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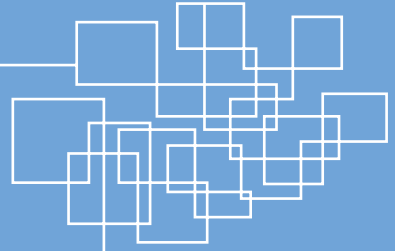
NISHAT

3rd Quarter
Report,
March 31,

2016

(Un-audited)

D.G. KHAN CEMENT
COMPANY LIMITED



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Company Information

Board of Directors	Mrs. Naz Mansha Mian Raza Mansha Mr. Khalid Niaz Khawaja Mr. Khalid Qadeer Qureshi Mr. Farid Noor Ali Fazal Mr. Shahzad Ahmad Malik Ms. Nabihah Shahnawaz Cheema	Chairperson Chief Executive
Audit Committee	Mr. Khalid Niaz Khawaja Mr. Khalid Qadeer Qureshi Ms. Nabihah Shahnawaz Cheema	Member/Chairman Member Member
Human Resource & Remuneration Committee	Mr. Khalid Qadeer Qureshi Mian Raza Mansha Ms. Nabihah Shahnawaz Cheema	Member/Chairman Member Member
Management	Mian Raza Mansha Mr. Aftab Ahmad Khan Dr. Arif Bashir Mr. Farid Noor Ali Fazal Mr. Inayat Ullah Niazi	Chief Executive Officer Director Finance Director Technical & Operations Director Marketing Chief Financial Officer
Company Secretary	Mr. Khalid Mahmood Chohan	
Local Bankers	Allied Bank Limited Askari Bank Limited Bank Alfalah Limited Bank Al-Habib Limited Bank Islami Pakistan Limited Citibank N.A. Dubai Islamic Bank Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank	Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Samba Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited The Bank of Punjab United Bank Limited MCB Bank Limited
External Auditors	A.F. Ferguson & Co., Chartered Accountants	
Cost Auditors	Qadeer & Company, Chartered Accountants	
Legal Advisors	Mr. Shahid Hamid, Bar-at-Law	

Contact Us

Registered Office

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

Factory

1. Khofli Sattai, Distt., Dera Ghazi Khan-Pakistan
Phone: 92-641-460025-7
Fax: 92-641-462392
Email: dgsite@dgcement.com
2. 12, K.M. Choa Saidan Shah Road,
Khairpur, Tehsil Kallar Kahar,
Distt. Chakwal-Pakistan
Phone: 92-543-650215-8
Fax: 92-543-650231

Share Registrar

THK Associates (Pvt) Ltd
Head Office, Karachi
2nd Floor, State Life Building No. 3,
Dr. Zia Uddin Ahmed Road, Karachi
Tel: (021) 111 000 322
Fax: (021) 35655595

Branch Office, Lahore
2nd Floor, DYL Motorcycles Ltd. Office Building,
Plot No. 346 Block No. G-III,
KhokarChowk, Main Boulevard, Johar Town, Lahore
Tel: (042) 35290577, Fax (042) 35290667

For Investors' Information, Comments, Inquiries, Complaints:

Mr. Inayat Ullah Niazi

Chief Financial Officer
E-mail: iniaz@dgcement.com
Phone: 0092 42 111 11 33 33

Mr. Khalid Mehmood Chohan

Company Secretary
E-mail: kchohan@dgcement.com
Phone: 0092 42 111 11 33 33

DIRECTORS REPORT ON FINANCIAL STATEMENTS OF NINE MONTHS OF FINANCIAL YEAR 2016

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

Pakistan is moving ahead despite the odds and negatives. CPEC is the talk of the town and apparently a project Pakistan sees for its uplift in present time. Still cheap and environment friendly energy issue is the main hindering factor in progress followed by revenue systems and targets. Government is hinting at “no more IMF” but alarming debt levels are a reality. Inflation is now rising but its outlook to remain moderate for further months. Cement sector is one of major contributors in large

scale manufacturing growth as quoted by SBP in April'16 MPS.

Domestic cement industry reported about 10% comparative growth in these nine months which consists of about 18% domestic sales increase and 19% exports decrease. Industrial utilization remained at about 83% as compared to 75% of comparison period. However, utilization improved on domestic front while on exports side utilization reduced.

Highlights of financial and operational results of your company for Nine Months of FY16 are as under:

PKR in thousands

	NMFY16	NMFY15
Sales	21,318,143	18,945,247
Cost of sales	12,423,166	12,528,244
Gross profit	8,894,977	6,417,003
Administrative expenses	359,591	358,618
Selling and distribution expenses	622,610	588,845
Other operating expenses	690,409	455,384
Other income	1,804,494	1,716,592
Profit from operations	9,026,861	6,730,748
Finance cost	98,656	250,958
Profit before taxation	8,928,205	6,479,790
Taxation	2,549,698	1,105,259
Profit after taxation	6,378,507	5,374,531
Earnings per share basic and diluted	14.56	12.27

Figures in MT

	NMFY16	NMFY15
Clinker Production	2,845,667	2,503,894
Cement Production	3,152,446	2,790,670
Total Sales	3,155,009	2,800,512
Local Sales	2,664,574	2,298,687
Export Sales	490,435	501,825

In volumes cement production is up by 13% with domestic sales increase of about 16% and decrease in exports of about 2% in comparison with same period of last financial year.

For the nine months GP increased by 39%. Sales increased by 12% and COGS decreased by about 1%. GP stands at 42% of net sales for under review period as compared to 34% of comparison period. Main factors for this are stability in cement prices, low coal & furnace oil prices and about 18% more operational day. Better GP surged PBT and PAT by 37% and 19% respectively. As compared to same period of last financial year PKR 2.29 added to EPS thereby increasing it by 19%. The company is going to be assessed under normal tax regime after taking into account expected subsidiary losses. It also includes tax under final tax regime under the heads of exports and dividend income.

On local side we foresee augmentation and exports to keep dwindling. Last quarter of this financial year is expected to be even better than its preceding one. SBP has maintained the policy rate of 6%. As the fiscal year is approaching its end, USD-PKR parity is expected not to change dramatically. International coal prices are also expected not to vary much as well. Presumably domestic supply swells in last quarter. So income and expense both sides are moving for better profitability.

Captive Coal Power Project at DGK site is about to be completed. Work is now on final stages. Activities at Hub site are underway. Leveling and grading work is almost complete and piling work started. Advance payment to one of plant supplier has been made.

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

For and on behalf of the Board



Raza Mansha
Chief Executive Officer

April 22, 2016

اعداد و شمار میٹرک ٹن میں

نومای مالی سال 2015	نومای مالی سال 2016	
2,503,894	2,845,667	کلنکر کی پیداوار
2,790,670	3,152,446	سینٹ کی پیداوار
2,800,512	3,155,009	کل فروخت
2,298,687	2,664,574	مقامی فروخت
501,825	490,435	برآمد فروخت

حجم میں سینٹ کی پیداوار گذشتہ مالی سال کے اسی عرصہ کے مقابلے میں 13 فیصد زیادہ ہے۔ مقامی فروخت تقریباً 16 فی صد زیادہ جبکہ برآمدات تقریباً 2 فی صد کم ہیں۔

نومای کے لئے خام منافع میں 39 فیصد تک اضافہ ہوا، فروخت 12 فیصد تک بڑھ گئی اور قیمت فروخت میں تقریباً 1 فیصد تک کمی ہوئی۔ خام منافع تقابلی عرصہ کے 34 فیصد کے مقابلہ میں زیر جائزہ عرصہ کے لئے خالص فروخت کے 42 فیصد پر قائم رہا۔ جس کے اہم عناصر سینٹ کی قیمتوں میں استحکام، کونکر اور فرنس آئل کی قیمتوں میں کمی اور پلانٹ کے استعمال میں تقریباً 18 فیصد زیادہ ایام ہیں۔ بہتر خام منافع کی وجہ سے قبل از ٹیکس منافع اور بعد از ٹیکس منافع بالترتیب 37 فیصد اور 19 فیصد تک بڑھا ہے۔ گذشتہ مالی سال کی اسی مدت کے مقابلہ میں آمدن فی حصص میں 2.29 روپے کا اضافہ (19 فیصد) ہوا ہے۔ کمپنی ماتحت اداروں کے نقصانات کو حسابات میں لینے کے بعد معمول کے ٹیکس کا تعین کرے گی۔ اس میں قوانین کے تحت برآمدات کا ٹیکس اور ڈیوٹی اینڈ آمدن کے حتمی ٹیکس بھی شامل ہیں۔

ہمارا اندازہ ہے کہ مقامی سطح پر فروخت میں افزائش اور برآمدات بدستور کم رہیں گی۔ اس مالی سال کی آخری سہ ماہی، اس سے پچھلی سہ ماہی سے بہتر ہونے کی امید ہے۔ سٹیٹ بینک آف پاکستان نے پالیسی شرح کو 6 فیصد پر برقرار رکھا ہے۔ مالی سال اپنے اختتام کے قریب ہے اور امریکی ڈالر کی قیمت میں فی الوقت کوئی ڈرامائی تبدیلی متوقع نہیں ہے۔ کونکر کی بین الاقوامی قیمت میں بھی زیادہ تبدیلی ہونے کی امید نہیں ہے۔ آخری سہ ماہی میں شاید مقامی سپلائی میں اضافہ ہو۔ چنانچہ آمدن اور اخراجات دونوں اطراف بہتر منافع کی طرف نشاندہی کر رہے ہیں۔

ڈی جی خان کے مقام پر ذاتی کونکر بجلی گھر کا منصوبہ تقریباً مکمل ہونے کو ہے۔ کام اب آخری مراحل میں ہے۔ جب کے مقام پر بھی کام جاری ہے، ہمواری اور گریڈنگ کا کام تقریباً مکمل اور پائونٹنگ کے کام کا آغاز ہو گیا ہے۔ ایک پلانٹ سپلائر کو پیشگی ادائیگی بھی کردی گئی ہے۔

ہم اپنے صارفین، سپلائرز، قرض دہندہ سمیت تمام اسٹیک ہولڈرز کی حمایت کے شکرگزار اور اپنے تمام ملازمین کی ان تھک کوششوں کو سراہتے ہیں۔

منجانب بورڈ



رضان شا

چیف ایگزیکٹو آفیسر

22 اپریل 2016

ڈی جی خان سیمنٹ کمپنی لمیٹڈ

مالی سال 2016 کی نو ماہی کے مالیاتی حسابات پر ڈائریکٹرز کی رپورٹ

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

پاکستان مشکلات اور منفی رجحانات کے باوجود ترقی کر رہا ہے۔ چین پاکستان اقتصادی راہداری، زبان زعام ہے اور موجودہ وقت میں بظاہر پاکستان اس منصوبے کو اپنی ترقی کے لئے اہم گردان رہا ہے۔ اب بھی سستی اور ماحول دوست توانائی کا مسئلہ محصولات کا نظام اور اہداف کا مکمل رہنا، پیش رفت میں اہم رکاوٹی عناصر ہیں۔ حکومت "no more IMF" کا اشارہ دے رہی ہے لیکن دوسری جانب قرض کی سطحیں ایک پریشان کن حقیقت ہیں۔ افراط زر اب بڑھ رہا ہے لیکن یہ مزید چند مہینوں تک اعتدال میں رہے گا۔ اپریل 2016 کی مانیٹری پالیسی شیڈول میں سٹیٹ بینک آف پاکستان نے بڑے پیمانے کی صنعتی ترقی میں سیمنٹ کے شعبے کو اہم قرار دیا ہے۔

مقامی سیمنٹ کی صنعت نے ان نومبہنوں میں تقریباً 10 فیصد تقابلی ترقی کی ہے جو تقریباً 18 فیصد مقامی فروخت میں اضافہ اور برآمدات میں 19 فیصد کمی پر مشتمل ہے۔ بہتر مقامی فروخت اور برآمدات میں کمی کے عناصر کے باعث تقابلی عرصہ کے 75 فیصد کے مقابلہ میں صنعتی استعمال تقریباً 83 فیصد رہا۔

مالی سال 2016 کی نو ماہی کے لئے آپ کی کمپنی کے مالی اور آپریشنل نتائج کی جھلکیاں مندرجہ ذیل ہیں:

پاکستانی روپے ہزاروں میں

نومای مالی سال 2015	نومای مالی سال 2016	
18,945,247	21,318,143	فروخت
12,528,244	12,423,166	فروخت کی لاگت
6,417,003	8,894,977	مجموعی منافع
358,618	359,591	انتظامی اخراجات
588,845	622,610	فروخت اور تقسیم کے اخراجات
455,384	690,409	دیگر معاملاتی اخراجات
1,716,592	1,804,494	دیگر آمدنی
6,730,748	9,026,861	آپریشنل منافع
250,958	98,656	مالی لاگت
6,479,790	8,928,205	قبل از ٹیکس منافع
1,105,259	2,549,698	ٹیکس
5,374,531	6,378,507	بعد از ٹیکس منافع
12.27	14.56	بنیادی اور ڈائریکٹرز فی حصص آمدنی

CONDENSED INTERIM BALANCE SHEET

	Note	31 March, 2016 Un-Audited (Rupees in thousand)	30 June, 2015 Audited
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
- 950,000,000 (June 30, 2015: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2015: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid up capital 438,119,118 (June 30, 2015: 438,119,118) ordinary shares of Rs 10 each		4,381,191	4,381,191
Reserves		32,478,564	37,387,772
Accumulated profit		24,715,019	20,527,108
		<u>61,574,774</u>	<u>62,296,071</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	5	2,669,359	714,261
Long term deposits		75,543	72,003
Retirement and other benefits		157,896	137,585
Deferred taxation		4,967,583	4,588,047
		<u>7,870,381</u>	<u>5,511,896</u>
CURRENT LIABILITIES			
Trade and other payables	6	5,115,352	4,048,079
Short term borrowings - secured		2,173,434	1,826,072
Current portion of non-current liabilities		1,201,388	646,931
Accrued finance cost		54,288	27,304
Provision for taxation		35,090	35,090
		<u>8,579,552</u>	<u>6,583,476</u>
CONTINGENCIES AND COMMITMENTS	7	-	-
		<u>78,024,707</u>	<u>74,391,443</u>

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



Chief Executive

AS AT MARCH 31, 2016 (UN-AUDITED)

	Note	31 March, 2016 Un-Audited (Rupees in thousand)	30 June, 2015 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	34,371,898	29,958,970
Intangible assets	9	4,613	18,452
Investments	10	11,693,273	12,918,182
Long term loans, advances and deposits		56,553	69,497
		<u>46,126,337</u>	<u>42,965,101</u>
CURRENT ASSETS			
Stores, spares and loose tools		3,438,099	3,635,858
Stock-in-trade		854,689	1,188,376
Trade debts		305,639	156,899
Investments	10	16,986,078	24,855,796
Advances, deposits, prepayments and other receivables		975,568	648,010
Income tax receivable		309,434	673,807
Derivative financial instrument		18,150	9,873
Cash and bank balances		9,010,713	257,723
		<u>31,898,370</u>	<u>31,426,342</u>
		<u><u>78,024,707</u></u>	<u><u>74,391,443</u></u>

David Bajal

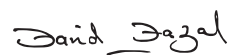
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

	Note	2016		2015	
		July to March	January to March	July to March	January to March
		(Rupees in thousand)		(Rupees in thousand)	
Sales		21,318,143	7,682,801	18,945,247	6,290,060
Cost of sales	11	(12,423,166)	(4,274,902)	(12,528,244)	(4,004,004)
Gross profit		8,894,977	3,407,899	6,417,003	2,286,056
Administrative expenses		(359,591)	(117,340)	(358,618)	(113,761)
Selling and distribution expenses		(622,610)	(236,613)	(588,845)	(132,286)
Other operating expenses		(690,409)	(235,802)	(455,384)	(140,419)
Other income		1,804,494	567,280	1,716,592	582,913
Profit from operations		9,026,861	3,385,424	6,730,748	2,482,503
Finance cost		(98,656)	(36,915)	(250,958)	(94,999)
Profit before taxation		8,928,205	3,348,509	6,479,790	2,387,504
Taxation	12	(2,549,698)	(1,050,000)	(1,105,259)	(406,507)
Profit after taxation		6,378,507	2,298,509	5,374,531	1,980,997
Earnings per share (basic and diluted)	Rupees	14.56	5.25	12.27	4.52

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


Chief Executive


Director

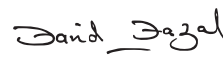
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

	2016		2015	
	July to March	January to March	July to March	January to March
	(Rupees in thousand)		(Rupees in thousand)	
Profit after taxation	6,378,507	2,298,509	5,374,531	1,980,997
Other comprehensive income for the period				
Items that may be re-classified				
subsequently to profit or loss				
Change in value of available-for-sale financial assets	(4,909,208)	(1,138,320)	(6,057,902)	(6,817,829)
Gain during the year transferred to profit and loss account on derecognition of investment	-	-	-	-
	(4,909,208)	(1,138,320)	(6,057,902)	(6,817,829)
Items that will not be subsequently				
re-classified to profit or loss	-	-	-	-
Other comprehensive income				
for the period	(4,909,208)	(1,138,320)	(6,057,902)	(6,817,829)
Total comprehensive income for the period	1,469,299	1,160,189	(683,371)	(4,836,832)

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



Chief Executive



Director

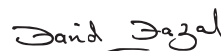
CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

	Note	2016 July to March	2015 July to March
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	14	9,649,237	8,096,489
Finance cost paid		(71,817)	(254,751)
Retirement and other benefits paid		(42,942)	(125,188)
Taxes paid		(1,669,789)	(554,658)
Payment to subsidiary against tax losses		(136,000)	(595,000)
Long term deposits - net		3,540	2,425
Net cash generated from operating activities		7,732,229	6,569,317
Cash flows from investing activities			
Fixed capital expenditure		(5,833,076)	(1,372,556)
Proceeds from sale of property, plant and equipment		22,995	10,217
Investments made - net		4,518,045	(5,426,251)
Long term loans, advances and deposits - net		12,944	15,031
Interest received		268,689	46,552
Dividend received		1,429,761	1,269,002
Net cash used in investing activities		419,358	(5,458,005)
Cash flows from financing activities			
Repayment of long term finances		(821,201)	(527,504)
Disbursement of loans		3,300,000	-
Settlement of derivative financial instrument		(4,403)	(25,927)
Dividend paid		(2,170,209)	(1,513,030)
Net cash used in financing activities		304,187	(2,066,461)
Net (decrease) / increase in cash and cash equivalents		8,455,774	(955,149)
Cash and cash equivalents at the beginning of the period		(1,568,349)	(1,242,650)
Exchange loss on cash and cash equivalents		(50,146)	(57,408)
Cash and cash equivalents at the end of the period	15	6,837,279	(2,255,207)

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



Chief Executive



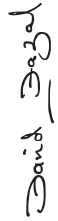
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

Rupees in thousands	Capital reserve			Revenue reserve			
	Share capital	Share premium	Fair value reserve	Capital redemption reserve fund	General reserve	Accumulated profit	Total
Balance as at June 30, 2015 - Audited	4,381,191	4,557,163	27,405,272	353,510	5,071,827	20,527,108	62,296,071
Total comprehensive income for the period							
- Profit for the period	-	-	(4,909,208)	-	-	6,378,507	6,378,507
- Other comprehensive income for the period	-	-	(4,909,208)	-	-	-	(4,909,208)
Total contributions by and distributions to owners of the Company recognized directly in equity						6,378,507	1,469,299
- Final dividend for the year ended June 30, 2015 (Rs 5 per share)	-	-	-	-	-	(2,190,596)	(2,190,596)
Balance as at March 31, 2016 - Unaudited	4,381,191	4,557,163	22,496,064	353,510	5,071,827	24,715,019	61,574,774
Balance as at June 30, 2014 - Audited	4,381,191	4,557,163	32,722,894	353,510	5,071,827	14,429,950	61,516,535
Total comprehensive income for the period							
- Profit for the period	-	-	(6,057,902)	-	-	5,374,531	5,374,531
- Other comprehensive income for the period	-	-	(6,057,902)	-	-	-	(6,057,902)
Total contributions by and distributions to owners of the Company recognized directly in equity						5,374,531	(683,371)
- Final dividend for the year ended June 30, 2014 (Rs 3.5 per share)	-	-	-	-	-	(1,533,417)	(1,533,417)
Balance as at March 31, 2015 - Unaudited	4,381,191	4,557,163	26,664,992	353,510	5,071,827	18,271,064	59,299,747

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


Chief Executive


Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

1. Status and nature of business

D. G. Khan Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange. It is principally engaged in production and sale of Clinker, Ordinary Portland and Sulphate Resistant Cement. The registered office of the Company is situated at 53-A Lawrence Road, Lahore.

2. Basis of preparation

This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended June 30, 2015, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

3. Significant accounting policies

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2015.

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

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

3.3 Amendments to published standards effective in current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2015 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

3.4 Significant accounting estimates, judgements and financial risk:

The preparation of this condensed interim financial information in conformity with the approved

accounting standards as applicable in Pakistan for interim reporting to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied to the financial statements as at and for the year ended June 30, 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2015.

4. Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

March 31, 2016	June 30, 2015
Un-audited	audited
(Rupees in thousand)	

5. Long term finances

Long term loans	- note 5.1	3,858,076	1,348,522
Less: Current portion shown under current liabilities		1,188,717	634,261
		<u>2,669,359</u>	<u>714,261</u>

5.1 Long term finances

Opening balance		1,348,522	2,111,513
Add:			
Proceeds of borrowing		3,300,000	-
Exchange loss during the period		30,755	41,993
		<u>4,679,277</u>	<u>2,153,506</u>
Less:			
Repayment during the period		821,201	804,984
Closing balance		<u>3,858,076</u>	<u>1,348,522</u>

	March 31, 2016	June 30, 2015
	Un-audited	audited
	(Rupees in thousand)	

6. Trade and other payables

Trade creditors	903,761	770,183
Infrastructure cess	89,164	89,164
Advances from customers	791,069	380,547
Accrued liabilities	1,247,703	1,235,957
Workers' profit participation fund	1,653,075	1,305,760
Workers' welfare fund	118,810	91,596
Federal excise duty payable	141,999	40,967
Withholding tax payable	11,283	14,138
Retention money payable	50,194	21,056
Unclaimed dividends	22,717	18,089
Advances against sale of scrap	5,917	6,949
Advance against sale of fixed assets	500	-
Unclaimed dividend on redeemable preference shares	125	125
Export commission payable	48,326	44,750
Others	30,709	28,798
	<u>5,115,352</u>	<u>4,048,079</u>

6.1 This includes an amount of Rs 733.822 million on account of levy of Gas Infrastructure Development Cess (GIDC), out of which Rs 567.843 million relates to the period prior to the enforcement of Gas Infrastructure Development Cess Act, 2015, the collection of which is subject to the decision pending with the honourable Lahore High Court on a writ petition filed by the company and the directive of the Anomaly Committee of the Parliament. In October 2015, the company has also challenged the GIDC Act, 2015 before the honourable Sindh High Court. The honourable court passed an interim order, thereby restraining Sui Northern Gas Pipelines Limited from collection of GIDC till the pendency of the case.

7. Contingencies and commitments

7.1 Contingencies

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

7.2 Commitments in respect of

(i) Contracts for capital expenditure Rs. 286.760 million (June 30, 2015: Rs. 427.335 million)

- (ii) Letters of credits for capital expenditure Rs. 14,255.598 million (June 30, 2015: Rs. 2,274.836 million)
- (iii) Letters of credit other than capital expenditure Rs. 468.501 million (June 30, 2015: Rs. 996.607 million)
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	March 31, 2016	June 30, 2015
	Un-audited	audited
	(Rupees in thousand)	
Not later than one year	331	331
Later than one year and not later than five years	1,325	1,325
Later than five years	5,061	5,310
	<u>6,717</u>	<u>6,966</u>
8. Property, plant and equipment		
Operating assets	- note 8.1	27,701,139
Capital work-in-progress	- note 8.2	6,566,930
Major spare parts and stand-by equipment	- note 8.3	103,829
		<u>34,371,898</u>
		<u>29,958,970</u>
8.1 Operating assets		
Opening book value		27,979,032
Add: Additions during the period	- note 8.1.1	1,142,356
		8,951,966
Less: Disposals during the period		925,479
- at book value	- note 8.1.2	35,614
Less: Depreciation charged during the period		17,810
		<u>1,880,603</u>
		<u>1,420,249</u>
Closing book value		<u>27,701,139</u>
		<u>27,979,032</u>

	March 31, 2016	June 30, 2015
	Un-audited	audited
	(Rupees in thousand)	

8.1.1 Additions during the period / year

Freehold land	829,047	120,007
Buildings on freehold land	-	125,042
Office building and housing colony	-	11,016
Roads	-	5,862
Plant and machinery	92,049	414,771
Quarry equipment	80,003	127,722
Furniture, fixtures and office equipment	46,580	52,685
Motor vehicles	92,121	63,309
Power and water supply lines	2,556	5,065
	<u>1,142,356</u>	<u>925,479</u>

8.1.2 Disposals during the period / year - at book value

Plant and machinery	-	10,135
Office equipment	1,934	-
Motor vehicles	33,680	7,675
	<u>35,614</u>	<u>17,810</u>

8.2 Capital work-in-progress

Civil works	1,431,971	724,241
Plant and machinery	3,108,707	656,348
Advances for capital expenditure	644,033	86,389
Unallocated expenditure	104,779	42,519
Expansion project:		
-Civil works	701,216	76,848
-Others	576,224	288,124
	<u>1,277,440</u>	<u>364,972</u>
	<u>6,566,930</u>	<u>1,874,469</u>

8.3 Major spare parts and stand-by equipment

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

March 31, 2016	June 30, 2015
Un-audited	audited
(Rupees in thousand)	

9. Intangible assets

Opening book value	18,452	36,904
Less: Amortization charged during the period	13,839	18,452
Closing book value	<u>4,613</u>	<u>18,452</u>

10. Investments

Carrying value of investments at the beginning of the period / year	37,773,978	35,663,522
Investments made during the period / year		
- Related parties	194,849	2,644,745
- Others	2,702,039	20,291,775
	2,896,888	22,936,520
Fair value gain / loss during the period / year on:		
- Available for sale investments	(4,909,208)	(5,287,376)
- Investments at fair value through profit or loss	23,179	387,738
	(4,886,029)	(4,899,638)
Investments disposed off during the period/year	(7,105,486)	(15,926,426)
Carrying value at the end of the period / year	28,679,351	37,773,978
Investments classified in current assets	(16,986,078)	(24,855,796)
Closing balance	<u>11,693,273</u>	<u>12,918,182</u>

	2016		2015	
	July to March	January to March	July to March	January to March
	Un-audited (Rupees in thousand)	Un-audited (Rupees in thousand)	Un-audited (Rupees in thousand)	Un-audited (Rupees in thousand)
11. Cost of sales				
Raw and packing materials consumed	1,733,449	616,953	1,639,752	541,912
Salaries, wages and other benefits	1,233,743	397,554	995,709	336,377
Electricity and gas	1,546,307	367,762	2,076,767	476,164
Furnace oil and coal	4,747,875	1,742,517	4,551,250	1,529,822
Stores and spares consumed	1,033,183	398,578	1,180,468	346,266
Repair and maintenance	146,243	42,549	158,744	52,223
Insurance	49,807	16,805	50,460	16,555
Depreciation on property, plant and equipment	1,327,850	444,117	1,335,493	450,654
Amortization on intangibles	9,687	3,229	9,687	3,229
Royalty	222,300	79,871	192,712	61,619
Excise duty	21,168	7,605	18,470	5,822
Vehicle running expenses	21,403	6,202	24,069	7,102
Postage, telephone and telegram	2,843	682	3,680	746
Printing and stationery	3,230	1,278	4,100	2,321
Legal and professional charges	1,124	569	1,770	704
Travelling and conveyance	8,515	2,867	7,886	2,635
Estate development	18,014	7,415	16,080	6,184
Rent, rates and taxes	38,999	14,417	31,867	10,759
Freight charges	18,885	6,947	29,793	8,777
Other expenses	16,047	4,917	17,247	5,510
Total manufacturing cost	12,200,672	4,162,834	12,346,004	3,865,381
Opening work-in-process	508,578	400,258	560,634	527,802
Closing work-in-process	(313,760)	(313,760)	(405,527)	(405,527)
	194,818	86,498	155,107	122,275
Cost of goods manufactured	12,395,490	4,249,332	12,501,111	3,987,656
Opening stock of finished goods	305,741	271,245	348,437	332,025
Closing stock of finished goods	(220,984)	(220,984)	(311,411)	(311,411)
	84,757	50,261	37,026	20,614
Less: Own consumption capitalized	(57,081)	(24,691)	(9,893)	(4,266)
	12,423,166	4,274,902	12,528,244	4,004,004
12. Taxation				
Current				
- For the year	2,034,163	858,515	265,041	(243,348)
- Prior years	-	(180,515)	-	-
	2,034,163	678,000	265,041	(243,348)
Deferred	515,535	372,000	840,218	649,855
	2,549,698	1,050,000	1,105,259	406,507

13. Transactions with related parties

The related parties comprise subsidiary company, associated companies, other related companies, directors of the company, key management personnel and post employment benefit plans. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transaction	July to	July to
		March 2016	March 2015
		Un-audited	Un-audited
		(Rupees in thousand)	
Subsidiary company	Purchase of goods and services	1,010,361	828,632
	Rental income	625	609
	Interest income	-	9,005
Other related parties	Purchase of goods and services	1,107,184	1,371,118
	Insurance premium	66,345	73,354
	Sale of goods	107,932	258,041
	Mark-up income on balances with related parties	479	722
	Gain on disposal of investment	-	117,561
	Insurance claim received	31,589	1,000
	Dividend income	1,426,553	1,269,002
Key management personnel	Salaries and other employment benefits	127,887	111,177
Post employment benefit plans	Expense charged in respect of staff retirement benefits plans (defined benefit plan)	73,492	73,837
	Expense charged in respect of staff retirement benefits plans (contribution plan)	33,114	37,489

	March 31, 2016	June 30, 2015
	Un-audited	audited
	(Rupees in thousand)	
Balances with related parties:		
Long term loans, advances and deposits	17,205	17,205
Trade debts	24,049	12,402
Advances, deposits, prepayments and other receivables	27,970	23,830
Trade and other payables	186,909	115,447
	July to March 2016	July to March 2015
	Un-audited	Un-audited
	(Rupees in thousand)	

14. Cash generated from operations

Profit before tax	8,928,205	6,479,790
Adjustment for :		
- Depreciation on property, plant and equipment	1,384,635	1,403,113
- Profit on disposal of property, plant and equipment	12,518	2,598
- Profit on bank deposits	(335,575)	(6,385)
- Amortization on intangibles	13,839	13,839
- Dividend income	(1,429,761)	(1,269,002)
- Retirement and other benefits accrued	63,253	65,966
- Mark-up income	(319)	(9,727)
- Exchange loss - net	81,640	83,454
- Finance cost	98,656	250,958
- Provision of WPPF	476,599	342,429
- Fair value gain on investments at fair value through profit or loss	-	(99,636)
- Gain on disposal of investments at fair value through profit or loss	(332,626)	(84,617)
- (Gain)/loss on derivative financial instruments	(3,874)	18,071
Profit before working capital changes	8,957,190	7,190,851
Effect on cash flow due to working capital changes:		
- (Increase) / decrease in stores, spares and loose tools	197,760	(269,310)
- (Decrease) / Increase in stock-in-trade	333,687	316,093
- (Increase) / decrease in trade debts	(139,491)	77,661
- Increase in advances, deposits, prepayments and other receivables	(260,353)	(395,384)
- Decrease / (Increase) in trade and other payables	560,444	1,176,578
	692,047	905,638
Cash generated from operations	9,649,237	8,096,489

	March 31, 2016	March 31, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	

15. Cash and cash equivalents

Short term borrowings - secured	(2,173,434)	(2,658,582)
Cash and bank balances	9,010,713	403,375
	<u>6,837,279</u>	<u>(2,255,207)</u>

16. Financial risk management

16.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at June 30, 2015.

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

16.2 Liquidity risk

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

16.3 Fair value estimation

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

17. Date of authorization for issue

This interim financial information was authorized for issue on April 22, 2016 by the Board of Directors of the Company.

18. Corresponding figures

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



Chief Executive



Director



Consolidated Financial Statements



DIRECTORS REPORT TO SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS FOR NINE MONTHS ENDED ON MARCH 31, 2016

The Directors of your company are pleased to submit their report along with consolidated financial statements for nine months ended March 31, 2016.

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

Consolidated results for the nine months ended on March 31, 2016 are:

PKR in thousands

	NMFY16	NMFY15
Sales	22,791,592	20,359,593
Cost of Sales	13,908,915	13,726,225
Gross Profit	8,882,677	6,633,368
Administrative Cost	390,620	376,779
Selling Cost	633,468	602,160
Other Operating Cost	934,360	534,445
Other Income	1,810,617	1,712,041
Operational Income	8,734,846	6,832,025
Finance Cost	150,836	324,041
Income before Tax	8,584,010	6,507,984
Taxation	2,525,698	692,147
Net Profit	6,058,312	5,815,837
EPS	13.83	13.27

Consolidated sales and GP increased by about 12% and 34% respectively. It is attributed to sales growth, comfortable coal and furnace oil prices and better operational days. Whereas profit after tax increased by 4%. Major periodical change in post GP income statement is in taxation expense which increased by 265% for reasons mentioned in the holding company's report.

NDL is still in gross losses. NPPCL's net sales dropped but PAT increased. Remaining part of this financial year is expected to report consolidated results on prevailing pattern with continued pick in cement sales and stable kraft paper prices.

We are cordially thankful to our all customers, dealers, suppliers, lenders and other stakeholders.

We appreciate all our employees and admire their untiring efforts for betterment of company.

For and on behalf of Board



Raza Mansha
Chief Executive Officer

April 22, 2016

نشاط ڈیری لمیٹڈ اب بھی مجموعی نقصان میں ہے۔ NPPCL کی خالص فروخت گر گئی ہے لیکن ٹیکس کے بعد منافع میں اضافہ ہوا ہے۔

اس مالی سال کے باقی عرصہ میں سینٹ کی فروخت اور کرافٹ کاغذ کی مستحکم قیمتوں کی وجہ سے مجموعی نتائج مروجہ پیٹرن پر ہی حاصل ہونے کی توقع ہے۔

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

مخائب بورڈ



رضامشا

چیف ایگزیکٹو آفیسر

22 اپریل 2016

31 مارچ 2016 کو مختتمہ نو ماہی کے لئے مجموعی مالی حسابات پر حصص داران کے لئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2016 مختتمہ نو ماہی کے مجموعی مالیاتی حسابات کے ہمراہ اپنی رپورٹ بخوشی پیش کرتے ہیں۔

مجموعی اکاؤنٹس ڈی جی خان سینٹ کمپنی لمیٹڈ (DGKC)۔ ہولڈنگ کمپنی، نشاط پیپر پروڈکٹس کمپنی لمیٹڈ (NPPCL) اور نشاط ڈیری (پرائیویٹ) لمیٹڈ (NDL) کے اکاؤنٹس کو ظاہر کرتے ہیں۔

31 مارچ 2016 کو مختتمہ نو ماہی کے مجموعی نتائج درج ذیل ہیں :

پاکستانی روپے ہزاروں میں

نوماہی مالی سال 2015	نوماہی مالی سال 2016	
20,359,593	22,791,592	فروخت
13,726,225	13,908,915	فروخت کی لاگت
6,633,368	8,882,677	مجموعی منافع
376,779	390,620	انتظامی اخراجات
602,160	633,468	فروخت اور تقسیم کے اخراجات
534,445	934,360	دیگر معاملاتی اخراجات
1,712,041	1,810,617	دیگر آمدنی
6,832,025	8,734,846	آپریٹنگ منافع
324,041	150,836	مالی لاگت
6,507,984	8,584,010	قبل از ٹیکس منافع
692,147	2,525,698	ٹیکس
5,815,837	6,058,312	بعد از ٹیکس منافع
13.27	13.83	فی حصص آمدنی

مجموعی فروخت اور مجموعی منافع میں بالترتیب تقریباً 12 فیصد اور 34 فیصد تک اضافہ ہوا ہے۔ اسے کی وجہ فروخت میں اضافہ، کونسل اور فرنس آئل کی قیمتوں میں کمی اور بہتر آپریٹنگ ایام ہیں۔ جبکہ ٹیکس کے بعد منافع 4 فیصد تک بڑھا ہے۔

گوشوارہ نفع و نقصان میں مجموعی منافع کے بعد اہم تبدیلی ٹیکس کے خرچہ میں تقریباً 265 فیصد اضافہ ہے جس کی وجوہات ہولڈنگ کمپنی کی رپورٹ میں درج کی گئی ہے۔

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

	Note	31 March, 2016 Un-Audited (Rupees in thousand)	30 June, 2015 Audited
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
- 950,000,000 (June 30, 2015: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2015: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid up capital		4,381,191	4,381,191
Reserves		32,443,064	37,352,272
Accumulated profit		24,720,194	20,708,896
		<u>61,544,449</u>	<u>62,442,359</u>
Non-controlling interest		2,067,737	2,232,260
		<u>63,612,186</u>	<u>64,674,619</u>
NON-CURRENT LIABILITIES			
Long term finances	5	2,798,734	945,511
Long term deposits		75,543	72,003
Retirement and other benefits		157,896	137,585
Deferred taxation		5,262,969	4,866,434
		<u>8,295,142</u>	<u>6,021,533</u>
CURRENT LIABILITIES			
Trade and other payables	6	5,415,553	4,353,727
Short term borrowing-secured		2,527,906	2,348,534
Current portion of non-current liabilities		1,334,513	780,056
Accrued finance cost		54,288	41,130
Provision for taxation		35,090	35,090
		<u>9,367,350</u>	<u>7,558,537</u>
Contingencies and Commitments	7	-	-
		<u>81,274,678</u>	<u>78,254,689</u>

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



Chief Executive

AS AT MARCH 31, 2016 (UN-AUDITED)

	Note	31 March, 2016 Un-Audited (Rupees in thousand)	30 June, 2015 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	37,921,851	33,693,078
Biological assets		670,787	1,149,799
Intangible assets	9	4,613	18,452
Investments	10	11,723,257	10,364,409
Long term loans, advances and deposits		57,458	70,402
		<u>50,377,966</u>	<u>45,296,140</u>
CURRENT ASSETS			
Stores, spares and loose tools		3,577,072	3,765,849
Stock-in-trade		1,432,675	1,913,314
Trade debts		804,635	431,072
Investments	10	14,457,997	24,855,842
Advances, deposits, prepayments and other receivables		1,160,333	980,024
Income tax recoverable		331,531	736,598
Derivative financial instrument		18,150	9,873
Cash and bank balances		9,114,319	265,977
		<u>30,896,712</u>	<u>32,958,549</u>
		<u>81,274,678</u>	<u>78,254,689</u>

David Bajal

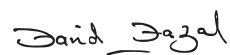
Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

	Note	2016		2015	
		July to March	January to March	July to March	January to March
		(Rupees in thousand)		(Rupees in thousand)	
Sales		22,791,592	8,091,128	20,359,593	6,415,137
Cost of sales	11	(13,908,915)	(4,603,047)	(13,726,225)	(3,903,563)
Gross profit		8,882,677	3,488,081	6,633,368	2,511,574
Administrative expenses		(390,620)	(128,458)	(376,779)	(112,697)
Selling and distribution expenses		(633,468)	(240,360)	(602,160)	(136,609)
Other operating expenses		(934,360)	(346,944)	(534,445)	(156,020)
Other income		1,810,617	459,526	1,712,041	574,022
Profit from operations		8,734,846	3,231,845	6,832,025	2,680,270
Finance cost		(150,836)	(51,972)	(324,041)	(112,726)
Profit before taxation		8,584,010	3,179,873	6,507,984	2,567,544
Taxation	12	(2,525,698)	(957,043)	(692,147)	(156,395)
Profit after taxation		6,058,312	2,222,830	5,815,837	2,411,149
Attributable to:					
Equity holders of the parent		6,201,894	2,268,217	5,617,538	2,217,942
Non-controlling interest		(143,582)	(45,387)	198,299	193,207
		6,058,312	2,222,830	5,815,837	2,411,149
Earning per share basic and diluted (Rupees)		13.83	5.07	13.27	5.50

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


Chief Executive



Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

	2016		2015	
	July to March	January to March	July to March	January to March
	(Rupees in thousand)		(Rupees in thousand)	
Profit after taxation	6,058,312	2,222,830	5,815,837	2,411,149
Items that may be re-classified to profit or loss				
Available for sale financial assets				
- Change in fair value of available -for-sale financial assets	(4,909,208)	(1,138,320)	(6,057,902)	(6,817,829)
- Gain during the year transferred to profit and loss account on derecognition of investment	-	-	-	-
	(4,909,208)	(1,138,320)	(6,057,902)	(6,817,829)
Items that will not be subsequently re-classified to profit or loss	-	-	-	-
Other comprehensive income for the period	(4,909,208)	(1,138,320)	(6,057,902)	(6,817,829)
Total comprehensive income for the period	1,149,104	1,084,510	(242,065)	(4,406,680)
Attributable to:				
Equity holders of the parent	1,292,686	1,129,897	(440,364)	(4,599,887)
Non-controlling interest	(143,582)	(45,387)	198,299	193,207
	1,149,104	1,084,510	(242,065)	(4,406,680)

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


Chief Executive


Director

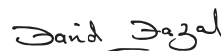
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

		2016	2015
	Note	July to March	July to March
(Rupees in thousand)			
Cash (used in)/ generated from operations	14	9,784,688	8,572,233
Financial cost paid		(137,823)	(341,231)
Retirement and other benefits paid		(42,942)	(125,188)
Taxes paid		(1,588,096)	(495,269)
Payment to subsidiary against tax losses		(136,000)	(595,000)
long term deposits - net		3,540	2,425
Net cash (used in)/ from operating activities [A]		7,883,367	7,017,970
Fixed capital expenditure		(5,394,175)	(5,694,502)
Proceeds from sale of property, plant and equipment		43,788	19,069
Long term loans and deposits - net		12,944	15,030
Investment - net		4,297,892	(1,419,007)
Good will		-	(21,827)
Interest received		266,733	44,992
Dividend received		1,429,761	1,269,002
Net cash from/ (used in) investing activities [B]		656,943	(5,787,243)
Repayment of long term finances		(930,823)	(586,255)
Settlement of derivative financial instrument		(4,403)	(25,927)
Proceeds from long term finances		3,300,000	-
Dividend paid		(2,185,968)	(1,513,030)
Net cash from/ (used in) financing activities [C]		178,806	(2,125,212)
In(De)crease in cash and cash equivalents [A+B+C]		8,719,116	(894,485)
Cash and cash equivalents at the beginning of period		(2,082,557)	(1,805,913)
Exchange loss on cash and cash equivalents		(50,146)	(57,408)
Cash and cash equivalents at the end of period	15	6,586,413	(2,757,806)

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



Chief Executive



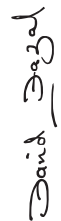
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

Rupees in thousands	Capital reserve				Revenue reserve		Total		
	Share capital	Share premium	Fair value reserve	Capital redemption reserve fund	General reserve	Accumulated profit		Total equity attributable to shareholders of parent company	
Balance as at June 30, 2015 - Audited	4,381,191	4,557,163	27,330,748	353,510	5,110,851	20,708,896	62,442,359	2,232,260	64,674,619
Total comprehensive income for the period	-	-	-	-	-	6,201,894	6,201,894	(143,582)	6,058,312
- Profit for the period	-	-	-	-	-	-	(4,909,208)	-	(4,909,208)
- Other comprehensive loss for the period	-	-	(4,909,208)	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company recognized directly in equity	-	-	-	-	-	(2,190,596)	(2,190,596)	-	(2,190,596)
- Parent company	-	-	-	-	-	-	-	-	-
- Final dividend for the year ended June 30, 2015 (Rs 5 per share)	-	-	-	-	-	(2,190,596)	(2,190,596)	-	(2,190,596)
- Subsidiary company	-	-	-	-	-	-	-	-	-
- Final dividend for the year ended June 30, 2015 (Rs 1 per share)	-	-	-	-	-	-	-	(20,941)	(20,941)
Balance as at March 31, 2016 - Unaudited	4,381,191	4,557,163	22,421,540	353,510	5,110,851	24,720,194	61,544,449	2,067,737	63,612,186
Balance as at June 30, 2014 - Audited	4,381,191	4,557,163	32,722,894	353,510	5,110,851	14,454,708	61,580,317	304,960	61,885,277
Total comprehensive income for the period	-	-	-	-	-	5,617,538	5,617,538	198,299	5,815,837
- Profit for the period	-	-	-	-	-	-	(6,057,902)	-	(6,057,902)
- Other comprehensive loss for the period	-	-	(6,057,902)	-	-	-	-	-	-
Non-controlling interest acquired on acquisition of subsidiary	-	-	-	-	-	-	-	1,872,097	1,872,097
Further stake acquired in subsidiary	-	-	-	-	-	-	-	-	-
- Final dividend for the year ended June 30, 2014 (Rs 3.5 per share)	-	-	-	-	-	(1,533,417)	(1,533,417)	-	(1,533,417)
Balance as at March 31, 2015 - Unaudited	4,381,191	4,557,163	26,664,992	353,510	5,110,851	18,538,829	59,606,536	2,375,356	61,981,892

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


Chief Executive


Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2016 - (UN-AUDITED)

1. Legal status and nature of business

The group comprises of:

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

The parent company is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange. It is principally engaged in production and sale of Clinker, Ordinary Portland and Sulphate Resistant Cement. The registered office of the Company is situated at 53-A Lawrence Road, Lahore.

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

Nishat Dairy (private) Limited (the company) was incorporated in Pakistan under the Companies Ordinance 1984 on October 28, 2011. The principally activity of the company is to carry on the business of production of raw milk.

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2015.

3. Significant accounting policies

3.1 The accounting policies adopted for the preparation of this interim consolidated financial information are the same as those applied in the preparation of the preceding annual published consolidated financial statements of the group for the year ended June 30, 2015.

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

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

3.3 Amendments to published standards effective in current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2015 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

3.4 Significant accounting estimates, judgements and financial risk:

The preparation of this condensed interim financial information in conformity with the approved accounting standards as applicable in Pakistan for interim reporting to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied to the financial statements as at and for the year ended June 30, 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2015.

4. Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

March 31, 2016	June 30, 2015
Un-audited	audited
(Rupees in thousand)	

5. Long term finances

Long term loans	- note 5.1	4,120,577	1,712,897
Less: Current portion shown under current liabilities		1,321,843	767,386
		<u>2,798,734</u>	<u>945,511</u>

	March 31, 2016	June 30, 2015
	Un-audited	audited
	(Rupees in thousand)	

5.1 Long term finances

Opening balance	1,712,897	2,550,263
Add: Disbursements during the period	3,300,000	-
Exchange loss during the period	30,755	41,993
	<u>5,043,652</u>	<u>2,592,256</u>
Less: Repayment during the period	923,075	879,359
Closing balance	<u>4,120,577</u>	<u>1,712,897</u>

6. Trade and other payables

Trade creditors	1,041,379	933,036
Infrastructure cess	146,443	140,641
Advances from customers	791,069	380,547
Accrued liabilities	1,261,740	1,252,021
Workers' profit participation fund	1,706,826	1,342,564
Workers' welfare fund	118,810	91,596
Federal excise duty payable	141,999	43,241
Withholding tax payable	16,940	14,138
Retention money payable	54,468	25,331
Unclaimed dividends	22,717	18,089
Advances against sale of scrap	5,917	6,949
Advance against sale of fixed assets	500	-
Unclaimed dividend on redeemable preference shares	125	125
Export commission payable	48,326	44,750
Others	58,294	60,695
	<u>5,415,553</u>	<u>4,353,727</u>

7. Contingencies and commitments

7.1 Contingencies

There is no significant change in contingencies from the preceeding annual financial statements of the Company for the year ended June 30, 2015 except for letters of guarantees issued to various parties aggregating to Rs 957.78 million (June 30, 2015: Rs 942.581 million)

7.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs. 286.760 million (June 30, 2015: Rs. 427.335 million)
- (ii) Letters of credits for capital expenditure Rs. 14,255.598 million (June 30, 2015: Rs. 2,274.836 million)
- (iii) Letters of credit other than capital expenditure Rs. 325.519 million (June 30, 2015: Rs. 1,183.407 million)
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	March 31, 2016	June 30, 2015
	Un-audited	audited
	(Rupees in thousand)	
Not later than one year	331	331
Later than one year and not later than five years	1,325	1,325
Later than five years	5,061	5,310
	<u>6,717</u>	<u>6,966</u>

8. Property, plant and equipment

Operating assets	- note 8.1	31,250,722	31,693,136
Capital work-in-progress	- note 8.2	6,567,300	1,894,473
Major spare parts and stand-by equipment	- note 8.3	103,829	105,469
		<u>37,921,851</u>	<u>33,693,078</u>

8.1 Operating assets

Opening book value		31,693,136	29,936,360
Add: Additions during the period/ year	-note 8.1.1	1,202,000	3,868,905
		<u>32,895,136</u>	<u>33,805,265</u>
Less: Disposals during the period/ year			
- net book value	-note 8.1.2	38,566	36,490
Depreciation charged during the period/ year		1,605,848	2,075,639
Closing book value		<u>31,250,722</u>	<u>31,693,136</u>

	March 31, 2016	June 30, 2015
	Un-audited	audited
	(Rupees in thousand)	

8.1.1 Major additions during the period

Freehold land	839,757	452,967
Buildings on freehold land	-	1,693,609
Office building and housing colony	-	11,016
Roads	-	5,862
Plant and machinery	114,852	1,195,636
Quarry equipment	80,003	175,179
Furniture, fixtures and office equipment	51,014	74,625
Motor vehicles	113,818	123,541
Power and water supply lines	2,556	136,470
	<u>1,202,000</u>	<u>3,868,905</u>

8.1.2 Disposals during the period

Office building and housing colony	1,934	-
Plant and machinery	2,952	25,083
Motor vehicles	33,680	11,407
	<u>38,566</u>	<u>36,490</u>

8.2 Capital work-in-progress

Civil works	1,432,341	728,778
Plant and machinery	3,108,707	656,348
Advances for capital expenditure	644,033	101,856
Unallocated expenditure	104,779	42,519
Expansion project:		
- Civil works	701,216	76,848
- Others	576,224	288,124
	<u>1,277,440</u>	<u>364,972</u>
	<u>6,567,300</u>	<u>1,894,473</u>

8.3 Major spare parts and stand-by equipment

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

March 31, 2016	June 30, 2015
Un-audited	audited
(Rupees in thousand)	

9. Intangible assets

Opening book value	18,452	36,904
Less: Amortization charged during the period	13,839	18,452
Closing book value	4,613	18,452

10. Investments

Carrying value of investments at the beginning of the period / year	35,220,251	35,459,928
Investments made during the period / year		
- Related parties	194,849	10,907,092
- Others	2,757,669	9,679,295
	2,952,518	20,586,387
Fair value gain / loss during the period / year on:		
- Available for sale investments	(4,909,208)	(5,287,376)
- Investments at fair value through profit or loss	23,179	387,738
	(4,886,029)	(4,899,638)
Investments disposed off during the period/year	(7,105,486)	(15,926,426)
Carrying value at the end of the period / year	26,181,254	35,220,251
Investments classified in current assets	(14,457,997)	(24,855,842)
Closing balance	11,723,257	10,364,409

	2016		2015	
	July to March	January to March	July to March	January to March
	Un-audited (Rupees in thousand)	Un-audited (Rupees in thousand)	Un-audited (Rupees in thousand)	Un-audited (Rupees in thousand)
11. Cost of sales				
Raw and packing materials consumed	2,703,898	823,394	2,383,214	407,073
Salaries, wages and other benefits	1,316,502	427,323	1,053,377	345,831
Electricity and gas	1,615,132	383,417	2,162,998	477,777
Furnace oil and coal	4,747,875	1,742,517	4,551,250	1,529,822
Stores and spares consumed	1,046,161	404,957	1,193,267	352,609
Repair and maintenance	175,928	51,843	178,043	55,383
Insurance	89,853	27,268	125,637	17,687
Depreciation on property, plant and equipment	1,545,722	522,003	1,465,711	458,829
Amortization on intangibles	9,687	3,229	9,687	3,229
Royalty	222,300	79,871	192,712	61,619
Excise duty	21,168	7,605	18,470	5,822
Vehicle running expenses	21,939	6,337	24,437	7,153
Postage, telephone and telegram	2,907	695	3,708	758
Printing and stationery	3,232	1,278	4,103	2,322
Legal and professional charges	1,224	569	1,902	704
Travelling and conveyance	8,744	2,889	7,922	2,671
Estate development	18,014	7,415	16,080	6,184
Rent, rates and taxes	39,041	14,429	31,902	10,759
Freight charges	19,155	7,048	30,027	8,809
Other expenses	86,025	14,432	111,574	5,609
Total manufacturing cost	13,694,507	4,528,519	13,566,021	3,760,650
Opening work-in-process	508,578	400,258	560,634	527,802
Closing work-in-process	(313,760)	(313,760)	(405,527)	(405,527)
	194,818	86,498	155,107	122,275
Cost of goods manufactured	13,889,325	4,615,017	13,721,128	3,882,925
Opening stock of finished goods	378,542	314,592	437,912	447,826
Closing stock of finished goods	(301,871)	(301,871)	(422,922)	(422,922)
	76,671	12,721	14,990	24,904
Less: Own consumption capitalized	(57,081)	(24,691)	(9,893)	(4,266)
	13,908,915	4,603,047	13,726,225	3,903,563
12. Taxation				
Current				
- For the year	1,993,163	758,558	(156,071)	(363,434)
- Prior years	-	(180,515)	-	-
	1,993,163	578,043	(156,071)	(363,434)
Deferred	532,535	379,000	848,218	519,829
	2,525,698	957,043	692,147	156,395

13. Transactions with related parties

The related parties comprise subsidiary company, associated companies, other related companies, directors of the company, key management personnel and post employment benefit plans. Significant transactions with related parties are as follows:

Relationship with the group	Nature of transaction	July to	July to
		March	March
		2016	2015
		Un-audited	Un-audited
		(Rupees in thousand)	
Other related parties	Purchase of goods and services	1,107,184	1,371,118
	Insurance premium	66,345	73,354
	Sale of goods	107,932	258,041
	Mark-up income	479	722
	Gain on disposal of investment	-	117,561
	Insurance claim received	31,589	1,000
	Dividend income	1,426,553	1,269,002
Key Management personnel	Salaries and other employment benefits	127,887	111,177
Post employment benefit plans	Expense charged in respect of staff retirement benefits plans	73,492	73,837
	Expense charged in respect of staff retirement benefits plans (contribution plan)	33,114	32,489

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

	March 31,	June 30,
	2016	2015
	Un-audited	audited
	(Rupees in thousand)	
Balances with related parties:		
Long term loans, advances and deposits	17,205	17,205
Trade debts	24,049	12,402
Advances, deposits, prepayments and other receivable	27,970	23,830
Trade and other payables	186,909	115,447

	March 31, 2016	March 31, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	

14. Cash generated from operations

Profit before tax	8,584,010	6,507,984
Adjustment for:		
- Depreciation on property, plant and equipment	1,605,848	1,591,005
- Amortization on Intangible assets	13,839	13,839
- Profit on bank deposits	(335,575)	(6,385)
- Loss on disposal of property, plant and equipment	12,518	12,574
- Dividend income	(1,429,761)	(1,269,002)
- Provision of WPPF	492,732	352,920
- Retirement and other benefits accrued	63,253	65,966
- Markup income	(319)	(9,727)
- Exchange loss - net	81,650	83,454
- Finance cost	150,836	324,041
- Gain on disposal of investments at fair value through profit or loss	(332,626)	(84,617)
- (Gain)/loss on derivative financial instruments	(3,874)	18,071
Profit before working capital changes	8,902,531	7,600,123
- Stores, spares and loose tools	188,777	(347,335)
- Stock-in-trade	480,639	268,489
- Trade debts	(364,314)	(25,677)
- Advances, deposits, prepayments and other receivables	(44,309)	(409,806)
- Trade and other payables	621,364	1,486,439
Net working capital changes	882,157	972,110
Cash (used in)/ generated from operations	9,784,688	8,572,233

15. Cash and cash equivalents

Short term borrowings - secured	(2,527,906)	(3,172,543)
Cash and bank balances	9,114,319	414,737
	6,586,413	(2,757,806)

16. Financial risk management

16.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management

information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements as at June 30, 2015.

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

16.2 Liquidity risk

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

16.3 Fair value estimation

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

17. Operating segments

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

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

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

17.1 Segment analysis and reconciliation - condensed

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

Rupees in thousands	Cement		Paper		Dairy		Elimination - net		Consolidated	
	July to March 2016 un-audited	July to March 2015 un-audited	July to March 2016 un-audited	July to March 2015 un-audited	July to March 2016 un-audited	July to March 2015 un-audited	July to March 2016 un-audited	July to March 2015 un-audited	July to March 2016 un-audited	July to March 2015 un-audited
Revenue from										
- External Customers	21,318,143	18,945,247	560,689	915,823	912,760	498,523	-	-	22,791,592	20,359,593
- Inter-group	-	-	1,010,361	707,464	-	-	(1,010,361)	(707,464)	-	-
	21,318,143	18,945,247	1,571,050	1,623,287	912,760	498,523	(1,010,361)	(707,464)	22,791,592	20,359,593
Segment gross profit/(loss)	8,894,977	6,417,003	387,912	306,741	(367,494)	(91,794)	(32,718)	1,418	8,882,677	6,633,368
Segment expenses	(1,672,610)	(1,402,847)	(36,952)	(28,355)	(248,886)	(82,182)	-	-	(1,958,448)	(1,513,384)
Other income	1,804,494	1,716,592	1,470	2,841	5,278	2,221	(625)	(9,613)	1,810,617	1,712,041
Financial charges	(98,656)	(250,958)	(51,853)	(81,889)	(327)	(199)	-	9,005	(150,836)	(324,041)
Taxation	(2,549,698)	(1,105,259)	(112,000)	(41,888)	136,000	455,000	-	-	(2,525,698)	(692,147)
Profit after taxation	6,378,507	5,374,531	188,577	157,450	(475,429)	283,046	(508,772)	283,856	6,058,312	5,815,837
Depreciation	1,384,635	1,403,113	24,652	24,444	169,073	163,448	27,488	-	1,605,848	1,591,005
Capital expenditure	(5,833,076)	(1,372,556)	(7,124)	(6,439)	(33,053)	(254,886)	479,078	(4,060,621)	(5,394,175)	(5,694,502)
Cash to operations	7,739,977	6,569,317	352,940	124,294	(266,187)	(119,657)	56,637	425,945	7,883,367	6,999,899
Cash from investing	419,358	(5,458,005)	(37,159)	(6,402)	233,160	(587,542)	41,584	264,706	656,943	(5,787,243)
Rupees in thousands	31.03.2016 un-audited	30.06.2015 audited	31.03.2016 un-audited	30.06.2015 audited	31.03.2016 un-audited	30.06.2015 audited	31.03.2016 un-audited	30.06.2015 audited	31.03.2016 un-audited	30.06.2015 audited
Segment assets	78,024,707	74,391,443	1,697,919	1,794,915	3,750,814	4,188,640	(2,198,762)	(2,120,309)	81,274,678	78,254,689
Segment liabilities	16,449,933	12,095,372	928,521	1,167,506	240,734	203,130	43,304	114,062	17,662,492	13,580,070

17.2 Geographical segments

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

18. Date of authorization for issue

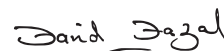
This interim financial information was authorized for issue by the Board of Directors of the Company on April 22, 2016.

19. Corresponding figures

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



Chief Executive



Director

Notes



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