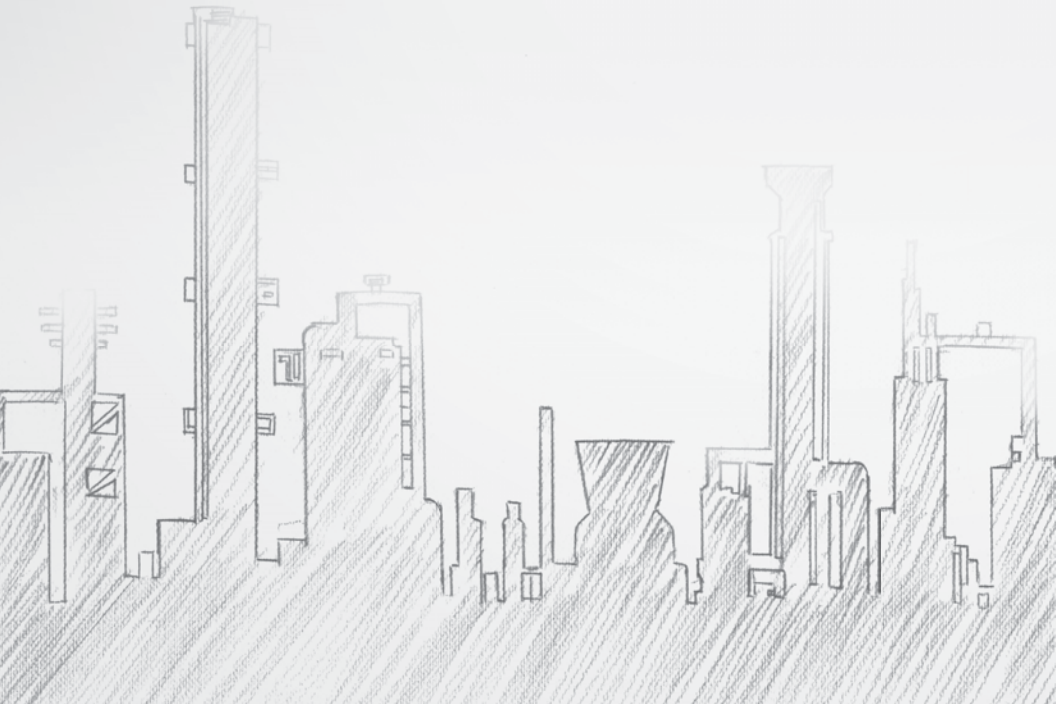


Half Yearly Report
December
2015



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
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
Director
Director
Director
Director
Director

AUDIT COMMITTEE

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

Chairman
Member
Member
Member

HR & REMUNERATION COMMITTEE

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

Chairman
Member
Member
Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Muhammad Taha Hamdani

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

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

FACTORY

Ghulamullah Road, Makli,
District Thatta, Sindh 73160

LEGAL ADVISOR

M/s Usmani & Iqbal

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

BANKERS

Sindh Bank Limited
National Bank of Pakistan
Summit Bank Limited
Silk Bank Limited

DIRECTORS' REVIEW

The Board of Directors of Thatta Cement Company Limited present herewith their review together with the un-audited financial statements duly reviewed by external auditors for the half year ended December 31, 2015.

INDUSTRY OVERVIEW

The Cement industry witnessed a growth of 6.38% during the first half of the current financial year over the corresponding period last year. Domestic cement consumption has been on the ascent which grew by 16.34 % during July – December 2015, whereas exports declined by 25.67 % during the same period in comparison with corresponding period of last year. The decline in exports has been overly offset by the growth in local demand.

Demand for cement is mainly due to projects in the housing and infrastructure and initiation of development work on the China Pakistan Economic Corridor [CPEC]. The healthy growth in cement demand augurs well for the industry including your Company. Cement factories located in the South witnessed a healthy growth of 21.63% in domestic dispatches as compared to the corresponding period whereas cement companies in Northern region posted growth of 15.32% in domestic dispatches compared to the corresponding period.

The overall cement demand is expected to remain buoyant in the near to medium term and the capacity utilization of the cement factories is expected to improve going forward.

BUSINESS PERFORMANCE

a. Production and Sales Volume Performance

The clinker production of your Company during the period under review had been 184,647 tons whereas the clinker production during the corresponding period of previous year was 128,835 tons. The increase in clinker production on YoY basis has been 43.32%.

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

	December 2015	December 2014	Variance	
	----- Metric Tons -----			%
Plant capacity – Clinker	255,000	225,000	30,000	13.33
Production				
- Clinker	184,647	128,835	55,812	43.32
- Cement	160,008	127,962	32,046	25.04
- GGBFS	520	12,500	(11,980)	(95.84)
- Class G Cement	3,180	511	2,669	522.31
Dispatches				
Cement				
- Local	160,780	128,996	31,784	24.64
- Class G Cement	200	511	(311)	(60.86)
- Exports	945	945	-	-
	<u>161,925</u>	<u>130,452</u>	<u>31,473</u>	<u>24.13</u>
Clinker	<u>3,985</u>	<u>-</u>	<u>3,985</u>	<u>100</u>
GGBFS -Local	<u>520</u>	<u>12,500</u>	<u>(11,980)</u>	<u>(95.84)</u>
	<u>166,430</u>	<u>142,952</u>	<u>23,478</u>	<u>16.42</u>

Local cement dispatches of your Company appreciated by 24.64% over the same period of last year reflecting a better performance by your Company as compared to the growth in Southern Region during the period. GGBFS dispatches declined due to non-availability of slag from Pakistan Steel Mills for its production. In order to promote

overall growth in sales revenue and better management of clinker inventory, the Company has undertaken sale of clinker and has sold 3,985 tons clinker during the period.

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

	December 2015	December 2014	Variance	
	----- Million Metric Tons -----			%
Cement Industry				
Local sales	15.199	13.065	2.134	16.34
Exports	3.017	4.059	(1.042)	(25.67)
	<u>18.216</u>	<u>17.124</u>	<u>1.092</u>	<u>6.38</u>
	----- Metric Tons -----			%
Thatta Cement Company Limited				
Local sales - Cement	161,500	142,007	19,493	13.73
Local sales – Clinker	3,985	-	3,985	100
Exports	945	945	-	-
	<u>166,430</u>	<u>142,952</u>	<u>23,478</u>	<u>16.42</u>

b. Financial Performance

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

	December 2015	December 2014
	----- Rupees in thousands -----	
Turnover – net	1,179,300	1,040,830
Gross profit	377,988	345,970
Finance Cost	61,586	37,214
Profit before taxation	304,935	220,527
Profit after taxation	299,823	134,062
Earnings per share (Rupees)	3.01	1.34

The gross profit margin decreased to 32.05% during the half year ended December 31, 2015 as compared to 33.24 % during the same period of last year. The slight decline has been on account of lower production of clinker to manage its inventory and hence fixed cost incurred in the month of December 2015 was charged to profit and loss account as period cost. The Company earned a profit before tax of Rs 304.935 million after providing depreciation of Rs. 52.770 million.

(i) Sales Performance

The sales of the Company during the half year ended December 31, 2015 increased by 13.30 % in value terms whereas it increased by 16.42% in terms of volume.

(ii) Cost of Sales

The cost of sales ratio to sales has increased to 67.95% during the period as compared to 66.76% in the corresponding period. The increase is attributable to fixed cost incurred in the month of December 2015 that was charged to profit and loss account as period cost due to lower production of clinker during the month of December 2015.

(iii) Distribution Cost

Distribution cost has increased by 67.35% during the period as compared to the corresponding period of last year mainly on account of increase in salaries and wages due to new hiring and sales promotion expenses.

(iv) Finance Cost

Finance cost has increased by 65.49% during the six months as compared to the corresponding period of last year due to interest expense incurred on long term financing obtained for Balancing, Modernization and Replacement project (BMR) which was not charged to profit and loss in the corresponding period and was capitalized.

FUTURE OUTLOOK

Stepping in the year 2016, domestic demand in all likelihood shall continue to be generated by the China Pakistan Economic Corridor project till its completion and Government's long term investment in power generation projects such as Diamir Basha Dam and Dasu Hydro power project. Demand for housing needs of various segments of the society still has a huge potential to accelerate the demand for cement in the country further, which is evident from various projects already in progress by leading construction companies like Bahria Town and DHA.

Interest rates stabilized at 6% will continue to facilitate expansion in the cement sector through availability of cheap debt finance. Moreover, coal prices are also expected to remain stable or decline slightly due to lower demand from China which will contribute positively through enhanced margins for cement manufacturing companies. Selling price is expected to remain stable in the remaining period of the current financial year.

After completion of the BMR and re-commissioning of the cement plant operations in July 2015, your Company has achieved its objectives substantially and resurrected as a modern day cement company. The plant has achieved better efficiency levels resulting in improved productivity and lower cost of production. The BMR has been accompanied by significant improvement in the quality of our products as well as on account of the technologies adopted. This would assist Thatta Cement in gaining its rightful market share and maintain its competitive edge.

Despite the above positive indicators, lifting of sanctions from Iran may pose a challenge to the industry at large in the shape of additional supply of cement in local market; consequently affecting cement dispatches by local producers. The Government should consider imposing regulatory duty on import of cement to support the local cement industry particularly in the Southern Region. The economic outlook of the country in general appears promising; however, there still exist macroeconomic and geopolitical risks which need to be addressed by the Government timely.

WASTE HEAT RECOVERY PROJECT

The arrangement of financing for the project with syndicate of Banks is in the final stages and is expected to be completed by the end of January 2016.

PERFORMANCE OF THE GROUP

A brief of the financial position and performance of the Group for the half year ended December 31, 2015, is provided below.

	December 2015	June 2015
----- Rupees in thousands -----		
Balance Sheet		
Property, plant and equipment	3,434,798	3,396,003
Stock-in-trade	354,919	230,907
Trade debts	548,193	477,102
Paid-up share capital	997,181	997,181
Total shareholders' equity	2,208,052	2,123,392
Trade and other payables	289,097	364,658
Short term borrowings	371,576	135,449

Profit and Loss

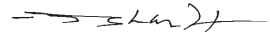
Turnover – net	1,187,031	1,565,103
Gross profit	437,162	563,636
Profit before taxation	327,704	369,924
Profit after taxation	321,665	295,269
Earnings per share (Rupees)	3.14	2.35

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, teamwork, loyalty and hard work of all the employees of the Company and the untiring efforts that were put up in timely completion of the BMR project inspite of adverse weather conditions and hope their continued dedication shall further consolidate the Company and keep its growth abreast to face future developments and demands.

On behalf of the Board

Karachi: February 4, 2016



Muhammad Fazlullah Shariff
Chief Executive

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS ON CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL STATEMENTS**

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Modern Motors House
Beaumont Road,
Karachi 75530

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Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of Thatta Cement Company Limited (the Company) as at December 31, 2015 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "interim unconsolidated financial statements"). Management of the Company is responsible for the preparation and fair presentation of these interim unconsolidated financial statements in accordance with approved accounting standards as applicable in Pakistan, for interim financial reporting. Our responsibility is to express a conclusion on these interim unconsolidated financial statements based on our review. The figures for the three months quarter ended December 31, 2015 and December 31, 2014 in the interim unconsolidated financial statements have not been reviewed and we do not express conclusion thereon as we are required to review only the cumulative figure for the half year ended December 31, 2015.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim unconsolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

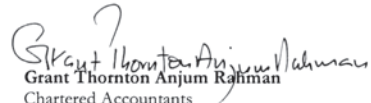
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim unconsolidated financial statements as of and for the half year ended December 31, 2015 are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The financial statements of the Company for the half year ended December 31, 2014 and for the year ended June 30, 2015 were reviewed and audited by another firm of auditors who in their report dated February 13, 2015 and September 17, 2015, expressed an unqualified conclusion and opinion respectively.

Dated: February 04, 2016
Karachi


Grant Thornton Anjum Rahman
Chartered Accountants
Muhammad Shaukat Naseeb
Engagement Partner


CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2015

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

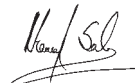
As at December 31, 2015

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
----- Rupees in thousands -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,201,236	2,149,869
Intangible assets		6,861	6,418
Long term investment in Subsidiary		299,158	299,158
Long term investment - available for sale	6	122,936	279,341
Long term deposits		1,096	1,096
Total non - current assets		2,631,287	2,735,882
Current assets			
Stores, spare parts and loose tools	7	311,439	196,110
Stock - in - trade	8	359,234	240,225
Trade debts	9	249,934	187,888
Loan / advance to Subsidiary	10	122,006	-
Loans and advances	11	15,391	19,043
Trade deposits and short term prepayments		12,029	19,051
Other receivables and accrued interest	12	67,221	43,087
Taxation - net		66,388	4,992
Cash and bank balances		86,987	112,837
Total current assets		1,290,629	823,233
Total assets		3,921,916	3,559,115
EQUITY & LIABILITIES			
Shareholders' equity			
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 share capital	13	997,181	997,181
Share premium		99,718	99,718
Revaluation of available-for-sale investment		45,670	144,835
Unappropriated profit		601,955	431,766
Total shareholders' equity		1,744,524	1,673,500
Non-current liabilities			
Long term financing		1,240,050	1,215,380
Long term deposits		3,844	3,844
Long term employee benefit		15,478	15,093
Deferred taxation	14	138,540	133,455
Total non-current liabilities		1,397,912	1,367,772
Current liabilities			
Trade and other payables	15	233,179	300,649
Accrued mark-up		8,197	38,104
Current maturity of long term financing		191,869	69,398
Short term borrowings		346,235	109,692
Total current liabilities		779,480	517,843
Total equity and liabilities		3,921,916	3,559,115
CONTINGENCIES AND COMMITMENTS			
16			

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



CHIEF EXECUTIVE



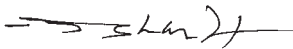
DIRECTOR

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

For the half year ended December 31, 2015

	Note	Half year ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
----- Rupees in thousands -----					
Sales - net	17	1,179,300	1,040,830	684,871	540,659
Cost of sales	18	(801,312)	(694,860)	(458,622)	(364,147)
Gross profit		<u>377,988</u>	<u>345,970</u>	<u>226,249</u>	<u>176,512</u>
Selling and distribution cost		(28,441)	(16,994)	(20,280)	(9,453)
Administrative expenses		(53,305)	(47,802)	(27,051)	(25,714)
		(81,746)	(64,796)	(47,331)	(35,167)
Operating profit		<u>296,242</u>	<u>281,174</u>	<u>178,918</u>	<u>141,345</u>
Other operating expenses		(25,103)	(41,371)	(12,827)	(23,366)
Finance cost		(61,586)	(37,214)	(34,152)	(20,622)
		(86,689)	(78,585)	(46,979)	(43,988)
Other income	19	95,382	17,938	16,795	10,994
Profit before taxation		<u>304,935</u>	<u>220,527</u>	<u>148,734</u>	<u>108,351</u>
Taxation	20	(5,112)	(86,465)	34,784	(60,205)
Profit after taxation		<u>299,823</u>	<u>134,062</u>	<u>183,518</u>	<u>48,146</u>
Earnings per share - basic and diluted - Rupees	21	<u>3.01</u>	<u>1.34</u>	<u>1.84</u>	<u>0.48</u>

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



CHIEF EXECUTIVE



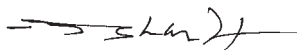
DIRECTOR

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

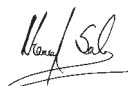
For the half year ended December 31, 2015

	Half year ended December 31, 2015		Quarter ended December 31, 2015	
	2015	2014	2015	2014
	----- Rupees in thousands -----			
Profit after taxation	299,823	134,062	183,518	48,146
Other comprehensive (loss) / income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Unrealized (loss) / gain on remeasurement of available for sale investments	(37,529)	34,828	(12,969)	46,587
Total comprehensive income for the period	<u>262,294</u>	<u>168,890</u>	<u>170,549</u>	<u>94,733</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 half year ended December 31, 2015

Half year ended
December 31,
2015 2014

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

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	304,935	220,527
Adjustment for:		
Depreciation	52,769	22,341
Amortization of intangible assets	376	185
Impairment of major stores and spares / provision for slow moving and dead stores	-	3,160
Finance cost	61,586	37,214
Impairment of property, plant and equipment	1,875	-
Impairment of receivable from TCCPL	-	15,907
Provision for gratuity	5,638	5,729
Provision for leave encashment	1,236	1,147
Gain on disposal of long term investment - available-for-sale	(68,186)	(1,219)
Gain on disposal of property, plant and equipment	(305)	(170)
	<u>54,989</u>	<u>84,294</u>
Operating cash flows before working capital changes	<u>359,924</u>	<u>304,821</u>

(Increase) / Decrease in current assets

Stores, spare parts and loose tools	(115,329)	116,491
Stock - in - trade	(119,009)	(101,684)
Trade debts	(62,046)	(54,601)
Loans and advances	3,652	(2,474)
Trade deposits and short term prepayments	7,022	6,762
Other receivable and accrued interest	(24,134)	9,969
	<u>(309,844)</u>	<u>(25,537)</u>

Decrease in current liabilities

Trade and other payables	(62,018)	(294,718)
	<u>(11,938)</u>	<u>(15,434)</u>

Cash used in operations

Finance cost paid	(95,106)	(50,846)
Gratuity paid	(11,262)	(14,749)
Leave encashment paid	(851)	(747)
Tax paid - net	(61,423)	(42,706)
	<u>(168,642)</u>	<u>(109,048)</u>

Net cash used in operating activities

(180,580) (124,482)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(102,492)	(423,279)
Purchase of intangible assets	(819)	(3,750)
Disposal of long term investment - available-for-sale	125,426	6,819
Proceeds from sale of property, plant and equipment - net of taxes	400	1,158
Long term deposits - assets	-	(100)
Loan/advance granted to Subsidiary	(122,006)	-

Net cash generated from / (used in) investing activities

(99,491) (419,152)

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the half year ended December 31, 2015

Half year ended
December 31,
2015 2014

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

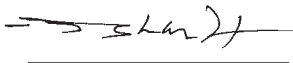
CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(8,959)	(15,626)
Long term financing obtained	156,100	540,628
Dividend paid	(129,463)	(109,565)
Long term deposits - liabilities	-	(2,082)
Net cash generated from financing activities	17,678	413,355
Net decrease in cash and cash equivalents	(262,393)	(130,279)
Cash and cash equivalents at beginning of the period	3,145	(390,813)
Cash and cash equivalents at end of the period	(259,248)	(521,092)

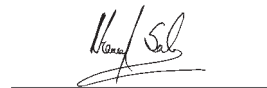
CASH AND CASH EQUIVALENTS

Cash and bank balances	86,987	100,424
Short term borrowings	(346,235)	(621,516)
	(259,248)	(521,092)

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



CHIEF EXECUTIVE



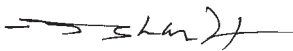
DIRECTOR

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

For the half year ended December 31, 2015

	Issued, subscribed and paid-up share capital	Share premium	Revaluation of available-for-sale investment	Unappropriated profit	Total
----- Rupees in thousands -----					
Balance as at July 1, 2014 (audited)	997,181	99,718	-	252,358	1,349,257
Transactions with owners, recognised 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 period ended December 31, 2014					
Profit after taxation	-	-	-	134,062	134,062
Revaluation of available-for-sale investment	-	-	34,828	-	34,828
Balance as at December 31, 2014 (un-audited)	<u>997,181</u>	<u>99,718</u>	<u>34,828</u>	<u>276,730</u>	<u>1,408,457</u>
Balance as at July 1, 2015 (audited)	997,181	99,718	144,835	431,766	1,673,500
Transactions with owners, recognised directly in equity					
Final dividend @ Rs. 1.3 per share for the year ended June 30, 2015	-	-	-	(129,634)	(129,634)
Total comprehensive income for the period ended December 31, 2015					
Profit after taxation	-	-	-	299,823	299,823
Reclassification of gain realized on disposal of investments classified as 'available for sale'	-	-	(61,636)	-	(61,636)
Revaluation of available-for-sale investment	-	-	(37,529)	-	(37,529)
Balance as at December 31, 2015 (un-audited)	<u>997,181</u>	<u>99,718</u>	<u>45,670</u>	<u>601,955</u>	<u>1,744,524</u>

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 (UN-AUDITED)

For the half year ended December 31, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

Thatta Cement Company Limited ('the Company') was incorporated in Pakistan in 1980 as a public limited company. The shares of the Company are quoted at the Pakistan Stock Exchange. The Company's main business activity is manufacturing and marketing of cement. The registered office of the Company is situated at 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

2.1 Statement Of Compliance

These condensed interim unconsolidated financial statements for the half year ended December 31, 2015 have been prepared in accordance with the requirement of the International Accounting Standard (IAS) 34, '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 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 Pakistan Stock Exchange Regulations. However, a limited scope review has been carried out by the auditors. Further, the figures of condensed interim unconsolidated profit and loss account for the quarter ended December 31, 2015 and 2014 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half year ended December 31, 2015 and December 31, 2014.

These condensed interim unconsolidated financial statements comprise of the Condensed Interim Unconsolidated Balance Sheet as at December 31, 2015 and Condensed Interim Unconsolidated Profit and Loss Account, Condensed Interim Unconsolidated Statement of Comprehensive Income, Condensed Interim Unconsolidated Cash Flow Statement and Condensed Interim Unconsolidated Statement of Changes in Equity for the half year then ended.

2.2 Significant 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.

2.3 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except for recognition of staff retirement benefits at present value based on actuarial valuation.

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

2.4 Presentation and functional currency

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

2.5 General

The figures have been rounded off to the nearest thousand of Rupee except as stated otherwise.

3 SIGNIFICANT 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 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) December 31, 2015	(Audited) June 30, 2015
----- Rupees in thousands -----			
5	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	5.1	2,126,896	848,829
Capital work - in - progress	5.2	-	1,232,546
Major stores and spares		74,340	68,494
		<u>2,201,236</u>	<u>2,149,869</u>
5.1	Operating fixed assets		
Opening Written Down Value (WDV)		848,829	817,460
Additions during the period / year - at cost			
- Factory building on freehold land		1,841	1,328
- Housing colonies		-	384
- Plant and machinery		1,316,114	50,698
- Quarry equipment		-	1,103
- Vehicles		4,623	10,030
- Office equipment		5,360	2,233
- Laboratory equipment		4,535	3,773
- Computers		333	6,166
		1,332,806	75,715

	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	----- Rupees in thousands -----	
WDV of deletions during the period / year	(95)	(1,040)
Transfer/Adjustment	(1,875)	-
Depreciation charge for the period / year	(52,769)	(43,306)
	(54,739)	(44,346)
	<u>2,126,896</u>	<u>848,829</u>

5.2 Capital work - in - progress

Opening balance	1,232,546	503,987
Additions	102,120	732,510
Transferred to operating fixed assets and stores & spares	(1,334,666)	(3,951)
	<u>-</u>	<u>1,232,546</u>

6 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. 8.91 per share as on December 31, 2015 (June 30, 2015: Rs. 11.63 per share). Decrease in the value of investment amounting to Rs. 37.53 million is recorded in 'Other Comprehensive Income' for the half year ended December 31, 2015.

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
		----- Rupees in thousands -----	
7 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	7.1	257,405	140,892
Spare parts		84,073	85,364
Loose tools		386	279
		341,864	226,535
Provision for dead stores		(6,787)	(6,787)
Provision for slow moving stores and spares		(23,638)	(23,638)
		(30,425)	(30,425)
		<u>311,439</u>	<u>196,110</u>

7.1 This includes stores in transit of Rs. 14.782 million (June 30, 2015: Rs. 35.456 million) as at the balance sheet date.

(Un-audited) December 31, 2015	(Audited) June 30 2015
--------------------------------------	------------------------------

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

8 STOCK-IN-TRADE

Raw material	32,070	38,241
Packing material	26,583	25,933
Work-in-process	263,887	143,626
Finished goods	36,694	32,425
	<u>359,234</u>	<u>240,225</u>

9 TRADE DEBTS

Considered good

Local - unsecured	249,934	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>

Less: Provision for doubtful debts	(72,028)	(72,028)
------------------------------------	----------	----------

<u>249,934</u>	<u>187,888</u>
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10 LOAN / ADVANCE TO SUBSIDIARY

On October 16, 2015 the shareholders of the Company has approved a loan / advance facility for an aggregate amount of Rs. 300 million to Thatta Power (Private) Limited (the Subsidiary). The loan / advance is extended to the Subsidiary for meeting its financial obligations including working capital requirements which will ensure uninterrupted power supply to the Company and hence maintaining sustainable cement production. The loan/advance facility carries markup at the rate of 3 month KIBOR plus 2.62% p.a. payable on quarterly basis.

(Un-audited) December 31, 2015	(Audited) June 30, 2015
--------------------------------------	-------------------------------

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

11 LOANS AND ADVANCES

Considered good

To employees	18	64
--------------	----	----

Advances

- against letter of credit	-	172
- advance to vendors	14,795	18,653
- others	578	154
	<u>15,373</u>	<u>18,979</u>
	<u>15,391</u>	<u>19,043</u>

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
----- Rupees in thousands -----			
12	OTHER RECEIVABLES AND ACCRUED INTEREST		
		2,574	2,842
		1,736	-
	10	14,915	14,915
		16,051	19,137
		31,945	6,193
		<u>67,221</u>	<u>43,087</u>

13 ISSUED, SUBSCRIBED AND PAID-UP SHARE 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>

Number of Shares		Percentage of holding	
December 31, 2015	June 30, 2015	December 31, 2015	June 30, 2015
----- Shares in thousands -----		----- Shares in % -----	

13.1 Name Of Major Shareholders

M/s Sky Pak Holding (Private) Limited	20,444	20,444	20.50	20.50
M/s Al-Miftah Holding (Private) Limited	9,147	9,147	9.17	9.17
M/s Rising Star Holding (Private) Limited	6,309	6,309	6.33	6.33
M/s Golden Globe Holding (Private) Limited	8,479	8,479	8.50	8.50

14 DEFERRED TAXATION

Deferred tax liability comprises of temporary differences as follows:

Taxable temporary differences

- accelerated tax depreciation	238,843	173,309
--------------------------------	---------	---------

Deductible temporary differences

- provision for gratuity	(1,691)	(3,379)
- other provisions - for doubtful debts and stores	(36,476)	(36,475)
- excess of Alternate tax over corporate tax	(28,414)	-
- tax credit under section 65 B	(25,666)	-
- excess of minimum tax over normal tax	(8,056)	-
	<u>(100,303)</u>	<u>(39,854)</u>

	<u>138,540</u>	<u>133,455</u>
--	----------------	----------------

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
----- Rupees in thousands -----			
15	TRADE AND OTHER PAYABLES		
		24,015	51,842
	15.1	96,564	103,562
		-	36,485
		39,807	25,464
		8,803	10,726
		32,680	28,358
		5,638	11,262
		16,377	22,377
		7,419	9,349
		393	222
		1,483	1,002
		<u>233,179</u>	<u>300,649</u>

15.1 It includes Rs. 32.157 million (June 30, 2015: Rs. 24.009 million) payable to Thatta Power (Private) Limited, the Subsidiary, in respect of purchase of electricity.

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

The status of contingencies is same except the matter disclosed in note 24.1.4 of the last annual audited unconsolidated financial statements. The status of the said matter is mentioned hereunder:

16.1.1 During the period, the Commissioner Inland Revenue - Appeals (CIR-A) has passed appellate orders aggregating to Rs. 5.91 million in favour of the Company. Moreover, no further appeal has been made by the Tax department against the said orders.

16.2 Commitments

Commitments in respect of capital expenditure	26,561	42,065
Guarantees given by banks on behalf of the Company	83,908	97,488
	<u>110,469</u>	<u>139,553</u>

Half year ended December 31,		Quarter ended December 31,	
2015	2014	2015	2014

(Un-audited)

Rupees in thousands

17 SALES - NET

Local	1,478,384	1,290,775	858,547	667,468
Export	6,557	6,251	4,063	3,356
	<u>1,484,941</u>	<u>1,297,026</u>	<u>862,610</u>	<u>670,824</u>
Less - Federal excise duty	(68,571)	(54,192)	(40,104)	(26,096)
- Sales tax	(237,070)	(202,004)	(137,635)	(104,069)
	(305,641)	(256,196)	(177,739)	(130,165)
	<u>1,179,300</u>	<u>1,040,830</u>	<u>684,871</u>	<u>540,659</u>

18 COST OF SALES

Raw material consumed	68,273	62,184	30,962	35,471
Manufacturing expenses				
Packing material consumed	56,188	45,570	34,980	24,446
Stores, spare parts and loose tools consumed	25,543	48,589	14,191	26,356
Fuel and power	547,987	466,229	251,453	236,843
Salaries, wages and other benefits	134,620	118,308	68,070	60,877
Insurance	9,240	10,407	4,629	5,392
Repairs and maintenance	19,660	2,678	13,542	2,384
Depreciation	50,081	18,749	24,981	9,405
Provision for slow moving stock	-	3,160	-	3,160
Other production overheads	14,250	10,397	7,270	5,130
	<u>857,569</u>	<u>724,087</u>	<u>419,116</u>	<u>373,993</u>
Cost of production	<u>925,842</u>	<u>786,271</u>	<u>450,078</u>	<u>409,464</u>
Work-in-process				
Opening balance	143,626	329,667	275,450	387,517
Closing balance	(263,887)	(424,275)	(263,887)	(424,275)
	(120,261)	(94,608)	11,563	(36,758)
Cost of goods manufactured	<u>805,581</u>	<u>691,663</u>	<u>461,641</u>	<u>372,706</u>
Finished goods				
Opening balance	32,425	35,355	33,675	23,599
Closing balance	(36,694)	(32,158)	(36,694)	(32,158)
	(4,269)	3,197	(3,019)	(8,559)
	<u>801,312</u>	<u>694,860</u>	<u>458,622</u>	<u>364,147</u>

Half year ended December 31, 2015		Quarter ended December 31, 2014	
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(Un-audited)

Rupees in thousands

19 OTHER INCOME

Income from financial assets

Income on bank deposit accounts	2,155	93	1,307	21
Gain on disposal of operating fixed assets	305	170	305	170
Markup earned on loan/advance to Subsidiary	1,736	-	1,736	-
Gain on disposal of available-for-sale investment	68,186	1,219	-	1,219
	<u>72,382</u>	<u>1,482</u>	<u>3,348</u>	<u>1,410</u>

Others

Management fee	7,260	6,600	3,630	3,300
Scrap sales	9,556	97	5,871	50
Rental income	3,678	3,784	1,848	1,922
Others	2,506	5,975	2,098	4,312
	<u>23,000</u>	<u>16,456</u>	<u>13,447</u>	<u>9,584</u>
	<u>95,382</u>	<u>17,938</u>	<u>16,795</u>	<u>10,994</u>

20 TAXATION

Current tax	-	74,963	(14,537)	55,893
Prior year charge	27	669	27	669
Deferred tax charge/(reversal)	5,085	10,833	(20,274)	3,643
	<u>5,112</u>	<u>86,465</u>	<u>(34,784)</u>	<u>60,205</u>

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.

21 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation attributable to ordinary shareholders	<u>299,823</u>	<u>134,062</u>	<u>183,518</u>	<u>48,146</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 (Basic and diluted) (Rupees)	<u>3.01</u>	<u>1.34</u>	<u>1.84</u>	<u>0.48</u>

22 RELATED PARTY TRANSACTIONS

Related parties include major shareholders, associated undertakings, related group companies, key management personnel, companies in which directors are common or director hold office 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 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 half year ended / outstanding balances as at December 31, 2015 with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim unconsolidated financial statements are as follows:

	Half year ended December 31, ----(Un-audited)----	
	2015	2014
	----- Rupees in thousands -----	
Transactions with related parties		
Thatta Power (Private) Limited		
- Common shared expenses	1,666	1,608
- Purchase of store items (inclusive of GST) - net	130	105
- Purchase of electric power (inclusive of GST)	299,070	257,976
- Payment on account of electric power (inclusive of GST)	290,922	270,395
- Management fee charged (inclusive of SST)	8,276	7,590
- Management fee received (inclusive of SST)	-	7,485
- Receipt on account of common shared expenses	-	1,619
- Payment on account of purchase of store items - net	80	122
- Loan/advance to Subsidiary	122,006	-
- Interest accrued on loan/advance to Subsidiary	1,736	-
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	9,567	5,180
- Payment against purchase of gas excluding GST	9,026	4,396
Pak Suzuki Motor Company Limited		
- Payment against purchase of vehicles	3,625	2,293
Key management personnel		
- Salaries and benefits	60,357	48,987
- Sale of vehicle	400	1,158
Other related parties		
- Contribution to employees' Gratuity Fund	11,262	14,749
- Contribution to employees' Provident Fund	4,148	3,706
	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	----- Rupees in thousands -----	
Balances with related parties		
Thatta Power (Private) Limited		
- Payable against purchase of electric power (inclusive of GST)	32,157	24,009
- Receivable against management fee (inclusive of SST)	9,541	1,265
- Receivable against common shared expenses	1,968	302
- Payable against sale / purchase of store items - net	50	-
- Loan/advance to Subsidiary	122,006	-
- Interest receivable on loan/advance to Subsidiary	1,736	-

Sui Southern Gas Company Limited

- Payable against purchase of gas excluding GST	686	145
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Habib Bank Limited

- Current account balance	19	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% (December 31, 2014: 100%) of the total revenue of the Company.

23.3 100% (December 31, 2014: 100%) sales of the Company relates to customers in Pakistan.

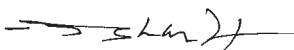
23.4 All non-current assets of the Company as at December 31, 2015 are located in Pakistan.

24 CORRESPONDING FIGURES


In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim unconsolidated balance sheet has been compared with the balances of annual audited unconsolidated financial statements of preceding financial year, whereas, the condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

25 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on February 04, 2016 by the Board of Directors of the Company.



CHIEF EXECUTIVE



DIRECTOR

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CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2015

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

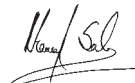
As at December 31, 2015

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
---- Rupees in thousands ----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,434,798	3,396,003
Intangible assets		6,861	6,418
Long term investment - available-for-sale	6	122,936	279,341
Long term deposits		1,096	1,096
Total non - current assets		3,565,691	3,682,858
Current assets			
Stores, spare parts and loose tools	7	335,288	225,502
Stock-in-trade	8	354,919	230,907
Trade debts	9	548,193	477,102
Short term investment - held to maturity		306,000	306,000
Loans and advances	10	21,056	19,066
Trade deposits and short term prepayments		22,218	25,640
Other receivables and accrued interest	11	69,434	57,676
Taxation - net		83,569	21,454
Cash and bank balances		108,531	172,853
Total current assets		1,849,208	1,536,200
Total assets		5,414,899	5,219,058
EQUITY AND LIABILITIES			
Shareholders' equity			
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 share capital	12	997,181	997,181
Share premium		99,718	99,718
Revaluation of available-for-sale investment		45,670	144,835
Unappropriated profit		1,065,483	881,658
Total shareholder's equity		2,208,052	2,123,392
Non-controlling interest		460,295	452,089
		2,668,347	2,575,481
Non-current liabilities			
Long term financing		1,620,771	1,646,862
Long term deposits		3,844	3,844
Long term employee benefit		15,478	15,093
Deferred taxation	13	138,540	133,455
Total non-current liabilities		1,778,633	1,799,254
Current liabilities			
Trade and other payables	14	289,097	364,658
Accrued mark-up		13,854	46,039
Current maturity of long term financing		293,392	298,177
Short term borrowings		371,576	135,449
Total current liabilities		967,919	844,323
Total equity and liabilities		5,414,899	5,219,058
CONTINGENCIES AND COMMITMENTS			
	15		

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR

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


For the half year ended December 31, 2015

	Note	Half year ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
----- Rupees in thousands -----					
Sales - net	16	1,187,031	1,565,103	688,114	799,473
Cost of sales	17	(749,869)	(1,001,467)	(430,409)	(496,337)
Gross profit		437,162	563,636	257,705	303,136
Selling and distribution cost		(28,441)	(16,994)	(20,280)	(9,453)
Administrative expenses		(56,856)	(49,711)	(29,503)	(26,305)
		(85,297)	(66,705)	(49,783)	(35,758)
Operating profit		351,865	496,931	207,922	267,378
Other operating expenses		(30,174)	(62,694)	(14,190)	(26,075)
Finance cost		(95,538)	(97,885)	(50,961)	(53,743)
		(125,712)	(160,579)	(65,151)	(79,818)
Other income	18	101,551	33,572	17,877	18,304
Profit before taxation		327,704	369,924	160,648	205,864
Taxation	19	(6,039)	(74,655)	34,881	(44,510)
Profit after taxation		321,665	295,269	195,529	161,354
Profit after taxation for the period attributable to:					
- Equity holders of the Holding Company		331,459	234,704	191,017	118,822
- Non-controlling interest		8,206	60,565	4,512	42,532
		321,665	295,269	195,529	161,354
Earnings per share - basic and diluted					
- Rupees	20	3.14	2.35	1.92	1.19

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



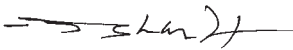
DIRECTOR

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

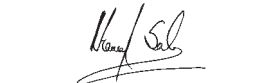
For the half year ended December 31, 2015

	Half year ended December 31,		Quarter ended December 31,	
	2015	2014	2015	2014
	----- Rupees in thousands -----			
Profit after taxation	321,665	295,269	195,529	161,354
Other comprehensive (loss) / income				
Items that may be reclassified subsequently to profit or loss				
Unrealized (loss) / gain on remeasurement of available for sale investments	(37,529)	34,828	(12,969)	46,587
Total comprehensive income for the period	<u>284,136</u>	<u>330,097</u>	<u>182,560</u>	<u>207,941</u>
Total comprehensive income for the period attributable to:				
- Equity holders of the Holding Company	275,930	269,532	178,048	165,409
- Non-controlling interest	8,206	60,565	4,512	42,532
	<u>284,136</u>	<u>330,097</u>	<u>182,560</u>	<u>207,941</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the half year ended December 31, 2015

Half year ended
December 31,
2015 2014
----- Rupees in thousands -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	327,704	369,924
Adjustment for:		
Depreciation	67,581	45,109
Amortization of intangible assets	376	216
Impairment of major stores and spares / provision for slow moving and dead stores	-	3,160
Finance cost	95,538	97,885
Impairment of receivable from TCCPL	-	15,907
Provision for gratuity	5,638	5,729
Impairment of property, plant and equipment	1,875	-
Provision for leave encashment	1,236	1,147
Gain on disposal of long term investment - available-for-sale	(68,186)	(1,219)
Gain on disposal of property, plant and equipment	(305)	(170)
Revaluation loss on outstanding balance of deferred payment letter of credit	-	4,550
	<u>103,753</u>	<u>172,314</u>
Operating cash flows before working capital changes	<u>431,457</u>	<u>542,238</u>
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(109,786)	116,250
Stock-in-trade	(124,012)	(101,684)
Trade debts	(71,091)	(81,776)
Loans and advances	(1,990)	2,844
Trade deposits and short term prepayments	3,422	12,453
Other receivable and accrued interest	(11,758)	37,361
	<u>(315,215)</u>	<u>(14,552)</u>
Decrease in current liabilities		
Trade and other payables	(70,109)	(248,737)
Cash generated from operations	<u>46,133</u>	<u>278,949</u>
Finance cost paid	(131,336)	(114,026)
Gratuity paid	(11,262)	(14,749)
Leave encashment paid	(851)	(747)
Tax paid - net	(63,069)	(50,137)
	<u>(206,518)</u>	<u>(179,659)</u>
Net cash (used in) / generated from operating activities	<u>(160,385)</u>	<u>99,290</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(104,732)	(425,004)
Purchase of intangible assets	(819)	(3,750)
Disposal of long term investment - available-for-sale	125,426	6,819
Proceeds from sale of property, plant & equipment - net of taxes	400	1,158
Long term deposits - assets	-	(100)
Net cash generated from / (used in) investing activities	<u>20,275</u>	<u>(420,877)</u>

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the half year ended December 31, 2015

Half year ended December 31,	
2015	2014
----- Rupees in thousands -----	

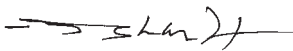
CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(186,976)	(181,461)
Long term financing obtained	156,100	540,628
Dividend paid	(129,463)	(109,565)
Long term deposits - liabilities	-	(2,082)
Net cash (used in) / generated from financing activities	(160,339)	247,520
Net decrease in cash and cash equivalents	(300,449)	(74,067)
Cash and cash equivalents at beginning of the period	37,404	(249,113)
Cash and cash equivalents at end of the period	(263,045)	(323,180)


CASH AND CASH EQUIVALENTS

Cash and bank balances	108,531	298,336
Short term borrowings	(371,576)	(621,516)
	(263,045)	(323,180)

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



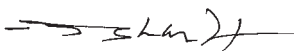
DIRECTOR

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

For the half year ended December 31, 2015

	Equity attributable to owners of Holding Company				Non-controlling interest	Total	
	Issued, subscribed and paid-up share capital	Share premium	Revaluation of available-for-sale investment	Unappropriated profit			
	----- Rupees in thousands -----						
Balance as at July 1, 2014 (audited)	997,181	99,718	-	517,496	1,614,395	340,905	1,955,300
<i>Transactions with owners recorded directly in equity</i>							
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 period ended December 31, 2014							
Profit after taxation	-	-	-	234,704	234,704	60,565	295,269
Revaluation of available-for-sale investment	-	-	34,828	-	34,828	-	34,828
Balance as at December 31, 2014 (un-audited)	<u>997,181</u>	<u>99,718</u>	<u>34,828</u>	<u>642,510</u>	<u>1,774,237</u>	<u>401,470</u>	<u>2,175,707</u>
Balance as at July 1, 2015 (audited)	997,181	99,718	144,835	881,658	2,123,392	452,089	2,575,481
<i>Transactions with owners recorded directly in equity</i>							
Final dividend @ Rs. 1.3 per share for the year ended June 30, 2015	-	-	-	(129,634)	(129,634)	-	(129,634)
Total comprehensive income for the period ended December 31, 2015							
Profit after taxation	-	-	-	313,459	313,459	8,206	321,665
Reclassification of gain realized on disposal of investments classified as available for sale	-	-	(61,636)	-	(61,636)	-	(61,636)
Revaluation of available-for-sale investment	-	-	(37,529)	-	(37,529)	-	(37,529)
Balance as at December 31, 2015 (un-audited)	<u>997,181</u>	<u>99,718</u>	<u>45,670</u>	<u>1,065,483</u>	<u>2,208,052</u>	<u>460,295</u>	<u>2,668,347</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim consolidated financial statements.



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the half year ended December 31, 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 Pakistan Stock Exchange. The Holding Company's main business activity is manufacturing and marketing of cement. The registered office of the Holding Company is situated at 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 December 31, 2015 (June 30, 2015: 62.43%). The principal business of the Subsidiary is generation, supply and transmission of electrical power. As at December 31, 2015 TPPL has authorized and issued share 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) ordinary shares respectively.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statements for the half year ended December 31, 2015 have been prepared in accordance with the requirement of International Accounting Standard (IAS) 34, '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 Pakistan Stock Exchange Regulations.

These condensed interim consolidated financial statements comprise of the Condensed Interim Consolidated Balance Sheet as at December 31, 2015 and Condensed Interim Consolidated Profit and Loss Account, Condensed Interim Consolidated Statement of Comprehensive Income, Condensed Interim Consolidated Cash Flow Statement and Condensed Interim Consolidated Statement of Changes in Equity for the half year then ended.

2.2 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.

2.3 Significant 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.

2.4 Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for recognition of staff retirement benefits at present value based on actuarial valuation.

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

2.5 Presentation and functional currency

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

2.6 General

The figures have been rounded off to the nearest thousand of Rupee except as stated otherwise.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of the annual audited consolidated financial statements as at and for the year ended June 30, 2015.

4 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) December 31, 2015	(Audited) June 30, 2015	
----- Rupees in thousands -----				
5	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	5.1	3,354,568	2,091,313
	Capital work-in-progress	5.2	4,165	1,234,471
	Major stores and spares		76,065	70,219
			<u>3,434,798</u>	<u>3,396,003</u>
5.1	Operating fixed assets			
	Opening Written Down Value (WDV)		2,091,313	2,101,747
	Additions during the period / year - at cost			
	- Factory building on freehold land		1,841	1,328
	- Housing colonies		-	384
	- Plant and machinery		1,316,114	50,698
	- Quarry equipment		-	1,103
	- Vehicles		4,623	10,030
	- Office equipment		5,360	2,233
	- Laboratory equipment		4,535	3,773
	- Computers		333	6,166
			1,332,806	75,715
	WDV of deletions during the period / year		(95)	(1,040)
	Transfer/Adjustment		(1,875)	-
	Depreciation charge for the period / year		(67,581)	(85,109)
			(69,551)	(86,149)
			<u>3,354,568</u>	<u>2,091,313</u>
5.2	Capital work-in-progress			
	Opening balance		1,234,471	503,987
	Additions		104,360	734,435
	Transferred to operating fixed assets and stores & spares		(1,334,666)	(3,951)
			<u>4,165</u>	<u>1,234,471</u>

6 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. 8.91 per share as on December 31, 2015 (June 30, 2015: Rs. 11.63 per share). Decrease in the value of investment amounting to Rs. 37.53 million is recorded in 'Other Comprehensive Income' for the half year ended December 31, 2015.

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

7 STORES, SPARE PARTS AND LOOSE TOOLS

	Note		
Stores	7.1	263,080	148,108
Spare parts		102,223	107,518
Loose tools		410	301
		<u>365,713</u>	<u>255,927</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><u>335,288</u></u>	<u><u>225,502</u></u>

7.1 This includes stores in transit of Rs. 14.782 million (June 30, 2015: Rs. 35.456 million) as at the balance sheet date.

8 STOCK-IN-TRADE

Raw material	32,070	38,241
Packing material	26,583	25,933
Work-in-process	259,878	135,351
Finished goods	36,388	31,382
	<u>354,919</u>	<u>230,907</u>

9 TRADE DEBTS

Considered good

Local - unsecured	9.1	548,193	477,102
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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>548,193</u>	<u>477,102</u>

9.1 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 - November 2015 are overdue amounting to Rs. 283.173 million. Further, Rs.2.225 million is outstanding against the bill of December 2015 which was not due as on December 31, 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 filed an appeal before the Supreme Court of Pakistan against the order passed by the High Court of Sindh. Consequently, HESCO has also filed an appeal before the Supreme Court of Pakistan against the same order. The hearing of both the appeals are still pending.

10 LOANS AND ADVANCES

Considered good

To employees

18

64

Advances

- against letter of credit
- advance to vendors
- others

-	172
20,460	18,676
578	154
21,038	19,002
<u>21,056</u>	<u>19,066</u>

11 OTHER RECEIVABLES AND ACCRUED INTEREST

Interest receivable from banks
 Deposit with Commissioner Workmen's Compensation
 Refund against Fuel Price Adjustment
 Others

4,915

16,231

14,915

14,915

16,051

19,137

33,553

7,393

69,434

57,676

12 ISSUED, SUBSCRIBED AND PAID-UP SHARE 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

997,181

997,181

Number of Shares		Percentage of holding	
December 31, 2015	June 30, 2015	December 31, 2015	June 30, 2015
----- Shares in thousands -----		----- Shares in % -----	

12.1 Name Of Major Shareholders

M/s Sky Pak Holding (Private) Limited	20,444	20,444	20.50	20.50
M/s Al-Miftah Holding (Private) Limited	9,147	9,147	9.17	9.17
M/s Rising Star Holding (Private) Limited	6,309	6,309	6.33	6.33
M/s Golden Globe Holding (Private) Limited	8,479	8,479	8.50	8.50

13 DEFERRED TAXATION

Deferred tax liability comprises of temporary differences as follows:

Taxable temporary differences

- accelerated tax depreciation	238,843	173,309
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Deductible temporary differences

- provision for gratuity	(1,691)	(3,379)
- other provisions - for doubtful debts and stores	(36,476)	(36,475)
- excess of Alternate tax over corporate tax	(28,414)	-
- tax credit u/s 65 B	(25,666)	-
- excess of minimum tax over normal tax	(8,056)	-
	(100,303)	(39,854)
	<u>138,540</u>	<u>133,455</u>

14 TRADE AND OTHER PAYABLES

Trade creditors	24,095	52,034
Accrued liabilities	97,878	110,272
Bills payable	-	36,485
Advances from customers	39,807	25,464
Contractors retention money	8,803	10,726
Excise duty and sales tax payable	29,621	27,913
Payable to Gratuity Fund	5,638	11,262
Workers' Profit Participation Fund	56,987	62,033
Workers' Welfare Fund	22,851	24,418
Unclaimed dividend	393	222
Other liabilities	3,024	3,829
	<u>289,097</u>	<u>364,658</u>

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There is no change in the status of contingencies as disclosed in the annual audited consolidated financial statements for the year ended June 30, 2015 except for matters disclosed in note 24.1.4, 24.1.8 & 24.1.10 of the last annual audited consolidated financial statements. The status of these matters are mentioned hereunder respectively:

- 15.1.1 During the period, the Commissioner Inland Revenue - Appeals (CIR-A) has passed appellate orders aggregating to Rs. 5.91 million in favour of the Holding Company. Moreover, no further appeal has been made by the Tax department against the said orders.
- 15.1.2 The status of this matter as at December 31, 2015 is explained in note 9.1 of these condensed interim consolidated financial statements.
- 15.1.3 The Subsidiary has filed an appeal against the impugned order with CIR-A, hearing of the case was held on October 3, 2015 and a favorable order has been passed by CIR-A on December 7, 2015, thereby allowing input sales tax claimed by the Subsidiary to the extent of Rs. 10.513 million.

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

15.2 Commitments

Commitments in respect of capital expenditure		26,561	42,065
Guarantees given by banks on behalf of the Group		389,908	403,488
Commitment in respect of mark-up on liability against DPLC		-	2,922
		<u>416,469</u>	<u>448,475</u>

16 SALES - NET

	Half year ended		Quarter ended	
	December 31, 2015	2014	December 31, 2015	2014
	----- (Un-audited) -----			
	----- Rupees in thousands -----			
Local	1,487,429	1,904,174	862,341	970,280
Export	<u>6,557</u>	<u>6,251</u>	<u>4,063</u>	<u>3,356</u>
	<u>1,493,986</u>	<u>1,910,425</u>	<u>866,404</u>	<u>973,636</u>
Less - Federal excise duty	<u>(68,571)</u>	<u>(54,192)</u>	<u>(40,104)</u>	<u>(26,096)</u>
- Sales tax	<u>(238,384)</u>	<u>(291,130)</u>	<u>(138,186)</u>	<u>(148,067)</u>
	<u>(306,955)</u>	<u>(345,322)</u>	<u>(178,290)</u>	<u>(174,163)</u>
	<u>1,187,031</u>	<u>1,565,103</u>	<u>688,114</u>	<u>799,473</u>

17 COST OF SALES

Raw material consumed	68,273	62,184	30,962	35,471
Manufacturing expenses				
Packing material consumed	<u>56,188</u>	<u>45,570</u>	<u>34,980</u>	<u>24,446</u>
Stores, spare parts and loose tools consumed	<u>37,831</u>	<u>59,414</u>	<u>20,097</u>	<u>31,036</u>
Fuel and power	<u>458,906</u>	<u>690,282</u>	<u>205,967</u>	<u>339,011</u>
Salaries, wages and other benefits	<u>134,620</u>	<u>118,308</u>	<u>68,070</u>	<u>60,877</u>
Insurance	<u>15,071</u>	<u>16,102</u>	<u>7,431</u>	<u>7,891</u>
Repairs, operations and maintenance	<u>29,314</u>	<u>45,222</u>	<u>11,375</u>	<u>13,809</u>
Depreciation	<u>64,881</u>	<u>41,504</u>	<u>31,928</u>	<u>20,796</u>
Provision for slow moving stock	<u>-</u>	<u>3,160</u>	<u>-</u>	<u>3,160</u>
Other production overheads	<u>14,318</u>	<u>11,132</u>	<u>7,317</u>	<u>5,157</u>
	<u>811,129</u>	<u>1,030,694</u>	<u>387,165</u>	<u>506,183</u>
Cost of production	<u>879,402</u>	<u>1,092,878</u>	<u>418,127</u>	<u>541,654</u>
Work-in-process				
Opening balance	<u>135,351</u>	<u>317,003</u>	<u>274,910</u>	<u>374,853</u>
Closing balance	<u>(259,878)</u>	<u>(411,611)</u>	<u>(259,878)</u>	<u>(411,611)</u>
	<u>(124,527)</u>	<u>(94,608)</u>	<u>15,032</u>	<u>(36,758)</u>
Cost of goods manufactured	<u>754,875</u>	<u>998,270</u>	<u>433,159</u>	<u>504,896</u>
Finished goods				
Opening balance	<u>31,382</u>	<u>34,456</u>	<u>33,638</u>	<u>22,700</u>
Closing balance	<u>(36,388)</u>	<u>(31,259)</u>	<u>(36,388)</u>	<u>(31,259)</u>
	<u>(5,006)</u>	<u>3,197</u>	<u>(2,750)</u>	<u>(8,559)</u>
	<u>749,869</u>	<u>1,001,467</u>	<u>430,409</u>	<u>496,337</u>

Half year ended December 31, 2015		Quarter ended December 31, 2014	
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(Un-audited)

Rupees in thousands

18 OTHER INCOME

Income from financial assets

Income on bank deposit accounts	17,114	22,524	7,844	10,779
Gain on disposal of operating fixed assets	305	170	305	170
Gain on disposal of available for sale investment	68,186	1,219	-	1,219
	<u>85,605</u>	<u>23,913</u>	<u>8,149</u>	<u>12,168</u>

Others

Scrap sales	10,089	197	5,946	50
Rental income	3,351	3,487	1,684	1,774
Others	2,506	5,975	2,098	4,312
	<u>15,946</u>	<u>9,659</u>	<u>9,728</u>	<u>6,136</u>
	<u>101,551</u>	<u>33,572</u>	<u>17,877</u>	<u>18,304</u>

19 TAXATION

Current tax charge/(reversal)	1,459	76,490	(14,102)	53,535
Prior year reversal	(505)	(12,668)	(505)	(12,668)
Deferred tax charge/(reversal)	5,085	10,833	(20,274)	3,643
	<u>6,039</u>	<u>74,655</u>	<u>(34,881)</u>	<u>44,510</u>

19.1 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.

20 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation attributable to ordinary shareholders	<u>313,459</u>	<u>234,704</u>	<u>191,017</u>	<u>118,822</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 (Basic and diluted) (Rupees)	<u>3.14</u>	<u>2.35</u>	<u>1.92</u>	<u>1.19</u>

Related parties include major shareholders, associated undertakings, related group companies, key management personnel, companies in which directors are common or directors hold office 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 half year ended / outstanding balances as at December 31, 2015 with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

	Half year ended December 31,	
	2015	2014
	(Un-audited)	
	----- Rupees in thousands -----	
Transactions with related parties		
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	175,898	449,781
- Payment against purchase of gas excluding GST	180,436	440,109
Pak Suzuki Motor Company Limited		
- Payment against purchase of vehicles	3,625	2,293
Key management personnel		
- Salaries and benefits	60,357	48,987
- Sale of vehicle	400	1,158
Other related parties		
- Contribution to employees' Gratuity Fund	11,262	14,749
- Contribution to employees' Provident Fund	4,148	3,706
	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	----- Rupees in thousands -----	

Balances with related parties

Sui Southern Gas Company Limited		
- Payable against purchase of gas excluding GST	18,688	23,226
Habib Bank Limited		
- Current account balance	19	4

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

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

22 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.

22.1 Revenues

	Cement		Power		Intra group adjustment		Consolidated	
	December 2015	December 2014	December 2015	December 2014	December 2015	December 2014	December 2015	December 2014
----- Un-audited -----								
----- Rupees in thousands -----								
Revenue	1,179,300	1,040,830	263,346	744,821	(255,615)	(220,548)	1,187,031	1,565,103
Cost of sales	(801,312)	(694,860)	(209,502)	(527,452)	260,945	220,845	(749,869)	(1,001,467)
Gross profit	377,988	345,970	53,844	217,369	5,330	297	437,162	563,636
Selling and distribution cost	(28,441)	(16,994)	-	-	-	-	(28,441)	(16,994)
Administrative expenses	(53,305)	(47,802)	(10,811)	(8,509)	7,260	6,600	(56,856)	(49,711)
	(81,746)	(64,796)	(10,811)	(8,509)	7,260	6,600	(85,297)	(66,705)
Operating profit	296,242	281,174	43,033	208,860	12,590	6,897	351,865	496,931
Other operating expenses	(25,103)	(41,371)	(5,071)	(21,323)	-	-	(30,174)	(62,694)
Finance cost	(61,586)	(37,214)	(35,688)	(60,671)	1,736	-	(95,538)	(97,885)
	(86,689)	(78,585)	(40,759)	(81,994)	1,736	-	(125,712)	(160,579)
Other income	95,382	17,938	15,492	22,531	(9,323)	(6,897)	101,551	33,572
Segment results	304,935	220,527	17,766	149,397	5,003	-	327,704	369,924
Unallocated expenditures	-	-	-	-	-	-	-	-
Profit before tax	304,935	220,527	17,766	149,397	5,003	-	327,704	369,924
Tax	(5,112)	(86,465)	(927)	11,810	-	-	(6,039)	(74,655)
Profit after tax	299,823	134,062	16,839	161,207	5,003	-	321,665	295,269

22.2 Other information

	Cement		Power		Intra group adjustment		Consolidated	
	December 2015	June 2015	December 2015	June 2015	December 2015	June 2015	December 2015	June 2015
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
----- Rupees in thousands -----								
Segment assets	3,921,916	3,559,115	1,957,017	1,994,476	(464,034)	(334,533)	5,414,899	5,219,058
Unallocated corporate assets	-	-	-	-	-	-	-	-
Total assets	3,921,916	3,559,115	1,957,017	1,994,476	(464,034)	(334,533)	5,414,899	5,219,058
Segment liabilities	2,177,392	1,885,615	728,118	782,416	(152,840)	(24,454)	2,752,670	2,643,577
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
Total liabilities	2,177,392	1,885,615	728,118	782,416	(152,840)	(24,454)	2,752,670	2,643,577
Capital expenditure	102,492	687,774	2,240	3,650	-	-	104,732	691,424
Depreciation	52,769	43,306	14,812	41,803	-	-	67,581	85,109
Non-cash expenses other than depreciation	2,251	108,886	-	104,145	-	42,628	2,251	255,659

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

Consolidated December 31, 2015 ----- (Un-audited) -----		2014
----- Rupees in thousands -----		

22.3.1 Operating revenues

Total revenue of reportable segments	1,442,646	1,785,651
Elimination of intra group revenue	(255,615)	(220,548)
Consolidated revenue	<u>1,187,031</u>	<u>1,565,103</u>

22.3.2 Profit and loss

Total profit before tax of reportable segments	322,701	369,924
Adjustment of unrealized profit and intra group transactions	5,003	-
Consolidated profit before tax	<u>327,704</u>	<u>369,924</u>

Consolidated December 31, 2015 (Un-audited)		June 30, 2015 (Audited)
----- Rupees in thousands -----		

22.3.3 Assets

Total assets of reportable segments	5,878,933	5,553,591
Elimination of intra group balances and unrealised profit	(462,431)	(332,485)
Reclassifications for consolidation purposes	(1,603)	(2,048)
Consolidated assets	<u>5,414,899</u>	<u>5,219,058</u>

22.3.4 Liabilities

Total liabilities of reportable segments	2,905,510	2,668,031
Elimination of intra group balances	(152,840)	(24,009)
Reclassifications for consolidation purposes	-	(445)
Consolidated liabilities	<u>2,752,670</u>	<u>2,643,577</u>

22.4 Geographical segment analysis

	Revenue		Total Assets		Net Assets	
	December 2015 (Un-audited)	December 2014 (Un-audited)	December 2015 (Un-audited)	June 2015 (Audited)	December 2015 (Un-audited)	June 2015 (Audited)
----- Rupees in thousands -----						
Pakistan	1,180,474	1,558,852	5,414,899	5,219,058	2,662,229	2,575,481
Export Processing Zone - Karachi	6,557	6,251	-	-	-	-
	<u>1,187,031</u>	<u>1,565,103</u>	<u>5,414,899</u>	<u>5,219,058</u>	<u>2,662,229</u>	<u>2,575,481</u>

22.5 Information about major customers

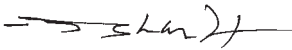
Major customers for cement segment are various individual dealers whereas major customer for power segment is Hyderabad Electric Supply Company Limited.

23 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim consolidated balance sheet has been compared with the balance of annual audited consolidated financial statements of preceding financial year, whereas, the condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated cash flow statement have been compared with the balance of comparable period of immediately preceding financial year.

24 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on February 04, 2016 by the Board of Directors of the Holding Company.



CHIEF EXECUTIVE



DIRECTOR



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