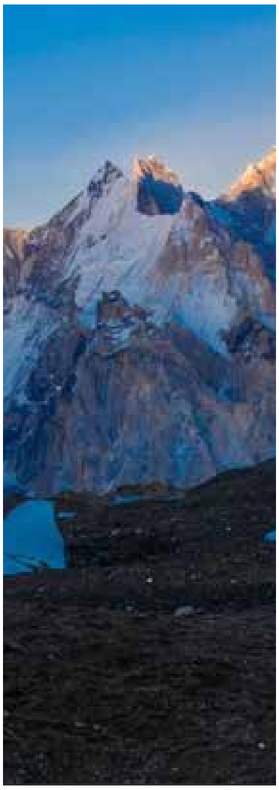
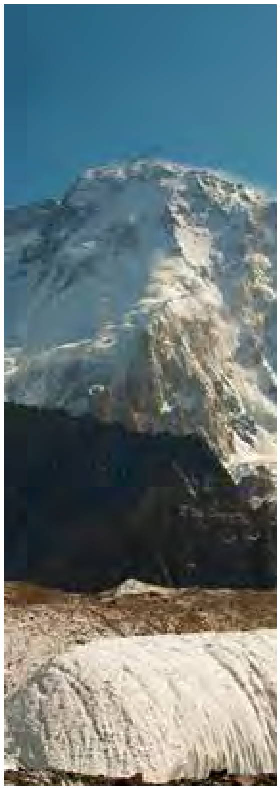
Annual Report 2024

Aiming for new Heights



Power Cement

مضبوطی ۔ چٹانوں جیسی

Cover Story

Power Cement Limited presents the theme "Aiming for New Heights" for 2024, inspired by the world's highest mountains. These peaks symbolize the resilience and strength we strive for as we navigate current economic and financial challenges.

Mountains reflect our commitment to excellence. Despite obstacles, we remain focused on innovation, quality, and sustainability. Each step we take is akin to a careful ascent, highlighting the importance of strategic planning and collaboration.

Our objective is clear: to build a strong foundation for growth and establish ourselves as a benchmark for excellence in the cement industry. We are committed to reaching new heights and unlocking our full potential.

Contents

01 Organizational Overview and External Environment

02 Strategy and Resource Allocation

03 Risks and Opportunities

04 Governance

05 Analysis of Financial Information

06 Disclosures on IT Governance and Cybersecurity

07 Stakeholders Relationship And Engagement

08 Sustainability and Corporate Social Responsibility

09 Striving for Excellence in Corporate Reporting

10 Financial Statements


K2
8,611
meters
K2, at 8,611 metres above sea level, is the second-highest mountain on Earth, after Mount Everest at 8,849 metres.

Organizational Overview and External Environment

Company Profile

Power Cement Limited, is strategically located at Motorway M9, Nooriabad, Sindh, an ideal location for a cement factory. Formerly known as Al-Abbas Cement Limited, the Company was acquired in 2010 by the Arif Habib Group, a prominent financial and industrial conglomerate.

The Company specializes in manufacturing, selling, and marketing high-quality cement, having a strong market presence in the Southern Region of Pakistan. It also exports clinker and cement to destinations such as the Middle East, Sri Lanka, East African countries, the UK, and the USA.

Currently, Power Cement Limited's manufacturing lines offer a nameplate clinker production capacity of 10,700 Tons Per Day (TPD), which translates to an annual capacity of 3.21 million tons of clinker. The Company solidifies its stature as a regional leader with an annual cement production capacity of 3.37 million tons (11,235 TPD).

In a strategic advancement, the Company has invested heavily in a state-of-the-art European plant procured from FLSmidth, a renowned European cement plant manufacturer. This cutting-edge facility, reflects our unwavering commitment to maintaining global standards.

Alongside the 11.5 MW Waste Heat Recovery System and the 7 MW Solar Plant, the Company is also developing a wind power project, further underscoring its commitment to sustainable energy solutions.

As one of the leading cement producers in the industry, we take pride in our achievements and innovations throughout our journey. We have expanded our production capacity, improved product quality, and reduced our environmental impact. We are committed to delivering excellence to our customers, shareholders, employees, and communities.

Vision

Power Cement Limited aims to be recognized nationally and internationally as a successful cement producer with a strong satisfied customer base.

Mission

To become a profitable organization and exceed the expectations of its customers and stakeholders by producing and marketing competitive and high quality products through concentration on quality, business values and fair play.

To promote best use and development of human talent in a safe environment, as an equal opportunity employer and use advanced technology for efficient and cost effective operations.

Code of Business Conduct and Ethical Principles

The ensuing set of principles establishes the ethical framework by which all Directors and personnel of Power Cement Limited are obliged to abide in their daily endeavors and uphold in the execution of the Company's operations. While the Company is committed to ensure comprehensive awareness of these principles among its employees, it remains the responsibility of each individual to enact the Company's policies. Violation of this code will be regarded as misconduct. The code underscores the imperative of maintaining high standards of honesty and integrity, pivotal for the prosperity of any business entity.

Ethical Principles

1. CONFLICT OF INTEREST

Directors and employees are expected to refrain from engaging in any activities that might lead to conflicts between their personal interests and the Company's interests. This encompasses affiliations with organizations supplying goods or services to the Company or purchasing its products. Should such a relationship exist, it must be disclosed to the management.

2. THIRD PARTIES ENGAGEMENTS

Interactions with third parties, including government officials, suppliers, buyers, agents, and consultants, should consistently safeguard the Company's integrity and reputation. Directors and employees are prohibited from accepting favors or kickbacks from any entity involved in transactions with the Company.

3. CONFIDENTIALITY

Confidential information pertaining to the Company is not to be divulged to unauthorized parties. When communicating publicly on matters concerning Company affairs, individuals should only do so if they are certain that their expressions align with the Company's views and objectives, and if it is the Company's intention for those views to be publicly shared.

4. FAIR & ETHICAL CONDUCT

All employees shoulder the responsibility of fostering positive public relations, particularly within the community. Active involvement in religious, charitable, educational, and civic activities is encouraged, as long as it does not create obligations that impede commitment to the Company's best interests.

5. HEALTH AND SAFETY

The Company remains fully committed to the well-being of its employees and environmental preservation. Improving Health, Safety, and Environment (HSE) performance is a core objective, focused on minimizing hazards, preventing pollution, and raising awareness. Employees are required to operate Company facilities and processes in alignment with this commitment.

6. COMMITMENT AND TEAM WORK

Dedication and teamwork are fundamental components for effective and efficient company operations. All employees must be treated with equal respect, and behaviors such as workplace harassment and derogatory remarks based on race, or ethnicity are strictly prohibited.

Core Values


CSR
TEAM WORK
EXCELLENCE
CONSISTENCY
ETHICS AND INTEGRITY
CUSTOMER FOCUS

At Power Cement Limited, we are committed to upholding unwavering integrity in our pursuit of delivering variety of top-quality products to our valued customers, while simultaneously maximizing returns for our shareholders and making substantial contributions to the National Exchequer.

Principal Business Activities

Power Cement Limited, a prominent player in the cement industry is part of the Arif Habib Group, a renowned conglomerate in Pakistan. We have strategically positioned ourselves to meet the growing demand for this essential construction material. With an annual cement production capacity of 3.37 million tons, Power Cement Limited plays a significant role in advancing the nation's infrastructure development.

Our cutting-edge production facility, strategically located in Nooriabad, Sindh, is well-situated to address the diverse cement needs of the southern region of the country. This facility enables us to efficiently serve both local and export markets, ensuring a consistent supply of variety of high-quality cement. Power Cement Limited's steadfast commitment to excellence and innovation in cement production solidifies our position as an industry leader, contributing to the growth and development of Pakistan's dynamic construction landscape.

Local and International Markets

Power Cement Limited operates a state-of-the-art manufacturing facility featuring European technology - a fully automated/ integrated FLSmidth plant with advanced online quality control. The plant produces a wide range of cement grades, including 32.5 N, 42.5 N, and 52.5 N, and offers versatile packaging solutions. Equipped with cutting-edge testing and material analysis capabilities, Power Cement Limited ensures consistent product quality.

The Company’s distribution network effectively covers key markets across Karachi, Sindh, and Baluchistan. Power Cement has established itself as a preferred supplier for major development projects, working with prominent developers such as EMAAR, Dominion Mall and Apartments Bahria Town, Magnacrete, Envicrete and Saima Group. Additionally, the Company serves various government entities, including Army Housing, C.W.O., and the National Development Complex.

Internationally, the Company exports clinker and cement to numerous countries, including the USA, UK, Cameroon, Djibouti, Ghana, Ivory Coast, Sri Lanka, Madagascar, Tanzania, Réunion, Seychelles, Maldives, Mauritius and more. The Company has pioneered clinker exports to China via containers, further expanding its global footprint.

The Company is committed to sustainable practices, a key differentiator in the global market where eco-friendly solutions are increasingly valued. We pioneer the use of alternative energy sources, including biomass fuels such as sugar mud-press, rice husk, and cow dung, complemented by solar and wind power (in process). This forward-thinking approach enables us to minimize our reliance on traditional energy sources, with a remarkable 40% of our energy needs currently met through renewable sources. This strategic focus on sustainability positions us for success in export markets where environmental responsibility is paramount.

Power Cement Limited holds multiple international certifications, including ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), and ISO 45001:2018 (Occupational Health and Safety). The Company continues to pursue additional certifications to keep itself abreast with the evolving industry standards.

Products

ORDINARY PORTLAND CEMENT

Power's Ordinary Portland Cement is recommended for projects especially where strength and matchless quality is a high priority. It can be used in concrete, mortars and blocks etc. Power's Ordinary Portland Cement has a strong compatibility with admixture/ retarder etc.

Brands

- **POWER-53**
- **BLACK BULL-53**
- **BLACK HAWK**
- **POWER OPC**

SULPHATE RESISTANT CEMENT

Power's Sulphate Resistant Cement is highly recommended in the coastal areas and in corrosive soil conditions due to its greater resistance to chemical attack from sulphates and dissolved salts in the water logged areas.

Brand

- POWER SRC-53

POWER BLOCK CEMENT

Power's Block Cement is a specially designed OPC Brand, catering to the needs of local block and precast segment. This brand has been introduced exclusively for block & precast slab makers after years of research.

Brand

- POWER BLOCK

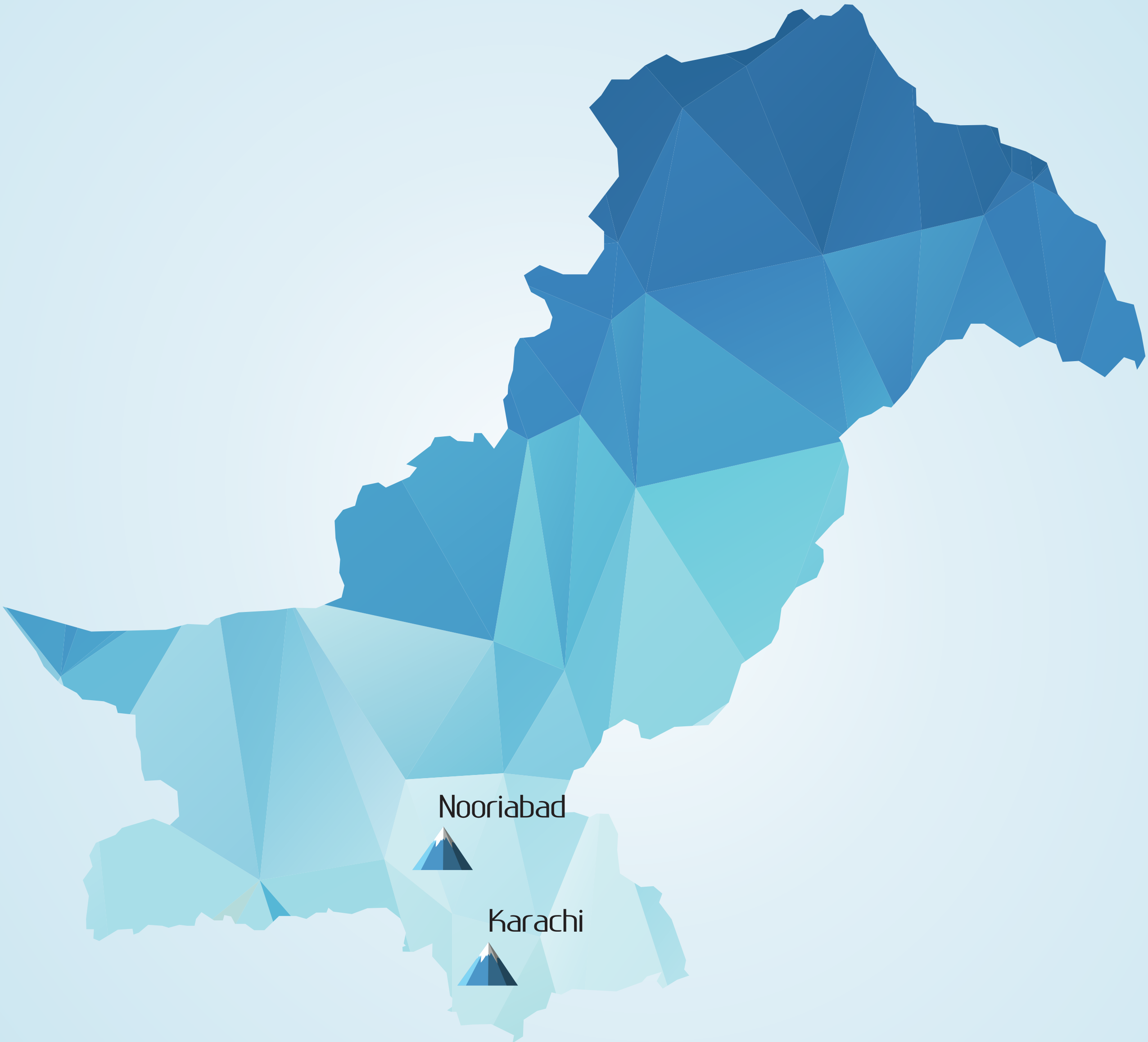
COMPOSITE CEMENT

Environment Friendly Cement requiring only 70% of clinker

Brand

- Qila Composite

Geographical Location



Geographically, the Company is located in the South Zone. Head Office is situated at Karachi and Factory is at Nooriabad, District Jamshoro

Company Information

Board of Directors

Mr. Nasim Beg	Chairman, Non-Executive Director
Mr. Arif Habib	Non-Executive Director
Mr. Muhammad Kashif	Chief Executive Officer
Mr. Abdus Samad Habib	Non-Executive Director
Syed Salman Rashid	Non-Executive Director
Ms. Zainab Kashif	Non-Executive Director
Mr. Javed Kureishi	Independent Director
Mr. Khursheed Anwer Jamal	Independent Director

Audit Committee

Mr. Khursheed Anwer Jamal	Chairman
Syed Salman Rashid	Member
Mr. Abdus Samad Habib	Member

Human Resource & Remuneration Committee

Mr. Javed Kureishi	Chairman
Syed Salman Rashid	Member
Mr. Muhammad Kashif	Member

Chief Financial Officer
Muhammad Taha Hamdani

Company Secretary
Mr. Salman Gogan

External Auditors
A.F. Ferguson & Co. Chartered Accountants

Legal Advisor
Barrister Asad Iftikhar

Share Registrar
CDC Share Services Limited
CDC House, 99-B,Block-B, SMCHS,
Main Shahrah-e-Faisal, Karachi - 74400

Bankers / Lenders of the Company
Local Banks / DFIs

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Makramah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
First Credit & Investment Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
National Bank of Pakistan
Pak Oman Investment Company Limited
Soneri Bank Limited
Samba Bank Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

Foreign Banks / DFIs
DEG - Deutsche Investitions-und Entwicklungsgesellschaft mbH - Germany
The OPEC Fund for International Development (“OFID”) – Austria
Islamic Corporation for the Development of the Private Sector (“ICD”) – Saudi Arabia

Registered Office
Arif Habib Centre, 23, M.T. Khan Road, Karachi

Factory
Nooriabad Industrial Area, Deh Kalo, Kohar, District Jamshoro, Sindh

Website
www.powercement.com.pk

Contact Number
021-32468231-2
021-32468350-1

Fax Number
021-32463209

History at a Glance

1981
Incorporated in Pakistan as **Essa Cement Industries Limited**

1987
Listed on Karachi Stock Exchange (Now Pakistan Stock Exchange Limited)

1989
Commencement of production with a capacity of 500 TPD

2013
Change of name to **Power Cement Limited**

2016
Successful Implementation of Microsoft Dynamics Enterprise Resource Planning (ERP)

2024
Term sheet signed with Burj Solar for upto **9.6 MW of Wind Power Project**

1999
Capacity enhancement from 500 TPD to 1,500 TPD

2005
Acquisition by Al-Abbas Group and change of name to **Al-Abbas Cement Industries Limited**

2008
Capacity enhancement from 1,500 TPD to 3,000 TPD

2010
Acquisition by **Arif Habib Group**

2017
Mega expansion of an additional production line (FLS Smidth) 7,700 TPD was announced

2020
CoD of Cement Production and Dispatch Plant

2021
CoD of Clinker Production Plant and 11.5 MW Waste Heat Recovery System

2022
07 MW of Solar Power Project went live

2024
SmartHCM Go-Live

Ownership, Operating Structure and Relationship With Group Companies

Ownership Structure

As at reporting date, Power Cement Limited shares are held by below mentioned majority shareholders for which detailed disclosure has been annexed with this Report.

Name of Shareholder	Shareholding %
Mr. Arif Habib	24.96
Arif Habib Corporation Limited	5.18
Arif Habib Equity (Private) Limited	21.27
Syed Salman Rashid	5.28

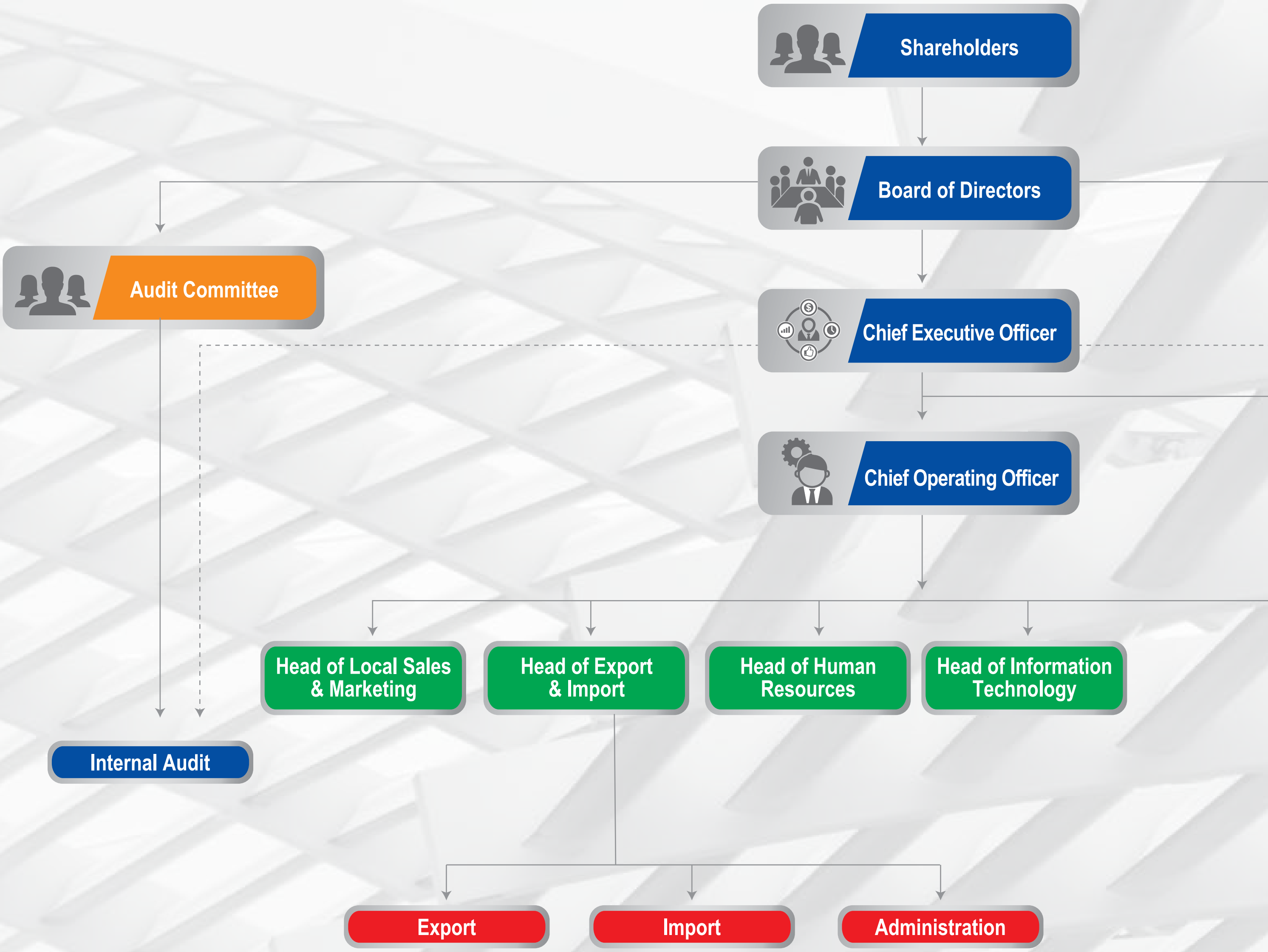
Associated Companies:

S. No.	Name of Company	Basis of Relationship	Name of Director
1	Aisha Steel Mills Limited	Common Directorship	Mr. Nasim Beg, Mr. Abdus Samad Habib and Mr. Muhammad Kashif
2	Aril Habib Consultancy (Pvt.) Limited	Common Directorship	Mr. Nasim Beg
3	Arif Habib Corporation Limited	Common Directorship	Mr. Nasim Beg, Mr. Abdus Samad Habib and Mr. Muhammad Kashif
4	Arif Habib Dolmen REIT Management Limited	Common Directorship	Mr. Abdus Samad Habib
5	Arif Habib Equity (Private) Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad Habib
6	Arif Habib Foundation	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad Habib
7	Arif Habib Development and Engineering Consultants (Private) Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad Habib
8	Alternates (Private) Limited	Common Directorship	Mr. Muhammad Kashif
9	All Pakistan Cement Manufacturers Association	Common Directorship	Mr. Muhammad Kashif
10	BioMasdar (Pakistan) Limited	Common Directorship	Syed Salman Rashid, Mr. Abdus Samad Habib and Mr. Muhammad Kashif
11	Black Gold Power Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad Habib
12	Essa Textile And Commodities (Private) Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad Habib
13	Easy E-Tameer (Private) Limited	Common Directorship	Mr. Muhammad Kashif
14	Fatima Fertilizer Company Limited	Common Directorship	Mr. Muhammad Kashif
15	Fatima Packaging Limited	Common Directorship	Mr. Muhammad Kashif
16	Fauji Foods Limited	Common Directorship	Mr. Javed Kureishi
17	Fatima Cement Limited	Common Directorship	Mr. Muhammad Kashif

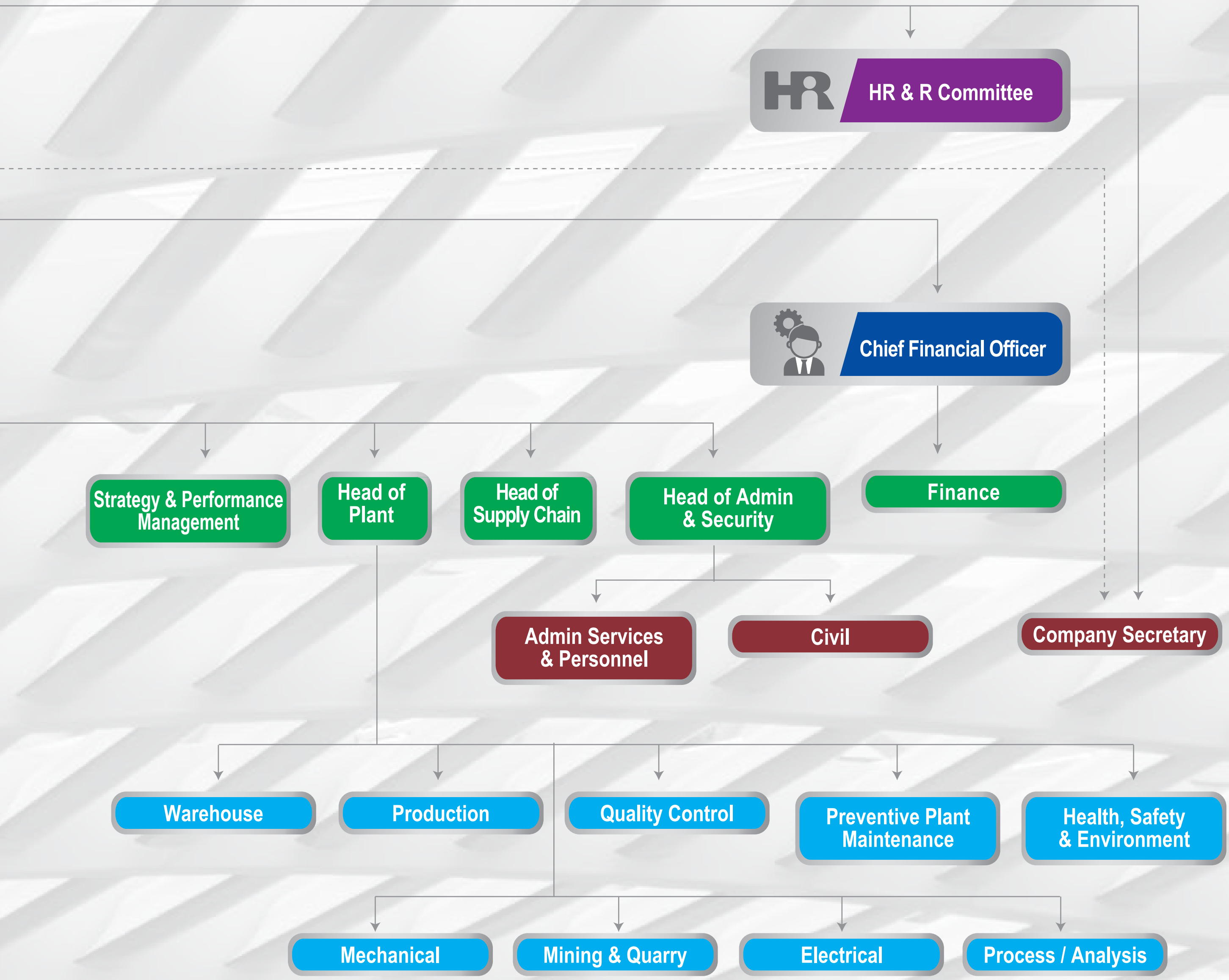
S. No.	Name of Company	Basis of Relationship	Name of Director
18	Fatimafert Limited	Common Directorship	Mr. Muhammad Kashif
19	Green Store (Private) Limited	Common Directorship	Mr. Muhammad Kashif
20	Habib Sugar Mills Limited	Common Directorship	Mr. Khursheed A. Jamal
21	Javedan Corporation Limited	Common Directorship	Mr. Muhammad Kashif , Mr. Abdus Samad Habib and Mr. Javed Kureishi
22	K-Electric Limited	Common Directorship	Mr. Javed Kureishi
23	Memon Health and Education Foundation	Common Directorship	Mr. Abdus Samad Habib
24	NN Maintenance Company (Pvt.) Limited	Common Directorship	Mr. Abdus Samad Habib
25	Nooriabad Spinning Mills (Private) Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad Habib
26	Parkview Corporation (Private) Limited	Common Directorship	Mr. Abdus Samad Habib
27	Pakistan Oxygen Limited	Common Directorship	Mr. Javed Kureishi
28	Pakistan Corporate Restructuring Company Limited	Common Directorship	Mr. Javed Kureishi
29	Pakistan Veterans Cricket Association	Common Directorship	Mr. Javed Kureishi
30	Pakistan Opportunities Limited	Common Directorship	Mr. Abdus Samad Habib and Mr. Muhammad Kashif
31	PIA Holding Company Limited	Common Directorship	Mr. Javed Kureishi
32	Prime Agtech Solutions (Private) Limited	Common Directorship	Mr. Muhammad Kashif
33	Rotocast Engineering Company (Pvt.) Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad Habib
34	Sachal Energy Development (Private) Limited	Common Directorship	Mr. Abdus Samad Habib and Mr. Muhammad Kashif
35	Safemix Concrete Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad Habib
36	Samba Bank Limited	Common Directorship	Mr. Javed Kureishi
37	Siddiqsons Energy Limited	Common Directorship	Mr. Muhammad Kashif
38	Sapphire Bay Development Company Limited	Common Directorship	Mr. Abdus Samad Habib
39	Sukh Chayn Gardens (Pvt.) Limited	Common Directorship	Mr. Abdus Samad Habib
40	Tricon Boston Consulting Corporation Pvt. Limited	Common Directorship	Mr. Javed Kureishi
41	Transmovers (Private) Limited	Common Directorship	Mr. Muhammad Kashif

All companies are operated by their management under the oversight of respective Board of Directors. Transactions are entered into normal course of business at arm's length. All transactions are placed for approval of Board of Directors of the Company.

Organogram



Shareholders
Board of Directors
Audit Committee
Chief Executive Officer
Chief Operating Officer
Head of Local Sales & Marketing
Head of Export & Import
Head of Human Resources
Head of Information Technology
Internal Audit
Export
Import
Administration



Legends

——— Functional Reporting

- - - - - Administrative Reporting

Directors' Profile

Mr. Nasim Beg

Chairman & Non-Executive Director

Mr. Nasim Beg is the Chief Executive Officer of Arif Habib Consultancy (Pvt.) Limited.

He qualified as a Chartered Accountant in 1970 and over the decades has had experience in manufacturing, as well as in financial services, both within and outside the country. He joined the Group in the year 2000 to conceive and set up an Asset Management Company, namely Arif Habib Investments, which became the market leader, it was later converted into a joint venture with MCB and subsequently sold to MCB.

Mr. Beg has also held senior level responsibilities in the automobile industry. During his tenure at the Allied Engineering Group, he set up a green field project for the manufacture of sophisticated indigenous components for the automotive industry under transfer of technology licenses with Japanese and European manufacturers.

His initiation into the financial services business was with the Abu Dhabi Investment Company, UAE, where he was a part of the team that set up the company in 1977. He was the founding Chairman of the Institute of Financial Markets of Pakistan, which was sponsored by the Securities & Exchange Commission of Pakistan (SECP). He has served on several committees set up by the SECP for developing the Capital Markets, including the one that authored the Voluntary Pension System. He has also held the Chairmanship of the Mutual Funds Association of Pakistan. In addition, he has also been a member of the Prime Minister's Economic Advisory Council (EAC).

Corporate Responsibilities

Arif Habib Consultancy (Private) Limited (Chief Executive)

As Director

- Arif Habib Corporation Limited
- Aisha Steel Mills Limited

Mr. Arif Habib
Non-Executive Director

Mr. Arif Habib is the Chairman of Arif Habib Group and Chief Executive of Arif Habib Corporation Limited, the holding company of Arif Habib Group. He is also the Chairman of Fatima Fertilizer Company Limited, Aisha Steel Mills Limited, Javedan Corporation Limited (the owner of Naya Nazimabad) and Sachal Energy Development (Pvt) Limited and Arif Habib Dolmen REIT Management Limited.

Mr. Arif Habib remained the elected President/Chairman of Karachi Stock Exchange for six times in the past and was a Founding Member and Chairman of the Central Depository Company of Pakistan Limited. He has served as a Member of the Privatisation Commission, Board of Investment, Tariff Reforms Commission and Securities & Exchange Ordinance Review Committee. He has been a member of the Prime Minister's Economic Advisory Council (EAC) and the Think-Tank constituted by the Prime Minister on COVID-19 related economic issues. He has also remained a member of the Prime Minister's Task Force on attracting Foreign Direct Investment (FDI) and a member of Advisory Committee of Planning Commission.

Mr. Habib participates significantly in welfare activities. He remains one of the directors of Pakistan Centre for Philanthropy (PCP), Habib University Foundation, Karachi Education Initiative (KSBL), Arif Habib Foundation and Naya Nazimabad Foundation as well as trustee of Memon Health & Education Foundation (MMI).

Corporate Responsibilities

As Chairman
Fatima Fertilizer Company Limited
Fatimafert Limited
Sachal Energy Development (Pvt) Limited
Javedan Corporation Limited
Aisha Steel Mills Limited
Arif Habib Dolmen REIT Management Limited / (Dolmen City REIT)
Arif Habib Development and Engineering Consultants (Pvt) Limited
Sapphire Bay Development Company Limited
Arif Habib Foundation
Naya Nazimabad Foundation
Black Gold Power Limited
Essa Textile and Commodities (Pvt) Limited

As CEO
Arif Habib Corporation Limited

As Director
Arif Habib Equity (Pvt) Limited
Arif Habib Consultancy (Pvt) Limited
Fatima Cement Limited
International Builders and Developers (Pvt) Limited
NCEL Building Management Limited
Pakarab Energy Limited
Pakistan Business Council
Pakistan Engineering Company Limited
Pakistan Opportunities Limited
Power Cement Limited
Pakistan National Shipping Corporation
As Honorary Trustee/Director
Fatimid Foundation
Habib University Foundation
Karachi Education Initiative
Memon Health and Education Foundation
Memon Education Board
Pakistan Centre for Philanthropy

Mr. Muhammad Kashif

Chief Executive Officer

Mr. Muhammad Kashif is the Chief Executive of Power Cement Limited. Being a member of the Institute of Chartered Accountants of Pakistan (ICAP) he completed his articleship from A.F. Ferguson & Co. (a member firm of Price Waterhouse Coopers), where he gained experience of diverse sectors serving clients spanning the Financial, Manufacturing and Services industries.

He has to his credit over a decade of experience as an Executive Director in cement and fertilizer companies of the group. This exposure not only enriched his understanding of diverse corporate dynamics but also enabled him to refine his strategic decision-making capabilities.

Mr. Kashif is deeply committed to enhancing the country's energy landscape. He remains engaged with experts to establish renewable energy as a viable and readily available solution, benefiting not only industries but also the public at large.

Corporate Responsibilities

Power Cement Limited (Chief Executive)

Other Directorships

- Aisha Steel Mills Limited
- Arif Habib Corporation Limited
- Fatima Fertilizer Company Limited
- Javedan Corporation Limited
- Safe Mix Concrete Limited
- Black Gold Power Limited
- Fatima Cement Limited
- Fatima Packaging Limited
- Fatimafert Limited
- Pakistan Opportunities Limited
- Siddiqsons Energy Limited
- BioMasdar Pakistan Limited
- Alternates (Private) Limited
- Arif Habib Equity (Private) Limited
- Arif Habib Development and Engineering Consultants (Private) Limited
- Prime Agtech Solutions (Private) Limited
- Sachal Energy Development (Private) Limited
- Easy E-Tameer (Private) Limited
- Essa Textile and Commodities (Private) Limited
- Green Store (Private) Limited
- Nooriabad Spinning Mills (Private) Limited
- Rotocast Engineering Company (Private) Limited
- Transmovers (Private) Limited
- Arif Habib Foundation
- All Pakistan Cement Manufacturers Association

Mr. Abdus Samad Habib
Non-Executive Director

Mr. Abdus Samad Habib holds a Master's degree in Business Administration. He is the Chief Executive of Javedan Corporation Limited and Safemix Concrete Limited. Mr. Samad has more than 15 years of experience, including 9 years in the financial services industry in various senior management roles.

He began his career with Arif Habib Corporation Limited (the holding company of Arif Habib Group) and has served the company in various executive positions including Executive Sales and Business Promotions, Company Secretary, Head of Marketing, etc.

In 2004, Mr. Samad Habib joined Arif Habib Limited leading the company as its Chairman and Chief Executive. He played a key role in shaping the strategic direction of the company where he specialized in capital market operations and corporate finance. Several noteworthy Initial Public Offerings (IPOs) and successful private placements took place under his stewardship, showcasing his exceptional financial acumen and deep market insight.

Mr. Samad transitioned to Javedan Corporation Limited, in 2011, as the driving force behind the transformation of a dilapidated cement plant to a vibrant living community, Naya Nazimabad. Mr. Abdus Samad Habib has been pivotal in advancing positive societal change and providing the city's middle class an elevated standard of living.

In 2019, Mr. Abdus Samad Habib took on the role of CEO at Safemix Concrete. Guided by his strategic acumen, Safemix Concrete has undergone a remarkable transformation from a lossmaking entity to a profitable enterprise.

Corporate Responsibilities
Javedan Corporation Limited (Chief Executive)
Safemix Concrete Limited (Chief Executive)
Nooriabad Spinning Mills (Private) Limited (Chief Executive)

Other Directorships
- Aisha Steel Mills Limited
- Arif Habib Corporation Limited
- Arif Habib Dolmen REIT Management Limited / (Dolmen City REIT)
- Black Gold Power Limited
- Pakistan Opportunities Limited
- Sapphire Bay Development Company Limited
- BioMasdar (Pakistan) Limited
- Arif Habib Equity (Private) Limited
- Arif Habib Development and Engineering Consultants (Private) Limited
- Essa Textile and Commodities (Private) Limited
- NN Maintenance Company (Private) Limited
- Parkview Corporation (Private) Limited
- Rotocast Engineering Company (Private) Limited
- Sukh Chayn Gardens (Private) Limited
- Sachal Energy Development (Private) Limited
- Arif Habib Foundation
- Memon Health and Education Foundation

Mr. Javed Kureishi

Independent Director

Mr. Javed Kureishi is a career Banker with a rich and diverse experience of more than 34 years with Citibank both in Pakistan and in Europe, the Middle East, Africa and Asia, where he worked for 9 years. His various roles have included Senior leadership roles in Country Management, Risk, Corporate and Institutional Banking, Strategy, and managing Multinational Subsidiaries and Public Sector businesses at the country and regional levels. Mr. Kureishi has been working for the International Finance Corporation (IFC) as a consultant responsible for business development. He has a BA (Hons) from the University of Sussex UK.

Aside from his professional career, Mr. Kureishi has also been a keen cricketer. He played first-class cricket for PIA and Karachi 1977-81 and for Sussex Under 25 during 1982-84. He was also captain of Pakistan Under 19 cricket team on its tour of India and Sri Lanka in 1978-79. Mr. Kureishi has also been a University level field hockey player. He is a certified director & has also served on the Board of Directors of the Pakistan Stock Exchange Limited (PSX).

Other Directorships

- Fauji Foods Limited
- Javedan Corporation Limited
- Tricon Boston Consulting Corporation Private Limited
- Samba Bank Limited
- PIA Holding Company Limited
- Pakistan Oxygen Limited
- K-Electric Limited
- Pakistan Veterans Cricket Association
- Pakistan Corporate Restructuring Company Limited

Ms. Zainab Kashif

Non-Executive Director

Ms. Zainab is a Bachelors in Commerce. She is a proud mother and an active homemaker. She is gearing up in her family business.

Other Directorship

Nil

Mr. Khursheed Anwer Jamal

Independent Director

Mr. Khursheed A. Jamal is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) since 1990. Mr. Khursheed brings more than 35 years of experience and has held various corporate and management positions as Chief Accountant, Manager Taxation, Manager Internal Audit, Company Secretary, Director Finance, Chief Operating Officer and Chief Executive Officer.

Mr. Khursheed was associated with Ghulam Faruque Group (Cherat Cement, Cherat Electric and Cherat Packaging), Dewan Mushtaq and Yousuf [Dewan Cement (Pakland Cement), Dewan Sugar, and other group companies] and Al-Abbas Group (Al-Abbas Sugar, Al-Abbas Cement and other Group companies).

Mr. Khursheed is also a certified director from ICAP and he is currently associated with Habib Sugar Mills Limited.

Corporate Responsibilities

Habib Sugar Mills Limited (Chief Executive)

Other Directorships

Nil

Syed Salman Rashid

Non-Executive Director

Syed Salman Rashid holds a Bachelor's Degree from Karachi University and is a Certified Director from Pakistan Institute of Corporate Governance. He has served with EFU Group for over 30 years and presently serves as a Deputy Managing Director of EFU General Insurance Limited looking after the largest Marketing and Sales Division of the Company.

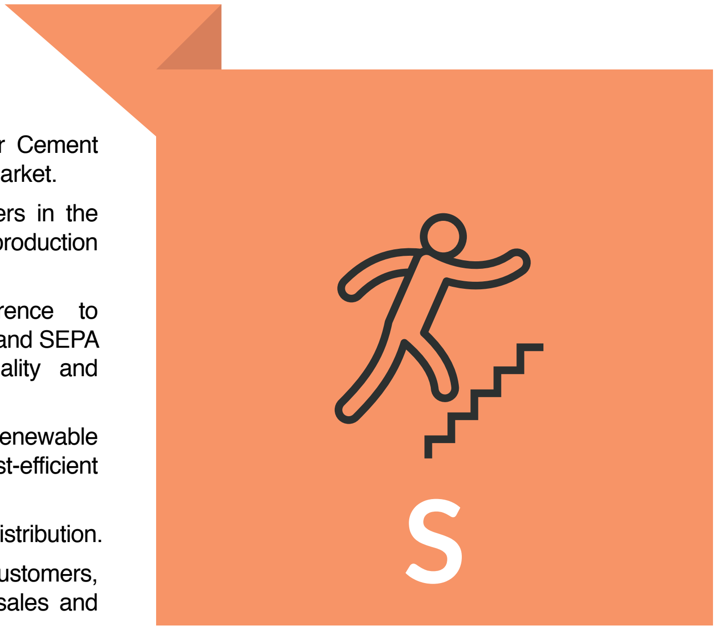
Other Directorships

- BioMasdar Pakistan Limited

SWOT Analysis

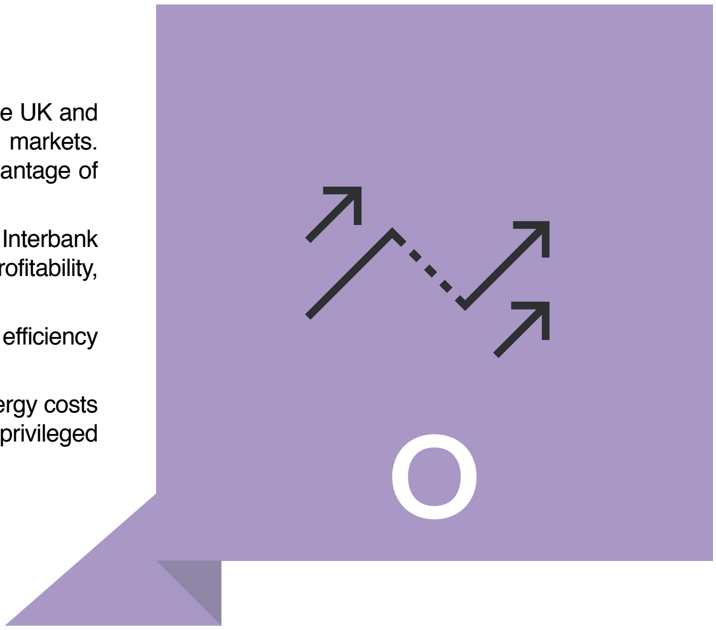
Strengths

- As part of the esteemed Arif Habib Group, Power Cement Limited enjoys enhanced credibility and trust in the market.
- Recognized as one of the largest cement producers in the South Zone, the Company boasts a robust production infrastructure.
- Production of 53 Grade cement and adherence to environmental standards set by IFC/World Bank/EU and SEPA demonstrate the Company's commitment to quality and sustainability.
- Projects like the Waste Heat Recovery System and renewable energy initiatives emphasize eco-friendly and cost-efficient energy solutions.
- Proximity to seaports ensures efficient logistics and distribution.
- Well-established trust and relationships with customers, vendors, and transporters contribute to enhanced sales and strong operating performance.



Opportunities

- Capitalizing on the growing demand for cement in the UK and USA, and establishing a strong presence in these markets. Power Cement Limited enjoys the geographical advantage of proximity to the ports.
- Taking advantage of the declining KIBOR (Karachi Interbank Offered Rate) to reduce borrowing costs, increase profitability, and invest in growth initiatives.
- Adopting digital solutions or automation to enhance efficiency and reduce costs.
- Investing in renewable energy sources to reduce energy costs and environmental impact. Power Cement Limited is privileged to be located around a wind corridor.



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Weaknesses

- The absence of an in-house fleet makes the Company reliant on external transporters, which could affect timely deliveries and leads to higher costs
- High gearing levels and consequential high financial costs have pressured the Company's financial health resulting in subdued EPS.

T

Threats

- Increase in coal and electricity costs challenge the ability to maintain competitive pricing in the export market.
- Exposure to interest rate fluctuations, currency devaluation, and other adverse macroeconomic factors can impact the Company's financial stability.
- Increase in Government taxes and levies such as Federal Excise Duty and Royalty are making the commodity dearer.
- Overall shrinkage of the construction sector and PSDP has led to reduced dispatch volumes leading lower overall operational profit numbers.

Competitive Landscape and Market Positioning

Threat of New Competition

The cement sector is dominated by well-established companies and presents formidable barriers to entry due to significant capital investment requirements and high setup costs. Additionally, securing access to crucial distribution channels and raw materials further complicates the entry for potential newcomers. As a result, the likelihood of new entrants successfully entering the market is highly low.

Alternatives to Cement

Currently, there is no distinct substitute for cement in the market.

Bargaining Power of Customers

The direct customers of cement manufacturers typically include distributors and dealers who supply to retailers or end consumers. The market is open to new entrants as there are no significant barriers of becoming a cement distributor or dealer. Power Cement Limited enjoys a strong customer base and maintains, mutually beneficial business relationship. Branding and superior quality associated with new cement manufacturing facility (Line III) has enhanced the Company's negotiating power. Generally, cement being an essential component in construction and being relatively insensitive to price changes, manufacturers have more control over pricing decisions than customers.

Bargaining Power of Suppliers

The Company employs a rigorous vendor selection process to ensure transparency and fairness. Raw materials are procured through long-term lease granted by the Mines and Mineral Department of the Government of Sindh. Additionally, fuel and other input materials are sourced through careful market research and negotiations to protect the Company's interest. However, the cement industry is heavily influenced by external factors, particularly the international commodity prices, which impact the main cost drivers of cement production, such as the electricity costs, coal prices and packing material prices.

Intensity of Competitive Rivalry

The cement sector is characterized by intense competition. To address this challenge, the Company has implemented strategic advertising and branding campaigns. Notably, Power Cement Limited is one of the largest provider of certified 53 Grade cement in the South Zone, giving it a competitive edge.

In navigating this competitive landscape, Power Cement Limited remains committed to maintaining quality, enhancing its brand, and pursuing strategic initiatives to secure a strong market position.

The Legislative, Regulatory and Political Environment in which the Organization Operates

Power Cement Limited, as a major player in the cement industry and a public listed Company, operates within a regulated environment. Compliance with various legal frameworks is a fundamental aspect of our operations. We rigorously adhere to the regulatory guidelines, with close scrutiny from governmental authorities to ensure legal compliance. Some key statutes that our Company stands compliant, include:

Companies Act, 2017,
Sales Tax Act, 1990,
Federal Excise Act, 2005,
Income Tax Ordinance, 2001,
Competition Act, 2010,
Labor and Employment Laws,
Provincial Mining Laws,
Central Depository Company Act and Regulations,
Listed Companies (Code of Corporate Governance) Regulations, 2019

Power Cement places a strong emphasis on full compliance with the applicable laws. We are dedicated to taking every necessary precaution to mitigate the risk of legal liability arising from any non-compliance. Our commitment to legal compliance is unwavering, reflecting our dedication to responsible and ethical business practices.

As cement is primarily used in construction, the industry has a high degree of correlation with the development activities and the political environment plays a catalyst role. The political landscape exerts significant influence on the Company's ability to implement its strategic initiatives. Prolonged political uncertainties have adverse ramifications for consumers, businesses, investors, financial markets, and economic decision-makers. Pakistan has been grappled with persistent political instability in the recent years, which has particularly hindered its economic progress. As a response to these political dynamics, short-term macroeconomic policies have been frequently adopted, leading to a volatile policy environment in the longer run. The economic challenges stemming from factors like dwindling foreign exchange reserves, surging inflation, and high interest rates have compelled the government to curtail spending on infrastructure projects, resulting in an overall economic slowdown. Consequently, our Company faces the impact of domestic political instability and economic challenges, resulting in declining cement demand amidst sluggish construction activities.

Effect of Seasonality on Business

Power Cement Limited experiences a seasonal dip in sales during the monsoon and winter seasons, as well as during festive holidays, primarily due to a slowdown in construction activities. However, these seasonal fluctuations do not materially affect the Company's production cycle, as the management appropriately plans the production schedules allowing to maintain consistent operations throughout the year.

General review of the Performance of the Company and Significant Improvements from Prior Years

While our organizational structure has remained stable compared to previous years, the external landscape has undergone significant shifts that have influenced our operational trajectory. Notable changes and their impact includes:

Escalating Interest Cost:
Exceptionally high interest rates in Pakistan have posed a substantial challenge, affecting our overall operational performance and financial strategy.

Escalating Energy Cost:
Energy costs in the country have reached historic high, posing significant challenge for the industry as it becomes increasingly difficult to pass such cost on to consumers, potentially leading to price increase.

Low Demand for Cement:
The cement industry is experiencing a decline in demand, and any further reduction could pose significant challenges for the cement and construction industry. It is imperative to implement strategic measures to address and mitigate current macro-economic conditions.

Renewable Energy and Cost-Efficiency Measures:
This year, we demonstrated our commitment to sustainability by signing a term sheet with Burj Solar for up to 9.6 MW wind energy power project. This initiative complements our existing 7 MW solar power project and 11.5 MW Waste Heat Recovery System (WHRS), underscoring our dedication to clean energy solutions.

Alternate Fuel:
The Company is using sugar mud-press, rice husk, and other alternative fuels to reduce production cost & to improve efficiency coupled with contribution to overall environment. These efforts have successfully reduced production cost there by reducing the burden on foreign exchange of the country and aligning with our goals of cost efficiency and environmental responsibility.

Amid these complex changes, Power Cement Limited remains steadfast in its pursuit of operational excellence, sustainable practices, and strategic adaptability in response to multifaceted external dynamics.

Legitimate Needs, Key Stakeholder Interests and Industry Trends

Shareholders

Interests: Shareholders prioritize financial performance, profitability, and sustainable growth. They seek consistent returns on investment (ROI) and value increases.

Needs & Trends: To satisfy shareholders, Power Cement focuses on cost efficiency, profitability, and long-term growth through innovation and sustainability. As the cement industry shifts towards eco-friendly practices and technological advancements, shareholders expect the Company to invest in these areas to secure its competitive position.

Customers

Interests: Customers demand high-quality, competitively priced cement, reliable supply, and strong customer service. Sustainability and transparency are also considered to be significant.

Needs & Trends: Power Cement addresses these needs by maintaining stringent quality standards and reliable supply chain. With the industry's move toward sustainability, customers, especially international customers, now prefer companies that offer eco-friendly products, reinforcing the importance of Power Cement's commitment to renewable energy and alternative fuels.

Employees

Interests: Employees seek job security, professional development, fair compensation, and a safe/ cordial working environment. They value opportunities for career growth and a positive workplace culture.

Needs & Trends: Power Cement meets these needs by investing in human capital development through training and safety programs. As the industry adopts new technologies and sustainability practices, ongoing employee development is essential to equip the staff with necessary skills for the evolving industry.

Government and Regulatory Bodies

Interests: Regulatory bodies focus on compliance with laws, environmental standards, safety protocols, and community development initiatives.

Needs & Trends: Power Cement’s adherence to environmental regulations and safety standards is essential to meet government expectations. The industry's trend toward stringent environmental regulations underscores the importance of the Company's sustainability initiatives, which help us to ensure compliance and build a positive reputation.

Vendors and Suppliers

Interests: Vendors and suppliers are acknowledged to be long-term business partner by ensuring timely payments, and providing opportunities for growth.

Needs & Trends: Maintaining strong supplier relationships is critical for Power Cement to ensure a consistent supply of quality materials. As the industry prioritizes sustainability, suppliers must be aligned with the Company's eco-friendly practices, further strengthening these partnerships.

Power Cement Limited aligns its strategic objectives with the legitimate needs and interests of its stakeholders while staying attuned to industry trends. This approach ensures the Company's competitiveness, responsibility, and long-term success in the evolving cement industry.

Value Chain Analysis

Power Cement Limited primarily engages in the production and sale of cement products. The manufacturing process involves the blending of limestone and various minerals at high temperatures in kiln. Initial kiln firing is achieved using diesel fuel, while coal is utilized to maintain the desired temperature. Upstream activities involve sourcing raw materials such as gypsum and iron ore are bought from vendors, shale and limestone are extracted from quarries, subject to monthly royalty and excise duty payments.

To ensure uninterrupted operations, Power Cement Limited has invested in maintaining a seamless production flow. The Company proactively manages risks associated with production disruptions. Rigorous oversight by highly qualified specialists is applied to the mining, grinding, crushing, and blending processes, guaranteeing the production of the highest quality cement for valued customers.

Through an effective marketing strategy, Power Cement Limited generates a pull effect, cultivating customer loyalty and actively exploring potential markets. The Company has initiated various dealer engagement activities to foster stronger connections and encourage dealers to promote Power Cement Limited's product portfolio.

The value chain analysis has empowered Power Cement Limited to discern its core strengths and key stakeholders contributing to value creation, both upstream and downstream. This analysis has not only identified value-added activities for customers but has also facilitated an evaluation of the Company's competitive positioning within the industry.


Risk & Opportunities
Governance
Strategy & Resource Allocation
Limestone, Laterite Gypsum, Coal & Other Aggregates
Transportation
Power Cement
Transportation
Outlook
Sustainability
Dealer / Distributor
Retailer
Export Sales
Port
Performance
End User

Significant Factors Affecting The External Environment & The Organization's Response

Power Cement Limited operates within a dynamic business environment shaped by various macroeconomic factors. These factors span the Political, Economic, Social, Technological, Environmental, and Legal realms, each exerting a distinct influence on the organization. Below, we explore these significant factors and the organization's response:

PESTEL Analysis

Factors	Description	Organizational Response
Political	The political landscape significantly impacts the macroeconomic environment, affecting the organization's operations. Political instability and sudden changes in government policies can pose challenges to business activities.	The management implements adaptable strategies to align with evolving political and regulatory conditions, ensuring stakeholder expectations are met. The Company monitors political developments and adjusts its policies. Additionally, it engages with industry bodies such as the Pakistan Business Council (PBC), the Federation of Pakistan Chambers of Commerce & Industry (FPCCI), the Institute of Chartered Accountants of Pakistan (ICAP), and the All Pakistan Cement Manufacturers Association (APCMA) to address industry challenges and advocate for favorable policies.
Economic	The organization faces significant challenges from rising business costs due to unprecedented interest rate hikes, high energy costs, persistent inflation, and negative growth in local sales, all of which exert downward pressure on the profit margins. Reduced government spending and slower economic growth also impact construction activities.	The Company addresses these challenges by prioritizing effective inventory management, mitigating currency exposure through hedging, diversifying material sourcing, and expanding market outreach. The Company is using Waste Heat Recovery system and Solar energy to reduce its energy cost and is planning to enhance its usage of renewable energy sources including Wind energy. Leveraging its position as a leading cement producer in the South region, the Company plugs the gap in sales from local demand through export of cement and clinker globally while enhancing manufacturing and energy efficiency to manage rising production costs.

Factors	Description	Organizational Response
Social	The socioeconomic repercussions of economic downturns and natural disasters like floods have far-reaching consequences on the society. These factors significantly strain economic stability, leading to reduced consumer purchasing power, decreased disposable income, and heightened financial uncertainty.	Power Cement Limited is a socially responsible organization and demonstrates corporate social responsibility by investing in community development within its operational areas. Spearheading green energy projects to minimize carbon footprint and reduce reliance on the national grid.
Technological	The rapid evolution of technology underscores the risk of technical obsolescence.	The organization maintains its technical edge by adopting advanced technological facilities, as evident from acquisition of state-of-the-art European plant from FLSmidth. Continuously enhancing hardware infrastructure and software applications. Successfully implemented MS Dynamics ERP modules to streamline daily operations and SmartHCM for HR function.
Environmental	The organization is influenced by the growing support for renewable energy, the impact of fossil fuels on the climatic conditions, global warming, and growing importance of "green" initiatives. Natural disasters, such as the historical floods, further highlight the need for sustainable practices.	The Company demonstrates its commitment to the environment by exceeding environmental standards set by IFC/World Bank/EU and SEPA and by attaining ISO certifications for Environmental Management, Quality Management, and Occupational Health and Safety (OH&S). Projects such as WHRS and solar power initiatives have been undertaken to reduce environmental impact, with a wind energy project in progress. The Company also uses alternative fuels, such as sugar-mud, rice husk, and cow dung to minimize the use of coal to reduce carbon emissions and protect the environment.
Legal	To remain in the business, the cement industry players need to remain compliant with the legal and regulatory framework	The Company ensures adherence to all statutory obligations through a dedicated team of professionals. This team diligently monitors compliance with relevant Statutes, Acts, Ordinances, and regulations. The Company fosters a comprehensive understanding of existing legal requirements and consistently works to fulfill every legal aspect, adhering to all applicable Acts, frameworks and regulations.

Broad Peak

8,051

meters

Broad Peak is one of the eight-thousanders, and is located in the Karakoram range spanning Gilgit-Baltistan, Pakistan and Xinjiang, China. It is the 12th highest mountain in the world with 8,051 metres elevation above sea level.

Strategy and Resource Allocation

Strategic Objectives, Strategies in Place and Key Performance Indicators (KPIs)

Power Cement Limited remains dedicated to enhancing stakeholder's value through innovation, process modernization, and efficient resource utilization. Our strategic objectives are guided by empathy and focus on sustainable growth.

Strategic Objectives	Implemented Strategies	Relevant KPIs	Timeline
Human Capital Development	Providing technical and non-technical training for all staff levels internally and externally.	Training and education programs	Mid Term
Environmental Sustainability	Maintaining a safe work environment and complying with environmental standards	Health & safety incidents / environmental testing reports	Mid Term
Production Efficiencies	Exploring captive power generation and alternate fuels to reduce production costs.	Energy cost reduction	Short Term
Brand perception	Strengthening brand image, enhancing packaging, expanding sales network, timely delivery, and extensive marketing campaigns.	Increase in retention price	Short Term
Maintaining Supplier Relationships	Monitoring cash flow to ensure timely settlement of liabilities.	Payable Days Liquidity Ratios	Short Term
Maintaining Dealers/ Distributors / Network	Planned marketing campaigns and expanding dealer networks to increase market reach.	Dealer network growth, market penetration	Short Term
Monitoring of Cash Inflows/ trade receivables	Monitoring customer aging reports, credit limits, and cash flow to ensure timely recoveries.	Receivable Days, Liquidity Ratios	Short Term

Significant Changes in Objectives and Strategies from Prior Years

There have been no significant changes in our objectives and strategies. However, we've reorganized our approach to enhance clarity, transparency, and effectiveness in our reporting.

Future Relevance

These KPIs will remain critical to our success. Power Cement Limited is committed to transparency and to diligently assessing progress to ensure we achieve our strategic objectives in the long term.

Value Created by the Company Using These Resources and Capabilities

Power Cement Limited (PCL) leverages its resources and capabilities to create value for a diverse range of stakeholders through sustainable practices, operational excellence, and strong relationships. Below is a summary of how PCL generates value for its key stakeholders:

1. Employees

PCL invests in its workforce through competitive compensation, ongoing training, and career development. By fostering a safe and inclusive work environment, PCL enhances employee satisfaction and productivity, which directly supports the Company's overall success.

2. Customers

Our commitment to high-quality cement products ensures that customers receive reliable building materials. PCL maintains strong relationships with its dealers, distributors, and end-users including but not limited to real estate developers, industrial consumers, etc. by consistently delivering high quality cement coupled with excellent customer service, consequently building customer's trust and brand loyalty in the market.

3. Suppliers and Service Providers

PCL fosters long-term, mutually beneficial relationships with suppliers through transparent and fair procurement practices. This collaboration ensures supply chain efficiency, reduces costs, and supports innovation, benefiting both PCL and its business partners.

4. Communities

PCL engages with local communities through social responsibility initiatives. We prioritize environmental sustainability, and contribute positively to the communities in which we operate.

5. Shareholders

PCL generates value for shareholders through strategic growth and operational efficiencies. By expanding production capacity, reducing costs and exploring new market opportunities, the Company ensures long-term sustainability while maintaining transparency and strong governance.

6. Government

PCL contributes to national development by adhering to regulations, paying taxes, and creating jobs. Our investments in clean energy and compliance with industry standards align with government objectives for sustainable industrial growth and economic resilience.

This integrated approach allows PCL to build enduring relationships with all stakeholders, ensuring that our operations contribute positively to the broader economy and society.

Company's Strategy on Market, Product and Service Development

Power Cement Limited focuses on a strategic approach to market its products and service development to maintain industry leadership and meet evolving customer needs. PCL seeks to expand its market presence by targeting new geographical regions and increasing its market share in existing areas, with a strategy that enhances brand visibility and taps into new customer segments. Innovation is central to PCL's product strategy, emphasizing the introduction of high-performance and sustainable cement. Enhancing customer experience and operational efficiency through customer service and robust dealer network is integral to the service strategy. Through this comprehensive focus, PCL aims to achieve sustainable growth, improve customer satisfaction, and strengthen its position as a leading cement producer.

Business Model

Financial Capital
PKR 48 billion in Total Assets

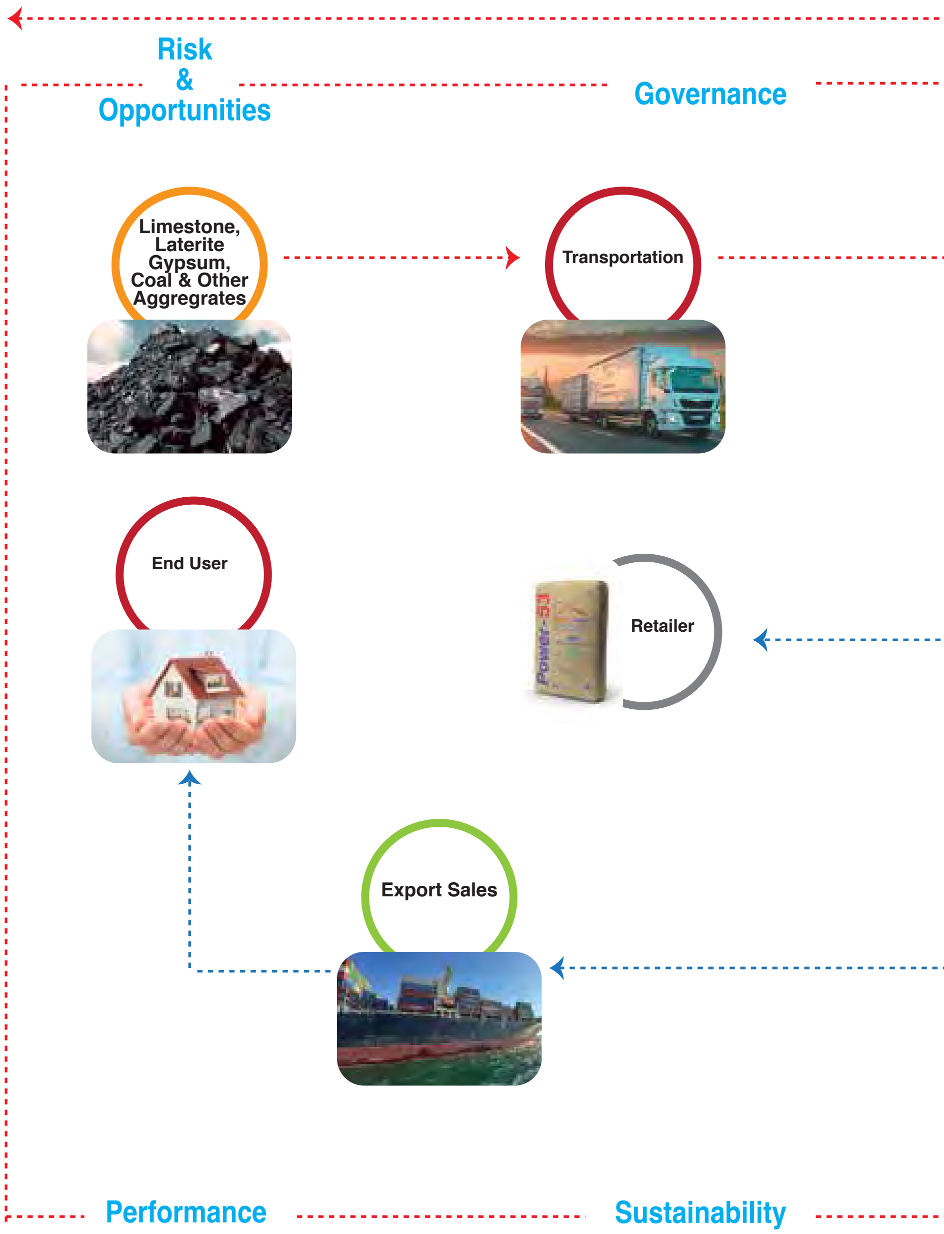
Social & Relationship Capital
250+Dealers & Distributor

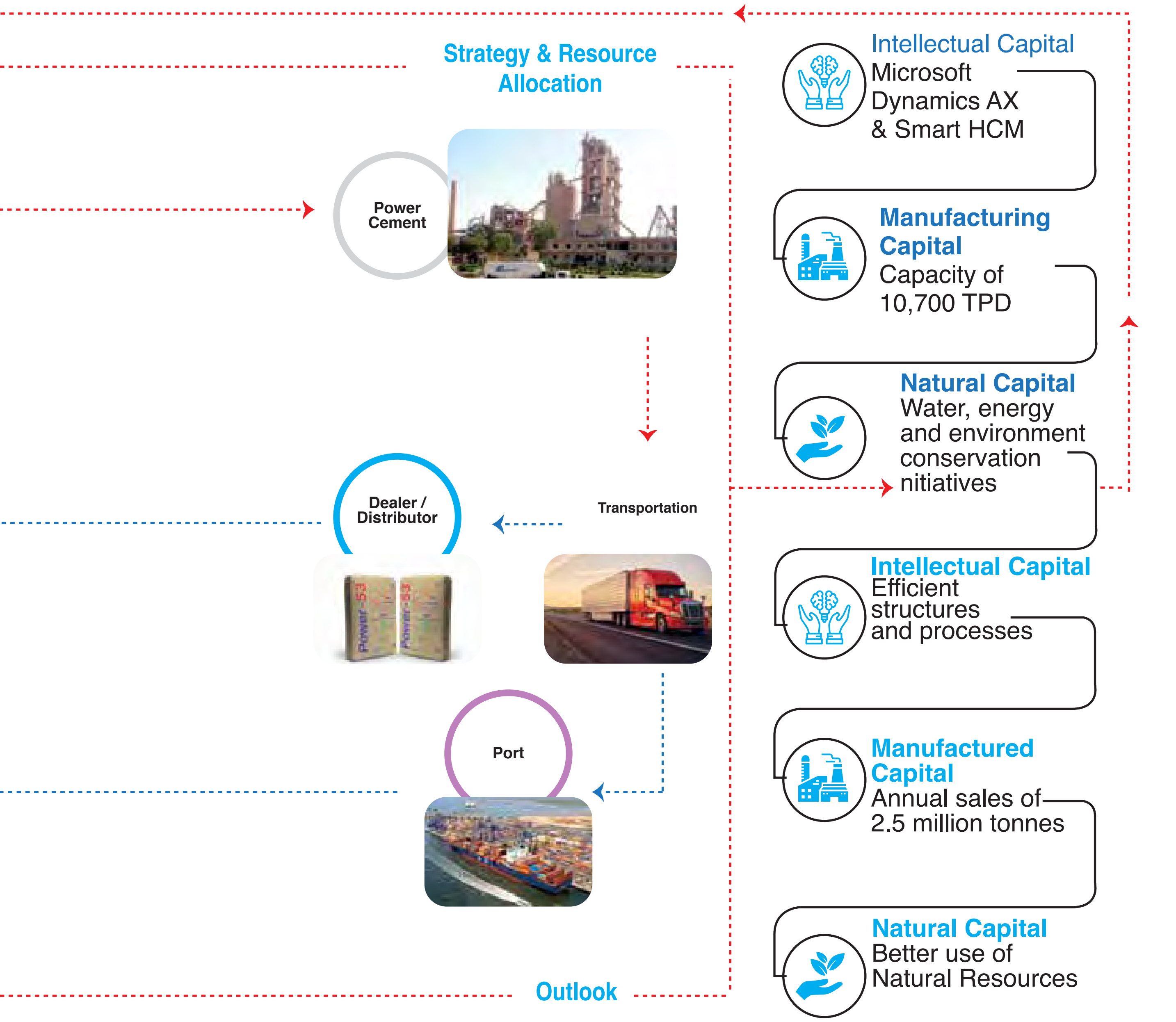
Human Capital
490 Employees

Financial Capital
PKR 5.14 billion contributed to Government treasury

Social Capital
New dealerships with customer satisfaction

Human Capital
Talent development
Diversity promotion in workplace




Strategy & Resource Allocation
Power Cement
Dealer / Distributor
Transportation
Port
Outlook
Intellectual Capital
Microsoft Dynamics AX & Smart HCM
Manufacturing Capital
Capacity of 10,700 TPD
Natural Capital
Water, energy and environment conservation nitiatives
Intellectual Capital
Efficient structures and processes
Manufactured Capital
Annual sales of 2.5 million tonnes
Natural Capital
Better use of Natural Resources

Resource Allocation Plan to Implement The Strategy

The Company possesses significant resources that encompass human, financial, and technological dimensions. We also engage professional associates and technical experts, as needed, who are dedicated to the perpetual enhancement and modernization of our production, control processes, and systems. Prudent management of financial resources is executed through astute credit control measures, efficient treasury management, and meticulous attention to cash flow forecasting.

a) Technological Changes:

Technological advancements play a pivotal role in Power Cement Limited's strategy and resource allocation. To remain competitive, the Company invests in state-of-the-art manufacturing technologies and digital tools to enhance efficiency, reduce costs, and improve product quality along with widening its product menu. Adopting innovative technologies, such as advanced production systems and data analytics, ensures that PCL stays at the forefront of industry developments.

b) Sustainability Reporting and Challenges:

Sustainability reporting is integral to PCL's strategic framework, guiding its environmental and social responsibility efforts. The Company allocates resources to environmental management systems, emissions reduction initiatives, and transparent reporting practices to meet stringent sustainability standards and reporting requirements. These efforts mitigate risks, enhance corporate reputation, and ensure compliance with statutory requirement.

c) Initiatives in Promoting and Enabling Innovation:

PCL fosters a culture of innovation through dedicated R&D investments and collaborative projects with industry experts. Initiatives include the development of new cement formulations, energy-efficient production processes, and sustainable materials. The Company supports innovation by allocating resources to research facilities, technology partnerships, and employee training programs, driving continuous improvement and industry leadership.

This judicious allocation of resources underpins our endeavor to translate strategic objectives into tangible outcomes while sustaining value creation for all stakeholders.

The Linkage of Strategic Objectives with Company's overall Mission, Vision and Objectives

Power Cement Limited's strategic objectives are aligned with its mission, vision, and core values, ensuring that every action supports sustainable growth and stakeholder satisfaction.

Vision Alignment:

Our focus on market expansion and customer satisfaction aligns with our vision of being a recognized cement producer, both nationally and internationally. Continuous process improvement and advanced technology adoption drive our pursuit of excellence in the industry.

Mission Fulfillment:

Our mission to exceed customer and stakeholder expectations guides our strategic initiatives. By producing high-quality products and investing in sustainability and cost-effective operations, we fulfill our mission to leverage advanced technology and promote a safe work environment.

Core Values Integration:

Our core values—customer focus, ethics, integrity, corporate social responsibility, and teamwork—are integral to our strategies. These values guide our decision-making and help strengthen relationships with customers, employees, and communities while maximizing shareholder returns.

Ethical Principles:

Our strategic objectives are rooted in our commitment to ethical business practices, ensuring responsible growth that aligns with the highest standards of integrity.

This alignment ensures that Power Cement Limited's strategies contribute to long-term success and value creation for all stakeholders.

Statement on Significant Plans and Decisions

Electricity remains a significant cost in cement manufacturing process, accounting for approximately 16% of total production cost. To address this, the Company continues to focus on energy efficiency and cost reduction as key strategic priorities.

MW Wind Power Project

Aligned with our sustainability goals, PCL have signed a term sheet with Burj Solar upto 9.6 MW wind energy project, adding to our renewable energy portfolio. This complements our existing 11.5 MW Waste Heat Recovery System and 7 MW Solar Power project, reinforcing our commitment to clean energy.

In addition, we have shifted to alternative fuels, including sugar-mud, cow dung and rice husk, resulting in a significant reduction in production costs as well as also reducing the import bill of the Company. This move aligns with our goals of cost efficiency and environmental responsibility.

Debt Re-profiling

Last year, Power Cement Limited has successfully carried out the re-profiling of its long-term financial obligations of PKR 11.9 billion with a syndicate of local banks, extending the repayment schedule till January 2030 and reducing the profit margin by 100 basis points for three years ending in July 2026. This has provided the Company with increased financial flexibility amid inflationary pressures and economic challenges.

These strategic initiatives—energy management and financial obligation re-profiling—support our long-term goals of enhancing cash flows, advancing energy self-sufficiency, and reducing our carbon footprint, contributing to both environmental and financial sustainability.

The Board is committed to ensuring that these efforts drive increased profitability and consistent value delivery to our shareholders.

Information About Defaults in Payment of any Debt

During the financial year under review, Power Cement Limited did not defaulted on any of its debt payments. The Company has maintained a strong commitment of meeting its all-financial obligations in a timely manner, ensuring sound financial management and compliance with all debt repayment timelines. This reflects our focus on maintaining financial stability and upholding the trust of our all the business partners including lenders and shareholders.

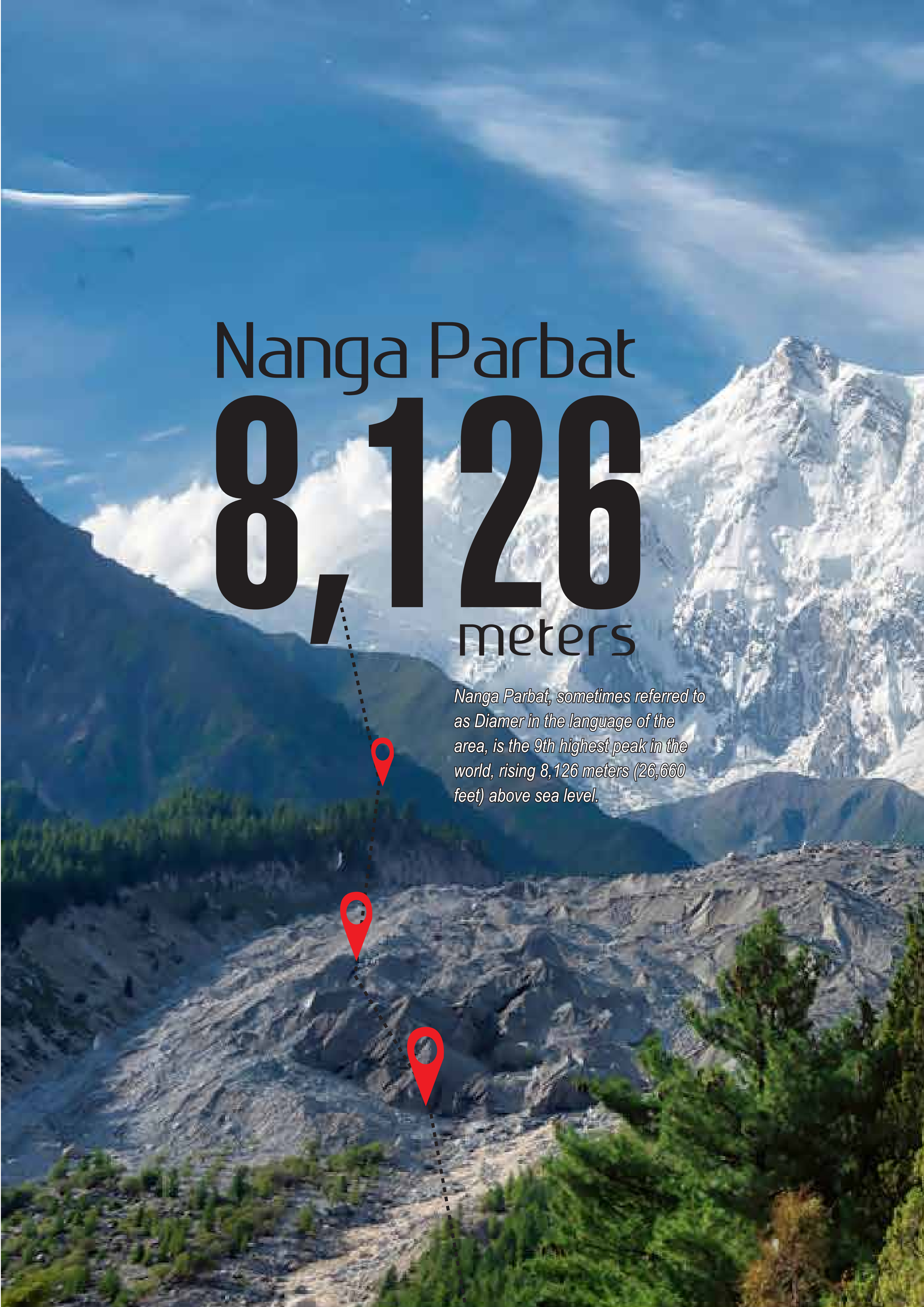
Strategy to Overcome Liquidity Issues

Power Cement Limited has implemented a comprehensive strategy to manage liquidity risk, supported by a dedicated team of liquidity management experts. This team ensures that both immediate and long-term funding needs are met, safeguarding the Company against liquidity risks through effective financial oversight.

The Company addresses working capital requirements by leveraging internal fund generation from customer sales receipts i.e. from local sales and exports, complemented by external short-term financing. Strict controls on customer payments are enforced, including regular follow-ups on receivables, thorough aging analysis, periodic credit limit reviews, and encouraging advance payments.

To mitigate unexpected cash flow challenges, the Company maintains strong communication and coordination among the treasury, sales, inventory management, and production departments. This ensures optimal inventory levels, resource utilization, and sustained liquidity at all times, providing stability in fluctuating market conditions.

Moreover, the Company's sponsors have demonstrated their commitment to its success by providing additional Rs. 4.7 Billion during the financial year under review with a cumulative contribution of Rs. 11.7 billion in funding on soft terms. This significant investment/ financial support has strengthened the Company's balance sheet, enhanced its financial flexibility, supported its strategic growth initiatives and has enabled the Company to navigate challenging market conditions with greater resilience. The flexible terms for re-payment of this funding have also assisted the Company's financial management strategy and increased its ability to generate value for shareholders.

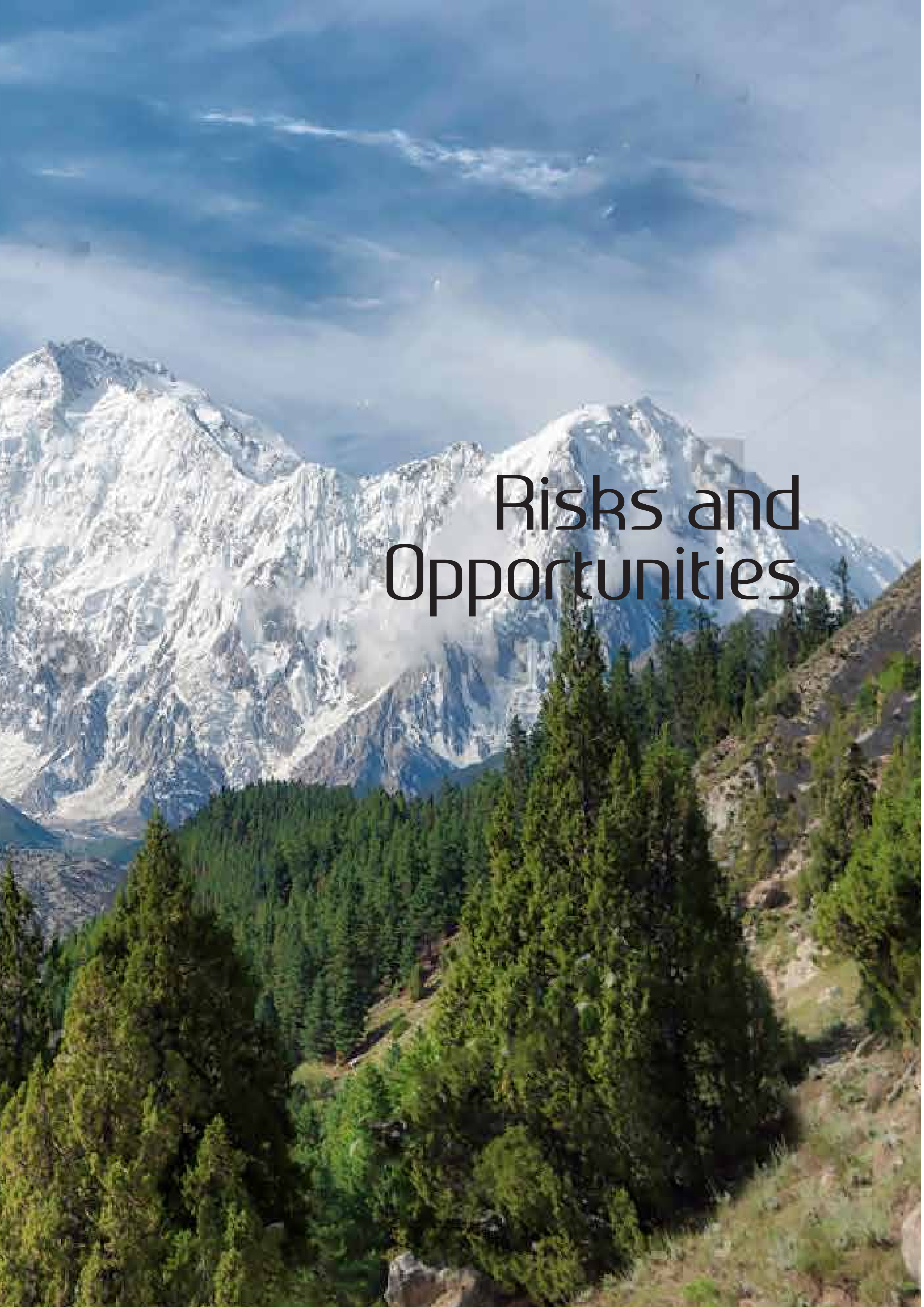


Nanga Parbat

8,126 meters

Nanga Parbat, sometimes referred to as Diamer in the language of the area, is the 9th highest peak in the world, rising 8,126 meters (26,660 feet) above sea level.

Risks and Opportunities



Key Risk and Opportunities

Risk management is an integral part of sound corporate governance. The risks that may influence the achievement of our corporate goals and objectives are managed while opportunities are tapped into.

Following are the major risks, which may affect our business operations and mitigating strategies for controlling these risks. Sources of risks, assessment of likelihood and magnitude of their impact are also mentioned against each risk.

STRATEGIC RISKS				
Risk	**Impact**	**Area of Impact**	**Mitigation Strategy**	**Assessment**
Excess Supply and Stagnant or Decreasing Selling Price	The risk arises due to industry's capacity expansion and economic factors, potentially leading to excess supply and stagnant or decreasing selling prices. This could cause a drop in market share, reduced sales, and squeezed profit margins, affecting the company's ability to pass on input cost increases	Financial Capital	Leverage advanced technology in European-made cement production to reduce costs and maintain strong brand perception. Diversify product offerings and focus on developing value-added construction products to deliver high-quality products, exceed market standards, and maximize project and green cement sales. Position the company as a leading domestic and international brand.	Source: External Likelihood: Possible
Rising Cost of Coal/Fuel/ Packing Material	Rising global prices, local inflation, and PKR devaluation could elevate coal, fuel, and electricity costs, impacting production costs and profitability. This affects financial capital and increases the risk of these costs not being passed on due to market conditions.	Financial Capital	Monitor coal prices and consider alternative fuel mixes. Expand energy-saving technologies like Waste Heat Recovery System (WHRS), solar power, and wind initiatives. Optimize stock building and increase captive power generation from multiple sources. Maximize solar energy capacity and optimize the use of cheaper coal and alternative fuels to reduce cost pressures.	Source: External Likelihood: Possible
Credit Risk	Customers may fail to meet payment obligations, leading to financial loss and affecting the Company's financial capital. This could reduce liquidity and hinder financial stability.	Financial Capital	Implement a robust credit policy with clear credit limits. Conduct individual creditworthiness assessments and secure Bank Guarantees or Letters of Credit (LCs) for high-risk customers. Ensure strict adherence to the credit policy and maintain credit exposure within authorized limits.	Source: External Likelihood: Possible
Exchange Rate Risk	Operating and capital expenditures in foreign currencies expose the Company to exchange losses, leading to higher input costs and impacting financial and manufactured capital.	Financial Capital	Leverage a natural hedge by balancing imports and exports in USD. Secure the best possible exchange rates by negotiating with banks and minimize forex exposure to protect the Company from adverse exchange rate movements.	Source: External Likelihood: Possible
Interest Rate Risk	Rising borrowing costs could affect profitability and strain financial capital, especially if counterparties default on payments, leading to inadequate resources to meet the Company's liabilities.	Financial Capital	The Company's dedicated treasury function ensures transactions are executed at favorable markup rates. Utilize subsidized markup schemes (e.g., IERF) to lower borrowing costs. Strengthen the equity base by injecting additional capital to reduce debt burden and financial exposure.	Source: External Likelihood: High

OPERATIONAL RISKS				
Disaster Recovery Management	Natural disasters or cyberattacks could disrupt equipment and hardware or compromise information systems, leading to significant financial and reputational damage. This affects all capitals, especially financial and operational continuity.	All Capital	Secure data through encrypted connections, firewalls, and backup systems. Perform regular system reviews to ensure compliance and identify areas of improvement. Safeguard critical equipment and information from harm by implementing rigorous disaster recovery and data protection mechanisms.	Source: External/ Internal Likelihood: Medium
Talent Retention and Succession Planning	Attracting, developing, and retaining the right talent is vital for achieving company goals. A lack of talent retention and effective succession planning could impact operations and the availability of human capital.	Human Capital	Maintain competitive compensation and benefit packages. Implement leadership training programs and ensure smooth job rotation to support succession planning and organizational growth. Ensure continuous leadership development and employee engagement to retain talent and support business continuity.	Source: Internal Likelihood: Medium
Employees' Health and Safety	Work-related injuries can lead to operational disruptions or life-threatening incidents, impacting human and social capital by hindering operations and productivity.	Human Capital	The company's Health and Safety department conducts risk surveys and implements comprehensive Safety SOPs to ensure compliance with occupational health and safety laws & practices. Strict actions are taken to ensure all employees work in a safe and healthy environment, minimizing the risk of work-related injuries.	Source: Internal Likelihood: Low
Environmental Hazards and Risk Management	Environmental hazards from the Company's operations could lead to legal actions and operational disruptions, affecting natural, social, and manufactured capitals.	Natural, Social, and Manufac-tured Capitals	The Company complies with environmental standards (PEQS/NEQS) and invests in dust-collecting equipment, green belt development, and green energy initiatives. ESPs (Electrostatic Precipitators) achieve dust collection efficiencies of 95-99%, while baghouses offer even higher efficiency, typically 99.9% for fine particles. Periodic testing ensures ongoing compliance, reducing CO_2 emissions and dust output.	Source: Internal Likelihood: Low
Compliance with Applicable Laws	Non-compliance with laws and regulations can lead to penalties, litigation, and operational disruptions, impacting social and human capital.	Social and Human Capital	Ensure all departments and employees comply with relevant laws and regulations. Regularly update employees on compliance requirements and engage external consultants for expert legal advice. Maintain coordination with regulatory authorities to ensure full legal compliance.	Source: Internal Likelihood: Low

OPERATIONAL RISKS				
Maintenance Risk	Equipment breakdowns could lead to production losses, financial implications due to downtime, and supply chain disruptions, impacting customer relationships and manufactured capital.	Manufactured Capital	The engineering team maintains critical spare parts for emergencies and conducts planned overhauls. The current plant's advanced technology reduces the likelihood of breakdowns. A one year contract with OEM FLSmidth Asset Management experts has been secured to improve plant reliability. Maintenance KPIs like MTBF (Mean Time Between Failures), Reliability Factor, Availability Factor, and OEE (Overall Equipment Effectiveness) are defined for each piece of equipment.	Source: Internal Likelihood: Low
Financial Reporting and Compliance	Issues with financial reporting could lead to penalties, damage the Company's reputation, and delay investor's decision-making, affecting financial capital and credibility.	Financial Capital	The Company employs qualified personnel to ensure compliance with corporate governance standards and international financial reporting standards. Financial audit is conducted by a top-tier audit firm to ensure accuracy and credibility in financial statements. Aim for 100% compliance with reporting standards and zero material misstatements in audits.	Source: Internal Likelihood: Low
Law and Order Uncertainty	Terrorism and sabotage activities could damage physical assets, disrupt operations, and harm employees, leading to financial losses, decrease revenue, and morale issues.	Financial /Manufactured Capital	Comprehensive insurance policies cover assets against risks such as terrorism. The Company also has a Business Interruption policy to mitigate revenue loss and maintain operational stability during any disruption because of fire.	Source: External Likelihood: Low

OPPORTUNITIES		
Opportunities	**Description**	**Impact**
Technological Advancement and Production Efficiencies	The installation of a cutting-edge production line and waste heat recovery system has significantly boosted production capacity and efficiency. This positions the Company as a leader in quality within the domestic market while providing a strong competitive edge in the export market.	Reduced production costs enhanced profit margins, making it easier to compete on price while maintaining high-quality standards. This strengthens the Company's market position both domestically and internationally.
Environmental and Sustainable Practices	The Company's solar and wind power initiatives, along with efforts to reduce CO2 emissions and conserve water, align with global sustainability trends. Its location in a wind corridor also offers an opportunity to lower energy costs by using renewable resources.	These practices boost the Company's reputation as an environmentally responsible entity, attracting eco-conscious customers and investors. They also create opportunities for sustainability-related incentives and partnerships.

Robust Assessment of Principal Risks

The Board of Directors of Power Cement Limited has thoroughly assessed the principal risks impacting the Company's business model, performance, solvency, and liquidity. Details of these risks and mitigation strategies are available in the risk and opportunities section of our report. The Board is confident in the Company's risk management practices and strategies, ensuring long-term sustainability.

Statement for Determining the Company's Level of Risk Tolerance by Establishing Risk Management Policies

The Board of Directors of Power Cement is committed to effective risk management as a cornerstone of sustained success and responsible governance. Recognizing that risk-taking is inherent to business growth and innovation, the Board emphasizes a clear understanding of the Company's risk appetite and tolerance. To navigate risks effectively, the Board regularly reviews key risks and mitigation measures across all areas of operation, ensuring that the Company's assets, resources, and reputation are safeguarded, and stakeholder interests are protected. The Board also relies on reports from external auditors and consultants to stay informed on critical operational and financial matters, reinforcing its commitment to maintaining a sound system of risk management and internal controls.

Risk Management Framework & Methodology

Power Cement Limited's risk management framework is designed to identify, assess, and mitigate risks, ensuring the Company achieves its long-term strategic goals. The Board of Directors, along with the Audit Committee, oversees risk management practices to align with the Company's objectives.

The process involves regular risk assessments across all operations, engaging management at all levels to gather insights and ensure a comprehensive understanding of potential risks. Risks are categorized based on their impact and likelihood, with tailored mitigation strategies developed accordingly.

Disclosure of Supply Chain Disruption Risks and Mitigation Strategy in the Face of Environmental, Social, and Governance Incidents

Power Cement Limited recognizes the growing importance of environmental, social, and governance (ESG) factors in the global business landscape and their potential impact on supply chains. To address these challenges, the Company proactively identifies and mitigates supply chain disruption risks linked to ESG incidents and engages in close collaboration with internal stakeholders, suppliers, and industry partners to gain insights into emerging risks, supported by real-time monitoring systems.

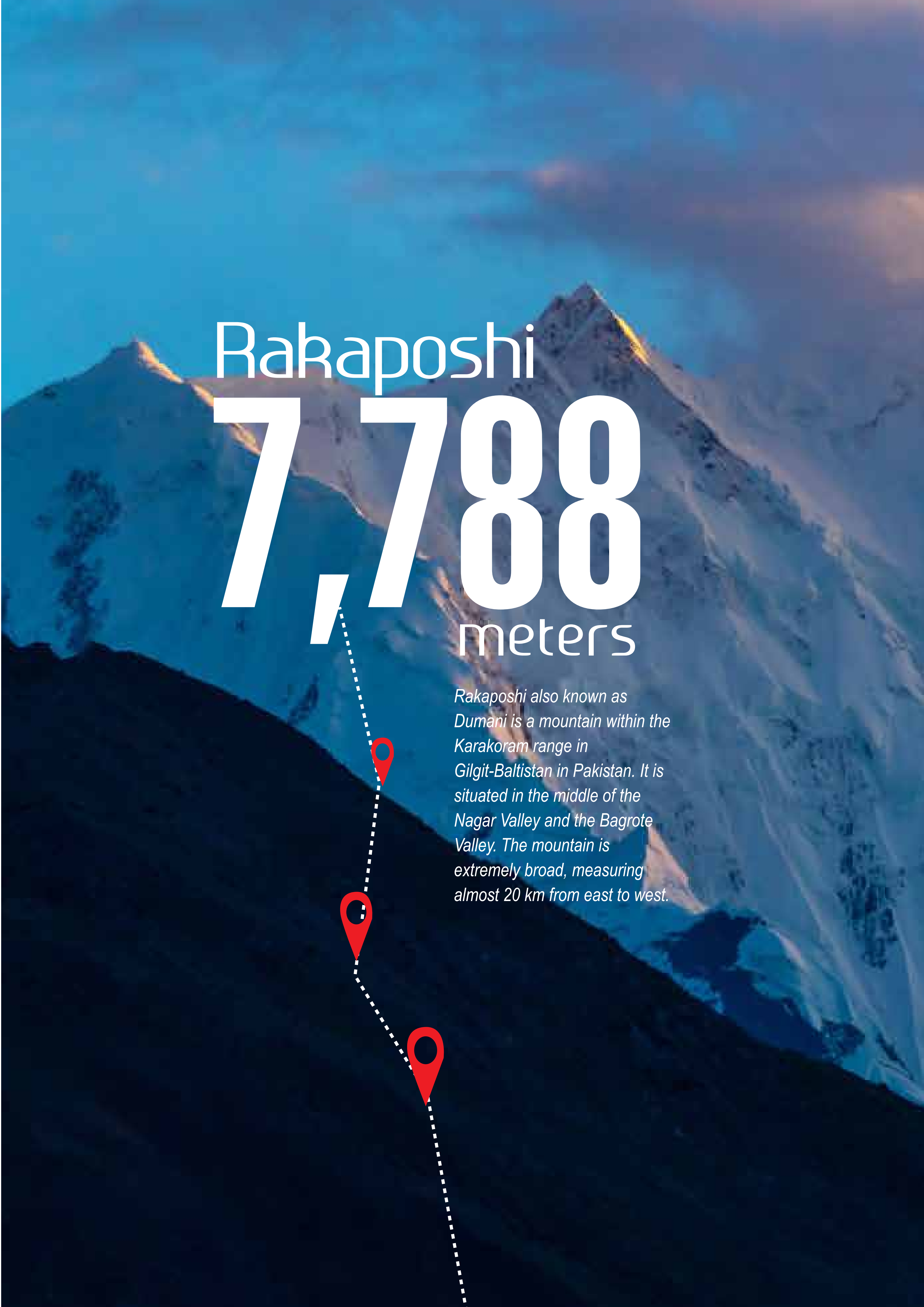
Our mitigation strategy is multifaceted and includes the following key components:

Supplier Engagement: We actively engage with suppliers to promote responsible sourcing, ethical labor standards, and sustainable production methods, ensuring alignment with our ESG values.

Supplier Diversification: To reduce dependency on any single source, we diversify our supplier base, mitigating the potential impact of regional disruptions.

Supply Chain Resilience: We invest in enhancing the resilience of our supply chain by incorporating redundancy and exploring alternative sourcing options.

By identifying, monitoring, and addressing these risks, Power Cement Limited is committed to ensuring the long-term sustainability of its operations and contributing to a more resilient and socially responsible business ecosystem.



Rakaposhi

7,788 meters

Rakaposhi also known as Dumani is a mountain within the Karakoram range in Gilgit-Baltistan in Pakistan. It is situated in the middle of the Nagar Valley and the Bagrote Valley. The mountain is extremely broad, measuring almost 20 km from east to west.

Governance

Chairman's Review Report

On Board's overall performance u/s 192 of the Companies Act, 2017

Dear Shareholders,

I present herewith my review of the overall performance of the Board of Directors (the "Board") for the financial year ended 30th June 2024.

Effectiveness of the Role Played by the Board in Achieving the Company's Objectives

The Board has been effective in managing the affairs of the Company, fulfilling its duties in accordance with the Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code"). The Board has meticulously ensured compliance with the relevant laws regarding its composition, procedures, and the conduct of its meetings. A formal annual evaluation of the Board's performance, in line with the Company's objectives, has been conducted. I am pleased to report that the Board's overall performance for the year ended June 30, 2024, was satisfactory based on the following key areas:

Composition, Diversity, and Expertise: The Board consists of a well-balanced mix of executive, non-executive, and independent directors, who have contributed diligently to the governance and strategic oversight of the Company through their knowledge, experience, and ethical conduct.

Oversight of Vision, Mission, and Goals: The Board has maintained a clear and strategic vision for the Company's future. The continuous monitoring of financial and operational performance has enabled the Board to provide timely guidance to management, to remain committed to the Company's objectives.

Communication and Leadership: There has been regular and timely flow of information between the Board and the management, enabling the Board to make informed decisions and provide effective oversight.

Due Diligence: Board members are able to diligently fulfill their duties, by effectively reviewing and approving business strategies, corporate objectives, plans, budgets, financial statements, and other reports. They receive well-structured agendas and supporting documentation in advance of Board and Committee meetings. The Board convenes regularly to fulfill its responsibilities effectively, while giving due consideration to recommendations and advice from external and internal auditors.

Governance: The Board maintains effective internal controls and robust measures to safeguard the Company's assets. Audit and HR&R Committees have been established in accordance with approved terms of reference, applicable corporate laws, norms, and best practices. This commitment is reflected in the establishment of a robust control environment, adherence to corporate governance best practices, and the promotion of ethical and fair behavior throughout the Company.

The Board is committed to continue working diligently to further improve the Company's governance practices and meet the expectations of shareholders.

Nasim Beg
Chairman

September 25, 2024

Directors' Report

The Board of Directors of Power Cement Limited presents to you this report along with the annual audited financial statements of your Company for the year ended June 30, 2024.

Economic Overview

The global economy is expected to maintain a modest growth pace amidst ongoing challenges, with inflation easing but remaining a concern due to geopolitical tensions. Central Bank will likely adopt a cautious approach to monetary policy, balancing inflation management with growth support.

Despite significant challenges, Pakistan's economy demonstrated resilience in FY24, supported by a USD 3 billion IMF Standby Agreement and a new USD 7 billion IMF Extended Fund Facility.

The country's GDP grew by 2.38%, exceeding expectations, primarily driven by a strong agricultural sector and robust services sector performance. The agricultural sector showed significant growth, with cotton production increasing substantially. The services sector also contributed to growth, while the industrial sector displayed a mixed performance.

Inflation remained a concern but has declined recently. The external sector improved, with foreign exchange reserves reaching a two-year high and the current account deficit narrowing. Fiscal consolidation efforts continued, with a reduced fiscal deficit and increased tax revenue.

The Pakistan Stock Exchange was a top performer globally, with an 89% increase in the benchmark index. However, challenges persist, including inflation, widening current account deficit, energy sector issues, and external debt payments. Balancing economic growth and social spending remains critical.

To ensure inclusive and sustainable growth, the government must address legacy structural weaknesses, maintain fiscal discipline, implement consistent policies, and introduce fairer taxation. Overall, Pakistan's economy has shown resilience, but continued efforts are needed to address ongoing challenges and ensure sustainable growth.

Cement Sector

In Pakistan, economic challenges were exacerbated by surging commodity prices, political instability, rising import costs, a depreciated currency, and escalating inflation. These combined factors have adversely impacted both the economy and the cement sector.

During the year, the cement industry witnessed notable developments, with total dispatches reaching 45.29 million tons, reflecting a 1.60% increase compared to the previous year. Notably, domestic sales experienced a decline of 4.58% i.e. from 40.01 million tons to 38.18 million tons, while exports exhibited significant growth, expanding by 55.71%.

In the North Zone, domestic sales faced a moderate downturn of 3.78%, with dispatches reaching 31.54 million tons, compared to 32.78 million tons in the preceding period. Conversely, export sales within the region exhibited robust growth, escalating by 37% to reach 1.45 million tons, compared to 1.6 million tons in the previous period.

Particularly in the South Zone, where your Company operates, domestic sales faced a downturn of 8.16%, with dispatches reaching 6.64 million tons, compared to 7.23 million tons in the preceding period. Conversely, export sales within the region exhibited robust growth, escalating by 61.43% to reach 5.65 million tons, compared to 3.50 million tons in the previous period.

Pakistan's exports face heightened competitiveness challenges in the international market due to escalating costs driven by several factors. Key contributors include rising fuel costs, implementation of Exel load regime and additional port charges etc. Amidst declining international export prices, these cumulative factors significantly erode Pakistan's competitive edge, emphasizing the need for strategic interventions to mitigate costs and enhance export viability.

The decline in local sales during the financial year can be primarily attributed to several compounding factors. Record-high inflation, reduced construction activities, and escalating costs of construction materials have significantly impacted the sector. Notably, subsequent to the year under review the increase in Federal Excise Duty (FED) from Rs. 2000 to Rs. 4000 per MT has led to a rise in cement prices, further straining financial resources for ongoing and upcoming construction projects. Additionally, sluggish local demand, driven by these price hikes, coupled with reduced government spending on Public Sector Development Program (PSDP) projects, high interest rates, and elevated energy costs, has intensified the challenges facing the industry.

Financial Performance

A comparison of the key financial indicators of your Company for the year ended 30 June 2024 with the corresponding year are as under:

Particulars	FY 2024	FY 2023
	PKR in '000'	
Sales Revenue	38,318,834	36,404,336
Less: Sales Tax / Federal Excise Duty / Commission / Freight	7,241,620	7,465,240
Sales Revenue – Net	31,077,214	28,939,096
Gross Profit	6,790,401	6,932,216
EBITDA	3,978,491	4,713,605
Operating Profit	3,028,707	3,732,098
Finance Cost – Net	4,947,626	3,813,009
Loss Before Tax and Levy	(1,918,919)	(80,911)
Profit / (Loss) After Tax and Levy	(2,703,284)	168,993
Loss Per Share (in Rupee)	(2.88)	(0.19)

In FY 2024, Power Cement Limited achieved net sales revenue of PKR 31.08 billion, reflecting a 7% increase compared to PKR 28.94 billion in FY 2023. This growth, though modest, demonstrates the Company's resilience in maintaining stable sales amidst challenging market conditions.

The gross profit for FY 2024 was PKR 6.79 billion, down slightly from PKR 6.93 billion in FY 2023, marking a 2% decline. Despite the overall inflationary pressures, the gross profit margin remained stable primarily due to better plant efficiencies and the use of alternate fuel.

Operating profit decreased by 19%, from PKR 3.73 billion in FY 2023 to PKR 3.03 billion in FY 2024, reflecting the increased operational challenges, including rising costs and competitive pressures.

Finance costs rose significantly to PKR 4.95 billion in FY 2024, primarily due to the high-interest rate environment. The elevated interest rate has substantially increased the Company's finance cost and adversely impacted its profitability.

The Company reported a loss before tax & levy of PKR 1.92 billion for FY 2024, a substantial increase from the loss of PKR 80.91 million in FY 2023. This significant decline is primarily due to elevated finance cost eroding the operating profit.

For the year ended 30 June 2024, the Company incurred a loss after tax of PKR 2.70 billion, a marked contrast to the profit of PKR 169 million in FY 2023. Consequently, the Loss Per Share (LPS) increased to PKR 2.88, compared to PKR 0.19 in the previous year.

Production and Sales Quantitative Performance

Production	FY 2024	FY 2023	Variance	
	Tons			%
Clinker	**2,285,325**	2,297,890	(12,565)	(0.54)
Cement	**1,691,795**	1,924,996	(233,201)	(12.11)

Dispatches	FY 2024	FY 2023	Variance	
	Tons			%
Cement/Clinker	**1,327,656**	1,576,278	(248,622)	(15.77)
Clinker (Export)	**785,734**	355,339	430,395	121.00
Cement (Export)	**415,763**	469,822	(54,059)	(11.50)
Total Dispatches	**2,529,153**	**2,401,439**	**127,714**	**5.31**

The clinker production of your Company during the year under review was 2,285,325 tons resulting in capacity utilization of 71% (2023: 72%)

Sponsor's Financial Support during the Year

The sponsors and associated undertakings have reasserted their ongoing commitment and confidence in the Company by injecting an additional contribution of Rs. 4.7 billion during the financial year 2024, bringing their total contribution to Rs. 11.7 billion.

Economic Outlook

Pakistan's economy continues to grapple with major challenges in FY2025, including a low tax-to-GDP ratio, underperforming state-owned enterprises, and the pressing need for tax reforms to formalize the informal economy.

In response, the government's FY25 federal budget has emphasized privatization and tax reforms to address these issues. A substantial amount (higher than the previous year) has been allocated for the Public Sector Development Program (PSDP).

While these initiatives are positive, the path to economic recovery remains uncertain. Persistent challenges such as high inflation, currency depreciation, and a heavy debt burden continue to weigh on the economy. However, recent reductions in inflation have allowed the State Bank of Pakistan (SBP) to reduce interest rates, potentially stimulating demand-led growth, though the overall outlook remains cautious.

The government aims for GDP growth of 2.5-3.6% in FY25, with expected improvements in agricultural output, industrial recovery, and services sector growth. Inflation is projected to remain moderate, staying within the range of 11.5-13.5%, while further reductions in the policy or discount rate may occur. On the external front, favorable global trends and robust remittances will help contain the current account deficit, and foreign exchange reserves are anticipated to improve.

However, achieving fiscal targets and securing external inflows are crucial for sustaining this momentum. political instability, external debt repayments, global economic conditions, climate-related risks, and the need for continued fiscal discipline continue to pose challenges.

Dividend and Bonus Shares

Given the prevailing economic volatility and the Company's commitments to cover its existing long-term loans, the Board of Directors has resolved not to declare any cash dividend or issue bonus shares for the year ended June 30, 2024.

Credit Rating

The Company has been assigned a long term rating of “A-“(Single A Minus) and short term rating of “A-2” (Single A Two) by JCR-VIS Credit Rating Company Limited on December 27, 2023.

Contribution to National Exchequer

The Company contributed Rs.5.14 billion (2023: Rs.3.68 billion) into the Government Treasury on account of income tax, excise duty, sales tax and other Government levies.

Composition of Board of Directors

Presently, the Board of Directors of the Company consists of:

Total Number of Directors	8
i) Men	7
ii) Woman	1

Presently, the names and composition of the Board of Directors are as follows:

Composition of Directors	Name of Directors
a. Non-Executive Directors	1) Mr. Nasim Beg 2) Mr. Arif Habib 3) Syed Salman Rashid 4) Mr. Abdus Samad Habib 5) Ms. Zainab Kashif
b. Independent Directors	6) Mr. Javed Kureishi 7) Mr. Khursheed Anwer Jamal
c. Executive Director	8) Mr. Muhammad Kashif

Change in Board of Directors Subsequent to the Year End

Mr. Anders Paludan-Müller, Representative Director of foreign investors, has resigned from the Board of Directors, subsequent to the year end, due to the divestment of shareholding by foreign investors viz. IFU and IIP. The Board appreciates his contributions and casual vacancy was filled on September 25, 2024 by the appointment of Mr. Arif Habib on the Board of the Company.

Meetings of Board of Directors

During the year under review four meetings of Board of Directors’ (BOD) were held and attendance of Board Members is as follows:

Name of Directors	Designation	Meetings attended by the Member
Mr. Nasim Beg	Chairman	4/4
Mr. Muhammad Kashif	Chief Executive Officer	4/4
Syed Salman Rashid	Non-Executive Director	4/4
Mr. Abdus Samad Habib	Non-Executive Director	2/4
Mr. Javed Kureishi	Independent Director	2/4
Mr. Khursheed A. Jamal	Independent Director	4/4
Ms. Zainab Kashif	Non-Executive Director	4/4
Mr. Andres Paludan-Muller *	Non-Executive Director	3/4

*Resigned on August 29, 2024

Leave of absences were granted to Directors who did not attend the meetings.

Board Committees and Meetings

Audit Committee

The Board of Directors has established an Audit Committee which comprises of three members all of whom are non-executive directors and the Chairman is an Independent Director. Composition of the Audit Committee has been made in line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the year under review, four meetings of the Audit Committee were held and attendance of each member is as under:

Name of Members	Designation	Meetings attended
Mr. Khursheed A. Jamal	Chairman	4/4
Syed Salman Rashid	Member	4/4
Mr. Abdus Samad Habib	Member	3/4

Human Resources & Remuneration Committee

The Board of Directors has established a Human Resources & Remuneration Committee (HR&RC) which comprises of three members; amongst them two are non-executive directors. The composition of the HR&R Committee has been made in line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the year under review, one meeting of HR&R Committee was held and attendance of each member is as under:

Name of Members	Designation	Meetings attended
Mr. Javed Kureishi	Chairman	1/1
Syed Salman Rashid	Member	1/1
Mr. Muhammad Kashif	Member	1/1

Code of Corporate Governance

The Directors' of your Company review the Company's strategic direction and business plans on a regular basis. The Audit Committee is empowered for effective compliance of Listed Companies (Code of Corporate Governance) Regulations, 2019. We are taking all necessary steps to ensure good corporate governance in your Company as required by the Code. As part of the compliance, we confirm the following:

- The financial statements prepared by the management of the Company, present fairly the Company's state of affairs, the result of operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern. Further, the Company is paying all debts in time and no default is made on the part of Company to repay its debts to the banks.

- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- The Company operates funded gratuity scheme for its employees as disclosed in relevant note to the financial statements.
- The statement of holding in the prescribed format disclosing aggregate number of shares forms part of this Annual Report.
- Key operating and financial data for the last 6 years is contained in 'Analysis of Financial Information' segment of this Annual Report.

Evaluation Criteria for the Board

A comprehensive mechanism is put in place for undertaking an evaluation of the performance of the Board of Directors in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The mechanism evaluates the performance of the Board of Directors on the following parameters:

- Oversight and Effectiveness of the Board
- Composition and Committees of the Board
- Board Meetings and Proceedings
- Board and Management Relations
- Managing Relationship and Leadership
- Directors' Acquaintance with Corporate Laws and Regulations
- Corporate Governance

Directors Remuneration Policy

The independent Directors of the Company are being paid meeting fee for attending meeting(s) of Board of Directors or meeting(s) of any of Boards' sub-committee as approved in the Annual General Meeting held on October 28, 2019. The levels of remuneration are appropriate and commensurate with the level of responsibility and expertise to govern the Company successfully and with value addition. Remuneration to Chief Executive and Directors' disclosed in notes to the Financial Statements for the year ended June 30, 2024.

Adequacy of Internal Financial Controls

The Board of Directors are aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls.

The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

Pattern of Shareholding

The ordinary and preference shares of the Company are listed on Pakistan Stock Exchange. There were 1,111,885,154 (2023: 1,111,870,488) ordinary shares and 208,232,277 (2023: 208,243,277) preference shares of the Company as of June 30, 2024. During the year 11,000 preference shares converted into 14,666 ordinary shares by the shareholders of the Company. The detailed pattern of shareholding is annexed to the Annual Report.

Trading In Company's Share by Directors and Executives

A statement showing the Company's shares bought and sold by its Directors, Chief Executive, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor family members is annexed to the Report.

Furthermore, it is informed to all above concerned persons to deliver written notices to the Company Secretary, to immediately inform in writing, any trading in the Company's shares by themselves or by their spouses and to deliver a written record of the price, number of shares and CDC statement within 2 days of such transaction.

Risk Management & Strategy for Mitigating Risks

The Board of Directors have identified potential risks, assessed their impact on your Company and formulated strategies to mitigate foreseeable risks to the business. These strategies have been enforced throughout the hierarchy of your Company to ensure that no gaps exists in risk mitigation.

The major risks and challenges faced by the Company are as follows:

i. High level of leverage weighing downward pressure on profitability
ii. Inability to pass on sharp increase in cost of doing business to the consumers (especially coal & electricity costs) due to the competitive pricing by market players
iii. Exposure to exchange rate and interest rate risks
iv. Supply glut due to capacity expansions/new plants
v. Loss of quality human resource due to surge in employee turnover

These are explained further in the relevant sections of the Annual Report.

Impact of Company's Business on The Environment

The FLSmidth Plant of your Company is environment friendly meeting IFC and World Bank standards, having state of the art online quality control system. The Plant is capable of consistently producing 53 Grade Cement of optimum quality.

Further, the Waste Heat Recovery System (WHRS) has already been installed for producing electricity and the Company is also Solar Energy to cater its electricity requirement. The Company is also in the process of enabling itself to meet some of its energy needs through wind power. The Company has a dedicated and qualified HSE team to ensure statutory compliances of SEPA and SEQS standards. Being proactive on the impact of Company's business on the environment, the Company had installed de-dusting equipment such as dust collection cyclones, bag houses, dust suppression by damping down method, electrostatic precipitators, personal protective equipment, air pollution control system and speed limit controls in Company's premises to overcome RSPM (respirable suspended particulate matter) and FRD (fugitive road dust).

The Company is now one of the cleanest air discharging plant in the South Zone having a complete pollution control bag house system. The emission levels of the plant are now even better than the discharge limits allowed by the World Bank/IFC Guidelines. The bag filters employ state-of-the-art European Technology using the Eco E3 filtration system which efficiently controls the dust emission with sustainability and thus provides an edge to the Company. Additional benefits of having this dust control system include enhancement of useful life of plant & equipment and reduction of energy losses.

Managing Greenhouse Gas (GHG) Emissions and Embracing Clean Energy

The Company has taken significant steps to manage and reduce its greenhouse gas (GHG) emissions, demonstrating its commitment to environmental sustainability and corporate social responsibility. The Company has:

1. Conducted a comprehensive study of GHG emissions inventory, monitoring and reporting through a independent consultant for both Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from purchased electricity) emissions across its two sites.

2. Implemented energy efficiency measures to reduce its carbon footprint, including:
   - Utilizing waste heat to produce electricity, aligning with combined heat and power (CHP) systems.
   - Commissioning a 7 MW solar power plant in August 2022, diversifying its energy sources and reducing reliance on conventional power grids.

3. Achieved significant reductions in GHG emissions, with:
   - Total Scope 1 emissions of 1,664,352 tCO2e in FY21 and 2,048,252 tCO2e in FY22.
   - Total Scope 2 emissions of 42,384 tCO2e in FY21 and 43,087 tCO2e in FY22.
   - Avoided Scope 2 emissions of 14,792 tCO2e in FY21 and 22,613 tCO2e in FY22, resulting from energy efficiency measures.

4. Demonstrated its commitment to sustainability and corporate social responsibility through:
   - Proactive environmental management and transparency in reporting GHG emissions.
   - Continuous improvement and innovation in reducing environmental impact.
   - Contribution to a cleaner and greener future, aligning with industry shifts towards sustainable practices.

By taking these steps, Power Cement Ltd. has positioned itself as a responsible and forward-thinking player in the cement manufacturing sector, committed to environmental sustainability and reducing its carbon footprint.

Certifications

The Company has always been committed to provide a safe working environment for all of its employees and stakeholders at large, and the award of the ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 certifications is a testimony of its continuous implementation of practices that offer development of health, safety and environment at the work place.

Appointment of External Auditors

The auditors, M/s. A.F Fergusons and Co, Chartered Accountants, will retire and being eligible, offer themselves for re-appointment. The Board of Directors, on the recommendation of the Audit Committee, has recommended the appointment of M/s A.F. Ferguson & Co., Chartered Accountants as auditors for the ensuing year ending on June 30, 2025, for the approval of the members in the forthcoming Annual General Meeting.

Related Party Transactions

In order to comply with the requirements of listing regulations, the Company has presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related party transactions have been provided in notes to the annexed audited financial statements.

Acknowledgement

The Board of Directors extends its deepest appreciation to all our stakeholders—employees, customers, suppliers, shareholders, and bankers—for their unwavering support. Your confidence and goodwill have been pivotal to the Company's sustained growth and success over the years.

We acknowledge that our achievements are the result of a collective effort. The dedication of our employees, the loyalty of our customers, the reliability of our suppliers, the trust of our shareholders, and the continued support of our bankers have all been instrumental in our journey. We remain committed to strengthening these essential relationships as we move forward.

For and on Behalf of the Board

Muhammad Kashif Chief Executive Officer	**Nasim Beg** Chairman

September 25, 2024
Karachi

Report of The Audit Committee

Composition of The Audit Committee

The Audit Committee comprises of three (3) Non-Executive Directors, including one Independent Director who serves as the Committee's Chairman. All members of the Audit Committee are seasoned professionals having economic, financial and business acumen with extensive experience at the Boards and Senior Management levels across various sectors.

The Head of Internal Audit serves as the Committee's Secretary. Additionally, the Chief Financial Officer and Chief Executive Officer of the Company attend meetings by invitation, while the presence of External Auditors is ensured as required.

Financial Statements

The Audit Committee has diligently conducted its annual review of the Company's operations during the fiscal year 2024 and hereby reports the following:

The annual financial statements for the year ended June 30, 2024 have been prepared on a going concern basis in accordance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, International Financial Reporting Standards (IFRS), and other applicable regulations. The financial statements accurately present the Company's financial position, results of operations, profit, cash flows, and equity changes for the year under review. Consistent application of appropriate accounting policies is evident, with any changes duly disclosed. The Chairman of the Board, Chief Executive Officer, and Chief Financial Officer have endorsed the financial statements, and the Directors' Report has been signed by the Chairman and the Chief Executive Officer. They acknowledge their responsibility for the fair presentation of financial position and performance, adherence to regulations, applicable accounting standards, and establishment of internal controls and systems. Accounting estimates are based on prudent judgment, and proper records have been maintained as per the Act. The financial statements meet Fourth Schedule requirements and external reporting is consistent with management processes, adequately serving shareholder needs. All Related Party transactions have been reviewed and approved by the Committee before the Board’s endorsement. The Company's "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019" has been reviewed and certified by the External Auditors. All trading and holdings of the Company shares by Directors, executives, or their spouses were reported to the Company Secretary, with details furnished and subsequently disclosed in the Pattern of Shareholding. Closed periods, as stipulated, were observed, preventing dealings in the Company’s shares prior to relevant Board meetings.

The Company’s risk management approach leverages the collective business and financial acumen of top management, enabling the identification of potential risks across various processes. This ensures a proactive stance in addressing challenges that may impact our operations.

Internal Audit

- The Company’s internal controls system is subject to continuous evaluation for effectiveness.
- Internal Audit findings have been reviewed, with actions taken or reported to the Board when required.
- Channels for confidential reporting of concerns are established, and remedial measures are applied as needed.

The Head of Internal Audit maintains direct access to the Audit Committee Chair.

External Auditors

- M/s. A.F Fergusons and Co, Chartered Accountants, have completed their audit of the Company's Financial Statements and Compliance Statement for the fiscal year ended June 30, 2024.
- The Auditors have attended Committee meetings, General Meetings, and will continue attendance at the upcoming 33rd Annual General Meeting.

The reappointment of M/s. A.F Fergusons and Co, Chartered Accountants. as external auditors for the year ending June 30, 2025, has been recommended.

Annual Report 2024

The Company's comprehensive Annual Report exceeds regulatory requirements, offering stakeholders detailed insights into management, policies, performance, and future prospects.

The Audit Committee

The Audit Committee asserts its fulfillment of responsibilities outlined in the Board-approved Terms of Reference, including the matters detailed in this report. Evaluation of the Board's performance, is presented in the Annual Report.

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Khursheed Anwer Jamal
Chairperson Audit Committee

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF POWER CEMENT LIMITED

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Power Cement Limited for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: October 02, 2024

UDIN: CR202410073E1Msu6X2Q

Statement of Compliance with The Listed Companies (Code of Corporate Governance) Regulations, 2019

FOR THE YEAR ENDED 30 JUNE 2024

Power Cement Limited ("the Company") has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner.

1. The total number of Directors of the Company are 8 as per the following:

Male	7
Female	1

2. The composition of Board is as follows:

Categories	Names of Directors
Independent Directors	Mr. Javed Kureishi
	Mr. Khursheed A. Jamal
Non-Executive Director - Female	Ms. Zainab Kashif
Non-Executive Directors	Mr. Nasim Beg
	Mr. Abdus Samad Habib
	Syed Salman Rashid
	Mr. Anders Paludan – Müller *
Executive Director	Mr. Muhammad Kashif

*Resigned in August-2024

3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.

9. Majority of the Directors have complied with the requirements of Directors' Training program.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formulated the following committees comprising of the given below:

	Name of Committee Members	Category
a. Audit Committee	Mr. Khursheed A. Jamal - Chairman	Independent Director
	Syed Salman Rashid	Non-Executive Director
	Mr. Abdus Samad Habib	Non-Executive Director

	Name of Committee Members	Category
b. Human Resource and Remuneration Committee	Mr. Javed Kureishi - Chairman	Independent Director
	Syed Salman Rashid	Non-Executive Director
	Mr. Muhammad Kashif	Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The number of meetings of the committees held during the year are as under –
    a) Audit Committee – Four meetings
    b) Human Resource and Remuneration Committee – One meeting

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and are registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Chief Internal Auditor, Company Secretary or Directors of the Company.

17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than of regulations 3, 6, 7, 8, 27,32, 33 and 36 are stated below;

S.No	Non-Mandatory Requirement	Explanation	Reg.no.
1	**Directors Training** The Code encourages the companies that all the Directors have obtained DTP certification by June 30, 2022.	The Company had eight directors whereof one director is exempt from this requirement by virtue of his qualification & experience. Six other directors have obtained their DTP certification and out of the remaining two directors – one director has resigned from the Board and the other one director shall obtain their DTP certification in the due course.	19(1)
2	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board has not constituted separate Nomination Committee and currently functions required to be performed by Nomination Committee are being dealt with by Human Resource and Remuneration Committee.	29(1)
3	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted separate Risk Management Committee and currently functions required to be performed by Risk Management Committee are being dealt with by the Audit Committee and the Board.	30(1)
4	The Company may post on its website key elements of its significant policies including but not limited to the following: Communication and disclosure policy; Code of conduct for members of board of directors, senior management and other employees; Risk management policy; Internal control policy; Whistle blowing policy; Corporate social responsibility / sustainability / environmental, social and governance related policy; Policies for promoting DE&I and protection against harassment at the workplace.	The Company's website currently displays all policies except for those related to Communication, DE&I promotion, and workplace harassment protection. These will be posted once the requirements introduced by SECP's notification on June 12, 2024, have been fully complied with.	35(1)
5	Role of the Board and its member to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term Corporate value. The Board may establish a dedicated sustainability committee.	Currently, the Board provides governance and oversight of the Company's Environmental, Social, and Governance (ESG) initiatives. However, the recent requirements introduced by SECP in its notification dated June 12, 2024, will be complied with in due course.	10(A)

For & on behalf of Board of Directors

Muhammad Kashif
Chief Executive Officer

Nasim Beg
Chairman

September 25, 2024
Karachi

Notice of The 33rd Annual General Meeting

Notice is hereby given that the 33rd Annual General Meeting (AGM) of Power Cement Limited ("the Company") will be held at PSX Auditorium, 3rd Floor, Admin Block, Stock Exchange Building, Stock Exchange Road, Karachi and virtually through video-link facility, on Thursday, October 24, 2024 at 12:30 pm to transact the following businesses.

ORDINARY BUSINESS:

1. To confirm the minutes of Annual General Meeting of the Company held on October 25, 2023.
2. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' reports thereon.

   As required under section 223(7) of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)/2023 dated 21 March 2023 issued by the Securities and Exchange Commission of Pakistan (SECP), the annual report of the Company for the financial year ended June 30, 2024 has been uploaded on the Company's website which can be downloaded accessing the following link or QR Code:

   https://powercement.com.pk/financial-reports/

3. To appoint and fix remuneration of the Auditors for the year ending June 30, 2025. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, shall retire and being eligible, offered themselves for re-appointment.

Special Business:

4. To consider and if deemed fit, ratify and approve, the following resolutions, as special resolutions, with respect to related party transactions/ arrangements conducted/ to be conducted, in terms of Sections 207 and/ or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification:

   RESOLVED THAT the transactions carried out by the Company with different Related Parties, during the year ended June 30, 2024, as disclosed in note 42 to the financial statements of the Company for the year ended June 30, 2024, and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified, confirmed and approved.

   FURTHER RESOLVED THAT the Company be and is hereby authorized to enter into arrangements or carry out transactions from time to time, with different related parties to the extent deemed fit and approved or ratified by the Board of Directors, during the financial year ending June 30, 2025. The transactions may include sale and purchase of goods and inventories, rendering of services, payment of fees, reimbursement of expenses, receipt or repayment of loan and Musharakah contributions, sale or purchase of investment properties. As some of the directors may be interested in some of the related party transactions on account of common directorships, therefore, the members hereby authorize the Board Audit Committee and the Board of Directors of the Company to approve, confirm and ratify all related party transactions.

   FURTHER RESOLVED THAT the related party transactions, for the period ending June 30, 2025, shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the next Annual General Meeting for ratification and confirmation.

Any Other Business:

5. To consider any other business with the permission of the Chair.

   (A Statement under Section 134(3) of the Companies Act, 2017 pertaining to the material facts is given along with this notice)

By Order of the Board

Salman Gogan
Company Secretary

October 03, 2024
Karachi

Notes:

1. Closure of Share Transfer Books:

The Share transfer books of the Company shall remain closed from October 17, 2024 to October 24, 2024 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block -B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi up to the close of business on October 16, 2024 shall be treated in time for the purpose of Annual General Meeting.

2. Participation in the AGM Proceedings via Video Link Facility:

The Company also facilitate participation of its shareholders through a video link facility in pursuance to Circulars notified by the Securities and Exchange Commission of Pakistan (SECP). The members/proxies interested to participate in the AGM through this facility are requested to share below information at corporate@powercement.com.pk with subject "Registration for 33rd AGM of Power Cement Limited" alongwith valid copy of CNIC (both sides) or passport —

Shareholder Name	Folio/ CDC Number	CNIC Number	Cell Number	Registered Email Address

Video-link and login credentials will be shared with the members/proxies whose email containing all the above particulars are received at least 48 hours before the time of AGM.

3. Appointment of Proxies and Attending AGM:

i. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respect to attending, speaking and voting at the meeting as are available to a member.
ii. A blank instrument of proxy (in English and Urdu) is attached in the Annual Report. The form of proxy is also available at the Company's website www.powercement.com.pk
iii. In order to be effective, the proxy forms must be received at registered office of the Company at 1st Floor, Arif Habib Centre, 23, M.T. Khan Road, Karachi not later than 48 hours before the meeting.
iv. Central Depository Company (CDC) account holders are also required to follow the guidelines as laid down in Circular No.1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

   In the case of proxy by a corporate entity, Board of Directors' resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form.

4. **Change in Members Addresses:**

Members having physical shareholding are requested to notify any change in their addresses/ contact details immediately to the Share Registrar M/s. CDC Share Registrar Services Limited. Whereas, CDC account holders are requested to contact their respective CDC participant/Investor Account Service Provider.

5. **Circulation of Audited Financial Statements Through e-mail:**

The shareholders in their 25th AGM on October 15, 2016 have already granted approval to transmit annual reports in the soft form via CD/DVD/USB/email instead of transmitting the annual audited accounts in printed form pursuant to SRO 787(1)/2014 dated September 08, 2014 and SRO 470(1)/2016 dated May 31, 2016. Therefore, the Company has circulated the annual reports to the shareholders through email at their registered emails as also allowed under Section 223(6) of the Companies Act, 2017. However, the shareholders who wish to receive the hardcopy of the financial statements are requested to send a request using the “Standard Request Form” (also available on the Company’s website: www.powercement.com.pk) at the Company’s registered address.

6. **Submission of CNIC / NTN (Mandatory):**

Individual members who have not yet submitted photocopy of their valid CNIC to the Company/Share Registrar, are once again requested to send their CNIC (copy) at the earliest directly to the Company's Share Registrar, M/s. CDC Share Registrar Services Limited. Corporate Entities are requested to provide their National Tax Number (NTN). Please also give Folio Number with the copy of CNIC/NTN details.

7. **Availability of Financial Statements and Reports on Website:**

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2024, are available on the Company's website: **https://powercement.com.pk/financial-reports/.**

8. **Consent for Video Conference Facility:**

In compliance with Section 134(1)(b) of the Companies Act, 2017 members of the Company may attend and participate in the AGM through video conference facility if member(s) residing in a city other than Karachi, collectively holding 10% or more shareholding, demand in writing, to participate in the AGM through video conference at least ten (10) days prior to the date of the AGM.

To avail such facility, members are requested to submit the following form with the requisite information at the Registered Office of the Company –

I/We ______________________________ of ____________________________being member(s) of Power Cement Limited, holder of _______________________ordinary shares(s) as per Registered Folio/CDC Account No. _____________hereby opt for video conference facility at _____________________.

____________________ ____________________

Name and Signature(s) Date

The Company will intimate members regarding venue of video conference facility at least five (05) days before the date of the AGM along with complete information necessary to enable them to access such facility.

9. Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the “Regulations”), as amended through SRO 2192(1)/2022 dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan (“SECP”), the SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on 24th day of October 2024 at 12:30 p.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, ballot paper is available on the Company’s website at **www.powercement.com.pk** for the download.

A. Procedure for E-Voting:

I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 16, 2024.

II. The web address, login details, and password, will be communicated to the members via email. The security codes will be communicated to the members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

IV. E-Voting lines will start from October 20, 2024, 09:00 a.m. and shall close on October 23, 2024 at 5:00 P.M. Members can cast their votes any time during this period. Once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

B. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company’s registered address at First Floor, Arif Habib Centre, 23, M.T. Khan Road, Karachi or email at **corporate@powercement.com.pk** no later than one day before the AGM on October 23, 2024, during working hours. The signature on the ballot paper shall match the signature on CNIC. For the convenience of the shareholders, ballot paper is available on the Company’s website at **www.powercement.com.pk** for the download.

Special Note for Conversion of Physical Shares into the Book-Entry Form:

In compliance with section 72 of the Companies Act, 2017 and SECP’s letter No. CDC/ED/Misc.2016-639-640 dated March 26, 2021, listed companies are required to replace existing physical shares issued by them into Book-Entry Form. In view of the above requirement, shareholders of the Company having physical shares are requested to convert their shares from physical into Book-Entry Form as soon as possible.

Conversion of physical shares into Book-Entry Form would facilitate the shareholders in many ways i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate risk of loss & damage, easy and safe transfer with lesser formalities as compared to physical shares. The shareholders of the Company may contact Share Registrar of the Company for assistance in conversion of physical shares into Book-Entry Form.

For any query/problem/information, members may contact the Company's Share Registrar at the following address:

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S
Main Shahrah-e-Faisal, Karachi
Email: info@cdcsrsl.com

Statement of Material Facts under Section 134(3) of The Companies Act, 2017

Agenda Item no. 4

The Company routinely enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which a majority of the Directors are interested, would require members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

All the related party transactions have been disclosed in Note 42 to the financial statements for the year ended June 30, 2024.

The Company carries out transactions and enters into arrangements with its related parties primarily on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions / arrangements entered into with related parties require the approval of the Board Audit Committee, which is chaired by an independent director of the Company. Upon the recommendation of the Board Audit Committee, such arrangements / transactions are placed before the Board of Directors for approval.

The nature of relationship with these related parties has also been indicated in the Note 42 to the financial statements of the Company for the year ended June 30, 2024. The Directors are interested in the resolution only to the extent of their common directorships and shareholdings in such related parties. Accordingly, the members are requested to ratify, approve and confirm the transactions with related parties as disclosed in the financial statements of the Company for the year ended June 30, 2024.

Furthermore, the Company will be entering into arrangements or carry out transactions from time to time, with different related parties to the extent deemed fit and approved or ratified by the Board of Directors, during the financial year ending June 30, 2025. The transactions may include sale and purchase of goods and inventories, rendering of services, payment of fees, reimbursement of expenses, receipt or repayment of loan and Musharakah contributions, sale or purchase of investment properties. As some of the Directors may be interested in some of the related party transactions on account of common Directorships, therefore, an approval from members is being sought to authorize the Company to conduct such related party transactions and enter into an arrangement with related parties and further to authorize and grant power to the Board of Directors to approve the related party transactions to be conducted by the Company for the year ending June 30, 2025.

Related Party Transactions for the year ended June 30, 2024

Name of the related party	Transactions during the year	2024 Rupees in'000'
Aisha Steel Mills Limited	- Services received	2,500
	- Payments made	1,500
Safe Mix Concrete Limited	- Sale of goods	353,328
	- Payment received	355,725
Green Store (Private) Limited	- Goods received	208
	- Payment made	208
All Pakistan Cement Manufacturers Association	- Membership fee	1,500
	- Payments made	1,500

Name of the related party	Transactions during the year	2024 Rupees in'000'
Javedan Corporation Limited	- Sale of goods	60,075
	- Payment received	64,022
Biomasdar (Pakistan) Limited	- Sale of goods	10,106
	- Payment received	10,106
Rotocast Engineering Company (Private) Limited	- Services received	25,662
	- Lease rental	22,162
	- Contribution repaid	170,000
	- Payments made	45,237
Arif Habib Corporation Limited	- Guarantee commission accrued	875
	- Guarantee commission paid	903
Arif Habib Equity (Private) Limited	- Contribution / loan received	2,485,700
	- Loan repaid	308,760
	- Mark-up accrued	198,229
	- Mark-up paid	253,773
Memon Health & Education Foundation	- Sale of goods	3,862
	- Payment received	3,862
Globe Residency REIT	- Sale of goods	33,163
	- Payment received	24,402
Rahat Residency REIT	- Sale of goods	2,600
	- Payment received	2,563
Signature Residency REIT	- Sale of goods	3,857
	- Payment received	427
Silk Islamic Development REIT	- Payment received	1,405
Mr. Arif Habib	- Contribution received	3,970,000
	- Contribution repaid	1,585,700
Samba Bank Limited	- Mark-up paid	28,182
	- Mark-up accrued	29,965
	- Bank charges paid	94
EFU Life Assurance Limited	- Services received	4,039
	- Payments made	4,039
Pakistan Stock Exchange Limited	- Services received	2,049
	- Payments made	2,049
Fatima Packaging Limited	- Purchase of goods	1,341,446
	- Payments made	1,173,577
FLSmidth A/S	- Purchase of goods	539,306
	- Payment made	552,510
Fatima Fertilizer Company Limited	- Purchase of goods	7,732
	- Payments made	7,900
Pakarab Fertilizer Company Limited	- Payments made	2,246
All members of Company's Management Team / Board of Directors	- Remuneration and other benefits	363,868
	- Retirement benefits	25,274
	- Directors' fees	400
	- Advances disbursed to employees	84,670
	- Advances repaid by employees	94,165
Staff retirement benefit fund	- Charge during the year	72,748
	- Contribution during the year	41,378

The Directors are interested only to the extent of their shareholding and / or common directorship in such related parties. For details please visit note no. 42 of the Financial Statements.

Role of Chairman

- To provide leadership to the Board of Directors of the Company.
- To ensure that the Board plays an effective role in setting up the Company's corporate strategy, business direction and Key Performance Indicators (KPIs).
- To promote and oversee the highest standards of corporate governance within the Board and the Company.
- To review performance of the Board.
- To manage and solve conflict, if any, amongst the Board members and to ensure freedom of opinion in the Board.

Role of Chief Executive Officer

- To execute and implement the strategies, policies and business plans approved by the Board.
- To achieve the performance targets set by the Board.
- To maintain an effective communication with the Chairman and the Board and to bring all important matters to their attention.
- To ensure that all strategic and operational risks are effectively managed to an acceptable level and that adequate system of internal controls is in place for all major operational and financial areas.
- To encourage and inculcate a culture of highest moral, ethical and professional values in all business dealings of the Company.

Terms of Reference of Human Resources and Remuneration (HR&R) Committee

The purpose of the Human Resources & Remuneration Committee (the "HR&R Committee") is to assist the Board of Directors (the "Board") of Power Cement Limited (the "Company") in fulfilling its oversight responsibilities in the field of human resources and their compensation. The Committee's primary focus is with respect to the development, succession planning and compensation of senior executives.

The terms of reference of Human Resources and Remuneration Committee shall include the following:

i. Recommending Human Resource Management Policies to the Board.

ii. Recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the Chief Executive Officer, Chief Operating Officer , Chief Financial Officer, Company Secretary and Head of Internal Audit.

iii. Consideration of any other issue or matter as may be assigned by the Board of Directors.

Terms of Reference of the Audit Committee

The Audit Committee shall, inter alia, recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by the external auditors of any service to the Company in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the Audit Committee in all these matters and where it acts otherwise, it shall record the reasons thereof.

The terms of reference of the Audit Committee shall also include the following:

a) determination of appropriate measures to safeguard the Company's assets;
b) review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
- major judgmental areas;
- significant adjustments resulting from the audit;
- the going concern assumption;
- any changes in accounting policies and practices;
- compliance with applicable accounting standards;
- compliance with listing regulations and other statutory and regulatory requirements; and
- related party transactions.

c) review of preliminary announcements of results prior to publication;
d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
e) review of management letter issued by external auditors and management's response thereto;
f) ensuring coordination between the internal and external auditors of the Company;
g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
j) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;
l) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
m) consideration of any other issue or matter as may be assigned by the Board of Directors.

Board Composition

1. Leadership Structure of Those Charged With Governance

Names	Designation
Mr. Nasim Beg	Chairman of the Board
Mr. Arif Habib	Non-Executive Director
Mr. Muhammad Kashif	Chief Executive Officer
Mr. Abdus Samad Habib	Non-Executive Director
Syed Salman Rashid	Non-Executive Director
Mr. Javed Kureishi	Independent Director
Mr. Khursheed Anwer Jamal	Independent Director
Ms. Zainab Kashif	Non-Executive Director

Board's Function and Decision Making

The Board has been effective in managing the affairs of the Company, fulfilling its duties in accordance with the Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code"). The Board has meticulously ensured compliance with the relevant laws regarding its composition, procedures, and the conduct of its meetings

The Board of Directors plays a crucial role in steering the Company's strategic direction. Leveraging their extensive expertise, the Board oversees key decisions, including approval of annual budget, investment management, capital issuance, and key appointments, ensuring alignment with long-term goals.

The Board also ensures rigorous oversight of the Company's operations by approving financial statements, reviewing audit findings, and upholding governance standards through formal business policies. Supported by an independent Internal Audit Department reporting to the Audit Committee, the Board maintains strict compliance and transparency, driving sustainable growth and value for all stakeholders.

Matters Delegated to the Management

The management team at Power Cement Limited (PCL) is tasked with executing the strategies approved by the Board of Directors. They manage day-to-day operations, ensuring alignment with the Company's objectives while maintaining ethical standards. This delegation of authority allows management to respond swiftly to market trends, assess financial data, and implement strategies effectively.

Under the Board's oversight, management prepares accurate financial statements in compliance with applicable statutory and accounting standards coupled with ensuring exceptional standard of transparency. By entrusting key decision-making to the management, PCL fosters agility and efficiency, enabling the Company to adapt to market changes and capitalize on opportunities.

Commitment to Ethics and Compliance

The Board of Directors at Power Cement Limited (PCL) is fully committed to upholding the highest standards of ethics and compliance throughout the Company. We believe that a strong ethical foundation is essential for building trust with our stakeholders and ensuring the long-term success of the organization. The Board actively promotes a culture of integrity, transparency, and accountability, ensuring that all business practices and decisions are conducted in strict accordance with all applicable statutes and Company's code of conduct. Through rigorous oversight and continuous improvement of compliance programs, the Board reaffirms its dedication to maintaining a corporate environment where ethical behavior is the cornerstone of all operations.

Evaluation Criteria for the Board

A comprehensive mechanism is put in place for undertaking an evaluation of the performance of the Board of Directors in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The mechanism evaluates the performance of the Board of Directors on the following parameters:
- Composition, Diversity, and Expertise
- Oversight of Vision, Mission, and Goals
- Communication and Leadership
- Due Diligence
- Governance

Annual Evaluation of Board's Performance

The Board's overall performance, assessed based on the parameters mentioned above for the year under review, has been evaluated as "Satisfactory". A separate report, as mandated by section 192 of the Companies Act, 2017, regarding the Chairman's evaluation of the Board's overall performance, is provided as an attachment to this Annual Report.

CEO Performance Review

The Board of Directors of Power Cement Limited conducts evaluation of the CEO's performance. The Board expresses its explicit admiration for his efforts. The CEO has demonstrated leadership and management skills, driving the Company's success and growth.

The CEO's key highlights include setting and achieving challenging corporate objectives, ensuring alignment with KPIs, and providing regular progress updates to the Board. The Board appreciates his commitment to excellence and dedication to driving Power Cement Limited's success.

Directors Training Program and Orientation

During the financial year, Mr. Javed Kureishi, Independent Director, undertook directors' training and the following Directors are certified:

o Mr. Muhammad Kashif	Chief Executive Officer
o Mr. Khursheed A. Jamal	Independent Director
o Mr. Abdus Samad Habib	Non-Executive Director
o Syed Salman Rashid	Non-Executive Director
o Mr. Javed Kureishi	Independent Director

Besides, the following director has been exempted from the directors' training program certification based on relevant experience as mentioned in the CCG Regulations, 2019.

o Mr. Nasim Beg	Chairman / Non-Executive Director

Mr. Khursheed A. Jamal and Mr. Javed Kureishi - being the Independent Directors meet the criteria for independence as per Section 166 of the Companies Act, 2017.

External Oversight of Functions

The Company obtains external assurance from:

- Statutory Audit of Financial Accounts from reputable Audit firm, M/s. A.F. Fergusons & Co., Chartered Accountants
- Cost Audit from M/s. UHY Hassan Naeem & Co., Chartered Accountants
- QMS Audit to ensure compliance with ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 by SGS
- Environment Monitoring Report to ensure compliance with ISO 14001

Policy for Related Party Transactions

The Company is committed to ensuring that all transactions with related parties are conducted in a fair, transparent and arm's length manner, on normal commercial terms and conditions.

- All related party transactions arising in the normal course of business are carried out without bias.
- Transactions where the majority of Directors have an interest are referred to the shareholders for approval in a General Meeting.
- In accordance with the CCG and applicable laws, a comprehensive list of all related party transactions is submitted to the Audit Committee on quarterly basis for review.
- The Committee reviews and recommends actions to the Board, which then approves the transactions.
- The Company maintains an updated list of all related parties, and discloses their names, relationships, and percentage holdings in the Financial Statements.

During the year, there were no contracts or arrangements with related parties beyond the ordinary course of business on an arm's length basis.

Conflict of Interest

Power Cement Limited is committed to maintaining the highest standards of ethical governance and transparency. This policy aims to identify, manage, and prevent actual, potential, and perceived conflicts of interest that may arise among directors or employees.

Policy Statement:

- All Directors and employees must avoid conflicts of interest and disclose any material transactions that may pose a conflict.
- The Company maintains a Conflict of Interest Policy and ensure compliance through education, communication, and enforcement.
- The policy will be reviewed and updated accordingly.

Procedures:

1. Identify areas of risk and develop strategies to mitigate them.
2. Educate all employees about the conflict of interest policy.
3. Communicate with stakeholders to provide a platform for proper disclosure.
4. Enforce the policy and ensure compliance.
5. Remind directors of the insider trading circular issued by the Securities and Exchange Commission of Pakistan.
6. Require directors to provide complete details of material transactions that may pose a conflict of interest for prior Board approval.
7. Ensure interested Directors do not participate in discussions or vote on matters related to the conflict.
8. Conduct transactions with related parties on an arm's length basis and disclose all details in the financial statements.

By implementing this policy, Power Cement Limited demonstrates its commitment to transparency, ethical governance, and responsible decision-making.

Director’s Interest

As Power Cement Limited is a part of the Arif Habib Group, there may be instances where certain directors have an interest in specific transactions due to their common directorships in other Group companies. In such cases, the Company ensures that all related party transactions are approved in accordance with the established policy and applicable laws, to maintain transparency and avoid any potential conflicts of interest.

The Company's policy requires that all directors disclose their interests and ensure that any transactions with related parties are conducted on an arm's length basis and are subject to approval by the Board. This ensures that all transactions are fair, transparent, and in the best interest of the Company and its stakeholders.

Implementation of Governance Practices Exceeding Legal Requirements

At Power Cement Limited, management is steadfast in its commitment to adhere with the best governance practices within the Company's operating framework. While we consider compliance with all legal requirements as the baseline, we strive to exceed these standards. Our aim is to implement governance rules and practices that are not only aligned with global standards but also in the best interests of our shareholders, employees, the environment, and the community we serve. This approach underscores our dedication to ethical and responsible corporate governance.

Following additional governance practices implemented by the management include:

- Best Corporate Reporting practices recommended jointly by ICAP / ICMAP by disbursement of additional corporate and financial information to stakeholders to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies.
- Implementation of aggressive Health, Safety and Environment Strategies to ensure safety of employees and equipment.

Policy on Diversity

At Power Cement Limited, we champion a culture of inclusion, where diversity is celebrated as a vital strength. We believe that individuals from diverse backgrounds and experiences bring unique perspectives that fuel collaboration, innovation, and growth. Our commitment to diversity extends beyond mere tolerance to actively addressing discrimination in all forms.

We strive to cultivate a culture where individual differences are valued, and everyone can contribute their best ideas, leading to groundbreaking advancements. We aim to foster a collaborative work environment, drive innovation and progress, encourage unique perspectives, ensure equal opportunities for all, address discrimination and harassment, and foster a culture of inclusion and respect.

Policy of Remuneration to Non-Executive Directors

The main features of the policy are as follows:

- The Company shall not pay remuneration to its Non-Executive Directors including Independent Directors except for meeting fee for attending Board and its Committee meetings.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending Board and its Committees meetings.
- The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to time.

Detail of the remuneration paid to Executive and Non-Executive Directors during the year is given in notes to the financial statements.

Retention of Board Fee by the Executive Director Against Services Rendered As Non-Executive Director In Other Companies

The Executive Directors are authorized to retain the Board fee they earn in exchange for their services as Non-Executive Director in other companies.

Presence of Executive Director on Board of other Companies

In addition to being the Chief Executive of the Company, Mr. Muhammad Kashif holds Directorship on the Board of the following companies that have also been mentioned in Directors' Profile Section of the Report:

- Aisha Steel Mills Limited
- Arif Habib Corporation Limited
- Fatima Fertilizer Company Limited
- Javedan Corporation Limited
- Safe Mix Concrete Limited
- Black Gold Power Limited
- Fatima Cement Limited
- Fatima Packaging Limited
- Fatimafert Limited
- Pakistan Opportunities Limited
- Siddiqsons Energy Limited
- BioMasdar Pakistan Limited
- Alternates (Private) Limited
- Arif Habib Equity (Private) Limited
- Arif Habib Development and Engineering Consultants (Private) Limited
- Prime Agtech Solutions (Private) Limited
- Sachal Energy Development (Private) Limited
- Easy E-Tameer (Private) Limited
- Essa Textile and Commodities (Private) Limited
- Green Store (Private) Limited
- Nooriabad Spinning Mills (Private) Limited
- Rotocast Engineering Company (Private) Limited
- Transmovers (Private) Limited
- Arif Habib Foundation
- All Pakistan Cement Manufacturers Association

Security Clearance of Foreign Directors

As of the latest update, there is no foreign representation on the Board of Power Cement Limited (PCL). Previously, one foreign Director had served on the Board, but he tendered his resignation in the month of August 2024. Currently, the Board comprises solely with Directors of Pakistani origin, with no foreign Directors in place.

Board Meetings held outside Pakistan

Throughout the year, Power Cement Limited did not convene any Board meeting(s) outside the borders of Pakistan.

Social and Environmental Responsibility Policy

At Power Cement Limited, we recognize the link between financial performance and corporate social and environmental responsibility. We are committed to embracing robust environmental and social strategies to build a resilient brand, safeguard our reputation, and ensure long-term success.

We strive to conduct our operations in an ethical, sustainable, and socially responsible manner, minimizing our environmental footprint while making a positive impact on society. We affirm our dedication to environmental stewardship, social responsibility, and ethical business practices, aiming to create a better future for all while driving long-term growth and success.

Social Responsibility Policy

- Implementation of Employee Code of Conduct that fits with local customs and regulations.
- Culture of ethics and behavior which improve values like integrity and transparency.
- Promoting the culture of work facilitation and knowledge transfer.
- Carrying out corporate philanthropy actions
- Maintaining collaborative relations with society through a good harmony and effective communication.

Environmental Responsibility Policy

- Ensure our products, operations and services comply with applicable environmental legislation and regulations.
- Maintain and continually improve our environmental management systems to conform to the ISO Standards or more stringent requirements as dictated by specific markets or local regulations.
- Operate in a manner that is committed to continuous improvement in environmental sustainability through conservation of resources, prevention of pollution, and promotion of environmental responsibility amongst our employees.

Communication with Stakeholders

At Power Cement, we are committed to building strong relationships with our stakeholders through effective communication and engagement. We believe in providing opportunities for stakeholders to contribute to management decision-making and ensuring transparent disclosure of material information.

We engage with stakeholders through various channels, including:

- Annual Reports
- Corporate briefing sessions with investors and research analysts
- website updates
- Employee communication through newsletters, surveys, portals, and electronic bulletin boards

Our goal is to understand stakeholders' needs and concerns, tailor our strategies to suit business decisions, and communicate regularly based on corporate and business requirements, contractual obligations, or as needed. By fostering open dialogue and collaboration, we aim to create value for our stakeholders and drive long-term success for Power Cement.

Investors' Grievance Policy

The shareholders have been facilitated and encouraged to file their grievances with the Company in an effective manner. All queries including grievances and information requests lodged by shareholders and potential investors are handled in a timely manner. The 'Investors' Relations' section is also maintained on the Company's website : **http://powercement.com.pk/page-investor-grievances**

Policy for Safeguarding of Records

Power Cement Limited places paramount importance on the safety and security of its records. Physical documents are meticulously preserved in specifically designated storerooms at both our Head Office and Site locations. Access to these storage areas is exclusively granted to authorized personnel responsible for the records' secure upkeep and maintenance.

Additionally, an independent archiving company has been entrusted with the task of diligently maintaining the Company's records in a secure location for the past five years.

IT Governance Policy

Recognizing the pivotal role of Information Technology (IT) governance in the attainment of overarching strategic and operational objectives, the Company have strategically aligned its IT resources to furnish management with an efficient operational and decision-making platform, ultimately streamlining business operations.

The IT Governance Policy encompasses the following key aspects:

i. **Maximizing ROI on Technology Investment:** We prioritize optimizing returns on technology investments while maintaining controlled spending.

ii. **Data Security:** Ensuring the safeguarding of the Company's valuable data assets is of paramount importance.

iii. **IT Security Awareness:** We are committed to enhancing user awareness regarding IT security to detect and prevent vulnerabilities effectively.

iv. **Compatibility and Integration:** Our IT governance framework focuses on ensuring compatibility, integration, and the avoidance of redundancy in our IT systems.

At Power Cement Limited, our unwavering commitment extends to fostering an environment characterized by honesty, fairness, integrity, and accountability across all levels of management. We proactively address any issues that may impact the Company's performance and the well-being of our employees, customers, and suppliers, underscoring our dedication to ethical business practices.

Whistle Blowing Policy

The Company has developed a policy where any of the stakeholders (i.e. employees, customers, suppliers, contractors, or shareholders) can contribute towards our aim to be vigilant about, and responsive of, the following misdemeanors undertaken by any person associated with Company, either directly or indirectly:

- Any fraudulent act;
- Waste of resources;
- Misuse of authority; or
- Sabotage of machinery or of equipment.

The salient features of the policy are as follows:

1. A whistle-blower who raises a concern as per the policy, is provided with due protection in respect of performance of his duties and receipt of justified consideration under employment or contractual arrangement. No harassment or pressures towards the whistle-blower are tolerated and the Company takes appropriate actions to protect all such individuals.
2. The company ensures that the information shared and the identity of the whistle-blower remains confidential until such time as the person needs to come forward as a witness.
3. All concerns are reported in writing to ensure a clear understanding of the issues being raised. The background, the nature of concern, relevant dates and timings, evidences/proofs where possible, the reasons for the concern and the names of individuals against whom the concern is being reported are documented therein.
4. Each concern communicated is assessed for its validation and initial inquiries are made to determine whether an investigation is appropriate. At the end of the investigation, a written report that provides the findings, basis of findings and a conclusion is submitted to the Chief Executive Officer.

Human Resource Management Policy

The backbone of any organization is its people. Power Cement Limited firmly believes in nurturing, investing in and promoting its employees with the ultimate objective of ensuring a very high level of employee satisfaction and efficiency, which in turn translates into high levels of customer satisfaction.

The Company is committed to build a strong organizational culture that is shaped by empowered employees who demonstrate a deep belief in Company's vision and values. Therefore, Human Resource Management (HRM) is an integral part of our business strategy. The Company fosters leadership, individual accountability and teamwork.

The main components of the Company's policy are:

- Selecting the right person, with the right experience, at the right time, offering the right compensation.
- Developing management philosophies and practices to promote and encourage motivation and retention of the best employees.
- Recognizing and rewarding employees' contribution to the business.
- Fostering the concept of teamwork and synergetic efforts
- Encouraging and supporting team concepts and team building techniques.
- Nurturing a climate of open communications between management and employees.
- Making all reasonable efforts to achieve a high quality of work-life balance.

Succession Planning

At Power Cement Limited, we embrace a proactive approach to succession planning. We take deliberate steps to recruit talented individuals, nurture their knowledge, enhance their skills and abilities, and prepare them for progressive roles and promotions within the organization. A robust succession planning framework is aimed for all levels of our organization, ensuring a constant pipeline of skilled individuals ready to fill key roles.

We seek individuals who embody the spirit of continuous improvement when identifying potential successors. In this regard, we invest significantly, both in terms of financial resources and time, in the training and development of our workforce.

Compliance with the Best Practices of Code of Corporate Governance

The Board of Directors is pleased to confirm that Power Cement Limited has fully complied with the Code of Corporate Governance, listing regulations of the Pakistan Stock Exchange, and the applicable financial reporting framework, as evidenced by the Audit Committee's report, and the Company's Auditors' review report, demonstrating our commitment to maintaining the highest standards of corporate governance and transparency.

Details of Shares Held by Sponsors / Directors / Executives and Distribution of Shareholders

Details of shares held by sponsors and distribution of shareholders are given in the Shareholders' category and Pattern of Shareholding sections of this Report.

Presence of the Chairman of the Board Audit Committee at the General Meetings

During FY 2024, Power Cement Limited held one Annual General Meeting, which was also attended by the Chairman of the Board Audit Committee who was also available to address any questions related to the committee's activities.

Disclosure of Beneficial Ownership

The Ultimate Beneficial Owner of the Company (natural persons) are enlisted below:

Mr. Arif Habib holds 24.96% shares of the Company (this includes both ordinary and preference shares).

Chairman's Significant Commitments

Throughout the year, the Chairman has been actively engaged in the conduct of the Board and the Shareholders' meetings. The Chairman played a pivotal role in ensuring the effective conduct of Board meetings and Shareholder meetings, coupled with facilitating informed decision-making processes.

Details of the Chairman's external engagements, beyond Power Cement Limited, can be found in the Directors' profile section of this report, providing comprehensive insight into his multifaceted responsibilities and contributions.

External Search Consultancy for Appointment of any Director

No external search consultancy was enlisted for the selection and appointment of Director to the Board.

Employee Well-being Initiatives

At PCL, prioritizing the health and well-being of employees is essential, recognizing that a healthy workforce is vital for success. To this end, various programs and partnerships have been implemented to support employees:

Empowering Our Team's learning with different sessions

Power Cement Ltd organized various learning sessions, including leadership and management development programs, along with a 'Safe Work Practice' and ISO 50001 training.

These initiatives reflect PCL's commitment to fostering employee growth, driving development, and achieving organizational excellence.

Sports Gala: Our Sports Gala has garnered positive feedback from employees and their families. It fosters a sense of camaraderie, teamwork, and physical fitness among our staff, contributing to their overall well-being.

On-site Gym: We have established a well-equipped gym on our factory premises to encourage employees to focus on their physical health. This facility allows them to engage in regular exercise routines, promoting a healthier lifestyle.

Comfortable Transportation: PCL provides free of charge air-conditioned vehicles for its employee's transportation, ensuring their comfort and safety during commutes. This initiative not only enhances their well-being but also reduces the stress associated with daily travel.

RO Plant: To ensure access to clean and safe drinking water, we have installed a Reverse Osmosis (RO) plant in both residential and office areas. This provision contributes to the physical well-being of our employees by ensuring access to quality drinking water.

These initiatives reflect a commitment to the health and motivation of employees, fostering a positive and supportive work environment.

Project Based Internship Program

We have inducted a group of project-based interns across various departments, including Mechanical, Production, Electrical and Instrumentation, Human Resources, and Preventive Planning and Maintenance. These internships are aimed at enhancing students' exposure and providing valuable hands-on fieldwork experience.

Certifications and Award

The Company remains steadfast in its commitment to ensuring a safe and secure working environment for all employees and stakeholders. This dedication is evidenced by the attainment of key certifications, including ISO 45001:2018 for Occupational Health and Safety, ISO 14001:2015 for Environmental Management, ISO 9001:2015 for Quality Management, and ISO 50001:2018 for Energy Management across cement manufacturing processes and energy conversion systems. These certifications reflect the Company's ongoing efforts to implement industry-leading practices that promote health, safety, and environmental sustainability in the workplace.

Furthermore, the Company holds multiple foreign certifications from the USA, Turkey, Sri Lanka, and Philippines, enabling the export of cement and clinker to international markets.

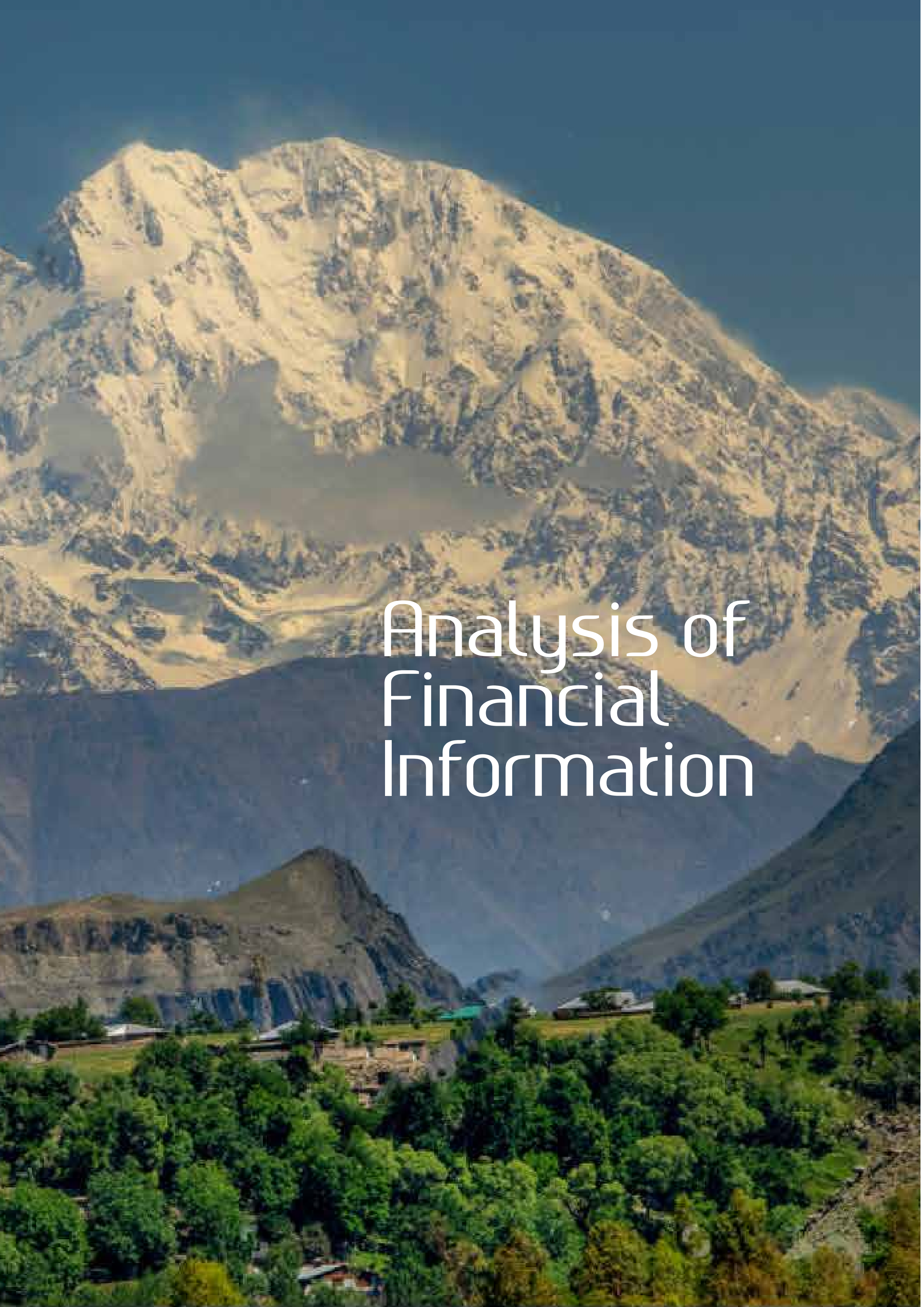
Fast Growing Brand Award

Power Cement Limited is honored to receive the 2023 Fastest Growing Brand Award in grey cement from the Brands Foundation. This recognition underscores our commitment to quality, strategic marketing, and sustainability. We support Pakistan's construction sector with high-quality products and innovative strategies. Our use of alternative fuels and investments in renewable energy significantly reduce our carbon footprint.

Tirich Mir

7,708 meters

Tirich Mir, globally ranked 33rd, 7708 m). The locations of the highest mountains are shown on the composite satellite image of Karakoram and Hindu Kush


Analysis of
Financial
Information

Financial Ratios

Financial Ratios	UOM	FY 2024	FY2023	FY 2022	FY 2021	FY 2020	FY 2019
PROFITABILITY RATIOS							
Gross profit / (loss) to sales	%	21.85	23.95	14.19	21.73	(2.82)	4.08
Operating profit/ (loss) to sales	%	9.75	12.90	7.45	13.56	(24.02)	(6.64)
(Loss) / profit before tax to sales	%	(6.17)	(0.28)	(7.61)	(4.72)	(96.44)	(10.69)
Net Profit / (loss) after tax to sales	%	(8.70)	0.58	(2.54)	2.52	(88.05)	15.09
EBITDA to sales	%	12.80	16.29	12.19	20.59	(20.66)	(2.73)
Operating Leverage	%	(32.90)	21.22	(19.06)	28.86	(287.13)	126.73
Return on Equity	%	(13.92)	0.96	(2.57)	3.34	(42.71)	5.03
Return on Capital Employed	%	8.68	10.50	3.68	6.58	(3.80)	(0.84)
Shareholders Fund	Rs. in million	19,419	17,568	17,283	10,745	8,479	11,574
Liquidity Ratios							
Current Ratio	Times	0.79	0.76	0.69	0.43	0.36	0.68
Quick / Acid Test Ratio	Times	0.36	0.44	0.39	0.25	0.25	0.52
Cash Ratio	Times	(0.34)	(0.28)	(0.01)	(0.02)	(0.02)	(0.44)
Cash Flow From Operation To Sales	Times	(0.12)	0.03	(0.03)	(0.11)	0.35	(0.22)
Cash flow to Capital Expenditures	Times	(3.93)	(24.02)	(12.23)	(28.07)	(0.29)	0.06
Cash flow Coverage Ratio	Times	0.07	0.18	0.10	0.07	0.08	(0.03)
Investment Valuation Ratios							
(Loss) / earnings per share	Rs.	(2.88)	(0.19)	(0.62)	0.17	(3.41)	0.55
Price / Earnings Ratio (after tax)	Times	(1.91)	(21.58)	(8.63)	55.76	(1.82)	11.69
Price to Book Ratio	Times	0.99	0.54	0.72	1.24	0.78	0.59
Market Price per share	Rs.	5.50	4.10	5.32	9.61	6.20	6.43
Year High Close	Rs.	6.43	5.46	9.93	11.80	7.22	9.77
Year Low Close	Rs.	3.49	3.84	5.17	6.26	4.63	5.74
Breakup value per share	Rs.	5.56	7.61	7.40	7.73	7.97	10.88
Activity / Turnover Ratios							
Inventory turnover	Times	4.97	5.85	4.85	4.41	2.29	2.55
Inventory holding period	Days	74	62	75	83	159	143
Debtor turnover	Times	108.86	104.82	74.89	51.66	9.82	9.98
No. of days In Receivables	Days	3	3	5	7	37	37
Creditor turnover	Times	6.30	6.36	5.33	4.83	2.41	8.53
No. of days In Payable	Days	58	57	68	76	151	43
Operating Cycle	Days	19	8	12	14	45	137
Total assets turnover	Times	0.65	0.60	0.38	0.31	0.09	0.10
Fixed assets turnover	Times	0.90	0.83	0.49	0.39	0.11	0.12
Capital Structure Ratios							
Debt to equity ratio (book value)	Times	1.02	1.13	1.21	2.54	3.28	1.97
Interest coverage ratio	Times	0.61	0.97	0.49	0.74	(0.33)	(1.45)
Financial leverage ratio	Times	1.46	1.76	1.69	3.23	4.37	2.48
Net assets per share	Rupees	5.56	7.61	7.40	7.73	7.97	10.88
Non Financial Ratios							
% of Plant Availability / utilisation	%	71.19	71.59	58.05	72.71	44.38	67.16
Production per Employee	MT	3,453	3,812	3,187	3,701	1,488	1,615
Revenue per Employee	Rs. in million	63.42	57.31	34.99	29.08	8.34	10.72
Staff turnover ratio	%	17.00	18.00	9.00	10.00	37.00	9.00
Spares Inventory as % of Assets Cost	%	3.35	1.91	1.62	1.22	0.77	0.89

Financial Highlights

Six Years at a Glance

Financial Position (Rupees in '000)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Assets Employed						
Property, plant and equipment	34,309,305	34,853,984	35,647,052	36,270,530	37,222,552	32,942,295
Right of use assets	-	12,362	24,725	37,086	48,194	-
Intangible assets	-	-	423	2,958	5,493	-
Investments	28,268	26,873	25,578	24,873	23,751	15,600
Long term deposits	56,069	63,359	74,359	42,338	24,159	19,635
Deferred tax assets	3,186,709	3,649,907	3,138,307	2,104,838	1,059,665	677,942
Current Assets	10,197,425	9,924,138	7,538,288	7,009,055	7,117,391	6,617,582
Total Assets	**47,777,776**	**48,530,623**	**46,448,732**	**45,491,678**	**45,501,205**	**40,273,054**
Financed By						
Shareholders' Equity	19,419,121	17,568,027	17,283,455	10,744,915	8,478,635	11,573,601
Long-term liabilities						
Long term financing	14,877,802	17,328,806	17,510,223	18,403,048	17,357,208	18,871,684
Long term trade payables	356,493	470,634	522,828	-	-	-
Lease liabilities	-	-	17,327	31,675	45,032	-
Deferred Grant Income	-	-	-	1,997	7,079	-
Deferred liabilities	234,977	170,307	136,270	108,965	94,931	57,923
Current liabilities	12,889,383	12,992,849	10,978,629	16,201,078	19,518,320	9,769,846
Total Funds Invested	**47,777,776**	**48,530,623**	**46,448,732**	**45,491,678**	**45,501,205**	**40,273,054**

Turnover & Profit (Rupees in '000)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Sales revenue	31,077,214	28,939,096	17,494,878	14,220,613	4,113,353	3,858,455
Gross profit/ (loss)	6,790,401	6,932,216	2,482,131	3,089,637	(116,167)	157,280
Operating profit/ (loss)	3,028,707	3,732,098	1,304,202	1,928,231	(988,226)	(256,349)
(Loss)/ profit before taxation and levy	(1,918,919)	(80,911)	(1,330,626)	(671,208)	(3,966,776)	(412,396)
Profit/ (loss) after taxation and levy	(2,703,284)	168,993	(443,946)	358,359	(3,621,629)	582,106
Total comprehensive income/ (loss)	(2,848,906)	284,572	(461,460)	353,751	(3,617,069)	931,268
(Loss)/ Earnings Per Share (Rupee)	(2.88)	(0.19)	(0.62)	0.17	(3.41)	0.55

Cash Flow Summary (Rupees in '000)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Net Cash generated from/ (used in) Operating Activities	(3,808,360)	758,576	(503,905)	(1,507,764)	1,424,013	(844,441)
Net Cash used in Investing Activities	(361,721)	(158,163)	(170,845)	(50,215)	(6,942,544)	(12,096,326)
Net Cash (used in)/ generated from Financing Activities	3,456,659	(4,170,365)	787,419	1,630,909	5,379,684	12,673,089
(Decrease)/ Increase in Cash and Cash Equivalent	(713,422)	(3,569,953)	112,669	72,930	(138,847)	(267,678)
Cash and Cash Equivalent at beginning of the year	(3,702,177)	(132,225)	(244,894)	(317,824)	(178,977)	88,701
Cash and Cash Equivalent at end of the year	**(4,415,599)**	**(3,702,177)**	**(132,225)**	**(244,894)**	**(317,824)**	**(178,977)**

COMMENTS ON STATEMENT OF CASH FLOWS

Cash generation from operating activities declined substantially, primarily due to elevated finance costs and increased inventory levels of coal, stores, spares, and loose tools.

Cash generation from financing activities rose significantly, driven by PKR 4.7 billion sponsor contributions which is partially offset by bi-annual repayments of long-term loan.

Analysis of Statement of Financial Position (Rupees in '000)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Share Capital & Reserves	19,419,121	17,568,027	17,283,455	10,744,915	8,478,635	11,573,601
Non Current Liabilities	15,469,272	17,969,747	18,186,648	18,545,685	17,504,250	18,929,607
Current Liabilities	12,889,383	12,992,849	10,978,629	16,201,078	19,518,320	9,769,846
Total Equity & Liabilities	**47,777,776**	**48,530,623**	**46,448,732**	**45,491,678**	**45,501,205**	**40,273,054**
Non Current Assets	37,580,351	38,606,485	38,910,444	38,482,623	38,383,814	33,655,472
Current Assets	10,197,425	9,924,138	7,538,288	7,009,055	7,117,391	6,617,582
Total Assets	**47,777,776**	**48,530,623**	**46,448,732**	**45,491,678**	**45,501,205**	**40,273,054**

Vertical Anaysis - %	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Share Capital & Reserves	41	36	37	24	19	29
Non Current Liabilities	32	37	39	41	38	47
Current Liabilities	27	27	24	35	43	24
Total Equity & Liabilities	100	100	100	100	100	100
Non Current Assets	79	80	84	85	84	84
Current Assets	21	20	16	15	16	16
Total Assets	**100**	**100**	**100**	**100**	**100**	**100**

Horizontal Analysis (i) Cumulative *- %	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Share Capital & Reserves	68	52	49	(7)	(27)	100
Non Current Liabilities	(18)	(5)	(4)	(2)	(8)	100
Current Liabilities	32	33	12	66	100	100
Total Equity & Liabilities	19	21	15	13	13	100
Non Current Assets	12	15	16	14	14	100
Current Assets	54	50	14	6	8	100
Total Assets	**19**	**21**	**15**	**13**	**13**	**100**

Horizontal Analysis (ii) Year on Year - %	FY 24 vs FY23	FY 23 vs FY 22	FY 22 vs FY 21	FY 21 vs FY 20	FY 20 vs FY 19	FY 19 vs FY 18
Share Capital & Reserves	11	2	61	27	(27)	2
Non Current Liabilities	(14)	(1)	(2)	6	(8)	90
Current Liabilities	(1)	18	(32)	(17)	100	202
Total Equity & Liabilities	(2)	4	2	(0)	13	64
Non Current Assets	(3)	(1)	1	0	14	69
Current Assets	3	32	8	(2)	8	43
Total Assets	**(2)**	**4**	**2**	**(0)**	**13**	**64**

Analysis of Profit And Loss Account (Rupees in '000)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Sales Revenue	31,077,214	28,939,096	17,494,878	14,220,613	4,113,353	3,858,455
Cost of sales	(24,286,813)	(22,006,880)	(15,012,747)	(11,130,976)	(4,229,520)	(3,701,175)
Gross profit / (Loss)	**6,790,401**	**6,932,216**	**2,482,131**	**3,089,637**	**(116,167)**	**157,280**
Distribution Cost	(3,175,039)	(1,960,273)	(965,724)	(1,195,573)	(426,535)	(122,443)
Administrative Cost	(442,075)	(367,107)	(286,584)	(254,537)	(190,279)	(142,709)
Other Charges / (Income)	(144,580)	(872,738)	74,379	288,704	(255,245)	(148,477)
Operating Profit / (Loss)	**3,028,707**	**3,732,098**	**1,304,202**	**1,928,231**	**(988,226)**	**(256,349)**
Finance Cost - net	(4,947,626)	(3,813,009)	(2,634,828)	(2,599,439)	(2,978,550)	(156,047)
(Loss) / Profit Before Taxation and Levy	**(1,918,919)**	**(80,911)**	**(1,330,626)**	**(671,208)**	**(3,966,776)**	**(412,396)**
Taxation and Levy	(784,365)	249,904	886,680	1,029,567	345,147	994,502
Profit / (Loss) After Taxation and Levy	**(2,703,284)**	**168,993**	**(443,946)**	**358,359**	**(3,621,629)**	**582,106**
Other Comprehensive (Income) / Loss	(145,622)	115,579	(17,514)	(4,608)	4,560	349,162
Total Comprehensive Income / (Loss)	**(2,848,906)**	**284,572**	**(461,460)**	**353,751**	**(3,617,069)**	**931,268**

*Financial year 2019 is considered as a base year for above analysis

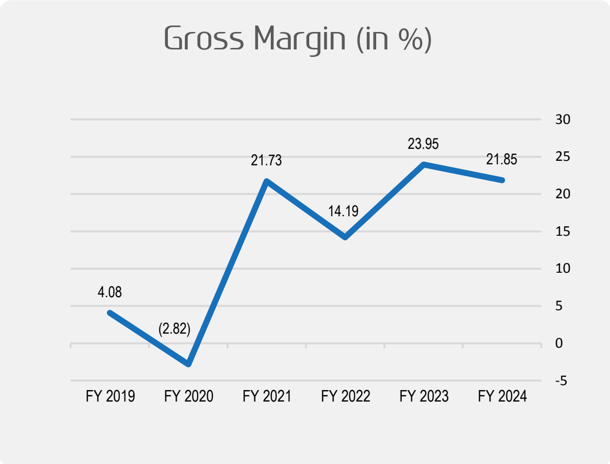
Vertical Analysis - %	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Sales Revenue	100	100	100	100	100	100
Cost of Sales	(78)	(76)	(86)	(78)	(103)	(96)
Gross Profit / (Loss)	**22**	**24**	**14**	**22**	**(3)**	**4**
Distribution Cost	(10)	(7)	(6)	(8)	(10)	(3)
Administrative Cost	(1)	(1)	(2)	(2)	(5)	(4)
Other Charges / (Income)	(0)	(3)	0	2	(6)	(4)
Operating Profit / (Loss)	**10**	**13**	**6**	**14**	**(24)**	**(7)**
Finance Cost - net	(16)	(13)	(15)	(18)	(72)	(4)
(Loss) / Profit Before Taxation and Levy	**(6)**	**(0)**	**(9)**	**(4)**	**(96)**	**(11)**
Taxation and Levy	(3)	1	5	7	8	26
Profit / (Loss) After Taxation and Levy	**(9)**	**1**	**(3)**	**3**	**(88)**	**15**
Other Comprehensive (Income) / Loss	(0)	0	(0)	(0)	0	9
Total Comprehensive Income / (Loss)	**(9)**	**1**	**(3)**	**2**	**(88)**	**24**

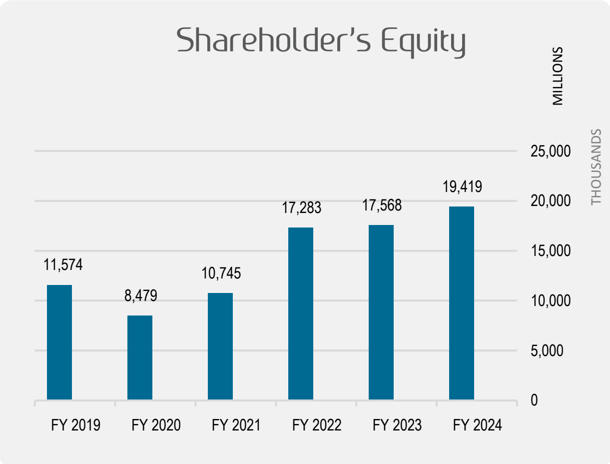
Horizontal Analysis (i) Cumulative* - %	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Sales Revenue	705	650	353	269	7	100
Cost of Sales	556	495	306	201	14	100
Gross profit / (loss)	**4,217**	**4,308**	**1,478**	**1,864**	**(174)**	**100**
Distribution Cost	2,493	1,501	689	876	248	100
Administrative Cost	210	157	101	78	33	100
Other Charges / (Income)	(3)	488	(150)	(294)	72	100
Operating Profit / (Loss)	**(1,281)**	**(1,556)**	**(609)**	**(852)**	**286**	**100**
Finance Cost - net	3,071	2,344	1,588	1,566	1,809	100
(Loss) / Profit Before Taxation and Levy	**365**	**(80)**	**223**	**63**	**862**	**100**
Taxation and Levy	(179)	(75)	(11)	4	(65)	100
Profit / (Loss) After Taxation and Levy	**(564)**	**(71)**	**(176)**	**(38)**	**(722)**	**100**
Other Comprehensive (Income) / Loss	(142)	(67)	(105)	(101)	(99)	100
Total Comprehensive Income / (Loss)	**(406)**	**(69)**	**(150)**	**(62)**	**(488)**	**100**

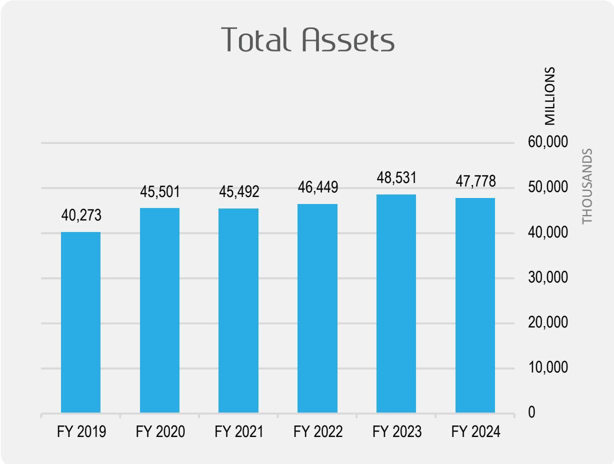
Horizontal Analysis (ii) Year on Year - %	FY 24 vs FY23	FY 23 vs FY 22	FY 22 vs FY 21	FY 21 vs FY 20	FY 20 vs FY 19	FY 19 vs FY 18
Sales Revenue	7	65	23	246	7	(11)
Cost of Sales	10	47	35	163	14	1
Gross Profit / (Loss)	**(2)**	**179**	**(20)**	**(2,760)**	**(174)**	**(77)**
Distribution Cost	62	103	(19)	180	248	6
Administrative Cost	20	28	13	34	33	14
Other Charges / (Income)	(83)	(1,273)	(74)	(213)	72	96
Operating Profit / (loss)	**(19)**	**186**	**(32)**	**(295)**	**286**	**(172)**
Finance cost - net	30	45	1	(13)	1,809	1,588
(Loss) / Profit before Taxation and Levy	**2,272**	**(94)**	**98**	**(83)**	**862**	**(218)**
Taxation and Levy	(414)	(72)	(14)	198	(65)	(3,545)
Profit / (Loss) After Taxation and Levy	**(1,700)**	**(138)**	**(224)**	**(110)**	**(722)**	**82**
Other Comprehensive (Income) / Loss	(226)	(760)	280	(201)	(99)	(4,352)
Total Comprehensive Income / (Loss)	**(1,101)**	**(162)**	**(230)**	**(110)**	**(488)**	**199**

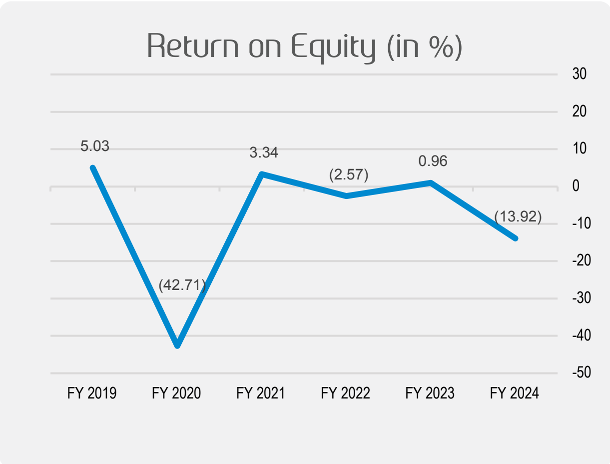
*Financial year 2019 is considered as a base year for above analysis

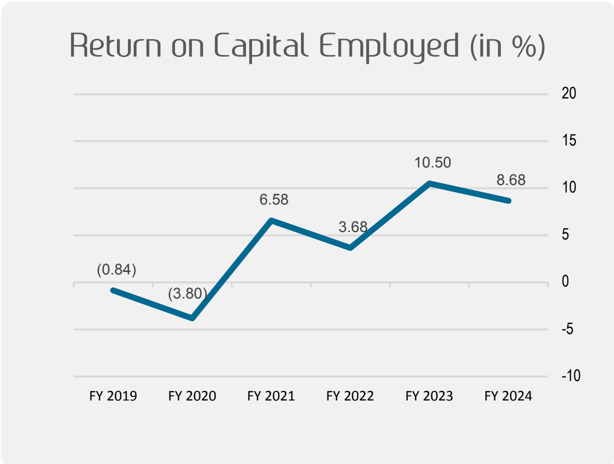
Graphical Presentation - Stakeholders' Information

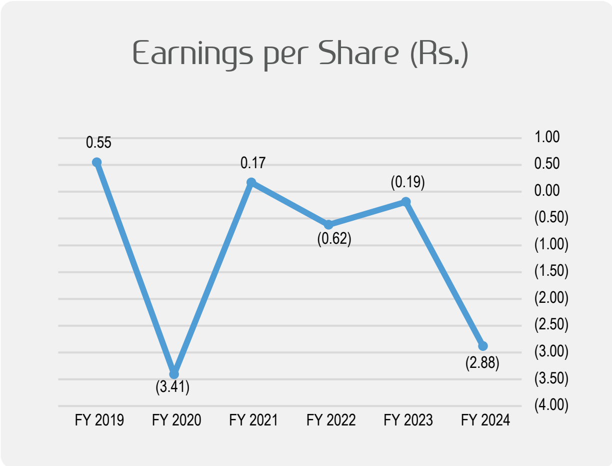


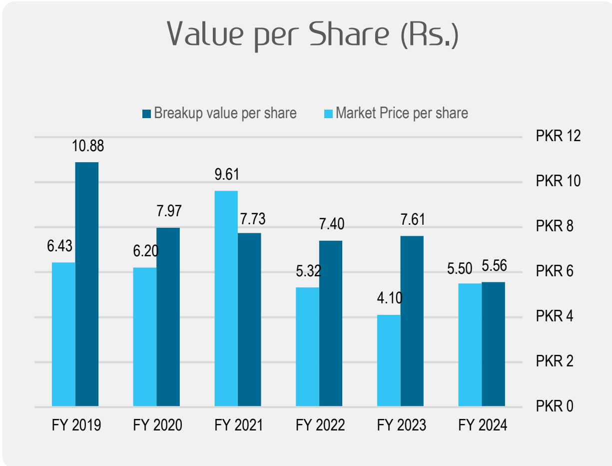


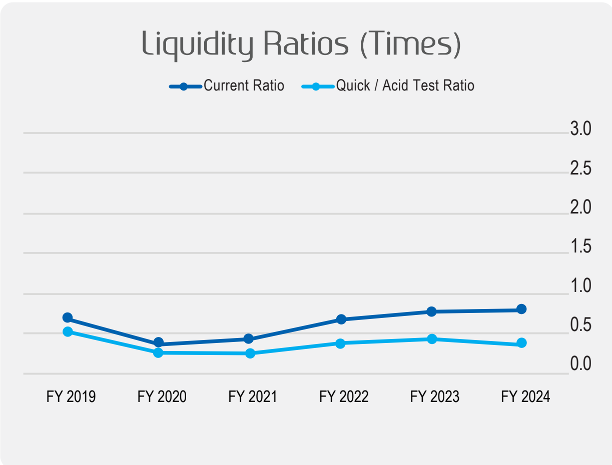


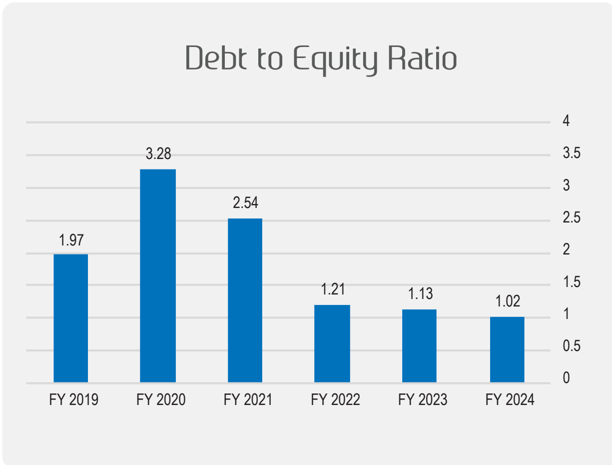


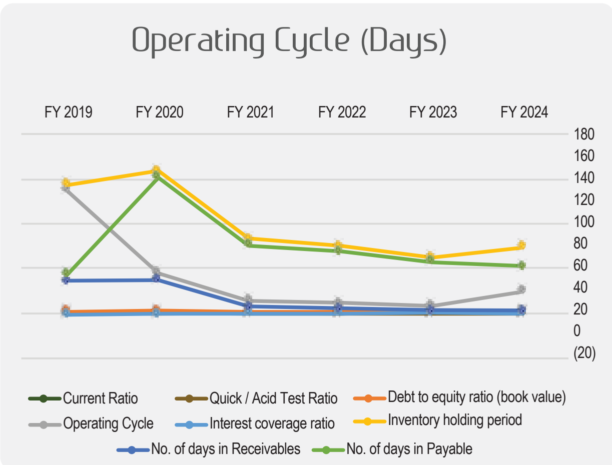


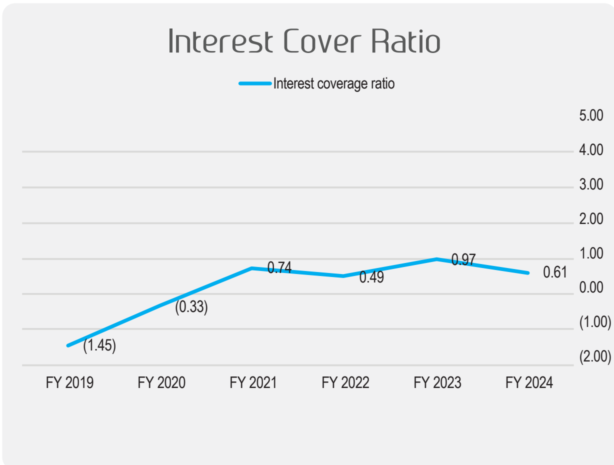

Earnings per Share (Rs.)
0.55
0.17
(0.19)
(0.62)
(3.41)
(2.88)
1.00
0.50
0.00
(0.50)
(1.00)
(1.50)
(2.00)
(2.50)
(3.00)
(3.50)
(4.00)
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024


Value per Share (Rs.)
Breakup value per share
Market Price per share
10.88
6.43
7.97
6.20
9.61
7.73
7.40
5.32
7.61
4.10
5.50
5.56
PKR 12
PKR 10
PKR 8
PKR 6
PKR 4
PKR 2
PKR 0
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024

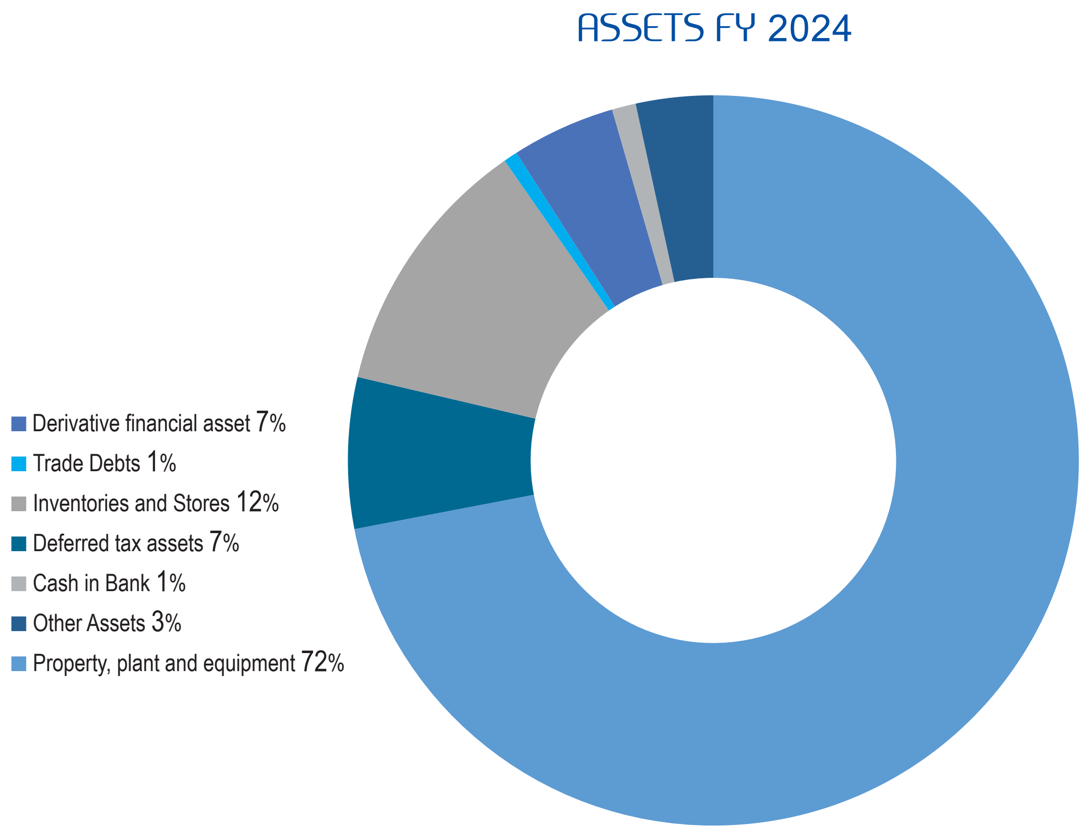

Liquidity Ratios (Times)
Current Ratio
Quick / Acid Test Ratio
3.0
2.5
2.0
1.5
1.0
0.5
0.0
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024

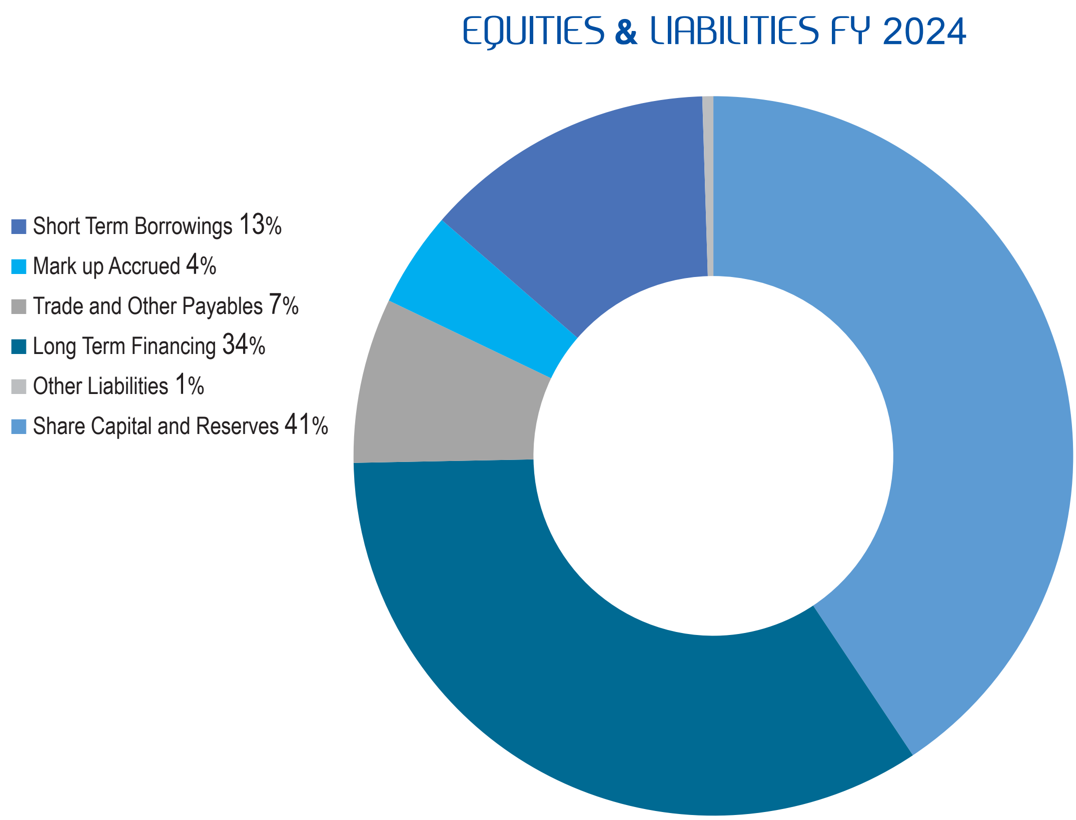

Debt to Equity Ratio
1.97
3.28
2.54
1.21
1.13
1.02
4
3.5
3
2.5
2
1.5
1
0.5
0
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024


Operating Cycle (Days)
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024
180
160
140
120
100
80
60
40
20
0
(20)
Current Ratio
Quick / Acid Test Ratio
Debt to equity ratio (book value)
Operating Cycle
Interest coverage ratio
Inventory holding period
No. of days in Receivables
No. of days in Payable

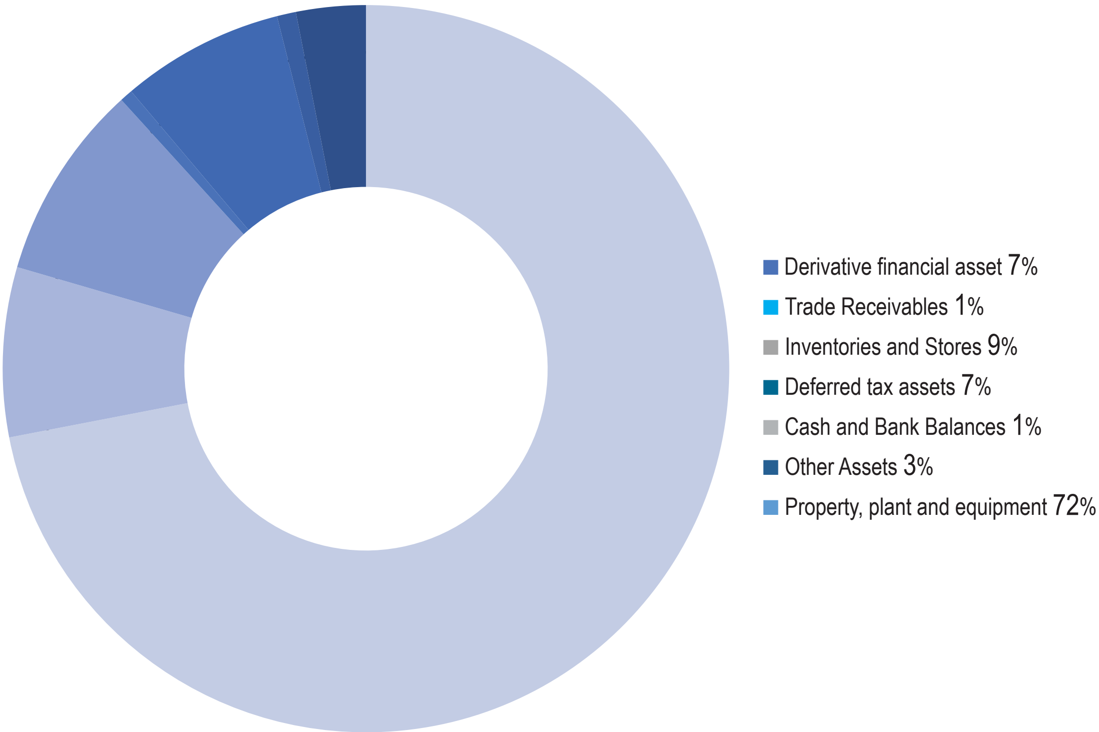

Interest Cover Ratio
Interest coverage ratio
5.00
4.00
3.00
2.00
1.00
0.00
(1.00)
(2.00)
(1.45)
(0.33)
0.74
0.49
0.97
0.61
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023
FY 2024

Composition of Balance Sheet

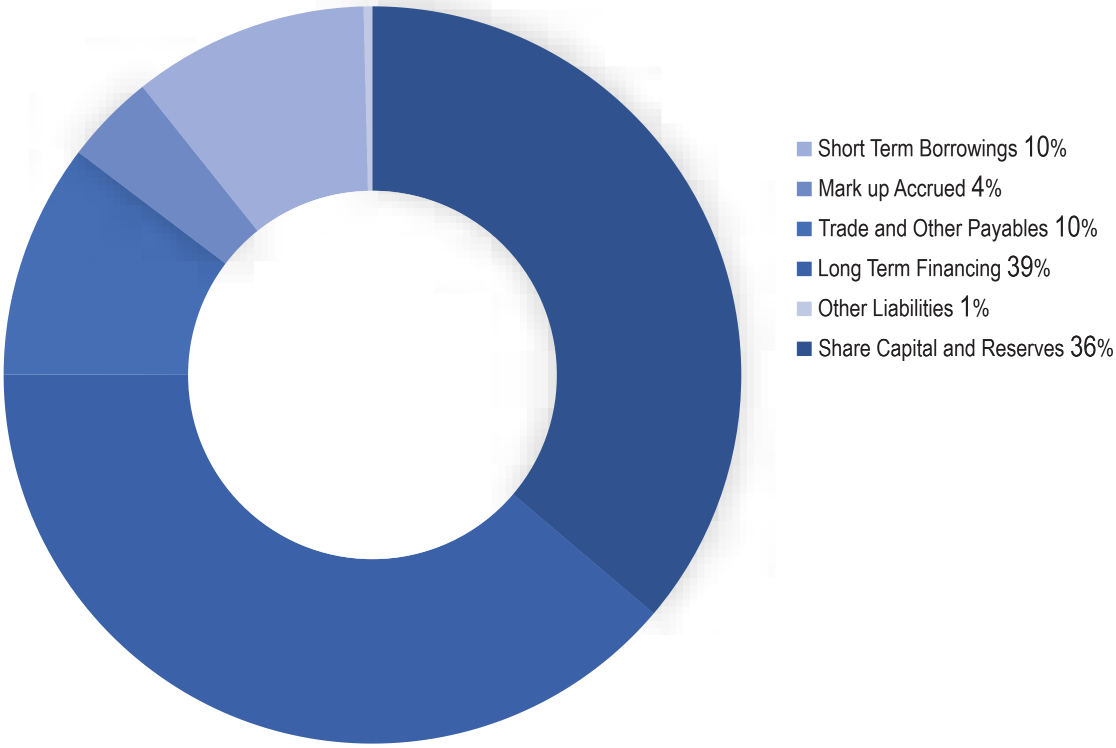




ASSETS FY 2023



EQUITIES & LIABILITIES FY 2023



Notes on Analysis

COMMENTS ON SIX YEAR STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

TURNOVER

Revenue witnessed a remarkable growth of 705% from PKR 3,858 million in 2019 to PKR 31,077 million in 2024, driven by strategic price adjustments and significant volume increases.

Additionally, the Company increased its production capacity by expanding clinker output from 3,000 TPD to 10,700 TPD, representing a 257% increase. New Plant began commercial production July 1, 2020.

COST OF SALES

Company experienced a significant increase in total costs, rising 556% from PKR 3,701 million in 2019 to PKR 24,286 million in 2024. This substantial growth in production cost was primarily driven by higher production volumes, coupled with increased costs of raw materials, packing materials, coal, and electricity.

GROSS PROFIT

The Company's Gross Profit (GP) experienced a remarkable 4217% growth, from PKR 157 million in 2019 to PKR 6,790 million in 2024. This substantial increase is consistent with the fluctuations in revenue and costs over the years. Moreover, the Gross Profit Margin (GPM) has improved significantly, rising from 4% to 22%. This enhancement is primarily attributed to the adoption of fuel/power efficient production facilities and increase in sales price.

NET PROFIT / (LOSS)

The Company faced financial difficulties in 2024, going from a profit of PKR 582 million in 2019 to a loss of PKR 2,703 million. The main reasons for this decline were significantly higher borrowing costs, which increased by PKR 4,791 million from PKR 156 million in 2019 to PKR 4,947 million in 2024. Moreover, the Company have booked tax charges in 2024 whereas it was receiving tax benefits for the past five year.

COMMENTS ON SIX YEAR STATEMENT OF FINANICAL POSITION ANALYSIS

SHARE CAPITAL & RESERVES

The Company's share capital saw a significant 68% increase which is mainly due to equity injection of PKR 11,700 million from associated undertakings which is off setting from exhibited finance cost.

NON CURRENT LIABILITIES

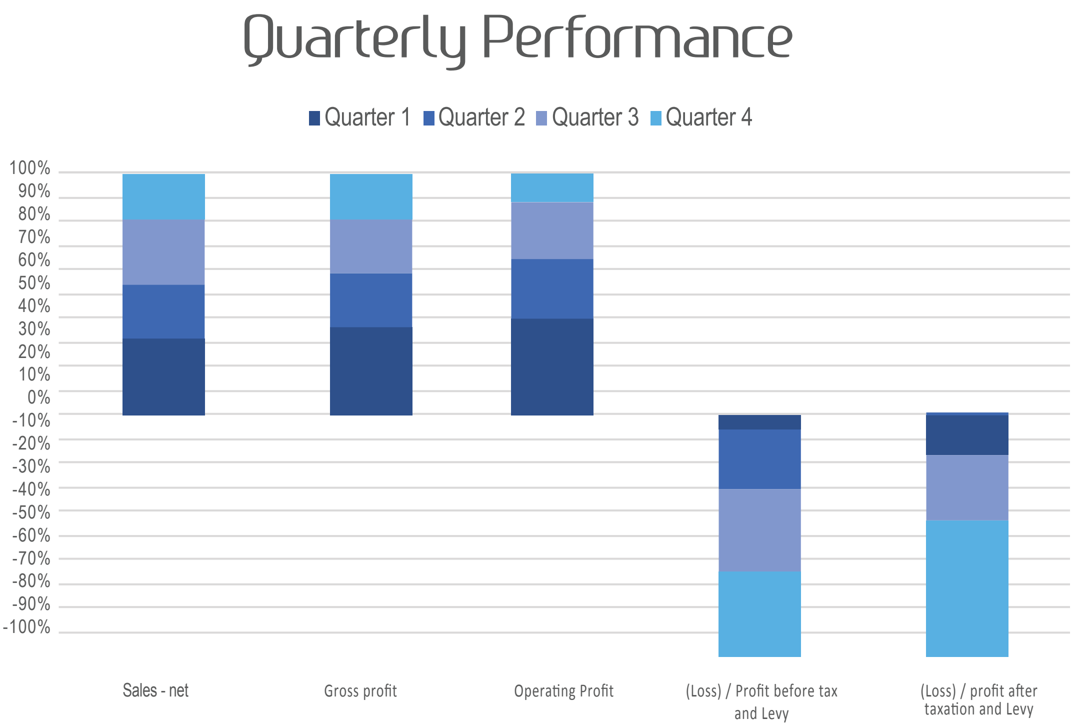
The Company's non-current liabilities decreased substantially between 2019 and 2024, primarily attributable to the repayment of local and foreign long-term and mid-term syndicate loans.

NON CURRENT ASSETS

The Company's non-current assets rise 12% from 2019 to 2024, primarily driven by capital expenditures on plant and machinery expansions.

Quarterly Performance

Particulars	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
			‘000’		
Clinker Production (MT)	669,870	556,486	596,568	462,401	2,285,325
Capacity Utilization (%)	83%	69%	74%	58%	71%
Cement Production (MT)	461,314	433,903	404,313	392,265	1,691,795
Dispatches (Cement / Clinker) (MT)	828,478	560,760	666,887	473,028	2,529,153
Sales - Net	9,735,942	7,111,392	8,091,953	6,137,927	31,077,214
Cost of Sales	(7,297,695)	(5,593,950)	(6,588,592)	(4,806,576)	(24,286,813)
Gross Profit	2,438,247	1,517,442	1,503,361	1,331,351	6,790,401
Selling and Distribution Expenses	(919,829)	(574,146)	(819,947)	(861,117)	(3,175,039)
Administrative Expenses	(112,274)	(106,413)	(109,733)	(113,655)	(442,075)
Other Operating Expenses	(195,963)	(113,738)	135,035	19,685	(154,981)
Reversal of Allowance on Trade Receivables	-	-	-	10,401	10,401
	(1,228,066)	(794,297)	(794,645)	(944,686)	(3,761,694)
Operating Profit	1,210,181	723,145	708,716	386,665	3,028,707
Finance Income	6,293	5,444	9,345	6,325	27,407
Finance Costs	(1,330,057)	(1,217,473)	(1,355,686)	(1,071,817)	(4,975,033)
Finance Costs - Net	(1,323,764)	(1,212,029)	(1,346,341)	(1,065,492)	(4,947,626)
(Loss) / Profit Before Tax and Levy	(113,583)	(488,884)	(637,625)	(678,827)	(1,918,919)
Taxation and Levy	(356,608)	489,258	(79,469)	(837,546)	(784,365)
(Loss) / Profit After Taxation and Levy	**(470,191)**	**374**	**(717,094)**	**(1,516,373)**	**(2,703,284)**



Results Reported in Interim and Annual Financial Statements

Particulars	Interim Results						Annual Results	
	3 months period		6 months period		9 months period		Year ended June 30, 2024	
	Rs in '000	%	Rs in '000	%	Rs in '000	%	Rs in '000	%
Sales - Net	9,735,942		16,847,334		24,939,287		31,077,214	
Gross Profit	2,438,247	25.04%	3,955,689	23.48%	5,459,050	21.89%	6,790,401	21.85%
Operating Profit	1,210,181	12.43%	1,933,326	11.48%	2,642,042	10.59%	3,028,707	9.75%
Loss before taxation	(113,583)	-1.17%	(602,467)	-3.58%	(1,240,092)	-4.97%	(1,918,919)	-6.17%
(Loss) / Profit After Taxation	(470,191)	-4.83%	(469,817)	-2.79%	(1,186,911)	-4.76%	(2,703,284)	-8.70%

Explanation of negative changes in performance over the period

Power Cement Limited's FY 2024 performance was marked by a depressed local market, with domestic cement and clinker dispatches declining 15.77% to 1,327,656 tons due to low PSDP allocations, political instability, and high interest rates. However, exports surged 45.6% to 1,201,497 tons, driven by 121% clinker export growth, resulting in a 5.31% increase in total dispatches to 2,529,153 tons. Despite achieving a 21.9% gross profit margin, the company incurred an 8.7% net loss primarily due to high finance costs resulting from significant debt burden.

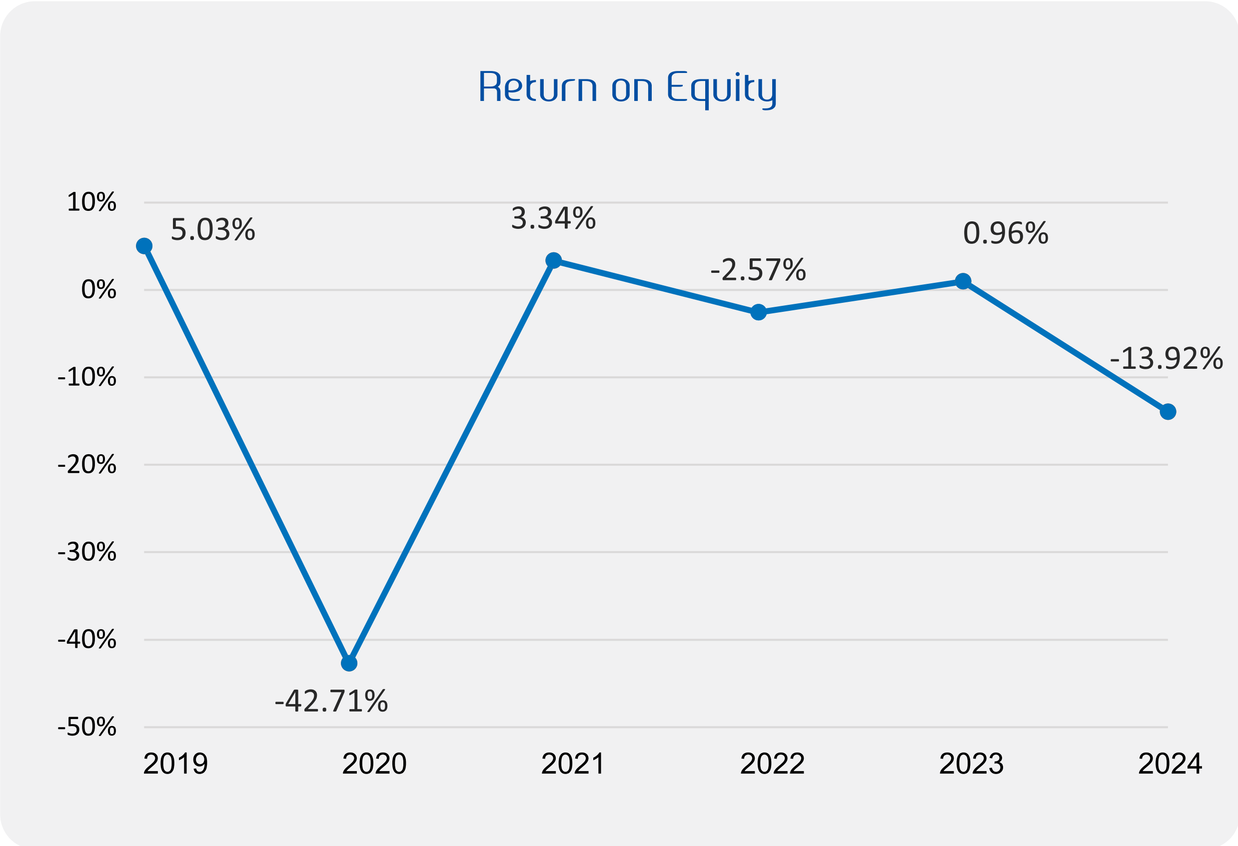
DuPont Analysis

Year	Profit/ (loss) margin (Profit/ (loss) after tax/sales)	Total Asset turnover (Sales / Total Assets)	Return on Assets	Equity Multiplier (Total Assets / Total Equity)	Return On Equity
	A	B	C=A*B	D	E=C*D
2024	-8.70%	0.65	-5.66%	2.46	-13.92%
2023	0.58%	0.60	0.35%	2.76	0.96%
2022	-2.54%	0.38	-0.96%	2.69	-2.57%
2021	2.52%	0.31	0.79%	4.23	3.34%
2020	-88.05%	0.09	-7.96%	5.37	-42.71%
2019	15.09%	0.10	1.45%	3.48	5.03%

DuPont analysis is a valuable tool for investors, providing insight into a company's financial performance and growth potential. By breaking down Return on Equity (ROE) into profit margin, asset turnover, and financial leverage, investors can identify areas of strength and weakness. This analysis helps investors evaluate management's effectiveness, assess risk, and make informed decisions about investment.

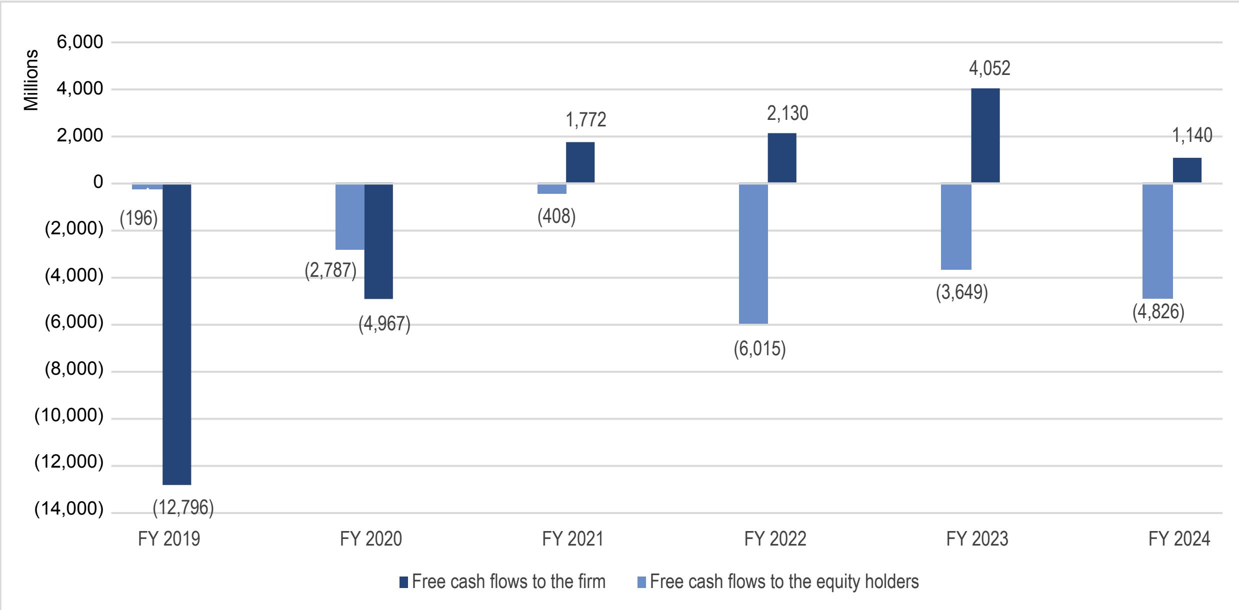
The main highlights of DuPont analysis are as follows:

1. The profit margins for the Company has decreased in FY 2024 from positive 0.58% to negative 8.70% mainly due to to higher finance cost and tax charge.
2. Assets turnover has improved mainly due to increase in export sales coupled with increase in selling price.
3. The Return on Assets (ROA) has deteriorated significantly, driven by the decline in profit margin.
4. Due to net loss in current year, the equity multiplier has decrease by 11%.
5. The Return on Equity has decilned significantly due to net loss in the current year.



Free Cash Flows

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
		(Rupees in '000)				
(Loss) / Profit before taxation	(1,918,919)	(80,911)	(1,330,626)	(671,208)	(3,966,776)	(412,396)
Adjustment for non-cash items	6,093,733	5,681,184	3,413,705	3,329,067	3,416,935	462,543
Changes in working capital	(2,645,989)	(1,372,555)	236,904	(820,610)	2,616,892	(729,371)
Net cash generated from / (used in)						
Operating activities	1,528,825	4,227,718	2,319,983	1,837,249	2,067,051	(679,224)
Capital expenditure	(389,274)	(175,998)	(189,772)	(65,452)	(7,034,177)	(12,116,969)
Free cash flows to the firm	**1,139,551**	**4,051,720**	**2,130,211**	**1,771,797**	**(4,967,126)**	**(12,796,193)**
Net borrowing (repaid) / raised	(1,243,341)	(4,170,365)	(5,532,581)	964,388	2,933,831	12,673,089
Interest payments	(4,721,818)	(3,530,151)	(2,612,170)	(3,144,326)	(753,458)	(72,721)
Free cash flows to the equity holders	**(4,825,608)**	**(3,648,796)**	**(6,014,540)**	**(408,141)**	**(2,786,753)**	**(195,825)**



Analysis on Free Cash Flows:

Free cash flows represent the cash a company can generate after required investment to maintain or expand its asset base. It is a measurement of a company's financial performance and health.

The company's Free Cash Flow to the Firm (FCFF) experienced a decline in FY 2024 compared to the previous year. This downturn was primarily attributed to increased inventory levels of coal, stores, spares, and loose tools, coupled with a reported net loss before taxation and levy of PKR 1,918 million.

Furthermore, the Free Cash Flow to Equity Holders (FCFE) witnessed an even sharper decline, driven by elevated finance costs paid during the year coupled with principal debt repayment.

Cash Flow Statement - Direct Method

	2024	2023
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	31,207,584	28,161,843
Cash paid to suppliers and employees	(27,032,770)	(22,561,570)
Net cash generated from operations	4,174,814	5,600,273
Decrease / (increase) in stores and spares	(1,895,722)	287,538
Increase in stock-in-trade	573,328	(1,229,246)
(Increase)/ decrease in trade debts	(48,375)	(216,835)
Decrease in loans & other receivable	129,392	316,538
Increase in trade deposits and prepayments	(14,586)	(25,379)
Decrease in trade & other payables	(1,390,026)	(505,171)
Income tax refund received / (paid)	(578,981)	84,034
Gratuity paid	(41,378)	(34,025)
Deposits received / (paid)	4,992	11,000
Financial charges paid	(4,721,818)	(3,530,151)
Net cash generated from / (used in) operating activities	(3,808,360)	758,576
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure - Operations	(389,274)	(175,998)
Interest received	26,012	16,483
Proceeds from disposal of fixed assets	1,541	1,352
Net cash used in investing activities	(361,721)	(158,163)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(1,671,177)	(2,619,838)
Repayment of short-term financing	450,000	(1,533,927)
Contribution from associated undertakings - net	4,700,000	-
Lease rentals paid	(22,164)	(16,600)
Net cash (used in) / generated from financing activities	3,456,659	(4,170,365)
Net (decrease) / increase in cash and cash equivalents	(713,422)	(3,569,952)
Cash and cash equivalents at the beginning of the year	(3,702,177)	(132,225)
Cash and cash equivalents at end of the year	**(4,415,599)**	**(3,702,177)**

Share Price Sensitivity Analysis

The Ordinary shares (POWER) and Preference shares (POWERPS) of Power Cement Limited are traded on Pakistan Exchange.

Market price of the Company's Ordinary share experienced fluctuations between the highest of Rs. 6.43 to the lowest of Rs.3.49 per share with an average market price of Rs.5.06 per share.

Market price of the Company's Preference share experienced fluctuations between the highest of Rs. 11.11 to the lowest of Rs.4.4 per share with an average market price of Rs.8.39 per share.

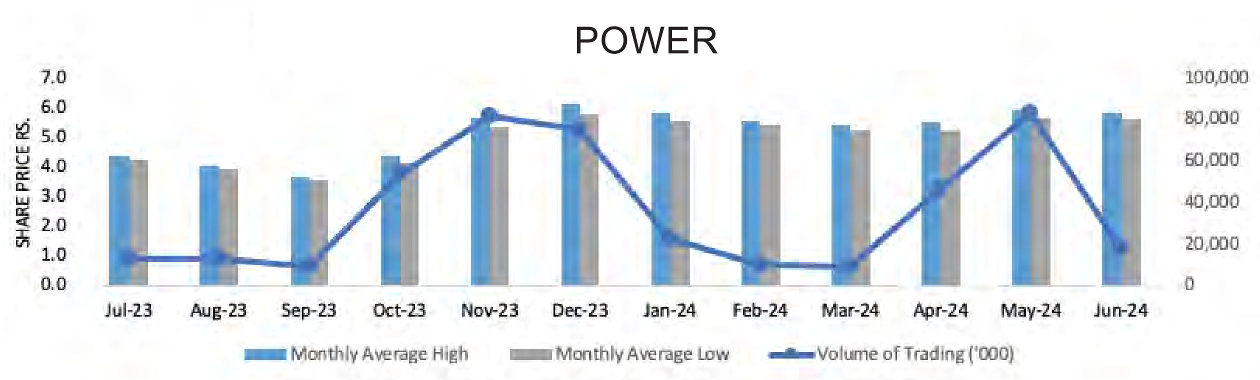
Our listed company's share price is sensitive to various factors, making individual impact analysis challenging. Key internal factors include company performance (revenue growth, profitability) and financial health (EPS, dividend payments).

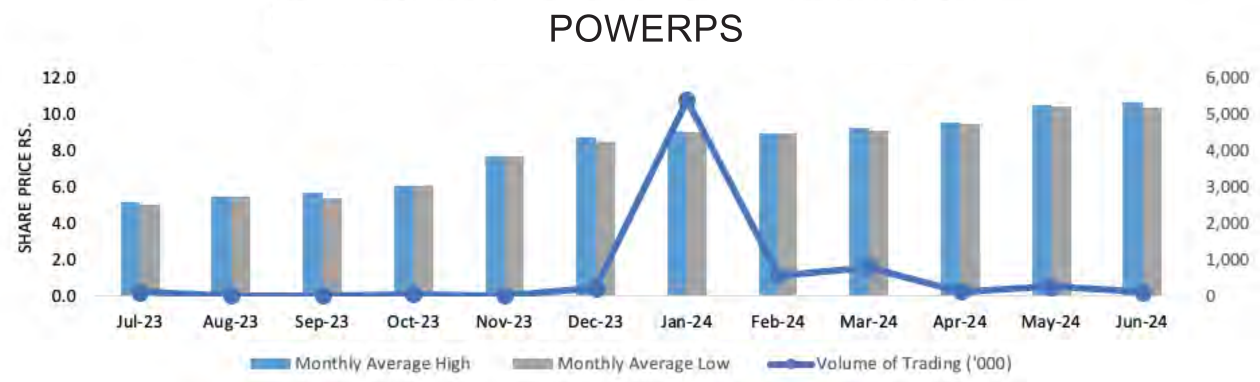
Macro-economic and external factors also play a significant role. These include economic environment, demand fluctuations, input cost changes, currency risks, government policy changes, and law and order stability.

These factors interact through profitability, investor confidence, and industry competitiveness, driven by market sentiment and peer performance. The complexity and interdependence of these factors make attributing share price variations to specific factors inherently challenging.

The table and graphs below outlines the prices and volumes of the Company's ordinary and preference shares:

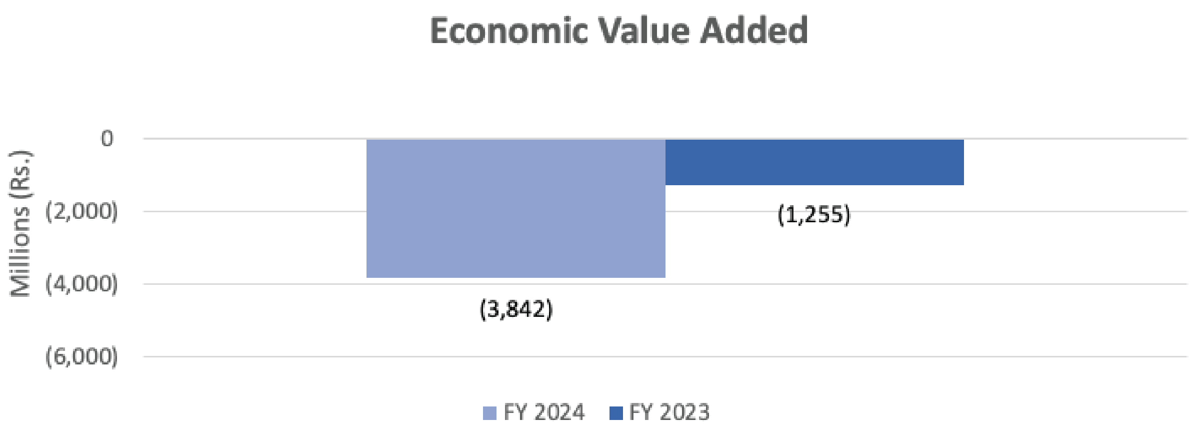
Ordinary Shares (Power)				Preference Shares (PowerPS)		
Years	**High**	**Low**	**Volume**	**High**	**Low**	**Volume**
2023	5.46	3.84	116,855,500	7.60	4.81	116,500
2024	6.43	3.49	434,425,778	11.11	4.40	7,743,801

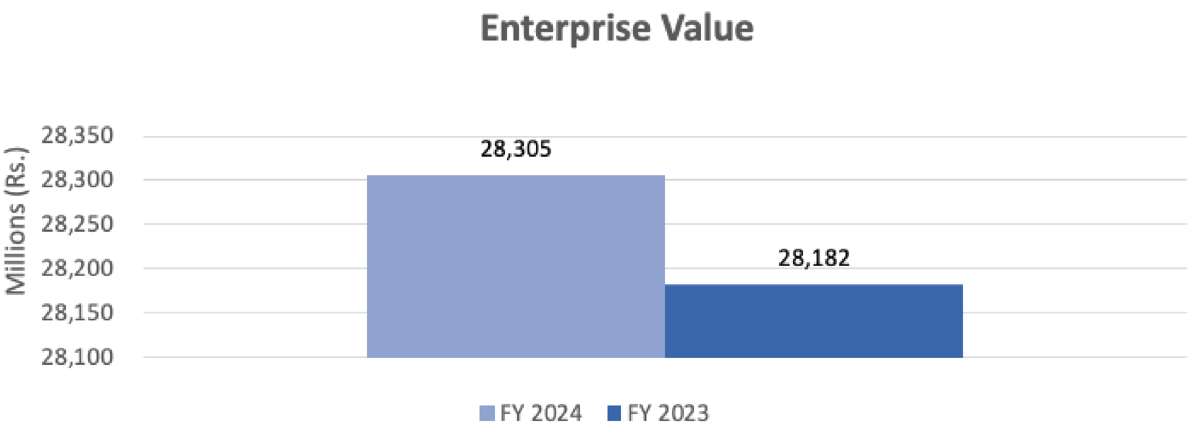




Economic Value Added

		FY 2024	FY 2023
		(Rupees in '000)	
Cost of Capital			
Cost of Equity	%	21.80	24.30
Cost of Debt	%	15.20	12.03
Market Value of Equity		6,115,368	4,558,669
Market Value of Debt		22,693,562	24,032,785
Weighted average cost of capital (WACC)		16.60%	13.99%
Average capital employed		36,664,118	37,448,166
NOPAT (Net operating profit after tax)		2,244,342	3,982,002
Less: Cost of capital		(6,086,105)	(5,237,232)
Economic Value Added		**(3,841,763)**	**(1,255,230)**
Enterprise Value			
Market Value of Equity		6,115,368	4,558,669
Add: Debt		22,693,562	24,032,785
Less: Cash & Bank balance		(503,468)	(409,823)
Enterprise Value		**28,305,463**	**28,181,631**
Return Ratios			
NOPAT / Average capital employed	%	6.12	10.63
EVA / Average capital employed	%	-10.48	-3.35
Enterprise value / Average capital employed	times	0.77	0.75

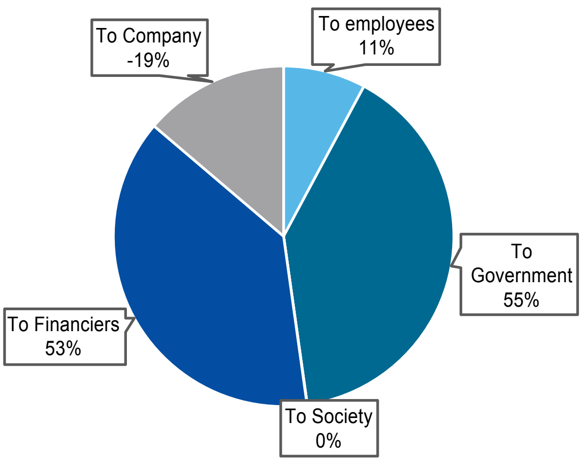




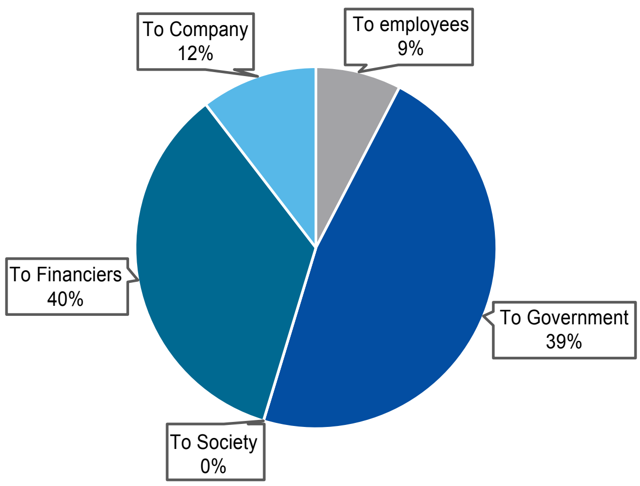
Statement of Value Addition & Distribution of Wealth

	FY 2024 Rs. in '000		FY 2023 Rs. in '000	
Wealth Created				
Turnover (including taxes)	38,318,834	410.77%	36,404,336	384.20%
Less: Operating cost & other general expenses	(28,990,393)	-310.77%	(26,929,080)	-284.20%
Total Wealth generated during the year	**9,328,441**	**100.00%**	**9,475,256**	**100.00%**
Distribution of Wealth				
To employees				
Salaries, wages and other benefits	**1,008,118**	**11%**	835,642	9%
To Government				
Income tax, sales tax, excise duty and others	**5,142,885**	**55%**	3,685,160	39%
To Society				
Donation towards education, health and environment	**3,624**	**0%**	676	0%
To Financiers				
To Finance providers as Finance charges	**4,947,626**	**53%**	3,813,009	40%
To Company				
Depreciation, Amortization & Retain earning	**(1,773,812)**	**-19%**	1,140,769	12%
Total Wealth distributed during the year	**9,328,441**		**9,475,256**	

Wealth Distribution 2024



Wealth Distribution 2023



Composition of Local Versus Imported Material

	FY-2024 Rs. in '000	%	FY-2023 Rs. in '000	%
Local Components:				
Raw materials consumed	2,593,578	12.18	2,418,483	11.62
Packing materials consumed	1,365,089	6.41	1,308,983	6.29
Fuel - coal and others	1,533,471	7.20	4,418,550	21.24
Power	5,005,866	23.51	3,425,361	16.46
Stores, spare parts and loose tools consumed	226,370	1.06	139,990	0.67
Imported Components:				
Fuel - coal	10,039,275	47.15	8,769,200	42.15
Stores, spare parts and loose tools consumed	528,197	2.48	326,643	1.57
Total	**21,291,847**	**100**	**20,807,209**	**100**

Sensitivity Analysis

If US$ to Pak Rupee exchange rate fluctuates by 1% , the impact on cost of production on above imported components would have been as follows:

	FY-2024	FY-2023
Average USD Rate	283.20	248.04
Increase of 1% in exchange rate (Rs. in '000)	105,675	90,958
Decrease of 1% in exchange rate (Rs. in '000)	(105,675)	(90,958)

The management constantly monitors the international coal prices and exchange rates and takes necessary and timely steps to mitigate such impacts.

Forward Looking Statement

Pakistan's economy faces key challenges in FY2025, including a low tax-to-GDP ratio, struggling state-owned enterprises, and the need for tax reforms. The government's budget prioritizes privatization and reforms, with a substantial amount (higher than previous year) has been allocated for the Public Sector Development Program (PSDP).

Economic recovery remains uncertain due to high inflation, currency depreciation, and debt burdens. Inflation moderation has allowed the State Bank of Pakistan (SBP) to lower interest rates, potentially boosting growth.

GDP is expected to grow by 2.5-3.6% in FY25, with improvements in agriculture, industry, and services. Inflation may settle at 11.5-13.5%, and external trends and remittances should improve the current account and reserves. However, risks such as political instability, external debt, and global conditions remain.

Corporate Calender For The Financial Year 2023-24

On September 28, 2023

The Board of Directors approved the annual audited financial statements of the Company for the year ended June 30, 2023 and the Directors' Report thereon.

On October 25, 2023

The 32nd Annual General Meeting (AGM) of the Company was held. The shareholders approved the annual audited accounts for the year ended June 30, 2023.

On October 25, 2023

The Board of Directors approved the condensed interim financial statements for the first quarter ended September 30, 2023 along with the Directors' Report thereon.

On February 27, 2024

The Board of Directors approved the condensed interim financial statements for the half year ended December 31, 2023 along with the Directors' Report thereon.

On April 30, 2024

The Board of Directors approved the condensed interim financial statements for the third quarter ended March 31, 2024 along with the Directors' Report thereon.

On June 26, 2024

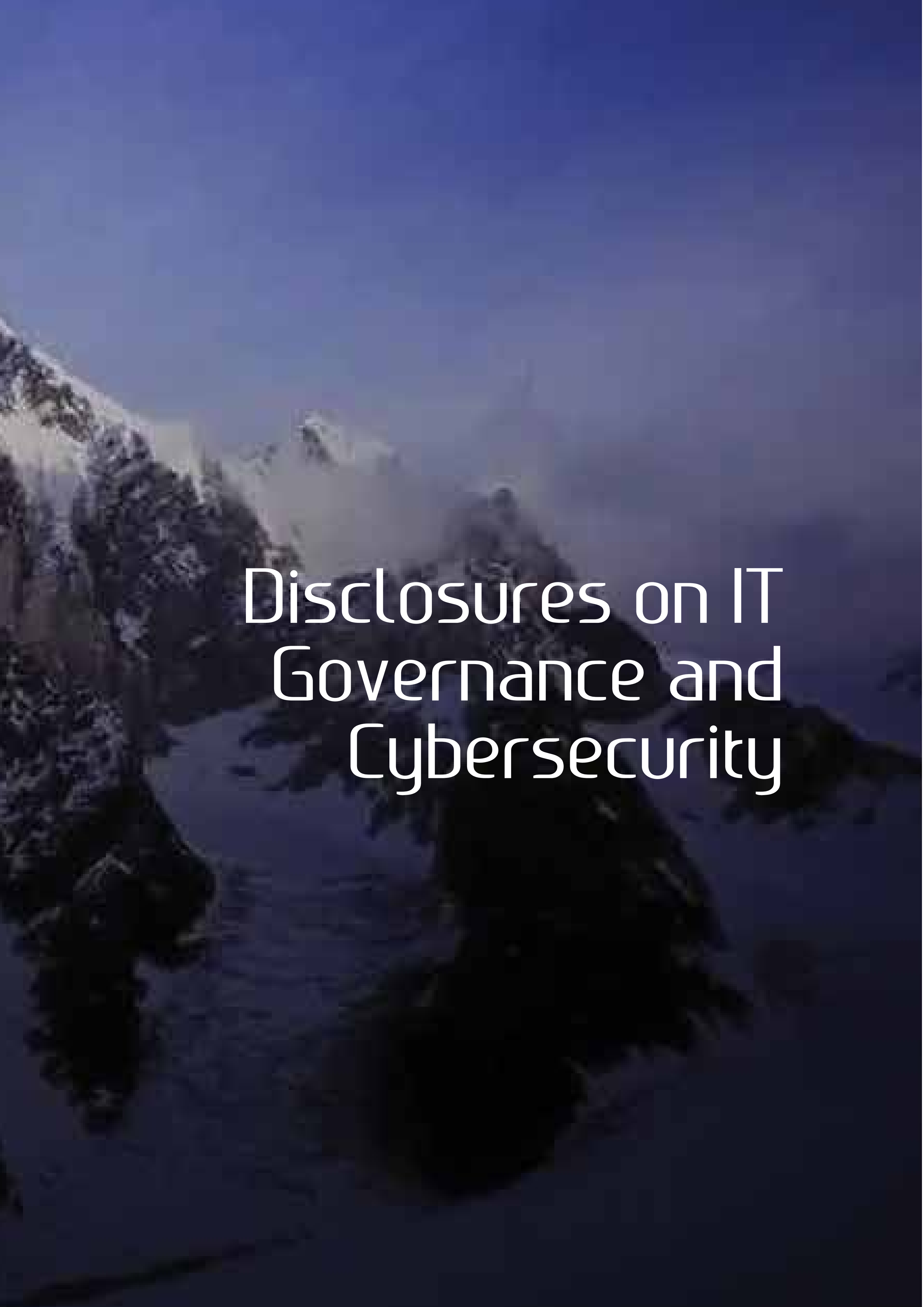
The Company conducted a mandatory Corporate Briefing Session (CBS) to inform the stakeholders about its performance and future plans.

Buni Zom

6,551

meters

Buni Zom lies in the Buni Zom group of Pakistan, 50 km (30 miles) east of Tirich Mir, the tallest peak in the Hindu Kush. The Buni Zom group



Disclosures on IT Governance and Cybersecurity

IT Governance Framework: Aligning IT Management with Business Objectives and Ensuring Effective Oversight

IT Governance is a comprehensive framework of policies, processes, and controls that organizations implement to ensure the responsible and effective management of their Information Technology (IT) assets. This framework encompasses the strategies and practices necessary to align IT initiatives with the organization's overarching business goals and objectives. Central to IT governance are decision-making structures, risk management, regulatory compliance, and accountability mechanisms, all of which ensure that IT investments are optimized to deliver value, mitigate risks, and bolster the organization's long-term success.

Comprehensive Cybersecurity Strategy: Safeguarding Digital Assets and Man aging Evolving Threats

Refers to the disciplined practice of safeguarding computer systems, networks, and digital data from unauthorized access, malicious attacks, theft, damage, or disruption. This domain encompasses a broad spectrum of technologies, processes, and practices designed to protect sensitive information and preempt cyber threats. Cybersecurity measures deployed by PCL include, but are not limited to, the deployment of firewalls, encryption protocols, access controls, antivirus solutions, intrusion detection systems, and comprehensive employee training programs. The primary objective of the Company's cybersecurity strategy is to maintain the confidentiality, integrity, and availability of digital assets while proactively managing the ever-evolving landscape of cyber threats and vulnerabilities.

Strategic Development of Disaster Re covery Framework: Ensuring Business Continuity and Operational Resilience

In alignment with our commitment to ensuring business continuity and operational resilience, we have prioritized the development and implementation of a comprehensive Disaster Recovery (DR) plan as a cornerstone of our IT strategy for this year. This initiative is designed to safeguard our critical systems, data, and infrastructure against potential disruptions, thereby securing the continuity of our services and the protection of stakeholders' interests.

PCL's DR plan encompasses a robust framework of proactive measures, including the establishment of redundant systems, offsite data backups, and clearly defined recovery protocols. These elements are meticulously crafted to minimize downtime, expedite recovery processes, and maintain seamless operations in the face of unforeseen events.

By embedding disaster recovery into Company's broader IT governance framework, we are not only mitigating risks but also reinforcing our organization's resilience and preparedness in an increasingly complex digital landscape. This strategic focus on DR planning underscores our unwavering commitment to operational excellence and the sustained success of our organization.

Implementation of On-Premises Email Exchange: Enhancing Security, Control, and Data Privacy

As part of our strategic IT initiatives, we are implementing an on-premises Email Exchange system. This critical upgrade reflects our commitment to enhancing the security, reliability, and efficiency of our communication infrastructure.

The transition to an on-premises Email Exchange allows us to exercise greater control over our email environment, ensuring that data remains within our secure infrastructure and is managed in compliance with our stringent governance policies. This implementation is a key component of our broader strategy to reduce reliance on external vendors, safeguard sensitive information, and maintain the highest standards of data privacy.

Fortifying IT Resilience: Comprehensive High Availability Framework for Criti cal Applications and Data

As part of the Company's strategic IT roadmap, we are prioritizing the development of a comprehensive High Availability (HA) framework for all critical applications and data. This initiative underscores our commitment to ensuring continuous, uninterrupted access to essential services, which is vital for maintaining operational excellence and supporting our organization's long-term objectives.

HA strategy is focused on fortifying the resilience of the Company's IT infrastructure by implementing redundant systems, failover mechanisms, and advanced data replication techniques. These measures are designed to minimize downtime, mitigate the impact of potential disruptions, and guarantee the seamless operation of our most critical business processes.

By advancing HA capabilities, the Company is reinforcing its ability to deliver consistent and reliable services in an increasingly complex and demanding digital landscape. This proactive approach to High Availability not only safeguards the operational integrity but also aligns with the Company's broader mission to drive sustained growth and success through strategic technology investments.

Strategic Enhancement of ERP Sys tems: Advanced Integration, Process Optimization, and Control Development

IT strategy is centered on the strategic exploration and configuration of ERP features, meticulously tailored to meet the evolving needs of the Company's business. We are dedicated to enhancing the ERP system by integrating advanced functionalities that are directly aligned with the organization's strategic objectives.

A key focus of this initiative is the development of comprehensive controls and the systematic identification of opportunities for improvement within the existing business processes. Through rigorous analysis, we are addressing areas where integration between applications can be strengthened, ensuring a seamless flow of information across the organization. By proactively identifying and resolving these opportunities, we aim to optimize business operations, enhance data integrity, and foster greater synergy across all business functions.

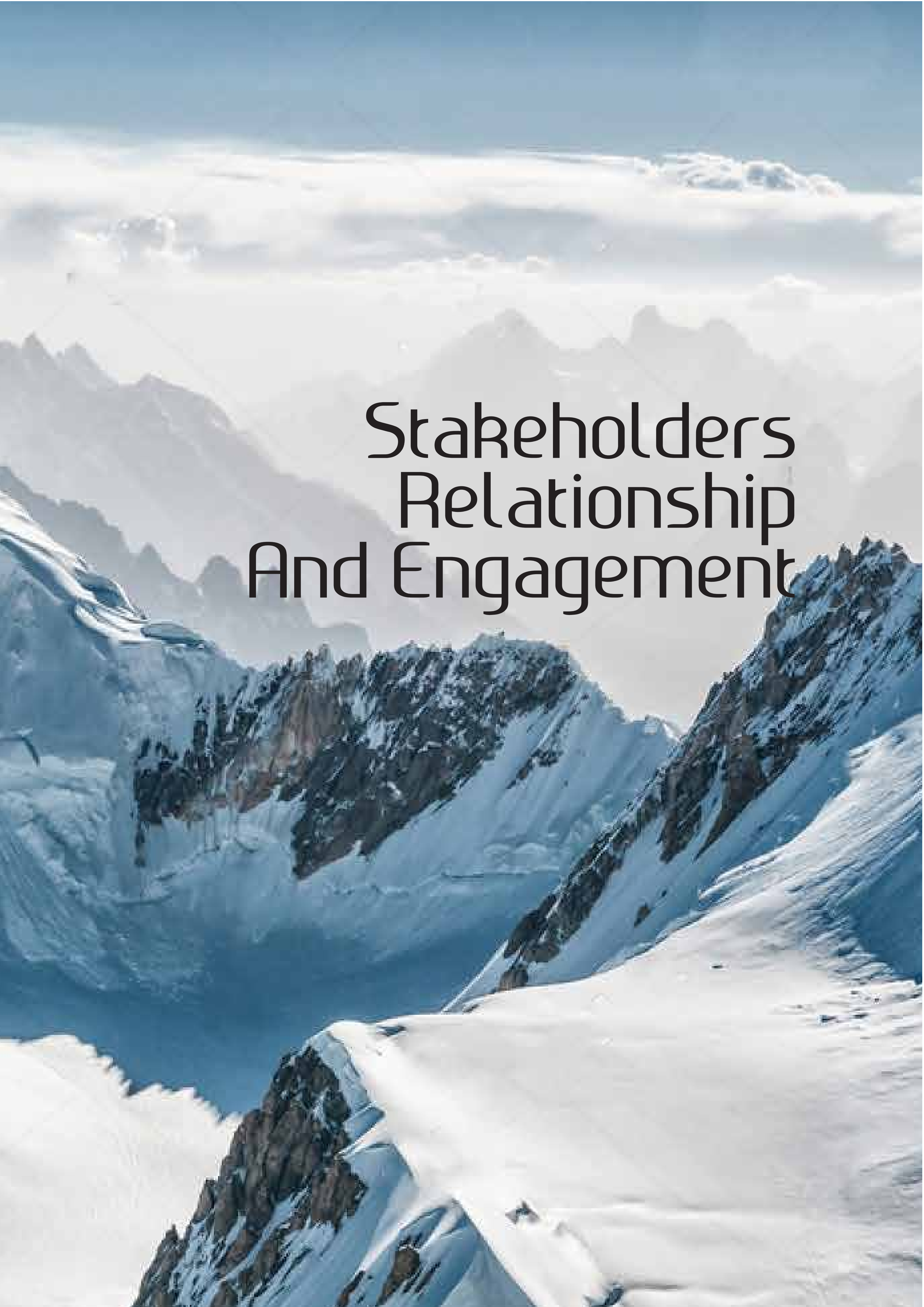
Karakoram

6,100

meters

The average elevation of mountains in the Karakorams is about 20,000 feet (6,100 metres), and four peaks exceed 26,000 feet (7,900 metres);

Stakeholders Relationship And Engagement



Stakeholder Relationship & Engagement

STAKEHOLDER ENGAGEMENT BRIDGING THE GAP

The leadership at Power Cement Limited takes pride in understanding and addressing the needs of all its stakeholders. Our stakeholders include individuals and corporate entities who are deeply impacted by our business activities.

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

At Power Cement Limited, we are committed to fostering strong and collaborative relationships with our stakeholders. Aligned with our vision, mission, and core values, the Company focuses on understanding the concerns and aspirations of its stakeholders to create sustainable value. The frequency of interactions is dictated by business requirements and corporate responsibilities, as outlined by the Listed Companies (CCG) Regulations, 2019, and other contractual agreements. Below is a detailed summary of our stakeholder categories, interaction methods, and the resulting value:

STAKEHOLDERS ENGAGEMENT PROCESS:

Stakeholders	Power Cement's Commitment	Effect and Value
Shareholders/Investors Analysts	We acknowledge and value the trust our investors place in us. We maintain transparency through open communication during Annual General Meetings, Analyst briefings, and regular dialogue with investors.	Providers of capital enable the Company to achieve its vision, mission, and business targets.
Customers & Suppliers	We provide competitive, high-quality products to our export clients and maintain strong relationships with local dealers, distributors, and institutions. Our growth is also supported by reputable suppliers.	Customer loyalty and an effective supply chain are key to the Company's sustainable business growth.
Banks and Lenders	We maintain proactive consultations with banks and financial institutions for both short- and long-term financing, ensuring streamlined financial operations.	Strong banking relationships enhance access to favorable financing terms and efficient services.
Media	We ensure compliance with legal requirements for statutory notices and announcements through print media. Our marketing efforts span various platforms, reinforcing our brand image and attracting new customers and investors.	Media communication strengthens our brand and enhances visibility among potential stakeholders.
Regulators	The Company complies with national laws and regulations, ensuring timely submission of statutory forms and returns. Ongoing coordination with regulators ensures adherence to operational guidelines.	Compliant business operations foster a culture of integrity, accountability, and sustainability, driving long-term success.

Stakeholders	Power Cement’s Commitment	Effect and Value
Employees	We highly value our employees, providing internal and external training, as well as health and wellness initiatives. Employees are central to executing strategic decisions and achieving business results.	Employees drive operational success and are the backbone of the Company.
Community	Through our Waste Heat Recovery System and Solar Power Project, we contribute to energy sustainability. We are also actively reducing reliance on the national grid and supporting local communities through CSR initiatives.	The Company is committed to save the community from carbon footprint by generating clean green energy coupled with other CSR activities.

This engagement strategy reflects our ongoing commitment to ensure a collaborative, transparent, and sustainable future for all our stakeholders.

Encouragement of Minority Shareholders to Attend General Meetings

At Power Cement Limited, we deeply value all our shareholders, including minority shareholders, recognizing their critical role as providers of financial capital. The Company ensures that every shareholder, irrespective of their holding size, has an opportunity to participate in shaping the Company’s future by encouraging active engagement during Annual and Extraordinary General Meetings.

In compliance with regulatory requirements and to facilitate broader participation, we provide several avenues for shareholder involvement:

Video Conferencing Facility: As per SECP directives, we offer a video conferencing option to enable remote attendance at general meetings, encouraging minority shareholders to engage without the need for physical presence.

Notices: The notice of meetings, along with the Annual Report and proxy forms, is sent to all shareholders at least 21 days before the meeting. These notices are also published on the PSX portal, the Company's website, and in English and Urdu newspapers with nationwide circulation.

Proxies: Shareholders who are unable to attend in person can participate through proxies, with proxy forms provided to enable representation at the meeting.

We are committed to fostering open, two-way communication during these meetings. Shareholders are encouraged to share their views, raise concerns, and provide suggestions, which are formally recorded and addressed in subsequent actions. This platform allows them to participate in discussions regarding the Company’s operations, objectives, and future strategy, ensuring that their voices are heard and valued.

By providing these avenues and ensuring transparency, Power Cement Limited continues to honor the trust and contributions of all its shareholders, while actively facilitating their involvement in the decision-making process.

Investor Relations Section on Website

Power Cement Limited places a strong emphasis on transparent and compliant communication with our valued investors. Our corporate website is meticulously maintained to comply with regulatory requirements, ensuring the prompt dissemination of essential information.

Within our Investor Relations section, you will find:

1. **Financial Insights:** Access to the Company's latest financial reports, quarterly updates, and annual reports to stay informed about the Company's financial performance.

2. **Investor Resources:** Explore comprehensive information about the Company, including history, mission, and strategic objectives.

3. **Shareholding Details:** Stay current on the distribution of shares among investors with the Company's shareholding pattern information.

4. **SECP Service Desk:** Easily access the Securities and Exchange Commission of Pakistan's (SECP) Service Desk Management System through a direct link for additional regulatory information.

5. **Grievance Submission:** This section is available for registering grievances and addressing investor queries. Your concerns are of utmost importance to us, and we are committed to providing timely assistance.

At Power Cement Limited, we recognize the significance of clear and compliant communication with our investors/ stakeholders. Our commitment to transparency and adherence to regulatory standards ensures that you receive the necessary information for a confident and informed investment experience.

Issues Raised in Last AGM

During the 32nd Annual General Meeting, which was conducted on October 25, 2023, following agenda items were taken up:

1. **Approval of Previous Meeting Minutes:** Shareholders approved the minutes of the previous general meeting.
2. **Approval of Annual Audited Financial Statements:** The annual audited financial statements including related party transactions, along with the accompanying reports from both the Directors and Auditors, were also approved.
3. **Appointment of External Auditors:** Shareholders agreed to appoint M/s. A.F. Ferguson & Co. Chartered Accountants as the external auditors for the financial year 2023-24.

It's noteworthy that apart from routine inquiries, no other substantial issues were raised by the shareholders during the meeting, which would necessitate further decisions or actions.

Stakeholders Engagement Policy

At Power Cement Limited, we prioritize transparent and continuous relationships with our stakeholders. This commitment includes fair dealings with financial institutions, rigorous risk management, strict compliance with laws, and a focus on enhancing our corporate reputation. We value our human resources, promote an excellent public image, ensure full and fair disclosure of material information, and provide accessible information about our strategy and financial performance through our Annual Reports and website. Our engagement with stakeholders is fundamental to our commitment to responsible and sustainable business practices, driving our long-term success.

Corporate Briefing Session

In adherence to the guidelines set forth by the PSX (Pakistan Stock Exchange), Power Cement Limited conducted a Corporate Briefing Session on June 26, 2024, via video link. The event witnessed participation from a diverse group of analysts and shareholders. During the session, the Chief Operating Officer and Chief Financial Officer of the Company delivered a comprehensive presentation on the financial performance, followed by an interactive Q&A session aimed at addressing inquiries from the attendees. This commitment to transparency and engagement underscores our dedication to providing our stakeholders with valuable insights and fostering open communication.

Redressal of Investors' Complaints

Power Cement Limited places a high priority on maintaining transparent and effective channels of communication with our valued shareholders. We are pleased to report that during the year under review, no complaints were lodged by any shareholder of the Company. This absence of complaints reflects our continuous efforts to ensure that our shareholders' concerns and inquiries are promptly addressed, promoting trust and confidence in our Company's operations. We remain committed to upholding these standards of excellence in shareholder engagement.

Trango Towers

6,286

meters

Overall, the Trango Towers group has seen some of the most difficult and significant big wall climbs ever accomplished

Sustainability and Corporate Social Responsibility

Corporate Policy

At Power Cement Limited, our commitment to sustainability and responsible operations is central to our corporate philosophy. We are dedicated to:

- Minimizing environmental impact, conserving natural resources, and preventing pollution.
- Taking proactive measures to eliminate hazards and reduce risks, ensuring a safe and healthy workplace for all stakeholders.
- Continuously improving our environmental, occupational health, and safety performance.

Our long-term success, and that of the global cement industry, is built on sustainable practices throughout our operations and supply chains.

Compliance and Standards

Power Cement Limited strictly adheres to all applicable environmental, health, and safety regulations in Pakistan. We also comply with the International Finance Corporation (IFC) Performance Standards and are certified in ISO 9001, ISO 14001, and ISO 45001. These certifications reflect our ongoing commitment to maintaining the highest standards in quality, environmental management, and occupational health and safety.

Health, Safety, and Environment (HSE)

Our comprehensive HSE management system is integral to Power Cement's operations. We are dedicated to ensuring the safety and well-being of our employees, contractors, and visitors. Through policy development, incident management, legal compliance, and performance monitoring, we foster a culture of continuous improvement. Transparency in HSE reporting is a key priority, and we follow IFC guidelines for data collection and audits.

HSE Training and Awareness

To cultivate a strong safety culture, we conduct regular HSE training and awareness sessions. Our employees receive continuous professional development to improve their hazard identification and risk assessment skills.

Environmental Responsibility

The Company is compliant with the Sindh Environmental Quality Standards (SEQS), consistently maintaining control over emissions with state-of-the-art technology, including 90 strategically placed bag filters. Our zero-waste discharge policy and efficient wastewater management system reflect our commitment to responsible environmental stewardship. We have also implemented tree plantation initiatives to promote sustainability.

Housekeeping Initiatives

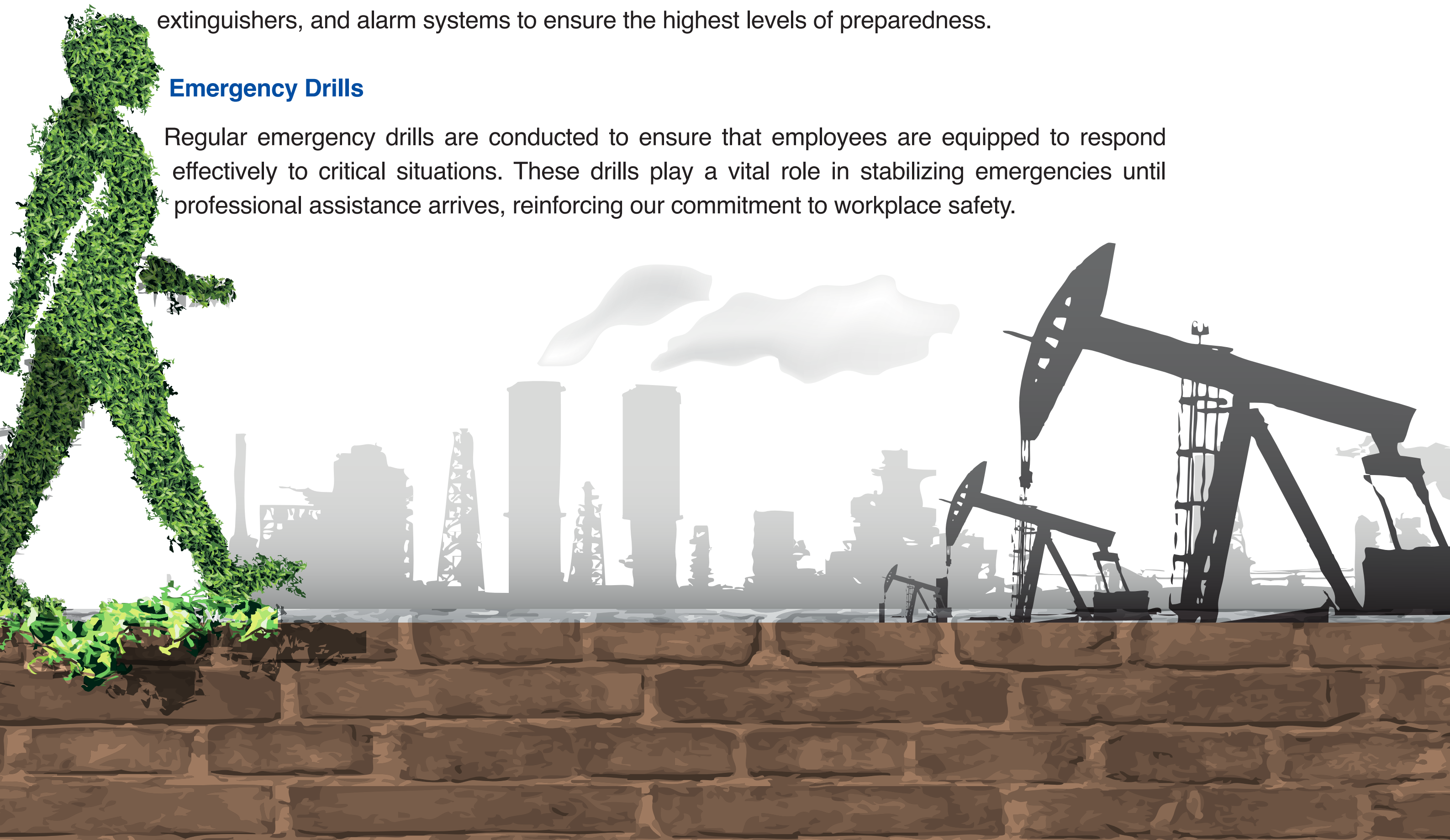
Our bi-weekly "Housekeeping Day" ensures that all employees, from workers to senior management, actively participate in maintaining a clean and organized work environment. By utilizing dry-process technology in cement manufacturing, we have eliminated process wastewater discharge, ensuring sustainable operations.

Safety Week and Fire Safety Initiatives

As part of our ongoing commitment to health and safety, the Company celebrated a Safety Week, engaging employees in workshops, training sessions, and interactive demonstrations to promote safe practices. We also maintain rigorous fire safety protocols, including fire hydrant systems, fire extinguishers, and alarm systems to ensure the highest levels of preparedness.

Emergency Drills

Regular emergency drills are conducted to ensure that employees are equipped to respond effectively to critical situations. These drills play a vital role in stabilizing emergencies until professional assistance arrives, reinforcing our commitment to workplace safety.



Renewable Energy Initiatives

Wind Power Project Upto 9.6 MW

Power Cement Limited (PCL) has signed a term sheet with Burj Solar (Private) Limited (Burj Solar) for the development and financing for upto 9.6 MW wind power project at the Company's premises. This project is an effort to reduce our reliance on fossil fuels and promote sustainable development.

At PCL, we are committed to sustainable practices and reducing our carbon footprint. Our first solar project, with a capacity of 7 MW, became operational in August 2022. This initiative has a significant impact as enumerated below:

Solar Energy Production: Our solar project generated 7,912 MW of clean energy during the year under review.

Carbon Emission Savings: By harnessing solar power, we saved an estimated 4,312 tons of carbon emissions, contributing to a cleaner environment.

In addition to solar energy, our Waste Heat Recovery System (WHRS) also played a crucial role as stated below:

WHRS Energy Production: Our WHRS system produced an impressive 68,179 MW of energy during the year under review.

Carbon Emission Savings: Through WHRS, we saved a remarkable 37,072 tons of carbon emissions.

These initiatives underscore our dedication to clean energy and environmental responsibility, aligning with global efforts to combat climate change.

Managing Greenhouse Gas (GHG) Emissions and Embracing Clean Energy

The Company has taken significant steps to manage and reduce its greenhouse gas (GHG) emissions, demonstrating its commitment to environmental sustainability and corporate social responsibility. The Company has:

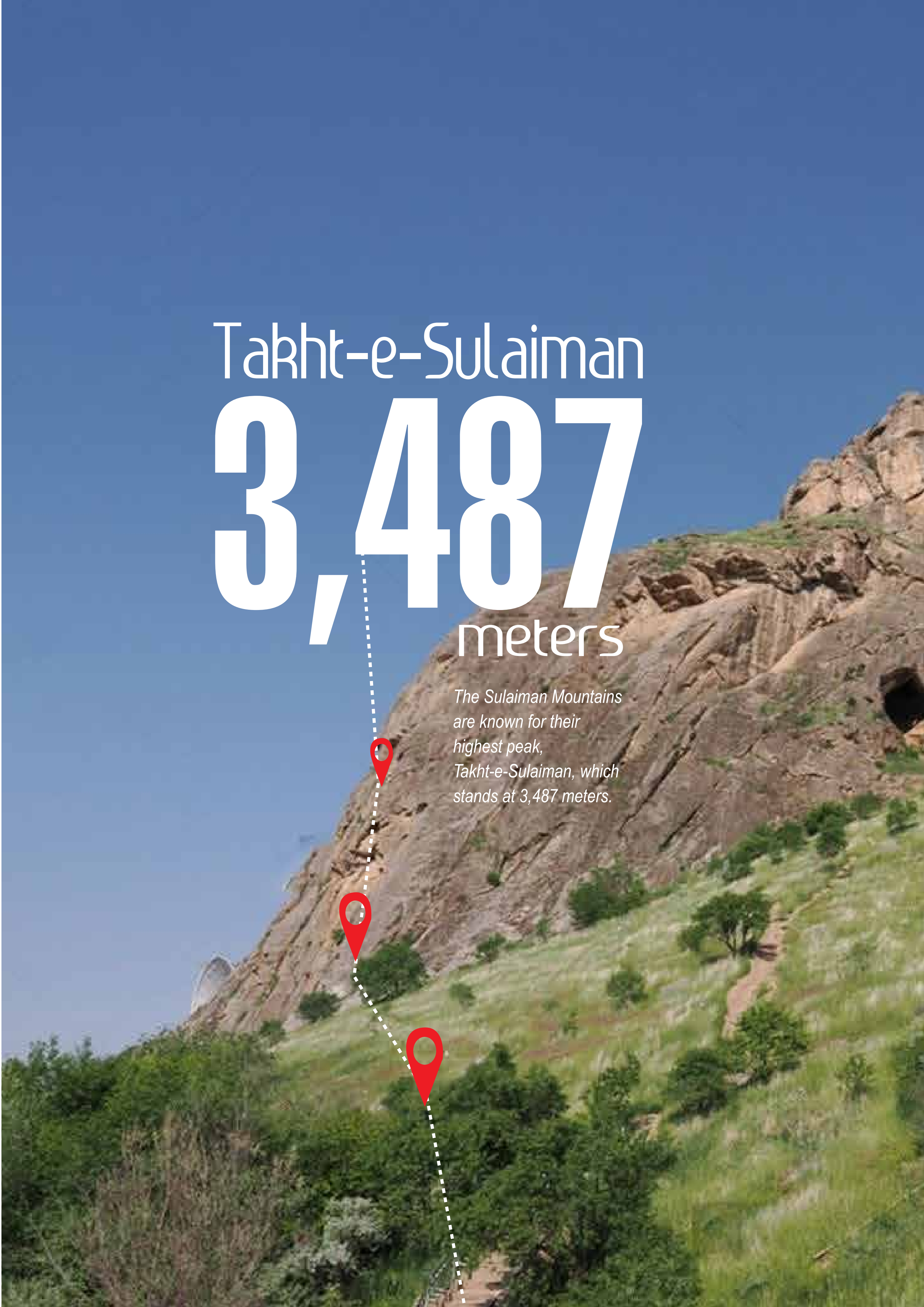
1. Conducted a comprehensive study of GHG emissions inventory, monitoring and reporting through an independent consultant for both Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from purchased electricity) emissions.

2. Implemented energy efficiency measures to reduce its carbon footprint, including:
   - Utilizing waste heat to produce electricity, aligning with combined heat and power (CHP) systems.
   - Commissioning a 7 MW solar power plant in August 2022, diversifying its energy sources and reducing reliance on conventional power grids.

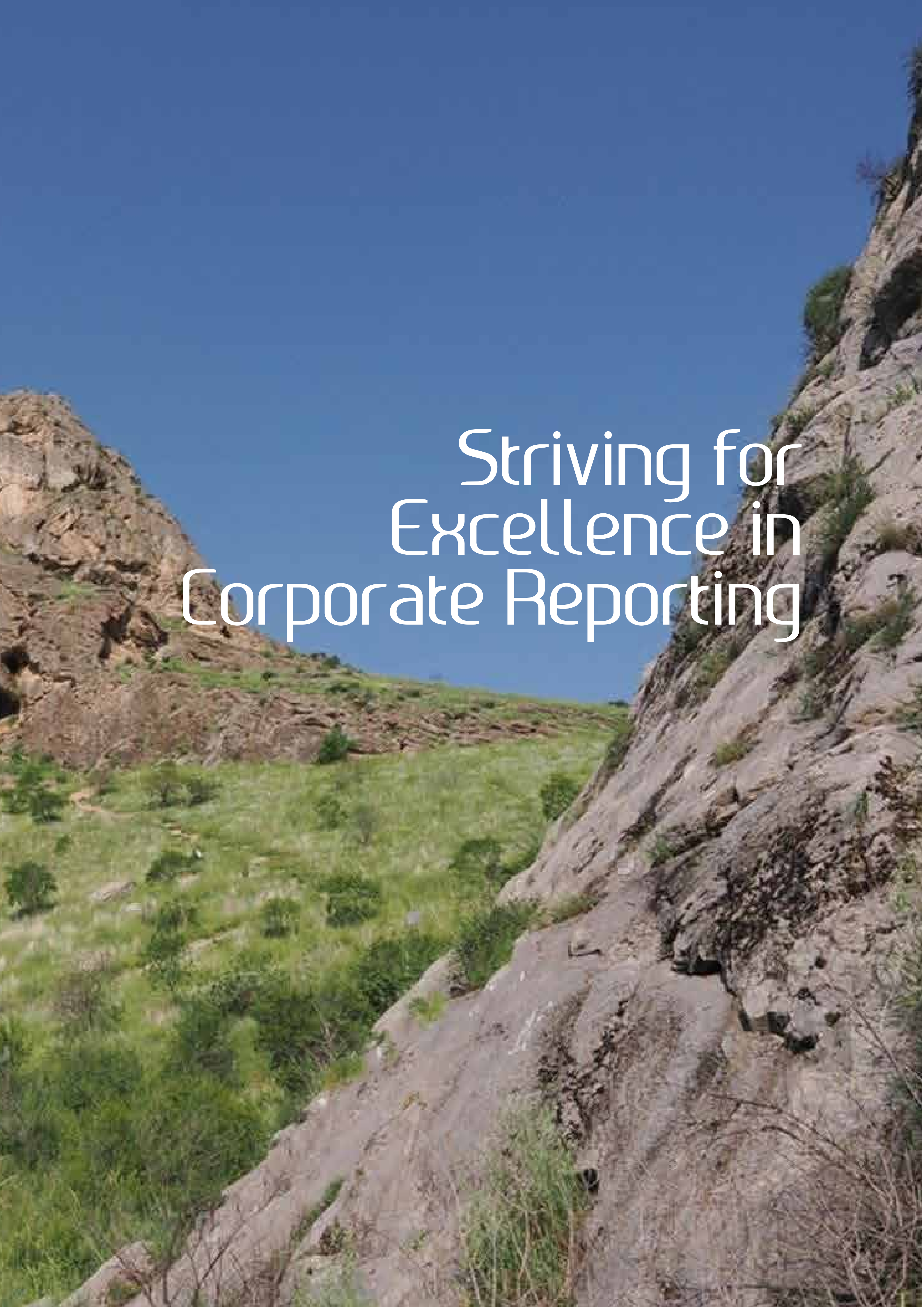
3. Achieved significant reductions in GHG emissions, with:
   - Total Scope 1 emissions of 1,664,352 tCO2e in FY21 and 2,048,252 tCO2e in FY22.
   - Total Scope 2 emissions of 42,384 tCO2e in FY21 and 43,087 tCO2e in FY22.
   - Avoided Scope 2 emissions of 14,792 tCO2e in FY21 and 22,613 tCO2e in FY22, resulting from energy efficiency measures.

4. Demonstrated its commitment to sustainability and corporate social responsibility through:
   - Proactive environmental management and transparency in reporting GHG emissions.
   - Continuous improvement and innovation in reducing environmental impact.
   - Contribution to a cleaner and greener future, aligning with industry shifts towards sustainable practices.

By taking these steps, Power Cement Ltd. has positioned itself as a responsible and forward-thinking player in the cement manufacturing sector, committed to environmental sustainability and reducing its carbon footprint.


Takht-e-Sulaiman
3,487
meters
The Sulaiman Mountains are known for their highest peak, Takht-e-Sulaiman, which stands at 3,487 meters.

Striving for Excellence in Corporate Reporting



Statement of Adoption And Adherence with The International Integrated Reporting Framework

Building and maintaining trust with both our internal and external stakeholders is paramount to our Company's ongoing success. Our primary goal in this regard is to enhance the awareness of our shareholders and stakeholders, enabling them to make informed and valuable decisions. We are unwavering in our commitment to achieving this objective through a dedication to excellence in corporate governance and human resource practices. Power Cement Limited has consistently worked towards increasing the transparency of information shared with our stakeholders.

We have recognized the evolving corporate landscape and the growing need for more comprehensive information beyond basic financial statements. This expanded information encompasses management insights, governance disclosures, performance analysis, forward-looking perspectives, and financial statement footnotes, all aimed at better representing our corporate reporting to meet the diverse information needs of our stakeholders. The Company has developed a strategy focused on creating value for the organization and its stakeholders.

We believe that this Integrated Report will provide our stakeholders with a clearer understanding of how we generate value through our business model. As Integrated Reporting is still in its early stages of development, we are actively seeking ways to make it even more beneficial for our shareholders. To this end, we have included various content elements in this report, including:

- Organizational overview and external environment
- Strategy and resource allocation
- Risks and opportunities
- Governance
- Performance and position
- Outlook
- Stakeholder relationships and engagement
- Sustainability and corporate social responsibility
- Business model
- Excellence in corporate reporting

The successful adoption of integrated reporting hinges on the commitment and support of our Board of Directors and leadership team. Therefore, the Company's management plays a pivotal role in guiding us towards our objectives by providing advice, assessing and monitoring business strategies, ensuring their execution and adaptation, and evaluating their effectiveness and contribution in these endeavors. We rigorously monitor our reporting practices to ensure that relevant information is shared in the most appropriate manner for our stakeholders. We remain dedicated to enhancing the accessibility and comprehensibility of the information we produce, while taking into account the feedback and input of those who read this report.

Integrated Reporting Framework Adoption

Power Cement Limited is committed to transparency, accountability, and effective stakeholder communication. We have embraced the Integrated Reporting Framework, aligning our reporting practices with its 'Fundamental Concepts,' Content Elements, and Guiding Principles. This commitment allows us to provide a comprehensive view of our business, incorporating financial, environmental, social, and governance aspects, fostering a deeper understanding of our operations and contributions to society. We value your feedback as we continue on this integrated reporting journey.

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Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the members of Power Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Power Cement Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
(i)	**Revenue from contracts with Customers** ***(Refer notes 2.19 & 28 to the financial statements)*** The Company recognises revenue from the sale of cement to domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	Our audit procedures amongst others included the following: - performed verification of sales on sample basis with underlying documentation including sales orders, sales invoices and delivery challans; - performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; - verified that sales prices are negotiated and approved by appropriate authority on a sample basis; and - ensured that presentation and disclosures related to revenue are being addressed appropriately.

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S. No.	Key audit matters	How the matters were addressed in our audit
(ii)	**Inventories** ***(Refer notes 2.7 & 8 to the financial statements)*** Inventories include: - raw materials comprising limestone, shale, gypsum, iron ore; and - work-in-progress mainly comprising clinker and raw meal. The above inventory items are valued at lower of cost and net realisable value. The inventory quantities are determined through a complex process involving various estimates. Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.	The company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures amongst others included the following: - assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield; - attended the physical count of the inventories and observed the said parameters. A representative of the Company and an external surveyor were also present; - checked the background and experience of the surveyor to ensure his competence and capability; - obtained and reviewed the inventory count report of the management's external surveyor and assessed its accuracy; and - ensured that presentation and disclosures related to inventory are being addressed appropriately.

S. No.	Key audit matters	How the matters were addressed in our audit
(iii)	**Deferred tax** ***(Refer notes 2.11 & 6 to the financial statements)*** The Company has booked net deferred tax asset of Rs. 3.19 billion as at June 30, 2024 that mainly include carry forward losses. Under International Accounting Standard 12 "Income Taxes", the Company is required to review recoverability of the deferred tax assets recognised in the statement of financial position at each reporting period. Recognition of deferred tax asset is dependent on management's estimate of availability of sufficient future taxable profits against which carried forward losses and tax credits can be utilised. The future taxable profits are based on approved management's projections. This estimation involves a degree of uncertainty and requires judgement in relation to the future cash flows and also involves assessment of timing of reversals of un-used tax losses and tax credits. Valuation of deferred tax asset is considered a key audit matter because the amounts involved are material, the complexities of the calculation of future taxable profits and the inherent uncertainty involved in forecasting taxable profits available in future periods.	Our audit procedures included the following: - considered the expected timing of utilisation of the Deferred Tax Assets (DTA) keeping in view the relevant provision of Income Tax Ordinance 2001 that apply to the utilisation of tax losses; - determined the extent to which sufficient probable taxable profits would arise in the period within which the related losses would be available for utilisation; - considered whether the tax balances were calculated using appropriate and substantively enacted tax laws and rates; - obtained financial projections from the Company's management; - evaluated the financial projections and assessed the likelihood of the Company generating sufficient future taxable profits; and - ensured that presentation and disclosures related to deferred tax are being addressed appropriately.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: October 02, 2024

UDIN: AR202410073R3GNa9j2q

Statement of Financial Position
AS AT JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	3	34,309,305	34,853,984
Right-of-use asset	4	-	12,362
Long-term investments	5	28,268	26,873
Deferred tax asset	6	3,186,709	3,649,907
Long-term deposits	7	56,069	63,359
		37,580,351	38,606,485
Current assets			
Inventories	8	2,019,890	2,593,218
Stores, spares and loose tools	9	3,532,483	1,636,761
Trade receivables - considered good	10	294,896	276,087
Advances and other receivables			
- unsecured, considered good	11	758,588	584,575
Taxation - payments less provision		393,418	122,617
Derivative financial asset	12	2,186,893	3,509,149
Trade deposits and short-term prepayments		117,438	102,852
Refunds due from government - sales tax	13	359,252	662,657
Short-term investments	14	31,099	26,399
Cash and bank balances	15	503,468	409,823
		10,197,425	9,924,138
Total assets		**47,777,776**	48,530,623

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive

Director

Statement of Financial Position
AS AT JUNE 30, 2024

	Note	2024	2023
EQUITY AND LIABILITIES		(Rupees in '000)	
Share Capital And Reserves			
Share Capital	16		
Ordinary shares		11,118,852	11,118,705
Cumulative preference shares		2,082,323	2,082,433
		13,201,175	13,201,138
Reserves			
Capital Reserve			
Share premium	18	739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares	16.4	(121,178)	(121,141)
Revenue Reserve			
Hedging reserve	19	-	125,309
Accumulated loss		(6,100,369)	(3,376,772)
		(5,482,054)	(2,633,111)
Contribution from associated undertakings	17	11,700,000	7,000,000
		19,419,121	17,568,027
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	20	14,877,802	17,328,806
Long-term trade payables	21	356,493	470,634
Long-term lease liability	22	-	-
Staff retirement benefit	23	234,977	170,307
		15,469,272	17,969,747
Current liabilities			
Trade and other payables	24	3,186,426	4,527,395
Unclaimed dividend		126	126
Accrued mark-up	25	2,044,231	1,923,466
Short-term financing - secured	26	6,269,067	5,012,000
Current portion of long-term lease liability	22	-	17,326
Current portion of long-term financing	20	1,389,533	1,512,536
		12,889,383	12,992,849
Total liabilities		28,358,655	30,962,596
Contingencies and commitments	27		
Total equity and liabilities		**47,777,776**	48,530,623

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive

Director

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	(Restated) 2023
		(Rupees in '000)	
Revenue from contracts with customers	28	31,077,214	28,939,096
Cost of sales	29	(24,286,813)	(22,006,880)
Gross profit		6,790,401	6,932,216
Selling and distribution expenses	30	(3,175,039)	(1,960,273)
Administrative expenses	31	(442,075)	(367,107)
Other income / (expenses)	32	(154,981)	(881,716)
Reversal allowance on trade receivables		10,401	8,978
Profit from operations		3,028,707	3,732,098
Finance income		27,407	17,778
Finance cost		(4,975,033)	(3,830,787)
	33	(4,947,626)	(3,813,009)
Loss before income tax and levy		(1,918,919)	(80,911)
Levy	34	(128,348)	(93,486)
Taxation	35	(656,017)	343,390
(Loss) / profit after taxation		(2,703,284)	168,993
Other comprehensive income / (loss):			
Items that are or may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		(1,322,256)	1,887,397
Adjustment for amounts transferred to profit or loss		1,152,621	(1,717,762)
		(169,635)	169,635
Related deferred tax		44,326	(44,326)
Hedging Reserve		(125,309)	125,309
Actuarial loss on remeasurement of defined benefit obligations		(33,300)	(13,172)
Related deferred tax		12,987	3,442
		(20,313)	(9,730)
Other comprehensive (loss) / income for the year - net of tax		(145,622)	115,579
Total comprehensive (loss) / income for the year		(2,848,906)	284,572
		---------- (Rupee) ----------	
Loss per share - basic and diluted	36	(2.88)	(0.19)

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive	Director

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital: Issued, subscribed and paid up capital	Difference on conversion of cumulative preference shares into ordinary shares (note 16.4)	Capital Reserve: Share Premium	Revenue Reserve: Hedging Reserve (note 19)	Revenue Reserve: Accumulated loss	Contribution from associated undertakings (note 17)	Total Equity
	----	----	----	(Rupees in '000)	----	----	----
Balance as at July 1, 2022	13,201,138	(121,141)	739,493	-	(3,536,035)	7,000,000	17,283,455
Profit for the year	-	-	-	-	168,993	-	168,993
Other comprehensive income / (loss)	-	-	-	125,309	(9,730)	-	115,579
	-	-	-	125,309	159,263	-	284,572
Balance as at June 30, 2023	13,201,138	(121,141)	739,493	125,309	(3,376,772)	7,000,000	17,568,027
Loss for the year	-	-	-	-	(2,703,284)	-	(2,703,284)
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs. 10 each during the year.	37	(37)	-	-	-	-	-
Contribution received	-	-	-	-	-	4,700,000	4,700,000
Other comprehensive loss	-	-	-	(125,309)	(20,313)	-	(145,622)
	37	(37)	-	(125,309)	(2,723,597)	4,700,000	1,851,094
Balance as at June 30, 2024	**13,201,175**	**(121,178)**	**739,493**	**-**	**(6,100,369)**	**11,700,000**	**19,419,121**

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive

Director

Statement of Cash Flows
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	1,528,825	4,227,718
Gratuity paid	23.7	(41,378)	(34,025)
Income tax and levy (paid) / refund		(578,981)	84,034
Deposits received		4,992	11,000
Finance cost paid - Islamic		(4,399,930)	(3,370,127)
Finance cost paid - Conventional		(321,888)	(160,024)
		(5,337,185)	(3,469,142)
Net cash (used in) / generated from operating activities		(3,808,360)	758,576
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - operations		(389,274)	(175,998)
Finance income received		26,012	16,483
Proceeds from sale of property, plant and equipment		1,541	1,352
Net cash used in investing activities		(361,721)	(158,163)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(1,671,177)	(2,619,838)
Lease rental paid	22	(22,164)	(16,600)
Proceeds from / (Repayment of) short-term financing - net		450,000	(1,533,927)
Proceeds of contribution from associated undertakings	17.2	6,639,700	1,263,000
Repayment of contribution from associated undertakings	17.2	(1,939,700)	(1,263,000)
Net cash generated from / (used in) financing activities		3,456,659	(4,170,365)
Net decrease in cash and cash equivalents		(713,422)	(3,569,952)
Cash and cash equivalents at the beginning of the year		(3,702,177)	(132,225)
Cash and cash equivalents at the end of the year	40	**(4,415,599)**	(3,702,177)

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive

Director

Notes to The Financial Statements
FOR THE YEAR ENDED JUNE 30, 2024

1. THE COMPANY AND ITS OPERATIONS

Power Cement Limited (the Company) was incorporated in Pakistan as a private limited company on December 1, 1981 and was converted into a public limited company on July 9, 1987. The Company is listed on Pakistan Stock Exchange. The Company's principal activity is manufacturing, selling and marketing of cement. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi and its production facility is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Jamshoro (Sindh).

The Company began commercial production from its new Clinker Production Plant on July 1, 2020.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

2.1.1 Statement of compliance

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) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and loss per share as a result of this change.

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of changes in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of changes in accounting policy
	(Rupees '000)			(Rupees '000)		
Levies	-	**(128,348)**	**(128,348)**	-	(93,486)	(93,486)
Loss before income tax	**(1,918,919)**	**(128,348)**	**(2,047,267)**	(80,911)	(93,486)	(174,397)
Income tax expense	**(748,365)**	**128,348**	**(656,017)**	249,904	93,486	343,390

2.1.2 Accounting convention

These financial statements have been prepared under the historical cost convention, as modified by re-measurement of certain financial assets and financial liabilities (including derivative financial instruments) at fair value and recognition of certain staff retirement and other service benefits at present value.

2.1.3 Critical accounting estimates & judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

(i) Income tax payable / refundable
In making the estimates for income taxes payable by the Company, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past.

(ii) Staff retirement benefits
Certain actuarial assumptions have been adopted as disclosed in notes to these financial statements for valuation of present value of defined benefit obligation.

(iii) Inventories
Estimates made with respect to provision for slow moving, damaged and obsolete items and their net realisable value are disclosed in note 2.7 to these financial statements.

Further, the Company's certain inventory items [i.e. raw materials (limestone and gypsum), work-in-process, semi-finished goods (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these inventory items is not practicable, the management assess the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values. In making this estimate the Company involves external surveyor for determining the existence of inventory.

iv) Property, plant and equipment
The useful lives, residual values and depreciation methods are reviewed on a regular basis. The effect of any changes in estimates is accounted for on a prospective basis.

v) Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

vi) Derivative financial instruments and hedge accounting
Estimates made with respect to derivative financial instruments and hedge accounting are disclosed in note 2.17 to these financial statements.

vii) Deferred taxation
Deferred taxation is recognised taking into account availability of taxable profits. The management uses assumptions about future best estimates of the availability of future taxable profits based on available information.

viii) Contribution from associated undertakings

The classification of the contribution from associated undertakings in Equity involves estimates in relation to the timing of payment of principal and profit since the payment of principal and profit is as per the discretion of the Company.

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the financial statements.

There have been no critical judgements made by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements except as stated below.

2.1.4 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.2 Foreign currencies

Transactions in foreign currencies are recorded in Pak Rupee at the exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupee using the exchange rates prevailing at the statement of financial position date. Exchange gain/(loss) are taken to the statement of profit or loss.

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees.

2.3 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

These are stated at cost less accumulated depreciation and impairment losses, if any, except for leasehold land, which is stated at cost less impairment, if any.

Cost of leasehold land is not amortised since the lease is renewable at a nominal price at the option of the lessee.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized.

Maintenance and normal repairs are charged to the statement of profit or loss and other comprehensive income as and when incurred.

Company accounts for impairment, where indication exist, by reducing its carrying value to the estimated recoverable amount.

Depreciation on plant and machinery is charged using units of production method. The units of production method results in depreciation charge based on the actual use or output.

Depreciation other than plant and machinery is charged, on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the Company, at the rates specified in note 3.1. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month prior to disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceed and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

Capital work-in-progress (CWIP)

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to operating assets as and when assets are available for use.

Capitalisable stores and spares

Spare parts, stand-by equipment and servicing equipment which qualify as property, plant and equipment when an entity expects to use them for more than one year are classified as fixed assets under the category of capitalisable stores and spares and are stated at cost.

2.4 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

2.4.1 Ijarah

In Ijarah transactions, significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 – 'Ijarah' requires the recognition of ‘ujrah payments’ (lease rentals) against ijarah financing as an expense in the statement of profit or loss and comprehensive income on a straight-line basis over the ijarah term.

2.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of statement of cashflows, cash and cash equivalents comprise of cash and cheques in hand and in transit, balances with banks on current, saving and deposit accounts, short-term investments and short-term finance under mark-up arrangements. The statement of cash flows is prepared using the indirect method.

2.6 Dividends and appropriations

Dividends and reserve appropriations are recognized in the period in which these are declared / approved.

2.7 Inventories

Inventories are valued at lower of cost and net realisable value except for goods-in-transit which are stated at cost. Raw and packing materials, work-in-process and finished goods are valued at the weighted average cost. Cost of work-in-process and finished stocks comprise of direct costs and appropriate portion of production overheads.

Stores, spares and loose tools are valued at weighted average cost less provision for slow moving and obsolete stores, spares and loose tools. Provision for slow moving and obsolete items is charged to the statement of profit or loss and other comprehensive income. Value of items is reviewed at each statement of financial position date to record provision for any slow moving and obsolete items. Items in transit are stated at cost.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessarily to be incurred in order to make the sale.

2.8 Trade receivables, advances and other receivables

Trade receivables, advances and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using effective interest rate method less loss allowance. Refer note 2.16 for a description of the Company’s impairment policies.

2.9 Borrowings and their cost

Borrowings are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalised as part of the cost of that asset. Borrowings payable within next twelve months are classified as current liabilities.

2.10 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

2.11 Taxation

a) Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

b) Levy

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

c) Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

2.12 Staff retirement benefits

Defined benefit plan

The Company operates an approved funded gratuity scheme (defined benefit plan) for all its employees who have completed the qualifying period under the scheme. Contribution is made to the fund in accordance with actuarial recommendations. The latest actuarial valuation of the scheme has been carried out as at June 30, 2024 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to statement of other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in statement of profit or loss and other comprehensive income.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the scheme.

2.13 Leave Encashment

Leave encashment is payable to the employees on separation from the Company. The Company accounts for the liability in respect of leave encashment in the year in which these are earned. Provisions to cover the obligation are made using the current salary levels of the employees. The Company accounts for the liability in respect of leave encashment in the year in which these are earned. No actuarial valuation of leave encashment expense is carried out as the management considers that the financial impact of such valuation will not be material.

2.14 Provisions

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

2.15 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

2.16 Financial instruments

Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at amortised cost or fair value as the case may be.

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss (“FVTPL”),
- at fair value through other comprehensive income (“FVTOCI”), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss (“FVTPL”),
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value plus or minus transaction cost, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- employee receivables; and
- other short-term receivables.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

The Company considers a financial asset in default when it is more than 365 days past due.

Lifetime ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in statement of profit or loss and other comprehensive income. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

2.17 Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to hedge its interest rate risk and foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge are taken to profit or loss.

The fair value of derivative financial instruments is determined by reference to market values for similar instruments or by using discounted cash flow method.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company intends to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedge risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that these actually have been highly effective throughout the financial reporting periods for which such were designated.

Derivative financial instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative financial instrument is separated into a current portion and non current portion only if a reliable allocation can be made.

Fair value hedges

Fair value hedge is a hedge of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

The change in the fair value of a hedging derivative is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in profit or loss. When the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Cash flow hedges

Cash flow hedge is a hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. Where the hedged item is the cost of a non financial asset or non financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non financial asset or liability. If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

2.18 Offsetting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Revenue recognition

Revenue is recognised when control of the goods is transferred i.e. when the goods are dispatched to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Revenue is recognised as follows:

- Local sale of goods is recognised on dispatch of goods to customers from the production facility.
- Revenue from export sales is recognised on the basis of terms of sale with the customer.

Revenue is measured at fair value of consideration received or receivable, excluding discounts, commission, rebates and government levies.

Income from sale of scrap is recorded on dispatch of scrap to the customers.

Profit on bank deposits is recorded on effective interest basis.

Gain / (loss) on sale of fixed assets is recorded when control is transferred to the transferee.

2.20 Government grants

Government grants relating to costs are deferred and recognised in the statement of profit or loss and other comprehensive income over the period necessary to match these with the costs that they are intended to compensate. Government grants relating to qualifying asset under IAS-23 'Borrowing

Cost' is recognised under capital work-in-progress to match with those cost capitalised in the capital work-in-progress.

2.21 Segment Reporting

Segment results that are reported to the Company's Chief Executive Officer (CEO), the chief operating decision maker include items directly attributable to a segment as well as those that can be

3. PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		(Rupees in '000)	
Operating assets	3.1	33,732,846	34,576,493
Capital work-in-progress	3.4	45,739	-
Capitalisable stores and spares	3.5	530,720	277,491
		34,309,305	34,853,984

3.1 Operating assets

	Land lease hold	Factory building on leasehold land	Non factory building on lease hold land	Lease hold improvements	Plant and machinery	Factory and laboratory equipments	Quarry Equipment	Office equipment	Computer and peripherals	Furniture and fixture	Vehicles	Total
2024												
	(Rupees in '000)											
Year ended June 30, 2024												
Opening net book value	200,515	301,256	1,093,887	12,374	32,823,535	68,517	1,035	23,959	11,147	24,740	15,528	**34,576,493**
Additions / transfer (at cost)	-	2,570	-	-	68,020	7,747	-	219	5,448	967	5,335	**90,306**
Disposals at NBV	-	-	-	-	-	-	-	-	(147)	-	(247)	**(394)**
Depreciation charge - Note 3.2	-	(14,703)	(109,310)	(1,230)	(787,850)	(7,403)	(155)	(2,405)	(4,523)	(2,493)	(3,487)	**(933,559)**
Closing net book value	200,515	289,123	984,577	11,144	32,103,705	68,861	880	21,773	11,925	23,214	17,129	**33,732,846**
Gross carrying value basis												
At June 30, 2024												
Cost	200,515	741,737	1,517,930	33,299	36,768,324	128,288	12,887	43,085	51,568	54,104	58,834	**39,610,571**
Accumulated depreciation	-	(452,614)	(533,353)	(22,155)	(4,664,619)	(59,427)	(12,007)	(21,312)	(39,643)	(30,890)	(41,705)	**(5,877,725)**
Net book value	200,515	289,123	984,577	11,144	32,103,705	68,861	880	21,773	11,925	23,214	17,129	**33,732,846**
2023												
Year ended June 30, 2023												
Opening net book value	112,425	309,075	1,209,818	13,740	33,528,825	51,652	801	25,352	9,379	26,727	19,047	**35,306,841**
Additions / transfer (at cost)	88,090	7,411	5,234	-	105,815	23,356	359	1,189	6,027	717	520	**238,718**
Disposals at NBV	-	-	-	-	-	-	-	-	(99)	-	(247)	**(346)**
Depreciation charge - Note 3.2	-	(15,230)	(121,165)	(1,366)	(811,105)	(6,491)	(125)	(2,582)	(4,160)	(2,704)	(3,792)	**(968,720)**
Closing net book value	200,515	301,256	1,093,887	12,374	32,823,535	68,517	1,035	23,959	11,147	24,740	15,528	**34,576,493**
Gross carrying value basis												
At June 30, 2023												
Cost	200,515	739,167	1,517,930	33,299	36,700,304	120,541	12,887	42,866	46,367	53,137	55,443	**39,522,456**
Accumulated depreciation	-	(437,911)	(424,043)	(20,925)	(3,876,769)	(52,024)	(11,852)	(18,907)	(35,220)	(28,397)	(39,915)	**(4,945,963)**
Net book value	200,515	301,256	1,093,887	12,374	32,823,535	68,517	1,035	23,959	11,147	24,740	15,528	**34,576,493**
Rate of depreciation %	-	5%	10%	10%	Units of production	10%	15%	10%	33%	10%	20%	

3.1.1 The fair value of land, building, plant and machinery and factory equipments is valued at Rs. 57.02 billion.

3.2 Depreciation charge for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in '000)	
Cost of sales	29	929,231	964,909
Selling and distribution expenses	30	425	1,810
Administrative expenses	31	3,903	2,001
		933,559	968,720

3.3 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Usage of Immovable Property	Location	Covered Area (acres)
Manufacturing plant	Deh Kalo Kohar, Nooriabad Industrial Estate, District Jamshoro (Sindh)	150

3.4 Capital work in progress

	2024			
	Cost as at 1 July 2023	Additions	Transferred to operating assets	Cost as at 30 June 2024
	(Rupees in '000)			
Plant and machinery	-	36,100	(36,100)	-
Civil Works	-	45,739	-	45,739
	-	81,839	(36,100)	45,739

	2023			
	Cost as at 1 July 2022	Additions	Transferred to operating assets	Cost as at 30 June 2023
	(Rupees in '000)			
Advance against land	88,090	-	(88,090)	-
	88,090	-	(88,090)	-

3.5 Capitalisable stores and spares

	2024	2023
	(Rupees in '000)	
Balance as at July 01	277,491	252,121
Additions during the year	308,807	148,321
Transferred to property, plant and equipment	(55,578)	(122,951)
Balance as at June 30	530,720	277,491

4. RIGHT-OF-USE ASSET

	2024	2023
	(Rupees in '000)	
Balance as at July 01	12,362	24,725
Modification	3,864	-
Depreciation expense	(16,226)	(12,363)
Balance as at June 30	-	12,362

4.1 This Right of use asset is booked on rented office premises.

5. LONG-TERM INVESTMENTS

Amortised cost

	Note	2024	2023
		(Rupees in '000)	
Defence savings certificates	5.1	20,094	18,699
Term deposit receipts	5.2	8,174	8,174
		28,268	26,873

5.1 These Defence Savings Certificates (DSCs) are for a period of 10 years having maturity in 2026. These carry mark-up at effective interest rate of 7.44% per annum. These DSCs are pledged with the Nazir of High Court of Sindh as disclosed in note 27.1.

5.2 These include term deposit receipts placed with local banks and carry profit at declared rates of 10% - 20% (2023: 8% - 12%) per annum having maturity ranging from 2025 to 2030.

6. DEFERRED TAX ASSET

	Accelerated tax depreciation	Right-of-use-assets	Provision for stores, spares and loose tools	Long-term lease liability	Unwinding of transaction cost	Deferred exchange gain	Minimum tax	Carry forward tax losses	Gain on restructuring of local long-term syndicate financing	Provision for leave encashment	Loss allowance on trade receivables	Cashflow hedge	Staff retirement benefits	Gain on modification of long-term trade payables	Total
2024															
	(Rupees '000)														
July 01, 2023	(4,679,996)	(3,230)	4,962	4,527	-	-	528,284	7,693,203	(36,326)	13,023	21,715	92,867	44,501	(33,623)	3,649,907
(Charge) / credit to profit or loss for the year	(1,975,400)	3,230	2,444	(4,527)	(15,412)	(525)	(33,477)	1,594,783	(9,554)	13,270	6,640	(102,484)	34,153	10,674	(476,185)
Credit to other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	12,987	-	12,987
June 30, 2024	(6,655,396)		7,406		(15,412)	(525)	494,807	9,287,986	(45,880)	26,293	28,355	(9,617)	91,641	(22,949)	3,186,709
2023															
July 01, 2022	(4,035,290)	(5,956)	4,575	7,630	-	-	452,888	6,605,730	-	9,179	23,352	92,867	32,827	(49,495)	3,138,307
(Charge) / credit to profit or loss for the year	(644,706)	2,726	387	(3,103)	-	-	75,396	1,087,473	(36,326)	3,844	(1,637)	-	8,232	15,872	508,158
Credit to other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	3,442	-	3,442
June 30, 2023	(4,679,996)	(3,230)	4,962	4,527	-	-	528,284	7,693,203	(36,326)	13,023	21,715	92,867	44,501	(33,623)	3,649,907

6.1 The deferred tax asset on unabsorbed depreciation and minimum tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.

6.2 As per Finance Act, 2023, companies operating in certain sectors, including cement, having income above Rs. 500 million are liable to pay super tax at 10% for tax year 2023 and onwards. Consequently, the Company has recorded deferred tax at 39% in accordance with applicable accounting and reporting standards.

6.3 Deferred tax asset has been recognized in full (2023: restricted to 67% of the total deferred tax asset based on the proportion of local and export sales) as per future financial projections of the Company.

6.4 Taxable and deductible differences are booked in profit or loss except for actuarial loss on remeasurement of defined benefit obligations amounting to Rs. 12.99 million (2023: Rs. 3.44 million).

7. LONG-TERM DEPOSITS

	Note	2024	2023
		(Rupees in '000)	
Burj Solar Energy (Private) Limited	7.1	33,402	31,000
Hyderabad Electric Supply Company		19,167	24,159
First Credit and Investment Bank		1,500	6,200
Others		2,000	2,000
		56,069	63,359

7.1 This represents security deposit amounting to Rs. 33.4 million (2023: Rs. 31 million) paid for the equipment rental agreement in respect of procurement of electricity on a fixed tariff for twenty years.

8. INVENTORIES

	Note	2024	2023
		(Rupees in '000)	
Raw material		139,243	161,034
Packing material		259,610	204,527
Semi-finished goods	8.1	1,291,018	1,822,928
Work-in-process		21,849	22,842
Finished goods	8.2	308,170	381,887
		2,019,890	2,593,218

8.1 This includes clinker held at port for export amounting to Rs. 2.63 million (2023: Rs. 11.14 million).

8.2 This includes cement held at port for export amounting to Rs. 98.67 million (2023: Rs. 7.86 million).

Notes to The Financial Statements
FOR THE YEAR ENDED JUNE 30, 2024

9. STORES, SPARES AND LOOSE TOOLS

	Note	2024	2023
		(Rupees in '000)	
Stores		1,157,634	694,200
Coal		785,038	4,523
Spares		1,601,441	947,704
Loose tools		7,361	9,325
		3,551,474	1,655,752
Less: Provision for net realisable value written down		(18,991)	(18,991)
		3,532,483	1,636,761

10. TRADE RECEIVABLES - considered good

	Note	2024	2023
Secured		33	26,353
Due from related parties - unsecured	10.1 & 10.2	58,815	54,336
Due from other parties - unsecured		308,754	278,505
		367,602	359,194
Less: Loss allowance on trade receivables	10.3	(72,706)	(83,107)
		294,896	276,087

10.1 The related parties from whom the receivables are due are as under:

	2024	2023
Javedan Corporation Limited	32,968	36,915
Safe Mix Concrete Limited	9,573	11,970
Globe Residency REIT	12,200	3,439
Signature Residency REIT	3,430	-
Rahat Residency REIT	644	607
Silk Islamic Developement REIT	-	1,405
	58,815	54,336

10.2 The balances due from related parties are mark-up free. The aging analysis of these balances is as follows:

	2024	2023
	(Rupees in '000)	
1-30 days	20,052	22,980
31-60 days	7,255	8,387
61-365 days	31,508	22,969
	58,815	54,336

10.2.1 Maximum aggregate due from the related parties at any time during the year calculated by reference to month-end balances is Rs. 74.82 million (2023: Rs. 54.33 million).

10.3 Loss allowance on trade receivables

	2024	2023
	(Rupees in '000)	
Balance as at July 01	83,107	92,085
Reversal for the year	(10,401)	(8,978)
Balance as at June 30	**72,706**	83,107

11. ADVANCES AND OTHER RECEIVABLES- unsecured, considered good

	Note	2024	2023
		(Rupees in '000)	
To employees	11.1 & 11.2	49,235	54,674
To contractors and suppliers	11.2	356,040	264,557
Excise duty receivable	11.3	182,604	182,604
Rebate receivable		7,618	7,618
Others		163,091	75,122
		758,588	584,575

11.1 These include personal and car loan advances to executives amounting to Rs. 41.93 million (2023: Rs. 51.43 million). Maximum amount outstanding against advances to employees during the year was Rs. 52.24 million (2023: Rs. 55.57 million). The amount is payable on demand and is secured against retirement benefit entitlement of the employees.

Movement in advances to executives during the year:	2024	2023
	(Rupees in '000)	
Balance as at July 01	51,429	41,769
Disbursed during the year	84,670	53,217
Repayments during the year	(94,165)	(43,557)
Balance as at June 30	**41,934**	51,429

11.2 These advances to employees and contractors / suppliers are non-interest bearing.

11.3 From 1993-94 to 1998-99, excise duty was levied and recovered from the Company being wrongly worked out on retail price based on misinterpretation of sub section 2 of section 4 of the Central Excise Act, 1944 by Central Board of Revenue. Such erroneous basis of working of excise duty has been held, being without lawful authority, by the Honourable Supreme Court of Pakistan as per its judgment dated February 15, 2007. Accordingly, the Company filed an application to the Collector of Federal Excise and Sales Tax to refund the excess excise duty amounting to Rs. 182.6 million.

The refund was however, rejected by Collector of Appeals vide order in appeal number 01 of 2009 dated 19 March 2009 and Additional Collector, Customs, Sales tax and Federal excise vide its order in original number 02 of 2009 dated 24 January 2009 primarily based on the fact that the Company has failed to discharge the burden of proof to the effect that incidence of duty had not been passed on to the customers of the Company. Accordingly, the Company filed an appeal before the Learned Appellate Tribunal Inland Revenue (ATIR) regarding CED which, vide its order dated 23 May 2012 held that the requisite documents proving the fact that the incidence of duty had not been passed to the customers of the Company has been submitted by the Company and therefore the Company has discharged its onus. Based on the foregoing the original order number 01 of 2009 dated 19 March 2009 and order number 02 of 2009 dated 24 January 2009 were set aside by ATIR and appeal was allowed. Based on the decision by ATIR and the tax adviser's opinion that the refund claim is allowed to the Company, the Company recorded the refund claim receivable with a corresponding credit to the profit or loss account. The matter has been challenged by the tax department in the High Court of Sindh vide its reference application 252/2012 dated September 2012 on the grounds that the Company has failed to discharge the burden of proof to the effect that incidence of duty has not been passed on to the customers of the Company. The hearing of the case is pending since September 2012. The management, based on its legal advisor's opinion, is confident of a favourable outcome and has therefore considered the balance recoverable. The Company is actively pursuing the matter for the settlement of the said refund claim.

12. DERIVATIVE FINANCIAL ASSET

	2024	2023
	(Rupees in '000)	
Balance as at July 01	3,509,149	1,621,753
(Loss) / gain arising during the year	(1,322,256)	1,887,396
Balance as at June 30	**2,186,893**	3,509,149

12.1 The Company has entered into multiple cross currency swap arrangements with commercial banks in connection with foreign currency borrowings as disclosed in note 20.4. Pursuant to the agreements, the Company's foreign currency borrowings up to USD 11.04 million (2023: USD 15.46 million) and EUR 4.73 million (2023: EUR 6.62 million) were converted into hedged Pakistan Rupee amount and the interest rate accruing thereon is payable to the hedging bank at 6 months KIBOR + spread ranging from positive 415 to 549 basis points.

12.2 The above hedge of exposures arising due to variability in cash flows owing to currency risks have been designated as cash flow hedges.

13. REFUNDS DUE FROM GOVERNMENT - SALES TAX

The Company has challenged the levy of sales tax on import of 7,700 TPD on Plant in Sindh High Court. The Court allowed an interim relief to the Company against submission of Bank Guarantee with the Nazir of the Court. A Bank Guarantee of Rs. 528 million had been submitted with the Nazir. The Company has a strong case in this matter, even in worst case if the matter is decided against the Company, the resultant sales tax will be paid and it will be treated as input sales tax and accordingly will be adjusted against the output sales tax of the Company.

14. SHORT-TERM INVESTMENTS

	Note	2024	2023
At Amortised Cost		(Rupees in '000)	
Term deposit receipts	14.1	26,399	26,399
Treasury Bills		4,700	-
		31,099	26,399

14.1 These are placed with local banks and carry profit at declared rate of 19.25% (2023: 19.25%) per annum and will mature in March 2025 (2023: March 2024).

15. CASH AND BANK BALANCES

	Note	2024	2023
		(Rupees in '000)	
Cash at bank			
Conventional			
- In current accounts		2,496	78,390
- In savings accounts		-	12
		2,496	78,402
Islamic			
- In current accounts		281,826	141,876
- In savings accounts	15.1	122,348	92,657
		404,174	234,533
- Term deposit receipts	15.2	96,100	96,100
		500,274	330,633
Cash in hand		698	788
		503,468	409,823

15.1 These accounts are maintained with Islamic banks at rates ranging from 10% - 11% (2023: 3.5% - 8%) per annum.

15.2 This includes term deposit certificates placed with local banks and carry profit at declared rates of 14% - 20% (2023: 8% - 12%) per annum.

Notes to The Financial Statements

FOR THE YEAR ENDED JUNE 30, 2024

16. SHARE CAPITAL

16.1 Authorised Share Capital

2024	2023		2024	2023
(Number of Shares)			(Rupees in '000)	
1,390,000,000	1,390,000,000	Ordinary and Cumulative Preference Shares of Rs. 10 each	13,900,000	13,900,000

16.2 Issued subscribed and paid-up share capital

16.2.1 Ordinary Shares

2024	2023		2024	2023
(Number of Shares)			(Rupees in '000)	
		Fully paid ordinary shares of Rs. 10 each issued:		
1,051,234,846	1,051,234,846	For cash	10,512,348	10,512,348
840,000	840,000	For consideration other than cash	8,400	8,400
11,339,588	11,339,588	Bonus shares	113,396	113,396
48,470,720	48,456,054	Converted from preference shares	484,708	484,561
1,111,855,154	1,111,870,488		11,118,852	11,118,705

16.2.2 Cumulative preference shares

2024	2023		2024	2023
(Number of Shares)			(Rupees in '000)	
244,585,320	244,585,320	Fully paid Cumulative Preference Shares of Rs. 10 each	2,445,853	2,445,853
(36,353,043)	(36,342,043)	Converted to ordinary shares	(363,530)	(363,420)
208,232,277	208,243,277		2,082,323	2,082,433

16.3 The shareholders of the Company in their extraordinary general meeting held on June 20, 2020 approved the issue of 23% right shares in terms of Cumulative Preference Shares at par value of Rs. 10 each. 244,585,320 Cumulative Preference Shares have been issued in the ratio of 23 Cumulative Preference Shares for every 100 Ordinary Shares held by the existing shareholders.

The terms and conditions of such Right Issue are as follows:

- the rate of preferential dividend shall be six months KIBOR plus 1.5% per annum. The entitlement of dividend shall not lapse if no dividend is paid during that year and shall be carried forward to subsequent years;

- the preference shareholders will have the right to vote;

- Preference Shares will be convertible at the option of the preference shareholders into Ordinary Shares of the Company. The conversion option can be exercised upon the expiry of 12 months from the issue date by giving a thirty days notice in advance to the issuer. However, the accumulation of preference dividends will cease at the time of filing of conversion notice with the Company's Registrar;

- conversion ratio is to be determined by dividing the aggregate face value of Preference Shares plus the outstanding balance of any accumulated / accrued Preferred Dividend (if not paid till conversion) by Rs. 7.5;

- the Preference Shares are non-redeemable and convertible into Ordinary Shares of the Company;
- there will be no change / revision in the rate of preferred dividend in case of accumulation;
- there is no upper limit of maximum accumulations of preferred dividend;
- preferential cash dividends shall be in priority over any dividend to ordinary shareholders and holders of any subsequent issues / series of preference shares;
- in case of liquidation the preference shareholders shall be entitled to preferred liquidation rights prior to ordinary shareholders; and
- the preference shareholders shall not be entitled to bonus or rights shares, in case the Company / Directors decide to increase the capital of the Company by issue of further shares except for the adjustment in conversion ratio provided hereinabove referred terms and conditions.

If cash dividend is not paid in any year, due to loss or inadequate profits, then such unpaid cash dividend will accumulate and will be paid in the subsequent year(s) before any dividend is paid to the Ordinary Shareholders subject to approval of the Board of Directors. As at June 30, 2024 the undeclared dividend on Cumulative Preference Shares amounted to Rs. 1,277.70 million (2023: Rs. 784.60 million).

16.4 Under the terms and conditions of conversion of such right issue 36,353,043 preference shares of Rs. 10 each were converted into 48,470,720 ordinary shares of Rs. 10 each uptil 30 June 2024, resulting in a difference on conversion of cumulative preference shares into ordinary shares amounting to Rs. 121.18 million. The unpaid cumulative dividend on such preference shares amounting to Rs. 38.62 million will be distributed in subsequent year(s) out of the available profits subject to the approval of the Board of Directors. During the year 11,000 preference shares were converted into 14,666 ordinary shares.

16.5 Shares held by the associated undertakings as at the statement of financial position date were 827,668,305 (2023: 814,612,827) and Mr. Arif Habib is the ultimate beneficial owner of the Company on the basis of effective shareholding.

17. CONTRIBUTION FROM ASSOCIATED UNDERTAKINGS

	Note	2024	2023
		(Rupees in '000)	
- Contribution from associated undertaking - unsecured	17.1	4,358,700	2,043,000
- Contribution from sponsor - unsecured	17.1	7,341,300	4,957,000
		11,700,000	7,000,000

17.1 This represents musharakah arrangement with Mr. Arif Habib (Sponsor), Arif Habib Equity (Private) Limited (Associated Undertaking) and Rotocast Engineering Company (Private) Limited (Associated Undertaking) (together termed as 'Investors'). The investment has been made on the following terms and conditions:

- The repayment of the principal amount shall be at the sole and absolute discretion of the Company (taking into consideration the availability of its cash flows). However, in the event of liquidation, the Company shall purchase the investors share at mutually agreed price at that time before discharging any obligation.
- The financing shall carry profit at the rate of 3 months KIBOR + 1.75% per annum. However, the payment of the profit shall also be at the sole and absolute discretion of the Company. Further, dividends to the ordinary shareholders will only be declared after the payments of profit to the Investors.

- In case of Musharakah loss, the loss shall be shared between the parties in consultation with Shariah Advisor.

Pursuant to the requirements of IAS 32- 'financial instruments presentation' and the terms of the arrangement, the Long Term Musharakah arrangement is classified as equity in these financial statements. The unpaid profit as at June 30, 2024 in respect of the above mentioned arrangement amounts to Rs. 3,756.62 million (2023: Rs. 1,620.36 million).

17.2 Movement in contributions from associated undertakings during the year:

	2024	2023
	(Rupees in '000)	
Balance as at July 01	7,000,000	7,000,000
Contributions received during the year	6,639,700	1,263,000
Repayments made during the year	(1,939,700)	(1,263,000)
Balance as at June 30	11,700,000	7,000,000

18. SHARE PREMIUM

This reserve can be utilized by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

19. HEDGING RESERVE

The hedging reserve comprises the spot element of forward contract. The amount represents an effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges. The net change in fair value of the hedging instrument, deferred in equity, has been recycled to profit or loss to the extent that the hedged item (foreign currency loan) impacts profit or loss.

20. LONG-TERM FINANCING - secured

	Note	2024	2023
Local currency loan		(Rupees in '000)	
Syndicated loan	20.1 & 20.2	11,512,118	11,727,984
Term loan	20.3	273,003	619,009
		11,785,121	12,346,993
Current maturity		(461,152)	(584,155)
		11,323,969	11,762,838
Foreign currency loan			
Syndicated loan	20.4	4,482,214	6,494,349
Current maturity		(928,381)	(928,381)
		3,553,833	5,565,968
		14,877,802	17,328,806

20.1 This includes funded / Musharaka contribution amount drawn from a syndicate of 16 local banks / Development Financial Institutions (DFIs) under the long-term syndicate finance facility of Rs. 16,200 million, for the expansion project of 7,700 Tonnes Per Day, led by National Bank of Pakistan as Investment Agent (June 30, 2023: Rs. 16,200 million). The said facility has been structured in Islamic mode of financing (Diminishing Musharaka) having Syndicate Term Finance Facility (STFF) of Rs. 16,200 million. The facility carries mark-up at the rate of 6 months KIBOR plus 0.5% (2023: 6 months KIBOR plus 1.5%) per annum calculated on daily product basis with mark-up and principal repayment falling due on semi-annual basis. The facility is secured through first pari passu charge over current and fixed assets of the Company amounting to Rs. 16,180 million along with additional collaterals. This loan was initially payable through semi annual instalments in 10 years time and started from July 2018.

20.1.1 In 2023, senior lenders of the Company have revised the terms of the existing STFF to include, inter alia, the following:

i) Downward revision of profit rate from 1.5% to 0.5% per annum for a period of three years from July 2023 to July 2026;

ii) The term has been extended by two years, previously scheduled to be repaid by January 2028 whereas now it is scheduled to be paid by January 2030; and

ii) Principal repayments have been revised in the following manner:

- From July 2023 to January 2025: Rs. 4,429.64 million principal repayments have been reduced to Rs. 442.96 million.

- From July 2025 to January 2026: Rs. 2,214.82 million principal repayments have been reduced to Rs. 553.70 million.

- From July 2026 to January 2030: the remaining principal amounting to Rs. 10,077.43 million, it has been agreed to pay eight equal biannual installments of Rs. 1,259.68 million.

The reprofilling of the liability had resulted in a gain of Rs. 139.02 million which had been recorded as other income however, it did not result in the derecognition of the original liability.

20.2 This also includes loan of Rs. 1,000 million structured as Diminishing Musharakah for the purpose of operational support, project cost overruns and service of deferred payables of Company's clinker plant. The security includes first pari passu charge on all fixed and current assets amounting to Rs. 1,333 million along with additional collaterals and personal guarantees of the Company's related party.

In 2023, senior lenders of the Company have revised the terms of the existing Diminishing Musharakah to include, inter alia, the following:

i) Downward revision of profit rate from 1.5% to 0.5% per annum for a period of three years starting from July 2023 to July 2026;

ii) The term has been extended by two years, previously scheduled to be repaid by January 2028 whereas now it is scheduled to be paid by January 2030; and

ii) Principal repayments have been revised in the following manner:

- From July 2023 to January 2025: Rs. 333.33 million principal repayments have been reduced to Rs. 33.33 million.

- From July 2025 to January 2026: Rs. 166.67 million principal repayments have been reduced to Rs. 41.67 million.

- From July 2026 to January 2030: the remaining principal amounting to Rs. 758.33 million, it has been agreed to pay eight equal biannual installments of Rs. 94.79 million.

20.3 This includes term loans obtained from commercial banks for a period of 3 to 5 years at the rate of 6 months KIBOR plus 1.5% and 6 months KIBOR plus 1.25% payable semi-annually. The loans were disbursed on December 10, 2020 and September 15, 2021 respectively.

20.4 This represents 3 foreign multilateral institutions / DFIs under long-term syndicate finance facility of equivalent drawdowns of EUR 11.357 million, USD 11.357 million, USD 15.143 million disbursed by Deutsche Investitions-und Entwickilingsgeselischaft mbH (DEG) through Arif Habib Equity (Private) Limited (AHEPL), OPEC Fund for International Development (OFID) and Islamic Corporation Development (ICD) respectively for the expansion project of Line III.

The Company has executed cross currency swaps with Habib Bank Limited at the exchange rate of PKR 139.5 and PKR 141.4 per USD and Faysal Bank Limited through AHEPL at the exchange rate of PKR 162 and PKR 164.5 per EURO to hedge the Company's foreign currency payment obligation. This facility carries markup ranging between 6 months KIBOR plus 4.15% to 6 months KIBOR plus 5.49% with mark-up / principal repayment falling due on semi-annual basis with commercial Banks for cross currency swap. The facility is secured through first parri passu charge over current and fixed assets of the Company along with additional collaterals. The above hedge of exposures arising due to variability in cash flows owing to interest / currency risks were designated as cash flow hedges by the management of the Company.

21. LONG-TERM TRADE PAYABLES

	2024	2023
	(Rupees in '000)	
Local currency payables	419,161	491,207
Less: Current maturity	(88,742)	(70,988)
	330,419	420,219
Foreign currency payables	48,979	71,107
Less: Current maturity	(22,905)	(20,692)
	26,074	50,415
	356,493	470,634

21.1 In 2017, the Company had entered into a construction contract with CEEC Tianjin (Pakistan) Electric Power Construction (Private) Limited for the construction of Line III. In 2022, the Company entered into an extension of payment contract for settlement of the amount. As per the terms of the contract, the Company is liable to pay a revised amount of Rs. 847.68 million alongwith USD 0.4 million over a period of 4 years.

22. LONG-TERM LEASE LIABILITY

	2024	2023
	(Rupees in '000)	
Balance at beginning of the year	17,326	31,675
Modification	3,864	-
Finance cost on lease	974	2,251
Payment	(22,164)	(16,600)
Balance at end of the year	-	17,326
Less: Current maturity shown under current liability	-	(17,326)
	-	-

23. STAFF RETIREMENT BENEFIT

	Note	2024	2023
		(Rupees in '000)	
Provision for gratuity	23.5	234,977	170,307
23.1 Number of employees covered under scheme		**471**	475

23.2 As stated in note 2.12, the Company operates approved funded gratuity scheme for all management and non management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of this plan is carried out every year and the latest actuarial valuation was carried out as at June 30, 2024.

23.3 Plan assets held in trust are governed by local regulations which mainly includes Sindh Trust Act, 2020; Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deed. Responsibility for governance of the Plan, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

23.4 The latest actuarial valuation of the Plan as at June 30, 2024 was carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

23.5 Balance sheet reconciliation

	Note	2024	2023
		(Rupees in '000)	
Present value of defined benefit obligations	23.6	297,913	211,492
Fair value of plan assets	23.7	(62,936)	(41,185)
Deficit		234,977	170,307

23.6 Movement in the defined benefit obligation

	2024	2023
Present value of defined benefit obligation as at July 01	211,492	189,542
Current service cost for the year	47,950	37,545
Interest cost for the year	33,258	23,603
Benefits paid during the year	(14,486)	(22,578)
Remeasurements:		
Experience adjustments	19,699	(16,620)
Present value of defined benefit obligation as at June 30	297,913	211,492

23.7 Movement in fair value of plan assets

	2024	2023
Fair value of plan assets as at July 01	41,185	53,272
Contribution during the year	41,378	34,025
Expected return on plan assets	8,460	6,258
Benefits paid during the year	(14,486)	(22,578)
Actuarial loss on plan assets	(13,601)	(29,792)
Fair value of plan assets as at June 30	62,936	41,185

23.8 Expenses recognized in the statement of profit or loss and other comprehensive income

	2024	2023
Current service cost	47,950	37,545
Interest cost	33,258	23,603
Return on plan assets	(8,460)	(6,258)
	72,748	54,890

23.9 Remeasurements recognised in other comprehensive income

	2024	2023
Experience adjustments	19,699	(16,620)
Actuarial loss on plan assets	13,601	29,792
Total Remeasurements chargeable in other comprehensive income	33,300	13,172

23.10 Net recognized liability

	2024	2023
Balance as at July 01	170,307	136,270
Charge for the year	72,748	54,890
Remeasurements chargeable in other comprehensive income	33,300	13,172
Contribution during the year	(41,378)	(34,025)
Balance as at June 30	234,977	170,307

23.11 Composition of plan assets

	2024		2023	
	Amount (Rs. in '000)	Percentage	Amount (Rs. in '000)	Percentage
Cash and / or deposits	2,422	3.85%	889	2.16%
Loans to members	60,514	96.15%	40,296	97.84%
	62,936	100.00%	41,185	100.00%

23.12 Significant actuarial assumptions

	2024	2023
Financial assumptions		
Discount rate	14.75%	16.25%
Expected rate of eligible salary increase in future years	13.75%	15.25%
Average expected remaining working life time of employees	15.43 Years	15.43 Years
Demographic assumptions		
Mortality rate	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rate	Moderate	Moderate
Retirement assumption	Age 60	Age 60

23.13 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

Investment risks - The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

23.14 Sensitivity analysis for the year ended June 30, 2024

	2024	
	PV of defined benefit obligation (Rupees in '000)	Rate effect
Discount rate effect		
Original liability	297,913	14.75%
1% increase	277,867	15.75%
1% decrease	320,888	13.75%
Salary increase rate effect		
Original liability	297,913	13.75%
1% increase	321,002	14.75%
1% decrease	277,236	12.75%
Withdrawal rate effect		
Original liability	297,913	
10% increase	299,902	
10% decrease	296,206	
Mortality rate effect		
Original liability	297,913	
+1 year	297,800	
-1 year	298,193	

23.15 If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the previous year.

23.16 Maturity profile

The average duration of defined benefit obligation is 7.39 years.

23.17 As per actuarial advice, the Company is expected to recognise a service cost of Rs. 88.62 million in 2025 (2024: Rs. 67.17 million).

23.18 The weighted average service duration of employees is 5.53 years.

23.19 Expected maturity analysis of undiscounted retirement benefit payments is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Rupees in 000				
Retirement benefit payments	44,800	36,005	94,490	153,712	329,007

23.20 Analysis of present value of defined benefits obligations and fair value of plan assets

	2023-24	2022-23	2021-22	2020-21	2019-20
	(Rupees in '000)				
Present value of defined obligations	**297,913**	211,492	189,543	155,115	124,565
Fair value of plan assets	**(62,936)**	(41,185)	(53,273)	(46,150)	(29,634)
Deficit	**234,977**	170,307	136,270	108,965	94,931

23.21 Experience adjustments

	2023-24	2022-23	2021-22	2020-21	2019-20
	(Rupees in '000)				
Experience adjustment	**19,699**	(16,620)	17,784	(2,176)	1,399

24. TRADE AND OTHER PAYABLES

	Note	2024	2023
		(Rupees in '000)	
Trade creditors	24.1	1,695,491	1,522,919
Bills payable		-	1,616,147
Accrued liabilities	24.1	327,389	335,109
Royalty payable on raw material		52,953	73,463
Excise duty payable on raw material		4,185	6,332
Advances from customers	24.2	639,097	488,510
Federal excise duty payable		212,805	255,462
Workers' welfare fund (WWF)		5,012	5,012
Withholding tax payable		180,558	168,235
Leave encashment payable		67,419	49,839
Loan from previous sponsors		735	735
Others		782	5,632
		3,186,426	4,527,395

24.1 Creditors and accrued liabilities include Rs. 338.74 million and Rs. 4.57 million (2023: Rs. 172.12 million and Rs. 2.96 million) respectively in respect of amounts due to related parties.

24.2 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.19 is satisfied.

	Note	2024	2023
		(Rupees in '000)	
Balance as at July 01		488,510	1,224,700
Advance received during the year		27,252,249	20,329,498
Revenue recognised during the year		(27,101,662)	(21,065,688)
Balance as at June 30		**639,097**	488,510

25. ACCRUED MARK-UP

	Note	2024	2023
On long-term financing		1,338,180	1,301,845
On loan from related parties		292,722	292,722
On short-term financing		413,329	328,899
		2,044,231	1,923,466

26. SHORT-TERM FINANCING - secured

	Note	2024	2023
Conventional			
Running finance	26.2	270,443	300,000
Export Refinance Facility (ERF)	26.3	200,000	200,000
		470,443	500,000
Islamic			
Istisna / Running Musharaka			
Maturity within three months		4,648,624	3,812,000
Maturity after three months		450,000	-
Islamic Export Refinance Facility (IERF)	26.4	700,000	700,000
		5,798,624	4,512,000
		6,269,067	5,012,000

26.1 The short-term financing facilities available to the Company aggregate to Rs. 7,350 million (2023: Rs.7,250 million) repayable with a maximum tenure of 180 days from the date of disbursement. These facilities have been obtained on annually renewable basis. As at the reporting date, unavailed amount under these facilities amounts to Rs. 1,081 million (2023: Rs. 2,738 million). These are secured by first pari passu charge against current and fixed assets of the Company.

26.2 This represents short-term running finance facility from a commercial bank amounting to Rs. 270.44 million (2023: Rs. 300 million). This carries mark up at the rate of 1 month KIBOR plus 1.5% (2023: 1 month KIBOR plus 1.5%) per annum calculated on daily product basis. The facility is annually renewable and mark-up on the facility is payable on quarterly basis. The facility is secured by first pari passu charge against current and fixed assets of the Company amounting to Rs. 400 million.

26.3 This represents facility of State Bank of Pakistan's (SBP) Export Refinance Scheme (ERF) aggregating to Rs. 200 million (2023: Rs. 200 million) repayable with a maximum tenure of 180 days from the date of disbursement. The ERF facility availed during the year carry markup at the rate of 19% per annum or KIBOR minus 3% (2023: 7.5% to 13% per annum or KIBOR minus 3%). This facility has been obtained on annually renewable basis. As at the reporting date, unavailed amount under this facility amounts to Rs. Nil. This is secured by first pari passu charge against current and fixed assets of the Company amounting to Rs. 267 million.

26.4 The IERF facility availed during the period carry profit at the rate of 17% to 19% per annum or KIBOR minus 3% while other working capital facilities carry applicable profit at the rates ranging from KIBOR plus 1% to KIBOR plus 3% (2023: KIBOR plus 1% to KIBOR plus 3%).

27. CONTINGENCIES AND COMMITMENTS

Contingencies

27.1 In 2017, the Company filed a suit 2269/2016 dated October 27, 2016 in the Sindh High Court (SHC) against China Cosco Shipping Corporation and others challenging its detention of the Company's cargo for the want of certain charges. On November 3, 2016, the Court ordered the release of the Company's cargo against deposit of Defence Savings Certificates amounting Rs. 11.65 million with the Nazir of the Court. Accordingly, the Company's cargo was released upon deposit of the requisite security. Legal counsel of the Company believes that the Company has a good arguable case on merits while next date of hearing of the same is awaited.

27.2 A case was initiated on October 03, 2017 via suit 1129 of 2017 in the Court of Senior Civil Judge, Hyderabad against the Company for recovery of advertisement fees, the Company had engaged a legal counsel for that but the appellants have not produced any calculations in their appeal and hence the documents filed by them in the court do not state any specific amount. The case was dismissed by the Court and the appellants have preferred an appeal there against. The management is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

27.3 Popular Cement Industries (Private) Limited approached the SHC seeking an order restraining the Company from excavating limestone from one of its quarries / mines - the prayer of the applicant was granted by the Court through its order dated February 25, 2019 passed under suit no. 349 of 2019, barring the Company from excavation of limestone from a mining lease. The matter is pending and a favourable outcome is expected by the Company's legal counsel.

27.4 A Constitutional Petition C.P No. 4374/2019 was filed by the Company on June 27, 2019 to challenge the levy of Sindh Infrastructure Development Cess. An interim relief was granted by the Court through its order dated July 26, 2019. On June 06, 2021, the SHC decided in its judgement that the submitted bank guarantees be encashed and paid to the collectorate. On August 31, 2021, the Supreme Court of Pakistan has suspended the judgement passed by the SHC and stayed the encashment of bank guarantees. As at June 30, 2024, amount involved in the matter is Rs. 106 million against which bank guarantee had been submitted as security with the Collectorate. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

27.5 The Competition Commission of Pakistan (CCP) passed a single order on August 27, 2009 against all the cement manufacturers of the country on the alleged ground of formation of cartel for marketing arrangement and imposed a penalty at the rate of 7.5% of total turnover of each company consisting of both local and export sales. The amount of penalty imposed on the Company is Rs. 87 million. The Company challenged the constitutionality of the Competition Law before the Honorable Lahore High Court (LHC) and also the show cause notice and subsequent order issued by the CCP. The LHC on October 26, 2020, however, dismissed the petitions of the cement manufacturers and declared the Competition Law to be intra vires. Nevertheless, the LHC struck down the constitution of the Competition Appellate Tribunal (CAT). The Company has filed an appeal before the Honorable Supreme Court of Pakistan to challenge the said decision. Meanwhile, the Government has also filed an appeal to challenge the judgement of the LHC.

The Company has also filed a petition before the Honorable Sindh High Court (SHC) in relation to the constitution of CAT, wherein the SHC has restrained the CAT from passing a final order in the matter.

Based on the opinion of the Company's legal advisors, the management is hopeful that the ultimate outcome of the appeal will be in favour of the Company and hence no provision has been recognised in these financial statements.

27.6 In 2008, a customer had filed claim of Rs. 1.20 million before the Court of District & Session Judge Karachi (East), for recovery of financial loss due to sub-standard supply of cement via appeal no. 14/2008 and appeal no. 16/2013. The Honourable Judge has decided the order in favour of the customer. Thereafter, the Company filed a revision application against the order before the SHC. The management based on the advice of the lawyer is confident that the outcome of the case would be in favour of the Company and hence no provision is made in these financial statements.

27.7 In 2013, the Company reversed a liability amounting to Rs. 115.93 million in respect of previous sponsors loan on the basis of arbitration award in favour of the Company.

In 2005, the management of the Company was taken over by purchasing controlling shareholding. One of the condition of takeover of the management from the previous sponsors was that the amount payable in respect of this loan was required to be adjusted in respect of any differences in the value of assets and / or unrecorded liabilities. However, due to dispute regarding existence of certain assets and / or unrecorded liabilities, the final amount of the previous sponsor's loan remained undetermined and unsettled and the matter was referred for arbitration as per the Share Purchase Agreement between the management and the previous sponsors. The amount outstanding as at June 30, 2012 amounted to Rs. 115.93 million i.e. Rs. 234.08 million net off with unavailable stores and spares of Rs. 118.15 million.

In 2013, the arbitrator decided in favour of the Company vide order dated August 6, 2012 and determined an amount of Rs. 0.74 million to be paid by the Company. The award has been sent to the Registrar High Court of Sindh for making the award a rule of Court. The management, based on its lawyers' advice is of the opinion that despite of objection filed by the previous sponsors against the arbitration award, the Company has strong grounds considering the fact that the Arbitration Award has been announced in Company's favour and the arbitration award will be made a rule of Court. Accordingly, the management had reversed the liability in 2013 with a corresponding credit in the profit or loss account. However, as previous sponsors have filed objections to the award, the matter has been disclosed as a contingent liability in these financial statements. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

27.8 SALES TAX MATTERS

27.8.1 The Company received an order from Central Excise and Land Custom on October 28, 1992 alleging that the Sales tax and Central Excise Duty (CED) amounting to Rs. 15.21 million and Rs. 30.31 million respectively, were not paid on certain sales. Penalty of Rs. 45.52 million was also levied in the said order on account of non payment of above amount. The Company has however disputed the same on grounds of lack of jurisdiction as well as on the merits, the matter is sub-judice. The Honourable High Court of Sindh has granted stay against the said order and the case is currently pending with the Appellate Tribunal Inland Revenue, Karachi. During 2015, the Company received a notice from FBR raising demand of Rs. 60.62 million and Rs. 15.21 million under CED and Sales Tax including penalty respectively. The SHC has granted stay against the said demand notice. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

27.8.2 The Company received a show cause notice on January 22, 2015 from Deputy Commissioner Inland Revenue (DCIR) alleging that the Company is evading Sales tax and Federal Excise Duty (FED) which was calculated by comparing consumption of energy and coal of cement industry with the Company and also considering the grinded slag as cement on which FED is payable. DCIR alleged the Company for evading an amount of Rs. 551.86 million and Rs. 168.28 million in respect of Sales tax and FED respectively. Subsequently, physical verification of manufacturing premises was conducted on February 10, 2015 u/s 38 and 40B. Hearing was fixed on February 23, 2015 and demand notice was received on March 03, 2015 (dated February 26, 2015) for the recovery of Rs. 333.95 million and Rs. 101.26 million.

The management of the Company filed an appeal with Commissioner Inland Revenue (CIR) Appeals on March 17, 2015 along with the application for urgent hearing, challenging the order on the grounds of judicial impartiality, lack of legal grounds under Sales Tax Act 1990 and Federal Excise Act, validity of order based on presumptions and lack of basic knowledge of cement industry. Simultaneously, application of stay was filed with CIR Appeals on March 17, 2015 and reference petition was filed with Sindh High Court (SHC) requesting a stay from legal action on the impugned order dated February 26, 2015, against which stay was granted to the Company by the SHC on April 02, 2015. The Commission Inland Revenue (CIR) has preferred an appeal before the Appellate Tribunal Inland Revenue against order # 41 of 2017 passed by CIR (Appeals –II) on 27 September 2017.

27.8.3 In 2015, a demand notice of Rs. 440 million was issued to the Company for recovery of FED and sales tax. The Company simultaneously approached CIR (Appeals) and SHC for relief. Stay was granted by the SHC on 2 April 2015. In 2018, CIR (Appeals-II) also decided the matter in favour of the Company and hence the stay granted by the High Court of Sindh became redundant and the Suit thereof was withdrawn in 2019. The concerned tax authority has preferred an appeal against the order of CIR (Appeals-II), before ATIR, which is pending for hearing.

Management of the Company, based on its tax advisors opinion, is confident that the outcome of the case will be in favour of the Company.

27.8.4 The Company received a show cause notice from DCIR on June 13, 2015 alleging that the Company has adjusted inadmissible input tax on diesel purchased and consumed in the rented vehicles of the transporter of the Company under Sales Tax Act,1990. The Company replied through a consultant via letter dated June 22, 2015 explaining that a Company has adjusted a valid input tax under the provision of Sales Tax Act, 1990. Subsequently, demand notice for recovery was received dated July 13, 2015 for an amount of Rs.17.36 million for adjusting invalid input tax with a penalty of Rs. 0.87 million against which the Company filed an appeal with CIR Appeals on August 04, 2015, along with application for the grant of stay. Hearing for the same was fixed on August 21, 2015.

On September 10, 2015, the case was decided in favour of the Company vide order no. 17 of 2015 issued by Commissioner Inland Revenue (Appeals), however an appeal has been preferred against the same by CIR in Appellate Tribunal.

27.8.5 During the year ended June 30, 2020, the Company received show-cause notice u/s 11(2) of the Act dated September 05, 2019 covering transactions of input tax claimed during tax periods from July 2018 to June 2019 alleging an amount of Rs. 946 million as inadmissible under the Act, the DCIR passed order vide no. 01/06/2020 dated August 06, 2020. The Company filed an appeal u/s 45B of the Act which is pending for hearing. On September 29, 2020, CIR (Appeals-I) has granted a stay, through order # 2020/211, against the mentioned DCIR's order.

During the year ended June 30, 2021, CIR (Appeals-I) decided the case via order number STA/161/LTU/ 2021/08 dated February 11, 2021 partly in favour of the Company by vacating Rs. 461.91 million and remanding back Rs. 484.53 million to decide the matter afresh. The Company received notice for remand back proceedings from the learned DCIR as instructed by the learned CIR-Appeals vide his order reference STA/161/LTU/ 2021/08 dated February 11, 2021.

During the year ended June 30, 2022, the management of the Company replied to the notice of DCIR. During the hearing, the learned DCIR started proceedings for the whole amount as contained in original show cause notice i.e. Rs. 946 million which was against the CIR-Appeals order as mentioned, therefore the management of the Company challenged the actions of DCIR before Hon'ble Sindh High Court which granted stay order against the proceedings.

The management in consultation with its legal advisor is confident that the outcome of the matter would be in favour of the Company hence no provision is made in these financial statements.

27.8.6 Appeal before ATIR is preferred by the department against CIR-Appeal's order no. 9 dated August 25, 2017 which was decided in favour of the Company (earlier CIR-Appeals had deleted this sales tax demand of Rs. 12.8 million).

27.8.7 A Special Sales Tax Reference Application No. 413/2019 was filed by the Commissioner Inland Revenue Zone–II on November 23, 2018 against the Appellate Tribunal Order decided in favour of the Company amounting to Rs. 0.34 million. The case pertained to claim of input sales tax on certain communication expenses. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

27.8.8 Appeal before CIR-Appeals is preferred by the Company against Order-in-Original (ONO) # 19/07/2019 dated April 30, 2019 creating demand of Rs 45.24 million including penalty of Rs 2.15 million. CIR-Appeals through its order no.12 dated February 06, 2020 deleted demand of Rs. 42.08 million and corresponding penalty as well. The Company has filed before Appellate Tribunal Inland Revenue (ATIR) against disallowance of Rs. 1.35 million which is pending for hearing. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

27.8.9 The DCIR passed an order vide no. 05/07/2020 dated December 27, 2019 creating demand of Rs.13.05 million along with penalty of Rs. 0.65 million. The Company filed appeal u/s 45B of the Act. The CIR-Appeals vide its order vacated the demand created to the extent of Rs.1.55 million. The Company paid Rs. 4.82 million and filed appeal against the remaining disallowance before ATIR hearing whereof this is pending.

During the year ended June 30, 2021, the DCIR initiated the remand back proceedings and concluded exercise by creating a demand of Rs. 1.55 million along with the penalty of Rs. 0.078 million. The learned DCIR while passing the aforesaid order failed to consider the reply filed by the Company, recognizing the mistake apparent on records the Company filed application for rectification of mistake u/s 57 of the Act on July 26, 2021, no action by the office of learned DCIR has yet been made on the Company's application till date. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

27.9 INCOME TAX MATTERS

27.9.1 Section 113(2)(c) was interpreted by a Divisional Bench of the SHC in the Income Tax Reference Application (ITRA) No. 132 of 2011 dated May 7, 2013, whereby it was held that the benefit of carry forward of minimum tax is only available in the situation where the actual tax payable (on the basis of net income) in a tax year is less than minimum tax. Therefore, where there is no tax payable, interalia, due to brought forward tax losses, minimum tax could not be carried forward for adjustment with future tax liability.

The Company has carried forward minimum tax of previous years amounting to Rs. 494.81 million at the reporting date and the Company expects to adjust the amount against the future taxable profits. The Company is of the opinion that the Company has strong arguable case and at an appropriate stage the matter can be agitated before Supreme Court of Pakistan in case the adjustment is challenged by the tax authorities. In the above view, the management of the Company is confident that the ultimate outcome in this regard would be favourable.

27.9.2 The Company has challenged the applicability of Alternate Corporate Tax (ACT) via Constitutional Petition and filed Income Tax Return of TY 2016 based on Minimum Tax and accordingly no effect of ACT is taken in the tax liability and an interim order dated September 25, 2019 has been granted by the High Court of Sindh that no coercive action is to be taken against the Company till the pendency of the

Constitutional Petition. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

27.9.3 The Finance Act, 2017 had introduced tax on every public company at the rate of 7.5% of its profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. Liability in this respect, if any, is recognized when the prescribed time period for distribution of dividend expires. The Finance Act 2018 amended the Section 5A of the Ordinance whereby the prescribed amount of distribution of profit as dividend reduced from 40% to 20% and the levy of tax on profit in case where companies do not distribute the prescribed amount reduced from 7.5% to 5%. The SHC decided in favour of the Company against which the department has preferred an appeal in the Supreme Court of Pakistan. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

27.10 Commitments

	Note	2024	2023
		(Rupees in '000)	
Commitments against open letter of credit for:			
Coal	27.10.1	1,029,346	261,948
Strores and spares	27.10.2	400,738	-
Commitments against letter of guarantees	27.10.3	9,716,460	10,512,804
Ijarah rentals	27.10.4	175,693	135,416
Total Commitments		**11,322,237**	10,910,168

27.10.1 The amount utilized in respect of these facilities is Rs. 9,500 million (2023: Rs. 7,860 million).

27.10.2 The amount utilized in respect of these facilities is Rs. 1,310 million (2023: Rs. Nil).

27.10.3 This includes Corporate Guarantee of Rs. 8,931 million (as approved by the Company's shareholders vide special resolution passed on June 23, 2018) issued to DEG (a Foreign Currency Long-Term Financier) being part of the Company's long-term financing on behalf of the Arif Habib Equity (Private) Limited - a related party, being part of Company's long-term financing as disclosed in note 20.

27.10.4 Ijarah rentals

	2024	2023
	(Rupees in '000)	
Total of future Ijarah payments under the agreement are as follows:		
Not later than one year	64,931	49,264
Later than one year but not later than five years	110,762	86,152
	175,693	135,416

28. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	2024	2023
		(Rupees in '000)	
Local		25,483,993	27,055,752
Sales tax		(4,227,493)	(4,353,301)
Federal excise duty		(2,655,296)	(2,611,688)
		(6,882,789)	(6,964,989)
Commission		(51,123)	(80,431)
Net local sales		18,550,081	20,010,332
Exports	28.2	12,834,841	9,348,584
Freight		(307,708)	(419,820)
Net exports		12,527,133	8,928,764
		31,077,214	28,939,096

28.1 The Company sells cement and clinker to dealers and other organisations / institutions. Out of these, two (2023: two) of the Company's customers constitute towards 29.26% (2023: 28.38%) of the net revenue during the year amounting to Rs. 9.09 billion (2023: Rs. 8.21 billion).

28.2 Exports comprise of sales made in following continents:

	2024	2023
	(Rupees in '000)	
Africa	11,450,688	3,817,293
Asia	842,619	3,854,568
North America	535,150	-
Europe	6,384	1,676,723
	12,834,841	9,348,584

29. COST OF SALES

	Note	2024	2023
		(Rupees in '000)	
Salaries, wages and other benefits including retirement benefits	29.1	706,256	606,709
Raw materials consumed		2,593,578	2,418,483
Packing material consumed		1,365,089	1,308,982
Stores, spares and loose tools		754,567	516,688
Fuel and power		16,578,613	16,613,110
Insurance		131,324	91,010
Repairs and maintenance		184,459	122,846
Earth moving machinery		273,571	274,275
Depreciation		929,231	964,909
Vehicle hire, running and maintenance		135,073	102,193
Other production overheads		28,432	18,598
		23,680,193	23,037,803
Work-in-process and semi-finished goods			
Opening		1,845,770	790,526
Closing		(1,312,867)	(1,845,770)
		532,903	(1,055,244)
Cost of goods manufactured		24,213,096	21,982,559
Finished goods			
Opening		381,887	406,208
Closing		(308,170)	(381,887)
		73,717	24,321
		24,286,813	22,006,880

29.1 These include Rs. 43.91 million (2023: Rs. 33.42 million) against staff retirement benefit.

30. SELLING AND DISTRIBUTION EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Salaries, wages and other benefits including retirement benefits	30.1	106,490	84,983
Export expenses		2,753,863	1,579,421
Advertisement and sales promotion		201,646	189,867
Transportation expense		73,363	64,375
Marking fee		18,781	21,903
Vehicle running and maintenance		14,454	10,683
Travelling and conveyance		4,101	4,884
Repairs and maintenance		720	226
Depreciation		425	1,810
Others		1,196	2,121
		3,175,039	1,960,273

30.1 These include Rs. 14.04 million (2023: Rs. 10.26 million) against staff retirement benefit.

31. ADMINISTRATIVE EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Salaries, wages and other benefits including retirement benefits	31.1	195,372	143,950
Travelling and conveyance		4,024	16,081
Printing and stationery		3,228	3,804
Repair and maintenance		24,329	27,713
Legal and professional charges		28,242	31,939
Auditor's remuneration	31.2	4,534	4,383
Rent, rates and taxes		2,700	2,471
Postage and telephone		6,518	7,362
Entertainment		18,195	14,916
Ijarah payments		43,197	36,481
Fees and subscription		53,052	32,673
Depreciation	31.3	20,129	14,364
Amortisation		-	423
Charity and donations	31.4	3,624	676
Insurance		1,520	915
Vehicle running and maintenance		22,705	26,163
Others		10,706	2,793
		442,075	367,107

31.1 These include Rs. 14.79 million (2023: Rs. 11.21 million) against staff retirement benefit.

31.2 Auditor's remuneration

	2024	2023
	(Rupees in '000)	
Audit Services		
Audit fee	2,600	2,600
Half yearly review fee	484	484
Out of pocket expenses	933	933
	4,017	4,017
Fee for review of compliance with Code of Corporate Governance	275	275
Certifications for regulatory purposes	242	91
	4,534	4,383

31.3 This incudes depreciation charged on right of use asset.

31.4 These include donations amounting to Rs. 2.5 million to Momina Duraid Foundation and Rs. 0.38 million to Jamia Darul Uloom during the year. There are no donations to any person, institution or organisation in which a director or his spouse had any interest.

32. OTHER INCOME / (EXPENSES)

	Note	2024	2023
		(Rupees in '000)	
Gain on disposal of fixed assets		1,147	1,006
Grant income		-	1,997
Scrap sales		8,075	192
Income on insurance claim		83	-
Exchange loss - net	32.1 & 32.2	(164,286)	(1,023,933)
Gain on restructuring of local long-term syndicate financing	20.1.1	-	139,022
		(154,981)	(881,716)

32.1 This includes gain amounting to Rs. 916.68 million (2023: Rs. 454.75 million) on principal repayment of foreign currency loan realised during the year.

32.2 This represents the difference between the exchange rate on the date of shipment of goods and payment of foreign currency purchase price of the goods or receipts against exports. However, outstanding liability against purchase or receivable against exports is remeasured at the rate prevailing on the date of statement of financial position and the difference is also recorded in exchange gain or loss.

33. FINANCE INCOME / (COST) - NET

	2024	2023
	(Rupees in '000)	
Finance income:		
Income from PLS Savings account and term deposit- Islamic	26,012	16,483
Income from defence savings certificates	1,395	1,295
	27,407	17,778
Finance cost:		
Mark-up on short-term financing	(1,449,596)	(934,111)
Mark-up on long-term trade payables	(65,590)	(76,222)
Unwinding of transaction cost	(781)	(9,223)
Mark-up on long-term financing	(3,428,928)	(2,767,829)
Mark-up on lease liability	(974)	(2,251)
Bank charges and commission	(29,164)	(41,151)
	(4,975,033)	(3,830,787)
	(4,947,626)	(3,813,009)

34. LEVY

	2024	(Restated) 2023
	(Rupees in '000)	
Minimum tax u/s 154	**128,348**	93,486

Notes to The Financial Statements
FOR THE YEAR ENDED JUNE 30, 2024

35. TAXATION

	Note	2024	2023
		(Rupees in '000)	
Current	35.4	179,832	209,094
Deferred		476,185	(552,484)
		656,017	(343,390)

35.1 Relationship between income tax and accounting loss

	2024	2023
Loss before taxation and levy	**(1,918,919)**	(80,911)
Tax at the applicable rate of 29% (2023: 29%)	(556,487)	(23,464)
Effect of minimum tax u/s 154	128,348	93,486
Effect of tax credit	(819,598)	(544,761)
Effect of rate differential	1,339,510	(257,943)
Minimum tax u/s 113 lapsed	213,308	133,699
Others	479,284	349,079
	784,365	(249,904)

35.2 For contingencies relating to taxation, please refer note 27.9.

35.3 The tax returns have been filed up to tax year 2023 (corresponding to financial year ended June 30, 2023) which are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

35.4 Current tax charge has been calculated taking into account tax credit available under section 65E of the Income Tax Ordinance, 2001.

35.5 The Company computes current tax expense based on the generally accepted interpretation of the tax laws to ensure that sufficient provision for purpose of taxation is available. According to management, the tax provision made in these financial statements is sufficient.

36. LOSS PER SHARE

	2024	2023
	(Rupees in '000)	
Basic		
Profit / (loss) after taxation attributable to ordinary shareholders	(2,703,284)	168,993
Adjustment for cumulative preference shares' dividend	(493,442)	(378,772)
Loss after taxation for calculation of basic loss per share	**(3,196,726)**	(209,779)
	(Number of Shares in '000)	
Ordinary shares at July 1	1,111,870	1,111,870
Effect of conversion of cumulative preference shares	10	-
Weighted average number of ordinary shares outstanding at June 30	1,111,880	1,111,870
Loss per share in rupee - basic	**(2.88)**	(0.19)

Diluted

Diluted earnings per share has not been presented for year ended June 30, 2024 as it has anti-dilutive effect on earnings per share.

The effect of dividend of Cumulative Preference Shares is not accounted for in calculation of weighted average number of potential ordinary shares.

37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

Financial risk management

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

37.1 Financial assets and liabilities by category and their respective maturities

	2024			2023		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
	(Rupees '000)					
Financial assets						
At amortised cost						
Long term investments	-	28,268	28,268	-	26,873	26,873
Long term deposits	-	56,069	56,069	-	63,359	63,359
Trade receivables	294,896	-	294,896	276,087	-	276,087
Advances and other receivables	170,709	-	170,709	129,796	-	129,796
Trade deposits and short term prepayments	9,336	-	9,336	13,135	-	13,135
Short-term investments	31,099	-	31,099	26,399	-	26,399
Cash and bank balances	503,468	-	503,468	409,823	-	409,823
At fair value through profit or loss						
Derivative financial asset	2,186,893	-	2,186,893	3,509,149	-	3,509,149
	3,196,401	84,337	3,280,738	4,364,389	90,232	4,454,621
Financial liabilities						
At amortised cost						
Long-term financing	-	14,877,802	14,877,802	-	17,328,806	17,328,806
Current portion of long term financing	1,389,533	-	1,389,533	1,512,536	-	1,512,536
Trade and other payables	1,912,751	-	1,912,751	3,388,862	-	3,388,862
Long-term trade payables	111,647	356,493	468,140	91,680	470,634	562,314
Unclaimed Dividend	126	-	126	126	-	126
Accrued mark-up	2,044,231	-	2,044,231	1,923,466	-	1,923,466
Long-term lease liability	-	-	-	-	-	-
Current portion of Lease liability	-	-	-	17,326	-	17,326
Short-term financing	6,269,067	-	6,269,067	5,012,000	-	5,012,000
	11,727,355	15,234,295	26,961,650	11,945,996	17,799,440	29,745,436
On statement of financial position date gap	(8,530,954)	(15,149,958)	(23,680,912)	(7,581,607)	(17,709,208)	(25,290,815)
Net financial (liabilities) / asset						
Interest bearing	(9,564,930)	(15,206,027)	(24,770,957)	(8,341,840)	(17,772,567)	(26,114,407)
Non-interest bearing	1,033,976	56,069	1,090,045	760,233	63,359	823,592
	(8,530,954)	(15,149,958)	(23,680,912)	(7,581,607)	(17,709,208)	(25,290,815)

37.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security / advance payments, wherever considered necessary).

The maximum exposure to credit risk at the reporting date is:

	2024	2023
	(Rupees in '000)	
Long-term deposits	56,069	63,359
Trade receivables	294,896	276,087
Advances and other receivables	170,709	129,796
Trade deposits	9,337	13,135
Bank balances	502,770	409,035
	1,033,781	891,412

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of Banks with which balances are held or credit lines available:

Bank	Rating Agency	Rating	
		Short-term	Long-term
Allied Bank Limited	PACRA	A1+	AAA
Al Baraka Bank Limited	JCR-VIS	A-1	A+
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AA+
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
The Bank of Khyber	PACRA	A1	A+
The Bank of Punjab	PACRA	A1+	AA+
Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	A-1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	JCR-VIS	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA-
National Bank of Pakistan	PACRA	A1+	AAA
Samba Bank Limited	PACRA	A1	AA
Bank Makramah Limited *(formerly Summit Bank Limited)**	JCR-VIS	A-3	BBB-
Soneri Bank Limited	PACRA	A1+	AA-
United Bank Limited	JCR-VIS	A-1+	AAA
Meezan Bank Limited	JCR-VIS	A-1+	AAA

* The rating has been announced on November 23, 2018. No rating is available for Bank Makramah Limited (formerly Summit Bank Limited) for 2024.

37.2.1 The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

	2024	2023
	(Rupees in '000)	
Domestic	367,569	332,841
Exports	33	26,353
	367,602	359,194

37.2.2 The maximum exposure to credit risk for trade receivable at the reporting date by the type of customers is as follows:

	2024	2023
	(Rupees in '000)	
Dealers / distributors	41,566	23,542
End-user customers / exports	326,036	335,652
	367,602	359,194

37.2.3 Expected Credit Loss (ECL)

The aging of trade receivables at the reporting date was:

	2024		2023	
	Gross receivables	**ECL**	Gross receivables	ECL
	(Rupees in '000)		(Rupees in '000)	
1-30 days	197,049	4,328	214,187	4,993
31-60 days	37,640	669	22,000	513
61-365 days	68,848	3,644	58,546	13,140
Over 365 days	64,065	64,065	64,461	64,461
	367,602	72,706	359,194	83,107

37.2.4 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

37.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfil its financial obligations. The following are the contractual maturities of financial liabilities, including interest payment:

	2024					
	Carrying amount	**Contractual cash flows**	**Six months or less**	**Six to twelve months**	**One to five years**	**More than five years**
Financial liabilities	**(Rupees in '000)**					
Long-term financing - secured	16,267,335	(16,424,496)	(1,065,517)	(1,188,520)	(11,461,519)	(2,708,940)
Long-term trade payables	468,140	(547,349)	(95,834)	(68,000)	(383,515)	-
Trade and other payables	3,186,426	(3,186,426)	(3,186,426)	-	-	-
Accrued mark-up	2,044,231	(2,044,231)	(2,044,231)	-	-	-
Short-term financing - secured	6,269,067	(6,269,067)	(6,269,067)	-	-	-
Lease liabilities	-	-	-	-	-	-
Unclaimed dividend	126	(126)	(126)	-	-	-
	28,235,325	(28,471,695)	(12,661,201)	(1,256,520)	(11,845,034)	(2,708,940)

	2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
Financial liabilities	(Rupees in '000)					
Long-term financing - secured	18,841,342	(19,020,773)	(1,219,840)	(1,219,840)	(11,163,214)	(5,417,879)
Long-term trade payables	470,634	(705,478)	(92,599)	(68,000)	(544,879)	-
Trade and other payables	4,527,395	(4,527,395)	(4,527,395)	-	-	-
Accrued mark-up	1,923,466	(1,923,466)	(1,923,466)	-	-	-
Short-term financing - secured	5,012,000	(5,012,000)	(5,012,000)	-	-	-
Lease liabilities	17,326	(18,259)	(9,129)	(9,130)	-	-
Unclaimed dividend	126	(126)	(126)	-	-	-
	30,792,289	(31,207,497)	(12,784,555)	(1,296,970)	(11,708,093)	(5,417,879)

37.3.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

37.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk. The Company is exposed to currency risk and interest rate risk only.

a) Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Exposure to currency risk

The Company is exposed to currency risk on export sales and import purchases in a currency other than Rupees. Further, the Company has availed foreign currency loans which also exposes it to the currency risk. However the Company has hedged its foreign currency exposure by entering into cross currency swap.

The Company's exposure to foreign currency risk is as follows:

	2024			2023		
	(Rupees in '000)	(US Dollars in'000)	(EUR in'000)	(Rupees in '000)	(US Dollars in'000)	(EUR in'000)
Long-term trade payables	(55,668)	(200)	-	(85,797)	(300)	-
Trade receivables	33	-	-	26,353	92	-
Foreign currency loan						
- denominated in EUR	(1,408,761)	-	(4,732)	(2,073,224)	-	(6,625)
- denominated in USD	(3,423,340)	(12,299)	-	(4,421,125)	(15,459)	-
Gross exposure	(4,887,736)	(12,499)	(4,732)	(6,553,793)	(15,667)	(6,625)
Hedging arrangement	2,320,924	12,299	4,732	3,249,332	15,459	6,625
Net exposure	**(2,566,812)**	**(200)**	**-**	(3,304,461)	(208)	-

	Average rates		Reporting date rate	
	2024	2023	2024	2023
	Rupees		Rupees	
US Dollars	283.20	248.04	278.34	285.99
EURO	306.70	260.52	297.69	312.93

Sensitivity analysis

A ten percent strengthening or weakening of the Rupee against USD and EUR as at the year end would have increased or decreased the equity and profit or loss by an amount shown in the table below. This analysis assumes that all other variables, in particular the interest rates, remain constant. The analysis was performed on the same basis for 2023.

	2024	2023
	(Rupees in '000)	
Effect on profit or loss on 10% weakening of Rupee	(5,564)	(5,944)
Effect on profit or loss on 10% strengthening of Rupee	5,564	5,944

The sensitivity of foreign exchange rates looks at the outstanding foreign exchange balances of the Company only as at the balance sheet date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentages per annum.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from long-term loan, bank balances, lease liability and short-term running finance. Other risk management procedures are same as those mentioned in the credit risk management.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were as follows:

	2024	2023
	(Rupees in '000)	
Fixed rate instruments		
Financial assets		
- Term deposits	130,674	130,673
Variable rate instruments		
Financial assets		
- Bank balances	122,348	92,669
Financial liabilities		
- Short term financing	6,269,067	5,012,000
- Long term financing	16,267,335	18,841,342
	22,536,402	23,853,342

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have net decreased / increased the profit or loss of the Company for the year ended June 30, 2024 by Rs. 224.14 million (2023: Rs. 238.53 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

c) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual financial instrument Company, its issuer, or factors affecting all similar financial instrument traded in the market.

At present, the Company is not exposed to any other price risk.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	2024				
	Short term borrowings used for cash management purpose	Long term Borrowings	Hedging Reserve	Loan from related party	Total
	(Rupees in '000)				
Balance as at 1 July 2023	5,340,899	20,143,187	125,309	292,722	25,902,117
Changes from financing cash flows					
Proceeds of long term loan	-	-	-	-	-
Repayment of long term loan	-	(1,513,373)	-	-	(1,513,373)
Total changes from financing activities	-	(1,513,373)	-	-	(1,513,373)
Other changes - interest cost					
Interest expense	1,449,596	3,428,928	-	-	4,878,524
Interest paid - note 37.4.1	(1,365,166)	(3,356,652)	-	-	(4,721,818)
Unwinding of transaction cost	-	781	-	-	781
Exchange gain / (loss) on hedged loan	-	(1,097,356)	-	-	(1,097,356)
Changes in short-term financing	1,257,067	-	-	-	1,257,067
Total loan related other changes	1,341,497	(1,024,300)	-	-	317,197
Total equity related other changes	-	-	(125,309)	-	(125,309)
Balance as at 30 June 2024	6,682,396	17,605,514	-	292,722	24,580,632

	2023				
	Short term borrowings used for cash management purpose	Long term Borrowings	Hedging Reserve	Loan from related party	Total
	----- (Rupees in '000) -----				
Balance as at 1 July 2022	2,909,718	20,833,248	-	310,377	24,053,343
Changes from financing cash flows					
Proceeds from long term loan	-	-	-	-	-
Repayment of long term loan	-	(2,444,044)	-	-	(2,444,044)
Total changes from financing activities	-	(2,444,044)	-	-	(2,444,044)
Other changes - interest cost					
Interest expense	934,111	2,767,829	-	-	3,701,940
Interest paid - note 37.4.1	(731,003)	(2,777,561)	-	(17,655)	(3,526,219)
Gain on restructuring	-	(139,022)	-	-	(139,022)
Exchange gain on hedged loan	-	1,902,738	-	-	1,902,738
Changes in short-term financing	2,228,073	-	-	-	2,228,073
Total loan related other changes	2,431,181	1,753,983	-	(17,655)	4,167,509
Total equity related other changes	-	-	125,309	-	125,309
Balance as at 30 June 2023	5,340,899	20,143,187	125,309	292,722	25,902,117

37.4.1 This includes mark-up paid under Islamic mode of financing amounting to Rs. 4.40 billion (2023: Rs. 3.37 billion).

37.5 Hedging activities and derivatives

The Company uses derivatives to hedge exposure from some of its foreign currency transactions. These include cross currency swaps which are designated as cash flow hedge and qualify for hedge accounting (note 2.17).

Cash flow hedges

During the year, the Company had held cross currency swap with commercial banks, designated as cash flow hedge of expected future principal repayments of loan from foreign lenders. The cross currency swap were being used to hedge the currency risk in respect of long-term financing as stated in note 20.4 to these financial statements.

The critical terms of the cross currency swap contracts have been negotiated to match the terms of the aforementioned financial liability (note 12). Therefore an economic relationship exists.

Hedge ratio is based on hedging instrument with the same notional amount in foreign currency terms as the underlying exposure results in hedge ratio of 1:1 or 100%.

The following potential sources of ineffectiveness are identified:

- The fair value of the hedging instrument on the hedge relationship designation date (if not zero);

- Changes in the contractual terms or timing of the payments on the hedged item; and

- a change in the credit risk of the Company or the counter party to the cross currency swap.

37.6 Capital risk management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distribution to ordinary shareholders.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not required to maintain any regulatory capital.

The debt to capital ratio at June 30 was as follows:

	2024	2023
	(Rupees in '000)	
Total borrowings - note 20 & 26	22,536,402	23,853,342
Cash and bank - note 15	(503,468)	(409,823)
Net debt	22,032,934	23,443,519
Equity	19,419,121	17,568,027
Total capital	41,452,055	41,011,546
Debt to capital ratio	53:47	57:43

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2024, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for derivatives which are carried at level 2 of fair value hierarchy.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation technique used is as follows:

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2024:

	2024			
Financial assets	Level 1	Level 2	Level 3	Total
		(Rupees in '000)		
Derivative assets - at fair value through profit and loss	-	2,186,893	-	2,186,893

39. CASH GENERATED FROM OPERATIONS

	2024	2023
	(Rupees in '000)	
Loss before taxation and levy	(1,918,919)	(80,911)
Adjustment for:		
Depreciation and amortisation	949,785	981,506
Finance cost on short-term financing - Islamic	1,227,661	868,637
Finance cost on short-term financing - Conventional	221,935	65,474
Mark up on lease liability	974	2,251
Finance cost on long-term financing - Islamic	3,320,434	2,626,138
Finance cost on long-term financing - Conventional	108,494	141,691
Mark-up on long-term trade payables	65,590	76,222
Unwinding of gain on modification of loan	781	9,223
Exchange loss	164,286	1,023,933
Gain on restructuring of local long-term syndicate financing	-	(139,022)
Gain on disposal of property plant and equipment	(1,147)	(1,006)
Grant income	-	(1,997)
Finance income	(27,407)	(17,778)
Reversal allowance on trade receivables	(10,401)	(8,978)
Provision for gratuity	72,748	54,890
	6,093,733	5,681,184
Operating profit before working capital changes	4,174,814	5,600,273
Change in working capital		
(Increase) / Decrease in current assets		
Inventories	573,328	(1,229,246)
Stores, spares and loose tools	(1,895,722)	287,538
Trade receivables	(48,375)	(216,835)
Advances and other receivables	129,392	316,538
Trade deposits and short-term prepayments	(14,586)	(25,379)
	(1,255,963)	(867,384)
Decrease in current liabilities		
Decrease in trade and other payables	(1,390,026)	(505,171)
Cash generated from operations	**1,528,825**	4,227,718

40. CASH AND CASH EQUIVALENTS

	2024	2023
	(Rupees in '000)	
Cash and bank balances	503,468	409,823
Short-term financing		
- Running finance	(270,443)	(300,000)
- Istisna / Running Musharika maturity within 3 months	(4,648,624)	(3,812,000)
	(4,415,599)	(3,702,177)

41. ANNUAL PRODUCTION CAPACITY

	Note	2024	2023
Production capacity		Metric tons	
- Clinker		3,210,000	3,210,000
- Cement		3,370,500	3,370,500
Actual production			
- Clinker	41.1	2,285,325	2,297,890
- Cement	41.2	1,691,795	1,924,996

41.1 Clinker production capacity utilization is 71.19% (2023: 71.59%) of total installed capacity.

41.2 Cement production capacity utilization is 50.19% (2023: 57.11%) of total installed capacity. Actual production is less than the installed capacity in response to market demand.

42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of associated undertakings, other related group companies and persons, major shareholders, directors of the Company, staff retirement benefit fund and key management personnel. The Company carries out transactions with various related parties in the normal course of business and all the transactions with related parties have been carried out in accordance with agreed terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Amounts due to related parties are shown under respective note to the financial statement. Details of transactions / balances with related parties other than those disclosed elsewhere in the financial statements are as follows:

Name of the related party	Relationship	Transactions during the year and year end balances	2024	2023
			------------ (Rupees in'000) ------------	
Aisha Steel Mills Limited	Associated company by virtue of common directorship	- Sale of goods	-	767
		- Payment received	-	774
		- Advance from customer	69	69
		- Services received	2,500	-
		- Payments made	1,500	-
		- Amount payable	1,000	-
Safe Mix Concrete Limited	Associated company by virtue of common directorship	- Sale of goods	353,328	371,978
		- Payment received	355,725	353,116
		- Receivable from customer	9,573	11,970
Green Store (Private) Limited	Associated company by virtue of common directorship	- Goods received	208	-
		- Payment made	208	-
All Pakistan Cement Manufacturers Association	Associated company by virtue of common directorship	- Membership fee	1,500	1,500
		- Payments made	1,500	1,500
Javedan Corporation Limited	Associated company by virtue of common directorship	- Sale of goods	60,075	94,908
		- Payment received	64,022	38,021
		- Receivable from customer	32,968	36,915
Biomasdar (Pakistan) Limited	Associated company by virtue of common directorship	- Sale of goods	10,106	-
		- Payment received	10,106	-
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	- Services received	25,662	29,347
		- Lease rental	22,164	16,600
		- Contribution received	-	456,000
		- Contribution outstanding	1,066,000	1,236,000
		- Contribution repaid	170,000	-
		- Payments made	45,237	44,377
		- Amount payable against services received	4,362	1,773

Name of the related party	Relationship	Transactions during the year and year end balances	2024	2023
			------------ (Rupees in'000) ------------	
Arif Habib Corporation Limited	Associated company by virtue of common directorship	- Mark-up paid	-	16,179
		- Guarantee commission accrued	875	903
		- Guarantee commission paid	903	875
		- Guarantee commission payable	211	239
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	- Contribution / loan received	2,485,700	807,000
		- Contribution outstanding	3,292,700	807,000
		- Loan repaid	308,760	309,013
		- Mark-up accrued	198,229	263,250
		- Mark-up paid	253,773	253,987
		- Loan payable (including mark-up)	827,260	1,191,564
Memon Health & Education Foundation	Associated company by virtue of common directorship	- Sale of goods	3,862	4,518
		- Payment received	3,862	4,424
		- Advance from customer	192	192
Globe Residency REIT	Associated company by virtue of common directorship	- Sale of goods	33,163	9,828
		- Payment received	24,402	6,389
		- Receivable from customer	12,200	3,439
Rahat Residency REIT	Associated company by virtue of common directorship	- Sale of goods	2,600	607
		- Payment received	2,563	-
		- Receivable from customer	644	607
Signature Residency REIT	Associated company by virtue of common directorship	- Sale of goods	3,857	-
		- Payment received	427	-
		- Receivable from customer	3,430	-
Silk Islamic Development REIT	Associated company by virtue of common directorship	- Sale of goods	-	4,781
		- Payment received	1,405	3,376
		- Receivable from customer	-	1,405
Mr. Arif Habib	Substantial shareholder	- Contribution received	3,970,000	-
		- Contribution outstanding	7,341,300	4,957,000
		- Contribution repaid	1,585,700	1,263,000
		- Mark-up paid	-	1,263
		- Mark-up payable on previous loans	292,722	292,722
Samba Bank Limited	Associated company by virtue of common directorship	- Mark-up paid	28,182	16,242
		- Mark-up accrued	29,965	17,208
		- Bank charges paid	94	181
		- Payable against long term loan	966	986
		- Payable against running finance	270,443	300,000
		- Mark-up payable	7,045	5,262

Name of the related party	Relationship	Transactions during the year and year end balances	2024	2023
			------------ (Rupees in'000) ------------	
EFU Life Assurance Limited	Associated company by virtue of common directorship	- Services received	4,039	3,750
		- Payments made	4,039	3,079
Pakistan Stock Exchange Limited	Associated company by virtue of common directorship	- Services received	2,049	2,389
		- Payments made	2,049	2,389
Fatima Packaging Limited	Associated company by virtue of common directorship	- Purchase of goods	1,341,446	958,321
		- Payments made	1,173,577	826,525
		- Amount payable	337,742	169,873
FLSmidth A/S	Related party by virtue of nominee director	- Purchase of goods	539,306	146,077
		- Payment made	552,510	152,732
		- Advance to vendor	53,013	39,809
Fatima Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	7,732	-
		- Payments made	7,900	-
		- Advance to vendor	168	-
Pakarab Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	-	6,286
		- Payments made	2,246	5,731
		- Amount payable	-	2,246
All members of Company's Management Team and Director's	Key management	- Remuneration and other benefits	363,868	276,024
		- Retirement benefits	25,274	20,507
		- Directors' fees	400	550
		- Advances disbursed to employees	84,670	40,425
		- Advances repaid by employees	94,165	36,747
		- Advances to employees	41,934	51,429
Staff retirement benefit fund	Other related party	- Charge during the year	72,748	54,890
		- Contribution during the year	41,378	34,025
		- Payable to gratuity fund	234,977	170,307

42.1 Following are the related parties with whom the Company had entered into transactions during the year or have arrangements / agreement in place :

S.No.	Name of Related Party	Relationship	Direct Shareholding %
1	Aisha Steel Mills Limited	Associated Company(Common directorship)	Nil
2	Safe Mix Concrete Limited	Associated Company(Common directorship)	Nil
3	Green store (Private) Limited	Associated Company(Common directorship)	Nil
4	All Pakistan Cement Manufacturing Association	Associated Company(Common directorship)	Nil
5	Javedan Corporation Limited	Associated Company(Common directorship)	Nil
6	Biomasdar (Pakistan) Limited	Associated Company(Common directorship)	Nil
7	Rotocast Engineering Company (Pvt) Ltd.	Associated Company(Common directorship)	Nil
8	Arif Habib Corporation Limited	Associated Company(Common directorship)	5.18%
9	Arif Habib Equity (Private) Limited	Associated Company(Common directorship)	21.27%
10	Memon Health & Education Foundation	Associated Company(Common directorship)	Nil
11	Globe Residency REIT	Associated Company(Common directorship)	Nil
12	Rahat Residency REIT	Associated Company(Common directorship)	Nil
13	Signature Residency REIT	Associated Company(Common directorship)	Nil
14	Silk Islamic Development REIT	Associated Company(Common directorship)	Nil
15	Mr. Arif Habib	Sponsor / Substantial Shareholder	24.96%
16	Samba Bank Limited	Associated Company(Common directorship)	Nil
17	EFU Life Assurance Limited	Associated Company(Common directorship)	Nil
18	Pakistan Stock Exchange Limited	Associated Company(Common directorship)	Nil
19	Fatima Packaging Limited	Associated Company(Common directorship)	Nil
20	FLSmidth A/S	Related Party (Nominee director)	1.83%
21	Fatima Fertilizer Company Limited	Associated Company(Common directorship)	Nil
22	Pakarab Fertilizers Limited	Associated Company(Common directorship)	Nil
23	Staff retirement benefit fund	Other Related Party	Nil

42.2 Outstanding balances with related parties have been separately disclosed in trade receivables, other receivables and trade and other payables respectively. These are settled in ordinary course of business.

42.3 Remuneration of Chief Executive, Directors and Executives

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees '000)					
Managerial remuneration	34,285	19,218	-	-	329,583	256,806
Retirement benefits	1,600	1,600	-	-	23,674	18,907
Directors' fees	-	-	400	550	-	-
	35,885	20,818	400	550	353,257	275,713
	1	1	7	7	49	44

The Executives are provided with free use of company maintained car and are also provided with medical facilities in accordance with their entitlements.

Executive means an employee of a listed company other than the chief executive and directors whose basic salary exceeds Rs. 1.2 million in a financial year.

Notes to The Financial Statements
FOR THE YEAR ENDED JUNE 30, 2024

42.4 Directors' fee paid to 2 (2023: 2) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 0.40 million (2023: Rs. 0.55 million).

43. NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2024	2023
Number of employees as at June 30		
- factory	400	420
- office	90	85
	490	505
Average number of employees during the year		
- factory	403	421
- office	87	84
	490	505

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on September 25, 2024.

Chief Financial Officer

Chief Executive

Director

Categories of Shareholders

As at June 30, 2024
Ordinary Shares

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage (%)
Directors, Chief Executive and their spouse(s) and minor children			
Mr. Nasim Beg	1	5,243	0.00
Mr. Mohammad Kashif	1	2,623,082	0.24
Mr. Abdus Samad Habib	1	2,621	0.00
Mr. Javed Kureishi	1	1	0.00
Syed Salman Rashid	2	75,582,119	6.80
Mr. Khursheed Anwer Jamal	1	85,352	0.01
Ms. Zainab Kashif	1	8	0.00
	8	**78,298,426**	**7.04**
Associated Companies, Undertakings and Related Parties	**10**	**697,881,360**	**62.77**
Banks Development Financial Institutions, Non-Banking Financial Institutions	**3**	**2,054**	**0.00**
Insurance Companies	**3**	**1,146,999**	**0.10**
Modarabas and Mutual Funds	**3**	**2,983,668**	**0.27**
General Public			
Local	8,768	285,432,283	25.67
Foreign	895	2,431,903	0.22
	9,663	**287,864,186**	**25.89**
Foreign Companies	**16**	**1,929,608**	**0.17**
Others	**93**	**41,778,853**	**3.76**
Total	**9,799**	**1,111,885,154**	**100.00**

Shareholders holding 10% or more	No. of Shareholders	No. of Shares Held	Percentage (%)
Arif Habib Equity (Pvt) Ltd	**1**	**207,778,060**	**18.69**
Muhammad Arif Habib	**1**	**312,856,652**	**28.14**

Pattern of Shareholding

As at June 30, 2024
Ordinary Shares

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
781	1	100	19,968
1,236	101	500	494,663
1,205	501	1000	1,157,685
2,807	1001	5000	8,429,155
1,216	5001	10000	9,899,051
536	10001	15000	6,971,079
357	15001	20000	6,647,627
228	20001	25000	5,368,650
184	25001	30000	5,187,524
96	30001	35000	3,174,285
108	35001	40000	4,198,823
54	40001	45000	2,352,353
151	45001	50000	7,465,022
51	50001	55000	2,698,051
43	55001	60000	2,523,494
32	60001	65000	2,035,564
39	65001	70000	2,673,490
39	70001	75000	2,863,467
27	75001	80000	2,117,075
22	80001	85000	1,830,414
20	85001	90000	1,766,815
15	90001	95000	1,394,201
92	95001	100000	9,176,331
23	100001	105000	2,357,485
23	105001	110000	2,485,659
12	110001	115000	1,354,116
10	115001	120000	1,189,088
12	120001	125000	1,492,019
6	125001	130000	768,000
8	130001	135000	1,059,708
8	135001	140000	1,102,338
3	140001	145000	428,502
19	145001	150000	2,841,500
6	150001	155000	922,687
8	155001	160000	1,267,394
8	160001	165000	1,303,543
6	165001	170000	1,016,500
12	170001	175000	2,095,787
4	175001	180000	715,644
4	180001	185000	735,000
4	185001	190000	760,000
5	190001	195000	962,694
24	195001	200000	4,792,632
13	200001	205000	2,630,512
5	205001	210000	1,047,741
2	210001	215000	422,806
6	215001	220000	1,303,722
5	220001	225000	1,124,233
5	225001	230000	1,149,500
3	230001	235000	698,677
5	235001	240000	1,193,500
8	245001	250000	1,996,000

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
4	250001	255000	1,008,291
1	255001	260000	256,000
3	260001	265000	786,531
3	270001	275000	817,500
3	285001	290000	870,000
1	290001	295000	292,000
17	295001	300000	5,100,000
1	300001	305000	300,039
4	305001	310000	1,231,830
1	310001	315000	312,000
3	320001	325000	968,830
1	325001	330000	325,500
4	330001	335000	1,329,500
2	335001	340000	677,000
4	345001	350000	1,400,000
4	355001	360000	1,435,440
2	360001	365000	728,000
2	375001	380000	758,501
1	385001	390000	390,000
1	390001	395000	392,639
4	395001	400000	1,600,000
2	400001	405000	806,826
4	405001	410000	1,629,346
1	410001	415000	415,000
2	415001	420000	836,000
1	420001	425000	425,000
2	435001	440000	873,000
1	440001	445000	443,833
2	445001	450000	898,000
2	450001	455000	905,757
1	455001	460000	459,000
3	460001	465000	1,393,000
2	475001	480000	953,487
1	480001	485000	482,000
1	490001	495000	491,000
10	495001	500000	4,999,500
2	500001	505000	1,004,118
1	525001	530000	527,755
1	535001	540000	536,000
4	545001	550000	2,198,864
1	550001	555000	550,399
1	555001	560000	559,000
1	575001	580000	579,500
3	595001	600000	1,800,000
1	600001	605000	605,000
1	630001	635000	634,500
1	640001	645000	643,846
1	645001	650000	650,000
1	665001	670000	665,500
1	675001	680000	676,169
1	795001	800000	800,000
2	845001	850000	1,700,000
1	865001	870000	866,958
1	880001	885000	885,000
1	885001	890000	888,000
1	895001	900000	900,000
1	900001	905000	900,500
1	935001	940000	938,500

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
9	995001	1000000	8,996,273
1	1015001	1020000	1,020,000
1	1035001	1040000	1,036,500
1	1085001	1090000	1,088,500
1	1135001	1140000	1,137,500
1	1140001	1145000	1,145,000
2	1145001	1150000	2,300,000
1	1200001	1205000	1,203,000
2	1295001	1300000	2,600,000
1	1345001	1350000	1,350,000
1	1365001	1370000	1,365,500
1	1380001	1385000	1,385,000
2	1495001	1500000	3,000,000
1	1500001	1505000	1,502,000
1	1530001	1535000	1,533,168
1	1630001	1635000	1,634,469
1	1645001	1650000	1,650,000
1	1695001	1700000	1,700,000
2	1795001	1800000	3,600,000
1	1840001	1845000	1,843,500
1	1845001	1850000	1,850,000
1	1870001	1875000	1,875,000
3	1925001	1930000	5,788,759
3	1995001	2000000	6,000,000
1	2075001	2080000	2,075,500
1	2300001	2305000	2,304,495
1	2375001	2380000	2,380,000
1	2415001	2420000	2,416,597
1	2485001	2490000	2,488,061
1	2495001	2500000	2,500,000
1	2510001	2515000	2,514,000
1	2550001	2555000	2,554,000
1	2610001	2615000	2,614,000
1	2620001	2625000	2,623,082
1	2665001	2670000	2,666,666
1	2700001	2705000	2,705,000
1	3055001	3060000	3,056,500
1	3395001	3400000	3,400,000
1	3995001	4000000	4,000,000
1	4250001	4255000	4,250,520
1	4570001	4575000	4,572,100
1	4995001	5000000	5,000,000
1	5785001	5790000	5,786,500
1	6395001	6400000	6,400,000
1	7585001	7590000	7,589,000
1	8100001	8105000	8,103,252
1	11995001	12000000	12,000,000
1	16915001	16920000	16,920,000
1	22600001	22605000	22,604,978
1	24150001	24155000	24,152,000
2	40250001	40255000	80,506,670
1	49635001	49640000	49,639,500
1	58660001	58665000	58,662,119
1	85135001	85140000	85,137,652
1	207775001	207780000	207,778,060
1	227715001	227720000	227,719,000
	9,799	**Total**	**1,111,885,154**

Categories of Shareholders

As at June 30, 2024
Preference Shares

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage (%)
Directors, Chief Executive and their spouse(s) and minor children			
Mr. Nasim Beg	1	1,205	0.00
Mr. Mohammad Kashif	1	603,308	0.29
Mr. Abdus Samad Habib	1	602	0.00
	3	**605,115**	**0.29**
Associated Companies, Undertakings and Related Parties	**4**	**112,866,945**	**54.20**
General Public			
Local	336	88,613,324	42.56
Foreign	9	1,713,576	0.82
	345	**90,326,900**	**43.38**
Others	**11**	**4,433,317**	**2.13**
Total	**363**	**208,232,277**	**100.00**

Shareholders holding 10% or more	No. of Shareholders	No. of Shares Held	Percentage (%)
Arif Habib Equity (Pvt.) Ltd	1	73,000,000	35.06

Details of purchase/sale of Shares by Directors, Executives and their Spouse(s)/minor children during FY 2023-24				
Name	**Date of Transaction**	**Nature**	**No. of Shares Held**	**Rate Per Share Rs.**
Mr. Muhammad Arif Habib	August 08, 2023	Sell	25,000,000	6.48
Mr. Muhammad Arif Habib	August 15, 2023	Sell	25,000,000	6.48
Mr. Muhammad Arif Habib	October 05, 2023	Sell	13,000,000	6.49

Pattern of Shareholding

As at June 30, 2024
Preference Shares

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
34	1	100	611
100	101	500	30,085
35	501	1000	27,594
100	1001	5000	227,809
29	5001	10000	195,619
13	10001	15000	156,232
4	15001	20000	72,189
5	20001	25000	116,075
1	25001	30000	26,700
4	30001	35000	126,316
2	35001	40000	74,074
1	40001	45000	40,250
1	45001	50000	46,000
1	50001	55000	53,630
1	55001	60000	58,601
1	60001	65000	63,500
1	65001	70000	69,155
1	70001	75000	75,000
2	95001	100000	195,665
1	110001	115000	111,600
1	190001	195000	190,800
1	350001	355000	353,100
1	435001	440000	438,500
2	440001	445000	888,343
1	455001	460000	460,000
1	570001	575000	572,254
1	600001	605000	603,308
1	670001	675000	675,000
1	700001	705000	702,995
1	750001	755000	755,000
1	755001	760000	756,990
1	795001	800000	797,868
1	880001	885000	881,000
1	905001	910000	907,000
1	995001	1000000	1,000,000
1	1710001	1715000	1,711,208
1	2185001	2190000	2,190,000
1	3995001	4000000	4,000,000
1	4400001	4405000	4,405,000
1	5615001	5620000	5,616,687
1	12095001	12100000	12,098,574
1	16695001	16700000	16,695,831
1	18765001	18770000	18,766,114
1	57995001	58000000	58,000,000
1	72995001	73000000	73,000,000
363	**Total**		**208,232,277**

Name of the related party	Transactions during the year	2024 Rupees in'000'
Silk Islamic Development REIT	- Payment received	1,405
Mr. Arif Habib	- Contribution received	3,970,000
	- Contribution repaid	1,585,700
Samba Bank Limited	- Mark-up paid	28,182
	- Mark-up accrued	29,965
	- Bank charges paid	94
EFU Life Assurance Limited	- Services received	4,039
	- Payments made	4,039
Pakistan Stock Exchange Limited	- Services received	2,049
	- Payments made	2,049
Fatima Packaging Limited	- Purchase of goods	1,341,446
	- Payments made	1,173,577
FLSmidth A/S	- Purchase of goods	539,306
	- Payment made	552,510
Fatima Fertilizer Company Limited	- Purchase of goods	7,732
	- Payments made	7,900
Pakarab Fertilizer Company Limited	- Payments made	2,246
All members of Company's Management Team / Board of Directors	- Remuneration and other benefits	363,868
	- Retirement benefits	25,274
	- Directors' fees	400
	- Advances disbursed to employees	84,670
	- Advances repaid by employees	94,165
Staff retirement benefit fund	- Charge during the year	72,748
	- Contribution during the year	41,378

مالی سال اختتامیہ 30 جون 2024 سے متعلق کمپنی کے مالیاتی گوشواروں کے نوٹ 42 میں ان متعلقہ پارٹیوں کے ساتھ تعلقات کی نوعیت کی بھی نشاندہی کی گئی ہے۔ ڈائریکٹرز صرف ان کی مشترکہ ڈائریکٹرشپ اور شیئر ہولڈنگز کی حد تک قرارداد میں دلچسپی رکھتے ہیں۔ لہذا، اراکین سے درخواست کی جاتی ہے کہ وہ متعلقہ پارٹیوں کے ساتھ لین دین کی توثیق، منظوری اور تصدیق کریں جیسا کہ 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالی گوشواروں میں ظاہر کیا گیا ہے۔

مزید برآں، کمپنی 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران مختلف متعلقہ پارٹیوں کے ساتھ، مناسب سمجھی جانے والی حد تک اور بورڈ آف ڈائریکٹرز سے منظور شدہ یا توثیق شدہ انتظامات یا لین دین وقتاً فوقتاً انجام دیتی رہے گی۔ لین دین کے ان معاملات میں اشیاء اور انوینٹری کی خرید و فروخت، خدمات کی فراہمی، فیس کی ادائیگی، اخراجات کی ادائیگی، قرض کی وصولی یا ادائیگی اور مشارکہ کی سرمایہ کاری، سرمایہ کاری کی غرض سے جائیدادوں کی فروخت یا خریداری شامل ہیں۔ جیسا کہ کچھ ڈائریکٹرز مشترکہ ڈائرکٹرشپس کی وجہ سے متعلقہ پارٹی کے کچھ لین دین میں دلچسپی لے سکتے ہیں، اس لیے کمپنی کو اس طرح کے متعلقہ پارٹی لین دین کرنے کا اختیار دینے اور متعلقہ پارٹیوں کے ساتھ معاہدات کرنے کے لیے بذریعہ ہذا منظوری لی جا رہی ہے، نیز 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کی طرف سے کی جانے والی متعلقہ پارٹی لین دین کو منظور کرنے کے لیے بورڈ آف ڈائریکٹرز کو با اختیار بنایا جا رہا ہے۔

مالی سال اختتامیہ 30 جون 2024 میں متعلقہ پارٹیوں سے لین دین کے معاملات کی تفصیلات درج ذیل ہیں:

Name of the related party	Transactions during the year	2024 Rupees in'000'
Aisha Steel Mills Limited	- Services received	2,500
	- Payments made	1,500
Safe Mix Concrete Limited	- Sale of goods	353,328
	- Payment received	355,725
Green Store (Private) Limited	- Goods received	208
	- Payment made	208
All Pakistan Cement Manufacturers Association	- Membership fee	1,500
	- Payments made	1,500
Javedan Corporation Limited	- Sale of goods	60,075
	- Payment received	64,022
Biomasdar (Pakistan) Limited	- Sale of goods	10,106
	- Payment received	10,106
Rotocast Engineering Company (Private) Limited	- Services received	25,662
	- Lease rental	22,162
	- Contribution repaid	170,000
	- Payments made	45,237
Arif Habib Corporation Limited	- Guarantee commission accrued	875
	- Guarantee commission paid	903
Arif Habib Equity (Private) Limited	- Contribution / loan received	2,485,700
	- Loan repaid	308,760
	- Mark-up accrued	198,229
	- Mark-up paid	253,773
Memon Health & Education Foundation	- Sale of goods	3,862
	- Payment received	3,862
Globe Residency REIT	- Sale of goods	33,163
	- Payment received	24,402
Rahat Residency REIT	- Sale of goods	2,600
	- Payment received	2,563
Signature Residency REIT	- Sale of goods	3,857
	- Payment received	427

ہونا لازم ہے۔شیئر ہولڈرز کی سہولت کے لیے بیلٹ پیپر کمپنی کی ویب سائٹ www.powercement.com.pk پر ڈاؤن لوڈ کرنے کے لیے دستیاب ہے۔

فزیکل شیئرز کی بک انٹری کی صورت میں تبدیلی کے لیے خصوصی نوٹ:

کمپنیز ایکٹ 2017 کے سیکشن 72 اور ایس ای سی پی کے خط نمبر CDC/ED/Misc.2016-639-640 مجریہ 26 مارچ 2021 کی تعمیل میں، لسٹڈ کمپنیوں پر لازم ہے کہ انکی جانب سے جاری کردہ موجودہ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کیا جائے۔ مذکورہ بالا ضرورت کے پیش نظر، کمپنی کے فزیکل شیئرز رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ جلد از جلد اپنے شیئرز کو فزیکل سے بک انٹری فارم میں تبدیل کروالیں۔

فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے سے حصص یافتگان کو کئی طریقوں سے سہولت میسر آسکتی ہے جیسا کہ حصص کی محفوظ تحویل، فوری فروخت اور حصص کی خریداری کے لیے آسانی سے دستیاب مارکیٹ، گم یا خراب ہونے کے خطرے سے حفاظت، رسمی کارروائیوں کے بغیر آسانی کے ساتھ آسان اور محفوظ منتقلی۔ کمپنی کے فزیکل شیئر ہولڈرز فزیکل شیئرز کو بک انٹری فارم میں تبدیل کروانے میں مدد کے لیے کمپنی کے شیئر رجسٹرار سے رابطہ کرسکتے ہیں۔

کسی بھی سوال/مسئلہ/معلومات کے لیے، اراکین کمپنی کے شیئر رجسٹرار سے درج ذیل پتے پر رابطہ کرسکتے ہیں:

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ
سی ڈی سی ہاؤس، 99-بی، بلاک-بی، ایس ایم سی ایچ ایس
مین شاہراہ فیصل، کراچی
ای میل: info@cdcsrsl.com

کمپنیز ایکٹ 2017 کی دفعہ (3)134 کے تحت اہم حقائق کا بیان

ایجنڈا آئٹم نمبر 4

کمپنی معمول کے مطابق انتظامات کرتی ہے اور اپنی پالیسیوں اور قابل اطلاق قوانین اور ضوابط کے مطابق متعلقہ پارٹیوں کے ساتھ لین دین کرتی ہے۔ کچھ متعلقہ پارٹیز سے لین دین کے معاملات، جن میں ڈائریکٹرز کی اکثریت دلچسپی رکھتی ہے، کو کمپنیز ایکٹ 2017 کے سیکشن 207 اور/ یا 208 اور لسٹڈ کمپنیز ریگولیشن نمبر 15 کوڈ آف کارپوریٹ گورننس کیر یگولیشنز، 2019 کے تحت ممبران کی منظوری کیلئے پیش کیا جانا لازم ہوگا۔

مالی سال اختتامیہ 30 جون 2024 کے مالیاتی گوشواروں کے نوٹ نمبر 42 میں تمام متعلقہ پارٹیوں کے لین دین کو بیان کیا جا چکا ہے۔

کمپنی متعلقہ پارٹیوں کے ساتھ کاروبار کے معمول اور منظور شدہ پالیسی کے مطابق لین دین کرتی ہے اور معاہدات کرتی ہے۔ متعلقہ پارٹیوں کے ساتھ کیے گئے تمام لین دین کے لیے بورڈ آڈٹ کمیٹی کی منظوری درکار ہوتی ہے، جس کی صدارت کمپنی کے ایک غیر جانبدار ڈائریکٹر کرتے ہیں۔ بورڈ آڈٹ کمیٹی کی سفارش پر، ایسے لین دین بورڈ آف ڈائریکٹرز کے سامنے منظوری کے لیے پیش کیے جاتے ہیں۔

کمپنی ممبران کو ویڈیو کانفرنس کی سہولت کے مقام کے بارے میں سالانہ اجلاس عام کی تاریخ سے کم از کم پانچ (05) دن پہلے مطلع کرے گی اور اس کے ساتھ اس سہولت تک رسائی کے قابل بنانے کے لیے ضروری مکمل معلومات فراہم کرے گی۔

9۔ خصوصی قراردادوں پر پولنگ:

ممبران کو مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 ("ریگولیشنز") کے مطابق، جیسا کہ SRO 2192(1)/2022 مورخہ 05 دسمبر 2022 کے ذریعے ترمیم کیا گیا، مجریہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") کی جانب سے تمام لسٹڈ کمپنیوں کو ہدایت کی گئی ہے کہ وہ خصوصی امور کے طور پر درجہ بند تمام امور پر ممبران کو ڈاک کے ذریعے اور الیکٹرانک ووٹنگ کی سہولت کے ذریعے ووٹ ڈالنے کا حق فراہم کریں۔

لہذا، کمپنی کے اراکین 24 اکتوبر 2024 کو دوپہر 12:30 بجے منعقد ہونے والے سالانہ اجلاس عام (AGM) میں الیکٹرانک ووٹنگ کی سہولت کے ذریعے یا ڈاک کے ذریعے حق رائے دہی کا استعمال کرنے کے مجاز ہونگے، جیسا کہ مذکورہ قواعد میں مذکور ہے، یہ حق طے شدہ شرائط کے دائرے میں رہتے ہوئے استعمال کیا جاسکتا ہے۔

اراکین بیلٹ پیپر کمپنی کی ویب سائٹ www.powercement.com.pk سے ڈاؤن لوڈ کر سکتے ہیں۔

الف۔ ای ووٹنگ کا طریقہ کار:

I۔ ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان ممبروں کے ساتھ ایک ای میل کے ذریعے شیئر کی جائیں گی جن کے درست CNIC نمبر، موبائل فون نمبر اور ای میل ایڈریس کاروبار کے اختتام 16 اکتوبر 2024 تک کمپنی کے ممبران کے رجسٹر میں مندرج ہوں گے۔

II۔ ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ کے بارے میں، ای میل کے ذریعے اراکین کو مطلع کیا جائے گا۔ سیکورٹی کوڈز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کے ویب پورٹل (ای ووٹنگ سروس فراہم کنندہ ہونے کے ناطے) سے ایس ایم ایس کے ذریعے اراکین کو فراہم کیے جائیں گے۔

III۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی تصدیق بذریعہ الیکٹرانک دستخط کی جائے گی تاکہ وہ لاگ ان کر سکیں۔

IV. ای ووٹنگ لائنیں 20 اکتوبر 2024 صبح 09:00 بجے سے شروع ہوں گی اور 23 اکتوبر 2024 کو شام 5:00 بجے بند ہوں گی، ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی ممبر کی جانب سے قرارداد پر ووٹ ڈالنے کے بعد اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

ب۔ پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار:

اراکین اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل کے ساتھ صحیح طریقے سے پُر اور دستخط شدہ بیلٹ پیپر کمپنی کے رجسٹرڈ پتے عارف حبیب سینٹر، پہلی منزل، 23، ایم ٹی خان روڈ، کراچی پر ڈاک کے ذریعے یا corporate@powercement.com.pk پر ای میل کے ذریعے AGM سے ایک دن پہلے 23 اکتوبر 2024 کو کام کے اوقات کے دوران میٹنگ کے چیئرمین تک پہنچ جائیں۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل

کرنے کی منظوری دے دی ہے بجائے اس کے کہ سالانہ آڈٹ شدہ کھاتوں کو پرنٹ شدہ صورت میں ارسال کیا جائے۔اس لیے کمپنی نے سالانہ رپورٹس شیئر ہولڈرز کو ای میل کے ذریعے ان کے رجسٹرڈ ای میلز پر ارسال کردی ہیں جیسا کمپنیز ایکٹ کے سیکشن 223(6) کے تحت بھی اجازت دی گئی ہے۔ تاہم، وہ شیئر ہولڈرز جو مالیاتی گوشواروں کی پرنٹ شدہ نقل حاصل کرنا چاہتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ www.powercement.com.pk پر موجود "درخواست فارم" پر درخواست لکھ کر کمپنی کے رجسٹرڈ شدہ پتے پر ارسال کردیں۔

6. NTN/CNIC جمع کروانا (لازمی):

انفرادی ممبران جنہوں نے ابھی تک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل کمپنی/شیئر رجسٹرار کو جمع نہیں کرائی ہے، ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنا CNIC (نقل) جلد از جلد کمپنی کے شیئر رجسٹرار، میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو بھیج دیں۔ کارپوریٹ اداروں سے درخواست کی جاتی ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) فراہم کردیں۔ براہ کرم CNIC /NTN تفصیلات کی کاپی کے ساتھ فولیو نمبر بھی فراہم کردیں۔

7. ویب سائٹ پر مالی گوشواروں اور رپورٹس کی دستیابی:

کمپنیز ایکٹ 2017 کے سیکشن 223(7) کے مطابق، 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ /https://powercement.com.pk/financial-reports پر دستیاب ہیں۔

8. ویڈیو کانفرنس کی سہولت کے لیے رضامندی:

کمپنیز ایکٹ 2017 کے سیکشن 134(1)(b) کی تعمیل میں کمپنی کے ممبران ویڈیو کانفرنس کی سہولت کے ذریعے سالانہ اجلاس میں شرکت کر سکتے ہیں۔اگر ممبران کراچی کے علاوہ کسی دوسرے شہر میں رہائش پذیر ہوں، اجتماعی طور پر 10 فیصد یا زیادہ شیئر ہولڈنگ کے مالک ہوں تو، سالانہ اجلاس کی تاریخ سے کم از کم دس (10) دن پہلے ویڈیو کانفرنس کے ذریعے سالانہ اجلاس میں شرکت کا تحریری مطالبہ کریں تو انہیں یہ سہولت فراہم کی جا سکتی ہے۔

اس طرح کی سہولت حاصل کرنے کے لیے، اراکین سے درخواست کی جاتی ہے کہ وہ کمپنی کے رجسٹرڈ دفتر میں مطلوبہ معلومات کے ساتھ درج ذیل فارم جمع کرائیں۔

میں/ہم ____________ ساکنہ/ساکنان ____________
بطور ممبر/ممبران پاور سیمنٹ لمیٹڈ، حاملین ____________ عام حصص بحوالہ رجسٹرڈ فولیو/سی ڈی سی یا اکاؤنٹ نمبر ____________
بذریعہ ہذا، بمقام ویڈیو کانفرنس کی سہولت سے مستفید ہونے کا اختیار استعمال کرنا چاہتا/چاہتی/چاہتے ہوں/ہیں۔

____________ ____________
نام و دستخط تاریخ

میں بھی سہولت فراہم کرتی ہے۔اس سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کرنے کے خواہشمند ممبران/ پراکسیز سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کو بعنوان "پاورسیمنٹ لمیٹڈ کی تینتیسویں سالانہ اجلاس کے لیے رجسٹریشن" corporate@powercement.com.pk پر ارسال کردیں, نیز اسکے ساتھ کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل (دونوں طرف) یا پاسپورٹ (نقل) بھی ارسال کریں۔

شیئر ہولڈر کا نام	فولیو/سی ڈی سی نمبر	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	موبائل نمبر	رجسٹرڈ ای میل ایڈریس

ویڈیو لنک اور لاگ ان کی تفصیلات ان ممبران/ پراکسیز کے ساتھ شیئر کی جائیں گی جن کی جانب سے مندرجہ بالا تمام تفصیلات پر مشتمل ای میل سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہو جائیں گی۔

3۔ پراکسیز کی تقرری اور سالانہ اجلاس عام میں شرکت:

i. اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار رکن کسی دوسرے ممبر کو اپنا پراکسی مقرر کرسکتا ہے جس کے پاس میٹنگ میں شرکت کرنے، اظہار رائے اور ووٹ دینے جیسے حقوق ہوں گے جو کہ ممبر کو دستیاب ہیں۔

ii. پراکسی کا ایک غیر پرشدہ فارم (انگریزی اور اردو میں) سالانہ رپورٹ میں منسلک ہے۔ پراکسی کا فارم کمپنی کی ویب سائٹ www.powercement.com.pk پر بھی دستیاب ہے۔

iii. پراکسی فارمز کے قابل قبول ہونے کیلئے لازم ہے کہ فارم اجلاس سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ شدہ دفتر عارف حبیب سینٹر، پہلی منزل، 23، ایم ٹی خان روڈ، کراچی میں موصول ہو جائے۔

iv. سنٹرل ڈپازٹری کمپنی (سی ڈی سی) کے کھاتہ داروں کو بھی 26 جنوری 2000 کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ سرکلر نمبر 1 میں بیان کردہ رہنما خطوط پر عمل کرنا لازم ہے۔
کسی کارپوریٹ ادارے کی طرف سے پراکسی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی اور کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل یا پراکسی کے پاسپورٹ کی تصدیق شدہ نقل پراکسی فارم کے ساتھ جمع کروانا لازم ہے۔

4۔ حصص داروں کے پتوں میں تبدیلی:

حصص داروں سے درخواست کی جاتی ہے کہ وہ اپنے پتے/ رابطے کی تفصیلات میں کسی بھی قسم کی تبدیلی کی اطلاع شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو فوری طور پر دیں۔ جبکہ سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے متعلقہ سی ڈی سی شریک/ سرمایہ کار اکاؤنٹ سروس سے رابطہ کریں۔

5۔ بذریعہ ای میل آڈٹ شدہ مالیاتی گوشواروں کی ترسیل:

حصص یافتگان کی جانب سے SRO 787(1)/2014 مجریہ 8 ستمبر 2014 اور SRO 470(1)/2016 مجریہ 31 مئی 2016 کے تحت کمپنی کے پچیسویں سالانہ اجلاس عام منعقدہ 15 اکتوبر 2016 میں پہلے ہی سالانہ رپورٹس کو CD/ DVD/ USB/ Email کے ذریعے ارسال

خرید وفروخت، خدمات کی ادائیگی، فیس کی ادائیگی، اخراجات کی ادائیگی، قرض کی وصولی یا ادائیگی اور مشارکہ میں سرمایہ کاری، جائیدادوں کی فروخت یا خریداری میں کی جانے والی سرمایہ کاری جیسے معاملات شامل ہو سکتے ہیں۔ جیسا کہ کچھ ڈائریکٹرز مشترکہ ڈائرکٹرشپس کی وجہ سے متعلقہ پارٹی کے لین دین میں دلچسپی رکھ سکتے ہیں، اس لیے ممبران اس قرارداد کے ذریعے بورڈ کی آڈٹ کمیٹی اور کمپنی کے بورڈ آف ڈائریکٹرز کو تمام متعلقہ پارٹیز سے لین دین کے معاملات کی منظوری، تصدیق اور توثیق کرنے کا اختیار دیتے ہیں۔

"مزید منظور کیا جاتا ہے کہ 30 جون 2025 کو ختم ہونے والی مدت کے لیے متعلقہ پارٹیز سے لین دین کو اراکین کے ذریعے منظور شدہ تصور کیا جائے گا، اور بعد ازاں توثیق اور تصدیق کے لیے آئندہ سالانہ اجلاس عام میں اراکین کے سامنے رکھا جائے گا۔"

دیگر امور:

5. چیئرمین کی اجازت سے کسی دوسرے امور کو زیرِ غور لانا۔

(کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت اہم حقائق سے متعلق ایک بیان اس نوٹس کے ساتھ منسلک کیا گیا ہے)

سلمان گوگن
کمپنی سیکرٹری

3 اکتوبر 2024
کراچی

نوٹس:

1۔ حصص منتقلی کے کھاتوں کی بندش:

کمپنی کے حصص کی منتقلی کے کھاتے 17 اکتوبر 2024 سے 24 اکتوبر 2024 تک (بشمول ایام مذکورہ) بند رہیں گے۔ 16 اکتوبر 2024 کو کاروبار کے اختتام تک کمپنی کے شیئر رجسٹرار، میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-بی، بلاک-بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کے دفتر میں موصول ہونے والی منتقلیوں کو سالانہ اجلاس عام میں شرکت کے لیے بروقت سمجھا جائے گا۔

2۔ بذریعہ ویڈیو لنک سہولت سالانہ اجلاس عام کی کارروائی میں شرکت:

کمپنی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ سرکلرز کے مطابق ویڈیو لنک کی سہولت کے ذریعے اپنے شیئر ہولڈرز کی شرکت

نوٹس برائے تینتیسواں سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ پاور سیمنٹ لمیٹڈ ("کمپنی") کا تینتیسواں سالانہ اجلاس عام بروز جمعرات مؤرخہ 24 اکتوبر 2024 کو دوپہر 12:30 بجے پاکستان اسٹاک ایکسچینج آڈیٹوریم، تیسری منزل، ایڈمن بلاک، اسٹاک ایکسچینج بلڈنگ، اسٹاک ایکسچینج روڈ، کراچی میں منعقد کیا جائے گا، نیز اس اجلاس میں بذریعہ ویڈیو لنک بھی شرکت کی جاسکتی ہے۔ اجلاس ہذا میں درج ذیل امور پر کاروائی کی جائے گی۔

عمومی امور:

1۔ 25 اکتوبر 2023 کو منعقد ہونے والے کمپنی کی سالانہ اجلاس عام کی کاروائی کی تصدیق کرنا۔

2۔ مالی سال اختتامیہ 30 جون 2024 کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں معہ متعلقہ ڈائریکٹرز اور آڈیٹرز رپورٹس کو وصول کرنا، انہیں زیر غور لانا اور اسکی منظوری دینا۔

کمپنیز ایکٹ، 2017 کے سیکشن (7)223 اور SRO 389(I)/2023 مورخہ 21 مارچ 2023 کے مجریہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے تحت، کمپنی کی سالانہ رپورٹ برائے مالی سال اختتامیہ 30 جون 2024 کو کمپنی کی ویب سائٹ پر اپ لوڈ کر دیا گیا ہے جسے درج ذیل لنک یا QR کوڈ تک رسائی حاصل کر کے ڈاؤن لوڈ کیا جاسکتا ہے:

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3۔ آئندہ مالی سال اختتامیہ 30 جون 2025 کے لیے آڈیٹرز کی تقرری اور معاوضہ طے کرنا۔ موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اپنی اہلیت کی بنیاد پر انکی جانب سے اپنی دوبارہ تقرری کی خدمات پیش کی گئی ہیں۔

خصوصی امور:

4. کمپنیز ایکٹ، 2017 (قابل اطلاق حد تک) کے سیکشن 207 اور/ یا 208 کے تحت درج ذیل قراردادوں جو کہ متعلقہ فریقین کے لین دین کے حوالے سے ہیں کو، بطور خصوصی قراردادوں کے، زیر غور لایا جائے اور اگر مناسب سمجھا جائے تو، ترمیم کے ساتھ یا بغیر، ان کی توثیق کی جائے اور انھیں منظور کیا جائے:

"منظور کیا جاتا ہے کہ 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران کمپنی کی جانب سے مختلف متعلقہ پارٹیوں کے ساتھ کیے گئے لین دین کے معاملات، جنھیں 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کے نوٹ 42 اور اہم معاملات سے متعلق بیان کے سیکشن 134(3) میں درج کیا گیا ہے، کی بذریعہ ہذا توثیق وتصدیق کی جاتی اور انھیں منظور کیا جاتا۔

مزید منظور کیا جاتا ہے کہ کمپنی 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران مختلف متعلقہ پارٹیوں کے ساتھ وقتاً فوقتاً انتظامات کرنے یا لین دین کے معاملات کرنے کی مجاز ہے اور اسے بورڈ آف ڈائریکٹرز کے ذریعہ منظور شدہ یا توثیق کی حد تک اجازت دی جاتی ہے۔ اس لین دین میں اشیاء اور انونٹریز کی

- جی ایچ جی (GHG) کے اخراج کی اطلاع دینے میں فعال ماحولیاتی انتظام اور شفافیت۔
- ماحولیاتی اثرات کو کم کرنے میں مسلسل بہتری اور جدت۔
- صاف ستھرا اور سرسبز مستقبل میں اپنا حصہ ڈالنے کیلئے صنعتی طریقہ کار کو پائیدار طریقوں کی جانب منتقل کرنا۔

یہ اقدامات اٹھا کر، پاور سیمنٹ لمیٹڈ نے خود کو سیمنٹ مینوفیکچرنگ سیکٹر میں ایک ذمہ دار اور مستقبل کی سوچ رکھنے والے اہم شخص کے طور پر ثابت کیا ہے، جو ماحولیاتی پائیداری اور کاربن فوٹ پرنٹ کو کم کرنے کے لیے پرعزم ہے۔

بیرونی آڈیٹرز کی تقرری

کمپنی کے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اپنی اہلیت کی بنیاد پر ان کی جانب سے اپنی خدمات ایک مرتبہ پھر پیش کی گئی ہیں۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2025 کو ختم ہونے والے آئندہ مالی سال کے لیے بطور آڈیٹرز مقرر کرنے کی سفارش کی ہے، تا کہ آئندہ سالانہ اجلاس عام میں ممبران سے اس کی منظوری حاصل کی جا سکے۔

متعلقہ پارٹی لین دین

لسٹنگ کے ضوابط کے تقاضوں کی تعمیل میں، کمپنی نے تمام متعلقہ فریقین کے لین دین کو جائزے اور منظوری کے لیے آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیا ہے۔ ان لین دین کی منظوری آڈٹ ؛کمیٹی اور بورڈ اپنے اپنے اجلاسوں میں دے چکے ہیں۔ تمام متعلقہ فریقین کے لین دین کی تفصیلات آڈٹ شدہ مالیاتی گوشواروں میں فراہم کر دی گئی ہیں۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے تمام شراکت داروں — ملازمین، صارفین، سپلائرز، شیئر ہولڈرز، اور بینکرز — کو ان کی غیر متزلزل حمایت کے لیے تہہ دل سے خراج تحسین پیش کرتے ہے۔ آپ کا اعتماد اور خیر سگالی کمپنی کی مسلسل ترقی اور کامیابی کے لیے اہم کردار ادا کرتی رہی ہے۔

ہم تسلیم کرتے ہیں کہ ہماری کامیابیاں اجتماعی کوششوں کا نتیجہ ہیں۔ ہمارے ملازمین کی لگن، ہمارے صارفین کا اخلاص، ہمارے سپلائرز کی اعتماد، ہمارے شیئر ہولڈرز کا اعتماد، اور ہمارے بینکرز کا مسلسل تعاون یہ سب ہمارے سفر میں اہم رہے ہیں۔ ہم آگے بڑھنے کے ساتھ ساتھ ان ضروری تعلقات کو مضبوط بنانے کے لیے پرعزم ہیں۔

برائے ومنجانب بورڈ

محمد کاشف
چیف ایگزیکیٹو آفیسر

نسیم بیگ
چیئرمین

25 ستمبر 2024
کراچی

ان مسائل کوتفصیل کے ساتھ رپورٹ ہذا میں متعلقہ مقام پر بیان کیا گیا ہے۔

کمپنی کے کاروباری افعال کے ماحولیات پر اثرات

آپ کی کمپنی FLSmidth کا پلانٹ ماحول دوست ہے جو IFC اور ورلڈ بینک کے معیارات پر پورا اترتا ہے، جس میں جدید ترین آن لائن کوالٹی کنٹرول سسٹم ہے۔ پلانٹ بہترین معیار کا 53 گریڈ سیمنٹ پیدا کرنے کی صلاحیت رکھتا ہے۔

مزید برآں، بجلی پیدا کرنے کے لیے ویسٹ ہیٹ ریکوری سسٹم (WHRS) پہلے ہی نصب کیا جا چکا ہے اور کمپنی اپنی بجلی کی ضرورت کو پورا کرنے کے لیے شمسی توانائی کا استعمال بھی کر رہی ہے۔ کمپنی کی ہوا سے بجلی بنانے کی جانب اپنی توانائی کی ضروریات کو پورا کرنے کیلئے کوششیں بھی جاری ہیں۔ کمپنی کے پاس SEPA اور SEQS معیارات کی قانونی تعمیل کو یقینی بنانے کے لیے ایک قابل اور اہل HSE ٹیم موجود ہے۔ ماحولیات پر کمپنی کے کاروبار کے اثرات کے حوالے سے متحرک ہونے کے باعث، کمپنی نے دھول کو کنٹرول کے آلات نصب کئے جا چکے ہیں جیسے کہ دھول جمع کرنے والے سائیکلون، بیگ ہاؤسز، ڈمپ ڈاؤن طریقہ سے دھول دبانے، الیکٹروسٹیٹک پریپیٹیٹرز، ذاتی حفاظتی سامان، فضائی آلودگی کنٹرول کرنے والے سسٹم جس کی مدد سے کمپنی کے احاطے میں سانس میں جانے والے چھوٹے چھوٹے ذرات (RSPM) اور سڑک پر آمدورفت سے پیدا ہونے والی دھول (FRD) کو قابو کیا جاتا ہے۔

کمپنی اب جنوبی زون میں ہوا میں فاضل مادے خارج کرنے والے صاف ترین پلانٹ میں سے ایک ہے جس میں مکمل آلودگی کنٹرول بیگ ہاؤس سسٹم ہے۔ پلانٹ کے اخراج کی سطح اب عالمی بینک/IFC رہنما خطوط کی طرف سے اجازت دی گئی کے معیار کے مطابق اخراج کرنے والی حد سے بھی بہتر ہے۔ بیگ فلٹرز Eco E3 فلٹریشن سسٹم کا استعمال کرتے ہوئے جدید ترین یورپی ٹیکنالوجی کو استعمال کیا جا رہا ہے جو پائیداری کے ساتھ دھول کے اخراج کو مؤثر طریقے سے کنٹرول کرتا ہے اور اس طرح کمپنی کو ایک برتری فراہم کرتا ہے۔ اس ڈسٹ کنٹرول سسٹم کے اضافی فوائد میں پلانٹ اور آلات کی مفید زندگی میں اضافہ اور توانائی کے نقصانات میں کمی شامل ہے۔

گرین ہاؤس گیس (GHG) کے اخراج کا کنٹرول اور صاف توانائی کا استعمال

کمپنی نے ماحولیاتی بقاء اور کارپوریٹ سماجی ذمہ داری کے لیے اپنی وابستگی کا مظاہرہ کرتے ہوئے، گرین ہاؤس گیس (GHG) کے اخراج کو کنٹرول کرنے اور ان کے اخراج کو کم از کم کرنے کے لیے اہم اقدامات کیے ہیں۔ کمپنی نے:

1- GHG انوینٹری کے اخراج کی ایک جامع تحقیق کروائی گئی ہے، اس تحقیق کے دائرہ کار میں (1) (ملکیت یا کنٹرول شدہ ذرائع سے براہ راست اخراج) (2) (خرید کی گئی بجلی سے بالواسطہ اخراج) دونوں ہی کو شامل کیا گیا ہے۔

2 - کمپنی کے کاربن فوٹ پرنٹ کو کم کرنے کے لیے توانائی کی کارکردگی کے سلسلے میں درج ذیل اقدامات اٹھائے گئے ہیں:
- بجلی پیدا کرنے کے لیے فاضل حرارت کا استعمال، مشترکہ حرارت اور توانائی (CHP) کے نظام کو ایک ساتھ استعمال کیا جا رہا ہے۔
- اگست 2022 میں 7 میگاواٹ کے سولر پاور پلانٹ کا آغاز کیا گیا، اس اقدام سے توانائی کے ذرائع کو متنوع بنانے میں مدد ملی اور توانائی کے روایتی ذرائع پر انحصار کم کم ہوا۔

3- جی ایچ جی (GHG) کے اخراج میں نمایاں کمی آئی اور اس کے ساتھ:
- مجموعی دائرہ کار 1 کے اعتبار سے، مالی سال 2021 میں tCO2e 1,664,352 اور مالی سال 2022 میں tCO2e 2,048,252 کا کل اخراج۔
- مجموعی دائرہ کار 1 کے اعتبار سے، مالی سال 2021 میں tCO2e 42,384 اور مالی سال 2022 میں tCO2e 43,087 کا اخراج۔
- توانائی کی کارکردگی کے اقدامات کے نتیجے میں مالی سال 2021 میں tCO2e 14,792 اور مالی سال 2022 میں tCO2e 22,613 کے اخراج سے گریز کیا گیا۔

4- کمپنی کی جانب سے درج ذیل اقدامات کے ذریعے پائیداری اور کارپوریٹ سماجی ذمہ داری کے لیے اپنی مکمل وابستگی کا مظاہرہ کیا:

• کارپوریٹ قوانین اور ضوابط سے ڈائریکٹرز کی واقفیت
• کارپوریٹ گورننس

ڈائریکٹرز کے معاوضے کی پالیسی

کمپنی کے غیر جانبدار ڈائریکٹرز کو بورڈ آف ڈائریکٹرز یا بورڈ کی کسی بھی ذیلی کمیٹی کے اجلاس (اجلاسوں) میں شرکت کے لیے فیس ادا کی جارہی ہے جیسا کہ 28 اکتوبر 2019 کو منعقدہ سالانہ اجلاس عام میں منظور کیا گیا تھا۔ معاوضے کی مناسبت ذمہ داری اور مہارت کی سطح کے مطابق ہیں جو کمپنی کو کامیابی سے چلانے کے لیے اور قدر میں اضافے کے اعتبار سے ہیں۔ 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے مالیاتی گوشواروں کے نوٹس میں چیف ایگزیکٹو اور ڈائریکٹرز کو مشاہرے ظاہر کیے گئے ہیں۔

مؤثر داخلی مالیاتی کنٹرول

بورڈ آف ڈائریکٹرز اندرونی کنٹرول کے ماحول کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں اور اس کے مطابق انہوں نے اندرونی مالیاتی کنٹرول کا ایک موثر نظام قائم کیا ہے، تاکہ کاروباری افعال کا موثر انعقاد، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد فنانشل رپورٹنگ کو یقینی بنایا جاسکے۔ کمپنی کا خودمختار اندرونی آڈٹ کا نظام مالیاتی کنٹرول کے نفاذ کی باقاعدگی سے جانچ اور نگرانی کرتا ہے۔

بورڈ آڈٹ کمیٹی بیرونی اور اندرونی آڈیٹرز سے اندرونی مالیاتی کنٹرول کے نظام کے بارے میں رپورٹس حاصل کرتی ہے اور داخلی کنٹرول کے مؤثر ہونے کی نگرانی کے عمل کا جائزہ لیتی ہے۔

ترتیب حصص داری

کمپنی کے عام اور ترجیحی حصص پاکستان اسٹاک ایکسچینج میں درج ہیں۔ بمطابق 30 جون 2024، کمپنی کے 1,111,885,154 (2023: 1,111,870,488) عام حصص اور 208,232,277 (2023: 208,243,277) ترجیحی حصص تھے۔ دوران سال کمپنی کے حصص یافتگان کی جانب سے 11,000 ترجیحی حصص کو 14,666 عام حصص میں تبدیل کیا گیا۔ تفصیلی ترتیب حصص داری اس رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز اور ایگزیکیٹیوز کی جانب سے کمپنی کے حصص کی تجارت

کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ اور ان کی ازواج اور خاندان کے نابالغ افراد کی طرف سے خریدے اور بیچے گئے شیئرز سے متعلق بیان کو رپورٹ ہذا کے ساتھ منسلک کیا گیا ہے۔

مزید برآں، مندرجہ بالا تمام متعلقہ افراد کو مطلع کیا جاتا ہے کہ وہ کمپنی سیکرٹری کو فوری طور پر تحریری نوٹس ارسال کریں جس میں کمپنی کے حصص میں خود ان کی جانب سے یا ان کے ازواج کی جانب سے کی جانے والی ٹریڈنگ، قیمت، حصص کی تعداد اور اس طرح CDC کا بیانیہ جو کہ ایسی لین دین کے 2 دن کے اندر ہو۔

رسک مینجمنٹ اور خطرات کو کم کرنے کی حکمت عملی

بورڈ آف ڈائریکٹرز کی جانب سے ممکنہ خطرات کی نشاندہی کی گئی ہے، آپ کی کمپنی پر ان کے اثرات کا اندازہ لگایا ہے اور کاروبار کے لیے ممکنہ خطرات کو کم از کم کرنے کے لیے حکمت عملی مرتب کی گئی ہے۔ ان حکمت عملیوں کو آپ کی کمپنی کے ہر مرحلے پر نافذ کیا گیا ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ خطرے کی تخفیف میں کوئی خلاء موجود نہیں ہے۔

کمپنی کو درپیش بڑے خطرات اور مسائل درج ذیل ہیں؛

i۔ کمپنی کے منافع پر قرضوں کا دباؤ؛
ii۔ مارکیٹ میں قیمتوں کی وجہ سے سخت مسابقت کا ماحول ہونے کی وجہ سے پیداواری لاگت میں تیزی سے اضافے کو صارفین تک منتقل کرنے میں ناکامی (خاص طور پر کوئلہ اور بجلی کے اخراجات)۔
iii۔ زرمبادلہ اور شرح سود کے خطرات کا سامنا۔
iv۔ نئے پلانٹس اور توسیعی منصوبوں کی وجہ سے مارکیٹ میں سپلائی میں اضافہ۔
v۔ قابل ملازمین کے جانے کی وجہ سے اچھے ملازمین کی قلت کا پیدا ہو جانا۔

انسانی وسائل اور معاوضہ کمیٹی

بورڈ آف ڈائریکٹرز نے ایک انسانی وسائل اور معاوضے کی کمیٹی (HR&RC) قائم کی ہے جو تین ممبران پر مشتمل ہے۔ ان میں سے دو ممبران غیر انتظامی ڈائریکٹرز ہیں۔ انسانی وسائل اور معاوضے کی کمیٹی کی تشکیل لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق کی گئی ہے۔

زیر جائزہ سال کے دوران، انسانی وسائل اور معاوضے کی کمیٹی کا ایک اجلاس منعقد ہوا اور ہر ممبر کی حاضری حسب ذیل ہے:

ممبران کے نام	عہدے	اجلاسوں میں شرکت
جناب جاوید قریشی	چیئرمین	1/1
سید سلمان رشید	ممبر	1/1
جناب محمد کاشف	ممبر	1/1

کارپوریٹ گورننس کا ضابطہ

آپ کی کمپنی کے ڈائریکٹرز کمپنی کی حکمت عملی کی سمت اور کاروباری منصوبوں کا مستقل بنیادوں پر جائزہ لیتے ہیں۔ آڈٹ کمیٹی کو لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی مؤثر تعمیل کے لیے بااختیار بنایا گیا ہے۔ کارپوریٹ گورننس کوڈ کی پاسداری کے سلسلے میں، ہم درج ذیل کی تصدیق کرتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، کمپنی کے معاملات کاروباری افعال کے نتائج، نقد رقوم کی ترسیل اور ایکویٹی میں ہونے والی تبدیلیوں کو شفاف انداز سے پیش کرتے ہیں۔
- کمپنی کی طرف سے کھاتہ داری کی باقاعدہ کتابیں مرتب کی جاتی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو استقلال کے ساتھ بروئے کار لایا گیا ہے اور محاسبی تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں مروجہ بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس سے مسلسل نگرانی کی جاتی ہے۔
- کمپنی کے کاروبار کو ہمیشگی کی بنیاد پر جاری رکھنے میں شک نہیں ہے۔ مزید یہ کہ کمپنی تمام قرضوں کی بروقت ادائیگی کر رہی ہے اور بینکوں کو اپنے قرضوں کی ادائیگی میں کمپنی کو کسی نادہندگی کا سامنا نہیں ہے۔
- جیسا کہ فہرست میں مذکور ہے، کارپوریٹ گورننس کے سنہری اصولوں سے کمپنی کی جانب سے کوئی قابل ذکر روگردانی نہیں کی گئی۔
- کمپنی اپنے ملازمین کے لیے فنڈڈ گریجویٹی اسکیم چلاتی ہے جیسا کہ مالیاتی گوشواروں کے متعلقہ نوٹ میں ظاہر کیا گیا ہے۔
- حصص کی مجموعی تعداد کو ظاہر کرنے والے مقررہ فارمیٹ میں ترتیب حصص داری کو سالانہ رپورٹ کا حصہ بنایا گیا ہے۔
- گزشتہ 6 سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا اس سالانہ رپورٹ کے 'مالی معلومات کے تجزیہ' کے حصے میں بیان کیا گیا ہے۔

بورڈ کے لیے تشخیص کا معیار

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ لینے کے لیے ایک جامع طریقہ کار وضع کیا گیا ہے۔

یہ طریقہ کار بورڈ آف ڈائریکٹرز کی کارکردگی کو درج ذیل معیارات پر جانچتا ہے۔

- بورڈ کی نگرانی اور اس کے اثرات
- بورڈ کی تشکیل اور کمیٹیاں
- بورڈ کے اجلاس اور کارروائی
- بورڈ اور انتظامی تعلقات
- تعلقات اور قیادت کا انتظام

سال کے اختتام کے بعد بورڈ آف ڈائریکٹرز میں تبدیلی

غیر ملکی سرمایہ کاروں کے نمائندہ ڈائریکٹر جناب اینڈرس پالوڈن-مولر نے مؤرخہ 29 اگست 2024 کو بورڈ آف ڈائریکٹرز سے استعفیٰ دے دیا ہے، جس کی وجہ غیر ملکی سرمایہ کاروں کی جانب سے شیئر ہولڈنگ سرمایہ کاری کو فروخت کرنا تھا۔ بورڈ ان کی خدمات کے اعتراف میں انھیں خراج تحسین پیش کرتا ہے۔ استعفیٰ کی وجہ سے خالی ہونے والی اس اسامی کو پُر کرنے کیلیے جناب عارف حبیب کو بورڈ آف ڈائریکٹرز نے 25 ستمبر 2024 سے بطور ڈائریکٹر بورڈ میں شامل کیا۔

بورڈ آف ڈائریکٹرز کے اجلاس

زیرِ نظر مالی سال کے دوران بورڈ آف ڈائریکٹرز (BOD) کے چار اجلاس منعقد ہوئے اور بورڈ ممبران کی حاضری حسب ذیل ہے:

نام	عہدہ	اجلاسوں میں حاضری
جناب نسیم بیگ	چیئرمین	4/4
جناب محمد کاشف	چیف ایگزیکیٹیو آفیسر	4/4
سید سلمان رشید	غیر انتظامی ڈائریکٹر	4/4
جناب عبدالصمد حبیب	غیر انتظامی ڈائریکٹر	2/4
جناب جاوید قریشی	غیر جانبدار ڈائریکٹر	2/4
جناب خورشیدا ے جمال	غیر جانبدار ڈائریکٹر	4/4
محترمہ زینب کاشف	غیر انتظامی ڈائریکٹر	4/4
جناب اینڈریس پالوڈن مولر*	غیر انتظامی ڈائریکٹر	3/4

*29 اگست 2024 کو مستعفی ہو چکے ہیں۔

اجلاسوں میں شرکت نا کرنے والے ڈائرکٹروں کو غیر حاضری کی منظوری دے دی گئی تھی۔

بورڈ کی کمیٹیوں کے اجلاس

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی قائم کی ہے جس میں تین ممبران شامل ہیں، اس کمیٹی کے تمام ممبر غیر انتظامی ڈائریکٹرز ہیں اور چیئرمین ایک غیر جانبدار ڈائریکٹر ہیں۔ آڈٹ کمیٹی کی تشکیل لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق کی گئی ہے۔

زیرِ نظر سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے اور ہر ممبر کی حاضری حسب ذیل ہے۔

ممبران کے نام	عہدے	اجلاسوں میں شرکت
جناب خورشیدا ے جمال	چیئرمین	4/4
سید سلمان رشید	ممبر	4/4
جناب عبدالصمد حبیب	ممبر	3/4

حکومت کی جانب سے مالی سال 2025 کیلئے جی ڈی پی کی شرح نمو کا ہدف 2.5%-3.6% مقرر کیا گیا ہے، جس میں زرعی پیداوار میں ترقی، صنعتی بحالی، اور خدمات کے شعبے کی ترقی میں متوقع ہے۔ افراط زر 11.5% سے 13.5% کے مابین میں رہتے ہوئے معتدل رہنے کا امکان ہے، جبکہ شرح سود میں مزید کمی ہوسکتی ہے۔ بیرونی محاذ پر، سازگار عالمی رجحانات اور مضبوط ترسیلات زر کرنٹ اکاؤنٹ خسارے پر قابو پانے میں مدد کریں گے، اور زرمبادلہ کے ذخائر میں بہتری کی توقع کی جا رہی ہے۔

تاہم، اس رفتار کو برقرار رکھنے کے لیے مالی اہداف کا حصول اور بیرونی ترسیلات زر کو محفوظ بنانا بہت ضروری ہے۔ اہم خطرات بشمول سیاسی عدم استحکام، بیرونی قرضوں کی ادائیگی، عالمی اقتصادی حالات، آب وہوا سے متعلق خطرات، اور مالیاتی نظم وضبط وغیرہ اپنی جگہ موجود ہیں۔

ڈیویڈنڈ اور بونس حصص

موجودہ معاشی اتار چڑھاؤ اور کمپنی کے موجودہ طویل المدتی قرضوں کو پورا کرنے کے لیے کمپنی کے وعدوں کے پیش نظر، بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کسی بھی نقد ڈیویڈنڈ کا اعلان یا بونس حصص جاری نا کرنے کا فیصلہ کیا ہے۔

کریڈٹ ریٹنگ

کریڈٹ ریٹنگ کمپنی وی آئی ایس-جے سی آر (VIS-JCR) لمیٹڈ کی جانب 27 دسمبر 2023 کو کمپنی کو طویل المدتی درجہ بندی کیلئے "-A" (سنگل اے مائنس) اور قلیل المدتی درجہ بندی کیلئے "A-2" (سنگل اے ٹو) ریٹنگ تفویض کی گئی ہے۔

قومی خزانے میں حصہ

کمپنی نے انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر سرکاری محصولات کی مد میں سرکاری خزانے میں 5.14 ارب روپے (بمطابق مالی سال 2023: 3.68 ارب روپے) جمع کرائے۔

بورڈ آف ڈائریکٹرز کی تشکیل

فی الوقت، کمپنی کے بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے:

ڈائریکٹروں کی کل تعداد	8
i۔ حضرات	7
ii۔ خاتون	1

اس وقت، بورڈ آف ڈائریکٹرز کی تشکیل اور ڈائریکٹروں کے نام درج ذیل ہیں:

ڈائریکٹروں کا امتزاج	ڈائریکٹروں کے نام
الف۔ غیر انتظامی ڈائریکٹرز	1۔ جناب نسیم بیگ 2۔ جناب عارف حبیب 3۔ سید سلمان رشید 4۔ جناب عبدالصمد حبیب 5۔ محترمہ زینب کاشف
ب۔ غیر جانبدار ڈائریکٹرز	6۔ جناب جاوید قریشی 7۔ جناب خورشید انور جمال
ج۔ انتظامی ڈائریکٹر	8۔ جناب محمد کاشف

کمپنی کی جانب سے مالی سال 2024 کے لیے 1.92 ارب روپے کا قبل از ٹیکس ولیوی نقصان ریکارڈ کیا گیا ہے، جو کہ مالی سال 2023 میں 80.91 ملین روپے کے نقصان سے کافی زیادہ ہے۔ یہ نمایاں اضافہ بنیادی طور تمویلی لاگت کی وجہ سے ہے جس کی وجہ سے کاروباری منافع متاثر ہوا ہے۔

30 جون 2024 کو ختم ہونے والے مالی سال کے لیے، کمپنی کو 2.70 بلین کا بعد از ٹیکس ولیوی نقصان ہوا، جو کہ واضح طور پر مالی سال 2023 میں 169 ملین کے منافع کے برعکس ہے۔ اس طرح گزشتہ مالی سال کیلئے نقصان فی حصص 0.19 روپے تھا جو اس سال بڑھ کر 2.88 روپے ہو چکا ہے۔

پیداوار اور فروخت کی مقداری کارکردگی

پیداوار	مالی سال 2024	مالی سال 2023	فرق	
	ٹنوں میں		ٹنوں میں	%
کلنکر	2,285,325	2,297,890	(12,565)	(0.54)
سیمنٹ	1,691,795	1,924,996	(233,201)	(12.11)

فروخت	مالی سال 2024	مالی سال 2023	فرق	
	ٹنوں میں		ٹنوں میں	%
کلنکر / سیمنٹ	1,327,656	1,576,278	(248,622)	(15.77)
کلنکر (برآمدات)	785,734	355,339	430,395	121
سیمنٹ (برآمدات)	415,763	469,822	(54,059)	(11.5)
مجموعی فروخت	**2,529,153**	**2,401,439**	**127,714**	**5.31**

زیر نظر مالی سال کے دوران آپ کی کمپنی کی کلنکر کی پیداوار 2,285,325 ٹن تھی، اس پیداوار کیلئے 71% پیداواری صلاحیت کو بروئے کار لایا گیا (مالی سال 2023 میں 72% پیداواری صلاحیت زیر استعمال رہی)۔

زیر نظر مالی سال کے دوران اسپانسر کی مالی اعانت

اسپانسرز اور اس سے منسلک اداروں نے مالی سال 2024 کے دوران 4.7 ارب روپے کا اضافی حصہ ڈال کر کمپنی میں اپنی جاری وابستگی اور اعتماد کا اعادہ کیا ہے، اس طرح ان کی کل شراکت 11.7 ارب روپے تک پہنچ چکی ہے۔

معاشی منظر نامہ

پاکستان کی معیشت مالی سال 2025 میں بھی بڑے مسائل رہنے کا اندیشہ ہے، جس میں کم ٹیکس بتناسب جی ڈی پی، سرکاری کمپنیوں کی خراب کارکردگی، اور غیر رسمی معیشت کو باضابطہ بنانے کے لیے ٹیکس اصلاحات متعارف کروانے کی اشد ضرورت شامل ہیں۔

ان مندرجہ بالا مسائل کے حل کیلئے، حکومت کی جانب سے مالی سال 2025 کے وفاقی بجٹ میں نجکاری اور ٹیکس اصلاحات پر زور دیا گیا ہے۔ پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) میں گزشتہ مالی سال کے مقابلے میں ایک نمایاں اضافہ کیا گیا ہے۔

اگرچہ یہ اقدامات مثبت ہیں، تاہم ان اقدامات کے باوجود اقتصادی بحالی کا راستہ غیر یقینی کا شکار ہے۔ مسلسل مسائل جیسے کہ بلند افراط زر، کرنسی کی قدر میں کمی، اور قرضوں کا بھاری بوجھ معیشت پر مسلسل دباؤ ڈال رہا ہے۔ تاہم، مہنگائی میں حالیہ کمی نے اسٹیٹ بینک آف پاکستان (SBP) کیلئے شرح سود کو کم کرنا ممکن بنایا ہے جس سے ممکنہ طور پر طلب پر مبنی ترقی کو حوصلہ افزائی ملی، مجموعی معاشی منظر محتاط طریقے سے آگے بڑھتا ہوا دکھائی دے رہا ہے۔

پاکستان کی برآمدات کو بین الاقوامی مارکیٹ میں مسابقتی چیلنجز کا سامنا ہے۔ان مسائل کی وجوہات میں کئی عوامل شامل ہیں جیسا کہ بڑھتی ہوئی پیداواری لاگت، ایندھن کی بڑھتی ہوئی قیمتیں، ایکسل لوڈ رجیم کا نفاذ اور اضافی پورٹ چارجز وغیرہ شامل ہیں۔گرتی ہوئی بین الاقوامی برآمدی قیمتوں کے درمیان، یہ مجموعی عوامل پاکستان کی مسابقتی برتری کو نمایاں طور پر کمزور کرنے کا باعث بن رہے ہیں،ان مسائل کے پیش نظر اخراجات کو کم کرنے اور برآمدی عملداری کو بڑھانے کے لیے بنیادی نوعیت کے اقدامات کی ضرورت محسوس ہوتی ہے۔

زیر نظر مالی سال کے دوران مقامی فروخت میں کمی کو بنیادی طور پر کئی مرکب عوامل سے منسوب کیا جا سکتا ہے۔انتہائی بلند افراط زر،تعمیراتی سرگرمیوں میں کمی، اور تعمیراتی سامان کی بڑھتی ہوئی قیمتوں نے اس شعبے کو نمایاں طور پر متاثر کیا ہے۔قابل ذکر بات یہ ہے کہ زیر نظر سال کے بعد فیڈرل ایکسائز ڈیوٹی (FED) 2000روپے سے بڑھ کر 4000 روپے فی میٹرک ٹن تک جا پہنچی، جس کے باعث سیمنٹ کی قیمتوں میں اضافہ ہوا ہے،جس سے موجودہ اور آئندہ آنے والے تعمیراتی منصوبوں کے لیے مالی وسائل پر مزید دباؤ پڑے گا۔مزید برآں،مقامی طلب میں کمی، قیمتوں میں اضافے کے ساتھ ساتھ، پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) کے منصوبوں پر حکومتی اخراجات میں کمی، بلند شرح سود، اور توانائی کے بڑھتے ہوئے اخراجات نے صنعت کو درپیش مسائل کو مزید گھمبیر کر دیا ہے۔

مالیاتی کارکردگی

30 جون 2024 کو ختم ہونے والے مالی سال کے لیے آپ کی کمپنی کی مالیاتی کارکردگی کا تقابلی موازنہ حسب ذیل ہے:

تفصیلات	مالی سال 2024	مالی سال 2023
	روپے ہزاروں میں	
مجموعی فروخت	**38,318,834**	36,404,336
منہا: سیلز ٹیکس / فیڈرل ایکسائز ڈیوٹی / کمیشن / مال برداری	**7,241,620**	7,465,240
فروخت - صافی	**31,077,214**	28,939,096
خام منافع	**6,790,401**	6,932,216
سود ٹیکس ویلیو گراوٹ اور اخراجات کو منہا کرنے سے پہلے کی آمدنی (EBITDA)	**3,978,491**	4,713,605
کاروباری منافع	**3,028,707**	3,732,098
تمویلی لاگت - صافی	**4,947,626**	3,813,009
نقصان قبل از ٹیکس ویلیوی	**(1,918,919)**	(80,911)
منافع / (نقصان) بعد از ٹیکس ویلیوی	**(2,703,284)**	168,993
نقصان فی حصص (روپے میں)	**(2.88)**	(0.19)

مالی سال 2024 میں، پاور سیمنٹ لمیٹڈ نے 31.08 ارب روپے کی خالص مجموعی فروخت حاصل کی، جو کہ مالی سال 2023 میں 28.94 ارب روپے کے مقابلے میں 7% زائد ہے۔ یہ اضافہ اگرچہ معمولی ہے، تاہم اس اضافے سے مارکیٹ کے نامساعد حالات کے باوجود فروخت میں توازن کو برقرار رکھنے میں کمپنی کی مضبوطی ظاہر ہوتی ہے۔

مالی سال 2024 کے لیے خام منافع 6.79 ارب روپے رہا، جو کہ مالی سال 2023 میں 6.93 ارب روپے سے 2% کم ہے۔مجموعی طور پر افراط زر کے دباؤ کے باوجود، مجموعی منافع کا مارجن بنیادی طور پر پلانٹ کی بہتر کارکردگی اور متبادل ایندھن کے استعمال کی وجہ سے مستحکم رہا۔

کاروباری منافع میں 19% کی کمی ہوئی، مالی سال 2023 میں 3.73 ارب روپے کے منافع کے مقابلے میں زیر نظر مالی سال 2024 میں 3.03 ارب روپے کا منافع ہوا، جو بڑھتے ہوئے اخراجات اور مسابقتی دباؤ سمیت بڑھتے ہوئے آپریشنل مسائل کی عکاسی کرتا ہے۔

تمویلی لاگت مالی سال 2024 میں نمایاں طور پر بڑھ کر 4.95 ارب روپے ہوگئی، اس اضافے کی بنیادی وجہ انتہائی بلند شرح سود ہے۔اس شرح سود نے کمپنی کی تمویلی لاگت میں خاطر خواہ اضافہ کیا ہے اور اس بڑھوتی نے منافع پر منفی اثر ڈالا۔

ڈائریکٹرز رپورٹ

پاور سیمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2024 کو ختم ہونے والے مالی سال سے متعلق اپنی جائزہ رپورٹ معہ آڈٹ شدہ مالیاتی گوشوارے آپکی خدمت میں پیش کئے جارہے ہیں۔

معاشی جائزہ

عالمی معیشت میں جاری مسائل کے باوجود ترقی کی معمولی رفتار برقرار رہنے کی توقع ہے، اگرچہ افراط زر میں کمی کا رجحان ہے لیکن جغرافیائی سیاسی تناؤ کی وجہ سے حالات میں تشویش باقی ہے۔ مرکزی بینک ممکنہ طور پر مانیٹری پالیسی کے حوالے سے محتاط رویہ اپنائے گا، تاکہ افراط زر اور ترقی کی رفتار کے مابین ایک توازن پیدا کیا جاسکے۔

اہم مسائل کے باوجود، پاکستان کی معیشت نے مالی سال 2024 میں استحکام کا مظاہرہ کرتے ہوئے تمام تر دباؤ کو برداشت کیا ہے، جس کی بنیادی وجوہات میں 3 ارب امریکی ڈالر کے آئی ایم ایف اسٹینڈ بائی ایگریمنٹ اور 7 ارب امریکی ڈالر کے نئے آئی ایم ایف توسیعی فنڈ کی سہولیات شامل ہیں۔

ملک کی جی ڈی پی میں 2.38% اضافہ ہوا جو کہ توقعات سے زیادہ ہے، بنیادی طور پر مضبوط زرعی شعبے اور خدمات کے شعبے کی مضبوط کارکردگی کی وجہ سے یہ ممکن ہوسکا۔ زرعی شعبے نے نمایاں شرح نمو سے ترقی کی، کپاس کی پیداوار میں خاطر خواہ اضافہ ہوا۔ خدمات کے شعبے نے بھی ترقی میں اہم کردار ادا کیا جبکہ صنعتی شعبے نے ملی جلی کارکردگی کا مظاہرہ کیا۔

افراط زر کی شرح تشویشناک رہی لیکن حال ہی میں اس میں قدرے کمی آئی ہے۔ بیرونی شعبے میں بہتری آئی، زرمبادلہ کے ذخائر دو سال کی بلند ترین سطح پر پہنچے اور کرنٹ اکاؤنٹ خسارہ بھی کم ہوا۔ مالیاتی خسارے میں کمی اور ٹیکس ریونیو میں اضافہ کے ساتھ، مالی استحکام کی کوششیں جاری رہیں۔

پاکستان اسٹاک ایکسچینج بینچ مارک انڈیکس میں 89% اضافے کے ساتھ عالمی سطح پر سرفہرست رہا۔ تاہم، مسائل اپنی جگہ برقرار ہیں، ان مسائل میں افراط زر، کرنٹ اکاؤنٹ خسارے میں اضافہ، توانائی کے شعبے کے مسائل، اور بیرونی قرضوں کی ادائیگی وغیرہ شامل ہیں۔ اقتصادی ترقی اور سماجی شعبے میں اخراجات میں توازن برقرار رکھنا بہت اہم ہے۔

جامع اور پائیدار ترقی کو یقینی بنانے کے لیے، حکومت کو بنیادی ڈھانچے میں پائی جانے والی دیرینہ کمزوریوں کو دور کرنا ہوگا، مالیاتی نظم وضبط پیدا کرنا ہوگا، پالیسیوں میں استقلال کرنا ہوگا، اور ٹیکس کے نظام میں اصلاحات متعارف کرانا ہونگی۔ مجموعی طور پر، پاکستان کی معیشت نے استحکام کا مظاہرہ کیا ہے، لیکن جاری مسائل سے نمٹنے اور پائیدار ترقی کو یقینی بنانے کے لیے مسلسل کوششوں کی ضرورت ہے۔

سیمنٹ کی صنعت

پاکستان میں، اشیاء کی قیمتوں میں اضافے، سیاسی عدم استحکام، بڑھتی ہوئی درآمدی لاگت، کرنسی کی قدر میں کمی، اور بڑھتی ہوئی مہنگائی کی وجہ سے معاشی مسائل میں اضافہ ہوا۔ ان مشترکہ عوامل نے معیشت اور سیمنٹ کے شعبے دونوں کو بری طرح متاثر کیا ہے۔

زیر نظر مالی سال کے دوران، سیمنٹ کی صنعت نے قابل ذکر پیش رفت کی ہے، جس میں مجموعی فروخت 45.29 ملین ٹن تک پہنچ گئیں، یعنی، پچھلے سال کے مقابلے میں 1.60% اضافہ ہوا ہے۔ قابل ذکر بات یہ ہے کہ مقامی فروخت میں 4.58% کی کمی واقع ہوئی ہے یعنی یہ کھپت 40.01 ملین ٹن سے کم ہو کر 38.18 ملین ٹن تک گر گئی، جبکہ برآمدات میں 55.71% نمایاں اضافہ ہوا۔

شمالی زون میں، مقامی فروخت کو 3.78% کی معمولی کمی کا سامنا کرنا پڑا، جس کی ترسیل گزشتہ مالی سال میں 32.78 ملین ٹن کے مقابلے میں 31.54 ملین ٹن تک کم ہوئی۔ اس کے برعکس، خطے کے اندر برآمدات کی فروخت میں کافی اضافہ ریکارڈ کیا گیا، جو گزشتہ مدت میں 1.06 ملین ٹن کے مقابلے میں 37% اضافے کے ساتھ 1.45 ملین ٹن رہی۔

بالخصوص جنوبی زون میں، جہاں آپ کی کمپنی کام کرتی ہے، مقامی فروخت کو 8.16% کی کمی کا سامنا کرنا پڑا، جس کی ترسیل گزشتہ مالی سال کی مدت میں 7.23 ملین ٹن کے مقابلے میں 6.64 ملین ٹن رہی۔ اس کے برعکس، جبکہ برآمدی فروخت میں نمایاں اضافہ ریکارڈ کیا گیا ہے، جو کہ 61.43% اضافے کے ساتھ گزشتہ مالی سال مدت میں 3.50 ملین ٹن کے مقابلے میں 5.65 ملین ٹن رہی۔

Calendar of Upcoming Financial Year 2024-25

Board Meeting
1st Quarter Ending
September 30, 2024

Last week of October **2024**

Board Meeting
Half Year Ending
December 31, 2024

Last week of February **2025**

Board Meeting
3rd Quarter Ending
March 31, 2025

Last week of April **2025**

Board Meeting
Annual Financial Year Ending
June 30, 2025

Second week of September **2025**

Proxy Form

33rd Annual General Meeting

The Company Secretary
Power Cement Limited
1st Floor, Arif Habib Centre
23, M.T. Khan Road
Karachi

I/We ______________________________ S/o, W/o ______________________________,
being member(s) of Power Cement Limited (the Company), holding ________________ shares as per Registered Folio No. / CDC Account No. ________________hereby appoint ______________________________ S/o., W/o ______________________________ (being member of the Company) as my/our Proxy to attend, act vote for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held on October 24, 2024 and/or any adjournment thereof.

Signed this ____ day of ______________ 2024.

Signature on Rs. 5/- Revenue Stamp

____
Signature of Shareholder

Witnesses:

1. Name: ______________________________
   Address: ______________________________
   CNIC No.: ______________________________
   Signature: ______________________________

2. Name: ______________________________
   Address: ______________________________
   CNIC No.: ______________________________
   Signature: ______________________________

NOTES:

1. A member entitled to attend and vote at the AGM may appoint another member as his/her proxy who shall have such rights as respects to attending, speaking and voting at the meeting as are available to a member.
2. In order to be effective, the Proxy Form must be received at the at the M/s. CDC Share Registrar Services Limited (either hard copy or scanned), not later than 48 hours before the AGM duly signed and stamped and witnessed by the two persons with their signatures, name, address and CNIC number given on the form.
3. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy Form (either hard copy or scanned).
4. In case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form (either hard copy or scanned).

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The Company Secretary
Power Cement Limited
1st Floor, Arif Habib Centre
23, M.T. Khan Road
Karachi

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پراکسی فارم

تینتیسواں سالانہ اجلاس عام

کمپنی سیکرٹری
پاور سیمنٹ لمیٹڈ
عارف حبیب سینٹر
23، ایم ٹی خان روڈ، کراچی۔

میں/ہم________________ سکنہ /ساکنہ________________ بطور ممبر
(ممبران) پاور سیمنٹ لمیٹڈ حامل/ حاملین________________ حصص بحوالہ فولیو نمبر/ سی ڈی سی اکاؤنٹ نمبر________________
________________ بذریعہ ہذا جناب/محترمہ________________ سکنہ/ساکنہ ________________ کو
اپنا/ہمارا پراکسی مقرر کرتا/ کرتی ہوں/ کرتے ہیں تا کہ وہ میری/ ہماری جانب سے کمپنی کا تینتیسواں سالانہ اجلاس عام مؤرخہ 24 اکتوبر 2024، یا مزکورہ اجلاس منسوخ ہونے کی صورت میں کسی بھی اور تاریخ پر اس کی جگہ ہونے والے دیگر اجلاس میں شرکت کرے۔

دستخط شدہ بروز________________ مؤرخہ________________ 2024۔

پانچ روپے کی ریونیو مہر پر دستخط کیجئے	________________ دستخط حامل/ حاملین حصص

گواہ نمبر 2	گواہ نمبر 1
نام:________________	نام:________________
پتہ:________________	پتہ:________________
قومی شناختی کارڈ نمبر:________________	قومی شناختی کارڈ نمبر:________________
دستخط:________________	دستخط:________________

اہم نکات:

1۔ کوئی بھی ممبر جو کہ اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کی اہلیت کا حامل کسی دوسرے ممبر کو اپنا پراکسی نامزد کر سکتا ہے جو اس کی جانب سے اجلاس میں شرکت کرنے، رائے دینے اور حق رائے دہی استعمال کرنے کا مجاز ہوگا۔
2۔ پراکسی فارم کارآمد ہونے کے لیئے لازم ہے کہ پراکسی فارم ہمارے رجسٹرار میسرز سی ڈی سی شیئرر جسٹرار سروسز لمیٹڈ ، سی ڈی سی ہاؤس B-99، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل موصول ہوجانے چاہئیں پراکسی فارم با قاعدہ دستخط اور مہر شدہ ہوں اور دو گواہوں نے اپنے دستخط، نام، پتے اور شناختی کارڈ نمبر سے پراکسی کی تصدیق کی ہو۔
3۔ بصورت افراد، پراکسی فارم کے ساتھ مستفیدی مالک اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول کا منسلک ہونا لازم ہے۔
4۔ اگر پراکسی کسی کاروباری ادارے ک جانب سے ہو تو بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل پراکسی فارم کے ساتھ منسلک کرنا لازم ہے۔

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Power Cement

مضبوطی ۔ چٹانوں جیسی

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