



D.G. KHAN CEMENT COMPANY LIMITED

Head Office: Nishat House, 53 - A, Lawrence Road, Lahore - Pakistan.
UAN: (92 - 42) 111 113 333, Tel: (92 - 42) 36360154, Fax: (92 - 42) 36367414
E-mail: info@dgcement.com

SECY/STOCKEXC /

October 29, 2018

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

SUB: **SUBMISSION OF QUARTERLY ACCOUNTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2018**

Dear Sir,

In compliance with the provisions of Section 237 of the Companies Act 2017, read with PSX Notice No. PSX/N-4207 dated July 13, 2018 and PSX/N-4952 dated August 29, 2018, we are pleased to submit electronically through PUCARS un audited accounts for the period ended September 30, 2018.

Thanking you,

Yours truly,


KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY

Factory Sites:

Khofli Sattai, Distt. Dera Ghazi Khan - Pakistan. UAN: (92 - 64) 111 - 113 - 333 Tel: (92 - 42) 36360153, Fax: (92 - 64) 2585010
Khairpur, Tehsil, Kallar Kahar. Distt. Chakwal - Pakistan. Tel: (92 - 42) 36360152 Fax: (92 - 543) 650231



First Quarter Report,
September 30,

2018
(Un-audited)



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Company Information

| | | |
|---|--|---|
| Board of Directors | Mrs. Naz Mansha Mr. Raza Mansha Mr. Khalid Niaz Khawaja Mr. Mohammad Arif Hameed Mr. Khalid Qadeer Qureshi Mr. Farid Noor Ali Fazal Mr. Shahzad Ahmad Malik | Chairperson Chief Executive |
| Audit Committee | Mr. Khalid Niaz Khawaja Mr. Khalid Qadeer Qureshi Mr. Mohammad Arif Hameed | Member/Chairman Member Member |
| Human Resource & Remuneration Committee | Mr. Khalid Niaz Khawaja Mr. Raza Mansha Mr. Khalid Qadeer Qureshi | Member/Chairman Member Member |
| Company Secretary | Mr. Khalid Mahmood Chohan | |
| Management | Mr. Raza Mansha Mr. Aftab Ahmad Khan Dr. Arif Bashir Mr. Farid Noor Ali Fazal Mr. Inayat Ullah Niazi | Chief Executive Officer Director Finance Director Technical & Operations Director Marketing Chief Financial Officer |
| Local Bankers | Allied Bank Limited Bank Alfalah Limited Bank Al-Habib Limited Bank Islami Pakistan Limited Dubai Islamic Bank Faysal Bank Limited Habib Bank Limited Limited Habib Metropolitan Bank MCB Bank Limited | MCB Islamic Bank Limited Meezan Bank Limited National Bank of Pakistan Samba Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab United Bank Limited |
| External Auditors | A.F. Ferguson & Co., Chartered Accountants | |
| Legal Advisors | Mr. Shahid Hamid, Bar-at-Law | |
| CUIN | 0006469 | |
| NTN | 1213275-6 | |
| STRN | 0402252300164 | |
| Symbol | DGKC | |

Contact Us

Registered Office

Nishat House, 53-A, Lawrence Road,
Lahore-Pakistan
UAN: 92 42 111 11 33 33
Fax: 92 42 36367414
Email: info@dgcement.com
web site: www.dgcement.com

Factories

Khofli Sattai, Distt., Dera Ghazi Khan-Pakistan
Phone: 92-641-460025-7
Fax: 92-641-462392
Email: dgsite@dgcement.com

12, K.M. Choa Saidan Shah Road,
Khairpur, Tehsil Kallar Kahar,
Distt. Chakwal-Pakistan
Phone: 92-543-650215-8
Fax: 92-543-650231

Chichae Gadani Main RCD, Hub,
Distt. Lasbela, Pakistan
UAN: 92 42 111 11 33 33

Share Registrar

THK Associates (Pvt) Ltd
Head Office, Karachi
1st Floor, 40-C, Block-6,
P.E.C.H.S., Karachi.
Tel: (021) 111 000 322
Fax: (021) 34168271

Branch Office, Lahore
DYL Motorcycles Ltd. Office,
147-Q Block, Behind Emporium Mall,
Johar Town, Lahore
Cell: 0303-4444795, 0323-8999514

For Investors' Information, Comments, Inquiries, Complaints:

Mr. Inayat Ullah Niazi
Chief Financial Officer
E-mail: iniazi@dgcement.com
Phone: 0092 42 111 11 33 33

Mr. Khalid Mehmood Chohan
Company Secretary
E-mail: kchohan@dgcement.com
Phone: 0092 42 111 11 33 33

Directors' Report

The directors of your company are pleased to present you the results of first quarter of FY19:

PKR in thousands

| | Q1FY19 | Q1FY18 |
|-----------------------------------|---------------|---------------|
| Sales | 8,185,893 | 7,527,449 |
| Cost of sales | (7,148,528) | (4,872,232) |
| Gross profit | 1,037,365 | 2,655,217 |
| Administrative expenses | (169,646) | (149,439) |
| Selling and distribution expenses | (177,119) | (232,751) |
| Other operating expenses | (27,989) | (196,274) |
| Other income | 469,292 | 485,302 |
| Finance cost | (612,029) | (88,691) |
| Profit before taxation | 519,874 | 2,473,364 |
| Taxation | (102,051) | 364,064 |
| Profit after taxation | 417,823 | 2,837,428 |
| EPS | 0.95 | 6.48 |

Production and Sales volumetric data is as under:

Figures in MT

| | Q1FY19 | Q1FY18 |
|--|---------------|---------------|
| Clinker Production | 1,506,435 | 971,818 |
| Cement Production | 1,202,574 | 1,120,298 |
| Cement -Total Sales | 1,160,975 | 1,135,784 |
| Cement Local Sales (Excluding own consumption) | 1,085,888 | 1,005,421 |
| Cement Exports Sales | 75,087 | 130,363 |
| Clinker Exports | 102,684 | - |

Volumetric change

| | % change for Q1FY19 wrt Q1FY18 |
|--|---------------------------------------|
| Clinker Production | 55% |
| Cement Production | 7% |
| Cement -Total Sales | 2% |
| Cement Local Sales (Excluding own consumption) | 8% |
| Cement Exports Sales | -42% |

| | Q1HY19 | Q1HY18 | Q1HY17 |
|----------------|---------------|---------------|---------------|
| GP margin (%) | 13 | 35 | 44 |
| PBT margin (%) | 6 | 33 | 42 |

Company cement sales grew by 2% in volumes with 8% growth in local despatches. In value terms sales grew by about 9%. GP margin decreased by about 61%. PBT and PAT decreased by 79% and 85% respectively. GP margin remained at about 13% (Q1FY18: 35%), PBT margin at 6% (Q1FY18: 33%) and PAT margin at 5% (Q1FY18: 38%).

Major reason for this decline in profitability is reduction in gross margins. COGS increased by about 47%. This is majorly result of new plant's operational cost, depreciation charge jumped up, two kilns shut down for some days for maintenance and high coal prices. On the other hand, sales volumetric increase could not be translated effectively into value due to tough market conditions. Prices continue to move downward in first two months of Q1. In later part of the quarter however, prices started picking up backed by strong demand across country. Finance cost also contributed to bottom line decline as it now includes financing charges for Hub plant loans as well besides higher utilization of short-term lines and comparatively higher markup rates on pretext of higher benchmark rates.

Industrial cement despatches were down by about 0.4% (Q1FY18: 22%) in local market, up by 39% (Q1FY18: -17%) in exports market with overall growth of about 4.5% (Q1FY18: 15%). Industrial utilization remained 66.57% (Q1FY18: 77%) for domestic, 13.22% (Q1FY18: 11%) for exports and 79.79% (Q1FY18: 88%) for overall despatches.

GDP growth expectations for FY19 are around 4-5%. During first quarter of FY19, PKR lost about 1.5% against USD. Post quarter end PKR lost further 8% value. SBP policy rate increase by further 100 bps effective October 01, 2018.

| | 29/6/18 | 31/8/18 | 28/9/18 | 1/10/2018 |
|---------|---------|---------|---------|-----------|
| 1 Month | 7.03 | 8.01 | 8.42 | 8.98 |
| 3 Month | 6.92 | 7.93 | 8.32 | 8.88 |
| 6 Month | 7.04 | 8.05 | 8.59 | 8.98 |
| 1 Year | 7.53 | 8.47 | 9.06 | 9.34 |

Cement volumetric sales to remain in positive side. With new plant at south, the Company will export clinker and cement at better margins. Prices of cement in local market may remain volatile but range bound. Profitability of the Company is expected to get improvement as cement sales will keep positive trend, exports will increase and operational costs may get normalized at new plant. However, FX devaluation, inflationary pressure and economic slow down may hit expected profitability.

Principal activity of the Company is manufacture and sale of cement and following are the principal risks the Company face:

- Tight price market and tough competition
- Capacity utilization
- Interest rate
- Foreign currency fluctuations
- Shrinking exports market

Following are the directors of the Company:

| | |
|-------------------------------|----------------|
| Mrs. Naz Mansha (Chairperson) | Non- Executive |
| Mr. Raza Mansha | Executive |
| Mr. Khalid Niaz Khawaja | Independent |
| Mr. Mohammad Arif Hameed | Non-Executive |

| | |
|---------------------------|---------------|
| Mr. Khalid Qadeer Qureshi | Non-Executive |
| Mr. Farid Noor Ali Fazal | Executive |
| Mr. Shahzad Ahmad Malik | Non-Executive |

| | |
|-------------------|----|
| Female Directors: | 01 |
| Male Directors: | 06 |

| | |
|---------------------------|----------|
| Audit Committee | |
| Mr. Khalid Niaz Khawaja | Chairman |
| Mr. Mohammad Arif Hameed | Member |
| Mr. Khalid Qadeer Qureshi | Member |

| | |
|---|----------|
| Human Resource & Remuneration Committee | |
| Mr. Khalid Niaz Khawaja | Chairman |
| Mr. Raza Mansha | Member |
| Mr. Khalid Qadeer Qureshi | Member |

There are no material post balance sheet events affecting the period end position.

Our plants and operations are complying with international and national environmental standards. DGKC is fully cognizant of its responsibility towards society and welfare. The Company is spending on education, health, medical and fire-fighting facilities, water supply to nearby localities, aiding in emergency and disaster situations in nearby areas, awareness campaigns etc.

There are no changes that have occurred during the period under review concerning the nature of the business of the company or of its subsidiaries, or any other company in which the company has interest.

The Directors of your company state that the system of internal control is sound in design and has been effectively implemented and monitored. Significant deviations from last period in operating results of the company are highlighted and reasoned in other parts of Directors report.

We thank all our stakeholders and admire efforts of our employees.

For and on behalf of the Board



Raza Mansha
Chief Executive Officer



Farid Noor Ali Fazal
Director

Lahore
October 25, 2018

مندرجہ ذیل کمپنی کے ڈائریکٹرز ہیں:

محترمہ نازمنشا (چیئر پرسن) نان ایگزیکٹو

جناب رضامنشا ایگزیکٹو

جناب خالد نیاز خواجہ آزاد

جناب محمد عارف حمید نان ایگزیکٹو

جناب خالد قدیر قریشی نان ایگزیکٹو

جناب فرید نور علی فضل ایگزیکٹو

جناب شہزاد احمد ملک نان ایگزیکٹو

خاتون ڈائریکٹرز: 01

مرد ڈائریکٹرز: 06

آڈٹ کمیٹی

جناب خالد نیاز خواجہ چیئر مین

جناب محمد عارف حمید رکن

جناب خالد قدیر قریشی رکن

ہیومن ریسورس اینڈ ریمیزیشن کمیٹی

جناب خالد نیاز خواجہ چیئر مین

جناب رضامنشا رکن

جناب خالد قدیر قریشی رکن

اختتام پذیر مدت کی حیثیت کو متاثر کرنے والے کوئی بعد از تبلیٹس شیڈ نمایاں واقعات رونما نہیں ہوئے ہیں۔ ہمارے پلانٹس اور آپریشنز بین الاقوامی اور قومی ماحولیاتی معیارات کی تعمیل کر رہے ہیں۔ DGKC سوسائٹی اور ویلفیئر کی اپنی ذمہ داریوں کو مکمل طور پر پچانتی ہے۔ کمپنی نزدیکی آبادیوں کے لئے تعلیم، صحت، طبی اور آگ بجھانے کی سہولیات، واٹر سپلائی، نزدیکی علاقوں میں ایمرجنسی اور آفاقی حالات میں مدد، آگاہی مہمات وغیرہ پر خرچ کر رہی ہے۔

کمپنی یا اس کی ذیلی کمپنیوں یا کسی دیگر کمپنی جس میں کمپنی دلچسپی رکھتی ہے کے کاروبار کی نوعیت سے متعلقہ کوئی تبدیلیاں نہیں ہیں جو زیر جائزہ مدت کے دوران رونما ہوئی ہوں۔

آپ کی کمپنی کے ڈائریکٹرز بیان کرتے ہیں کہ داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسکی مؤثر طریقہ سے عملدرآمد اور نگرانی کی جاتی ہے۔ کمپنی کے آپرینٹنگ نتائج میں گزشتہ مدت سے اہم تغیرات ڈائریکٹرز رپورٹ کے دیگر حصوں میں اجاگر کئے گئے ہیں اور وجوہات بیان کی گئی ہیں۔

ہم اپنے تمام اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں اور اپنے تمام ملازمین کی ان تھک کوششوں کو سراہتے ہیں۔
منجانب بورڈ

David Ezzal

فرید نور علی فضل

ڈائریکٹر

رضامنشا

چیف ایگزیکٹو آفیسر

لاہور

25 اکتوبر 2018ء

| Q1HY17 | Q1HY18 | Q1HY19 | |
|--------|--------|--------|---------------|
| 44 | 35 | 13 | GP مارجن (%) |
| 42 | 33 | 6 | PBT مارجن (%) |

کمپنی کی سینٹ کی جی فروخت مقامی ترسیل میں 8% نمو کے ساتھ کلی طور پر 2% تک بڑھ گئی۔ قدر کے لحاظ سے فروخت تقریباً 9% تک بڑھی۔ جی پی مارجن تقریباً 61% تک کم ہو گیا۔ PBT اور PAT بالترتیب 79% اور 85% تک کم ہوا۔ جی پی مارجن تقریباً 13% (Q1FY18: 35%)، PBT مارجن 6% (Q1FY18: 33%) اور PAT مارجن 5% (Q1FY18: 38%) پر برقرار رہا۔

منافع میں اس کمی کی بڑی وجہ مجموعی مارجنز میں کمی ہے۔ COGS تقریباً 47% زیادہ ہوئی۔ جو بنیادی طور پر نئے پلانٹ کے انتظامی اخراجات، ڈیپریسی ایشن چارج میں اضافہ، مینٹیننس کے لئے دو (2) کلنز کی بندش اور کونسلہ کی قیمت میں اضافہ کا نتیجہ ہے۔ دوسری طرف، فروخت، حجم میں اضافہ، سخت مارکیٹ حالات کی وجہ سے مؤثر نتائج حاصل نہیں کر سکا۔ پہلی سہ ماہی کے پہلے دو ماہ میں قیمتیں مسلسل کم ہوئیں۔ تاہم سہ ماہی کے باقی عرصہ میں، قیمتیں پورے ملک میں مضبوط طلب کی بدولت بڑھنا شروع ہو گئیں۔ مالی اخراجات بھی منافع کی کمی میں حصہ دار بنے کیونکہ اب اس میں جب پلانٹ کے قرضوں کے لئے فنانسنگ چارجز بھی شامل ہیں اور اس کے علاوہ مختصر مدتی لائونوں کے زیادہ استعمال اور بیج مارک ریش میں نسبتاً اضافہ بھی اس کے بڑھنے کا سبب ہیں۔

صنعتی سینٹ کی ترسیلات تقریباً 4.5% (Q1FY18: 15%) کی مجموعی نمو کے ساتھ مقامی مارکیٹ میں تقریباً 0.4% (Q1FY18: 22%)، برآمد مارکیٹ میں 39% (Q1FY18: 17%) کم رہیں۔ صنعتی استعمال مقامی سطح پر 66.57% (Q1FY18: 77%)، برآمدات کے لئے 13.22% (Q1FY18: 11%) اور مجموعی ترسیلات کے لئے 79.79% (Q1FY18: 88%) پر رہا ہے۔

مالی سال 19 کے لئے جی ڈی پی نمو کی توقعات تقریباً 4-5% ہیں۔ مالی سال کی پہلی سہ ماہی کے دوران، امریکی ڈالر کے مقابلے پاکستانی روپیہ کی قدر تقریباً 1.5% کم ہوئی۔ سہ ماہی کے اختتام کے بعد پاکستانی روپیہ کی قدر مزید 8% کم ہو گئی۔ ایس بی پی پالیسی ریٹ یکم اکتوبر 2018 سے مزید 100bps زیادہ ہو گیا۔

مختلف تواریخ کے KIBOR

| 1/10/2018 | 28/9/18 | 31/8/18 | 29/6/18 | |
|-----------|---------|---------|---------|-------|
| 8.98 | 8.42 | 8.01 | 7.03 | 1 ماہ |
| 8.88 | 8.32 | 7.93 | 6.92 | 3 ماہ |
| 8.98 | 8.59 | 8.05 | 7.04 | 6 ماہ |
| 9.34 | 9.06 | 8.47 | 7.53 | 1 سال |

سینٹ کی جی فروخت مثبت رہنے کی توقع ہے۔ جنوب میں نئے پلانٹ کے ساتھ، کمپنی بہتر مارجنز میں کلنر اور سینٹ برآمد کرنے کی امید رکھتی ہے۔ کمپنی کی منافع یا بی بہتر ہونے کی توقع ہے کیونکہ سینٹ کی فروخت مثبت رجحان رکھے گی، برآمدات میں اضافہ ہوگا اور نئے پلانٹ میں مالی اخراجات معمول پر آسکتے ہیں۔ تاہم، FX کی قدر میں کمی، افراط زر کا دباؤ اور اقتصادی سست روی متوقع منافع یا بی کو متاثر کر سکتی ہے۔

کمپنی کی بنیادی سرگرمی سینٹ کی تیاری اور فروخت کرنا ہے اور کمپنی کو مندرجہ ذیل اہم خطرات کا سامنا ہے:

- مارکیٹ قیمت اور سخت مقابلہ
- مستعمل پیداواری صلاحیت
- سود کی شرح
- غیر ملکی کرنسی کا اتار چڑھاؤ
- برآمد مارکیٹ کا سکلرڈاؤ

حصص داران کیلئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز آپ کو مالی سال 19 کی پہلی سہ ماہی کے نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

پاکستانی روپے ہزاروں میں

| پہلی سہ ماہی مالی سال 2018 | پہلی سہ ماہی مالی سال 2019 | |
|----------------------------|----------------------------|----------------------------|
| 7,527,449 | 8,185,893 | فروخت |
| (4,872,232) | (7,148,528) | قیمت فروخت |
| 2,655,217 | 1,037,365 | مجموعی منافع |
| (149,439) | (169,646) | انتظامی اخراجات |
| (232,751) | (177,119) | فروخت اور تقسیم کے اخراجات |
| (196,274) | (27,989) | دیگر معاملاتی اخراجات |
| 469,292 | 485,302 | دیگر آمدنی |
| (88,691) | (612,029) | مالی لاگت |
| 2,473,364 | 519,874 | ٹیکسیشن سے قبل منافع |
| 364,064 | (102,051) | ٹیکسیشن |
| 2,837,428 | 417,823 | ٹیکسیشن کے بعد منافع |
| 6.48 | 0.95 | فی شیئر آمدنی |

امسال کے لئے آپ کی کمپنی کی پیداوار اور فروخت حجم کے اعداد و شمار درج ذیل ہیں:

اعداد و شمار میٹرک ٹن میں

| پہلی سہ ماہی مالی سال 2018 | پہلی سہ ماہی مالی سال 2019 | |
|----------------------------|----------------------------|---|
| 971,818 | 1,506,435 | کلنر کی پیداوار |
| 1,120,298 | 1,202,574 | سیمنٹ کی پیداوار |
| 1,135,784 | 1,160,975 | سیمنٹ کی کل فروخت |
| 1,005,421 | 1,085,888 | سیمنٹ کی مقامی فروخت (علاوہ ذاتی استعمال) |
| 130,363 | 75,087 | سیمنٹ کی برآمد فروخت |
| - | 102,684 | کلنر کی برآمد |

جی تبدیلی

| Q1FY18 کے لحاظ سے Q1FY19 کی فیصد تبدیلی | |
|---|---|
| 55% | کلنر پیداوار |
| 7% | سیمنٹ کی پیداوار |
| 2% | سیمنٹ کی کل فروخت |
| 8% | سیمنٹ کی مقامی فروخت (علاوہ ذاتی استعمال) |
| -42% | سیمنٹ کی برآمد فروخت |

Condensed Interim Unconsolidated Statement of Financial Position

| | Note | September 2018 unaudited (Rupees in thousand) | June 2018 audited |
|---|------|---|----------------------|
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Authorised capital | | | |
| - 950,000,000 (June 30, 2018: 950,000,000) ordinary shares of Rs 10 each | | 9,500,000 | 9,500,000 |
| - 50,000,000 (June 30, 2018: 50,000,000) preference shares of Rs 10 each | | 500,000 | 500,000 |
| | | <u>10,000,000</u> | <u>10,000,000</u> |
| Issued, subscribed and paid up share capital | | | |
| 438,119,118 (2018: 438,119,118) ordinary shares of Rs 10 each | | 4,381,191 | 4,381,191 |
| Reserves | | 35,023,475 | 34,761,625 |
| Revenue Reserve: Un-appropriated profit | | 38,409,428 | 37,991,605 |
| | | <u>77,814,094</u> | <u>77,134,421</u> |
| NON-CURRENT LIABILITIES | | | |
| Long term finances - secured | 5 | 18,024,158 | 17,730,324 |
| Long term deposits | | 148,036 | 109,726 |
| Deferred liabilities | | 294,796 | 278,379 |
| Deferred taxation | | 4,131,113 | 4,082,974 |
| | | <u>22,598,103</u> | <u>22,201,403</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 8,578,363 | 7,595,299 |
| Accrued finance cost | | 505,869 | 347,880 |
| Short term borrowing-secured | | 14,981,956 | 12,209,667 |
| Current portion of non-current liabilities | | 2,451,411 | 2,336,910 |
| Unclaimed dividend | | 28,109 | 28,347 |
| Provision for taxation | | 35,090 | 35,090 |
| | | <u>26,580,798</u> | <u>22,553,193</u> |
| Contingencies and Commitments | | | |
| | 6 | - | - |
| | | <u>126,992,995</u> | <u>121,889,017</u> |

The annexed notes form an integral part of this condensed interim unconsolidated financial information.



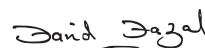
Chief Executive

As At September 30, 2018

| | | September 2018 | June 2018 |
|--|------|----------------------|-------------|
| | | unaudited | audited |
| | Note | (Rupees in thousand) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 76,364,130 | 76,493,984 |
| Investments | 8 | 16,292,501 | 16,259,564 |
| Long term loans to employees | | 574 | 574 |
| Long term deposits | | 60,721 | 59,269 |
| | | 92,717,926 | 92,813,391 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 7,813,685 | 5,114,227 |
| Stock-in-trade | | 3,155,868 | 1,377,596 |
| Trade debts | | 919,172 | 188,293 |
| Investments | 8 | 16,297,507 | 16,018,594 |
| Loans, advances, deposits, prepayments and other receivables | | 1,687,468 | 2,637,675 |
| Loan to related party | 9 | 1,000,000 | 1,000,000 |
| Income tax receivable | | 2,626,584 | 2,270,137 |
| Cash and bank balances | | 774,785 | 469,104 |
| | | 34,275,069 | 29,075,626 |
| | | 126,992,995 | 121,889,017 |



Chief Financial Officer



Director

Condensed Interim Unconsolidated Statement of Profit or Loss - Unaudited

| | | July to September 2018 2017 | |
|-------------------------------------|------|---|-------------|
| | Note | (Rupees in thousand) | |
| Sales | | 8,185,893 | 7,527,449 |
| Cost of sales | 10 | (7,148,528) | (4,872,232) |
| Gross profit | | 1,037,365 | 2,655,217 |
| Administrative expenses | | (169,646) | (149,439) |
| Selling and distribution expenses | | (177,119) | (232,751) |
| Other operating expenses | | (27,989) | (196,274) |
| Other income | | 469,292 | 485,302 |
| Profit from operations | | 1,131,903 | 2,562,055 |
| Finance cost | | (612,029) | (88,691) |
| Profit before taxation | | 519,874 | 2,473,364 |
| Taxation | 11 | (102,051) | 364,064 |
| Profit for the year | | 417,823 | 2,837,428 |
| Earning per share basic and diluted | | 0.95 | 6.48 |

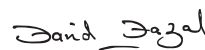
The annexed notes form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Chief Financial Officer



Director

Condensed Interim Unconsolidated Statement of Comprehensive Income - Unaudited

July to September
2018 **2017**
(Rupees in thousand)

Profit for the year

417,823 2,837,428

Available for sale financial assets

- Change in fair value
- Realized gain through profit or loss account
- Tax expense

261,850 (668,358)

- -

- -

Other comprehensive income for the period

261,850 (668,358)

Total comprehensive income for the period

679,673 2,169,070

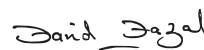
The annexed notes form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Chief Financial Officer



Director

Condensed Interim Unconsolidated Statement of Cash Flows - Unaudited

| | | July to September 2018 2017 | |
|--|------|---|--------------------|
| | Note | (Rupees in thousand) | |
| Cash (used in)/ generated from operations | 13 | (1,362,431) | 2,050,834 |
| Financial cost paid | | (454,040) | (48,550) |
| Retirement and other benefits paid | | (24,499) | (21,008) |
| Taxes paid | | (410,359) | (292,166) |
| long term deposits - net | | 38,310 | 5,215 |
| Net cash (used in)/ from operating activities [A] | | (2,213,019) | 1,694,325 |
| Capital expenditure including purchase of property, plant and equipment | | (1,054,492) | (3,971,947) |
| Proceeds from sale of property, plant and equipment | | 12,407 | 16,083 |
| Long term loans and deposits - net | | (1,452) | 71 |
| Investment in equity instruments | | (50,000) | (95,611) |
| Interest received | | 21,861 | 18,018 |
| Dividend received | | 409,752 | 409,752 |
| Net cash (used in) investing activities [B] | | (661,924) | (3,623,634) |
| Repayment of long term finances | | (291,665) | 3,059,000 |
| Proceeds from long term finances | | 700,000 | 700,000 |
| Net cash from financing activities [C] | | 408,335 | 3,759,000 |
| In(De)crease in cash and cash equivalents [A+B+C] | | (2,466,608) | 1,829,691 |
| Cash and cash equivalents at the beginning of period | | (11,740,563) | (8,149,348) |
| Cash and cash equivalents at the end of period | 14 | (14,207,171) | (6,319,657) |

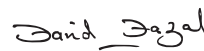
The annexed notes form an integral part of this condensed interim unconsolidated financial information.



Chief Executive



Chief Financial Officer



Director

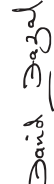
Condensed Interim Unconsolidated Statement of Changes In Equity - Unaudited

| Rupees in thousands | Capital reserve | | | Revenue reserve | | Total |
|---|-----------------|---------------|--------------------|---------------------------------|-----------------|------------|
| | Share Capital | Share Premium | Fair Value Reserve | Capital Redemption Reserve Fund | General Reserve | |
| Balance as at June 30, 2018 - Audited | 4,381,191 | 4,557,163 | 24,779,125 | 353,510 | 5,071,827 | 77,134,421 |
| Total comprehensive income for the period | | | | | | |
| - Profit for the period | - | - | - | - | - | 417,823 |
| - Other comprehensive income for the period | - | - | 261,850 | - | - | 261,850 |
| Balance as at September 30, 2018 - Unaudited | 4,381,191 | 4,557,163 | 25,040,975 | 353,510 | 5,071,827 | 77,814,094 |
| Balance as at June 30, 2017 - Audited | 4,381,191 | 4,557,163 | 28,031,837 | 353,510 | 5,071,827 | 74,868,879 |
| Total comprehensive income for the period | | | | | | |
| - Profit for the period | - | - | - | - | - | 2,837,428 |
| - Other comprehensive (loss) for the period | - | - | (668,358) | - | - | (668,358) |
| Balance as at September 30, 2017 - Unaudited | 4,381,191 | 4,557,163 | 27,363,479 | 353,510 | 5,071,827 | 77,037,949 |

The annexed notes form an integral part of this condensed interim unconsolidated financial information.


Chief Executive


Chief Financial Officer


Director

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Information - Unaudited

1. Legal status and nature of business

D. G. Khan Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. It is principally engaged in production and sale of Clinker, Ordinary Portland and Sulphate Resistant Cement. The registered office of the Company is situated at 53-A, Lawrence Road, Lahore.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

2.1 Initial application of standards, amendments or an interpretation to existing standards.

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning from July 01, 2018 but are not considered to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

- 2.2** The preparation of the interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the presentation of assets, liabilities, incomes and expenses and the amounts reported there against as well as disclosure of contingent liabilities at the date of the interim financial information. If in future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial information, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate during the period in which the circumstances change.

- Residual value and useful life estimation of fixed assets
- Provision for taxation
- Retirements and other benefits
- Provisions and Contingencies
- Fair value of unquoted available-for-sale investment

3. Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the interim financial information are generally based on the same policies and methods as applied in preparation of the annual financial statements for the year ended June 30, 2018.

4. Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

| September 30, 2018 | June 30, 2018 |
|-----------------------|------------------|
| Un-audited | audited |
| (Rupees in thousand) | |

5. Long term finances

These are composed of:

- Long term loans

-note 5.1

Less: Current portion shown under current liabilities

Total long term finances

| | |
|--------------------------------------|------------|
| 20,448,806 | 20,040,471 |
| 20,448,806 | 20,040,471 |
| 2,424,648 | 2,310,147 |
| 18,024,158 | 17,730,324 |
| | |
| Opening balance | 20,040,471 |
| Add: Disbursements during the period | 700,000 |
| | 20,740,471 |
| Less: Repayment during the period | 291,665 |
| Closing balance | 20,448,806 |

5.1 Long term loans

6. Contingencies and commitments

6.1 Contingencies

There is no significant change in contingencies from the annual financial statements of the company for the year ended June 30, 2018.

6.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs 446.198 million (June 30, 2018: Rs 224.277 million).
- (ii) Letters of credit for capital expenditure Rs 126.582 million (June 30, 2018: Rs 235.266 million).
- (iii) Letters of credit other than capital expenditure Rs 1,281.829 million (June 30, 2018: Rs 3,091.684 million).

| | | September 30, 2018 Un-audited | June 30, 2018 audited |
|--|-------------|-------------------------------------|-----------------------------|
| | | (Rupees in thousand) | |
| 7. Property, plant and equipment | | | |
| Operating Assets | -note 7.1 | 72,344,969 | 73,434,283 |
| Capital work-in-progress | | 3,927,395 | 2,967,935 |
| Major spare parts and stand-by equipment | | 91,766 | 91,766 |
| | | <u>76,364,130</u> | <u>76,493,984</u> |
| 7.1 Operating assets | | | |
| Opening book value | | 73,434,283 | 30,987,739 |
| Add: | | | |
| Additions during the period/ year | -note 7.1.1 | 91,912 | 46,233,538 |
| | | <u>73,526,195</u> | <u>77,221,277</u> |
| Less: | | | |
| Impairment charge for the year | | - | 1,270,120 |
| Disposals during the period/ year - net book value | | 7,068 | 212,625 |
| Depreciation charged during the period/ year | | 1,174,158 | 2,304,249 |
| Closing book value | | <u>72,344,969</u> | <u>73,434,283</u> |
| 7.1.1 Major additions during the period | | | |
| Free hold land | | 1,542 | 175,361 |
| Building on freehold land | | - | 12,251,170 |
| Office building and housing colony | | - | 1,411,901 |
| Roads | | - | 827,897 |
| Plant and machinery | | 20,592 | 26,516,470 |
| Quarry equipment | | 25,860 | 1,876,865 |
| Furniture, fixtures and office equipment | | 26,592 | 181,894 |
| Motor vehicles | | 17,326 | 142,727 |
| Power and water supply lines | | - | 2,849,253 |
| | | <u>91,912</u> | <u>46,233,538</u> |
| 8. Investments | | | |
| Cost of investments | | 7,549,033 | 7,499,033 |
| Cumulative fair value gain | | 25,040,975 | 24,779,125 |
| Total investments | | <u>32,590,008</u> | <u>32,278,158</u> |
| Less: Investments classified in current assets | | 16,297,507 | 16,018,594 |
| Closing balance | | <u>16,292,501</u> | <u>16,259,564</u> |

9. Loan to related party

"This represents loan amounting to Rs 1,000 million to Nishat Hotels and Properties Limited ('NHPL'), an associated company, for meeting its working capital requirements. The loan carries markup at the rate of 3 months KIBOR + 0.5% per annum, payable on a monthly basis. The entire amount of the loan is repayable on October 30, 2017. The loan is secured through corporate guarantee of 110% of the loan amount issued by NHPL in favour of the Company. The effective markup rate charged during the period was 6.55% per annum.

In case of default in payment of principal or markup, the borrower shall be liable to pay additional sum equivalent to 7.5% per annum of respective amount of default.

July to September

2018 2017

(Rupees in thousand)

10. Cost of sales

| | | |
|--|------------------|------------------|
| Raw and packing materials consumed | 818,704 | 528,179 |
| Salaries, wages and other benefits | 754,095 | 543,090 |
| Electricity, gas and water | 1,176,485 | 510,106 |
| Furnace oil/coal | 3,893,403 | 1,978,040 |
| Stores and spares consumed | 604,401 | 414,486 |
| Repair and maintenance | 110,351 | 63,847 |
| Insurance | 22,280 | 13,284 |
| Depreciation on property, plant and equipment | 1,162,283 | 487,485 |
| Royalty | 162,428 | 75,852 |
| Excise duty | 10,315 | 7,225 |
| Vehicle running | 17,054 | 6,762 |
| Postage, telephone and telegram | 2,898 | 1,459 |
| Printing and stationery | 4,497 | 3,402 |
| Legal and professional charges | 728 | 738 |
| Travelling and conveyance | 2,662 | 1,427 |
| Estate development | 6,349 | 5,753 |
| Rent, rates and taxes | 21,422 | 11,622 |
| Freight charges | 17,997 | 6,880 |
| Other expenses | 17,592 | 5,592 |
| Total manufacturing cost | 8,805,944 | 4,665,229 |
| Opening work-in-process | 493,431 | 522,557 |
| Cost of goods available for manufacture | 9,299,375 | 5,187,786 |
| Closing work-in-process | (1,851,912) | (345,778) |
| Cost of goods manufactured | 7,447,463 | 4,842,008 |
| Opening stock of finished goods | 385,626 | 332,278 |
| Cost of goods available for sale | 7,833,089 | 5,174,286 |
| Closing stock of finished goods | (636,124) | (241,692) |
| Own consumption capitalized | (48,437) | (60,362) |
| Cost of goods sold | 7,148,528 | 4,872,232 |

July to September
2018 **2017**

(Rupees in thousand)

11. Taxation

| | | |
|--------------|----------------|------------------|
| Current tax | 53,911 | - |
| Deferred tax | 48,140 | (364,064) |
| | <u>102,051</u> | <u>(364,064)</u> |

12. Transactions with related parties

The related parties comprise subsidiary company, associated companies, other related companies, directors of the company, key management personnel and post employment benefit plans. Significant transactions with related parties are as follows:

July to September
2018 **2017**

(Rupees in thousand)

| Relationship with the Company | Nature of transaction | | |
|--------------------------------------|---|---------|---------|
| Subsidiary Company | Purchase of goods and services | 641,419 | 323,162 |
| | Sale of goods and services | 6,872 | 6,924 |
| | Rental Income | 232 | 214 |
| Other related parties | Purchase of goods and services | 9,212 | 427,428 |
| | Insurance premium | 27,878 | 42,826 |
| | Sale of goods | 26,685 | 49,020 |
| | Mark-up income | 20,453 | 16,745 |
| | Insurance claim received | 1,059 | - |
| | Dividend income | 409,109 | 409,109 |
| Key Management personnel | Salaries and other employment benefits | 56,414 | 61,971 |
| Post employment benefit plans | Expense charged in respect of staff retirement benefits plans | 40,923 | 33,653 |

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

July to September
2018 **2017**
(Rupees in thousand)

13. Cash flow from operating activities

| | | |
|---|------------------|------------------|
| Profit before tax | 519,874 | 2,473,364 |
| Adjustment for : | | |
| - Depreciation on property, plant and equipment | 1,174,158 | 505,361 |
| - Profit on disposal of property, plant and equipment | (2,219) | (5,895) |
| - Dividend income | (409,752) | (409,752) |
| - Retirement and other benefits accrued | 40,916 | 33,797 |
| - Markup income | (21,861) | (18,018) |
| - Finance cost | 612,029 | 88,691 |
| Profit before working capital changes | 1,913,145 | 2,667,548 |
| - Stores, spares and loose tools | (2,699,458) | (527,567) |
| - Stock-in-trade | (1,778,272) | 352,685 |
| - Trade debts | (730,879) | (85,336) |
| - Advances, deposits, prepayments and other receivables | 950,207 | 228,545 |
| - Trade and other payables | 982,826 | (585,041) |
| Net working capital changes | (3,275,576) | (616,714) |
| Cash (used in)/ generated from operations | (1,362,431) | 2,050,834 |

14. Cash and cash equivalents

| | | |
|---------------------------------|--------------|-------------|
| Short term borrowings - secured | (14,981,956) | (6,761,578) |
| Cash and bank balances | 774,785 | 441,921 |
| Total cash and cash equivalents | (14,207,171) | (6,319,657) |

15. Financial risk management

15.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at June 30, 2018.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2018.

15.2 Liquidity risk

Compared to the year ended June 30, 2018, the Company has acquired long term borrowings amounting to Rs 0.7 billion as referred to in note 5.1. The contractual undiscounted cash flows for the company's financial liabilities are as follows:

| | Carrying Value | Less than 1 year | Between 1 and 3 years | More than 3 years |
|---------------------------------|-------------------|----------------------|--------------------------|----------------------|
| | | (Rupees in thousand) | | |
| As at September 30, 2018 | | | | |
| Long term finances - secured | 18,524,158 | 2,424,648 | 4,305,294 | 11,794,216 |
| Trade and other payables | 7,211,246 | 7,211,246 | - | - |
| Short term borrowings - secured | 14,981,956 | 14,981,956 | - | - |
| Accrued finance cost | 505,869 | 505,869 | - | - |
| | 41,223,229 | 25,123,719 | 4,305,294 | 11,794,216 |

As at June 30, 2018

| | | | | |
|---------------------------------|-------------------|-------------------|------------------|-------------------|
| Long term finances | 20,040,471 | 2,310,147 | 3,978,405 | 13,751,919 |
| Trade and other payables | 6,580,186 | 6,580,186 | - | - |
| Short term borrowings - secured | 12,209,667 | 12,209,667 | - | - |
| Accrued finance cost | 347,880 | 347,880 | - | - |
| | <u>39,178,204</u> | <u>21,447,880</u> | <u>3,978,405</u> | <u>13,751,919</u> |

15.3 Fair value estimation

The different levels for fair value estimation used by the Company have been defined as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded available for sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.

- The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Company's assets and liabilities that are measured at fair values:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------------|----------------------|----------------|----------------|--------------|
| | (Rupees in thousand) | | | |
| As at September 30, 2018 | | | | |
| Assets | | | | |
| Investments - available for sale | 29,197,838 | - | 3,392,170 | 32,590,008 |
| Total assets | 29,197,838 | - | 3,392,170 | 32,590,008 |

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------------|----------------------|----------------|----------------|--------------|
| | (Rupees in thousand) | | | |
| Liabilities | | | | |
| Derivative financial instruments | - | - | - | - |
| Total liabilities | - | - | - | - |

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------------|----------------------|----------------|----------------|--------------|
| | (Rupees in thousand) | | | |
| As at June 30, 2018 | | | | |
| Assets | | | | |
| Investments - Available for sale | 26,332,214 | - | 3,392,170 | 29,724,384 |
| Total assets | 26,332,214 | - | 3,392,170 | 29,724,384 |

| | | | | |
|----------------------------------|----------|----------|----------|----------|
| Liabilities | | | | |
| Derivative financial instruments | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

There were no transfers between Level 1 and 2 during the period. There were no changes in valuation techniques during the periods.

16. Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on October 25, 2018.

17. Corresponding figures

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

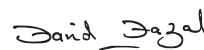
Corresponding figures have been re-arranged wherever necessary for the purposes of comparison, however, no significant re-arrangements have been made.



Chief Executive



Chief Financial Officer



Director

Interim Consolidated Financial Statements

Condensed Interim Consolidated Statement of Financial Position

| | | September 2018 unaudited | June 2018 audited |
|--|------|-----------------------------|----------------------|
| | Note | (Rupees in thousand) | |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Authorised capital | | | |
| - 950,000,000 (June 30, 2018: 950,000,000) ordinary shares of Rs 10 each | | 9,500,000 | 9,500,000 |
| - 50,000,000 (June 30, 2018: 50,000,000) preference shares of Rs 10 each | | 500,000 | 500,000 |
| | | 10,000,000 | 10,000,000 |
| Issued, subscribed and paid up share capital | | | |
| 438,119,118 (2017: 438,119,118) ordinary shares of Rs 10 each | | 4,381,191 | 4,381,191 |
| Reserves | | 34,984,202 | 34,722,352 |
| Un-appropriated profit | | 38,260,006 | 37,884,238 |
| Attributable to owners of the parent company | | 77,625,399 | 76,987,781 |
| Non-controlling interest | | 1,960,637 | 1,994,849 |
| | | 79,586,036 | 78,982,630 |
| NON-CURRENT LIABILITIES | | | |
| Long term finances - secured | 5 | 18,504,158 | 18,330,324 |
| Long term deposits | | 148,036 | 109,726 |
| Deferred liabilities | | 294,796 | 278,379 |
| Deferred taxation | | 4,365,511 | 4,299,861 |
| | | 23,312,501 | 23,018,290 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 9,257,720 | 7,787,966 |
| Accrued finance cost | | 506,544 | 370,028 |
| Short term borrowing-secured | | 16,960,610 | 13,614,942 |
| Loan from related party - unsecured | | 214,000 | 214,000 |
| Current portion of non-current liabilities | | 2,571,411 | 2,364,410 |
| Unclaimed dividend | | 28,109 | 28,347 |
| Provision for taxation | | 35,090 | 35,090 |
| | | 29,573,484 | 24,414,783 |
| Contingencies and Commitments | 6 | - | - |
| | | 132,472,021 | 126,415,703 |

The annexed notes form an integral part of this condensed interim consolidated financial information.



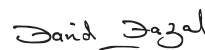
Chief Executive

As At September 30, 2018

| | | September 2018 unaudited | June 2018 audited |
|---|------|-----------------------------|----------------------|
| | Note | (Rupees in thousand) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 80,383,006 | 80,582,245 |
| Biological assets | | 625,395 | 636,403 |
| Investments | 8 | 13,920,811 | 13,859,552 |
| Long term loans to employees | | 574 | 574 |
| Long term loans, advances and deposits | | 61,626 | 60,173 |
| | | 94,991,412 | 95,138,947 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 8,236,955 | 5,272,192 |
| Stock-in-trade | | 4,698,278 | 2,428,200 |
| Trade debts | | 1,434,058 | 519,802 |
| Investments | 8 | 16,279,142 | 16,018,629 |
| Advances, deposits, prepayments and other receivables | | 1,873,618 | 2,824,034 |
| Loan to related party | 9 | 1,000,000 | 1,000,000 |
| Income tax recoverable | | 3,173,800 | 2,714,926 |
| Cash and bank balances | | 784,758 | 498,973 |
| | | 37,480,609 | 31,276,756 |
| | | 132,472,021 | 126,415,703 |



Chief Financial Officer



Director

Condensed Interim Consolidated statement of Profit or Loss - Unaudited

| | | July to September 2018 2017 | |
|--|------|---|-------------|
| | Note | (Rupees in thousand) | |
| Sales | | 8,788,734 | 8,110,392 |
| Cost of sales | 10 | (7,709,856) | (5,418,234) |
| Gross profit | | 1,078,878 | 2,692,158 |
| Administrative expenses | | (187,198) | (168,080) |
| Selling and distribution expenses | | (183,919) | (237,724) |
| Other operating expenses | | (83,621) | (281,327) |
| Changes in fair value of biological assets | | 27,196 | - |
| Other income | | 475,048 | 491,755 |
| Profit from operations | | 1,126,384 | 2,496,782 |
| Finance cost | | (650,853) | (96,499) |
| Profit before taxation | | 475,531 | 2,400,283 |
| Taxation | 11 | (133,975) | 333,035 |
| Profit for the year | | 341,556 | 2,733,318 |
| Attributable to: | | | |
| Equity holders of the parent | | 375,768 | 2,779,982 |
| Non-controlling interest | | (34,212) | (46,664) |
| | | 341,556 | 2,733,318 |
| Earning per share basic and diluted (Rupees) | | 0.78 | 6.24 |

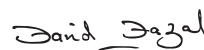
The annexed notes form an integral part of this condensed interim consolidated financial information.



Chief Executive



Chief Financial Officer



Director

Condensed Interim Consolidated Statement of Comprehensive Income - Unaudited

July to September
2018 **2017**
(Rupees in thousand)

| | | |
|---|----------------|------------------|
| Profit for the year | 341,556 | 2,733,318 |
| Available for sale financial assets | | |
| - Change in fair value | 261,850 | (668,358) |
| Other comprehensive income / (loss) for the period | 261,850 | (668,358) |
| Total comprehensive income for the period | 603,406 | 2,064,960 |
| Attributable to: | | |
| Equity holders of the parent | 637,618 | 2,111,624 |
| Non-controlling interest | (34,212) | (46,664) |
| | 603,406 | 2,064,960 |

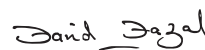
The annexed notes form an integral part of this condensed interim consolidated financial information.



Chief Executive



Chief Financial Officer



Director

Condensed Interim Consolidated Statement of Cash Flows - Unaudited

| | | July to September | |
|--|------|-----------------------------|--------------------|
| | | 2018 | 2017 |
| | Note | (Rupees in thousand) | |
| Cash (used in)/ generated from operations | 13 | (1,750,294) | 1,892,074 |
| Financial cost paid | | (514,337) | (59,081) |
| Retirement and other benefits paid. | | (24,499) | (21,009) |
| Taxes paid | | (527,199) | (176,139) |
| long term deposits - net | | 38,310 | 5,215 |
| Net cash (used in)/ from operating activities [A] | | (2,778,019) | 1,641,060 |
| Capital expenditure including purchase of property, plant and equipment | | (1,045,930) | (3,893,217) |
| Proceeds from sale of property, plant and equipment | | 12,993 | 16,083 |
| Long term loans and deposits - net | | (1,453) | 70 |
| Investment - net | | (59,922) | (144,438) |
| Interest received | | 21,861 | 18,018 |
| Dividend received | | 409,752 | 409,752 |
| Net cash (used in) investing activities [B] | | (662,699) | (3,593,732) |
| Repayment of long term finances | | (319,165) | (152,324) |
| Loan from related party | | - | 6,000 |
| Proceeds from long term finances | | 700,000 | 3,884,000 |
| Net cash from financing activities [C] | | 380,835 | 3,737,676 |
| In(De)crease in cash and cash equivalents [A+B+C] | | (3,059,883) | 1,785,004 |
| Cash and cash equivalents at the beginning of period | | (13,115,969) | (8,164,282) |
| Cash and cash equivalents at the end of period | 14 | (16,175,852) | (6,379,278) |

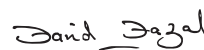
The annexed notes form an integral part of this condensed interim consolidated financial information.



Chief Executive



Chief Financial Officer



Director

Condensed Interim Consolidated statement of Changes In Equity - Unaudited

| | Rupees in thousands | | | | Capital reserve | | | Revenue reserve | |
|---|---------------------|---------------|--------------------|---------------------------------|-----------------|--------------------|---|--------------------------|----------------------------|
| | Share Capital | Share Premium | Fair Value Reserve | Capital Redemption Reserve Fund | General Reserve | Accumulated Profit | Total equity attributable to shareholders of parent company | Non-Controlling interest | Total share holders equity |
| Balance as at June 30, 2018 - Audited | 4,381,191 | 4,557,163 | 24,700,828 | 353,510 | 5,110,851 | 37,884,238 | 76,987,781 | 1,994,849 | 78,982,630 |
| Total comprehensive income for the period | | | | | | | | | |
| - Profit for the period | - | - | - | - | - | 375,768 | 375,768 | (34,212) | 341,556 |
| - Other comprehensive income for the period | - | - | 261,850 | - | - | - | 261,850 | - | 261,850 |
| Balance as at September 30, 2018 - Unaudited | 4,381,191 | 4,557,163 | 24,962,678 | 353,510 | 5,110,851 | 38,260,006 | 77,625,399 | 1,960,637 | 79,586,036 |
| Balance as at June 30, 2017 - Audited | 4,381,191 | 4,557,163 | 27,957,495 | 353,510 | 5,110,851 | 32,333,597 | 74,693,807 | 1,971,423 | 76,665,230 |
| Total comprehensive income for the period | | | | | | | | | |
| - Profit for the period | - | - | - | - | - | 2,779,982 | 2,779,982 | (46,664) | 2,733,318 |
| - Other comprehensive loss for the period | - | - | (668,358) | - | - | - | (668,358) | - | (668,358) |
| Balance as at September 30, 2017 - Unaudited | 4,381,191 | 4,557,163 | 27,289,137 | 353,510 | 5,110,851 | 35,113,579 | 76,805,431 | 1,924,759 | 78,730,190 |

The annexed notes form an integral part of this condensed interim consolidated financial information.


Chief Executive


Chief Financial Officer

Dan Dazal
Director

Notes to and Forming Part of the Condensed Interim Consolidated Financial Information - Unaudited

1. Legal status and nature of business

The group comprises of:

- D. G. Khan Cement Company Limited (the parent company);
- Nishat Paper Products Company Limited;
- Nishat Dairy (Private) Limited; and
- Nishat Farm Supplies (Private) Limited.

The parent company is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange. It is principally engaged in production and sale of Clinker, Ordinary Portland and Sulphate Resistant Cement. The registered office of the Company is situated at 53-A Lawrence Road, Lahore.

Nishat Paper Products Company Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 on July 23, 2004. It is principally engaged in the manufacture and sale of paper products and packaging material.

Nishat Dairy (private) Limited (the company) was incorporated in Pakistan under the Companies Ordinance 1984 on October 28, 2011. The principally activity of the company is to carry on the business of production of raw milk.

Nishat Farm Supplies (Private) Limited is a private limited company incorporated in Pakistan. It is a wholly owned subsidiary of Nishat Dairy (Private) Limited. The principal activity of the company is to carry on the business of sale, marketing and distribution of imported chemicals, medicines, vaccines, cows, other chemicals of all kinds and types (hereinafter referred to as the 'Farm Supplies segment').

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

2.1 Initial application of standards, amendments or an interpretation to existing standards

Initial application of standards, amendments or an interpretation to existing standards There are

certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning from July 01, 2018 but are not considered to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

2.2 The preparation of the interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the presentation of assets, liabilities, incomes and expenses and the amounts reported there against as well as disclosure of contingent liabilities at the date of the interim financial information. If in future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial information, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate during the period in which the circumstances change.

- Residual value and useful life estimation of fixed assets
- Provision for taxation
- Retirements and other benefits
- Provisions and Contingencies
- Fair value of unquoted available-for-sale investment
- Fair valuation of biological assets

3. Significant accounting policies

3.1 The accounting policies adopted for the preparation of this interim consolidated financial information are the same as those applied in the preparation of the preceding annual published consolidated financial statements of the group for the year ended June 30, 2018.

3.2 Significant accounting estimates, judgements and financial risk:

The preparation of this condensed interim financial information in conformity with the approved accounting standards as applicable in Pakistan for interim reporting to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of this condensed interim consolidated financial information are the same as those applied to the financial statements as at and for the year ended June 30, 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

4. Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

| September 30, 2018 | June 30, 2018 |
|-------------------------------|--------------------------|
| Un-audited | audited |
| (Rupees in thousand) | |

5. Long term finances

These are composed of:

- Long term loans

-note 5.1

Less: Current portion shown under current liabilities

| | |
|------------|------------|
| 21,048,806 | 20,667,971 |
| 21,048,806 | 20,667,971 |
| 2,544,648 | 2,337,647 |
| 18,504,158 | 18,330,324 |

5.1 Long term loans

Opening balance

Add: Disbursements during the period

Less: Repayment during the period

Closing balance

| | |
|------------|------------|
| 20,667,971 | 13,133,750 |
| 700,000 | 8,453,805 |
| 21,367,971 | 21,587,555 |
| 319,165 | 919,584 |
| 21,048,806 | 20,667,971 |

6. Contingencies and commitments

6.1 Contingencies

There is no significant change in contingencies from the annual financial statements of the company for the year ended June 30, 2018.

6.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs 446.198 million (June 30, 2018: Rs 224.277 million).
- (ii) Letters of credit for capital expenditure Rs 126.582 million (June 30, 2018: Rs 235.266 million).
- (iii) Letters of credit other than capital expenditure Rs 1,712.819 million (June 30, 2018: Rs 3,685.854 million).

| September 30, 2018 | June 30, 2018 |
|-------------------------------|--------------------------|
| Un-audited | audited |
| (Rupees in thousand) | |

7. Property, plant and equipment

Operating Assets

Capital work-in-progress

Major spare parts and stand-by equipment

-note 7.1

| | |
|------------|------------|
| 76,357,170 | 77,509,420 |
| 3,934,070 | 2,981,059 |
| 91,766 | 91,766 |
| 80,383,006 | 80,582,245 |

| | September 30, 2018 | June 30, 2018 |
|--|-------------------------------|--------------------------|
| | Un-audited | audited |
| | (Rupees in thousand) | |
| 7.1 Operating assets | | |
| Opening book value | 77,509,420 | 34,336,559 |
| Add: | | |
| Additions during the period/ year | -note 7.1.1 103,927 | 47,234,857 |
| | 77,613,347 | 81,571,416 |
| Less: | | |
| Impairment charge for the year | - | 1,270,120 |
| Disposals during the period/ year - net book value | 14,458 | 222,769 |
| Depreciation charged during the period/ year | 1,241,719 | 2,569,107 |
| Closing book value | 76,357,170 | 77,509,420 |

7.1.1 Major additions during the period

| | | |
|--|---------|-----------|
| Free hold land | 1,542 | 38,525 |
| Building on freehold land | - | 221,859 |
| Office building and housing colony | - | 29,200 |
| Roads | - | 66,354 |
| Plant and machinery | 27,093 | 852,612 |
| Quarry equipment | 25,860 | 18,722 |
| Furniture, fixtures and office equipment | 27,090 | 39,664 |
| Motor vehicles | 22,342 | 123,240 |
| Power and water supply lines | - | 21,330 |
| | 103,927 | 1,411,506 |

8. Investments

| | | |
|--|------------|------------|
| Cost of investments | 5,237,275 | 5,177,353 |
| Add: Fair value adjustments | 24,962,678 | 24,700,828 |
| | 30,199,953 | 29,878,181 |
| Less: Investments classified in current assets | 16,279,142 | 16,018,629 |
| Closing balance | 13,920,811 | 13,859,552 |

9. Loan to related party

This represents loan amounting to Rs 1,000 million to Nishat Hotels and Properties Limited ('NHPL'), an associated company, for meeting its working capital requirements. The loan carries markup at the rate of 3 months KIBOR + 0.5% per annum, payable on a monthly basis. The entire amount of the loan is repayable on October 30, 2017. The loan is secured through corporate guarantee of 110% of the loan amount issued by NHPL in favour of the Company. The effective markup rate charged during the period was 6.55% per annum.

In case of default in payment of principal or markup, the borrower shall be liable to pay additional sum equivalent to 7.5% per annum of respective amount of default.

July to September
2018 **2017**
(Rupees in thousand)

10. Cost of sales

| | | |
|--|------------------|------------------|
| Raw and packing materials consumed | 961,806 | 678,981 |
| Forage | 238,409 | 216,343 |
| Medicine and related items | 22,984 | 22,216 |
| Salaries, wages and other benefits | 792,779 | 579,359 |
| Electricity, gas and water | 1,223,523 | 553,844 |
| Furnace oil/coal | 3,893,403 | 1,978,040 |
| Stores and spares consumed | 609,211 | 418,359 |
| Repair and maintenance | 122,974 | 76,648 |
| Insurance | 22,783 | 13,947 |
| Depreciation on property, plant and equipment | 1,228,691 | 551,299 |
| Royalty | 162,428 | 75,852 |
| Excise duty | 10,315 | 7,225 |
| Vehicle running | 17,360 | 6,992 |
| Postage, telephone and telegram | 2,908 | 1,465 |
| Printing and stationery | 4,497 | 3,402 |
| Legal and professional charges | 828 | 738 |
| Travelling and conveyance | 2,662 | 1,427 |
| Estate development | 6,349 | 5,753 |
| Rent, rates and taxes | 21,422 | 11,622 |
| Freight charges | 18,105 | 6,896 |
| Other expenses | 35,506 | 24,176 |
| Total manufacturing cost | 9,398,943 | 5,234,584 |
| Opening work-in-process | 493,431 | 522,557 |
| Cost of goods available for manufacture | 9,892,374 | 5,757,141 |
| Closing work-in-process | (1,851,912) | (345,778) |
| Cost of goods manufactured | 8,040,462 | 5,411,363 |
| Opening stock of finished goods | 535,499 | 431,356 |
| Cost of goods available for sale | 8,575,961 | 5,842,719 |
| Closing stock of finished goods | (817,668) | (364,123) |
| Own consumption capitalized | (48,437) | (60,362) |
| Cost of goods sold | 7,709,856 | 5,418,234 |

11. Taxation

| | | |
|--------------|----------------|------------------|
| Current tax | 68,297 | 29,772 |
| Deferred tax | 65,678 | (362,807) |
| | 133,975 | (333,035) |

12. Transactions with related parties

The related parties comprise associated companies, other related companies, directors of the company, key management personnel and post employment benefit plans. Significant transactions with related parties are as follows:

| | | July to September | |
|-------------------------------|---|----------------------|---------|
| | | 2018 | 2017 |
| | | (Rupees in thousand) | |
| Relationship with the Group | Nature of transaction | | |
| Other related parties | Purchase of goods and services | 9,212 | 427,428 |
| | Insurance premium | 27,878 | 42,826 |
| | Sale of goods | 26,685 | 49,020 |
| | Mark-up income | 20,453 | 16,745 |
| | Insurance claim received | 1,059 | - |
| | Dividend income | 409,109 | 409,109 |
| Key Management personnel | Salaries and other employment benefits | 56,414 | 61,971 |
| Post employment benefit plans | Expense charged in respect of staff retirement benefits plans | 40,923 | 33,653 |

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

July to September
2018 **2017**
(Rupees in thousand)

13. Cash flow from operating activities

| | | |
|---|--------------------|------------------|
| Profit before tax | 475,531 | 2,400,283 |
| Adjustment for : | | |
| - Depreciation on property, plant and equipment | 1,241,719 | 570,515 |
| - Profit on disposal of property, plant and equipment | 1,465 | (5,895) |
| - Dividend income | (409,752) | (409,752) |
| - Retirement and other benefits accrued | 40,916 | 33,797 |
| - Markup income | (21,861) | (18,018) |
| - Finance cost | 650,853 | 96,499 |
| Profit before working capital changes | 1,978,871 | 2,667,429 |
| - Stores, spares and loose tools | (2,964,763) | (526,678) |
| - Stock-in-trade | (2,270,078) | 332,165 |
| - Trade debts | (914,256) | (235,239) |
| - Advances, deposits, prepayments and other receivables | 950,416 | 14,623 |
| - Trade and other payables | 1,469,516 | (360,226) |
| Net working capital changes | (3,729,165) | (775,355) |
| Cash (used in)/ generated from operations | (1,750,294) | 1,892,074 |

14. Cash and cash equivalents

| | | |
|--|---------------------|--------------------|
| Short term borrowings - secured | (16,960,610) | (6,856,988) |
| Cash and bank balances | 784,758 | 477,710 |
| Total cash and cash equivalents | (16,175,852) | (6,379,278) |

15. Financial risk management

15.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The consolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements as at June 30, 2018.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2018.

15.2 Liquidity risk

Compared to the year ended June 30, 2018, the Company has acquired long term borrowings amounting to Rs 0.7 billion as referred to in note 5.1. The contractual undiscounted cash flows for the company's financial liabilities are as follows:

| | Carrying Value | Less than 1 year | Between 1 and 3 year | More than 3 years |
|--|-------------------|----------------------|-------------------------|----------------------|
| | | (Rupees in thousand) | | |
| As at September 30, 2018 | | | | |
| Long term finances | 21,048,806 | 2,544,648 | 4,332,794 | 14,171,364 |
| Trade and other payables | 9,045,446 | 9,045,446 | - | - |
| Accrued finance cost | 506,544 | 506,544 | - | - |
| Short term borrowings - secured | 16,960,610 | 16,960,610 | - | - |
| Loans from related parties - unsecured | 214,000 | 214,000 | - | - |
| | 47,561,406 | 29,057,248 | 4,332,794 | 14,171,364 |

As at June 30, 2018

| | | | | |
|--|-------------------|-------------------|------------------|-------------------|
| Long term finances | 20,667,971 | 2,337,647 | 4,279,098 | 14,051,226 |
| Trade and other payables | 6,578,519 | 6,578,519 | - | - |
| Accrued finance cost | 370,028 | 370,028 | - | - |
| Short term borrowings - secured | 13,614,942 | 13,614,942 | - | - |
| Loans from related parties - unsecured | 214,000 | 214,000 | - | - |
| | <u>41,445,460</u> | <u>23,115,136</u> | <u>4,279,098</u> | <u>14,051,226</u> |

15.3 Fair value estimation

The different levels for fair value estimation used by the Company have been defined as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded available for sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.

- The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Group's assets and liabilities that are measured at fair values:

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------|----------------------|---------|-----------|------------|
| | (Rupees in thousand) | | | |
| As at September 30, 2018 | | | | |
| Assets | | | | |
| Investments - available for sale | 26,807,783 | - | 3,392,170 | 30,199,953 |
| Biological assets | - | - | 625,395 | 625,395 |
| Total assets | 26,807,783 | - | 4,017,565 | 30,825,348 |

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|---------|---------|-------|
| | (Rupees in thousand) | | | |

| | | | | |
|--------------------------|---|---|---|---|
| Total liabilities | - | - | - | - |
|--------------------------|---|---|---|---|

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|---------|---------|-------|
| | (Rupees in thousand) | | | |

As at June 30, 2018

| | | | | |
|--|-------------------|----------|------------------|-------------------|
| Assets | | | | |
| Investments - At fair value through profit or loss | 35 | - | - | 35 |
| Investments - Available for sale | 26,485,976 | - | 3,392,170 | 29,878,146 |
| Biological assets | - | - | 636,403 | 636,403 |
| Total assets | 26,486,011 | - | 4,028,573 | 30,514,584 |

| | | | | |
|--------------------------|---|---|---|---|
| Total liabilities | - | - | - | - |
|--------------------------|---|---|---|---|

There were no transfers between Level 1 and 2 during the period. There were no changes in valuation techniques during the periods.

16. Operating segments

Segment information is presented in respect of the group's business. The primary format, business segment, is based on the group's management reporting structure.

The group's operations comprise of the following main business segment types:

Type of segments Nature of business

| | |
|--------|---|
| Cement | Production and sale of clinker, Ordinary Portland and Sulphate Resistant Cements. |
| Paper | Manufacture and supply of paper products and packing material. |
| Dairy | Production and sale of raw milk. |

16.1 Segment analysis and reconciliation - condensed

The information by operating segment is based on internal reporting to the Group executive committee, identified as the 'Chief Operating Decision Maker' as defined by IFRS 8. This information is prepared under the IFRS's applicable to the consolidated financial statements. All group financial data are assigned to the operating segments.

July 1st to September 30th

| Rupees in thousands | Cement | | Paper | | Dairy/Farm | | Elimination - net | | Consolidated | |
|--|-------------|-------------|------------|-----------|------------|-----------|-------------------|-------------|--------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenue from | | | | | | | | | | |
| - External Customers | 8,185,893 | 7,527,449 | 283,625 | 286,820 | 319,216 | 296,123 | - | - | 8,788,734 | 8,110,392 |
| - Inter-group | - | - | 650,574 | 323,162 | - | - | (650,574) | (323,162) | - | - |
| | 8,185,893 | 7,527,449 | 934,199 | 609,982 | 319,216 | 296,123 | (650,574) | (323,162) | 8,788,734 | 8,110,392 |
| Segment gross profit/(loss) | 1,037,365 | 2,655,217 | 170,455 | 114,855 | (81,557) | (86,508) | (47,385) | 8,594 | 1,078,878 | 2,692,158 |
| Segment expenses | (374,754) | (578,464) | (34,674) | (15,955) | (45,310) | (92,712) | - | - | (454,738) | (687,131) |
| Changes in fair value of biological assets | - | - | - | - | 27,196 | - | - | - | 27,196 | - |
| Other income | 469,292 | 485,302 | 4,093 | 4,189 | 1,895 | 2,478 | (232) | (214) | 475,048 | 491,755 |
| Financial charges | (612,029) | (88,691) | (38,104) | (7,765) | (720) | (43) | - | - | (650,853) | (96,499) |
| Taxation | (102,051) | 364,064 | (29,516) | (31,029) | (2,408) | - | - | - | (133,975) | 333,035 |
| Profit after taxation | 417,823 | 2,837,428 | 72,254 | 64,295 | (100,904) | (176,785) | (47,617) | 8,380 | 341,556 | 2,733,318 |
| Depreciation | 1,174,158 | 505,361 | 11,896 | 11,896 | 48,896 | 48,896 | 6,769 | 4,362 | 1,241,719 | 570,515 |
| Capital expenditure | (1,054,492) | (3,971,947) | (3,599) | (3,599) | (3,336) | (3,336) | 15,497 | 85,665 | (1,045,930) | (3,893,217) |
| Cash to operations | (2,213,019) | 1,694,325 | 22,686 | 22,686 | (15,712) | (15,712) | (571,974) | (60,239) | (2,778,019) | 1,641,060 |
| Cash from investing | (661,924) | (3,623,634) | (31,209) | (31,209) | 872 | 872 | 29,562 | 60,239 | (662,699) | (3,593,732) |
| | | | | | | | | | | |
| Rupees in thousands | 30-09-2018 | 30-6-2018 | 30-09-2018 | 30-6-2018 | 30-09-2018 | 30-6-2018 | 30-09-2018 | 30-6-2018 | 30-09-2018 | 30-6-2018 |
| | unaudited | audited | unaudited | audited | unaudited | audited | unaudited | audited | unaudited | audited |
| Segment assets | 126,992,995 | 121,889,017 | 4,744,232 | 3,819,136 | 3,060,694 | 3,133,181 | (2,325,900) | (2,425,631) | 132,472,021 | 126,415,703 |
| Segment liabilities | 49,178,901 | 44,754,596 | 3,033,617 | 2,481,753 | 546,274 | 517,857 | 127,193 | (321,133) | 52,885,985 | 47,433,073 |

16.2 Geographical segments

All segments of the group are managed on nation-wide basis and operate manufacturing facilities and sales offices in Pakistan only.

17. Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on October 25, 2018.

18. Corresponding figures

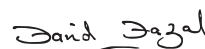
In order to comply with the requirements of the International Accounting Standard 34: 'Interim Financial Reporting', the condensed interim consolidated balance sheet and condensed interim consolidated statement of changes in equity have been compared with the balances of annual audited financial statements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



Chief Executive



Chief Financial Officer



Director

Notes

[illegible]

Notes

[illegible]



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