



## D.G. KHAN CEMENT COMPANY LIMITED

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

SECY/STOCKEXC/34

April 29, 2024

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

SUB: **TRANSMISSION OF QUARTERLY REPORT  
FOR THE PERIOD ENDED MARCH 31, 2024**

Dear Sir,

We have to inform you the Quarterly Report of D.G. Khan Cement Company Limited for the period ended March 31, 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 accordingly.

Thanking you,

Yours truly,

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

**Factory Sites:**

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



Third Quarter Report, March 31,  
**2024**  
(Un-audited)



UNLOCKING

*Potential*

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

## External Auditors

A.F. Ferguson & Co., Chartered Accountants

## Legal Advisors

Mr. Shahid Hamid, Bar-at-Law

## Important Identification Numbers of Company

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

## Company Products

- I. Clinker
- II. Ordinary Portland Cement (OPC)
- III. Sulphate Resistant Cement (SRC)

## HS Code

Clinker: 2523.1000      Cement: 2523.2900

## Applicable Laws &amp; 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 03, 2023

**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@dgccement.com      **Web site:** www.dgccement.com

## Factories

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

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

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

## Share Registrar: THK Associates (Pvt) Ltd

**Head Office, Karachi**  
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 Shahr-e-Aiwan-e-Iqbal,  
Lahore  
**Phone:** +92 42 3630 2044

## For Investors' Information, Comments, Inquiries, Complaints

**Mr. Farid Fazal**  
E-mail: ffazal@dgccement.com  
(Marketing related queries)

(Director Marketing)  
**Phone:** +92 42 111 11 33 33

**Mr. Inayat Ullah Niazi**  
E-mail: iniazi@dgccement.com

(Chief Financial Officer)  
**Phone:** +92 42 111 11 33 33

**Mr. Khalid Mehmood Chohan**  
E-mail: kchohan@dgccement.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 9MFY24:

	9MFY2024	9MFY2023
	Rupees in '000'	
Sales	49,050,822	48,043,356
Cost of sales	(39,863,766)	(40,305,882)
<b>Gross profit</b>	<b>9,187,056</b>	<b>7,737,474</b>
Administrative expenses	(887,487)	(644,972)
Selling and distribution expenses	(1,616,222)	(1,048,169)
Other expenses	(123,846)	(159,686)
Other income	3,176,593	2,148,679
Finance cost	(6,072,783)	(4,876,483)
<b>Profit/(loss) before taxation</b>	<b>3,663,311</b>	<b>3,156,843</b>
Taxation	(1,428,691)	(1,044,699)
<b>Profit/(loss) for the period</b>	<b>2,234,620</b>	<b>2,112,144</b>

EPS (Rs/share)	5.10	4.82
GP%	18.73%	16.11%
PBT%	7.47%	6.57%
PAT%	4.56%	4.40%

Operating date for the period is as follows:

	9MFY2024	9MFY2023
	in MT	
<b>Production:</b>		
Clinker	3,623,231	3,447,855
Cement	2,930,200	3,349,180
<b>Sales:</b>		
Total	2,920,463	3,319,521
Local Cement (excluding own consumption)	2,772,888	3,205,208
Export Cement	147,575	114,314
Clinker Sale	589,660	388,450

FY24 has so far remained largely conservative on economic front. After currency hitting record high exceeding Rs 300/USD, it settled around Rs 280/USD in interim government period. The economic decisions made to meet IMF pre-conditions for agreements and stability caused shocks the effect of which swept across all segments of society. Inflation remained high pushing discount rate to remain at 23%. These put pressure on consumption pattern of general public and their buying behavior. Consequently, economic activities remained modest. This period was also dominated with election news and possible new arrangements with world financial institutions after elections. IMF Standby Agreement has also expired in March and the talks for new arrangement are in process. Way forward for businesses and consumers depend on these talks along with stability on political and economic fronts.

In volume terms, total sales quantity of industry witnessed increase to 34.5 million tons (2.7%) period on period. North zone registered negative growth of 0.5 million tons (-2.1%) while South Zone with positive figure of 1.4 million tons (18.7%). Further analysis shows that growth was driven by exports that grew by 2 million

tons (68%) while local dispatches showed decline of 1.1 million tons. Sales utilization of industry declined to 56% against 60% for the corresponding period last year. It was largely contributed by local sales of 48% and exports sales utilization of 8%.

Kiln operational days of your Company increased by 1.3% from 580 days to 588 days. Clinker production % increased to 72% (9MFY23: 68%). Sales utilization of your Company declined to 70% (9MFY23: 74%) which was in inline with industry numbers.

Sales, in value terms, registered growth primarily due to stable local cement prices and increased clinker exports. The period witnessed decrease in local dispatches as compared to corresponding period last year which were offset by clinker sales having no net margins. Clinker was exported to generate positive contribution and to recover some fixed costs. The Company partially shifted to Alternate Fuel, local and Afghan coal in substitution of imported coal, taking into account cost consideration and also saving valuable foreign exchange reserves. The Company strictly followed effective cost optimization strategy in a bid to improve margins. Selling expenses increase was associated with increase in clinker sales. Better dividend rates (mainly from MCB) and reversal of impairment loss in investment in Nishat Dairy (Pvt) Limited amounting to Rs 162 million caused surge in Other Income. Financial expenses increase was due to rise in discount rates including ERF rates as compared to corresponding period last year.

General elections successfully held on February 8 and new Government has been formed. Government has hinted at new IMF agreement to bring macro-economic stability. Terms of new IMF agreement are important, defining how much fiscal space will be available to Government on account of PSDP. Low PSDP may further squeeze the industry utilization, causing low volumes. Massive foreign debt repayments are ahead. Brent prices are also trending upward. These factors may cause Balance of Payment to swell that may put further pressure on PKR/USD parity. This may create concern on cost side. Keeping inflation projected numbers in view, discount rates will remain high for remainder of FY24. Coal may also move upward in line with Brent and may put pressure on cost. Any adverse cost push may result in increase in cement sales price. Company will continue to use mix of imported and local coals as part of its cost saving strategy to offset the adverse movement of Imported coal prices. There is political tension and military conflict in Middle east. There are chances that conflict may prolong and may further alleviate fuel prices worldwide. Terrorism incidents in the country are also on rise, that may further shake investors' confidence in already challenged business environment. Company will continue with the strategy to export clinker to contribute towards fixed costs and to earn valuable foreign currency reserves. Company has been evaluating export opportunities in USA market, which may contribute to profitability.

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

**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 Director
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

Lahore  
April 19, 2024



**Farid Noor Ali Fazal**  
Director

## آڈٹ کمیٹی

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

## ہیومن ریورس اینڈ ریمیزیشن کمیٹی

جناب اُسامہ محمود	چیئر مین
جناب رضاشا	رکن
جناب خالد نیاز خواجہ	رکن

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

ہمارے پلانٹس اور آپریشنز بین الاقوامی اور قومی ماحولیاتی معیارات کی تعمیل کر رہے ہیں۔ DGKC سوسائٹی اور پلٹیفیئر کی اپنی ذمہ داریوں کو مکمل طور پر پہنچاتی ہے۔ کمیٹی نزدیک آبادیوں کے لئے تعلیم، صحت، طبی اور آگ بجھانے کی سہولیات، واٹر سپلائی، نزدیکی علاقوں میں ایمرجنسی اور آفاقی حالات میں مدد، آگاہی مہمات وغیرہ پر خرچ کر رہی ہے۔ کمیٹی یا اس کی ذیلی کمیٹیوں یا کسی دیگر کمیٹی جس میں کمیٹی دلچسپی رکھتی ہے کے کاروبار کی نوعیت سے متعلقہ کوئی تبدیلیاں نہیں ہیں جو زیر جائزہ مدت کے دوران رونما ہوئی ہوں۔ آپ کی کمیٹی کے ڈائریکٹرز بیان کرتے ہیں کہ داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسکی موثر طریقہ سے عملدرآمد اور نگرانی کی جاتی ہے۔ کمیٹی 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۔

## مختاب بورڈ

Said Iqbal

فرید نور علی فضل

ڈائریکٹر

Rashid

رضاشا

چیف ایگزیکٹو آفیسر

لاہور

19 اپریل 2024ء



اضافہ ہو سکتا ہے۔ کمپنی درآمدی کوئلے کی قیمتوں کے اضافہ کو زائل کرنے کے لیے لاگت کی بچت کی حکمت عملی کے حصے کے طور پر درآمدی اور مقامی کوئلوں کا استعمال جاری رکھے گی۔ مشرق وسطیٰ میں سیاسی کشیدگی اور فوجی کشمکش جاری ہے۔ اس بات کے امکانات ہیں کہ تنازعہ طویل پکڑ سکتا ہے اور دنیا بھر میں ایندھن کی قیمتوں کو مزید کم کر سکتا ہے۔ ملک میں وہشت گردی کے واقعات بھی بڑھ رہے ہیں، جو پہلے ہی مشکل کاروباری ماحول میں سرمایہ کاروں کے اعتماد کو مزید متزلزل کر سکتے ہیں۔ کمپنی مقررہ اخراجات میں حصہ ڈالنے اور قیمتی غیر ملکی کرنسی کے ذخائر حاصل کرنے کے لیے کلیئیر برآمد کرنے کی حکمت عملی جاری رکھے گی۔ کمپنی امریکی مارکیٹ میں برآمدی مواقع کا جائزہ لے رہی ہے، جو منافع میں حصہ ڈال سکتے ہیں۔

کمپنی کی بنیادی سرگرمی سینٹ 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 سٹراؤ

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

کمپنی یورڈ 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 یورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات ادا کرے گی۔

یورڈ آف ڈائریکٹرز، وقتاً فوقتاً ڈائریکٹرز معاوضہ پالیسی کا جائزہ اور اس کی منظوری دیں گے۔

**مندرجہ ذیل کمیٹی کے ڈائریکٹرز ہیں:**

محترمہ نازنشا (چیئر پرسن)	نان ایگزیکٹو
جناب رضامنشا	ایگزیکٹو
جناب خالد نیاز خواجہ	نان ایگزیکٹو
جناب آسامہ محمود	آزاد
جناب شہر یار احمد بخش	آزاد ڈائریکٹر
جناب فرید نور علی فضل	ایگزیکٹو
جناب شہزاد احمد ملک	نان ایگزیکٹو
خاتون ڈائریکٹرز:	01
مرد ڈائریکٹرز:	06

مالی سال 2024 اب تک اقتصادی محاذ پر بڑی حد تک قدامت پسند رہا ہے۔ کرنسی کی قیمت 300 روپے/ امریکی ڈالر سے زیادہ ہونے کے بعد، یہ عبوری حکومت کی مدت میں 280 روپے/ امریکی ڈالر کے قریب طے پائی۔ معاہدوں اور استحکام کے لیے IMF کی پیشگی شرائط کو پورا کرنے کے لیے کیے گئے اقتصادی فیصلوں نے مشکلات پیدا کیں جس کے اثرات معاشرے کے تمام شعبوں پر پھیل گئے۔ افراط زر کی شرح 23 فیصد پر برقرار رہنے کے لیے ڈسکاؤنٹ ریٹ اضافی طرف رہا۔ یہ عام لوگوں کے خرچ کے انداز اور ان کی خریداری کے رویہ پر اثر انداز ہوتے ہیں۔ نتیجتاً معاشی سرگرمیاں معمولی رہیں۔ اس عرصہ میں انتخابی خبروں اور انتخابات کے بعد عالمی مالیاتی اداروں کے ساتھ ممکنہ نئے انتظامات کا بھی غلبہ رہا۔ IMF کا اسٹینڈ بائی معاہدہ بھی مارچ میں ختم ہو چکا ہے اور نئے انتظامات کے لیے مذاکرات جاری ہیں۔ کاروباری اداروں اور صارفین کے آگے بڑھنے کا انحصار سیاسی اور اقتصادی محاذوں پر استحکام کے ساتھ ساتھ ان مذاکرات پر ہے۔

حجم کے لحاظ سے، سینٹ کی صنعت کی کل فروخت کی مقدار میں سالانہ بنیادوں پر 34.5 ملین ٹن (2.7%) کا اضافہ دیکھا گیا۔ شمالی زون نے 0.5 ملین ٹن (-2.1%) کی منفی نمو درج کی جبکہ جنوبی زون 1.4 ملین ٹن (18.7%) رہا۔ مزید تجزیہ سے پتہ چلتا ہے کہ ترقی کی وجہ برآمدات میں اضافہ ہوا جس میں 2 ملین ٹن (68%) اضافہ ہوا جبکہ مقامی فروخت میں 1.1 ملین ٹن کمی واقع ہوئی۔ صنعت کی فروخت کا استعمال گزشتہ سال کی اسی مدت کے 60 فیصد کے مقابلے میں 56 فیصد تک گر گیا۔ اس میں 48 فیصد کی مقامی فروخت نے حصہ ڈالا جبکہ برآمدات کی فروخت میں 8 فیصد کا استعمال ہوا۔

آپ کی کمپنی کے کلن کے آپریشنل دن 580 دنوں سے 588 دن تک 1.3 فیصد بڑھ گئے۔ کلیننگ کی پیداوار %72 (9MFY23:68%) تک بڑھ گئی۔ آپ کی کمپنی کی مستعمل فروخت کم ہو کر %70 (9MFY23:74%) رہ گئی جو انڈسٹری کے اعداد و شمار کے مطابق تھی۔

فروخت، قدر کے لحاظ سے، بنیادی طور پر مقامی سینٹ کی مستحکم قیمتوں اور کلیننگ کی برآمدات میں اضافے کی وجہ سے زیادہ درج کی گئی ہے۔ اس عرصہ میں مقامی ترسیلات میں گزشتہ سال کی اسی مدت کے مقابلے میں کمی دیکھی گئی جسے کلیننگ کی فروخت کے بغیر خالص مارجن سے پورا کیا گیا۔ کلیننگ کو شہت شراکت پیدا کرنے اور کچھ مقررہ اخراجات کی وصولی کے لیے برآمد کیا گیا تھا۔ کمپنی نے لاگت کو مد نظر رکھتے ہوئے اور قیمتی زرمبادلہ کے ذخائر کی بچت کرتے ہوئے، جزوی طور پر درآمدی کونسلے کے متبادل ایندھن، مقامی اور افغان کونسلے پر منتقل کیا۔ کمپنی نے مارجن کو بہتر بنانے کے لیے مؤثر لاگت کی اصلاح کی حکمت عملی پر سختی سے عمل کیا۔ فروخت کے اخراجات میں اضافہ کلیننگ کی فروخت میں اضافے سے وابستہ تھا۔ بہتر ڈیویڈنڈ کی شرح (بنیادی طور پر MCB سے) اور نشاط ڈیری (پرائیویٹ) لمیٹڈ میں 162 ملین روپے کی سرمایہ کاری میں امیٹیز منٹ نقصان کی واپسی نے دیگر آمدنی میں اضافہ کیا۔ مالی اخراجات میں اضافہ گزشتہ سال کی اسی مدت کے مقابلے میں ERF کی شرحوں سمیت رعایتی شرحوں میں اضافے کی وجہ سے ہوا۔

8 فروری کو عام انتخابات کا میاں بی سے ہوئے اور نئی حکومت قائم ہو گئی۔ حکومت نے میکرو اکنامک استحکام لانے کے لیے IMF کے نئے معاہدہ کا عندیہ دیا ہے۔ IMF کے نئے معاہدہ کی شرائط اہم ہیں، جو اس بات کی وضاحت کرتی ہیں کہ PSDP کی مد میں حکومت کو کتنی مالی گنجائش دستیاب ہوگی۔ کم PSDP صنعت کے استعمال کو مزید کم کر سکتا ہے، جس کی وجہ سے حجم بھی کم ہو جاتا ہے۔ بڑے پیمانے پر غیر ملکی قرضوں کی واپسی بھی آگے ہے۔ برینٹ کی قیمتیں بھی بڑھ رہی ہیں۔ ان عوامل کی وجہ سے ادائیگی کا توازن بڑھ سکتا ہے جو USD / PKR برابر پر مزید باؤ ڈال سکتا ہے۔ یہ لاگت بڑھنے کی تشویش پیدا کر سکتا ہے۔ افراط زر کی متوقع تعداد کو مد نظر رکھتے ہوئے، مالی سال 24 کے باقی عرصہ میں رعایتی شرحیں بلند رہیں گی۔ کونڈ بھی برینٹ کے مطابق بڑھ سکتا ہے اور قیمت پر باؤ ڈال سکتا ہے۔ کسی بھی لاگت میں اضافے کے نتیجے میں سینٹ کی قیمت فروخت میں

## حصص داران کیلئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز آپ کو مالی سال 2023 کی نو ماہی کے نتائج پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

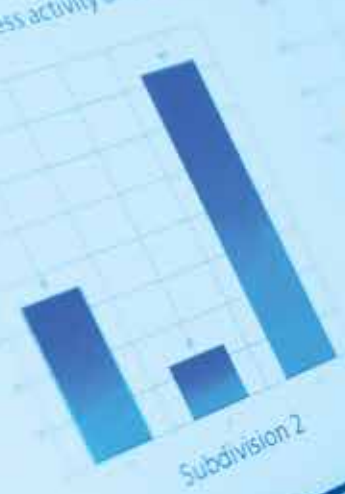
نو ماہی مالی سال 2023	نو ماہی مالی سال 2024	
پاکستانی روپے ہزاروں میں		
48,043,356	49,050,822	فروخت
(40,305,882)	(39,863,766)	قیمت فروخت
<b>7,737,474</b>	<b>9,187,056</b>	مجموعی منافع
(644,972)	(887,487)	انتظامی اخراجات
(1,616,222)	(1,048,169)	فروخت اور تقسیم کے اخراجات
(159,686)	(123,846)	دیگر معاملاتی اخراجات
2,148,679	3,176,593	دیگر آمدنی
(4,876,483)	(6,072,783)	مالی لاگت
<b>3,156,843</b>	<b>3,663,311</b>	ٹیکسیشن سے قبل منافع (نقصان)
(1,044,699)	(1,428,691)	ٹیکسیشن
<b>2,112,144</b>	<b>2,234,620</b>	ٹیکسیشن کے بعد منافع (نقصان)
4.82	5.10	EPS (روپے فی شیئر)
16.11%	18.73%	GP %
6.57%	7.47%	PBT %
4.40%	4.56%	PAT %

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

نو ماہی مالی سال 2023	نو ماہی مالی سال 2024	
اعداد و شمار میٹرک ٹن میں		پیداوار
3,447,855	3,623,231	کلنکر
3,349,180	2,930,200	سینٹ
		فروخت
3,319,521	2,920,463	کل
3,205,208	2,772,888	سینٹ کی مقامی فروخت (علاوہ ذاتی استعمال)
114,314	147,575	سینٹ کی برآمد فروخت
388,450	589,660	کلنکر کی فروخت



Business administration of changing business activity of subdivisions of transactions



The background is a soft-focus, blue-tinted photograph of a workspace. On the left, a portion of a laptop is visible. In the center, a blue pen lies diagonally across a document. The document features a bar chart with several vertical bars of varying heights. Below the bar chart, there is a pie chart with two segments. The text 'Detailed performance of...' is partially visible on the document. The overall scene is clean and professional, representing a financial or business environment.

# **INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**

## Unconsolidated Condensed Interim Statement of Financial Position

	Note	31 March, 2024 Un-Audited (Rupees in thousand)	30 June, 2023 Audited
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised share capital			
- 950,000,000 (June 30, 2023: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2023: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		<b>10,000,000</b>	<b>10,000,000</b>
Issued, subscribed and paid up share capital			
438,119,118 (June 30, 2023: 438,119,118) ordinary shares of Rs 10 each		4,381,191	4,381,191
Other reserves		32,126,502	22,592,167
Revenue reserve: Un-appropriated profits		39,453,539	37,218,919
		<b>75,961,232</b>	<b>64,192,277</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances from financial institutions - secured	6	14,435,674	9,663,619
Deferred government grant	7	169,938	278,753
Long term deposits		462,557	439,697
Employee benefits obligations		950,378	849,515
Deferred taxation		10,652,871	10,613,603
		<b>26,671,418</b>	<b>21,845,187</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		12,902,548	13,783,299
Short term borrowings from financial institutions - secured		18,336,567	25,494,293
Accrued markup		1,428,917	1,739,547
Current portion of non-current liabilities		6,997,615	7,588,857
Unclaimed dividend		34,097	34,704
Provision for taxation		35,090	35,090
		<b>39,734,834</b>	<b>48,675,790</b>
<b>Contingencies and Commitments</b>	8	<b>142,367,484</b>	<b>134,713,254</b>

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



Chief Executive

## As At March 31, 2024

	Note	31 March, 2024 Un-Audited (Rupees in thousand)	30 June, 2023 Audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	80,470,506	82,245,650
Intangible asset		49,344	10,152
Long term Investments	10	15,613,231	13,366,360
Long term loans, advances and deposits		67,278	64,426
		<b>96,200,359</b>	<b>95,686,588</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		12,316,685	13,852,005
Stock-in-trade		12,945,485	8,873,170
Trade debts		1,184,360	1,193,440
Investments		16,460,717	9,270,898
Loans, advances, deposits, prepayments and other receivables		460,742	926,047
Income tax receivable		1,429,900	4,236,134
Cash and bank balances		1,369,236	674,972
		<b>46,167,125</b>	<b>39,026,666</b>
		<b>142,367,484</b>	<b>134,713,254</b>



Chief Financial Officer



Director

**Unconsolidated Condensed Interim Statement of Profit or Loss**

For the Quarter and Nine Month Period Ended March 31, 2024 (Un-audited)

	2024		2023	
	July to March (Rupees in thousand)	January to March (Rupees in thousand)	July to March (Rupees in thousand)	January to March (Rupees in thousand)
Revenue	49,050,822	14,266,487	48,043,356	18,282,317
Cost of sales	(39,863,766)	(10,622,580)	(40,305,882)	(14,801,852)
<b>Gross profit</b>	<b>9,187,056</b>	<b>3,643,907</b>	<b>7,737,474</b>	<b>3,480,465</b>
Administrative expenses	(887,487)	(307,122)	(644,972)	(219,382)
Selling and distribution expenses	(1,616,222)	(414,496)	(1,048,169)	(539,326)
Other expenses	(123,846)	(57,756)	(159,686)	(38,208)
Other income	3,176,593	1,013,198	2,148,679	756,267
Finance cost	(6,072,783)	(1,957,116)	(4,876,483)	(1,673,007)
<b>Profit before taxation</b>	<b>3,663,311</b>	<b>1,920,615</b>	<b>3,156,843</b>	<b>1,766,809</b>
Taxation	(1,428,691)	(740,309)	(1,044,699)	(586,321)
<b>Profit for the period</b>	<b>2,234,620</b>	<b>1,180,306</b>	<b>2,112,144</b>	<b>1,180,488</b>
<b>Earnings per share</b>				
<b>(basic and diluted - in Rupees)</b>	<b>5.10</b>	<b>2.69</b>	<b>4.82</b>	<b>2.69</b>

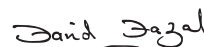
The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director



## Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Quarter and Nine Month Period Ended March 31, 2024 (Un-audited)

	2024		2023	
	July to March	January to March	July to March	January to March
	(Rupees in thousand)		(Rupees in thousand)	
<b>Profit for the period</b>	2,234,620	1,180,306	2,112,144	1,180,488
<b>Other comprehensive income / (loss) for the year - net of tax</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
<i>Items that will not be subsequently reclassified to profit or loss:</i>				
Change in fair value of investments at fair value through other comprehensive income (FVOCI) - net of tax	9,534,335	2,799,604	(665,799)	(239,946)
	<b>9,534,335</b>	<b>2,799,604</b>	<b>(665,799)</b>	<b>(239,946)</b>
<b>Total comprehensive income for the period</b>	<b>11,768,955</b>	<b>3,979,910</b>	<b>1,446,345</b>	<b>940,542</b>

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

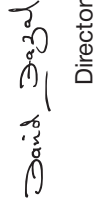
For the Nine Month Period Ended March 31, 2024 (Un-audited)

	(Rupees in thousands)					Total
	Share capital	Share premium	FVOCI reserve	Capital redemption reserve fund	Revenue reserve	
<b>Balance as at July 1, 2022 - Audited</b>	4,381,191	4,557,163	14,256,124	353,510	5,071,827	69,918,102
<b>Total comprehensive income for the period</b>						
- Profit for the period	-	-	-	-	2,112,144	2,112,144
- Other comprehensive loss for the period	-	-	(665,799)	-	-	(665,799)
	-	-	(665,799)	-	2,112,144	1,446,345
<b>Transactions with owners in their capacity as owners recognised directly in equity</b>						
Final dividend for the year ended June 30, 2022 (Re 1 per share)	-	-	-	-	(438,119)	(438,119)
<b>Balance as at March 31, 2023 - Un-audited</b>	<b>4,381,191</b>	<b>4,557,163</b>	<b>13,590,325</b>	<b>353,510</b>	<b>5,071,827</b>	<b>70,926,328</b>
<b>Balance as at July 1, 2023 - Audited</b>	4,381,191	4,557,163	12,609,667	353,510	5,071,827	64,192,277
<b>Total comprehensive income for the period</b>						
- Profit for the period	-	-	-	-	2,234,620	2,234,620
- Other comprehensive loss for the period	-	-	9,534,335	-	-	9,534,335
	-	-	9,534,335	-	-	11,768,955
<b>Balance as at March 31, 2024 - Un-audited</b>	<b>4,381,191</b>	<b>4,557,163</b>	<b>22,144,002</b>	<b>353,510</b>	<b>5,071,827</b>	<b>75,961,232</b>

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 Cash Flows**

For the Nine Month Period Ended March 31, 2024 (Un-audited)

	Note	2024 July to March (Rupees in thousand)	2023 July to March
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	7,179,213	12,895,054
Finance cost paid		(6,383,413)	(4,600,074)
Retirement and other benefits paid		(216,406)	(206,981)
Net income tax refunds/(paid)		1,560,651	(724,394)
Long term deposits - net		22,860	58,033
Net cash inflow from operating activities		<b>2,162,905</b>	<b>7,421,638</b>
<b>Cash inflow/outflow from investing activities</b>			
Payments for property, plant and equipment and intangibles		(1,265,735)	(2,322,761)
Proceeds from disposal of property, plant and equipment		84,321	12,778
Investments in equity instruments		-	(1,007,500)
Proceeds from disposal of equity investments		135,000	-
Long term loans, advances and deposits - net		(2,850)	(300)
Interest received		8,683	2,370
Dividend received		2,658,278	1,811,894
Net cash inflow/(outflow) from investing activities		<b>1,617,697</b>	<b>(1,503,519)</b>
<b>Cash inflow/outflow from financing activities</b>			
Proceeds from long term finances		9,160,185	(4,864,185)
Repayment of long term finances		(5,088,190)	2,026,448
Dividend paid		(607)	(438,100)
Net cash inflow/(outflow) from financing activities		<b>4,071,388</b>	<b>(3,275,837)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,851,990</b>	<b>2,642,282</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(24,819,321)</b>	<b>(24,799,703)</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<b>(16,967,331)</b>	<b>(22,157,421)</b>

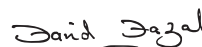
The annexed notes 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

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

For the Nine Month Period Ended March 31, 2024 (Un-audited)

### 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 the production and sale of Clinker, Ordinary Portland Cement of different variations and Sulphate Resistant Cement. It has four cement plants, two plants located at Dera Ghazi Khan ('D.G. Khan'), one at Khairpur District, Chakwal ('Khairpur') and one at Hub District, Lasbela ('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, 2023. 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. Significant 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, 2023 except for the estimation of income tax (see note 5) and adoption of new amended standards as set out in note 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, 2023, 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.

#### 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, 2024 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, 2023, 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.

<b>March 31,</b>	<b>June 30,</b>
<b>2024</b>	<b>2023</b>
<b>Un-audited</b>	<b>audited</b>
<b>(Rupees in thousand)</b>	

## 6. Long term finances from financial institutions - secured

Long term loans	- note 6.1	21,240,783	17,033,983
Current portion shown under current liabilities		(6,805,109)	(7,370,364)
		<b>14,435,674</b>	<b>9,663,619</b>

### 6.1 The reconciliation of the carrying amount is as follows:

Balance as at beginning of the period - gross		17,484,317	21,929,963
Disbursements during the period/year		9,160,185	2,038,739
Repayments during the period/year		(5,088,190)	(6,484,385)
		<b>21,556,312</b>	<b>17,484,317</b>
Unamortized deferred grant	- note 7	(315,529)	(450,334)
Closing balance		<b>21,240,783</b>	<b>17,033,983</b>

<b>March 31,</b>	<b>June 30,</b>
<b>2024</b>	<b>2023</b>
<b>Un-audited</b>	<b>audited</b>
<b>(Rupees in thousand)</b>	

## 7. Deferred Government grant

The reconciliation of the carrying amount is as follows:

Opening balance		450,334	664,567
Credited to the statement of profit or loss		(134,805)	(214,233)
		<b>315,529</b>	<b>450,334</b>
Current portion shown under current liabilities		(145,591)	(171,581)
Closing balance		<b>169,938</b>	<b>278,753</b>

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, 2023 other than those mentioned below. The banks have issued the following guarantees on Company's behalf in favor of:

(i) Director, Excise Collection Office, Sindh Development and Maintenance against recovery of infrastructure fee amounting to Rs 1,377.9 million (June 2023: Rs. 1177.9 million).

(ii) General mines and mineral for mining amounting to Rs. 128.507 million (June 2023: Nil).

**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. 1,149.328 million (June 2023: Rs. 1,238.471 million).

### 8.2 Commitments in respect of:

(i) Contracts for capital expenditure Rs 80.275 million (June 2023: Rs. 520.310 million).

(ii) Letters of credit for capital expenditure Rs. 92.911 million (June 2023: Rs. 93.980 million).

(iii) Letters of credit other than capital expenditure Rs. 1,140.208 million (June 2023: Rs. 1,161.85 million).

	<b>March 31, 2024</b>	<b>June 30, 2023</b>
	<b>Un-audited</b>	<b>audited</b>
	<b>(Rupees in thousand)</b>	

## 9. Property, plant and equipment

Operating fixed assets	- note 9.1	79,168,581	80,039,245
Capital work in progress	- note 9.2	1,006,175	2,006,864
Major spare parts and stand-by equipment		295,750	199,541
		<b>80,470,506</b>	<b>82,245,650</b>

### 9.1 Operating fixed assets

Opening book value		80,039,245	81,934,028
Additions during the period	- note 9.1.1	2,118,963	2,081,492
		<b>82,158,208</b>	<b>84,015,520</b>
Disposals during the period - at book value		(130,949)	(39,315)
Depreciation charged for the period		(2,858,678)	(3,936,960)
		(2,989,627)	(3,976,275)
Closing book value		<b>79,168,581</b>	<b>80,039,245</b>

	March 31, 2024	June 30, 2023
	Un-audited	audited
	(Rupees in thousand)	

### 9.1.1 Additions during the period/year

Freehold land	54,198	152,378
Buildings on freehold land:		
- Factory buildings	145,091	2,381
- Office building and housing colony	17,476	58,452
Roads	185	2,630
Plant and machinery	1,417,430	1,482,230
Quarry equipment	-	5,914
Furniture and fittings	31,520	61,543
Office equipment	36,869	151,616
Vehicles	128,074	160,064
Power and water supply lines	288,120	4,284
	<b>2,118,963</b>	<b>2,081,492</b>

### 9.2 Capital work-in-progress

Civil works	554,483	771,299
Plant and machinery	312,134	1,097,624
Advances to suppliers and contractors	53,577	91,594
Others	85,981	46,347
	<b>1,006,175</b>	<b>2,006,864</b>

## 10. Investments

**10.1** 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.

**10.1.1** The Company reviewed the carrying amount of its investment in equity instruments of Nishat Dairy (Private) Limited and its recoverability to determine whether the previously recognised impairment loss of Rs. 162.788 million exists as there have been favourable events and change in circumstances, since impairment loss was recognised. As a result of carrying out the aforementioned assessment, the recoverable amount of the investment was determined to be higher than its carrying amount by Rs. 3.22 per share and the impairment loss was accordingly reversed and the amount of any reversal recognised was restricted to the carrying value of the investment that would have been recognised if the original impairment had not occurred.



## 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:

Relationship with the Company	Nature of transaction	July to March 2024	July to March 2023
		Un-audited	Un-audited
<b>(Rupees in thousand)</b>			
<b>i. Subsidiary entities</b>	Purchase of goods and services	2,054,838	1,968,540
	Rental income	725	725
	Proceeds from disposal of investment	135,000	-
	Dividend income	-	25,595
	Sale of goods	44,734	55,286
<b>ii. Investor</b>	Purchase of goods and services	2,319	154
	Sale of goods	26,070	12,738
	Dividend income	151,448	121,158
	Dividends paid	-	137,574
<b>iii. Other related entities</b>	Insurance premium	241,524	215,901
	Sale of goods	46,415	79,967
	Rental income	644	574
	Dividend income	2,496,470	1,707,482
	Dividends paid	-	37,244
	Purchase of goods and services	264,023	74,785
	Reimbursement of expenses	11,035	-
	Insurance claims received	27,233	4,346
	Purchase of shares	-	1,007,500
<b>iv. Key management Personnel</b>	Salaries and other employment benefits	246,212	195,951
	Dividend paid	-	39,943
<b>v. Post employment benefit plans</b>	Expense charged in respect of defined benefit plan	210,887	178,412
	Expense charged in respect of defined contribution plan	106,382	92,969

March 31, 2024	June 30, 2023
Un-audited	audited
(Rupees in thousand)	

### Period/year end balances

#### Payable to related parties

Trade and other payables

424,301

821,246

#### Receivable from related parties

Trade debts

26,321

15,361

Other receivables

65,056

5,802

91,377

21,163

### July to March

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

## 12. Cash generated from operations

Profit before tax

3,663,311

3,156,843

Adjustments for non-cash charges and other items:

- Depreciation on operating fixed assets - note 9.1

2,858,678

2,945,094

- Amortization of intangible asset

12,060

5,374

- Loss/(gain) on disposal of operating fixed assets

46,628

(651)

- Loss/(gain) on disposal of investments

(18,405)

-

- Impairment losses on financial assets

-

36,464

- Dividend income

(2,658,278)

(1,813,534)

- Reversal of the impairment loss on investment

(162,789)

-

- Gain on initial recognition of ordinary shares transferred under

Scheme of Compromises, Arrangement and Reconstruction

-

(102,409)

- Provision for retirement benefits

317,269

271,381

- Profit on bank deposits

(8,683)

(2,370)

- Exchange (gain)/loss

(124,189)

62,442

- Finance cost

6,072,783

4,876,483

9,998,385

9,435,117

#### Profit before working capital changes

Effect on cash flow due to working capital changes:

- (Increase)/Decrease in stores, spare parts and loose tools

1,535,320

6,204,375

- Decrease/(Increase) in stock-in-trade

(4,072,315)

(3,469,325)

- Decrease in trade debts

9,080

195,729

- Decrease in loans, advances, deposits,

prepayments and other receivables

465,305

446,444

- Increase/(Decrease) in trade and other payables

(756,562)

82,714

(2,819,172)

3,459,937

7,179,213

12,895,054

## July to March

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

**13. Cash and cash equivalents**

Short term borrowings - secured	(18,336,567)	(22,742,010)
Cash and bank balances	1,369,236	584,589
	<b>(16,967,331)</b>	<b>(22,157,421)</b>

**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, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2023.

**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 March 31, 2024 and June 30, 2023 on a recurring basis:

	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2023</b>	<b>(Rupees in thousand)</b>			
<b>Recurring fair value measurements</b>				
<b>Assets</b>				
Investments - FVOCI	24,204,296	-	5,403,535	29,607,831
<b>As at June 30, 2023</b>				
<b>Assets</b>				
Investments - FVOCI	14,374,450	-	5,842,886	20,217,336

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 March 31, 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 pre-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 16.68% 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 25.60% 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 March 31, 2024 would be Rs 209.375 million lower.

If the long term growth rate decreases by 1% with all other variables held constant, the impact on fair value as at March 31, 2024 would be Rs 71.875 million lower.

If inflation decreases by 1% with all other variables held constant, the impact on fair value as at March 31, 2024 would be Rs 21.875 million higher.

If interest rate increases by 1% with all other variables held constant, the impact on fair value as at March 31, 2024 would be Rs 15.625 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 24.14% 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 6.17% to 11.74% 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 31 March, 2024 would be Rs 204.5 million lower.

If the long term growth rate decreases by 1% with all other variables held constant, the impact on fair value as at 31 March, 2024 would be Rs 87 million lower.

If inflation decreases by 1% with all other variables held constant, the impact on fair value as at 31 March, 2024 would be Rs 78 million higher.

If interest rate increases by 1% with all other variables held constant, the impact on fair value as at 31 March, 2024 would be Rs 82.1 million lower.

#### 15. Date of authorization for issue

These unconsolidated condensed interim financial statements were authorized for issue on April 19, 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.



Chief Executive



Chief Financial Officer



Director

# **INTERIM CONSOLIDATED FINANCIAL STATEMENTS**



## Consolidated Condensed Interim Statement of Financial Position

	Note	31 March, 2024 Un-Audited	30 June, 2023 Audited
		(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised capital			
- 950,000,000 (June 30, 2023: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2023: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		<b>10,000,000</b>	<b>10,000,000</b>
Issued, subscribed and paid up capital 438,119,118 (2023: 438,119,118) ordinary shares of Rs 10 each		4,381,191	4,381,191
Reserves		32,253,314	22,493,832
Un-appropriated profit		40,138,603	37,785,778
Attributable to owners of the parent company		<b>76,773,108</b>	<b>64,660,801</b>
Non-controlling interest		2,828,491	2,482,081
		<b>79,601,599</b>	<b>67,142,882</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	5	14,507,500	9,763,223
Deferred government grant	6	190,143	298,958
Long term deposits		462,556	439,697
Deferred liabilities		950,377	849,514
Deferred taxation		11,278,246	11,306,527
		<b>27,388,822</b>	<b>22,657,919</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		13,243,451	14,457,666
Accrued markup		1,495,614	1,857,643
Short term borrowing-secured		20,252,912	27,925,023
Current portion of non-current liabilities		7,181,533	7,897,387
Unclaimed dividend		34,098	34,705
Provision for taxation		465,113	273,046
		<b>42,672,721</b>	<b>52,445,470</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
		<b>149,663,142</b>	<b>142,246,271</b>

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



Chief Executive

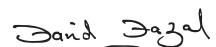


## As At March 31, 2024

	Note	31 March, 2024 Un-Audited	30 June, 2023 Audited
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	83,671,972	85,600,466
Intangible asset		49,344	10,153
Biological assets		1,125,121	1,150,612
Investments		14,084,222	11,474,189
Long term deposits		67,278	64,426
		<b>98,997,937</b>	<b>98,299,846</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		12,636,214	14,126,139
Stock-in-trade		14,292,005	11,237,446
Trade debts		1,558,583	1,222,551
Investments		16,475,739	9,283,913
Advances, deposits, prepayments and other receivables		1,365,805	1,689,054
Contract assets		34,692	79,530
Income tax recoverable		2,149,642	4,935,294
Cash and bank balances		1,979,887	1,199,860
		<b>50,492,567</b>	<b>43,773,787</b>
Non-current assets classified as held for sale		172,638	172,638
		<b>50,665,205</b>	<b>43,946,425</b>
		<b>149,663,142</b>	<b>142,246,271</b>



Chief Financial Officer



Director

**Consolidated Condensed Interim Statement of Profit or Loss**

For the Quarter and Nine Month Period Ended March 31, 2024 (Un-audited)

	2024		2023	
	July to March	January to March	July to March	January to March
	(Rupees in thousand)		(Rupees in thousand)	
Sales	53,509,872	16,129,292	52,225,418	19,656,612
Cost of sales	(43,428,196)	(12,115,970)	(43,686,132)	(15,856,366)
<b>Gross profit</b>	<b>10,081,676</b>	<b>4,013,322</b>	<b>8,539,286</b>	<b>3,800,246</b>
Administrative expenses	(1,006,955)	(360,594)	(771,794)	(269,147)
Selling and distribution expenses	(1,619,542)	(415,659)	(1,051,610)	(540,406)
Other expenses	(6,419)	(59,089)	(323,870)	(159,589)
Changes in fair value of biological assets	262,681	55,394	251,333	49,042
Other income	3,152,051	1,067,157	2,181,994	788,413
Finance cost	(6,502,042)	(2,070,028)	(5,199,584)	(1,807,691)
<b>Profit/(loss) before taxation</b>	<b>4,361,450</b>	<b>2,230,503</b>	<b>3,625,755</b>	<b>1,860,868</b>
Taxation	(1,736,424)	(846,020)	(1,111,198)	(601,263)
<b>Profit/(loss) for the period</b>	<b>2,625,026</b>	<b>1,384,483</b>	<b>2,514,557</b>	<b>1,259,605</b>
<b>Attributable to:</b>				
Equity holders of the parent	2,352,825	1,279,600	2,297,409	1,215,375
Non-controlling interest	272,201	104,883	217,148	44,230
	<b>2,625,026</b>	<b>1,384,483</b>	<b>2,514,557</b>	<b>1,259,605</b>
<b>Earnings/(loss) per share</b>				
<b>(basic and diluted - in Rupees)</b>	<b>5.37</b>	<b>2.92</b>	<b>5.24</b>	<b>2.77</b>

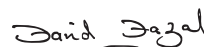
The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial information.



Chief Executive



Chief Financial Officer



Director

## Consolidated Condensed Interim Statement of Comprehensive Income

For the Quarter and Nine Month Period Ended March 31, 2024 (Un-audited)

	2024		2023	
	July to March	January to March	July to March	January to March
	(Rupees in thousand)		(Rupees in thousand)	
<b>Profit/(loss) for the period</b>	2,625,026	1,384,483	2,514,557	1,259,605
<b>Other comprehensive income / (loss) for the period</b>				
<b>Items that may be re-classified subsequently to profit or loss:</b>	-	-	-	-
<b>Items that will not be subsequently re-classified to profit or loss:</b>				
Change in fair value of investments at fair value through other comprehensive income (OCI)- net of tax	9,943,691	2,941,189	(679,059)	(245,294)
<b>Other comprehensive income / (loss) for the period</b>	9,943,691	2,941,189	(679,059)	(245,294)
<b>Total comprehensive income for the period</b>	<b>12,568,717</b>	<b>4,325,672</b>	<b>1,835,498</b>	<b>1,014,311</b>
<b>Attributable to</b>				
Equity holders of parent	12,112,307	4,157,077	1,624,317	972,488
Non-controlling interest	456,410	168,595	211,181	41,823
	<b>12,568,717</b>	<b>4,325,672</b>	<b>1,835,498</b>	<b>1,014,311</b>

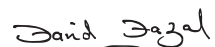
The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial information.



Chief Executive



Chief Financial Officer



Director

## Consolidated Condensed Interim Statement of Changes In Equity

For the Nine Month Period Ended March 31, 2024 (Un-audited)

	(Rupees in thousands)								
	Share capital	Share premium	FVOCI reserve	Capital redemption reserve fund	General reserve	Un-appropriated profits	Total equity attributable to shareholders of parent company	Non-controlling interest	Total equity
<b>Balance as at June 30, 2022 - Audited</b>	4,381,191	4,557,163	14,131,957	353,510	5,110,851	41,759,427	70,294,099	2,349,613	72,643,712
Total comprehensive income for the period	-	-	-	-	-	2,297,409	2,297,409	217,148	2,514,557
- Profit for the period	-	-	-	-	-	-	-	-	-
- Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
- Changes in fair value of investments at fair value through OCI - net of tax	-	-	(673,092)	-	-	-	(673,092)	(5,967)	(679,059)
<b>Transactions with owners in their capacity as owners recognised directly in equity</b>	-	-	(673,092)	-	-	2,297,409	1,624,317	211,181	1,835,498
Final dividend for the year ended June 30, 2022	-	-	-	-	-	(438,119)	(438,119)	(20,942)	(459,061)
<b>Balance as at March 31, 2023- Unaudited</b>	4,381,191	4,557,163	13,458,865	353,510	5,110,851	43,618,717	71,480,297	2,539,852	74,020,149
<b>Balance as at June 30, 2023 - Audited</b>	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	-	-	-	-	-	2,352,825	2,352,825	272,201	2,625,026
- Profit for the period	-	-	-	-	-	-	-	-	-
- Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
- Changes in fair value of investments at fair value through OCI - net of tax	-	-	9,759,482	-	-	-	9,759,482	184,209	9,943,691
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>	-	-	9,759,482	-	-	2,352,825	12,112,307	456,410	12,568,717
<b>Balance as at March 31, 2024 - Unaudited</b>	4,381,191	4,557,163	22,231,790	353,510	5,110,851	40,138,603	76,773,108	2,828,491	79,601,599
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>	-	-	-	-	-	-	-	(110,000)	(110,000)

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 Cash Flows**

For the Nine Month Period Ended March 31, 2024 (Un-audited)

	Note	2024 July to March	2023 July to March
(Rupees in thousand)			
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	8,417,244	12,722,543
Finance cost paid		(6,864,071)	(4,862,018)
Retirement and other benefits paid		(258,306)	(218,972)
Net income tax refunds/(paid)		1,356,854	(845,207)
Long term deposits - net		22,859	58,032
<b>Net cash inflow from operating activities</b>		<b>2,674,580</b>	<b>6,854,378</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment and Intangibles		(1,300,749)	(2,418,277)
Long term loans, advances and deposits - net		(2,852)	(300)
Proceeds from disposal of property, plant and equipment		85,622	14,439
Purchase of biological assets		(11,600)	-
Proceeds from sale of biological assets		439,211	192,926
Investments made		(10,000)	(1,361,080)
Dividend received		2,768,927	1,828,293
<b>Net cash outflow from investing activities</b>		<b>1,968,559</b>	<b>(1,743,999)</b>
<b>Cash flows from financing activities</b>			
Repayment of long term finances		(5,240,579)	(5,044,480)
Buy back of shares from non-controlling interest		(110,000)	-
Repayment of loan to related party		-	(90,000)
Dividend paid		(607)	(459,041)
Proceeds from long term finances		9,160,185	2,026,448
<b>Net cash inflow/(outflow) from financing activities</b>		<b>3,808,999</b>	<b>(3,567,073)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>8,452,138</b>	<b>1,543,306</b>
Cash and cash equivalents at the beginning of the year		(26,725,163)	(25,735,036)
<b>Cash and cash equivalents at the end of period</b>	11	<b>(18,273,025)</b>	<b>(24,191,730)</b>

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 Condensed Interim Consolidated Financial For the Nine Month Period Ended March 31, 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 Dera Ghazi Khan ('D.G. Khan'), one at Khairpur District, Chakwal ('Khairpur') and one at Hub District, Lasbela ('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:

	<b>Effective percentage of holding</b>
- 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, 2023. 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. Significant 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, 2023 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, 2022, 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.

#### **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, 2023 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, 2023, 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.

March 31, 2024	June 30, 2023
Un-audited	audited
(Rupees in thousand)	

## 5. Long term finances

Long term loans	- note 5.1	21,491,446	17,437,036
Current portion shown under current liabilities		(6,983,946)	(7,673,813)
		<b>14,507,500</b>	<b>9,763,223</b>

5.1 The reconciliation of the carrying amount is as follows:

March 31, 2024	June 30, 2023
Un-audited	audited
(Rupees in thousand)	

Opening balance		17,907,641	22,553,671
Disbursements during the period		9,160,185	2,038,739
Repayment during the period		(5,240,579)	(6,684,769)
		21,827,247	17,907,641
Unamortized liability	- note 5.1.1	(335,801)	(470,605)
Closing balance		<b>21,491,446</b>	<b>17,437,036</b>

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

March 31, 2024	June 30, 2023
Un-audited	audited
(Rupees in thousand)	

Opening balance	(470,605)	(692,093)
Unwinding of discount on liability	134,804	221,488
Closing balance	<b>(335,801)</b>	<b>(470,605)</b>

## 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 a significant change in contingencies from the preceding annual financial statements of the Group for the year ended June 30, 2023. The banks have issued the following guarantees on Group's behalf in favor of:

- (i) Director, Excise Collection Office, Sindh Development and Maintenance against recovery of infrastructure fee amounting to Rs 1,377.9 million (June 2023: Rs. 1177.9 million).
- (ii) General mines and mineral for mining amounting to Rs. 128.507 million (June 2023: Nil)
- (iii) Letter of guarantee of Rs 30 million (2023: Rs 26 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. 1,149.328 million (June 2023: Rs. 1,238.471 million).

### 7.2 Commitments in respect of:

- (i) Contracts for capital expenditure Rs 840.00 million (June 30, 2023: Rs 520.310 million).
- (ii) Letters of credit for capital expenditure Rs 1,799.90 million (June 30, 2023: Rs 93.980 million).
- (iii) Letters of credit other than capital expenditure Rs 4,681.71 million (June 30, 2023: 1,246.104 million).

	<b>March 31, 2024</b>	<b>June 30, 2023</b>
	<b>Un-audited</b>	<b>audited</b>
	<b>(Rupees in thousand)</b>	

## 8. Property, plant and equipment

Operating Assets	-note 8.1	82,354,337	83,234,634
Capital work-in-progress	-note 8.2	1,021,885	2,166,286
Major spare parts and stand-by equipment		295,750	199,546
		<u>83,671,972</u>	<u>85,600,466</u>

	<b>March 31, 2024</b>	<b>June 30, 2023</b>
	<b>Un-audited</b>	<b>audited</b>
	<b>(Rupees in thousand)</b>	
<b>8.1 Operating assets</b>		
Opening book value	83,234,634	85,392,522
Add: Additions during the period/ year	2,297,695	2,236,084
	<b>85,532,329</b>	<b>87,628,606</b>
Less: Disposals during the period/ year - net book value	132,072	42,663
Re-classification to assets held for sale	-	172,638
Depreciation charged during the period/ year	3,045,920	4,178,671
	3,177,992	4,393,972
Closing book value	<b>82,354,337</b>	<b>83,234,634</b>
<b>8.1.1 Major additions during the period</b>		
Free hold land	54,198	201,438
Building on freehold land	146,835	65,003
Office building	17,476	58,452
Roads	185	2,630
Plant and machinery	1,576,794	1,487,306
Quarry and other equipment	-	158,091
Furniture, fixtures and equipment	70,969	62,249
Motor vehicles	143,118	180,038
Power and water supply lines	288,120	20,877
	<b>2,297,695</b>	<b>2,236,084</b>
<b>8.2 Capital work-in-progress</b>		
Civil works	556,600	776,270
Plant and machinery	325,728	1,252,075
Advances to suppliers and contractors	53,577	91,594
Others	85,980	46,347
	<b>1,021,885</b>	<b>2,166,286</b>

## 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:

Relationship with the Group	Nature of transaction	July to March	
		2024 Un-audited	2023 Un-audited
(Rupees in thousand)			
Other related parties	Purchase of goods and services	473,366	192,623
	Insurance premium	254,757	224,908
	Sale of goods	184,591	289,332
	Insurance claims received	27,233	4,346
	Rental Income	1,530	1,499
	Reimbursement of expenses	66,414	-
	Purchase of shares	-	1,007,500
	Dividends paid	-	174,818
	Dividend income	2,758,567	1,870,634
Key Management personnel	Salaries and other employment benefits	246,212	195,951
	Dividend paid	-	39,943
Post employment benefit plans	Expense charged in respect of staff retirement benefits plans	359,169	293,481

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

## July to March

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

**10. Cash flow from operating activities**

Profit/(loss) before tax	4,361,450	3,625,755
Adjustment for :		
- Depreciation on property, plant and equipment	3,045,920	3,129,213
- Amortization of intangible assets	12,060	5,374
- Loss/(Gain) on disposal of operating fixed assets	46,451	(1,785)
- Net loss on disposal of biological assets	(139,439)	9,152
- Gain on changes in fair value biological asset	(262,681)	(251,333)
- (Gain)/loss on changes in fair value of investment through P&L	(7)	4
- Dividend income	(2,768,927)	(1,829,933)
- Gain on initial recognition of ordinary investment under scheme of merger	-	(102,409)
- Retirement and other benefits accrued	359,169	293,481
- Exchange (gain) / loss - net	(109,835)	210,853
- Finance cost	6,502,042	5,199,584
<b>Profit/(loss) before working capital changes</b>	<b>11,046,203</b>	<b>10,287,956</b>
<b>Working capital changes</b>		
- (Increase)/decrease in stores, spares and loose tools	1,489,925	6,125,328
- (Increase)/decrease in stock-in-trade	(3,054,559)	(4,002,403)
- (Increase)/decrease in trade debts	(336,032)	280,243
- (Increase)/decrease in contract assets	44,838	(41,379)
- Decrease in advances, deposits, prepayments and other receivables	331,249	(407,179)
- Increase/(decrease) in trade and other payables	(1,104,380)	479,977
<b>Net working capital changes</b>	<b>(2,628,959)</b>	<b>2,434,587</b>
<b>Cash (used in)/ generated from operations</b>	<b>8,417,244</b>	<b>12,722,543</b>

**11. Cash and cash equivalents**

Short term borrowings - secured	(20,252,912)	(24,813,882)
Cash and bank balances	1,979,887	622,152
Total cash and cash equivalents	(18,273,025)	(24,191,730)

**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, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2023.

## 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 March 31, 2024 on a recurring basis:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
<b>As at March 31, 2024</b>				
<b>Recurring fair value measurements</b>				
<b>Assets</b>				
Investments - FVOCI	25,141,404	-	5,403,535	30,544,939
Investments - FVPL	15,022	-	-	15,022
Biological assets			1,125,121	1,125,121
<b>As at June 30, 2023</b>				
<b>Assets</b>				
Investments - FVOCI	14,902,201	-	5,842,886	20,745,087
Investments - FVPL	15	-	-	15
Biological assets			1,150,612	1,150,612

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 March 31, 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 pre-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 16.68% 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 25.60% per annum.

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

- Discount rate of 24.14% 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 6.17% to 11.74% 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 March 31, 2024 would be Rs 209.375 million and Rs 204.5 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 March 31, 2024 would be Rs 71.875 million and Rs 87 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 March 31, 2024 would be Rs Rs 21.875 million and Rs 78 million higher for NHPL and higher for HNMPL respectively.

If interest rate increases by 1% with all other variables held constant, the impact on fair value as at March 31, 2024 would be Rs 15.625 million and Rs 82.1 million lower for NHPL and lower for 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 1 to March 31

Rupees in thousands	Cement		Paper		Dairy/Farm		Elimination - net		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from										
- External Customers	49,049,830	48,043,085	228,355	579,286	4,231,687	3,603,047	-	-	53,509,872	52,225,418
- Inter-group	992	271	1,756,271	1,968,540	-	-	(1,757,263)	(1,968,811)	-	-
	<b>49,050,822</b>	<b>48,043,356</b>	<b>1,984,626</b>	<b>2,547,826</b>	<b>4,231,687</b>	<b>3,603,047</b>	<b>(1,757,263)</b>	<b>(1,968,811)</b>	<b>53,509,872</b>	<b>52,225,418</b>
Segment gross profit/(loss)	9,187,056	7,737,474	196,346	378,813	721,745	494,954	(23,471)	(71,955)	10,081,676	8,539,286
Segment expenses	(2,627,555)	(1,852,827)	(38,766)	(193,238)	33,405	(101,209)	-	-	(2,632,916)	(2,147,274)
Changes in fair value of biological assets	-	-	-	-	262,681	251,333	-	-	262,681	251,333
Other income	3,176,593	2,148,679	114,416	44,574	42,961	15,061	(181,919)	(26,320)	3,152,051	2,181,994
Financial charges	(6,072,783)	(4,876,483)	(415,847)	(310,177)	(13,412)	(12,924)	-	-	(6,502,042)	(5,199,584)
Taxation	(1,428,691)	(1,044,699)	57,208	29,087	(364,941)	(95,586)	-	-	(1,736,424)	(1,111,198)
<b>Profit/(loss) after taxation</b>	<b>2,234,620</b>	<b>2,112,144</b>	<b>(86,643)</b>	<b>(50,941)</b>	<b>682,439</b>	<b>551,629</b>	<b>(205,390)</b>	<b>(98,275)</b>	<b>2,625,026</b>	<b>2,514,557</b>
Depreciation	2,858,678	2,945,094	45,512	45,915	120,987	117,461	20,743	20,743	3,045,920	3,129,213
Capital expenditure	(1,265,735)	(2,322,761)	(17,695)	(49,078)	(17,319)	(46,438)	-	-	(1,300,749)	(2,418,277)
Net cash (outflow) / inflow from operating activities	2,162,905	7,421,638	763,471	(528,495)	36,582	(51,243)	(288,378)	8,318	2,674,580	6,850,218
Net cash outflow from investing activities	1,617,697	(1,503,519)	84,034	(360,663)	411,591	148,149	(144,763)	(23,806)	1,968,559	(1,739,839)
<b>Rupees in thousands</b>	<b>31.03.2024</b>	<b>30.06.2023</b>	<b>31.03.2024</b>	<b>30.06.2024</b>	<b>31.03.2024</b>	<b>30.06.2023</b>	<b>31.03.2024</b>	<b>30.06.2023</b>	<b>31.03.2024</b>	<b>30.06.2023</b>
	<b>unaudited</b>	<b>audited</b>	<b>unaudited</b>	<b>audited</b>	<b>unaudited</b>	<b>audited</b>	<b>unaudited</b>	<b>audited</b>	<b>unaudited</b>	<b>audited</b>
Segment assets	142,367,484	134,713,254	5,152,994	5,597,511	4,967,275	4,920,139	(2,824,611)	(2,984,633)	149,663,142	142,246,271
Segment liabilities	66,406,252	70,520,977	2,861,797	3,629,026	1,377,565	1,767,868	(584,071)	(814,482)	70,061,543	75,103,389

**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 Group on April 19, 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.



Chief Executive



Chief Financial Officer



Director





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