NISHAT

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) 36367812, Fax: (92 - 42) 36367414
E-mail: info@dgcement.com

SECY/STOCKEXC/ 9612

September 30, 2014

1) The General Manager,
Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road, KARACHI. **Fax No. (021) 111 573 329**

2) The Secretary,
Lahore Stock Exchange Ltd.
19-Khyaban-e-Aiwan-e-Iqbal, LAHORE. **Fax No. (042) 3638485**

3) The Secretary,
Islamabad Stock Exchange Ltd.
55-B, ISE Towers, Jinnah Avenue,
ISLAMABAD. **Fax No. (051) 111 473 329**

4) The Executive Director
Monitoring & Enforcement Division
Securities & Exchange Commission of Pakistan
8th Floor, NIC Building, Jinnah Avenue,
Blue Area, ISLAMABAD. **Fax No. (051) 9218592, 9204915**

SUB: NOTICE OF ANNUAL GENERAL MEETING

Dear Sir,

Further to our Letter No. SECY/STOCKEXC/9609 dated September 16, 2014, enclosed please find a copy of the Notice of Annual General Meeting of the shareholders of **D. G. Khan Cement Company Limited** to be held on October 29, 2014 (Wednesday) at 11:00 a.m. for circulation amongst the members.

Thanking you

Yours sincerely,

KHALID MAHMOOD CHOHAN
COMPANY SECRETARY

NISHAT

D.G. KHAN CEMENT COMPANY LIMITED

Head Office: Nishat House, 53 - A, Lawrence Road, Lahore - Pakistan.
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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Shareholders of D. G. Khan Cement Company Limited (the "Company") will be held on October 29, 2014 (Wednesday) at 11:00 A.M. at Nishat Hotel, 9-A, Gulberg III, MianMahmood Ali Kasuri Road, Lahore to transact the following business:

1. To receive, consider and adopt the Audited Unconsolidated and Consolidated Financial Statementsof the Company for the year ended June 30, 2014 together with the Directors' and Auditors' reports thereon.

2. To approve Final Cash Dividend @ 35% [i.e. Rs. 3.50(RupeesThree and Paisa Fifty Only) Per Ordinary Share]as recommended by the Board of Directors.

3. To appoint statutory Auditors for the year ending June 30, 2015 and fix their remuneration.

4. **Special Business:**

   To consider and if deemed fit, to pass the following resolutions as special resolutions under Section 208 of the Companies Ordinance, 1984, with or without modification, addition(s) or deletion(s):

   (A) RESOLVED that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, D. G. Khan Cement Company Limited ("the Company") be and is hereby authorized to make long term equity investment up to Rs. 18,127,330 (Rupees Eighteen Million One Hundred Twenty Seven Thousand Three Hundred Thirty Only) from time to time by way of acquisition upto 2,327,000 (Two Million Three Hundred Twenty Seven Thousand Only) further ordinary shares of Nishat Paper Products Company Limited, an associated company.

   FURTHER RESOLVED that the above said resolution of investment shall be valid for three (3) years and any two of the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly 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.

   FURTHER RESOLVED that any two of the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly authorized to take all steps and actions necessary, incidental and ancillary for the acquisition of shares of Nishat Paper Products 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 this special resolution.

   FURTHER RESOLVED that any two of the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby authorized jointly to

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Khairpur, Tehsil, Kallar Kahar. Distt. Chakwal - Pakistan. UAN: (92 - 543) 111 - 113 - 333, Tel: (92 - 543) 650215, Fax: (92 - 543) 650231
E-mail: dgksite@dgcement.com

dispose off through any mode, a part or all of equity investments made by the Company from time to time as and when deemed appropriate and necessary in the best interest of the Company and its shareholders.

(B) **RESOLVED that** pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, D. G. Khan Cement Company Limited ("the Company") be and is hereby authorized to make long term equity investment up to Rs. 2,017,880,000/- (Rupees Two Billion Seventeen Million Eight Hundred Eighty Thousand Only) from time to time by way of acquisition upto 244,000,000 (Two Hundred Forty Four Million) further ordinary shares of Nishat Dairy (Pvt) Limited, an associated company.

FURTHER RESOLVED that the above said resolution of investment shall be valid for three (3) years and any two of the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly 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.

FURTHER RESOLVED that any two of the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly authorized to take all steps and actions necessary, incidental and ancillary for the acquisition of shares of Nishat Dairy (Pvt) 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 this special resolution.

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

(C) **RESOLVED that** pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, D. G. Khan Cement Company Limited ("the Company") be and is hereby authorized to make long term equity investment up to Rs. 1,000,000,000 (Rupees One Billion Only) from time to time by way of acquisition up to 100,000,000 (One Hundred Million) ordinary shares of Nishat Hotels and Properties Limited, an associated company.

FURTHER RESOLVED that the above said resolution of investment shall be valid for three (3) years and any two of the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly 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.

FURTHER RESOLVED that any two of the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly authorized to take all steps and actions necessary, incidental and ancillary for the acquisition of shares of Nishat Hotels and Properties 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 any two of the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby authorized jointly to dispose off through any mode, a part or all of equity investments made by the Company from time to time as and when deemed appropriate and necessary in the best interest of the Company and its shareholders.

By order of the Board

(KHALID MAHMOOD CHOHAN)
COMPANY SECRETARY

Lahore
September 16, 2014

NOTES:

1. **BOOK CLOSURE NOTICE:-**

   The Ordinary Shares Transfer Books of the Company will remain closed from **21-10-2014 to 29-10-2014 (both days inclusive)** for entitlement of **35% Final Cash Dividend [i.e. Rs. 3.50 (Rupees Three and Paisa Fifty Only) Per Ordinary Share]** 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 20-10-2014 at Company's Share Registrar, M/s THK Associates (Pvt) Limited, **Karachi Office,** Ground Floor, State Life Building No. 3, Dr. Zia Uddin Ahmed Road, Karachi, **Lahore Office,** THK Associates (Pvt) Ltd. 2nd Floor, DYL Motorcycles Ltd. Office Building, Plot No. 346 Block No. G-III, Khokar Chowk, Main Boulevard, Johar Town, Lahore, will be considered in time for entitlement of 35% Final Cash Dividend and attending of meeting.

2. 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.

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

4. **Submission of copy of CNIC (Mandatory):**

The Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 779 (i) 2011 dated August 18, 2011 has directed the company to print your Computerized National Identity Card (CNIC) number on your dividend warrants and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you. In order to comply with this regulatory requirement, you are requested to kindly send photocopy of your CNIC to your Participant / Investor Account Services or to us (in case of physical shareholding) immediately to Company's Share Registrar, M/s THK Associates (Pvt) Limited.

5.Revision of Withholding Tax on dividend income under Section 150 of Finance Act 2014:

It is further being informed that pursuant to the provisions of Finance Act 2014, effective from July 1, 2014 a new criteria for withholding of tax on dividend income has been introduced by Federal Board of Revenue (FBR), as per this criteria, 'Filer' and 'Non-Filer' shareholders will pay tax on dividend income @ 10% and 15% respectively.

You are therefore advised to check and ensure your Filer status from Active Tax Payer List (ATL) available at FBR website http://www.fbr.gov.pk/ as well as ensure that your CNIC / Passport number has been recorded by your Participant / Investor Account Services (in case your shareholding is in book entry form) or by Company's Share Registrar M/s THK Associates (Pvt) Limited (in case of physical shareholding). Corporate bodies (non-Individual shareholders) should ensure that their names and National Tax Numbers (NTN) are available in Active Tax Payer List at FBR website and recorded by Participant / Investor Account Services or by Company's Share Registrar (in case of physical shareholding).

6. **Dividend Mandate (Optional):**

Under Section 250 of the Companies Ordinance, 1984 a shareholder may, if so desires, direct the Company to pay dividend through his/ her/its bank account. In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide Circular Number 18 of 2012 dated June 05, 2012, kindly authorize the company for direct credit of your cash dividend in your bank account (please note that giving bank mandate for dividend payments is optional, in case you do not wish to avail this facility please ignore this notice, dividend will be paid to you through dividend warrant at your registered address). If you want to avail the facility of direct credit of dividend amount in your bank account, please provide following information to Company's Share Registrar, M/s THK Associates (Pvt) Limited.

Bank Account Details of Shareholder	
Title of Bank Account	
Bank Account Number	
Bank's name	
Branch name and address	
Cell number of shareholder	
Landline number of shareholder, if any	

It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate to the company and the concerned share registrar.

____

Name, signature, folio # and CNIC number of shareholder

Notes:

(1) Those shareholders, who hold shares in book entry form in their CDS accounts, will provide the above dividend mandate information directly to their respective Participant / CDC Investor Account Services Department.

(2) If dividend mandate information has already been provided by you, ignore this request.

7. **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 said form duly signed by the shareholder along with copy of his CNIC to the Company's Share RegistrarM/s THK Associates (Pvt) Limited. Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice, Financial Statements will be sent to you at your registered address.

STATEMENT UNDER SECTION 160 (1) (B) OF THE COMPANIES ORDINANCE, 1984.

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 29, 2014.

(A) INVESTMENT IN NISHAT PAPER PRODUCTS COMPANY LIMITED

Nishat Paper Products Company Limited ("Nishat Paper") was incorporated on July 23rd 2004 as a unquoted public limited company with a paid up capital of Rs.465 million (Rupees Four

Hundred Sixty Five Million). Authorized Capital of Nishat Paper is Rs.600 million (Rupees Six Hundred Million Only).

The primary purpose for setting up this company was vertical integration for supply of paper sacks for cement business as well supply to other manufacturers of cement in the country. The rated capacity of company is 120 (One Hundred Twenty) sacks per annum. Nishat Paper has installed two (2) identical lines of 60 million (Sixty Million) sack per annum from M/s. Windmoller&Holscher Germany. Currently Nishat Paper directly and indirectly employs about Eighty Five (85) persons.

The plant is located in Village Khairpur, KallarKhar, DistrictChakwal. The plant is in close proximity of three (3)of the largest cement manufacturing companies Pakistan. D. G. Khan Cement Company Limited is the biggest customer of Nishat Paper, whereas, Nishat Paper also sellsto other producers of cement such asLafarage Pakistan, Maple Leaf, Fauji Cement, Pioneer cement etc.

D. G. Khan Cement Company Limited expects dividends from this equity investment in Nishat Paper Products Company Limited which will eventually enhance the return on investment of the shareholders of D. G. Khan Cement Company Limited.

The directors have carried out their due diligence for the proposed investment and the duly signed recommendation of due diligence report shall be available for inspection of members in the general meeting along with audited accounts of the associated company.

Information required under Clause (a) of sub-regulation (1) of Regulation 3 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

Ref.No.	Requirement	Information
I	Name of associated company	Nishat Paper Products Company Limited
	Criteria of associated relationship	Common directorship
ii	Purpose	To participate in growing business of cement packaging through equity investment.
	Benefits	To earn return on equity of Nishat Paper Products Company Limited through dividend income from investments.
	Period of investment	Strategic Investment - long term

iii	Maximum amount of investment	Rs. 18,127,330/- (Rupees Eighteen Million One Hundred Twenty Seven Thousand Three Hundred Thirty Only)
iv	Maximum price/share	The price to be paid for the equity investment will be Rs. 7.79 per share since the project is a green field project and the price is less than the fair value determined by independent firm of Chartered Accountants.
V	Maximum number of shares to be acquired	2,327,000 shares
vi	Shareholding before investment	No. of shares: 23,268,398 Shareholding percentage: 50.00
	Shareholding after investment	No. of shares: 25,595,398 Shares, Shareholding percentage: 55% of the paid up share capital.
vii	Requirement in case of investment in listed associated company	Not Applicable as Nishat Paper Products Company Limited is an unlisted company.
viii	Fair market value of shares	The fair value of the share determined in terms of Regulation 6(1) is Rs. 12.41 per share based on discounted cash flows using "Free Cash Flow" to the Company at discount rate of 12.52%. (Copy of fair valuation report issued by UzairHammad Faisal & Co., Chartered Accountants, is available at Registered Office of the Company and can be inspected in working hoursupto October 28, 2014).
ix	Break-up value of shares	Rs. 7.79/share as at June 30, 2014.
X	Earnings/Loss per share for the last three years	(Rs.) FY 2014 1.75

		FY 2013 (1.94) FY 2012 (0.97)
xi	Sources of fund from which shares will be acquired	Surplus funds of the Company.
xii	Requirements if shares are intended to be acquired using borrowed funds	Not applicable.
xiii	Salient features of agreement(s) entered into with the associated company	No such agreements.
xiv	Direct/Indirect interest of directors in the associated company	Three Directors of D. G. Khan Cement Company Limited, Mian Raza Mansha currently holds 3.278% shares, Mrs.Naz Mansha currently holds 6.010% shares and Mr. Farid Noor Ali Fazal currently holds 100 shares in Nishat Paper Products Company Limited. The brothers of Mian Raza Mansha, namely MianUmer Mansha and Mian Hassan Mansha also holds 6.330% shares each in Nishat Paper Products Company Limited. The directors of Nishat Paper Products Company Limited are interested in the investing company to the extent of their shareholding as under:- Name — % of Shareholding Mrs.Naz Mansha — 0.03 Mian Raza Mansha and his spouse — 4.24 Mr. Khalid QadeerQureshi (720 Shares) — 0.00 Mr. Farid Noor Ali Fazal (1,200 Shares) — 0.00 The companies holding shares of D. G. Khan Cement Company Limited are interested in Nishat Paper Products Company Limited to the extent of their shareholding. % Nishat Mills Limited — 25.00 The companies holding shares of Nishat Paper Products Company Limited are interested in D. G. Khan Cement Company Limited to the

		extent of their shareholding.	
			%
		Nishat Mills Limited	31.40
xv	Any other important detail	Nil	

(B) INVESTMENT IN NISHAT DAIRY (PRIVATE) LIMITED

Nishat Dairy (Private) Limited was incorporated on 28 October 2011 as a private company limited by shares with an authorized share capital of Rs. 250,000,000 (Rupees Two Hundred FiftyMillion). The authorized share capital was subsequently been enhanced to Rs. 4,900,000,000 (Rupees Four Billion Nine Hundred Million Only).

The company was incorporated with the main object of carrying out dairy business in Pakistan. The company has set up a dairy farm with the capacity of 3,200 (Three Thousand Two Hundred) milking animals.

The associated company sells raw milk to the companies operating in dairy products manufacturing industry e.g. Nestle and Engro. Currently, it is one of the largest dairy farms in Pakistan. High quality cattle feed is fed to the cattle and it is being procured both locally and imported from reputable growers and companies.

The dairy farm has the total area of 166.48 acres. All of the cattle imported are of Pure Holstein Friesian Breed and have been directly imported from Australia.

Majority of the dairy machinery and equipment was imported from US and European suppliers. The dairy farm currently employs 125 (One Hundred Twenty Five) employees.

D. G. Khan Cement Company Limited expects significant dividends from this equity investment in Nishat Dairy (Private) Limited which will eventually enhance the return on investment of the shareholders of D. G. Khan Cement Company Limited.

The associated company will become subsidiary company after the acquisition of its further shares by the Company.

The directors have carried out their due diligence for the proposed investment and the duly signed recommendation of due diligence report shall be available for inspection of members in the general meeting along with audited accounts of the associated company.

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Information required under Clause (a) of sub-regulation (1) of Regulation 3 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

Ref. No.	Requirement	Information
I	Name of associated company	Nishat Dairy (Private) Limited
	Criteria of associated relationship	Common directorship
Ii	Purpose	To participate in the growing dairy business of the country through equity investment
	Benefits	To earn return on equity of DG Khan Cement Company Limited through dividend income from investment in associated company.
	Period of investment	Strategic long term investment
Iii	Maximum amount of investment	Rs. 2,017,880,000/- (Rupees Two Billion Seventeen Million Eight Hundred Eighty Thousand Only).
Iv	Maximum price/share	The price to be paid for the equity investment will be Rs. 8.27 per share and the price is less than the fair value determined by independent firm of Chartered Accountants.
V	Maximum number of shares to be acquired	244,000,000 shares
Vi	Shareholding before investment	No. of shares: 50,000,000.
		Shareholding percentage: 10.42
	Shareholding after investment	No. of shares: 294,000,000 Shares,
		Shareholding percentage: 60% of the paid up share capital
Vii	Requirement in case of investment in listed associated company	Not Applicable as Nishat Dairy (Private) Limited is an unlisted private company.
viii	Fair market value of shares	The fair value of the share determined in terms of Regulation 6(1) is Rs 11.23 per share based on discounted cash flows using "Free Cash Flow" to the Company at discount rate of 19 % with 4% terminal growth rate. (Copy of fair valuation report

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Khairpur, Tehsil, Kallar Kahar. Distt. Chakwal - Pakistan. UAN: (92 - 543) 111 - 113 - 333, Tel: (92 - 543) 650215, Fax: (92 - 543) 650231
E-mail: dgksite@dgcement.com

		issued by Riaz Ahmed & Co., Chartered Accountants, is available at Registered Office of the Company and can be inspected in working hours up to October 28, 2014).
Ix	Break-up value of shares	Rs 8.27 per share as at 30 June 2014.
X	Earnings per share for the last three years	30 June 2014: Loss per share Rs 1.58 30 June 2013: Loss per share Rs 2.35 30 June 2012: Loss per share Rs 0.31
Xi	Sources of fund from which shares will be acquired	Surplus funds of the Company.
Xii	Requirements if shares are intended to be acquired using borrowed funds	Not applicable.
Xiii	Salient features of agreement(s) entered into with the associated company	No agreement.
Xiv	Direct/Indirect interest of directors in the associated company	One director of D. G. Khan Cement Company Limited, Mian Raza Mansha currently holds 25.69 % shares each in Nishat Dairy (Private) Limited. The brothers of Mian Raza Mansha, MianUmer Mansha and Mian Hassan Mansha, also hold 25.69 % shares each in Nishat Dairy (Private) Limited. The directors of the associated company are interested in the investing company to the extent of their shareholding as under:- Name % of Shareholding Mian Raza Mansha and his spouse 4.24 MianUmer Mansha 6.23 Mian Hassan Mansha 6.14 The companies holding shares of D. G. Khan Cement Company Limited are interested in Nishat Dairy (Pvt) to the extent of their shareholding. %

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		Nishat Mills Limited 12.50 The companies holding shares of Nishat Dairy (Pvt) Limited are interested in D. G. Khan Cement Company Limited to the extent of their shareholding. % Nishat Mills Limited 31.40
Xv	Any other important detail	None
Xvi	Description of the project	3,200 milking cows dairy farm at Sukheki Road, Off Kot Sarwar Interchange, MozaKhatrani, District Hafizabad. The Company was incorporated 28 October 2011.
	Starting date of work	N/A
	Completion of work	N/A
	Commercial operations date	N/A
	Expected time by which the project shall start paying return on investment	N/A

(C) INVESTMENT IN NISHAT HOTELS AND PROPERTIES LIMITED

Nishat Hotels and Properties Limited was incorporated on 04 October 2007 as a public limited company with an authorized share capital of Rs. 10,000,000/- (Rupees TenMillion Only) authorized share capital has subsequently been enhanced to Rs. 4,000,000,000/- (Rupees Four Billion Only). The authorized share capital was further enhanced to Rs. 5,500,000,000/- (Rupees Five Billion Five Hundred Million Only).

Nishat Hotels and Properties Limited was set up with the main object of carrying hotels and hospitality business in Pakistan. For the intended purpose the company 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.

Nishat Hotels and Properties Limited has undertaken the project of a hotel and a prime shopping mall with name of "Emporium Mall". The project will be completed in three years with estimated cost of Rupees 15,595,629,000/- (Rupees Fifteen Billion Five Hundred Ninety Five Million Six Hundred Twenty Nine Thousand Only). The development consists of a high quality state of the art shopping mall of international standard as well as a budget hotel and a large banquet hall catering to the needs of surrounding areas. The proposed building has a covered area of 2.742 Million Square Feet comprising the following building components (2 basements, ground floor and 8 floors):

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- 3-4 star 100 rooms hotel
- Banquet halls
- Hyper Store
- Shopping Mall with following features:
    - Retail
    - Food courts
    - Cineplex
    - Health and Leisure Zones
    - Two basements with 2,815 parking bays for cars and motorcycles.

D. G. Khan Cement Company Limited expects significant dividends from this equity investment in Nishat Hotels and Properties Limited which will eventually enhance the return on investment of the shareholders of D. G. Khan Cement Company Limited.

The directors have carried out their due diligence for the proposed investment and duly signed recommendation of due diligence report shall be available for inspection of members in the general meeting along with latest audited accounts of associated company.

Information under Clause (a) of sub-regulation (1) of regulation 3 of (Investment in Associated Companies or Associated Undertakings) Companies Regulations, 2012.

Ref. No.	Requirement	Information
i	Name of associated company	Nishat Hotels and Properties Limited
	Criteria of associated relationship	Common directorship
ii	Purpose	To participate in the growing hotel business of the country through equity investment
	Benefits	To earn return on equity of D. G. Khan Cement Company Limited through dividend income from investment in associated company.
	Period of investment	Strategic long term investment
iii	Maximum amount of investment	Rs. 1,000,000,000/- (Rupees One Billion Only)

iv	Maximum price/share	The price to be paid for the equity investment will be par value of Rs. 10/- per share since the project is a green field project and the price is less than the fair value determined by independent firm of Chartered Accountants.
v	Maximum number of shares to be acquired	100,000,000 shares
vi	Shareholding before investment	No. of shares: NIL, Shareholding percentage: NIL
	Shareholding after investment	No. of shares: 100,000,000 Shareholding percentage: 18.18%
vii	Requirement in case of investment in listed associated company	Not Applicable as Nishat Hotels and Properties Limited is an unlisted company.
viii	Fair market value of shares	The fair value of the share determined in terms of Regulation 6(1) is Rs. 38.29 per share based on discounted cash flows using "Free Cash Flow" to the Company at discount rate of 12.30% with 4% terminal growth rate. (Copy of fair valuation report issued by HBL IjazTabussam& Co., Chartered Accountants, is available at RegisteredOffice of the Company and can be inspected in working hours up to 28 October 2014).
ix	Break-up value of shares	Rs. 9.95 per share as at 30 June 2014.
x	Earnings per share for the last three years	30 June 2013 was the Company's first year of operations. Basic Diluted 2013 = Re. (0.37) (0.03) 2014 = Re. (0.11) (0.08)
xi	Sources of fund from which shares will be acquired	Surplus funds of the Company.

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xii	Requirements if shares are intended to be acquired using borrowed funds	Not applicable.
xiii	Salient features of agreement(s) entered into with the associated company	No agreement.
xiv	Direct/Indirect interest of directors in the associated company	One director of D. G. Khan Cement Company Limited, Mian Raza Mansha currently holds 30.05% shares in Nishat Hotels and Properties Limited. The brothers of Mian Raza Mansha, namely MianUmer Mansha. and Mian Hassan Mansha also holds 30.05% shares in Nishat Hotels and Properties Limited. The directors of the associated company are interested in the investing company to the extent of their shareholding as under:- Name % of Shareholding Mian Raza Mansha and his spouse 4.24 MianUmer Mansha 6.23 Mian Hassan Mansha 6.14
xv	Any other important detail	None
xvi	Description of the project	Three to four star hundred room hotel, banquet halls, shopping mall, Cineplex etc.
	Starting date of work	15 March 2013
	Completion of work	14 September 2015
	Commercial operations date	15 September 2015
	Expected time by which the project shall start paying return on investment	Financial year 2015-16

Factory Sites:
Khofli Sattai, Distt. Dera Ghazi Khan - Pakistan. UAN: (92 - 64) 111 - 113 - 333 Tel: (92 - 64) 2460025, Fax: (92 - 64) 2460028, 263761
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