



# D.G. KHAN CEMENT COMPANY LIMITED

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

DG-PSX-240

September 28, 2021

The General Manager,  
Pakistan Stock Exchange Ltd  
Stock Exchange Building  
Stock Exchange Road,  
Karachi.

PUCARS / TCS

SUB: NOTICE OF ANNUAL GENERAL MEETING

Dear Sir,

Further to our Letter No. DG-PSX-91 dated September 14, 2021, enclosed please find a copy of the Notice of Annual General Meeting of the Members of **D. G. Khan Cement Company Limited** to be held on October 28, 2021 (Thursday) at 11:30 a.m. for circulation amongst the TRE certificate holders.

Thanking you,

Yours sincerely,

  
**KHALID MAHMOOD CHOCHAN**  
**COMPANY SECRETARY**

Copy to: -

The Director / HOD,  
Surveillance, Supervision and Enforcement Department,  
Securities & Exchange Commission of Pakistan,  
NIC Building, 63 Jinnah Avenue, Blue Area,  
Islamabad.

Fax No. (051) 9100440/TCS

**Factory Sites:**

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



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### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of **D. G. Khan Cement Company Limited** (the Company/DGKC) will be held on October 28, 2021 (Thursday) at 11:30 A.M. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. To receive, consider and adopt the Audited Un-consolidated and Consolidated Financial Statements of the Company for the year ended June 30, 2021 together with the Chairman's Review, Directors' and Auditors' reports thereon.
2. To approve Final Cash Dividend @ 10% [i.e. Re. 1 (Rupee One Only) per Ordinary Share as recommended by the Board of Directors.
3. To appoint statutory Auditors for the year 2021-22 and fix their remuneration.
4. **Special Business:-**

**To consider and if deemed fit, to pass the following resolutions as Special Resolutions under Section 199 of the Companies Act, 2017, as recommended by the Board of Directors with or without modification, addition(s) or deletion(s).**

**RESOLVED** that approval of the members of D. G. Khan Cement Company Limited (the Company/DGKC) be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017, for renewal of investment of upto PKR 1,000,000,000/- (Rupees One Billion Only) in the form of working capital / running finance loan to Nishat Hotels and Properties Limited ("NHPL"), an associated company, for a period of one year starting from the date of approval by the members, at the markup rate of 1 Month KIBOR plus 100 bps (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period or the borrowing cost of the Company whichever is higher) and as per other terms and conditions disclosed to the members.

**FURTHER RESOLVED** that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things and take any or all necessary steps and actions to complete all legal formalities including signing of agreement and other documents and file all necessary documents as may be necessary or incidental and for the purpose of implementing the aforesaid resolutions.

A Statement of Material Facts as required under Section 134(3) of the Companies Act, 2017 is annexed to the notice of meeting circulated to the members of the Company.

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By order of the Board

(KHALID MAHMOOD CHOHAN)  
COMPANY SECRETARY

Lahore  
September 14, 2021

## NOTES:

### BOOK CLOSURE NOTICE:-

The Ordinary Shares Transfer Books of the Company will remain closed from 21.10.2021 to 28.10.2021 (both days inclusive) for entitlement of 10% Final Cash Dividend [i.e. Re.1/- (Rupee One Only) Per Ordinary Share] for the year ended June 30, 2021 and attending and voting at Annual General Meeting. Physical transfers/ CDS Transactions IDs received in order in all respects up to 1:00 p.m. on 20.10.2021 at the office of Share Registrar, THK Associates (Pvt) Limited, Karachi Office, Plot No.32-C, Jami Commercial Street No.2, DHA, Phase VII, Karachi, Lahore Office, THK Associates (Pvt) Ltd. Siddique Trade Centre, Office No. PL-29 PL Floor, 72 Main Boulevard, Gulberg, Lahore shall be considered in time for entitlement of above said 10% Final Cash Dividend.

### Proxies

A member eligible to attend and vote at this meeting may appoint another member his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's registered office not less than 48 hours before the time for holding the meeting. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant Account Number to produce at the time of attending the meeting. The proxy shall produce his / her original valid CNIC or original passport at the time of meeting.

Shareholders are requested to immediately notify the Company of change in address, if any.

Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

#### A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.

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- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

### B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

### Deduction of Withholding Tax on Dividend

Pursuant to the provisions of the Finance Act, 2017 the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

- Filler 15%
- Non-Filler 30%

All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

### Deduction of Withholding Tax on Dividend in case of Joint Account Holders

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar THK Associates (Pvt) Limited latest by October 21, 2021, otherwise each joint holder shall be assumed to have an equal number of shares.

Name of the Company	D. G. Khan Cement Company Limited
Folio No. / CDS A/C No.	

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No. of Shares Held		
Principal	Name & CNIC	
Shareholder	Shareholding Proportion (No. of Shares)	
Joint	Name & CNIC	
Shareholder(s)	Shareholding Proportion (No. of Shares)	

Signature of Primary Shareholder \_\_\_\_\_

## EXEMPTION OF WITHOLDING TAX:-

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office, THK Associates (Pvt) Limited up to October 21, 2021.

## SUBMISSION OF COPY OF CNIC (MANDATORY):

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar. All shareholders are once again requested to send a copy of their valid CNIC to our Share Registrar THK Associates (Pvt) Limited. The Shareholders while sending CNIC must quote their respective folio numbers and name of the Company.

In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 issued by SECP and would be constrained under SECP's Order dated June 08, 2016 under Section 251(2) of the Companies Ordinance, 1984 to withhold the payment of dividend warrants to such shareholders which will be released on submission of valid copy of CNIC

## ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Any shareholder who want to claim exemption shall submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 on prescribed Form CZ-50, to our Share Registrar, M/s. THK Associates (Pvt) Limited otherwise no exemption will be granted. The Shareholders while sending the Zakat Declarations, as the case may be, must quote company name and their respective Folio Numbers/CDC Account Numbers.

## MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Registrar at the address given herein above. In the case of shares held in CDC,

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on the Company's website and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand.

### Unclaimed Dividend / Shares

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

### Video Conference Facility

In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the annual general meeting. The request for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form placed in the annual report which is also available on the website of the Company.

### E-voting and Postal Ballot Facility

The shareholders will be allowed to exercise their right to vote through e-voting and postal ballot subject to Section 142 and 143 of the Companies Act, 2017 and Regulation 11 of the Companies (Postal Ballot) Regulations, 2018.

### Video Link Facility for Meeting:-

In light of COVID-19 situation, the Securities and Exchange Commission of Pakistan ("SECP") has advised vide Circular No. 4 of 2021 dated 15 February, 2021 to provide participation of the members through electronic means. The members can attend the AGM via video link using smart phones/tablets/. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at [kchohan@dgcement.com](mailto:kchohan@dgcement.com) or [smahmood@dgcement.com](mailto:smahmood@dgcement.com) by October 23, 2021.

Name of Member/Proxyholder	CNIC No.	Folio No. / CDC Account No.	Cell No. Whatsapp No.	Email ID

### Conversion of Physical Shares into Book Entry Form

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

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The Securities & Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form, to convert their shares into book-entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member / stock broker of the Pakistan Stock Exchange to open an account in the Central Depository System and to facilitate conversion of physical shares into book-entry form. Members are informed that holding shares in book-entry form has several benefits including but not limited to Secure and convenient custody of shares, Conveniently tradeable and transferable, No risk of the loss, damage or theft, No stamp duty on transfer of shares in book-entry form and Hassle free credit of bonus or right shares.

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at earliest.

### **STATEMENT OF MATERIAL FACTS** **UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017.**

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2021.

### **NISHAT HOTELS AND PROPERTIES LIMITED RENEWAL OF WORKING CAPITAL LOAN OF RS. 1 BILLION.**

D. G. Khan Cement Company Limited ("the Company") has extended working capital loan of PKR 1 billion to Nishat Hotels and Properties Limited ("NHPL") as approved by the shareholders in their Annual General Meeting (AGM) held on October 28, 2020 at the interest rate of 1 months KIBOR plus 100 bps for a period of one year starting from the date of that AGM. The company has so far earned Rs. 386.417 million till June 30, 2021 as markup on said investment.

Considering the average borrowing rate of the Company and the return offered by Banks on term deposits, the Directors of the Company in their meeting held on September 14, 2021 has recommended renewal of above said working capital loan of PKR 1 billion extended to NHPL at the interest rate of 1 Months KIBOR plus 100 bps (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) or borrowing cost of the Company whichever is higher) for a further period of one year starting from the date of this AGM i.e. October 28, 2021 on the terms and conditions as disclosed to the members

Repayment of the principle amount of loan will be made within one year with payment of interest due on monthly basis. The management expects better income for the Company through higher interest rates charged to NHPL which will eventually enhance the return on investment to the shareholders of the Company.

Nishat Hotels and Properties Limited (NHPL) was incorporated on 04 October 2007 as a public company limited by shares. Its authorized share capital is Rs. 12,908,890,270/- (Rupees Twelve Billion Nine Hundred Eight Million Eight Hundred Ninety Thousand Two Hundred Seventy Only) divided into 1,290,889,027 (One Billion Two Hundred Ninety Million Eight Hundred Eight Nine Thousand Twenty Seven) ordinary shares of PKR 10 each. Its main object is to carry on retail and hospitality business in Pakistan. For the intended purpose, NHPL has acquired site of 119 Kanals, 6 Marlas and 73 SFT of Commercial Land situated at Trade and Finance Block, Johar Town,

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Lahore, from Lahore Development Authority (LDA) – Urban Development Wing and constructed Emporium Mall which is fully operational from September 2016. Hotel has been opened from 20<sup>th</sup> May 2017 and 198 rooms are fully operational. The Building has a covered area of 2.742 Million Square Feet comprising the following building components (3 basements, ground floor and 11 floors):

- 4 star Hotel with 198 rooms
- Banquet halls
- CarreFour
- Shopping Mall with following features:
  - Retail
  - Food courts
  - Cineplex
  - Fun Factory
  - Health and Leisure Zones
  - Two basements with 2,815 parking bays for cars and motorcycles.

All sectors of the world's economy are affected by the coronavirus outbreak, the hotel, leisure, retail and travel industries have been hit particularly hard therefore, short term finance is needed by NHPL for meeting its working capital requirements.

The directors of the Company have certified / undertake that the investment is made after due diligence and financial health of NHPL is such that it has the ability to repay the loan as per agreement. The duly signed recommendation of the due diligence report and directors undertaking/certificate shall be made available to the members for inspection at the meeting.

NHPL is not a member of the Company. Its sponsors/directors are directors/members of the Company. They have no interest except their directorship and to the extent of their shareholding in DGKC which is as follows:

Name	% of Shareholding in DGKC
Mian Raza Mansha	2.90
Mian Umer Mansha	6.23
Mian Hassan Mansha	6.14
Spouse of Mian Raza Mansha	1.34
Mr. I.U. Niazi	0.00

### Information Under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

(a) Disclosure for all types of investments:		
(A) Disclosure regarding associated company		
(i)	Name of Associated Company or Associated Undertaking	Nishat Hotels and Properties Limited (NHPL)
(ii)	Basis of Relationship	Common Directorship

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(iii)	Earnings / (Loss) per Share for the last three years	Sr.	Year	Earnings / (Loss) per Share Rs.
		1.	9 Months ended 31-Mar-2021 (Un-audited)	0.08
		2.	2020 (audited)	0.79
		3.	2019 (audited)	1.42
		4.	2018 (audited)	0.30
(iv)	Break-up value per Share, based on last audited financial statements	<ul style="list-style-type: none"> <li>- PKR 18.13 per share as per latest available un-audited financial statements for the 9 months ended 31 March 2021.</li> <li>- PKR 20.19 per share as per Available audited financial statements for the year ended 30 June 2020.</li> </ul>		
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest (unaudited) financial statements as on 31 March, 2021.	<p>Un-Audited financial statements as at 31<sup>st</sup> March 2021:</p> <p style="text-align: right;">Rs. in Millions</p> <p><b>Balance Sheet:</b></p> <p><b>Assets:</b></p> <p>Non-Current Assets <span style="float: right;">33,787</span></p> <p>Current Assets <span style="float: right;">5,869</span></p> <p><b>Total Assets</b> <span style="float: right;"><u>39,656</u></span></p> <p><b>Liabilities:</b></p> <p>Borrowings <span style="float: right;">15,805</span></p> <p>Other Liabilities <span style="float: right;">3,581</span></p> <p><b>Total Liabilities</b> <span style="float: right;"><u>19,386</u></span></p> <p><b>Equity</b> <span style="float: right;"><b>20,270</b></span></p> <p><b>Profit &amp; Loss:</b></p> <p>Sales <span style="float: right;">3,020</span></p> <p>Gross Profit <span style="float: right;">1,297</span></p> <p>Gross Profit Ratio <span style="float: right;">42.96%</span></p> <p>Net Profit/(Loss) after tax <span style="float: right;">85</span></p> <p>Net Profit after tax Ratio <span style="float: right;">2.82%</span></p> <p>EPS <span style="float: right;">0.08</span></p>		
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely	N/A		
	I Description of the project and its history since conceptualization	N/A		

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II	Starting date and expected date of completion of work	N/A
III	Time by which such project shall become commercially operational	N/A
IV	Expected time by which the project shall start paying return on investment	N/A
V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	N/A
<b>(B) General Disclosures:</b>		
(i)	Maximum amount if investment to be made	Upto PKR 1,000,000,000 (Pak Rupees One Billion Only)
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p><b>Purpose:</b> Renewal of working capital loan.</p> <p><b>Benefits:</b> The Company expects better income through higher interest rates charged to NHPL which will eventually enhance the return on investment of the shareholders of the Company.</p> <p>The investment in NHPL will be for a period of one (1) years and shall payable within one (1) year from the date of approval by the members unless renewed by the members under Section 199 of the Companies Act, 2017.</p>
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	Company's own funds.
(I)	Justification for investment through borrowings	NA
(II)	Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	NA
(III)	Cost of benefit analysis	NA
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<p>Followings are the salient features of loan agreement already in existence:</p> <p>Interest due on outstanding amount of loan shall be paid by the associated company on monthly basis on 20<sup>th</sup> of every month starting from the next month.</p> <p>In case of delay in re-payment of principal and interest, an additional sum equivalent to 7.50% per annum on the unpaid amount for the period for which the payment is delayed, shall be paid by Nishat Hotels and Properties Limited</p>

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		<p>to D. G. Khan Cement Company Limited in addition to the agreed interest amount.</p> <p>All payments under the loan agreement shall be made through crossed cheque.</p> <p>The associated company shall provide corporate guarantee to secure extension of loan.</p>																																				
(v)	<p>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration</p>	<p>The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under:</p> <p>The directors, sponsors and majority shareholders of D. G. Khan Cement Company Limited (DGKC) and their relatives holding shares of Nishat Hotels and Properties Limited (NHPL) are interested to the extent of their shareholding in NHPL as under:-</p> <table border="0"> <tr> <td><b><u>Directors:</u></b></td> <td style="text-align: right;"><b>% of Shareholding</b></td> </tr> <tr> <td>Mian Raza Mansha (Common Director)</td> <td style="text-align: right;">21.86</td> </tr> <tr> <td><b><u>Sponsors:</u></b></td> <td></td> </tr> <tr> <td>Mian Umer Mansha</td> <td style="text-align: right;">21.97</td> </tr> <tr> <td>Mian Hassan Mansha</td> <td style="text-align: right;">21.97</td> </tr> <tr> <td>Both brothers of Mian Raza Mansha.</td> <td></td> </tr> <tr> <td><b><u>Majority Shareholders</u></b></td> <td></td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">6.08</td> </tr> </table> <p>The directors, sponsors and majority shareholders of Nishat Hotels and Properties Limited (NHPL) and their relatives holding shares of D. G. Khan Cement Company Limited (DGKC) are interested to the extent of their shareholding in DGKC as under:-</p> <table border="0"> <tr> <td><b><u>Directors:</u></b></td> <td style="text-align: right;"><b>% of Shareholding</b></td> </tr> <tr> <td><b>Name</b></td> <td></td> </tr> <tr> <td>Mian Raza Mansha</td> <td style="text-align: right;">2.92</td> </tr> <tr> <td>Mian Umer Mansha</td> <td style="text-align: right;">6.29</td> </tr> <tr> <td>Mian Hassan Mansha</td> <td style="text-align: right;">6.19</td> </tr> <tr> <td>Mr. I.U. Niazi</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td><b><u>Majority Shareholders</u></b></td> <td></td> </tr> <tr> <td><b>Name</b></td> <td style="text-align: right;"><b>% of Shareholding</b></td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">31.40</td> </tr> <tr> <td>Security General Insurance Co. Ltd.</td> <td style="text-align: right;">0.05</td> </tr> </table>	<b><u>Directors:</u></b>	<b>% of Shareholding</b>	Mian Raza Mansha (Common Director)	21.86	<b><u>Sponsors:</u></b>		Mian Umer Mansha	21.97	Mian Hassan Mansha	21.97	Both brothers of Mian Raza Mansha.		<b><u>Majority Shareholders</u></b>		Nishat Mills Limited	6.08	<b><u>Directors:</u></b>	<b>% of Shareholding</b>	<b>Name</b>		Mian Raza Mansha	2.92	Mian Umer Mansha	6.29	Mian Hassan Mansha	6.19	Mr. I.U. Niazi	0.00	<b><u>Majority Shareholders</u></b>		<b>Name</b>	<b>% of Shareholding</b>	Nishat Mills Limited	31.40	Security General Insurance Co. Ltd.	0.05
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(vi)	<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs</p>	<p>The Company has invested in 104.167 million shares with Rs.10/- per share face value in NHPL. Since NHPL's ordinary shares are not listed, an independent valuer engaged by the company has estimated a fair value of Rs 19.73 per ordinary share as at June 30, 2021 through a valuation technique based on discounted cash flow analysis of NHPL.</p> <p>The Company has previously provided NHPL a loan of Rs. 765 million as working capital. The Company has already earned Rs. 386.417 million as</p>																																				

**Factory Sites:**

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



# D.G. KHAN CEMENT COMPANY LIMITED

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

		mark-up income on said loan. The price for this loan would increase, subject to approval by shareholders, in line with prevailing situation of financial market.
(vii)	Any other important details necessary for the members to understand the transaction	None
<b>Additional disclosure regarding investment in the form of Loan/Advance</b>		
(i)	Category-wise amount of investment	Working Capital / Running Finance Loan upto PKR 1,000,000,000 (Pak Rupees One Billion Only).
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return unfunded facilities, as the case may be, for the relevant period	The current average borrowing cost of the Company as on September 14, 2021 is 6.55%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	1 Months KIBOR + 100 bps. (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period or the borrowing cost of the company whichever is higher)  1 Month KIBOR as on September 14, 2021 is 7.53%.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Corporate Guarantee of the associated company.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayment of principal will be made within one year of the approval by the shareholders while payment of interest due will be made on monthly basis.

## Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Hyundai Nishat Motor (Pvt) Limited (HNMPL)	Nishat Hotels and Properties Limited	Adamjee Insurance Company Limited
<b>Total Investment Approved:</b>	Equity investment upto Rupees 850 million was approved in EOGM held on March 28, 2018 and further enhanced from PKR 850 million to PKR 1,050 million by the shareholders in their	Guarantee / continuing Stand by Letter(s) of Credit (SBLC) for an amount of up to PKR 1,000 Million for a tenure of 7.5years was approved by members in EOGM held on	Equity investment upto Rupees 200 million was approved by members in EOGM held on April 17, 2019 for the period of three (3) years.
			Equity investment upto Rupees 721.620 million was approved by members in AGM held on October 27, 2018 for the period of 3 years.

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	AGM held on October 28, 2019 for the period of 4 years.	March 28, 2018 and further enhanced from PKR 1,000 million to PKR 1,277 million by the shareholders in their AGM held on October 28, 2019 for the period of 7.5 years.		
<b>Amount of Investment Made to date:</b>	Investment of Rupees 948.730 million has been made against this approval to date.	Guarantee of Rs. 1,269.671 million provided by the Company to the lenders of Hyundai Nishat Motors (Pvt) Limited against this approval	Investment of Rupees 41.67 million has been made against this approval to date.	Investment of Rupees 22.920 million has been made against this approval to date.
<b>Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:</b>	Partial investment has been made in investee company. Commercial operations of the investee company have not yet started. The Company will make further equity investment as and when further shares offered by HNMPL.	Partial guarantee has been extended after the approval. The Company will arrange issuance of further Guarantee /SBLC as and when requested by HNMPL within the approved time line and amount.	Partial investment has been made in investee company. Commercial operations of the investee company have not yet started. The Company will make further equity investment as and when further shares offered by NHPL.	Partial investment has been made in investee company. Further investment will be made depending on market conditions at appropriate time.
<b>Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:</b>	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2017, the basic loss per share was Rs.19.67 and breakup value per share was Rs. 4.85. As per latest available half yearly financial statements for the half year ended June 30, 2020 the basic earning per share is Rs. 0.061 and breakup value per share is Rs. 7.11.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2017, the basic loss per share was Rs.19.67 and breakup value per share was Rs. 4.85. As per latest available half yearly financial statements for the half year ended June 30, 2021 the basic loss per share is Rs. 0.061 and breakup value per share is Rs. 7.11.	At the time of approval, as per available latest audited financial statements for the year ended June 30, 2018, the basic loss per share was Rs.0.30 and breakup value per share was Rs. 12.65. As per latest available un-audited financial statements for the 9 months ended March 31, 2021 the basic earnings per share is Rs. 0.08 and breakup value per share is Rs. 18.13.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2017, the basic earnings per share was Rs.3.49 and breakup value per share was Rs. 47.98. As per latest available audited financial statements for the year ended December 31, 2020, the basic earnings per share is Rs. 5.36 and breakup value per share is Rs. 63.53.

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