

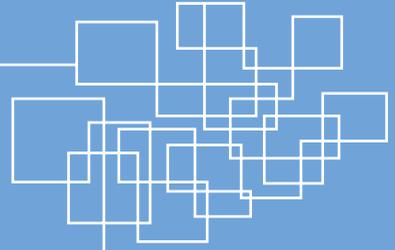


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Half Yearly
Report,
December 31,
2015
(Un-audited)

D.G. KHAN CEMENT
COMPANY LIMITED



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Company Information

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	Mr. Khalid Qadeer Qureshi Mian Raza Mansha Ms. Nabiha Shahnawaz Cheema	Member/Chairman Member Member
Management	Mian 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
Company Secretary	Mr. Khalid Mahmood Chohan	
Local Bankers	Allied Bank Limited Askari Bank Limited Bank Alfalah Limited Bank Al-Habib Limited Bank Islami Pakistan Limited Citibank N.A. Dubai Islamic Bank Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank	Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Samba Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab United Bank Limited MCB Bank Limited
External Auditors	A.F. Ferguson & Co., Chartered Accountants	
Cost Auditors	Qadeer & Company, Chartered Accountants	
Legal Advisors	Mr. Shahid Hamid, Bar-at-Law	

Contact Us

Registered Office

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Share Registrar

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For Investors' Information, Comments, Inquiries, Complaints:

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Mr. Khalid Mehmood Chohan

Company Secretary
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Directors Report on Financial Statements of Half Year of Financial Year 2016

The directors of your company are pleased to present their report on financial statements for First Half of FY16.

Whilst cut is expected in development budget under some arrangements, government is seeing 2016 as a take-off year for CPEC and Gawadar. Tax collection targets if not met could bring more cuts in development spending. However, government spending on some development projects and releasing of funds has shown positive indications. 6M KIBOR was at 6.51 as of December 31, 2015 which is about 7.6% and 36% slashed from what was on start of current and prior fiscal years respectively. This shows approximately 300 bps interest rates decline. PKR depreciated about 4% in comparison with last year's first half and 3% as compared to current fiscal year's beginning. 6 Month LIBOR has surged by about 138% in a year's time. International slump in oil prices is somehow holding

back the unpleasant ambiance of domestic economic management. On the global side, as per IMF world economy growth will not be appreciable due to factors which includes Fed rate rising, slowing economy of China and plunge in commodities prices.

Domestic Cement Industry reported overall 6% growth with 16% growth in local despatches and 25% decline in exports. If Q1 and Q2 of FY16 are compared then Q2 was able record better dispatch growth of 24% in local, 1% in exports and 20% on overall basis. Industrial utilistaion for HYFY16 remained at about 80% as compared to 75% for HYFY15. Utilization for Q2 of FY16 was about 87% as compared to 72% of preceding quarter.

Highlights of financial and operational results of your company for First Half of FY16 are as under:

PKR in thousands

	HYFY16	HYFY15
Sales	13,635,342	12,655,187
Cost of sales	(8,148,264)	(8,524,240)
Gross profit	5,487,078	4,130,947
Administrative expenses	(242,251)	(244,857)
Selling and distribution expenses	(385,997)	(456,559)
Other operating expenses	(454,607)	(314,965)
Other income	1,237,214	1,133,679
Profit / (Loss) from operations	5,641,437	4,248,245
Finance cost	(61,741)	(155,959)
Profit before taxation	5,579,696	4,092,286
Taxation	(1,499,698)	(698,752)
Profit after taxation	4,079,998	3,393,534
Earnings per share basic and diluted	9.31	7.75

Figures in MT

	HYFY16	HYFY15
Clinker Production	1,823,207	1,700,079
Cement Production	2,011,704	1,874,323
Total Sales	2,008,129	1,880,414
Local Sales	1,698,144	1,484,500
Export Sales	309,985	395,914

In volumes cement production in HYFY16 is about 7% more than HYFY15. Local sales are about 14% higher while exports are about 22% lower than HYFY15. Net sales increased by about 7.75% in value terms while cost of sales decreased by about 4.4% thereby stretching gross profit by about 32.8% over comparative half year. GP margin for HYFY16 is 40% in comparison with 32% in HYFY15. PAT closed at 30% to net sales as compared to 27% of comparative period. Reasons for this thriving GP and PAT includes more plant operational days, more cement production, more cement sales, stable cement prices, declined coal prices and low furnace oil prices which lead to low cost captive electricity. Other income includes PKR 1,021 million of dividends. Other expenses include WWF and WPPF of PKR 76 million and PKR 297 million respectively.

Better operational cash flows and low interest rates lead to low financial costs. The company is going to be assessed under normal tax regime after taking into account expected subsidiary losses. It also includes tax under final tax regime under the heads of exports and dividend income. New Loans in balance sheet are obtained for coal captive power project at attractive rates.

We foresee that volumes will pick up in remaining part of this year as suggested by trends and circumstances. Winter season could affect growth momentum in third quarter but in last quarter (summer season) of current year we foresee comparatively exceptional demand. While retaining the profitability, in future there is a possibility for

passing on any benefit to customer, we reap in production cost. Coal prices are expected to remain dipped and so is the local lending benchmark. Therefore, profitability is anticipated to remain unscathed in remaining part of this year.

Leveling and grading work is underway at Hub site. LCs for Mills and packing plant has been opened in favour of Loesche GMBH and Haver & Boecker of Germany. Civil work contracts for Hub project have been awarded and mobilisation executed at site. Machinery will start arriving in first quarter of next financial year. Captive Coal Power Project of 30 MW is anticipated to embrace timely completion and expected to start operating by the end of last quarter of this year.

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 the Board



Raza Mansha
Chief Executive Officer

February 16, 2016

ڈی جی خان سیمنٹ کمپنی لمیٹڈ

مالی سال 2016 کی ششماہی کے مالیاتی حسابات پر ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز مالی سال 2016 کی پہلی ششماہی کے مالیاتی حسابات پر اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اگرچہ چند معاہدوں کے تحت ترقیاتی تخمینہ میں کمی متوقع ہے، تاہم حکومت پاکستان "چین پاکستان اقتصادی راہداری" اور گوادرن بندرگاہ کے لئے 2016 کو اہم سال تصور کر رہی ہے۔ ٹیکس وصولی کا ہدف اگر پورا نہ ہو تو ترقیاتی اخراجات میں مزید کمی آسکتی ہے۔ تاہم، حکومت کی جانب سے بعض ترقیاتی منصوبوں پر خرچ اور فنڈز کے اجراء سے مثبت اشارے ملتے ہیں۔ 31 دسمبر 2015 کو ششماہی کا نمبر 6.51 پر تھا جو بالترتیب موجودہ اور گذشتہ مالی سال کے آغاز سے تقریباً 7.6 فیصد اور 36 فیصد کم رہا۔ یہ شرح سود میں تقریباً 300 پی پی ایس کی کوٹا بھر کرتا ہے۔ پاکستانی روپیہ کی قدر میں گزشتہ سال کی پہلی ششماہی کے مقابلے میں تقریباً 4 فیصد اور روواں مالی سال کے آغاز کے مقابلے میں 3 فیصد کمی واقع ہوئی ہے۔ ششماہی LIBOR میں ایک سال کے عرصے میں تقریباً 138 فیصد اضافہ ہوا ہے۔ تیل کی قیمتوں میں بین الاقوامی بحران کسی نہ کسی طرح ملکی اقتصادی انتظام کے ناخوشگوار ماحول کو روکے ہوئے ہے۔ عالمی سطح پر آئی ایم ایف کے مطابق، عالمی معیشت کی نمو فیڈ (FED) کی شرح میں اضافہ، چین کی معیشت میں سست روی اور ایشیاء کی قیمتوں میں بحران، جیسے عوامل کی بدولت اچھی نہیں ہوگی۔

ملکی سیمنٹ انڈسٹری نے مقامی ترسیلات میں 16 فیصد اضافہ اور برآمدات میں 25 فیصد کمی کے ساتھ مجموعی طور پر 6 فیصد اضافہ حاصل کیا ہے۔ اگر مالی سال 2016 کی پہلی سہ ماہی اور دوسری سہ ماہی کا موازنہ کیا جائے تو دوسری سہ ماہی میں مقامی طور پر 24 فیصد، برآمدات میں 1 فیصد اور مجموعی طور پر 20 فیصد ترسیلات میں بہتری ہوئی ہے۔ مالی سال 2015 کے پہلے نصف سال کے مقابلے میں مالی سال 2016 کے پہلے نصف سال کے لئے صنعتی استعمال 80 فیصد رہا ہے۔ گذشتہ سہ ماہی کے 72 فیصد کے مقابلے میں مالی سال 2016 کی دوسری سہ ماہی میں صنعتی استعمال تقریباً 87 فیصد تھا۔

مالی سال 2016 کی پہلی ششماہی کے لئے آپ کی کمپنی کے مالی اور آپریشنل نتائج کی چند جھلکیاں مندرجہ ذیل ہیں:

پاکستانی روپے ہزاروں میں

ششماہی مالی سال 2015	ششماہی مالی سال 2016	
12,655,187	13,635,342	فروخت
(8,524,240)	(8,148,264)	قیمت فروخت
4,130,947	5,487,078	مجموعی منافع
(244,857)	(242,251)	انتظامی اخراجات
(456,559)	(385,997)	فروخت اور تقسیم کے اخراجات
(314,965)	(454,607)	دیگر آپریٹنگ اخراجات
1,133,679	1,237,214	دیگر آمدنی
4,248,245	5,641,437	آپریٹنگ سے نفع / (نقصان)
(155,959)	(61,741)	مالی لاگت
4,092,286	5,579,696	ٹیکسیشن سے قبل منافع
(698,752)	(1,499,698)	ٹیکسیشن
3,393,534	4,079,998	ٹیکسیشن کے بعد منافع
7.75	9.31	بنیادی اور ڈائریکٹرز فی شیئر آمدنی

اعداد و شمار میٹرک ٹن میں

ششماہی مالی سال 2016	ششماہی مالی سال 2015	
1,823,207	1,700,079	کلنکر کی پیداوار
2,011,704	1,874,323	سینٹ کی پیداوار
2,008,129	1,880,414	کل فروخت
1,698,144	1,484,500	مقامی فروخت
309,985	395,914	برآمد فروخت

حجم میں کمپنی کی سینٹ کی پیداوار مالی سال 15 ششماہی کے مقابلے میں مالی سال 16 ششماہی میں تقریباً 7 فیصد زیادہ ہے۔ مالی سال 15 پہلی ششماہی کے مقابلے میں مقامی فروخت تقریباً 14 فی صد زیادہ جبکہ برآمدات تقریباً 22 فی صد کم ہیں۔ تقابلی ششماہی سے خالص فروخت میں تقریباً 7.75 فیصد اضافہ جبکہ قیمت فروخت میں تقریباً 4.4 فیصد کمی واقع ہوئی ہے، جس سے تقریباً 32.8 فیصد تک مجموعی منافع بڑھا ہے۔ مالی سال 2015 کے نصف سال میں 32 فیصد کے مقابلے میں مالی سال 2016 کے نصف سال میں 40 فیصد مجموعی منافع (خالص فروخت کا) ہوا ہے۔ تقابلی مدت کے 27 فیصد کے مقابلے میں منافع بعد از ٹیکس، خالص فروخت کا 30 فیصد رہا۔ مجموعی و بعد از ٹیکس منافع کے اضافہ کی وجوہات میں پلانٹ کے استعمال کے زیادہ ایام، سینٹ کی زیادہ پیداوار و فروخت، سینٹ کی مستحکم قیمتیں، کونکے کی قیمت میں کمی اور فرنس آئل کی قیمتوں میں کمی جس سے سستی بجلی کی دستیابی ممکن ہوئی، شامل ہیں۔ دیگر آمدنی میں ڈیوڈنڈ کے 1,021 روپیہ ملین شامل ہیں۔ دوسرے اخراجات میں بالترتیب WWF اور WPPF کے 76 روپیہ ملین اور 297 روپیہ ملین شامل ہیں۔

آپریشنل نقدی کے بہاؤ میں بہتری اور شرح سود میں کمی آنے سے مالی اخراجات بھی کم ہوئے ہیں۔ رواں مالی سال کمپنی، ماتحت اداروں کے نقصانات کو حسابات میں لینے کے بعد معمول کے ٹیکس کا تعین کرے گی۔ اس میں قوانین کے تحت برآمدات اور ڈیوڈنڈ آمدن کے حتمی ٹیکس بھی شامل ہیں۔ بیلنس شیٹ میں نئے فرضے ذاتی کونڈبجلی گھر منصوبہ کے لیے پڑکش شرح پر حاصل کئے گئے ہیں۔

ہمارا اندازہ ہے کہ رجحانات اور حالات کے پیش نظر اس سال کے باقی حصے میں فروخت کے حجم میں اضافہ ہوگا۔ سردیوں کا موسم تیسری سہ ماہی میں ترقی کی رفتار کو متاثر کر سکتا ہے لیکن موجودہ سال کی آخری سہ ماہی (موسم گرما) میں ہم نسبتاً طلب میں غیر معمولی اضافہ کا اندازہ لگا رہے ہیں۔ منافع برقرار رکھتے ہوئے، پیداواری لاگت میں کسی بھی ممکنہ کمی کو ہم مستقبل میں صارفین کو منتقل کر سکتے ہیں۔ کونکے کی قیمتیں کم ہی رہنے کی توقع ہے اور اسی طرح اس سال کے باقی حصے میں بھی مقامی شرح سود بھی کم ہی رہے گی۔

جب کے مقام پر ہمواری اور گریڈنگ کا کام جاری ہے۔ ملز اور پیکنگ پلانٹ کے لئے جرمنی کے Loesche GmbH اور Haver & Boecker کے لئے LCs کھول دی گئیں ہیں۔ جب کے منصوبے کے لئے سول کام کا ٹھیکہ دے دیا گیا ہے اور سائٹ پر کام جاری ہے۔ مشینری آئندہ مالی سال کی پہلی سہ ماہی میں پہنچنی شروع ہو جائے گی۔ 30 میگا واٹ کا ذاتی کونڈبجلی گھر اپنی تکمیل کی طرف گامزن ہے اور بروقت پایہ تکمیل کو پہنچے گا اور اس سال کی آخری سہ ماہی کے آخر تک پیداوار شروع ہونے کی توقع ہے۔ ہم اپنے صارفین، سپلائرز، قرض و ہندہ سمیت تمام اسٹیک ہولڈرز کی حمایت کے شکر گزار اور اپنے تمام ملازمین کی ان تھک کوششوں کو سراہتے ہیں۔

منجانب بورڈ



رضان شا

چیف ایگزیکٹو آفیسر

16 فروری 2016





AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of D.G. Khan Cement Company Limited ("the Company") as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

Scope of Review

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

Conclusion

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

Chartered Accountants

Lahore,

Date: February 16, 2016

Name of engagement partner: Muhammad Masood

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CONDENSED INTERIM BALANCE SHEET

	Note	31 December, 2015 Un-Audited (Rupees in thousand)	30 June, 2015 Audited
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
- 950,000,000 (June 30, 2015: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2015: 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, 2015: 438,119,118) ordinary shares of Rs 10 each		4,381,191	4,381,191
Reserves		33,616,884	37,387,772
Accumulated profit		22,416,510	20,527,108
		<u>60,414,585</u>	<u>62,296,071</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	5	3,154,359	714,261
Long term deposits		72,349	72,003
Retirement and other benefits		149,588	137,585
Deferred taxation		4,595,583	4,588,047
		<u>7,971,879</u>	<u>5,511,896</u>
CURRENT LIABILITIES			
Trade and other payables	6	4,555,530	4,048,079
Short term borrowings - secured		3,435,649	1,826,072
Current portion of non-current liabilities		1,211,388	646,931
Accrued finance cost		44,711	27,304
Provision for taxation		35,090	35,090
		<u>9,282,368</u>	<u>6,583,476</u>
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		<u>77,668,832</u>	<u>74,391,443</u>

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



Chief Executive

AS AT DECEMBER 31, 2015 (UN-AUDITED)

	Note	31 December, 2015 Un-Audited (Rupees in thousand)	30 June, 2015 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	33,230,156	29,958,970
Intangible assets	9	9,226	18,452
Investments	10	11,946,016	12,918,182
Long term loans, advances and deposits		69,109	69,497
		<u>45,254,507</u>	<u>42,965,101</u>
CURRENT ASSETS			
Stores, spares and loose tools		3,943,356	3,635,858
Stock-in-trade		936,774	1,188,376
Trade debts		209,776	156,899
Investments	10	17,562,181	24,855,796
Advances, deposits, prepayments and other receivables		274,440	648,010
Income tax receivable		510,557	673,807
Derivative financial instrument		19,590	9,873
Cash and bank balances		8,957,651	257,723
		<u>32,414,325</u>	<u>31,426,342</u>
		<u>77,668,832</u>	<u>74,391,443</u>

David Bajal

Director

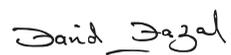
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2015 - (UN-AUDITED)

	Note	2015		2014	
		July to December	October to December	July to December	October to December
		(Rupees in thousand)		(Rupees in thousand)	
Sales		13,635,342	7,391,181	12,655,187	6,843,642
Cost of sales	11	(8,148,264)	(4,283,196)	(8,524,240)	(4,538,729)
Gross profit		5,487,078	3,107,985	4,130,947	2,304,913
Administrative expenses		(242,251)	(133,390)	(244,857)	(125,454)
Selling and distribution expenses		(385,997)	(178,807)	(456,559)	(247,587)
Other operating expenses		(454,607)	(214,358)	(314,965)	(88,949)
Other income		1,237,214	756,791	1,133,679	696,822
Profit from operations		5,641,437	3,338,221	4,248,245	2,539,745
Finance cost		(61,741)	(32,116)	(155,959)	(89,264)
Profit before taxation		5,579,696	3,306,105	4,092,286	2,450,481
Taxation	12	(1,499,698)	(947,950)	(698,752)	(214,386)
Profit after taxation		4,079,998	2,358,155	3,393,534	2,236,095
Earnings per share					
(basic and diluted)	Rupees	9.31	5.38	7.75	5.10

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


Chief Executive


Director

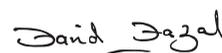
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

	2015		2014	
	July to December	October to December	July to December	October to December
	(Rupees in thousand)		(Rupees in thousand)	
Profit after taxation	4,079,998	2,358,155	3,393,534	2,236,095
Other comprehensive (loss) / income for the period				
Items that may be re-classified subsequently to profit or loss				
Change in value of available-for-sale financial assets	(3,770,888)	(1,374,099)	759,927	2,453,071
	(3,770,888)	(1,374,099)	759,927	2,453,071
Items that will not be subsequently re-classified to profit or loss	-	-	-	-
Other comprehensive (loss) / income for the period	(3,770,888)	(1,374,099)	759,927	2,453,071
Total comprehensive income for the period	309,110	984,056	4,153,461	4,689,166

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



Chief Executive



Director

CONDENSED INTERIM CASH FLOW STATEMENT

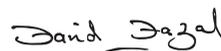
FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

		2015	2014
	Note	July to December	July to December
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	14	6,344,000	4,748,566
Finance cost paid		(44,496)	(140,716)
Retirement and other benefits paid		(26,548)	(117,756)
Taxes paid		(1,192,912)	(453,054)
Payment to subsidiary against tax losses		(136,000)	(320,000)
Long term deposits - net		346	2,017
Net cash generated from operating activities		<u>4,944,390</u>	<u>3,719,057</u>
Cash flows from investing activities			
Fixed capital expenditure		(4,195,556)	(1,149,183)
Proceeds from disposal of property, plant and equipment		5,182	3,787
Investments made - net		4,518,072	(5,070,772)
Long term loans, advances and deposits - net		389	(1,524)
Interest received		124,652	43,035
Dividend received		884,349	859,893
Net cash generated from / (used in) investing activities		<u>1,337,088</u>	<u>(5,314,764)</u>
Cash flows from financing activities			
Repayment of long term finances		(326,201)	(423,753)
Disbursement of loans		3,300,000	-
Settlement of derivative financial instrument		(4,403)	(25,927)
Dividend paid		(2,111,888)	(1,505,547)
Net cash generated from / (used in) financing activities		<u>857,508</u>	<u>(1,955,227)</u>
Net increase / (decrease) in cash and cash equivalents		<u>7,138,986</u>	<u>(3,550,934)</u>
Cash and cash equivalents at the beginning of the period		<u>(1,568,349)</u>	<u>(1,242,650)</u>
Exchange loss on cash and cash equivalents		(48,635)	(45,393)
Cash and cash equivalents at the end of the period	15	<u><u>5,522,002</u></u>	<u><u>(4,838,977)</u></u>

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 HALF YEAR ENDED DECEMBER 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, 2015 - Audited	4,381,191	4,557,163	27,405,272	353,510	5,071,827	20,527,108	62,296,071	
Total comprehensive income for the period								
- Profit for the period	-	-	-	-	-	4,079,998	4,079,998	
- Other comprehensive loss for the period	-	-	(3,770,888)	-	-	-	(3,770,888)	
	-	-	(3,770,888)	-	-	4,079,998	309,110	
Total contributions by and distributions to owners of the Company recognized directly in equity								
- Final dividend for the year ended June 30, 2015 (Rs 5 per share)	-	-	-	-	-	(2,190,596)	(2,190,596)	
Balance as at December 31, 2015 - Unaudited	4,381,191	4,557,163	23,634,384	353,510	5,071,827	22,416,510	60,414,585	
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	-	-	-	-	-	3,393,534	3,393,534	
- Other comprehensive income for the period	-	-	759,927	-	-	-	759,927	
	-	-	759,927	-	-	3,393,534	4,153,461	
Total contributions by and distributions to owners of the Company recognized directly in equity								
- Final dividend for the year ended June 30, 2014 (Rs 3.5 per share)	-	-	-	-	-	(1,533,417)	(1,533,417)	
Balance as at 31 December 2014 - Unaudited	4,381,191	4,557,163	33,482,821	353,510	5,071,827	16,290,067	64,136,579	

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 HALF YEAR ENDED DECEMBER 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 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.

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, 2015 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, 2015, 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, 2015, except for the estimation of income tax as referred to in note 4.

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:

3.2.1 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, 2015 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.

3.3 Significant accounting estimates, judgements and financial risk:

The preparation of this condensed interim financial requires the management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2015, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in note 4.

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, 2015.

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.

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

5. Long term finances

Long term loans	- note 5.1	4,353,076	1,348,522
Less: current portion shown under current liabilities		<u>1,198,717</u>	<u>634,261</u>
		<u>3,154,359</u>	<u>714,261</u>

5.1 Long term finances

Opening balance		1,348,522	2,111,513
Add:			
Proceeds of borrowing		3,300,000	-
Exchange loss during the period		30,755	41,993
		<u>4,679,277</u>	<u>2,153,506</u>
Less:			
Repayments during the period		326,201	804,984
Closing balance		<u>4,353,076</u>	<u>1,348,522</u>

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

6. Trade and other payables

Trade creditors	755,766	770,183
Infrastructure cess	89,164	89,164
Advances from customers	557,018	380,547
Accrued liabilities	- note 6.1 1,222,893	1,235,957
Workers' profit participation fund	1,474,726	1,305,760
Workers' welfare fund	67,624	91,596
Federal excise duty payable	144,821	40,967
Withholding tax payable	12,893	14,138
Retention money payable	33,210	21,056
Unclaimed dividends	96,797	18,089
Advances against sale of scrap	6,075	6,949
Unclaimed dividend on redeemable preference shares	125	125
Export commission payable	50,810	44,750
Others	43,608	28,798
	<u>4,555,530</u>	<u>4,048,079</u>

6.1 This includes an amount of Rs 675.548 million on account of levy of Gas Infrastructure Development Cess (GIDC), out of which Rs 567.843 million relates to the period prior to the enforcement of Gas Infrastructure Development Cess Act, 2015, the collection of which is subject to the decision pending with the honourable Lahore High Court on a writ petition filed by the company and the directive of the Anomaly Committee of the Parliament. In October 2015, the company has also challenged the GIDC Act, 2015 before the honourable Sindh High Court. The honourable court passed an interim order, thereby restraining Sui Northern Gas Pipelines Limited from collection of GIDC till the pendency of the case.

7. Contingencies and commitments

7.1 Contingencies

There is no significant change in contingencies from the preceding annual financial statements of the Company for the year ended June 30, 2015 except for letters of guarantees issued to various parties aggregating to Rs 913.727 million (June 30, 2015: Rs 942.581 million)

7.2 Commitments in respect of

(i) Contracts for capital expenditure Rs. 1,958.643 million (June 30, 2015: Rs. 427.335 million)

- (ii) Letters of credits for capital expenditure Rs. 12,680.057 million (June 30, 2015: Rs. 2,274.836 million)
- (iii) Letters of credit other than capital expenditure Rs. 834.504 million (June 30, 2015: Rs. 996.607 million)
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	December 31, 2015	June 30, 2015
	Un-audited	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	5,144	5,310
	<u>6,800</u>	<u>6,966</u>

8. Property, plant and equipment

Operating assets	- note 8.1	28,085,535	27,979,032
Capital work-in-progress	- note 8.2	5,040,792	1,874,469
Major spare parts and stand-by equipment	- note 8.3	103,829	105,469
		<u>33,230,156</u>	<u>29,958,970</u>

8.1 Operating assets

Opening book value		27,979,032	28,951,966
Add: Additions during the period / year	- note 8.1.1	1,030,873	925,479
Less: Disposals during the period / year			
- at book value	- note 8.1.2	2,930	17,810
Less: Depreciation charged during the period / year		921,440	1,880,603
		<u>924,370</u>	<u>1,898,413</u>
Closing book value		<u>28,085,535</u>	<u>27,979,032</u>

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

8.1.1 Additions during the period / year

Freehold land	825,342	120,007
Buildings on freehold land	-	125,042
Office building and housing colony	-	11,016
Roads	-	5,862
Plant and machinery	41,981	414,771
Quarry equipment	80,003	127,722
Furniture, fixtures and office equipment	34,123	52,685
Motor vehicles	48,012	63,309
Power and water supply lines	1,412	5,065
	1,030,873	925,479

8.1.2 Disposals during the period / year - at book value

Plant and machinery	-	10,135
Motor vehicles	2,930	7,675
	2,930	17,810

8.2 Capital work-in-progress

Civil works	1,252,909	724,241
Plant and machinery	2,589,880	656,348
Advances for capital expenditure	444,435	86,389
Unallocated expenditure	63,484	42,519
Expansion project:		
-Civil works	293,025	76,848
-Others	397,059	288,124
	690,084	364,972
	5,040,792	1,874,469

8.3 Major spare parts and stand-by equipment

Balance at the beginning of the period	105,469	246,341
Additions during the period / year	15,532	167,272
Transfers made during the period / year	(17,172)	(308,144)
Balance at the end of the period	103,829	105,469

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

9. Intangible assets

Opening book value	18,452	36,904
Less: Amortization charged during the period / year	9,226	18,452
Closing book value	<u>9,226</u>	<u>18,452</u>

10. Investments

Carrying value of investments at the beginning of the period / year	37,773,978	35,663,522
Investments made during the period / year		
- Related parties	185,483	2,644,745
- Others	2,702,039	20,291,775
	<u>2,887,522</u>	<u>22,936,520</u>
Fair value gain / loss during the period / year on:		
- Available for sale investments	(3,770,888)	(5,287,376)
- Investments at fair value through profit or loss	23,179	387,738
	<u>(3,747,709)</u>	<u>(4,899,638)</u>
Investments disposed off during the period/year	(7,405,594)	(15,926,426)
Carrying value at the end of the period / year	<u>29,508,197</u>	<u>37,773,978</u>
Investments classified in current assets	(17,562,181)	(24,855,796)
Closing balance	<u>11,946,016</u>	<u>12,918,182</u>

	2015		2014	
	July to	October to	July to	October to
	December	December	December	December
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)		(Rupees in thousand)	
11. Cost of sales				
Raw and packing materials consumed	1,116,496	610,642	1,097,840	622,092
Salaries, wages and other benefits	836,189	445,623	659,332	343,789
Electricity and gas	1,178,545	492,310	1,600,603	972,375
Furnace oil and coal	3,005,358	1,641,198	3,021,428	1,867,616
Stores and spares consumed	634,605	338,293	834,202	502,492
Repair and maintenance	103,694	53,534	106,521	55,745
Insurance	33,002	16,462	33,905	17,596
Depreciation on property, plant and equipment	883,733	442,337	884,839	445,557
Amortization on intangibles	6,458	3,229	6,458	3,229
Royalty	142,429	76,468	131,093	78,794
Excise duty	13,563	7,292	12,648	7,433
Vehicle running expenses	15,201	8,459	16,967	8,016
Postage, telephone and telegram	2,161	925	2,934	1,859
Printing and stationery	1,952	1,470	1,779	715
Legal and professional charges	555	402	1,066	470
Travelling and conveyance	5,648	3,581	5,251	2,846
Estate development	10,599	6,359	9,896	4,454
Rent, rates and taxes	24,582	14,063	21,108	10,864
Freight charges	11,938	6,467	21,016	11,226
Other expenses	11,130	6,436	11,737	6,331
Total manufacturing cost	8,037,838	4,175,550	8,480,623	4,963,499
Opening work-in-process	508,578	508,691	560,634	180,606
Closing work-in-process	(400,258)	(400,258)	(527,802)	(527,802)
	108,320	108,433	32,832	(347,196)
Cost of goods manufactured	8,146,158	4,283,983	8,513,455	4,616,303
Opening stock of finished goods	305,741	290,850	348,437	256,884
Closing stock of finished goods	(271,245)	(271,245)	(332,025)	(332,025)
	34,496	19,605	16,412	(75,141)
Less: Own consumption capitalized	(32,390)	(20,392)	(5,627)	(2,433)
	8,148,264	4,283,196	8,524,240	4,538,729
12. Taxation				
Current				
- For the year	1,175,648	736,597	508,389	133,389
- Prior years	180,515	180,515	-	-
	1,356,163	917,112	508,389	133,389
Deferred	143,535	30,838	190,363	80,997
	1,499,698	947,950	698,752	214,386

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	July to
		December 2015	December 2014
		Un-audited	Un-audited
		(Rupees in thousand)	
Subsidiary company	Purchase of goods and services	527,088	450,516
	Rental income	417	406
	Interest income	-	9,005
Other related parties	Purchase of goods and services	661,138	662,274
	Insurance premium	73,113	62,967
	Sale of goods	80,914	188,889
	Mark-up income on balances with related parties	14,734	483
	Gain on disposal of investment	-	84,617
	Insurance claim received	-	1,000
	Dividend income	1,017,444	855,685
Key management personnel	Salaries and other employment benefits	89,067	71,022
Post employment benefit plans	Expense charged in respect of staff retirement benefits plans (defined benefit plan)	41,019	43,406
	Expense charged in respect of staff retirement benefits plans (contribution plan)	26,515	23,801
	Funds paid to contributory provident fund	65,601	67,770

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

Balances with related parties:

Long term loans, advances and deposits	17,205	17,205
Trade debts	12,265	12,402
Advances, deposits, prepayments and other receivables	24,973	23,830
Trade and other payables	116,169	115,447

July to December 2015	July to December 2014
Un-audited	Un-audited
(Rupees in thousand)	

14. Cash generated from operations

Profit before tax	5,579,696	4,092,286
Adjustments for:		
- Depreciation on property, plant and equipment	921,440	929,438
- Profit on disposal of property, plant and equipment	(2,252)	(1,834)
- Profit on bank deposits	(173,640)	(3,827)
- Amortization on intangibles	9,226	9,226
- Dividend income	(1,020,652)	(859,893)
- Retirement and other benefits accrued	38,551	43,406
- Mark-up income	(319)	(9,487)
- Exchange loss - net	75,979	58,703
- Finance cost	61,741	155,959
- 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	(23,179)	(84,617)
- (Gain)/ loss on derivative financial instruments	(5,314)	19,473
Profit before working capital changes	5,461,277	4,249,197
Effect on cash flow due to working capital changes:		
- Increase in stores, spares and loose tools	(307,498)	(445,504)
- Decrease in stock-in-trade	251,602	195,382
- (Increase) / decrease in trade debts	(43,628)	4,953
- Decrease in advances, deposits, prepayments and other receivables	559,180	159,169
- Increase in trade and other payables	423,067	585,369
	882,723	499,369
Cash generated from operations	6,344,000	4,748,566

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

15. Cash and cash equivalents

Short term borrowings - secured	(3,435,649)	(5,366,327)
Cash and bank balances	8,957,651	527,350
	<u>5,522,002</u>	<u>(4,838,977)</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, 2015.

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

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

As at December 31, 2015	Level 1	Level 2	Level 3	Level 4
	(Rupees in thousand)			
Assets				
Investments - Available for sale	26,454,422	500,000	-	26,954,422
Derivative financial instruments	-	19,590	-	19,590
Total assets	26,454,422	519,590	-	26,974,012
Liabilities	-	-	-	-
Total liabilities	-	-	-	-
As at June 30, 2015	Level 1	Level 2	Level 3	Level 4
	(Rupees in thousand)			
Assets				
Investments - Available for sale	30,039,829	500,000	-	30,539,829
Investments at fair value through profit and loss	4,680,376	-	-	4,680,376
Derivative financial instruments	-	9,873	-	9,873
Total assets	34,720,205	509,873	-	35,230,078
Liabilities	-	-	-	-
Total liabilities	-	-	-	-

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

Valuation techniques used to measure level 2 assets

The company's investment in ordinary shares of Nishat Hotels and Properties Limited, an unquoted company, has been valued at Rs 10 per share on the basis of net assets based method applied on the unaudited financial statements of the investee company as of December 31, 2015, as the company is in startup/construction phase and has not yet commenced operations.

The derivative financial instrument (cross currency interest rate SWAP) is valued using the present value of estimated future cash flows based on marked-to-market confirmation provided by the issuing bank.

17. Date of authorization for issue

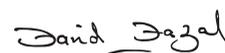
This condensed interim financial information was authorized for issue on February 16, 2016 by the Board of Directors of the Company.

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



Consolidated Financial Statements

Directors Report to Shareholders on Consolidated Financial Statements for HYFY16

The Directors of your company are pleased to submit their report along with consolidated financial statements for half year ended December 31, 2015.

The consolidated accounts represent accounts of DG Khan Cement Company Limited (DGKC)-the holding company and Nishat Paper Products Company Limited (NPPCL) and Nishat Dairy (Private) Limited (NDL).

Consolidated results for half year ended on December 31, 2015 are:

PKR in thousands

	HYFY16	HYFY15
Sales	14,700,464	13,944,456
Cost of Sales	(9,305,868)	(9,822,662)
Gross Profit	5,394,596	4,121,794
Administrative Cost	(262,162)	(264,082)
Selling Cost	(393,108)	(465,551)
Other Operating Cost	(587,416)	(378,425)
Other Income	1,351,091	1,138,019
Operational Income	5,503,001	4,151,755
Finance Cost	(98,864)	(211,315)
Income before Tax	5,404,137	3,940,440
Taxation	(1,568,655)	(535,752)
Net Profit	3,835,482	3,404,688
EPS	8.75	7.77

Consolidated sales and GP increased by about 5.4% and 30.8% respectively. Profit after tax increased by 12.6%.

During HYFY16 DGKC reported an increase of PKR 1.56 per share in EPS (about 20% increase) due to growth in local sales, reduced coal and furnace oil prices and more plant operational days. A detailed separate report is presented on affairs of the holding company.

NDL is still reporting gross losses. NPCCL's net sales and cost of sales dropped by about 2.7% and 10% respectively but GP increased by about 30.7%. PAT increased by 33%. PAT to sales ratio improved from 8% to 11.2%.

In next half year cement sector is expected to see growth while kraft paper prices are still expected to

remain under pressure. These will give the consolidated results a sound impact.

We are cordially thankful to our all customers, dealers, suppliers, lenders and other stakeholders. We appreciate all our employees and admire their untiring efforts for betterment of company.

For and on behalf of Board



Raza Mansha
Chief Executive Officer

February 16, 2016

ششماہی سال۔ مالی سال 2016 کے لئے مجموعی مالی حسابات پر ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز تختہ نصف سال 31 دسمبر 2015 کیلئے مجموعی مالیاتی حسابات کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ مجموعی اکاؤنٹس ڈی جی خان سینٹ کمپنی لمیٹڈ (DGKC)۔ ہولڈنگ کمپنی، نشاط پیپر پروڈکٹس کمپنی لمیٹڈ (NPPCL) اور نشاط ڈیری (پرائیویٹ) لمیٹڈ (NDL) کے اکاؤنٹس کو غماہر کرتے ہیں۔

31 دسمبر 2015 کو تختہ نصف سال کے لئے مجموعی نتائج درج ذیل ہیں :

پاکستانی روپے ہزاروں میں

مالی سال 15 نصف سال	مالی سال 16 نصف سال	
13,944,456	14,700,464	فروخت
(9,822,662)	(9,305,868)	قیمت فروخت
4,121,794	5,394,596	مجموعی منافع
(264,082)	(262,162)	انتظامی لاگت
(465,551)	(393,108)	فروخت کرنے کی لاگت
(378,425)	(587,416)	دیگر آپریشنل لاگت
1,138,019	1,351,091	دیگر آمدنی
4,151,755	5,503,001	آپریشنل آمدنی
(211,315)	(98,864)	مالی لاگت
3,940,440	5,404,137	ٹیکس سے قبل آمدنی
(535,752)	(1,568,655)	ٹیکسیشن
3,404,688	3,835,482	خالص منافع
7.77	8.75	آمدن فی شیئر

مجموعی فروخت اور مجموعی منافع میں بالترتیب تقریباً 5.4 فیصد اور 30.8 فیصد تک اضافہ ہوا ہے۔ ٹیکس کے بعد منافع 12.6 فیصد تک بڑھا ہے۔

مالی سال 16 کی پہلی ششماہی کے دوران ڈی جی کے سی نے مقامی فروخت، کولنڈ اور فرنس آئل کی قیمتوں میں کمی اور زیادہ پلانٹ آپریشنل ایام کی وجہ سے آمدن فی شیئر میں 1.56 روپیہ (تقریباً 20 فیصد اضافہ) کا اضافہ حاصل کیا ہے۔ ہولڈنگ کمپنی کے معاملات پر تفصیلی الگ رپورٹ پیش کی گئی ہے۔

نشاط ڈیری لمیٹڈ اب بھی مجموعی نقصانات بتا رہی ہے۔ NPCCL کی خالص فروخت اور قیمت فروخت بالترتیب تقریباً 2.7 فیصد اور 10 فیصد تک گر گئی لیکن مجموعی منافع میں 30.7 فیصد اضافہ ہوا ہے۔ ٹیکس کے بعد منافع میں 33 فی صد اضافہ ہوا ہے۔ ٹیکس کے بعد منافع اور فروخت کا تناسب، 8 فیصد سے 11.2 فیصد تک بڑھ گیا ہے۔

اگلے نصف سال میں سیمنٹ کے شعبہ میں بہتری کی توقع ہے جبکہ کرافٹ کاغذ کی قیمتیں آگے بھی دباؤ میں رہنے کی توقع کی جا رہی ہے۔ یہ مجموعی نتائج پر مستحکم اثرات مرتب کریں گے۔

ہم اپنے تمام صارفین، ڈیلرز، سپلائرز، قرض دہندہ اور دیگر اسٹیک ہولڈرز کے بے حد شکر گزار ہیں۔ ہم اپنے تمام ملازمین کی تعریف کرتے ہیں اور کمپنی کی بہتری کے لئے ان کی انتھک کوششوں کے معترف ہیں۔

منجانب بورڈ



رضانشا

چیف ایگزیکٹو آفیسر

16 فروری 2016

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

	Note	31 December, 2015 Un-Audited (Rupees in thousand)	30 June, 2015 Audited
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
- 950,000,000 (June 30, 2015: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2015: 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, 2015: 438,119,118) ordinary shares of Rs 10 each		4,381,191	4,381,191
Reserves		33,581,384	37,352,272
Accumulated profit		22,451,977	20,708,896
		<u>60,414,552</u>	<u>62,442,359</u>
Non-controlling interest		2,113,124	2,232,260
		<u>62,527,676</u>	<u>64,674,619</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	5	3,299,359	945,511
Long term deposits		72,349	72,003
Retirement and other benefits		149,588	137,585
Deferred taxation		4,883,970	4,866,434
		<u>8,405,266</u>	<u>6,021,533</u>
CURRENT LIABILITIES			
Trade and other payables	6	4,917,156	4,353,727
Short term borrowings - secured		3,961,302	2,348,534
Current portion of non-current liabilities		1,372,013	780,056
Accrued finance cost		44,711	41,130
Provision for taxation		35,090	35,090
		<u>10,330,272</u>	<u>7,558,537</u>
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		<u>81,263,214</u>	<u>78,254,689</u>

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.



Chief Executive

AS AT DECEMBER 31, 2015 (UN-AUDITED)

	Note	31 December, 2015 Un-Audited (Rupees in thousand)	30 June, 2015 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	36,830,651	33,693,078
Biological assets		839,928	1,149,799
Intangible assets	9	9,226	18,452
Investments	10	9,396,556	10,364,409
Long term loans, advances and deposits		70,013	70,402
		<u>47,146,374</u>	<u>45,296,140</u>
CURRENT ASSETS			
Stores, spares and loose tools		4,081,928	3,765,849
Stock-in-trade		1,719,392	1,913,314
Trade debts		544,602	431,072
Investments	10	17,562,226	24,855,842
Advances, deposits, prepayments and other receivables		694,702	980,024
Income tax receivable		531,497	736,598
Derivative financial instrument		19,590	9,873
Cash and bank balances		8,962,903	265,977
		<u>34,116,840</u>	<u>32,958,549</u>
		<u><u>81,263,214</u></u>	<u><u>78,254,689</u></u>

David Bajal

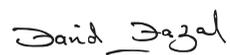
Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

	Note	2015		2014	
		July to December	October to December	July to December	October to December
		(Rupees in thousand)		(Rupees in thousand)	
Sales		14,700,464	7,975,352	13,944,456	7,810,447
Cost of sales	11	(9,305,868)	(4,834,343)	(9,822,662)	(5,593,690)
Gross profit		5,394,596	3,141,009	4,121,794	2,216,757
Administrative expenses		(262,162)	(144,044)	(264,082)	(143,589)
Selling and distribution expenses		(393,108)	(182,729)	(465,551)	(252,149)
Other operating expenses		(587,416)	(193,049)	(378,425)	(150,419)
Other income		1,351,091	868,385	1,138,019	708,923
Profit from operations		5,503,001	3,489,572	4,151,755	2,379,523
Finance cost		(98,864)	(47,590)	(211,315)	(115,531)
Profit before taxation		5,404,137	3,441,982	3,940,440	2,263,992
Taxation	12	(1,568,655)	(997,068)	(535,752)	(44,582)
Profit after taxation		3,835,482	2,444,914	3,404,688	2,219,410
Attributable to:					
Equity holders of the parent		3,933,677	2,394,397	3,399,596	2,228,238
Non-controlling interest		(98,195)	50,517	5,092	(8,828)
		3,835,482	2,444,914	3,404,688	2,219,410
Earnings per share (basic and diluted)	Rupees	8.75	5.58	7.77	5.07

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Director

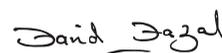
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

	2015		2014	
	July to December	October to December	July to December	October to December
	(Rupees in thousand)		(Rupees in thousand)	
Profit after taxation	3,835,482	2,444,914	3,404,688	2,219,410
Other comprehensive (loss) / income for the period				
Items that may be re-classified subsequently to profit or loss				
Change in value of available-for-sale financial assets	(3,770,888)	(1,374,099)	759,927	2,453,071
	(3,770,888)	(1,374,099)	759,927	2,453,071
Items that will not be subsequently re-classified to profit or loss	-	-	-	-
Other comprehensive (loss) / income for the period	(3,770,888)	(1,374,099)	759,927	2,453,071
Total comprehensive income for the period	64,594	1,070,815	4,164,615	4,672,481
Attributable to:				
Equity holders of the parent	162,789	1,020,298	4,159,523	4,681,309
Non-controlling interest	(98,195)	50,517	5,092	(8,828)
	64,594	1,070,815	4,164,615	4,672,481

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.



Chief Executive



Director

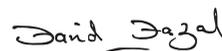
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

		2015 July to December	2014 July to December
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	14	6,224,942	4,470,407
Finance cost paid		(95,283)	(209,469)
Retirement and other benefits paid		(26,548)	(117,756)
Taxes paid		(1,210,018)	(453,784)
Payment to subsidiary against tax losses		(136,000)	(320,000)
Long term deposits - net		346	33,346
Net cash generated from operating activities		4,757,439	3,402,744
Cash flows from investing activities			
Fixed capital expenditure		(3,901,810)	(4,869,376)
Proceeds from disposal of property, plant and equipment		6,588	8,776
Investments made - net		4,513,760	(951,852)
Long term loans, advances and deposits - net		389	(1,525)
Interest received		124,333	42,194
Dividend received		884,349	855,685
Net cash generated from / (used in) investing activities		1,627,609	(4,916,098)
Cash flows from financing activities			
Repayment of long term finances		(384,950)	(431,733)
Disbursement of loans		3,300,000	-
Settlement of derivative financial instrument		(4,403)	(45,400)
Dividend paid		(2,211,537)	(1,533,417)
Net cash generated from / (used in) financing activities		699,110	(2,010,550)
Net increase / (decrease) in cash and cash equivalents		7,084,158	(3,523,904)
Cash and cash equivalents at the beginning of the period		(2,082,557)	(1,805,913)
Cash and cash equivalents at the end of the period	15	5,001,601	(5,329,817)

The annexed notes 1 to 19 form an integral part of this condensed interim consolidated financial information.



Chief Executive



Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)

	Capital reserve				Revenue reserve		Total		
	Share capital	Share premium	Fair value reserve	Capital redemption reserve fund	General reserve	Accumulated profit		Total equity attributable to shareholders of parent company	
Balance as at June 30, 2015 - Audited	4,381,191	4,557,163	27,330,748	353,510	5,110,851	20,708,896	62,442,359	2,232,260	64,674,619
Total comprehensive income for the period	-	-	-	-	-	3,933,677	3,933,677	(98,195)	3,835,482
- Profit for the period	-	-	(3,770,888)	-	-	-	(3,770,888)	-	(3,770,888)
- Other comprehensive loss for the period	-	-	(3,770,888)	-	-	3,933,677	162,789	(98,195)	64,594
Total contributions by and distributions to owners of the Company recognized directly in equity	-	-	-	-	-	-	-	-	-
- Parent company	-	-	-	-	-	-	-	(20,941)	(20,941)
- Final dividend for the year ended June 30, 2015 (Rs 5 per share)	-	-	-	-	-	(2,190,596)	(2,190,596)	-	(2,190,596)
- Subsidiary company	-	-	-	-	-	-	-	-	-
- Final dividend for the year ended June 30, 2015 (Rs 1 per share)	-	-	-	-	-	-	-	-	(20,941)
Balance as at December 31, 2015 - Unaudited	4,381,191	4,557,163	23,559,860	353,510	5,110,851	22,451,977	60,414,552	2,113,124	62,527,676
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	-	-	-	-	-	3,399,596	3,399,596	5,092	3,404,688
- Profit for the period	-	-	759,927	-	-	-	759,927	-	759,927
- Other comprehensive income for the period	-	-	759,927	-	-	3,399,596	4,159,523	5,092	4,164,615
Transactions with owners	-	-	-	-	-	-	-	-	-
Non-controlling interest acquired on acquisition of subsidiary	-	-	-	-	-	16,011	16,011	1,899,156	1,899,156
Further stake acquired in subsidiary	-	-	-	-	-	-	-	(34,255)	(18,244)
Total contributions by and distributions to owners of the Company recognized directly in equity	-	-	-	-	-	-	-	-	-
- 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 31 December 2014 - Unaudited	4,381,191	4,557,163	33,482,821	353,510	5,110,851	16,336,898	64,222,434	2,174,953	66,397,387

The annexed notes 1 to 19 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 HALF YEAR ENDED DECEMBER 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.
- Nishat Dairy (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 Product Company Limited 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 2015.

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, 2015.

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, 2015 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, 2015.

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, 2015.

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.

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

5. Long term finances

Long term loans	- note 5.1	4,658,701	1,712,897
Less: current portion shown under current liabilities		1,359,342	767,386
		<u>3,299,359</u>	<u>945,511</u>

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

5.1 Long term finances

Opening balance	1,712,897	2,550,263
Add:		
Proceeds of borrowing	3,300,000	-
Exchange loss during the period	30,755	41,993
	<u>5,043,652</u>	<u>2,592,256</u>
Less:		
Repayments during the period	384,951	879,359
Closing balance	<u>4,658,701</u>	<u>1,712,897</u>

6. Trade and other payables

Trade creditors	990,686	933,036
Infrastructure cess	102,087	140,641
Advances from customers	557,018	380,547
Accrued liabilities	1,224,743	1,252,021
Workers' profit participation fund	1,515,800	1,342,564
Workers' welfare fund	67,624	91,596
Custom duty payable	-	2,278
Federal excise duty payable	144,821	40,967
Withholding tax payable	12,893	14,138
Retention money payable	37,485	25,331
Unclaimed dividends	96,797	18,089
Advances against sale of scrap	6,347	6,949
Unclaimed dividend on redeemable preference shares	125	125
Export commission payable	50,810	44,750
Others	109,920	60,695
	<u>4,917,156</u>	<u>4,353,727</u>

7. Contingencies and commitments

7.1 Contingencies

There is no significant change in contingencies from the preceding annual financial statements of the Company for the year ended June 30, 2015 except for letters of guarantees issued to various parties aggregating to Rs 944.885 million (June 30, 2015: Rs 963.25 million)

7.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs. 1,958.643 million (June 30, 2015: Rs. 427.335 million)
- (ii) Letters of credits for capital expenditure Rs. 12,680.057 million (June 30, 2015: Rs. 2,274.836 million)
- (iii) Letters of credit other than capital expenditure Rs. 1,004.230 million (June 30, 2015: Rs. 1,183.407 million)
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	December 31, 2015 Un-audited	June 30, 2015 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	5,144	5,310
	<u>6,800</u>	<u>6,966</u>

8. Property, plant and equipment

Operating assets	- note 8.1	31,681,272	31,693,136
Capital work-in-progress	- note 8.2	5,045,550	1,894,473
Major spare parts and stand-by equipment	- note 8.3	103,829	105,469
		<u>36,830,651</u>	<u>33,693,078</u>

8.1 Operating assets

Opening book value		31,693,137	29,936,360
Add: Additions during the period / year	- note 8.1.1	1,062,243	3,868,905
Less: Disposals during the period / year			
- at book value	- note 8.1.2	5,882	36,490
Less: Depreciation charged during the period / year		1,068,226	2,075,639
		<u>1,074,108</u>	<u>2,112,129</u>
Closing book value		<u>31,681,272</u>	<u>31,693,136</u>

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

8.1.1 Additions during the period / year

Freehold land	825,342	452,967
Buildings on freehold land	1,868	1,693,609
Office building and housing colony	-	11,016
Roads	-	5,862
Plant and machinery	58,097	1,195,636
Quarry equipment	80,003	175,179
Furniture, fixtures and office equipment	36,524	74,625
Motor vehicles	58,700	123,541
Power and water supply lines	1,709	136,470
	<u>1,062,243</u>	<u>3,868,905</u>

8.1.2 Disposals during the period / year - at book value

Plant and machinery	2,952	25,083
Motor vehicles	2,930	11,407
	<u>5,882</u>	<u>36,490</u>

8.2 Capital work-in-progress

Civil works	1,257,446	728,778
Plant and machinery	2,590,101	656,348
Advances for capital expenditure	444,435	101,856
Unallocated expenditure	63,484	42,519
Expansion project:		
-Civil works	293,025	76,848
-Others	397,059	288,124
	<u>690,084</u>	<u>364,972</u>
	<u>5,045,550</u>	<u>1,894,473</u>

8.3 Major spare parts and stand-by equipment

Balance at the beginning of the period	105,469	246,341
Additions during the period / year	15,532	167,272
Transfers made during the period / year	(17,172)	(308,144)
Balance at the end of the period	<u>103,829</u>	<u>105,469</u>

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

9. Intangible assets

Opening book value	18,452	36,904
Less: Amortization charged during the period / year	9,226	18,452
Closing book value	9,226	18,452

10. Investments

Carrying value of investments at the beginning of the period / year	35,220,251	35,459,928
Investments made during the period / year		
- Related parties	189,797	10,907,092
- Others	2,702,037	9,679,295
	2,891,834	20,586,387
Fair value gain / loss during the period / year on:		
- Available for sale investments	(3,770,888)	(5,287,376)
- Investments at fair value through profit or loss	23,179	387,738
	(3,747,709)	(4,899,638)
Investments disposed off during the period/year	(7,405,594)	(15,926,426)
Carrying value at the end of the period / year	26,958,782	35,220,251
Investments classified in current assets	(17,562,226)	(24,855,842)
Closing balance	9,396,556	10,364,409

	2015		2014	
	July to December	October to December	July to December	October to December
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)		(Rupees in thousand)	
11. Cost of sales				
Raw and packing materials consumed	1,880,504	946,371	1,976,141	1,296,814
Salaries, wages and other benefits	889,179	470,529	707,546	383,883
Electricity and gas	1,231,715	511,805	1,685,221	1,059,352
Furnace oil and coal	3,005,358	1,641,198	3,021,428	1,867,616
Stores and spares consumed	641,204	340,612	840,658	506,268
Repair and maintenance	124,085	62,829	122,660	70,854
Insurance	62,585	30,535	107,950	90,521
Depreciation on property, plant and equipment	1,023,719	509,910	1,006,882	559,507
Amortization on intangibles	11,496	8,267	6,458	3,229
Royalty	142,429	76,468	131,093	78,794
Excise duty	13,563	7,292	12,648	7,433
Vehicle running expenses	15,602	8,650	17,284	8,192
Postage, telephone and telegram	2,212	956	2,950	1,869
Printing and stationery	1,954	1,470	1,781	716
Legal and professional charges	655	402	1,198	470
Travelling and conveyance	5,855	3,745	5,251	2,846
Estate development	10,599	6,359	9,896	4,454
Rent, rates and taxes	24,612	14,058	21,143	10,898
Freight charges	12,107	6,491	21,218	11,388
Other expenses	66,555	28,996	105,965	100,470
Total manufacturing cost	9,165,988	4,676,943	9,805,371	6,065,574
Opening work-in-process	508,578	508,691	560,634	180,606
Closing work-in-process	(400,258)	(400,258)	(527,802)	(527,802)
	108,320	108,433	32,832	(347,196)
Cost of goods manufactured	9,274,308	4,785,376	9,838,203	5,718,378
Opening stock of finished goods	378,542	383,951	437,912	325,571
Closing stock of finished goods	(314,592)	(314,592)	(447,826)	(447,826)
	63,950	69,359	(9,914)	(122,255)
Less: Own consumption capitalized	(32,390)	(20,392)	(5,627)	(2,433)
	9,305,868	4,834,343	9,822,662	5,593,690
12. Taxation				
Current				
- For the year	1,234,605	774,226	328,389	(53,040)
- Prior years	180,515	180,515	-	-
	1,415,120	954,741	328,389	(53,040)
Deferred	153,535	42,327	207,363	97,622
	1,568,655	997,068	535,752	44,582

13. 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:

Relationship with the group	Nature of transaction	July to	July to	
		December 2015	December 2014	
		Un-audited	Un-audited	
		(Rupees in thousand)		
Other related parties	Purchase of goods and services	661,138	662,274	
	Insurance premium	73,113	62,967	
	Sale of goods	80,914	188,889	
	Mark-up income on balances with related parties	14,734	483	
	Gain on disposal of investment	-	84,617	
	Insurance claim received	-	1,000	
	Dividend income	1,017,444	855,685	
	Key management personnel	Salaries and other employment benefits	89,067	71,022
		Post employment	Expense charged in respect of staff retirement benefits plans (defined benefit plan)	41,019
	Expense charged in respect of staff retirement benefits plans (contribution plan)		26,515	23,801
Funds paid to contributory provident fund	65,601		67,770	
		December 31, 2015	June 30, 2015	
		Un-audited	audited	
		(Rupees in thousand)		
Balances with related parties:				
	Long term loans, advances and deposits	17,205	17,205	
	Trade debts	12,265	12,402	
	Advances, deposits, prepayments and other receivables	24,973	23,830	
	Trade and other payables	116,169	115,447	

	July to December 2015	July to December 2014
	Un-audited	Un-audited
	(Rupees in thousand)	
14. Cash generated from operations		
Profit before tax	5,404,137	3,940,440
Adjustments for:		
- Depreciation on property, plant and equipment	1,068,226	1,052,895
- Profit on disposal of property, plant and equipment	(706)	(1,834)
- Profit on bank deposits	(173,640)	(3,827)
- Amortization on intangibles	9,226	9,226
- Dividend income	(1,020,652)	(855,685)
- Retirement and other benefits accrued	38,551	43,406
- Mark-up income	(319)	(9,487)
- Exchange loss - net	30,755	40,647
- Finance cost	98,864	211,315
- Unrealized gain on derivative financial instruments	(23,179)	(84,617)
- (Gain)/ loss on derivative financial instruments	(5,314)	19,473
Profit before working capital changes	5,425,949	4,361,952
Effect on cash flow due to working capital changes:		
- Increase in stores, spares and loose tools	(316,079)	(504,518)
- Decrease in stock-in-trade	193,922	(17,672)
- (Increase) / decrease in trade debts	(113,530)	7,017
- Decrease in advances, deposits, prepayments and other receivables	471,251	(191,514)
- Increase in trade and other payables	563,429	815,142
	798,993	108,455
Cash generated from operations	6,224,942	4,470,407
15. Cash and cash equivalents		
Short term borrowings - secured	(3,961,302)	(5,897,434)
Cash and bank balances	8,962,903	567,617
	5,001,601	(5,329,817)

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, 2015.

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

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

As at December 31, 2015	Level 1	Level 2	Level 3	Level 4
	(Rupees in thousand)			
Assets				
Investments - Available for sale	26,458,782	500,000	-	26,958,782
Derivative financial instruments	-	19,590	-	19,590
Total assets	26,458,782	519,590	-	26,978,372
Liabilities	-	-	-	-
Total liabilities	-	-	-	-

As at June 30, 2015	Level 1	Level 2	Level 3	Level 4
	(Rupees in thousand)			
Assets				
Investments - Available for sale	30,039,829	500,000	-	30,539,829
Investments at fair value through profit and loss	4,680,376	-	-	4,680,376
Derivative financial instruments	-	9,873	-	9,873
Total assets	34,720,205	509,873	-	35,230,078
Liabilities				
Total liabilities	-	-	-	-

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

Valuation techniques used to measure level 2 assets

The company's investment in ordinary shares of Nishat Hotels and Properties Limited, an unquoted company, has been valued at Rs 10 per share on the basis of net assets based method applied on the unaudited financial statements of the investee company as of December 31, 2015, as the company is in startup/construction phase and has not yet commenced operations.

The derivative financial instrument (cross currency interest rate SWAP) is valued using the present value of estimated future cash flows based on marked-to-market confirmation provided by the issuing bank.

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 December 2015 un-audited	July to December 2014 un-audited	July to December 2015 un-audited	July to December 2014 un-audited	July to December 2015 un-audited	July to December 2014 un-audited	July to December 2015 un-audited	July to December 2014 un-audited	July to December 2015 un-audited	July to December 2014 un-audited	July to December 2015 un-audited	July to December 2014 un-audited	July to December 2015 un-audited	July to December 2014 un-audited	
	December 2015 un-audited	December 2014 un-audited													
Revenue from															
- External Customers	13,635,342	12,655,187	450,872	571,773	614,250	717,496	-	-	14,700,464	13,944,456					
- Inter-group	-	-	527,088	433,981	-	-	(527,088)	(433,981)	-	-					
	13,635,342	12,655,187	977,960	1,005,754	614,250	717,496	(527,088)	(433,981)	14,700,464	13,944,456					
Segment gross profit/(loss)	5,487,080	4,130,947	233,802	178,840	(298,154)	(189,652)	(28,132)	1,659	5,394,596	4,121,794					
Segment expenses	(1,082,855)	(1,016,381)	(19,241)	(16,984)	(140,589)	(74,693)	(1)	-	(1,242,686)	(1,108,058)					
Other income	1,211,619	1,133,679	970	1,556	138,917	813	(415)	1,971	1,351,091	1,138,019					
Financial charges	(61,741)	(155,959)	(36,854)	(64,132)	(268)	(229)	(1)	9,005	(98,864)	(211,315)					
Taxation	(1,499,698)	(698,752)	(68,957)	(17,000)	-	180,000	-	-	(1,568,655)	(535,752)					
Profit after taxation	4,054,405	3,393,534	109,720	82,280	(300,094)	(83,761)	(28,549)	12,635	3,835,482	3,404,688					
Depreciation	921,440	929,438	16,392	16,262	111,957	107,197	18,437	(2)	1,068,226	1,052,895					
Capital expenditure	(4,195,556)	(1,149,183)	(6,549)	(1,949)	(9,575)	(169,696)	309,870	(3,548,548)	(3,901,810)	(4,869,376)					
Cash to operations	4,944,390	3,719,057	112,512	84,940	(316,028)	(134,627)	16,564	(201,482)	4,757,438	3,467,888					
Cash from investing	1,337,088	(5,314,764)	(10,914)	(1,933)	184,475	(142,153)	116,961	458,135	1,627,610	(5,000,715)					
	31.12.2015 un-audited	30.06.2015 audited													
Segment assets	77,668,832	74,391,443	1,787,539	1,794,915	3,932,366	4,188,640	(2,125,523)	(2,120,309)	81,263,214	78,254,689					
Segment liabilities	17,254,247	12,095,372	1,096,998	1,167,506	246,951	203,130	137,342	114,062	18,735,538	13,580,070					

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 for issue

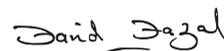
This condensed interim financial information was authorized for issue on February 16, 2016 by the Board of Directors of the Company.

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



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