



D.G. KHAN CEMENT COMPANY LIMITED

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

SECY/STOCKEXC/

October 1, 2018

1) The General Manager,
Pakistan Stock Exchange Ltd
Stock Exchange Building
Stock Exchange Road, KARACHI.

PUCARS / TCS'

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

Fax No. (051) 9100440/TCS

SUB: NOTICE OF ANNUAL GENERAL MEETING

Dear Sir,

Further to our Letter No. SECY/STOCKEXC/284 dated September 19, 2018, enclosed please find a copy of the Notice and agenda of Annual General Meeting of the Members of **D. G. Khan Cement Company Limited** to be held on October 27, 2018 (Saturday) for circulation amongst the TRE certificate holders.

Thanking you,

Yours sincerely,


KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY

Factory Sites:

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



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of **D. G. Khan Cement Company Limited** (the "Company") will be held on October 27, 2018 (Saturday) at 11:00 A.M. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. To receive, consider and adopt the Audited Un-consolidated and Consolidated Financial Statements of the Company for the year ended June 30, 2018 together with the Chairman's Review, Directors' and Auditors' reports thereon.
2. To approve Final Cash Dividend @ 42.50% [i.e. Rs. 4.25 (Rupees Four and Paisas Twenty Five Only) per Ordinary Share as recommended by the Board of Directors.
3. To appoint statutory Auditors and fix their remuneration.
4. **Special Business:-**

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

a) **RESOLVED** that approval of the members of D. G. Khan Cement Company Limited (the "Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for renewal of investment of upto PKR 1,000,000,000/- (Rupees One Billion Only) in the form of working capital / running finance loan to Nishat Hotels and Properties Limited ("NHPL"), an associated company, for a period of one year starting from the date of approval by the members, at the markup rate of 1 Month KIBOR plus 0.50% (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period or the borrowing cost of the Company which ever is higher) and as per other terms and conditions of loan agreement in writing and as disclosed to the members.

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

b) **RESOLVED** that pursuant to the requirements of Section 199 of the Companies Act, 2017, D. G. Khan Cement Company Limited (the "Company") be and is hereby authorized to make long term equity investment up to PKR 721,620,000 (Rupees Seven Hundred Twenty One Million Six Hundred Twenty Thousand Only) by way of purchase of maximum 7,596,000 ordinary shares of Adamjee Insurance Company Limited, an associated company, from time to time from the stock market at the prevailing market price but not exceeding Rs. 95 per share.

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FURTHER RESOLVED that the above said resolution shall be valid for 3 years starting from the date of approval by members and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment of shares as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary for the acquisition of shares of Adamjee Insurance Company Limited including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time.

FURTHER RESOLVED that subsequent to the above said equity investments, Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby authorized singly to dispose off, through any mode, a part or all of such equity investments made by the Company from time to time as and when deemed appropriate and necessary in the best interest of the Company.

By order of the Board

(KHALID MAHMOOD CHOHLAN)
COMPANY SECRETARY

Lahore
September 19, 2018

NOTES:

BOOK CLOSURE NOTICE:-

The Ordinary Shares Transfer Books of the Company will remain closed from **19-10-2018 to 27-10-2018 (both days inclusive)** for entitlement of **42.50% Final Cash Dividend [i.e. Rs. 4.25 (Rupees Four and Paisas Twenty Five Only) Per Ordinary Share]** for the year ended June 30, 2018 and attending and voting at Annual General Meeting. Physical transfers/ CDS Transactions IDs received in order in all respect up to 1:00 p.m. on 18-10-2018 at Share Registrar, THK Associates (Pvt) Limited, **Karachi Office**, 1st Floor, 40-C, Block-6, PECHS, Karachi, **Lahore Office**, THK Associates (Pvt) Ltd. DYL Motorcycles Ltd. Office, 147-Q Block, Behind Emporium Mall, Johar Town, Lahore, will be considered in time for entitlement of above said 42.50% Final Cash Dividend and attending of meeting.

Proxies

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

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

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

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

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

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

Deduction of Withholding Tax on Dividend

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

- | | |
|--------------|-----|
| - Filler | 15% |
| - Non-Filler | 20% |

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

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

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar THK Associates (Pvt) Limited, **Karachi Office**, 1st Floor, 40-C, Block-6, PECHS, Karachi, **Lahore Office**, THK Associates (Pvt) Ltd. DYL Motorcycles Ltd. Office, 147-Q Block, Behind Emporium Mall, Johar Town, Lahore, latest by October 19, 2018, otherwise each joint holder shall be assumed to have an equal number of shares.

Name of the Company		D. G. Khan Cement Company Limited
Folio No. / CDS A/C No.		
No. of Shares Held		
Principal Shareholder	Name & CNIC	
	Shareholding Proportion (No. of Shares)	
Joint Shareholder(s)	Name & CNIC	
	Shareholding Proportion (No. of Shares)	

Signature of Primary Shareholder _____

EXEMPTION OF WITHOLDING TAX:-

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office, Share Registrar THK Associates (Pvt) Limited, **Karachi Office**, 1st Floor, 40-C, Block-6, PECHS, Karachi, **Lahore Office**, THK Associates (Pvt) Ltd. DYL Motorcycles Ltd. Office, 147-Q Block, Behind Emporium Mall, Johar Town, Lahore, up to October 18, 2018.

SUBMISSION OF COPY OF CNIC (MANDATORY):

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar. All shareholders are once again requested to send a copy of their valid CNIC to our Share Registrar, Share Registrar THK Associates (Pvt) Limited, **Karachi Office**, 1st Floor, 40-C, Block-6, PECHS, Karachi, **Lahore Office**, THK Associates (Pvt) Ltd. DYL Motorcycles Ltd. Office, 147-Q Block, Behind Emporium Mall, Johar Town, Lahore. The Shareholders while sending CNIC must quote their respective folio numbers and name of the Company.

In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 issued by SECP and would be constrained under SECP's Order dated June 08,

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2016 under Section 251(2) of the Companies Ordinance, 1984 to withhold the payment of dividend warrants to such shareholders which will be released on submission of valid copy of CNIC

ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Any shareholder who want to claim exemption shall submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 on prescribed Form CZ-50, to our Share Registrar, M/s. THK Associates (Pvt) Limited, **Karachi Office**, 1st Floor, 40-C, Block-6, PECHS, Karachi, **Lahore Office**, THK Associates (Pvt) Ltd. DYL Motorcycles Ltd. Office, 147-Q Block, Behind Emporium Mall, Johar Town, Lahore **otherwise no exemption will be granted**. The Shareholders while sending the Zakat Declarations, as the case may be, must quote company name and their respective Folio Numbers/CDC Account Numbers.

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

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

Folio No. / Investor Account Number / CDC Sub Account No.	
Title of Account	
IBAN Number	
Bank Name	
Branch	
Branch Address	
Mobile Number	
Name of Network (if ported)	
Email Address	

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Signature of Shareholder

Transmission of Annual Financial Statements through Email:

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.dgcement.com and send the form, duly signed by the shareholder, along with copy of his/her CNIC to the Company's Share Registrar M/s THK Associates (Pvt) Limited.

Circulation of Annual Reports through Digital Storage

Pursuant to the SECP's notification SRO 470(I) / 2016 dated 31st May, 2016 the Members of D. G. Khan Cement Company Limited in AGM held on 28th October 2017 had accorded their consent for transmission of annual reports including audited annual financial statements and other information contained therein of the Company through CD/DVD/USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary / Share registrar, the standard request form available on the Company's website and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand.

Unclaimed Dividend / Shares

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

Video Conference Facility

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

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017.

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 27, 2018.

a) LOAN TO NISHAT HOTELS AND PROPERTIES LIMITED OF RS. 1 BILLION.

D. G. Khan Cement Company Limited ("the Company") has extended working capital loan of PKR 1 billion to Nishat Hotels and Properties Limited ("NHPL") as approved by the shareholders in their Annual General Meeting (AGM) held on October 31, 2016 at the interest rate of 3 months KIBOR plus 0.50% for a period of one year starting from the date of that AGM, thereafter the shareholders in their AGM held on October 28, 2017 approved

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renewal of said loan for a further period of one year starting from the date of AGM held on October 28, 2017. The company has earned Rs. 110 million as markup on said investment in last two years.

Considering the average borrowing rate of the Company and the return offered by Banks on term deposits, the Directors of the Company in their meeting held on September 19, 2018 has recommended renewal of above said working capital loan of PKR 1 billion extended to NHPL at the interest rate of 1 Months KIBOR plus 0.50% (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) or borrowing cost of the Company whichever is higher) for a further period of one year starting from the date of this AGM i.e. October 27, 2018 on the terms and conditions of loan agreement in writing and as disclosed to the members

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

Nishat Hotels and Properties Limited (NHPL) was incorporated on 04 October 2007 as a public company limited by shares. Its authorized share capital is Rs. 10,000,000,000/- (Rupees Ten Billion Only) divided into 1,000,000,000 (One Billion) ordinary shares of PKR 10 each. Its main object is to carry on hotels and hospitality business in Pakistan. For the intended purpose, NHPL has acquired Hotel site of 119 Kanals, 6 Marlas and 73 SFT of Commercial Land situated at Trade and Finance Block, Johar Town, Lahore, from Lahore Development Authority (LDA) – Urban Development Wing and constructed Emporium Mall which is fully operational from September 2016. NHPL has already handed over the premises to Hyperstar which is now fully operational. Hotel has been opened from 20th May 2017 and 198 rooms are fully operational, two floors of hotel are at finishing stage. The Building has a covered area of 2.742 Million Square Feet comprising the following building components (3 basements, ground floor and 11 floors):

- 3-4 star up to 198 rooms hotel
- Banquet halls
- Hyper Star
- Shopping Mall with following features:
 - Retail
 - Food courts
 - Cineplex
 - Fun Factory
 - Health and Leisure Zones
 - Two basements with 2,815 parking bays for cars and motorcycles.

Since NHPL has recently achieved commercial operation of hotel, short term finance is needed by NHPL for meeting expense of staff salary, power generation, maintenance of HVAC and other working capital requirements.

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

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

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

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

(a) Disclosure for all types of investments:																																																		
(A) Disclosure regarding associated company																																																		
(i)	Name of Associated Company or Associated Undertaking	Nishat Hotels and Properties Limited (NHPL)																																																
(ii)	Basis of Relationship	Common Directorship																																																
(iii)	Earnings / (Loss) per Share for the last three years	2015:(0.09) 2016:(0.11) 2017:(0.23)																																																
(iv)	Break-up value per Share, based on last audited financial statements	2017:9.60																																																
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements as on 30 Jun, 2018. (Un-Audited)	<table border="1"> <thead> <tr> <th>Equity And Liabilities</th> <th>Rs</th> <th>Assets</th> <th>Rs</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td>8,092,590,496</td> <td>Non-Current Assets</td> <td>24,667,120,635</td> </tr> <tr> <td>Non-Current Liabilities</td> <td>11,647,899,483</td> <td></td> <td></td> </tr> <tr> <td>Current Liabilities</td> <td>7,410,833,297</td> <td>Current Assets</td> <td>2,484,202,641</td> </tr> <tr> <td></td> <td>27,151,323,276</td> <td></td> <td>27,151,323,276</td> </tr> <tr> <td colspan="4">Issued, subscribed and paid up share capital</td> </tr> <tr> <td colspan="4">960,000,000 (2017: 960,000,000)</td> </tr> <tr> <td></td> <td></td> <td>ordinary shares of Rs 10 each</td> <td>9,600,000,000</td> </tr> <tr> <td></td> <td></td> <td>Share deposit money</td> <td>-</td> </tr> <tr> <td></td> <td></td> <td>Revenue reserve: Accumulated loss</td> <td>(1,507,409,504)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>8,092,590,496</td> </tr> <tr> <td></td> <td>Loss after taxation</td> <td>Rs. (1,123,968,424)</td> <td></td> </tr> </tbody> </table>	Equity And Liabilities	Rs	Assets	Rs	Equity	8,092,590,496	Non-Current Assets	24,667,120,635	Non-Current Liabilities	11,647,899,483			Current Liabilities	7,410,833,297	Current Assets	2,484,202,641		27,151,323,276		27,151,323,276	Issued, subscribed and paid up share capital				960,000,000 (2017: 960,000,000)						ordinary shares of Rs 10 each	9,600,000,000			Share deposit money	-			Revenue reserve: Accumulated loss	(1,507,409,504)				8,092,590,496		Loss after taxation	Rs. (1,123,968,424)	
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(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely	N/A																																																

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

Factory Sites:

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D.G. KHAN CEMENT COMPANY LIMITED

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		<p>equivalent to 7.50% per annum on the unpaid amount for the period for which the payment is delayed, shall be paid by Nishat Hotels and Properties Limited to D. G. Khan Cement Company Limited in addition to the agreed interest amount.</p> <p>All payments under the loan agreement shall be made through crossed cheque.</p> <p>The associated company shall provide corporate guarantee to secure extension of loan.</p>																														
(v)	<p>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration</p>	<p>The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under:</p> <p>The directors of D. G. Khan Cement Company Limited (DGKCC), their relatives and associated companies holding shares of Nishat Hotels and Properties Limited (NHPL) are interested to the extent of their shareholding as under:-</p> <table border="0"> <tr> <td><u>Directors:</u></td> <td style="text-align: right;">% of Shareholding</td> </tr> <tr> <td>Mian Raza Mansha (Common Director)</td> <td style="text-align: right;">21.50</td> </tr> <tr> <td><u>Relatives:</u></td> <td></td> </tr> <tr> <td>Mian Umer Mansha</td> <td style="text-align: right;">21.72</td> </tr> <tr> <td>Mian Hassan Mansha</td> <td style="text-align: right;">21.72</td> </tr> <tr> <td>Both brothers of Mian Raza Mansha.</td> <td></td> </tr> <tr> <td><u>Associated Companies</u></td> <td></td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">7.40</td> </tr> </table> <p>The directors of NHPL are interested in DGKCC to the extent of their shareholding as under:-</p> <table border="0"> <tr> <td>Name</td> <td style="text-align: right;">% of Shareholding</td> </tr> <tr> <td>Mian Raza Mansha</td> <td style="text-align: right;">2.90</td> </tr> <tr> <td>Mian Umer Mansha</td> <td style="text-align: right;">6.23</td> </tr> <tr> <td>Mian Hassan Mansha</td> <td style="text-align: right;">6.14</td> </tr> <tr> <td>Mr. I.U. Niazi</td> <td style="text-align: right;">0.00</td> </tr> </table> <p>The associated Companies holding shares of NHPL are interested in DGKCC to the extent of their shareholding as follows:</p> <table border="0"> <tr> <td>Name</td> <td style="text-align: right;">% of Shareholding</td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">31.40</td> </tr> </table>	<u>Directors:</u>	% of Shareholding	Mian Raza Mansha (Common Director)	21.50	<u>Relatives:</u>		Mian Umer Mansha	21.72	Mian Hassan Mansha	21.72	Both brothers of Mian Raza Mansha.		<u>Associated Companies</u>		Nishat Mills Limited	7.40	Name	% of Shareholding	Mian Raza Mansha	2.90	Mian Umer Mansha	6.23	Mian Hassan Mansha	6.14	Mr. I.U. Niazi	0.00	Name	% of Shareholding	Nishat Mills Limited	31.40
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(vi)	<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs</p>	<p>The Company has invested in 100 million shares with Rs.10/- per share face value in NHPL. Since NHPL's ordinary shares are not listed, an independent valuer engaged by the company has estimated a fair value of Rs 32.42 per ordinary share as at June 30, 2018 through a valuation technique based on discounted cash flow analysis of NHPL.</p> <p>The Company has provided NHPL a loan of Rs. 1 billion as working capital.</p>																														

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		The Company has already earned Rs. 110 million as mark-up income on said loan. The price for this loan would increase, subject to approval by shareholders, in line with prevailing situation of financial market.
(vii)	Any other important details necessary for the members to understand the transaction	None
Additional disclosure regarding investment in the form of Loan/Advance		
(i)	Category-wise amount of investment	Running Finance Loan upto PKR 1,000,000,000 (Pak Rupees One Billion Only).
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return unfunded facilities, as the case may be, for the relevant period	The current average borrowing cost of the Company is 3 Months KIBOR + 0.5%. 3 Months KIBOR as on September 19, 2018 is 8.03%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	1 Months KIBOR + 0.50%. (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period or the borrowing cost of the company whichever is higher) 1 Month KIBOR as on September 19, 2018 is 8.09%.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Corporate Guarantee of the associated company.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayment of principal will be made within one year of the approval by the shareholders while payment of interest due will be made on monthly basis.

b) EQUITY INVESTMENT IN ADAMJEE INSURANCE COMPANY LIMITED

Adamjee Insurance Company Limited (AICL) was incorporated as a Public Limited Company on September 28, 1960 and is listed on Pakistan Stock Exchange. The Company is involved in the business of general insurance. The head office is located in Lahore and it operates a network of branches all across Pakistan and three in UAE (Dubai, Abu Dhabi & Sharjah).

AICL commenced operations with a paid-up capital of Rupees 2.5 million, which has grown phenomenally in the past five decades to Rupees 3.5 billion, as on 31 December 2013.

A strong asset base, significant paid-up capital, substantial reserves, balanced portfolio mix along with steady growth in gross premium account gives Adamjee Insurance a well-deserved competitive edge within the insurance industry.

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D. G. Khan Cement Company Limited expects significant dividends from the equity investment in Adamjee Insurance Company Limited which will eventually enhance the return on investment to the shareholders of D. G. Khan Cement Company Limited.

The directors have carried out necessary due diligence for the proposed investment. The duly signed recommendation of the due diligence report shall be made available to the members for inspection in the annual general meeting. The latest annual audited and reviewed financial statements shall be available for inspection in the annual general meeting.

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

(a) Disclosure for all types of investments:					
(A) Disclosure regarding associated company					
(i)	Name of Associated Company or Associated Undertaking	Adamjee Insurance Company Limited			
(ii)	Basis of Relationship	Common Directorship			
(iii)	Earnings / (Loss) per Share for the last three years	PKR 5.55, 9.98 and 3.49 as per audited financial statements of AICL for the year ended December 31, 2015, 2016 and 2017 respectively and PKR 3.00 as per un-audited financial statements for the half year ended June 30, 2018.			
(iv)	Break-up value per Share, based on last audited financial statements	PKR 47.98 per share as at 31 December 2017.			
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Balance Sheet	2017 Rs. Million	Operating Data	2017 Rs. Million
		Paid up Capital	3,500	Gross Premium	18,522
		Reserves	1,430	Net Premium	11,535
		Equity	16,794	Net Claims	7,434
		Investments (Book Value)	16,619	Net Commission	1,090
		Investments (Market Value)	21,673	Underwriting Result	1,239
		Fixed Assets	2,620	Underwriting Expenses	1,893
		Cash & Bank Deposits	4,299	General and Administrative expenses	784
		Other Assets	18,750	Financial Charges	-
		Total Assets	42,287	Total Management Expenses	2,677
		Total Liabilities	25,493	Investment Expenses	1,482
				Profit / (Loss) Before Tax	2,121
		Profit After Tax	1,221		
(vi)	In case of investment in relation to a project of associated company or	N/A			

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	associated undertaking that has not commenced operations, following further information, namely	
I	Description of the project and its history since conceptualization	N/A
II	Starting date and expected date of completion of work	N/A
III	Time by which such project shall become commercially operational	N/A
IV	Expected time by which the project shall start paying return on investment	N/A
V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	N/A
(B) General Disclosures:		
(i)	Maximum amount of investment to be made	PKR 721,620,000/- (Rupees Seven Hundred Twenty One Million Six Hundred Twenty Thousand Only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	The Company expects significant dividends from the equity investment in Adamjee Insurance Company Limited which will eventually enhance the return on investment of its shareholders.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	The investment will be made from company's available funds.
(I)	Justification for investment through borrowings	NA
(II)	Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	NA
(III)	Cost of benefit analysis	NA
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	No agreement is required as the shares will be purchased from the open market.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under: The directors of D. G. Khan Cement Company Limited (DGKCC), their relatives and associated companies holding shares of Adamjee Insurance Company Limited (AICL) are interested to the extent of their shareholding as under:-

		<p>Directors:</p> <table border="0"> <tr> <td>Mrs. Naz Mansha</td> <td style="text-align: right;">% of Shareholding</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Mian Raza Mansha</td> <td></td> <td style="text-align: right;">0.04</td> </tr> <tr> <td>Mr. Muhammad Arif Hameed</td> <td></td> <td style="text-align: right;">0.00</td> </tr> <tr> <td colspan="3" style="text-align: center;">(Common Director)</td> </tr> </table> <p>Relatives:</p> <table border="0"> <tr> <td>Mian Umer Mansha</td> <td style="text-align: right;">0.02</td> </tr> <tr> <td>Mian Hassan Mansha</td> <td style="text-align: right;">0.02</td> </tr> <tr> <td colspan="2">Both sons of Mrs. Naz Mansha and brothers of Mian Raza Mansha.</td> </tr> </table> <p>Associated Companies</p> <table border="0"> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">0.03</td> </tr> </table> <p>The directors of AICL are interested in DGKCC to the extent of their shareholding as under:-</p> <table border="0"> <tr> <td>Name</td> <td style="text-align: right;">% of Shareholding</td> </tr> <tr> <td>Mian Umer Mansha</td> <td style="text-align: right;">6.23</td> </tr> <tr> <td>Mr. Muhammad Arif Hameed</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td colspan="2" style="text-align: center;">(Common Director)</td> </tr> </table> <p>The associated companies holding shares of AICL are interested in DGKCC to the extent of their shareholding as follows:</p> <table border="0"> <tr> <td>Name</td> <td style="text-align: right;">% of Shareholding</td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">31.40</td> </tr> </table>	Mrs. Naz Mansha	% of Shareholding	0.00	Mian Raza Mansha		0.04	Mr. Muhammad Arif Hameed		0.00	(Common Director)			Mian Umer Mansha	0.02	Mian Hassan Mansha	0.02	Both sons of Mrs. Naz Mansha and brothers of Mian Raza Mansha.		Nishat Mills Limited	0.03	Name	% of Shareholding	Mian Umer Mansha	6.23	Mr. Muhammad Arif Hameed	0.00	(Common Director)		Name	% of Shareholding	Nishat Mills Limited	31.40
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(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	<p>D. G. Khan Cement Company Limited has already made an equity investment of Rs. 1,332.447 million in 27,229,235 ordinary shares of Adamjee Insurance Company Limited, an associated company. Dividend income received from this investment over the last five years is as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Amount (Rs.) in Million</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td style="text-align: right;">22.544</td> </tr> <tr> <td>2015</td> <td style="text-align: right;">48.161</td> </tr> <tr> <td>2016</td> <td style="text-align: right;">62.966</td> </tr> <tr> <td>2017</td> <td style="text-align: right;">62.639</td> </tr> <tr> <td>2018</td> <td style="text-align: right;">68.073</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">264.383</td> </tr> </tbody> </table>	Year	Amount (Rs.) in Million	2014	22.544	2015	48.161	2016	62.966	2017	62.639	2018	68.073	Total	264.383																		
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(vii)	Any other important details necessary for the members to understand the transaction	None																																
(b) Additional disclosure regarding Equity Investment																																		
(i)	Maximum price at which securities will be acquired	Rs. 95 per share																																
(ii)	In case the purchase price is higher than market value in case of listed	N/A																																



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	securities and fair value in case of unlisted securities, justification thereof		
(iii)	Maximum number of securities to be acquired	7,596,000 Shares	
(iv)	Number of securities and percentage thereof held before and after the proposed investment	Before	No. of Shares 27,229,235 7.78
		After	34,825,235 9.95
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	N/A	
(vi)	Fair value determined in terms of sub-regulation (1) regulation 5 for investments in unlisted securities	N/A	

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

Name of Investee Company	Hyundai Nishat Motor (Pvt) Limited (HNMPL)	
Total Investment Approved:	Equity investment upto Rupees 850 million was approved by members in EOGM held on March 28, 2018.	Guarantee / continuing Stand by Letter(s) of Credit (SBLC) for an amount of up to PKR 1,000 Million for a tenure of 7.5years was approved by members in EOGM held on March 28, 2018.
Amount of Investment Made to date:	Investment of Rupee 150 million has been made against this approval to date.	Nil
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	Partial investment has been made in investee company. Commercial operations of the investee company have not yet started. The Company will make further equity investment as and when further shares offered by HNMPL.	No guarantee has been extended after the approval because such request has not yet been made by the investee company.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2017, the basic loss per share was Rs.19.67 and breakup value per share was Rs. 4.85. As per latest available half yearly financial statements for the half year ended June 30, 2018 the basic loss per share is Rs. 1.42 and breakup value per share is Rs. 9.33.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2017, the basic loss per share was Rs.19.67 and breakup value per share was Rs. 4.85. As per latest available half yearly financial statements for the half year ended June 30, 2018 the basic loss per share is Rs. 1.42 and breakup value per share is Rs. 9.33.

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