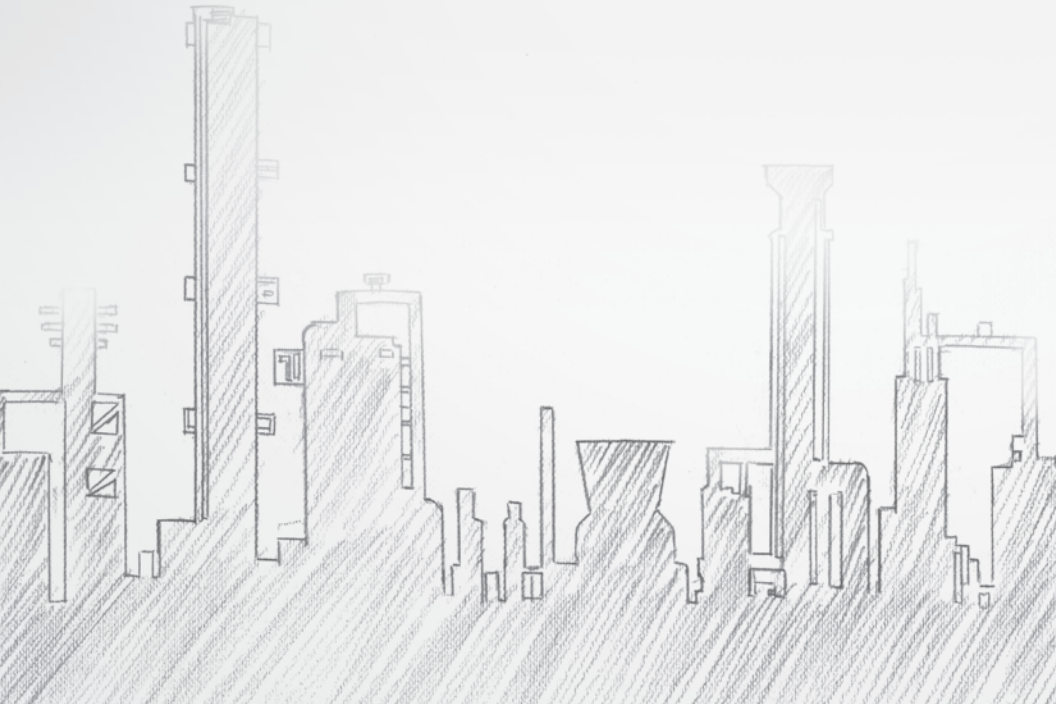


First Quarterly Report
September
2015



THATTA CEMENT
COMPANY LIMITED

Sketching the future



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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 Muhammad Salman Younis	Chairman
Mr. Muhammad Fazlullah Shariff	Chief Executive Officer
Mr. Shahid Aziz Siddiqui	Director
Mr. Agha Sher Shah	Director
Mr. Wazir Ali Khoja	Director
Mr. Saleem Zamindar	Director
Mr. Attaullah A. Rasheed	Director

AUDIT COMMITTEE

Mr. Wazir Ali Khoja	Chairman
Mr. Khawaja Muhammad Salman Younis	Member
Mr. Shahid Aziz Siddiqui	Member
Mr. Attaullah A. Rasheed	Member

HR & REMUNERATION COMMITTEE

Mr. Saleem Zamindar	Chairman
Mr. Shahid Aziz Siddiqui	Member
Mr. Agha Sher Shah	Member
Mr. Muhammad Fazlullah Shariff	Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Muhammad Taha Hamdani

STATUTORY AUDITOR

M/s Grant Thornton Anjum Rahman, Chartered Accountants

COST AUDITOR

M/s Siddiqi & Co., Cost & Management 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
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 present herewith their review and the un-audited condensed interim financial statements for the quarter ended September 30, 2015.

INDUSTRY OVERVIEW

During the first quarter of the current fiscal year, which began on July 1, 2015, the cement industry posted a growth of 10.90% in local sales compared to that of the first quarter of previous fiscal year. However, exports declined by 27.23% as compared with exports during the year-earlier quarter. Overall growth was 1.34% year-on-year for the quarter.

Domestic cement demand in the south of the country was lower than the demand in the northern region. Influx of Iranian cement which was earlier being smuggled is now entering Pakistan at very low rates due to massive under-invoicing. The concerned authorities need to ensure that import for cement is curtailed to save the local cement industry and loss in revenue to the exchequer.

BUSINESS PERFORMANCE

a. Production and Sales Volume Performance

The clinker production of the Company during the period under review was 98,469 tons which is 77.23% of its rated capacity as compared to 57.08% in the corresponding period. Cement production excluding Class G was higher by 7.9% than that of the corresponding period. However, due to lower off take for the reason that both Eid-ul-Fitr and Eid-ul-Azha fell in the quarter ended on September 30, 2015, only a nominal increase of 2.50% in local cement dispatches was recorded during the quarter.

Following is the comparative data of production and dispatches made during the current quarter vs same quarter last year:

	September 2015	September 2014	Variance	
	Metric Tons			%
Plant capacity – Clinker	127,500	112,500	15,000	13.3
Production				
Clinker	98,469	64,224	34,245	53.3
Cement	68,516	63,459	5,057	7.9
GBFS	520	1,300	(780)	(60.0)
Class G Cement	800	336	464	138.0
Dispatches				
Cement				
- Local	68,232	66,565	1,667	2.5
- Class G Cement	200	336	(136)	(40.4)
- Exports	365	450	(85)	(18.8)
	<u>68,797</u>	<u>67,351</u>	<u>1,446</u>	<u>2.1</u>
GBFS - Local	520	1,300	(780)	(60.0)
	<u>69,317</u>	<u>68,651</u>	<u>666</u>	<u>0.9</u>

Clinker capacity during the quarter under review enhanced due to upgradation of cement plant which was successfully completed and commissioned into operation in the month of July of the quarter ended September 30, 2015. A comparative analysis of sales volume of the industry vis-à-vis the Company is as under:

	September 2015	September 2014	Variance	
	----- Million Metric Tons -----			%
Cement Industry				
Local sales	6.774	6.103	0.671	10.9
Exports	<u>1.499</u>	<u>2.060</u>	<u>(0.561)</u>	<u>(27.2)</u>
	<u>8.273</u>	<u>8.163</u>	<u>0.110</u>	<u>1.34</u>
	----- Metric Tons -----			
Thatta Cement Company Limited				
Local sales	68,952	68,201	751	1.1
Exports	<u>365</u>	<u>450</u>	<u>(85)</u>	<u>(18.8)</u>
	<u>69,317</u>	<u>68,651</u>	<u>666</u>	<u>0.9</u>

b. Financial Performance

A comparison of the key financial results of the Company's performance for the quarter ended September 30, 2015 with the same period last year is as under:

	September 2015	September 2014
	----- Rupees in thousands -----	
Turnover – net	494,429	500,171
Gross profit	151,739	169,458
Profit before taxation	156,201	112,176
Profit after taxation	116,305	85,916
Earnings per share (Rupees)	1.17	0.86

The cost of sales during the quarter ended September 30, 2015 was 3.19% higher as compared to corresponding quarter; due to increase in depreciation charged on installation of BMR equipment and annualized increase in salaries and wages expenses. Despite this your Company earned a profit before tax of Rs 156.201 million after providing depreciation of Rs. 26.549 million.

(i) Sales Performance

The sales of the Company during the quarter ended September 30, 2015 decreased by 1.14% in value terms due to decline in average selling prices, while volume increased by a nominal 0.9%.

(ii) Cost of Sales

The cost of sales ratio has increased to 69.31% during the quarter as compared to 66.12% in the corresponding period. This nominal increase is mainly on account of increase in depreciation on new Plant and Machinery installed in the process of BMR and also due to impact of annual increments in salaries and wages charged to cost of sales.

(iii) Distribution Cost

Distribution cost has increased by 8.22% during the quarter as compared to the corresponding period of last year mainly on account of annual increment in salaries and benefits.

(iv) Finance Cost

Finance cost has increased by 65.34% during the quarter as compared to the corresponding quarter of last year mainly on account of interest expense accrued on long term financing obtained for BMR which was not charged to profit and loss account in the corresponding quarter and was capitalized.

FUTURE OUTLOOK

Due to strong domestic demand anticipated led by the China Pakistan Economic Corridor and other mega infrastructure projects including energy projects, lowering interest rates, sale of cement is expected to grow in the fiscal year 2015-2016, whereby volumes are expected to grow gradually and selling price is expected to remain stable at the current level. However, exports is expected to decline in the coming months due to weak demand from Afghan market coupled with anti-dumping duty imposed by South Africa on Pakistani Cement manufacturer.

Imported coal prices are expected to remain stable or decline slightly due to slump in China's growth, which will further drive up margins of cement manufacturers. The overall outlook for Pakistan's economy is positive, however, there are still macroeconomic and geopolitical risks which need to be addressed by the Government to further boost the economy on strong footings.

Balancing, Modernization and Rehabilitation (BMR)

After the successful completion of BMR and commissioning of operations in the month of July 2015, it is expected that overall fuel and power consumption in the production of clinker would reduce and hence bring cost benefit and add to the bottom line profitability. This affords your Company a cushion to promote its range of products and fetch additional market share.

Waste Heat Recovery Project

The arrangement of financing for the project has already been initiated and the Subsidiary Company is in liaison with syndicate of Banks to meet the conditions precedents for disbursement of financing facility for its financial closure.

PERFORMANCE OF THE GROUP

A brief of the financial position and performance of the Group for the quarter ended September 30, 2015 is provided below.

Balance Sheet

	September 2015	June 2015
	----- Rupees in thousands -----	
Property, plant and equipment	3,429,293	3,396,003
Stock-in-trade	362,460	230,907
Trade debts	467,752	477,102
Paid-up Share Capital	997,181	997,181
Total equity	2,159,638	2,123,392
Trade and other payables	376,370	364,658
Short Term Borrowings	38,280	135,449


Profit and loss

	September 2015	September 2014
	----- Rupees in thousands -----	
Turnover – net	498,917	765,630
Gross profit	179,457	260,500
Profit before taxation	167,056	164,060
Profit after taxation	126,136	133,915
Earnings per share (Rupees)	1.23	1.16

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 relentless efforts and dedicated services, team work, loyalty and hard work of all the employees of the Company and hope their continued dedication shall further consolidate the Company and keep its abreast to face future developments and demands.

On behalf of the Board



Muhammad Fazlullah Shariff
Chief Executive Officer

Karachi: October 26, 2015

CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2015

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

As at September 30, 2015

	Note	(Un-audited) September 2015	(Audited) June 2015
----- Rupees in thousands -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,188,991	2,149,869
Intangible assets		6,230	6,418
Long term investment in subsidiary		299,158	299,158
Long term investment - available-for-sale	7	135,905	279,341
Long term deposits		1,096	1,096
		<u>2,631,380</u>	<u>2,735,882</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	8	240,217	196,110
Stock-in-trade	9	363,037	240,225
Trade debts	10	170,403	187,888
Loans and advances	11	31,951	19,043
Trade deposits and short term prepayments		17,341	19,051
Other receivables and accrued interest	12	64,823	43,087
Taxation - net		19,395	4,992
Cash and bank balances		113,242	112,837
		<u>1,020,409</u>	<u>823,233</u>
		<u>3,651,789</u>	<u>3,559,115</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 200,000,000 (June 30, 2015: 200,000,000) ordinary shares of Rs. 10/- each		2,000,000	2,000,000
Issued, subscribed and paid-up capital	13	997,181	997,181
Share premium		99,718	99,718
Revaluation of available-for-sale investment		58,639	144,835
Accumulated profit		548,071	431,766
		<u>1,703,609</u>	<u>1,673,500</u>
NON-CURRENT LIABILITIES			
Long term financing		1,271,255	1,215,380
Long term deposits		3,844	3,844
Long term employee benefit		14,862	15,093
Deferred taxation	14	158,814	133,455
		<u>1,448,775</u>	<u>1,367,772</u>
CURRENT LIABILITIES			
Trade and other payables	15	321,447	300,649
Accrued mark-up		34,402	38,104
Current maturity of long term financing		131,044	69,398
Short term borrowings		12,512	109,692
		<u>499,405</u>	<u>517,843</u>
CONTINGENCIES AND COMMITMENTS			
	16		
		<u>3,651,789</u>	<u>3,559,115</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF EXECUTIVE



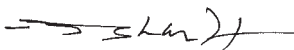
DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED PROFIT & LOSS ACCOUNT (UN-AUDITED)

For the quarter ended September 30, 2015

	Note	Quarter ended September	
		2015	2014
----- Rupees in thousands -----			
Sales - net	17	494,429	500,171
Cost of sales	18	(342,690)	(330,713)
Gross profit		<u>151,739</u>	<u>169,458</u>
Selling and distribution cost		(8,161)	(7,541)
Administrative expenses		(26,254)	(22,088)
		(34,415)	(29,629)
Operating profit		<u>117,324</u>	<u>139,829</u>
Other operating expenses		(12,276)	(18,005)
Finance cost		(27,434)	(16,592)
		(39,710)	(34,597)
Other income	19	78,587	6,944
Profit before taxation		<u>156,201</u>	<u>112,176</u>
Taxation	20	(39,896)	(26,260)
Profit after taxation		<u>116,305</u>	<u>85,916</u>
----- Rupees -----			
Earnings per share - basic and diluted	21	<u>1.17</u>	<u>0.86</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF EXECUTIVE



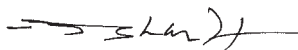
DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the quarter ended September 30, 2015

	Quarter ended September	
	2015	2014
	---- Rupees in thousands ----	
Profit after taxation	116,305	85,916
Other comprehensive income / (loss)		
<i>Items to be reclassified to profit and loss account in subsequent periods</i>		
Deficit on revaluation of available-for-sale investment	(24,560)	(11,759)
Total comprehensive income for the quarter	<u>91,745</u>	<u>74,157</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the quarter ended September 30, 2015

Quarter ended	
September	
2015	2014
----- Rupees in thousands -----	

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	156,201	112,176
Adjustment for:		
Depreciation	26,549	11,137
Amortization of intangible assets	188	77
Finance cost	27,434	16,592
Impairment of property, plant and equipment	1,875	-
Provision for gratuity	2,819	2,865
Provision for leave encashment	618	526
Gain on disposal of long term investment - available-for-sale	(68,186)	-
Gain on disposal of property, plant and equipment	-	(170)
	(8,703)	31,027
Operating cash flows before working capital changes	147,498	143,203
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(44,107)	(9,855)
Stock-in-trade	(122,812)	(52,685)
Trade debts	17,485	(64,289)
Loans and advances	(12,908)	(2,845)
Trade deposits and short term prepayments	1,710	264
Other receivable and accrued interest	(21,736)	1,947
	(182,368)	(127,463)
(Decrease) / increase in current liabilities		
Trade and other payables excluding gratuity payable and dividend payable	29,242	(147,363)
Cash used in operations	(5,628)	(131,623)
Finance cost paid	(34,749)	(1,074)
Gratuity paid	(11,262)	(14,749)
Leave encashment paid	(849)	(294)
Tax paid - net	(28,940)	(29,565)
	(75,800)	(45,682)
Net cash used in operating activities	(81,428)	(177,305)

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(63,934)	(210,829)
Addition in intangible assets	-	(3,750)
Dividend paid	-	(38)
Disposal of long term investment - available-for-sale	125,426	-
Proceeds from disposal of property, plant and equipment	-	615
Long term deposits - assets	-	(100)
Net cash generated from / (used in) investing activities	61,492	(214,102)

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the quarter ended September 30, 2015

Quarter ended	
September	
2015	2014
----- Rupees in thousands -----	

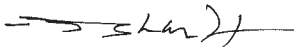
CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(4,479)	(11,147)
Long term financing obtained	122,000	248,127
Long term deposits - liabilities	-	(2,082)
Net cash generated from financing activities	117,521	234,898
Net increase / (decrease) in cash and cash equivalents	97,585	(156,509)
Cash and cash equivalents at beginning of the quarter	3,145	(390,813)
Cash and cash equivalents at end of the quarter	100,730	(547,322)

CASH AND CASH EQUIVALENTS

Cash and bank balances	113,242	60,214
Short term borrowings	(12,512)	(607,536)
	100,730	(547,322)

The annexed notes from 1 to 25 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 quarter ended September 30, 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, 2014	997,181	99,718	-	252,358	1,349,257
<i>Total comprehensive income for the quarter ended September 30, 2014</i>					
Profit after taxation	-	-	-	85,916	85,916
Deficit on revaluation of available-for-sale investment	-	-	(11,759)	-	(11,759)
Balance as at September 30, 2014	997,181	99,718	(11,759)	338,274	1,423,414
Balance as at July 1, 2015	997,181	99,718	144,835	431,766	1,673,500
<i>Total comprehensive income for the quarter ended September 30, 2015</i>					
Profit after taxation	-	-	-	116,305	116,305
Reclassification adjustment relating to profit realized on disposal of investment classified as 'available for sale'	-	-	(61,636)	-	(61,636)
Deficit on revaluation of available-for-sale investment	-	-	(24,560)	-	(24,560)
Balance as at September 30, 2015	997,181	99,718	58,639	548,071	1,703,609

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



 CHIEF EXECUTIVE



 DIRECTOR

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 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 quarter ended September 30, 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, 2015.

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 September 30, 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 quarter ended September 30, 2015.

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, 2015.

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 the 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, 2015.

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, 2015.

	Note	(Un-audited) September 2015	(Audited) June 2015	
----- Rupees in thousands -----				
6	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	6.1	2,120,939	848,829
	Capital work-in-progress	6.2	-	1,232,546
	Major stores and spares		68,052	68,494
			<u>2,188,991</u>	<u>2,149,869</u>
6.1	Operating fixed assets			
	Opening Written Down Value (WDV)		848,829	817,460
	Additions during the quarter / year - at cost			
	- Factory building on freehold land		-	1,328
	- Electrical installations		1,841	-
	- Housing colonies		-	384
	- Plant and machinery		1,295,609	50,698
	- Quarry equipment		-	1,103
	- Vehicles		2,977	10,030
	- Office equipment		-	2,233
	- Laboratory equipment		-	3,773
	- Computers		107	6,166
			1,300,534	75,715
	WDV of deletions during the quarter / year		-	(1,040)
	Transfer/Adjustment		(1,875)	-
	Depreciation charge for the quarter / year		(26,549)	(43,306)
			(28,424)	(44,346)
			<u>2,120,939</u>	<u>848,829</u>
6.2	Capital work-in-progress			
	Opening balance		1,232,546	503,987
	Additions		98,864	732,510
	Transferred to operating fixed assets, store & spares and advances		(1,331,410)	(3,951)
			<u>-</u>	<u>1,232,546</u>
7	LONG TERM INVESTMENT - AVAILABLE-FOR-SALE			

Long term investment - available-for-sale represents investment in 13.798 million shares (June 30, 2015: 24.019 million shares) of Power Cement Limited (PCL). The market value per share of PCL was Rs. 9.85 per share as on September 30, 2015 (June 30, 2015: Rs. 11.63 per share). Decrease in the value of investment amounting to Rs. 24.56 million is recorded in 'Other Comprehensive Income' for the quarter ended September 30, 2015.

	Note	(Un-audited) September 2015	(Audited) June 2015
----- Rupees in thousands -----			
8	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores	188,754	140,892
	Spare parts	81,626	85,364
	Loose tools	262	279
		<u>270,642</u>	<u>226,535</u>
	Provision for dead stores	(6,787)	(6,787)
	Provision for slow moving stores and spares	(23,638)	(23,638)
		<u>(30,425)</u>	<u>(30,425)</u>
		<u>240,217</u>	<u>196,110</u>
8.1	This includes stores in transit of Rs. 4.559 million (June 30, 2015: Rs. 35.456 million) as at the balance sheet date.		
9	STOCK-IN-TRADE		
	Raw material	29,466	38,241
	Packing material	24,446	25,933
	Work-in-process	275,450	143,626
	Finished goods	33,675	32,425
		<u>363,037</u>	<u>240,225</u>
10	TRADE DEBTS		
	Considered good		
	Local - unsecured	170,403	187,888
	Considered doubtful		
	Cement stockiest	60,801	60,801
	Excessive rebate allowed	6,101	6,101
	Controller military accounts	5,126	5,126
		<u>72,028</u>	<u>72,028</u>
	Provision for doubtful debts	(72,028)	(72,028)
		<u>170,403</u>	<u>187,888</u>
11	LOANS AND ADVANCES		
	Considered good		
	To employees	33	64
	Advances		
	- against letter of credit	2,872	172
	- advance to vendors	27,151	18,653
	- others	1,895	154
		<u>31,918</u>	<u>18,979</u>
		<u>31,951</u>	<u>19,043</u>

(Un-audited) September 2015	(Audited) June 2015
-----------------------------------	---------------------------

----- Rupees in thousands -----

12 OTHER RECEIVABLES AND ACCRUED INTEREST

Interest receivable from banks	1,268	2,842
Deposit with Commissioner Workmen's Compensation	14,915	14,915
Refund against Fuel Price Adjustment	17,967	19,137
Others	30,673	6,193
	<u>64,823</u>	<u>43,087</u>

13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary shares of Rs. 10/- each 89,418,125 (June 30, 2015: 89,418,125) shares allotted for consideration paid in cash	894,181	894,181
10,300,000 (June 30, 2015: 10,300,000) shares allotted for consideration other than cash	103,000	103,000
	<u>997,181</u>	<u>997,181</u>

As at September 30, 2015, associated companies M/s Sky Pak Holding (Private) Limited and M/s Al-Miftah Holding (Private) Limited holds 20.444 million shares (June 30, 2015: 20.444 million shares) comprising 20.5% (June 30, 2015: 20.5%) and 9.147 million shares (June 30, 2015: 9.147 million shares) comprising 9.17% (June 30, 2015: 9.17%) respectively. Moreover, M/s Rising Star Holding (Private) Limited and M/s Golden Globe Holding (Private) Limited holds 6.309 million shares (June 30, 2015: 6.309 million shares) comprising 6.33% (June 30, 2015: 6.33%) and 8.479 million shares (June 30, 2015: 8.479 million shares) comprising 8.50% (June 30, 2015: 8.50%) respectively.

(Un-audited) September 2015	(Audited) June 2015
-----------------------------------	---------------------------

----- Rupees in thousands -----

14 DEFERRED TAXATION

Taxable temporary differences		
- accelerated tax depreciation	205,755	173,309
Deductible temporary differences		
- Provision for gratuity	(846)	(3,379)
- Other provisions - for doubtful debts and stores	(36,476)	(36,475)
- Excess of Alternate tax over corporate tax	(9,619)	-
	<u>(46,941)</u>	<u>(39,854)</u>
	<u>158,814</u>	<u>133,455</u>

	Note	(Un-audited) September 2015	(Audited) June 2015
----- Rupees in thousands -----			
15	TRADE AND OTHER PAYABLES		
		17,286	51,842
		131,434	103,562
	15.1	75,575	36,485
		28,342	25,464
		15,516	10,726
		4,355	28,358
		2,819	11,262
		30,765	22,377
		12,537	9,349
		222	222
		2,596	1,002
		<u>321,447</u>	<u>300,649</u>
15.1	It includes Rs. 57.681 million (June 30, 2015: Rs. 24.009 million) payable to Thatta Power (Private) Limited, the subsidiary company, in respect of purchase of electricity.		
16	CONTINGENCIES AND COMMITMENTS		
16.1	Contingencies		
	The status of contingencies is same as disclosed in the last annual audited unconsolidated financial statements.		
16.2	Commitments		
		46,749	42,065
		92,354	97,488
		<u>139,103</u>	<u>139,553</u>
17	SALES - NET		
		619,837	623,307
		2,494	2,895
		<u>622,331</u>	<u>626,202</u>
		(28,467)	(28,096)
		(99,435)	(97,935)
		(127,902)	(126,031)
		<u>494,429</u>	<u>500,171</u>

Quarter ended
September
2015 2014
----(Un-audited)----

----- Rupees in thousands -----

----- Rupees in thousands -----

18 COST OF SALES

Raw material consumed	37,311	26,713
Manufacturing expenses		
Packing material consumed	21,208	21,124
Stores, spare parts and loose tools consumed	11,352	22,233
Fuel and power	296,534	229,386
Salaries, wages and other benefits	66,550	57,431
Insurance	4,611	5,015
Repairs and maintenance	6,118	294
Depreciation	25,100	9,344
Other production overheads	6,980	5,267
	438,453	350,094
Cost of production	475,764	376,807
Work-in-process		
Opening balance	143,626	329,667
Closing balance	(275,450)	(387,517)
	(131,824)	(57,850)
Cost of goods manufactured	343,940	318,957
Finished goods		
Opening balance	32,425	35,355
Closing balance	(33,675)	(23,599)
	(1,250)	11,756
	342,690	330,713

19 OTHER INCOME

Income from financial assets		
Income on bank deposit accounts	848	72
Gain on disposal of available for sale investment	68,186	-
	69,034	72
Others		
Management fee	3,630	3,300
Scrap sales	3,685	47
Rental income	1,830	1,862
Others	408	1,663
	9,553	6,872
	78,587	6,944

20 TAXATION

Current tax	14,537	19,070
Deferred tax charge	25,359	7,190
	39,896	26,260

20.1 Workers' Profit Participation Fund, Workers' Welfare Fund and Taxation

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

	Quarter ended September	
	2015 ----(Un-audited)----	2014 ----(Un-audited)----
21 EARNINGS PER SHARE - BASIC AND DILUTED	----- Rupees in thousands -----	
Profit after taxation (Rupees in thousands)	<u>116,305</u>	<u>85,916</u>
Weighted average number of ordinary shares	<u>99,718,125</u>	<u>99,718,125</u>
Earnings per share (Rupees)	<u>1.17</u>	<u>0.86</u>

22 RELATED PARTY TRANSACTIONS

Related parties comprises 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 except for Service Level Agreement for Business Support Services with the subsidiary company for which pricing is approved by the Board of Directors. Further, contribution to defined contribution plan (provident fund) is made as per the terms of employment and trust deed and contribution to the defined benefit plan (gratuity scheme) is in accordance with the actuarial advice. Details of transactions during the quarter ended / outstanding balances as at September 30, 2015 with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim unconsolidated financial statements are as follows:

	Quarter ended September	
	2015 ----(Un-audited)----	2014 ----(Un-audited)----
----- Rupees in thousands -----		
Transactions with related parties		
Thatta Power (Private) Limited		
- Common shared expenses	871	831
- Purchase of store items (inclusive of GST) - net	48	105
- Purchase of electric power (inclusive of GST)	150,889	123,008
- Payment on account of electric power (inclusive of GST)	117,216	119,471
- Management fee charged (inclusive of SST)	4,138	3,795
- Management fee received (inclusive of SST)	-	3,690
- Receipt on account of common shared expenses	-	848
- Payment on account of purchase of store items - net	24	57
Bandhi Sugar Mills (Private) Limited		
- Sale of cement	288	-
- Receipt against sale of cement	288	-
Sui Southern Gas Company Limited		
- Purchase of gas excluding GST	8,333	2,468
- Payment against purchase of gas excluding GST	7,182	2,316

Quarter ended
September
2015 2014
----(Un-audited)----

----- Rupees in thousands -----

Key management personnel

- Salaries and benefits	38,029	29,451
- Sale of vehicle	-	615

Other related parties

- Contribution to employees' Gratuity Fund	11,262	14,749
- Contribution to employees' Provident Fund	2,035	1,859

Pak Suzuki Motor Company Limited

- Payment against purchase of vehicle	1,332	2,293
---------------------------------------	-------	-------

(Un-audited) (Audited)
September June
2015 2015

----- Rupees in thousands -----

Balances with related parties

Thatta Power (Private) Limited

- Payable against purchase of electric power (inclusive of GST)	57,681	24,009
- Receivable against management fee (inclusive of SST)	5,403	1,265
- Receivable against common shared expenses	1,173	302
- Payable against sale / purchase of store items - net	24	-

Sui Southern Gas Company Limited

- Payable against purchase of gas excluding GST	1,296	145
-------------------------------------------------	-------	-----

Habib Bank Limited

- Current account balance	20	4
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22.1 There are no transactions with key management personnel other than under their terms of employment.

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

23 OPERATING SEGMENTS

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

23.2 Revenue from sale of cement represents 100% (September 30, 2014: 100%) of the total revenue of the Company.

23.3 100% (September 30, 2014: 100%) sales of the Company relates to customers in Pakistan.

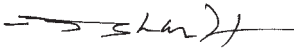
23.4 All non-current assets of the Company as at September 30, 2015 are located in Pakistan.

24 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The shareholders of the Company has approved the final cash dividend of Rs. 1.30 per share i.e. 13% amounting to Rs. 129.63 million in the Annual General Meeting held on October 16, 2015.

25 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorized for issue on October 26, 2015 by the Board of Directors of the Company.



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2015

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

As at September 30, 2015

	Note	(Un-audited) September 2015	(Audited) June 2015
----- Rupees in thousands -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,429,293	3,396,003
Intangible assets		6,230	6,418
Long term investment - available-for-sale	7	135,905	279,341
Long term deposits		1,096	1,096
		<u>3,572,524</u>	<u>3,682,858</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	8	264,079	225,502
Stock-in-trade	9	362,460	230,907
Trade debts	10	467,752	477,102
Short term investment - held to maturity		306,000	306,000
Loans and advances	11	32,939	19,066
Trade deposits and short term prepayments		20,135	25,640
Other receivables and accrued interest	12	72,656	57,676
Taxation - net		36,420	21,454
Cash and bank balances		157,988	172,853
		<u>1,720,429</u>	<u>1,536,200</u>
		<u>5,292,953</u>	<u>5,219,058</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 200,000,000 (June 30, 2015: 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	13	997,181	997,181
Share premium		99,718	99,718
Revaluation of available-for-sale investment		58,639	144,835
Accumulated profit		1,004,100	881,658
		<u>2,159,638</u>	<u>2,123,392</u>
Non-controlling interest		455,783	452,089
		<u>2,615,421</u>	<u>2,575,481</u>
NON-CURRENT LIABILITIES			
Long term financing		1,677,355	1,646,862
Long term deposits		3,844	3,844
Long term employee benefit		14,862	15,093
Deferred taxation	14	158,814	133,455
		<u>1,854,875</u>	<u>1,799,254</u>
CURRENT LIABILITIES			
Trade and other payables	15	376,370	364,658
Accrued mark-up		44,806	46,039
Current maturity of long term financing		363,201	298,177
Short term borrowings		38,280	135,449
		<u>822,657</u>	<u>844,323</u>
CONTINGENCIES AND COMMITMENTS			
	16	<u>5,292,953</u>	<u>5,219,058</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM CONSOLIDATED PROFIT & LOSS ACCOUNT (UN-AUDITED)

For the quarter ended September 30, 2015

	Note	Quarter ended September	
		2015	2014
----- Rupees in thousands -----			
Sales - net	17	498,917	765,630
Cost of sales	18	(319,460)	(505,130)
Gross profit		<u>179,457</u>	<u>260,500</u>
Selling and distribution cost		(8,161)	(7,541)
Administrative expenses		(27,353)	(23,406)
		(35,514)	(30,947)
Operating profit		<u>143,943</u>	<u>229,553</u>
Other operating expenses		(15,984)	(36,619)
Finance cost		(44,577)	(44,142)
		(60,561)	(80,761)
Other income	19	83,674	15,268
Profit before taxation		<u>167,056</u>	<u>164,060</u>
Taxation	20	(40,920)	(30,145)
Profit after taxation		<u>126,136</u>	<u>133,915</u>
Profit after taxation for the quarter attributable to:			
- Equity holders of the Holding Company		122,442	115,882
- Non-controlling interest		3,694	18,033
		<u>126,136</u>	<u>133,915</u>
----- Rupees -----			
Earnings per share - basic and diluted	21	<u>1.23</u>	<u>1.16</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.



 CHIEF EXECUTIVE



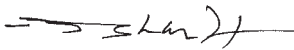
 DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

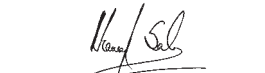
For the quarter ended September 30, 2015

	Quarter ended September	
	2015	2014
	----- Rupees in thousands -----	
Profit after taxation	126,136	133,915
Other comprehensive income / (loss)		
<i>Items to be reclassified to profit and loss account in subsequent periods</i>		
Deficit on revaluation of available-for-sale investment	(24,560)	(11,759)
Total comprehensive income for the quarter	<u>101,576</u>	<u>122,156</u>
Total comprehensive income for the period attributable to:		
- Equity holders of the Holding Company	97,882	104,123
- Non-controlling interest	3,694	18,033
	<u>101,576</u>	<u>122,156</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the quarter ended September 30, 2015

Quarter ended
September
2015 2014
----- Rupees in thousands -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	167,056	164,060
Adjustment for:		
Depreciation	34,408	22,507
Amortization of intangible assets	188	94
Finance cost	44,577	44,142
Provision for gratuity	2,819	2,865
Provision for leave encashment	618	526
Impairment of property, plant and equipment	1,875	-
Gain on disposal of long term investment - available-for-sale	(68,186)	-
Revaluation loss on outstanding balance of deferred payment letter of credit	3,551	14,317
Gain on disposal of property, plant and equipment	-	(170)
	19,850	84,281
Operating cash flows before working capital changes	186,906	248,341
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(38,577)	(11,766)
Stock-in-trade	(131,553)	(52,685)
Trade debts	9,350	(110,302)
Loans and advances	(13,873)	2,404
Trade deposits and short term prepayments	5,505	3,456
Other receivable and accrued interest	(14,980)	20,908
	(184,128)	(147,985)
Increase / (decrease) in current liabilities		
Trade and other payables excluding gratuity payable and dividend payable	20,155	(104,728)
Cash generated from / (used in) operations	22,933	(4,372)
Finance cost paid	(49,595)	(22,213)
Gratuity paid	(11,262)	(14,749)
Leave encashment paid	(849)	(294)
Tax paid - net	(30,527)	(33,078)
	(92,233)	(70,334)
Net cash used in operating activities	(69,300)	(74,706)

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(65,961)	(212,554)
Addition in intangible assets	-	(3,750)
Dividend paid	-	(38)
Disposal of long term investment - available-for-sale	125,426	-
Proceeds from disposal of property, plant and equipment	-	615
Long term deposits - assets	-	(100)
Net cash generated from / (used in) investing activities	59,465	(215,827)

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the quarter ended September 30, 2015

Quarter ended September	
2015	2014
---- Rupees in thousands ----	

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(29,861)	(36,529)
Long term financing obtained	122,000	248,127
Long term deposits - liabilities	-	(2,082)
Net cash generated from financing activities	92,139	209,516
Net increase / (decrease) in cash and cash equivalents	82,304	(81,017)
Cash and cash equivalents at beginning of the quarter	37,404	(249,113)
Cash and cash equivalents at end of the quarter	119,708	(330,130)


CASH AND CASH EQUIVALENTS

Cash and bank balances	157,988	277,406
Short term borrowings	(38,280)	(607,536)
	119,708	(330,130)

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



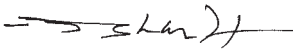
DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

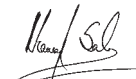
For the quarter ended September 30, 2015

	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, 2014	997,181	99,718	-	517,496	1,614,395	340,905	1,955,300
<i>Total comprehensive income for the quarter ended September 30, 2014</i>							
Profit after taxation	-	-	-	115,882	115,882	18,033	133,915
Deficit on revaluation of available-for-sale investment	-	-	(11,759)	-	(11,759)	-	(11,759)
Balance as at September 30, 2014	<u>997,181</u>	<u>99,718</u>	<u>(11,759)</u>	<u>633,378</u>	<u>1,718,518</u>	<u>358,938</u>	<u>2,077,456</u>
Balance as at July 1, 2015	997,181	99,718	144,835	881,658	2,123,392	452,089	2,575,481
<i>Total comprehensive income for the quarter ended September 30, 2015</i>							
Profit after taxation	-	-	-	122,442	122,442	3,694	126,136
Reclassification adjustment relating to profit realized on disposal of investment classified as 'available for sale'	-	-	(61,636)	-	(61,636)	-	(61,636)
Deficit on revaluation of available-for-sale investment	-	-	(24,560)	-	(24,560)	-	(24,560)
Balance as at September 30, 2015	<u>997,181</u>	<u>99,718</u>	<u>58,639</u>	<u>1,004,100</u>	<u>2,159,638</u>	<u>455,783</u>	<u>2,615,421</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2015

1 THE GROUP AND ITS OPERATIONS

- 1.1 The Group consists of Thatta Cement Company Limited (TCCL), the Holding Company and Thatta Power (Private) Limited (TPPL), the Subsidiary (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 (the Subsidiary) is a 62.43% owned subsidiary of the Holding Company as at September 30, 2015 (June 30, 2015: 62.43%). The principal business of the subsidiary is generation, supply and transmission of electrical power. As at September 30, 2015 TPPL has authorized and issued capital of Rs. 500 million and Rs. 479.16 million divided into 50,000,000 (June 30, 2015: 50,000,000 ordinary shares) and 47,915,830 (June 30, 2015: 47,915,830) ordinary shares respectively.

2 BASIS OF PREPARATION

These condensed interim consolidated financial statements for the quarter ended September 30, 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 these condensed interim consolidated financial statements do not include all of the information required in the annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended June 30, 2015.

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 September 30, 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 quarter ended September 30, 2015.

2.1 Basis of consolidation

These condensed interim consolidated financial statements include the condensed interim financial statements of the Holding Company and the 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 interest 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, 2015.

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 the 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, 2015.

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, 2015.

	Note	(Un-audited) September 2015	(Audited) June 2015
----- Rupees in thousands -----			
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	3,355,564	2,091,313
Capital work-in-progress	6.2	3,952	1,234,471
Major stores and spares		69,777	70,219
		<u>3,429,293</u>	<u>3,396,003</u>
6.1 Operating fixed assets			
Opening Written Down Value (WDV)		2,091,313	2,101,747
Additions during the quarter / year - at cost			
- Factory building on freehold land		-	1,328
- Electrical installations		1,841	-
- Housing colonies		-	384
- Plant and machinery		1,295,609	50,698
- Quarry equipment		-	1,103
- Vehicles		2,977	10,030
- Office equipment		-	2,233
- Laboratory equipment		-	3,773
- Computers		107	6,166
		1,300,534	75,715

	(Un-audited) September 2015	(Audited) June 2015
	----- Rupees in thousands -----	
WDV of deletions during the quarter / year	-	(1,040)
Transfer/Adjustment	(1,875)	-
Depreciation charge for the quarter / year	(34,408)	(85,109)
	(36,283)	(86,149)
	<u>3,355,564</u>	<u>2,091,313</u>

6.2 Capital work-in-progress

Opening balance	1,234,471	503,987
Additions	100,891	734,435
Transferred to operating fixed assets, store & spares and advances	(1,331,410)	(3,951)
	<u>3,952</u>	<u>1,234,471</u>

7 LONG TERM INVESTMENT - AVAILABLE-FOR-SALE

Long term investment - available-for-sale represents investment in 13.798 million shares (June 30, 2015: 24.019 million shares) of Power Cement Limited (PCL). The market value per share of PCL was Rs. 9.85 per share as on September 30, 2015 (June 30, 2015: Rs. 11.63 per share). Decrease in the value of investment amounting to Rs. 24.56 million is recorded in 'Other Comprehensive Income' for the quarter ended September 30, 2015.

	Note	(Un-audited) September 2015	(Audited) June 2015
		----- Rupees in thousands -----	
8 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	8.1	193,252	148,108
Spare parts		100,974	107,518
Loose tools		278	301
		294,504	255,927
Provision for dead stores		(6,787)	(6,787)
Provision for slow moving stores and spares		(23,638)	(23,638)
		(30,425)	(30,425)
		<u>264,079</u>	<u>225,502</u>

8.1 This includes stores in transit of Rs. 4.559 million (June 30, 2015: Rs. 35.456 million) as at the balance sheet date.

	Note	(Un-audited) September 2015	(Audited) June 2015
----- Rupees in thousands -----			
9	STOCK-IN-TRADE		
	Raw material	29,466	38,241
	Packing material	24,446	25,933
	Work-in-process	274,910	135,351
	Finished goods	33,638	31,382
		<u>362,460</u>	<u>230,907</u>

10	TRADE DEBTS		
	Considered good		
	Local - unsecured	10.1	467,752
	Considered doubtful		
	Cement stockiest	60,801	60,801
	Excessive rebate allowed	6,101	6,101
	Controller military accounts	5,126	5,126
		72,028	72,028
	Provision for doubtful debts	(72,028)	(72,028)
		<u>467,752</u>	<u>477,102</u>

10.1 This includes balance outstanding from Hyderabad Electric Supply Company Limited (HESCO). HESCO has not paid the monthly bills against supply of electric power since February 2015 (Rs. 12.86 million, representing 17% of the bill amount of February 2015 is outstanding whereas the bills for March - August 2015 are overdue amounting to Rs. 280.082 million. Further, Rs.1.523 million is outstanding against the bill of September 2015 which was not due as on September 30, 2015). As disclosed in detail in the annual audited consolidated financial statements for the year ended June 30, 2015, subsequently the Honorable High Court of Sindh disposed off the petition filed by the Subsidiary with the direction to HESCO to pay TPPL against purchase of electricity as per the rates stipulated in PPA until 01-02-2012 and thereafter on the rates determined by NEPRA. In view of the adverse order and according to the advice of the legal counsel the Subsidiary has decided to file an appeal before the Supreme Court of Pakistan against the order passed by the High Court of Sindh which is pending for hearing.

	Note	(Un-audited) September 2015	(Audited) June 2015
----- Rupees in thousands -----			
11	LOANS AND ADVANCES		
	Considered good		
	To employees	33	64
	Advances		
	- against letter of credit	2,872	172
	- advance to vendors	28,139	18,676
	- others	1,895	154
		32,906	19,002
		<u>32,939</u>	<u>19,066</u>

12 OTHER RECEIVABLES AND ACCRUED INTEREST

Interest receivable from banks	9,101	16,231
Deposit with Commissioner Workmen's Compensation	14,915	14,915
Refund against Fuel Price Adjustment	17,967	19,137
Others	30,673	7,393
	<u>72,656</u>	<u>57,676</u>

13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary shares of Rs. 10/- each 89,418,125 (June 30, 2015: 89,418,125) shares allotted for consideration paid in cash	894,181	894,181
10,300,000 (June 30, 2015: 10,300,000) shares allotted for consideration other than cash	103,000	103,000
	<u>997,181</u>	<u>997,181</u>

As at September 30, 2015, associated companies M/s Sky Pak Holding (Private) Limited and M/s Al-Miftah Holding (Private) Limited holds 20.444 million shares (June 30, 2015: 20.444 million shares) comprising 20.5% (June 30, 2015: 20.5%) and 9.147 million shares (June 30, 2015: 9.147 million shares) comprising 9.17% (June 30, 2015: 9.17%) respectively. Moreover, M/s Rising Star Holding (Private) Limited and M/s Golden Globe Holding (Private) Limited holds 6.309 million shares (June 30, 2015: 6.309 million shares) comprising 6.33% (June 30, 2015: 6.33%) and 8.479 million shares (June 30, 2015: 8.479 million shares) comprising 8.50% (June 30, 2015: 8.50%) respectively.

14 DEFERRED TAXATION

Taxable temporary differences		
- accelerated tax depreciation	205,755	173,309
Deductible temporary differences		
- Provision for gratuity	(846)	(3,379)
- Other provisions - for doubtful debts and stores	(36,476)	(36,475)
- Excess of Alternate tax over corporate tax	(9,619)	-
	<u>(46,941)</u>	<u>(39,854)</u>
	<u>158,814</u>	<u>133,455</u>

(Un-audited) September 2015	(Audited) June 2015
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----- Rupees in thousands -----

15 TRADE AND OTHER PAYABLES

Trade creditors	17,286	52,034
Accrued liabilities	125,323	110,272
Bills payable	75,575	36,485
Advances from customers	28,342	25,464
Contractors retention money	15,516	10,726
Excise duty and sales tax payable	7,594	27,913
Payable to Gratuity Fund	2,819	11,262
Workers' Profit Participation Fund	70,535	62,033
Workers' Welfare Fund	27,649	24,418
Unclaimed dividend	222	222
Other liabilities	5,509	3,829
	<u>376,370</u>	<u>364,658</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

The status of contingencies is same as disclosed in the last annual audited consolidated financial statements other than those explained in note 10.1.

16.2 Commitments

Commitments in respect of capital expenditure	46,749	42,065
Guarantees given by banks on behalf of the Group	398,354	403,488
Commitment in respect of mark-up on liability against DPLC	641	2,922
	<u>445,744</u>	<u>448,475</u>

Quarter ended September	
2015	2014
----(Un-audited)----	

----- Rupees in thousands -----

17 SALES - NET

Local	625,088	933,894
Export	<u>2,494</u>	<u>2,895</u>
	627,582	936,789
Less - Federal excise duty	(28,467)	(28,096)
- Sales tax	(100,198)	(143,063)
	(128,665)	(171,159)
	<u>498,917</u>	<u>765,630</u>

----- Rupees in thousands -----

18 COST OF SALES

Raw material consumed	37,311	26,713
Manufacturing expenses		
Packing material consumed	21,208	21,124
Stores, spare parts and loose tools consumed	17,734	28,378
Fuel and power	252,939	351,271
Salaries, wages and other benefits	66,550	57,431
Insurance	7,640	8,211
Repairs, operations and maintenance	17,939	31,413
Depreciation	32,953	20,708
Other production overheads	7,001	5,975
	423,964	524,511
Cost of production	461,275	551,224
Work-in-process		
Opening balance	135,351	317,003
Closing balance	(274,910)	(374,853)
	(139,559)	(57,850)
Cost of goods manufactured	321,716	493,374
Finished goods		
Opening balance	31,382	34,456
Closing balance	(33,638)	(22,700)
	(2,256)	11,756
	319,460	505,130

19 OTHER INCOME

Income from financial assets		
Income on bank deposit accounts	9,270	11,745
Gain on disposal of available for sale investment	68,186	-
	77,456	11,745
Others		
Scrap sales	4,143	147
Rental income	1,667	1,713
Others	408	1,663
	6,218	3,523
	83,674	15,268

20 TAXATION

Current tax	15,561	22,955
Deferred tax charge	25,359	7,190
	40,920	30,145

Quarter ended
September
2015 2014
----(Un-audited)----

----- Rupees in thousands -----

21 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation (Rupees in thousands)	<u>122,442</u>	<u>115,882</u>
Weighted average number of ordinary shares	<u>99,718,125</u>	<u>99,718,125</u>
Earnings per share (Rupees)	<u>1.23</u>	<u>1.16</u>

22 RELATED PARTY TRANSACTIONS

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 quarter ended / outstanding balances as at September 30, 2015 with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

Quarter ended
September
2015 2014
----(Un-audited)----

----- Rupees in thousands -----

Transactions with related parties

Sui Southern Gas Company Limited

- Purchase of gas excluding GST	93,600	229,488
- Payment against purchase of gas excluding GST	84,634	192,897

Bandhi Sugar Mills (Private) Limited

- Sale of cement	288	-
- Receipt against sale of cement	288	-

Key management personnel

- Salaries and benefits	38,029	29,451
- Sale of vehicles	-	615

Other related parties

- Contribution to employees' Gratuity Fund	11,262	14,749
- Contribution to employees' Provident Fund	2,035	1,859

Pak Suzuki Motor Company Limited

- Payment against purchase of vehicle	1,332	2,293
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Balances with related parties

Sui Southern Gas Company Limited

- Payable against purchase of gas excluding GST 32,192 23,226

Habib Bank Limited

- Current account balance 20 4

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

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

23 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.

23.1 Revenues

	Cement		Power		Intra group adjustment		Consolidated	
	September 2015	September 2014	September 2015	September 2014	September 2015	September 2014	September 2015	September 2014
	----- Un-audited -----							
	----- Rupees in thousands -----							
Revenue	494,429	500,171	133,453	370,594	(128,965)	(105,135)	498,917	765,630
Cost of sales	(342,690)	(330,713)	(114,639)	(279,701)	137,869	105,284	(319,460)	(505,130)
Gross profit	151,739	169,458	18,814	90,893	8,904	149	179,457	260,500
Selling and distribution cost	(8,161)	(7,541)	-	-	-	-	(8,161)	(7,541)
Administrative expenses	(26,254)	(22,088)	(4,729)	(4,618)	3,630	3,300	(27,353)	(23,406)
	(34,415)	(29,629)	(4,729)	(4,618)	3,630	3,300	(35,514)	(30,947)
Operating profit	117,324	139,829	14,085	86,275	12,534	3,449	143,943	229,553
Other operating expenses	(12,276)	(18,005)	(3,708)	(18,614)	-	-	(15,984)	(36,619)
Finance cost	(27,434)	(16,592)	(17,143)	(27,550)	-	-	(44,577)	(44,142)
	(39,710)	(34,597)	(20,851)	(46,164)	-	-	(60,561)	(80,761)
Other income	78,587	6,944	8,880	11,773	(3,793)	(3,449)	83,674	15,268
Segment results	156,201	112,176	2,114	51,884	8,741	-	167,056	164,060
Unallocated expenditures	-	-	-	-	-	-	-	-
Profit before tax	156,201	112,176	2,114	51,884	8,741	-	167,056	164,060
Tax	(39,896)	(26,260)	(1,024)	(3,885)	-	-	(40,920)	(30,145)
Profit after tax	116,305	85,916	1,090	47,999	8,741	-	126,136	133,915

23.2 Other Information

	Cement		Power		Intra group adjustment		Consolidated	
	September 2015	June 2015	September 2015	June 2015	September 2015	June 2015	September 2015	June 2015
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	----- Rupees in thousands -----							
Segment assets	3,651,789	3,559,115	2,000,183	1,994,476	(359,019)	(334,533)	5,292,953	5,219,058
Unallocated corporate assets	-	-	-	-	-	-	-	-
Total assets	<u>3,651,789</u>	<u>3,559,115</u>	<u>2,000,183</u>	<u>1,994,476</u>	<u>(359,019)</u>	<u>(334,533)</u>	<u>5,292,953</u>	<u>5,219,058</u>
Segment liabilities	1,948,180	1,885,615	787,033	782,416	(57,681)	(24,454)	2,677,532	2,643,577
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
Total liabilities	<u>1,948,180</u>	<u>1,885,615</u>	<u>787,033</u>	<u>782,416</u>	<u>(57,681)</u>	<u>(24,454)</u>	<u>2,677,532</u>	<u>2,643,577</u>
Capital expenditure	63,934	687,774	2,027	3,650	-	-	65,961	691,424
Depreciation	<u>26,549</u>	<u>43,306</u>	<u>7,859</u>	<u>41,803</u>	-	-	<u>34,408</u>	<u>85,109</u>
Non-cash expenses other than depreciation	<u>17,846</u>	<u>108,886</u>	<u>20,694</u>	<u>104,145</u>	<u>(23,609)</u>	<u>42,628</u>	<u>14,931</u>	<u>255,659</u>

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

Consolidated September 2015 ----(Un-audited)----	
2014	2015
----- Rupees in thousands -----	

23.3.1 Operating revenues

Total revenue of reportable segments	627,882	870,765
Elimination of intra group revenue	(128,965)	(105,135)
Consolidated revenue	<u>498,917</u>	<u>765,630</u>

23.3.2 Profit and loss

Total profit before tax of reportable segments	158,315	164,060
Adjustment of unrealized profit and intra group transactions	8,741	-
Consolidated profit before tax	<u>167,056</u>	<u>164,060</u>

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

23.3.3 Assets

Total assets of reportable segments	5,651,972	5,553,591
Elimination of intra group balances and unrealised profit	(357,416)	(332,485)
Reclassifications for consolidation purposes	(1,603)	(2,048)
Consolidated assets	<u>5,292,953</u>	<u>5,219,058</u>

23.3.4 Liabilities

Total liabilities of reportable segments	2,735,213	2,668,031
Elimination of intra group balances	(57,681)	(24,009)
Reclassifications for consolidation purposes	-	(445)
Consolidated liabilities	<u>2,677,532</u>	<u>2,643,577</u>

23.4 Geographical segment analysis

	Revenue		Total Assets		Net Assets	
	September 2015 (Un-audited)	September 2014 (Un-audited)	September 2015 (Un-audited)	June 2015 (Audited)	September 2015 (Un-audited)	June 2015 (Audited)
	----- Rupees in thousands -----					
Pakistan	496,423	762,735	5,292,953	5,219,058	2,615,421	2,575,481
Export Processing Zone - Karachi	2,494	2,895	-	-	-	-
	<u>498,917</u>	<u>765,630</u>	<u>5,292,953</u>	<u>5,219,058</u>	<u>2,615,421</u>	<u>2,575,481</u>

23.5 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.

24 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The shareholders of the Holding Company has approved the final cash dividend of Rs. 1.30 per share i.e. 13% amounting to Rs. 129.63 million in the Annual General Meeting held on October 16, 2015.

25 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been authorized for issue on October 26, 2015 by the Board of Directors of the Holding Company.



CHIEF EXECUTIVE



DIRECTOR



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