash and cash equivalents at end of the period Cash and cash equivalents at end of the period Cash and bank | | | | |
| Loss/ (gain) on disposal of investments Commonstrated Co | | | | 51,398 |
| Unrealised gain on short term investments - net Loss / (gain) on disposal of operating fixed assets Employee benefits - gratuity Provision for slow moving stores & spares Operating cash flows before working capital changes Stores, spare parts & loose tools Stores, spare parts & loose tools Stores, incurrent assets Stores, spare parts & loose tools Stores, incurrent assets 17,431 17,255 Decrease/(increase) in current assets Stores, spare parts & loose tools Stores, incurrent assets 17,431 17,253 Loans and advances 17,431 17,9,293 Loans and advances 17,431 17,532 17,533 Loans and advances 17,632 17,632 17,632 18,632 18,645 18,645 18,645 19,645 10, | | | | (1.520) |
| Loss / (gain) and isposal of operating fixed assets 219 Employee benefits - gratuity 2,822 2,819 481 1,558 33,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,375 71,256 383,490 | | | 0,550 | |
| Provision for slow moving stores & spares 481 1,558 83,375 71,256 | | | 219 | |
| Say | | | | |
| Decrease/(increase) in current assets Stores, spare parts & loose tools 17,875 10,688 17,648 10,588 17,431 79,293 10 125,232 16,079 125,232 16,079 188,884 17,431 17,2431 17 | | Provision for slow moving stores & spares | | |
| Decrease/(increase) in current assets Stores, spare parts & loose tools Stock-in-trade 70,618 10,588 Trade debts 17,431 79,293 Loans and advances 2,248 (119,358) Trade deposits and short term prepayments (2,037) 2,233 Other receivables / soles tax refundable (10,903) 17,573 125,232 16,079 Increase / (decrease) in current liabilities Trade and other payables 36,615 (110,685) Cosh generated from operations 247,009 188,884 Finance cost paid (3,780) (47,582) (3,519) (426) (42,11) (426) | | | 83,375 | /1,256 |
| Stores, spare parts & loose tools 47,875 10,588 10,588 17,481 10,588 17,481 17,491 1 | | Operating cash flows before working capital changes | 85,162 | 283,490 |
| Stock-in-trade | | Decrease/(increase) in current assets | | |
| Trade debts | | Stores, spare parts & loose tools | 47,875 | 25,750 |
| Loans and advances 2,248 (119,358) Trade deposits and short term prepayments (2,037) (2,233) Other receivables / sales tax refundable (10,903) 17,573 Increase / (decrease) in current liabilities Trade and other payables 36,615 (110,685) Cash generated from operations 247,009 188,884 Finance cost paid (37,780) (47,582) Gratuity paid (3,519) (426) Taxes paid (37,230) (25,460) Taxes paid (37,529) (73,468) Net cash generated from operating activities 'A' 168,480 115,416 B. CASH FLOWS FROM INVESTING ACTIVITIES Capital expenditure (67,102) (42,121) Proceeds on disposal of operating fixed assets 3,971 564 Short term investments - net 35,873 (33,965) Long term deposits 2,251 Net cash used in investing activities 'B' (27,258) (73,271) C. CASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term deposits 376 (205) Net cash used in financing activities 'C' (72,539) (73,120) Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Cash cash used an increase (162,604) (172,025) Cash cash used an increase (162,604) (172,025) Cash and bank balances 4,814 7,654 Cash cash cash equivalents at end of the period (162,604) (172,025) Cash cash used an increase (162,604) (172,025) Cash cash cash cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Cash cash cash cash cash cash cash cash c | | | | |
| Trade deposits and short term prepayments | | | | |
| Other receivables / sales tax refundable (10,903) 17,573 125,232 16,079 | | | | |
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| Trade and other payables 36,615 (110,685) Cash generated from operations 247,009 188,884 Finance cost paid (37,780) (47,582) Gratuity paid (3,519) (426) Taxes paid (37,230) (25,460) Net cash generated from operating activities 'A' 168,480 115,416 B. CASH FLOWS FROM INVESTING ACTIVITIES (67,102) (42,121) Proceeds on disposal of operating fixed assets 3,971 564 Short term investments - net 35,873 (33,965) Long term deposits - 2,251 Net cash used in investing activities 'B' (27,258) (73,271) C. CASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term financing (72,915) (72,915) Receipt / (refund) of long term deposits 376 (205) Net cash used in financing activities 'C' (72,539) (73,120) Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and bank balances | | Increase / (decrease) in current lightlities | , | , |
| Cash generated from operations 247,009 188,884 Finance cost paid (37,780) (47,582) Gratuity paid (3,519) (426) Taxes paid (37,230) (25,460) Net cash generated from operating activities 'A' 168,480 115,416 B. CASH FLOWS FROM INVESTING ACTIVITIES Total Cash FLOWS FROM INVESTING ACTIVITIES Capital expenditure Proceeds on disposal of operating fixed assets 3,971 564 Short term investments - net Long term deposits - 2,251 35,873 (33,965) Long term deposits - 2,251 (27,258) (73,271) C. CASH FLOWS FROM FINANCING ACTIVITIES (27,258) (73,271) Repayment of long term financing Receipt / (refund) of long term deposits - 376 (205) (205) Net cash used in financing activities 'C' (72,915) (72,915) Net cash used in financing activities 'C' (72,539) (73,120) Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 | | | 36.615 | (110.685) |
| Gratuity paid (3,519) (37,230) (25,460) (27,468) (78,529) (73,468) (73,548) (73,468) (73,548) (73,468) (74,418) (73,468) (73,468) (73,468) (73,468) (74,4 | | | | |
| Gratuity paid (3,519) (37,230) (25,460) (27,468) (78,529) (73,468) (73,548) (73,468) (73,548) (73,468) (74,418) (73,468) (73,468) (73,468) (73,468) (74,4 | | Finance cost paid | (37.780) | (47.582) |
| Taxes paid (37,230) (25,460) (78,529) (73,468) (73,468) (78,529) (73,468) (73,468) (78,529) (73,468) (73,468) (78,529) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (73,468) (74,121 | | | | |
| Net cash generated from operating activities 'A' 168,480 | | | (37,230) | |
| B. CASH FLOWS FROM INVESTING ACTIVITIES Capital expenditure Proceeds on disposal of operating fixed assets Short term investments - net Long term deposits Net cash used in investing activities 'B' C. CASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term financing Receipt / (refund) of long term deposits Net cash used in financing activities 'C' (72,915) Net cash used in financing activities 'C' (72,539) Net increase/(decrease) in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period (231,287) Cash and cash equivalents at end of the period (162,604) Cash and bank balances Short term borrowings (167,418) (179,679) (162,604) (172,025) | | | | |
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| Proceeds on disposal of operating fixed assets 3,971 564 Short term investments - net 35,873 (33,965) Long term deposits - 2,251 Net cash used in investing activities 'B' (27,258) (73,271) C. CASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term financing Receipt / (refund) of long term deposits 376 (205) Net cash used in financing activities 'C' (72,915) (72,915) (72,915) Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Short term borrowings (167,418) (179,679) (162,604) (172,025) | В. | | | |
| Short term investments - net Long term deposits 35,873 - 2,251 (33,965) 2,251 Net cash used in investing activities 'B' (27,258) (73,271) C. CASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term financing Receipt / (refund) of long term deposits 376 (205) (205) Net cash used in financing activities 'C' (72,539) (73,120) Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 (7,654) Short term borrowings (167,418) (179,679) (162,604) (172,025) | | | | |
| Long term deposits Net cash used in investing activities 'B' C. CASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term financing Receipt / (refund) of long term deposits Net cash used in financing activities 'C' Net increase/(decrease) in cash and cash equivalents (A+B+C) Cash and cash equivalents at beginning of the period Cash and cash equivalents at end of the period Cash and bank balances Short term borrowings (162,604) (172,025) (172,025) | | | | |
| C. CASH FLOWS FROM FINANCING ACTIVITIES Repayment of long term financing (72,915) (72,915) (205) Net cash used in financing activities 'C' (72,539) (73,120) Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Short term borrowings (167,418) (179,679) (162,604) (172,025) | | | - | |
| Repayment of long term financing (72,915) (72,915) Receipt / (refund) of long term deposits 376 (205) Net cash used in financing activities 'C' (72,539) (73,120) Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Short term borrowings (167,418) (179,679) (162,604) (172,025) | | · · | (27,258) | (73,271) |
| Receipt / (refund) of long term deposits 376 (205) Net cash used in financing activities 'C' (72,539) (73,120) Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Short term borrowings (167,418) (179,679) (162,604) (172,025) | C. | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net cash used in financing activities 'C' (72,539) (73,120) Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Short term borrowings (167,418) (179,679) (162,604) (172,025) | | Repayment of long term financing | (72,915) | (72,915) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) 68,683 (30,975) Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Short term borrowings (167,418) (179,679) (162,604) (172,025) | | | | |
| Cash and cash equivalents at beginning of the period (231,287) (141,050) Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Short term borrowings (167,418) (179,679) (162,604) (172,025) | | _ | , , , | . , , |
| Cash and cash equivalents at end of the period (162,604) (172,025) Cash and bank balances 4,814 7,654 Short term borrowings (167,418) (179,679) (162,604) (172,025) | | | 68,683 | (30,975) |
| Cash and bank balances 4,814 7,654 Short term borrowings (167,418) (179,679) (162,604) (172,025) | | Cash and cash equivalents at beginning of the period | (231,287) | (141,050) |
| Short term borrowings (167,418) (179,679) (162,604) (172,025) | | Cash and cash equivalents at end of the period | (162,604) | (172,025) |
| (162,604) (172,025) | | | | |
| | | Short term borrowings | | |
| | | 7 | | (1/2,025) |

The annexed selected explanatory notes form an integral part of these condensed interim financial statements.

=== SLan 2/ CHIEF EXECUTIVE OFFICER

91 Mclubal DIRECTOR



Condensed Interim Statement of Changes in Equity (un-audited) For the nine months period ended March 31, 2010

| | Issued, subscribed and paid-up share capital | Unrealised loss on investment available for sale | Accumulated (loss) | Total |
|---|--|--|--------------------|----------|
| | | (Rupees in | thousands) | |
| Balance as at July 1, 2008 | 797,745 | - | (226,996) | 570,749 |
| Unrealized loss on available for sale | | | | |
| investments for the period | - | (3,585) | - | (3,585) |
| Total Comprehensive income for | | | | |
| the period ended March 31, 2009 | - | - | 176,051 | 176,051 |
| Balance as at March 31, 2009 | 797,745 | (3,585) | (50,945) | 743,215 |
| Balance as at July 1, 2009 | 797,745 | (3,810) | (23,124) | 770,811 |
| Loss realized on available for sale investments | | 3,810 | - | 3,810 |
| Total Comprehensive loss for | | | | |
| the period ended March 31, 2010 | - | - | (12,888) | (12,888) |
| Balance as at March 31, 2010 | 797,745 | - | (36,012) | 761,733 |

The annexed selected explanatory notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

I Mclubal DIRECTOR

THIRD QUARTER REPORT MARCH 2010



Notes to the Condensed Interim Financial Statements (un-audited)

For the nine months period ended March 31, 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

Thatta Cement Company Limited (the Company) was incorporated in Pakistan in 1980 as a public limited company under Companies Ordinance, 1984. The shares of the Company are quoted at the Karachi Stock Exchange (Guarantee) Limited. The Company's main business activity is manufacturing and marketing of cement. The registered office of the Company is situated at Pardesi House, Survey no. 2/1, R.Y.16, Old Queens Road, Karachi. The production facility of the Company is located at Ghulamullah Road, Makli District Thatta, Sindh.

2. BASIS OF PREPARATION

These unaudited condensed interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and in compliance with requirement of Section 245 of the Companies Ordinance, 1984. The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these financial statements are the same as those applied in the preparation of the Company's annual financial statements for the year ended June 30, 2009.

IAS 1 (Revised) "Presentation of financial statements" which became effective from January 01, 2009 which requires presentation of non-owner changes in equity separately from owner's changes in equity. Companies can choose whether to present one performance statement (Statement of Comprehensive Income) or as other comprehensive income either in one statement or two statements (the Profit & Loss account and the Statement of Comprehensive Income). The Company has chosen to present all non-owner changes in equity in one performance income (Profit & Loss account) and accordingly presentation has been made.

| March 31, | June 30, |
|--------------|-----------|
| 2010 | 2009 |
| (Rupees in t | housands) |

4. PROPERTY, PLANT AND EQUIPMENT

| Operating assets - tangible | 4.1 | 830,029 | 732,125 |
|-----------------------------|-----|---------|---------|
| Capital work in progress | 4.2 | 3,016 | 77,343 |
| | | 833,045 | 809,468 |



| Additions | | | Nine month period ended March 31, | |
|--|-----|--|--------------------------------------|-----------|
| Additions: Plant and machinery Electrical installations Electrical inst | | | 2010 | 2009 |
| Plant and machinery 64,094 22,332 Electrical installations 25,657 - Leasehold structural improvements 44,885 - Building - 272 Computers 1,282 305 Office equipments 3,095 687 Furniture and fixtures 66 59 Vehicle 2,350 17,594 Disposals (written down value): | 4.1 | Details of additions & disposals are as under | (Rupees in th | nousands) |
| Electrical installations | | | | |
| Leasehold structural improvements 44,885 - Building - 272 | | | | 22,332 |
| Building | | | | - |
| Computers | | · · · · · · · · · · · · · · · · · · · | 44,885 | - |
| Office equipments 3,095 687 Furniture and fixtures 66 59 Vehicle 2,350 17,594 Disposals (written down value): Office equipment - 616 Plant & machinery 3,774 - Vehicle 417 581 4,191 1,197 4.2 Capital work in progress Opening balance 77,343 - Additions 47,486 872 Transfers to operating assets (121,813) - Closing balance 3,016 872 March 31, June 30, 2010 2009 (Rupees in thousands) Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | | | - | |
| Furniture and fixtures | | | , | |
| Vehicle 2,350 17,594 141,429 41,249 | | | - / | |
| Disposals (written down value): Office equipment | | | | |
| Disposals (written down value): Office equipment | | Vehicle | | |
| Office equipment - 616 Plant & machinery 3,774 - Vehicle 417 581 4,191 1,197 4.2 Capital work in progress Vehicle 77,343 - Opening balance 77,343 - - Additions 47,486 872 - Transfers to operating assets (121,813) - - Closing balance 3,016 872 - March 31, June 30, 2009 - Rupees in thousands (Rupees in thousands) - Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | | | 141,429 | 41,249 |
| Office equipment - 616 Plant & machinery 3,774 - Vehicle 417 581 4,191 1,197 4.2 Capital work in progress Vehicle 77,343 - Opening balance 77,343 - - Additions 47,486 872 - Transfers to operating assets (121,813) - - Closing balance 3,016 872 - March 31, June 30, 2009 - Rupees in thousands (Rupees in thousands) - Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | | | | |
| Plant & machinery 3,774 417 - Vehicle 417 581 4,191 1,197 4.2 Capital work in progress Vehicle Opening balance 77,343 - Additions 47,486 872 Transfers to operating assets (121,813) - Closing balance 3,016 872 March 31, June 30, 2010 2009 (Rupees in thousands) Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | | | | |
| Vehicle 417 4,191 581 1,197 4.2 Capital work in progress Copening balance 77,343 - Additions 47,486 872 Transfers to operating assets (121,813) - Closing balance 3,016 872 March 31, June 30, 2010 2009 (Rupees in thousands) Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | | | | 616 |
| 4,191 1,197 4.2 Capital work in progress Opening balance 77,343 - Additions 47,486 872 Transfers to operating assets (121,813) - Closing balance 3,016 872 March 31, June 30, 2010 2009 (Rupees in thousands) Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | | | | |
| 4.2 Capital work in progress Opening balance 77,343 - Additions 47,486 872 Transfers to operating assets (121,813) - Closing balance 3,016 872 March 31, June 30, 2010 2009 (Rupees in thousands) Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | | Vehicle | | |
| Opening balance 77,343 - Additions 47,486 872 Transfers to operating assets (121,813) - Closing balance 3,016 872 March 31, June 30, 2010 2009 (Rupees in thousands) Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | | | 4,191 | 1,197 |
| Additions | 4.2 | Capital work in progress | | |
| Additions | | Opening balance | 77 343 | _ |
| Transfers to operating assets | | | | 872 |
| Closing balance 3,016 March 31, June 30, 2010 2009 (Rupees in thousands) Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | | | | - |
| 5. DEFERRED TAXATION Credit balances arising in respect of accelerated tax depreciation allowances March 31, 2010 2009 (Rupees in thousands) 86,859 | | | | 872 |
| Credit balances arising in respect of accelerated tax depreciation allowances (Rupees in thousands) (Rupees in thousands) 95,689 86,859 | | | March 31, | June 30, |
| Credit balances arising in respect of accelerated tax depreciation allowances (Rupees in thousands) 95,689 86,859 | 5 | DEFERRED TAXATION | 2010 | 2009 |
| Credit balances arising in respect of accelerated tax depreciation allowances 95,689 86,859 | ٥. | PRIEWER INVALIAN | (Rupees in th | nousands) |
| accelerated tax depreciation allowances 95,689 86,859 | | Credit balances arising in respect of | (| |
| Debit balance arising on account of provisions (33,064) (32,887) | | | 95,689 | 86,859 |
| | | Debit balance arising on account of provisions | (33,064) | (32,887) |
| 62,625 53,972 | | | 62,625 | 53,972 |

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no change in the status of contingencies and they are same as disclosed in the last published annual financial statements for the year ended June 30, 2009.

6.2 Commitments

Commitments in respect of irrevocable letter of credit 154,107 87,838



Nine month period ended March 31, 2010 2009

2010 2009 (Rupees in thousands)

7 TURNOVER - NET

| Local | 616,258 | 847,137 |
|--------|-----------|-----------|
| Export | 587,101 | 588,231 |
| | 1,203,359 | 1,435,368 |

8 WORKERS' PROFIT PARTICIPATION FUND, WORKERS' WELFARE FUND AND TAXATION

Allocation to the Workers' Profit Participation Fund, Workers' Welfare Fund and provision for taxation are provisional. Final liability would be determined on the basis of annual results.

9 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of companies with common directorship, directors and key management personnel. Transactions with related parties are as follows:

| | porsonnon management with related p | | Nine month period ended March 31, | |
|----|--|---|--------------------------------------|---------|
| | | | 2010 | 2009 |
| | Name of Related Parties | Nature of Transaction | (Rupees in thousands) | |
| a. | Associated companies Arif Habib Investment Management Limited | Subscription of shares | - | 157,050 |
| | Arif Habib Bank Limited | Markup on short term borrowings | 8,472 | 13,555 |
| | Arif Habib Limited | Brokerage & commission on shares | - | 1,073 |
| | Rotocast Engineering (Private) Limited | Cost of leasehold structural improvements | 44,885 | - |
| | Rotocast Engineering (Private) Limited | Rent and maintenance | 5,901 | - |
| | Javedan Cement Limited | Purchase of raw material | 6,468 | - |
| | International Complex Project Limited | Sale of cement | 2,335 | - |
| | Fatima Fertilizer Company Limited | Sale of cement | 1,312 | - |
| | Safemix Concrete Products Limited | Sale of cement | 10,073 | - |
| | Aisha Steel Mills Limited | Sale of cement | 162 | - |
| b. | Chief Executive Officer | Sale of vehicle | 417 | - |
| c. | Benefits to key management personnel | | 15,540 | 8,524 |



10 CORRESPONDING FIGURE

Following prior period's figure has been reclassified for the purpose of comparison and better presentation.

| Reclassification from | Reclassification to | Nature |
|--------------------------|---------------------|--|
| Other operating expenses | Cost of sales | Provision for dead and slow moving store and spares. |

11 DATE OF AUTHORIZATION

These financial statements were authorised for issue on April 27, 2010 by the Board of Directors of the Company.

12 GENERAL

Figures have been rounded off to the nearest thousand of Rupees.

CHIEF EXECUTIVE OFFICER

9 McCurbal DIRECTOR

