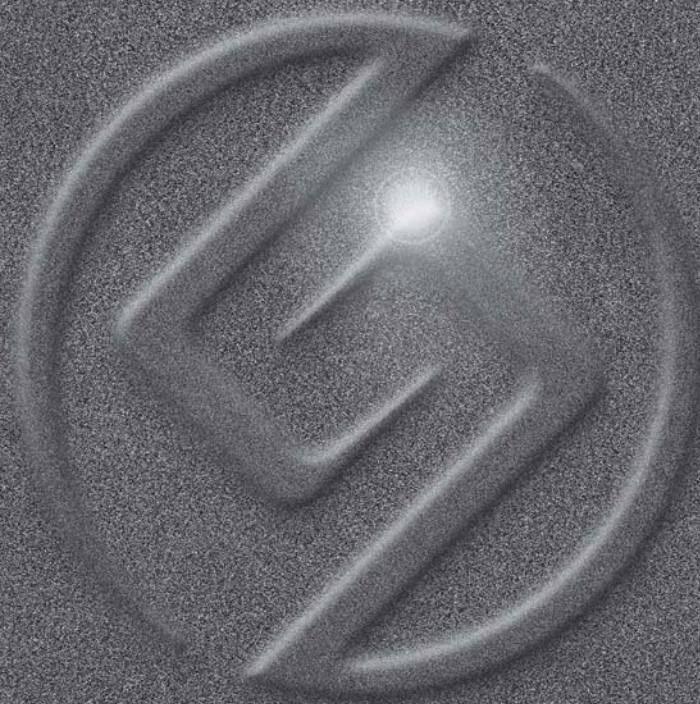
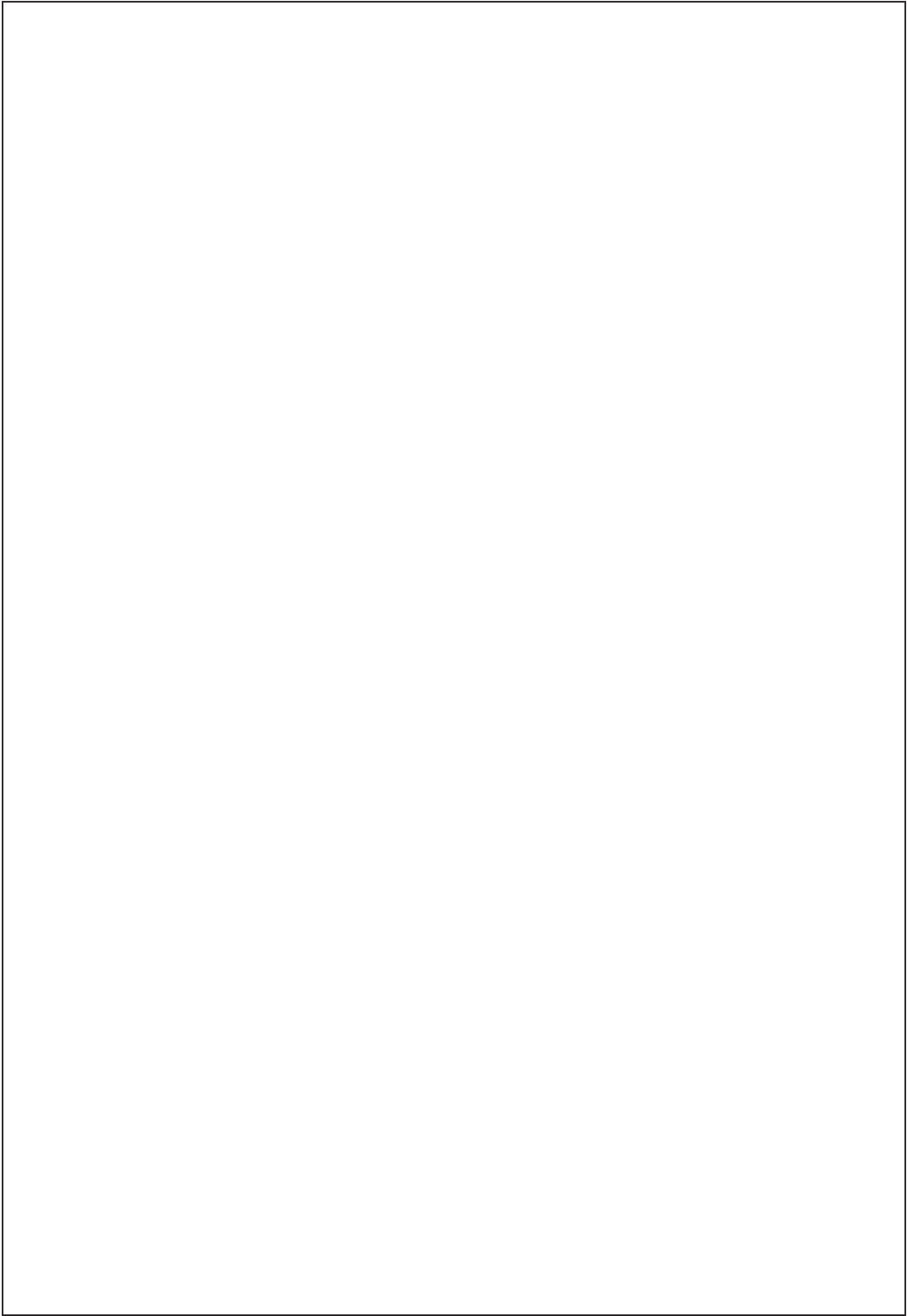


Building Foundations

NINE MONTHS PERIOD ENDED
MARCH 31, 2015



THATTA CEMENT
COMPANY LIMITED



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Vision

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

Mission

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

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Khawaja Mohammad Salman Younis
Mr. Muhammad Fazlullah Shariff
Mr. Shahid Aziz Siddiqui
Mr. Agha Sher Shah
Mr. Wazir Ali Khoja
Mr. Saleem Zamindar
Mr. Attaullah A. Rasheed

Chairman
Chief Executive Officer
Director
Director
Director
Director
Director

AUDIT COMMITTEE

Mr. Wazir Ali Khoja
Mr. Khawaja Mohammad Salman Younis
Mr. Shahid Aziz Siddiqui

Chairman
Member
Member

HR & REMUNERATION COMMITTEE

Mr. Saleem Zamindar
Mr. Khawaja Mohammad Salman Younis
Mr. Muhammad Fazlullah Shariff

Chairman
Member
Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Muhammad Taha Hamdani

STATUTORY AUDITOR

M/s KPMG Taseer Hadi & Co., Chartered Accountants

CORPORATE ADVISOR

M/s Shekha & Mufti, Chartered Accountants

LEGAL ADVISOR

M/s Usmani & Iqbal

BANKERS

Sindh Bank Limited
National Bank of Pakistan
Summit Bank Limited
Bank Al-Falah Limited
Habib Bank Limited
Silk Bank Limited

REGISTERED OFFICE

Office No. 606-608A,
Continental Trade Center,
Block 8, Clifton, Karachi
UAN: 0092-21-111-842-882
Fax no.: 0092-21-35303074-75
Website: www.thattacement.com
E-mail: info@thattacement.com

FACTORY

Ghulamullah Road, Makli,
District Thatta, Sindh 73160

SHARE REGISTRAR

THK Associates (Pvt) Limited
2nd Floor, State Life Building No. 3
Dr. Ziauddin Ahmed Road
Karachi-75530
UAN 111-000-322, Fax: 35655595
Website: www.thk.com.pk

DIRECTORS' REVIEW

The Board of Directors of Thatta Cement Company Limited present herewith their review together with the un-audited financial statements for the nine months period ended March 31, 2015.

INDUSTRY OVERVIEW

The Cement industry witnessed a growth of 4.06% during the nine months period ended March 31, 2015 over the corresponding period last year translating into about 150 Kg per capita consumption of cement, the highest level in Pakistan's history. The growth was led by domestic consumption which increased by 8.43% whereas the exports declined by 9.54% during the same period as compared to the corresponding period of last year. Smuggling of low-priced cement from Iran still persists. An estimated 50,000 tons were imported from Iran illegally during this period. The local consumption in the South region has not increased at par or higher than the Northern region because of the Iranian cement smuggled which has penetrated the southern market without paying the duties and sales tax.

Cement demand is expected to further rise due to launch of numerous private and public development projects such as Dasu Dam project which will increase cement demand by 1 million metric tons for the next 3 to 4 years. Reconstruction of tribal areas affected by the cleanup operations along with different ongoing projects such as Bahria Town Karachi, D.H.A Karachi, Fazaia and UAE's Emaar will further strengthen the cement demand in local market. Additionally, higher disposable income, due to lower inflation (4.7% expected for FY15) and declining interest rates should increase private sector expenditure on construction and housing.

The cement industry would be in a much better position when 77% funds of PSDP are allocated and utilised during the remaining period of FY15. In the long run with upcoming infrastructure and energy projects related to China-Pakistan Industrial Corridor and uplift of Gawadar City would also contribute to this consolidation.

The cement manufacturers have been consistently working on cost reduction techniques and entering into special contracts with Pakistan Railways for the transportation of raw material and finished goods. Significant decline in coal prices in the international market and stable exchange rate is contributing to the robust earnings.

BUSINESS PERFORMANCE

a. Production and Sales Volume Performance

The clinker production of the Company during the period under review was 200,947 tons which is 59.53% of its rated capacity as compared to 60.02% in

the corresponding period. The reduced capacity utilization is due to plant shutdown on February 28, 2015 for necessary work to be carried out for completion of BMR.

Following is the comparative data of production and dispatches made during the nine months versus same period last year:

	March 2015	March 2014	Variance	
	----- Metric Tons -----			%
Plant capacity - Clinker	337,500	337,500		
Production				
- Clinker	200,947	202,595	(1,648)	(0.81)
- Cement	200,459	222,970	(22,511)	(10.10)
- GBFS	26,003	18,127	7,876	43.45
- Class G Cement	1,299	1,816	(517)	(28.47)
Dispatches				
Cement				
- Local	200,462	208,950	(8,488)	(4.06)
- Class G Cement	1,061	1,816	(755)	(41.57)
- Exports	1,710	14,120	(12,410)	(87.89)
	<u>203,233</u>	<u>224,886</u>	<u>(21,563)</u>	<u>(9.63)</u>
GBFS -Local	<u>26,003</u>	<u>18,127</u>	<u>7,876</u>	<u>43.45</u>
	<u>229,236</u>	<u>243,013</u>	<u>(13,777)</u>	<u>(5.67)</u>

Cement dispatches including GBFS excluding exports posed a meager decline of 0.59% over the same period of last year, whereas exports reduced by 87.89% due to Company's focus to enhance local sales which adds more to profitability compared to exports and hence adding value to the shareholders wealth.

A comparative analysis of sales volume of the industry vis-à-vis the Company is as under:

	March 2015	March 2014	Variance	
	----- Million Metric Tons -----			%
Cement Industry				
Local sales	20,342	18,760	1,582	8.43
Exports	5,442	6,016	(0,574)	(9.54)
	<u>25,784</u>	<u>24,776</u>	<u>1,008</u>	<u>4.06</u>
Thatta Cement Company Limited				
----- Metric Tons -----				
Local sales	227,526	228,893	(1,367)	(0.59)
Exports	1,710	14,120	(12,410)	(87.89)
	<u>229,236</u>	<u>243,013</u>	<u>(13,777)</u>	<u>(5.67)</u>

b. **Financial Performance**

A comparison of key financial results of the Company's performance for the nine months period ended March 31, 2015 with the same period of last year is as under:

	March 2015	March 2014
	--- Rupees in thousands ---	
Turnover - net	1,674,275	1,634,026
Gross profit	538,526	489,465
Finance Cost	50,878	58,478
Profit before taxation	366,101	310,941
Profit after taxation	241,079	195,126
Earnings per share (Rupees)	2.42	1.96

The gross profit margin increased to 32.16% during the nine months period ended March 31, 2015 as compared to 29.95% during the same period of last year on account of decrease in coal price throughout the year together with increase in selling price. This is evident from the fact that the overall sale volume decreased by 5.67% whereas sales revenue increased by 2.46%. Also, the increase in sale quantity of GBFS by 43.45% has contributed to elevation of margins. The Company earned a profit before tax of Rs. 366.101 million after providing depreciation of Rs. 34.806 million.

(i) **Sales Performance**

The sales of the Company during the nine months period ended March 31, 2015 increased by 2.46% in value terms although sales volume declined by 5.67%.

(ii) **Cost of Sales**

The cost of sales ratio to sales has declined to 67.84% during the period as compared to 70.05% in the corresponding period. The decline is attributable to increase in sales price, easing of coal prices, improved plant efficiency and increase in sale of GBFS by making special efforts which resulted in higher gross profit margin consequently reducing the cost of sales ratio.

(iii) **Selling and Distribution Cost**

Distribution cost has decreased by 44.87% during the period as compared to the corresponding period of last year mainly on account of reduction in export related expenses resulting from 87.89% decline in export volume.

(iv) **Finance Cost**

Finance cost has reduced by 12.99% during the nine months as compared to

the corresponding period of last year due to repayment of long term financing and reduced average utilization of short term running finance from Rs. 537.41 million during the nine months period ended March 31, 2014 to Rs. 492.86 million during the nine months period ended March 31, 2015.

FUTURE OUTLOOK

Strong public development funding and growing private sector construction activity augur well for the sector. Local sales of cement is expected to grow in the back drop of initiation of energy projects, growing construction activity in the private sector particularly individual households would also generate demand for cement in different parts of the country.

International coal prices are expected to remain stable at the present level which will positively impact the cement industry with a promising economic outlook and controlled inflation. As Pakistan is slowly on its way to economic stability, construction and development activities are expected to pickup consequentially dispatches are expected to grow. Selling price is expected to remain stable or improved in the remaining period of current financial year.

Balancing, Modernization and Rehabilitation (BMR)

The clinker manufacturing facility has been shutdown as planned and BMR is expected to be completed by the end of current financial year as scheduled including trial run and commissioning. The completion of BMR would yield manifold benefits to the Company and enable it to promote its range of products and fetch additional market share.

Cement Grinding, Storing and Bagging Plant

The progress on the project is suspended as Land Lease Agreement has not been signed between Thatta Cement Company (Private) Limited (TCCPL) and Sri Lanka Ports Authority (SLPA) due to the reason that SLPA has offered another location for the project which is not feasible for the Company. The Company has also written couple of letters to the new Chairman of SLPA for which no reply has yet been received. In view of the foregoing, impairment of 50% has been charged on receivable from TCCPL as approved by the shareholders of the Company in their Annual General Meeting held on October 20, 2014.

PERFORMANCE OF THE GROUP

A brief of the financial position and performance of the Group for the nine months period ended March 31, 2015, is provided below.

Balance Sheet

	March 2015	June 2014
	---- Rupees in thousands ----	
Property, plant and equipment	3,236,214	2,699,846
Stock-in-trade	502,916	418,063
Trade debts	318,671	281,608
Paid-up Share Capital	997,181	997,181
Total equity	1,942,437	1,614,395
Trade and other payables	359,741	576,414
Short Term Borrowings	319,499	419,261

Profit and loss

	March 2015	March 2014
	---- Rupees in thousands ----	
Turnover - net	2,439,214	2,265,136
Gross profit	874,130	806,190
Profit before taxation	608,234	499,565
Profit after taxation	493,364	371,690
Earnings per share (Rupees)	4.00	3.01

Waste Heat Recovery Project

As part of expansion strategy of the Group and being corporate social responsible citizen, TPPL is planning to set up a 5 MW Waste Heat Recovery (WHR) project whereby waste heat will be collected and used to produce super heated steam for power generation. This project will not only introduce efficiency and cost reduction but will also result in a significant reduction of greenhouse gas emissions and reducing the so called heat-isle effect thereby minimizing the damage to the environment. A letter of intent has been issued to a renowned Chinese company for the design and supply of WHR system.

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.

On behalf of the Board



Muhammad Fazlullah Shariff
Chief Executive Officer

Karachi: April 23, 2015

**CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2015**

Condensed Interim Unconsolidated Balance Sheet

As at March 31, 2015

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
---- Rupees in thousands ----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,984,162	1,415,559
Intangible assets		6,610	318
Long term investment in subsidiary	7	299,158	299,158
Long term investment - available-for-sale	8	173,657	140,106
Long term deposits		1,106	1,006
		<u>2,464,693</u>	<u>1,856,147</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	9	138,586	379,653
Stock-in-trade	10	516,479	431,626
Trade debts	11	124,613	117,390
Loans and advances	12	36,176	13,430
Trade deposits and short term prepayments		7,828	20,844
Other receivables and accrued interest	13	94,757	113,723
Sales tax refundable		-	8,252
Cash and bank balances		89,417	28,448
		<u>1,007,856</u>	<u>1,113,366</u>
		<u>3,472,549</u>	<u>2,969,513</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 200,000,000 (June 30, 2014: 200,000,000) ordinary shares of Rs. 10/- each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital	14	997,181	997,181
Share premium		99,718	99,718
Revaluation of available-for-sale investment		39,151	-
Accumulated profit		383,747	252,358
		<u>1,519,797</u>	<u>1,349,257</u>
NON-CURRENT LIABILITIES			
Long term financing	15	1,118,399	484,652
Long term deposits		3,889	5,971
Long term employee benefit		13,983	13,185
Deferred taxation	16	139,821	132,039
		<u>1,276,092</u>	<u>635,847</u>
CURRENT LIABILITIES			
Trade and other payables	17	238,862	522,427
Accrued mark-up		46,442	17,863
Current maturity of long term financing	15	17,919	24,586
Taxation - net		54,238	272
Short term borrowings	18	319,199	419,261
		<u>676,660</u>	<u>984,409</u>
CONTINGENCIES AND COMMITMENTS			
	19	<u>3,472,549</u>	<u>2,969,513</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE


DIRECTOR

Condensed Interim Unconsolidated Profit & Loss Account (Un-audited)

For the nine months period ended March 31, 2015

	Note	Nine months ended March 31		Quarter ended March 31	
		2015	2014	2015	2014
----- Rupees in thousands -----					
Sales - net	20	1,674,275	1,634,026	633,445	590,331
Cost of sales	21	(1,135,749)	(1,144,561)	(440,889)	(385,772)
Gross profit		<u>538,526</u>	<u>489,465</u>	<u>192,556</u>	<u>204,559</u>
Selling and distribution cost		(25,986)	(47,140)	(8,992)	(13,484)
Administrative expenses		(66,685)	(57,655)	(18,883)	(22,948)
		(92,671)	(104,795)	(27,875)	(36,432)
Operating profit		<u>445,855</u>	<u>384,670</u>	<u>164,681</u>	<u>168,127</u>
Other operating expenses		(52,299)	(36,310)	(10,928)	(7,914)
Finance cost		(50,878)	(58,478)	(13,664)	(16,749)
		(103,177)	(94,788)	(24,592)	(24,663)
Other income		23,423	21,059	5,485	14,517
Profit before taxation		<u>366,101</u>	<u>310,941</u>	<u>145,574</u>	<u>157,981</u>
Taxation	22	(125,022)	(115,815)	(38,557)	(51,527)
Profit after taxation		<u>241,079</u>	<u>195,126</u>	<u>107,017</u>	<u>106,454</u>
----- Rupees -----					
Earnings per share - basic and diluted	23	<u>2.42</u>	<u>1.96</u>	<u>1.07</u>	<u>1.07</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE


DIRECTOR

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the nine months period ended March 31, 2015

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	----- Rupees in thousands -----			
Profit after taxation	241,079	195,126	107,017	106,454
Other comprehensive income				
Items to be reclassified to profit and loss account in subsequent periods				
Revaluation of available-for-sale investment	39,151	-	4,323	-
Total comprehensive income for the period	<u>280,230</u>	<u>195,126</u>	<u>111,340</u>	<u>106,454</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE


DIRECTOR

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the nine months period ended March 31, 2015

	Nine months ended March 31	
	2015	2014
	--- Rupees in thousands ---	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	366,101	310,941
Adjustment for:		
Depreciation	34,806	34,993
Amortization of intangible assets	378	97
Impairment of major stores and spares / provision for slow moving and dead stores	3,160	3,249
Finance cost	50,878	58,478
Provision for gratuity	8,594	6,095
Provision for leave encashment	1,767	1,010
Impairment of receivable from TCCPL	15,907	-
Gain on disposal of long term investment - available-for-sale	(1,185)	(2,035)
(Gain) / loss on disposal of property, plant and equipment	(200)	1,791
	114,105	103,678
Operating cash flows before working capital changes	480,206	414,619
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	239,595	(20,879)
Stock-in-trade	(84,853)	(5,687)
Trade debts	(7,223)	54,258
Loans and advances	(22,746)	8,845
Trade deposits and short term prepayments	13,016	(4,815)
Other receivable, accrued interest and sales tax refundable	11,311	(68,855)
	149,100	(37,133)
(Decrease) / increase in current liabilities		
Trade and other payables excluding gratuity payable and dividend payable	(277,522)	87,336
Cash generated from operations	351,784	464,822
Finance cost paid	(93,469)	(59,253)
Gratuity paid	(14,749)	(7,107)
Leave encashment paid	(969)	(1,527)
Tax paid - net	(63,274)	(86,521)
	(172,461)	(154,408)
Net cash generated from operating activities	179,323	310,414

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the nine months period ended March 31, 2015

	Nine months ended March 31	
	2015	2014
	--- Rupees in thousands ---	
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(534,965)	(116,147)
Addition in intangible assets	(6,670)	-
Dividend paid	(109,578)	(49,745)
Disposal of long term investment - available-for-sale	6,785	4,937
Proceeds from disposal of property, plant and equipment	1,238	625
Long term deposits - assets	(100)	-
Net cash used in investing activities	(643,290)	(160,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(20,107)	(43,440)
Long term financing obtained	647,187	5,000
Long term deposits - liabilities	(2,082)	-
Net cash generated from / (used in) financing activities	624,998	(38,440)
Net increase in cash and cash equivalents	161,031	111,644
Cash and cash equivalents at beginning of the period	(390,813)	(549,385)
Cash and cash equivalents at end of the period	(229,782)	(437,741)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	89,417	6,830
Short term borrowings	(319,199)	(444,571)
	(229,782)	(437,741)

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE


DIRECTOR

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)

For the nine months period ended March 31, 2015

	Issued, subscribed and paid-up capital	Share premium	Revaluation of available-for-sale investment	Accumulated profit	Total
----- Rupees in thousands -----					
Balance as at July 1, 2013	997,181	99,718	-	7,036	1,103,935
Transactions with owners recorded directly in equity					
Final dividend @ Rs. 0.5 per share for the year ended June 30, 2013	-	-	-	(49,859)	(49,859)
Total comprehensive income for the nine months period ended March 31, 2014					
Profit after taxation	-	-	-	195,126	195,126
Balance as at March 31, 2014	<u>997,181</u>	<u>99,718</u>	<u>-</u>	<u>152,303</u>	<u>1,249,202</u>
Balance as at July 1, 2014	997,181	99,718	-	252,358	1,349,257
Transactions with owners recorded directly in equity					
Final dividend @ Rs. 1.1 per share for the year ended June 30, 2014	-	-	-	(109,690)	(109,690)
Total comprehensive income for the nine months period ended March 31, 2015					
Profit after taxation	-	-	-	241,079	241,079
Revaluation of available-for-sale investment	-	-	39,151	-	39,151
Balance as at March 31, 2015	<u>997,181</u>	<u>99,718</u>	<u>39,151</u>	<u>383,747</u>	<u>1,519,797</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE


DIRECTOR

Notes to the Condensed Interim Unconsolidated Financial Statements

For the nine months period ended March 31, 2015

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 Karachi Stock Exchange. The Company's main business activity is manufacturing and marketing of cement. The registered office of the Company is situated at Office No. 606, 607, 608 & 608A, Continental Trade Centre, Block 8, Clifton, Karachi - 75600. The production facility of the Company is located at Ghulamullah Road, Makli, District Thatta, Sindh.

2 BASIS OF PREPARATION

These condensed interim unconsolidated financial statements for the nine months period ended March 31, 2015 have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in the condensed interim unconsolidated financial statements do not include all of the information required in the annual audited unconsolidated financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Company as at and for the year ended June 30, 2014.

These condensed interim unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the Karachi Stock Exchange Regulations.

These condensed interim unconsolidated financial statements comprise of the Unconsolidated Balance Sheet as at March 31, 2015 and Unconsolidated Profit and Loss Account, Unconsolidated Statement of Comprehensive Income, Unconsolidated Cash Flow Statement and Unconsolidated Statement of Changes in Equity for the nine months period then ended.

3 ACCOUNTING POLICIES

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, 2014.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim unconsolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim unconsolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual audited unconsolidated financial statements as at and for the year ended June 30, 2014 except for the following:

4.1 Change in accounting estimate

The Company has changed the depreciation method of all items of property, plant and equipment except for plant and machinery and lease hold improvements from reducing balance method to straight line method as the management believes that it better reflects the pattern in which the asset's future economic benefits are expected to be consumed. Further, depreciation method of utilities as included in plant and machinery has also been changed from reducing balance method to straight line method. Management has incorporated the effect of change in estimate in accordance with IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" in the financial statements.

The effect of change in accounting estimate on depreciation expense in current period and future years is not considered to be material.

5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements as at and for the year ended June 30, 2014.

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
--- Rupees in thousands ---			
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	6.1 833,971	817,460
	Capital work-in-progress	6.2 1,079,869	503,987
	Major stores and spares	70,322	94,112
		<u>1,984,162</u>	<u>1,415,559</u>
6.1	Operating fixed assets		
	Opening Written Down Value (WDV)	817,460	798,928
	Additions during the period / year - at cost		
	- Factory building on freehold land	991	-
	- Housing colonies	384	1,418
	- Plant and machinery	36,449	55,929
	- Quarry equipment	1,103	-
	- Vehicles	4,870	9,358
	- Office equipment	1,980	1,047
	- Laboratory equipment	3,165	463
	- Computers	3,413	1,133
		52,355	69,348
	WDV of deletions during the period / year	(1,038)	(2,455)
	Depreciation charge for the period / year	(34,806)	(48,361)
		(35,844)	(50,816)
		<u>833,971</u>	<u>817,460</u>
6.2	Capital work-in-progress		
	Opening balance	503,987	84,477
	Additions	579,795	455,497
	Transferred to operating fixed assets / expenses	(3,913)	(35,987)
		<u>1,079,869</u>	<u>503,987</u>

7 LONG TERM INVESTMENT IN SUBSIDIARY

During the period, the subsidiary company has split its shares by decreasing the face value from Rs. 100 per share to Rs. 10 per share. Accordingly the number of shares in issue, subscribed and paid-up capital of the subsidiary company has increased from 4,791,583 to 47,915,830. The number of shares held by the Company in the subsidiary company has also increased from 2,991,581 as on June 30, 2014 to 29,915,810 as on March 31, 2015; however, the holding of the

Company remained the same i.e. 62.43%. The above share split has no effect on the existing rights and privileges of the shareholders.

8 LONG TERM INVESTMENT - AVAILABLE-FOR-SALE

Long term investment - available-for-sale represents investment in 24.019 million shares (June 30, 2014: 25.019 million shares) of Power Cement Limited (PCL). The market value per share of PCL is Rs. 7.23 per share as on March 31, 2015 (June 30, 2014: Rs. 5.6 per share). Increase in the value of investment amounting to Rs. 39.151 million is recorded in 'Other Comprehensive Income' for the nine months period ended March 31, 2015.

Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
	---- Rupees in thousands ----	

9 STORES, SPARE PARTS AND LOOSE TOOLS

Stores	9.1	79,953	306,747
Spare parts		87,859	100,743
Loose tools		265	182
		<u>168,077</u>	<u>407,672</u>
Provision for dead stores		(6,073)	(2,828)
Provision for slow moving stores and spares		(23,418)	(25,191)
		<u>(29,491)</u>	<u>(28,019)</u>
		<u>138,586</u>	<u>379,653</u>

9.1 This includes stores in transit of Rs. 20.357 million (June 30, 2014: Rs. 184.874 million) as at the balance sheet date.

10 STOCK-IN-TRADE

Raw material	39,895	42,258
Packing material	22,450	24,346
Work-in-process	421,710	329,667
Finished goods	32,424	35,355
	<u>516,479</u>	<u>431,626</u>

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014	
		--- Rupees in thousands ---		
11	TRADE DEBTS			
	Considered good			
	Local - unsecured	124,613	117,390	
	Considered doubtful			
	Cement stockiest	60,801	60,801	
	Excessive rebate allowed	6,101	6,101	
	Controller military accounts	5,126	5,126	
	Other customers	952	952	
		72,980	72,980	
	Provision for doubtful debts	(72,980)	(72,980)	
		<u>124,613</u>	<u>117,390</u>	
12	LOANS AND ADVANCES			
	Considered good			
	To employees	66	111	
	Advances			
	- guarantee margin	50	1,162	
	- advance to vendors	30,771	10,867	
	- others	5,289	1,290	
		36,110	13,319	
		<u>36,176</u>	<u>13,430</u>	
13	OTHER RECEIVABLES AND ACCRUED INTEREST			
	Interest receivable from banks	13.1	1,224	849
	Pre-incorporation and pre			
	-commencement expenses of			
	Thatta Cement Company (Private)			
	Limited (TCCPL)	13.2	15,906	31,813
	Deposit with Commissioner Workmen's			
	Compensation		14,915	14,915
	Refund against Fuel Price Adjustment		20,892	26,157
	Others		41,820	39,989
			<u>94,757</u>	<u>113,723</u>

- 13.1 This includes receivable amounting to Rs. 1.214 million (June 30, 2014: Rs. 0.827 million) from National Bank of Pakistan which is a related party.
- 13.2 This represents amount receivable from TCCPL, a related party, established by the Company in Sri Lanka for cement grinding and packing plant. The progress on the project is suspended as Land Lease Agreement has not been signed between TCCPL and Sri Lanka Ports Authority (SLPA) due to the reason that SLPA has offered another location for the project which is not feasible for the Company. Further, a letter has been written to SLPA for the utmost resolution of the matter. Impairment of 50% has been charged on the said receivable as approved by the shareholders of the Company in their Annual General Meeting held on October 20, 2014 in the larger interest of the Company and the same is included in 'Other operating expenses'.

(Un-audited) March 31, 2015	(Audited) June 30, 2014
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--- Rupees in thousands ---

14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary shares of Rs. 10/- each 89,418,125 (June 30, 2014: 89,418,125) shares allotted for consideration paid in cash	894,181	894,181
10,300,000 (June 30, 2014: 10,300,000) shares allotted for consideration other than cash	103,000	103,000
	<u>997,181</u>	<u>997,181</u>

As on March 31, 2015, associated companies M/s Sky Pak Holding (Private) Limited and M/s Al-Miftah Holding (Private) Limited hold 20.444 million shares (June 30, 2014: 20.444 million shares) comprising 20.5% (June 30, 2014: 20.5%) and 4.966 million shares (June 30, 2014: Nil) comprising 4.98% (June 30, 2014: Nil) respectively. Moreover, M/s Rising Star Holding (Private) Limited and M/s Golden Globe Holding (Private) Limited hold 6.309 million shares (June 30, 2014: 6.309 million shares) comprising 6.33% (June 30, 2014: 6.33%) and 8.479 million shares (June 30, 2014: Nil) comprising 8.50% (June 30, 2014: Nil) respectively.

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
---- Rupees in thousands ----			
15	LONG TERM FINANCING		
	Loan from Banking companies - secured		
	- Syndicated term finance facility (STFF)	15.1 & 15.2 1,082,560	435,373
	Loan from related parties		
	- National Bank of Pakistan	15.3 & 15.4 53,758	67,198
	- National Bank of Pakistan	-	6,667
		53,758	73,865
	Less : Current maturity	(17,919)	(24,586)
		<u>1,118,399</u>	<u>484,652</u>

15.1 This syndicated term finance facility has been obtained from syndicate of banks comprising of National Bank of Pakistan, Sindh Bank Limited, Summit Bank Limited and Silk Bank Limited. The facility carries a floating mark-up linked to 3 months KIBOR as base rate plus 2% on annualized basis. The tenure of financing is 8 years including grace period of 24 months and the facility is payable in 24 equal quarterly installments of Rs. 58.167 million each starting after two year from the date of first drawdown i.e. March 17, 2014. The facility is secured by first joint pari passu charge by way of hypothecation over all present and future fixed assets and mortgage over the immovable properties.

15.2 This includes Rs. 380.1 million (June 30, 2014: Rs. 152.95 million) from National Bank of Pakistan which is a related party.

15.3 This represents first disbursement of Rs. 107 million of the aggregate facility of Rs. 260 million allowed by the bank. This carries a floating mark-up linked to 6 months KIBOR as base rate plus 2% on annualized basis. The tenure of financing is 7 years and is repayable in 24 equal quarterly installments of Rs. 4.48 million starting in 15th month from the date of first disbursement i.e. March 30, 2011.

15.4 The aggregate facility is secured by first equitable mortgage over land and building of the Company and first charge by way of hypothecation over all present and future plant and machinery of the Company to the extent of Rs. 372 million.

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
---- Rupees in thousands ----			
16	DEFERRED TAXATION		
	Deferred tax liability comprises of temporary differences as follows:		
	Taxable temporary differences		
	- accelerated tax depreciation	188,827	175,916
	Deductible temporary differences		
	- provision for gratuity	(2,858)	(4,819)
	- other provisions - for doubtful debts and stores	(46,148)	(39,058)
		(49,006)	(43,877)
		<u>139,821</u>	<u>132,039</u>
17	TRADE AND OTHER PAYABLES		
	Trade creditors	33,169	32,406
	Accrued liabilities	82,927	136,125
	Bills payable	7,633	237,334
	Advances from customers	26,109	52,443
	Contractors retention money	6,147	175
	Excise duty and sales tax payable	43,234	9,590
	Payable to Gratuity Fund	8,594	14,749
	Payable to Provident Fund	-	2
	Workers' Profit Participation Fund	19,661	25,411
	Workers' Welfare Fund	8,667	10,852
	Unclaimed dividend	225	113
	Other liabilities	2,496	3,227
		<u>238,862</u>	<u>522,427</u>
17.1	It includes Rs. 30.098 million (June 30, 2014: Rs. 55.083 million) payable to Thatta Power (Private) Limited, the subsidiary company, in respect of purchase of electricity.		
18	SHORT TERM BORROWINGS		
	Running finance	319,199	419,261

18.1 The aggregate running finance available from banks as at March 31, 2015 amounted to Rs. 650 million out of which Rs. 330.801 million remained unutilized at the period end. These facilities are renewable and secured by way of hypothecation of fixed assets and current assets. These carry mark-up at rates ranging between 12.17% to 13.18% (June 30, 2014: 12.08% to 13.18%) per annum chargeable monthly and payable quarterly.

18.2 This includes Rs. 197.281 million (June 30, 2014: Rs. 186.012 million) due to National Bank of Pakistan which is a related party.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The status of contingencies is same as disclosed in the last annual audited unconsolidated financial statements except the following new matter as mentioned in note 19.1.2 and changes in note 24.1.1, 24.1.2 (refer note 19.1.1 below) of the annual audited unconsolidated financial statements for the year ended June 30, 2014:

19.1.1 In respect of tax year 2012, during the period an appeal before Commissioner Inland Revenue - Appeals (CIR-A) filed by the Company against assessment order passed by Assistant Commissioner earlier on the issue of adjustment of minimum tax in respect of tax year 2012 has been decided against the Company. Accordingly, the Company has filed an appeal before the next appellate forum i.e. Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A which is pending for hearing.

19.1.2 During the period, an Order in Original (ONO) has been issued by an Officer of Sales Tax against the Company in respect of tax periods from July 2012 to December 31, 2014 raising a demand of Rs. 244 million which is mainly based on comparison of industry averages on fuel and power consumption with that of the Company and thereby presumed production quantities which in the view of tax authorities have not been subject to Sales Tax and Federal Excise Duty. Accordingly, the Company has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) against the ONO passed by Officer of Sales Tax. The hearing of the case was held on April 22, 2015, however, decision in the appeal is pending to date. Moreover, recovery proceedings were also initiated by tax authorities in the matter against which the Company has obtained ad interim relief from High Court of Sindh who has refrained tax department to take any adverse action in this respect till the next date of hearing.

	(Un-audited) March 31, 2015	(Audited) June 30, 2014
19.2 Commitments	--- Rupees in thousands ---	
Commitments in respect of irrevocable letter of credits	44,262	151,787
Guarantees given by banks on behalf of the Company	<u>121,748</u>	<u>126,372</u>
	<u>166,010</u>	<u>278,159</u>

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
20 SALES - NET	----- (Un-audited) ----- -----Rupees in thousands-----			
Local	2,069,943	1,905,906	779,168	717,336
Export	<u>11,408</u>	<u>119,762</u>	<u>5,157</u>	<u>19,802</u>
	<u>2,081,351</u>	<u>2,025,668</u>	<u>784,325</u>	<u>737,138</u>
Less: - Sales tax	<u>(322,810)</u>	<u>(307,336)</u>	<u>(120,806)</u>	<u>(116,114)</u>
- Federal excise duty	<u>(84,266)</u>	<u>(84,306)</u>	<u>(30,074)</u>	<u>(30,693)</u>
	<u>(407,076)</u>	<u>(391,642)</u>	<u>(150,880)</u>	<u>(146,807)</u>
	<u>1,674,275</u>	<u>1,634,026</u>	<u>633,445</u>	<u>590,331</u>

21 COST OF SALES				
Raw material consumed	104,278	111,779	42,094	39,636
Manufacturing expenses				
Packing material consumed	<u>74,045</u>	<u>89,303</u>	<u>28,475</u>	<u>31,139</u>
Stores, spare parts and loose tools consumed	<u>74,623</u>	<u>74,596</u>	<u>26,034</u>	<u>26,686</u>
Fuel and power	<u>724,627</u>	<u>672,606</u>	<u>258,398</u>	<u>237,429</u>
Salaries, wages and other benefits	<u>176,110</u>	<u>150,244</u>	<u>57,802</u>	<u>52,089</u>
Insurance	<u>15,584</u>	<u>3,082</u>	<u>5,177</u>	<u>1,080</u>
Repairs and maintenance	<u>4,532</u>	<u>1,921</u>	<u>1,854</u>	<u>836</u>
Depreciation	<u>31,551</u>	<u>29,251</u>	<u>12,802</u>	<u>10,613</u>
Provision for slow moving / dead / impairment	<u>3,160</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other production overheads	<u>16,351</u>	<u>17,435</u>	<u>5,954</u>	<u>5,482</u>
	<u>1,120,583</u>	<u>1,038,438</u>	<u>396,496</u>	<u>365,354</u>
Cost of production	<u>1,224,861</u>	<u>1,150,217</u>	<u>438,590</u>	<u>404,990</u>
Work-in-process				
Opening balance	<u>329,667</u>	<u>267,359</u>	<u>424,275</u>	<u>255,218</u>
Closing balance	<u>(421,710)</u>	<u>(274,909)</u>	<u>(421,710)</u>	<u>(274,909)</u>
	<u>(92,043)</u>	<u>(7,550)</u>	<u>2,565</u>	<u>(19,691)</u>
Cost of goods manufactured	<u>1,132,818</u>	<u>1,142,667</u>	<u>441,155</u>	<u>385,299</u>

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	----- (Un-audited) ----- -----Rupees in thousands-----			
Finished goods				
Opening balance	35,355	40,447	32,158	39,026
Closing balance	(32,424)	(38,553)	(32,424)	(38,553)
	2,931	1,894	(266)	473
	<u>1,135,749</u>	<u>1,144,561</u>	<u>440,889</u>	<u>385,772</u>
22 TAXATION				
Current tax	116,571	93,839	41,608	51,933
Prior year charge	669	2,015	-	-
Deferred tax charge / (credit)	7,782	19,961	(3,051)	(406)
	<u>125,022</u>	<u>115,815</u>	<u>38,557</u>	<u>51,527</u>
23 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation (Rupees in thousands)	<u>241,079</u>	<u>195,126</u>	<u>107,017</u>	<u>106,454</u>
Weighted average number of ordinary shares	<u>99,718,125</u>	<u>99,718,125</u>	<u>99,718,125</u>	<u>99,718,125</u>
Earnings per share (Rupees)	<u>2.42</u>	<u>1.96</u>	<u>1.07</u>	<u>1.07</u>

24 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of 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. Further, contribution to defined contribution plan (provident fund) is made as per the terms of employment and trust deed and contribution to the defined benefit plan (gratuity scheme) is in accordance with the actuarial advice. Details of transactions during the nine months period ended / outstanding balances as at March 31, 2015 with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim unconsolidated financial statements are as follows:

	Nine months ended March 31	
	2015	2014
	--- (Un-audited) ---	
	---Rupees in thousands---	
Transactions with related parties		
National Bank of Pakistan		
- Mark-up on Running Finance (RF), Syndicate Term Finance Facility (STFF), Long Term Finance (LTF) and commission	101,160	41,103
- Income on bank deposit accounts	3,222	45
- Guarantee revoked / cancelled	6,123	35,908
Thatta Power (Private) Limited		
- Common shared expenses	2,210	2,086
- Purchase of store items (inclusive of GST) - net	185	142
- Purchase of electric power (inclusive of GST)	407,736	347,226
- Payment on account of electric power (inclusive of GST)	432,721	370,288
- Management fee charged (inclusive of SST)	11,385	10,440
- Management fee received (inclusive of SST)	11,280	9,280
- Receipt on account of common shared expenses	2,275	1,871
- Payment on account of purchase of store items - net	192	358
Thatta Cement Company (Private) Limited		
- Expenses paid by the Company on behalf of TCCPL	-	17,272
- Impairment of receivable from TCCPL	15,907	-
Bandhi Sugar Mills (Private) Limited		
- Sale of cement	-	856
- Receipt against sale of cement	-	7,925
Sui Southern Gas Company Limited		
- Purchase of gas excluding GST - plant	6,061	17,348
- Payment against purchase of gas excluding GST - plant	6,276	17,187
Key management personnel		
- Salaries and benefits	68,053	50,610
- Sale of vehicle	1,158	123
- Sale of computer equipment	-	2

	Nine months ended March 31	
	2014	2014
	--- (Un-audited) ---	
	---Rupees in thousands---	
Other related parties		
- Contribution to employees' Gratuity Fund	14,749	7,107
- Contribution to employees' Provident Fund	5,544	5,111
Pak Suzuki Motor Company Limited		
- Payment against purchase of vehicle	2,988	3,338
	(Un-audited) March 31, 2015	(Audited) June 30, 2014
	---- Rupees in thousands ----	
Balances with related parties		
National Bank of Pakistan		
- Term deposit account	1,000	1,000
- PLS account balance	85,052	20,125
- Current account balance	1	646
- Running finance	197,281	186,012
- Long term loans	53,758	73,865
- Accrued mark-up - finance charge	16,099	8,687
- Accrued interest - interest income	1,214	827
- Guarantees on behalf of the Company as per normal banking terms	37,409	43,532
- Share in STFF	380,100	152,950
Thatta Power (Private) Limited		
- Payable against purchase of electric power (inclusive of GST)	30,098	55,083
- Receivable against management fee (inclusive of SST)	1,265	1,160
- Receivable against common shared expenses	224	289
- Payable against sale / purchase of store items - net	10	17
Thatta Cement Company (Private) Limited		
- Receivable against expenses paid by the Company on behalf of TCCPL	15,906	31,813
Sui Southern Gas Company Limited		
- Payable against purchase of gas excluding GST - plant	25	240
Habib Bank Limited		
- Current account balance	557	368

(Un-audited) March 31, 2015	(Audited) June 30, 2014
--- Rupees in thousands ---	

Pak Suzuki Motor Company Limited

- Advance paid for purchase of vehicle	695	-
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24.1 There are no transactions with key management personnel other than under their terms of employment.

24.2 All transactions with related parties have been carried out on commercial terms and conditions.

25 OPERATING SEGMENTS

25.1 These condensed interim unconsolidated financial statements have been prepared on the basis of single reportable segment.

25.2 Revenue from sale of cement represents 100% (March 31, 2014: 100%) of the total revenue of the Company.

25.3 100% (March 31, 2014: 92.67%) sales of the Company relates to customers in Pakistan.

25.4 All non-current assets of the Company as at March 31, 2015 are located in Pakistan.

26 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorized for issue on April 23, 2015 by the Board of Directors of the Company.


CHIEF EXECUTIVE


DIRECTOR

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**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2015**

Condensed Interim Consolidated Balance Sheet

As at March 31, 2015

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
---- Rupees in thousands ----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,236,214	2,699,846
Intangible assets		6,610	349
Long term investment - available-for-sale	7	173,657	140,106
Long term deposits		1,106	1,006
		<u>3,417,587</u>	<u>2,841,307</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	8	166,837	413,092
Stock-in-trade	9	502,916	418,063
Trade debts	10	318,671	281,608
Short term investment - held to maturity	11	306,000	306,000
Loans and advances	12	36,181	18,774
Trade deposits and short term prepayments		11,845	26,535
Other receivables and accrued interest	13	110,635	161,085
Cash and bank balances		386,420	170,148
		<u>1,839,505</u>	<u>1,795,305</u>
		<u>5,257,092</u>	<u>4,636,612</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 200,000,000 (June 30, 2014: 200,000,000) ordinary shares of Rs. 10/- each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital	14	997,181	997,181
Share premium		99,718	99,718
Revaluation of available-for-sale investment		39,151	-
Accumulated profit		806,387	517,496
		<u>1,942,437</u>	<u>1,614,395</u>
Non-controlling interest		435,688	340,905
		<u>2,378,125</u>	<u>1,955,300</u>
NON-CURRENT LIABILITIES			
Long term financing	15	1,575,263	1,141,222
Long term deposits		3,889	5,971
Long term employee benefit		13,983	13,185
Deferred taxation	16	139,821	132,039
		<u>1,732,956</u>	<u>1,292,417</u>
CURRENT LIABILITIES			
Trade and other payables	17	359,741	576,414
Accrued mark-up		61,102	31,997
Current maturity of long term financing	15	369,552	360,474
Taxation - net		36,417	749
Short term borrowings	18	319,199	419,261
		<u>1,146,011</u>	<u>1,388,895</u>
CONTINGENCIES AND COMMITMENTS			
	19	<u>5,257,092</u>	<u>4,636,612</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


DIRECTOR

Condensed Interim Consolidated Profit & Loss Account (Un-audited)

For the nine months period ended March 31, 2015

	Note	Nine months ended March 31		Quarter ended March 31	
		2015	2014	2015	2014
----- Rupees in thousands -----					
Sales - net	20	2,439,214	2,265,136	874,111	810,629
Cost of sales	21	(1,565,084)	(1,458,946)	(563,617)	(492,525)
Gross profit		<u>874,130</u>	<u>806,190</u>	<u>310,494</u>	<u>318,104</u>
Selling and distribution cost		(25,986)	(47,140)	(8,992)	(13,484)
Administrative expenses		(70,512)	(60,410)	(20,801)	(23,738)
		(96,498)	(107,550)	(29,793)	(37,222)
Operating profit		<u>777,632</u>	<u>698,640</u>	<u>280,701</u>	<u>280,882</u>
Other operating expenses		(83,366)	(70,570)	(20,672)	8,626
Finance cost		(133,622)	(163,120)	(35,737)	(47,764)
		(216,988)	(233,690)	(56,409)	(39,138)
Share of loss from associate		-	(13,386)	-	5,715
Other income		47,590	48,001	14,018	18,375
Profit before taxation		<u>608,234</u>	<u>499,565</u>	<u>238,310</u>	<u>265,834</u>
Taxation	22	(114,870)	(127,875)	(40,215)	(55,945)
Profit after taxation		<u>493,364</u>	<u>371,690</u>	<u>198,095</u>	<u>209,889</u>
----- Rupees -----					
Earnings per share - basic and diluted	23	<u>4.00</u>	<u>3.01</u>	<u>1.64</u>	<u>1.74</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


DIRECTOR

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the nine months period ended March 31, 2015

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	----- Rupees in thousands -----			
Profit after taxation	493,364	371,690	198,095	209,889
Other comprehensive income				
Items to be reclassified to profit and loss account in subsequent periods				
Revaluation of available-for-sale investment	39,151	-	4,323	-
Total comprehensive income for the period	532,515	371,690	202,418	209,889
Total comprehensive income for the period attributable to:				
- Equity holders of the Holding Company	437,732	300,341	168,200	173,191
- Non-controlling interest	94,783	71,349	34,218	36,698
	532,515	371,690	202,418	209,889

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


DIRECTOR

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the nine months period ended March 31, 2015

	Nine months ended March 31	
	2015	2014
	--- Rupees in thousands ---	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	608,234	499,565
Adjustment for:		
Depreciation	68,766	68,495
Amortization of intangible assets	409	149
Impairment of major stores and spares / provision for slow moving and dead stores	3,160	3,249
Finance cost	133,622	163,120
Share of loss from associate	-	13,386
Provision for gratuity	8,594	6,095
Provision for leave encashment	1,767	1,010
Impairment of receivable from TCCPL	15,907	-
Gain on disposal of long term investment - available-for-sale	(1,185)	(2,035)
Revaluation loss / (gain) on outstanding balance of deferred payment letter of credit	7,255	(4,275)
(Gain) / loss on disposal of property, plant and equipment	(200)	1,791
	238,095	250,985
Operating cash flows before working capital changes	846,329	750,550
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	244,783	(13,249)
Stock-in-trade	(84,853)	(13,150)
Trade debts	(37,063)	(56,411)
Loans and advances	(17,407)	8,631
Trade deposits and short term prepayments	14,690	(7,250)
Other receivable, sales tax refundable and accrued interest	34,543	(41,562)
	154,693	(122,991)
Increase / (decrease) in current liabilities		
Trade and other payables excluding gratuity payable and dividend payable	(210,630)	183,258
Cash generated from operations	790,392	810,817
Finance cost paid	(175,687)	(157,823)
Gratuity paid	(14,749)	(7,107)
Leave encashment paid	(969)	(1,527)
Tax paid - net	(71,420)	(98,402)
	(262,825)	(264,859)
Net cash generated from operating activities	527,567	545,958

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the nine months period ended March 31, 2015

	Nine months ended March 31	
	2015	2014
	--- Rupees in thousands ---	
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(536,690)	(117,599)
Addition in intangible assets	(6,670)	-
Dividend paid	(109,578)	(49,745)
Disposal of long term investment - available-for-sale	6,785	4,937
Proceeds from disposal of property, plant and equipment	1,238	625
Disposal of short term investment	-	306,000
Acquisition of short term investment	-	(306,000)
Long term deposits - assets	(100)	-
Net cash used in investing activities	(645,015)	(161,782)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(211,323)	(201,420)
Long term financing obtained	647,187	5,000
Long term deposits - liabilities	(2,082)	-
Net cash generated from / (used in) financing activities	433,782	(196,420)
Net increase in cash and cash equivalents	316,334	187,756
Cash and cash equivalents at beginning of the period	(249,113)	(377,598)
Cash and cash equivalents at end of the period	67,221	(189,842)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	386,420	254,729
Short term borrowings	(319,199)	(444,571)
	67,221	(189,842)

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the nine months period ended March 31, 2015

	Equity attributable to owners of Holding Company					Non-controlling interest	Total equity
	Issued, subscribed and paid-up capital	Share premium	Revaluation of available-for-sale investment	Accumulated profit	Total		
	----- Rupees in thousands -----						
Balance as at July 1, 2013	997,181	99,718	-	147,532	1,244,431	242,050	1,486,481
Transactions with owners recorded directly in equity							
Final dividend @ Rs. 0.5 per share for the year ended June 30, 2013	-	-	-	(49,859)	(49,859)	-	(49,859)
Total comprehensive income for the nine months period ended March 31, 2014							
Profit after taxation	-	-	-	300,341	300,341	71,349	371,690
Other comprehensive income	-	-	-	-	-	-	-
Balance as at March 31, 2014	<u>997,181</u>	<u>99,718</u>	<u>-</u>	<u>398,014</u>	<u>1,494,913</u>	<u>313,399</u>	<u>1,808,312</u>
Balance as at July 1, 2014	997,181	99,718	-	517,496	1,614,395	340,905	1,955,300
Transactions with owners recorded directly in equity							
Final dividend @ Rs. 1.1 per share for the year ended June 30, 2014	-	-	-	(109,690)	(109,690)	-	(109,690)
Total comprehensive income for the nine months period ended March 31, 2015							
Profit after taxation	-	-	-	398,581	398,581	94,783	493,364
Revaluation of available-for-sale investment	-	-	39,151	-	39,151	-	39,151
Balance as at March 31, 2015	<u>997,181</u>	<u>99,718</u>	<u>39,151</u>	<u>806,387</u>	<u>1,942,437</u>	<u>435,688</u>	<u>2,378,125</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


DIRECTOR

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015

1 THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of Thatta Cement Company Limited, the Holding Company and Thatta Power (Private) Limited, the Subsidiary Company (together referred to 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 Karachi 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 Office No. 606, 607, 608 & 608A, Continental Trade Centre, Block 8, Clifton, Karachi - 75600. The production facility of the Holding Company is located at Ghulamullah Road, Makli, District Thatta, Sindh.
- 1.3 Thatta Power (Private) Limited (TPPL) is a 62.43% owned subsidiary of the Holding Company as at March 31, 2015 (June 30, 2014: 62.43%). The principal business of the subsidiary is generation, supply and transmission of electrical power. As at March 31, 2015 TPPL has authorized and issued capital of Rs. 500 million and Rs. 479.16 million divided into 50,000,000 (June 30, 2014: 5,000,000 ordinary shares) and 47,915,830 (June 30, 2014: 4,791,583) ordinary shares respectively.
- 1.3.1 During the period, the subsidiary company has split its shares by decreasing the face value from Rs. 100 per share to Rs. 10 per share. Accordingly the number of shares in issue, subscribed and paid-up capital of the subsidiary company has increased from 4,791,583 to 47,915,830. The number of shares held by the Holding Company in the subsidiary company has also increased from 2,991,581 as on June 30, 2014 to 29,915,810 as on March 31, 2015; however, the holding of the Holding Company remained the same i.e. 62.43%. The above share split has no effect on the existing rights and privileges of the shareholders of the Holding Company.

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements for the nine months period ended March 31, 2015 have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in

the 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, 2014.

These condensed interim consolidated financial statements are unaudited and are being submitted to the shareholders as required under section 237 and 245 of the Companies Ordinance, 1984 and the Karachi Stock Exchange Regulations.

These condensed interim consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2015 and Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the nine months period then ended.

2.1 Basis of consolidation

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

The condensed interim financial statements of the subsidiary 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, any non-controlling interests and other components of equity related to subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit and loss account.

The financial statements of the subsidiary are prepared for the same reporting period as of the Holding Company.

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

3 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, 2014.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim consolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended June 30, 2014 except for the following:

4.1 Change in accounting estimate

The Holding Company has changed the depreciation method of all items of property, plant and equipment except for plant and machinery and lease hold improvements from reducing balance method to straight line method as the management believes that it better reflects the pattern in which the asset's future economic benefits are expected to be consumed. Further, depreciation method of utilities as included in plant and machinery has also been changed from reducing balance method to straight line method. Management has incorporated the effect of change in estimate in accordance with IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" in the financial statements.

The effect of change in accounting estimate on depreciation expense in current period and future years is not considered to be material.

5 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended June 30, 2014.

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
--- Rupees in thousands ---			
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	6.1 2,084,298	2,101,747
	Capital work-in-progress	6.2 1,079,869	503,987
	Major stores and spares	72,047	94,112
		<u>3,236,214</u>	<u>2,699,846</u>
6.1	Operating fixed assets		
	Opening Written Down Value (WDV)	2,101,747	2,126,317
	Additions during the period / year - at cost		
	- Factory building on freehold land	991	618
	- Housing colonies	384	1,418
	- Plant and machinery	36,449	56,727
	- Quarry equipment	1,103	-
	- Vehicles	4,870	9,358
	- Office equipment	1,980	1,071
	- Laboratory equipment	3,165	463
	- Computers	3,413	1,133
		52,355	70,788
	WDV of deletions during the period / year	(1,038)	(2,455)
	Depreciation charge for the period / year	(68,766)	(92,903)
		(69,804)	(95,358)
		<u>2,084,298</u>	<u>2,101,747</u>
6.2	Capital work-in-progress		
	Opening balance	503,987	86,074
	Additions	579,795	456,115
	Transferred to operating fixed assets / expenses	(3,913)	(38,202)
		<u>1,079,869</u>	<u>503,987</u>
7	LONG TERM INVESTMENT - AVAILABLE-FOR-SALE		

Long term investment - available-for-sale represents investment in 24.019 million shares (June 30, 2014: 25.019 million shares) of Power Cement Limited (PCL). The market value per share of PCL is Rs. 7.23 per share as on March 31, 2015 (June 30, 2014: Rs. 5.6 per share). Increase in the value of investment amounting to Rs. 39.151 million is recorded in 'Other Comprehensive Income' for the nine months period ended March 31, 2015.

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
---- Rupees in thousands ----			
8	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores	84,689	310,677
	Spare parts	111,350	130,233
	Loose tools	289	201
		<u>196,328</u>	<u>441,111</u>
	Provision for dead stores	(6,073)	(2,828)
	Provision for slow moving stores and spares	(23,418)	(25,191)
		<u>(29,491)</u>	<u>(28,019)</u>
		<u>166,837</u>	<u>413,092</u>
8.1	This includes stores in transit of Rs. 20.357 million (June 30, 2014: Rs. 184.874 million) as at the balance sheet date.		
9	STOCK-IN-TRADE		
	Raw material	39,895	42,258
	Packing material	22,450	24,346
	Work-in-process	409,046	317,003
	Finished goods	31,525	34,456
		<u>502,916</u>	<u>418,063</u>
10	TRADE DEBTS		
	Considered good		
	Local - unsecured	318,671	281,608
	Considered doubtful		
	Cement stockiest	60,801	60,801
	Excessive rebate allowed	6,101	6,101
	Controller military accounts	5,126	5,126
	Other customers	952	952
		<u>72,980</u>	<u>72,980</u>
	Provision for doubtful debts	(72,980)	(72,980)
		<u>318,671</u>	<u>281,608</u>
11	SHORT TERM INVESTMENT - HELD TO MATURITY		
	Term deposit with National Bank of Pakistan	<u>306,000</u>	<u>306,000</u>

The term deposit is placed with National Bank of Pakistan, which is a related party, for a period of one year at the rate of 9.45% (June 30, 2014: 9.85%) per annum and has been pledged by TPPL against the bank guarantee issued to Sui Southern Gas Company Limited by National Bank of Pakistan on behalf of TPPL.

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
--- Rupees in thousands ---			
12	LOANS AND ADVANCES		
	Considered good		
	To employees	66	111
	Advances		
	- guarantee margin	50	1,162
	- advance to vendors	30,776	16,211
	- others	5,289	1,290
		36,115	18,663
		<u>36,181</u>	<u>18,774</u>

13 OTHER RECEIVABLES AND ACCRUED INTEREST

Interest receivable from banks	13.1	15,598	27,657
Pre-incorporation and pre-commencement expenses of Thatta Cement Company (Private) Limited (TCCPL)	13.2	15,906	31,813
Deposit with Commissioner Workmen's Compensation		14,915	14,915
Refund against Fuel Price Adjustment		20,892	26,157
Others		43,324	60,543
		<u>110,635</u>	<u>161,085</u>

13.1 This includes receivable amounting to Rs. 15.6 million (June 30, 2014: Rs. 27.6 million) from National Bank of Pakistan which is a related party.

13.2 This represents amount receivable from TCCPL, a related party, established by the Holding Company in Sri Lanka for cement grinding and packing plant. The progress on the project is suspended as Land Lease Agreement has not been signed between TCCPL and Sri Lanka Ports Authority (SLPA) due to the reason that SLPA has offered another location for the project which is not feasible for the Holding Company. Further, a letter has been written to SLPA for the utmost resolution of the matter. Impairment of 50% has been charged on the said receivable as approved by the shareholders of the Holding Company in their Annual General Meeting held on October 20, 2014 in the larger interest of the Holding Company and the same is included in 'Other operating expenses'.

	(Un-audited) March 31, 2015	(Audited) June 30, 2014
--- Rupees in thousands ---		
14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
Ordinary shares of Rs. 10/- each 89,418,125 (June 30, 2014: 89,418,125)		
shares allotted for consideration paid in cash	894,181	894,181
10,300,000 (June 30, 2014: 10,300,000)		
shares allotted for consideration other than cash	103,000	103,000
	<u>997,181</u>	<u>997,181</u>

As on March 31, 2015, associated companies M/s Sky Pak Holding (Private) Limited and M/s Al-Miftah Holding (Private) Limited hold 20.444 million shares (June 30, 2014: 20.444 million shares) comprising 20.5% (June 30, 2014: 20.5%) and 4.966 million shares (June 30, 2014: Nil) comprising 4.98% (June 30, 2014: Nil) respectively. Moreover, M/s Rising Star Holding (Private) Limited and M/s Golden Globe Holding (Private) Limited hold 6.309 million shares (June 30, 2014: 6.309 million shares) comprising 6.33% (June 30, 2014: 6.33%) and 8.479 million shares (June 30, 2014: Nil) comprising 8.50% (June 30, 2014: Nil) respectively.

	(Un-audited) March 31, 2015	(Audited) June 30, 2014
--- Rupees in thousands ---		
15 LONG TERM FINANCING		
Loan from Banking companies - secured		
- Syndicated term finance facility (STFF) - Holding Company	15.1 & 15.2 1,082,560	435,373
- Syndicated term finance facility (STFF) - TPPL	15.3 & 15.4 558,388	634,532
- Liability against deferred payment letter of credit	15.5 & 15.6 250,109	357,926
Loan from related parties		
- National Bank of Pakistan	15.7 & 15.8 53,758	67,198
- National Bank of Pakistan	-	6,667
	<u>53,758</u>	<u>73,865</u>
Less: Current maturity	(369,552)	(360,474)
	<u>1,575,263</u>	<u>1,141,222</u>

- 15.1 This syndicated term finance facility has been obtained from syndicate of banks comprising of National Bank of Pakistan, Sindh Bank Limited, Summit Bank Limited and Silk Bank Limited. The facility carries a floating mark-up linked to 3 months KIBOR as base rate plus 2% on annualized basis. The tenure of financing is 8 years including grace period of 24 months and the facility is payable in 24 equal quarterly installments of Rs. 58.167 million each starting after two year from the date of first drawdown i.e. March 17, 2014. The facility is secured by first joint pari passu charge by way of hypothecation over all present and future fixed assets and mortgage over the immovable properties.
- 15.2 This includes Rs. 380.1 million (June 30, 2014: Rs. 152.95 million) from National Bank of Pakistan which is a related party.
- 15.3 This syndicated term finance facility has been obtained from syndicate of banks comprising National Bank of Pakistan, Sindh Bank Limited and Summit Bank Limited. The facility carries a floating mark-up linked to 3 months KIBOR as base rate plus 3% on annualized basis. The tenure of financing is 7 years and 9 months and facility is repayable in 28 equal quarterly installments of Rs. 25.381 million each starting after one year from the date of first drawdown. The drawdown date of entire facility i.e. Rs. 710.675 million is November 21, 2012.
- 15.4 This includes Rs. 313.61 million (June 30, 2014: Rs. 356.38 million) from National Bank of Pakistan which is a related party.
- 15.5 A Deferred Payment Letter of Credit (DPLC) amounting to USD 9.152 million was established for supply of Gas Fired Engines by GE Jenbacher, Austria. Advance of USD 1.373 million was paid to the supplier and the remaining amount of USD 7.779 million is payable in 6 half yearly installments of USD 1.296 million each starting from April 2013. The first four installments of USD 1.296 million each have been paid. DPLC facility is provided by the syndicate of banks comprising of National Bank of Pakistan, Sindh Bank Limited, Summit Bank Limited and Bank Alfalah Limited.
- 15.6 This includes Rs. 129.68 million (June 30, 2014: Rs. 175.99 million) from National Bank of Pakistan which is a related party.
- 15.7 This represents first disbursement of Rs.107 million of the aggregate facility of Rs. 260 million allowed by the bank. This carries a floating mark-up linked to 6 months KIBOR as base rate plus 2% on annualized basis. The tenure of financing is 7 years and is repayable in 24 equal quarterly installments of Rs. 4.48 million starting in 15th month from the date of first disbursement i.e. March 30, 2011.
- 15.8 The aggregate facility is secured by first equitable mortgage over land and building of the Holding Company and first charge by way of hypothecation over

all present and future plant and machinery of the Holding Company to the extent of Rs. 372 million.

Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
	--- Rupees in thousands ---	

16 DEFERRED TAXATION

Deferred tax liability comprises of temporary differences as follows:

Taxable temporary differences

- accelerated tax depreciation	188,827	175,916
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Deductible temporary differences

- provision for gratuity	(2,858)	(4,819)
- other provisions - for doubtful debts and stores	(46,148)	(39,058)
	(49,006)	(43,877)

	<u>139,821</u>	<u>132,039</u>
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17 TRADE AND OTHER PAYABLES

Trade creditors	33,852	32,820
Accrued liabilities	135,210	150,297
Bills payable	7,633	237,334
Advances from customers	26,109	52,443
Contractors retention money	6,147	175
Excise duty and sales tax payable	54,850	10,756
Payable to Gratuity Fund	8,594	14,749
Payable to Provident Fund	-	2
Workers' Profit Participation Fund	57,127	49,873
Workers' Welfare Fund	22,904	20,147
Unclaimed dividend	225	113
Other liabilities	7,090	7,705
	<u>359,741</u>	<u>576,414</u>

18 SHORT TERM BORROWINGS

Running finance	18.1 & 18.2	<u>319,199</u>	<u>419,261</u>
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18.1 The aggregate running finance available from banks as at March 31, 2015 amounted to Rs. 650 million out of which Rs. 330.801 million remained unutilized at the period end. These facilities are renewable and secured by way of hypothecation of fixed assets and current assets. These carry mark-up at rates ranging between 12.17% to 13.18% (June 30, 2014: 12.08% to 13.18%) per annum chargeable monthly and payable quarterly.

18.2 This includes Rs. 197.281 million (June 30, 2014: Rs. 186.012 million) due to National Bank of Pakistan which is a related party.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The status of contingencies is same as disclosed in the last annual audited consolidated financial statements except the following new matter as mentioned in note 19.1.2 and changes in note 24.1.1, 24.1.2 (refer note 19.1.1 below) and 24.1.7 (refer note 19.1.3 below) of the annual audited consolidated financial statements for the year ended June 30, 2014:

19.1.1 In respect of tax year 2012, during the period an appeal before Commissioner Inland Revenue - Appeals (CIR-A) filed by the Holding Company against assessment order passed by Assistant Commissioner earlier on the issue of adjustment of minimum tax in respect of tax year 2012 has been decided against the Holding Company. Accordingly, the Holding Company has filed an appeal before the next appellate forum i.e. Appellate Tribunal Inland Revenue (ATIR) against the order of CIR-A which is pending for hearing.

19.1.2 During the period, an Order in Original (ONO) has been issued by an Officer of Sales Tax against the Holding Company in respect of tax periods from July 2012 to December 31, 2014 raising a demand of Rs. 244 million which is mainly based on comparison of industry averages on fuel and power consumption with that of the Holding Company and thereby presumed production quantities which in the view of tax authorities have not been subject to Sales Tax and Federal Excise Duty. Accordingly, the Holding Company has filed an appeal before Commissioner Inland Revenue - Appeals (CIR-A) against the ONO passed by Officer of Sales Tax. The hearing of the case was held on April 22, 2015, however, decision in the appeal is pending to date. Moreover, recovery proceedings were also initiated by tax authorities in the matter against which the Holding Company has obtained ad interim relief from High Court of Sindh who has refrained tax department to take any adverse action in this respect till the next date of hearing.

19.1.3 During the financial year ended June 30, 2014, income tax audit for the tax year 2013 of the subsidiary company was initiated by the Commissioner - Inland Revenue (C-IR) of Federal Board of Revenue under section 177 of the Income Tax Ordinance, 2001 ("the Ordinance"). The C-IR had rejected the basic income tax exemption of subsidiary company's business income allowed under clause 132 of part I of Second Schedule of the Ordinance and had also amended the

taxable income of the subsidiary company. The C-IR had raised an order demanding the tax payment of Rs. 153.8 million including WWF. The subsidiary company had filed an appeal before the Commissioner Inland Revenue Appeals (CIR-A) against the said assessment order and had also obtained a stay order from Honourable High Court of Sindh restraining the C-IR for initiating any recovery proceedings under the said impugned order.

During the period CIR-A has passed the order against the subsidiary company and on the basis of the order issued by CIR-A a show cause notice was issued by the tax department raising the tax demand of Rs. 150 million including default surcharge and penalty for tax year 2013. The subsidiary company's legal counsel has replied the tax department that the Honorable High Court of Sindh has already provided the ad interim relief to the subsidiary company and has refrained the tax department to take any adverse action against the subsidiary company in this respect. The management of the Group, based on the subsidiary company's legal counsel has decided to challenge the order of CIR - A before Appellate Tribunal Inland Revenue for tax year 2013.

The tax department has also issued a show cause notice to the subsidiary company for tax year 2014 rejecting the claim of subsidiary company's income tax exemption on the basis of rejection of appeal by the CIR - A and intends to recover an aggregate amount of Rs. 249 million including default surcharge and penalty from the subsidiary company. Furthermore, relying on the impugned order of CIR-A, a notice for advance tax demand for tax year 2015 amounting to Rs 219 million has also been issued to the subsidiary company for two quarters ended on December 31, 2014 on the basis of business turnover of the subsidiary company [which is claimed by the subsidiary company as exempt] for tax year 2014. The subsidiary company has preferred to file another Constitutional Petition in the Honorable High Court of Sindh challenging the tax demands for the tax years 2014 and 2015. The Honorable High Court of Sindh was pleased to provide the ad interim relief and has refrained the tax department to take any adverse action against the subsidiary company in this respect.

	(Un-audited) March 31, 2015	(Audited) June 30, 2014
19.2 Commitments	---- Rupees in thousands ----	
Commitments in respect of irrevocable letter of credits	44,262	151,787
Guarantees given by banks on behalf of the Group	427,748	432,372
Commitment in respect of mark-up on liability against DPLC	5,798	21,446
	<u>477,808</u>	<u>605,605</u>

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	----- (Un-audited) ----- -----Rupees in thousands-----			
20 SALES - NET				
Local	2,964,921	2,644,086	1,060,747	975,084
Export	11,408	119,762	5,157	19,802
	<u>2,976,329</u>	<u>2,763,848</u>	<u>1,065,904</u>	<u>994,886</u>
Less: - Sales tax	(452,849)	(414,406)	(161,719)	(153,564)
- Federal excise duty	(84,266)	(84,306)	(30,074)	(30,693)
	(537,115)	(498,712)	(191,793)	(184,257)
	<u>2,439,214</u>	<u>2,265,136</u>	<u>874,111</u>	<u>810,629</u>
21 COST OF SALES				
Raw material consumed	104,278	111,779	42,094	39,636
Manufacturing expenses				
Packing material consumed	74,045	89,303	28,475	31,139
Stores, spare parts and loose tools consumed	93,534	94,774	34,120	31,239
Fuel and power	1,035,578	895,560	345,296	314,999
Salaries, wages and other benefits	176,110	150,244	57,802	52,089
Insurance	24,900	9,896	8,798	3,302
Repairs, operations and maintenance	58,580	39,630	13,358	11,929
Depreciation	65,491	62,733	23,987	21,827
Provision for slow moving / dead / impairment	3,160	-	-	-
Other production overheads	18,520	18,145	7,388	5,583
	<u>1,549,918</u>	<u>1,360,286</u>	<u>519,224</u>	<u>472,107</u>
Cost of production	<u>1,654,196</u>	<u>1,472,065</u>	<u>561,318</u>	<u>511,743</u>
Work-in-process				
Opening balance	317,003	261,445	411,611	255,218
Closing balance	(409,046)	(274,909)	(409,046)	(274,909)
	(92,043)	(13,464)	2,565	(19,691)
Cost of goods manufactured	<u>1,562,153</u>	<u>1,458,601</u>	<u>563,883</u>	<u>492,052</u>
Finished goods				
Opening balance	34,456	38,898	31,259	39,026
Closing balance	(31,525)	(38,553)	(31,525)	(38,553)
	2,931	345	(266)	473
	<u>1,565,084</u>	<u>1,458,946</u>	<u>563,617</u>	<u>492,525</u>

	Nine months ended March 31		Quarter ended March 31	
	2015	2014	2015	2014
	----- (Un-audited) ----- -----Rupees in thousands-----			
22 TAXATION				
Current tax	119,756	105,899	43,266	56,351
Prior year (reversal) / charge	(12,668)	2,015	-	-
Deferred tax charge / (credit)	7,782	19,961	(3,051)	(406)
	<u>114,870</u>	<u>127,875</u>	<u>40,215</u>	<u>55,945</u>
23 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation (Rupees in thousands)	<u>398,581</u>	<u>300,341</u>	<u>163,877</u>	<u>173,191</u>
Weighted average number of ordinary shares	<u>99,718,125</u>	<u>99,718,125</u>	<u>99,718,125</u>	<u>99,718,125</u>
Earnings per share (Rupees)	<u>4.00</u>	<u>3.01</u>	<u>1.64</u>	<u>1.74</u>

24 TRANSACTIONS WITH RELATED PARTIES

Related parties comprises of associated undertakings and related group companies, 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 defined contribution plan (provident fund) is made as per the terms of employment and trust deed and contribution to the defined benefit plan (gratuity scheme) is in accordance with the actuarial advice. Details of transactions during the nine months period ended / outstanding balances as at March 31, 2015 with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

	Nine months ended March 31	
	2015	2014
	--- (Un-audited) ---	
	---Rupees in thousands---	
Transactions with related parties		
National Bank of Pakistan		
- Mark-up on Running Finance (RF), Syndicate Term Finance Facility (STFF), Long Term Finance (LTF), DPLC and commission	143,395	85,770
- Income on bank deposit accounts	37,139	35,999
- Guarantee revoked / cancelled	6,123	35,908
Thatta Cement Company (Private) Limited		
- Expenses paid by the Holding Company on behalf of TCCPL	-	17,272
- Impairment of receivable from TCCPL	15,907	-
Bandhi Sugar Mills (Private) Limited		
- Sale of cement	-	856
- Receipt against sale of cement	-	7,925
Sui Southern Gas Company Limited		
- Purchase of gas excluding GST - plant	665,560	537,077
- Payment against purchase of gas excluding GST - plant	651,793	523,596
Key management personnel		
- Salaries and benefits	68,053	50,610
- Sale of vehicles	1,158	123
- Sale of computer equipment	-	2
Other related parties		
- Contribution to employees' Gratuity Fund	14,749	7,107
- Contribution to employees' Provident Fund	5,544	5,111
Pak Suzuki Motor Company Limited		
- Payment against purchase of vehicle	2,988	3,338

(Un-audited) March 31, 2015	(Audited) June 30, 2014
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--- Rupees in thousands ---

Balances with related parties

National Bank of Pakistan

- Term deposit account	1,000	1,000
- PLS account balance	376,744	156,572
- Current account balance	87	732
- Running finance	197,281	186,012
- Long term loans	53,758	73,865
- Accrued mark-up - finance charge	19,939	13,959
- Accrued interest - interest income	15,555	27,602
- Guarantees on behalf of the Group as per normal banking terms	343,409	349,532
- Share in STFF	693,712	509,328
- Share in DPLC	129,676	175,992
- Short term investment - held to maturity	306,000	306,000

Thatta Cement Company (Private) Limited

- Receivable against expenses paid by Holding Company on behalf of TCCPL	15,906	31,813
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Sui Southern Gas Company Limited

- Payable against purchase of gas excluding GST	76,173	62,406
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Habib Bank Limited

- Current account balance	557	368
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Pak Suzuki Motor Company Limited

- Advance paid for purchase of vehicle	695	-
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24.1 There are no transactions with key management personnel other than under their terms of employment.

24.2 All transactions with related parties have been carried out on commercial terms and conditions.

25 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, supply and transmission of electrical power.

25.1 Revenue

	Cement		Power		Intra group adjustment		Consolidated	
	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014	March 2015	March 2014
Revenue	1,674,275	1,634,026	1,113,487	927,885	(348,548)	(296,775)	2,439,214	2,265,136
Cost of sales	(1,135,749)	(1,144,561)	(778,329)	(619,027)	348,994	304,642	(1,565,084)	(1,458,946)
Gross profit	538,526	489,465	335,158	308,858	446	7,867	874,130	806,190
Selling and distribution cost	(25,986)	(47,140)	-	-	-	-	(25,986)	(47,140)
Administrative expenses	(66,685)	(57,655)	(13,727)	(11,755)	9,900	9,000	(70,512)	(60,410)
	(92,671)	(104,795)	(13,727)	(11,755)	9,900	9,000	(96,498)	(107,550)
Operating profit	445,855	384,670	321,431	297,103	10,346	16,867	777,632	698,640
Other operating expenses	(52,299)	(36,310)	(31,067)	(94,260)	-	-	(83,366)	(70,570)
Finance cost	(50,878)	(58,478)	(82,744)	(104,642)	-	-	(133,622)	(163,120)
	(103,177)	(94,788)	(113,811)	(138,902)	-	-	(216,988)	(233,690)
Other income	23,423	21,059	34,513	36,347	(10,346)	(9,405)	47,590	48,001
Share of loss from associate	-	(13,386)	-	-	-	-	-	(13,386)
	23,423	7,673	34,513	36,347	(10,346)	(9,405)	47,590	34,615
Segment results	366,101	297,555	242,133	194,548	-	7,462	608,234	499,565
Unallocated expenditures	-	-	-	-	-	-	-	-
Profit before tax	366,101	297,555	242,133	194,548	-	7,462	608,234	499,565
Tax	(125,022)	(115,815)	10,152	(12,060)	-	-	(114,870)	(127,875)
Profit after tax	241,079	181,740	252,285	182,488	-	7,462	493,364	371,690

----- Un-audited -----
Rupees in thousands

25.2 Other information

	Cement		Power		Infra group adjustment		Consolidated	
	March 2015 (Un-audited)	June 2014 (Audited)	March 2015 (Un-audited)	June 2014 (Audited)	March 2015 (Un-audited)	June 2014 (Audited)	March 2015 (Un-audited)	June 2014 (Audited)
Segment assets	3,472,549	2,969,513	2,146,796	2,044,775	(362,253)	(377,676)	5,257,092	4,636,612
Unallocated corporate assets	-	-	-	-	-	-	-	-
Total assets	<u>3,472,549</u>	<u>2,969,513</u>	<u>2,146,796</u>	<u>2,044,775</u>	<u>(362,253)</u>	<u>(377,676)</u>	<u>5,257,092</u>	<u>4,636,612</u>
Segment liabilities	1,952,752	1,620,256	974,144	1,124,408	(47,929)	(63,352)	2,878,967	2,681,312
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
Total liabilities	<u>1,952,752</u>	<u>1,620,256</u>	<u>974,144</u>	<u>1,124,408</u>	<u>(47,929)</u>	<u>(63,352)</u>	<u>2,878,967</u>	<u>2,681,312</u>
Capital expenditure	541,635	524,756	1,725	1,443	-	-	543,360	526,199
Depreciation	34,806	48,361	33,960	44,542	-	-	68,766	92,903
Non-cash expenses other than depreciation	<u>79,299</u>	<u>86,450</u>	<u>90,030</u>	<u>134,398</u>	<u>-</u>	<u>24,788</u>	<u>169,329</u>	<u>245,636</u>

Rupees in thousands

25.3 Reconciliation of reportable segment revenues, profit and loss, assets and liabilities

	Consolidated	
	March 2015	March 2014
	--- (Un-audited) ---	
	---Rupees in thousands---	
25.3.1 Operating revenues		
Total revenue of reportable segments	2,787,762	2,561,911
Elimination of intra group revenue	(348,548)	(296,775)
Consolidated revenue	<u>2,439,214</u>	<u>2,265,136</u>

25.3.2 Profit and loss

Total profit before tax of reportable segments	608,234	492,103
Adjustment of unrealized profit and intra group transactions	-	7,462
Consolidated profit before tax	<u>608,234</u>	<u>499,565</u>

	Consolidated	
	March 2015 (Un-audited)	June 2014 (Audited)
	---Rupees in thousands---	

25.3.3 Assets

Total assets of reportable segments	5,619,345	5,014,288
Elimination of intra group balances and unrealised profit	(344,432)	(354,258)
Reclassifications for consolidation purposes	(17,821)	(23,418)
Consolidated assets	<u>5,257,092</u>	<u>4,636,612</u>

25.3.4 Liabilities

Total liabilities of reportable segments	2,926,896	2,744,664
Elimination of intra group balances	(30,108)	(55,100)
Reclassifications for consolidation purposes	(17,821)	(8,252)
Consolidated liabilities	<u>2,878,967</u>	<u>2,681,312</u>

25.4 Geographical segment analysis

	Revenue		Total Assets		Net Assets	
	March 2015 (Un-audited)	March 2014 (Un-audited)	March 2015 (Un-audited)	June 2014 (Audited)	March 2015 (Un-audited)	June 2014 (Audited)
	----- Rupees in thousands -----					
Pakistan	2,427,806	2,145,374	5,257,092	4,636,612	2,378,125	1,955,300
Export Processing Zone - Karachi	11,408	-	-	-	-	-
Sudan	-	119,762	-	-	-	-
	<u>2,439,214</u>	<u>2,265,136</u>	<u>5,257,092</u>	<u>4,636,612</u>	<u>2,378,125</u>	<u>1,955,300</u>

25.5 Information about major customers

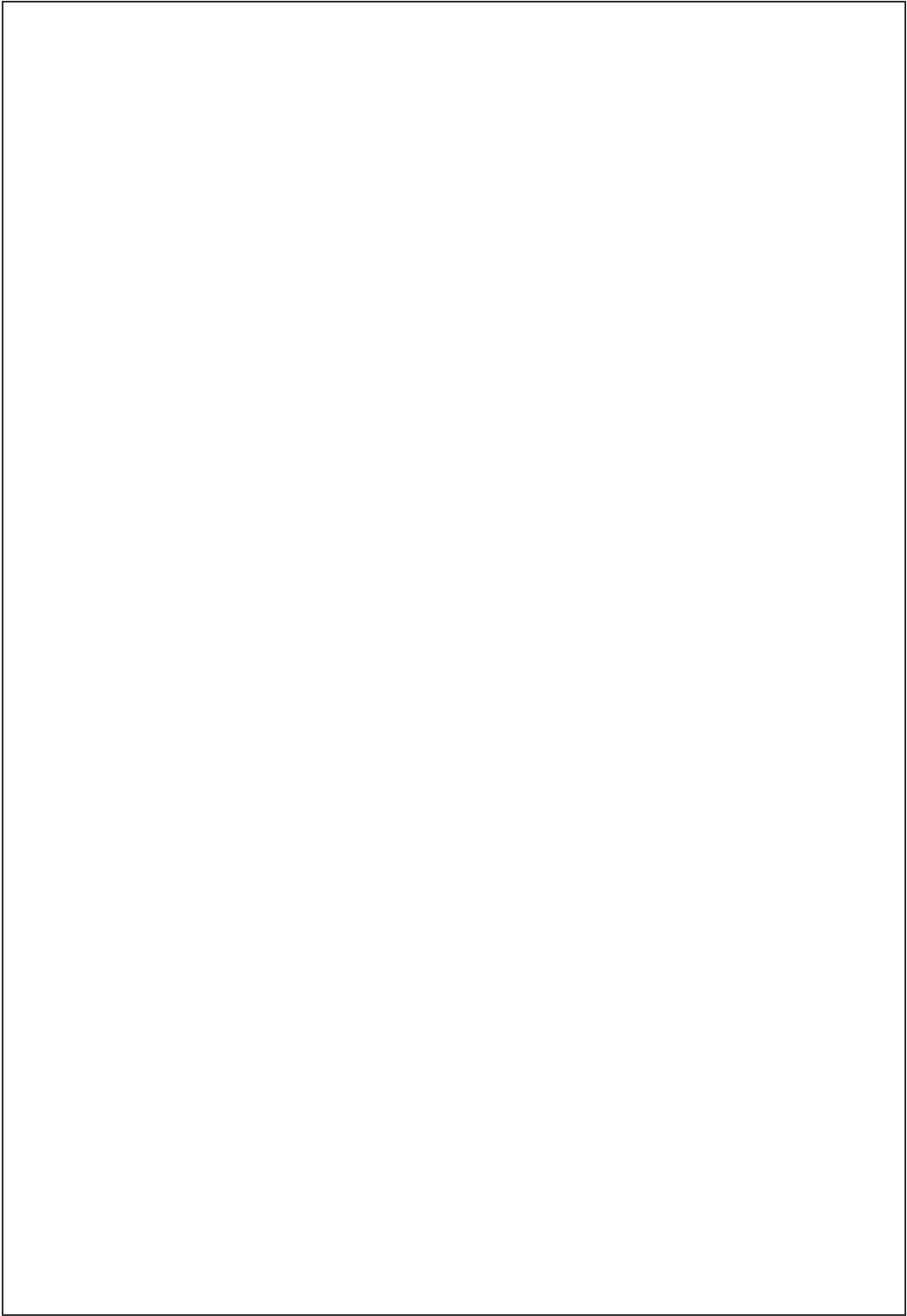
Major customers for cement segment are various individual dealers whereas major customer for power segment is Hyderabad Electric Supply Company Limited.

26 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been authorized for issue on April 23, 2015 by the Board of Directors of the Holding Company.


CHIEF EXECUTIVE


DIRECTOR





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