



3rd Quarter Report,
March 31,

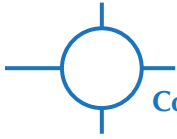
2018
(Un-audited)





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Company Information



Board of Directors

Mrs. Naz Mansha
Mr. Raza Mansha
Mr. Khalid Niaz Khawaja
Mr. Mohammad Arif Hameed
Mr. Khalid Qadeer Qureshi
Mr. Farid Noor Ali Fazal
Mr. Shahzad Ahmad Malik

Chairperson
Chief Executive



Audit Committee

Mr. Khalid Niaz Khawaja
Mr. Khalid Qadeer Qureshi
Mr. Mohammad Arif Hameed

Member/Chairman
Member
Member



Human Resource & Remuneration Committee

Mr. Khalid Niaz Khawaja
Mr. Raza Mansha
Mr. Khalid Qadeer Qureshi

Member/Chairman
Member
Member



Company Secretary

Mr. Khalid Mahmood Chohan



Management

Mr. 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



Local Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited Limited
Habib Metropolitan Bank
MCB Bank Limited
United Bank Limited

MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank
(Pakistan) Limited
The Bank of Khyber
The Bank of Punjab



External Auditors

A.F. Ferguson & Co., Chartered Accountants



Legal Advisors

Mr. Shahid Hamid, Bar-at-Law



CUIN

0006469



NTN

1213275-6



STRN

0402252300164



Symbol

DGKC

 Registered Office

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

 Factories

Khofli Sattai, Distt., Dera Ghazi Khan-Pakistan
Phone: 92-641-460025-7
Fax: 92-641-462392
Email: dgsite@dgcement.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
1st Floor, 40-C, Block-6,
P.E.C.H.S., Karachi.
Tel: (021) 111 000 322
Fax: (021) 34168271

Branch Office, Lahore
DYL Motorcycles Ltd. Office,
147-Q Block, Behind Emporium Mall,
Johar Town, Lahore
Cell: 0303-4444795, 0323-8999514

 For Investors' Information,
Comments, Inquiries,
Complaints:

Mr. Inayat Ullah Niazi
Chief Financial Officer
E-mail: iniazid@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

The directors of your company are pleased to present you the FY18 nine monthly performance numbers:

PKR in thousands

	NMFY18	NMFY17
Sales	23,375,208	22,632,898
Cost of sales	16,205,907	13,418,020
Gross profit	7,169,301	9,214,878
Administrative expenses	455,124	395,118
Selling and distribution expenses	691,209	727,700
Other operating expenses	656,266	715,489
Other income	1,638,931	1,617,407
Finance cost	318,025	272,329
Profit before taxation	6,687,608	8,721,649
Taxation	1,717,779	2,267,629
Profit after taxation	4,969,829	6,454,020
EPS	11.34	14.73

Production and Sales volumetric data is as under:

Figures in MT

	NMFY18	NMFY17
Clinker Production	3,227,719	3,198,299
Cement Production	3,658,872	3,408,206
Cement -Total Sales	3,692,466	3,400,842
Cement Local Sales (Excluding own consumption)	3,312,951	2,959,316
Cement Exports Sales	379,515	441,526
Clinker Local Purchases	20,959	-
Clinker Local Sales	26,576	-

Volumetric change

% change for NMFY18 wrt NMFY17

Clinker Production	0.92
Cement Production	7.35
Cement -Total Sales	8.58
Cement Local Sales (Excluding own consumption)	11.95
Cement Exports Sales	(14.04)

	Q1HY18	Q1HY17	Q2HY18	Q2HY17	HY18	HY17	Q3HY18	Q3HY17	NM18	NM17
GP margin (%)	35	44	32	42	33	43	25	36	31	41
PBT margin (%)	33	42	31	41	32	41	22	33	29	39

Company sales grew by 9% in volumes but only 3% in value in current nine months in comparison with last year's figures. GP margin recorded at 31% (NMFY17: 41%) for nine months and 25% (Q3FY17: 36%) for third quarter. PBT and PAT ratios to sales remained at 29% and 21% respectively for nine months in comparison with 38% and 28% respectively of comparable period. EPS decreased by 23% for nine months.

Major reason for this decline in profitability is reduction in gross margins. This is majorly result of high coal prices. COGS moved upward by 21%. On the other hand, sales volumetric increase could not be translated effectively into value due to tough market conditions. Prices continue to move downward in first two months of Q3. In March, however, prices started picking up backed by strong demand across country.

Pakistan Cement Industry reported a growth of 18% in local market and a decline of 8% in exports. On overall basis the industrial growth for nine months of this fiscal years remained at 15%. This is very encouraging trend and a good indication for economic development. Q3 of this year registered 19% more domestic sales than of last year. If we compare Q3 with Q2 of this year, domestic sales are increased by 6.5%.

During third quarter of FY18, PKR lost about 4.5% against USD and in nine months time of this fiscal year PKR lost about 10%. [104.97 = > 110.70 = > 115.71]. 6 months KIBOR that was around 6.15% in first and second quarter moved to around 6.61% at the end of third quarter. Pressure on balance of payment, oil prices and inflation will continue to test economy. However, expected GDP growth rate for this fiscal year is encouraging.

Cement sales are expected to continue the overwhelming trend of growth on local front. Prices of cement also gained on back of strong demand recently. CPEC activities and household sector will be main contributors. Other ongoing PSDP projects will make cement demand high. One of the important developments is approval of Diamer Bhasha dam and allocation of land for it. This project is initially approved for building water reservoir phase while electricity generation phase will be done later. Mohmand Dam Hydropower Project also got green signal from ministry of planning.

On future profitability positive impacts will be coming from high cement demand and demand-based price gain while fluctuating FX, high coal prices and upward trending inflation will counter the positive impacts simultaneously.

The Hub project is expected to be operational in last quarter of this financial year.

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

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

Following are the directors of the Company:

1. Mrs. Naz Mansha (Chairperson)
2. Mr. Raza Mansha
3. Mr. Khalid Niaz Khawaja
4. Mr. Mohammad Arif Hameed
5. Mr. Khalid Qadeer Qureshi
6. Mr. Farid Noor Ali Fazal
7. Mr. Shahzad Ahmad Malik

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.

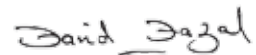
We thank all our stakeholders and admire efforts of our employees.

For and on behalf of the Board



Raza Mansha
Chief Executive Officer

Lahore
April 27, 2018



Farid Noor Ali Fazal
Director

حسب منصوبہ موجودہ مالی سال کی آخری سہ ماہی میں کمرشل پیداوار کے لئے دستیاب ہونے کی توقع ہے۔

کمپنی کی اصل سرگرمی سینٹ کی تیاری اور فروخت کرنا ہے اور کمپنی کو مندرجہ ذیل خطرات کا سامنا ہے:

- مارکیٹ قیمت اور سخت مقابلہ
- مستعمل پیداواری صلاحیت
- سوئی شرح
- غیر ملکی کرنسی کا اہل چڑھاؤ
- برآمد مارکیٹ کا سٹراؤ

مندرجہ ذیل کمپنی کے ڈائریکٹر ہیں:

- 1- محترمہ نازمشا (چیئر پرسن)
- 2- جناب رضا مشا
- 3- جناب خالد نیاز خواجہ
- 4- جناب محمد عارف حمید
- 5- جناب خالد قدیر قریشی
- 6- جناب فرید نور علی فضل
- 7- جناب شہزاد احمد ملک

بعد از پبلش شیٹ کوئی اہم واقعہ نہیں جو درج کیا جائے۔

ہمارے پائرس اور آپریشن بین الاقوامی اور قومی ماحولیاتی معیار کے مطابق ہیں۔ ڈی جی خان سینٹ کمپنی معاشرے اور فلاح و بہبود کی اپنی ذمہ داری سے پوری طرح واقف ہے۔ کمپنی تعلیم، صحت، طبی اور آگ بجھانے کی سہولیات، قرضی علاقوں میں پانی کی فراہمی، قرضی علاقوں میں بجلی اور ناگہانی حالات میں مدد، بیداری کی ہمہ گیر فیورہ پر خرچ کر رہی ہے۔

کمپنی یا اس کے ماتحت اداروں، یا کسی دیگر کمپنی جس میں کمپنی دلچسپی رکھتی ہے کے کاروبار کی نوعیت سے متعلقہ زیر جائزہ مدت کے دوران کوئی تبدیلیاں وقوع پذیر نہیں ہوئی ہیں۔

آپ کی کمپنی کے ڈائریکٹرز بیان کرتے ہیں کہ اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور نگرانی کی جاتی ہے۔ کمپنی کے آپریٹنگ نتائج میں گزشتہ مدت سے اہم تبدیلیوں کی وضاحت ڈائریکٹرز کی رپورٹ کے دیگر حصوں میں بیان کی گئی ہے۔

ہم اپنے تمام اسٹیک ہولڈرز کی حمایت کے شکرگزار اور اپنے تمام ملازمین کی ان تھک کوششوں کو سراہتے ہیں۔

منجانب بورڈ

Daud Jagan

فرید نور علی فضل
ڈائریکٹر

Raza

رضا مشا

چیف ایگزیکٹو آفیسر

لاہور 27 اپریل 2018ء

نومای مائی سال 17 کے لحاظ سے نومای مائی سال 18 کی فیصد تبدیلی	
0.92	کلکٹر کی پیداوار
7.35	سینٹ کی پیداوار
8.58	سینٹ کی کل فروخت
11.95	مقامی فروخت (ذاتی استعمال کے علاوہ)
(14.04)	سینٹ کی برآمد فروخت

NM17	NM18	Q3HY17	Q3HY18	HY17	HY18	Q2HY17	Q2HY18	Q1HY17	Q1HY18	
41	31	36	25	43	33	42	32	44	35	جی پی مارجن (فیصد)
39	29	33	22	41	32	41	31	42	33	پی بی ٹی مارجن (فیصد)

گزشتہ سال کے اعداد و شمار کے مقابلے موجودہ نومای میں تجم کے لحاظ سے کمپنی کی فروخت میں تقابلی 9 فیصد اضافہ ہوا لیکن قدر صرف 3 فیصد بڑھی۔ نومای کے لئے مجموعی منافع کا مارجن 31 فیصد (41:NMFY17: فیصد) اور تیسری سہ ماہی کے لئے 25 فیصد (36:Q3FY17: فیصد) درج کیا گیا۔ فروخت سے PAT اور PBT تناسب تقابلی مدت میں بالترتیب 38 فیصد اور 28 فیصد کے مقابلے اس نومای میں بالترتیب 29 فیصد اور 21 فیصد پر رہا۔ نومای EPS (فی شیئر آمدنی) 23 فیصد تک کم ہوئی۔

منافع میں اس کمی کی اہم وجہ مجموعی مارجن کی کمی ہے۔ یہ زیادہ تر کولے کی بڑھی ہوئی قیمتوں کا نتیجہ ہے COGS میں 21 فیصد کا اضافہ ہوا ہے۔ دوسری طرف، سخت مارکیٹ حالات کی وجہ سے فروخت تجم میں اضافہ مؤثر انداز سے قدر میں منتقل نہیں کیا جا سکا۔ تیسری سہ ماہی کے پہلے دو مہینوں میں قیمتیں مسلسل کم ہوئی ہیں۔ تاہم، مارچ میں ملک بھر میں طلب بڑھنے کی وجہ سے قیمتیں بڑھنا شروع ہو گئیں۔

پاکستان کی سینٹ صنعت نے مقامی مارکیٹ میں 18 فیصد نمو اور برآمدات میں 8 فیصد کمی ظاہر کی ہے۔ اس طرح اسمال کی نومای کے لئے مجموعی بنیاد پر صنعتی نمو 15 فیصد پر رہی۔ یہ اقتصادتی ترقی کے لئے بہت ہی حوصلہ افزا اور چھان اور اچھا اشارہ ہے۔ اس سال کی تیسری سہ ماہی نے گزشتہ سال کی تقابلی مدت سے 19 فیصد زیادہ مقامی فروخت درج کی ہے۔ اگر ہم اس سال کی دوسری اور تیسری سہ ماہی کا موازنہ کریں تو مقامی فروخت 6.5 فیصد تک زیادہ ہوئی ہے۔

مائی سال 18 کی تیسری سہ ماہی کے دوران پاکستانی روپیہ کی قدر امریکی ڈالر کے مقابلے تقریباً 4.5 فیصد کم ہوئی تقریباً اور اس سال کی نومای مدت میں پاکستانی روپیہ کی قدر [104.97 => 110.70 => 115.71] تقریباً 10 فیصد کم ہوئی۔ 6 ماہ کا KIBOR جو پہلی اور دوسری سہ ماہی میں 6.15 فیصد تھا تیسری سہ ماہی کے اختتام پر تقریباً 6.61 فیصد پہنچ گیا۔ ادا لگی کے بیلنس، تیل کی قیمتوں اور افراط زر پر دباؤ کا نوئی کو آزار ہے ہیں۔ پھر بھی، اس مالی سال کے لئے متوقع جی ڈی پی نمو کی شرح حوصلہ افزا رہی ہے۔

مقامی سطح پر ترقی کے رجحان کو دیکھتے ہوئے، سینٹ کی فروخت بڑھنے کی توقع ہے۔ حال ہی میں طلب میں اضافہ کی وجہ سے سینٹ کی قیمتیں بھی بڑھ چکی ہیں۔ سی بیک سرگرمیاں اور گھریلو شعبہ اس میں اہم حصہ دار ہونگے۔ دیگر جاری PSDP منصوبے سینٹ کی طلب کو بڑھائیں گے۔ ان اہم ڈیولپمنٹس میں سے ایک دیار بھاشا ڈیم کی منظوری اور اس کے لئے زمین کا مختص کرنا ہے۔ یہ منصوبہ بنیادی طور پر پانی کے ذخائر کی تعمیر کے لئے منظور کیا گیا ہے جبکہ بجلی پیدا کرنے کا مرحلہ بعد میں مکمل کیا جائے گا۔ مہند ڈیم ہائیڈرو پاور پراجیکٹ کو بھی مشنری آف پلاننگ سے گرین سگنل حاصل ہوا ہے۔

مستقبل کے منافع پر مثبت اثرات سینٹ کی زیادہ طلب اور طلب کی بنیاد پر قیمتوں میں اضافے سے آرہے ہیں جبکہ IFX اتار چڑھاؤ، کولک کی زیادہ قیمتوں اور افراط زر میں اضافہ کا رجحان بیک وقت منفی اثرات مرتب کریں گے۔

آپ کی کمپنی کی مجلس نظماء مالی سال 2018 کی نو مہی کی کارکردگی کے اعداد و شمار پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

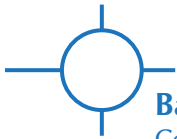
پاکستانی روپے ہزاروں میں

نو مہی مالی سال 2017	نو مہی مالی سال 2018	
22,632,898	23,375,208	فروخت
13,418,020	16,205,907	قیمت فروخت
9,214,878	7,169,301	مجموعی منافع
395,118	455,124	انتظامی اخراجات
727,700	691,209	فروخت اور تقسیم کے اخراجات
715,489	656,266	دیگر معاملاتی اخراجات
1,617,407	1,638,931	دیگر آمدنی
272,329	318,025	مالی لاگت
8,721,649	6,687,608	ٹیکسیشن سے قبل منافع
2,267,629	1,717,779	ٹیکسیشن
6,454,020	4,969,829	ٹیکسیشن کے بعد منافع
14.73	11.34	فی شیئر آمدنی

پیداوار اور فروختی حجم کے اعداد و شمار درج ذیل ہیں:

اعداد و شمار میٹرک ٹن میں

نو مہی مالی سال 2017	نو مہی مالی سال 2018	
3,198,299	3,227,719	کلنکری پیداوار
3,408,206	3,658,872	سینٹ کی پیداوار
3,400,842	3,692,466	سینٹ - کل فروخت
2,959,316	3,312,951	مقامی فروخت (ذاتی استعمال کے علاوہ)
441,526	379,515	سینٹ کی برآمد فروخت
-	20,959	کلنکری مقامی خریداری
-	26,576	کلنکری مقامی فروخت



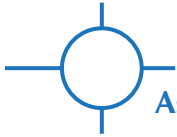
Balance Sheet

Condensed Interim Unconsolidated

		31 March, 2018	30 June, 2017
	Note	Un-Audited	Audited
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised share capital			
- 950,000,000 (June 30, 2017: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2017: 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 share capital			
438,119,118 (June 30, 2017: 438,119,118) ordinary shares of Rs 10 each		4,381,191	4,381,191
Reserves		38,774,439	38,014,337
Accumulated profit		34,157,287	32,473,351
		<u>77,312,917</u>	<u>74,868,879</u>
NON-CURRENT LIABILITIES			
Long term finances - secured	5	18,487,676	12,520,000
Long term deposits		89,876	79,441
Retirement and other benefits		226,297	186,837
Deferred taxation		6,186,219	5,866,359
		<u>24,990,068</u>	<u>18,652,637</u>
CURRENT LIABILITIES			
Trade and other payables		6,261,050	5,454,447
Short term borrowings - secured		9,290,539	8,571,228
Current portion of non-current liabilities		1,304,945	523,778
Accrued finance cost		315,150	217,204
Derivative financial instrument		-	48,056
Provision for taxation		35,090	35,090
		<u>17,206,774</u>	<u>14,849,803</u>
CONTINGENCIES AND COMMITMENTS	6	-	-
		<u>119,509,759</u>	<u>108,371,319</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive

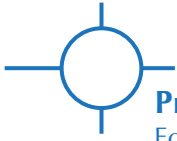


As At March 31, 2018

		31 March, 2018	30 June, 2017
		Un-Audited	Audited
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	72,392,759	62,447,737
Investments	8	18,678,736	18,564,054
Long term loans, advances and deposits		59,823	58,844
		<u>91,131,318</u>	<u>81,070,635</u>
CURRENT ASSETS			
Stores, spares and loose tools		5,518,346	4,939,420
Stock-in-trade		458,121	1,162,914
Trade debts		266,019	220,182
Investments	8	17,829,553	17,044,084
Advances, deposits, prepayments and other receivables		2,909,089	1,987,849
Loan to related party		1,000,000	1,000,000
Income tax receivable		21,825	524,355
Cash and bank balances		375,488	421,880
		<u>28,378,441</u>	<u>27,300,684</u>
		<u>119,509,759</u>	<u>108,371,319</u>

Chief Financial Officer

Director



Profit And Loss Account

For the Quarter and Nine Months Ended March 31, 2018 (Un-audited)

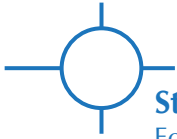
	Note	2018		2017	
		July to March (Rupees in thousand)	January to March (Rupees in thousand)	July to March (Rupees in thousand)	January to March (Rupees in thousand)
Sales		23,375,208	7,611,538	22,632,898	7,945,735
Cost of sales	9	(16,205,907)	(5,692,157)	(13,418,020)	(5,070,422)
Gross profit		7,169,301	1,919,381	9,214,878	2,875,313
Administrative expenses		(455,124)	(159,205)	(395,118)	(133,795)
Selling and distribution expenses		(691,209)	(231,044)	(727,700)	(222,995)
Other operating expenses		(656,266)	(186,738)	(715,489)	(209,112)
Other income		1,638,931	446,086	1,617,407	441,566
Profit from operations		7,005,633	1,788,480	8,993,978	2,750,977
Finance cost		(318,025)	(125,381)	(272,329)	(109,216)
Profit before taxation		6,687,608	1,663,099	8,721,649	2,641,761
Taxation	10	(1,717,779)	(427,125)	(2,267,629)	(693,422)
Profit after taxation		4,969,829	1,235,974	6,454,020	1,948,339
Earnings per share (basic and diluted)	Rupees	11.34	2.82	14.73	4.45

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive

Chief Financial Officer

Director



Statement of Comprehensive Income

For the Quarter and Nine Months Ended March 31, 2018 (Un-audited)

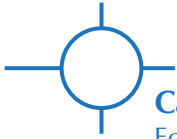
	2018		2017	
	July to March (Rupees in thousand)	January to March (Rupees in thousand)	July to March (Rupees in thousand)	January to March (Rupees in thousand)
Profit after taxation	4,969,829	1,235,974	6,454,020	1,948,339
Other comprehensive income for the period				
Items that may be re-classified subsequently to profit or loss				
Change in value of available-for-sale financial assets	760,102	1,298,692	3,137,850	(785,207)
Gain during the year transferred to profit and loss account on derecognition of investment	-	-	-	-
	760,102	1,298,692	3,137,850	(785,207)
Items that will not be subsequently re-classified to profit or loss	-	-	-	-
Other comprehensive income for the period	760,102	1,298,692	3,137,850	(785,207)
Total comprehensive income for the period	5,729,931	2,534,666	9,591,870	1,163,132

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive

Chief Financial Officer

Director



Cash Flow Statement

For the Nine Months Ended March 31, 2018 (Un-audited)

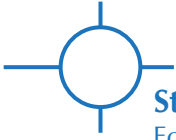
	Note	2018 July to March	2017 July to March
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	12	7,132,061	5,068,888
Finance cost paid		(220,079)	(112,035)
Retirement and other benefits paid		(38,876)	(42,757)
Taxes paid		(880,389)	(2,659,669)
Payment to subsidiary against tax losses		(15,000)	(50,500)
Long term deposits - net		10,435	2,039
Net cash generated from operating activities		5,988,152	2,205,966
Cash flows from investing activities			
Fixed capital expenditure		(11,495,855)	(19,152,318)
Proceeds from sale of property, plant and equipment		29,794	4,559
Investments made - net		(140,049)	(186,091)
Long term loans, advances and deposits - net		(979)	11,111
Interest received		59,465	153,532
Dividend received		1,494,565	1,471,403
Net cash used in investing activities		(10,053,059)	(17,697,804)
Cash flows from financing activities			
Repayment of long term finances		(541,667)	(769,358)
Disbursement of loans		7,290,510	10,320,000
Settlement of derivative financial instrument		(35,077)	11,310
Dividend paid		(3,285,893)	(2,628,387)
Net cash used in financing activities		3,427,873	6,933,565
Net (decrease) in cash and cash equivalents		(637,034)	(8,558,273)
Cash and cash equivalents at the beginning of the period		(8,149,348)	3,558,492
Exchange loss on cash and cash equivalents		(128,669)	(7,917)
Cash and cash equivalents at the end of the period	13	(8,915,051)	(5,007,698)

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive

Chief Financial Officer

Director



Statement of Changes In Equity

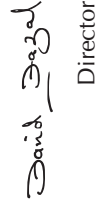
For the Nine Months Ended March 31, 2018 (Un-audited)

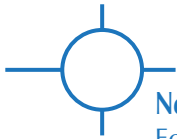
Rupees in thousands	Capital reserve			Revenue reserve		Total
	Share capital	Share premium	Fair value reserve	Capital redemption reserve fund	General reserve	
Balance as at June 30, 2017 - Audited	4,381,191	4,557,163	28,031,837	353,510	5,071,827	32,473,351
Total comprehensive income for the period	-	-	-	-	-	4,969,829
- Profit for the period	-	-	760,102	-	-	-
- Other comprehensive income for the period	-	-	760,102	-	-	-
Total contributions by and distributions to owners of the Company recognized directly in equity	-	-	-	-	-	4,969,829
- Final dividend for the year ended June 30, 2017 (Rs 7.5 per share)	-	-	-	-	-	(3,285,893)
Balance as at March 31, 2018- Unaudited	4,381,191	4,557,163	28,791,939	353,510	5,071,827	34,157,287
Balance as at June 30, 2016 - Audited	4,381,191	4,557,163	24,256,385	353,510	5,071,827	27,163,353
Total comprehensive income for the period	-	-	-	-	-	6,454,020
- Profit for the period	-	-	3,137,850	-	-	-
- Other comprehensive income for the period	-	-	3,137,850	-	-	-
Total contributions by and distributions to owners of the Company recognized directly in equity	-	-	-	-	-	6,454,020
- Final dividend for the year ended June 30, 2016 (Rs 6 per share)	-	-	-	-	-	(2,628,715)
Balance as at March 31, 2017- Unaudited	4,381,191	4,557,163	27,394,235	353,510	5,071,827	30,988,658
Balance as at June 30, 2018 - Unaudited	4,381,191	4,557,163	27,394,235	353,510	5,071,827	30,988,658

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


Chief Executive


Chief Financial Officer


Director



Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information For the Quarter and Nine Months Ended March 31, 2018 (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 the Pakistan Stock Exchange Limited. 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 237 of the Companies Act, 2017 (the "Act"). These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 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, 2017.

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, 2017.

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

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

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2017 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 this condensed interim financial information except for:

- IAS 7, 'Cashflow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. The application of this amendment does not have any material impact on the Company's financial statements.

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

The following amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after July 01, 2018 or later periods, and the Company has not early adopted them:

Effective date (accounting periods beginning on or after)

Other standards or interpretations

IFRS 9, 'Financial instruments'	July 01, 2018
IFRS 15, 'Revenue from contracts with customers'	July 01, 2018
Amendments to IFRS 15, 'Revenue from contracts with customers' on gross versus net revenue presentation	July 01, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 01, 2018
IFRS 16 'Leases'	January 01, 2019
IFRIC 23	January 01, 2019

The Company will apply these standards/amendments from their respective effective dates and has yet to assess the impact of these amendments on its financial statements.

3.3 Significant accounting estimates, judgements and financial risk:

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

In preparing this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation

uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2017, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in note 4.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

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, 2018	June 30, 2017
	Un-audited	Audited
	(Rupees in thousand)	

5. Long term finances - secured

Long term loans	- note 5.1	19,768,843	13,020,000
Less: Current portion shown under current liabilities		1,281,167	500,000
		<u>18,487,676</u>	<u>12,520,000</u>

5.1 Long term loans

Opening balance		13,020,000	3,538,251
Add:			
Proceeds of borrowing		7,290,510	11,320,000
Exchange loss during the period		-	641
		<u>20,310,510</u>	<u>14,858,892</u>
Less:			
Repayment during the period		541,667	1,838,892
Closing balance		<u>19,768,843</u>	<u>13,020,000</u>

6. Contingencies and commitments

6.1 Contingencies

There is no significant change in contingencies from the annual financial statements of the Company for the year ended June 30, 2017 except for letters of guarantees issued to various parties aggregating to Rs 1,206.112 million (June 30, 2017: Rs 1,065.762 million)

6.2 Commitments in respect of:

- (i) Contracts for capital expenditure Rs 48.178 million (June 30, 2017: Rs 183.524 million)
- (ii) Letters of credits for capital expenditure Rs 1,227.371 million (June 30, 2017: Rs 773.728 million)
- (iii) Letters of credit other than capital expenditure Rs 2,203.889 million (June 30, 2017: Rs 876.794 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, 2018	June 30, 2017
	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	4,397	4,645
	<u>6,053</u>	<u>6,301</u>

7. Property, plant and equipment

Operating assets	- note 7.1	30,056,384	30,987,739
Capital work-in-progress	- note 7.2	42,257,025	31,365,859
Major spare parts and stand-by equipment		79,350	94,139
		<u>72,392,759</u>	<u>62,447,737</u>

7.1 Operating fixed assets

Opening book value		30,987,739	31,806,997
Add: Additions during the period	- note 7.1.1	619,477	1,264,268
Less: Disposals during the period			
- at book value	- note 7.1.2	23,023	21,715
Depreciation charged during the period		1,527,809	2,061,811
		<u>1,550,832</u>	<u>2,083,526</u>
Closing book value		<u>30,056,384</u>	<u>30,987,739</u>

7.1.1 Additions during the period/year

Freehold land	89,457	28,343
Buildings on freehold land:		
- Factory buildings	2,386	138,997
- Office building and housing colony	139,818	29,200
Roads	17,934	60,389
Plant and machinery	54,474	824,927
Quarry equipment	894	16,097
Furniture, fixtures and office equipment	59,677	34,968
Motor vehicles	80,024	118,180
Power and water supply lines	174,813	13,167
	<u>619,477</u>	<u>1,264,268</u>

	March 31, 2018	June 30, 2017
	Un-audited	Audited

(Rupees in thousand)

7.1.2 Disposals during the period

Office equipment	-	-
Motor vehicles	23,023	21,715
	<u>23,023</u>	<u>21,715</u>

7.2 Capital work-in-progress

Civil works	268,480	282,943
Plant and machinery	589,790	667,647
Advances for capital expenditure	6,713	202,416
Unallocated expenditure	1,629	290
Expansion project:		
- Civil works	14,115,224	7,807,172
- Plant and machinery	22,455,889	18,086,304
- Advances to suppliers and contractors	2,104,268	1,370,303
- Others	2,715,032	2,948,784
	<u>41,390,413</u>	<u>30,212,563</u>
	<u>42,257,025</u>	<u>31,365,859</u>

8. Investments

Carrying value of investments at the beginning of the period / year	35,608,138	30,766,981
Investments made during the period / year		
- Related parties	140,049	278,193
	140,049	278,193
Fair value gain during the period / year on:		
- Available for sale investments	760,102	4,564,456
	760,102	4,564,456
Investments disposed off during the period/year	-	(1,492)
Carrying value at the end of the period / year	36,508,289	35,608,138
Investments classified in current assets	(17,829,553)	(17,044,084)
Closing balance	<u>18,678,736</u>	<u>18,564,054</u>

	2018		2017	
	July to March	January to March	July to March	January to March

(Rupees in thousand)

9. Cost of sales

Raw and packing materials consumed	1,976,910	748,879	1,746,658	591,472
Salaries, wages and other benefits	1,562,713	515,420	1,368,781	457,931
Electricity and gas	1,661,477	630,056	1,968,322	738,268
Furnace oil and coal	6,878,532	2,406,034	5,703,486	2,460,293
Stores and spares consumed	1,389,117	538,755	999,409	340,597
Repair and maintenance	241,846	78,213	179,525	59,436
Insurance	41,092	13,280	40,592	13,477
Depreciation on property, plant and equipment	1,473,426	495,148	1,480,731	497,487
Royalty	254,433	85,437	252,284	91,208
Excise duty	24,321	8,196	23,890	8,605
Vehicle running expenses	23,640	9,546	19,608	7,787
Postage, telephone and telegram	3,936	1,452	3,065	1,861
Printing and stationery	8,720	2,125	7,895	3,196
Legal and professional charges	1,478	259	2,394	585
Travelling and conveyance	5,327	1,823	10,611	5,605
Plant cleaning and gardening	26,171	8,633	20,339	7,879
Rent, rates and taxes	43,356	15,472	45,776	16,473
Freight charges	22,492	7,464	21,042	6,683
Other expenses	29,463	9,860	42,264	8,559
Total manufacturing cost	15,668,450	5,576,052	13,936,672	5,317,402
Opening work-in-process	522,557	94,028	166,940	184,974
Closing work-in-process	(67,352)	(67,352)	(409,880)	(409,880)
	455,205	26,676	(242,940)	(224,906)
Cost of goods manufactured	16,123,655	5,602,728	13,693,732	5,092,496
Opening stock of finished goods	332,278	228,327	185,342	272,970
Closing stock of finished goods	(86,855)	(86,855)	(221,578)	(221,578)
	245,423	141,472	(36,236)	51,392
Less: Own consumption capitalized	(163,171)	(52,043)	(239,476)	(73,466)
	16,205,907	5,692,157	13,418,020	5,070,422
10. Taxation				
Current:				
- For the year	1,397,919	191,325	2,199,621	639,399
- Prior years	-	58,181	-	33,228
	1,397,919	249,506	2,199,621	672,627
Deferred	319,860	177,619	68,008	20,795
	1,717,779	427,125	2,267,629	693,422

10.1 The new production line being set up at Hub, Baluchistan is expected to start operations by June 2018 and the applicable tax credit for investment estimated at Rs 3.1 billion under section 65B of the Income Tax Ordinance, 2001 will be recognized accordingly when the operations commence.

11. 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 March 2018	July to March 2017
		Un-audited	Un-audited
		(Rupees in thousand)	
Subsidiary company	Purchase of goods and services	1,013,708	1,049,059
	Rental income	643	625
	Dividend income	51,191	38,393
	Sale of goods	17,215	17,958
Other related parties	Purchase of goods and services	28,405	1,354,676
	Insurance premium	83,255	106,218
	Sale of goods	120,415	115,766
	Mark-up income on balances with related parties	50,240	27,214
	Insurance claim received	6,288	2,458
Key management personnel	Dividend income	1,438,515	1,429,561
	Salaries and other employment benefits	152,965	143,067
Post employment benefit plans	Expense charged in respect of staff retirement benefits plans (defined benefit plan)	79,825	73,699
	Expense charged in respect of staff retirement benefits plans (contribution plan)	51,191	36,686

March 31, 2018	June 30, 2017
Un-audited	audited
(Rupees in thousand)	

Balances with related parties:

Long term deposits	-	325
Trade debts	21,767	22,662
Advances, deposits, prepayments and other receivables	5,797	3,303
Trade and other payables	279,848	219,468
	July to March, 2018	July to March, 2017
	Un-audited	Un-audited
	(Rupees in thousand)	

12. Cash generated from operations

Profit before tax	6,687,608	8,721,649
Adjustment for :		
- Depreciation on property, plant and equipment	1,527,809	1,536,167
- Profit on disposal of property, plant and equipment	(6,770)	6,721
- Profit on bank deposits	(9,564)	(100,245)
- Dividend income	(1,494,565)	(1,471,403)
- Retirement and other benefits accrued	78,336	78,996
- Mark-up income	(50,240)	(27,214)
- Exchange loss - net	183,655	40,295
- Finance cost	318,025	272,329
- Provision of WPPF	352,061	466,816
- Gain on disposal of investments at fair value through profit or loss	-	(1,280)
- (Gain)/loss on derivative financial instruments	(12,979)	(2,998)
Profit before working capital changes	7,573,376	9,519,833
Effect on cash flow due to working capital changes:		
- (Increase) / decrease in stores, spares and loose tools	(578,926)	127,966
- (Decrease) / Increase in stock-in-trade	704,793	(155,511)
- (Increase) / decrease in trade debts	(36,949)	(14,330)
- Increase in advances, deposits, prepayments and other receivables	(920,901)	(3,309,826)
- Decrease / (Increase) in trade and other payables	390,668	(1,099,244)
	(441,315)	(4,450,945)
Cash generated from operations	7,132,061	5,068,888

March 31, 2018	March 31, 2017
Un-audited	Un-audited
(Rupees in thousand)	

13. Cash and cash equivalents

Short term borrowings - secured	(9,290,539)	(5,677,826)
Cash and bank balances	375,488	670,128
	<u>(8,915,051)</u>	<u>(5,007,698)</u>

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, 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, 2017.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2017.

14.2 Liquidity risk

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

	Rupees in thousand			
	Carrying value	Less than 1 year	Between 1 and 3 years	More than 3 years
As at March 31, 2018				
Long term finances - secured	19,768,843	1,281,167	11,358,826	7,128,850
Long term deposits	89,876	-	-	89,876
Trade and other payables	6,261,050	6,261,050	-	-
Short term borrowings - secured	9,290,539	9,290,539	-	-
Accrued finance cost	315,150	315,150	-	-
	<u>35,725,458</u>	<u>17,147,906</u>	<u>11,358,826</u>	<u>7,218,726</u>
As at June 30, 2017				
Long term finances - secured	13,020,000	500,000	4,132,722	8,387,278
Long term deposits	79,441	-	-	79,441
Derivative financial instrument	48,056	48,056	-	-
Trade and other payables	4,562,349	4,562,349	-	-
Short term borrowings - secured	8,571,228	8,571,228	-	-
Accrued finance cost	217,204	217,204	-	-
	<u>26,498,278</u>	<u>13,898,837</u>	<u>4,132,722</u>	<u>8,466,719</u>

14.3 Fair value estimation

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 available for sale 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. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value 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.

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

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
As at March 31, 2018				
Assets				
Investments - available for sale	33,954,515	-	4,051,000	38,005,515
Total assets	<u>33,954,515</u>	<u>-</u>	<u>4,051,000</u>	<u>38,005,515</u>
Liabilities				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at June 30, 2017				
Assets				
Investments - Available for sale	29,003,364	-	4,051,000	33,054,364
Total assets	<u>29,003,364</u>	<u>-</u>	<u>4,051,000</u>	<u>33,054,364</u>
Liabilities				
Derivative financial instruments	-	48,056	-	48,056
Total liabilities	<u>-</u>	<u>48,056</u>	<u>-</u>	<u>48,056</u>

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

15. Date of authorization for issue

This interim financial information was authorized for issue on April 27, 2018 by the Board of Directors of the Company.

16. Corresponding figures

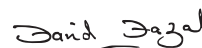
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss 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.



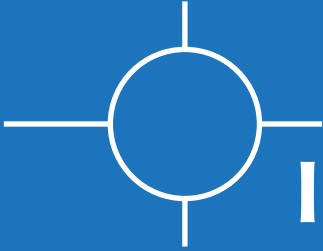
Chief Executive



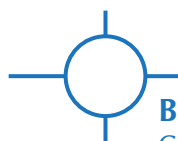
Chief Financial Officer



Director



**Interim Consolidated
Financial
Statements**



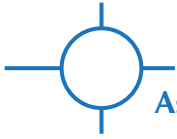
Balance Sheet

Condensed Interim Consolidated

		31 March, 2018	30 June, 2017
	Note	Un-Audited	Audited
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
- 950,000,000 (June 30, 2017: 950,000,000) ordinary shares of Rs 10 each		9,500,000	9,500,000
- 50,000,000 (June 30, 2017: 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, 2017: 438,119,118) ordinary shares of Rs 10 each		4,381,191	4,381,191
Reserves		38,739,121	37,979,019
Accumulated profit		33,891,077	32,333,597
		<u>77,011,389</u>	<u>74,693,807</u>
Non-controlling interest		1,785,778	1,971,423
		<u>78,797,167</u>	<u>76,665,230</u>
NON-CURRENT LIABILITIES			
Long term finances	5	19,087,676	12,547,500
Long term deposits		89,876	79,441
Retirement and other benefits		226,297	186,838
Deferred taxation		6,562,451	6,245,772
		<u>25,966,300</u>	<u>19,059,551</u>
CURRENT LIABILITIES			
Trade and other payables		6,540,865	5,695,482
Loan from related party - unsecured	6	214,000	169,000
Short term borrowing-secured		10,304,578	8,614,810
Current portion of non-current liabilities		1,332,445	610,028
Accrued finance cost		315,150	219,927
Derivative financial instrument		-	48,056
Provision for taxation		35,090	35,090
		<u>18,742,128</u>	<u>15,392,393</u>
Contingencies and Commitments	7	-	-
		<u>123,505,595</u>	<u>111,117,174</u>

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

Chief Executive

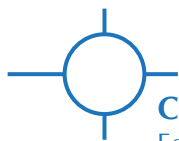


As At March 31, 2018

		31 March, 2018	30 June, 2017
		Un-Audited	Audited
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	76,554,379	65,810,012
Biological assets		409,103	591,579
Investments	9	16,321,764	16,126,081
Long term loans, advances and deposits		60,728	59,748
		<u>93,345,974</u>	<u>82,587,420</u>
CURRENT ASSETS			
Stores, spares and loose tools		5,677,630	5,083,011
Stock-in-trade		1,217,849	1,795,345
Trade debts		829,087	497,748
Investments	9	17,822,369	17,044,142
Advances, deposits, prepayments and other receivables		3,200,372	1,983,428
Loan to related party		1,000,000	1,000,000
Income tax recoverable		28,332	675,552
Cash and bank balances		383,982	450,528
		<u>30,159,621</u>	<u>28,529,754</u>
		<u>123,505,595</u>	<u>111,117,174</u>

Chief Financial Officer

Director



Consolidated Profit And Loss Account

For the Quarter and Nine Months Ended March 31, 2018 (Un-audited)

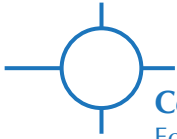
	Note	2018		2017	
		July to March (Rupees in thousand)	January to March (Rupees in thousand)	July to March (Rupees in thousand)	January to March (Rupees in thousand)
Sales		25,395,325	8,377,120	24,249,034	8,502,818
Cost of sales	10	(18,149,001)	(6,391,735)	(14,759,367)	(5,479,220)
Gross profit		7,246,324	1,985,385	9,489,667	3,023,598
Administrative expenses		(514,243)	(181,436)	(436,829)	(148,960)
Selling and distribution expenses		(706,839)	(236,629)	(740,447)	(226,880)
Other operating expenses		(824,907)	(229,777)	(874,461)	(235,850)
Other income		1,659,492	503,232	1,640,383	488,389
Profit / (Loss) from operations		6,859,827	1,840,775	9,078,313	2,900,297
Finance cost		(339,008)	(126,392)	(297,141)	(117,075)
Profit before taxation		6,520,819	1,714,383	8,781,172	2,783,222
Taxation	11	(1,780,216)	(439,927)	(2,327,759)	(720,000)
Profit after taxation		4,740,603	1,274,456	6,453,413	2,063,222
Attributable to:					
Equity holders of the parent		4,843,373	1,280,111	6,453,383	2,028,747
Non-controlling interest		(102,770)	(5,655)	30	34,475
		4,740,603	1,274,456	6,453,413	2,063,222
Earning per share basic and diluted (Rupees)		10.82	2.91	14.73	4.71

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

Chief Executive

Chief Financial Officer

Director



Consolidated Statement of Comprehensive Income

For the Quarter and Nine Months Ended March 31, 2018 (Un-audited)

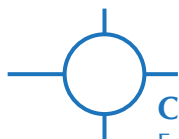
	2018		2017	
	July to March (Rupees in thousand)	January to March (Rupees in thousand)	July to March (Rupees in thousand)	January to March (Rupees in thousand)
Profit after taxation	4,740,603	1,274,456	6,453,413	2,063,222
Items that may be re-classified to profit or loss				
Available for sale financial assets				
- Change in fair value of available -for-sale financial assets	760,102	1,294,572	3,137,850	(786,351)
- Gain during the year transferred to profit and loss account on derecognition of investment	-	-	-	-
	760,102	1,294,572	3,137,850	(786,351)
Items that will not be subsequently re-classified to profit or loss	-	-	-	-
Other comprehensive income for the period	760,102	1,294,572	3,137,850	(786,351)
Total comprehensive income for the period	5,500,705	2,569,028	9,591,263	1,276,871
Attributable to:				
Equity holders of the parent	5,603,475	2,576,536	9,591,233	1,242,911
Non-controlling interest	(102,770)	(7,508)	30	33,960
	5,500,705	2,569,028	9,591,263	1,276,871

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

Chief Executive

Chief Financial Officer

Director



Consolidated Cash Flow Statement

For the Nine Months Ended March 31, 2018 (Un-audited)

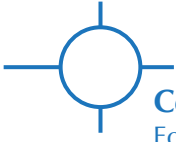
		2018	2017
		July to	July to
		March	March
		(Rupees in thousand)	
	Note		
Cash generated from operations	13	6,538,280	5,079,293
Financial cost paid		(243,785)	(144,337)
Retirement and other benefits paid		(38,877)	(42,758)
Taxes paid		(801,317)	(2,595,171)
Payment to subsidiary against tax losses		(15,000)	(50,500)
long term deposits - net		10,435	2,039
Net cash from operating activities [A]		5,449,736	2,248,567
Fixed capital expenditure		(12,318,537)	(18,958,727)
Proceeds from sale of property, plant and equipment		40,662	4,607
Long term loans and deposits - net		(980)	11,110
Investments made - net		(203,609)	(276,626)
Interest received		59,478	153,532
Dividend received		1,452,056	1,471,403
Net cash (used in) investing activities [B]		(10,970,930)	(17,594,701)
Repayment of long term finances		(627,917)	(871,233)
Loan from related party		45,000	-
Settlement of derivative financial instrument		(35,077)	11,310
Proceeds from long term finances		7,890,510	10,320,000
Dividend paid		(3,378,967)	(2,659,799)
Net cash from financing activities [C]		3,893,549	6,800,278
In(De)crease in cash and cash equivalents [A+B+C]		(1,627,645)	(8,545,856)
Cash and cash equivalents at the beginning of period		(8,164,282)	3,272,088
Exchange loss on cash and cash equivalents		(128,669)	(7,917)
Cash and cash equivalents at the end of period	14	(9,920,596)	(5,281,685)

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

Chief Executive

Chief Financial Officer

Director



Consolidated Statement of Changes In Equity

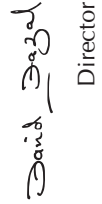
For the Nine Months Ended March 31, 2018 (Un-audited)

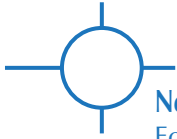
Rupees in thousands	Capital reserve				Revenue reserve				
	Share capital	Share premium	Fair value reserve	Capital redemption reserve fund	General reserve	Unappropriated profit	Total equity attributable to shareholders of parent company	Non-controlling interest	Total
Balance as at June 30, 2017 - Audited	4,381,191	4,557,163	27,957,495	353,510	5,110,851	32,333,597	74,693,807	1,971,423	76,665,230
Total comprehensive income for the period									
- Profit for the period	-	-	-	-	-	4,843,373	4,843,373	(102,770)	4,740,603
- Other comprehensive income for the period	-	-	760,102	-	-	-	760,102	10,199	770,301
Total contributions by and distributions to owners of the Company recognized directly in equity									
- Parent company									
- Final dividend for the year ended June 30, 2017 (Rs 7.5 per share)	-	-	-	-	-	-	-	-	-
- Subsidiary company									
- Final dividend for the year ended June 30, 2017 (Rs 2 per share)	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018 - Unaudited	4,381,191	4,557,163	28,717,597	353,510	5,110,851	33,891,077	77,011,389	1,785,778	78,797,167
Balance as at June 30, 2016 - Audited	4,381,191	4,557,163	24,183,708	353,510	5,110,851	27,108,337	65,694,760	2,041,337	67,736,097
Total comprehensive income for the period									
- Profit for the period	-	-	-	-	-	6,453,383	6,453,383	30	6,453,413
- Other comprehensive income for the period	-	-	3,137,850	-	-	-	3,137,850	-	3,137,850
Total contributions by and distributions to owners of the Company recognized directly in equity									
- Parent company									
- Final dividend for the year ended June 30, 2016 (Rs 6 per share)	-	-	-	-	-	-	-	-	-
- Subsidiary company									
- Final dividend for the year ended June 30, 2016 (Rs 1.5 per share)	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017 - Unaudited	4,381,191	4,557,163	27,321,558	353,510	5,110,851	30,933,005	72,657,278	2,009,955	74,667,233

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


 Chief Executive


 Chief Financial Officer


 Director



Notes to and Forming Part of the Consolidated Condensed Interim Financial Information For the Quarter and Nine Months Ended March 31, 2018 (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
- Nishat Farm Supplies (Private) Limited.

D. G. Khan Cement Company Limited is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. It is principally engaged in production and sale of Clinker, Ordinary Portland and Sulphate Resistant Cement (hereinafter referred to as the 'Cement segment').

Nishat Paper Products Company Limited is a public limited company incorporated in Pakistan. It is principally engaged in the manufacture and sale of paper products and packaging material (hereinafter referred to as the 'Paper segment').

Nishat Dairy (Private) Limited is a private limited company incorporated in Pakistan. It is principally engaged in the business of production and sale of raw milk (hereinafter referred to as the 'Dairy segment').

Nishat Farm Supplies (Private) Limited is a private limited company incorporated in Pakistan. It is a wholly owned subsidiary of Nishat Dairy (Private) Limited. The principal activity of the company is to carry on the business of sale, marketing and distribution of imported chemicals, medicines, vaccines, cows, other chemicals of all kinds and types (hereinafter referred to as the 'Farm Supplies segment').

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

Effective percentage of holding

- Nishat Paper Products Company Limited	55.00%
- Nishat Dairy (Private) Limited	55.10% (approx)
- Nishat Farm Supplies (Private) Limited	55.10% (approx)

2. Basis of preparation

This condensed interim financial information is un-audited and is being submitted to the members as required by section 237 of the Companies Act, 2017 (the "Act"). These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 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, 2017.

3. Significant accounting policies

3.1 The accounting policies adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of preceding annual published consolidated financial statements of the group for the year ended June 30, 2017.

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 group's consolidated financial statements covering annual periods, beginning on or after the following dates:

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2017 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 this condensed interim financial information except for:

- IAS 7, 'Cashflow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. The application of this amendment does not have any material impact on the Group's financial statements.

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

The following amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after July 01, 2018 or later periods, and the Group has not early adopted them:

	Effective date (accounting periods beginning on or after)
Other standards or interpretations	
IFRS 9, 'Financial instruments'	July 01, 2018
IFRS 15, 'Revenue from contracts with customers'	July 01, 2018
Amendments to IFRS 15, 'Revenue from contracts with customers' on gross versus net revenue presentation	July 01, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 01, 2018
IFRS 16 'Leases'	January 01, 2019
IFRIC 23	January 01, 2019

The group will apply these standards/amendments from their respective effective dates and has yet to assess the impact of these amendments on its financial statements.

3.3 Significant accounting estimates, judgements and financial risk:

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

In preparing this condensed interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2017, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in note 4.

The Group'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, 2017.

4. Taxation

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

	March 31, 2018	June 30, 2017
	Un-audited	audited
	(Rupees in thousand)	

5. Long term finances

Long term loans	-note 5.1	20,396,343	13,133,750
Less: Current portion shown under current liabilities		1,308,667	586,250
		<u>19,087,676</u>	<u>12,547,500</u>

5.1 Long term loans

Opening balance	13,133,750	3,785,126
Add: Disbursements during the period	7,890,510	11,320,000
Exchange loss during the period	-	641
	<u>21,024,260</u>	<u>15,105,767</u>
Less: Repayment during the period	627,917	1,972,017
Closing balance	<u>20,396,343</u>	<u>13,133,750</u>

6. Loan from related party - unsecured

This represents unsecured and interest free loan provided by the three directors of the Dairy Segment. The loan amount shall be payable within one year from the execution date.

7. Contingencies and commitments

7.1 Contingencies

There is no significant change in contingencies from the preceding annual financial statements of the Group for the year ended June 30, 2017 except for letters of guarantees issued to various parties aggregating to Rs 1,368.490 million (June 30, 2017: Rs 1,189.572 million).

7.2 Commitments in respect of:

- (i) Contracts for capital expenditure Rs. 48.178 million (June 30, 2017: Rs 904.364 million)
- (ii) Letters of credits for capital expenditure Rs 1,227.371 million (June 30, 2017: Rs 773.728 million)
- (iii) Letters of credit other than capital expenditure Rs 3,025.368 million (June 30, 2017: Rs 1,087.394 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, 2018	June 30, 2017
	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	4,397	4,645
	<u>6,053</u>	<u>6,301</u>

8. Property, plant and equipment

Operating assets	- note 8.1	33,245,090	34,336,559
Capital work-in-progress	- note 8.2	43,229,939	31,379,314
Major spare parts and stand-by equipment		79,350	94,139
		<u>76,554,379</u>	<u>65,810,012</u>

8.1 Operating fixed assets

Opening book value		34,336,559	35,288,238
Add: Additions during the period/ year	-note 8.1.1	665,177	1,411,508
		<u>35,001,736</u>	<u>36,699,746</u>
Less: Disposals during the period/ year			
- net book value	-note 8.1.2	33,108	25,418
Depreciation charged during the period/ year		1,723,538	2,337,769
Closing book value		<u>33,245,090</u>	<u>34,336,559</u>

	March 31, 2018	June 30, 2017
	Un-audited	audited
	(Rupees in thousand)	

8.1.1 Major additions during the period

Freehold land	116,759	38,525
Buildings on freehold land	7,382	221,859
Office building and housing colony	139,818	29,200
Roads	17,934	66,354
Plant and machinery	57,057	852,612
Quarry equipment	894	18,722
Furniture, fixtures and office equipment	62,369	39,664
Motor vehicles	88,151	123,240
Power and water supply lines	174,813	21,332
	<u>665,177</u>	<u>1,411,508</u>

8.1.2 Disposals during the period

Plant and machinery	8,966	11,469
Furniture, fixtures and office equipment	-	291
Motor vehicles	24,142	13,658
	<u>33,108</u>	<u>25,418</u>

8.2 Capital work-in-progress

Civil works	304,668	288,412
Plant and machinery	589,790	671,644
Advances for capital expenditure	6,713	204,820
Unallocated expenditure	1,629	1,875
Expansion project:		
- Civil works	14,115,224	7,807,172
- Plant and machinery	23,392,615	18,086,304
- Advances to suppliers and contractors	2,104,268	1,370,303
- Others	2,715,032	2,948,784
	<u>42,327,139</u>	<u>30,212,563</u>
	<u>43,229,939</u>	<u>31,379,314</u>

9. Investments

Carrying value of investments at the beginning of the period / year	33,170,223	28,260,287
Investments made during the period / year		
- Related parties	203,609	349,997
- Others	-	-
	<u>203,609</u>	<u>349,997</u>
Fair value gain / loss during the period / year on:		
- Available for sale investments	770,301	4,561,430
- Investments at fair value through profit or loss	-	-
	<u>770,301</u>	<u>4,561,430</u>
Investments disposed off during the period/year	-	(1,491)
Carrying value at the end of the period / year	34,144,133	33,170,223
Investments classified in current assets	(17,822,369)	(17,044,142)
Closing balance	<u>16,321,764</u>	<u>16,126,081</u>

	2018		2017	
	July to March	January to March	July to March	January to March

(Rupees in thousand)

10. Cost of sales

Raw and packing materials consumed	3,444,470	1,287,961	2,595,099	804,746
Salaries, wages and other benefits	1,664,349	549,045	1,464,068	490,974
Electricity and gas	1,758,864	727,443	2,049,835	758,344
Furnace oil and coal	6,878,532	2,334,656	5,703,486	2,460,293
Stores and spares consumed	1,407,526	546,178	1,024,655	348,512
Repair and maintenance	273,766	86,679	214,814	70,893
Insurance	43,994	14,746	42,770	14,036
Depreciation on property, plant and equipment	1,665,015	558,033	1,681,371	563,796
Royalty	254,433	85,437	252,284	91,208
Excise duty	24,321	8,196	23,890	8,605
Vehicle running expenses	24,483	9,992	20,058	8,237
Postage, telephone and telegram	3,966	1,463	3,096	1,874
Printing and stationery	8,720	2,120	7,895	3,196
Legal and professional charges	1,578	259	2,494	585
Travelling and conveyance	5,329	1,823	10,781	5,256
Plant cleaning and gardening	26,171	8,633	20,339	7,879
Rent, rates and taxes	43,506	15,203	45,777	16,473
Freight charges	22,527	7,465	21,057	6,698
Other expenses	89,698	22,502	99,883	26,031
Total manufacturing cost	17,641,248	6,267,834	15,283,652	5,687,636
Opening work-in-process	522,557	94,028	166,940	184,974
Closing work-in-process	(67,352)	(67,352)	(409,880)	(409,880)
	455,205	26,676	(242,940)	(224,906)
Cost of goods manufactured	18,096,453	6,294,510	15,040,712	5,462,730
Opening stock of finished goods	431,356	364,904	292,094	418,225
Closing stock of finished goods	(215,637)	(215,637)	(333,963)	(333,963)
	215,719	149,267	(41,869)	84,262
Less: Own consumption capitalized	(163,171)	(52,042)	(239,476)	(67,772)
	18,149,001	6,391,735	14,759,367	5,479,220
11. Taxation				
Current:				
- For the year	1,463,537	209,729	2,267,751	665,977
- Prior years	-	58,181	-	33,228
	1,463,537	267,910	2,267,751	699,205
Deferred	316,679	172,017	60,008	20,795
	1,780,216	439,927	2,327,759	720,000

11.1 The new production line being of the cement segment set up at Hub, Baluchistan is expected to start operations by June 2018 and the applicable tax credit for investment estimated at Rs 3.1 billion under section 65B of the Income Tax Ordinance, 2001 will be recognized accordingly when the operations commence.

12. 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:

		July to March 2018	July to March 2017
		Un-audited	Un-audited
		(Rupees in thousand)	
Relationship with the Group	Nature of transaction		
Related parties	Purchase of goods and services	28,405	1,354,676
	Insurance premium	83,255	106,218
	Sale of goods	120,415	115,766
	Mark-up income	50,240	27,214
	Insurance claim received	6,288	2,458
	Dividend income	1,438,515	1,429,561
Key Management personnel	Salaries and other employment benefits	152,965	143,067
	Expense charged in respect of staff retirement benefits plans	79,825	73,699
Post employment benefit plans	Expense charged in respect of staff retirement benefits plans (contribution plan)	51,191	36,686

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

March 31, 2018	June 30, 2017
Un-audited	audited
(Rupees in thousand)	

Balances with related parties:

Long term deposits	-	325
Trade and other payables	2,154	10,254
Advances, deposits, prepayments and other receivable	5,797	536
Trade debts	21,632	25,138

July to March, 2018	July to March, 2017
Un-audited	Un-audited
(Rupees in thousand)	

13. Cash generated from operations

Profit before tax	6,520,819	8,781,172
Adjustment for :		
- Depreciation on property, plant and equipment	1,723,538	1,471,403
- Profit on bank deposits	(9,564)	(100,245)
- Profit on disposal of property, plant and equipment	(7,554)	6,700
- Dividend income	(1,452,056)	(1,471,403)
- Provision of WPPF	362,641	466,816
- Retirement and other benefits accrued	78,336	78,996
- Markup income	(50,253)	(27,214)
- Exchange loss - net	183,655	40,295
- Finance cost	339,008	297,141
- Gain on disposal of investments at fair value through profit or loss	-	(1,280)
- Gain on derivative financial instruments	(12,979)	(2,998)
Profit before working capital changes	7,675,591	9,539,383
- Stores, spares and loose tools	(594,619)	107,477
- Stock-in-trade	577,496	(305,722)
- Trade debts	(322,451)	(208,943)
- Advances, deposits, prepayments and other receivables	(1,216,605)	(3,396,865)
- Trade and other payables	418,868	(656,036)
Net working capital changes	(1,137,311)	(4,460,089)
Cash generated from operations	6,538,280	5,079,293

	March 31, 2018	March 31, 2017
	Un-audited	Un-audited
	(Rupees in thousand)	

14. Cash and cash equivalents

Short term borrowings - secured	(10,304,578)	(5,996,829)
Cash and bank balances	383,982	715,144
	<u>(9,920,596)</u>	<u>(5,281,685)</u>

15. Financial risk management

15.1 Financial risk factors

The group'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 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, 2017.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2017.

15.2 Liquidity risk

Compared to the year ended June 30, 2017, the group has acquired long term borrowings amounting to Rs 7.8 billion as referred to in note 5.1. The contractual undiscounted cash flows for the group's financial liabilities are as follows.

	Rupees in thousand			
	Carrying value	Less than 1 year	Between 1 and 3 years	More than 3 years
As at March 31, 2018				
Long term finances - secured	20,396,343	1,308,667	11,441,329	7,646,347
Long term deposits	89,876	-	-	89,876
Trade and other payables	6,527,308	6,527,308	-	-
Short term borrowings - secured	10,304,578	10,304,578	-	-
Accrued finance cost	315,150	315,150	-	-
	<u>37,633,255</u>	<u>18,455,703</u>	<u>11,441,329</u>	<u>7,736,223</u>
As at June 30, 2017				
Long term finances - secured	13,133,750	586,250	800,000	1,350,000
Long term deposits	79,441	-	-	79,441
Trade and other payables	4,081,090	4,081,090	-	-
Short term borrowings - secured	8,614,810	8,614,810	-	-
Loan from related party - unsecured	169,000	169,000	-	-
Accrued finance cost	219,927	219,927	-	-
Derivative financial instrument	48,056	48,056	-	-
	<u>26,346,074</u>	<u>13,719,133</u>	<u>800,000</u>	<u>1,429,441</u>

15.3 Fair value estimation

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 available for sale 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. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value 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.

The following table presents the Group's assets and liabilities that are measured at fair values

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
As at March 31, 2018				
Assets				
Investment - At fair value through profit or loss	41	-	-	41
Investments - Available for sale	34,144,092	-	4,051,000	38,195,092
Biological assets	-	-	409,103	409,103
Total assets	34,144,133	-	4,460,103	38,604,236
Liabilities				
Total liabilities	-	-	-	-
As at June 30, 2017				
Assets				
Investment - At fair value through profit or loss	57	-	-	57
Investments - Available for sale	29,119,166	-	4,051,000	33,170,166
Biological assets	-	-	591,579	591,579
Total assets	29,119,223	-	4,642,579	33,761,802
Liabilities				
Derivative financial instruments	-	48,056	-	48,056
Total liabilities	-	48,056	-	48,056

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

Valuation techniques used to measure level 3 assets

The fair value of these assets is determined by an independent professionally qualified valuer. Latest valuation of these assets was carried out on June 30, 2017. Level 3 fair value of Biological assets has been determined using a replacement cost approach, whereby, current cost of similar dairy cattle in the international market has been adjusted for transportation costs to arrive at fair value.

Valuation inputs and relationship to fair value

The international market prices of similar dairy cattle, when these increase the fair value increases. The fair value is also dependent on the age of the cattle. The fair value increases as the cows mature. This value decreases as cows age and go through lactations.

Fair value sensitivity analysis for biological assets

If the fair value of biological assets, at the year end date fluctuates by 1% higher/lower with all other variables held constant, pre tax loss for the period would have been Rs 4.091 million (2017: Rs 5.916 million) lower/higher mainly as a result of lower/higher fair value loss on biological assets.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

16. 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

16.1 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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Revenue from									
- External Customers	23,375,208	22,632,898	1,092,876	789,470	927,241	826,666	-	-	25,395,325	24,249,034
- Inter-group	-	-	1,013,546	1,049,059	-	-	(1,013,546)	(1,049,059)	-	-
	23,375,208	22,632,898	2,106,422	1,838,529	927,241	826,666	(1,013,546)	(1,049,059)	25,395,325	24,249,034
Segment gross profit/(loss)	7,169,301	9,214,878	265,752	450,181	(181,886)	(176,633)	(6,843)	1,241	7,246,324	9,489,667
Segment expenses	(1,802,599)	(1,838,307)	(62,455)	(47,306)	(180,935)	(166,124)	-	-	(2,045,989)	(2,051,737)
Other income	1,638,931	1,617,407	12,832	9,704	8,372	13,897	(643)	(625)	1,659,492	1,640,383
Financial charges	(318,025)	(272,329)	(19,501)	(24,465)	(1,482)	(347)	-	-	(339,008)	(297,141)
Taxation	(1,717,779)	(2,267,629)	(60,925)	(110,287)	(1,512)	50,157	-	-	(1,780,216)	(2,327,759)
Profit after taxation	4,969,829	6,454,020	1,35,703	277,827	(357,443)	(279,050)	(7,486)	616	4,740,603	6,453,413
Depreciation	1,527,809	1,536,167	24,872	24,595	146,984	153,710	23,873	25,646	1,723,538	1,740,118
Capital expenditure	(11,495,855)	(19,152,318)	(934,925)	(9,678)	(68,400)	(100,448)	180,643	303,717	(12,318,537)	(18,958,727)
Cash to operations	5,988,152	2,205,966	(395,744)	181,318	(78,514)	61,740	(64,158)	(200,457)	5,449,736	2,248,567
Cash from investing	(10,053,059)	(17,697,804)	(974,027)	(30,970)	(80,001)	(71,993)	136,157	206,066	(10,970,930)	(17,594,701)
	31.03.2018	30.06.2017	31.03.2018	30.06.2017	31.03.2018	30.06.2017	31.03.2018	30.06.2017	31.03.2018	30.06.2017
Rupees in thousands	unaudited	audited	unaudited	audited	unaudited	audited	unaudited	audited	unaudited	audited
Segment assets	119,509,759	83,418,265	3,358,500	1,860,330	2,932,509	3,230,910	(2,295,173)	22,607,669	123,505,595	111,117,174
Segment liabilities	42,196,842	17,634,836	2,122,583	677,241	607,924	548,882	(218,921)	15,590,985	44,708,428	34,451,944

16.2 Geographical segments

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

17. Date of authorization for issue

This consolidated condensed interim financial information was authorized for issue on April 27, 2018 by the Board of Directors of the of the Parent Company.

18. 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



Chief Financial Officer



Director

Notes



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