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## Kohat Cement Enters Real Estate Market with New Subsidiary

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In a significant diversification move, Kohat Cement Company Limited (Pakistan Stock Exchange: KOHC) has announced the formation of a wholly owned subsidiary aimed at capitalising on Pakistan’s growing real estate sector. With an initial paid-up capital of PKR 750 million, the new entity will focus on property development and all associated infrastructure projects. This bold step reflects a calculated strategy to strengthen revenue streams beyond the traditionally cyclical cement business.

The decision was officially disclosed in a stock filing published by the Pakistan Stock Exchange (PSX) on July 11, 2025. The Board of Directors at Kohat Cement has unanimously approved the establishment of the new company. While specific project details and locations remain under wraps for now, the announcement signals a proactive approach to adapting to evolving market demands. Real estate, long considered a safe haven for capital in Pakistan, offers lucrative opportunities amid increasing urbanisation and housing shortages.

Kohat Cement's move is particularly timely as the real estate sector experiences rising demand, limited supply, and a favourable investment climate. By entering the property market, KOHC is positioning itself to leverage its industry knowledge in construction materials and infrastructure. This vertical integration could reduce project costs, enhance execution capabilities, and improve long-term profitability. The PKR 750 million in seed capital also suggests that the company is not approaching this venture half-heartedly, but with significant intent and resources.



With inflation squeezing middle-income households and public sector development initiatives falling short, private sector innovation like this has the potential to fill critical gaps. Kohat Cement's entry into real estate may also encourage other industrial players to think beyond their traditional lines of business and seek growth through diversification. Although full details are yet to be revealed, the company's strategic pivot is a testament to forward-thinking corporate governance in an economic environment that demands adaptability. In the months ahead, all eyes will be on KOHC's execution whether it simply expands the balance sheet or reshapes the landscape of Pakistan's real estate sector.