NISHAT

D.G. KHAN CEMENT COMPANY LIMITED

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

SECY/STOCKEXC/ October 29, 2024

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

SUB: **SUBMISSION OF QUARTERLY ACCOUNTS FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

Dear Sir,

We have to inform you that the Quarterly Report of D.G. Khan Cement Company Limited (the Company) for the period ended September 30, 2024 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange ccordingly.

Thanking you,

Yours truly,

KHALID MAHMOOD CHOHAN
COMPANY SECRETARY

Factory Sites:
- Khofli Sattai, Distt. Dera Ghazi Khan - Pakistan. UAN: (92 - 64) 111 - 113 - 333 Tel: (92 - 42) 36360153, Fax: (92 - 64) 2585010
- Khairpur, Tehsil, Kallar Kahar. Distt. Chakwal - Pakistan UAN: (92 - 42) 111 - 113 - 333 Tel: (92 - 42) 36360153 Fax: (92 - 42) 650231
- 44 km RCD Highway Hub Balochistan.Pakistan UAN: (92 - 42) 111 - 113 - 333 Tel: (92 - 42) 36360153

NISHAT

DG CEMENT

D.G. KHAN CEMENT COMPANY LIMITED

First Quarter Report, September 30, 2024 (Un-audited)

Opportunities Unlimited

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COMPANY INFORMATION

Board of Directors

Mrs. Naz Mansha	Chairperson / Non-Executive
Mr. Raza Mansha	Chief Executive / Executive
Mr. Khalid Niaz Khawaja	Non-Executive
Mr. Usama Mahmud	Independent
Mr. Shehryar Ahmad Buksh	Independent
Mr. Farid Noor Ali Fazal	Executive
Mr. Shahzad Ahmad Malik	Non-Executive

Female Director 01
Male Directors 06

Audit Committee

Mr. Shehryar Ahmad Buksh	Member/Chairman
Mr. Khalid Niaz Khawaja	Member
Mr. Shahzad Ahmad Malik	Member

Human Resource & Remuneration Committee

Mr. Usama Mahmud	Member/Chairman
Mr. Raza Mansha	Member
Mr. Khalid Niaz Khawaja	Member

Management

Mr. Raza Mansha	Chief Executive Officer
Dr. Arif Bashir	Director Technical & Operations
Mr. Farid Noor Ali Fazal	Director Marketing
Mr. Inayat Ullah Niazi	Director Finance/CFO

Company Secretary

Mr. Khalid Mahmood Chohan

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited Limited
Habib Metropolitan Bank
MCB Bank Limited
JS Bank Limited
Citi Bank N.A.
Askari Bank Limited
BOP Taqwa Islamic Banking
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank Limited
The Bank of Punjab
United Bank Limited
The Bank of Khyber
Silk Bank Limited
Industrial and Commercial Bank of China (ICBC)

External Auditors

A.F. Ferguson & Co., Chartered Accountants

Legal Advisors

Mr. Shahid Hamid, Bar-at-Law

Important Identification Numbers of Company

CUIN: 0006469
STRN: 0402252300164
NTN: 1213275-6
PSX Symbol: DGKC

Company Products

I. Clinker
II. Ordinary Portland Cement (OPC)
III. Sulphate Resistant Cement (SRC)
iv. Low Alkali Cement

HS Code

Clinker: 2523.1000
Cement: 2523.2900

Applicable Laws & Regulations

Many laws and regulations apply to the Company including:

- The Companies Act
- Code of Corporate Governance
- International Accounting and Financial Reporting Standards
- International Auditing Standards
- Income Tax Law
- Excise Laws
- Labour Laws
- Environmental Laws
- Stock Exchange Regulations
- Mining Laws
- Sales Tax Law
- Property Laws
- Health & Safety Laws
- Banking Regulations, etc.

Company Rating

Long Term: AA -
Outlook: Stable
Rating Date: March 01, 2024
Short Term: A1+
Rating Agency: PACRA

Registered Office

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

Factories

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Phone: +92-641-460025-7
Fax: +92-641-462392
Email: dgsite@dgcement.com

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Tehsil Kallar Kahar, Distt. Chakwal-Pakistan.
Phone: +92-543-650215-8
Fax: +92-543-650231

Chichaee Gadani Main RCD, District HUB,
Lasbela, Pakistan
UAN: +92 42 111 11 33 33

Share Registrar: THK Associates (Pvt) Ltd

Head Office, Karachi
Plot No. 32-C, Jami Commercial
Street No. 2, DHA Phase_VII,
Karachi 75500.
UAN: 021 111 000 322
Tel: 021 353 10 191,
Fax: 021 353 10 190

Branch Office, Lahore
Office No. 309, 3rd Floor,
North Tower, LSE Building,
19 Shahrah-e-Aiwan-e-Iqbal,
Lahore
Phone: +92 42 3630 2044

For Investors' Information, Comments, Inquiries, Complaints

Mr. Farid Fazal
E-mail: ffazal@dgcement.com
(Marketing related queries)
(Director Marketing)
Phone: +92 42 111 11 33 33

Mr. Inayat Ullah Niazi
E-mail: iniazi@dgcement.com
(Chief Financial Officer)
Phone: +92 42 111 11 33 33

Mr. Khalid Mehmood Chohan
E-mail: kchohan@dgcement.com
(Company Secretary)
Phone: +92 42 111 11 33 33

DIRECTORS' REPORT

The directors of your company are pleased to present you the results of Q1FY25:

	Q1 FY25	Q1 FY24
	Rupees in '000'	
Sales	15,300,920	16,517,097
Cost of sales	(12,306,572)	(13,303,952)
Gross profit	**2,994,348**	**3,213,145**
Administrative expenses	(303,626)	(285,199)
Selling and distribution expenses	(817,535)	(509,124)
Other expenses	(3,337)	(75,055)
Other income	1,037,849	826,509
Finance cost	(1,589,456)	(2,087,480)
Profit before tax and levy	**1,318,243**	**1,082,796**
Levy	(144,700)	(114,017)
Profit before income tax	**1,173,543**	**968,779**
Taxation	(369,414)	(308,222)
Profit for the period	**804,129**	**660,557**

EPS (Rs/share)	1.84	1.51
GP%	19.57%	19.45%
PBT&L%	8.62%	6.56%
PAT%	5.26%	4.00%

Production and Sales volumetric data is as under:

Figures in MT

	Q1 FY25	Q1 FY24
	in MT	
Production:		
Clinker	886,735	1,143,538
Cement	748,803	1,100,129
Sales:		
Total	760,968	1,086,397
Local Cement (excluding own consumption)	745,381	952,287
Export Cement	15,587	134,110
Clinker Sale	352,282	58,000

During the first quarter of FY 2024-25, Pakistan's trade deficit expanded by over 4% year-over-year, exceeding USD 5 billion once again. Exports rose significantly, with a 14% increase driven by strong global demand, particularly for textiles and agricultural products. Imports also climbed by nearly 10%, fueled by higher costs of essential goods such as petroleum, industrial materials, and machinery. This data indicates strong domestic demand and industrial activity but also points to financial pressure from rising import costs, leading to a net outflow that could impact currency stability and foreign reserves. However, the uptick in industrial imports suggests investments in local production, potentially supporting economic growth if managed wisely.

As regards cement industry, in volume terms, the total industry sales quantity during the first quarter of FY 2025 decreased by 14%, reaching 10.3 million tons compared to the corresponding period last year. Local sales in the North Zone dropped by 1.5 million tons (18%), and in the South Zone by 0.5 million tons (29%), resulting in a cumulative decline of 2 million tons in local dispatches. Additionally, exports grew modestly by 0.4 million tons. Overall, industry sales utilization declined to 49%, down from 58% in the same period last year, largely due to lower domestic sales, which accounted for 39% of total utilization, while export utilization stood at 10%.

Kiln operational days of your Company decreased by 32% from 194 days to 133 days. Clinker production % decreased to 53% (Q1 FY24: 68%). Sales utilization also dropped to 66% (Q1 FY24: 68%), showing a less drastic decline than the industry trend mentioned above.

During the period under review, the Company's total sales value declined by 7%, driven by varying performance across domestic and export markets. In the local market, cement dispatches fell by 30%, though stable sales prices helped offset some of the volume loss. Conversely, the Company maintained a strategic focus on boosting clinker exports to cover fixed costs, resulting in a sevenfold increase in export volumes compared to the corresponding period. However, the retention on clinker exports dropped considerably. The decrease in financial expenses was due to a decline in discount rates, supported by better funds management compared to the corresponding period last year.

Amid calls for government relief in duties, taxes, and royalties, the cement industry is currently experiencing a notable decline in local dispatches, primarily due to a significant drop in domestic demand driven by economic challenges and rising construction costs. To mitigate potential capacity utilization crises, we believe that such relief is becoming increasingly essential to enhance competitiveness and stimulate domestic demand. While the IMF's agreement offers the prospect of macroeconomic stability, the government faces limited fiscal space, particularly concerning the Public Sector Development Program (PSDP), which could further constrain industrial utilization and production volumes. Additionally, looming foreign debt repayments, rising utility costs, and potential increases in Brent crude prices present risks to the economy and the PKR/USD exchange rate. On a positive note, recent reductions in discount rates, combined with the central bank's policy to tax excess liquidity held by banks until December, are expected to lower financial costs. Against the backdrop of these challenges and opportunities, the Company remains focused on its export strategy to cover fixed costs and generate foreign currency reserves, particularly in light of ongoing geopolitical tensions in the Middle East that may affect global fuel prices.

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

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

The Board of Directors has approved Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration of its non-executive directors including independent directors except for meeting fee for attending Board and its Committee meetings.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending of Board and its Committees meetings.
- The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to time.

Subsidiary Companies and Consolidated Financial Statements

Nishat Paper Products Company Limited and Nishat Dairy (Private) Limited form portfolio of subsidiary companies of the Company. Therefore, the Company has annexed consolidated condensed interim financial statements in addition to its separate condensed interim financial statements, in accordance with the requirements of International Financial Reporting Standards.

Following are the directors of the Company:

Mrs. Naz Mansha (Chairperson)	Non- Executive
Mr. Raza Mansha	Executive
Mr. Khalid Niaz Khawaja	Non-Executive
Mr. Usama Mahmud	Independent
Mr. Shehryar Ahmad Buksh	Independent
Mr. Farid Noor Ali Fazal	Executive
Mr. Shahzad Ahmad Malik	Non-Executive

Female Directors:	01
Male Directors:	06

Audit Committee

Mr. Shehryar Ahmad Buksh	Chairman
Mr. Khalid Niaz Khawaja	Member
Mr. Shahzad Ahmad Malik	Member

Human Resource & Remuneration Committee

Mr. Usama Mahmud	Chairman
Mr. Raza Mansha	Member
Mr. Khalid Niaz Khawaja	Member

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

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

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

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

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

For and on behalf of the Board

Raza Mansha
Chief Executive Officer

Farid Noor Ali Fazal
Director

Lahore
October 17, 2024

ہمارے پلانٹس اور آپریشنز بین الاقوامی اور قومی ماحولیاتی معیارات کی تعمیل کر رہے ہیں۔ DGKC سوسائٹی اور ویلفیئر کی اپنی ذمہ داریوں کو مکمل طور پہچانتی ہے۔ کمپنی نزدیکی آبادیوں کے لئے تعلیم، صحت، طبی اور آگ بجھانے کی سہولیات، واٹر سپلائی، نزدیکی علاقوں میں ایمرجنسی اور آفاتی حالات میں مدد، آگاہی مہمات وغیرہ پر خرچ کر رہی ہے۔

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

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

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

منجانب بورڈ

رضا منشا	فرید نور علی فضل
چیف ایگزیکٹو آفیسر	ڈائریکٹر

لاہور

17 اکتوبر 2024ء

مندرجہ ذیل کمپنی کے ڈائریکٹرز ہیں:

محترمہ ناز منشا (چیئر پرسن)	نان ایگزیکٹو
جناب رضا منشا	ایگزیکٹو
جناب خالد نیاز خواجہ	نان ایگزیکٹو
جناب اُسامہ محمود	آزاد
جناب شہر یار احمد بخش	آزاد
جناب فرید نور علی فضل	ایگزیکٹو
جناب شہزاد احمد ملک	نان ایگزیکٹو
خاتون ڈائریکٹرز:	01
مرد ڈائریکٹرز:	06

آڈٹ کمیٹی

جناب شہر یار احمد بخش	چیئر مین
جناب خالد نیاز خواجہ	رکن
جناب شہزاد احمد ملک	رکن

ہیومن ریسورس اینڈ ریمنریشن کمیٹی

جناب اُسامہ محمود	چیئر مین
جناب رضا منشا	رکن
جناب خالد نیاز خواجہ	رکن

اختتام پذیر مدت کی حیثیت کو متاثر کرنے والے کوئی بعد از بیلنس شیٹ نمایاں واقعات رونما نہیں ہوئے ہیں۔

رہا ہے۔ اگر چہ آئی ایم ایف کا معاہدہ میکرو اکنامک استحکام کے امکانات پیش کرتا ہے، لیکن حکومت کو محدود مالی گنجائش کا سامنا ہے، خاص طور پر پبلک سیکٹر ڈویلپمنٹ پروگرام (پی ایس ڈی پی) کے بارے میں، جو صنعتی استعمال اور پیداوار کے حجم کو مزید محدود کر سکتا ہے۔ مزید برآں، غیر ملکی قرضوں کی زیادہ ادائیگیاں، یوٹیلیٹی اخراجات میں اضافہ، اور برینٹ کروڈ کی قیمتوں میں ممکنہ اضافہ معیشت اور پاکستانی روپیہ/امریکی ڈالر کی شرح تبادلہ کے لئے خطرات پیدا کرتا ہے۔ مثبت بات یہ ہے کہ ڈسکاؤنٹ شرح میں حالیہ کمی اور مرکزی بینک کی دسمبر تک بینکوں کے پاس موجود اضافی لیکویڈیٹی پر ٹیکس نافذ کرنے کی پالیسی سے مالی اخراجات میں کمی متوقع ہے۔ ان مشکلات اور مواقع کے پس منظر میں، کمپنی مقررہ اخراجات کو پورا کرنے اور غیر ملکی کرنسی کے ذخائر پیدا کرنے کے لئے اپنی برآمدی حکمت عملی پر توجہ مرکوز کیے ہوئے ہے، خاص طور پر مشرق وسطیٰ میں جاری جغرافیائی سیاسی تناؤ کی روشنی میں جو عالمی ایندھن کی قیمتوں کو متاثر کر سکتا ہے۔

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

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

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضہ کی پالیسی کی منظوری دی ہے۔ پالیسی کی بنیادی خصوصیات مندرجہ ذیل ہیں:

- کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے سوائے آزاد ڈائریکٹرز سمیت اپنے نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرے گی۔
- کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات ادا کرے گی۔
- بورڈ آف ڈائریکٹرز، وقتاً فوقتاً ڈائریکٹرز معاوضہ پالیسی کا جائزہ اور اس کی منظوری دیں گے۔

ذیلی کمپنیاں اور کنسولیڈیٹڈ مالیاتی گوشوارے

نشاط پیپر پروڈکٹس کمپنی لمیٹڈ اور نشاط ڈیری (پرائیویٹ) لمیٹڈ کمپنی کے ضمنی ادارے ہیں۔ اس لیے کمپنی نے انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی مطابقت سے علیحدہ جامع فنانشل اسٹیٹمنٹس کے ساتھ، یکجا جامع فنانشل اسٹیٹمنٹس کو بھی منسلک کیا ہے۔

مالی سال 25-2024 کی پہلی سہ ماہی کے دوران پاکستان کا تجارتی خسارہ سال بہ سال 4 فیصد سے زائد بڑھ کر ایک بار پھر 5 بلین ڈالر سے تجاوز کر گیا۔ برآمدات میں نمایاں اضافہ دیکھنے میں آیا، خاص طور پر ٹیکسٹائل اور زرعی مصنوعات کی مضبوط عالمی طلب کی وجہ سے شرح اضافہ 14 فیصد رہی۔ درآمدات میں بھی تقریباً 10 فیصد کا اضافہ ہوا جس کی بنیادی وجہ پیٹرولیم، صنعتی مواد اور مشینری جیسی ضروری اشیاء کی قیمتوں میں اضافہ ہے۔ یہ اعداد و شمار مضبوط مقامی طلب اور صنعتی سرگرمی کی نشاندہی کرتے ہیں لیکن زیادہ درآمدی لاگت سے مالی دباؤ بھی بڑھ جائے گا، جس کے نتیجے میں خالص اخراج ہوتا ہے جو کرنسی کے استحکام اور غیر ملکی ذخائر کو متاثر کرسکتا ہے۔ تاہم، صنعتی درآمدات میں اضافے سے مقامی پیداوار میں سرمایہ کاری ظاہر ہوتی ہے، جسے اگر دانشمندی سے منظم کیا جائے تو معاشی نمو میں معاون ثابت ہوسکتی ہے۔

سیمنٹ انڈسٹری کی اگر بات کی جائے تو، حجم کے لحاظ سے مالی سال 2025ء کی پہلی سہ ماہی کے دوران صنعت کی مجموعی فروخت میں گزشتہ سال کے اسی عرصے کے مقابلے میں 14 فیصد کمی واقع ہوئی جو 10.3 ملین ٹن تک پہنچ گئی۔ شمالی زون میں مقامی فروخت میں 1.5 ملین ٹن (18%) اور جنوبی زون میں 0.5 ملین ٹن (29%) کی کمی واقع ہوئی جس کے نتیجے میں مقامی ترسیل میں مجموعی طور پر 2 ملین ٹن کی کمی واقع ہوئی۔ مزید برآں، برآمدات میں 0.4 ملین ٹن کا معمولی اضافہ ہوا۔ مجموعی طور پر صنعت کی مستعمل فروخت گزشتہ سال کے اسی عرصے کے 58 فیصد سے کم ہو کر 49 فیصد رہ گئی، جس کی بنیادی وجہ مقامی فروخت میں کمی ہے، جو کل استعمال کا 39 فیصد ہے، جبکہ برآمدی استعمال 10 فیصد رہا۔

آپ کی کمپنی کے کلن کے آپریشنل دن 194 دنوں سے 32 فیصد تک کم ہو کر 133 دن ہو گئے۔ کلنکر کی فیصد پیداوار کم ہو کر 53% (68%:Q1FY24) ہوگئی۔ آپ کی کمپنی مستعمل فروخت کم ہو کر 66% (68%:Q1FY24) ہوگئی جو کہ مذکورہ بالا صنعت کے اعداد و شمار کے رجحان سے کم گراوٹ ظاہر کرتی ہے۔

زیرِ جائزہ مدت کے دوران کمپنی کی مجموعی فروخت قدر میں 7 فیصد کمی واقع ہوئی جس کی بنیادی وجہ مقامی اور برآمدی مارکیٹوں میں مختلف کارکردگی ہے۔ مقامی مارکیٹ میں سیمنٹ کی ترسیل میں 30 فیصد کمی واقع ہوئی تاہم مستحکم فروخت قیمتوں نے حجم میں کمی کو کچھ حد تک پورا کرنے میں مدد کی۔ اس کے برعکس، کمپنی نے مقررہ اخراجات کو پورا کرنے کے لئے کلنکر کی برآمدات کو فروغ دینے پر اسٹریٹجک توجہ برقرار رکھی، جس کے نتیجے میں گزشتہ اسی مدت کے مقابلے میں برآمدی حجم میں سات گنا اضافہ ہوا۔ تاہم، کلنکر کی برآمدات پر برقراری میں نمایاں کمی واقع ہوئی ہے۔ ڈسکاؤنٹ شرح میں کمی اور بہتر فنڈز مینجمنٹ کی بدولت گزشتہ سال کے اسی عرصے کے مقابلے میں مالی اخراجات میں کمی واقع ہوئی۔

ڈیوٹیوں، ٹیکسوں اور رائلٹیز میں حکومتی ریلیف کے مطالبہ کے درمیان سیمنٹ انڈسٹری کو اس وقت مقامی ترسیل میں نمایاں کمی کا سامنا ہے، جس کی بنیادی وجہ معاشی چیلنجز اور زیادہ تعمیراتی لاگت کی وجہ سے مقامی طلب میں نمایاں کمی ہے۔ ممکنہ صلاحیت کے استعمال کے بحران کو کم کرنے کے لئے، ہم سمجھتے ہیں کہ مسابقت کو بڑھانے اور مقامی طلب کو فروغ دینے کے لئے مذکورہ بالا ڈیوٹیوں، ٹیکسوں اور رائلٹیز میں حکومتی ریلیف بہت ضروری ہوتا جا

حصص داران کیلئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز آپ کو مالی سال 25 کی پہلی سہ ماہی کے نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

	پہلی سہ ماہی مالی سال 2025	پہلی سہ ماہی مالی سال 2024
	روپے ہزاروں میں	
فروخت	15,300,920	16,517,097
قیمت فروخت	(12,306,572)	(13,303,952)
مجموعی منافع	**2,994,348**	**3,213,145**
انتظامی اخراجات	(303,626)	(285,199)
فروخت اور تقسیم کے اخراجات	(817,535)	(509,124)
دیگر معاملاتی اخراجات	(3,337)	(75,055)
دیگر آمدنی	1,037,849	826,509
مالی لاگت	(1,589,456)	(2,087,480)
ٹیکسیشن اور لیوی سے پہلے منافع	**1,318,243**	**1,082,796**
لیوی	(144,700)	(114,017)
انکم ٹیکس سے پہلے منافع	**1,173,543**	**968,779**
ٹیکسیشن	(369,414)	(308,222)
موجودہ مدت کے لئے منافع	**804,129**	**660,557**

EPS (روپے فی شیئر)	1.84	1.51
GP %	19.57%	19.45%
PBT&L%	8.62%	6.56%
PAT %	5.26%	4.00%

امسال کے لئے آپ کی کمپنی کی پیداوار اور فروخت حجم کے اعدادوشمار درج ذیل ہیں:

	پہلی سہ ماہی مالی سال 2025	پہلی سہ ماہی مالی سال 2024
پیداوار	اعدادوشمار میٹرک ٹن میں	
کلنکر کی پیداوار	886,735	1,143,538
سیمنٹ کی پیداوار	748,803	1,100,129
فروخت		
سیمنٹ کی کل فروخت	760,968	1,086,397
سیمنٹ کی مقامی فروخت (علاوہ ذاتی استعمال)	745,381	952,287
سیمنٹ کی برآمد فروخت	15,587	134,110
کلنکر کی فروخت	352,282	58,000

Unconsolidated Condensed Interim Statement of Financial Position

	Note	September 30, 2024 unaudited	June 30, 2024 audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
- 950,000,000 (June 30, 2024: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2024: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		10,000,000	**10,000,000**
Issued, subscribed and paid up share capital 438,119,118 (June 30, 2024: 438,119,118) ordinary shares of Rs 10 each		4,381,191	4,381,191
Other reserves		34,615,888	33,670,663
Revenue reserve: Un-appropriated profits		38,599,808	37,795,684
		77,596,887	**75,847,538**
NON-CURRENT LIABILITIES			
Long term finances from financial institutions - secured	6	15,111,776	15,965,116
Deferred government grant	7	124,012	154,614
Long term deposits		610,788	572,748
Employee benefits obligations		1,014,798	944,549
Deferred taxation		12,853,626	12,675,472
		29,715,000	**30,312,499**
CURRENT LIABILITIES			
Trade and other payables		13,907,688	12,394,455
Short term borrowings from financial institutions - secured		11,294,517	13,064,718
Accrued markup		854,943	1,280,446
Current portion of non-current liabilities		4,336,397	5,416,807
Unclaimed dividend		34,201	34,201
Provision for taxation		371,052	35,090
		30,798,798	**32,225,717**
Contingencies and Commitments	8	-	-
		138,110,685	**138,385,754**

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive

As At September 30, 2024

	Note	September 30, 2024 unaudited	June 30, 2024 audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	79,222,369	79,877,839
Intangible asset		36,612	42,762
Long term Investments	10	16,384,414	16,633,064
Long term loans, advances and deposits		61,568	61,568
		95,704,963	**96,615,233**
CURRENT ASSETS			
Stores, spare parts and loose tools		13,339,575	12,559,774
Stock-in-trade		6,543,716	7,693,067
Trade debts		1,012,308	855,742
Investments		19,467,993	18,384,882
Loans, advances, deposits, prepayments and other receivables		211,984	160,289
Income tax receivable		1,682,612	1,384,599
Cash and bank balances		147,534	732,168
		42,405,722	**41,770,521**
		138,110,685	**138,385,754**

Chief Financial Officer

Director

Unconsolidated Condensed Interim Statement of Profit or Loss

For the Quarter ended September 30, 2024 (Un-audited)

	July to September 2024	July to September 2023
	(Rupees in thousand)	(Re-stated)
Revenue	15,300,920	16,517,097
Cost of sales	(12,306,572)	(13,303,952)
Gross profit	**2,994,348**	**3,213,145**
Administrative expenses	(303,626)	(285,199)
Selling and distribution expenses	(817,535)	(509,124)
Other expenses	(3,337)	(75,055)
Other income	1,037,849	826,509
Finance cost	(1,589,456)	(2,087,480)
Profit before tax and levy	**1,318,243**	**1,082,796**
Levy	(144,700)	(114,017)
Profit before income tax	**1,173,543**	**968,779**
Taxation	(369,414)	(308,222)
Profit for the period	**804,129**	**660,557**
Earnings per share		
(basic and diluted - in Rupees)	**1.84**	**1.51**

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive | Chief Financial Officer | Director

Unconsolidated Condensed Interim Statement of Comprehensive Income
For the Quarter ended September 30, 2024 (Un-audited)

	July to September 2024	July to September 2023
	(Rupees in thousand)	
Profit for the period	804,129	660,557
Other comprehensive income for the period - net of tax		
Items that may be reclassified subsequently to profit or loss:	-	-
Items that will not be subsequently reclassified to profit or loss:		
Change in fair value of investment at fair value through other comprehensive income (FVOCI) - net of tax	945,221	1,837,602
	945,221	1,837,602
Total comprehensive income for the period	**1,749,350**	**2,498,159**

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director

Unconsolidated Condensed Interim Cash Flow Statement
For the Quarter ended September 30, 2024 (Un-audited)

	Note	July to September 2024	2023
		(Rupees in thousand)	
			(Re-stated)
Cash flows from operating activities			
Cash generated from operations	12	4,663,781	5,769,856
Finance cost paid		(2,014,959)	(2,230,434)
Retirement and other benefits paid		(59,967)	(91,311)
Net income tax refunds/(paid)		(153,311)	1,087,516
Levy - final taxes paid		(144,700)	(114,017)
Long term deposits - net		38,040	-
Net cash inflow from operating activities		**2,328,884**	**4,421,610**
Cash inflow/outflow from investing activities			
Payments for property, plant and equipment and intangibles		(299,957)	(402,573)
Proceeds from disposal of property, plant and equipment		26,113	12,699
Proceeds from disposal of equity investments		128,250	-
Long term loans, advances and deposits - net		-	29,990
Interest received		1,960	1,209
Dividend received		964,670	760,115
Net cash inflow/(outflow) from investing activities		**821,036**	**401,440**
Cash inflow/outflow from financing activities			
Proceeds from long term finances		-	9,160,185
Repayment of long term finances		(1,964,353)	(1,424,297)
Dividend paid		-	(228)
Net cash inflow/(outflow) from financing activities		**(1,964,353)**	**7,735,660**
Net increase/(decrease) in cash and cash equivalents		1,185,567	12,558,710
Cash and cash equivalents at the beginning of the period		(12,332,550)	(24,819,321)
Cash and cash equivalents at the end of the period	**13**	**(11,146,983)**	**(12,260,611)**

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive	Chief Financial Officer	Director

Unconsolidated Condensed Interim Statement of Changes In Equity

For the Quarter ended September 30, 2024 (Un-audited)

(Rupees in thousands)

	Share capital	Capital reserve: Share premium	Capital reserve: FVOCI reserve	Capital reserve: Capital redemption reserve fund	Revenue reserve: General reserve	Revenue reserve: Un-appropriated profits	Total
Balance as at June 30, 2023 - Audited	4,381,191	4,557,163	12,609,667	353,510	5,071,827	37,218,919	64,192,277
Total comprehensive income for the period							
- Profit for the period	-	-	-	-	-	660,557	660,557
- Other comprehensive income for the period							
- Changes in fair value of investments at fair value through OCI - net of tax	-	-	1,837,602	-	-	-	1,837,602
	-	-	1,837,602	-	-	660,557	2,498,159
Balance as at September 30, 2023 - Unaudited	**4,381,191**	**4,557,163**	**14,447,269**	**353,510**	**5,071,827**	**37,879,476**	**66,690,436**
Balance as at June 30, 2024 - Audited	4,381,191	4,557,163	23,688,162	353,510	5,071,827	37,795,684	75,847,537
Total comprehensive income for the period							
- Profit for the period	-	-	-	-	-	804,129	804,129
- Other comprehensive profit for the period							
- Changes in fair value of investments at fair value through OCI - net of tax	-	-	945,221	-	-	-	945,221
	-	-	945,221	-	-	804,129	1,749,350
Balance as at September 30, 2024 - Unaudited	**4,381,191**	**4,557,163**	**24,633,383**	**353,510**	**5,071,827**	**38,599,813**	**77,596,887**

The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director

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

For the Quarter ended September 30, 2024

1. Status and nature of business

D. G. Khan Cement Company Limited (the 'Company') is a public company limited by shares incorporated in Pakistan in 1978 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 53-A, Lawrence Road, Lahore.

The Company is principally engaged in production and sale of Clinker, Ordinary Portland and Sulphate Resistant Cement. It has four cement plants, two plants located at Khofli Sattai, District Dera Ghazi Khan ('D.G. Khan'), one at Khairpur, Tehsil Kallar Kahar, District Chakwal ('Khairpur') and one at District Hub ('Hub').

2. Basis of preparation

2.1 Statement of compliance

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

i) International Accounting Standard ('IAS') 34, Interim Financial Reporting, issued by the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017; and

ii) Provisions of and directives issued under the Companies Act, 2017.

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

2.2 These unconsolidated condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017 (the 'Act').

These unconsolidated condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2024. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The Company is required to issue condensed interim consolidated financial statements along with its condensed interim separate financial statements in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. Condensed interim consolidated financial statements are prepared separately.

3. Accounting Policies

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements for the year ended June 30, 2024 except for the estimation of income tax (see note 5) and adoption of new amended standards as set out in notes 3.1 and 3.2.

3.1 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRS) are effective for accounting period beginning on July 1, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements except for the following:

a) IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes

The Company has changed its accounting policy to recognise such taxes as 'Levies' which were previously being recognised as 'Income Tax' in line with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by the Institute of Chartered Accountants of Pakistan vide its circular No. 07/2024 dated May 15, 2024. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and earnings / loss per share as a result of this change.

Effect on unconsolidated statement of profit or loss	**Had there been no change in accounting policy**	**Impact of change in accounting policy**	**After incorporating effects of change in accounting policy**
	(Rupees in thousand)		
For the quarter ended September 30, 2024			
Levy	-	(144,700)	(144,700)
Profit before income tax	1,318,243	(144,700)	1,173,543
Taxation	(514,114)	144,700	(369,414)
For the quarter ended September 30, 2023			
Levy	-	(114,017)	(114,017)
Profit before income tax	1,082,796	(114,017)	968,779
Taxation	(422,239)	114,017	(308,222)

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4. Accounting estimates

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

In preparing these unconsolidated condensed interim financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual financial statements of the Company for the year ended June 30, 2024, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 5.

5. Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

		September 30, 2024	June 30, 2024
		Un-audited	audited
		(Rupees in thousand)	
6. Long term finances from financial institutions - secured			
Long term loans	- note 6.1	19,329,395	21,257,088
Current portion shown under current liabilities		(4,217,619)	(5,291,972)
		15,111,776	**15,965,116**
6.1 The reconciliation of the carrying amount is as follows:			
Balance as at beginning of the period - gross		21,535,838	17,484,316
Disbursements during the period/year		-	11,200,706
Repayments during the period/year		(1,964,353)	(7,149,184)
		19,571,485	21,535,838
Unamortized deferred grant	- note 7	(242,090)	(278,752)
Closing balance		**19,329,395**	**21,257,086**

	September 30, 2024 Un-audited	June 30, 2024 audited
	(Rupees in thousand)	

7. Deferred government grant

The reconciliation of the carrying amount is as follows:

	September 30, 2024	June 30, 2024
Opening balance	278,752	450,334
Credited to the statement of profit or loss	(36,662)	(171,582)
	242,090	278,752
Current portion shown under current liabilities	(118,078)	(124,138)
Closing balance	**124,012**	**154,614**

There are no unfulfilled conditions or other contingencies attached to these grants.

8. Contingencies and commitments

8.1 Contingencies

There is no significant change in contingencies from the preceding annual unconsolidated financial statements of the Company for the year ended June 30, 2024 other than those mentioned below. The banks have issued the following guarantees on Company's behalf in favor of:

(i) Directorate General of Mines and Minerals, Punjab against enhanced royalty rates on minerals amounting to Rs. 305.252 million (June 2024: Rs 172.08 million).

8.1.1 The Company has provided a guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party, amounting to Rs. 1,104.757 million (June 2024: Rs. 1,149.328 million).

8.2 Commitments in respect of:

(i) Contracts for capital expenditure Rs 74.757 million (June 2024: Rs. 107.609 million).

(ii) Letters of credit for capital expenditure of NIL (June 2024: Rs. 48.046 million).

(iii) Letters of credit other than capital expenditure Rs. 909.260 million (June 2024: Rs. 1,573.272 million).

		September 30, 2024 Un-audited	June 30, 2024 audited
		(Rupees in thousand)	

9. Property, plant and equipment

Operating fixed assets	- note 9.1	77,362,103	78,206,501
Capital work in progress	- note 9.2	1,541,430	1,341,029
Major spare parts and stand-by equipment		318,836	330,309
		79,222,369	**79,877,839**

9.1 Operating fixed assets

Opening book value		78,206,501	80,039,245
Additions during the period	- note 9.1.1	111,030	2,154,080
		78,317,531	82,193,325
Disposals during the period - at book value		(18,852)	(156,917)
Depreciation charged for the period		(936,576)	(3,829,907)
		(955,428)	(3,986,824)
Closing book value		**77,362,103**	**78,206,501**

9.1.1 Additions during the period

Freehold land	750	54,198
Buildings on freehold land:		
- Factory buildings	-	157,597
- Office building and housing colony	-	57,642
Roads	-	2,054
Plant and machinery	48,515	1,374,109
Quarry equipment	3,500	-
Furniture and fittings	21,987	40,371
Office equipment	2,377	41,867
Vehicles	28,160	138,122
Air Craft	5,741	-
Power and water supply lines	-	288,120
	111,030	**2,154,080**

9.2 Capital work-in-progress

Civil works	664,692	664,340
Plant and machinery	641,423	540,356
Advances to suppliers and contractors	177,972	110,943
Others	57,343	25,390
	1,541,430	**1,341,029**

10. Investments

This includes Level 1 investments in Nishat Mills Limited, MCB Bank Limited, Adamjee Insurance Company Limited, United Bank Limited, Nishat (Chunian) Limited, Nishat Chunian Power Limited and Pakistan Petroleum Limited, Level 3 investments in Nishat Hotels and Properties Limited and Hyundai Nishat Motor (Private) Limited and investments in subsidiaries that include investment in Nishat Dairy (Private) Limited and Nishat Paper Products Company Limited.

11. Transactions with related parties

The related parties include the subsidiaries, the Investor (Nishat Mills Limited), related parties on the basis of common directorship, group companies, key management personnel and post employment benefit plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that company. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

		July to September	
		2024	**2023**
		Un-audited	**Un-audited**
		(Rupees in thousand)	
Relationship with the Company	**Nature of transaction**		
i. Subsidiary entities	Purchase of goods and services	458,317	964,096
	Rental income	270	242
	Proceeds from disposal of investment	128,250	-
	Sale of goods and services	97,544	15,217
ii. Investor	Purchase of goods and services	123	2,271
	Sale of goods	11,637	10,006
iii. Other related entities	Insurance premium	161,683	131,244
	Sale of goods	676	14,631
	Rental income	210	191
	Dividend income	962,312	757,757
	Purchase of goods and services	107,235	142,367
	Reimbursement of expenses	5,342	-
	Insurance claims received	35,938	6,627
	Mark-up income	-	660
iv. Key management personnel	Salaries and other employment benefits	101,806	85,126
v. Post employment benefit plans	Expense charged in respect of defined benefit plan	91,320	65,218
	Expense charged in respect of defined contribution plan	38,896	36,027

	September 30, 2024 Un-audited	June 30, 2024 audited
	(Rupees in thousand)	
Period/year end balances		
Payable to related parties		
Trade and other payables	373,512	411,851
Receivable from related parties		
Trade debts	40,867	69,047
Other receivables	14,944	17,528
	55,811	**86,575**

12. Cash generated from operations

	July to September 2024 Un-audited	2023 Un-audited
	(Rupees in thousand)	(Re-stated)
Profit before tax	1,173,543	968,779
Adjustments for non-cash charges and other items:		
- Depreciation on operating fixed assets	936,576	947,484
- Amortization of intangible asset	6,149	1,791
- Loss/(gain) on disposal of operating fixed assets	(7,266)	(5,100)
- Loss/(gain) on disposal of investments	(17,485)	-
- Dividend income	(964,670)	(760,115)
- Provision for retirement benefits	130,216	101,245
- Profit on bank deposits	(1,960)	(1,209)
- Exchange (gain)/loss	(1,837)	67,554
- Levy	144,700	114,017
- Finance cost	1,589,456	2,087,480
Profit before working capital changes	**2,987,422**	**3,521,926**
Effect on cash flow due to working capital changes:		
- (Increase)/Decrease in stores, spare parts and loose tools	(779,801)	2,460,812
- Decrease/(Increase) in stock-in-trade	1,149,351	(1,499,186)
- (Increase) in trade debts	(156,566)	(99,268)
- (Increase)/Decrease in loans, advances, deposits, prepayments and other receivables	(51,695)	540,206
- Increase in trade and other payables	1,515,070	845,366
	1,676,359	2,247,930
	4,663,781	**5,769,856**

	September 30 2024 Un-audited	September 30 2023 Un-audited
	(Rupees in thousand)	

13. Cash and cash equivalents

Short term borrowings - secured	(11,294,517)	(13,196,235)
Cash and bank balances	147,534	935,624
	(11,146,983)	**(12,260,611)**

14. Financial risk management

14.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk.

These unconsolidated condensed interim financial statements do 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, 2024.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2024.

14.2 Fair value estimation

a) Fair value hierarchy

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

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

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

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed above. The following table presents the Company's financial assets measured and recognised at fair value at September 30, 2024 and June 30, 2024 on a recurring basis:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Recurring fair value measurements				
As at September 30, 2024				
Assets				
Investments - FVOCI	27,823,348	-	5,673,708	33,497,056
As at June 30, 2024				
Assets				
Investments - FVOCI	26,878,122	-	5,673,708	32,551,830

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between Levels 1, 2 and 3 during the period. There were no changes in valuation techniques during the period.

The Company did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at September 30, 2024.

b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and

- for other financial instruments - discounted cash flow analysis.

c) Fair value measurements using significant unobservable inputs

Investment in Nishat Hotels and Properties Limited

The main level 3 inputs used by the Company to determine fair value of investment in Nishat Hotels and Properties Limited ('NHPL') are derived and evaluated as follows.

- Discount rate is determined using a capital asset pricing model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to NHPL.

- Long term growth rate is estimated based on historical performance of NHPL and current market information for similar type of entities.

The significant assumptions used in this valuation technique are as follows:

- Discount rate of 17.96% per annum.

- Long term growth rate of 2% per annum for computation of terminal value.

- Annual growth in costs is linked to inflation with a range of 6.50% to 12.70% per annum.

Sensitivity analysis

Sensitivity analysis of the significant assumptions used in the valuation technique are as follows:

If the discount rate increases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 190.625 million lower.

If the long term growth rate decreases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 60.417 million lower.

If inflation decreases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 17.708 million higher.

If interest rate increases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 5.208 million lower.

Investment in Hyundai Nishat Motor (Private) Limited

The main level 3 inputs used by the Company to determine fair value of investment in Hyundai Nishat Motor (Private) Limited ('HNMPL') are derived and evaluated as follows.

- Discount rate is determined using a capital asset pricing model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to HNMPL.

- Long term growth rate is estimated based on historical performance of HNMPL and current market information for similar type of entities.

The significant assumptions used in this valuation technique are as follows:

- Discount rate of 22.46% per annum.

- Long term growth rate of 2% per annum for computation of terminal value.

- Annual growth in costs are linked to inflation and currency devaluation with a range of 6.17% to 11.74%, and 2.17% to 3% per annum respectively, and revenues are linked to currency devaluation at 2.17% to 3% per annum.

Sensitivity analysis

Sensitivity analysis of the significant assumptions used in the valuation technique are as follows:

If the discount rate increases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 157.204 million lower.

If the long term growth rate decreases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 63.486 million lower.

If inflation decreases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 107.811 million higher.

If interest rate increases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 15.431 million lower.

15. Date of authorization for issue

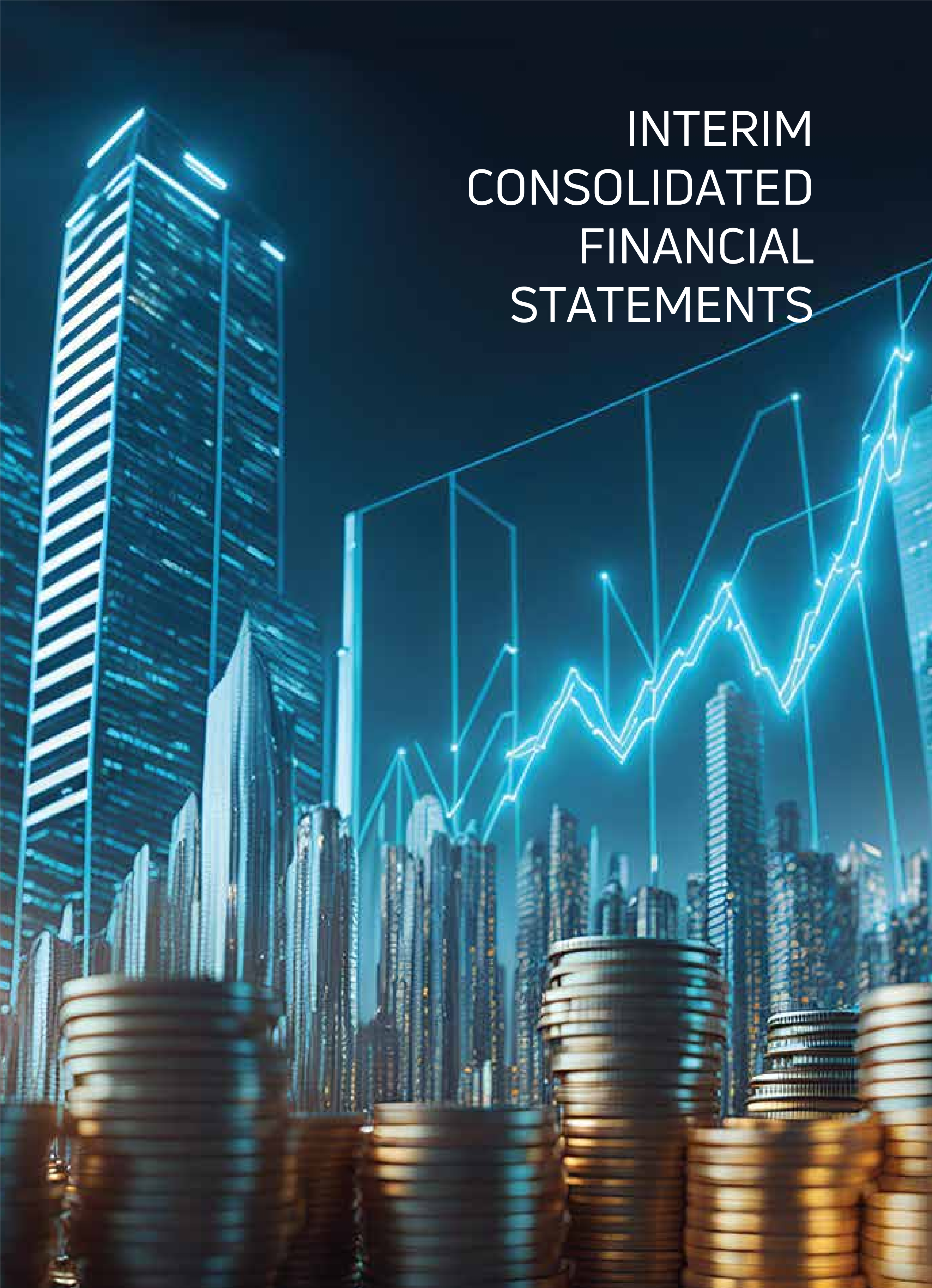
These unconsolidated condensed interim financial statements were authorized for issue on October 17, 2024 by the Board of Directors of the Company.

16. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the unconsolidated condensed interim financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year. Further, no significant rearragements have been made except as disclosed in note 3.1 (a) to the unconsolidated financial statements.

Chief Executive	Chief Financial Officer	Director

INTERIM CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Condensed Interim Statement of Financial Position

	Note	September 30, 2024 unaudited	June 30, 2024 audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
- 950,000,000 (June 30, 2024: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2024: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		10,000,000	**10,000,000**
Issued, subscribed and paid up share capital 438,119,118 (June 30, 2024: 438,119,118) ordinary shares of Rs 10 each		4,381,191	4,381,191
Reserves		34,836,876	33,857,722
Un-appropriated profit		39,257,442	38,441,045
Attributable to owners of the parent company		**78,475,509**	**76,679,958**
Non-controlling interest		2,827,866	2,867,117
		81,303,375	**79,547,075**
NON-CURRENT LIABILITIES			
Long term finances - secured	5	17,320,687	17,435,308
Deferred government grant	6	139,630	170,232
Long term deposits		610,787	572,748
Deferred liabilities		1,014,798	944,549
Deferred taxation		13,687,998	13,495,346
		32,773,900	**32,618,183**
CURRENT LIABILITIES			
Trade and other payables		14,692,726	13,319,937
Accrued markup		891,670	1,417,035
Short term borrowing-secured		13,443,782	15,108,379
Current portion of non-current liabilities		4,493,695	5,577,710
Unclaimed dividend		34,200	34,200
Provision for taxation		541,774	209,416
		34,097,847	**35,666,677**
Contingencies and Commitments	7		
		148,175,122	**147,831,935**

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial information.

Chief Executive

As At September 30, 2024

	Note	September 30, 2024 unaudited	June 30, 2024 audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	83,574,442	83,859,386
Intangible asset		36,613	42,763
Biological assets		1,203,161	1,167,436
Investments		15,137,399	15,213,597
Long term deposits		61,568	61,568
		100,013,183	**100,344,750**
CURRENT ASSETS			
Stores, spares and loose tools		15,267,031	14,445,071
Stock-in-trade		8,053,302	9,528,482
Trade debts		1,361,463	956,035
Investments		19,523,020	18,409,908
Advances, deposits, prepayments and other receivables		1,828,783	991,894
Contract assets		143,864	84,893
Income tax recoverable		1,682,612	2,083,669
Cash and bank balances		301,864	987,233
		48,161,939	**47,487,185**
		148,175,122	**147,831,935**

Chief Financial Officer

Director

Consolidated Condensed Interim Statement of Profit or Loss

For the Quarter ended September 30, 2024 (Un-audited)

	July to September 2024	2023
	(Rupees in thousand)	(Re-stated)
Sales	16,710,815	17,624,124
Cost of sales	(13,568,507)	(14,235,003)
Gross profit	**3,142,308**	**3,389,121**
Administrative expenses	(343,807)	(318,580)
Selling and distribution expenses	(818,715)	(510,293)
Other expenses	(51,711)	(81,371)
Changes in fair value of biological assets	129,913	115,935
Other income	1,088,122	866,210
Finance cost	(1,718,611)	(2,255,621)
Profit before tax and levy	**1,427,499**	**1,205,401**
Levy	(150,924)	(118,858)
Profit before income tax	**1,276,575**	**1,086,543**
Taxation	(422,684)	(361,468)
Profit for the period	**853,891**	**725,075**
Attributable to:		
Equity holders of the parent	816,397	696,063
Non-controling interest	37,494	29,012
	853,891	**725,075**
Earnings per share		
(basic and diluted - in Rupees)	**1.86**	**1.59**

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial information.

Chief Executive | Chief Financial Officer | Director

Consolidated Condensed Interim Statement of Comprehensive Income
For the Quarter ended September 30, 2024 (Un-audited)

	July to September 2024	2023
	(Rupees in thousand)	
Profit for the period	853,891	725,075
Other comprehensive income for the period		
Items that may be re-classified subsequently to profit or loss:	-	-
Items that will not be subsequently re-classified to profit or loss:		
Change in fair value of investments at fair value through other comprehensive income (OCI)-net of tax	1,006,908	1,906,205
	1,006,908	1,906,205
Total comprehensive income for the period	**1,860,799**	**2,631,280**
Attributable to:		
Equity holders of parent	1,795,550	2,571,397
Non-controling interest	65,249	59,883
	1,860,799	**2,631,280**

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial information.

Chief Executive

Chief Financial Officer

Director

Consolidated Condensed Interim Cash Flow Statement

For the Quarter ended September 30, 2024 (Un-audited)

	Note	July to September 2024	2023
		(Rupees in thousand)	(Re-stated)
Cash flows from operating activities			
Cash generated from operations	10	3,923,949	5,153,859
Finance cost paid		(2,243,976)	(2,392,754)
Retirement and other benefits paid		(75,941)	(70,080)
Net income tax refunds/(paid)		503,383	1,044,639
Levy - final taxes paid		(150,924)	(118,858)
Long term deposits - net		38,039	-
Net cash inflowfrom operating activities		**1,994,530**	**3,616,806**
Cash flows from investing activities			
Payments for property, plant and equipment and Intangibles		(731,429)	(404,807)
Long term loans, advances and deposits - net		-	29,989
Proceeds from disposal of property, plant and equipment		26,236	12,699
Proceeds from sale of biological assets		47,466	98,912
Investment in equity instruments		(30,000)	3,002
Interest received		-	1,615
Dividend received		1,006,163	792,388
Net cash outflow from investing activities		**318,436**	**533,798**
Cash flows from financing activities			
Repayment of long term finances		(1,971,238)	(1,484,297)
Buy back of shares from non-controlling interest		(104,500)	-
Divdend paid		-	(228)
Proceeds from long term finances		742,000	9,160,185
Net cash inflow/(outflow) from financing activities		(1,333,738)	7,675,660
Net decrease in cash and cash equivalents		**979,228**	**11,826,264**
Cash and cash equivalents at the beginning of the year		(14,121,146)	(26,725,163)
Cash and cash equivalents at the end of period	**11**	**(13,141,918)**	**(14,898,899)**

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial information.

Chief Executive | Chief Financial Officer | Director

Consolidated Condensed Interim Statement of Changes In Equity

For the Quarter ended September 30, 2024 (Un-audited)

(Rupees in thousands)

	Share capital	Capital reserve: Share premium	Capital reserve: FVOCI reserve	Capital reserve: Capital redemption reserve fund	Revenue reserve: General reserve	Revenue reserve: Un-appropriated profits	Total Equity attributable to shareholders of parent Company	Non-controlling interest	Total equity
Balance as at June 30, 2023 - Audited	**4,381,191**	**4,557,163**	**12,472,308**	**353,510**	**5,110,851**	**37,785,778**	**64,660,801**	**2,482,081**	**67,142,882**
Total comprehensive income for the period									
- Profit for the period	-	-	-	-	-	696,063	696,063	29,012	725,075
- Other comprehensive income for the period									
- Changes in fair value of investments at fair value through OCI - net of tax	-	-	1,875,334	-	-	-	1,875,334	30,871	1,906,205
	-	-	1,875,334	-	-	696,063	2,571,397	59,883	2,631,280
Balance as at September 30, 2023 - Unaudited	**4,381,191**	**4,557,163**	**14,347,642**	**353,510**	**5,110,851**	**38,481,841**	**67,232,198**	**2,541,964**	**69,774,162**
Balance as at June 30, 2024 - Audited	**4,381,191**	**4,557,163**	**23,836,198**	**353,510**	**5,110,851**	**38,441,045**	**76,679,958**	**2,867,117**	**79,547,075**
Total comprehensive income for the period									
- Profit for the period	-	-	-	-	-	816,397	816,397	37,494	853,891
- Other comprehensive income for the period									
- Changes in fair value of investments at fair value through OCI - net of tax	-	-	979,153	-	-	-	979,153	27,755	1,006,908
	-	-	979,153	-	-	816,397	1,795,550	65,249	1,860,799
Total contributions by and distributions to owners of the Company recognised directly in equity								(104,500)	(104,500)
Balance as at September 30, 2024 - Unaudited	**4,381,191**	**4,557,163**	**24,815,351**	**353,510**	**5,110,851**	**39,257,442**	**78,475,508**	**2,827,866**	**81,303,374**

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial information.

Chief Executive

Chief Financial Officer

Director

Notes to and Forming Part of The Consolidated Condensed Interim Financial Statements - Unaudited

For the Quarter ended September 30, 2024 (Un-audited)

1. Legal status and nature of business

The group comprises of:
- D. G. Khan Cement Company Limited (the parent company);
- Nishat Paper Products Company Limited;
- Nishat Dairy (Private) Limited; and

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. The Company is principally engaged in production and sale of Clinker, Ordinary Portland and Sulphate Resistant Cement. It has four cement plants, two plants located at Khofli Sattai, District Dera Ghazi Khan ('D.G. Khan'), one at Khairpur, Tehsil Kallar Kahar, District Chakwal ('Khairpur') and one at District Hub ('Hub').

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

Nishat Dairy (private) Limited 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.

The registered office of the Group is situated at 53-A, Lawrence Road, Lahore. The parent company's holding in its subsidiaries is as follows:

	Effective percentage of holding
- Nishat Paper Products Company Limited	55%
- Nishat Dairy (Private) Limited	55.10%

2. Basis of preparation

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 These consolidated condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017 (the 'Act').

These consolidated condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2024. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Group's financial position and performance since the last annual financial statements.

3. Accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended June 30, 2024 except for adoption of new and amended standards as set out in note 3.2 and 3.3.

3.2 Standards, amendments and interpretations to International Financial Reporting Standards (IFRS) that are effective in the current period

Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRS) are effective for accounting periods beginning on July 1, 2024, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements except for the following:

a) IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes

The Group has changed its accounting policy to recognise such taxes as 'Levies' which were previously being recognised as 'Income Tax' in line with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by the Institute of Chartered Accountants of Pakistan vide its circular No. 07/2024 dated May 15, 2024. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and earnings / loss per share as a result of this change.

Effect on consolidated statement of profit or loss	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	(Rupees in thousand)		
For the quarter ended September 30, 2024			
Levy	-	(150,924)	(150,924)
Profit before income tax	1,427,499	(150,924)	1,276,575
Taxation	(573,608)	150,924	(422,684)
For the quarter ended September 30, 2023			
Levy	-	(118,858)	(118,858)
Profit before income tax	1,205,401	(118,858)	1,086,543
Taxation	(480,326)	118,858	(361,468)

3.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

4. Accounting estimates

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

In preparing these consolidated condensed interim financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual financial statements of the Group for the year ended June 30, 2024, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 4.1.

4.1 Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

5. Long term finances

		September 30, 2024 Un-audited	June 30, 2024 audited
		(Rupees in thousand)	
Long term loans	- note 5.1	21,634,582	22,883,554
Current portion shown under current liabilities		(4,313,895)	(5,448,246)
		17,320,687	**17,435,308**

5.1 The reconciliation of the carrying amount is as follows:

		September 30, 2024 Un-audited	June 30, 2024 audited
Opening balance		23,182,553	17,912,658
Disbursements during the period		742,000	12,602,529
Repayment during the period		(2,027,634)	(7,332,634)
		21,896,919	23,182,553
Unamortized liability	- note 5.1.1	(262,337)	(298,999)
Closing balance		**21,634,582**	**22,883,554**

5.1.1 The reconciliation of the carrying amount of unamortized liability is as follows:

	September 30, 2024 Un-audited	June 30, 2024 audited
Opening balance	(298,999)	(475,622)
Unwinding of discount on liability	36,662	176,623
Closing balance	**(262,337)**	**(298,999)**

6. Deferred income - Government grant

This represents deferred grant recognized in respect of the benefit of below-market interest rate on the facilities availed under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns ('Refinance Scheme'). The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The Group used the prevailing market rate of mark-up at the date of disbursement for similar instruments to calculate fair values of respective loans.

7. Contingencies and commitments

7.1 Contingencies

There is no significant change in contingencies from the preceding annual consolidated financial statements of the Group for the year ended June 30, 2024 other than those mentioned below. The banks have issued the following guarantees on Group's behalf in favor of:

(i) Directorate General of Mines and Minerals, Punjab against enhanced royalty rates on minerals amounting to Rs. 305.252 million (June 2024: Rs 172.08 million).

(ii) The Director Excise and Taxation, Karachi on account of infrastructure development cess amounting to Rs. 229 million (June 2024: Rs 197.42 million).

(iii) Letter of guarantee of Rs 34 million (June 2024: Rs 30 million) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess;

7.1.1 The Group has provided a guarantee to Meezan Bank Limited (MBL) against the loan provided by MBL to Hyundai Nishat Motor (Private) Limited, a related party, amounting to Rs. 1,104.757 million (June 2024: Rs. 1,149.328 million).

7.2 Commitments in respect of

(i) Contracts for capital expenditure Rs 74.757 million (June 30, 2024: Rs 107.609 million).

(ii) Letters of credit for capital expenditure of NIL (June 30, 2024: Rs 48.046 million).

(iii) Letters of credit other than capital expenditure Rs 969.879 million (June 30, 2024: 1,573.272 million).

		September 30, 2024 Un-audited	June 30, 2024 audited
		(Rupees in thousand)	
8. Property, plant and equipment			
Operating Assets	-note 8.1	80,968,330	81,839,481
Capital work-in-progress	-note 8.2	2,287,276	1,689,590
Major spare parts and stand-by equipment		318,836	330,315
		83,574,442	**83,859,386**

		September 30, 2024 Un-audited	June 30, 2024 audited
		(Rupees in thousand)	

8.1 Operating assets

Opening book value		81,839,481	83,234,634
Add: Additions during the period/ year	-note 8.1.1	145,223	2,666,227
Re-classification from assets held for sale		-	172,638
		81,984,704	86,073,499
Less: Disposals during the period/ year - net book value		20,985	158,843
Depreciation charged during the period/ year		995,389	4,075,175
		1,016,374	4,234,018
Closing book value		**80,968,330**	**81,839,481**

8.1.1 Major additions during the period

Free hold land	750	374,198
Building on freehold land	-	166,745
Office building	-	57,642
Roads	-	2,054
Plant and machinery	49,198	1,533,473
Quarry and other equipment	3,500	570
Furniture, fixtures and equipment	26,566	85,349
Motor vehicles	59,468	157,919
Air Craft	5,741	-
Power and water supply lines	-	288,277
	145,223	**2,666,227**

8.2 Capital work-in-progress

Civil works	1,410,538	1,013,263
Plant and machinery	641,423	540,006
Advances to suppliers and contractors	177,972	110,943
Others	57,343	25,378
	2,287,276	**1,689,590**

9. Transactions with related parties

The related parties include related parties on the basis of common directorship, group companies, key management personnel including directors and post employment benefit plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that company. The Group in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

		July to September	
		2024	2023
		Un-audited	Un-audited
		(Rupees in thousand)	
Relationship with the Group	**Nature of transaction**		
Other related parties	Purchase of goods and services	134,416	147,536
	Insurance premium	166,085	135,139
	Sale of goods and services	194,063	113,015
	Mark-up income	-	660
	Insurance claims received	35,938	6,627
	Rental Income	505	295
	Reimbursement of expenses	25,037	-
	Rent Paid	-	191
	Dividend income	1,003,805	790,029
Key Management personnel	Salaries and other employment benefits	108,379	85,126
Post employment benefit plans	Expense charged in respect of staff retirement benefits plans	146,190	80,014

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

	July to September	
	2024	2023
	(Rupees in thousand)	
		(Re-stated)
10. Cash flow from operating activities		
Profit before tax	1,276,575	1,086,543
Adjustment for:		
- Depreciation on property, plant and equipment	995,389	1,009,549
- Amortization of intangible assets	6,149	1,792
- Loss/(Gain) on disposal of operating fixed assets	(5,255)	(5,100)
- Net loss on disposal of biological assets	46,722	1,985
- Gain on changes in fair value biological asset	(129,913)	(115,935)
- (Gain)/loss on changes in fair value of investment through P&L	(1)	(4)
- Dividend income	(1,006,163)	(792,388)
- Retirement and other benefits accrued	146,190	80,014
- Exchange (gain) / loss - net	2,480	70,681
- Markup Income	-	(1,615)
- Levy	150,924	118,858
- Finance cost	1,718,611	2,255,621
Profit/(loss) before working capital changes	**3,201,708**	**3,710,001**
Working capital changes		
- (Increase)/decrease in stores, spares and loose tools	(821,960)	2,445,929
- (Increase)/decrease in stock-in-trade	1,475,180	(839,462)
- (Increase) in trade debts	(405,428)	(173,134)
- (Increase)/decrease in contract assets	(58,971)	18,170
- (Increase)/decrease in advances, deposits, prepayments and other receivables	(836,889)	420,104
- Increase/(decrease) in trade and other payables	1,370,309	(427,749)
Net working capital changes	722,241	1,443,858
Cash (used in)/ generated from operations	**3,923,949**	**5,153,859**
11. Cash and cash equivalents		
Short term borrowings - secured	(13,443,782)	(15,910,589)
Cash and bank balances	301,864	1,011,690
Total cash and cash equivalents	**(13,141,918)**	**(14,898,899)**

12. Financial risk management

12.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk.

The consolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements as at June 30, 2024.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2024.

12.2 Fair value estimation

a) Fair value hierarchy

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

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

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

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed above. The following table presents the Group's financial assets measured and recognised at fair value at June 30, 2024 on a recurring basis:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Recurring fair value measurements				
As at September 30, 2024				
Assets				
Investments - FVOCI	28,931,684	-	5,673,708	34,605,392
Investments - FVPL	55,027	-	-	55,027
Biological assets			1,203,161	1,203,161
As at June 30, 2024				
Assets				
Investments - FVOCI	27,924,771	-	5,673,708	33,598,479
Investments - FVPL	26	-	-	26
Biological assets			1,167,436	1,167,436

The Group’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between Level 1, 2 and 3 during the period. There were no changes in valuation techniques during the period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at September 30, 2024.

b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and

- for other financial instruments - discounted cash flow analysis.

c) Fair value measurements using significant unobservable inputs

The main level 3 inputs used by the Company to determine fair value of investment in Nishat Hotels and Properties Limited ('NHPL') and Hyundai Nishat Motor (Private) Limited ('HNMPL') are derived and evaluated as follows.

- Discount rate is determined using a capital asset pricing model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to NHPL and HNMPL.

- Long term growth rate is estimated based on historical performance of NHPL and HNMPL and current market information for similar type of entities.

The significant assumptions used in this valuation technique for NHPL are as follows:

- Discount rate of 17.96% per annum.

- Long term growth rate of 2% per annum for computation of terminal value.

- Annual growth in costs is linked to inflation with a range of 6.50% to 12.70% per annum.

The significant assumptions used in this valuation technique for HNMPL are as follows:

- Discount rate of 22.46% per annum.

- Long term growth rate of 2% per annum for computation of terminal value.

- Annual growth in costs are linked to inflation and currency devaluation with a range of 6.17% to 11.74%, and 2.17% to 3% per annum respectively, and revenues are linked to currency devaluation at 2.17% to 3% per annum.

Sensitivity analysis

Sensitivity analysis of the significant assumptions used in the valuation technique are as follows:

If the discount rate increases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 190.625 million and Rs 157.204 million lower for NHPL and HNMPL respectively.

If the long term growth rate decreases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 60.417 million and Rs 63.486 million lower for NHPL and HNMPL respectively.

If inflation decreases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 17.708 million and Rs 107.811 million higher for NHPL and HNMPL respectively.

If interest rate increases by 1% with all other variables held constant, the impact on fair value as at September 30, 2024 would be Rs 5.208 million and Rs 15.431 million lower for NHPL and HNMPL respectively.

13. Operating segments

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

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

Type of segments	Nature of business
Cement	Production and sale of clinker, Ordinary Portland and Sulphate Resistant Cements.
Paper	Manufacture and supply of paper products and packing material.
Dairy	Production and sale of raw milk.

13.1 Segment analysis and reconciliation - condensed

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

July 1st to September 30 - Un-audited

Rupees in thousands	Cement		Paper		Dairy/Farm		Elimination - net		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from										
- External Customers	15,244,071	16,517,097	270,932	(153,870)	1,195,812	1,260,897	-	-	16,710,815	17,624,124
- Inter-group	56,849	-	388,405	964,096	-	-	(445,254)	(964,096)	-	-
	15,300,920	**16,517,097**	**659,337**	**810,226**	**1,195,812**	**1,260,897**	**(445,254)**	**(964,096)**	**16,710,815**	**17,624,124**
Segment gross profit/(loss)	2,994,348	3,213,145	91,184	128,335	76,018	111,163	(19,242)	(63,522)	3,142,308	3,389,121
Segment expenses	(1,124,498)	(869,378)	(7,217)	(11,254)	(82,518)	(29,854)	-	242	(1,214,233)	(910,244)
Changes in fair value of biological assets	-	-	-	-	129,913	115,935	-	-	129,913	115,935
Other income	1,037,849	826,509	41,493	32,273	26,535	7,670	(17,755)	(242)	1,088,122	866,210
Financial charges	(1,589,456)	(2,087,480)	(128,507)	(164,882)	(648)	(3,259)	-	-	(1,718,611)	(2,255,621)
Taxation and levy	(514,114)	(422,239)	(14,466)	9,021	(45,028)	(67,108)	-	-	(573,608)	(480,326)
Profit/(loss) after taxation	**804,129**	**660,557**	**(17,513)**	**(6,507)**	**104,272**	**134,547**	**(36,997)**	**(63,522)**	**853,891**	**725,075**
Depreciation	936,576	947,484	16,221	15,062	37,189	40,094	5,403	6,909	995,389	1,009,549
Capital expenditure	(299,957)	(402,573)	(396,983)	-	(36,731)	(2,239)	2,242	5	(731,429)	(404,807)
Net cash (outflow) / inflow from operating activities	2,328,884	4,421,610	(237,231)	101,573	125,997	(438,721)	(223,120)	(467,656)	1,994,530	3,616,806
Net cash outflow from investing activities	821,036	401,440	(383,988)	27,679	14,879	96,673	(133,491)	8,006	318,436	533,798

Rupees in thousands	30-09-2024 unaudited	30-6-2024 audited	30-09-2024 unaudited	30-6-2024 audited	30-09-2024 unaudited	30-6-2024 audited	30-09-2024 unaudited	30-6-2024 audited	30-09-2024 unaudited	30-6-2024 audited
Segment assets	138,110,685	138,385,754	7,942,726	6,785,450	4,865,195	5,268,136	(2,743,484)	(2,607,405)	148,175,122	147,831,935
Segment liabilities	60,513,798	62,538,216	5,695,698	4,582,597	1,327,238	1,601,701	(664,987)	(437,654)	66,871,747	68,284,860

13.2 Geographical segments

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

14. Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on October 17, 2024.

15. Corresponding figures

In order to comply with the requirements of the International Accounting Standard 34: 'Interim Financial Reporting', the condensed interim consolidated balance sheet and condensed interim consolidated statement of changes in equity have been compared with the balances of annual audited financial statements of preceding year, whereas, the condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income and condensed interim consolidated cash flow statement have been compared with the balances of comparable period of immediately preceding year. Further, no significant rearrangements have been made except as disclosed in note 3.2 (a) to the consolidated financial statements.

Chief Executive | Chief Financial Officer | Director

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