



D.G. Khan Cement Company Limited

3rd Quarter Report, March 31, 2015 (Un-audited)

Contents

D.G. Khan Cement Company Limited

| | |
|--|----|
| Corporate profile | 02 |
| Directors' Report | 03 |
| Condensed Interim Balance Sheet | 06 |
| Condensed Interim Profit and Loss Account | 08 |
| Condensed Interim Statement of Comprehensive Income | 09 |
| Condensed Interim Cash Flow Statement | 10 |
| Condensed Interim Statement of Changes in Equity | 11 |
| Notes to the Condensed Interim Financial Information | 12 |

D.G. Khan Cement Company Limited and its Subsidiary

| | |
|--|----|
| Directors' Report | 23 |
| Condensed Interim Consolidated Balance Sheet | 24 |
| Condensed Interim Consolidated Profit and Loss Account | 26 |
| Condensed Interim Consolidated Statement of Comprehensive Income | 27 |
| Condensed Interim Consolidated Cash Flow Statement | 28 |
| Condensed Interim Consolidated Statement of Changes in Equity | 29 |
| Notes to the Condensed Interim Consolidated Financial Information | 30 |

Company Profile

| | | |
|--|---|--|
| Board of Directors | Mrs. Naz Mansha Mian Raza Mansha Mr. Khalid Niaz Khawaja Mr. Khalid Qadeer Qureshi Mr. Farid Noor Ali Fazal Mr. Shahzad Ahmad Malik Ms. Nabiha Shahnawaz Cheema | Chairperson Chief Executive |
| Audit Committee | Mr. Khalid Niaz Khawaja Mr. Khalid Qadeer Qureshi Ms. Nabiha Shahnawaz Cheema | Member/chairman Member Member |
| Human Resource & Remuneration Committee | Mian Raza Mansha Mr. Khalid Qadeer Qureshi Ms. Nabiha Shahnawaz Cheema | Member Member/Chairman Member |
| Chief Financial Officer | Mr. Inayat Ullah Niazi | |
| Company Secretary | Mr. Khalid Mahmood Chohan | |
| Bankers | Allied Bank Limited Askari Bank Limited Bank Alfalah Limited Bank Al-Habib Limited Bank Islami Pakistan Limited Barclays Bank Plc Citibank N.A. Deutsche Bank AG Dubai Islamic Bank Faysal Bank Limited Habib Bank Limited Limited Habib Metropolitan Bank | KASB Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Samba Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Silk Bank Limited The Bank of Punjab United Bank Limited |
| External Auditors | A.F. Ferguson & Co., Chartered Accountants | |
| Cost Auditors | Qadeer & Company, Chartered Accountants | |
| Legal Advisors | Mr. Shahid Hamid, Bar-at-Law | |
| Registered Office | Nishat House, 53-A, Lawrence Road, Lahore-Pakistan Phone: 92-42-36367812-20 UAN: 111 11 33 33 Fax: 92-42-36367414 Email: info@dgcement.com web site: www.dgcement.com | |
| Factory | 1. Khofli Sattai, Distt., Dera Ghazi Khan-Pakistan Phone: 92-641-460025-7 Fax: 92-641-462392 Email: dgsite@dgcement.com 2. 12, K.M. Choa Saidan Shah Road, Khairpur, Tehsil Kallar Kahar, Distt. Chakwal-Pakistan Phone: 92-543-650215-8 Fax: 92-543-650231 | |
| Share Registrar | THK Associates (Pvt) Ltd Head Office, Karachi Ground Floor, State Life Building No. 3, Dr. Zia Uddin Ahmed Road, Karachi Tel: (021) 111 000 322 Fax: (021) 35655595 Branch Office, Lahore 2nd Floor, DYL Motorcycles Ltd. Office Building, Plot No. 346 Block No. G-III, Khokar Chowk, Main Boulevard, Johar Town, Lahore Tel: (042) 35290577, Fax (042) 35290667 | |

Directors' Report

Nine Months FY2015

The directors of your company are pleased to present their report on financial statements for Nine Months of FY15.

According to reports government has released just 47.6 percent of Public Sector Development Programme (PSDP) in nine months of this fiscal year. This indicates shortage of revenues at government disposal for development plans. Against allocation of PKR 64 billion only PKR 21 billion have been disbursed to power sector – the most talked and promised one. 22% development plans are expected to be slashed this year for limiting the fiscal deficit. USD/PKR remained almost stable while crude oil remained low and showed low range bound trend. 6M KIBOR came down to 7.98% on 31 March 2015 which is a about 17% decline from that on half year end.

Cement Industry registered growth of about 8% in local market and decrease of about 9.5% in exports in nine months. This made the overall dispatch growth of about 4% in nine months. Industry's local sales showed continuous growth from quarter to quarter during period under review while exports trend is vice versa. Your company share about 10% of industrial despatches.

Results of your company for Nine Months (NM) ended March 31, 2015 are highlighted below:

PKR in thousands

| | NMFY15 | NMFY 14 |
|-------------------------------------|------------|------------|
| Sales | 18,945,247 | 19,606,096 |
| Cost of sales | 12,528,244 | 13,233,299 |
| Gross profit | 6,417,003 | 6,372,797 |
| Expenses (Other than COGS) | 1,653,805 | 2,414,410 |
| Other income | 1,716,592 | 1,283,048 |
| Profit before taxation | 6,479,790 | 5,241,435 |
| Taxation | 1,105,259 | 1,297,640 |
| Profit after taxation | 5,374,531 | 3,943,795 |
| Earning per share basic and diluted | 12.27 | 9.00 |

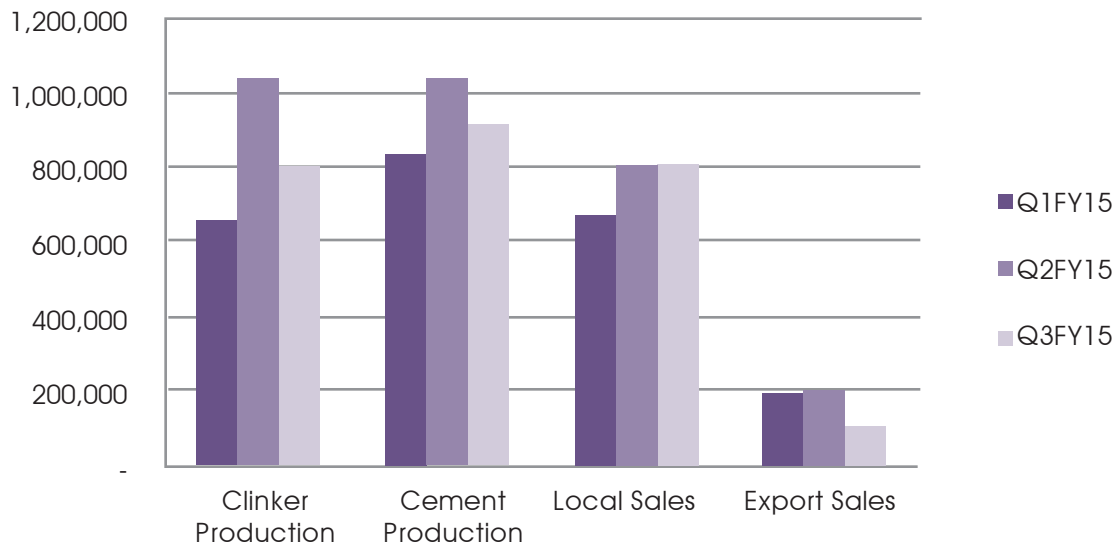
Figures in MT

| | NMFY15 | NMFY 14 |
|--------------------|-----------|-----------|
| Clinker Production | 2,503,894 | 2,576,801 |
| Cement Production | 2,790,670 | 2,960,546 |
| Total Sales | 2,800,512 | 2,948,016 |
| Local Sales | 2,298,687 | 2,115,597 |
| Export Sales | 501,825 | 832,419 |

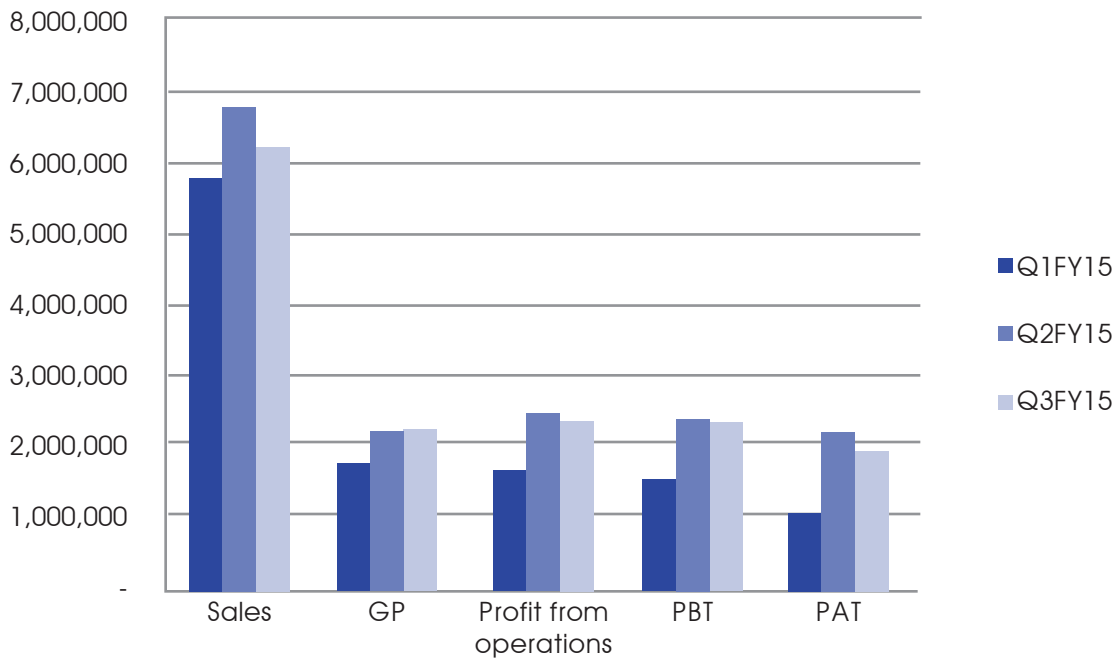


Company's nine months clinker and cement production reduced by 2.8% and 5.7% respectively. Overall sales volume decreased by 5% whereas local sales volume shoots upward recording an increase of 8.6%. Exports volume on the other hand dipped by 39.7%.

Quarter Wise Volumes (MT)



Quarter Wise Profitability View (PKR in thousands)



Nine months sales value decreased by 3.4% in comparison with last year's same period which is a definite result of low volumes overall. Although domestic volumes are comparatively up but, this decrease was mainly because of substantial decrease in exports volumes on grounds of price competitiveness in African market. GP was marginally up with 0.6% only. Cost of sales is reduced by 5.33%. Electricity expenses showed negligible change while furnace oil and coal expense reduced by about 11%. Electricity tariff was reduced since December 14 owing to decrease in oil prices internationally. Low coal prices are adding to better margins while at the same time making the RDF less attractive. Plant operational days for NMFY15 were comparatively less.

Selling costs are down by 50.5% due to low exports. Other expenses are up by 47% which includes WPPF, WWF and exchange loss. WPPF increased on grounds of better profitability. WWF is accounted for in current year due to availability of taxable income. Other income registered a growth of 34%. It includes dividend income of PKR 1.2 billion and profit booked on mutual fund investment of PKR 326 million. Finance cost slipped down by 56% due to better cash flows resulting in low usage of financing from banks. Low discount rate and KIBOR also have share in reduction of finance cost.

Taxation expense was reduced by about 15%. Taxation calculation includes group taxation relief which arise after buying of aggregate taxation losses of PKR 2.05 billion of Nishat Paper Products Ltd. and Nishat Dairy (Private) Limited, to which the company becomes entitled after acquiring 55% stake. At same time it shows impressions of capitalization and change in sales mix ratio. The company is also expected to be assessed in current year under normal tax regime as compared to minimum tax regime in last year. In current year taxation PKR 897 million has been adjusted which was booked in last year on account of Alternate Corporate Tax (ACT).

PBT and PAT are up by 24% and 36% respectively. In vertical analysis for nine months GP is 33.87 for NMFY15 as compared to 32.50 for NMFY14. If we look into the income statement with "per share" perspective then EPS jump from 9 to 12.27 was majorly contributed by reduction in selling costs, increase in other income, decrease in finance cost and decrease in taxation expense. Company booked a fair value loss of about PKR 6 billion on investments due to stock market slippage.

Household sector is expected to be major user of the cement. It is expected that remaining three months to year close, your company would show the same trend as depicted till nine months. Exports would be low while there would be growth in local sales. Prices of furnace oil, coal and other petroleum products are at low levels which will directly and indirectly contribute to better profitability. PKR is expected not to show any abnormal swings against USD till fiscal year end. Borrowings level may further reduce. Fair value of investments is expected to recover in coming months. For Hub project an agreement with K-Electric has been signed for supply of 40MW electricity. Negotiations are underway and expected to be finalized within this financial year in respect of supplier of plant equipment for Hub project.

We admire our employees and honour our customers, suppliers, lenders for their trust and support.

For and on behalf of the Board



Mian Raza Mansha
Chief Executive Officer

April 23, 2015

CONDENSED INTERIM BALANCE SHEET

| | | 31 March, 2015 | 30 June, 2014 |
|--|------|---------------------------|--------------------------|
| | Note | unaudited | audited |
| ----(Rupees in thousand)---- | | | |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Authorised capital | | | |
| - 950,000,000 (June 30, 2014: 950,000,000) | | | |
| ordinary shares of Rs 10 each | | 9,500,000 | 9,500,000 |
| - 50,000,000 (June 30, 2014: 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 capital | | | |
| 438,119,118 (June 30, 2014: 438,119,118) | | | |
| ordinary shares of Rs 10 each | | 4,381,191 | 4,381,191 |
| Reserves | | 36,647,492 | 42,705,394 |
| Accumulated profit | | 18,271,064 | 14,429,950 |
| | | <u>59,299,747</u> | <u>61,516,535</u> |
| NON-CURRENT LIABILITIES | | | |
| Long term finances - secured | 5 | 991,392 | 1,321,009 |
| Long term deposits | | 71,395 | 68,970 |
| Retirement and other benefits | | 140,965 | 200,187 |
| Deferred taxation | | 4,320,940 | 4,234,805 |
| | | <u>5,524,692</u> | <u>5,824,971</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 6 | 4,007,936 | 2,476,304 |
| Short term borrowings - secured | | 2,658,582 | 2,551,676 |
| Current portion of non-current liabilities | | 646,931 | 803,174 |
| Accrued finance cost | | 55,563 | 59,417 |
| Derivative financial instrument | | 7,046 | 14,902 |
| Provision for taxation | | 35,090 | 35,090 |
| | | <u>7,411,148</u> | <u>5,940,563</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 7 | - | - |
| | | <u>72,235,587</u> | <u>73,282,069</u> |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive



AS AT MARCH 31, 2015

| | | 31 March, 2015 | 30 June, 2014 |
|--|------|---------------------------|--------------------------|
| | Note | unaudited | audited |
| ----(Rupees in thousand)---- | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 29,789,253 | 29,832,625 |
| Intangible assets | 9 | 23,065 | 36,904 |
| Investments | 10 | 11,803,883 | 11,258,370 |
| Long term loans, advances and deposits | | 70,513 | 85,544 |
| | | 41,686,714 | 41,213,443 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 3,958,105 | 3,688,795 |
| Stock-in-trade | | 1,032,649 | 1,348,742 |
| Trade debts | | 98,883 | 168,769 |
| Investments | 10 | 23,412,242 | 24,405,153 |
| Advances, deposits, prepayments and other receivables | | 1,129,084 | 764,140 |
| Income tax receivable | | 514,535 | 384,001 |
| Cash and bank balances | | 403,375 | 1,309,026 |
| | | 30,548,873 | 32,068,626 |
| | | 72,235,587 | 73,282,069 |

Said Sajal
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

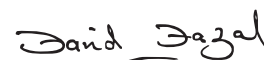
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)

| | Note | 2015 | | 2014 | |
|--|------|------------------|---------------------|------------------|---------------------|
| | | July to March | January to March | July to March | January to March |
| ----Rupees in thousands---- | | | | | |
| Sales | | 18,945,247 | 6,290,060 | 19,606,096 | 7,202,873 |
| Cost of sales | 11 | (12,528,244) | (4,004,004) | (13,233,299) | (5,035,245) |
| Gross profit | | 6,417,003 | 2,286,056 | 6,372,797 | 2,167,628 |
| Administrative expenses | | (358,618) | (113,761) | (343,488) | (119,011) |
| Selling and distribution expenses | | (588,845) | (132,286) | (1,190,286) | (449,769) |
| Other operating expenses | | (455,384) | (140,419) | (308,978) | 43,795 |
| Other income | | 1,716,592 | 582,913 | 1,283,048 | 319,734 |
| Profit from operations | | 6,730,748 | 2,482,503 | 5,813,093 | 1,962,377 |
| Finance cost | | (250,958) | (94,999) | (571,658) | (206,105) |
| Profit before taxation | | 6,479,790 | 2,387,504 | 5,241,435 | 1,756,272 |
| Taxation | 12 | (1,105,259) | (406,507) | (1,297,640) | (481,548) |
| Profit after taxation | | 5,374,531 | 1,980,997 | 3,943,795 | 1,274,724 |
| Earnings per share (basic and diluted) Rupees | | 12.27 | 4.52 | 9.00 | 2.91 |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive



Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)

| | 2015 | | 2014 | |
|--|-----------------------------|---------------------|------------------|---------------------|
| | July to March | January to March | July to March | January to March |
| | ----Rupees in thousands---- | | | |
| Profit after taxation | 5,374,531 | 1,980,997 | 3,943,795 | 1,274,724 |
| Other comprehensive income for the period | | | | |
| Items that may be re-classified subsequently to profit or loss | | | | |
| Change in value of available-for-sale financial assets | (6,057,902) | (6,817,829) | 3,975,034 | 1,917,429 |
| Gain during the year transferred to profit and loss account on derecognition of investment | - | - | (972) | - |
| | (6,057,902) | (6,817,829) | 3,974,062 | 1,917,429 |
| Items that will not be subsequently re-classified to profit or loss | - | - | - | - |
| Other comprehensive income for the period | (6,057,902) | (6,817,829) | 3,974,062 | 1,917,429 |
| Total comprehensive income for the period | (683,371) | (4,836,832) | 7,917,857 | 3,192,153 |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


 Chief Executive


 Director

CONDENSED INTERIM CASH FLOW STATEMENT

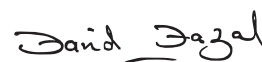
FOR THE NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)

| | | July to March 2015 | July to March 2014 |
|---|----|-----------------------------------|-----------------------------------|
| | | unaudited | unaudited |
| | | ---(Rupees in thousand)--- | |
| Cash flows from operating activities | | | |
| Cash generated from operations | 14 | 8,096,489 | 7,144,554 |
| Finance cost paid | | (254,751) | (601,905) |
| Retirement and other benefits paid | | (125,188) | (27,548) |
| Taxes paid | | (554,658) | (294,809) |
| Payment to subsidiary against tax losses | | (595,000) | - |
| Long term deposits - net | | 2,425 | 3,323 |
| Net cash generated from operating activities | | 6,569,317 | 6,223,615 |
| Cash flows from investing activities | | | |
| Fixed capital expenditure | | (1,372,556) | (2,296,051) |
| Proceeds from sale of property, plant and equipment | | 10,217 | 61,261 |
| Investments made - net | | (5,426,251) | (199,836) |
| Long term loans, advances and deposits - net | | 15,031 | 9,542 |
| Interest received | | 46,552 | 4,036 |
| Dividend received | | 1,269,002 | 1,117,328 |
| Net cash used in investing activities | | (5,458,005) | (1,303,720) |
| Cash flows from financing activities | | | |
| Repayment of long term finances | | (527,504) | (1,908,468) |
| Settlement of derivative financial instrument | | (25,927) | - |
| Dividend paid | | (1,513,030) | (1,304,406) |
| Net cash used in financing activities | | (2,066,461) | (3,212,874) |
| Net (decrease) / increase in cash and cash equivalents | | (955,149) | 1,707,021 |
| Cash and cash equivalents at the beginning of the period | | (1,242,650) | (4,951,409) |
| Exchange loss on cash and cash equivalents | | (57,408) | - |
| Cash and cash equivalents at the end of the period | 15 | (2,255,207) | (3,244,388) |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive



Director




CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)

| | Capital reserve | | | | Revenue reserve | | | Total |
|---|------------------|------------------|--------------------|---------------------------------|------------------|--------------------|-------------------|-------|
| | Share Capital | Share Premium | Fair Value Reserve | Capital Redemption Reserve Fund | General Reserve | Accumulated Profit | | |
| Balance as at June 30, 2014 - Audited | 4,381,191 | 4,557,163 | 32,722,894 | 353,510 | 5,071,827 | 14,429,950 | 61,516,535 | |
| Total comprehensive income for the period | | | | | | | | |
| - Profit for the period | - | - | (6,057,902) | - | - | 5,374,531 | 5,374,531 | |
| - Other comprehensive income for the period | - | - | (6,057,902) | - | - | - | (6,057,902) | |
| Total contributions by and distributions to owners of the Company recognized directly in equity | - | - | - | - | - | 5,374,531 | (683,371) | |
| - Final dividend for the year ended June 30, 2014 (Rs 3.5 per share) | - | - | - | - | - | (1,533,417) | (1,533,417) | |
| Balance as at March 31, 2015 - Unaudited | 4,381,191 | 4,557,163 | 26,664,992 | 353,510 | 5,071,827 | 18,271,064 | 59,299,747 | |
| Balance as at June 30, 2013 - Audited | 4,381,191 | 4,557,163 | 23,802,704 | 353,510 | 5,071,827 | 9,790,403 | 47,956,798 | |
| Total comprehensive income for the period | | | | | | | | |
| - Profit for the period | - | - | - | - | - | 3,943,795 | 3,943,795 | |
| - Other comprehensive income for the period | - | - | 3,974,062 | - | - | - | 3,974,062 | |
| Total contributions by and distributions to owners of the Company recognized directly in equity | - | - | 3,974,062 | - | - | 3,943,795 | 7,917,857 | |
| - Final dividend for the year ended June 30, 2013 (Rs 3 per share) | - | - | - | - | - | (1,314,357) | (1,314,357) | |
| Balance as at 31 March 2014 - Unaudited | 4,381,191 | 4,557,163 | 27,776,766 | 353,510 | 5,071,827 | 12,419,841 | 54,560,298 | |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive


Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)

1. 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 Karachi, Lahore and Islamabad Stock Exchanges. 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

This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The figures for the half year ended December 31, 2014 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended June 30, 2014, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

3. Significant accounting policies

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2014.

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

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.3 Amendments to published standards effective in current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2014 but are considered not 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.

3.4 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 financial information are the same as those applied to the financial statements as at and for the year ended June 30, 2014.

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, 2014.

4. Taxation

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.

| | | March 31, 2015 | June 30, 2014 |
|---|------------|------------------------------|--------------------------|
| | | unaudited | audited |
| | | ----(Rupees in thousand)---- | |
| 5. Long term finances | | | |
| Long term loans | - note 5.1 | 1,625,653 | 2,111,512 |
| Less: Current portion shown under current liabilities | | 634,261 | 790,503 |
| | | <u>991,392</u> | <u>1,321,009</u> |
| 5.1 Long term finances | | | |
| Opening balance | | 2,111,512 | 4,327,841 |
| Add: Exchange loss during the period | | 41,645 | 15,960 |
| | | <u>2,153,157</u> | <u>4,343,801</u> |
| Less: Repayment during the period | | 527,504 | 2,232,289 |
| Closing balance | | <u>1,625,653</u> | <u>2,111,512</u> |
| 6. Trade and other payables | | | |
| Trade creditors | | 1,033,364 | 393,771 |
| Infrastructure cess | | 89,164 | 89,164 |
| Advances from customers | | 598,333 | 384,256 |
| Accrued liabilities | - note 6.1 | 971,388 | 563,891 |
| Workers' profit participation fund | | 1,122,692 | 880,273 |
| Workers' welfare fund | | 26,357 | - |
| Federal excise duty payable | | 15,547 | 5,062 |
| Withholding tax payable | | 8,684 | 11,217 |
| Retention money payable | | 22,077 | 26,268 |
| Unclaimed dividends | | 23,408 | 9,694 |
| Advances against sale of scrap | | 7,355 | 2,791 |
| Advance against sale of fixed assets | | 963 | 1,721 |
| Unclaimed dividend on redeemable preference shares | | 125 | 125 |
| Export commission payable | | 48,154 | 74,902 |
| Others | | 40,325 | 33,169 |
| | | <u>4,007,936</u> | <u>2,476,304</u> |

6.1 This includes an amount of Rs 461.02 million on account of levy of Gas Infrastructure Development Cess (GIDC). The Honourable Supreme Court through its judgement dated August 22, 2014 had upheld decision of the Peshawar High Court declaring the entire levy of GIDC through GIDC Act, 2011 as unconstitutional and invalid. The Government has filed a review petition against the decision of the Honourable Supreme Court, which is pending. In the meanwhile, the President of Pakistan promulgated the GIDC Ordinance, 2014 on September 25, 2014 seeking to impose GIDC levy since 2011. The Company has challenged the validity and promulgation of GIDC Ordinance, 2014 before the Lahore High Court, wherein the Court has been pleased to pass interim orders, thereby restraining Sui Northern Gas Pipelines Limited from charging and/or recovering GIDC till the pendency of the matter.

7. Contingencies and commitments

7.1 Contingencies

There is no significant change in contingencies from the annual financial statements of the Company for the year ended June 30, 2014 except for as mentioned above and letters of guarantees issued to various parties aggregating to Rs 948.621 million (June 30, 2014: Rs 938.449 million)

7.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs. 150.973 million (June 2014: Rs. 260.371 million)
- (ii) Letters of credits for capital expenditure Rs. 2,726.376 million (June 2014: Rs. 65.992 million)
- (iii) Letters of credit other than capital expenditure Rs. 825.615 million (June 2014: Rs. 1,212.026 million)
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

| | March 31, 2015 | June 30, 2014 |
|---|----------------------------|--------------------------|
| | unaudited | audited |
| | ---(Rupees in thousand)--- | |
| Not later than one year | 331 | 331 |
| Later than one year and not later than five years | 1,325 | 1,325 |
| Later than five years | 5,392 | 5,641 |
| | <u>7,048</u> | <u>7,297</u> |

8. Property, plant and equipment

| | | | |
|--|------------|-------------------|-------------------|
| Operating assets | - note 8.1 | 28,314,302 | 28,951,966 |
| Capital work-in-progress | - note 8.2 | 1,369,538 | 634,318 |
| Major spare parts and stand-by equipment | - note 8.3 | 105,413 | 246,341 |
| | | <u>29,789,253</u> | <u>29,832,625</u> |



| | March 31, 2015 | June 30, 2014 |
|--|----------------------------|--------------------------|
| | unaudited | audited |
| | ---(Rupees in thousand)--- | |
| 8.1 Operating assets | | |
| Opening book value | 28,951,966 | 27,324,794 |
| Add: Additions during the period - note 8.1.1 | 778,265 | 3,465,403 |
| Less: Disposals during the period - at book value - note 8.1.2 | 12,816 | 48,229 |
| Less: Depreciation charged during the period | 1,403,113 | 1,790,002 |
| | <u>1,415,929</u> | <u>1,838,231</u> |
| Closing book value | <u>28,314,302</u> | <u>28,951,966</u> |
| 8.1.1 Additions during the period | | |
| Freehold land | 61,944 | 21,574 |
| Buildings on freehold land | 125,042 | 875,412 |
| Office building and housing colony | 10,309 | 13,496 |
| Roads | 5,862 | 26,246 |
| Plant and machinery | 393,606 | 2,258,580 |
| Quarry equipment | 122,207 | 104,235 |
| Furniture, fixtures and office equipment | 32,869 | 28,164 |
| Aircraft | - | - |
| Motor vehicles | 21,362 | 112,190 |
| Power and water supply lines | 5,064 | 25,506 |
| | <u>778,265</u> | <u>3,465,403</u> |
| 8.1.2 Disposals during the period | | |
| Plant and machinery | 10,135 | 18,417 |
| Quarry equipment | - | 4,796 |
| Office equipment | - | 31 |
| Motor vehicles | 2,681 | 24,985 |
| | <u>12,816</u> | <u>48,229</u> |
| 8.2 Capital work-in-progress | | |
| Civil works | 533,634 | 288,234 |
| Plant and machinery | 170,494 | 101,548 |
| Advances for capital expenditure | 335,470 | 60,903 |
| Unallocated expenditure | 22,261 | 16,813 |
| Expansion project: | | |
| -Civil works | 84,550 | 24,701 |
| -Others | 223,129 | 142,119 |
| | <u>307,679</u> | <u>166,820</u> |
| | <u>1,369,538</u> | <u>634,318</u> |

| | March 31, 2015 | June 30, 2014 |
|---|----------------------------|--------------------------|
| | unaudited | audited |
| | ---(Rupees in thousand)--- | |
| 8.3 Major spare parts and stand-by equipment | | |
| Balance at the beginning of the year | 246,341 | 194,005 |
| Additions during the year | 25,350 | 121,679 |
| Transfers made during the year | (166,278) | (69,343) |
| Balance at the end of the year | <u>105,413</u> | <u>246,341</u> |
| 9. Intangible assets | | |
| Opening book value | 36,904 | 55,356 |
| Less: Amortization charged during the period | 13,839 | 18,452 |
| Closing book value | <u>23,065</u> | <u>36,904</u> |
| 10. Investments | | |
| Cost of investments | 3,310,626 | 3,081,130 |
| Add : Cumulative fair value gain | 26,664,992 | 32,722,894 |
| Add : Purchase of new investment | 10,006,881 | 229,919 |
| Add: Fair value gain through profit and loss | 326,241 | - |
| Less: Disposal of investments | (4,722,618) | (423) |
| Less: Cumulative impairment losses recognized | (369,997) | (369,997) |
| | <u>31,905,499</u> | <u>32,582,393</u> |
| Total investments | <u>35,216,125</u> | <u>35,663,523</u> |
| Less: Investments classified in current assets | 23,412,242 | 24,405,153 |
| Closing balance | <u>11,803,883</u> | <u>11,258,370</u> |

| | 2015 | | 2014 | |
|---|-----------------------------|---------------------|------------------|---------------------|
| | July to March | January to March | July to March | January to March |
| | ----Rupees in thousands---- | | | |
| 11. Cost of sales | | | | |
| Raw and packing materials consumed | 1,639,752 | 541,912 | 1,611,958 | 611,577 |
| Salaries, wages and other benefits | 995,709 | 336,377 | 970,086 | 323,272 |
| Electricity and gas | 2,076,767 | 476,164 | 2,059,440 | 767,335 |
| Furnace oil and coal | 4,551,250 | 1,529,822 | 5,113,703 | 1,763,700 |
| Stores and spares consumed | 1,180,468 | 346,266 | 1,235,686 | 427,880 |
| Repair and maintenance | 158,744 | 52,223 | 220,756 | 62,200 |
| Insurance | 50,460 | 16,555 | 48,986 | 16,327 |
| Depreciation on property, plant and equipment | 1,335,493 | 450,654 | 1,228,344 | 420,609 |
| Amortization on intangibles | 9,687 | 3,229 | 9,687 | 3,229 |
| Royalty | 192,712 | 61,619 | 198,720 | 65,386 |
| Excise duty | 18,470 | 5,822 | 19,257 | 6,350 |
| Vehicle running expenses | 24,069 | 7,102 | 27,491 | 9,701 |
| Postage, telephone and telegram | 3,680 | 746 | 3,125 | 913 |
| Printing and stationery | 4,100 | 2,321 | 2,799 | 1,387 |
| Legal and professional charges | 1,770 | 704 | 1,418 | 342 |
| Travelling and conveyance | 7,886 | 2,635 | 14,640 | 6,699 |
| Estate development | 16,080 | 6,184 | 12,700 | 5,283 |
| Rent, rates and taxes | 31,867 | 10,759 | 21,961 | 6,478 |
| Freight charges | 29,793 | 8,777 | 5,848 | 2,343 |
| Other expenses | 17,247 | 5,510 | 19,715 | 7,708 |
| Total manufacturing cost | 12,346,004 | 3,865,381 | 12,826,320 | 4,508,719 |
| Opening work-in-process | 560,634 | 527,802 | 856,587 | 892,939 |
| Closing work-in-process | (405,527) | (405,527) | (345,775) | (345,775) |
| | 155,107 | 122,275 | 510,812 | 547,164 |
| Cost of goods manufactured | 12,501,111 | 3,987,656 | 13,337,132 | 5,055,883 |
| Opening stock of finished goods | 348,437 | 332,025 | 320,318 | 366,840 |
| Closing stock of finished goods | (311,411) | (311,411) | (375,953) | (375,953) |
| | 37,026 | 20,614 | (55,635) | (9,113) |
| Less: Own consumption apitalized | (9,893) | (4,266) | (48,198) | (11,525) |
| | 12,528,244 | 4,004,004 | 13,233,299 | 5,035,245 |

| | 2015 | | 2014 | |
|---------------------|-----------------------------|------------------|---------------|------------------|
| | July to March | January to March | July to March | January to March |
| | ----Rupees in thousands---- | | | |
| 12. Taxation | | | | |
| Current | | | | |
| - For the year | 265,041 | (243,348) | 118,998 | 64,925 |
| - Prior years | - | - | 4,939 | - |
| | 265,041 | (243,348) | 123,937 | 64,925 |
| Deferred | 840,218 | 649,855 | 1,173,703 | 416,623 |
| | 1,105,259 | 406,507 | 1,297,640 | 481,548 |

13. 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:

| Relationship with the company | Nature of transaction | July to March 2015 | July to March 2014 |
|-------------------------------|--|--------------------|--------------------|
| | | unaudited | unaudited |
| ----(Rupees in thousand)---- | | | |
| Subsidiary company | Purchase of goods and services | 828,632 | 844,169 |
| | Rental income | 609 | 609 |
| | Interest income | 9,005 | 23,090 |
| Other related parties | Purchase of goods and services | 1,371,118 | 994,509 |
| | Insurance premium | 73,354 | 82,028 |
| | Sale of goods | 258,041 | 561,952 |
| | Mark-up income on balances with related parties | 722 | 911 |
| | Gain on disposal of investment | 117,561 | - |
| | Insurance claim received | 1,000 | 2,895 |
| | Dividend income | 1,269,002 | 976,283 |
| Key management personnel | Salaries and other employment benefits | 111,177 | 94,943 |
| Post employment benefit plans | Expense charged in respect of staff retirement benefits plans (defined benefit plan) | 73,837 | 63,351 |
| | Expense charged in respect of staff retirement benefits plans (contribution plan) | 37,489 | 30,547 |

| | March 31, 2015 | June 30, 2014 |
|---------------------------------------|-----------------------------------|-----------------------------------|
| | unaudited | audited |
| | ----(Rupees in thousand)---- | |
| Balances with related parties: | | |
| Trade debts | 16,005 | 42,523 |
| Other receivables | 24,223 | 270,367 |
| Short term investments | 479,066 | 479,066 |
| Long term investments - subsidiaries | 2,553,774 | 203,631 |
| Long term investments - associates | 1,452,392 | 1,952,393 |
| Long term investments - others | 605,099 | 275,408 |
| Trade and other payables | 3,618 | 3,199 |
| | July to March 2015 | July to March 2014 |
| | unaudited | unaudited |
| | ----(Rupees in thousand)---- | |

14. Cash flow from operating activities

| | | |
|--|------------------|------------------|
| Profit before tax | 6,479,790 | 5,241,435 |
| Adjustment for : | | |
| - Depreciation on property, plant and equipment | 1,403,113 | 1,308,560 |
| - Profit on disposal of property, plant and equipment | 2,598 | (32,961) |
| - Profit on bank deposits | (6,385) | (2,594) |
| - Amortization on intangibles | 13,839 | 13,839 |
| - Dividend income | (1,269,002) | (1,117,328) |
| - Retirement and other benefits accrued | 65,966 | 57,726 |
| - Mark-up income | (9,727) | (24,001) |
| - Exchange loss - net | 83,454 | 19,666 |
| - Finance cost | 250,958 | 571,658 |
| - Provision of WPPF | 342,429 | 275,865 |
| - Fair value gain on investments at fair value through profit or loss | (99,636) | - |
| - Gain on disposal of investments at fair value through profit or loss | (84,617) | - |
| - Loss on derivative financial instruments | 18,071 | - |
| Profit before working capital changes | 7,190,851 | 6,311,865 |
| Effect on cash flow due to working capital changes: | | |
| - (Increase) / decrease in stores, spares and loose tools | (269,310) | 351,971 |
| - (Decrease) / Increase in stock-in-trade | 316,093 | 578,744 |
| - (Increase) / decrease in trade debts | 77,661 | (103,613) |
| - Increase in advances, deposits, prepayments and other receivables | (395,384) | (662,170) |
| - Decrease / (Increase) in trade and other payables | 1,176,578 | 667,757 |
| | 905,638 | 832,689 |
| Cash generated from operations | 8,096,489 | 7,144,554 |

| | March 31, 2015 | March 31, 2014 |
|--------------------------------------|------------------------------|---------------------------|
| | unaudited | unaudited |
| | ----(Rupees in thousand)---- | |
| 15. Cash and cash equivalents | | |
| Short term borrowings - secured | (2,658,582) | (3,695,891) |
| Cash and bank balances | 403,375 | 451,503 |
| | <u>(2,255,207)</u> | <u>(3,244,388)</u> |

16. Financial risk management

16.1 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, 2014.

There have been no changes in the risk management department or in any risk management policies since the year end.

16.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

16.3 Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

17. Date of authorization for issue

This interim financial information was authorized for issue on April 23, 2015 by the Board of Directors of the Company.

18. Corresponding figures

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


Chief Executive


Director

A vintage-style map with a compass and a rope. The map is aged and shows various geographical features and place names. A compass with a wooden frame and a metal ring is positioned in the lower right quadrant. A thick, braided rope is coiled around the map, forming a large loop that frames the central text. The overall color palette is warm, with shades of brown, tan, and sepia.

Consolidated Financial Statements

Directors' Report Nine Months FY2015

The directors are pleased to present their report on consolidated financial statements for Nine Months of FY15 of DG Khan Cement Company Limited (DGKC) - holding company and its subsidiaries, Nishat Paper Products Limited (NPPL) and Nishat Dairy (Private) Limited (NDL).

Expected GDP growth for Pakistan is 4.2%. With fragile macro-economic fundamentals and struggle against outlaws, miscreants and terrorists this growth, if achieved would be positive. To make the wheel of economy run, projects having potential of high employment, exports and agriculture yield are expected from government besides safe, cheap and environment friendly energy and infrastructure. Easy and consistent taxation system lies at the heart of development.

Highlights of consolidated financial results for Nine Months of FY15 are as under:

PKR in thousands

| | NMFY15 | NMFY 14 |
|-------------------------------|------------------|------------------|
| Sales | 20,359,593 | 20,455,678 |
| Cost of sales | 13,726,225 | 13,901,228 |
| Gross profit | 6,633,368 | 6,554,450 |
| Expenses (Other than COGS) | 1,837,425 | 2,543,794 |
| Other income | 1,712,041 | 1,261,916 |
| Profit before taxation | 6,507,984 | 5,272,572 |
| Taxation | 692,147 | 1,331,987 |
| Profit after taxation | 5,815,837 | 3,940,585 |

With negligible changes in sales and COGS, consolidated GP is up by only about 1%. Profit from operations increased by about 14.7%. PBT is up by 23% while PAT is boosted to about 47%. Consolidated EPS is 13.27 against 8.99 for comparison period. Initial operational phases of NDL are earning gross losses. It is expected that NDL would become profitable by next year with an expectation that new animals will start milking thereby increasing volumes.

NPPL's GP margin increased by about 45%. This was contributed by increased sales price of about 4% and reduction of COGS by about 3%. Financial charges slashed down due to better inventory management and use of cheap USD financing. PAT increased by about 469% touching the mark of PKR 157 million as against PKR 28 million for comparison period.

Expected growth in cement industry will ensure that paper sacks will remain stable with prices while augment in volumes. Kraft paper prices are expected to remain stable due to EU crisis which will ensure profitability for coming periods.

A separate report has been issued on affairs of the holding company.

We admire support of all stake holders including our customers, suppliers, lenders and appreciate all our employees for their untiring efforts.

For and on behalf of board



Mian Raza Mansha
Chief Executive Officer

April 23, 2015



CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

| | | 31 March, 2015 | 30 June, 2014 |
|--|------|------------------------------|--------------------------|
| | Note | unaudited | audited |
| | | ----(Rupees in thousand)---- | |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Authorised capital | | | |
| - 950,000,000 (June 30, 2014: 950,000,000) | | 9,500,000 | 9,500,000 |
| ordinary shares of Rs 10 each | | | |
| - 50,000,000 (June 30, 2014: 50,000,000) | | 500,000 | 500,000 |
| preference shares of Rs 10 each | | 10,000,000 | 10,000,000 |
| | | <u>10,000,000</u> | <u>10,000,000</u> |
| Issued, subscribed and paid up capital | | 4,381,191 | 4,381,191 |
| Reserves | | 36,686,516 | 42,744,418 |
| Accumulated profit | | 18,538,829 | 14,454,708 |
| | | <u>59,606,536</u> | <u>61,580,317</u> |
| Non-controlling interest | | 2,375,356 | 304,960 |
| | | <u>61,981,892</u> | <u>61,885,277</u> |
| NON-CURRENT LIABILITIES | | | |
| Long term finances | 5 | 1,238,267 | 1,657,884 |
| Long term deposits | | 71,395 | 68,970 |
| Retirement and other benefits | | 140,965 | 200,187 |
| Deferred taxation | | 4,449,462 | 4,215,327 |
| | | <u>5,900,089</u> | <u>6,142,368</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 6 | 4,484,077 | 2,652,542 |
| Accrued markup | | 55,563 | 72,753 |
| Short term borrowing-secured | | 3,172,543 | 3,118,137 |
| Current portion of non-current liabilities | | 780,056 | 905,049 |
| Derivative financial instrument | | 7,046 | 14,902 |
| Provision for taxation | | 35,090 | 35,090 |
| | | <u>8,534,375</u> | <u>6,798,473</u> |
| Contingencies and Commitments | 7 | - | - |
| | | <u>76,416,356</u> | <u>74,826,118</u> |

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


Chief Executive



AS AT MARCH 31, 2015

| | Note | 31 March, 2015 unaudited ---(Rupees in thousand)--- | 30 June, 2014 audited |
|--|------|--|-------------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 34,888,873 | 30,817,019 |
| Intangible assets | 9 | 23,065 | 36,904 |
| Investments | 10 | 9,280,854 | 11,054,741 |
| Goodwill | | 21,827 | - |
| Long term loans, advances and deposits | | 71,418 | 86,448 |
| | | 44,286,037 | 41,995,112 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 4,103,067 | 3,755,732 |
| Stock-in-trade | | 1,685,487 | 1,953,976 |
| Trade debts | | 432,696 | 419,631 |
| Investments | 10 | 23,412,279 | 24,405,190 |
| Advances, deposits, prepayments and other receivables | | 1,567,518 | 506,975 |
| Income tax recoverable | | 514,535 | 477,278 |
| Cash and bank balances | | 414,737 | 1,312,224 |
| | | 32,130,319 | 32,831,006 |
| | | 76,416,356 | 74,826,118 |

Said Sajal
Director

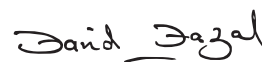
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)

| | Note | 2015 | | 2014 | |
|---|------|------------------|---------------------|------------------|---------------------|
| | | July to March | January to March | July to March | January to March |
| ----Rupees in thousands---- | | | | | |
| Sales | | 20,359,593 | 6,415,137 | 20,455,678 | 7,522,951 |
| Cost of sales | 11 | (13,726,225) | (3,903,563) | (13,901,228) | (5,293,618) |
| Gross profit | | 6,633,368 | 2,511,574 | 6,554,450 | 2,229,333 |
| Administrative expenses | | (376,779) | (112,697) | (347,554) | (120,512) |
| Selling and distribution expenses | | (602,160) | (136,609) | (1,203,033) | (455,207) |
| Other operating expenses | | (534,445) | (156,020) | (312,242) | 42,050 |
| Other income | | 1,712,041 | 574,022 | 1,261,916 | 311,735 |
| Profit / (Loss) from operations | | 6,832,025 | 2,680,270 | 5,953,537 | 2,007,399 |
| Finance cost | | (324,041) | (112,726) | (680,965) | (231,191) |
| Profit before taxation | | 6,507,984 | 2,567,544 | 5,272,572 | 1,776,208 |
| Taxation | | | | | |
| - Current Tax | | 156,071 | 363,434 | (139,648) | (71,238) |
| - Deferred Tax | | (848,218) | (519,829) | (1,192,339) | (428,241) |
| | 12 | (692,147) | (156,395) | (1,331,987) | (499,479) |
| Profit after taxation | | 5,815,837 | 2,411,149 | 3,940,585 | 1,276,729 |
| Attributable to: | | | | | |
| Equity holders of the parent | | 5,617,538 | 2,217,942 | 3,942,190 | 1,275,726 |
| Non-controlling interest | | 198,299 | 193,207 | (1,605) | 1,003 |
| | | 5,815,837 | 2,411,149 | 3,940,585 | 1,276,729 |
| Earning per share basic and diluted (Rupees) | | 13.27 | 5.50 | 8.99 | 2.91 |

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



Chief Executive



Director



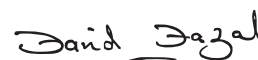
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)**

| | 2015 | | 2014 | |
|--|-----------------------------|---------------------|------------------|---------------------|
| | July to March | January to March | July to March | January to March |
| | ----Rupees in thousands---- | | | |
| Profit after taxation | 5,815,837 | 2,411,149 | 3,940,585 | 1,276,729 |
| Items that may be re-classified to profit or loss | | | | |
| Available for sale financial assets | | | | |
| - Change in fair value of available- for-sale financial assets | (6,057,902) | (6,817,829) | 3,975,034 | (753,557) |
| - Gain during the year transferred to profit and loss account on derecognition of investment | - | - | (972) | - |
| | (6,057,902) | (6,817,829) | 3,974,062 | (753,557) |
| Items that will not be subsequently re-classified to profit or loss | - | - | - | - |
| Other comprehensive income for the period | (6,057,902) | (6,817,829) | 3,974,062 | (753,557) |
| Total comprehensive income for the period | (242,065) | (4,406,680) | 7,914,647 | 523,172 |
| Attributable to: | | | | |
| Equity holders of the parent | (440,364) | (4,599,887) | 7,916,252 | 522,169 |
| Non-controlling interest | 198,299 | 193,207 | (1,605) | 1,003 |
| | (242,065) | (4,406,680) | 7,914,647 | 523,172 |

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



Chief Executive



Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

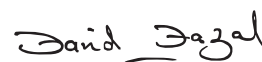
FOR THE NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)

| | | July to March 2015 | July to March 2014 |
|--|------|-----------------------------------|-----------------------------------|
| | | unaudited | unaudited |
| | Note | ---(Rupees in thousand)--- | |
| Cash (used in)/ generated from operations | 14 | 8,554,162 | 7,125,146 |
| Financial cost paid | | (341,231) | (731,322) |
| Retirement and other benefits paid | | (125,188) | (27,548) |
| Taxes paid | | (495,269) | (356,421) |
| Payment to subsidiary against tax losses | | (595,000) | - |
| long term deposits - net | | 2,425 | 3,323 |
| Net cash (used in)/ from operating activities [A] | | 6,999,899 | 6,013,178 |
| Fixed capital expenditure | | (5,694,502) | (2,298,242) |
| Proceeds from sale of property, plant and equipment | | 19,069 | 61,261 |
| Long term loans and deposits - net | | 15,030 | 9,542 |
| Investment - net | | (1,419,007) | (199,836) |
| Good will | | (21,827) | - |
| Interest received | | 44,992 | 4,393 |
| Dividend received | | 1,269,002 | 1,117,329 |
| Net cash from/ (used in) investing activities [B] | | (5,787,243) | (1,305,553) |
| Repayment of long term finances | | (568,184) | (1,908,468) |
| Settlement of derivative financial instrument | | (25,927) | - |
| Proceeds from long term finances | | - | 220,000 |
| Dividend paid | | (1,513,030) | (1,304,406) |
| Net cash from/ (used in) financing activities [C] | | (2,107,141) | (2,992,874) |
| In(De)crease in cash and cash equivalents [A+B+C] | | (894,485) | 1,714,751 |
| Cash and cash equivalents at the beginning of period | | (1,805,913) | (5,889,212) |
| Exchange loss on cash and cash equivalents | | (57,408) | - |
| Cash and cash equivalents at the end of period | 15 | (2,757,806) | (4,174,461) |

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



Chief Executive



Director



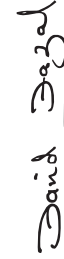
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)

| | Capital reserve | | | | | Revenue reserve | | | Total share holders equity |
|---|------------------|------------------|--------------------|---------------------------------|------------------|--------------------|---|--------------------------|----------------------------|
| | 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 | |
| Balance as at June 30, 2014 - Audited | 4,381,191 | 4,557,163 | 32,722,894 | 353,510 | 5,110,851 | 14,454,708 | 61,580,317 | 304,960 | 61,885,277 |
| Total comprehensive income for the period | | | | | | | | | |
| - Profit for the period | - | - | - | - | - | 5,617,538 | 5,617,538 | 198,299 | 5,815,837 |
| - Other comprehensive income for the period | - | - | (6,057,902) | - | - | - | (6,057,902) | - | (6,057,902) |
| Non-controlling interest acquired on acquisition of subsidiary | - | - | - | - | - | - | - | 1,872,097 | 1,872,097 |
| -Final dividend for the year ended June 30, 2014 (Rs 3.5 per share) | - | - | - | - | - | (1,533,417) | (1,533,417) | - | (1,533,417) |
| Balance as at March 31, 2015 - Unaudited | 4,381,191 | 4,557,163 | 26,664,992 | 353,510 | 5,110,851 | 18,538,829 | 59,606,536 | 2,375,356 | 61,981,892 |
| Balance as at June 30, 2013 - Audited | 4,381,191 | 4,557,163 | 23,802,704 | 353,510 | 5,110,851 | 9,786,150 | 47,991,569 | 275,949 | 48,267,518 |
| Total comprehensive income for the period | | | | | | | | | |
| - Profit for the period | - | - | - | - | - | 3,942,190 | 3,942,190 | (1,605) | 3,940,585 |
| - Other comprehensive income for the period | - | - | 3,974,062 | - | - | - | 3,974,062 | - | 3,974,062 |
| -Final dividend for the year ended June 30, 2013 (Rs 3 per share) | - | - | - | - | - | (1,314,357) | (1,314,357) | - | (1,314,357) |
| Balance as at March 31, 2014 - Unaudited | 4,381,191 | 4,557,163 | 27,776,766 | 353,510 | 5,110,851 | 12,413,983 | 54,593,464 | 274,344 | 54,867,808 |

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



Chief Executive



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2015 - (UN-AUDITED)

1. Legal status and nature of business

The group comprises of:

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

The parent company is a public limited company incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. 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, the subsidiary company is an unlisted public limited company incorporated in Pakistan under the Companies Ordinance 1984 on July 23, 2004. It is principally engaged in 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.

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2014.

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, 2014.

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

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.3 Amendments to published standards effective in current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2014 but are considered not 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.

3.4 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 financial information are the same as those applied to the financial statements as at and for the year ended June 30, 2014.

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, 2014.

4. Taxation

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.

5. Long term finances

| | | March 31, 2015 | June 30, 2014 |
|---|-----|------------------------------|--------------------------|
| | | unaudited | audited |
| | | ----(Rupees in thousand)---- | |
| Long term loans | 5.1 | 2,005,653 | 2,550,263 |
| Less: Current portion shown under current liabilities | | 767,386 | 892,379 |
| | | <u>1,238,267</u> | <u>1,657,884</u> |
| 5.1 Long term loans | | | |
| Opening balance | | 2,550,263 | 4,577,841 |
| Add: Disbursements during the period | | - | 220,000 |
| Exchange loss during the period | | 41,645 | 15,960 |
| | | <u>2,591,908</u> | <u>4,813,801</u> |
| Less: Repayment during the period | | 586,255 | 2,263,538 |
| Closing balance | | <u>2,005,653</u> | <u>2,550,263</u> |



| | March 31, 2015 | June 30, 2014 |
|--|------------------------------|--------------------------|
| | unaudited | audited |
| | ----(Rupees in thousand)---- | |
| 6. Trade and other payables | | |
| Trade creditors | 1,366,853 | 488,508 |
| Infrastructure cess | 138,644 | 122,867 |
| Advances from customers | 598,333 | 384,256 |
| Accrued liabilities - note 6.1 | 987,332 | 566,790 |
| Workers' profit participation fund | 1,150,652 | 900,718 |
| Workers' welfare fund | 26,357 | - |
| Federal excise duty payable | 15,547 | 5,062 |
| Custom duty payable | 2,278 | 23,998 |
| Withholding tax payable | 8,684 | 11,369 |
| Retention money payable | 26,351 | 26,268 |
| Unclaimed dividends | 23,408 | 9,694 |
| Advances against sale of scrap | 7,355 | 2,791 |
| Advance against sale of fixed assets | 963 | 1,721 |
| Unclaimed dividend on redeemable preference shares | 125 | 125 |
| Export commission payable | 48,154 | 74,902 |
| Others | 83,041 | 33,473 |
| | <u>4,484,077</u> | <u>2,652,542</u> |

6.1 This includes an amount of Rs 461.02 million on account of levy of Gas Infrastructure Development Cess (GIDC). The Honourable Supreme Court through its judgement dated August 22, 2014 had upheld decision of the Peshawar High Court declaring the entire levy of GIDC through GIDC Act, 2011 as unconstitutional and invalid. The Government has filed a review petition against the decision of the Honourable Supreme Court, which is pending. In the meanwhile, the President of Pakistan promulgated the GIDC Ordinance, 2014 on September 25, 2014 seeking to impose GIDC levy since 2011. The Company has challenged the validity and promulgation of GIDC Ordinance, 2014 before the Lahore High Court, wherein the Court has been pleased to pass interim orders, thereby restraining Sui Northern Gas Pipelines Limited from charging and/or recovering GIDC till the pendency of the matter.

7. Contingencies and commitments

7.1 Contingencies

There is no significant change in contingencies from the annual financial statements of the Company for the year ended June 30, 2014 except for as mentioned above and letters of guarantees issued to various parties aggregating to Rs 948.621 million (June 30, 2014: Rs 938.449 million)

7.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs. 150.973 million (June 2014: Rs. 260.371 million)
- (ii) Letters of credits for capital expenditure Rs. 2,726.376 million (June 2014: Rs. 65.992 million)
- (iii) Letters of credit other than capital expenditure Rs. 1,004.383 million (June 2014: Rs. 1,307.327 million)
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

| | March 31, 2015 | June 30, 2014 |
|--|----------------------------|--------------------------|
| | unaudited | audited |
| | ---(Rupees in thousand)--- | |
| Not later than one year | 331 | 331 |
| Later than one year and not later than five years ^{1,325} | 1,325 | |
| Later than five years | 5,392 | 5,641 |
| | <u>7,048</u> | <u>7,297</u> |
| 8. Property, Plant and Equipment | | |
| Operating assets - note 8.1 | 33,408,841 | 29,936,360 |
| Capital work-in-progress - note 8.2 | 1,374,619 | 634,318 |
| Major spare parts and stand-by equipment - note 8.3 | 105,413 | 246,341 |
| | <u>34,888,873</u> | <u>30,817,019</u> |
| 8.1 Operating assets | | |
| Opening book value | 29,936,360 | 28,348,192 |
| Add: Additions during the period/ year -note 8.1.1 | 5,095,130 | 3,469,554 |
| | 35,031,490 | 31,817,746 |
| Less: Disposals during the period/ year -note 8.1.2 | 31,644 | 48,229 |
| Depreciation charged during the period/ year | 1,591,005 | 1,833,157 |
| Closing book value | <u>33,408,841</u> | <u>29,936,360</u> |
| 8.1.1 Major additions during the period | | |
| Free hold land | 324,039 | 21,574 |
| Building on freehold land | 1,599,121 | 875,412 |
| Office building and housing colony | 10,309 | 13,496 |
| Roads | 5,862 | 26,246 |
| Plant and machinery | 1,574,400 | 2,262,098 |
| Quarry equipment | 122,207 | 104,235 |
| Furniture, fixtures and office equipment | 56,109 | 28,797 |
| Motor vehicles | 82,183 | 112,190 |
| Biological assets -fair value | 1,315,836 | - |
| Power and water supply lines | 5,064 | 25,506 |
| | <u>5,095,130</u> | <u>3,469,554</u> |
| 8.1.2 Disposals during the period | | |
| Plant and machinery | 20,478 | 18,417 |
| Quarry equipment | - | 4,796 |
| Office equipment | - | 31 |
| Motor vehicles | 11,166 | 24,985 |
| | <u>31,644</u> | <u>48,229</u> |



| | March 31, 2015 | June 30, 2014 |
|---|------------------------------|--------------------------|
| | unaudited | audited |
| | ----(Rupees in thousand)---- | |
| 8.2 Capital work-in-progress | | |
| Civil works | 538,715 | 288,234 |
| Plant and machinery | 170,494 | 101,548 |
| Advances for capital expenditure | 335,470 | 60,903 |
| Unallocated expenditure | 22,261 | 16,813 |
| Expansion project: | | |
| -Civil works | 84,550 | 24,701 |
| -Others | 223,129 | 142,119 |
| | 307,679 | 166,820 |
| | 1,374,619 | 634,318 |
| 8.3 Major spare parts and stand-by equipment | | |
| Balance at the beginning of the year | 246,341 | 194,005 |
| Additions during the year | 25,350 | 121,679 |
| Transfers made during the year | (166,278) | (69,343) |
| Balance at the end of the year | 105,413 | 246,341 |
| 9. Intangible assets | | |
| Opening book value | 36,904 | 55,356 |
| Less: Amortization charged during the period | 13,839 | 18,452 |
| Closing book value | 23,065 | 36,904 |
| 10. Investments | | |
| Cost of investments | 2,737,037 | 2,737,037 |
| Add : Purchase of new investment | 3,291,104 | - |
| Fair value adjustment | 26,664,992 | 32,722,894 |
| | 29,956,096 | 32,722,894 |
| Total investments | 32,693,133 | 35,459,931 |
| Less: Investments classified in current assets | 23,412,279 | 24,405,190 |
| Closing balance | 9,280,854 | 11,054,741 |

| | 2015 | | 2014 | |
|---|-----------------------------|---------------------|-------------------|---------------------|
| | July to March | January to March | July to March | January to March |
| | ----Rupees in thousands---- | | | |
| 11. Cost of sales | | | | |
| Raw and packing materials consumed | 2,383,214 | 407,073 | 2,244,942 | 869,892 |
| Salaries, wages and other benefits | 1,053,377 | 345,831 | 992,372 | 331,761 |
| Electricity and gas | 2,162,998 | 477,777 | 2,072,878 | 780,771 |
| Furnace oil and coal | 4,551,250 | 1,529,822 | 5,113,703 | 1,763,700 |
| Stores and spares consumed | 1,193,267 | 352,609 | 1,255,489 | 433,573 |
| Repair and maintenance | 178,043 | 55,383 | 230,793 | 66,008 |
| Insurance | 125,637 | 17,687 | 52,731 | 17,496 |
| Depreciation on property, plant and equipment | 1,465,711 | 458,829 | 1,260,469 | 431,328 |
| Amortization on intangibles | 9,687 | 3,229 | 9,687 | 3,229 |
| Royalty | 192,712 | 61,619 | 198,720 | 65,386 |
| Excise duty | 18,470 | 5,822 | 19,257 | 6,350 |
| Vehicle running expenses | 24,437 | 7,153 | 27,998 | 9,904 |
| Postage, telephone and telegram | 3,708 | 758 | 3,139 | 915 |
| Printing and stationery | 4,103 | 2,322 | 2,801 | 1,387 |
| Legal and professional charges | 1,902 | 704 | 1,518 | 342 |
| Travelling and conveyance | 7,922 | 2,671 | 14,973 | 6,725 |
| Estate development | 16,080 | 6,184 | 12,700 | 5,283 |
| Rent, rates and taxes | 31,902 | 10,759 | 21,987 | 6,479 |
| Freight charges | 30,027 | 8,809 | 6,227 | 2,544 |
| Other expenses | 111,574 | 5,609 | 19,999 | 7,866 |
| Total manufacturing cost | 13,566,021 | 3,760,650 | 13,562,383 | 4,810,939 |
| Opening work-in-process | 560,634 | 527,802 | 856,587 | 892,939 |
| Closing work-in-process | (405,527) | (405,527) | (345,775) | (345,775) |
| | 155,107 | 122,275 | 510,812 | 547,164 |
| Cost of goods manufactured | 13,721,128 | 3,882,925 | 14,073,195 | 5,358,103 |
| Opening stock of finished goods | 437,912 | 447,826 | 368,948 | 439,757 |
| Closing stock of finished goods | (422,922) | (422,922) | (492,717) | (492,717) |
| | 14,990 | 24,904 | (123,769) | (52,960) |
| Less: Own consumption capitalized | (9,893) | (4,266) | (48,198) | (11,525) |
| | 13,726,225 | 3,903,563 | 13,901,228 | 5,293,618 |
| 12. Taxation | | | | |
| Current | | | | |
| - For the year | (156,071) | (363,434) | 134,709 | 71,238 |
| - Prior years | - | - | 4,939 | - |
| | (156,071) | (363,434) | 139,648 | 71,238 |
| Deferred | 848,218 | 519,829 | 1,192,339 | 428,241 |
| | 692,147 | 156,395 | 1,331,987 | 499,479 |

13. 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:

| Relationship with the Group | Nature of transaction | March 31, 2015 | March 31, 2014 |
|-------------------------------|---|-------------------|-------------------|
| | | unaudited | unaudited |
| ----(Rupees in thousand)---- | | | |
| Other related parties | Purchase of goods and services | 1,371,118 | 994,509 |
| | Sale of property plant and equipment | - | - |
| | Insurance premium | 73,354 | 82,028 |
| | Sale of goods | 258,041 | 561,952 |
| | Mark-up income | 722 | 911 |
| | Gain on disposal of investment | 117,561 | - |
| | Insurance claim received | 1,000 | 2,895 |
| | Dividend income | 1,269,002 | 976,283 |
| Key Management personnel | Salaries and other employment benefits | 111,177 | 94,943 |
| | | | |
| Post employment benefit plans | Expense charged in respect of staff retirement benefits plans | 73,837 | 63,351 |
| | Expense charged in respect of staff retirement benefits plans (contribution plan) | 32,489 | 30,547 |

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

| | March 31, 2015 | June 30, 2014 |
|---------------------------------------|-------------------|------------------|
| | unaudited | audited |
| ----(Rupees in thousand)---- | | |
| Balances with related parties: | | |
| Trade debts | 16,005 | 42,523 |
| Other receivables | 24,223 | 270,367 |
| Short term investments | 479,066 | 479,066 |
| Long term investments - subsidiaries | 2,553,774 | 203,631 |
| Long term investments - associates | 1,452,392 | 1,952,393 |
| Long term investments - others | 605,099 | 275,408 |
| Trade and other payables | 3,618 | 3,199 |

| | March 31, 2015 | March 31, 2014 |
|---|----------------------------|---------------------------|
| | unaudited | unaudited |
| | ---(Rupees in thousand)--- | |
| 14. Cashflow from operating activities | | |
| Profit before tax | 6,507,984 | 5,272,572 |
| Adjustment for : | | |
| - Depreciation on property, plant and equipment | 1,591,005 | 1,340,791 |
| - Amortization on Intangible assets | 13,839 | 13,839 |
| - Profit on bank deposits | (6,385) | (2,951) |
| - (Loss)/ profit on disposal of property, plant and equipment | 12,574 | (32,961) |
| - Dividend income | (1,269,002) | (1,117,329) |
| - Provision of WPPF | 352,920 | 279,129 |
| - Retirement and other benefits accrued | 65,966 | 57,726 |
| - Markup income | (9,727) | (24,001) |
| - Exchange loss - net | 83,454 | 19,666 |
| - Finance cost | 324,041 | 680,965 |
| - Unrealized gain on derivative financial instruments | 18,071 | - |
| Profit before working capital changes | 7,666,669 | 6,487,446 |
| - Stores, spares and loose tools | (347,335) | 359,845 |
| - Stock-in-trade | 268,489 | 283,704 |
| - Trade debts | (25,677) | (143,926) |
| - Advances, deposits, prepayments and other receivables | (494,423) | (533,581) |
| - Trade and other payables | 1,486,439 | 671,658 |
| Net working capital changes | 887,493 | 637,700 |
| Cash (used in)/ generated from operations | 8,554,162 | 7,125,146 |
| 15. Cash and cash equivalents | | |
| Short term borrowings - secured | (3,172,543) | (4,641,435) |
| Cash and bank balances | 414,737 | 466,974 |
| | (2,757,806) | (4,174,461) |

16. Financial risk management

16.1 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, 2014.

There have been no changes in the risk management department or in any risk management policies since the year end.

16.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

16.3 Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

17. 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 of raw milk |

17.1 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.

| Rupees in thousands | Cement | | Paper | | Dairy | | Elimination - net | | Consolidated | |
|-----------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|
| | July to March 2015 | July to March 2014 | July to March 2015 | July to March 2014 | July to March 2015 | July to March 2014 | July to March 2015 | July to March 2014 | July to March 2015 | July to March 2014 |
| Revenue from | | | | | | | | | | |
| - External Customers | 18,945,247 | 19,606,096 | 915,823 | 1,160,807 | 498,523 | 454,145 | - | - | 20,359,593 | 20,766,903 |
| - Inter-group | - | - | 707,464 | 410,287 | - | - | (707,464) | (410,287) | - | - |
| Segment gross profit/(loss) | 18,945,247 | 19,606,096 | 1,623,287 | 1,571,094 | 498,523 | 454,145 | (707,464) | (410,287) | 20,359,593 | 20,766,903 |
| Segment expenses | 6,417,003 | 6,372,797 | 306,741 | 211,917 | (91,794) | (427,357) | (90,376) | (30,264) | 6,633,368 | 6,554,450 |
| Other income | (1,402,847) | (1,842,752) | (28,355) | (20,077) | (82,182) | (33,916) | (82,182) | - | (1,513,384) | (1,862,829) |
| Financial charges | 1,716,592 | 1,283,048 | 2,841 | 2,567 | 2,221 | 3,356 | (9,613) | (23,699) | 1,712,041 | 1,261,916 |
| Taxation | (250,958) | (571,658) | (81,889) | (132,397) | (199) | (133) | 9,005 | 23,090 | (324,041) | (680,965) |
| Profit after taxation | (1,105,259) | (1,297,640) | (41,888) | (34,347) | 455,000 | - | - | - | (692,147) | (1,331,987) |
| Depreciation | 5,374,531 | 3,943,795 | 157,450 | 27,663 | 283,046 | (458,050) | 283,856 | (30,873) | 5,815,837 | 3,940,585 |
| Capital expenditure | 1,403,113 | 1,308,560 | 24,444 | 24,673 | 163,448 | 169,984 | - | 7,558 | 1,591,005 | 1,340,791 |
| Cash from investing | (1,372,556) | (2,296,051) | (6,439) | (2,191) | (254,886) | (878,424) | (4,060,621) | - | (5,694,502) | (2,298,242) |
| Rupees in thousands | 6,569,317 | 6,223,615 | 124,294 | (211,295) | (119,657) | (787,761) | 425,945 | 858 | 6,999,899 | 6,013,178 |
| Segment assets | (5,458,005) | (1,303,720) | (6,402) | 974 | (587,542) | (1,185,914) | 264,706 | (2,807) | (5,787,243) | (1,305,553) |
| Segment liabilities | 31,03,2015 unaudited | 30,06,2014 audited | 31,03,2015 unaudited | 30,06,2014 audited | 31,03,2015 unaudited | 30,06,2014 audited | 31,03,2015 unaudited | 30,06,2014 audited | 31,03,2015 unaudited | 30,06,2014 audited |
| | 72,235,587 | 73,282,069 | 1,681,803 | 1,828,487 | 4,148,889 | - | (1,649,923) | (284,438) | 76,416,356 | 74,826,118 |
| | 12,935,840 | 11,765,534 | 1,161,880 | 1,466,015 | 163,896 | - | 172,848 | (290,708) | 14,434,464 | 12,940,841 |

17.2 Geographical segments

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

18. Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on April 23, 2015.

19. Corresponding figures

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



Chief Executive



Director





D.G. KHAN CEMENT COMPANY LIMITED
Nishat House, 53-A, Lawrence Road, Lahore-Pakistan.
UAN: +92-42-111-11-33-33