COMMITTED TO

Growth

PURSUING

Excellence

Annual Report

2024

COMMITTED TO
Growth
PURSUING
Excellence

Building on our previous efforts to expand and achieve sustainability, we at FCCL are proud to share our story of growth and accomplishments driven by steadfast leadership and committed workforce. In a rapidly evolving business landscape and a resilient economic environment, our unwavering dedication to progress has established new benchmarks in the cement industry.

This year, we have made substantial progress towards becoming one of a leading players in the national cement sector. We have significantly enhanced our production capability, made a notable shift to green energy, and optimized our processes meaningfully - all while consistently delivering value to our customers and stakeholders.

Our achievements stand as a testament to the bold and strategic decisions made by the Board. The success we have realized is largely due to the dedication of our team, the trust of our investors, and the support of our customers.

As we look to the future, our focus remains on fostering growth and pursuing excellence. We acknowledge the challenges ahead but are confident to turn these into opportunities for us. This Annual Report is not just a summary but a reflection of our people, values, and vision for the future.

ABOUT THIS REPORT

The Annual Report is designed to assist the readers to have a better understanding of the different aspects of our business by providing information detailing the Economy in general and Cement Industry in particular, Company's performance in the outgoing year, and the outlook of the next year. It encompasses the financial analysis, overview of governance, risk management framework & strategy, and resource allocation. The report also includes a comprehensive explanation of our business model supported by inputs, capital invested, outputs, and outcomes. This report incorporates all core content elements of the Integrated Reporting Framework. The core content elements of the report are as under:

- Company Overview and External Environment
- Strategy and Resource Allocation
- Risks and Opportunities
- Sustainability
- Governance
- Business Model
- Disclosure on IT Governance and Cybersecurity
- Future Outlook
- Stakeholders Relationship and Engagement
- Striving for Excellence in Corporate Reporting
- Financial Statements
- Analysis of Financial information
- Shareholder information

Scope and Boundary

The report covers the period from 1st July 2023 to 30th June 2024, with the inclusion of prominent happenings during the year, with the commissioning of Greenfield Cement manufacturing plant at DG Khan and establishment of new Solar Power Plants at Nizampur and DG khan plants. Audited financial statements of the respective years have been utilized in order to derive vital financial information. Presentation of information including the Chairman's Review, CEO's Review, Directors' Report, Audit Committee's Report and the Report on Compliance of Code of Corporate Governance, complies with the Companies Act, 2017, the Code of Corporate Governance Regulations and other reputable governance practices.

External Assurance / Reviews

Financial statements are duly audited, and the Statement of Compliance with Code of Corporate Governance is accordingly reviewed by external auditors M/s A. F. Ferguson & Co. (Chartered Accountants). FCCL will continue to strive to ensure compliance with the best practices in corporate reporting while maintaining its integrity, in order to provide truthful and authentic visibility of our business to all of our stakeholders.

We wish our readers a pleasant and informed read!

CONTENTS

VISION

To be a role model cement manufacturing Company, benefiting all stakeholders and fulfilling corporate social responsibilities while enjoying public respect and good will.

MISSION

FCCL while maintaining its leadership position in quality of cement maximizes profitability through reduced cost of production and enhanced share in domestic and international markets.

01
COMPANY'S OVERVIEW & EXTERNAL ENVIRONMENT

CHAIRMAN'S REVIEW

Dear Stakeholder,

I am honored to present my first review report as Chairman of the FCCL Board of Directors since assuming this role in April 2024. It is a privilege to lead a Board of highly skilled, diverse, and dedicated Directors who are fully committed to advancing the Company's vision, mission, and core values. Our primary objective remains focused on serving the interests of all stakeholders effectively.

The Board's ongoing efforts are centered on developing a comprehensive vision that steers our strategic direction across all operational areas. This ensures that we are well-prepared to navigate future challenges and seize emerging opportunities. To achieve this, Management has been empowered to handle routine operations with autonomy and efficiency.

I extend a warm welcome to the new Directors who joined the Board this year. Their diverse experiences will undoubtedly strengthen the Board and contribute to FCCL's continued success. I would also like to express my deep gratitude to Mr. Waqar Ahmed Malik, our outgoing Chairman, for his transformative leadership over the past four years. Additionally, I thank the departed Board members for their significant contributions to the Company's success.

As we navigate a global landscape marked by substantial changes, particularly fluctuating commodity prices and energy cost, domestic cement demand has faced pressure, decreasing by 5% compared to last year. Despite these challenges, FCCL achieved a record after-tax profit of Rs 8.2 billion, driven by operational efficiencies and cost-reduction initiatives. This success reflects the resilience of our business amidst volatile conditions, with Company's overall cement sales increasing by 5%, bolstered by a 24% rise in exports.

A key highlight of the year was the successful commissioning of our Greenfield Cement Manufacturing Plant at DG Khan within a record 13 months, increasing production capacity by 6,500 tons per day. This achievement boosts FCCL's total capacity to 10.6 million tons per annum, solidifying our position as the third-largest cement producer in Pakistan. Furthermore, our presence in Shadan Lund, District DG Khan, is expected to contribute significantly to the region's economic and social development.

Our commitment to sustainability has been further demonstrated by enhancing our solar captive capacity by 12.5 MW, reducing reliance on the national grid. Looking ahead, we plan to expand this capacity by an additional 15 MW, aiming to lower power cost, increase our renewable energy footprint, and reduce carbon emissions.

The Board's performance this year has remained exemplary due to active involvement and timely decisions, driving FCCL's growth. In line with the Listed Companies (Code of Corporate Governance) Regulations 2019, we have established Audit, HR&R, ESG, and Investment Committees, ensuring robust governance and transparency. The newly formed ESG Committee underscores our commitment to environmental sustainability and social responsibility, with continued support for education, vocational training, healthcare, and various social programs.

As we move forward, FCCL is well-positioned to capitalize on its strengths and pursue new growth opportunities. Our strategic direction, governance framework, and commitment to innovation will guide us towards sustainable success, In Sha Allah.

I extend my heartfelt appreciation to all our stakeholders for their unwavering support and trust in the Board. I also thank our CEO and Management team for their dedication and professionalism in executing the Board's vision. Together, we will lead FCCL to new heights of corporate performance and sustainable growth.

Lt Gen Anwar Ali Hyder, HI (M), Retd

Chairman, FCCL Board of Directors

MANAGING DIRECTOR'S REVIEW

Dear Stakeholder,

It is a great honor and pride to present my review of the financial year 2023-2024. The period under review has demonstrated the achievements and deliverance of Fauji Cement Company Limited's (FCCL) growth strategy. The year was marked with economic challenges including inflation, fiscal deficit, rising external debt, high energy costs and devaluation of our currency, resulting in a significant reduction of cement demand. Despite these challenges, FCCL has shown remarkable resilience, innovation, and commitment to excellence, reinforcing our strategy to become one of Pakistan's leading cement producers.

I am proud to share that despite the obstacles, FCCL has continued to deliver value to its Shareholders and has been able to post highest ever profit after tax of Rs 8.2 Billion, compared to Rs 7.4 Billion in the previous year, despite providing for Deferred Tax of Rs 1.8 Billion in FY 24 due to change in tax law on exports. FCCL continued to be a significant contributor to the national ex-chequer and paid an amount of Rs 28.9 Billion in terms of duties and taxes during the FY.

FCCL's journey to expand its capacity while maintaining continued focus on driving its cost down, was a key priority during the year. The milestone achieved during the year was the successful commissioning of our Greenfield Cement Manufacturing Plant at Shadan Lund, District Dera Ghazi Khan. With a production capacity of 6,500 tons per day of clinker, this new facility has elevated FCCL's total cement production capacity to 10.6 million tons per annum, solidifying our position as the third-largest cement producer in Pakistan. Completed in a record time of 13 months, the Plant features state-of-the-art manufacturing equipment, emissions control systems, and a Waste Heat Recovery Power Plant. Additionally, the Plant's location in an impoverished area of Southern Punjab is expected to significantly uplift the local community and create numerous employment opportunities.

Our commitment to shift towards sustainable green energy remains on our priority list. This year, we increased our solar captive capacity by additional 12.5 MW and plan to add another 15 MW in the coming year. This will take FCCL's renewable energy to 67.5 MW, thus meeting its day time power needs through green energy, reinforcing our commitment to reduce carbon foot print in our operations. Furthermore, we plan to acquire a PP Bag Manufacturing Plant, which will further improve operational efficiency and ensure a consistent supply of locally produced packaging material.

FCCL's commitment to corporate social responsibility (CSR) has remained steadfast. We have launched several community development projects focused on health, education, and women's empowerment. In health, we sponsored medical camps and conducted health awareness programs to provide essential services to underdeveloped communities. Our education initiatives included scholarships, improvements to school infrastructure, and teachers' training programs aimed at creating a better learning environment for youth. Women's empowerment remains a key focus of our CSR strategy, supported with skill development centers and entrepreneurship programs designed to promote financial independence and community contribution.

Looking ahead, the industry dynamics will remain positive with signs of economic stability and the budgeted PSDP funds announced by the Government. Your Company is well-positioned to navigate the evolving economic landscape with resilience and strategic foresight. We are confident that our continued emphasis on production excellence, technological innovation, and sustainability will drive our growth. Our strategic initiatives will focus on enhancing operational efficiency, reducing production costs, and maintaining our competitive edge. We will leverage our new facilities and expanded production capacities to meet rising demands and explore new avenues for innovation and digital transformation, optimizing our supply chain and enhancing overall productivity.

I would like to extend my gratitude to our stakeholders on behalf of the Company for their unwavering support and confidence in us. I would also like to express my special thanks to the honorable Chairman and Board of Directors for their strategic guidance, insightful leadership, and steadfast support which have been instrumental in navigating the Company through challenges. Their invaluable guidance and direction have been a driving force behind our sustained growth and success.

In conclusion, FCCL's strong strategic framework, coupled with our dedication to excellence and sustainability, positions us to overcome future challenges and seize emerging opportunities. We remain focused on delivering value to our shareholders, customers, employees, and the broader community. Together, we will continue to build a resilient and prosperous future.

Qamar Haris Manzoor

CEO/MD FCCL

YEAR AT A GLANCE

155th BOD
26th July 2023
Approval of Business Plan for FY 2024

156th BOD
29th Aug 2023
Approval of Annual Accounts for FY 2023

157th BOD
24th Oct 2023
Approval of 1st Quarterly Accounts of FY 2024

AGM
27th Oct 2023
31st Annual General Meeting

158th BOD
26th Feb 2024
Approval of Half Yearly Accounts of FY 2024

159th BOD
23rd April 2024
Approval of 3rd Quarterly Accounts of FY 2024

160th BOD
28th June 2024
Approval of Business Plan for FY 2025

SIGNIFICANT EVENTS FOR THE YEAR

Cement Production
5 Mn Tons

COD of DGK plant – November 2023

Cement Sales
5.1 Mn Tons

Investment in Green Solar Energy
Rs 1.5 Bn

Highest Ever Profit
Rs 8.2 Bn

Highest Ever Sales Revenue
Rs 80 Bn

Rs 166 Mn
CSR Contribution

Own Power Generation
48%

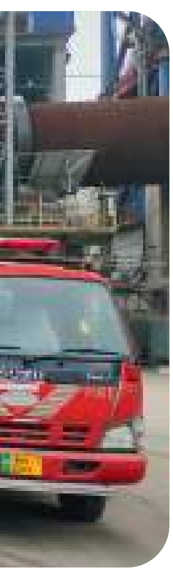
Contribution to National Exchequer
Rs 29 Bn

Capacity Utilization
55%

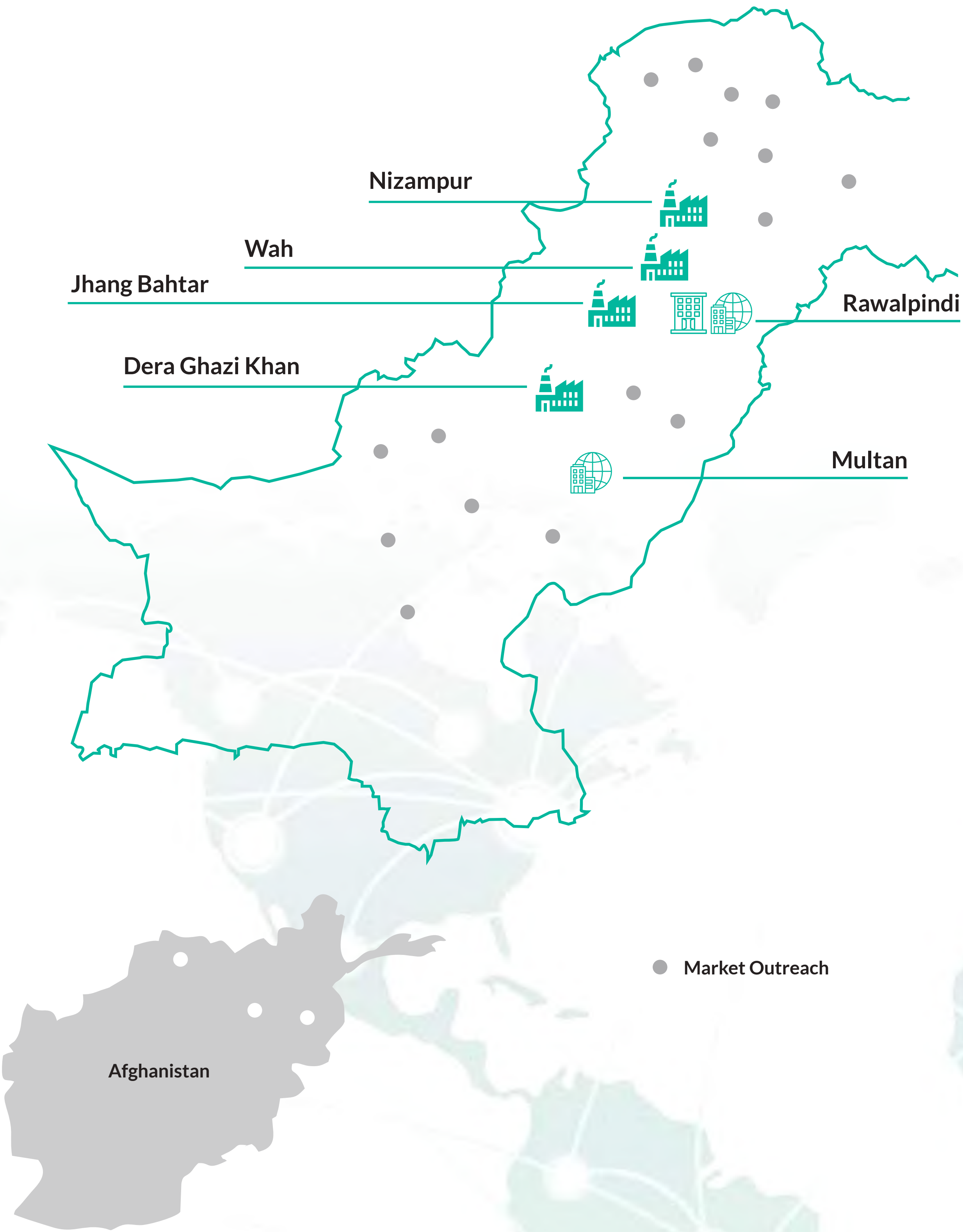
SIGNIFICANT EVENTS OF THE YEAR


FAUJI CEMENT COMPANY (JB PLANT)


05 MILLION
MAN-HOURS WITHOUT
RECORDABLE INJURY



GEOGRAPHICAL LOCATIONS



Business Units	Address
Head Office	Fauji Towers, Block III, 68 Tipu Road, Chaklala, Rawalpindi
Marketing	4th Floor, AWT Plaza, The Mall, Rawalpindi 1st Floor, United Mall, Abdali Road, Multan
Plants	Near Village Jhang Bahtar, Tehsil Fateh Jang, District Attock Near Wah Railway Station, Tehsil Taxila, District Rawalpindi Nizampur (Village Kahi) District Nowshera Mauza Shadan, Lund, Chak Ladan, Tehsil, District Dera Ghazi Khan

PRINCIPAL ACTIVITY

Principal activity of the Company is manufacturing and supply of different types of cement and tile bond. The Company's brands are approved on all major hydropower projects and are one of the most preferred among domestic consumers.

OUR MARKETS

Local Market

Company's customer base is divided in two main categories

- Dealers
- Projects

Company has a wide network of dealers across Pakistan. Main portion of local dispatches are made through the aforesaid dealers network. Dispatches to projects are made directly across the country.

Export Market

Primary export market of the Company is Afghanistan owing to the location of the Plants. During the year, 10% of total dispatches are made to Afghanistan.

OUR PRODUCTS

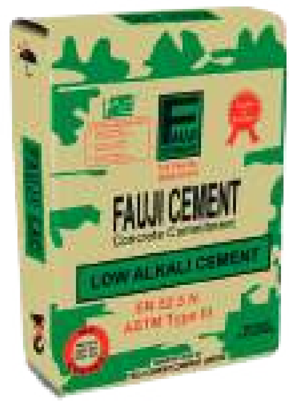
Fauji Cement

Ordinary Portland Cement (OPC)

- High early and compressive strength (28 Days) upto 10,000 PSI.
- Pure composition of 95% clinker and 5% gypsum.
- Very little loss on ignition and low insoluble residue.
- Suitable for general construction, reinforced concrete structures, high rise buildings, pavements and pre-cast members.
- Long lasting and durable.

Low Alkali Cement (LAC) 42.5 N

- High quality Alkali-Silica resisting cement, effectively reduces possible damage due to Alkali aggregate reactions.
- Useful for dams, hydropower projects, airports, retaining walls and other large structures.
- Alkali content less than 0.6%.



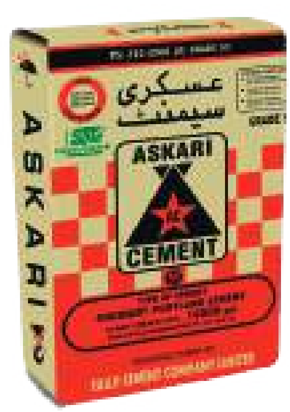
Low Alkali Cement (LAC) 52.5 N

- 52.5 N grade cement is a high-strength variety known for exceptional durability and robustness.
- Extensively used in construction projects that demand superior strength, making it a top choice for building sturdy foundations and structures in challenging environment.
- Heavy duty pavements and seismic zones.
- Alkali content is less than 0.6%.

Fauji Tile Bond

- High bonding strength.
- Ideal for all kinds of residential and commercial buildings.
- Compatible with all types of cement substrates.
- Ready to use (only water to be added).
- Prevents silicosis – nontoxic material.

Askari Cement



Ordinary Portland Cement

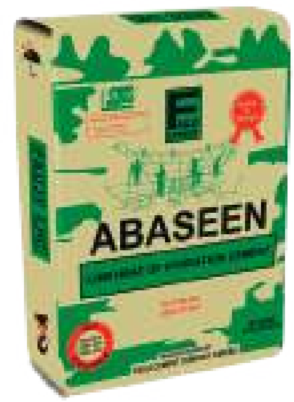
The Company produces premium quality Fauji and Askari brands with variety of product types like Ordinary Portland Cement (OPC), Low Alkali Cement (LAC), Sulphate Resistant Cement (SRC), Low Heat of Hydration Cement (LHC) and Portland Composite Cement (PCC/ Green Cement). To ensure top quality of its products, fully equipped laboratories with latest/ state of the art equipment have been established, which completely meet national and international standards.

Sulphate Resistant Cement (SRC)

- High compressive strength (28 Days) upto 9,500 PSI.
- Highly effective against Sulphate and other chemicals.
- Effective against salt contamination.
- Improves durability of concrete.
- Improves resistance of concrete when used in water logged and saline areas.
- Useful for basements, foundations, sewerages and pipes.

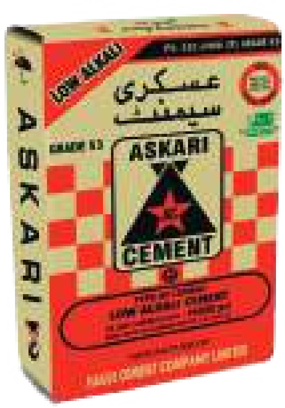
Pamir Cement (Green Cement/ Cem-II)

- Environment friendly.
- High quality and cost effective general purpose cement.
- Best for masonry, plastering and flooring.

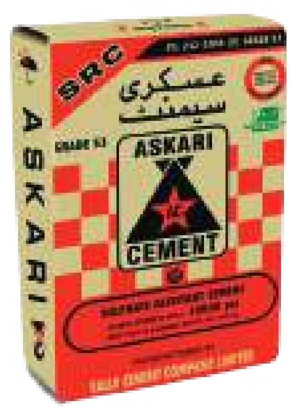


Low Heat of Hydration Cement (LHC) (Type-IV)

- ASTM C-150 designated Type-IV cement.
- Specialized product for mega projects to provide a lower heat of hydration in concrete.
- This unique product is ideal for massive concrete pours in order to mitigate the risk of thermal cracking, concrete deterioration and compressive strength concerns.
- Performance of this type of cement exhibit excellent/ proven performance over many years in critical and complex engineering structures.



Low Alkali Cement



Sulphate Resistant Cement

Portland Composite Cement (Green Cement/ Cem-II)

ETHICS & CODE OF CONDUCT

Corporate Responsibility

The key to corporate integrity lies with all of us. Everyone has a responsibility to uphold dedication to corporate ethics on daily basis. We all must:

- Know and follow this code in letter and spirit.
- Know and comply with our professional obligations.
- Take responsibility of own conduct.
- Report violations of this code to management appropriately.

This statement defines broad corporate values that shape our business practices.

Legal /Compliance Obligations

The activities and operations of Fauji Cement Company will be carried out in strict compliance with all applicable laws and the highest ethical standards. Meeting our legal obligations and cooperating with local, national and international authorities lay a solid foundation for the corporate values. As individuals, employees must strive to be aware of and understand laws applicable to our business and area of responsibility.

Corporate Records

Company documents and records are part of the Company's assets and employees are charged with maintaining their accuracy and safety. Employees are required to use excellent record-management skills by recording information accurately and honestly and retaining records as long as necessary to meet business objectives and government regulations. Financial records must accurately reflect all financial transactions of the Company. No false, artificial or misleading entries shall be made in the books and records of the Company for any reason.

Respect for People and Team Work

We are dedicated to dignity and respect and we owe nothing less to each other. This high level of respect for one another enters into every aspect of our dealings with colleagues and those with whom we come into contact on each working day and reflects greatly on how our corporate culture is perceived. We know it well that none of us acting alone can achieve success.

Safety and Health

We all are responsible for maintaining a safe workplace by following safety and health rules and practices. We are responsible for immediately reporting accidents, injuries, and unsafe equipment, practices or conditions to a supervisor or other designated person.

We are committed to keep our workplace sfae.

Corporate Image

Company's reputation and identity are among the Company's most valuable assets. As part of keeping and furthering the corporate image, we believe in conducting business legally, morally and ethically and in sharing the success that business brings. All employees, particularly those in management, are expected to conduct themselves in a manner that reflects positively on the Company's image and identity, both internally and externally. No one should act in a way, or make any statement, that adversely affects the reputation or image of the Company with employees, customers or the community at large.

It has been said that the essence of a successful and visionary Company is the ability to preserve its core values and to stimulate progress. Corporate ethics are the practice of our shared values. These shared values define who we are and what we can expect from each other. It is a code which applies to all employees and conforms to generally accepted best practices.

Confidentiality

Every employee is obligated to protect the Company's confidential information. All information developed or shared as a result of the business process is proprietary to the Company and must be treated as confidential.

Integrity and Honesty

Corporate integrity and honesty is the foundation of our business conduct code. By maintaining the highest level of corporate integrity through open, honest, and fair dealings, we earn trust for ourselves and from everyone with whom we come into contact. Our employees, holding the trust of the Company, are expected to uphold the highest professional standards.

Conflict of Interest

A conflict of interest exists when a personal interest or activity of an employee influences or interferes with employees' performance of duties, responsibilities or loyalties to the Company. All employees must avoid any personal or business influences or relationships that affect or appear to affect their ability to act in the best interests of the Company.

Unauthorized Use of Corporate Assets

Every employee is obligated to protect the assets of the Company. Company property such as office supplies, production equipment, products and buildings may not be used for personal reasons. Expenses may not be charged to the Company unless they are for Company's business.

Dedication to Quality

Our quality policy is an integral part of our business philosophy and we are committed to provide total customer satisfaction. We are committed to public for the supply of best quality Cement that fully conforms to the specifications and meets the customers' needs and expectations.

Stakeholders

Stakeholders are valuable partners for us with whom a long-term, fair and trustworthy relationship should be built and maintained with appropriate information disclosed. Shareholders own the Company. On the basis of their entrustment, we will exert our best efforts to protect their investment value and to maximize their benefit.

CORE VALUES

Financial Responsibility

We ensure that the resources entrusted to us are utilized with utmost diligence and efficacy to achieve the best possible outcome.

Citizenship

We are committed to the wellbeing of the communities in the vicinity of our business, ensuring the highest standards of ethical conduct & environmental responsibility, and maintaining open discourse with the people and resources entrusted to us.

Accountability

We believe in excellence. Our Board sets clear goals and expectations, provide support, and encourage two-way feedback in return for performance and results of the highest caliber.

People

Our success is carved out by the collaboration of competent individuals, working in a safe and healthy environment that encourages and recognizes diversity, development, and teamwork.

Customers

We value our customers and as such, strive to improve our products to meet their needs and expectations based on feedback.

OPERATING STRUCTURE & OWNERSHIP

Operating Structure

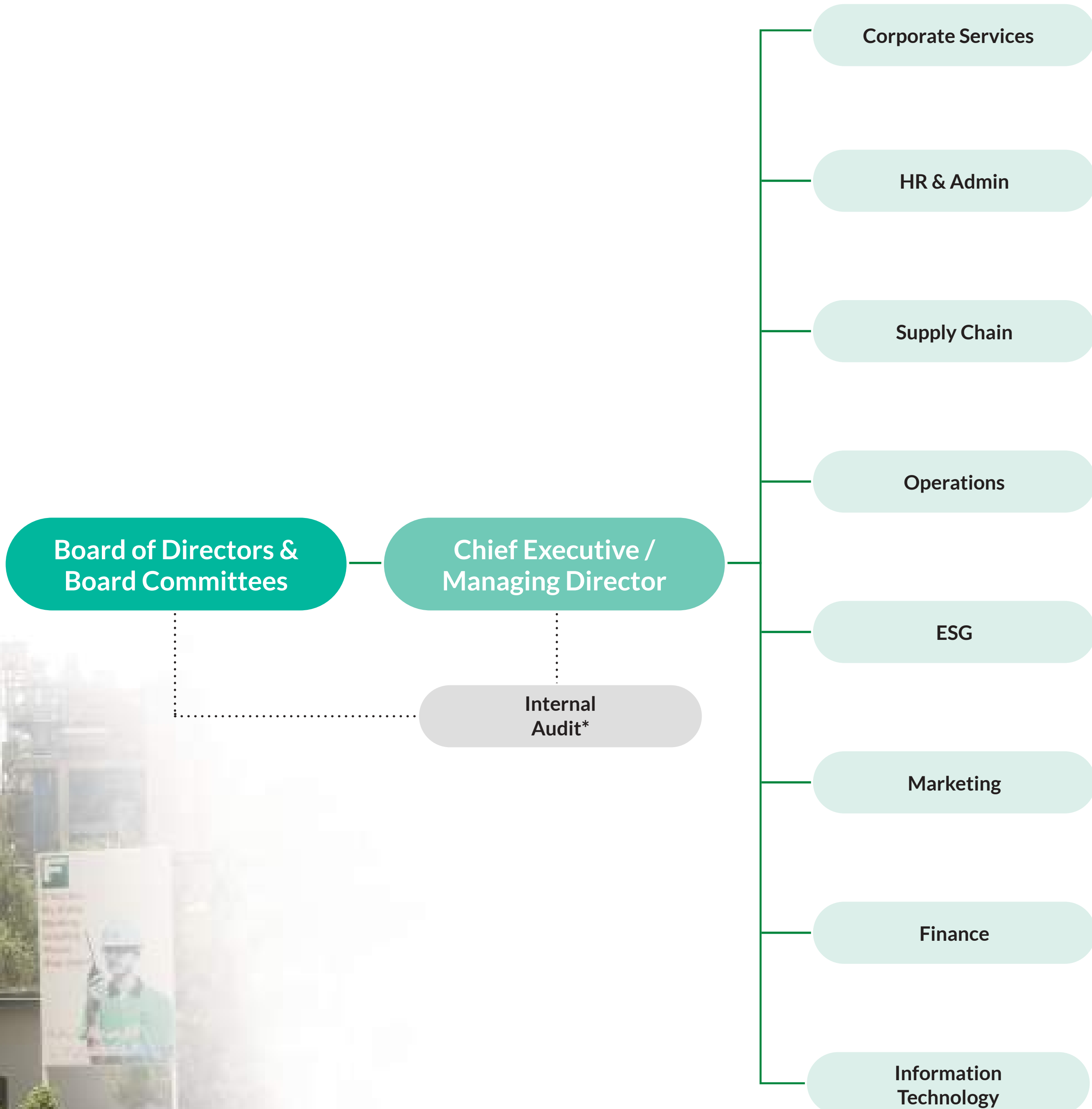
The Company operates under a functional vertical structure, organizing specialized departments to handle distinct business activities. Employees in each department report to their respective managers or functional heads, who, in turn, report to the Chief Executive Officer. The Board of Directors oversees the strategic direction of the Company.

Country of Operations

The Company's manufacturing facilities are located exclusively in Pakistan. It exports products to Afghanistan via a network of dealers and imports machinery and spare parts from various countries.

Ownership and Relationship with Group Companies

Fauji Cement Company Limited is a public listed Company with its shares traded on the Pakistan Stock Exchange. The Fauji Foundation holds a 61.65% stake in the Company. Detailed information on shareholding can be found in the Pattern of Shareholding section of this report. As a listed company, we uphold an arm's length relationship with our associated companies. The Company does not have any subsidiaries.



*Head of Internal Audit reports administratively to CEO and functionally to Audit Committee.

OUR JOURNEY

1993

Incorporation of FCCL as public limited company

1997

- Listing on all three stock exchanges of Pakistan
- Start of plant operations (3,000 tpd clinker production capacity European cement manufacturing line) (Line I) at JB

2005

- Conversion of fuel from Furnace oil to Coal
- Installation of 30 tph Coal Plant

2012

Commercial production of 2nd Line of 7,200 TPD clinker capacity of European origin at JB (Line II)

2015

Commissioning of 12 MW Waste Heat Recovery Power Plant (WHRP) on Line-II

2018

- Capacity enhancement of Line-II from 7,200 TPD to 7,600 TPD
- Commissioning of 9MW WHRP on Line-I

2021

- Announcement of Greenfield Project at D.G Khan and Brownfield at Nizampur
- Commissioning of 2.5 MW solar power plant at JB

2022

- Amalgamation of ACL with and into FCCL
- Commissioning of 2.5 MW Solar Power Plant with total of 20MW at JB
- Launching of New Product by the name of Tile Bond

2008
Commissioning of 5.4 MW dual fuel captive power plant

2006
BMR to Increase clinker production capacity from 3,000 TPD to 3,700 TPD

2010
Commissioning of 16.3 MW dual fuel Wartsilla power plant at JB

2020
- Commissioning of 2.5 MW Solar Power Plant
- Shared services arrangement with Askari Cement Limited

2019
Commissioning of 12.5 MW Solar Power Plant at JB

2023
- Commissioning of Nizampur Brownfield Plant in 18 Months
- Commissioning of Solar Power Plants at Wah and Nizampur, bringing total solar capacity to 40 MW
- Implementation of SAP

2024
- Commissioning of Greenfield Cement Manufacturing Plant of 6500 tpd in D.G Khan in 13 months
- Establishment of 7.5MW and 5MW Solar Power Plants at D.G Khan and Nizampur plants bringing capacity to 52.5 MW

SWOT ANALYSIS

Strengths

- Trusted and renowned Quality driven brands (Fauji & Askari) in Pakistan's cement industry.
- Preferred by projects both private and public due to its specialized products, fetching premium price and ensuring optimal capacity utilization.
- Production Capacity at multiple locations giving it more flexibility to operate in different markets .
- State-of-the-art, energy-efficient production lines of European/Chinese Hybrid Technology.
- Captive multi-fuel/renewable energy generation power plants (Solar, Waste Heat Recovery and Multi Fuel generators).
- Environmentally responsible corporate entity as evident from its investment in eco-friendly developments such as green energy generation, emission control equipment and water conservation through rain water harvesting and surface water usage.
- Well trained, motivated and dedicated workforce with a very low turnover rate.

Weaknesses

- Operating in a highly taxed (direct and indirect) sector in the country that has a direct bearing on demand.
- Plant locations mostly in the North of the Country make it uncompetitive for exports by Sea.

Opportunities

- Significant growth opportunities in the domestic market due to Pakistan's low per capita cement consumption, growing population and increasing urbanization.
- Continuous Government spending on infrastructure development and hydropower projects including major dams.
- Cost economization through innovation, new products and process efficiencies.
- Opportunities for vertical integration.

Threats

- Continuous pass on of increase in input costs to consumers with ever-high cement prices may effect demand.
- Rising input costs due to the increase in power, coal and other fuel prices, as well as the devaluation of PKR.
- High general inflation rate with highest ever construction material costs impacting the construction activity.
- High interest rates translate into high finance cost.
- Securtiy and Environmental threats.

PROFILE OF DIRECTORS

Lt Gen Anwar Ali Hyder, HI (M), Retd

Chaiman FCCL

With nearly four decades of distinguished military service, Lieutenant General Anwar Ali Hyder (Retired) brings consummate skills and experience in planning, organization and administration to his present assignment. Throughout his distinguished career he held prestigious positions in various command, staff and instructional roles, culminating in the position of Principal Staff Officer to the Chief of Army Staff as Adjutant General of Pakistan Army. A role in which he provided leadership and spearheaded several important welfare initiatives and large-scale commercial projects at the Army and national level, including strategizing the development and growth of Fauji Foundation Companies and serving as the Chairman of Army Welfare Trust.

His extensive experience in Pakistan Army includes noteworthy contributions in planning and development of Defence Housing Authorities (DHAs) all over the country and supervising development and management of countrywide mega housing projects such as Askari Housing Colonies.

He also had the distinctive opportunity of making contributions in the academic domain as President National Defence University and as member of the Board of Governors of NUST, NUMS and NUTECH.

Transitioning seamlessly into civilian leadership role, Lieutenant General Anwar Ali Hyder (Retired) assumed the chairmanship of Naya Pakistan Housing and Development Authority (NAPHDA) and played an important role in the interim Federal Cabinet as the Caretaker Minister for Defence and Defence Production. He also served as a member of the Apex Committee of Special Investment Facilitation Council (SIFC), where he made multifaceted contributions to national economic growth initiatives and in the process remained engaged with several public and private sector entities and multinational organizations.

His strategic prowess and commitment to excellence is complimented by his professional and academic qualifications, which includes Masters in Strategic Studies from United States Army War College, Carlisle, Pennsylvania and MSc in War Studies from National Defence University, Islamabad. His dedication to duty and meritorious services in Pakistan Army were duly recognized through conferment of the Chief of Army Staff Commendation Card and the prestigious Hilal-e-Imtiaz (Military) by the President of Pakistan.

Mr Qamar Haris Manzoor

Chief Executive / Managing Director

Qamar Haris Manzoor has done his Masters in Chemical Engineering from US and holds over 37 years of experience in plant and project management. He started his career with ICI managing its Soda Ash Plant operations. He also worked on ICI's polyester plant in Pakistan in the Plant Operations and also held senior positions in Operation at Exxon Chemical Pakistan Ltd at their Fertilizer Plant. He also worked at ICI's PTA Plant as Director Manufacturing and managed various aspects of plant i.e. from Commissioning, Operations Management, Process Engineering, Project Engineering, HSE and other improvement projects. He has also been a technical advisor of Lotte for its growth strategies in Pakistan and contributed in setting up 48 MW Cogen Plant at Lotte's PTA Plant.

He then took over the role of Chief Executive Officer of El Paso Technology Pakistan Ltd and Chief Operating Officer of Habibullah Coastal Power Company. Habibullah Coastal Power Company (HCPC) is located in Quetta, Baluchistan. HCPC operates a combined cycle gas fired power plant with a design capacity of 140 MW. EL Paso Technology Pakistan Limited (EPTP) provides technical and managerial services to HCPC and also are the Operations and Maintenance Contractors of HCPC. EPTP also is responsible to Identify opportunities for growth in Power and Chemical sectors. This requires carrying out market studies, due diligence both financial and technical and presenting it to shareholders. He was also responsible to manage relationships with Government, regulators, Lenders and stakeholders to ensure smooth function of the business.

He also took the additional responsibility of Chief Executive Officer of Hawa Energy Limited, a 50 MW wind project. He successfully concluded the key contracts for the project and maintained liaison with regulators and relevant ministries/ government bodies to ensure timely approvals for the project to achieve Financial Close on time. Subsequently, he oversaw the project construction to ensure it's on cost and on time delivery. In his previous job, he worked as Chief Operating Officer of Naveena Group's Energy and Steel Projects. He played a leadership role to develop a green field project under the name of Naveena Steel Mills (Pvt) Ltd for a 300,000 TPA steel rebar plant at Port Qasim, Karachi. He also led the development of Lakeside Energy Pvt Ltd, a 50 MW wind project at Jhimpir, Sindh, and was responsible to achieve financial close of the project along with securing the required regulatory approvals and conclusion of EPC contracts.

He took over as MD and CEO of Fauji Cement and Askari Cement in June 2020 and is responsible to spearhead cement portfolio of Fauji Foundation. In his role he successfully led the merger of Askari Cement with and into Fauji Cement as well as spearheaded two expansions of Fauji Cement to grow the Company to become the 3rd largest player of cement sector in the Country.

He also serves as Director on the boards of FFBL, FPCL, FFC, FPCDL and FKPCL

PROFILE OF DIRECTORS

Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), Retd

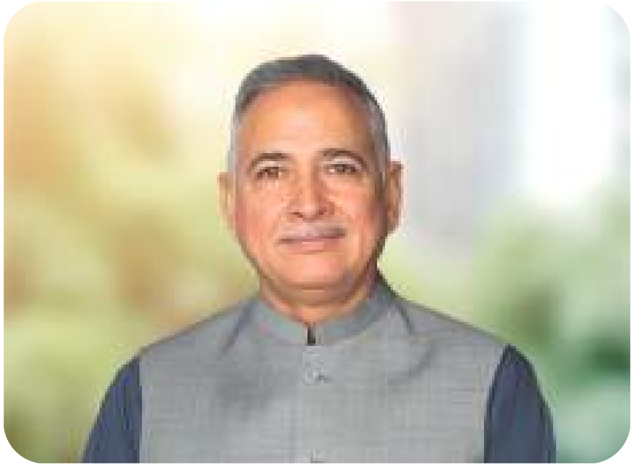
Non-Executive Director

Lieutenant General Qazi Muhammad Ikram Ahmed, HI(M) (Retired), completed his illustrious military career, spanned over 38 years, in December 2020. Commissioned in Artillery, he acquired varied experience of command (including active operations as Brigade Commander), staff and instructional assignments. His staff exposure as Assistant Private Secretary to the COAS and Deputy Military Secretary to the President of Pakistan provided a unique opportunity of interaction between the civil and military bureaucracies. He also has the distinction of directing provision of comprehensive logistic support to Pakistan Army deployed across extreme stretches of the country. His last appointment as Commander of Army Strategic Forces Command saw him handle the prestigious leadership challenge of ensuring readiness of his force for the full spectrum deterrence.

His education qualification includes Masters in War Studies from two different universities of Pakistan besides MSc Defense Management from United States Army War College. Being a certified director from Pakistan Institute of Corporate Governance, he is a member of the Fauji Foundation Advisory Council since May 2023.

An avid sportsman, the General currently heads Pakistan Golf Federation.

He only serves on the board of FCCL.



Major General Zafar ul Haq, HI (M), Retd

Non-Executive Director

Major General Zafar ul Haq, HI (M) (Retd), embarked on his illustrious military career in 1986, by joining the esteemed Frontier Force Regiment. Throughout his extensive service, he acquired invaluable experience in various command, staff, and instructional appointments.

Major General Zafar ul Haq (Retd) illustrious career extends beyond the borders of his homeland, he served as a United Nations Military Observer in Bosnia during 1994-95 and also held the position of Training Officer in the United Nations in Italy and New York from 2007-2010, further demonstrating his international experience and adaptability.

Within the ranks of the Pakistan Army, Major General Zafar ul Haq (Retd) fulfilled critical roles, including serving as the Director of Military Intelligence, commanding two Infantry Brigades, he held the prestigious position of General Officer Commanding of an Infantry Division, demonstrating his aptitude for leadership and professionalism.

In his most recent assignment, he served as the Director General of the Airports Security Force, where he played a pivotal role in ensuring the safety and security of the most extensively used borders of Pakistan. Currently, he brings his expertise to the Fauji Foundation Head Office, assuming the position of Director HR and Administration since 24 February 2023, where he has already started contributing towards the organization's mission with professionalism and dedication.

Beyond his military accomplishments, Major General Zafar ul Haq (Retd) has excelled in various individual pursuits. Renowned for his exceptional marksmanship skills, he has won numerous medals and has actively participated in many international shooting competitions. He also has a singular honour of being National Champion in five different shooting disciplines at different times of his career. Moreover, he also has a passion for variety of outdoor activities, including golf, hiking, and hunting.

He also serves as Director on the boards of FFC, FFCEL, FAP and FPCDL.

Mr Syed Bakhtiyar Kazmi

Non-Executive Director

Mr Kazmi is a fellow chartered accountant with over 35 years of experience in a diverse range of sectoral and functional strata within national and regional economies. The key areas of his specialization are fiscal policy and macroeconomic research, greenfield and brownfield projects, strategic collaborations, mergers and acquisitions, outliers in accounting and finance, strategic level audit and assurance and tax reforms and strategic level advisory. Mr Kazmi served KPMG for 35 years; last 25 years as a partner. As a partner he interacted with the leadership in almost every industry, understanding their vision, their insights, and most importantly on their business strategies. His rigorous exposure to a diverse range of sectors and projects, enabled him to conceive and culminate strategic value additions for his clients, pertaining to public and private sector organizations. He successfully implemented a comprehensive service delivery framework that ensures quality assured service provision to KPMG's clients, and a cross-functional integration with the advisory and taxation services that allowed a robust and comprehensive service delivery package to the clients.

As an auditor and an advisor, Mr Kazmi successfully delivered his promise of providing best-in-class and integrity driven services. With his career progression, he branched into macroeconomic research with a focus on contributing towards fiscal and regulatory policies of Pakistan. He almost single handedly established advisory practice of KPMG in Islamabad about 2 decades ago which today arguably is the go to advisory in Islamabad. This initiative covered financial projections, feasibilities, information memorandums, internal audit assessments, HR assessments, manuals for processes and controls, valuations, and development advisory which included an assessment of the Punjab and Sindh governments.

Mr. Bakhtiyar Kazmi has served on a number of diverse forums / boards in the Private Sector, Public Sector & Civil Society Organization. As a thinker, he actively spreads his thoughts and ideas through his articles on national economics, business and taxation mattes and issues, regularly published in reputable dailies. Mr Kazmi is an avid golfer and currently holds the position of captain of Islamabad Golf Club.

He also serves as Director on the boards of FFC, ABL, FFBL, FFL, FAP, FTTL, FOTCO, FIFL, FPCDL, FKPCL, DPHC, Fauji Fresh & Freeze Limited, FWEL1&2, FML, FFC Energy Limited, OTSL and FonGrow.

Mr Sami Ul Haq Khilji

Independent Director

Mr. Khilji is a retired Federal Secretary to the Government of Pakistan. Mr. Sami Ul Haq Khilji joined the Fauji Cement Company Limited (FCCL) Board on 16 September 2020 as Director. Mr. Khilji brings with him diverse and rich experience in the field of Commerce, Infrastructure Development, Public Administration and Human Resources. His illustrious career of public service spans over thirty years in Development, Criminal Justice, Financial Management, Internal Controls, Banking, Transport Planning, and Public Policy.

As member of the prestigious District Management Group (DMG), Mr. Khilji has admirably represented Pakistan in multinational and bilateral fora such as the United Nations, the World Bank, and various Climate Change Protocols, Regional Transport Agreements and in strengthening economic cooperation between Pakistan and Allied Nations.

In terms of academic achievement, he holds a Master degree in Development Economics from the University of Wisconsin, USA, in addition to a Masters in Sociology from the University of Punjab, Pakistan. His areas, Corporate Finance, Organization Behavior and Policy of Specialization include, but are not limited to, Project Management Foundation.

Presently, Mr. Khilji is on the Board of Directors for Sindh Bank Limited and an Executive Director for MM Management Consultants, a private consulting firm.

He also serves as Director on the boards of Sindh Modarrba Limited, Cnergyico Company Limited and Oil Refinery Company Limited.

PROFILE OF DIRECTORS

Ms Maleeha Bangash

Independent Director

Maleeha Bangash has over 23 years of extensive experience in leadership positions across Singapore, Pakistan, and Turkey, with expertise in Corporate and Investment Banking, Mergers & Acquisitions (M&A), Investment Advisory, Project Finance, Debt and Equity Capital Markets, Portfolio Management, Fund Structuring, Private Equity, Venture Capital, Strategy Formulation, Public-Private Partnerships, Infrastructure, Social Impact Investments, Sustainable Development Goals (SDGs), Environmental, Social, and Governance (ESG), and Access to Finance for women and underserved communities.

She is known for leading by example, upholding professional ethics and values, and has consistently delivered results. Her success in challenging situations stems from her ability to collaborate effectively with her teams, peers, seniors, and other professionals. Maleeha has managed and led diverse teams of over 100-150 individuals, with a focus on empowering women, especially in senior management positions. She is recognized for her creative problem-solving skills and "out of the box" thinking, which she applies to organizational needs.

Throughout her career, Maleeha has demonstrated the ability to successfully start up, operationalize, and establish both local and international companies through effective strategy formulation and hands-on management. She has successfully turned around organizations, taking them to the next strategic level while focusing on sustainability and results.

As a business and strategy head, Maleeha was instrumental in launching the Singapore office of an international investment banking and advisory firm, as well as a leading local asset management firm, raising Rs. 10 billion in assets under management (AUM) during the launch quarter. As a founding member and commissioner at the Competition Commission of Pakistan (CCP), she led areas of advocacy, research, and M&A review, establishing strong relationships with regulatory bodies, ministries, and private sector leaders.

In her role as Chief Strategy Officer at UBL Funds, one of the largest asset management companies in Pakistan, she formulated and implemented a five-year strategy that doubled the firm's AUM. She also structured investment solutions, both Shariah-compliant and conventional, and forged business alliances. As Deputy CEO at Al Habib Asset, she increased the company's AUM by 300%.

Maleeha also held the position of Managing Director at the Investment Climate Reform Unit (ICRU) under the World Bank Group, where she established an efficient organization and improved Punjab's Ease of Doing Business (EODB) ranking by 39 points. She advised the Ministry of Finance and worked on strategies to enhance access to finance for SMEs in Khyber Pakhtunkhwa (KP). She led the Investment Climate reform, advised Ministry of Finance, & worked on Access to Finance Strategy & Mechanism, for SMEs in KP.

In addition to her other roles, Maleeha serves as a director on the boards of several companies, including Nishat Power Limited, Cherat Packaging Limited, Services Global Footwear Limited, Habib Insurance Company Limited, Cordoba Logistics & Ventures Limited, Digital Custodian Company (DCCL), KP Social Development Fund (KPSDF), EClear, Services Limited (Public Unlisted), AWT Investments Limited (Public Unlisted), and LSE Proptech, a subsidiary of LSE Financial Services (Public Listed).

Ms Naila Kassim

Independent Director

Ms. Naila Kassim is the Group Director HR for the house of Habib. In her capacity as the Group Director, she is responsible for formulating a strong talent and HR management strategy that encompasses recruitment, retention, organization development and record in sync with the business need along with ensuring succession planning for a healthy talent pool within the organization. She is also responsible for the Group Wide Management Trainee program across the industrial and banking sector across House of Habib.

Prior to her association with House of Habib she was the Group Head of HR & Communications of Engro Corp. Responsible for all strategic HR matters and the internal and external communications of the Engro brand and its subsidiaries consolidating the brand architecture for the Company as a whole. She has also initiated various human capital development programs that include championing diversity and driving employee engagement to deploy an enabling environment at Engro.

Prior to her association with Engro in 2010, Naila worked extensively with the leading giant chip manufacturer – Intel Corporation – where she was responsible for developing strategic programs to promote technology usage and penetration of IT in Pakistan, Thailand & Bangladesh. She was also instrumental in working with the world-wide teams in supporting the development of a new platform for the emerging markets. During her time at Intel Corporation she was heading the flagship CSR program to bring about technology aided learning in schools across Pakistan and Thailand. Naila worked with the Government of Pakistan to train a 100K teachers on using technology as a teaching tool and promoting project-based learning across both government and private schools in the country. She also launched the first WIMAX Pilot with the Ministry of IT in the country and launched various initiatives to make computers affordable with various financial institutions. In addition, she was also responsible for increasing technology adoption across the South Asian Markets. Naila holds a Bachelor of Science degree having majored in Marketing from Southeastern University, Washington D.C. In her free time, she enjoys music, travelling and watching shows and movies.

She also serves as Director on the board of TPL Insurance Limited.

Brigadier Kashif Naveed Abbasi, SI(M), (Retd) is serving as Company Secretary of FCCL since 7th February 2024. He was commissioned in Pakistan Army in March 1991 and joined an Infantry Unit. During his 31 years of military career, he remained employed on various Command, Staff and Instructional assignments mainly at Swat, Northern Areas, Rawalpindi, Lahore and Karachi. He has also served in United Nations Mission at Haiti as Staff Officer and United Nations Mission at Darfur / Sudan as Chief of Staff. He has undergone various hardcore military courses from USA and Australia and conducted study tours at South Korea and Indonesia.

He is a graduate of Command and Staff College, Quetta and National Defense University, Islamabad. He holds a master degree in National Security and War Studies.

Brig Kashif Naveed Abbasi, SI (M), (Retd),

Company Secretary

Mr Omer Ashraf joined FCCL in 2006 in the role of Chief Financial Officer. He is a Fellow member of the Institute of Chartered Accountants of Pakistan (FCA) with over 26 years of rich professional experience in managing finances, budget, tax planning, investor relations, project development, project financing and mergers and acquisitions. He was extensively involved in the Expansion of FCCL from a capacity of 3700 TPD to 34,535 TPD. During this period, he also led the clean energy initiatives by the Company including Waste Heat Recovery and Solar Power Plants.

Mr Omer Ashraf

CFO

SENIOR MANAGEMENT

Mr. Muhammad Tariq
Director (Operations)

Brig Abid Hussain Bhatti, SI(M), Retd
Director (ESG)

Brig Aziz ul Hassan Usmani, SI(M), Retd
Director (Marketing & Sales)

Brig Mir Ameer Ali, SI(M), Retd
Director (HR & Admin)

Syed Kamran Hassan
Director (Supply Chain)

COMPANY INFORMATION

Company Secretary

Brig Kashif Naveed Abbasi, SI(M), (Retd)

Fauji Towers, Block III, 68 Tipu Road, Chaklala, Rawalpindi
Tel No: +92-51-9280075
Fax: +92-51-9280416
Email: kashif.abbasi@fccl.com.pk

Chief Financial Officer

Mr. Omer Ashraf

Tel No. +92-51-5500157
Email: omer@fccl.com.pk

Director HR & Admin

Brig Ameer Ali, SI(M), (Retd)

Tel No. +92-51-9280084
Fax No. +92-51-9280416
Email: ameer.ali@fccl.com.pk

Director Marketing & Sales

Brig Aziz ul Hassan Usmani, SI(M), (Retd)

4th Floor, AWT Plaza, The Mall, Rawalpindi-Pakistan
Tel No. +92-51-5523836,
+092-051-5528963-64,
Fax No. +92-51-5528965-66
Email: adminmkt@fccl.com.pk

Director Supply Chain Management

Syed Kamran Hassan

Tel No. +92-51-9281549
Fax No. +92-51-9280416
Email: kamran.hassan@fccl.com.pk

Legal Advisors

M/s Orr Dignam & Co, Advocates Marina Height,
2nd Floor 109 East Jinnah Avenue, Islamabad
Tel No. +92-51-2260517-8
Fax No. +92-51-2260653

Auditors

A.F.FERGUSON & CO.
Chartered Accountants

74- East, 2nd Floor, Blue Area, Jinnah Avenue, P.O Box 3021,
Islamabad-44000
Tel No. +92-51-2273457-60/2604934-37
Fax No. +92-51-2277924, 2206473
Website: www.pwc.com/pk

Shares Registrar

M/s Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial, Model Town, Lahore
Tel No. +92-042-35916714-19
+92-042-35869037
Fax No. +92-042-35869037
Email: corplink786@yahoo.com

Email for E-Filling and E- Services

Email: secretaryoffice@fccl.com.pk

Production Location

Near Village Jhang Bahtar Tehsil Fateh Jang, District Attock

Tel No. +92-0572-538047-48
Fax No. +92-0572-538025
Website http://www.fccl.com.pk

Near Wah Railway Station Tehsil Taxila, District Rawalpindi Pakistan

Tel 057-2520452-01
Fax. 057-2520451

Nizampur, (Village Kahi), District Nowshera, Pakistan

Tel No. 0923-690141-42
Fax No. 0923-610650

Mauza Shadan Lund Chak Ladan Tehsil and District Dera Ghazi Khan Greenfield Plant

Tel No. 0333-1177197

Registered Office

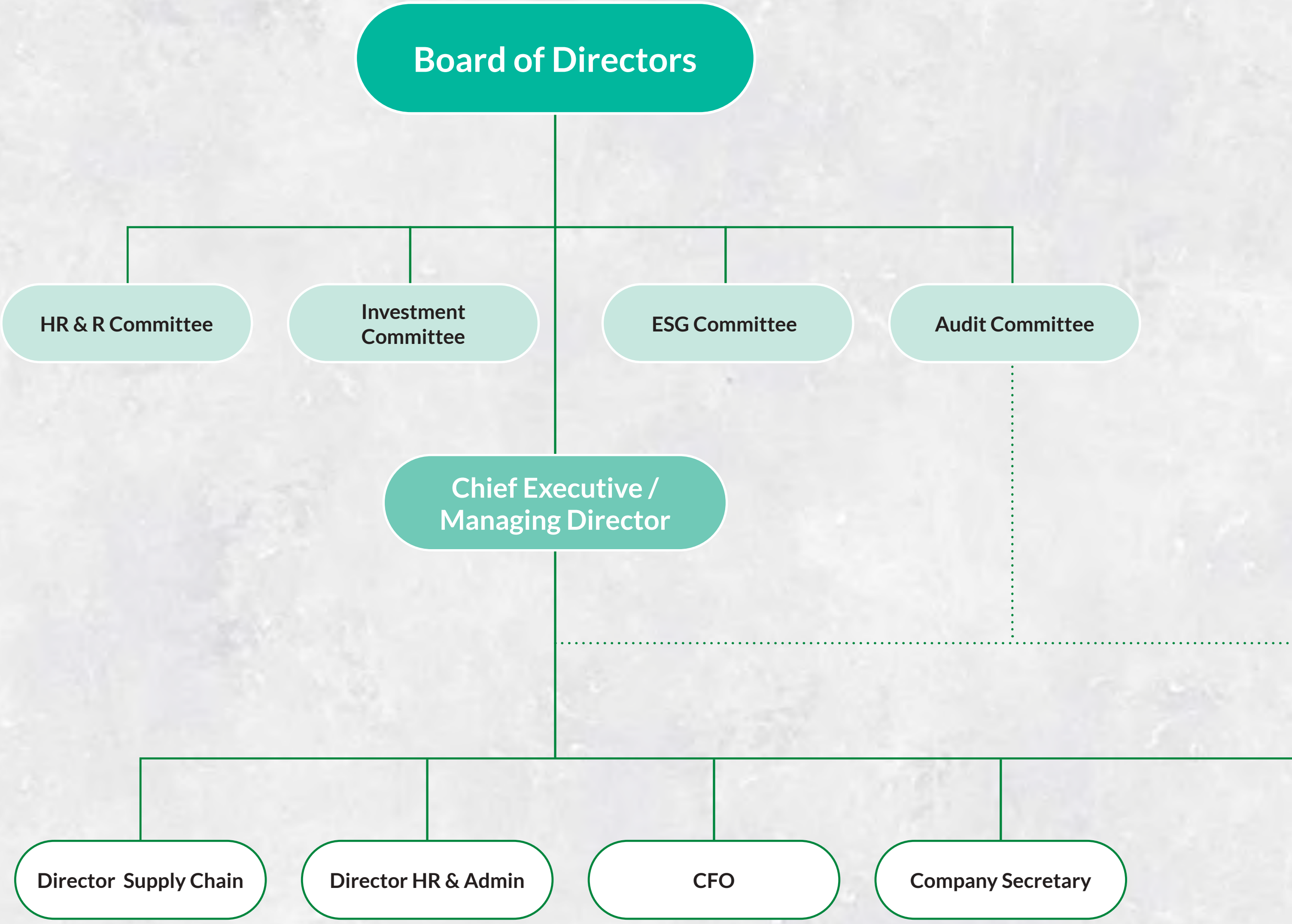
Fauji Towers, Block III, 68 Tipu Road, Chaklala, Rawalpindi

Tel No. +92-51-9280081-83, +92-51-5763321-24
Fax No. +92-51-9280416
Website http://www.fccl.com.pk

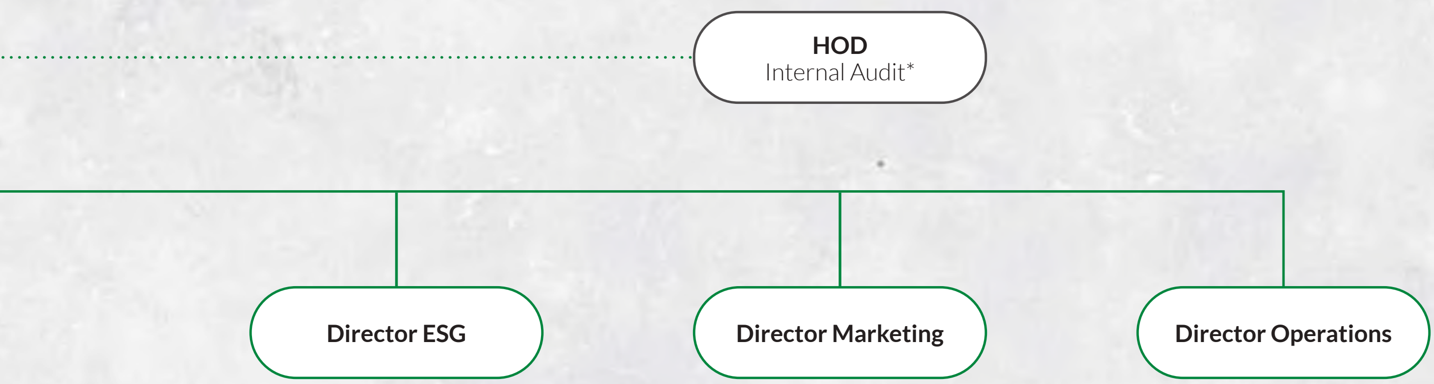
Bankers of the Company

- United Bank Limited
- Allied Bank Limited
- Bank Al-Falah Limited
- Habib Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- Askari Bank Limited
- Standard Chartered Bank (Pak) Limited
- National Bank of Pakistan
- Silk Bank Limited
- The Bank of Punjab
- Faysal Bank Limited
- Bank Al-Habib Limited
- Al-Baraka Pakistan Limited
- Bank Islami Pakistan Limited
- Habib Metropolitan Bank Limited
- JS Bank Limited
- Bank of Khyber
- SME Bank Limited
- SAMBA Bank Limited
- First Women Bank Limited
- Bank Makramah Limited

ORGANIZATIONAL CHART



CFO	Chief Financial Officer
HOD	Head of Department
HR & Admin	Human Resource & Administration
ESG	Environment Social Governance



*Head of Internal Audit reports administratively to CEO and functionally to Audit Committee.

HUMAN CAPITAL

2,326
No of Employees at year end

2,253
Average No of employees during the year

1,971
Factory employees

155
No of Trainings

704
Average No of participants

EFFECT OF SEASONALITY ON BUSINESS

Production

There is no material impact of seasonality on production cycle of the Company.

Sales

Cement sales are higher during spring and summer months due to increased day time construction activity. In normal monsoon and winter season dispatches slow down slightly especially in the North.

THE LEGISLATIVE AND REGULATORY ENVIRONMENT OF THE COMPANY

Being a Listed Company along with the nature of its business from an environment point of view and cement being a highly taxed commodity the Company operates in strict regulated environment. The main areas of business and related laws and regulations are as under:

Area of operation	Major Governing laws and regulations
Corporate Governance	• Companies Act, 2017 and Regulations issued under the Act
	• PSX Regulation
Sales/Marketing and Earnings	• Competition Act, 2010
	• Sales Tax Act, 1990
	• FED Act, 2005
	• Income Tax Ordinance, 2001
Manufacturing of Cement	• National and Provincial Environmental Protection Acts
	• Mining Laws
	• Labour Laws
	• Explosive Rules
	• Occupational Safety and Health Acts

Adherence to all applicable laws in every sphere of business is one of the Company' strategic objective and Company makes sure to comply with all applicable laws and regulations.

THE LEGITIMATE NEEDS AND INTEREST OF KEY STAKEHOLDERS

At FCCL we value each of our stakeholders and strive to maximize the value creation for each stakeholder. Due care is given to understand the legitimate needs and interests of all stakeholders while taking major decisions related to operations & investments.

The legitimate needs and interests of key stakeholders are tabulated below:

Stakeholder	Legitimate need and interest
Shareholders	• Return on investment • Right to accurate and timely information • Long-term wealth generation through sustainability of Business
Employees	• Adequate compensation • Career growth and development • Job satisfaction and personal development
Suppliers	• Timely payments against supply and services • Long term business relationship with the Company
Customers	• Quality product i.e Value for Money • Timely delivery of products
Government/ Regulators	• Tax payments as per applicable laws • Adherence to applicable laws by the Company
Nearby Communities	• Environment protection and natural resource conservation • Socioeconomic development
Analysts and media	• Timely and accurate information on Company's performance

POSITION WITHIN THE VALUE CHAIN

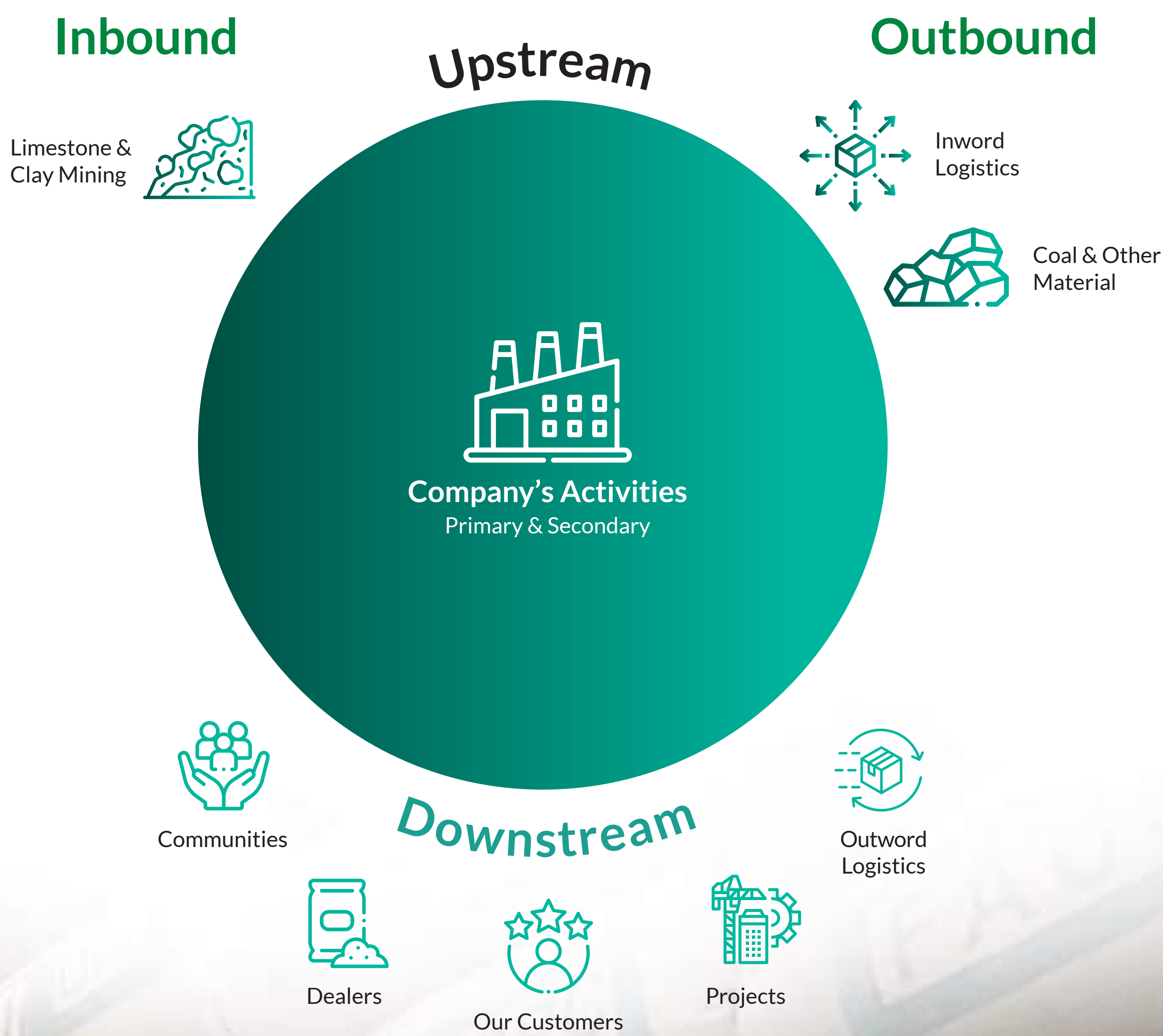
Value chain analysis is done on regular basis to identify key competencies and opportunities for value creation for the Company and all of its stakeholders.

The principal activity of the Company is manufacturing and sale of different types of Cement and tile bond. Cement is manufactured through the mixture of different earth materials to make a fine raw mix and then heating the raw mix at a very high temperature in a kiln and grinding the same to make cement. Main materials used are as under:

- Lime Stone
- Clay
- Laterite
- Gypsum
- Fuels – Coal & Alternative fuels

On the upstream part of value chain, Lime Stone and Clay is obtained from own quarry, mining of these items is done through quarry contractors. Laterite and gypsum are purchased from different outside suppliers. Coal is the main fuel which includes Imported, Afghani and Local procured through the suppliers within and outside the country. Alternative Fuels, mainly, are procured locally. On the downstream part of the value chain are our dealers, transporters, projects and communities in which we operate.

Upstream	Company Activities	Down Stream
Inbound Extraction of limestone and clay from own quarry **Out bound** Suppliers of: • Coal & Alternative fuels • Gypsum • Laterite • Other Fuels • Packing materials • Transporters of imported materials/ spares	**Primary Activities** • Production • Marketing and sales **Secondary Activities** • Human Resource Management • Company Infrastructure–Legal, Admin, Finance , It, Supply Chain, ESG Etc	**Out Bound** • Transporters • Customers • Dealers • Projects • Communities


Inbound
Upstream
Outbound
Limestone & Clay Mining
Inword Logistics
Coal & Other Material
Company's Activities
Primary & Secondary
Communities
Downstream
Outword Logistics
Dealers
Our Customers
Projects


FAUJI OPC

SIGNIFICANT FACTORS AFFECTING THE EXTERNAL ENVIRONMENT

Factor Impacting External Environment	Factor Impacting External Environment	Company's Response
P Political	• Instability that effects economic policies can impact the operations of the Company negatively • Inconsistency or abrupt changes in Government policies impacts the Company negatively	• The management of the Company closely monitors developments that could impact the Company negatively and adjust its position proactively • Management proactively adapts Company's processes and policies in response to any anticipation of Government policy shifting
E Economic	• During economic slowdown and reduced Government spending construction activity also slows down that results in low dispatches • Currency devaluation, high general inflation, higher interest rates generally impact the inputs that results in squeezed margins. Further, these factors impact the income level of people that results in low demand	• Company monitors overall macroeconomic indicators including Government PSDP proactively to position itself in best place. • The Company continues to work on cost optimization and new value-added products in order to minimize the impact of any economic slowdown.
S Social	Socio-economic condition of the community impacts directly towards sustainability of any business	• The Company consistently works towards the socio-economic development of the surrounding communities. • A considerable budget is allocated, and investments are made for ESG activities covering the health, education and environmental sectors. Details are in ESG & CSR section of this report

The external environment plays an integral role in the company's operational and financial performance. Our strategy aims to place the company in the best position in terms of the external environment, in order to effectively manage the risks and optimize the opportunities present and emerging in the political, economic, social, technological, environmental and legal arenas.

	Factor Impacting External Environment	Factor Impacting External Environment	Company's Response
T	**Technological**	• Overall technological developments can impact any product demand and can shift the people needs and consumption pattern, cement is no exception of the foregoing • New technologies in business processes can also impact the way of business	• The Company strives to adopt cutting edge technologies and continuously upgrade its manufacturing facilities through BMRs • Company adopts latest hardware and software, recently latest version of SAP S/4 Hana was implemented • With increasing dependency on information technology Company has implemented latest available cyber security measures. Detail is given in cyber security section of this report
E	**Environmental**	Global environment protection awareness and increasing legislative requirements is impacting the way of doing business	Beyond the regulatory compliance, the Company strives to conserve its natural capital. The Company's efforts including water conservation, biodiversity protection and the use of renewable energy sources to reduce its carbon footprint, are detailed in the Sustainability section of this report.
L	**Legal**	Regulatory framework and laws impact any organization and its products	• The Company complies with all the applicable laws and regulations. • Dedicated and experienced individuals ensure that all areas of the business operations adhere and comply with their respective laws.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

Competition in the Industry

The cement industry of Pakistan is a competitive industry comprising of multiple players spread across the country. Pakistan has one of the lowest per capita consumption of cement in the world, Companies have undergone capacity enhancements. In such a highly competitive environment, efficiency in cost and consumer satisfaction through quality products is the key to remaining competitive.

To capitalize on its image of delivering quality products year after year and to expand its market outreach, Fauji Cement has recently carried out greenfield expansion at D.G. Khan.

Dealers and projects are two main customer categories of the Company. A significant portion of sales are made to different projects including all dams/ hydropower projects being built in the country.

Company's focus on quality and customer satisfaction is the base of customer relationship. Diversified/ strong customer base and quality products give the Company an edge over competitors in the Industry.

Threat of New Entrants

There is free entry for anyone willing to invest and enter in the industry. Fauji Cement always encourages healthy competition in the market. Being one of the largest cement producers in Pakistan, the Company has always maintained its foothold not only in local markets but in Afghanistan as well. Due to its top quality products and services, Fauji Cement is highly acceptable as a priority brand. Moreover, vast/ strong dealership network and dedicated team of professionals make the threat of new entrants in Fauji Cement markets significantly low.

Power of Customers

One of the key elements of a business is customer base. It is affected by the number of customers a Company has, how significant each customer is and how much it would cost a Company to find new customers or markets for its products. As a norm in Pakistan cement industry, sales are carried out through network of dealers/ distributors.

Power of Suppliers

How easily the suppliers can drive up the cost of an input can put a business in difficult position through cost escalation; particularly, when it operates in highly competitive environment.

Fauji Cement extracts major raw materials from its own quarries. Electricity is either generated through own sources or procured from national grid. For rest of the materials, supplies and services, outside suppliers are engaged. Company has developed multiple sources for the supply of key components, materials and services. Its healthy relationship with the suppliers, keeping agreed commitments including timely payments and esteemed reputation in the industry ensure that the power of suppliers is managed successfully.

Threat from Substitute Products

Cement is one of the main construction material being used globally. Threat of its substitution with new product is not significant.

AWARDS

21st Annual Environment Excellence Award

Fauji Cement is honored with the Environment Excellence Award for the year 2024 (21st Annual Environment Excellence Awards), organized by National Forum for Environment & Health (NFEH). FCCL is proud to be the torch bearer in Pakistan Cement sector and this award is a testimony of the FCCL's leadership commitment towards environmental stewardship and sustainability.

Sustainability Leadership Award

Fauji Cement is honored with most prestigious award "Sustainability Leadership" by Devcom Pakistan in Partnership with Ministry of Climate Change Pakistan, United Nations Environment Program (UNEP), Industrial Association – Islamabad and PNCA.

16th Annual CSR Award 2024

Fauji Cement Company Limited (FCCL) proudly participated in the 16th Annual CSR Summit organized by the National Forum for Environment & Health (NFEH). FCCL was honored with NFEH's for its exemplary CSR and green energy initiatives.

ISO CERTIFICATIONS

Fauji Cement developed and implemented Integrated Management System (IMS) to improve performance and operational excellence. Currently, FCCL Plants (Jhang Bahtar, Wah and Nizampur) maintained following ISO standards: -

ISO 9001: 2015
Quality Management System

ISO 14001: 2015
Environmental Management System

ISO 45001: 2018
Occupational Health & Safety Management System

ISO 50001:2018
Energy Management System

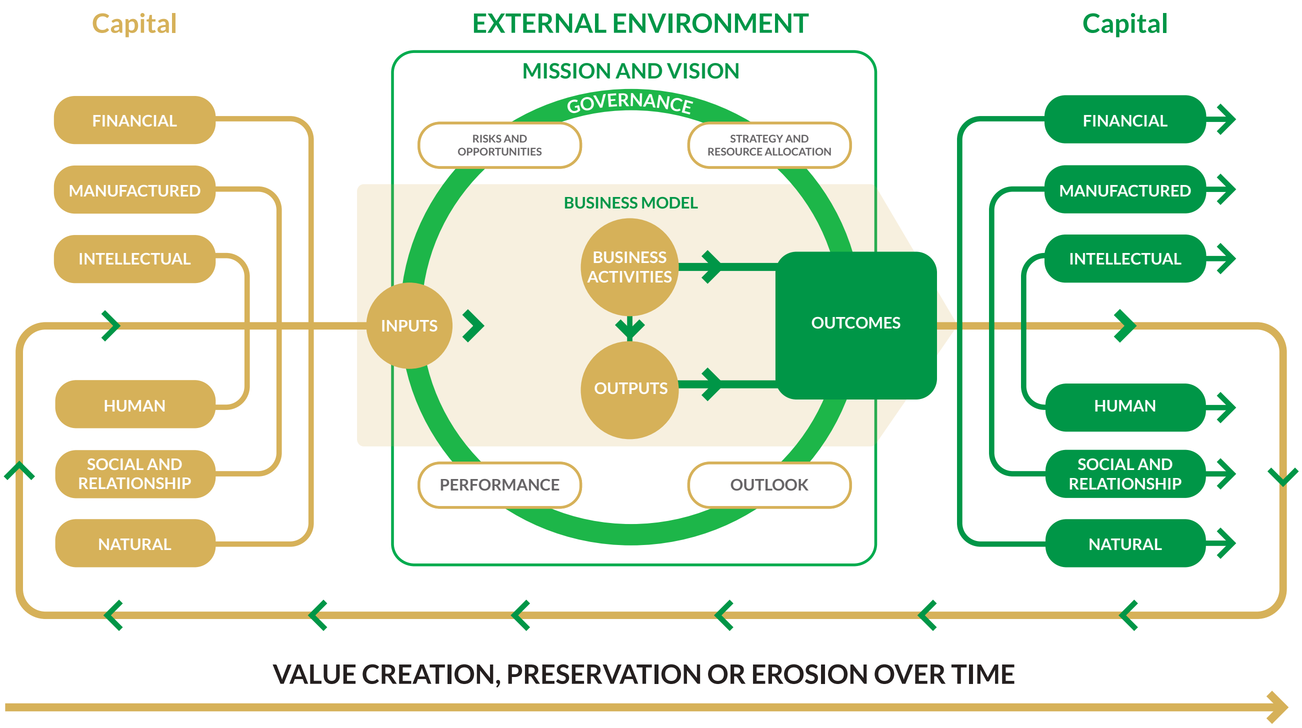
CREDIT RATING BY PACRA

Long Term	Short Term	Outlook
AA-	A1+	STABLE

02
STRATEGY AND RESOURCE ALLOCATION

UNDERSTANDING OUR VALUE CREATION BUSINESS MODEL

We aim to create long term value for all of our stakeholders. Cost economization through efficient production, innovation in processes and optimal use of resources is key to our business model. We continuously seek opportunities in new markets to expand our customer base and to improve efficiency of our business processes to economize cost. Our model for transformation of inputs into outputs and outcomes to fulfill strategic objectives of the Company that ultimately create value for all stakeholders is described below:



Material Changes In Business Model During The Year

There is no material change in business model during the year, except Company is more inclined for vertical integration.

HOW WE DIFFERENTIATE OURSELVES IN TERMS OF KEY ASSETS

Financial Capital

- Total Assets of Rs. 148 Billion
- Strong capital base to fund long term projects and operational activities
- Sufficient internal cash generation for operational needs

Manufactured Capital

- State of the Art energy efficient and low emission European/Hybrid Production facilities at 4 locations of 34,860 TPD of cement
- Tile bond manufacturing unit with capacity of 100 TPD
- Green Captive power generation having capacity of 52.5 MW
- Waste heat energy production capacity of 48.5 MW at all locations
- Quality control departments/labs at all locations

Intellectual Capital

- Latest World renowned ERP SAP S/4 Hana
- Reputed brands Fauji & Askari
- Cement industry knowledge and expertise

Human capital

- A well trained, motivated and experienced team

Social and Relationship Capital

- Network of 550 dealers across Pakistan
- A well reputed and preferred brand among projects
- Strong and long term relationship with all major financial institutions in country
- Strong relationship with reputed suppliers within and outside the country
- CSR activities with community

Natural Capital

- 52.5 MW solar energy captive power plants
- Availability of major raw materials from own quarry
- Surface water availability at all manufacturing facilities

OUR BUSINESS MODEL

Inputs

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human capital
- Social and Relationship Capital
- Natural Capital

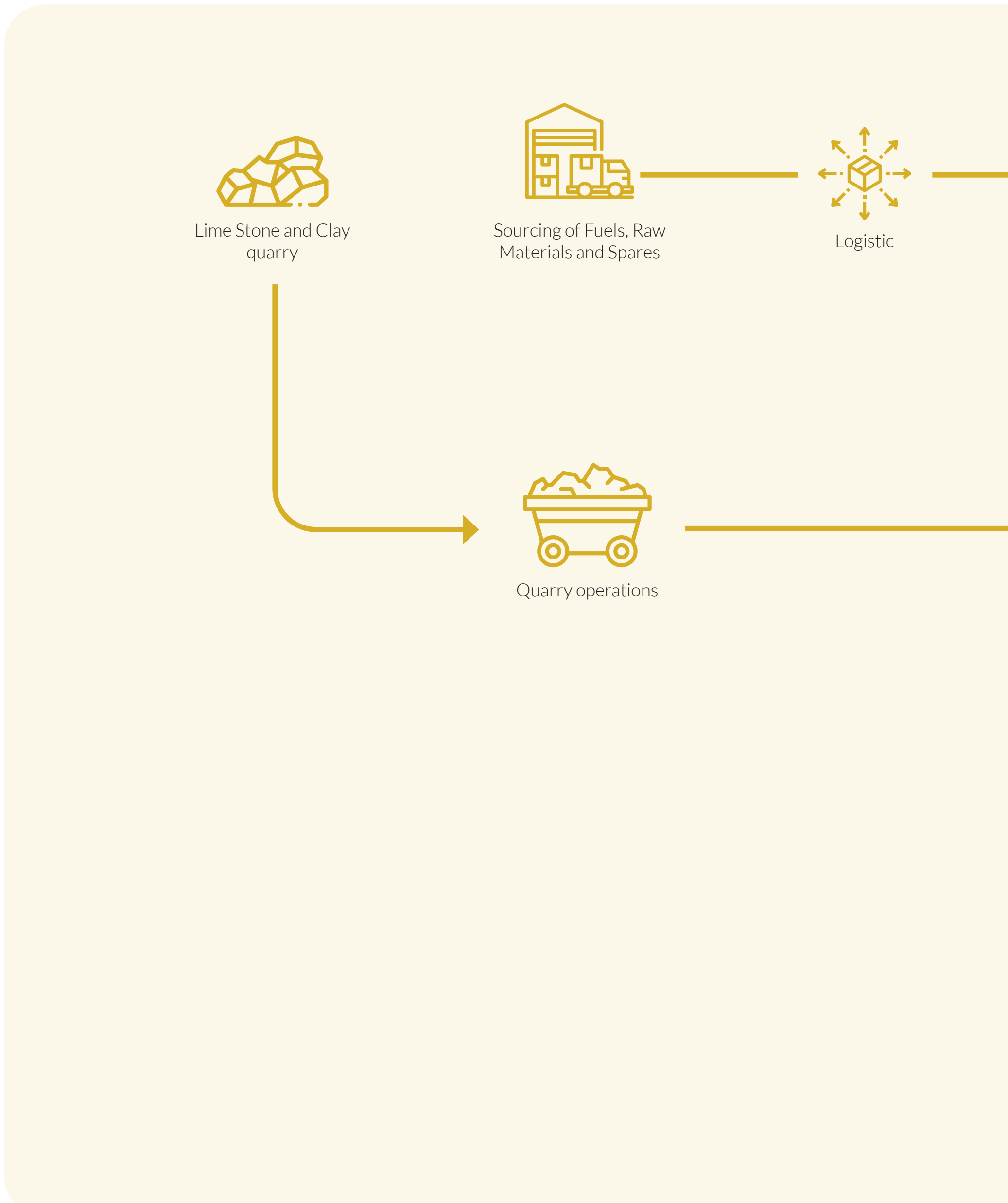
Business Activities

Strategic Objectives

Refer to pages 60

Outlook, Risk and Opportunities

Refer to pages 72



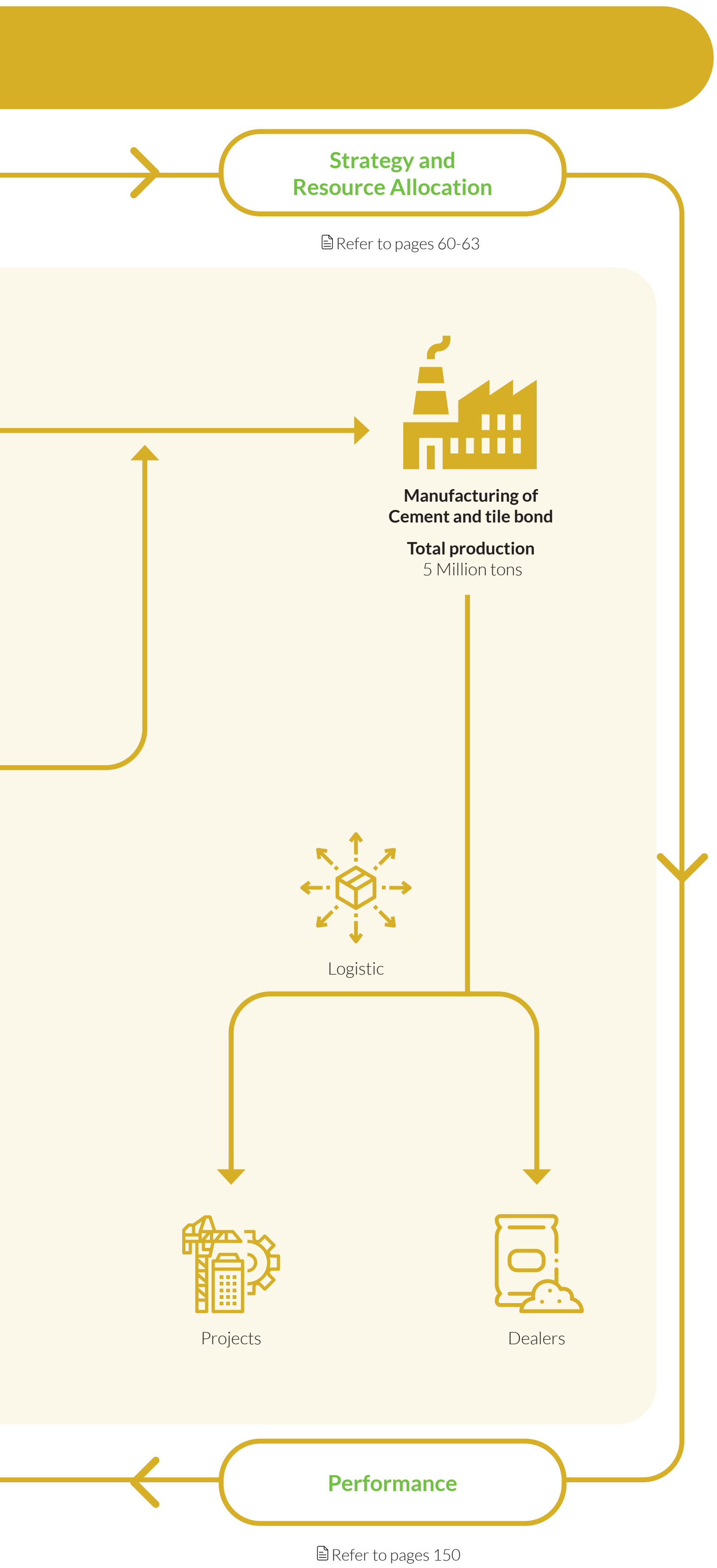
Sustainability through value creation for all stakeholders

Refer to pages 64

Governance

Refer to pages 80

Value Creation Value Preservation Value Erosion



Output

- Different Types of Cement
  - a) OPC
  - b) OPC ASTM C-150
  - c) Low Alkali/ Low heat cement
  - d) SRC
  - e) Green Cement
- Tile Bond
- Electricity generation through waste heat recovery
- Green energy – through solar captive generation

Outcomes

Financial Capital

- Highest ever revenues – Rs.80 Bn(Net)
- Highest ever profit – Rs 8.2 Bn
- Strong balance sheet footing
- Cash generation from operations – Rs. 21.6 Bn
- Return on capital employed increased by 8% during the year

Manufactured Capital

- Commissioning of DGK project during the year
- Commissioning of two solar power projects at DGK and NZP Sites with 12.5 MW capacity
- 48% own captive power generation

Intellectual Capital

- Cost economization through efficiencies in process

Human Capital

- Employee Training and development
- Salaries and Wages amounting to Rs. 5.5 Billion paid during the year
- Low turnover

Social and Relationship

- Consumer satisfaction through quality production
- Socioeconomic development of nearby communities through education, provision of amenities and health facilities
- Contribution to national Exchequer – Rs. 29 Bn
- Contribution towards nation building through provision of quality cement to national level projects

Natural Capital

- Enhancement in Renewable energy production capacity by 12.5 MW
- Increased green cement sale – 12% of cement sale with reduced clinker factor
- 0% subsoil water usage for production
- 560 K tons carbon reduction due to green energy generation

STRATEGIC OBJECTIVES AND STRATEGIES IN PLACE

At FCCL, we aim to create a sustainable value for all our stakeholders

<table>
<tr><th>Strategic Objective</th><th>Strategies In Place</th><th>Time Horizon And Status</th></tr>
<tr><td>To enhance and maintain market share
Sustain market position through business expertise, maintaining and expanding manufacturing capacities and innovation in business process is the key for cement business sustainability</td><td>• Expansion in high Cement Consumption plus completely new markets:
i. Brown field expansion at Nizampur commissioned last year provides easy access for projects in the North
ii. Green field expansion at DG Khan to establish footprint in central and southern Punjab markets
• Focusing on products research and new products development that takes into account the ever-changing demands of the market</td><td>Status: On Going Process</td></tr>
<tr><td>To maintain existing premium position in Quality cement production
To maintain premium brand image and strict quality control is the critical for business success</td><td>• Strict quality controls are in place throughout the operating cycle i.e. from procurement to production till delivery to customers
• Product innovation for specialized needs and requirements
• In order to maintain quality standards, only reputable suppliers are chosen for the purchase of plant, machinery and equipment</td><td>Status: On Going Process</td></tr>
<tr><td>Cost economization
With ever increasing costs of doing business, rational cost economization is critical success factor for business sustainability</td><td>• Realignment of policies and procedures to enhance synergies among the business processes
• Continuous efforts to explore possibilities for vertical integration for controlling input costs
• Continuous efforts to minimize the fuel cost through maximum usage of alternative fuels and local coal
• Maximization of green captive power generation for reduced energy production costs
• Constant investments in manufacturing facilities to improve efficiency in operations
• Predictive maintenance of equipment and machinery to reduce unscheduled stoppages and increase the life of the plant & machinery
• Stringent budgetary controls at all levels of the organization to minimize fixed costs</td><td>Status: On Going Process</td></tr>
</table>

Time Horizon: Long Term | Medium Term

Priority: Medium | High

Strategic Objective	Strategies In Place	Time Horizon And Status
ESG We believe ESG is the way forward for a better tomorrow and especially focus on long term environmental concerns, climate changes and betterment of community where we operate	**Environment** • Focus on reduced CO_2 emissions through: I. Use of cementitious materials/ green cement II. Continuous investment in renewable energy generation through solar and WHRPs III. Tree plantation for CO_2 restoration IV. Maximum usage of Alternate Fuels • Adherence to all PEQs & NEQs • Focus on water preservation through recycling, rain water harvesting and surface water usage **Social** • Ensuring safe working environment for employees • Supporting local communities through: i) Providing Education through self-run schools ii) Women Vocational training iii) Jobs creation in general and especially in less privileged area of DG Khan iv) Water filtration & RO Plants to provide clean drinking water to nearby communities v) Solarization of nearby communities • Promoting a diverse and equitable workplace • Equal opportunities for all employees **Governance** • Board diversity and independence • Compliant with industry standards and regulations • Trusted and responsible reporting to all stakeholders • Ethical business conduct	Status: Ongoing process
Nurture innovative thinking and teamwork Innovative thinking and teamwork contributes towards value addition in business	• Create a culture that nurtures innovation and entrepreneurial thinking • Establish innovative platforms • Enhance employee engagement	Status: Reinforcement of existing system to promote culture of innovation is under progress

RESOURCE ALLOCATION PLAN TO IMPLEMENT THE STRATEGY

Optimal allocation of resources is the key to success in every sphere of operations. To achieve our strategic objectives, we manage and allocate key capital against each objective as under:

Strategic Objective	Strategy	Resource Allocation
To enhance and maintain market share	• Expansions • Product research and development	**Expansions** • **Financial Capital** - Required finances are allocated through a mix of equity and debt. • **Human Capital** - A dedicated and skilled project team is deputed for projects • **Social and Relationship Capital** – To uplift the living standard of local communities CSR budget is allocated **Product R&D** • **Financial capital** – allocation of sufficient budget for product development • **Human Capital** – a dedicated R&D team
To maintain existing premium position in Quality cement production	• Strict quality controls • Product innovation • Quality procurement	• **Financial Capital** - Continuous investment on manufactured capital and acquiring high quality equipment. • **Human Capital** - A separate Quality Control Department, diligently working to ensure the quality of products is maintained.
Cost economization	• Enhanced synergies • Vertical integration • Minimization of fuel cost • Maximization of own power generation • Investments in manufacturing facilities • Predictive maintenance • Stringent budgetary controls	• **Financial Capital** - Continuous investment on manufactured capital • **Human Capital** - Employees training and development to enhance their skills ensuring a smoother workflow. • **Natural Capital** - Investment in solar energy, water conservation, surface water usage, and cheaper fuel.

Strategic Objective	Strategy	Resource Allocation
ESG	**Environment** • Focus on reduced CO_2 emissions • Adherence to all PEQs & NEQs • Focus on water preservation **Social** • Ensuring safe working environment for employees • Supporting local communities • Promoting a diverse and equitable workplace • Equal opportunities for all employees **Excellence in Governance** • Board diversity and independence • To be compliant with industry standards and regulations • Trusted and responsible reporting • Ethical business conduct	• **Financial Capital** - Investment in solar energy and surface water usage, considerable budget allocation for local communities, contribution to national exchequer in terms of taxes, investment in manufactured capital for low emission and energy efficient plant and machinery. • **Social and Relationship Capital** - Development of local communities in terms of education, medical facilities, reforestation, and clean water provision. • **Natural Capital** - Water conservation, tree plantation, reduced CO_2 emission.
Nurture innovative thinking and teamwork	• Create a culture that nurtures innovation and entrepreneurial thinking • Establish innovative platforms • Enhance employee engagement	**Financial Capital** – Budget allocation for platforms development, training and facilities **Human Capital** – Employees in house and outsourced trainings and skill developments **Social and Relationship capital** – From top to bottom employees engagement at department levels

SUSTAINABLE COMPETITIVE ADVANTAGE AND VALUE CREATION

Our business creates value for all stakeholders:

Competitive Edge

State of the art manufacturing facilities	FCCL has state of the art manufacturing plants with European/ Chinese Hybrid origin with high standard of efficiency, reliability and safety. This results in high quality product with reduced costs and low emissions.
Multiple manufacturing locations	Production facilities of FCCL are located at four different location covering the North and Central markets. This gives it competitive advantage in terms of market outreach and better retentions
Trusted Brand with Quality as its legacy	Due to its quality, FCCL is a trusted brand among the mega private and public projects. This provides FCCL a competitive advantage
SAP **World renowned ERP software - SAP**	FCCL has implemented SAP S/4 Hana, the latest ERP that brings enhancement of controls and business efficiency through accurate and timely reporting which helps management make timely and well informed decisions
Preferred Employer	FCCL is a preferred employer by all types of employees due to its professional working environment and HR policies. This helps to attract and retain talent. FCCL has a very low attrition rate.
Human Capital	An experienced, motivated and loyal team is the most valuable asset of the Company that gives it the competitive edge

Value Creation by Business

Shareholders	through maximization of wealth
Employees	through market competitive compensation, job satisfaction, health and safety and career growth
Customers	customer satisfaction through provision of high quality and trusted products
Suppliers	timely and appropriate payments for supply and services while maintaining long term relationship
Communities	through provision of employment, economic activity generation and CSR activities
Government	FCCL is among one of the largest taxpayers in the country

KPI'S TO MEASURE THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE	KPI	FUTURE RELEVANCE
To enhance and maintain market share	• Capacity Utilization • Market Share • Net profit margins	KPIs will remain relevant in the future
To maintain existing premium position in Quality cement production	• Customers Satisfaction Index • Project Sales to total sales Ratio • Compressive strength of Cement • Compliance with Local and International quality standards	KPIs will remain relevant in the future
Cost economization	• Fuel and Energy consumption norms • Cost of production per ton • Fixed cost to overall cost ratio • Plant availability factor • Net profit margins	KPIs will remain relevant in the future
Sustainability	• CSR expenditure • Water conservation • Green energy generation • Net energy efficiency • CO_2 reduction • Compliance with applicable environmental laws • Employees health and safety – TRIFR • Compliance with CCG requirements	KPIs will remain relevant in the future
Nurture innovative thinking and teamwork	• Employee engagement • Innovative outcomes	KPIs will remain relevant in the future

LINKAGE OF VISION AND MISSION & STRATEGIC OBJECTIVES

Vision and mission is the inspiration for our strategic planning to set benchmarks for business operations and outcomes. It is embedded in each and every objective and strategy of the Company.

Vision & Mission	Corresponding Strategic Objectives
Vision • To be a role model in cement manufacturing having public respect and goodwill • Value creation for all stakeholders • To fulfill corporate social responsibilities	• Innovative thinking and teamwork in all areas of Cement Production by coming up with new ideas and products • Always Identifying new areas of CSR to address specific people needs • Sustainability and cost economization
Mission • Maintaining leadership position in quality of cement • Profit maximization through reduced costs of production and enhanced market share	• To maintain existing premium position in Quality cement production • To enhance and maintain market share • Cost economization and value creation

COMPANY'S STRATEGY ON MARKET AND PRODUCT DEVELOPMENT

Market Development Strategy

Our market development strategy aims to solidify our position as one of the leading cement Company in existing markets and expand our footprint in new markets. Key elements of our market strategy are as follows:

Market Research

The needs and preferences of customers and any change are identified through regular market research of existing and targeted markets

Competitors Analysis

It is done, on regular basis, to analyze the strengths, weaknesses and market positioning of competitors

Market Segmentation

Over the years two segments of cement market is identified i.e. Dealers and Projects. Company approaches these segments in a way to maximize customer satisfaction by fulfilling their product related needs

Unique Selling Proposition (USP)

Over the years Company has developed and maintained a compelling USP through quality of cement. Company maintains strict quality control on its products.

Product Development Strategy

Company has an established portfolio of products. Company, regularly assesses the products life cycle and continuously improves them, keeping in view the customer preferences and needs.

THE EFFECT OF GIVEN FACTORS ON COMPANY'S STRATEGY AND RESOURCE ALLOCATION

Technological Changes

Rapid technological changes across the globe are affecting every business. Cognizant of this fact, the company takes into account the latest developments in technology in formulating strategies in every sphere of business operations. Company realizes that cost optimization, which is one of the strategic objectives of the Company, cannot be achieved without adopting the latest technologies in product manufacturing. Considerable financial capital is allocated every year for modernization and upgradation of existing manufacturing facilities to achieve operational efficiencies.

Company allocated considerable financial and human capital for moving from its existing in house developed ERP to the best in class ERP i.e SAP S/4 Hana and is now working on moving from on premises to cloud solution.

ESG Reporting and Challenges

Sustainability is one of the key strategic objectives of the Company. Company endeavors to give back to the communities in which it operates. Considerable financial capital is allocated for the Wellbeing of nearby communities, protection of environment and excellence in governance. Further a comprehensive ESG policy has been formulated, which is being implemented. An ESG committee of the Board is formed to oversee the ESG function of the Company. During manufacturing process all the PEQs and NEQs standards are adhered and separate strategies are formulated for water conservation, green energy generation and CO_2 reduction.

Initiatives Taken for Promoting and Enabling Innovation

Unlocking the innovative potential of our people and business comes down to the combination of management approaches, strategy and resources. Management keeps taking initiatives to promote and enable innovation. Reasonable resources are allocated for innovation in business processes. Following innovative steps are taken by the Company:

- Implementation of world renowned ERP SAP
- Moving towards Cloud database from existing on premises database
- Usage of alternate fuels as a replacement of coal
- Introduction of new products i-e tile bond, Cement types for specific construction needs
- Automation of business processes to maximum extent

INFORMATION ABOUT DEFAULTS IN PAYMENT OF DEBT

There is no default on account of payment of any debt of the Company during the year. All debt repayments are being made as per terms of financing agreements.

BOARD STRATEGY TO OVERCOME LIQUIDITY PROBLEMS, REPAYMENT OF DEBTS AND OPERATIONAL LOSSES

Based on current projections the company has the capacity to produce enough cash flows to meet its liquidity needs. It regularly tracks and forecasts the amount of cash coming in and going out. Long-term projects are funded by internal cash flow generation and long-term financing, whilst running finances are used to meet the company's working capital needs. The key to a successful cash flow management strategy is to use less expensive financing as much as possible. Any temporary excess cash generation is then invested in best available short-term avenues to generate maximum value. In case of any operational losses or cash crunch, sufficient running finances are available to meet the liquidity requirements.

BOARDS STATEMENT ON SIGNIFICANT PLANS AND DECISIONS

Corporate Restructuring

Company has no plans for any corporate restructuring in foreseeable future

Business Expansion

Company is in the process of acquisition of PP bags manufacturing unit for vertical integration of supply chain

Major Capital Expenditure

Company is in process of enhancing its solar captive power generation through installation of new 15 MW solar power plants, further, Company will keep investing in process efficiencies and new products development

Discontinuance of operations

Company has no plans for discontinuation of any of its operations in foreseeable future

03
RISKS & OPPORTUNITIES

KEY RISKS & OPPORTUNITIES

Strategic : Excess Supply and Stagnant or decreasing sales prices	
Risk	Capacity expansion by Industry and possibility of sales decline due to high general inflation and lower Govt. spending. It can also put pressure on sales prices Source Likelihood Priority
Associated Objective	To enhance and maintain market share
Impact	• Possibility of drop in market share due to decline in sales • Pressure on sales prices resulting in Company being unable to pass on any increase in input costs **Effect On Capital(S):** Squeezed margins and low turnover can affect availability and affordability of financial and human capital
Risk Mitigation or Management	**Strategy And Plan** • Maintaining brand perception through delivering consistent and top-quality products and being the trusted brand for domestic consumers and mega projects • Diversified products portfolio keeps our customer base wide and strong. • Constant working on new value-added construction products. **KPIs And Targets** • Keep delivering better than quality standards • Maximization of project sales • Maximization of green cement and tile bond sales • Cost economization, target is to be the most cost-efficient cement producer in the industry
Related Opportunity	• Penetrating into new local markets • Hydro power and mega projects • Continuous Innovation
Impact	**Effect On Capitals** The opportunity can impact the availability and affordability of financial and human capital
Value Creation	• Expansion in DG Khan, it will enhance Company's market share in Southern and Central Punjab. • Expansion in NZP is helping to supply cement to hydro power projects in efficient and cost-effective manner • Tough competition helps to bring efficiencies in all business processes

Financial : Increasing Input Costs	
Risk	High Input costs due to highest ever general inflation, devaluation, with risk of not being passed on because of market conditions Source Likelihood Priority
Associated Objective	Cost Economization
Impact	With squeezed margins profitability can be impacted negatively **Effect On Capital(S):** High input costs can impact the availability and affordability of financial capital
Risk Mitigation or Management	**Strategy And Plan** • Increasing captive power generation through multiple sources including waste heat recovery, solar and gas generators • Close monitoring of prices and optimum stock building of coal and other raw materials • Higher utilization of local coal and alternative fuel • Usage of surface water at all sites to minimize the water usage bill • Cost rationalization of all costs especially fixed expenses • Exploration of possibility of vertical integration of supply chain to minimize the input costs **KPIs And Targets** • Maximum possible capacity building for low-cost solar energy • Maximum utilization of local coal and alternative fuel
Related Opportunity	To bring further efficiencies in processes New avenues for cost savings
Impact	**Effect On Capitals** The opportunity can impact the availability and affordability of financial, manufactured and human capital
Value Creation	• Resource conservation through process efficiencies • Usage of indigenous fuels/raw materials contributing to local economy • Usage of alternate fuels to help pollution reduction

Likelihood	●●●●● Very Likely	●●●○○ Likely	●●○○○ Possible
Source	External	Internal	
Priority	■■■■■ High	■■■□□ Moderate	

Financial : Credit Risk

Risk	Customers are unable to pay their obligations. Source: External Likelihood: Possible Priority: Moderate
Associated Objective	Cost Economization
Impact	Financial loss due to non-recoverability of receivables **Effect On Capital(S):** It may impact the availability and affordability of financial capital
Risk Mitigation or Management	**Strategy And Plan** • Established credit policy with assigned limits. • Analysis of credit worthiness of each customer individually by the management before extending any major credit • In some cases, Bank Guarantees and LCs are obtained as security **KPIs And Targets** • Adherence to credit policy • Credit exposure within authorized limits

Financial : Exchange Rate Risk

Risk	Certain operating and capital expenditures incurred by the company in foreign currencies that are exposed to exchange losses. Source: External Likelihood: Very Likely Priority: Moderate
Associated Objective	Cost Economization
Impact	An adverse exchange rate movement can cause increased input costs. **Effect On Capitals** It may impact the availability and affordability of financial and manufactured capital
Risk Mitigation or Management	**Strategy And Plan** • In the case of USD, the company has a partial natural hedge as it imports and exports in the same currency which partially offsets the risk. • Negotiation with related banks to avail best possible exchange rates **KPIs And Targets** Target is to minimize the forex exposure and avail the best possible exchange rates for all foreign exchange transactions

Financial : Interest Rate Fluctuation

Risk	Increased interest rates (The Company has taken long-term loans for expansions a portion of which is variable rate and is exposed to adverse movement) Source: External Likelihood: Very Likely Priority: High
Associated Objective	Cost Economization
Impact	High Financial Cost in case of increased interest rates **Effect On Capitals** High interest rates can impact the availability and affordability of financial capital
Risk Mitigation or Management	**Strategy And Plan** • Best possible rates are to be secured due to the good creditworthiness of the company. • The maximum available subsidized fixed-rate loans are taken under TERF and LTFF acquired to mitigate the risk of high-interest costs for the expansion of the project. • To utilize minimum possible variable rates financing **KPIs And Targets** • Competitive rates • Maximum utilization of subsidized financing

Related Opportunity	• Low-cost financing arrangement • Efficient treasury operations
Associated Objective	Cost Economization
Impact	**Effect On Capitals** Financial Capital
Value Creation	• Cost saving through low-cost financing for the expansion project. • Utilization of low-cost financing for working capital requirements resulted in lower financing cost

Information Technology : Disaster Recovery Management

Risk	There is possibility of: • Natural disaster to equipment's & hardware • Hackers/viruses attack on databases and Company' s information Source Likelihood Priority
Associated Objective	Sustainability
Impact	Any natural disaster to hardware and equipment can cause hindrance in production and other operations. Information loss can harm the company's operation and severe financial and reputational loss could occur. **Effect On Capitals** This could affect the availability, quality and affordability of all capitals
Risk Mitigation or Management	**Strategy And Plan** • All structures are to be earthquake safe with anti-seismic measures • Insurance coverage in case of any mishap • Physical security measures of all valuable equipment • Fire proofing through installation of firefighting equipment • Establishment of hypervisor virtual environment at all offices with dedicated HP server for live replication of business-critical virtual machines (VMs) at each location. • Backup of VMs on daily basis to a separate storage device placed in their respective location. • Business-critical applications data replication after every few minutes across all locations. • A dedicated High Availability and off-site DR Servers are in place with SAP built-in mechanism of replication. • Installation of firewalls with multilayer protection • Installation of endpoint protection at every machine **KPIs And Targets** Target is to make all Equipment and Company information Safe form any type of harm Using Good Malware

Related Opportunity	Upgradation and safety of all equipment and hardware and software Upgraded Cyber security function Patching of nodes
Associated Objective	Sustainability
Impact	**Effect On Capitals** All type of capitals
Value Creation	Smooth business operations and environment protection

Health and Safety : Employees' Health and Safety

Risk	Risk of work-related injury to an employee Source Likelihood Priority
Associated Objective	Sustainability
Impact	Any incident can cause hindrance in the operations of the company and in worst-case it could be a life threating event **Effect On Capitals** This could affect the availability, quality and affordability of Human Capital and Social and relationship Capital
Risk Mitigation or Management	**Strategy And Plan** • Separate health and safety department is established. • At all manufacturing sites risk survey are conducted and documented • Equipment, area, activity and Behavior related safety SOPs are made and communicated to all concerned covering the identified risks • In case of any non-compliance by employee strict actions are taken • Compliance with occupational health and safety laws • Installation of fire extinguishers at all working places **KPIs And Targets** • Zero work related injury, and • Compliance with the occupational health and safety laws

Related Opportunity	• Implementation of health and safety SOPs • Employee Protection
Associated Objective	Sustainability
Impact	**Effect On Capitals** Human Capital, Social and relationship Capital
Value Creation	• Employee safety from any work-related injuries • Safe and healthy working environment for employees

Likelihood	●●●●● Very Likely	●●●●● Likely	●●●●● Possible
Source	External	Internal	
Priority	■■■■■ High	■■■■■ Moderate	

Environment : Environmental hazards

Risk	Possible threat to environment and natural resources Source Likelihood ●●●●● Priority ■■■■■
Associated Objective	Sustainability
Impact	Risk of litigation and hindrance in operations **Effect On Capitals** This could affect the availability and affordability of natural, social and relationship and manufactured Capitals
Risk Mitigation or Management	**Strategy And Plan** • Compliance with all PEQS/NEQS. • To make plants dust free - various dust-collecting equipment (Electrostatic Precipitators, Bag Filters) has been installed at the Plant at key dust-producing units (Kiln, Raw Mills, Coal Mills, Cement Mills and Conveyor Belts). • Substantial plantation around manufacturing sites for green belt development • Maximization of green energy production through investment in solar energy • Water recycling, wherever possible, for water conservation • Usage of surface water for industrial purposes **KPIs And Targets** • Minimization of CO_2 generation • Minimization of underground water usage • Compliance with all PEQS/NEQS • Efforts toward Voluntary adoption of UN SDGs

Related Opportunity	Resource conservation through optimal usage of resources
Associated Objective	Sustainability
Impact	**Effect On Capitals** Natural, social and relationship and manufactured Capitals
Value Creation	Contribution towards environment and communities in which company operates

Legal / Compliance : Adherence to applicable laws

Risk	Risk of work related injury to an employee Source Likelihood ●●●●● Priority ■■■■■
Associated Objective	Sustainability
Impact	In case on any noncompliance company can be penalized in accordance with relevant laws and regulations. Further, Company can be dragged into litigations and this could cause hindrance in operation **Effect On Capitals** This could affect the availability and affordability of financial, social and relationship capital
Risk Mitigation or Management	**Strategy And Plan** • The specific departments/employees are instructed to adhere to the applicable laws. • Updating and educating employees about all applicable laws. • Engagement of external consultants/ lawyers for expert advice and any litigation. • Regular Coordination with all regulatory authorities SECP, PSX, CDC, EOBI, PESSI etc. **KPIs And Targets** Adherence to all applicable laws in every sphere of business operations

Related Opportunity	Strict compliance makes the Company a compliant corporate citizen
Associated Objective	Sustainability
Impact	**Effect On Capitals** Financial, social and relationship Capita
Value Creation	Contributing toward the wellbeing of all stakeholders.

BOARD RISK MANAGEMENT STATEMENTS

Company's Level of Risk Tolerance

The Board of FCCL is cognizant of the fact that effective risk management is essential for the sustainability of the Company. Calculated risk taking is the inherent part of business growth and sustainability. The Board has established a comprehensive Enterprise Risk Management policy for identifying, assessing, mitigating and monitoring risks across all spheres of business operations. The Board regularly reviews the key risks and mitigations measures taken by the management and pass necessary directions, if any.

Robust Assessment of Principal Risks

Board acknowledges that a robust assessment of principal risks that threaten business model, future performance and solvency and liquidity is carried out by the management on regular basis and presented to the Board. Detail of principal risks are described in risk and opportunities section.

RISK MANAGEMENT FRAMEWORK

The Board of Directors are responsible for the creation and supervision of the company's risk management function. Subsequently, the Audit Committee, which is Board's risk management committee, oversees the Management's role in monitoring the company's compliance with risk management policies and procedures. Moreover, they analyze the adequacy of the risk management framework concerning the risks faced by the company. An ERM committee is also formed comprising the CEO and senior Management with its role pertaining to the implementation and monitoring of the Risk Management Policy.

Level	Key Roles
BOD	Development and effective implementation of risk management policies for managing threats.
Audit Committee (Board's risk management Committee)	• Providing direction and evaluating the operation of the ERM Committee • Reviewing risk assessments prepared by the ERM Committee • Monitoring emerging issues and sharing best practices
ERM Committee	• Overall risk management including the evaluation of risks associated with the new projects of the company. This mainly includes the identification, evaluation and treatment of risks associated with the business of the company and new projects. • Reviewing and monitoring the existing controls and implementing new controls wherever necessary for effective risk management.

Risk Methodology

The Company is employing a systematic five-stage approach to effectively manage risk:

1. **Stakeholder Education:** The importance of risk management and the establishment of a risk-conscious culture is emphasized to all stakeholders.

2. **Risk Identification:** Both external and internal sources of risk are carefully identified and acknowledged.

3. **Risk Assessment:** Each identified risk is assessed in terms of its likelihood of occurrence and potential impact on the Company.

4. **Risk Response & Appetite:** Appropriate responses to the identified risks are determined, which may involve tolerating, treating, transferring, or terminating the risk.

5. **Monitoring and Communication:** The Company establishes a framework for continuously monitoring and communicating the progress of risk treatments and the associated activities.

6. **Response to Threats:** The Company has established and emergency response protocol depending on the four "A's" Avoid, After, Accept and Adapt.

RISK OF SUPPLY CHAIN DISRUPTION DUE TO AN ESG INCIDENT

At FCCL we recognize the dependency of business operations on ESG factors. Company proactively identifies potential risks to supply chain linked to any ESG factor. Principal risks associated with ESG factors and mitigating strategies are as under:

Risk	Mitigating Strategy
Environmental Pollution	Company complies with all the applicable NEQs and PEQs for handling, manufacturing and transportation of its products and materials
Shortage of Raw Materials And Natural Resources	• Company has its own Quarry operations that makes less dependency on raw material suppliers. • Recycling, where ever possible, and conservation of natural resources is a top priority.
Work Force Health and Safety	All occupational health and safety laws and regulations are adhered with – also refer to risk and opportunity section
Labour Disputes	Company complies with the relevant labour laws and creates a good working relationship with employees to avoid any labour dispute
Geopolitical Considerations	Company maintains well reputed and diversified portfolio of suppliers to cater for any political incident in some parts of the country that might impact the supply of materials and fuels

04
GOVERNANCE

CORPORATE GOVERNANCE

Corporate Governance

It is proudly presented by us our unwavering commitment to robust corporate governance practices. By maintaining a steadfast focus on transparency, accountability, and ethical conduct, FCCL upholds the highest standards of integrity.

Our board of directors diligently supervises our operations, ensuring that all decisions shall prioritize the best interest of stakeholders. We have implemented rigorous internal controls and risk management frameworks to protect our assets and uphold financial discipline. By following these principles, FCCL consistently builds trust, promotes long-term sustainability, and strives for excellence in the cement industry.

Role of the Chairman

The Chairman of the Board is pivotal in leading and managing the Board of Directors, ensuring it effectively fulfills its responsibilities. The key responsibilities of the Chairman include (but are not limited to) the following:

1. To set the strategic direction and vision for the company, guiding it towards success.
2. To chair Board meetings in order to ensure effective governance and impactful decision-making.
3. To provide guidance and support to the CEO, fostering a strong leadership partnership.
4. To represent the company to stakeholders, leaving a lasting impression of excellence.
5. To facilitate communication between the Board and the CEO, to ensure progress and alignment.
6. To oversee and supervise the performance and composition of Board.
7. To promote exemplary corporate governance and ethical conduct, upholding the highest standards.

Role of the CEO

The CEO is tasked with executing the strategy defined by the Board and is ultimately responsible for the company's daily operations and achieving both long-term and short-term goals. The CEO's primary duties include:

1. To implement the strategy of the company as outlined by the Board.
2. To make daily management decisions and overseeing operations of the company.
3. To ensure the achievement of the company's long-term and short-term objectives.
4. To maintain effective communication with the Chairman and bringing significant company issues to the Board's attention.
5. To work in the best interest of the company, driving growth, and exceeding performance targets set by the Board.
6. To oversee the execution of financial and operational plans in alignment with the business strategy.
7. To identify potential opportunities for diversification and investments and recommend plans for Board approval.
8. To develop Key Performance Indicators (KPIs) and ensuring they are communicated throughout the organization.
9. To represent the company in communications with shareholders, employees, government authorities, and other stakeholders.
10. To ensure the overall success of the organization.

Foreign Director

FCCL currently has no foreign directors on its Board, so security clearance has not been necessary. However, if a foreign director is elected to the FCCL Board in the future, security clearance will be obtained from the Ministry of Interior through the SECP.

Director Orientation

The Company has made comprehensive arrangements to conduct orientation sessions for its directors, helping them become familiar with the company's operations, applicable laws and regulations, and their duties and responsibilities. This enables directors to effectively govern the company on behalf of shareholders. Non-executive directors are regularly exposed to the company's operating management and major customers throughout the year. Additionally, non-executive directors have the option to contact any employee, customer, advisor, or supplier of the Company. Beyond regulatory requirements, the Company has tailored a formal Directors' training program and established an arrangement to acquaint Directors with the company's orientation, applicable clauses, and regulations.

Diversity in the Board

We understand the significance of board diversity in terms of skills, knowledge and experience. This diversity helps to make informed decisions and remain adaptable in a changing business landscape. By including members with varied backgrounds and expertise, wed encourage meaningful discussion and effective problem solving, which is crucial for long-term success of our organization.

List of Companies in Which the Executive Director is serving as Director

Mr. Qamar Haris Manzoor (CEO/MD) of FCCL is also serving as Non-Executive Director of the following companies: FFBL, FPCL, FFCL, FPCDL and FKPCL.

Board's Function

At FCCL, our Board is the driving force behind the success of our organization. Leveraging their extensive expertise, knowledge, and experience, they make strategic decisions that advance our position in the cement sector. Through thoughtful deliberation and careful analysis, our Board ensures that each decision aligns with our long-term goals and maximizes stakeholder value. Their collaborative approach and diverse perspectives enable us to navigate challenges, seize opportunities, and remain competitive. With their advice, FCCL continues to make well-informed choices that influence our future direction and drive our expansion.

Decision Delegated to the Management

At FCCL, management is entrusted with decision-making authority, empowering them to make informed choices that propel the company's growth. This delegation enables the management team to analyze market trends, evaluate financial data, and develop strategies that align with our objectives. By placing trust in our capable management, FCCL ensures agility, efficiency, and successful execution of operational plans, enabling us to navigate evolving market conditions and capitalize on opportunities in the cement industry.

Independent Oversight of Operations and Functions

To enhance the credibility of internal controls and systems, FCCL implements various measures, including external oversight. This involves conducting internal audits and system audits/ inspections by external specialists. These audits provide an independent evaluation of our processes, ensuring compliance with regulations and identifying areas for improvement. By involving external experts, FCCL demonstrates its commitment to transparency and accountability. These measures strengthen the credibility of our internal controls, giving stakeholder's confidence in the integrity and reliability of our operations.

Related Party Transaction

FCCL's directors have endorsed a policy governing related party transactions, ensuring they are executed at arm's length. This policy mandates that transactions with related parties occur at fair market value, promoting fairness and transparency. By adopting this policy, FCCL underscores its dedication to upholding integrity and preventing conflicts of interest. This approach fosters trust and assurance among stakeholders, ensuring that related party transactions adhere to stringent standards of corporate governance.

Details of Related Party Transactions

In accordance with the requirements of the Companies Act and the Listed Companies (Code of Corporate Governance) 2019, complete details of all related party transactions are provided in note 41 of the Financial Statements. These transactions are reviewed quarterly by the Audit Committee before being presented to the Board for approval.

Contract or arrangement with related party other than in normal course of business

Not Applicable.

Disclosure and management of the Board if any conflict arises

If any conflict arises, it is managed in line with the provisions of the Companies Act, 2017. No conflicts arose within the Company during this period.

Director’s Interest in Related Party Transaction

None of FCCL’s directors has personal interests in related party transactions.

Details of Any Board Meetings Held Abroad

There are no such meetings held abroad by the Board of Directors because all the directors of the company are based in Pakistan.

Policy of Safety Records

Our Company’s record retention and preservation policy exceed legal and statutory requirements. Physical records including financial documents, legal agreements, and other critical paperwork, are securely archived to ensure their integrity and safety.
Key features of our record safety policy include:

- Contracts and permanent documents are stored in fireproof lockers with restricted access.
- Physical financial records are kept in secure locations protected against deterioration, fire, and natural disasters.
- IT-related records are safeguarded according to our IT governance policy, which includes:

I. Operating three well established data centers with C9 and CIO servers that feature live and real-time replications.

II. Utilizing reputable hardware firewalls with cloud sandboxing capabilities across all data centers.

III. Implementing an auto fire suppression system (FM-200) in all server rooms.

IV. Allowing access to server rooms only to authorized personnel, monitored through biometric access logs as per our IT policy.

Investors Relationship and Grievance Policy

FCCL has established an investor section on its website to manage Investor Relations and Grievances. The Company provides a designated email ID and an online Complaint Form for shareholders to submit complaints or queries directly to the Management. Additionally, shareholders can lodge complaints or queries via telephone, fax, or conventional mail. This ensures that any grievances reported by shareholders are addressed and resolved efficiently and promptly at the appropriate level.

Social Environmental Policy

The Company is committed to enhancing and supporting the local communities. To fulfill this commitment, the Board of Directors has approved a Social Environment Policy, which is followed rigorously.

Risk Management and Business Continuity

Strategy and Policy Business Continuity Management is in place. Its application remains a priority for the Company. Risk Management have been reviewed and updated recently and it is considered effective.

Disaster Recovery Planning

A comprehensive Disaster Recovery plan is in place and tested by our IT team experts. This plan ensures that the Company can continue its Information Technology operations with near-zero downtime in the event of a disaster, earthquake, or fire.

External Search Consultancy for Appointment of Any Director

No external search consultancy was used this year for the appointment of any Director on Board.

Communication with Stakeholders

We prioritize effective and transparent communication with our stakeholders, understanding the importance of keeping our valued partners, investors, and customers informed about our operations, achievements, and future plans. Through regular updates and annual reports, we ensure our stakeholders are well-informed and engaged. We actively seek feedback and suggestions, valuing their input in shaping our strategies and initiatives. By encouraging open communication, we cultivate robust relationships, inspire confidence, and show our dedication to transparency and accountability.

Employee Health, Safety and Protection

We place the utmost importance on the health and safety of our employees, considering them our most valuable asset. Their well-being is our top priority. We have established stringent safety protocols and comprehensive training programs to uphold a secure working environment. Our committed team continuously assesses and mitigates potential risks, proactively preventing accidents and nurturing a culture that prioritizes safety. Our goal is to create a workplace where employees feel protected, supported, and empowered to prioritize their health. Through continuous communication and active participation, we cultivate a strong safety culture, ensuring that everyone returns home safely every day.

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

Details of shares held by sponsors and the distribution of shareholders are provided in the category of shareholders and the Pattern of Shareholding sections of this report.

Policy for Governance of Risk and Internal Control

FCCL places a high priority on effective governance of risk and internal control. The company has established a comprehensive policy to ensure proactive identification, assessment, and management of risks. This includes regular risk assessments, internal control evaluations, and monitoring mechanisms within a robust framework. FCCL's management is dedicated to upholding a strong control environment and continually enhancing risk management practices. By adhering to these policies, FCCL aims to protect its assets, improve operational efficiency, and uphold transparency and accountability across the organization.

Justification of Independent Directors

FCCL currently has three independent directors on its Board. These directors meet the criteria of independence as defined in section 166(2) of The Companies Act 2017 and have been selected from the data bank of independent directors maintained by PICG.

Disclosure of Director's Interest and Significant Contracts and Arrangement

Despite none of our directors having an interest in related party transactions, FCCL maintains a stringent policy concerning the disclosure of directors' interests in significant contracts and arrangements. This policy promotes transparency and accountability by mandating directors to disclose any potential conflicts of interest. By adhering to this policy, FCCL upholds exemplary standards of corporate governance and ensures that the decision-making process remains fair and impartial.

Board's Policy on Diversity

At Fauji Cement (FCCL), we uphold a firm commitment to non-discrimination based on gender or any other characteristic. We strongly advocate for equality, fairness, and respect for every individual. Our company ensures that all policies, practices, and decision-making processes are devoid of any form of discrimination. FCCL promotes an inclusive culture and cultivates a safe, supportive environment where everyone can contribute their unique talents and perspectives. By fostering a workplace free from gender bias, FCCL aims to create a diverse and empowering environment for all employees.

Retention of Board Fee by the Executive Director against Services Rendered As Non-Executive Director in Other Companies

The executive director is authorized to retain board fees earned from their service as non-executive directors in other companies.

Company's Approach to Managing and Reporting Policies Related to Procurement, Waste and Emissions

FCCL adopts a proactive approach to managing and reporting its policies on procurement, waste, and emissions. The company has established stringent procedures to promote responsible procurement practices, sourcing materials from reputable suppliers who adhere to ethical and sustainability standards. In waste management, FCCL emphasizes recycling and minimizes waste generation through efficient processes. Additionally, FCCL prioritizes emission reduction by integrating environmentally friendly technologies and consistently monitoring its carbon footprint. By adhering to these policies and providing transparent reporting on their implementation, FCCL underscores its dedication to sustainable practices and responsible corporate citizenship.

Announcement of Financial Results

The company has communicated its Quarterly/Half-Yearly and Annual Financial Results in a timely manner. Following is the timeline for authorization of financial statements by the Board of Directors:

Particulars	Date of Authorization	Timeline
First Quarterly Financial Statements	25th October 2023	Within one month
Half-yearly Financial Statements	14th February 2024	Within two month
Third Quarterly Financial Statements	23rd April 2024	Within one month
Annual Financial Statements	27th August 2024	Within 60 days

Commitment to Compliance

We are dedicated to conducting our business in strict compliance with all relevant laws, regulations, corporate policies, and high ethical standards outlined in the Code of Corporate Governance Regulations, 2019. This commitment is reaffirmed periodically by all employees.

Living the principles outlined in our code is fundamental to our success and the realization of our strategic vision. Inspiring and empowering our team to always uphold ethical standards is essential to our commitment to building and sustaining a better future. At FCCL, our leadership clearly communicates our dedication to compliance. Our values and ethical standards permeate the organization through communication campaigns, training initiatives, and the principles embedded in Our Code and other corporate policies, as well as during internal meetings.

At FCCL, acting with Integrity is a core value that guides our daily interactions. Upholding Integrity is crucial for FCCL's continued success in fostering a workplace where our employees can thrive. It is also one of the five core competencies considered in employee performance evaluations, underscoring its importance in our organizational culture.

Composition of the Board

The total number of Directors is 8 as per following:

Male: 6
Female: 2

Particulars	Names
Executive Director (Male)	Mr. Qamar Haris Manzoor
Independent Director (Male)	Mr. Sami ul Haq Khilji
Independent Directors (Female)	Ms. Maleeha Bangash Ms. Naila Kassim
Non-Executive Directors	Lt Gen Anwar Ali Hyder, HI(M), Retd Lt. Gen Qazi Muhammad Ikram Ahmed, HI(M), Retd Maj Gen Zafar Ul Haq, HI(M), Retd Mr. Syed Bakhtiyar Kazmi

DIRECTORS' REPORT

The Board of Directors are pleased to present Annual Report of the Company along with the audited financial statements for the year ended June 30th 2024.

Economic Overview

FY 24 closed as another tough year for Pakistan's economy, due to highest ever inflation and interest rates resulting in low economic activity. However during 2nd Half of FY 24, there were some signs of stability as immediate risk of default was averted with the help of IMF standby arrangements, GDP growth of 2.38% against previous year's contraction of 0.21%, industrial sector improved by 1.21%, a significant turnaround from a contraction of 3.74% last year, reduction in inflation to 12.6% in June 2024 from 38% in May 2023, growth of agricultural sector by 6.25%, the highest in the last 19 years, stable US Dollar to Rupee parity, trade deficit decreased by 12.3% in FY 2024 due to a 10.54% increase in exports, higher workers' remittances while imports shrank by 0.84%, gradual improvement in foreign exchange reserves and lifting of restrictions on imports.

Cement Industry Overview

FY-24 witnessed slight increase in the overall dispatches on the back of higher Exports especially by sea as companies took advantage of the rupee devaluation to increase capacity utilization. Overall dispatches of the industry were 45.3 million tons as compared to 44.6 million tons last year, an increase of 1.6%. The domestic dispatches dropped by 4.6% i.e from 40 million tons last year to 38.2 million tons in FY-24 due to overall slowdown in construction activity while exports sales increased by 55% i.e from 4.6 million tons to 7.1 million tons in FY 24 mainly due to increase in Clinker Exports on the back of favorable price in the international market and Rupee devaluation.

Company's Performance

The Company's cement dispatches during FY 24 were recorded at 5.1 million tons as compared to last year dispatches of 4.8 million tons (domestic 4.6 million tons vs 4.4 million tons in FY 23) and exports 0.5 million tons vs 0.4 million tons in FY 23). In FY 24 Fauji Cement Company Limited delivered its highest ever profit after tax (PAT) of Rs 8.2 billion, an improvement of 11% from FY 23. This was despite additional charge of Deferred Taxation of Rs 1.8 billion during the year on account of latest amendment made in tax law, where income tax on exports has been changed from presumptive (deducted at time of export realization was final tax) to normal tax. With the objective of increasing market share by adding new areas with the startup of its new line at DG Khan, the Company successfully implemented its marketing strategy and achieved capacity utilization of 55%. The key figures for FY 24 are as follows: -

Rs '000

Particulars	2024	2023	Change	% Change
Gross Revenue	107,233,317	90,089,281	17,144,036	▲ 19%
Net Revenue	80,026,226	68,069,282	11,956,944	▲ 18%
Gross Profit as percentage of net Revenue	32%	30%		▲ 7%
EBITDA	24,939,013	20,195,260	4,743,753	▲ 23%
PBT	15,299,731	12,854,449	2,445,282	▲ 19%
PAT	8,223,116	7,439,681	783,435	▲ 11%
EPS - Rs.	3.35	3.16	0.19	▲ 6%

Revenues

Overall sales revenue increased by 18% during the year. Local sales revenue increased by 19% mainly due to the increase in prices owing to the higher input costs. Exports revenue increased by 25% due to higher dispatches and devaluation of PKR during the year.

Cost of Sales

An increase of 8% was witnessed in per ton cost of production during the year as compared to last year owing to significant increase of 35% in power tariff and higher input cost of raw and packing material. The unprecedented hike in input costs is partially mitigated through cost optimization initiatives taken by management including the following: -

- Higher use of local coal as compared to expensive imported coal and use of multiple types of alternative fuels.
- Reduction in cost of power by increasing own power generation to mitigate impact of 35% increase in power tariff.
- Rationalization of fixed costs.

Gross Profit

Gross profit margin of the Company increased from 30% to 32% due to higher sales, increase in prices and better management's cost optimization initiatives.

Financial Performance

Rs in Mn

Cash Flows

Rs in Mn

Finance Cost

Finance cost of the Company increased from Rs 3,645 million to Rs 5,536 million as compared to last year. This is mainly attributable to high interest rates, increase in debt of the Company availed for expansion/ working capital requirement.

Financial Position

Net Worth

Net worth of the Company increased by Rs 8,223 million and resultantly stood at Rs 73,399 million, translating into a breakup value of Rs 29.92 per share. The net worth registered an increase of 13 % in comparison to the last financial year.

Long Term Loans and Deferred Government Grants

Long-term loans and deferred government grant (including the current portion) stood at Rs 37,721 million, which decreased by Rs 1,583 million over the previous financial year due to debt servicing during FY 24.

Deferred Tax Liabilities

Deferred tax liabilities increased by Rs 4,619 million during the year and stood at Rs 14,931 million. Latest amendment in tax law, changing income tax on exports from presumptive (deducted at time of export realization as final) to normal tax resulted in increased deferred tax charge for the year.

Loan from Parent – Unsecured

Loan received from the parent (Fauji Foundation) stood at Rs 7,387 million obtained for cement plants expansion.

Short Term Borrowings

Short-term borrowing balance stood at Rs 1,451 million which decreased by Rs 3,080 million over previous financial year due to better cash generation.

Trade & Other Payables and Accrued Liabilities

Trade & other payables were recorded at Rs 5,966 million at year-end and saw decrease of Rs 550 million as compared to the last financial year, mainly due to repayment of retention money of expansion projects during the year. Accrued liabilities stood at Rs 5,154 million, and increased by Rs 1,132 million over the previous financial year.

Property, Plant & Equipment

The total value stood at Rs 110,846 million with an increase of Rs 6,420 million as compared to the previous financial year on account of expansion project of DG Khan.

Stores, Spares and Loose Tools

The stores, spares and loose tools were valued at Rs 9,099 million with an increase of Rs 1,088 million as compared to the previous financial year mainly on account of increased coal stock at the year end.

Short Term Investments and Cash & Bank Balances

Short-term investments stood at Rs 250 million while cash and bank balance stood at Rs 2,933 million as compared to Rs 970 million during the previous financial year due to better cash generation.

Contribution to National Exchequer

FCCL contributed PKR 28.9 billion (in comparison to PKR 25.3 billion for the previous year) to the national exchequer on account of income tax, excise duty, sales tax and other government levies. Valuable foreign exchange to the tune of US $ 22.2 million was generated by FCCL from the export of cement during the year.

Dividend

Based on the performance of the Company, the board is pleased to propose a final dividend @ 10% i.e. Rs 1.00 per ordinary share for the year ended 30th June, 2024. This final dividend will be subject to the approval of shareholders in 32nd Annual General Meeting scheduled on 14th October 2024.

Outstanding Statutory Dues

The Company does not have any outstanding statutory dues except as shown in Note 11 of the Financial Statements.

Information about Defaults in Payments of Debt

There is no default in payments of any long-term or short-term debt. All the debts of the company including relevant finance costs are being repaid in accordance with the terms and conditions of the respective loans.

Material Changes on Commitments

There is no material change and commitment affecting the financial position of the Company since the year-end to the date of this report.

Risk Management

Risk management framework, methodology and key risks along with mitigating steps/ strategies can be found in the risk & opportunities section of this Annual Report.

Provident Fund

The total value of this Fund, as of 30th June 2024, is given below: -

S/No	Category of Staff	Rs in Million
a.	Management staff	1,591
b.	Non- Management staff	902
Total		**2,493**

Composition of the Board

The diverse knowledge and expertise of the Board comprising eight (08) members focused on working in the best interest of all the stakeholders while simultaneously adding value to the Company.

Total Number of Directors

Male	6
Female	2

Composition of the Board

Independent	3
Non- Executive	4
Executive (CEO)	1

Meetings of the Board of Directors

Directors	Total Number of Meetings
Mr Waqar Ahmed Malik, SI, Chairman	4
Lt Gen Anwar Ali Hyder, HI (M), Retd, Chairman	2
Mr Qamar Haris Manzoor	6
Dr Nadeem Inayat	4
Maj Gen Naseer Ali Khan, HI(M), Retd	3
Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), Retd	3
Maj Gen Zafar Ul Haq, HI(M), Retd	1
Syed Bakhtiyar Kazmi	6
Mr Sami ul Haq Khilji	6
Ms Maleeha Bangash	6
Ms Naila Kassim	6

Vision, Mission and Corporate Strategy by the Board

After conducting a thorough review, the Board of Directors diligently examined and sanctioned the vision, mission and overarching corporate strategy of Fauji Cement Company Limited. The Board firmly believed that these elements encapsulate the fundamental principles upon which the Company was founded. Our vision and mission played a pivotal role in shaping the trajectory of our corporate strategy and guiding our collective efforts across all levels. Every facet of our organization remained aligned and motivated by this purpose, serving as the primary criterion for decision-making in our daily business operations. This alignment ensures that our strategic initiatives and operational activities are consistently geared towards achieving our long-term goals and maintaining our commitment to excellence, innovation and sustainability.

CEO's Performance Review by the Board

The CEO of Fauji Cement Company Limited was appointed for a three-year tenure starting from the date of the election of directors. The Board regularly reviewed and evaluated the CEO's performance against the targets assigned at the beginning of each financial year. This systematic evaluation ensured that the CEO's leadership remained aligned with the Company's strategic objectives and delivered as per key performance indicators. The Board's ongoing assessment allowed requisite space for continuous improvement and accountability, fostering a culture of excellence and driving the Company's success.

Qualification of CFO and Head of Internal Audit

Both functions of Chief Financial Officer and Head of Internal Audit at Fauji Cement Company Limited remained filled by officers with the necessary expertise to effectively manage financial affairs and maintain robust internal controls and governance practices. Their qualifications and experience were in line with the provisions of Regulation No 22 and Regulation No 23 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, respectively.

Chairman's Review of the Performance of the Board

The Chairman's review of the Board's overall performance and its efficacy in achieving the Company's objectives has been outlined in the 'Chairman's Review'. This assessment provided valuable insights into the Board's contributions, decision-making processes and alignment with the Company's strategic goals, ensuring transparency and accountability in governance.

External Auditors

A.F. Ferguson & Co, Chartered Accountants completed the annual audit of the Company for the year ended 30 June 2024 and the firm is due for retirement on 14 October 2024 aligned with the conclusion of 32nd Annual General Meeting (AGM). However, as proposed by the Audit Committee, the Board is recommending their reappointment as External Auditors of the Company for the year ending 30 June 2025, after approval by the shareholders during 32nd AGM.

Compliance with Best Corporate Practices

Throughout the financial year 2023/ 24, the Board of Directors remained strictly adhered to the standards set forth by the Listed Companies (Code of Corporate Governance) Regulations, 2019, the listing regulations of the Pakistan Stock Exchange and the Financial Reporting Framework mandated by the Securities & Exchange Commission of Pakistan (SECP). The Annual Report - 2024 comprised of a comprehensive report from the Board's Audit Committee on adherence to the Code of Corporate Governance, a Statement of Compliance by the Chief Executive Officer and a review report by the Company's auditors. These sections collectively demonstrate FCCL's commitment to maintaining the highest standards of corporate governance, transparency and accountability.

Shareholding Pattern

Statements showing the pattern of shareholding as of 30 June 2024, required vide Section 227(f) of the Companies Act, 2017 are annexed to this Report.

Board's Role and Decision Making

The primary focus of Board of Directors remained on developing a value-creating and meritocratic environment that drove the Company's growth trajectory and fulfilled our commitment to shareholders. The Board meticulously followed the legal and regulatory framework while executing its responsibilities. Each decision was carefully analyzed and discussed to ensure the welfare of both the Company and its shareholders. Under the guidance of the Chairman, the Board assisted and guided the Management, providing strategic direction for the Company's betterment and overseeing the subsequent implementation. This collaborative approach ensured that all actions remained aligned with the Company's strategic goals, fostering sustainable growth and long-term success.

Ethics and Compliance

The Board of Directors established a robust governance and legal framework that remained aligned with applicable laws and regulations, playing a crucial role in the Company's growth and sustainability. The Company instituted various Committees and tasked with various advisory and supervisory roles. These Committees provided a strategic framework, made recommendations, reinforced governance and delivered essential guidance to Management to maximize resource utilization. They remained responsible for executing key initiatives, including assessing investments and refining the capital structure.

Ethics and integrity remained fundamental to our business operations, both internal and external. In alignment with these values, our code of conduct was disseminated to all employees and was accessible through our website. Additionally, the Audit Committee was routinely briefed on risk management policies and the effectiveness of internal controls. This comprehensive approach ensured that our operations were conducted with the highest standards of ethical behavior and compliance.

Unreserved Compliance with International Financial Reporting Standards (IFRS)

To ensure the accurate and verifiable presentation of financial statements, the Management firmly believed in unreserved compliance with International Financial Reporting Standards (IFRS). The annexed financial statements for the year ended 30th June 2024 were prepared in accordance with IFRS as applicable in Pakistan. The status of adoption was discussed in detail in notes 2.1 and 2.5 of the annexed financial statements. This commitment underscored our dedication to maintaining the highest standards of financial reporting and transparency.

Salient Aspects of Company's Control and Reporting System

FCCL adhered to all the requirements of the Companies Act - 2017 and the Listed Companies (Code of Corporate Governance) Regulations - 2019. The Board remained vigilant that corporate governance principles were strictly followed. This involved approving the strategic direction recommended by Management, approving and overseeing capital expenditures, ensuring compliance with senior Management succession policies and establishing and monitoring the achievement of Management's goals. Additionally, the Board also maintained integrity of internal controls and approved financial and other reporting systems. This comprehensive approach ensured robust governance and effective management of the Company's operations.

Change of Chairman

Lt Gen Anwar Ali Hyder, HI (M), Retd was appointed as Chairman FCCL Board of Directors with effect from 5 April 2024 on resignation by Mr Waqar Ahmed Malik, SI. The Board welcomed the new Chairman and placed on record its appreciation for the commendable services rendered by the outgoing Chairman, Mr Waqar Ahmed Malik, SI.

Change of Directors

a. Following Directors rendered their resignations from their positions during the year: -

S/ No	Category of Staff	Date of Change
1.	Mr Waqar Ahmed Malik	5th April 2024
2.	Dr Nadeem Inayat	5th April 2024
3.	Maj Gen Ihsanuallah, HI (M), Retd	7th Feb 2024
4.	Maj Gen Naseer Ali Khan, HI (M), Retd	25th Oct 2023

b. Following Directors joined the FCCL Board on the dates indicated against each: -

S/ No	Category of Staff	Date of Change
1.	Lt Gen Anwar Ali Hyder, HI (M), Retd	5th April 2024
2.	Maj Gen Zafar Ul Haq, HI (M), Retd	5th April 2024
3.	Lt Gen Qazi M Ikram Ahmed, HI (M), Retd	7th Feb 2024

c. The Board of Directors places on record its appreciation for the valuable contributions rendered by the outgoing retiring Directors and welcomes the new incoimg Directors.

Change of Company Secretary

Brig Kashif Naveed Abbasi, SI (M), Retd was appointed as Company Secretary FCCL with effect from 7th Feb 2024 on resignation by Brig Abid Hussain Bhatti, SI (M), Retd. The Board of Directors while welcoming the new Company Secretary, also placed on record its appreciation for the commendable services rendered by the outgoing Company Secretary, Brig Abid Hussain Bhatti, SI (M), Retd.

Female Directors

Female representation on the FCCL Board of Directors remained strong/ noteworthy, with presence of two female board members. This exceeded the minimum regulatory requirement which reflected our commitment to promoting gender diversity even at the highest level of our organization.

Directors Training Program

In alignment with best practices and the requirements of the Listed Companies (Code of Corporate Governance) Regulations - 2019, FCCL ensured that all Board members including the new enlisted Directors acquired necessary certifications under the Directors Training Program from SECP authorized institutions.

Evaluation of the Board's Performance

Committees and Directors

According to the code of Corporate Governance, the performance of the Board and its supporting Committees were required to be evaluated in the following areas: -

- Performance of the Board as a whole.
- Performance of Board Committees.
- Performance of the individual Directors of the Board.

External Evaluation of the Board

In order to encourage transparency in the process, a third-party assessment was conducted with assistance from PICG to evaluate the performance of Directors. Accordingly, the results were shared to highlight the areas requiring improvement.

Corporate Briefing Session

A Corporate Briefing Session was organized during the said fiscal year on 14th September 2023. This session primarily focused on ESG, operational highlights and the Company's financial overview. It included an extensive Q&A session with the analysts and other attendees, followed by a general discussion of the Company's financial and operational performance. The presentation of the session can be accessed from the FCCL website.

General Meetings

FCCL held one General Meeting in the fiscal year – 2023/24 which was organized on 27th October 2023 as the 31st Annual General Meeting (AGM) to approve the Annual Accounts 2023.

Related Party Transactions

All transactions involving related parties during the year were brought before the Audit Committee for evaluation and following careful consideration, were recommended to the Board. Note 41 of the financial statements covered details on how each transaction was carried out on an arm's length basis.

Expansion Projects

Greenfield Cement Manufacturing Plant at DG Khan

Fauji Cement Company Limited (FCCL) successfully commissioned its Greenfield Cement Manufacturing Plant on 30 November 2023, located in Shadan Lund, District DG Khan. This milestone marked a significant expansion for FCCL, adding a production capacity of 6,500 tons per day of clinker. With this new facility operational, FCCL's total cement production capacity surged to 10.6 million tons per annum, solidifying its position as the third-largest cement producer in Pakistan. The completion of this Greenfield Project within a remarkable timeframe of 13 months underscored FCCL's commitment to efficiency and growth. Additionally, the Plant integrated advanced manufacturing equipment, emissions control systems and a Waste Heat Recovery Power Plant. Beyond its industrial impact, FCCL's presence in Shadan Lund promised socio-economic benefits, including job creation and community development initiatives such as clean water, healthcare and support for local education.

Increase in Solar Captive Capacity

FCCL increased its Solar Captive Capacity by 12.5 MW during the year. The Board of Directors also approved an additional 15 MW of captive solar capacity, taking FCCL's total capacity to 67.5 MW. This initiative underscored our commitment to diversifying energy sources and increasing our sustainable power generation.

Acquisition of Polypropylene (PP) Bags Manufacturing Plant

The Board of Directors approved the acquisition of a PP Bags Manufacturing Plant at Hattar. This strategic move aimed at ensuring that the Company is self-reliant and to have in-house capability of producing PP bags required for packing the cement.

Implementation of Policies

Policy for Remuneration of Directors

The Board of Directors also approved 'Remuneration Policy for Directors'; the salient features of which are stated below: -

- Remuneration fee to be paid to the members attending the Board and its Committee meetings only.

- The remuneration fee to be reviewed at intervals to ensure that these remained in line with fees prevailing in good corporate companies.

- Expenditure incurred on traveling, boarding, lodging and other expenses for attending meetings of the Board, its Committee and/ or General Meetings of the Company to be reimbursed to all Directors.

The total amount of money paid to the Directors during the year is indicated in Note 39 of the financial statements attached with the Annual Report.

Anti-Harassment Policy

FCCL has a comprehensive anti- harassment policy in place. The policy ensures that any type of workplace harassment is dealt with a zero-tolerance to ensure that all Employees regardless of their gender work in a safe and respectful environment.

Employees who believe that they are victims of gender harassment or who have witnessed such behavior are encouraged to report the issue to the HR Department via a confidential mechanism. Any such report is followed by conduct of a fair and impartial investigation.

No such issues were reported during the year since the cardinals of deterrence worked well.

Whistle Blowing Policy

FCCL's Whistle Blowing policy is not only in line with the code of conduct of corporate governance but also encompasses the globally accepted best practices. It encourages whistle blowing culture in the organization to detect, identify and report any activity which is not in line with the Company polices and may affect the reputation of the Company.

The policy enables stakeholders to come forward and raise concerns without fear of punishment or unfair treatment. Controls are in place by defining consequences for the persons making false accusations resulting in unwarranted convictions. The Audit Committee of the Board is responsible for the implementation of the policy.

During the year no case of whistle blowing was reported.

Incidents Reported to Audit Committee

No significant issues were reported during the period under review. Although, few minor issues reported did not qualify as whistleblowers; however, the complaints were duly addressed by the Management on merits.

Human Resource Management Policy & Succession Planning Achievements

In the past year, the Board of Directors placed significant emphasis on Succession Planning to ensure the sustained growth and leadership of FCCL. We successfully implemented a comprehensive succession strategy that not only identified and nurtured internal talent but also aligned with our long-term strategic goals. This proactive approach yielded remarkable results, as evidenced by the seamless transitions and the continued strength of our leadership team. Our dedicated efforts in succession planning reflected our commitment to maintaining operational excellence and strategic continuity, positioning FCCL for future success and resilience in an ever-evolving market.

Succession planning remained a cornerstone of FCCL's operational strategy, reflecting our commitment to long-term stability and leadership excellence. This strategic focus enabled us to identify and develop future leaders, ensuring that we have the right talent in place to drive the Company's vision and adapt to evolving market demands. By prioritizing planning, FCCL not only safeguarded against potential disruptions but also fostered a culture of preparedness and resilience, ultimately contributing to our ongoing success and competitive advantage.

Building on this foundation, FCCL successfully implemented a robust succession planning framework. The personalized development plans were meticulously designed to address individual growth areas and aligned with our strategic objectives, ensuring successors ready to assume critical roles. This tailored approach not only accelerated their readiness but also enhanced their capabilities to contribute effectively to our leadership team and the broader organizational goals. More over to train and develop the successors, multiple training programs, skill enhancement workshops and management courses were also incorporated in the succession planning. By declaring FY 2024/ 25 as "Year of Successors Training and Development Year", FCCL remained steadfast in its commitment to cultivating leadership excellence and ensuring the sustained success of our organization.

Relations with Company Personnel

The Management of the Company and its employee continued to have cordial and trusting relationship. For the benefit of the workers, FCCL maintained two funds: the FCCL Workers Profit Participation Fund and the FCCL Employee Provident Fund. Along with providing a secure and comfortable workplace for them, considerable investment was made for the welfare of the workforce.

Our HR Philosophy

"Our success story is built on a foundation of strong people practices and here's a glimpse of how we've advanced."

FCCL, a leader in cement manufacturing in Pakistan, continued to set industry standards not only through its exceptional product quality but also through its commitment to outstanding Human Resource practices. At FCCL, we consider our employees as bedrock of our success and our HR strategy was designed to reflect this fundamental principle. We implemented a range of best practices to ensure a supportive and dynamic work environment. Our comprehensive Talent Management programs focused on continuous development, from tailored training initiatives to clear career progression pathways. We prioritized employee well-being through robust support systems and competitive benefits, fostering a culture of engagement and inclusion. By maintaining open communication channels and encouraging feedback, we ensured that our team felt valued and heard. FCCL's dedication to these HR practices not only enhanced our operational excellence but also underscored our commitment to being a great place to work.

Merit Based Recruitment

FCCL believed in merit-based recruitment for acquiring the best available talent. FCCL implemented a well-thought out and efficient recruitment' policy which was followed in true essence. Last year, a large size recruitment was undertaken for our new green field Plant at DG Khan. Despite a remote location, the recruitment was completed in a challenging timeframe without compromising competency level in an efficient manner.

Performance based Appraisal System

FCCL performance-based appraisal system was a fair and objective method of evaluating employee performance. It was linked with goals and objectives to ensure the connection between personal and organizational performance. FCCL placed a strong emphasis on aligning development programs with organizational goals and objectives. This approach encouraged accountability, motivated high performers and identified areas for improvement, ultimately driving organizational success. FCCL always recognized good performers to motivate and acknowledge them. Performance was linked with rewards to endorse the policy of pay for performance while making the Performance Management System digitalized to make it more interactive.

Promoting Reward and Motivation

FCCL fostered performance-driven reward culture within organization to boost the morale of its employees. A well-structured reward and recognition system was put in place to acknowledge significant achievement at individual and collective levels.

Training and Development

Training and development of employees was considered vital for the organization's future, empowering employees to acquire modern skills and knowledge. FCCL remained focused on providing regular learning opportunities to employees with a view to enhance job specific performance, boost their confidence and foster a culture of innovation and growth.

A comprehensive training calendar was prepared and followed in the Company. Based on training needs assessment, targeted programs were designed to promote a culture of learning. FCCL remained dedicated to continuously improving its learning and development framework to accelerate both organizational and personal advancement while collaborating with renowned institutions of the Country. The Company conducted over 150 training sessions, benefiting more than 700 employees and accumulating more than 10,000 training hours. The learning and development centers at our Plant sites were also revamped to create a dedicated training center at every Plant focusing on capacity building and employees' growth.

Gender, Race & Diversity

FCCL displayed commitment to fostering a culture of inclusivity and diversity, where everyone was given opportunity to thrive. In the past year, we made significant strides in increasing gender diversity within our organization. We recognized diversity as a key driver for innovation and competitiveness. We remain dedicated to continuing our efforts to create a workplace that reflects the diverse gender and race.

FCCL also actively promoted women's participation at all levels and provided equal opportunities of growth to everyone.

Quota of Special Employees (PWDs)

People with Disabilities

FCCL remained committed to providing opportunities to our special employee. As part of this commitment, we provided equal employment opportunities to individuals with different physical abilities. We actively sought to further increase representation of differently abled people and were proud to be committed to creating a workplace where everyone could thrive, regardless of physical ability.

CORPORATE SOCIAL RESPONSIBILITY

Fauji Cement Company Limited is well-aware of and prioritizes its responsibility towards the local population, especially those in its vicinity. We have dedicated special funds towards the enhancement of children's education, technical & vocational skills of individuals and tree plantation in the area. In addition, people of neighboring villages are employed at the Plant sites and financial assistance is being provided to the poverty-stricken residents in the vicinity of the Plants.

CORPORATE SOCIAL RESPONSIBILITY

Fauji Cement Company Limited placed a strong emphasis on its corporate social responsibility, particularly towards the local community. We allocated dedicated funds to improve children's education, enhance technical and vocational skills among adults and promote environmental sustainability through tree plantation and other initiatives such as water conservation etc. Additionally, we prioritized employing residents from local communities and provide financial support to those in need within the vicinity of our Plants.

Initiatives

Fauji Cement Company Limited being a socially responsible organization believed in responding and contributing to the needs of the society. In this regard, number of initiatives were taken to address the societal demands, especially relevant to our local population.

Under the CSR vision, key focus areas of the Company remained as under: -

- Education
- Health Care
- Tree Plantation and green initiatives
- Support to local community
- Sports and wellbeing

Some of the activities being undertaken regularly by the Company are appended in succeeding paras.

Education

FCCL Plant, DG Khan

FCCL established a two-room school equipped with solar power kits to enhance educational opportunities for local children. Currently, 120 students are attending the Government Primary School in Jaffarabad. With other existing educational facilities situated 8 kilometers away, accessing these institutions remains a major obstacle for locals. To address this, FCCL funds the salaries of ad-hoc teachers. These initiatives have motivated both students and their families to enroll more children in schools.

Food Support Program – DG Khan

The impact of education on communities is profound, as it enhances social cohesion, reduces crime rates and contributes to societal advancement. However, poverty and resource constraints often hinder access to education, leading to reluctance among families to send their children to school. In response, a Food Support Program for schools was initiated in September 2023 to address such challenges. Initially launched at Government Primary School Basti Ghulam Hussain, the

program was later expanded to Government Primary School Haft Garh and Primary School Jafarabad, contingent upon 80% student attendance. Through this initiative, FCCL provided food and stationery support for approximately 250 school children. Such programs have helped improve attendance rates and have fostered better study habits, participation in extracurricular activities, and enhanced personal hygiene among students in rural areas.

Upgradation and Adoption of Schools – DG Khan

FCCL DGK remained committed to enhancing educational facilities by upgrading Govt Girls Primary School Basti Ghulam Hussain, Haft Garh, and Jaffarabad Schools. The plan included constructing two classrooms, two washrooms and a playground at each school. Additionally, FCCL DG Khan Plant is exploring the adoption of Punjab Education Foundation (PEF) schools under the Public Re-organization Program (PRSP) scheme. This initiative, once implemented would further improve educational services provided by the Company.

FCCL Plant, Nizampur

FCCL remained committed to inspiring academic excellence and recognizing student achievements through targeted initiatives. At the FCCL Nizampur Plant, the following programs were implemented:

To reward and motivate academically outstanding students, FCCL Nizampur provided a comprehensive scholarship program for the Union Council Kahi, which included, 26 schools and 2 colleges in villages around the Plant. This program awarded scholarships to the top three students (1st, 2nd and 3rd places) from class 5th through to BA/BSc students, provided they achieved at least 60% marks.

FCCL also made several contributions to support local education and community welfare. We awarded a special cash prize of Rs. 50,000 to a local student who secured the top position in the HSSC-II Humanities Group exam conducted by BISE Mardan in 2023. Additionally, FCCL donated two electric water coolers to Government Girls Degree College Khan Kohi (Kahi) to provide cold drinking water for both students and the staff.

FCCL Plant, Wah

FCCL's Wah Colony has two subsidized schools, one each for boys and girls; reflecting our dedication to delivering quality education to children from the local community and employees families. The model school at the Wah Plant featured modern facilities, including an advanced computer center, a well-resourced library and state-of-the-art laboratories, enhancing the overall educational experience. The schools adopted a holistic approach by hosting regular events, social service projects and tree planting initiatives, which promoted community involvement and environmental awareness. Celebrations for Pakistan Resolution Day and Independence Day further fostered national pride and student engagement. By actively involving parents and local dignitaries, these schools cultivated a strong sense of community and showcase the achievements of their students.

FCCL Plant, Jhang Bahtar

Fauji Technical Training Institute

To foster technical education and skill development among the youth, FCCL has been operating the Fauji Technical Training Institute (FTTI) at Jhang Bahtar Plant since 2014. In 2023, FCCL, in partnership with TEVTA Punjab, offered a comprehensive three-year training program through FTTI. This collaboration aimed to equip students with advanced technical skills, preparing them for successful careers in the industry.

Apprenticeship Course (3 Years)

FCCL's Apprenticeship Program, conducted under the guidance of TEVTA Punjab, offered a comprehensive three-year training course designed to cultivate skilled professionals. The program enrolled 44 students, with an additional group of approximately 30 students expected to start training soon. Significantly, 50 to 60 percent of the participants came from the local community. The program targeted individuals who had completed Matriculation with Science subjects or held a Diploma of Associate Engineering (DAE).

Health Care

FCCL Plant, DG Khan

FCCL inaugurated a medical inspection room at its DG Khan Plant site in 2023, staffed with one qualified doctor and three dispensers. This facility offered free medical consultations and medications. Additionally, a dedicated ambulance operated 24/7 to promptly respond to emergencies. Since its inception, the facility has served approximately 9,207 patients, including FCCL employees, contractor workers, and members of the surrounding villages, with all medical services and staff salaries covered by FCCL.

Mines Labor Welfare Dispensary at DG Khan

Starting 1 September 2023, FCCL DG Khan engaged qualified male and female doctors, along with support staff, for Basti Salar to provide free medical services to the local community. This initiative included a monthly allocation for free medicines, offering daily outpatient department (OPD) services offered during working hours and 24/7 emergency care. During the fiscal year 2023-24, over 6,000 local patients from areas such as Basti Hussain Abad, Basti Ghulam Hussain, Basti Salar, Basti Neem, Haftgat, Khalifa, Kalari, Mauza Shamali Thal, Yarani, Mumdani, and Jamvani received free treatment and medicines, Additionally, a dedicated heat stroke room was made available at the Mines Dispensary to promptly address emergency situations.

FCCL Plant Nizampur

FCCL has been running a fully-funded medical inspection room at its Nizampur plant since 1995, delivering free healthcare and medications to FCCL employees, contractors, workers, and local residents. This year, FCCL extended its support to the communities around us with the following contributions:

- Donated medicines quarterly to the Basic Health Unit (BHU) Kahi, ensuring necessary medications were available to those in need through the unit's Medical Officer.
- Provided financial assistance for medical care to five individuals within the local community.
- Funded the salary of a driver for an ambulance previously donated by FCCL to UC Kahi, aiding in the transportation of patients from the local vicinity.

FCCL Plant Jhang Bahtar

A medical dispensary with enhanced infrastructure and upgraded facilities has been operational at the Plant premises. Since its inception, this dispensary has provided free medical treatment, including medicines to approximately 60,000 individuals, including FCCL employees, contractor labor and residents from nearby villages. Additionally, an ambulance service is also available for the urgent transfer of critically ill patients to major hospitals.

Medical Facilities for the Local Community

- The dispensary provides free outpatient care during regular working hours and is available 24/7 for emergencies. In the fiscal year 2023-2024, it served 5,947 local patients from Union Council Jhang and 8,863 patients in total, offering free treatment and medications.

- Free Eye Camps: On 21st March 2024, a free eye camp was held in partnership with Al-Shifa Trust Eye Hospital. The camp served 519 patients, including 282 males, 236 females, 28 male children, and 32 female children. At the camp, 181 patients received medications, and 175 were provided with glasses.

Tree Plantation and Green initiatives

Tree plantation played a crucial role in improving air quality by absorbing harmful gases and toxins, releasing oxygen and removing pollutants such as nitrogen oxides, ozone, ammonia and sulfur dioxide. Additionally, trees contributed to mitigating climate change by absorbing carbon dioxide, a major greenhouse gas. Furthermore, they helped prevent soil erosion by slowing down rainfall water and allowing water to seep into the ground.

FCCL Plant (DG Khan)

In the fiscal year 2023-24, FCCL planted 604 indigenous trees along the inner perimeter of the Plant. Additionally, 1,500 fruit and shade trees were donated to support local communities. FCCL DG Khan is also in the process of developing a nursery within the Plant to further enhance environmental and community initiatives.

FCCL Plant (Nizampur)

FCCL Nizampur planted 4,305 indigenous trees both within and around the Nizampur Plant during the FY 2023-2024. These trees encompassed a variety of species, including Alstonia, Olive, Sukh Chain, Orange, Pine, Conocarpus, Bougainvillea, Palm, Lemon, Amaltas and Mango. Beyond beautifying the area, these trees remained instrumental in reducing CO_2 emissions. Additionally, 23,000 square feet of grass was planted to develop lawns and landscaped areas, further increasing the greenery within the Plant.

FCCL Plant (Wah)

As part of its CSR efforts, FCCL Wah Plant provided 2,000 plants to local community, including fruit and shade trees, all grown in its own nursery. FCCL Wah also donated plants to Environmental Protection Agency (EPA), Wah.

FCCL Plant (Jhang Bahtar)

Overall, FCCL vigorously participated in tree plantation campaigns by planting and donating thousands of plants to ensure a healthy environment in and around the FCCL plant to create a better ecological balance for local flora and fauna. In FY 2023-2024, FCCL planted and donated approximately 1500 trees to stakeholders as well as FCCL employees in liaison with EPA Attock. As a pioneer of green initiatives in the cement sector, FCCL aimed to launch a massive tree plantation drive in support of the "Clean and Green Pakistan" campaign.

Furthermore, FCCL is also planning to add new fruit orchards of imported lemon and high yielding olive varieties to create an eco-friendly habitat for local flora and fauna and to enhance carbon sequestration.

Administrative Support to Local Community

FCCL Plant DG Khan

Water Filtration Plants

The primary objective of installing water filtration plants was to provide clean and safe drinking water to the local communities. The Tehsil DG Khan and Tehsil Koh-e-Suleiman regions face significant challenges in accessing drinking water and rely heavily on rainwater.

In the fiscal year 2023-2024, three RO plants were installed through AU Solution and Aqua Regia Chemicals. These efforts led to the successful operationalization of these RO plants in Chak Landan area, greatly appreciated by the local population.

FCCL Plant Jhang Bahtar

FCCL made significant contributions to local communities through various initiatives including organizing sports gala at the Plant site and installing pipelines to provide essential water supplies to villages around the Plant.

Health and Safety Environment (HSE)

At Fauji Cement Company Limited (FCCL), a proactive approach was adopted to uphold employees' health, safety and sustainability. The core focus of the Health, Safety and Environment (HSE) Division remained on well-being of the workforce and mitigating environmental impacts within FCCL's operational regions. FCCL's HSE framework encompassed a spectrum of practices, policies and benchmarks designed to reduce risks, prevent incidents and promote sustainable practices.

Awards and Recognition

Sustainability Leadership Award

Fauji Cement was honored with the prestigious "Sustainability Leadership" award during a ceremony organized by Devcom Pakistan in partnership with the Ministry of Climate Change, Pakistan Environment Protection Agency (Pak EPA), United Nations Environment Program (UNEP), Industrial Association – Islamabad and PNCA, on the occasion of World Environment Day (June 4, 2024).

Corporate Social Responsibility Award

FCCL was honored at the NFEH for its exemplary CSR and green energy initiatives. This recognition underscored FCCL's unwavering dedication to making a positive impact on both environment and local communities. The recognition received at the 16th Annual CSR Summit served as validation of FCCL's dedication to making a meaningful difference for the local communities of our areas of operations.

13th Annual Fire & Safety Award

The National Forum for Environment and Health appreciated FCCL's vision and efforts in fire hazard and safety management by awarding the 13th Annual Fire & Safety Award - 2023 during an auspicious ceremony at Marriot, Karachi, on 2nd November 2023.

Events & Commitments with Global Pledges

1st HSE Experience Sharing Conference

1st HSE Experience Sharing conference of Pakistan's Cement Sector was held at the Jhang Bahtar Plant on exploring opportunities for collaboration and networking among cement entities related to safety standards.

World Environment Day - 2024

On World Environment Day 2024, Fauji Cement reinforced its commitment to sustainability and leadership by partnering with the Environment Protection Department, Punjab, to plant trees and support the "Plastic Free Pakistan" initiative. This initiative was in alignment with the United Nations' Sustainable Development Goals.

At FCCL, we remained dedicated to making a positive impact by taking bold steps towards a greener future by planting hundreds of trees to combat climate change, harvesting rainwater to conserve this precious resource and switching to green energy/ power sources. Additionally, we ensured constant monitoring and reduction of our carbon footprint.

Safety Week - 2024

Safety Week was organized at all FCCL Plants to pledge our commitment to safety as a top priority. The weeklong event featured activities designed for the constructive engagement of FCCL workers, contractors, and governmental officials. Key activities included: A plant wide safety stand-down.

- Leadership engagement through Management walk downs.
- Experience sharing by the HSE Head from other cement plants.
- A recognition and award ceremony.
- A safety Champion competition.
- Training on various safety topics.

World Day Against Child Labor

World Day against Child Labor was observed to raise awareness about the plight of child laborers. Endeavour remained to promote efforts to eliminate child labor, highlighting the dangers and exploitation associated with it. The day served to advocate for formulation of policies that should ensure children's basic rights to receive quality education and enjoy their childhood.

International Fire Fighters Day

In observance of International Fire Fighters Day, FCCL spearheaded a proactive initiative, delivering specialized training sessions to elevate employee knowledge on fire safety and prevention. The objective was to familiarize them with firefighting resources and protocols while cultivating a robust culture of emergency preparedness to effectively mitigate and respond to fire-related emergencies.

Earth Day - 2024

On Earth Day 2024, Fauji Cement and the Environmental Protection Agency (EPA) collaborated to organize an event focused on environmental awareness. The event highlighted FCCL's sustainability initiatives and the Plastic-Less Punjab initiative. Additionally, FCCL conducted a door-to-door campaign to educate the local community about plastic waste segregation and proper disposal methods. The event concluded with a tree planting ceremony and pledge to reduce plastic usage.

Awareness, Training and Competency Development

FCCL greatly contributed in enhancing competency level of its employees and awareness regarding new challenges with probable solutions. Emphasis was laid on transition to climate change regime and attaining sustainability goals through collaboration with all relevant stakeholders.

Educational visits from reputed universities and academic institutions were organized by FCCL to support students' learning and familiarize them with industrial standards. These efforts strengthened the bridge between academic institutions and industries leading to technological innovation, knowledge sharing and producing competent engineers for future. In FY 2023/ 24, more than 1,000 students gained valuable insights through visits to FCCL Plants.

Defensive Driving and Road Safety

Training Sessions for FCCL driving staff were conducted by the Motorway Police Education Unit. The sessions covered safety precautions, safe driving practices, pedestrian safety, and the importance of vehicle maintenance and fitness.

Workers Participation & Consultation

Plant General Managers (GMs) led sessions where the Manager of HSE at each Plant presented and discussed challenges faced by middle management in near miss reporting and contractor safety implementation. The training focused on pre-assessing contractors before awarding contracts, establishing safety committees for contractor assessment, and reporting near miss incidents.

Basic Life Saving Skills

Sessions were conducted jointly for plant workforce and contractors, covering firefighting safety, lone worker safety, emergency rescue, and water reservoir safety. These sessions were followed by annual exams to ensure that the training was effectively learned and applied by the participants.

External Training of Technical Workforce

Regular external training sessions were held on various topics, including Confined Space and Work at Height Rescue, IOSH Managing Safely, Energy Management System (ISO 50001), and Integrated Management System. These sessions were provided by reputable training institutes such as M/s TUV and OSALP International.

Fall Protection and Rescue from Height

FCCL was pioneer amongst the corporate sector in training its staff on "Rescue from Height". Purpose of the training was to provide delegate employees with the essential theoretical knowledge and practical skills to allow them to assess and if safe undertake working at height duties. Similarly, in case of emergency, they must display requisite skills to rescue themselves or coworkers from height.

Managing Maintenance for Peak Performance

Training sessions were conducted at the DG Khan Plant for the Maintenance Team as part of the L&D (Learning & Development) program.

Training Workshops

Workshops on HAZOP (Hazard and Operability) studies were conducted as a pioneering step towards Process Safety Management (PSM). The main motivation behind the workshops was to equip the participants with skills and knowledge necessary to effectively conduct HAZOP studies. These studies were systematic with structured assessments to identify and evaluate potential hazards and operability issues within industrial processes. The primary goal of HAZOP was to ensure safety, reliability, and efficiency in operational systems.

Initiative towards a Greener Future

Fauji Cement Jhang Bahtar Plant reached a historic milestone by achieving the highest ever alternative fuel consumption, marking a significant step towards decarbonization and environmental sustainability.

Through our relentless efforts and commitment to reducing our carbon footprint, we ensured increase in our alternative fuel usage, resulting in a substantial decrease in greenhouse gas emissions.

Award and Appreciation Ceremonies

Award and appreciation ceremonies were held regularly to recognize the high achievers among FCCL and its contractors' workforce in the areas of health and safety. These ceremonies also provided Plant Management with an opportunity to interact with the workforce, celebrate their achievements, and motivate them to continue excelling and becoming future winners.

Health Initiative

FCCL initiated Workers' health initiative and implemented numerous health parameters to evaluate health hazards. The system provided efficient care to workers to make them healthy and efficient. For this purpose, following initiatives were launched: -

Nutrition Awareness Session

For the individuals having BMI greater than 30 units (Obese State), a special session was designed in which light was shed on the importance of healthy lifestyle and the harming consequences (short-term as well as long-term) of obesity on a person's health.

Dengue Prevention & Eradication Awareness Campaign

It was held on regular intervals at Plants' locations by respective MI Rooms and HSE Departments in order to educate the workforce about dengue fever and its causes and prevention techniques. The campaign also covered contractor and local community apart from integral workforce.

Integrated Management System ISO certification

Fauji Cement developed and implemented Integrated Management System (IMS) to improve performance and operational excellence. Currently, FCCL Plants (Jhang Bahtar, Wah and Nizampur) maintained following ISO standards: -

- ISO 9001: 2015 (Quality Management System).
- ISO 14001: 2015 (Environmental Management System).
- ISO 45001: 2018 (Occupational Health & Safety Management System).
- ISO 50001:2018 (Energy Management System).

Sports Gala & Recreational Activities

Fauji Cement organized Sports Gala at each facility which included a variety of sporting activities including cricket, football, volleyball, badminton, table tennis, snooker and tug of war. These events promoted teamwork, sportsmanship and healthy engagement amongst the workforce.

FUTURE OUTLOOK

Forward Looking Statement

With reduction in Inflation, interest rates have also started to decline which is positive for the businesses. The Country's external debt financing challenges still exist but it is hoped that with the new IMF deal maturing in the near future and stability in the exchange rates, it should be manageable in the short term with major structural challenges still remaining to be addressed.

On the domestic cement market front, with the all-time high construction material prices no major increase in demand is expected with some hope of recovery in case the Government is able to find enough fiscal space to spend the budgeted PSDP targets for FY 25. The exports to Afghanistan are showing promise with good recovery in FY 24 and the momentum is expected to continue in the next Financial Year.

The Management under the able guidance of the Board will continue to strive to increase its market share along with efforts of cost optimization including addition to its Solar Captive capacity, new PP bags manufacturing facility and increased usage of Alternative fuel to add value to the overall bottom line.

Analysis of Forward Looking Disclosures Made in Previous Year

Extract of matter reported in previous year's statement	Actual Results
Considering where we closed FY 23 the next Financial Year is expected to be tough for Pakistan's economy and especially businesses till the inflation and interest rates decrease considerably and eventually reach single digit again. The external debt financing requirements in FY 24 despite the IMF loan will continue to keep the Rupee under pressure, especially with the condition agreed with IMF to keep the gap with open market rate up to 1.25%.	FY 24 was another tough year for Pakistan's economy with some signs of stabilization in 2nd half of the year. Lower inflation and reduction in policy rate were positive news. With receipt of Loan under existing IMF program and decreased trade deficit PKR remain stable during 2nd half of FY 24.
On the Cement market front, with the all-time high construction material prices demand will continue to remain depressed in the domestic market with some hope of recovery in the 2nd half of FY 24 post the elections.	The domestic dispatches dropped by 4.6% i.e. from 40 million tons last year to 38.2 million tons in FY 24. The company's cement dispatches during FY 24 were recorded at. 5.1 million tons as compared to last year dispatches of 4.8 million tons.
The exports to Afghanistan are showing promise with good recovery in FY 23 and the momentum is expected to continue in the next Financial Year.	With improving stability in Afghanistan, Company's export to Afghanistan improved during the year i.e 0.5 million tons in FY 24 vs 0.4 million tons in FY 23.

Future R&D Initiatives

Company keeps on developing the new green products that meets the expectations and needs of the customers. In doing so, key focusing area will remain the low emission & wastage and customer satisfaction. Company is also working to move from On Premises SAP S-4/ Hana ERP to cloud based database.

Status of Projects in Progress and Disclosed in Previous Year

DG Khan Expansion Project

D.G. Khan Project was successfully commissioned during the year and started commercial operations with effect from November 2023.

Sources of Information and Assumptions used for Projections/ Forecasts

Future forecast and projections are always subject to some degree of uncertainty and contains some assumptions. All projections and forecasting in the Company are made after critically analyzing the past trends, initiatives and decisions taken by management, current market conditions and prospective developments (either related to cement industry or to overall economy). As a part of decision making process, BOD and its Committees analyze critically the assumptions and data used by management for budgets and forecasts.

Internal information is retrieved through the well-equipped data base of the Company and external information is obtained from companies engaged in research, regulators, financial institutions and related trade organizations

Acknowledgement

The Directors of the Company expressed their deep appreciation to the valued shareholders, customers, financial institutions, government departments, dealers, contractors and foreign & local suppliers for their cooperation. Special appreciation was given to Company's employees for their hard work and commitment under challenging environment.

For and on Behalf of FCCL Board

Lt Gen Anwar Ali Hyder, HI(M),(Retd)
Chairman Board of Director
Rawalpindi
27th Aug 2024

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
27th Aug 2024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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Fauji Cement Company 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 Fauji Cement Company Limited, (the Company) 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.

Chartered Accountants
Islamabad
Date: September 6, 2024
UDIN: CR202410083F6oMlkVqu

STATEMENT OF COMPLIANCE

With Listed Companies (Code Of Corporate Governance) Regulations, 2019

Name of Company: Fauji Cement Company Limited (the Company)

Year Ended: June 30, 2024

The Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of Directors is 8 as per the following:-

a.	Male:	6
b.	Female:	2

2. The composition of the Board is as follows:-

Independent Director (Male)	Mr Sami ul Haq Khilji
Independent Directors (Female)	Ms Maleeha Bangash Ms Naila Kassim
Non-Executive Directors	Lt Gen Anwar Ali Hyder, HI(M), Retd Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), Retd Maj Gen Zafar Ul Haq, HI(M), (Retd) Mr Syed Bakhtiyar Kazmi
Executive Director	Mr Qamar Haris Manzoor

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed Companies, including this Company;

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 the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. The Board has arranged Directors' Training program for:-

Brig Mir Ameer Ali, SI(M), (Retd)	Employee Director (Human Resource & Admin)

The Directors and Executive Management have already received the necessary certifications under the Directors Training Program from SECP-authorized institutions.

10. The Board has approved 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 formed committees comprising of members given below:-

a.	Audit Committee	
(1)	Ms Maleeha Bangash	Chairperson
(2)	Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), Retd	Member
(3)	Syed Bakhtiyar Kazmi	Member
(4)	Ms Naila Kassim	Member
(5)	Brig Kashif Naveed Abbasi, SI(M), Retd	Secretary

b.	HR and Remuneration Committee	
(1)	Ms Naila Kassim	Chairperson
(2)	Maj Gen Zafar Ul Haq, HI(M), Retd	Member
(3)	Mr Sami Ul Haq Khilji	Member
(4)	Brig Kashif Naveed Abbasi, SI(M), Retd	Secretary

c.	Investment Committee	
(1)	Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), Retd	Chairperson
(2)	Mr Qamar Haris Manzoor	Member
(3)	Maj Gen Zafar Ul Haq, HI(M), Retd	Member
(4)	Mr Sami Ul Haq Khilji	Member
(5)	Brig Kashif Naveed Abbasi, SI(M), Retd	Secretary

d.	Environmental, Social and Governance Committee	
(1)	Ms Maleeha Bangash	Chairperson
(2)	Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), Retd	Member
(3)	Mr Sami Ul Haq Khilji	Member
(4)	Director ESG	Member
(5)	Mr Zeeshan Ahmad	Secretary

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

14. The frequency of meetings (quarterly/half yearly/yearly) of the Committee were as per following:-

a.	Audit Committee:	Quarterly
b.	HR and Remuneration Committee	On ad hoc basis
c.	Investment Committee	On ad hoc basis
d.	Environmental, Social and Governance Committee	On ad hoc basis

15. The Board has set up an effective internal audit function being run by staff who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed the following:-

a. That they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan.

b. 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.

c. 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, Head of Internal Audit, Company Secretary or Director of the Company.

17. That the statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these 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; and

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

The broad functions of Nomination and Risk Management are already being performed by other Committees. Therefore, the Board is of the opinion that separate Nomination and Risk Management Committees are not required.

Lt Gen Anwar Ali Hyder, HI(M),(Retd)
Chairman Board of Director
Rawalpindi
August 27, 2024

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
August 27, 2024

BOARD AND ITS COMMITTEES

The Board meetings were held in every quarter for approval of Company's financial statements. During this year, six Board meetings were held with the attendance as under:-

Attendance at Board Meetings 2023-2024

Director	Status	155th	156th	157th	158th	159th	160th	Total No. of Meetings
Mr Waqar Ahmed Malik, SI Chairman, resigned on 5th April 2024	Non-Executive Director	●	●	●	●			4
Lt Gen Anwar Ali Hyder, HI (M), Retd Chairman, appointed on 5th April 2024	Non-Executive Director					●	●	2
Mr Qamar Haris Manzoor, CEO, MD	Executive Director	●	●	●	●	●	●	6
Dr Nadeem Inayat Member, resigned on 5th April 2024	Non-Executive Director	●	●	●	●			4
Maj Gen Naseer Ali Khan, HI (M), Retd Member, resigned on 24th Oct 2023	Non-Executive Director	●	●	●				3
Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd Member, appointed on 7th Feb 2024	Non-Executive Director				●	●	●	3
Maj Gen Zafar Ul Haq, HI (M), Retd Member, appointed on 5th April 2024	Non-Executive Director						●	1
Mr Syed Bakhtiyar Kazmi	Independent Director	●	●	●	●	●	●	6
Mr Sami Ul Haq Khilji	Independent Director	●	●	●	●	●	●	6
Ms Maleeha Bangash	Independent Director	●	●	●	●	●	●	6
Ms Naila Kassim	Independent Director	●	●	●	●	●	●	6

Changes to the Board

Lt Gen Anwar Ali Hyder, HI (M), Retd, **Chairman**	5th April 2024
Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd, **Member**	7th Feb 2024
Maj Gen Zafar Ul Haq, HI (M), Retd, **Member**	5th April 2024

Attendance at Audit Committee 2023-2024

Director	Status	5th July 2023	24th Aug 2023	15th Sep 2023	16th Oct 2023	22nd Feb 2024	19th April 2024	26th Jun 2024	Total No. of Meetings
Ms Maleeha Bangash	Independent Director	●	●	●	●	●	●	●	7
Maj Gen Naseer Ali Khan HI (M), (Retd) Member, resigned on 24th Oct 2023	Non-Executive Director	●	●	●	●				4
Ms Naila Kassim	Independent Director	●	●	●	●	●	●	●	7
Mr Syed Bakhtiyar Kazmi	Non-Executive Director	●	●	●	●	●	●	●	7
Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd Member, appointed on 7th Feb 2024	Non-Executive Director					●	●	●	3

Terms of Reference – Audit Committee

The Board of Directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall include the following:-

a. Determination of appropriate measures to safeguard the company's assets.

b. Review of annual and interim financial statements of the company including Director's Report, prior to their approval by the Board of Directors, focusing on:-

   1). Major judgmental areas.

   2). Significant adjustments resulting from the audit.

   3). Going concern assumption.

   4). Any changes in accounting policies and practices.

   5). Compliance with applicable accounting standards.

   6). Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019, as applicable, and other statutory and regulatory requirements.

   7). All related party transactions.

c. Review of preliminary announcements of results prior to external communication and 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, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company. The performance appraisal of head of internal audit shall be done jointly by the Chairman of the Audit Committee and the Chief Executive Officer.

h. Consideration of major findings of internal investigations of activities characterized as 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. Determination of compliance with relevant statutory requirements.

m. Monitoring compliance with Listed Companies (Code of Corporate Governance) Regulations 2019, where applicable, and identification of significant violations thereof.

n. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.

o. Recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with Regulations. The Board shall give due consideration to the recommendations of the audit Committee and where it acts otherwise, it shall record the reasons thereof.

p. To review whistle blowing cases reported under the Whistle Blowing Policy of the Company.

q. The AC shall also review the annual business plan/budget, including cash flow projections, forecasts and strategic plan before recommending it to the Board.

r. In order to ensure the financial health of the company and to comment on the going concern status of the business, review of Key Performance Indicators (KPI) in comparison of the industry benchmark shall be carried out by the Committee.

s. To review the effectiveness of risk management procedures and to present a report to the Board in this respect, the committee shall at least twice a year:-

    1. Monitor and review all material controls (financial, operational, compliance).
    2. Ensure that risk mitigation measures are robust along with integrity of financial information.
    3. Ensure appropriate extent of disclosure of company's risk framework and internal control system in Directors' report.

t. The Committee shall review the vision and / or mission statement, monitor the effectiveness of the company's governance practices and overall corporate strategy for the company before adoption by the Board.

u. To critically review the technical aspects of feasibility studies submitted for new investments.

v. To evaluate proposal regarding balancing, modernization and expansion of existing projects.

w. To monitor the progress of ongoing projects with budgeted targets in order to identify "early warning signals" at the right time and suggest corrective measures in order to put the project on the right track.

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

Attendance at HR & R Committee

Director	Status	25th Jun 2024	Total No. of Meetings
Ms Naila Kassim	Independent Director	●	1
Maj Gen Zafar Ul Haq, HI (M), Retd Member, appointed on 5th April 2024	Non-Executive Director	●	1
Mr Sami Ul Haq Khilji	Non-Executive Director	●	1

Terms of Reference – HR & R Committee

1. Recommend to the Board, for consideration and approval of a policy framework for determining remuneration of Directors (both Executive and Non- Executive Directors) and members of Senior Management.

2. Undertaking annually a formal process of evaluation of performance of the Board as a whole and its Committees, either directly or by engaging external independent consultant.

3. Recommending human resource management policies to the Board.

4. Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, CFO, Company Secretary and Head of Internal Audit.

5. Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer.

6. Where human resource and remuneration consultants are appointed. (The Committee will know they will make their credentials and a statement as to whether they have any other connection with the Company.

Attendance of the Investment Committee Meeting

Director	Status	25th Jun 2024	Total No. of Meetings
Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd Member, appointed on 7th Feb 2024	Non-Executive Director	●	1
Mr. Qamar Haris Manzoor, CEO, MD	Executive Director	●	1
Maj Gen Zafar Ul Haq, HI (M), Retd Member, appointed on 5th April 2024	Non-Executive Director	●	1
Mr Sami Ul Haq Khilji	Non-Executive Director	●	1

Terms of Reference – Investment Committee

The Committee has the following specific responsibilities: -

a. Make recommendations to the Board of Director regarding viable option for different project(s) within the existing available financial resources offering attractive returns;

b. Make recommendations for the new avenues with respect to vertical and horizontal growth of the company;

c. Review Management's proposals for investments, diversification in projects and feasibility studies and forward recommendations for the approval of the Board.

d. Review proposals external growth opportunities, potential investments, as proposed by the Management.

e. To evaluate performance of investments made in projects over the period and monitor progress of on-going projects in line with Board approvals;

f. Review Management's proposals for strategic alliances with other entities/companies to achieve growth or diversification objectives of the Company

g. Provision of guidance to the management on all matters related to investment

Attendance of ESG Committee Meeting

Director	Status	16th Oct 2023	22nd Feb 2024	Total No. of Meetings
Ms Maleeha Bangash	Independent Director	●	●	2
Mr Sami Ul Haq Khilji	Non-Executive Director	●	●	2
Maj Gen Naseer Ali Khan HI (M), Retd Member, resigned on 24th Oct 2023	Non-Executive Director	●		1
Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd Member, appointed on 7th Feb 2024	Non-Executive Director		●	1

Terms of Reference – ESG Committee

The Board shall provide adequate resources and authority to enable the ESG committee to carry out its responsibilities effectively. The terms of reference of the ESG committee shall include the following:-

a. Formulate an ESG vision, mission and policy of the Company and get board's approval.

b. Identifying company's priority areas; formulate an ESG strategy for approval by the Board.

c. Coordinate and formulate the implementation agenda based on the ESG strategy.

d. Advise the Board and the other Board Committees on the Company's performance on sustainability metrics and on the setting of sustainability targets. Conduct overall supervision and approval of major ESG matters.

e. Discuss and make decisions on recommendations from the ESG Management Committee.

f. Identify and determine important ESG risk issues and offer advice to the Board.

g. Review polices, reports and disclosures related to ESG of the Company as and when ready.

h. Identify, set parameters and monitor Company's disclosures relating to ESG (e.g. in the Annual Report) and provide information / support to the Board and the other Board Committees.

i. Oversee Management's execution of ESG Strategy as agreed by the Board.

j. Oversee the Company's approach to external communications relating to ESG.

DISCLOSURE ABOUT GOVERNMENT POLICIES RELATED TO COMPANY'S BUSINESS

Government policies have direct impact on the economic environment in which Company operates. Significant Government policies that have direct impact on the Company's performance and business are as under:

Policy Area	Impact on Company
Taxation • FED • Sales Tax • Income Tax • Royalties and Excise Duties	Company's profitability is directly impacted with any shift in taxation/ revenue collection measures by the Government. Being a highly taxed sector, Company's performance is susceptible and vulnerable to such changes
Monetary Policy	Any increase in interest rates directly impacts the Company in the form of high finance cost and generally high inflation impacts the demand of cement.
Government Spending on Infrastructure	With PSDP spending, cement demand increases and vice versa
Trade Policy	Any import or export related restrictions and impediments could have adverse impact on the Company's performance

DIVIDEND POLICY

The Company aims to optimize shareholders' returns by maintaining adequate dividend payouts that are reflective of its financial performance and future outlook.

GENDER PAY GAP

Following is gender pay gab calculated for the year ended 30 June 2024:

- Mean Gender Pay Gap: 32%
- Median Gender Pay Gap: 18%

REPORT OF AUDIT COMMITTEE

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended 30 June 2024.

Composition of the Audit Committee

Audit Committee of the FCCL Board of Directors is comprised of four Directors. Two members of the Committee including the Chairperson are non-executive independent Directors; whereas the other two are non-executive Directors. All the Committee members are financially literate, who possess substantial insight related to finance, economics and business management. Composition of the Audit Committee and TOR are given in Board Committees' Section of this Report.

Chief Financial Officer of the Company attended meetings of Audit Committee on invitation and Head Internal Audit attended all the Committee meetings whereas External Auditors attended the meeting twice during the year under consideration as a requirement of CCG.

Meetings of the Audit Committee

The Audit Committee meetings were convened on quarterly basis to review and recommend financial statements for consideration and approval of the Board. Similarly, all the related party transactions were also placed before the Committee and on recommendation, the said transactions were placed before the Board for approval. Separate meetings were also held with the Company's external and internal auditors in compliance with the regulatory requirements.

In order to ensure transparency and independence of the Internal Audit function, the Head of Internal Audit reported directly to the Audit Committee. FCCL's annual internal audit plan was approved by the Audit Committee and its progress was reviewed on quarterly basis. Minutes of the meetings were circulated to all members/ Directors, Internal Audit and Chief Financial Officer prior to the meeting of the Board. Accordingly, the Chairperson highlighted all significant matters for discussion during the Board meetings.

The Committee also concluded its annual review of the Company's performance, financial position and cash flows during 2024 and reported following: -

"The financial statements of FCCL for the year ended 30 June 2024 was prepared on a going concern basis under requirements of the Companies Act 2017 while incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations. These financial statements presented a true and fair view of the state of affairs of the Company, results of operations, profits, cash flows and changes in equity of the Company for the year under review. The auditors also issued unmodified audit reports in respect of the above financial statements in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP. Appropriate accounting policies were consistently applied, which were appropriately disclosed in the financial statements. A Director, Chief Executive Officer and the Chief Financial Officer endorsed the financial statements of the Company, while the Directors' Report was signed by Chairman and Chief Executive Officer. They acknowledged their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company. Accounting estimates were based on reasonable and prudent judgment. Proper and adequate accounting records were also maintained by the Company in accordance with the Companies Act, 2017. The financial statements complied with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting was consistent with management processes and adequate for shareholders' needs. All related parties transactions were reviewed by the Committee prior to approval by the Board. The Company also issued a Statement of Compliance with the Code of Corporate Governance which was also reviewed and certified by the External Auditors of the Company."

Risk Management and Internal Control

The Company has developed a sound mechanism for identification of risks while assigning appropriate criticality level to the risks and devising appropriate mitigation measures being regularly monitored. These steps were implemented by the Management across all major functions of the Company and presented to the Audit Committee for information and review. The Company also devised and implemented an effective internal control framework which also included an independent Internal Audit function. The said function remained responsible for providing assurance on the effectiveness and adequacy of internal control and risk management framework in managing risks within acceptable levels throughout the Company. Audit Committee also provided proper arrangement for Staff and Management to report their concerns about actual or potential improprieties in financial and other matters to Audit Committee in confidence. Adequate remedial and mitigating measures were applied, where necessary. The types and details of risks along with mitigation measures are appropriately disclosed in relevant Section of this Annual Report.

Internal Audit Function

- The Board implemented the internal control framework including an independent Internal Audit function. The Company's system of internal controls remained sound in design and continually evaluated by Internal Audit function for effectiveness and adequacy. All the processes and functions remained subject to periodic review by Internal Audit Function.

- The Audit Committee also ensured the achievement of operational, compliance, risk management, financial reporting and control objectives while safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by Internal Audit function.

- The Internal Audit function carried-out internal audits in accordance with Annual Internal Audit Plan approved by the Audit Committee. The Committee reviewed material internal audit findings, taken appropriate actions where necessary or brought the matters to the Board's attention where required. Status of follow up of open audit observations was regularly reviewed by Audit Committee to ensure completion of agreed action by the Management.

- The Head of Internal Audit also had a direct access to the Chairman of the Audit Committee and the Committee ensured staffing of personnel with sufficient internal audit wisdom. The function had necessary access to the Management and the right to seek information/ explanations.

- The progress of Internal Audit function was duly discussed during the Audit Committee meetings, held during the year, in order to ensure that the audit function effectively performed its audits as per approved Annual Internal Audit Plan.

- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

Annual Report 2024

The Company has issued a comprehensive Annual Report for the year under review, in accordance with all the applicable laws and given fair and balanced information in an understandable way for an in-depth understanding of the Management style. It also highlighted policies set by the Company, the performance during the year and the future outlook for all the stakeholders of the Company.

The Audit Committee ensured that the Annual Report comprehensively covered financial and non-financial information for the stakeholders in relation to performance/ outcome, risks and opportunities in particular for value creation ability of the Company.

External Auditors

The statutory Auditors of the Company, M/s A.F Ferguson & Co, Chartered Accountants, completed their audit assignment of the Company's Financial Statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended 30 June 2024 and shall retire on the conclusion of the 32nd Annual General Meeting of the Company. The Auditors met the Audit Committee once during the course of Audit, principally covered their Audit planning, new accounting standards applicable for the current financial year and the key risk areas. During the second meeting, they discussed Financial Statements in details. Being eligible M/s A.F Ferguson & Co, Chartered Accountants offered themselves to be reappointed as auditors for the financial year 2024/25. Audit Committee recommended M/s A.F Ferguson & Co, Chartered Accountants as External Auditors of the Company for the year ending 30 June 2025.

Evaluation of the Audit Committee

The Committee has performed its duties and discharged its responsibilities in compliance with the Code and as per the Terms of Reference approved by the Board. The evaluation of the Committee was carried out by external independent consultant, Pakistan Institute of Corporate Governance (PICG) to their satisfaction.

Maleeha Bangash
Chairperson FCCL Audit Committee
Rawalpindi
27 August 2024

IT GOVERNANCE & CYBERSECURITY

The Board Responsibility Statement

Evaluation and Enforcement of Legal and Regulatory Implications of Cyber Risks

The Board of Directors remained committed to ensuring that our Company adhered to all legal and regulatory requirements related to cyber risks. This included evaluating potential threats, enforcing compliance and taking necessary actions to mitigate risks.

Board Responsibilities in Case of Breaches

In the event of a cybersecurity breach, the Board was made responsible for overseeing the immediate response, ensuring effective communication with stakeholders and guiding the Company through the recovery process.

IT Governance and Cybersecurity Programs

Policies and Procedures

Our Company implemented robust IT governance and cybersecurity programs, policies and procedures. These were designed to protect our information assets, ensure compliance with industry-specific cybersecurity requirements and align with our overall strategic goals.

Cybersecurity Strategy

The cybersecurity strategy was continuously reviewed and updated to address emerging threats and leverage the latest technologies. This proactive approach helped us maintaining a strong security posture and safeguard our operations.

Cybersecurity in Board's Risk Oversight Function

Integration into Risk Oversight

Cybersecurity remained a critical component of the Board's risk oversight function. Team regularly reviewed cybersecurity risks and ensured that they were integrated into the Company's overall risk management framework.

Engagement with Management:

The Board engaged with management on cybersecurity issues through regular briefings, dedicated cybersecurity sessions and ongoing dialogue. This collaborative approach ensured that the Board remained informed and provided effective oversight.

Board-Level Committee on IT Governance and Cybersecurity

Committee Oversight

At least one board-level Committee was specifically charged with oversight of IT governance and cybersecurity matters. This Committee met regularly to review policies, monitor compliance and assess the effectiveness of our cybersecurity measures.

Administration of IT Risk Oversight

The Board administered its IT risk oversight function by setting clear expectations, delegating responsibilities to the relevant Committees and ensuring that IT risks remained a standing agenda item in Board meetings.

Early Warning System for Cybersecurity Risks

Through advanced threat detection algorithms, firewall systems and real-time analysis, the system identified anomalies, unauthorized access attempts and malware in its early stages. This allowed the Company's IT team to take immediate action, implementing countermeasures and preventing potential breaches before they escalate. This allowed the FCCL to protect sensitive data and maintain uninterrupted production process.

Independent Security Assessments

To ensure the effectiveness of IT controls, regular in-house audits and reviews were performed by the Internal Audit Department. Additionally, we conducted third-party assessments and evaluations of our technology environment and networks. This ensured that we had sufficient controls in place to address cybersecurity risks and assess our overall preparedness for security incidents. A third party penetration testing was also conducted during June 2024. Furthermore, IT team regularly conducted vulnerability assessments to proactively address potential security weaknesses.

Contingency and Disaster Recovery Plans

Fauji Cement Company Limited also implemented well documented DR plan to ensure business continuity in unforeseen disasters or disruptions. It included proactive measures, processes and resources to mitigate risks, minimize downtime and enable swift recovery. Key components include well-documented procedures for data availability, safeguarding and business continuity. FCCL has robust backup systems, maintaining multiple copies of data on various media, offsite storage and database-level replications for maximum data accessibility. Our business critical landscape consisted of Active-Passive server i.e Primary and Local High Availability Servers. In addition, a remote site Disaster Recovery Server was also deployed which could come online within required downtime mentioned in DR plan. Regular database restore on sandbox environment ensured data integrity and usability.

Advancements in Digital Transformation

The Company placed a strong emphasis on fostering collaboration between its technical and functional teams, which played a pivotal role in selecting and implementing information systems. This approach enabled seamless integration among cross functional groups, enhancing planning, coordination and decision-making across various activities. To enhance process efficiency and transition towards paperless office operations, FCCL also incorporated digital transformation as a fundamental element of its ICT Strategy. Throughout 2023-24, the Company automated numerous manual processes and migrated various paper-based approval procedures to online workflows. Additionally, FCCL embarked on an Enterprise Data Management and Analytics project to empower management in making data-driven decisions. To facilitate this, the Company developed a range of dashboards, catering to both senior Management and operational staff, providing valuable insights to support well-informed decision-making.

Cybersecurity Education and Training

Our ongoing education and training initiatives played a crucial role in strengthening our cybersecurity posture and reducing the likelihood of cyber incidents. Our IT Department played a pivotal role in this regard by providing comprehensive security policies and guidelines. These resources outlined the best practices and protocols for handling sensitive information, utilizing company systems and maintaining robust password security. We also fostered a culture of continuous learning and encouraging employees to stay up to date with the latest cybersecurity trends/ practices. This included provision of access to relevant resources, industry certifications and encouraging participation in cybersecurity conferences and workshops. Through our investments in education and training, our aim remained to develop a cybersecurity conscious workforce that actively contributes to mitigating cybersecurity risks. We remained committed to continuously improving our education and training programs to effectively address emerging threats and ensured the ongoing protection of our digital assets and sensitive information.

Board Disclosure on FCCL's Use of Enterprise Resource Planning (ERP) Software

a) Integration and Management of Core Business Processes

Design and Implementation: FCCL ran the world renowned SAP S4HANA ERP system. The ERP software was meticulously designed to manage and integrate the core business processes, ensuring seamless functionality across various departments. The ERP system included modules for: -

- Sourcing & Procurement: An integrated procurement module ensured smooth procurement that was transparent and traceable. It managed vendors and monitored their performance, transparent sourcing, computerized comparative statement and automated procurement. All payments were automatically reflected and controlled by the finance module.

- Inventory Management: Optimized inventory, monitored stock levels, tracked inventory movements and optimized stock replenishment. Stock movements were integrated with the Weigh Bridge and an automated Gate Pass system.

- Production Planning: Automated production planning and monitoring, computerized daily production report, trackable and traceable production.

- Plant Maintenance: Automated Plant maintenance activities to ensure optimized Plants' performance and longer life.

- Quality Management: Maintaining the highest quality standards remained top priority at FCCL. The integrated QM module ensures quality processes were nested into the complete ERP system.

- Finance: Automating financial transactions, managing budgets and generating real-time financial reports.

- Cost Control: In order to manage and monitor process costs and control product costs, FCCL deployed a Costing Module that was integrated with all other modules and tracks and traced the costs as they occur.

- Sales & Distribution: An integrated Sales & Distributing system helped in sales planning and dispatching of cement according to sales orders. All receipts were automatically reflected in finance.

- Human Resources (HR): Streamlining recruitment, onboarding, payroll, performance management and employee data management.

System Integration: The integration of these modules into a single system enabled real-time data sharing and collaboration across departments, enhancing operational efficiency and decision-making capabilities.

b) Management Support for ERP Implementation and Continuous Update

Effective SAP Operations: The ERP operations remained key to business continuity as each and every business process was directly dependent on the ERP system and no Company operations were managed manually or through Excel sheets. Our management team is committed to the successful business process operations through the SAP ERP system. This involved: -

- Project Management: Dedicated project managers with technical capabilities overseeing the ERP operations ensuring smooth business process operations.

- Stakeholder Engagement: Regular consultations with key stakeholders gathering input and aligning the system with business objectives.

- Resource Allocation: Provision of necessary resources, including budget allocation/ staffing, supporting smooth business operations.

Continuous Updates: To keep the ERP system aligned with evolving business needs, our Management ensured: -

- Regular Updates: Implementation of software updates and patches to enhance functionality and security.

- Feedback Mechanisms: Establishment of feedback channels for users to report issues and suggest improvements.

- Ongoing Development: Collaboration with ERP vendors and IT teams to customize and expand the system as needed.

c) User Training for ERP Software

Training Programs: We recognized the importance of user competency in maximizing the ERP system's benefits. Our training initiatives included: -

- Comprehensive Training Modules: Structured training programs tailored to different user roles, covering system navigation, data entry and reporting. Advanced technical trainings were also arranged for the Technical staff who provided technical support to keep the operations running 24/7.

- Hands-On Workshops: Practical workshops allowing users to gain hands-on experience with the ERP software.

- Continuous Learning: Regular refresher courses and advanced training sessions to keep users updated on new features and functionalities.

Support Resources: To facilitate ongoing learning, we provided: -

- Help Desk: A dedicated help desk offering prompt support and troubleshooting assistance. A Ticketing system was also in place to track and monitor the user needs and ensured that on time solutions were provided by the technical team.

- Online Resources: User manuals, online tutorials, webinars and e-learning were also made available to users.

d) Risk Management in ERP Projects

Risk Identification and Mitigation: We adopted a proactive approach to managing risks associated with ERP projects. Key measures included: -

- Risk Assessment: Conducting thorough risk assessments during the planning phase to identify potential issues.

- Contingency Planning: Developing contingency plans to address identified risks and minimize their impact.

- Regular Audits: Performing regular audits and reviews to ensure the ERP system's integrity and compliance with standards.

e) System Security, Data Access and Segregation of Duties

Access Control and Segregation of Duties: To ensure proper data management and prevent unauthorized access, we enforced: -

- Role-Based Access: Assigning access permissions based on user roles, ensuring that employees access information relevant to their job functions only.

- Segregation of Duties: Implementing segregation of duties to prevent conflicts of interest and reduce the risk of fraud. Critical tasks were divided among multiple employees to ensure checks and balances.

- Monitoring and Reporting: Continuous monitoring of system access and activity logs to detect and respond to suspicious behavior promptly.

Compliance and Governance: Our ERP security framework complied with industry standards and regulatory requirements, ensuring that our data management practices remained aligned with best practices and legal obligations.

05

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

At FCCL, our core belief is that sustainability is best achieved by actively engaging and generating value for all stakeholders. We are committed to creating a positive impact on our stakeholders' well-being while ensuring the long-term viability and success of our operations.

Stakeholders' Engagement Policy

We are aware of the genuine needs, rights and expectations of every stakeholder. Keeping in view the applicable regulatory framework, legitimate rights and needs of any stakeholder we:

- are open and honest to every stakeholder
- will provide accurate and timely related information to every stakeholder
- will listen and respond on views and concerns of every stakeholder
- will keep on improving our engagement process through feedback from stakeholders
- will engage ourselves with stakeholders on regular basis and at appropriate forums
- we follow a policy of glasnost and perestroika

How We Identify Stakeholders

We define our Stakeholders as individuals or groups who have interests that are effected or could be effected by our operations. Relevant stakeholders are profiled and prioritized for engagement based on interest, influence and responsibility. The key internal and external stakeholders of the Company are as under:

External	Internal
Customers & Suppliers	Our People
Financial Institutions	Shareholders/Investors
Local Community	
Regulators	
Analysts and media	

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

Frequency of Engagement

▬ Regular ●●●●● Periodic

Stakeholder	Engagement Process	Frequency of engagement	Relationship and its Effect on Company	Management of Relationship
Our people	• Employees are engaged through regular departmental meetings • Employee Rabta day is held for addressing concerns of employees • In-house employee trainings • Long service awards • Employee portals	▬	• Human Capital is the most precious capital of the Company for achieving strategic goals • Individuals' performance, motivation level, and satisfaction help create value for the company • Represents Company in the industry, markets and community	• The company prioritizes employee training and development • Company offers competitive compensation and performance-based monetary rewards • Clear career progression and development • Additionally, employees are involved in the decision-making process to uphold their self-esteem and foster collaboration.
Shareholders/ Investors	• Corporate affairs department to educate and communicate with shareholders • Meetings of shareholders as per law • Timely sharing of detailed information regarding Company's operations as per law	●●●●●	• Shareholders are the owners of the Company • Certain decisions are required to be approved by shareholders in accordance with the law	• Through open and honest communication at all shareholders' meetings • Management keeps shareholders informed about the operations and affairs of the Company and value the suggestions of shareholders during relevant decision making process
Customers & Suppliers	• Regular business meetings with Suppliers and Customers • Feedback from Customers on regular basis to know their concerns • Annual gathering of Sales customers to get their feedback and inform them of latest product developments	▬	• Company has long term business relationship with its suppliers and dealers • Customers and suppliers are the key elements of business supply chain.	• A focal person is available at the relevant department to communicate with suppliers and customers and to address queries and issues. • Customer satisfaction through delivering quality products
Financial Institutions	• Regular business meetings with our treasury department • Financial institutions are engaged through formal contracts depicting terms and conditions and cost of financial capital etc.	▬	• Company has relationship with financial institutions in ordinary course of business • The liquidity of the company is managed through financial institutions • They are providers of financial capital for business operations and projects.	• The engagement with financial institutions is managed through a separate treasury department. • Company timely fulfills all contractual commitments with financial institutions
Local Community	• The Management maintains a close relationship and is sensitive about the needs of the surrounding communities of the plant site to understand their concerns, needs, and steps required to resolve the issues. • Provision of health, education, employment and amenities to nearby communities	▬	As a responsible corporate citizen, the company feels that without the development of the community, the goal of sustainability cannot be achieved.	Provision of medical facilities, education, Clean water, and employment to local communities
Regulators	• Management remains engaged with all regulatory authorities • Company complies with all related rules and regulations.	▬	• Non-compliance can lead to penalties and hindrances in business operations. • Developing a common understanding with regulators on the application of rules and regulations is important for compliance.	• The company complies with all the regulatory requirements • Pays all duties and taxes as per the relevant laws • Files all statutory returns and filings in time
Analysts and media	• Open communication at analyst meetings. • Continuous update of Company's Website and other social media platforms • Timely provision of information to PSX	●●●●●	Beyond statutory requirements, the company feels it has the responsibility to educate the community about its business activities	Regular Analyst briefings are arranged which are followed by detailed question-and-answer sessions. The company's website and social media platforms also provide all the latest information about the company.

Participation of Minority Shareholders at General Meetings

The company is committed to ensuring that all shareholders, particularly minority shareholders, are treated fairly. This commitment includes enabling them to attend, speak, vote, and appoint another shareholder as their proxy at the Annual General Meeting.

To facilitate participation, the notice for the Annual General Meeting is sent to all shareholders at least 21 days before the meeting date. Additionally, this notice is published in prominent English and Urdu newspapers with nationwide reach.

During the meetings, shareholders have the right to voice their concerns and fully participate by proposing and seconding any agenda items. They can also request draft minutes of the meeting within a specified period after the meeting. Shareholders are further empowered to raise objections regarding significant decisions such as major investments, planned acquisitions, mergers, takeovers, or any other corporate or capital restructuring activities.

Investor Relations Section on Fauji Cement's Website

Comprehensive information about the company and relevant regulatory requirements is available on FCCL's website. The "Investor Relations" section is regularly updated, providing detailed information on dividend history, financial highlights, financial results, and other necessary details.

To ensure accessibility for all shareholders, the website is maintained in both English and Urdu, in line with the applicable regulatory framework. The website can be accessed at www.fccl.com.pk.

The most up-to-date version of the report is the online PDF available on the FCCL website, which supersedes any previously uploaded editions.

Issues Raised at the Last AGM

FCCL is dedicated to engaging with its shareholders by carefully considering their concerns and developing appropriate strategies to meet their expectations. During the last Annual General Meeting, we offered clear and thorough updates on the company's performance. The Chairman of the meeting addressed all questions and issues raised by shareholders, ensuring that their concerns were fully answered.

Understanding the views of Stakeholders through Corporate Briefing Sessions

FCCL remains committed to fostering a strong relationship with the investor community by regularly hosting Corporate Briefing Sessions. During the fiscal year, a session was held on

September 4, 2023, focusing on Environmental, Social, and Governance (ESG) matters, key operational highlights, and the Company's financial performance. The session featured a detailed Q&A segment with analysts and attendees, followed by a general discussion on the Company's financial and operational results. The presentation from this session is available on the FCCL website.

Highlights about Redressal of Investors Complaints

The Company's management is dedicated to ensuring fair and unbiased treatment of all investors and shareholders by maintaining transparency in investor relations, promoting awareness, fostering effective communication, and swiftly resolving any complaints. To facilitate this, investor complaint and inquiry forms are readily accessible on the company's website. Throughout the year, no significant complaints or inquiries were reported by investors.

Shareholders' Information

To keep shareholders informed about the company's operations, growth, and overall status, the management ensures the timely dissemination of all important information, including the announcement of interim and final results, to the Pakistan Stock Exchange. Quarterly, half-yearly, and annual financial statements are distributed to all relevant parties within the required timeframe. Likewise, notices and announcements regarding dividends are communicated to all stakeholders and regulators in accordance with the Listed Companies (Code of Corporate Governance) Regulations 2019 and the Companies Act 2017. All this information is also promptly uploaded on the company's website (www.fccl.com.pk).

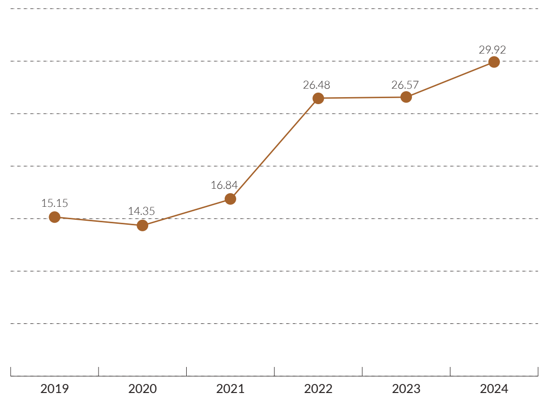
CORPORATE BENEFITS FOR SHAREHOLDERS

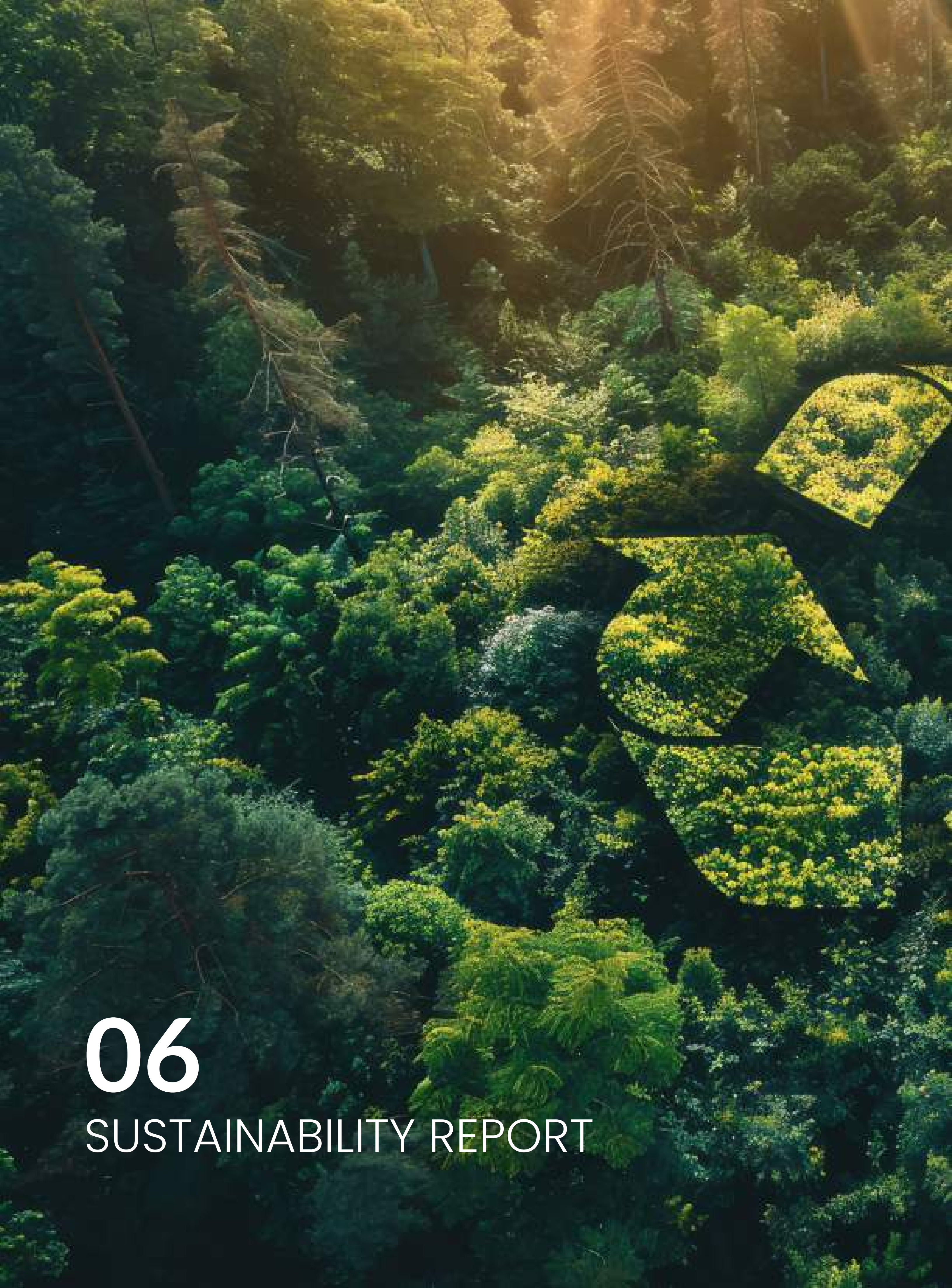
Company has generated wealth for its shareholders in the form of increased breakup value per share as a result of capacity expansions and higher EPS.

The generated wealth is starting to being disseminated to shareholders in form of dividend i.e. Company has declared 10 % dividend despite significant capital investments in expansions and green energy projects that are expected to generate long term wealth for shareholders.

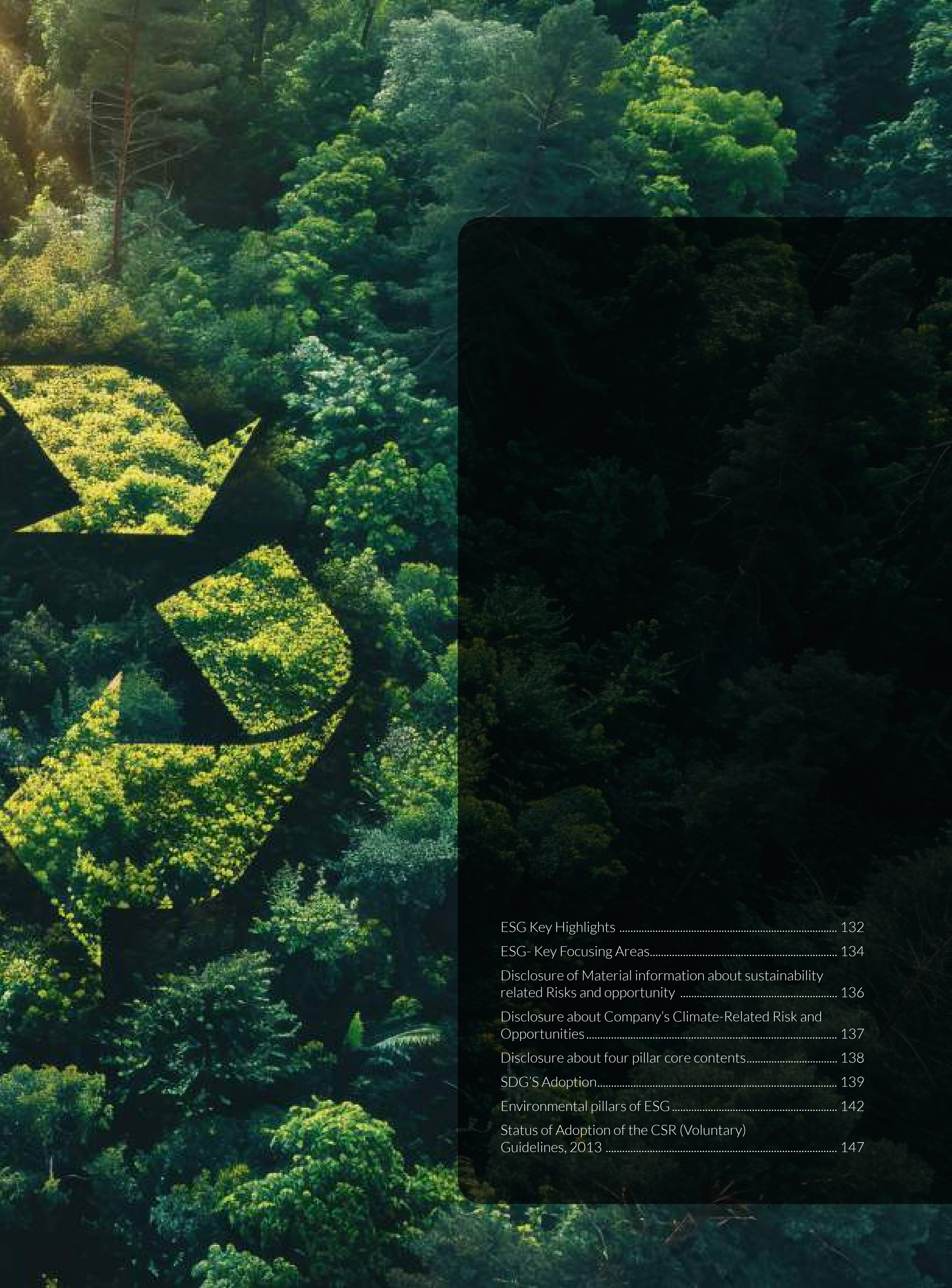
The Company's market capitalization along with share price also increased significantly at year end i.e. Rs. 22.91 as compared to Rs. 11.76 in FY 2023.

Break value per share (Rupees)





06
SUSTAINABILITY REPORT



ESG KEY HIGHLIGHTS

506,350 tons
Carbon Emission Reduction

0% Industrial Usage
Water Conservation

120,000 trees
Tree Plantation

12.5 MW
Solar Energy Enhancement

195,389 MW
Clean Energy Production

150 acres
Agroforestry

3,000 Students
Education

31 Mn Hours without LTI
Safety

0.05
TRIFR

Fauji Cement Company Limited (FCCL) envisions a future where sustainability and responsibility are central to its operations. The Company is committed to operating in an ecologically sound manner by implementing innovative, low-carbon technologies in cement manufacturing, thereby significantly reducing its environmental footprint. Social responsibility is equally prioritized, with efforts to positively impact local communities through fair labor practices, community development, and welfare programs. FCCL's Environment, Social, and Governance (ESG) policy underpins this vision, ensuring transparency, ethical governance, and accountability. By integrating ESG principles into its core strategy, FCCL leads in sustainable practices while contributing to a more equitable and sustainable society.

ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG)

Purpose Statement

FCCL is committed to sustainability by working diligently to reduce our environmental impact by cutting carbon emissions and ensuring efficient use of resources. While looking at the future, our focus is on producing sustainable building materials with a strong emphasis on the green products. Together, we aim towards a greener future and making a positive social impact of our Company and implementing best governance practices.

Board's Statement for Adoption of Best Practices in CSR

We view corporate social responsibility as an integral part of our business practices towards sustainability. We are cognizant of our responsibility towards the communities in which we operate. Key focus areas of our CSR initiatives are:

- Education
- Healthcare
- Clean Drinking Water
- Employment
- Environment friendly practices

The Board is committed for continues improvement in CSR practices through regular reviews and ensuring the relevance and effectiveness of CSR practices as part of our business strategies.

Priority Areas

a.	(E) Reduced Carbon Emissions: Through green projects such as afforestation, green energy initiatives (WHR, solar plants), and resource conservation (cementitious material and alternative fuels consumption), FCCL sequestered or avoided approximately 506,350 tons of CO_2, significantly exceeding the target of 160,000 tons of CO_2 and the 156,761 tons achieved in FY 2022-23. The cumulative carbon emission reduction during the period under review includes Solar (29,432 tons), WHR (72,923 tons), Alternative Fuels (112,790 tons), Cementitious Material (283,405 tons), and Afforestation (7,800 tons).
b.	(S) Clean Drinking Water: To safeguard the communities we operate in and around, FCCL provided clean and safe drinking water to local communities through its four water filtration plants—three at the DG Khan Plant and one at the WAH Plant.
c.	(S) Sanitation: FCCL provided free personal hygiene materials, such as toothbrushes, toothpaste, and soap, to more than 500 students in schools, along with education on the benefits of hygiene. This program will continue to run for selected schools in DG Khan, benefiting one of the least privileged communities in the region.
d.	(S) Quality Education: FCCL provided free or subsidized education to over 3,000 students in FY 23–24. The educational support included subsidized fees, transportation, and food assistance for children in DG Khan, encouraging improved attendance and interest.

e.	(S) Clean Water and Sanitation: FCCL effectively managed a 40,000 m^2 area that accumulated and stored rainwater, improving the local flora and fauna. This area also served as a water storage facility for industrial use, ensuring zero underground water extraction.	6 CLEAN WATER AND SANITATION
f.	(S) Good Health and Wellbeing: FCCL ensures the provision of free basic health care facilities to employees and local communities at all manufacturing locations. Appropriate medical facilities now exist at all sites, including DG Khan, to dispense medical advice and provide medication at no cost. As part of the health surveillance program, an exposure assessment for all potentially exposed workers was conducted, including Hepatitis B vaccination, BMI assessments, spirometry, and audiometry at all plants.	3 GOOD HEALTH AND WELL-BEING
g.	(G) Equal Opportunity Employer: FCCL ensures women's full and effective participation and equal opportunities for leadership at all levels of decision-making. We have formulated and implemented policies for gender equality, eliminated any pay gaps, developed and implemented a whistleblowing policy, and provided disclosures in the annual report regarding these policies.	5 GENDER EQUALITY
h.	(G) Board Diversity: FCCL ensures that the board comprises of both female and non-executive directors and adheres to best practices in corporate governance.	
i.	(G) Bribery and Corruption: FCCL ensures that policies are in place to proactively protect employees from taking bribes or engaging in corruption through a whistleblowing mechanism that guarantees anonymity. Penalties for non-compliance are clearly defined and implemented, and disclosures of non-compliance are made to the Board when required.	

DISCLOSURE OF MATERIAL INFORMATION ABOUT SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES

Description	Risk & Opportunity	Value Chain	Time Horizon	Impact on financial performance	Specific initiative taken by the Company
Green House Gas Emissions	**Risk** Inherently, cement manufacturing process is a source of GHG emissions. Evolving pressure of net zero base manufacturing, globally, may lead to distrust and legal complications	Own operations - Inbound		Decommissioning of existing equipment and transitional cost that could be of heavy amount	• Low emission at all stationary sources • Tree plantation drives • Enhanced Alternative Fuels consumption • Green energy production
	Opportunity Climate related consciousness pushing Company faster to adopt technology and equipment with low emission rate	Own operations – Inbound			
Energy Shortage	**Risk** Due to energy intensive manufacturing process, shortage in energy could have adverse impact on production process. Inadequate supply leads to disruption in production and low output	Own operations - Outbound		Can result in loss of Production and thereby the Company not being able to meet the growing demand in the market thus losing revenue	• Own Captive generation through multiple sources • Increased energy efficiency through adopting new technology
	Opportunity The risk may lead to FCCL to generate own low cost captive generation	Own operations - Inbound			
Water Scarcity	**Risk** Water scarcity can affect the whole production process from raw material extraction to finished product	Own operations - Inbound		Being a part of production process and energy generation any scarcity of water resources may lead to hindrance in production process thus leading to revenue loss	• Surface water usage • Rain harvesting • Reuse of industrial water
	Opportunity Recycling and Reusage of scarce resource	Own operations - Inbound			
Mining of Raw materials (inbound & outbound)	**Risk** Limestone mining is a critical process in cement manufacturing that poses risk of loss of biodiversity, land disruption and contamination of ground water	Own operations – Inbound		Any disruption in mining operations could lead to production loss which leads to revenue loss	• Quarry rehabilitation through tree plantation in quarry benches • Wet land management • Rain water accumulation
	Opportunity Exhausted quarries and degraded lands offer significant opportunities to support biodiversity and quarry rehabilitation.	Own operations - Inbound			

Time Horizon

Long Term Medium Term

Description	Risk & Opportunity	Value Chain	Time Horizon	Impact on financial performance	Specific initiative taken by the Company
Health and Safety	**Risk** Cement manufacturing process is susceptible to occupational injuries and critical incidence	Own operations – Inbound		High rates of safety incidences or fatalities could result in financial loss in form of legal penalties and damage to reputation	• Strict adherence to Safety protocols at all manufacturing areas • Regular assessment and monitoring of occupational exposure assessment of affected workforce • Introduction of Risk Based Process Safety Management system, first ever in Pakistan Cement Sector • Implementation of Behavior Based Safety modern techniques to improve compliance level • Related safety equipment installations at all processes • Low dust emission plants
	Opportunity It provides opportunity to prioritize workers health and safety	Own operations - Inbound			
Regulatory Requirements	**Risk** Legal exposure for non-compliance with the corporate, environmental, labour and health and safety laws and regulations	Own operations – Inbound		Financial loss in form of legal penalties and hindrance in operations	• Adherence to all corporate laws • Strict compliance with NEQs and PEQs • Third party monitoring on regular basis • Development of compliance culture
	Opportunity Provides opportunity for the Company to adhere with the related laws and regulations	Own operations – Inbound			

Details of initiatives are given in later part of sustainability section, Governance related initiatives are presented in Governance section of this report

Disclosure about Company's Climate-Related Risk and Opportunities

Being energy and natural resource intensive, cement manufacturing is exposed to risk of frequent climate changes, primarily, due to fossil fuel consumption.

Physical Risks

From physical perspective, Company is exposed to increased severity of storms, water scarcity, floods and extreme weather conditions that may damage, physically, the production facilities or may cause to halt production process or disruption of supply chain.

Transition Risks

From transitional perspective, Company is exposed to risk of increased operational costs due to strict environment regulations for low carbon emission production and adoption of new technologies for reducing emission and increased energy efficiencies.

Related Opportunity

Climate related risks provide an opportunity to the Company to upkeep itself with the latest technologies and contribute towards the sustainable business practices.

Initiatives taken for climate related risks

- Green energy production
- Reduction in Carbon emission
- Tree plantation
- Biodiversity conservation
- Water conservation

The details about initiatives are given in later part of this section of the annual report

DISCLOSURE ABOUT FOUR PILLAR CORE CONTENTS

1. Governance

Board of Directors oversight impacts of sustainability related risks and opportunities. Board's ESG Committee is formed to oversee the ESG related impacts, risks and opportunities (TORs of ESG Committee are given in Board's Committee's section of this report). An ESG management Committee led by Director CSR is entrusted to ensure transparent supervision of ESG activities, related impacts, risks and opportunities. The management committee has the necessary expertise and knowledge to execute the ESG function.

2. Strategy

Sustainability is one of the core elements of strategic goal setting and related planning (Refer to strategy and resource allocation section of this report). Our strategy in response to identified sustainability related risks and opportunities are given in "sustainability risk & opportunities" section of sustainability report.

3. Risk Management

Our risk management framework encompasses the ESG related risks, alongside the other business risk (please refer to risk & opportunities t section of the this report)

4. Metrics and Targets

Risk	Progress/Performance	Target	Time Horizon
Green House Gas Emissions	506,350 tons of CO_2 emission reduction during this year through different measures	• Long term target is to further minimize CO_2 production • For the year interim target was reduction of CO_2 emission by 160,000 tons	Long term by 2030
Energy Shortage	12.5 MW of solar power plants are added during the year	Enhancement of solar energy capacity to 67.5 MW	2025
Water Scarcity	0% subsoil water usage for industrial purposes	0% subsoil water usage for industrial purposes	Achieved
Health and Safety	• 31 Mn Man-Hrs achieved without LTI • TRIFR 0.05	Minimization of frequency of industrial injury	Achieved
Regulatory Requirements	No non-compliance witnessed during the year	Compliance with all applicable laws	Achieved

SDG'S ADOPTION

The Sustainable Development Goals (SDGs) are a collection of 17 global objectives adopted by the 193 United Nations Members, designed to serve as a shared blueprint for peace and prosperity for people and the planet, now and into the future. These 17 Global Goals each include specific targets (a total of 169), most to be achieved by 2030. The SDGs cover environmental, social, and economic development issues, including poverty, hunger, health, education, global warming, gender equality, water, sanitation, energy, urbanization, and social justice. SDGs are members' state responsibility and industries are not required to comply with them. However, achieving the SDGs not only requires significant efforts but also material contributions. Therefore, FCCL recognizes that small efforts concerning SDGs can reinforce national commitment towards global goals of sustainability.

As the industry evolves, the bar is being raised for stricter requirements and increased transparency of environmentally sustainable and socially responsible best practices. Therefore, contemporary industries are required to foresee their environmental, social and governance (ESG) practices and the risks associated with each of these areas. FCCL endorse ESG as a forward-looking lens for mitigating risks and making its assets more resilient and sustainable.

FCCL contributes to 7 of the 17 SDG goals and delivers on 12 of the 169 SDG targets; linked with the above-mentioned themes. FCCL has aligned its activities to accelerate and maintain progress on the said SDGs.

SDG's Goal	Target	Indicators	FCCL Action
6 CLEAN WATER AND SANITATION 6. Clean Water and Sanitation	• Ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services, particularly forests, wetlands, mountains, and drylands. • Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes.	• Wetland Management. • Water Conservation.	• Approximately 40,000 m^2 of rainwater storage in zones designated for wetlands. • FCCL's groundwater extraction and consumption for industrial purposes decreased to 0%.
7 AFFORDABLE AND CLEAN ENERGY 7. Affordable & Clean Energy	• Substantially increase the share of renewable energy in the global energy mix.	• Renewable Energy Generation.	• FCCL has achieved approximately a 30% increase in solar energy generation, raising its solar capacity from 39.85 MW to 52.5 MW. • The cumulative capacity of FCCL's waste heat recovery power plants increased from 52.5 MW to 64.5 MW.

SDG's Goal	Target	Indicators	FCCL Action
9. Industry, Innovation and Infrastructure	• Retrofit industries to enhance sustainability by increasing resource-use efficiency and adopting clean and environmentally sound technologies and processes	• Process Optimization. • Clean Energy.	• Optimized production while increasing the thermal substitution rate compared to FY 2022-23. • Commissioned a 12 MW waste heat recovery (WHR) plant a 7.5 MW solar plant at the FCCL DG Khan plant and 5 MW solar plant at Nizampur Plant.
11. Sustainable Cities and Communities	• Make cities and human settlements inclusive, safe, resilient and sustainable.	• FCCL Restrain: Protecting our communities.	• Conducted massive tree plantation drives in coordination with local administrative agencies and authorities
12. Responsible Consumption and Production.	• Significantly reduce waste and pollutant releases into air, water, and soil to minimize their adverse impacts on human health and the environment. • Substantially reduce waste generation through prevention, reduction, recycling, and reuse, and strengthen scientific and technological capacity to move towards more sustainable patterns of consumption and production. • Achieve sustainable management and efficient use of natural resources.	• Emission control at Stationary Sources. • Capacity Utilization. • Natural Resource Management.	• Compliance with international standards for emissions from cement plants. • Increased cementitious material consumption by approximately 22%. • FCCL's groundwater extraction and consumption for industrial purposes have been reduced to 0%. • Utilized approximately 95% biomass-based alternative fuels (AF). • Utilized 44% self-generated renewable and clean energy. • Recycled and reused wastewater for industrial purposes.

SDG's Goal	Target	Indicators	FCCL Action
13. Climate Action	• Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.	• CO_2 Reduction & Sequestration. • Alternative Fuel Utilization. • Natural Resource Management.	• FCCL's solar capacity was enhanced to 52.5 MW from 39.85 MW, and the WHR plant capacity increased to 64.5 MW from 52.5 MW. • Achieved a 61% increase in AF utilization compared to FY 2022-23. • Achieved 0% dependency on groundwater. • Established wetlands. • Enhanced biodiversity through the installation of beehives and a plantation drive.
15. Life on Land	• Substantially increase afforestation and reforestation efforts. • Combat desertification, and restore degraded land and soil, including areas affected by desertification, drought, and floods. • Take urgent and significant action to reduce the degradation of natural habitats and halt the loss of biodiversity. • Integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies, and accounting practices.	• Tree Plantation. • Natural Resource Management. • Biodiversity Protection. • Carbon Sequestration.	• Planted approximately 120,000 trees. • Implemented afforestation to reduce soil erosion, a quarry rehabilitation program, and rainwater harvesting. • Enhanced biodiversity through the installation of beehives and wetland management. • Participated in national environmental protection campaigns, plantation drives, and funded relief activities.

ENVIRONMENTAL PILLARS OF ESG

The Environmental pillars of ESG drives the transition to cement decarbonization, promotes biodiversity, supports the transition to renewable energy, enhances energy efficiency, fosters technological and process innovation, controls emissions, conserves resources, and advances a circular economy. The Social pillar ensures that FCCL prioritizes the well-being of its workers, neighbors, and the communities where it operates, while actively engaging all stakeholders and meeting their expectations. The Governance pillar ensures compliance with applicable laws and regulations and operates within standard norms. FCCL regularly monitors its environmental impact to ensure compliance with national and international standards on emissions. Our teams are dedicated to identifying opportunities to further enhance our environmental management systems and achieve sustainable development goals. Consequently, we have implemented numerous initiatives for reducing greenhouse gas (GHG) emissions, mitigating biodiversity impacts, and conserving water. All FCCL production sites operate within prevailing environmental norms. An environmental management system is implemented to manage critical environmental impacts and mitigate risks that could hinder business continuity. The environmental performance of our activities is evaluated through third-party monitoring reports. FCCL has demonstrated that its environmental performance indicators meet the IFC/World Bank standards for emissions in the cement manufacturing industry. The Environmental Management Plan addresses relevant Sustainable Development Goals (SDGs) within the Environmental Pillar, as outlined below:

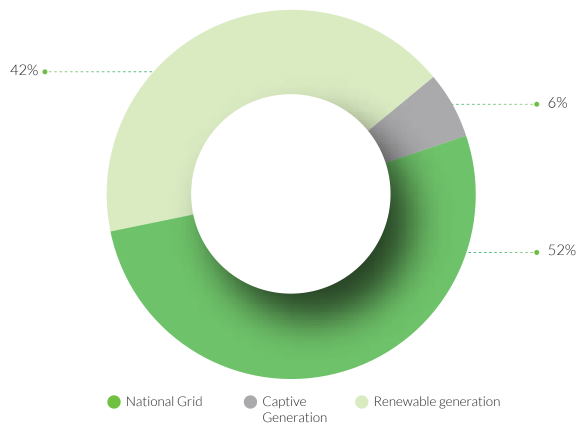
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Energy efficiency	7 AFFORDABLE AND CLEAN ENERGY	Renewable energy
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Circular Economy / Alternative Raw material	15 LIFE ON LAND	Biodiversity
15 LIFE ON LAND; 13 CLIMATE ACTION	Circular Economy /Alternative Raw material		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Other air emissions	6 CLEAN WATER AND SANITATION	Sourcing of water (and water management)

a. Energy Efficiency

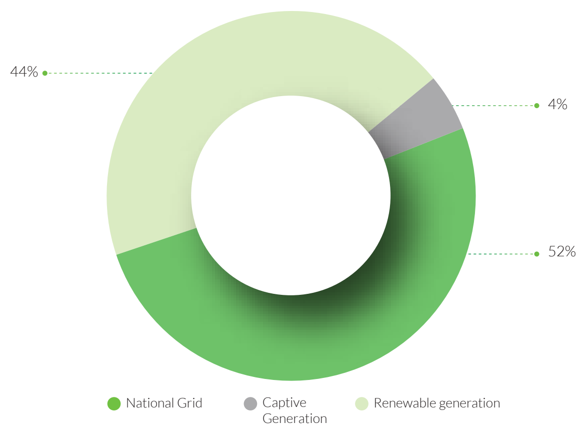
(1) Cement manufacturing is an energy-intensive process, and FCCL is committed to implementing energy-efficient practices. Our state-of-the-art plants, operated by highly skilled teams, have significantly reduced our total power requirements. Additionally, FCCL has substituted power from the national grid with renewable energy. The national grid power is primarily generated from thermal power plants using fossil fuels, which contributes to greenhouse gas (GHG) emissions. FCCL is capable of generating approximately 111.95 MW of clean energy.

FCCL Plant	Solar Energy Plant (MW)	Waste Heat Recovery Power Plant (MW)
Jhang Bahtar (JB) Plant	20	21
Nizampur (NP) Plant	16.25	24
Wah (W) Plant	8.7	7.5
D.G Khan (DGK) Plant	7.5	12
Total	52.5	64.5

Energy Mix Percentage (2022-23)

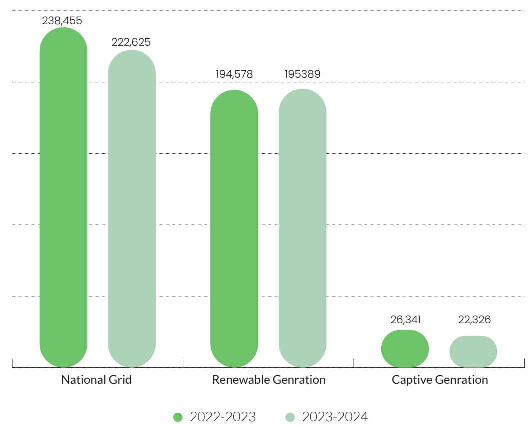


Energy Mix Percentage (2023-24)



(2) FCCL has improved its energy mix by demonstrating a decrease in purchased energy and an increase in self-generation from renewable sources. Specifically, self-generation through renewable sources has increased by 2%, while dependency on purchased energy has decreased by 1%, and dependency on other forms of self-generation has also decreased by 2%.

Energy Mix (MWH Generated)



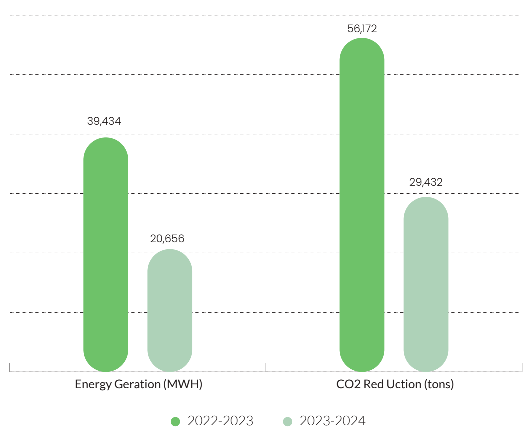
b. Renewable energy

Solar Power Plants

FCCL is committed to continuously exploring innovative opportunities, initiating new projects, and optimizing processes to benefit the environment, facilitate climate transition, and achieve sustainable development goals. FCCL pioneered the transition to renewable energy projects in 2019 and has incrementally increased its capacity over time. In FY 2022-23, FCCL expanded its clean energy capacity to approximately 40 MW with the installation of an 8.6 MW solar plant at FCCL (W) and an 11.25 MW solar plant at FCCL (N). In FY 2023-24, FCCL further increased its solar power capacity by installing a 7.5 MW solar plant at FCCL (DGK), and 5 MW solar plant at Nizampur Plant raising the total solar capacity to 52.5 MW. This expansion led to an approximate 30% increase in solar energy generation, from 39,434 MWh in FY 2022-23 to 56,172 MWh in FY 2023-24. This increase has significantly contributed to a reduction in carbon dioxide emissions, decreasing by 29,432 tons in FY 2023-24 compared to 20,656 tons in FY 2022-23.

Energy Source	2022-2023		2023-24	
	Energy Generated (MWH)	CO_2 Emission Avoided (Tons)	Energy Generated (MWH)	CO_2 Emission Avoided (Tons)
FCCL (JB) Solar	27,512	14,411	28,196	14,769
FCCL (W) solar	10,623	5,565	11,301	5,919
FCCL (N) Solar	1,299	680	15,805	8,279
FCCL (DGK) Solar	-	-	870	456
Total	39,434	20,656	56,172	29,432

FCCL Solar Energy & CO2 Reduction



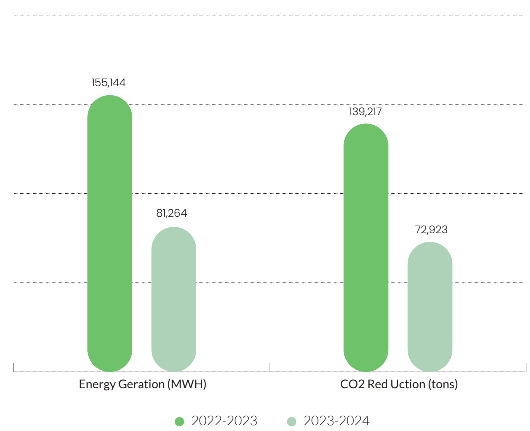
The Company's leadership has demonstrated its commitment to decarbonization by approving the extension of a 10 MW solar power plant at FCCL (N) and a 5 MW extension at FCCL JB plant. Upon commissioning of these projects, FCCL's solar power capacity will increase to 67.45 MW during FY 2024-25.

Waste Heat Recovery Power Plant (WHRP)

Similarly, FCCL increased its captive capacity of renewable energy through the installation of 12 MW of waste heat recovery power plant at FCCL DG Khan Plant during FY 2023-24. The cumulative capacity of FCCL Waste heat recovery power plants increased from 52.5 MW to 64.5 MW.

Energy Source	2022-2023		2023-24	
	Energy Generated (MWH)	CO_2 Emission Avoided (Tons)	Energy Generated (MWH)	CO_2 Emission Avoided (Tons)
FCCL (JB) WHR	89,056	46,647	66,889	35,037
FCCL (W) WHR	22,636	11,857	22461	11,765
FCCL (N) WHR	43,452	22,760	45,511	23,839
FCCL (DGK) WHR	-	-	4356	22282
Total	155,144	81,264	139,217	72,923

FCCL WHR & CO2 Reduction



*FY 2024 is lower due to lower plant operations

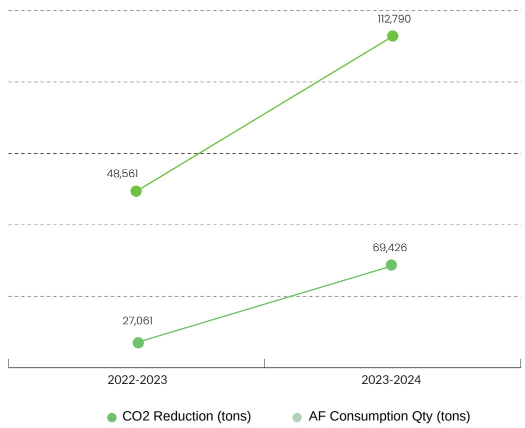
Alternative Fuels

The cement industry primarily relies on coal, which is a significant source of CO_2 emissions. In line with its policy to reduce its carbon footprint, FCCL has begun substituting coal with alternative fuels. The main alternative fuels used include biomass and tyre-derived fuel. The FCCL JB and FCCL (W) plants have shown remarkable improvement in alternative fuel substitution. In FY 2023-24, FCCL reduced approximately 112,790 tons of CO_2 by utilizing alternative fuels. For FY 2024-25, the target for alternative fuel (AF) utilization is 11% by heat, which is expected to reduce more than 200,000 tons of CO_2 emissions in total.

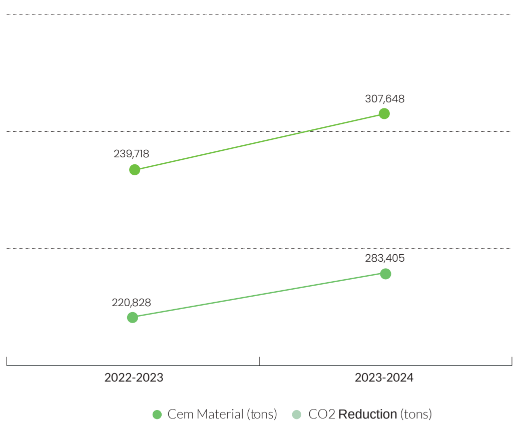
Cementitious Material

FCCL has invested in research and development to diversify its product portfolio and introduce new products that incorporate cementitious materials. Since a significant portion of CO_2 emissions arises from the calcination process—where producing more clinker results in higher CO_2 emissions the use of cementitious materials helps to reduce both CO_2 emissions and the consumption of clinker and fossil fuels.

Alternative Fuel Consumption (FY 2023-24)



Cementitious Materials Consumption



Biodiversity - Creating Space for Nature

Exhausted quarries and degraded lands offer significant opportunities to support biodiversity. FCCL has prioritized quarry rehabilitation, which involves planting trees in used quarry benches to compensate for the disruption of local flora and fauna. FCCL also maintains wetlands and their habitats, which serve as protection zones for local biodiversity. Approximately 40,000 m^2 of area is reserved for rainwater accumulation and storage, which aids in groundwater regulation and habitat protection. Additionally, the pollination process has been enhanced through bee-keeping, where honey bees contribute to both food production and the enrichment of biodiversity. FCCL has reserved over 150 acres of land for agroforestry and orchard development, further supporting biodiversity and environmental sustainability.

Water Management

FCCL implemented water conservation strategies and invested in rainwater harvesting and wastewater recycling projects. As a result of these efforts, FCCL's groundwater extraction and consumption for industrial purposes decreased to 0% in FY 2023-24.

Tree Plantation Drives

In addition to these efforts, FCCL annually contributes to afforestation through a tree plantation campaign. In FY 2023-24, FCCL donated approximately 10,000 tree saplings to government offices, local communities, and schools. These efforts help to reduce approximately 7,800 tons of CO_2 annually.

Air Emissions

All FCCL Plants are equipped with state-of-the-art emission control equipment, which keeps emission levels well below national and international/IFC standards. FCCL's emissions comply with IFC/World Bank emission standards and cover environmental monitoring of the following parameters:

Stack Parameters	Ambient Air Quality Parameters	Water Parameters
• Particulate Matters. • Oxides of Nitrogen. • 3 Oxide of Sulfur. • Carbon Monoxide. • Heavy Metals.	• Particulate Matters (PM10, PM 2.5, Total Suspended Solid). • Oxides of Nitrogen. • Oxide of Sulfur. • Carbon Monoxide. • Ozone. • Noise pollution.	• Drinking water quality parameters. • Waste water quality parameters.

Status of Adoption of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 (The Guidelines)

Board's ESG Committee is formed to oversee the ESG function of the Company, TORs of ESG Committee are given in Board's Committee's section of this report. A consultative committee (ESG management Committee) led by Director CSR is also formed. The ESG management committee is entrusted to ensure transparent supervision of ESG activities and quarterly reporting to the Board. A comprehensive ESG policy stating the clear goals, key focus areas, reporting & monitoring and resource allocation is formed and implemented. As part of annual budget approval, Board of Directors approve annual budget for ESG activities.

For CSR Activities please refer to CSR Section

07

FINANCIAL INFORMATION

KEY INDICATORS

Financial

	2024	2023	Change%
Turnover (Rs '000)	80,026,226	68,069,282	▲ 17.57

Increased Quantity and higher prices helped achieve highest ever revenue in Company's history

	2024	2023	Change%
Gross profit margin (%)	32	30	▲ 6.98

With prudent cost economization and cost pass through Company was able to enhance its gross profit margins during the year.

	2024	2023	Change%
Net profit margin (%)	10	11	▼ (5.98)

Despite increased GP, net profit margin decreased during the year due to high taxation i.e. impact of shifting export taxation from presumptive to normal tax regime with effective tax rate of 46% during the year.

	2024	2023	Change%
Dividend per share (Rs)	1	-	▲ 100

Company has declared cash dividend during the year despite the major capital investments in expansion and green energy.

	2024	2023	Change%
Return on Equity (%)	11	11	-

Company earned consistent return for equity holders.

	2024	2023	Change%
Breakup value per share (Rs)	30	27	▲ 12.62
Net assets value (Rs '000)	73,398,853	65,175,737	▲ 12.62

Net assets value for shareholders increased significantly during the year, predominantly attributable to higher profitability, a resultant of operational efficiency through efficient resource management

Non Financial

	2024	2023
Capacity Utilization	55	65
Work Force	2,326	2,179
Human Capital Development		
No. of individuals	+700	+600
No. of training hours	8,400	6,900
Contribution to National Exchequer	28,858,881	25,305,113
Donations	166,694	155,196

ACTUAL VS BUDGET

	Actual	Budget
Sales Volume - Tons	5,077,545	5,368,387
	Actual	**Budget**
	Rs '000	
Revenue- net	80,026,226	80,016,634
Cost of Sales	(54,345,821)	(58,596,007)
GP	25,680,405	21,420,627
Admin, Selling & other expenses	(5,088,471)	(5,265,100)
EBIT	20,591,934	16,155,527
Net Finance Cost	(5,236,980)	(5,075,595)
Income tax expense	(7,131,838)	(4,060,083)
PAT	8,223,116	7,019,849

Analysis of Actual Vs Budget

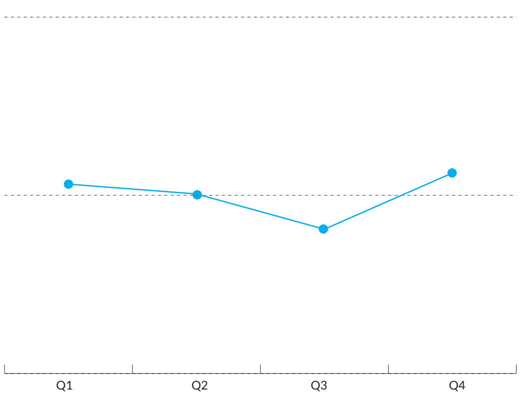
Budgetary targets are set keeping in sight the current and foreseeable market trends, general economic conditions and management's experience of past trends. For FY 2024, budgetary target of sales volume is missed due to overall economic slow down, high inflation and lower allocation of PSDP by the Government, the factors beyond control of management. Company meet all its budgetary targets for FY 2024, financial and non financial, with the exception of volumetric sales as described above.

QUARTER WISE PROFIT OR LOSS

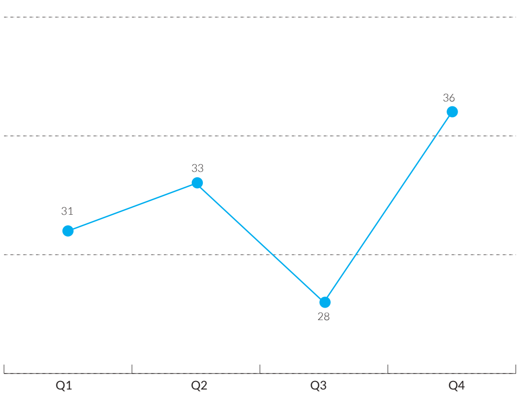
	1st Quarter Rupees'000	2nd Quarter Rupees'000	3rd Quarter Rupees'000	4th Quarter Rupees'000	Total (FY 2023-24) Rupees'000
Turnover - net	20,313,087	20,038,667	19,048,367	20,626,105	80,026,226
Cost of sales	(13,991,877)	(13,501,589)	(13,696,719)	(13,155,636)	(54,345,821)
Gross profit	6,321,210	6,537,078	5,351,648	7,470,469	25,680,405
Other income	97,167	102,773	173,158	167,275	540,373
Selling and distribution expenses	(703,673)	(935,846)	(918,056)	(728,348)	(3,285,923)
Administrative expenses	(356,836)	(384,411)	(386,241)	(388,558)	(1,516,046)
Other expenses	(280,499)	(294,554)	(5,470)	(246,352)	(826,875)
EBIT	5,077,369	5,025,040	4,215,039	6,274,486	20,591,934
Finance cost	(1,130,107)	(1,010,538)	(1,631,678)	(1,763,975)	(5,536,298)
Finance income	60,469	75,483	62,241	101,125	299,318
	(1,069,638)	(935,055)	(1,569,437)	(1,662,850)	(5,236,980)
PBT	4,007,731	4,089,985	2,645,602	4,611,636	15,354,954
Taxation	(1,861,451)	(1,899,655)	(1,228,789)	(2,141,943)	(7,131,838)
PAT	2,146,280	2,190,330	1,416,813	2,469,693	8,223,116
EPS - Basic & diluted (Rupees)	0.88	0.89	0.58	1.01	3.35

* Impact of increased tax due to change in Income Tax law is approtioned on pro rata basis

Total sales



Gross Profit margin (%)



Q1

Q1 of current financial year witnessed highest sales quantity of 1.3 MT and capacity utilization of 64%. Higher sales quantity resulted in high turnover. GP ratio remained 31%.

Q2

Q2 sales dropped to 1.25 MT compared to Q1 due to start of winter season which resulted in capacity utilization of 60%. Better retention prices in Q2 out weighted reduced sales,hence, net turnover remained higher. High retention prices resulted in increase in GP ratio to 33%.

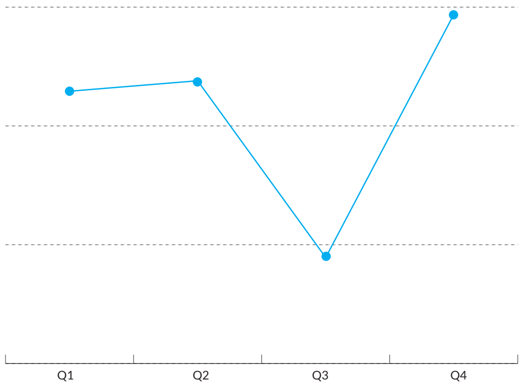
Q3

Export sales in Q3 decreased mainly due to winter season in Afghanistan and overall sales dropped to 1.19 MT which also resulted in capacity utilization of 49%.Decreased sales resulted in lower retentions,hence, net turnover also decreased. On other hand cost of production also increased in Q3 and all these factors resulted in decreased gross profit margin to 28%.

Q4

Sales in Q4 (both local and export) remained higher compared to Q3 due to start of summer season. However, commissioning of new plant in DG Khan resulted in decrease in capacity utilization to 46%. Net revenue in Q4 remained highest compared to other three quarters of the financial year due to increase in despatches and retentions. Higher despatches and retentions resulted in higher gross profit margin of 36%.

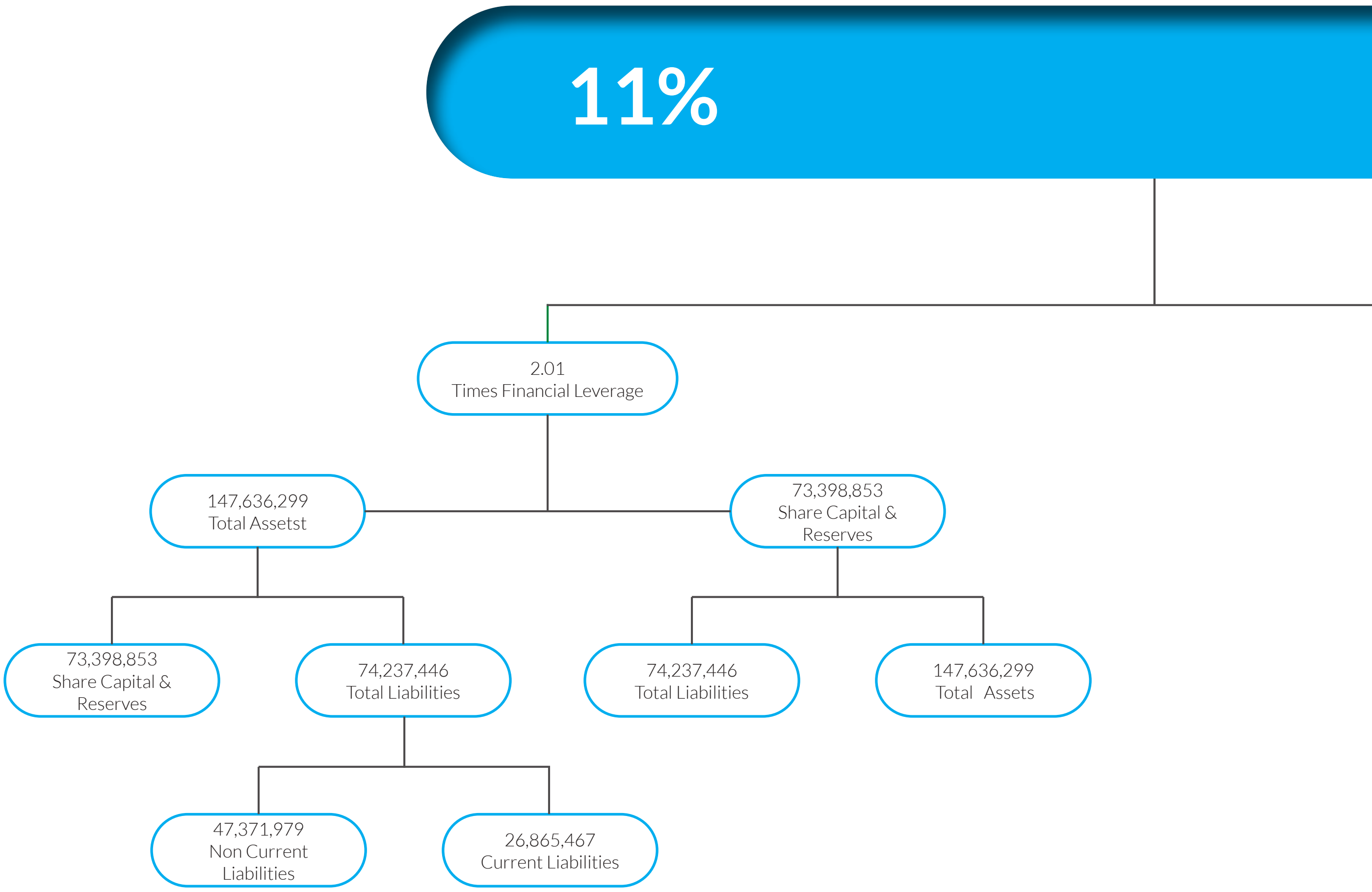
PAT



DUPONT ANALYSIS

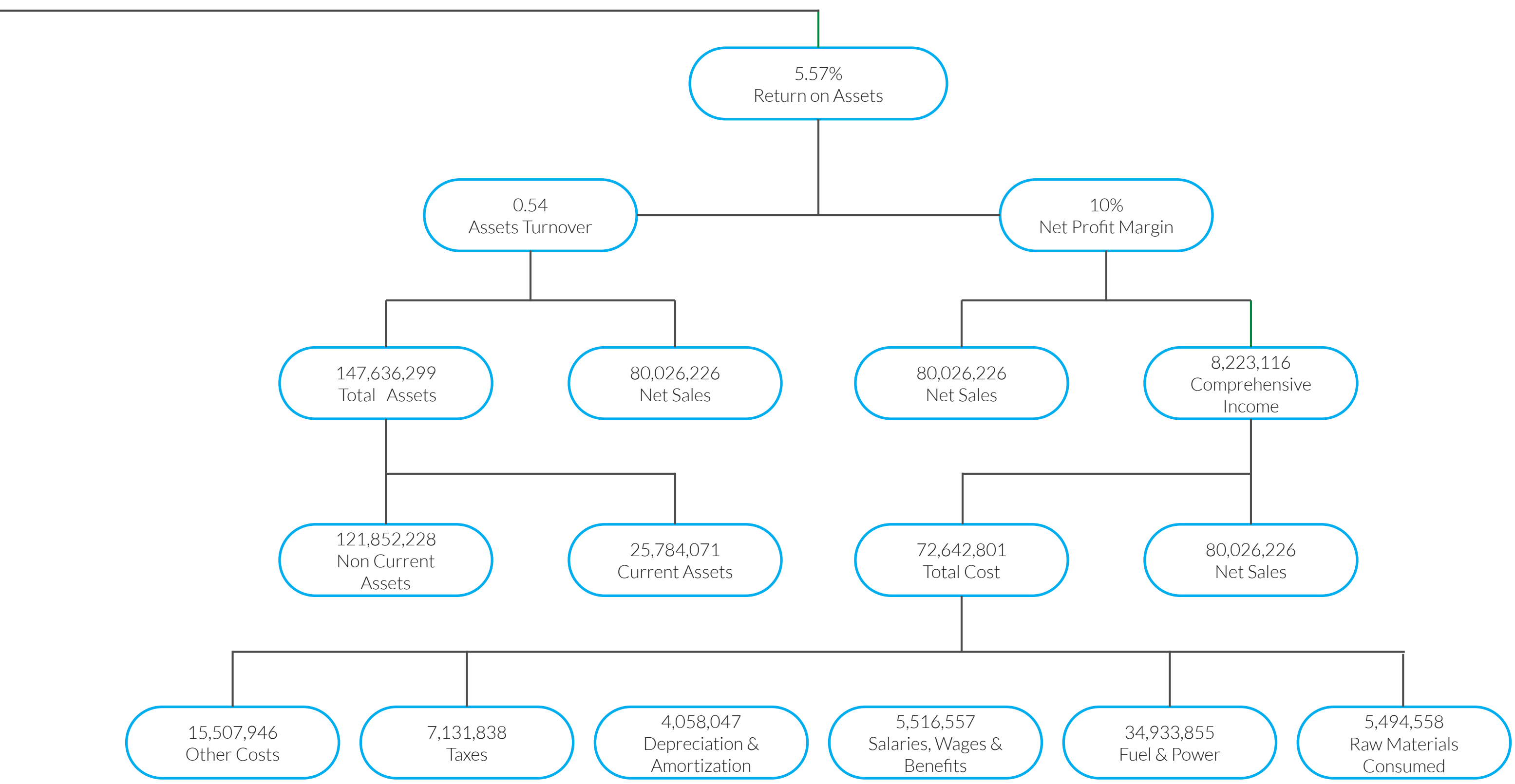
Highlights

Net profit margin decreased, slightly, compared to previous year due to higher taxation on shifting of exports to normal tax from presumptive tax regime Substantial investment in expansions bringing fruit in form of increasing asset turnover with wider revenue base. Upside shifting of leverage is predominantly attributable to expansion related financing . With the better return on assets year on year ROE witnessed a consistent trend.



Year	Profit Margin (Net Profit/Turnover	Assets Turnover (Turnover/Total Assets)	Financial Leverage (Total Assets/Total Equity)	ROE (Return On Equity)
	A	B	C	D
2024	10%	0.54	2.01	11%
2023	11%	0.49	2.13	11%
2022	13%	0.48	1.97	12%
2021	14%	0.71	1.46	15%
2020	0%	0.59	1.48	-0.30%
2019	14%	0.72	1.39	14%

Return on Equity



KEY RATIO ANALYSIS

		2024	2023	2022	2021	2020	2019
Profitability Ratios							
Gross Profit Ratio	%	32.09	30.00	28.51	24.99	3.77	25.60
Net Profit to Sales	%	10.28	10.93	13.11	14.30	(0.34)	13.58
EBITDA Margin to Sales	%	31.16	29.65	28.91	28.07	10.38	29.04
Operating Leverage Ratio	%	1.50	1.18	1.17	208.40	5.75	(3.75)
Return on Equity and Shareholders Fund	%	11.20	11.41	12.32	14.91	(0.30)	13.51
Return on Capital Employed	%	27.00	25.00	23.00	15.55	(0.28)	13.11
Shareholders' Funds	(Rs'000)	73,398,853	65,175,737	57,736,056	23,275,675	19,804,322	20,898,562
Return on Shareholders' Funds	%	11.20	11.41	12.32	14.91	–	13.51
Total Shareholders' Return (per share)	Rs.	12.15	(1.16)	(8.83)	6.12	1.15	(5.62)

Consistent growth in turnover coupled with improved pricing strategy and cost economization measures enabled the Company to keep its GP ratio growing i.e. from 25.60% in FY 2019 to 32% in FY 2024. A minor dip in net profit to turnover ratio in FY 2024 is mainly attributable to high taxation and finance cost post expansions. Return on capital employed improved during FY 2024 to 27% as against the 6 years average of 17%. Shareholders' total return during FY 2024 has also witnessed an increase during the year due to operational and financial efficiencies.

		2024	2023	2022	2021	2020	2019
Liquidity Ratios							
Current Ratio	Times	1.32	1.10	1.46	2.02	1.35	1.51
Quick/Acid Test Ratio	Times	0.47	0.38	0.65	1.14	0.44	0.45
Cash to Current Liabilities	Times	0.12	0.04	0.23	0.86	0.11	0.11
Cash Flow from Operations to Sales	Times	0.27	0.24	0.14	0.24	0.06	0.27
Cash Flow from operations to Capital Expenditures	Times	2.66	0.55	0.29	1.11	1.88	(0.11)
Cash Flow coverage ratio	Times	0.57	0.41	0.30	6.58	1.39	(0.04)

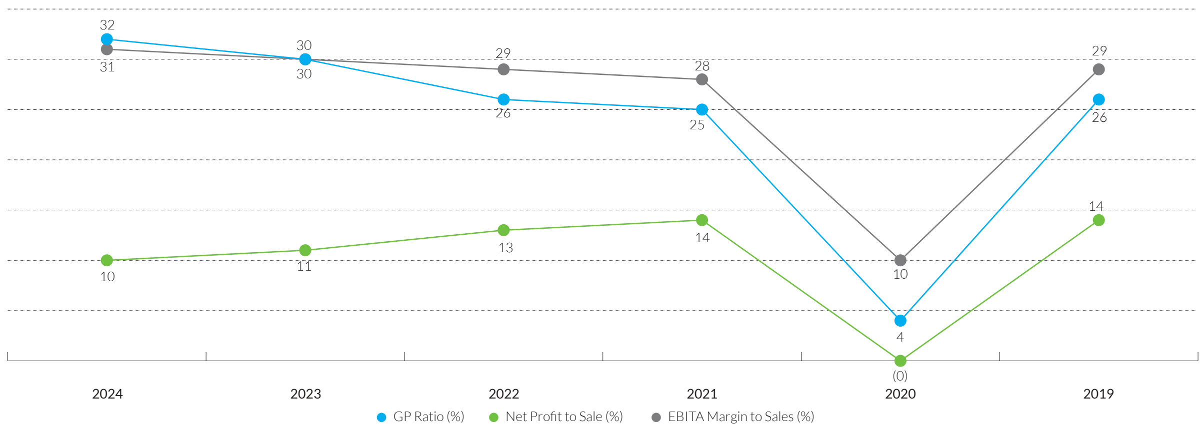
With optimal working capital structure over the years, Company maintained current ratio of more than one. Quick ratio for FY 2024 is slightly on lower side from the average 0.59 of last six years primarily due to increased stocks at year end. Cash flow coverage ratio also improved during the year as a result of better liquidity generation from operations.

		2024	2023	2022	2021	2020	2019
Turnover Ratios							
Total Assets Turnover Ratio	Times	0.07	0.07	0.08	0.71	0.59	0.72
Fixed Assets Turnover Ratio	Times	0.09	0.11	0.16	1.13	0.78	0.90
No. of Days in Inventory	Days	49	41	22	24	23	26
No. of Days in Receivables	Days	26	18	13	19	19	19
No. of Days in Payables	Days	36	30	17	15	8	11
Operating Cycle	Days	111	90	52	58	50	56

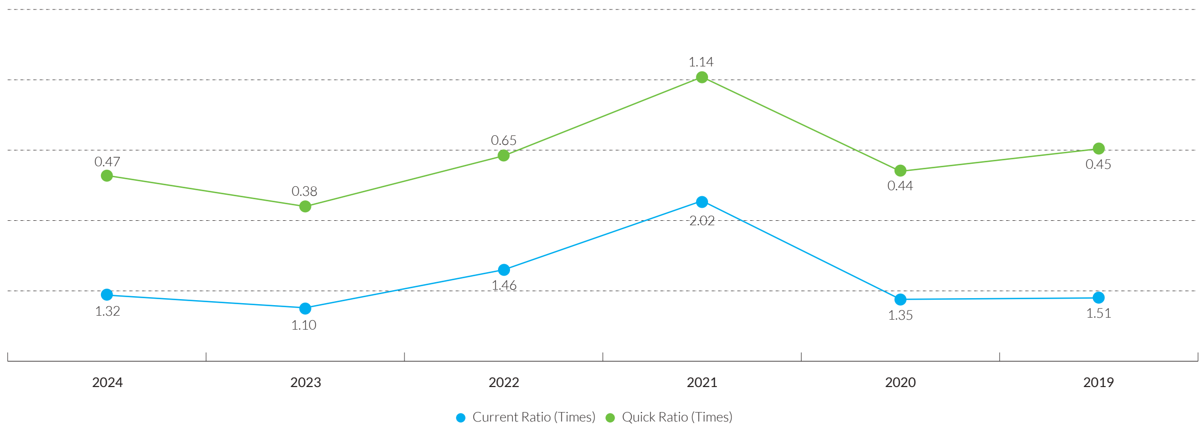
* In calculation of current and quick/acid test ratio, loan from parent has been excluded

Post merger and expansions asset turnover ratios keep on improving depicting better turnover and operational efficiencies. A dip in operating ratio is witnessed during the year primarily due to prudently extended credit in new markets to gain market share.

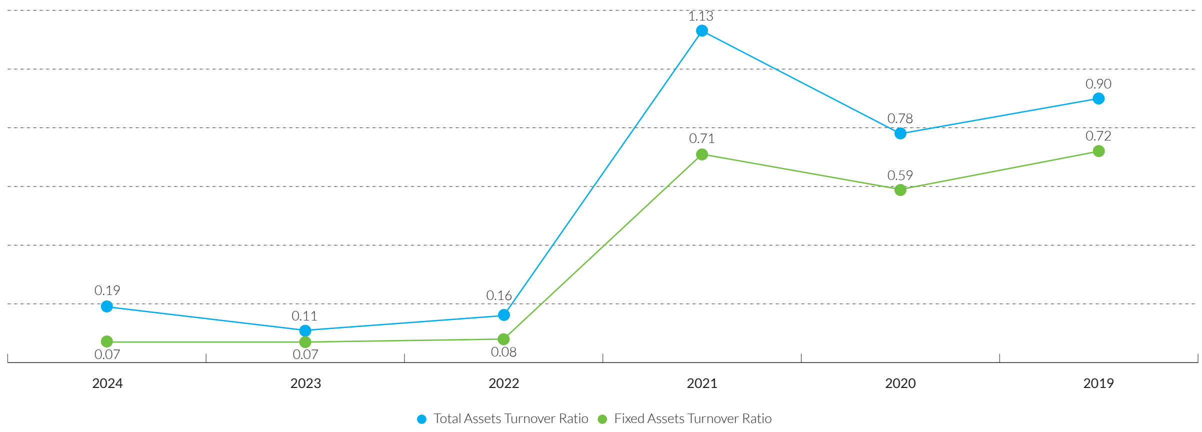
Profitability Ratios (%)



Liquidity Ratios (Times)



Turnover Ratio (Times)



		2024	2023	2022	2021	2020	2019
Investment/Market Ratios							
Earnings Per Share (EPS)/Diluted EPS	Rs	3.35	3.16	3.02	2.52	(0.04)	2.05
Price Earnings Ratio	Rs	5.26	3.92	6.00	7.96	-	10.38
Price to Book Ratio	Rs	0.77	0.44	0.54	1.36	1.18	1.04
Dividend Yield Ratio	%	4.36	-	-	-	-	9.54
Dividend Payout Ratio	%	29.83	-	-	-	-	73.17
Dividend per share - Cash	Rs	1.00	-	-	-	-	1.50
Break-up Value Per Share	Rs	29.92	26.57	26.48	16.87	14.35	15.15
Market value per share - at year end	Rs	22.91	11.76	14.17	23.00	16.88	15.73
Highest market value per share during the year	Rs	24.14	16.31	23.26	27.61	22.85	23.60
Lowest market value per share during the year	Rs	10.54	10.51	13.99	18.43	11.50	12.23

Highest ever profit in Company's history resulted high EPS during the year as against the average EPS of Rs. 2.34 of last 6 years. Despite major investments in expansion projects, Company was able to declare dividend with payout ratio of 30% showing the management commitment to payback to its shareholder in addition to increased wealth in form of higher net assets. Consequently, the market value of share of the Company gained value substantially towards the end of the year.

		2024	2023	2022	2021	2020	2019
Capital Structure Ratios							
Financial leverage ratio	Times	0.53	0.67	0.61	0.11	0.13	0.08
Weighted Average Cost of Debt	%	18.76	13.77	6.60	7.26	11.28	8.54
Debt to Equity Ratio - as per books	Times	0.51	0.60	0.43	0.04	0.04	0.03
Debt to Equity Ratio - as per market value	Times	0.67	1.36	0.08	0.03	0.03	0.03
Net Assets per Share	Rs	29.92	26.57	26.48	16.87	14.35	15.15
Interest Cover Ratio	Times	3.82	6.38	11	48	0.26	42

Financial leverage ratio witnessed an improvement on account of improved net assets of the Company in FY 2024. Over the years financial stability has ensured Company's ability to be current on its long term liabilities. Net assets of the Company per share improved significantly year on year, From Rs. 15 per share to Rs. 30 per share, an increase of 200%. Even with heavy finance cost, Company has an impressive interest coverage ratio ensuring the Company's ability to pay cost of its finances.

		2024	2023	2022	2021	2020	2019
Non-Financial Ratios							
% of plant availability	%	100	100	100	100	100	100
Production per Employee	Tons	2,176	2,256	2,541	3,130	2,514	2,461
Revenue per Employee	Rs'000	46,102	41,344	33,358	30,733	22,130	23,868
Staff Turnover Ratio	Times	1.55	1.59	2.06	1.29	0.24	0.41
Spares Inventory as % of Assets Cost	%	35.29	34.63	42.31	34.17	50.20	53.83
Maintenance Cost as % of Operating Expenses	%	3.73	3.60	4.69	4.72	4.62	5.60
Cement Production	Tons	5,060,431	4,915,536	5,657,076	3,483,466	3,066,737	3,041,178
No. of employees		2,326	2,179	2,226	1,113	1,220	1,236
Gross Revenue	(Rs'000)	107,233,317	90,089,281	74,255,138	34,206,154	26,998,155	29,500,317

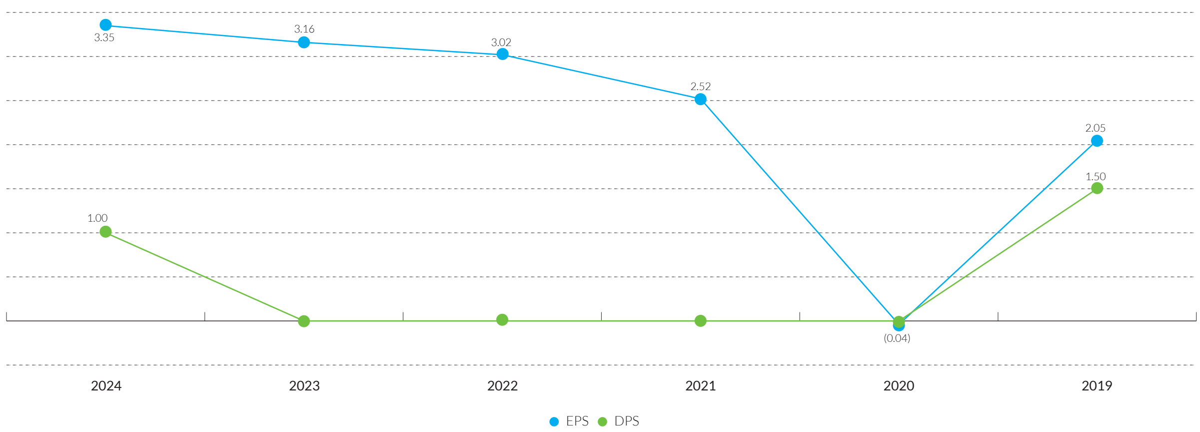
Explanation of Negative Change in Performance as Compared to Last year

FY 2024 was a tremendous year in Company's history and Company earned highest ever profit, however the following indicators witnessed a negative change as compared to last year:

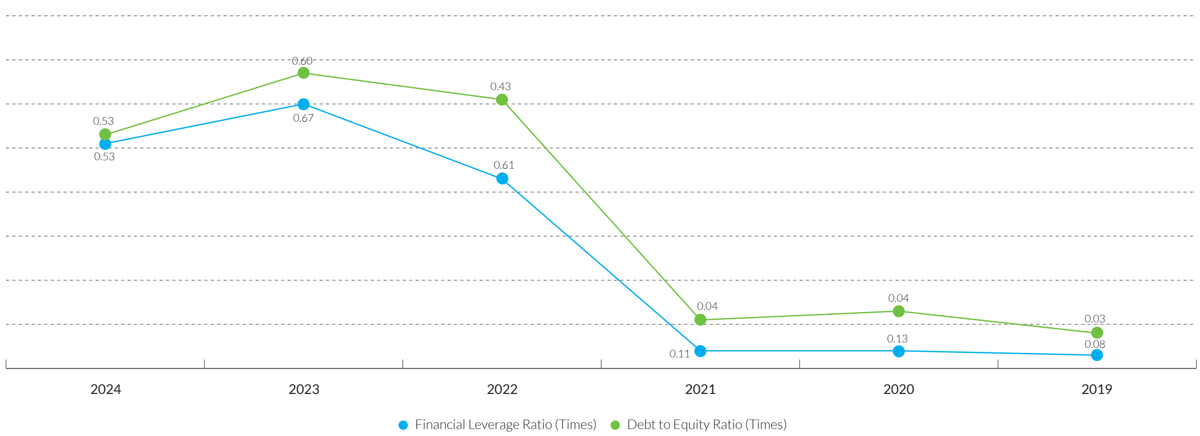
- Net profit to sales ratio
- Inventory turnover
- Debtors turnover

Reasons of these changes are explained in the respective sections of ratio analysis.

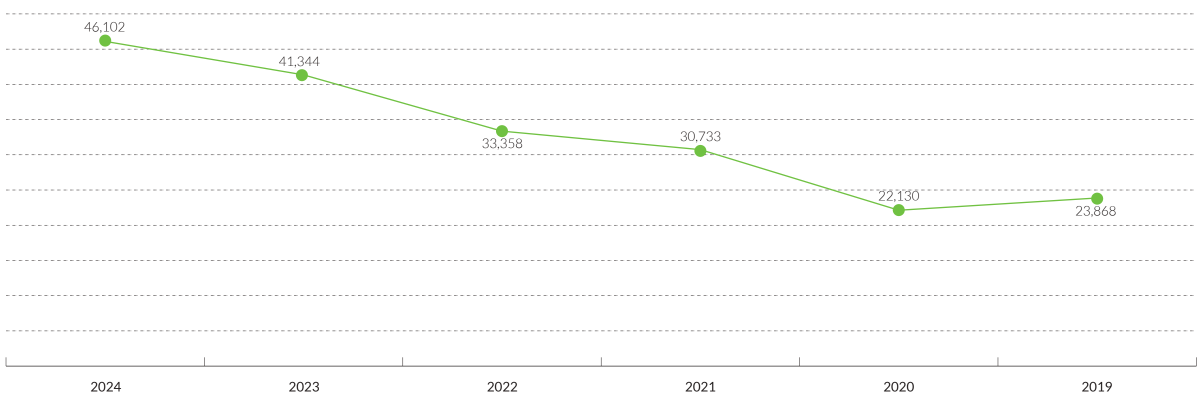
EPS & DPS - Rs



Capital Structure (Times)



Revenue per Employee (Rs'000)



Methods and Assumptions used in Compiling the Indicators

General purpose Financial Statements of the Company are prepared as per applicable reporting framework as is disclosed in financial statements. Ratios and other Key indicators related to past performance are calculated and derived in accordance with the generally accepted formulas and assumptions. Any assumption that management take into account for assessment of future events is based on management experience of past information and trend and generally available information on macroeconomic indicators, that may impact Company in particular.

HORIZONTAL ANALYSIS
STATEMENT OF PROFIT OR LOSS

Summary of Profit or Loss for last six years

	2024	2023	2022	2021	2020	2019
			(Rs in Million)			
Net Sales	80,026	68,069	54,243	24,271	17,232	20,798
Gross Profit	25,680	20,418	15,463	6,064	649	5,323
Operating Profit	20,592	16,018	11,982	5,054	11,676	4,463
EBITDA	24,939	20,179	15,680	6,814	1,789	6,039
Finance Cost	5,536	3,645	1,202	110	234	107
Profit / (loss) After Taxation	8,223	7,440	7,113	3,471	(59)	2,824
EPS / (LPS) (Rs)						
Basic	3.35	3.16	3.02	2.52	(0.04)	2.05
Diluted	3.35	3.16	3.02	2.52	(0.04)	2.05

	2024	2024 Vs 2023	2023	2023 Vs 2022
	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)
Turnover – net	80,026,226	18%	68,069,282	25%
Cost of sales	(54,345,821)	14%	(47,650,809)	23%
Gross profit	25,680,405	26%	20,418,473	32%
Other income	540,373	24%	436,173	89%
Selling and distribution expenses	(3,285,923)	21%	(2,705,263)	69%
Administrative expenses	(1,516,046)	10%	(1,381,633)	6%
Other expenses	(826,875)	10%	(750,078)	-7%
Operating profit	20,591,934	29%	16,017,672	34%
Finance cost	(5,536,298)	52%	(3,645,265)	203%
Finance income	299,318	-43%	527,702	-29%
Net finance (cost)/income	(5,236,980)	68%	(3,117,563)	584%
Share of profit of associate	-	0%	-	-100%
Profit /(Loss) before taxation	15,354,954	19%	12,900,109	12%
Final tax-levy	(55,223)	21%	(45,660)	0%
Profit before income tax	15,299,731	19%	12,854,449	12%
Income tax credit / (expense)	(7,076,615)	31%	(5,414,768)	23%
Profit/(Loss) for the year	8,223,116	11%	7,439,681	5%
Earnings /(loss) per share - Basic (Rupees)	3.35	6%	3.16	5%
Earnings /(loss) per share - Diluted (Rupees)	3.35	6%	3.16	5%

Horizontal Analysis

Turnover

The Company achieved highest ever turnover of Rs. 80 Bn in 2024 that is 400% higher than its turnover in 2019 and with annual average growth of 38% in last 6 years. This milestone represents management vision of gaining market share through capacity enhancement in new markets, amalgamation with Askari Cement Company Limited and successful absorption of inflationary and cost related impacts. Customer loyalty due to quality played vital role for market retention and expansion over the years.

Cost of Sales

The Company's cost of sale in 2024 stood at Rs 54 Bn as compared to Rs. 15.4 Bn in 2019, an increase of Rs.250 % due to high volume and increased input costs. Per ton cost of sales in FY 2024 remained Rs 10,700 as compared to Rs. 5,084 in 2019, a surge of 110% a result of high input production costs i.e. costs of raw materials (increased royalty, excise duty and fuel costs), costs of fuel and power. Management initiatives for cost reduction and operational efficiencies through process innovations helped the Company to keep its cost of sales under control.

2022	2022 Vs 2021	2021	2021 Vs 2020	2020	2020 Vs 2019	2019
Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000	/ (Decrease)	Rupees'000
54,243,118	123%	24,271,285	41%	17,231,709	-17%	20,798,082
(38,779,542)	113%	(18,206,880)	10%	(16,582,605)	7.2%	(15,474,771)
15,463,576	155%	6,064,405	834%	649,104	-88%	5,323,311
230,695	182%	81,710	126%	36,134	-61%	92,947
(1,603,323)	746%	(189,537)	-7%	(204,344)	-3%	(210,335)
(1,299,439)	148%	(524,709)	12%	(468,651)	13%	(415,979)
(808,964)	114%	(377,946)	66,557%	(567)	-100%	(326,689)
11,982,545	137%	5,053,923	43,185%	11,676	-100%	4,463,255
(1,201,612)	996%	(109,623)	-53%	(233,800)	119%	(106,758)
745,852	365%	160,543	229%	48,857	-12%	55,411
(455,760)	-995%	50,920	128%	(184,943)	-460%	51,347
1,308	-54%	2,849	100%	-	-	-
11,528,093	126%	5,107,692	3048%	(173,267)	-104%	4,411,908
-	0%	-	0%	-	0%	-
11,528,093	126%	5,107,692	3048%	(173,267)	-104%	4,411,908
(4,415,553)	170%	(1,636,341)	1537%	113,886	-107%	(1,587,610)
7,112,540	105%	3,471,351	5946%	(59,381)	-102%	2,824,298
3.02	20%	2.52	6400%	(0.04)	-102%	2.05
3.02	20%	2.52	6400%	(0.04)	-102%	2.05

Gross Profit

The Company has demonstrated a commitment to elevating its gross profitability through process efficiencies, cost economization, capacity enhancement and efficient resource management. This elevation witnessed a remarkable increase in gross profit of Rs.25.6 Bn in FY 2024 as compared to Rs. 5.3 Bn in FY 2019, an increase of 383%.

Distribution Cost

The Company has reclassified freight cost on cement delivery to the projects in distribution cost. For FY 2024 it is Rs. 2.6 Bn, other than the amount of freight charges, in last 3 years after merger with Askari Cement Company Limited, distribution cost increased with an average increase of 8% as against the general inflation of 17%. Prudent cost control measures have restrained the escalation in cost at minimal level.

Admin Costs

After merger with Askari Cement Company Limited, in last 3 years, admin cost is increased with an average of 8% against the average inflation of 17% in last 3 years. As a result of prudent cost control measures, cost escalation has restrained to minimum level.

Finance Cost - Net

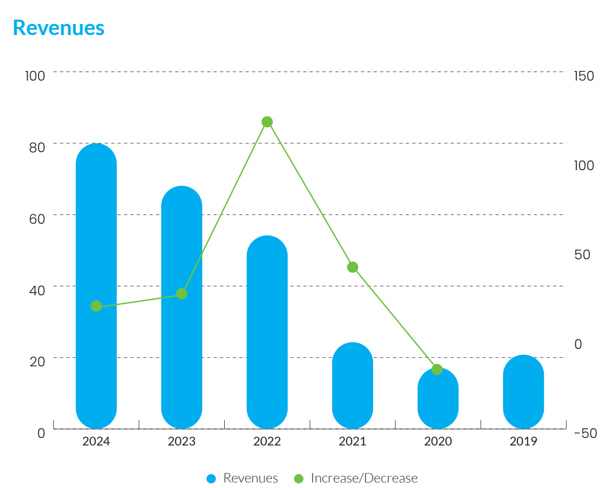
Over the years net finance cost of the Company remained at minimal level with exception of last 2 years. The main contributing factors for last 2 years' high finance costs are the expansion related financing and highest ever interest rates.

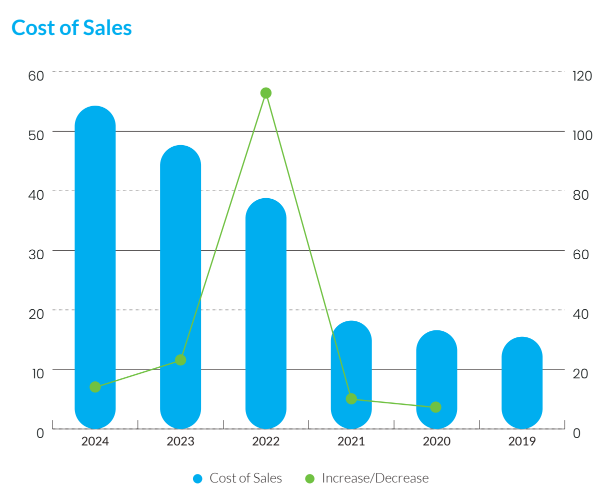
Income Tax

The tax expense is generally a reflection of income of the company, however, due to imposition of super tax and change in export related taxation from presumptive to normal, the effective rate of income tax in FY 2024 has been surged to 46% as compared to average effective rate of 32%.

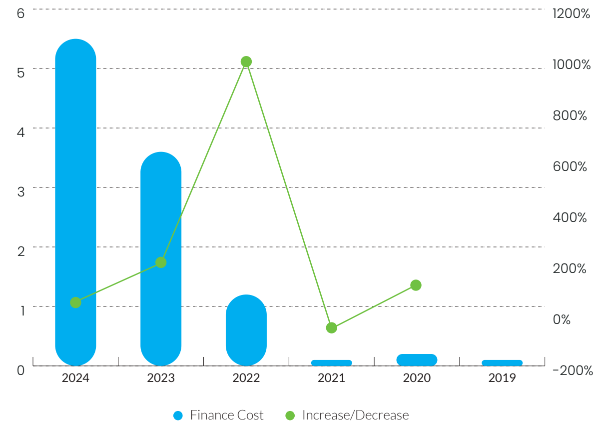
Profit after tax

During FY 2024 Company earned highest ever profit of Rs. 8.2 Bn, a new benchmark for the Company, demonstrating the robust growth in net profitability. This is mainly attributable to highest ever turnover with cost economization. Overall, profitability of the Company increased to Rs. 8.2 Bn as compared to Rs. 2.8 Bn in 2019, an increase of 300%.

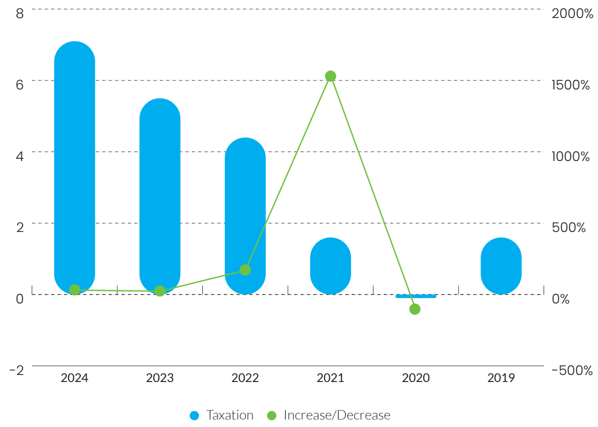




Finance Cost



Taxation



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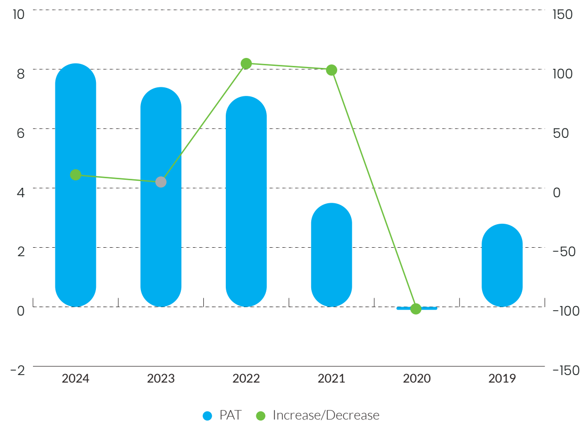


Financial Information

VERTICAL ANALYSIS STATEMENT OF PROFIT OR LOSS

	2024		2023	
	Rupees'000		Rupees'000	
Turnover - net	80,026,226	100%	68,069,282	100%
Cost of sales	(54,345,821)	-68%	(47,650,809)	-70%
Gross profit	25,680,405	32%	20,418,473	30%
Other income	540,373	1%	436,173	1%
Selling and distribution expenses	(3,285,923)	-4%	(2,705,263)	-4%
Administrative expenses	(1,516,046)	-2%	(1,381,633)	-2%
Other expenses	(826,875)	-1%	(750,078)	-1%
Operating profit	20,591,934	26%	16,017,672	24%
Finance cost	(5,536,298)	-7%	(3,645,265)	-5%
Finance income	299,318	0.4%	527,702	1%
Net finance income/ (cost)	(5,236,980)	-7%	(3,117,563)	-5%
Share of profit of associate	-	-	-	-
Profit / (Loss) before income tax and final tax	15,354,954	19%	12,900,109	19%
Final tax-levy	(55,223)	0%	(45,660)	0%
Profit before income tax	15,299,731	19%	12,854,449	19%
Income tax (expense) /credit	(7,076,615)	-9%	(5,414,768)	-8%
Profit / (Loss) for the year	8,223,116	10%	7,439,681	11%

Vertical Analysis

Gross Profit

Over the years gross profit margins of the company demonstrated a significant increase from 26 % in FY 2019 to 32% in FY 2024 an increase of 20%. This consistency in gross profit margins shows the management commitment to elevate Company's gross profitability through process efficiencies, cost economization and efficient resource management.

Operating Profit

The operating profit as a percentage of turnover shows a remarkable consistency with steadfast increase i.e. 26% in FY 2024 from 21% in FY 2019. Besides unprecedented inflation and increased fuel prices, the escalated costs has been passed on successfully with increased bottomline over the years.

Finance Cost

Over the past 3 years, finance cost as percentage of revenue increased significantly, largely attributable to high interest rates in the country and expansion related financing.

Taxation

Tax charge as a percentage of revenue remained consistent in line with the fluctuation of top line. However, in FY 2024 due to

2022		2021		2020		2019	
Rupees'000		Rupees'000		Rupees'000		Rupees'000	
54,243,118	100%	24,271,285	100%	17,231,709	100%	20,798,082	100%
(38,779,542)	-71%	(18,206,880)	-75%	(16,582,605)	-96%	(15,474,771)	-74%
15,463,576	29%	6,064,405	25%	649,104	4%	5,323,311	26%
230,695	0.4%	81,710	0.3%	36,134	0.2%	92,947	0.4%
(1,603,323)	-3%	(189,537)	-1%	(204,344)	-1%	(210,335)	-1%
(1,299,439)	-2%	(524,709)	-2%	(468,651)	-3%	(415,979)	-2%
(808,964)	-1%	(377,946)	-2%	(567)	(0.00)	(326,689)	-2%
11,982,545	22%	5,053,923	21%	11,676	-	4,463,255	21%
(1,201,612)	-2%	(109,623)	0%	(233,800)	-1%	(106,758)	-1%
745,852	1%	160,543	1%	48,857	0.3%	55,411	0.3%
(455,760)	-1%	50,920	0.00	184,943	1%	51,347	0.2%
1,308	-	2,849	-	-	-	-	-
11,528,093	21%	5,107,692	21%	(173,267)	-1%	4,411,908	21%
-	0%	-	0%	-	0%	-	0%
11,528,093	21%	5,107,692	21%	(173,267)	-1%	4,411,908	21%
(4,415,553)	-8%	(1,636,341)	-7%	113,886	1%	(1,587,610)	-8%
7,112,540	13%	3,471,351	14%	(59,381)	0%	2,824,298	14%

change in export taxation from presumptive to normal the tax as percentage of revenue increased from average 8% to 9%.

Profit for the year

Profit as percentage of revenue remained 12% on average in last 6 years with exception of FY 2020 when Company incurred loss due to lower gross margins on account of unfavorable market conditions. Another exception is FY 2024 where this ratio is reduced to 10%, mainly attributable to income tax expense as described earlier.

HORIZONTAL ANALYSIS STATEMENT OF FINANCIAL POSITION

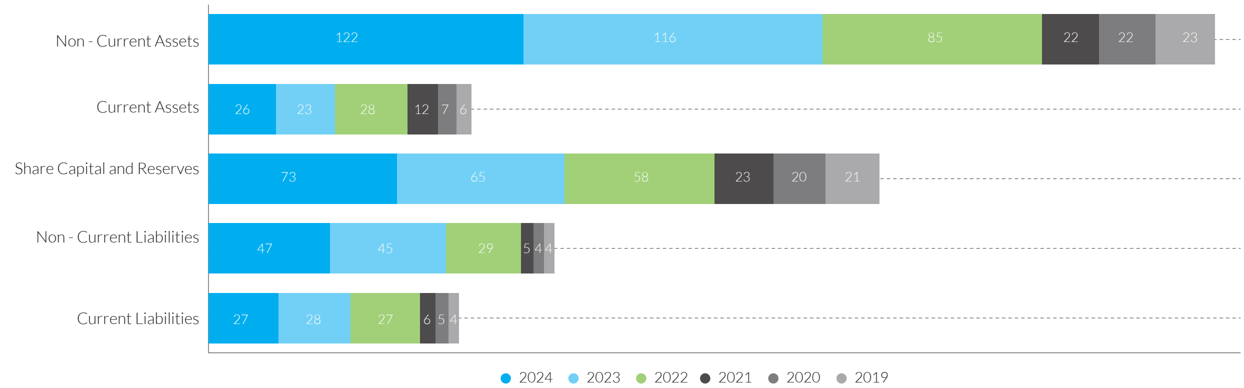
	2024	2024 Vs 2023	2023	2023 Vs 2022
	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)
SHARE CAPITAL AND RESERVES				
Share capital	24,528,476	0%	24,528,476	12%
Premium /(Discount) on issue of shares	15,253,134	0%	15,253,134	-15%
Accumulated profits	33,617,243	32%	25,394,127	41%
Total equity	73,398,853	13%	65,175,737	13%
NON – CURRENT LIABILITIES				
Long term loans-secured	29,908,287	-6%	31,777,087	62%
Employee benefits	250,230	18%	211,595	18%
Lease Liability	117,454	-1%	118,972	32%
Deferred government grant	2,164,959	-21%	2,745,849	39%
Deferred tax liabilities – net	14,931,049	45%	10,312,402	39%
	47,371,979	5%	45,165,905	54%
CURRENT LIABILITIES				
Loan from Parent – unsecured	7,387,000	0%	7,387,000	0%
Trade and other payables	5,966,191	-8%	6,516,462	-6%
Accrued liabilities	5,154,131	28%	4,022,396	-7%
Security deposits payable	545,487	20%	455,052	-1%
Contract liabilities	432,704	-26%	584,809	-32%
Employee benefits – current portion	112,697	17%	96,468	19%
Payable to employees' provident fund trust	29,902	13%	26,438	67%
Unclaimed dividend	35,646	-1%	36,001	-3%
Short term borrowings	1,450,934	-68%	4,530,981	41%
Provision for tax-net	56,810	100%	-	0%
Current portion of lease liability	46,206	-8%	50,463	-26%
Current portion of long term loans	5,066,868	21%	4,176,493	40%
Current portion of deferred government grant	580,891	-4%	604,292	65%
	26,865,467	-6%	28,486,855	7%
Total Equity and Liabilities	147,636,299	6%	138,828,497	22%
NON – CURRENT ASSETS				
Property, plant and equipment	110,845,663	6%	104,425,181	41%
Right of use asset	131,165	-28%	181,380	37%
Intangibles	10,745,700	-2%	10,957,737	100%
Long term deposits	129,700	0%	129,700	3%
Advance against issue of shares	-	0%	-	-
Long term investment in associate	-	0%	-	-100%
	121,852,228	5%	115,693,998	35%
CURRENT ASSETS				
Stores, spares and loose tools – net	9,099,130	14%	8,011,181	-33%
Stock in trade	7,495,705	5%	7,112,327	92%
Trade debts – net	5,545,241	55%	3,572,445	48%
Advances	145,244	-60%	366,231	89%
Sales tax refundable-net	-	-100%	1,820,851	-31%
Trade deposits, short term prepayments	35,696	44%	24,840	10%
Advance tax – net	-	-100%	723,704	-26%
Other receivables	280,071	-1%	282,463	61%
Short term Investments	250,000	0%	250,000	-93%
Cash and bank balances	2,932,984	202%	970,457	-58%
	25,784,071	11%	23,134,499	-18%
Total Assets	147,636,299	6%	138,828,497	22%

2022	2022 Vs 2021	2021	2021 Vs 2020	2020	2020 Vs 2019	2019
Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000	/ (Decrease)	Rupees'000
21,803,090	58%	13,798,150	0%	13,798,150	0%	13,798,150
17,978,520	-1418%	(1,364,385)	0%	(1,364,385)	0%	(1,364,385)
17,954,446	66%	10,841,906	47%	7,370,555	-13%	8,464,797
57,736,056	148%	23,275,671	18%	19,804,320	-5%	20,898,562
19,555,997	3879%	491,502	10%	447,327	41%	317,835
179,291	118%	82,380	14%	72,547	2%	71,216
89,965	22%	73,593	28%	57,656	100%	-
1,982,301	29903%	6,607	100%	-	0%	-
7,433,214	88%	3,960,489	9%	3,643,608	-7%	3,925,740
29,240,768	534%	4,614,571	9%	4,221,138	-2.2%	4,314,791
7,387,000	100%	-	0%	-	0%	-
6,917,149	280%	1,822,642	46%	1,244,933	31%	948,864
4,321,163	178%	1,554,895	49%	1,040,530	25%	834,816
461,712	77%	260,652	3%	253,940	16%	219,704
862,309	98%	435,097	18%	367,952	13%	324,300
80,756	287%	20,862	-16%	24,708	21%	20,399
15,875	48%	10,714	-21%	13,528	14%	11,832
37,157	-3%	38,479	-4%	40,051	-8%	43,747
3,218,249	99%	1,616,787	-14%	1,869,167	87%	997,701
-	0%	-	0%	-	0%	-
68,332	177%	24,686	100%	23,737	100%	-
2,985,087	726%	361,521	19%	303,912	-13%	350,466
366,464	2241%	15,654	0%	-	0%	-
26,721,253	334%	6,161,989	19%	5,182,458	38%	3,751,829
113,698,077	234%	34,052,231	17%	29,207,916	0.8%	28,965,182
74,126,315	246%	21,422,215	-3%	22,065,172	-5%	23,202,930
132,263	48%	89,334	48%	60,322	100%	-
11,029,756	100%	-	-	-	-	-
126,274	46%	86,601	-	86,601	-	86,601
-	100%	-	-100%	12,500	100%	-
66,657	334%	15,349	100%	-	-	-
85,481,265	295%	21,613,499	-3%	22,224,595	-5%	23,289,531
11,939,147	181%	4,250,754	21%	3,505,809	15%	3,055,041
3,697,721	211%	1,189,198	0%	1,187,752	26%	944,022
2,412,758	66%	1,449,600	38%	1,050,640	11%	947,046
193,629	325%	45,593	-38%	73,695	104%	36,176
2,650,804	100%	-	0%	-	0%	-
22,559	-14%	26,147	32%	19,843	-3%	20,463
975,108	983%	90,073	-84%	562,239	115%	261,998
175,443	97%	88,890	301%	22,169	189%	7,660
3,843,310	-13%	4,397,699	0%	-	0%	-
2,306,633	156%	900,778	61%	561,174	39%	403,245
28,217,112	127%	12,438,732	78%	6,983,321	23%	5,675,651
113,698,377	234%	34,052,231	17%	29,207,916	0.8%	28,965,182

Summary of Financial Position for last six years

	2024	2023	2022	2021	2020	2019
			(Rs in Million)			
Equity & Liabilities						
Shareholders' Equity	73,399	65,176	57,736	23,276	19,804	20,899
Long Term Loans Including Current Portion	34,975	35,953	22,541	853	751	668
Deferred tax liabilities – net	14,931	10,312	7,433	3,960	3,644	3,926
Other Non-current and current liabilities	24,331	27,387	25,988	5,963	5,009	3,472
	147,636	138,828	113,698	34,052	29,208	28,965
Assets						
Property, plant and equipment	110,846	104,425	74,126	21,422	22,065	23,203
Intangible assets and goodwill	10,746	10,958	11,030	–	–	–
Other Non-current and current assets	26,044	23,445	28,542	12,630	7,143	5,762
	147,636	138,828	113,698	34,052	29,208	28,965

Financial Position Rs. in Billion



Horizontal Analysis

Share Capital and Reserves

Share capital of the Company witnessed an increase of 58% in FY 2022 on account of issue of right shares after merger of Askari Cement Company Limited with the Company. Net shareholder equity increased significantly from Rs. 20 Bn in FY 2019 to Rs. 73 Bn in FY 2024, an increase of 350%, predominantly attributable to share premium and profit retained by the Company for its expansion projects.

Non Current Liabilities

Increase in non current liabilities i.e. from Rs. 4 Bn in FY 2019 to Rs. 47 Bn in FY 2024 is attributable to expansion related financing amounting to Rs.33 Bn. Deferred Government grant represents the benefit received from Government in the form of below market interest rate on susidized financing for expansion projects obtained from SBP during Covid. Deferred tax liability of the Company increased significantly due to capitalization of expansion projects in FY 2023 & 2024, imposition of super tax and abolishment of presumptive tax regime on exports in FY 2024 having financial impact of Rs.1.8 Bn.

Current Liabilities

On assuming the current liabilities of Askari Cement Limited in FY 2022 current liabilities of the Company increased significantly post merger. Short term borrowings of the Company remained stable and at minimal level in past six years with exception for FY 2023 when internally generated cash was being utilized for expansion projects. Current portion of long term financing increased in FY 2024 significantly on account of expansion related financing starts becoming due in coming year.

Non Current Assets

Company' s asset base strengthen significantly over the past 3 years post merger and expansion. Non current assets, primarily, consist of property plant & equipment and intangible assets (goodwill and brand acquired through business combination in FY 2022). At end of FY 2024 property, plant and equipment stood at Rs. 111 Bn, 500% times higher than the base year, predominately on account of Company' capital investment in its expansion, green energy and process efficiencies projects.

Current Assets

Post merger Company's current assets increased significantly i.e. Rs. 26 Bn in FY 2024, 450% higher than the base year of 2019. Keeping in sight the operational and market needs, Company maintained optimal level of stocks and store and spares. With the exception in FY 2024 when Company has to extend credit for new markets, Company's trade debts remained at optimal level in line with sales revenue. In FY 2024 Company also realized fully the sales tax credit accumulated on import of plant & machinery. By the end of FY 2024 Company has accumulated a reasonable liquid fund balance to meet its operational requirements.

ECONOMIC VALUE ADDED

EVA is the relevant yardstick for measuring economic profits. EVA is the company's net operating profit after tax, after deducting the cost of capital. Companies, which return higher than the cost of capital, create wealth for the shareholders.

Director	2024	2023	2022	2021	2020	2019
Cost of Capital						
Weighted Average Cost of capital –%	18.76%	19.25%	15.68%	15.68%	17.90%	21.80%
Capital Employeed	80,770,832	75,810,470	57,174,654	22,511,907	18,686,392	20,545,319
Economic Value Added						
Net Operating Profit After Tax (Rs'000)	13,460,096	10,557,244	7,568,300	3,421,431	125,562	2,931,056
Less: Cost of Capital (Rs'000)	15,152,608	14,593,515.48	8,964,985.75	3,529,867.02	3,344,864.17	4,478,879.54
Economic Value Added (Rs'000)	(1,692,512)	(4,036,271)	(1,396,686)	(108,436)	(3,219,302)	(1,547,824)

VERTICAL ANALYSIS
STATEMENT OF FINANCIAL POSITION

	2024	2024 Vs 2023	2023	2023 Vs 2022
	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)
SHARE CAPITAL AND RESERVES				
Share capital	24,528,476	17%	24,528,476	18%
Premium /(Discount) on issue of shares	15,253,134	10%	15,253,134	11%
Accumulated profits	33,617,243	23%	25,394,127	18%
Total equity	73,398,853	50%	65,175,737	47%
NON – CURRENT LIABILITIES				
Long term loans – secured	29,908,287	20%	31,777,087	23%
Employee benefits	250,230	0%	211,595	0%
Lease liabilities	117,454	0%	118,972	0%
Deferred government grant	2,164,959	1%	2,745,849	2%
Deferred tax liabilities – net	14,931,049	10%	10,312,402	7%
	47,371,979	32%	45,165,905	33%
CURRENT LIABILITIES				
Loan from Parent – unsecured	7,387,000	5%	7,387,000	5%
Trade and other payables	5,966,191	4%	6,516,462	5%
Accrued liabilities	5,154,131	3%	4,022,396	3%
Security deposits payable	545,487	0%	455,052	0%
Contract liabilities	432,704	0%	584,809	0%
Employee benefits – current portion	112,697	0%	96,468	0%
Payable to employees' provident fund trust	29,902	0%	26,438	0%
Unclaimed dividend	35,646	0%	36,001	0%
Short term borrowings	1,450,934	1%	4,530,981	3%
Provision for tax–net	56,810	0%	–	0%
Current portion of lease liability	46,206	0%	50,463	0%
Current portion of long term loans	5,066,868	3%	4,176,493	3%
Current portion of deferred government grant	580,891	0%	604,292	0%
	26,865,467	18%	28,486,855	21%
Total Equity and Liabilities	147,636,299	100%	138,828,497	100%
NON – CURRENT ASSETS				
Property, plant and equipment	110,845,663	75%	104,425,181	75%
Right of use asset	131,165	0%	181,380	0%
Intangibles	10,745,700	7%	10,957,737	8%
Long term deposits	129,700	0%	129,700	0%
Advance against issue of shares	–	0%	–	0%
Long term investment in associate	–	0%	–	0%
	121,852,228	83%	115,693,998	83%
CURRENT ASSETS				
Stores, spares and loose tools – net	9,099,130	6%	8,011,181	6%
Stock in trade	7,495,705	5%	7,112,327	5%
Trade debts – net	5,545,241	4%	3,572,445	3%
Advances	145,244	0%	366,231	0%
Sales tax refundable–net	–	0%	1,820,851	1%
Trade deposits, short term prepayments	35,696	0%	24,840	0%
Advance tax – net	–	0%	723,704	1%
Other receivables	280,071	0%	282,463	0%
Short term Investments	250,000	0%	250,000	0%
Cash and bank balances	2,932,984	2%	970,457	1%
	25,784,071	17%	23,134,499	17%
Total Assets	147,636,299	100%	138,828,497	100%

2022	2022 Vs 2021	2021	2021 Vs 2020	2020	2020 Vs 2019	2019	2019 Vs 2018
Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000	
21,803,090	19%	13,798,150	41%	13,798,150	47%	13,798,150	48%
17,978,520	16%	(1,364,385)	-4%	(1,364,385)	-5%	(1,364,385)	-5%
17,954,446	16%	10,841,906	32%	7,370,555	25%	8,464,797	29%
57,736,056	51%	23,275,671	68%	19,804,320	68%	20,898,562	72%
19,555,997	17%	491,502	1%	447,327	2%	317,835	1%
179,291	0%	82,380	0%	72,547	0%	71,216	0%
89,965	0%	73,593	0%	57,656	0%	–	0%
1,982,301	2%	6,607	0%	–	0%	–	0%
7,433,214	7%	3,960,489	12%	3,643,608	12%	3,925,740	14%
29,240,768	26%	4,614,571	14%	4,221,138	14%	4,314,791	15%
7,387,000	6%	–	0%	–	0%	–	0%
6,917,149	6%	1,822,642	5%	1,244,933	4%	948,864	3%
4,321,163	4%	1,554,895	5%	1,040,530	4%	834,816	3%
461,712	0%	260,652	1%	253,940	1%	219,704	1%
862,309	1%	435,097	1%	367,952	1%	324,300	1%
80,756	0%	20,862	0%	24,708	0%	20,399	0%
15,875	0%	10,714	0%	13,528	0%	11,832	0%
37,157	0%	38,479	0%	40,051	0%	43,747	0%
3,218,249	3%	1,616,787	5%	1,869,167	6%	997,701	3%
–	0%	–	0%	–	0%	–	0%
68,332	0%	24,686	0%	23,737	0%	–	0%
2,985,087	3%	361,521	1%	303,912	1%	350,466	1%
366,464	0%	15,654	0%	–	0%	–	0%
26,721,253	24%	6,161,989	18%	5,182,458	18%	3,751,829	13%
113,698,077	100%	34,052,231	100%	29,207,916	100%	28,965,182	100%
74,126,315	65%	21,422,215	63%	22,065,172	76%	23,202,930	80%
132,263	–	89,334	0%	60,322	0%	–	0%
11,029,756	10%	–	0%	–	0%	–	0%
126,274	0%	86,601	0%	86,601	0%	86,601	0%
–	0%	–	0%	12,500	0%	–	0%
66,657	0%	15,349	0%	–	0%	–	0%
85,481,265	75%	21,613,499	63%	22,224,595	76%	23,289,531	80%
11,939,147	11%	4,250,754	12%	3,505,809	12%	3,055,041	11%
3,697,721	3%	1,189,198	3%	1,187,752	4%	944,022	3%
2,412,758	2%	1,449,600	4%	1,050,640	4%	947,046	3%
193,629	0%	45,593	0%	73,695	0%	36,176	0%
2,650,804	2%	–	0%	–	0%	–	0%
22,559	0%	26,147	0%	19,843	0%	20,463	0%
975,108	1%	90,073	0%	562,239	2%	261,998	1%
175,443	0%	88,890	0%	22,169	0%	7,660	0%
3,843,010	3%	4,397,699	13%	–	0%	–	0%
2,306,633	3%	900,778	3%	561,174	2%	403,245	1%
28,216,812	25%	12,438,732	37%	6,983,321	24%	5,675,651	20%
113,698,077	100%	34,052,231	100%	29,207,916	100%	28,965,182	100%

Vertical Analysis

Share Capital and Reserves

Shareholder's equity as percentage of total balance sheet base is decreased from 72% in FY 2019 to 50% in FY 2022 depicting a shift in Company's financing structure i.e. from equity to loan.

Non Current Liabilities

A significant shift in noncurrent liabilities is witnessed in last three years, mainly, due to longer term financing and deferred tax liabilities. 68% of total non current liabilities is related to long term loans (including deferred grants) that was 7% in FY 2019. Second most significant component of non current liabilities is deferred tax that form 32% of non current liabilities in FY 2024 as compared to 25% in FY 2022 post merger. Surge in deferred tax liabilities is resultant of increased tax rates and capitalization of expansion project.

Current Liabilities

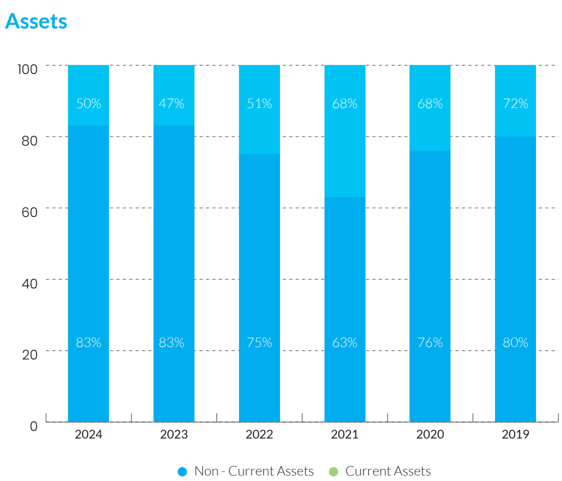
Over the past years current liabilities as parentage of total balance sheet footing witnessed a consistent trend with exception in FY 2023 and 2022 on account of higher running finance utilization. Post merger trade and other payables and accrued liabilities form 41% of total current liabilities. Short term borrowings, for FY 2024, form 5% of total current liabilities and stayed at minimal level. Although, current portion of long term loans increased over the years but its percentage to total balance sheet footing remained the same over last 3 years.

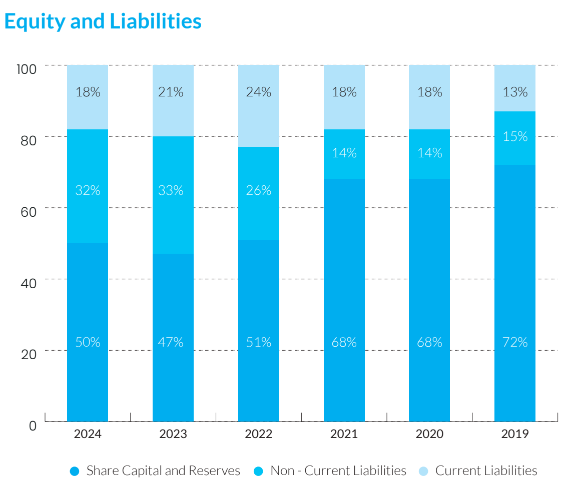
Non Current Assets

83% of total assets base of the Company consists of non current assets depicting the greater allocation of investments in property, plant and equipment for long term viability and continuity of business.

Current Assets

Post merger and expansions, for FY 2024 & FY 2023 remains 17% of total assets of the Company. Company achieved optimal level of stores and spares and stock in trade in recent years. For FY 2024 & 2023, Company's stocks and stores stood at 11% of total assets as against the average of 12% of last 6 years.





CASH FLOWS

Summary of Cash Flows for last six years

	2024	2023	2022	2021	2020	2019
	(Rs in '000)					
Net cash generated from operating activities	21,684,607	16,030,998	7,567,564	5,739,097	1,013,426	5,557,926
Net cash used in investing activities	(8,158,037)	(29,667,173)	(26,064,704)	(5,141,658)	(545,109)	2,025,362
Net cash generated from /(used in) financing activities	(8,479,996)	10,897,767	19,345,923	(5,455)	(1,181,854)	(3,019,893)
Net increase / (decrease) in cash and cash equivalents	5,046,575	(2,738,408)	848,783	591,984	(713,537)	512,671
Cash and cash equivalents at beginning of the year	(3,650,024)	(911,616)	(716,009)	(1,307,993)	(594,456)	(1,107,127)
Cash and cash equivalents acquired through business combination	–	–	(1,044,390)	–	–	–
Cash and cash equivalents at end of the year	1,396,550	(3,650,024)	(911,616)	(716,009)	(1,307,993)	(594,456)

Cash flows Analysis

Cash flows from operations

Cash flows from operations are Rs.21Bn, Rs. 16 Bn higher than 2019. This mainly is attributable to higher profitability as a result of amalgamation and capacity enhancement along with operational efficiencies bring in by the management. Further, tax payments are enhanced multifold since 2019, especially after imposition of super tax and increase in profitability.

Cash used in investing activities

To ensure business continuity and sustainable operations with ever changing business environment and needs the main focusing area of capital investments of the Company remains capacity enhancements and green energy generation. The Company has invested Rs.75 Bn in last 6 years on capacity enhancement, green energy generation and BMRs for operational efficiencies.

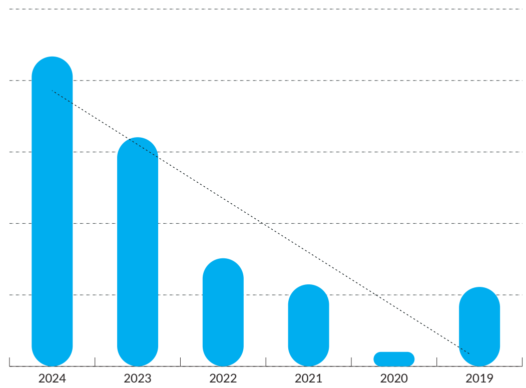
Cash flows from financing activities

To meet its capital needs Company secured loan amounting to Rs. 41 Bn in last 6 years and also repayed long term loans amounting to Rs. 9 Bn. During this period Company payed finance cost amounting to Rs. 11 Bn against long and short term financing. Apart from repayment of long term loans and finance cost amounting to Rs. 20 Bn, Company also paid Rs. 3.5 Bn as dividend to its shareholders during the period.

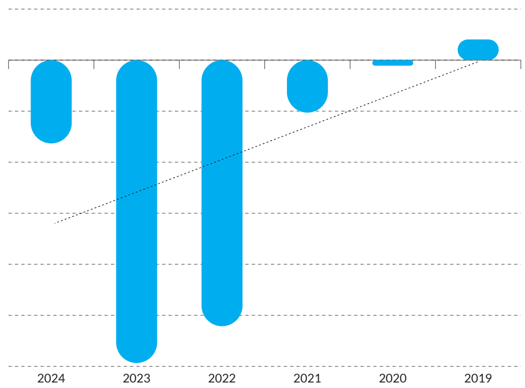
Cash and Cash Equivalents

Even after funding of Rs.28 Bn through internal cash generation for capacity enhancement Company stood positive in cash i.e. Rs. 1.4 Bn at the close of FY 2024 from a negative cash of Rs 500 Mn in 2019.

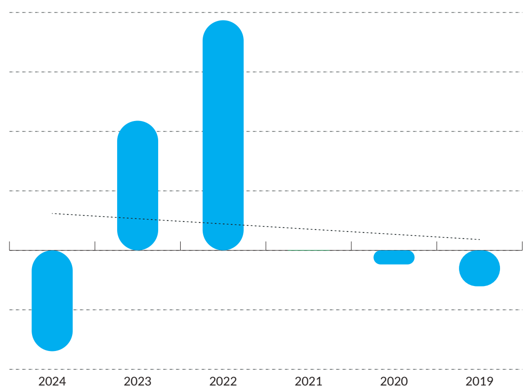
Net cash generated from operating activities



Net cash used in investing activities



Net cash generated from /(used in) financing activities



Free Cash Flows

	2024	2023	2022	2021	2020	2019
			(Rs '000)			
Net Cash generated from Operating Activities	21,684,607	16,030,998	7,567,564	5,739,097	1,013,426	5,557,926
Capital Additions & Investments	(8,158,037)	(29,667,173)	(26,064,704)	(5,141,658)	(545,109)	(2,025,760)
Free Cash Flows to the Company	13,526,570	(13,636,175)	(18,497,140)	597,439	468,317	3,532,166
Add : Net Debt	(8,479,995)	10,897,767	19,345,923	141,373	92,311	(426,176)
Free Cash Flows to the Equity Holders	5,046,575	(2,738,408)	848,783	738,812	560,628	3,105,990

DIRECT METHOD STATEMENT OF CASH FLOWS

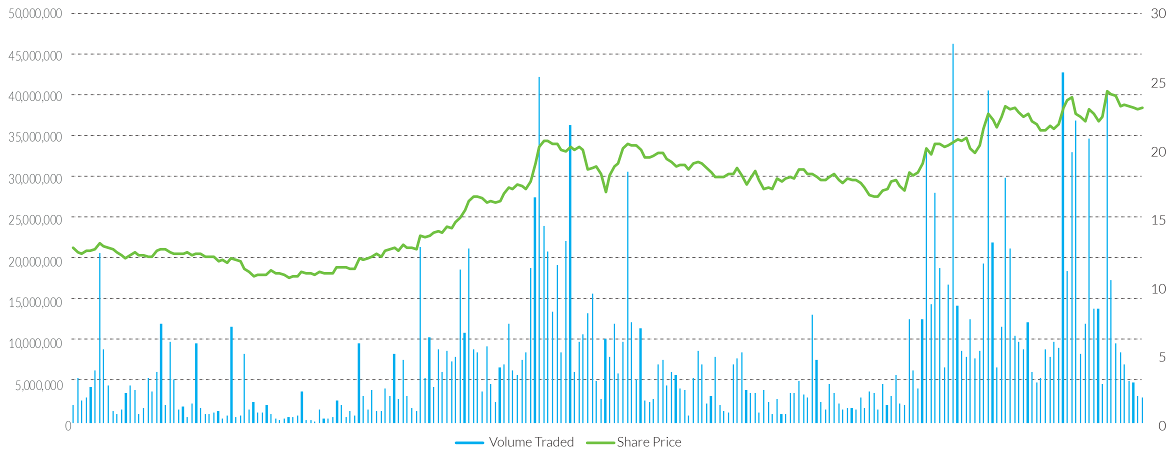
For the year ended 30 June 2024

	2024	2023
	Rupees'000	Rupees'000
Cash Flow from operating Activities		
Cash receipts from customers	78,053,430	66,909,595
Cash Paid to vendors & employees	(53,693,030)	(47,748,274)
Compensated absences paid	(113,619)	(101,419)
Payment to Workers' (Profit) Participation Fund	(741,244)	(699,068)
Payment to Workers Welfare Fund	(88,253)	(187,310)
Taxes paid	(1,732,677)	(2,142,526)
Net cash generated from operating activities	21,684,607	16,030,998
Cash flows from investing activities		
Additions in property, plant and equipment	(8,478,876)	(33,903,442)
Additions in intangible	–	(133,329)
Proceeds from disposal of associated company	–	128,126
Short term investments – net	–	3,593,010
Proceeds from disposal of property, plant and equipment	21,522	116,244
Income received against deposits and investments	299,318	532,218
Net cash used in investing activities	(8,158,037)	(29,667,173)
Cash flows from financing activities		
Repayment of long term loans	(2,053,004)	(2,505,227)
Disbursements from new long term loans	644,239	15,976,605
Lease payments	(77,816)	(89,354)
Dividend paid	(355)	(1,156)
Finance cost paid	(6,993,060)	(2,483,101)
Net cash used in financing activities	(8,479,996)	10,897,767
Net increase / (decrease) in cash and cash equivalents	5,046,574	(2,738,408)
Cash and cash equivalents at beginning of the year	(3,650,024)	(911,616)
Cash and cash equivalents at end of the year	1,396,550	(3,650,024)

SEGMENTAL REVIEW OF BUSINESS

The revenue stream of the Company is generated through Manufacturing and Sale of different types of Cement and tile bond and Company organized its activities under a single operating segment. Primary market of the Company's products is local market where Company sold 90% of total sales volume during the year. Due to inherent limitation of its manufacturing locations, the only feasible export market of the Company is Afghanistan where Company dispatched 10% of its sales volume.

SHARE PRICE SENSITIVITY



Shares of the Company are traded on Pakistan Stock Exchange. The share price of the Company is sensitive to following internal and external factors:

Internal factors

Company's financial and operational performance. The key factors affecting the financial and operational performance are selling prices, sales volumes and input costs i.e. raw material costs, fuel and power costs, interest and tax rates.

External factors

Economic and political landscape, Government policies, stakeholders' sentiments and macroeconomic indicators of the country.

Operational and financial performance

The Company's operational and financial performance directly affects the profitability of the Company, which is the main internal factor for share price determination. Factors affecting profitability can be viewed as under:

Selling Prices – Although selling price is determined internally but is impacted by market conditions and supply & demand situation.

Sales Volume – It is impacted by Government infrastructure development projects, economic activity level and general inflation level in the country.

Input Costs – Main cost component of cement manufacturing is fuel and power. Any change in fuel and energy prices impacts the financial performance of the Company.

Interest & Tax Rates – Any adverse movement in interest and tax rates increases the finance cost and consequently reduce margins with negative impact on share price.

Government policies and macroeconomic indicators

The share price of the Company is directly related to the overall macroeconomic conditions of the country. Further, Government overall and, specifically, cement sector related policies have direct impact on business and profitability and accordingly on share price of the Company. Favorable policies have positive impact on share price and vice versa.

Investor sentiments and market performance

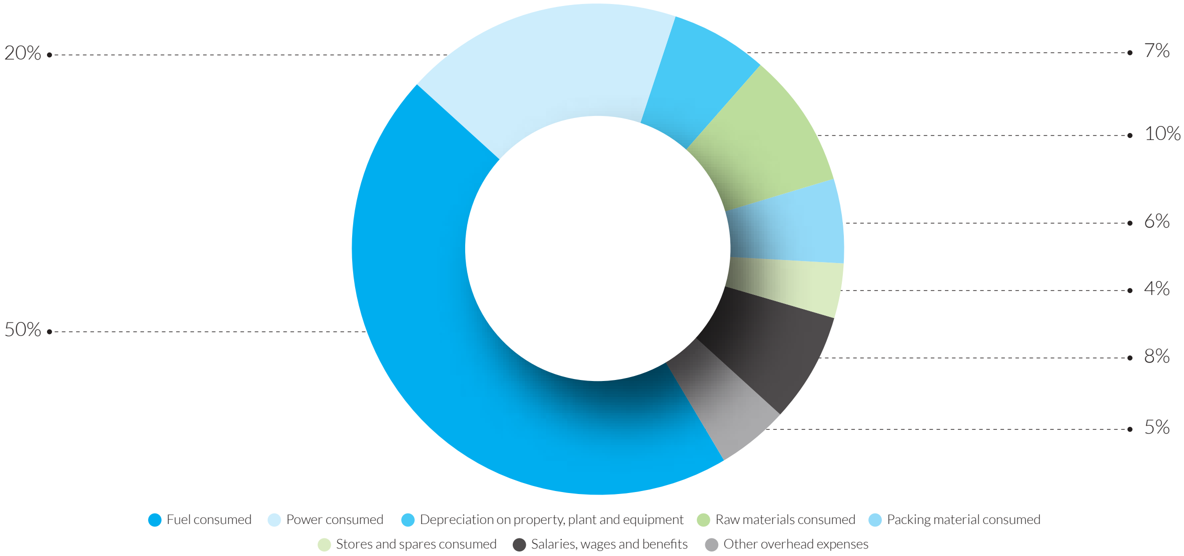
Apart from systematic risk, the market share price is also exposed to its respective sector performance, economic outlook and share market overall performance. The Beta of FCCL with respect to Pakistan Stock Exchange is 1.20.

Sensitivity of key factors

Impact of key variables on Company's earnings are as under:

Key Variables	PAT impact (Rs in Million
Selling Price (1% +-)	490
Fuel and Power (1% +-)	214
Interest Rate (1%+-)	150
Currency (1% +-)	15

COMPOSITION OF LOCAL AND IMPORTED MATERIALS



The Company procures many kinds of local and imported materials that are used in cement manufacturing process directly and indirectly

Raw materials – most of raw materials of cement are available locally and are not exposed to forex rates.

Packing material - although, packing material is purchased locally by the Company but raw materials for packing material is forex rate sensitive, the direct impact on Company for forex movement is hard to quantify.

Power – company uses mix of own source power and from national gird, element of electricity procured from grid is forex sensitive, the impact on Company is immaterial.

Stores and Spares – Most of the items of repairs are direct imported by the Company and change in foreign currency rates impact the cost of spares, however impact is not material.

Fuel Cost – Coal is the main fuel of the Company, Company uses local as well as imported coal. During the year 59% local and 41% imported coal was used by the Company. Imported coal price are forex sensitive and are based on USD. With 1% increase in USD parity cost of sale of the Company will be increased by Rs. 23 per ton and vice versa.

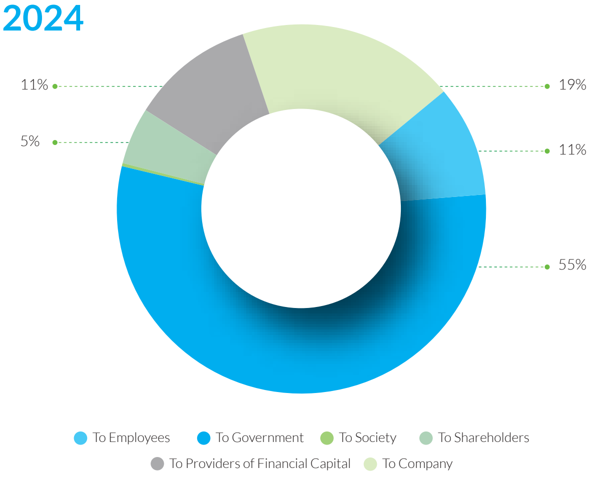
DISCLOSURE OF MARKET SHARE AND PRODUCTS OF THE COMPANY

Fauji & Askari are trusted brands among the mega projects and over the years have gained trust of general consumers through their quality and reliability. Complete range of products is given in "Our Products & Markets" section of this report. Company has 12% of share in the Domestic market. The export market of the Company is Afghanistan, where Company's share is 36% of the exports from Pakistan

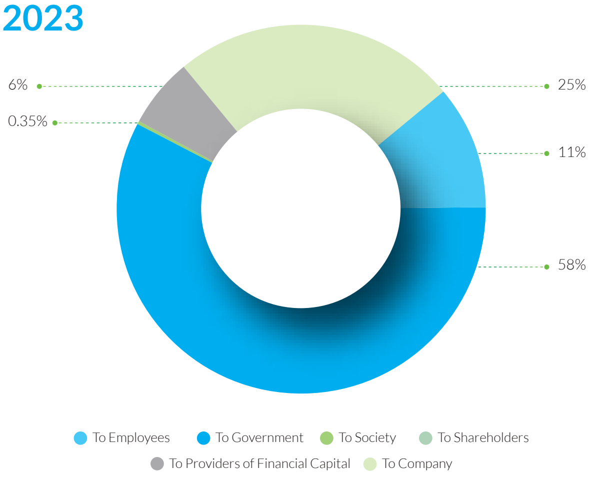
STATEMENT OF VALUE ADDITION

	2024 PKR in '000	%	2023 PKR in '000	%
Wealth Generated				
Gross Sales/ Revenues (including rebates & discounts)	105,667,788		89,016,292	
Brough-in-Material and services	(53,264,616)		(45,083,726)	
	52,403,172		43,932,566	
Wealth Distribution				
To Employees (Salaries, benefits & other costs)	5,516,556	11	4,712,951	11
To Government (Income Tax, sales Tax, Excise Duty & Others)	28,858,881	55	25,305,113	58
To Society (Donations)	166,694	0.32	155,196	0.35
To Shareholders (Dividend)	2,452,847	5	–	–
To Providers of Financial Capital (Mark-up expenses on borrowed funds)	5,579,874	11	2,685,764	6
To Company (Depreciation, Amortisation & Retained Profit)	9,828,320	19	11,073,542	25
	52,403,172	100	43,932,566	100

2024



2023



STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

Board's Responsibility Statement on Full Compliance of Financial Accounting and Reporting Standards as Applicable in Pakistan

The Board of Directors are fully cognizant with the fact they are responsible for overseeing the Company's financial reporting process. The Board of Directors of the Company confirm that the financial statements are prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

SPECIFIC DISCLOSURES OF THE FINANCIAL STATEMENTS

Specific Disclosures of the Financial Statements		
1	Fair value of Property, Plant and Equipment.	Not Applicable
2	Particulars of significant/ material assets and immovable property including location and area of land.	Note 16 of financial statements
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	Note 43 of financial statements
4	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	Not Applicable
5	Specific disclosures required for shariah compliant companies/ companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	Note 45.3 of financial statements
6	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP *(through SECP S.R.O. 53 (I)/2022 dated January 12, 2022)*	Not applicable
7	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	Not applicable
8	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans.	Not applicable
9	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	Not applicable

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the members of Fauji Cement Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Fauji Cement Company Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of 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 a summary of significant accounting policies 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, the statement of 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 profit and other comprehensive income, 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 matter was addressed in our audit
(i)	**Revenue recognition** (Refer notes 3.8 and 27 to the financial statements) The Company is engaged in the production and sale of cement in the local and export market. Revenue is recognised when performance obligation is satisfied by transferring control of promised goods to the customers. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations, inherent risk of material misstatement and significant increase in revenue from last year.	Our audit procedures in relation to the matter, amongst others, included: • Understood and evaluated management controls over revenue and checked their validation; • Performed testing of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices; • Performed cut-off procedures on sample basis to assess whether revenue was recognised in the correct period; • Checked on a sample basis, approval of sales prices by the appropriate authority; • Performed recalculation of rebates, and discounts as per Company's policy; • Performed analytical procedures to analyse variation in the price and quantity sold during the year; • Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and • Assessed the adequacy of disclosures made in the financial statements related to revenue in accordance with the applicable accounting and reporting standards.
(ii)	**Additions to property, plant and equipment** (Refer notes 2.4.1, 3.2 and 16 to the financial statements) During the current year, the Company has incurred significant capital expenditure mainly on construction of a new plant. The new plant has been completed during the current year. The incurrence of capital expenditure requires determination of the costs which meets criteria for capitalisation as per the International Accounting Standard – 16, 'Property, Plant and Equipment. We consider the above as a key audit matter being significant transactions and events for the Company during the year having significant impact on the financial position of the Company.	Our audit procedures in relation to the matter, amongst others, included: • Understood and evaluated internal controls relating to purchase of the assets; • Tested, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, including suppliers' invoices; • Checked that the costs capitalised including the borrowing cost, met the criteria for capitalisation in accordance with the requirements of the applicable accounting and reporting standards; • Inspected supporting documents for the date of transfer of capital work in progress to operating fixed assets to assess the reasonableness of depreciation charge and cessation of capitalisation of further costs, including borrowing costs; and • Assessed the adequacy of disclosures made in the financial statements related to property, plant and equipment in accordance with the applicable accounting and reporting standards.

S. No	Key audit matters	How the matter was addressed in our audit
(iii)	**Impairment testing of intangible assets and goodwill** (Refer notes 2.4.6, 3.24, 18 and 18.5 to the financial statements) Goodwill and certain other intangibles that were recognised on business acquisitions undertaken by the Company in the prior year are disclosed in note 18 to the annexed financial statements. The Company annually tests the carrying values of goodwill and intangibles having indefinite useful lives for impairment. The testing is subject to estimates and judgments made by the management of the Company with respect to future sales growth and profitability, cash flow projections and selection of appropriate discount rates. As the amounts in respect of goodwill and other intangibles and their estimations and assumptions involved are significant, this is considered a key audit matter.	Our audit procedures in relation to the matter, amongst others, included: • Analysed the process of management's identification of the Cash Generating Units; • Discussed with the management key assumptions used in valuation model, including assumptions of future prices and discount rates; • Checked the mathematical accuracy of management's valuation model and agreed relevant data, including assumptions on timing and future capital and operating expenditure, to the latest production plans and budgets; • Conducted sensitivity analyses on the recoverable amounts computed by the management of the Company to determine the head room available based on reasonably expected movements in the assumptions used for the testing; • Assessed the adequacy of disclosures made in the annexed financial statements with respect to the requirements of the applicable accounting and reporting standards.

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.

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, the statement of 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 JehanZeb Amin.

Chartered Accountants
Islamabad
Date: September 6, 2024
UDIN: AR202410083BRzwh1byx

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024	2023
		Rupees'000	Rupees'000
EQUITY & LIABILITIES			
EQUITY AND RESERVES			
Share capital	4	24,528,476	24,528,476
Capital reserve - Premium on issue of shares		15,253,134	15,253,134
Revenue reserve - Accumulated profits		33,617,243	25,394,127
		73,398,853	65,175,737
NON-CURRENT LIABILITIES			
Long term loans - secured	5	29,908,287	31,777,087
Employee benefits	6	250,230	211,595
Lease liabilities	7	117,454	118,972
Deferred government grant	8	2,164,959	2,745,849
Deferred tax liabilities - net	9	14,931,049	10,312,402
		47,371,979	45,165,905
CURRENT LIABILITIES			
Loan from Parent - unsecured	10	7,387,000	7,387,000
Trade and other payables	11	5,966,191	6,516,462
Accrued liabilities		5,154,131	4,022,396
Security deposits payable	12	545,487	455,052
Contract liabilities	13	432,704	584,809
Employee benefits - current portion	6	112,697	96,468
Payable to employees' provident fund trust		29,902	26,438
Unclaimed dividend		35,646	36,001
Short term running finance - secured	14	1,450,934	4,530,981
Provision for tax-net		56,810	–
Current portion of lease liability	7	46,206	50,463
Current portion of long term loans	5	5,066,868	4,176,493
Current portion of deferred government grant	8	580,891	604,292
		26,865,467	28,486,855
TOTAL EQUITY AND LIABILITIES		147,636,299	138,828,497
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes 1 to 45 form an integral part of these financial statements.

	Note	2024	2023
		Rupees'000	Rupees'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	110,845,663	104,425,181
Right of use asset	17	131,165	181,380
Intangible assets and goodwill	18	10,745,700	10,957,737
Long term deposits		129,700	129,700
		121,852,228	115,693,998
CURRENT ASSETS			
Stores, spares and loose tools	19	9,099,130	8,011,181
Stock in trade	20	7,495,705	7,112,327
Trade debts	21	5,545,241	3,572,445
Advances	22	145,244	366,231
Sales tax refundable-net		–	1,820,851
Trade deposits and short term prepayments	23	35,696	24,840
Advance tax - net		–	723,704
Other receivables	24	280,071	282,463
Short term investments	25	250,000	250,000
Cash and bank balances	26	2,932,984	970,457
		25,784,071	23,134,499
TOTAL ASSETS		147,636,299	138,828,497

Chief Executive Officer **Director** **Chief Financial Officer**

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees'000	Rupees'000
Revenue - net	27	80,026,226	68,069,282
Cost of sales	28	(54,345,821)	(47,650,809)
Gross profit		25,680,405	20,418,473
Other income	29	540,373	436,173
Selling and distribution expenses	30	(3,285,923)	(2,705,263)
Administrative expenses	31	(1,516,046)	(1,381,633)
Other expenses	32	(826,875)	(750,078)
Operating profit		20,591,934	16,017,672
Finance cost	33	(5,536,298)	(3,645,265)
Finance income	34	299,318	527,702
Net finance cost		(5,236,980)	(3,117,563)
Profit before income tax and final tax		15,354,954	12,900,109
Final tax - levy	35	(55,223)	(45,660)
Profit before income tax		15,299,731	12,854,449
Income tax expense	36	(7,076,615)	(5,414,768)
Profit for the year		8,223,116	7,439,681
		Rupees	Rupees
Earnings per share - basic and diluted	37	3.35	3.16

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees'000	Rupees'000
Profit for the year		8,223,116	7,439,681
Other comprehensive income for the year - net of tax		–	–
Total comprehensive income for the year		8,223,116	7,439,681

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Financial Information

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees'000	Rupees'000
Cash flows from operating activities			
Profit before income tax and levy		15,354,954	12,900,109
Adjustments for:			
Depreciation on property, plant and equipment	16.2	3,775,527	3,395,331
Depreciation on right of use asset	17	70,487	49,207
Amortization on intangibles	18	212,037	205,348
Amortization of deferred grant	29	(428,391)	(169,331)
Spares write off during the year	19.1	(57,700)	–
Provision for employee benefits	6	168,483	149,435
Workers' (Profit) Participation Fund including interest	11.1	811,936	686,122
Workers' Welfare Fund	32	13,376	64,756
Finance cost excluding exchange loss and interest on WPPF	33	5,576,797	2,652,853
Exchange (gain)/ loss	33	(43,576)	959,501
Gain on disposal of property, plant and equipment	29	(12,182)	(45,466)
Loss on disposal of right of use asset		–	24,053
Gain on disposal of associated company-net of tax		–	(61,469)
Investment and bank deposit income		(299,318)	(527,702)
		9,787,476	7,382,638
Operating cash flows before working capital changes		25,142,430	20,282,747
Changes in			
Stores, spares and loose tools		(1,030,249)	3,933,104
Stock in trade		(383,378)	(3,414,606)
Trade debts		(1,972,796)	(1,159,687)
Advances		220,987	(172,602)
Trade deposits and short term prepayments		(10,856)	(2,281)
Other receivables		2,392	(107,020)
Long term deposits		–	(3,426)
Sales tax refundable - net		2,539,802	829,953
Trade and other payables		(1,221,461)	(452,497)
Accrued liabilities		1,131,735	(298,767)
Security deposits payable		90,435	(6,660)
Contract liabilities		(152,105)	(277,500)
Payable to employees' provident fund trust		3,464	10,563
		(782,030)	(1,121,426)
Cash generated from operating activities		24,360,400	19,161,321
Employee benefits paid	6	(113,619)	(101,419)
Payment to Workers' (Profit) Participation Fund	11.1	(741,244)	(699,068)
Payment to WWF		(88,253)	(187,310)
Taxes /levy paid		(1,732,677)	(2,142,526)
Net cash generated from operating activities		21,684,607	16,030,998

	Note	2024	2023
		Rupees'000	Rupees'000
Cash flows from investing activities			
Additions to property, plant and equipment		(8,478,876)	(33,903,442)
Additions to intangible		–	(133,329)
Proceeds from disposal of associated company		–	128,126
Short term investments - net		–	3,593,010
Proceeds from disposal of property, plant and equipment	16.1	21,522	116,244
Income received against deposits and investments		299,318	532,218
Net cash used in investing activities		(8,158,037)	(29,667,173)
Cash flows from financing activities			
Repayment of long term loans		(2,053,004)	(2,505,227)
Long term loans received during the year		644,239	15,976,605
Lease payments		(77,816)	(89,354)
Unclaimed dividend paid during the year		(355)	(1,156)
Finance cost paid		(6,993,060)	(2,483,101)
Net cash (used in) / generated from financing activities		(8,479,996)	10,897,767
Net increase in cash and cash equivalents		5,046,575	(2,738,408)
Cash and cash equivalents at beginning of the year		(3,650,024)	(911,616)
Cash and cash equivalents at end of the year	38	1,396,550	(3,650,024)

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

	Share capital	Capital reserve	Revenue reserve	Total
	Ordinary shares	Premium on issue of shares	Accumulated profits	
		Rupees'000		
Balance at July 1, 2022	21,803,090	17,978,520	17,954,446	57,736,056
Total comprehensive income for the year				
Profit for the year	–	–	7,439,681	7,439,681
Other comprehensive income for the year	–	–	–	–
Total comprehensive profit for the year	–	–	7,439,681	7,439,681
Bonus shares issued @ 12.5%	2,725,386	(2,725,386)	–	–
Balance at June 30, 2023	24,528,476	15,253,134	25,394,127	65,175,737
Balance at July 1, 2023	24,528,476	15,253,134	25,394,127	65,175,737
Total comprehensive income for the year				
Profit for the year	–	–	8,223,116	8,223,116
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	8,223,116	8,223,116
Balance at June 30, 2024	24,528,476	15,253,134	33,617,243	73,398,853

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. COMPANY AND ITS OPERATIONS

1.1 Fauji Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan on November 23, 1992 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The Company commenced its business with effect from May 22, 1993. The Company was listed on Pakistan Stock Exchange on October 9, 1996. The Company is a subsidiary of Fauji Foundation with a shareholding of 61.65% (2023: 61.65%). The principal activity of the Company is manufacturing and sale of different types of cement and tile bond.

The geographical location and address of the Company's business units, including plants is as under:

- The Company's registered office is situated at Fauji Towers, Block-III, 68-Tipu Road, Rawalpindi.
- The Company's marketing and sales office is situated at AWT Plaza, The Mall, Rawalpindi.
- The Company's manufacturing facilities are located at:
  - Village Jhang Bahtar, Tehsil Fateh Jang in District Attock
  - Railway Station Wah in District Rawalpindi
  - Village Kahi, Nizampur in District Nowshera
  - Zinda Peer, District Dera Ghazi Khan

1.2 During the year the Company has successfully completed its cement manufacturing line having capacity of 2.05 million ton per annum at DG Khan. The aforesaid line has started its commercial production with effect from 01 February 2024.

2. BASIS OF PREPARATION

2.1 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 Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS , the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement and preparation

These financial statements have been prepared under historical cost convention unless otherwise stated in respective policy note.

2.3 Functional and presentation currency

The financial statements are presented in Pakistani Rupees (PKR) which is the Company's functional currency. Amounts presented in PKR have been rounded-off to nearest thousand, unless other wise stated.

2.4 Significant accounting estimates, judgments and assumptions

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are discussed in ensuing paragraphs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.4.1 Property, plant and equipment

The Company reviews the residual values and useful lives of property, plant and equipment on regular basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. Any change in such estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge, impairment and related deferred tax liability.

During the year, the Company has reassessed the useful life of its certain cement manufacturing lines. Based on detailed analysis of current performance indicators, maintenance history, experience with similar manufacturing lines and regular inspection, management is of the view that the aforesaid manufacturing lines will have useful life of 35 years instead of earlier assessed life of 25 years. Had there been no change in the estimate of useful life, the profit before tax for the year would have been lower by Rs. 744,809 thousand and the balance of property, plant and equipment would have been lower by the same amount. Further, the future profits per annum before tax would have decreased by Rs. 744,809 thousand due to this change.

2.4.2 Provision for inventory obsolescence

The Company reviews the net realizable value of stock in trade and stores, spare and loose tools to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated cost to complete and estimated cost to make the sales.

2.4.3 Taxation

The Company takes into account the prevailing income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities. In instances where the Company determines the likelihood of realization of an exposure to be material, a provision is recognized in the financial statements as disclosed in note 2.4.4 to the financial statements.

2.4.4 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

2.4.5 Contingent liabilities

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.

2.4.6 Impairment of intangible assets not subject to amortisation

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Impairment reviews of intangible assets with indefinite useful life are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Impairment expense, if any, is recognized immediately as an expense in profit or loss and is not subsequently reversed.

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective

2.5.1 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 statements.

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

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

2.5.3 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024;

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRIC 12 Service Concession Arrangement
IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 19 Subsidiaries without Public Accountability: Disclosures

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted the amendment to IFRS regarding disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements from July 1, 2023 onwards. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in statement of comprehensive income or equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Current

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or recovered and reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset if criteria as per applicable financial reporting framework is met.

Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be realised. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used on the reporting date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if criteria as per applicable financial reporting framework is met.

3.2 Property, plant and equipment

Property, plant and equipment except for freehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work in progress are stated at cost less allowance accumulated for impairment, if any. Cost of property, plant and equipment includes acquisition cost, borrowing cost during construction phase of relevant asset, if any and other directly attributable costs.

Depreciation is charged to statement of profit or loss on the straight line method so as to write off the depreciable amount of the property, plant and equipment over their estimated useful lives at the rates specified in note 16. Depreciation on depreciable assets is commenced from the date the asset is available for use up to the date when the asset is disposed or written off.

The cost of replacing a major item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced item is derecognized. The cost of the day to day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposals with the carrying amount of property, plant and equipment and are recognised in the statement of profit or loss.

During the year, the Company has reassessed the useful life of its certain cement manufacturing lines. Based on detailed analysis of current performance indicators, maintenance history, experience with similar manufacturing lines and regular inspection, management is of the view that the aforesaid manufacturing lines will have useful life of 35 years instead of earlier assessed life of 25 years. Had there been no change in the estimate of useful life, the profit before tax for the year would have been lower by Rs. 744,809 thousand and the balance of property, plant and equipment would have been lower by the same amount. Further, the future profits per annum before tax would decrease by Rs. 744,809 thousand due to this change.

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of operating fixes assets, capital stores and intangibles assets in the course of their acquisition, construction and installation. Transfers from capital work in progress are made to the relevant category of property, plant and equipment as and when the assets are available for use in the manner intended by the Company's management.

3.3 Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company measures loss allowances at an amount equal to lifetime ECLs.

The Company considers the credit risk on a financial asset has increased significantly when:

- the counter party is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default or being more than 120 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Recognition of allowance for ECL in the statement of financial position

Allowances for ECL for financial assets measured at amortized cost are deducted from the carrying amount of the assets and charged to profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amounts of any goodwill allocated to CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.4 Inventories

Inventories comprises of stores, spares and loose tools and stock in trade.

3.5 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value. Cost is determined using weighted average method except for items in transit which is determined on the basis of cost incurred upto the statement of financial position date. For items which are slow moving and/or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence of any items.

3.6 Stock in trade

Stock of raw material, work in process and finished goods are valued at the lower of weighted average cost and net realizable value. Stock of packing material is valued at weighted average cost less impairment, if any. Cost of work in process and finished goods comprises cost of direct materials, labour and directly allocatable manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to be incurred in order to make a sale.

3.7 Foreign currency transactions and translation

Transactions in foreign currencies are translated into functional currency at exchange rates at the date of transaction. Monetary assets and liabilities denominated in foreign currencies outstanding on the date of statement of financial position are translated to the functional currency at the exchange rates prevailing on that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at beginning of the year, adjusted for effective interest and payments during the year, and amortized cost in foreign currency translated at the exchange rate at statement of financial position date. Exchange differences are included in the statement of profit or loss.

3.8 Revenue recognition

Revenue associated with the sale of cement and clinker (shariah compliant business) is recognised when performance obligation is satisfied by transferring control of promised goods to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

Local and export sale of goods to dealers and other end users is recognised when the vehicle, carrying goods, leaves the plant premises of the Company.

Revenue from project sales is recognised upon delivery of goods to customers at site as per terms of respective agreements.

No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

3.9 Financial instruments

3.9.1 Classification

The Company classifies its financial assets on initial recognition in the following categories: at amortized cost, at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial asset, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in it's fair value as other comprehensive income. This election is made on an investment by investment basis.

(c) Fair value through profit or loss

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3.9.2 Recognition and measurement

Trade and other receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial liability is initially measured at fair value minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

3.9.3 Subsequent measurement and gains and losses

(i)	**Financial assets at amortized cost**	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
(ii)	**Financial assets at FVOCI**	Debt investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. Equity investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
(iii)	**Financial assets at FVTPL**	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets of the Company include trade debts, other receivables, cash and bank balances, long term deposits, trade deposits and short term investments.

3.9.4 Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. The financial liabilities of the Company includes long term loans, lease liability, creditors, retention money, other liabilities, payable to employees provident fund trust, accrued liabilities, security deposit payable, unclaimed dividend and short term running finance.

3.9.5 Derecognition

(i) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss.

(iii) Off-setting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.10 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs relate to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset.

3.11 Employees benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company and measured on an undiscounted basis. The accounting policies for other employee benefits are described below in 3.12 and 3.13.

3.12 Defined contribution plan - Provident fund (retirement benefit)

The Company operates a defined contribution provident fund scheme for permanent employees. Contributions to the fund are made monthly by the Company and employees at the rate of 10% of the basic salary, the fund is managed by its Board of Trustees. The contributions of the Company are charged to the statement of profit or loss.

3.13 Compensated leave absences

The Company provides for compensated absences on the unavailed balance of privilege leaves of all its permanent employees in the period in which leave is earned. Provision for the year is charged to the statement of profit or loss.

3.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by using profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all potential dilutive ordinary shares.

3.15 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

3.16 Share capital and dividend

Ordinary shares are classified as equity and recognized at their face value. Dividend distribution to the shareholders is recognized as liability in the period in which it is declared.

3.17 Finance income and finance cost

Finance income comprises interest income on funds invested, deposit accounts and dividend income on investment in marketable securities. Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Income on investments is recognized on time proportion basis taking into account the effective yield of such securities.

Finance cost comprises interest expense on borrowings, Workers' Profit Participation Fund, lease, exchange losses and bank charges and is recognised in the statement of profit or loss on accrual basis.

3.18 Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short position at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.19 Leases

3.19.1 Right of use asset

The Company recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying assets are available for use. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and are adjusted for any remeasurement of lease liabilities.

The cost comprises of the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying assets' useful life.

3.19.2 Lease liability

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 in the measurement of the lease liability comprise the following:

a) fixed payments, including in-substance fixed payments;

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable under a residual value guarantee;

d) the exercise price under a purchase option that the Company is reasonably certain to exercise,

e) lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and

f) Penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a 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. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.20 Government grant

The Company recognizes government grants as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

3.21 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, term deposit receipts with an expected maturity date of upto 3 months and short term running finance under mark-up arrangements, used by the Company in the management of its short-term commitments.

3.22 Operating segments

The Board of Directors who are operating decision-makers, are responsible for allocating resources and assessing Company's performance and operations and have identified one reportable segment. Accordingly, these financial statements have been prepared on the basis of single reportable segment. Revenue from external customers along with local and export sales is disclosed in note 27. The Company only makes export sales to one foreign country. Revenue from transaction with a single customer did not exceed 10% of Company's total revenue. All the assets of the Company are based in Pakistan.

3.23 Other income

Other income includes the following:

- Gain on disposal of property, plant and equipment, investment in associate and sale of scrap items and is recognised as income when risks and rewards of ownership are transferred.
- Amortisation income on deferred government grant and is recognised on a systematic basis over the period in which the Company recognise interest expense (related cost) for which the grant is intended to compensate.

3.24 Intangible assets

Goodwill and Brand

Goodwill arises on the acquisition of subsidiary or business and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense in profit or loss and is not subsequently reversed."

Impairment reviews of intangible assets with indefinite useful lives are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

With finite useful life

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the statement of profit or loss. The estimated useful lives of intangible assets are disclosed in note 18 to the financial statements.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.25 Capital Reserve

This includes amount received upon issuance of shares in surplus of par value of issued shares and can be utilized in accordance with requirements of section 81 of Companies Act 2017

4 SHARE CAPITAL

4.1 Authorized share capital

	2024	2023
	Rupees '000	Rupees '000
5,000,000,000 (2023: 5,000,000,000) ordinary shares of Rs 10 each	50,000,000	50,000,000

4.2 Issued, subscribed and paid up capital

2024	2023		2024	2023
Number '000	Number '000		Rupees '000	Rupees '000
		Ordinary shares		
171,311	171,311	Ordinary shares of Rs. 10 each paid in cash	1,713,105	1,713,105
199,433	199,433	Ordinary shares of Rs. 10 each issued at a discount of Rs. 3.85 per share - paid in cash	1,994,325	1,994,325
322,546	322,546	Ordinary shares of Rs. 10 each issued at a premium of Rs. 6 per share - paid in cash	3,225,465	3,225,465
637,826	637,826	Ordinary shares of Rs. 10 each issued at a discount of Rs. 5 per share - paid in cash	6,378,263	6,378,263
48,699	48,699	Ordinary shares of Rs. 10 each issued on conversion of preference shares	486,992	486,992
800,494	800,494	Ordinary shares of Rs. 10 each issued pursuant to amalgamation of Askari Cement Limited with and into the Company	8,004,940	8,004,940
272,539	272,539	Bonus shares of Rs. 10 each issued @12.5%	2,725,386	2,725,386
2,452,848	2,452,848		24,528,476	24,528,476

4.2.1 Fauji Foundation, holds 1,512,162 thousand (2023: 1,512,162 thousand) ordinary shares of the Company at the year end. In addition Fauji Fertilizer Company Limited and Fauji Oil Terminal & Distribution Company Limited are related parties that hold 105,469 thousand (2023: 105,469 thousand) and 21,094 thousand (2023: 21,094 thousand) ordinary shares respectively of the Company at the year end, whereas 10 thousand (2023: 10 thousand) shares are held by Directors of the Company.

4.2.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

5 LONG TERM LOANS - SECURED

5.1 Loans from banking companies (under mark up arrangements)

Lender	Note	2024	2023	Rate of interest per annum as at June 30, 2024	No. of installments outstanding	Ending on	Interest payable
		Rupees '000	Rupees '000				
Syndicate term finance facility - I	5.1.1	300,000	500,000	6 month's KIBOR + 0.30%	3 semi annual	September 2025	Semi annually
Syndicate term finance facility - II	5.1.2	1,200,000	2,000,000	6 month's KIBOR + 0.30%	3 semi annual	November 2025	Semi annually
Syndicate term finance facility - III	5.1.3	727,518	1,212,530	6 month's KIBOR +1.25%	3 semi annual	October 2025	Semi annually
Temporary economic refinance facility (TERF)- Syndicate term finance facility III	5.1.4	275,000	412,500	3.50%	4 semi annual	December 2025	Quarterly
Syndicate term finance facility - IV	5.1.5	8,826,225	8,826,225	6 month's KIBOR + 0.90%	14 semi annual	September 2031	Semi annually
Long term financing facility (LTFF) -Syndicate term finance facility - IV	5.1.6	3,194,340	3,273,775	3.5% & 5.5%	16 semi annual	September 2031	Quarterly
Temporary economic refinance facility (TERF) Syndicate term finance facility - IV	5.1.7	4,677,996	4,900,000	2.5%	16 semi annual	September 2031	Quarterly
SBP renewable energy finance-I	5.1.8	197,619	208,020	3.75%	38 quarterly	December 2033	Quarterly
Term finance facility	5.1.8	510,131	536,980	3 month's KIBOR +1%	38 quarterly	December 2033	Quarterly
SBP renewable energy finance-II	5.1.9	65,748	109,579	4.25%	3 semi annual	October 2025	Quarterly
SBP renewable energy finance-III	5.1.10	119,926	167,896	3.75%	10 quarterly	October 2026	Quarterly
Syndicate term finance facility -V	5.1.11	8,360,039	7,909,981	6 month's KIBOR + 0.90%	14 semi annual	November 2032	Semi annually
Syndicate term finance facility V-Musharka	5.1.11	3,443,546	3,249,367	6 month's KIBOR + 0.90%	14 semi annual	November 2032	Semi annually
Temporary economic refinance facility (TERF) Syndicate term finance facility - V	5.1.12	4,000,000	4,000,000	2.25%	16 semi annual	March 2032	Quarterly
Long term financing facility (LTFF)-Syndicate term finance facility - V	5.1.13	596,415	596,415	3.25%	16 semi annual	March 2032	Quarterly
SBP renewable energy finance - IV	5.1.14	197,866	197,866	3.75%	16 semi annual	March 2032	Quarterly
Term finance facility	5.1.14	42,134	42,134	6 month's KIBOR + 0.75%	16 semi annual	March 2032	Quarterly
		36,734,503	38,143,268				
Less: Current portion shown under							
current liabilities		(2,840,536)	(2,331,175)				
Deferred portion of grant income		(3,873,356)	(3,891,645)				
Transaction cost		(112,324)	(143,361)				
		29,908,287	31,777,087				
Current portion							
Current portion of long term financing		2,840,536	2,331,175				
Markup accrued		2,226,332	1,845,318				
		5,066,868	4,176,493				

Rate of interest per annum of above long term loans for financial year 2023 were same as disclosed above.

5.1.1 This facility is obtained from consortium of Askari Bank Limited (related party), Faysal Bank Limited and Bank Al Habib Limited and is secured against pari passu charge by way of hypothecation over all present and future current and fixed assets of the Company (excluding land and building) with 25% margin. This includes loan amounting to Rs 120,000 thousand (2023: Rs 200,000 thousand) under Islamic mode of financing.

5.1.2 This facility is obtained from consortium of Allied Bank Limited, United Bank Limited, Faysal Bank Limited and The Bank of Khyber and is secured against pari passu charge by way of hypothecation over all present and future current and fixed assets of the Company (excluding land and building) with 25% margin. This includes loan amounting to Rs 435,000 thousand (2023: Rs 725,000 thousand) under Islamic mode of financing.

5.1.3 This facility is obtained from consortium of Bank Al Habib Limited and Dubai Islamic Bank and is secured against pari passu charge by way of hypothecation over all present and future current and fixed assets of the Company (excluding land and building) with 25% margin. This includes loan amounting to Rs 188,000 thousand (2023: Rs 312,500 thousand) under Islamic mode of financing.

5.1.4 This facility is obtained from Bank Al Habib Limited in accordance with the temporary refinance facility (TERF) of State Bank of Pakistan for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020 as amended from time to time, with an applicable interest rate below market terms. The facility is secured against pari passu charge by way of hypothecation over all present and future current and fixed assets of the Company (excluding land and building) with a 25% margin.

5.1.5 This facility is obtained from consortium of Habib Bank Limited, National Bank of Pakistan, Bank AlFalah Limited and Faysal Bank Limited for setting of new cement production line at Nizampur and is secured against hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company, mortgage charge inclusive of 25% margin over all present immovable assets (inclusive of land and building). This includes loan amounting to Rs 1,760,059 thousand (2023: Rs 1,760,059 thousand) under Islamic mode of financing.

5.1.6 This represents draw down against Long Term Finance Facility (LTFF) from consortium of Habib Bank Limited, National Bank of Pakistan, Bank Al Falah Limited and Faysal Bank Limited in accordance with the State Bank of Pakistan LTFF scheme for setting up new industrial unit at Nizampur, with an applicable interest rate below market terms. This is a sub limit of Syndicate Term Finance IV and includes loan amounting to Rs 1,450,223 thousand (2023: Rs 1,489,941 thousand) under Islamic mode of financing.

5.1.7 This facility is obtained from consortium of Habib Bank Limited, National Bank of Pakistan, Bank AlFalah Limited and Faysal Bank Limited being sub limit of Syndicate Term Finance IV in accordance with the Temporary Refinance Facility (TERF/ITERF) of State Bank of Pakistan for setting up new industrial unit at Nizampur vide IH&SMEFD Circular letter No 1 dated March 17, 2020 as amended from time to time, with an applicable interest rate below market terms. It includes loan amounting to Rs 958,457 thousand (2023: Rs 1,000,000 thousand) under Islamic mode of financing.

5.1.8 This represents concessionary loan availed from Askari Bank Limited (a related party) under SBP Scheme for Renewable Energy Refinance Facility - category 1 and Term Finance Facility for setting up of solar power plant. The finance facilities are secured against pari passu hypothecation charge over all present and future current and fixed assets (excluding land and building) with 25% margin.

5.1.9 This represents concessionary loan availed from Allied Bank Limited under SBP Scheme for Renewable Energy Refinance Facility - category 1 and is secured against pari passu charge over all present and future current and fixed assets (excluding land and building) with 25% margin.

5.1.10 This represents concessionary loan availed from united Bank Limited under SBP Scheme for Renewable Energy Refinance Facility - category 1 and is secured against pari passu charge over all present and future current and fixed assets (excluding land and building) with 25% margin.

5.1.11 This facility is obtained from consortium of Habib Bank Limited, Bank of Punjab, Bank of Khyber, MCB Bank Limited, Bank AL Habib Limited, Habib Metropolitan Bank Limited, Faysal Bank Limited and Meezan Bank Limited for setting of new cement production line at D.G.Khan and is secured against hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company inclusive of 25% margin. This amount of Rs 3,443,546 thousand (2023: Rs 3,249,367 thousand) has been obtained under Islamic mode of financing.

5.1.12 This facility is obtained from consortium of Habib Bank Limited, First Women Bank Limited, Bank AlFalah Limited and Askari Bank Limited (a related party) for setting of new cement production line at D.G.Khan in accordance with the Temporary Refinance Facility (TERF) of State Bank of Pakistan for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020 as amended from time to time, with an applicable interest rate below market terms. The facility is secured against hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company inclusive of 25% margin.

5.1.13 This facility is obtained from consortium of Habib Bank Limited and Faysal Bank Limited for setting of new cement production line at D.G.Khan in accordance with the State Bank of Pakistan long term financing facility (LTFF) for setting up new industrial units, with an applicable interest rate below market terms. It is secured against hypothecation charge over all present and future current and fixed assets (excluding land and building) of the Company inclusive of 25% margin. This includes loan amounting to Rs 119,283 thousand (2023: Rs 119,283 thousand) under Islamic mode of financing.

5.1.14 This represents concessionary loan availed from the Bank of Punjab under SBP Scheme for Renewable Energy Refinance Facility - category 1 and Term Finance Facility for setting up of solar power plant. The finance facilities are secured against pari passu hypothecation charge over all present and future current and fixed assets (excluding land and building) with 25% margin.

5.2 Undrawn long term loan facilities

The undrawn long term loan facilities of the Company as at June 30, 2024 are Nil (2023: Rs 4,643 million).

	Note	2024	2023
		Rupees'000	Rupees'000
6 EMPLOYEE BENEFITS			
Balance at beginning of the year		308,063	260,047
Charge for the year		168,483	149,435
Payments made during the year		(113,619)	(101,419)
	6.2	362,927	308,063
Less: amount transferred to current liabilities		(112,697)	(96,468)
		250,230	211,595

6.1 As per the rules of compensated absences, unavailed leaves up to 30 days are payable at the time of retirement on the basis of gross salary. Compensated absences over and above the period of 30 days are paid to the employees as per the Company policy. Therefore the balance of unavailed compensated absences expected to be realised within 1 year are transferred to current liabilities.

6.2 This includes Rs. 23.7 million (2023: Rs. 17.6 million) payable to key management personnel of the Company.

		2024	2023
		Rupees'000	Rupees'000
7	**LEASE LIABILITIES**		
	Balance at the beginning of the year	169,435	158,297
	Additions during the year	–	79,626
	Lease modification during the year	20,273	(2,192)
	Lease settled during the year	–	(6,092)
	Payments made during the year	(77,816)	(89,354)
	Interest accrued on lease liability	51,768	29,150
	Balance at end of the year	163,660	169,435
	Shown under current liabilities	(46,206)	(50,463)
		117,454	118,972

7.1 The Company has recognized lease liabilities at the present value of the remaining lease payments using the Company's incremental borrowing rates at date of inception or modification of lease ranging from 16.13% to 23.52% (2023: 15.6 % to 16.13%) per annum.

7.2 For contractual maturity of remaining lease commitments, please refer note 40.5 to the financial statements.

		Note	2024	2023
			Rupees'000	Rupees'000
8	**DEFERRED GOVERNMENT GRANT**			
	Balance at beginning of the year		3,350,141	2,348,765
	Recognised during the year	8.1	–	1,469,618
	Amortized during the year		(604,291)	(468,242)
			2,745,850	3,350,141
	Less: Current portion shown under current liabilities		(580,891)	(604,292)
	Balance at end of the year		2,164,959	2,745,849

8.1 This represents State Bank of Pakistan's concessionary relief facility namely Temporary Economic Refinance Facility (TERF) for manufacturing industry for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020. The value of benefit of below-market interest rate on the loans disclosed in note 5 to these financial statements has been accounted for as government grant under IAS - 20 Government grants.

		2024	2023
		Rupees'000	Rupees'000
9	**DEFERRED TAX LIABILITIES - NET**	14,931,049	10,312,402

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

The movement in deferred tax is as follows:

	Opening Balance as on July 01	Recognized in profit or loss	Closing balance as on June 30
		Rupees'000	
2024			
Deductible temporary difference			
Provision for slow moving spares	(13,628)	(1,515)	(15,143)
Lease liability	(59,472)	(4,355)	(63,827)
Un-realised exchnage loss	–	(9,535)	(9,535)
Alternative corporate tax	(832,922)	(2,189,834)	(3,022,756)
Taxable temporary difference			
Property, plant and equipment	10,895,260	6,663,395	17,558,655
Right of use assets	63,664	(12,509)	51,155
Intangibles	259,500	173,000	432,500
	10,312,402	4,618,647	14,931,049
2023			
Deductible temporary difference			
Provision for slow moving spares	(12,162)	(1,466)	(13,628)
Lease liability	(8,155)	(51,317)	(59,472)
Alternative Corporate tax	–	(832,922)	(832,922)
Taxable temporary difference			
Property, plant and equipment	7,337,741	3,557,519	10,895,260
Right of use assets	–	63,664	63,664
Intangibles	115,790	143,710	259,500
	7,433,214	2,879,188	10,312,402

10 LOAN FROM PARENT - UNSECURED

This represents the amount received from Fauji Foundation, the parent, in accordance with project financing agreement with Askari Cement Limited (now merged with the Company) for expansion project at Nizampur. The loan is unsecured, interest free and payable on demand subject to approval of the Company's lenders. Fauji Foundation may convert this loan into ordinary shares of the Company at any time during the term of the agreement at mutually agreed terms and conditions.

	Note	2024	2023
		Rupees'000	Rupees'000
11 TRADE AND OTHER PAYABLES			
Creditors		2,726,664	2,623,342
Retention money		1,392,312	3,045,172
Workers' Profit Participation Fund (WPPF) payable	11.1	148,859	78,167
Workers' Welfare Fund (WWF) payable		8,897	83,774
Sales tax payable		718,951	–
Federal excise duty payable		601,230	348,016
Withholding tax payable		54,142	32,957
Other liabilities		315,136	305,034
		5,966,191	6,516,462

		2024	2023
		Rupees'000	Rupees'000
11.1	**The movement in WPPF payable during the year is as follows;**		
	Balance at beginning of the year	78,167	91,113
	Interest on funds utilized in the Company's business	3,077	3,761
	Charge for the year	808,859	682,361
	Payments made during the year	(741,244)	(699,068)
		148,859	78,167
	Allocation for the year is made up as follows:		
	Profit for the year before tax, WPPF and WWF	16,177,189	13,647,226
	Charge for the year at the rate of 5%	808,859	682,361

12 SECURITY DEPOSITS PAYABLE

This represents security deposits received from customers and suppliers kept in a separate bank account as required under Section 217(2) of the Companies Act, 2017. These have not been utilized by the Company.

13 CONTRACT LIABILITIES

This represents advances received from customers in the ordinary course of business.

		Note	2024	2023
			Rupees'000	Rupees'000
14	**SHORT TERM RUNNING FINANCE - SECURED**			
	Short term running finance - Conventional	14.1	1,372,411	3,378,886
	Short term running finance - Islamic	14.1	–	1,000,000
	Markup accrued		78,523	152,095
			1,450,934	4,530,981

14.1 The aforesaid draw down relates to short term running finance facility out of the total utilisable amount of Rs. 11,955 million (2023: Rs. 8,600 million) from banking companies including facility of Rs. 4,750 million (2023: Rs 1,000 million) obtained under Islamic mode of financing. These facilities are secured against first pari passu and ranking charge by way of hypothecation over the present and future current and fixed assets of the Company (excluding land and building) retaining 25% margin. These facilities carry markup based on 1-month to 6-month KIBOR and spread ranging from 0.20% to 0.45% (2023: 1-month to 6-month KIBOR and spread ranging from 0.25% to 1%) per annum of the utilized amount.

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

a) The Custom Authorities allowed release of plant and machinery imported by the Company at concessionary rates of duty in terms of SRO 484(1)/92 dated May 14, 1992. Subsequent to the release of plant and machinery, the Custom Authorities raised a demand in respect of aforesaid items which are considered by the Federal Board of Revenue (FBR) as not qualifying for the concessionary rate of duty. After dismissal of customs appeal from Supreme Court of Pakistan on April 25, 2019, the Custom Authorities issued fresh show cause notice of Rs. 455 million in September 20, 2019 to the Company without providing the details/description of subjected items and including some items which were never contested before and are patently time barred. On December 18, 2019 Collector Customs decided the case in favor of customs with directions to provide the Company complete GD wise detail depicting the items and relevant duties applicable on subjected items, which is not yet provided to the Company. The Company filed an appeal before Custom Appellate Tribunal on February 17, 2020 against the order of Collector Customs, on the grounds of time limitation and on the basis that Company is not being informed about the alleged duties, basis or facts which may form the basis of proceedings against the Company in aforesaid show cause notice. The same was dismissed on March 19, 2024 by the Appellate Tribunal, however, directions were given to the Custom Authorities to provide Goods Declaration (GD) wise detail depicting the items and relevant duties applicable on subjected items. The Company filed a Special Customs Reference Application against the order of Appellate Tribunal before Sindh High Court (SHC) in April 2024. The SHC vide order dated April 30, 2024 has set aside the orders passed by the Custom Authorities and the Appellate Tribunal while remanding the case to Collector of Customs for deciding it afresh in accordance with law after hearing the objections raised by the Company. Since then, no notice has been received from the Collector of Customs as directed by the High Court. The management of the Company is of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

b) On July 16, 2021, Custom Authorities have issued a recovery notice for payment of default surcharge and penalty amounting to Rs. 1.373 billion related to the principal amount Rs 337 million which was paid by the Company in accordance with the decision of Honorable Supreme Court of Pakistan dated June 15, 2021. The Company responded to the Custom Authorities with the plea that penalty or default surcharge can not be imposed without judicial determination by the Courts and that the Company has not failed deliberately to pay the tax due and also the order of Honorable Supreme Court of Pakistan did not impose any penalty or default surcharge on the Company in this regard. Further, the interim stay orders were granted by the Honorable High Court during the pendency of the litigation. The Company has not received any response from Customs Authorities since the above reply. The management of the Company is of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

c) The Competition Commission of Pakistan (CCP) has issued a show cause notice dated October 28, 2008 to 21 cement manufacturers (including the Company) under section 30 of the Competition Ordinance, 2007 ("Ordinance") and imposed a penalty of Rs 499 million on the Company. The cement manufacturers (including the Company) have filed a petition in Lahore High Court (Court) and challenged the CCP proceedings and penalty in the Court. An amended writ petition challenging applicability of Ordinance was filed on October 01, 2009 in the Court. After numerous hearings, Lahore High Court dismissed the case on October 26, 2020. Against the said dismissal, Company has filed an appeal in Supreme Court of Pakistan which is still pending. Meanwhile Competition Appellate Tribunal (CAT) on the directions of Supreme Court of Pakistan issued notice dated October 18, 2017 for refiling of appeal in CAT after removal of deficiencies. Another Appeal of the Company against CCP was also referred in the same CAT by Lahore High Court. At present, two (2) Appeals of the Company are pending at CAT. Further, a constitutional petition is sub-judice in Sindh High Court (SHC) since January 6, 2018 challenging the vires of Section 42, 43 and 44 of Competition Act 2010. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the outcome of these cases is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

d) For tax periods pertaining to Financial year 2013, 2014, 2015 and 2016, Deputy Commissioner Inland Revenue (DCIR) created demand of sales tax amounting to Rs. 15.4 million, Rs. 19.9 million, Rs. 13.7 million and Rs. 16.5 million respectively. Without giving opportunity of being heard, DCIR created aforesaid demand by disallowing the claimed input tax credit of the Company on spare parts and fuel purchases. Commissioner Inland Revenue (Appeals) upheld the orders of DCIR. The Company filed appeals before Appellate Tribunal Inland Revenue (ATIR) on October 16, 2017 against the orders of Commissioner Inland Revenue (Appeals) whereby proceedings are under way. The management of the Company is of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

e) DCIR through his orders dated April 15, 2022 imposed sales tax amounting to Rs. 518 million alleging that the Company had claimed input sales tax, for period from August 2016 to April 2021, on invoices issued by suspended suppliers. The Company filed an appeal against the aforesaid order before CIR (Appeals), where CIR(A) remanded back the case to DCIR for further verification on September 19, 2022. The Company filed an appeal before ATIR against the order of CIR(A) which is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

f) For tax year 2013, AdCIR vide order dated September 29, 2016 disallowed the determined refunds of previous years which company claimed, based on certificate issued by the Commissioner after determination and created demand of Rs. 70 million. The Company filed an appeal before CIR (Appeals) who vide his order dated January 17, 2017 remanded back the case to AdCIR to allow the Company the refunds claimed by it. While giving the appeal effects, AdCIR did not follow the directions of CIR (Appeals). The Company filed another appeal before CIR (Appeals) who once again, remanded the case back to AdCIR vide Order dated March 26, 2019 with specific directions to allow the refunds after necessary verification. AdCIR issued appeal effects vide order dated June 25, 2021 and rejected the claim of the company. The company filed appeal before CIR (Appeals) dated July 29, 2021 which is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

g) For tax year 2014, 2015 and 2016, Deputy Commissioner / Addl Commissioner Inland Revenue (AdCIR) amended the Company's assessment through orders dated July 18, 2016, June 14, 2017 & June 15, 2017 and created demands of Rs. 269.31 million, Rs. 410.16 million and Rs. 550.16 million respectively by disallowing credit of ACT carried forward, exchange losses and capitalization of finance costs, cross currency swap fee and amortization of hedge reserve. The Company filed appeals against these orders before CIR (A) who upheld the decisions of DCIR / ADCIR through order in appeals dated May 26, 2017, October 25, 2017 and October 18, 2017. The Company filed appeals before ATIR against the orders of CIA (A). ATIR vide its orders dated 23 November 2018, separately for each year, vacated the demand to the extent of ACT credit, finance cost and amortization of hedge reserve and remand back the cases with directions to allow exchange loss and swap fee to the Company. Accordingly the demand ceases to exist. Commissioner Inland Revenue filed references to the High Court separately for each year, where proceedings are under way. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

h) For tax year 2016, the AdCIR issued assessment order dated February 2, 2020, withdrawal adjustment of excess minimum tax for tax year 2012, 2013 and 2014 amounting to Rs. 269.17 million (refund allowed Rs,36.39 million instead of Rs 305.59 million). The Company filed an appeal before CIR (A) on March 16, 2020. CIR (A) upheld the order of AdCIR through his order in appeal dated May 25, 2021. The Company has filed an appeal before ATIR dated July 28, 2021 which is pending for adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

i) For the tax year 2014, the AdCIR vide its order dated October 15, 2018 amended the Company's assessment and created a demand of Rs. 34 million. The Company filed an appeal before CIR(A) against the order of ADCIR on July 22, 2019. The CIR(A) remanded back the case to assessing officer for re-assessment on issue non-deduction of tax on commission paid and confirmed the action of ACIR on account of addition of long outstanding trade and other payables. The Company has filed an appeal before ATIR against the order of CIR(A) on September 03, 2019 which is pending adjudication till date. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard.

j) For the tax year 2015, the ADCIR vide its order dated May 03, 2018 amended Company's assessment and created a demand of Rs. 48 million. The Company has filed an appeal before CIR(A) against the order of ADCIR on May 30, 2018. CIR (A) decided the case partially in favor of the Company and partially against the Company through its order dated May 23, 2019. Both the Company and Department filed appeals before ATIR against the decision of CIR(A) dated July 11, 2019, which are pending adjudication. The management of the Company is of the view that the ultimate outcome of these cases are expected to be favorable and a liability, if any, arising on the settlement of these cases is not likely to be material. Accordingly, no provision has been made in the financial statements in this regard

k) The Company is contingently liable in respect of guarantees amounting to Rs. 971 million (2023: Rs. 765 million) issued by banks on behalf of the Company in the normal course of business. These guarantees are mainly secured against first ranking pari passu charge by way of hypothecation over the present and future current and fixed assets of the Company (excluding land and building) retaining 25% margin.

l) The Company received correspondance issued by District Council Attock, imposing water charges on the Company for usage of sub soil water with effect from May, 2018. The Company filed a constitutional petition challenging the imposition of water charges before the honorable Lahore High Court Rawalpindi Bench ("the Court") on December 18, 2020. The Court granted the Company stay against the recovery of said water charges on January 12, 2021. The date of next hearing is not yet to be fixed. The Company has fully provided for the said levy of water charges in these financial statements.

15.2 Commitments

a) The Company has outstanding letters of credit for the import of plant and machinery and spare parts valuing Rs. 1,972 million (2023: Rs. 5,025 million).

b) The Company has capital contractual commitment of Rs. 1,264 million (2023: Rs. 5,285 million).

16 PROPERTY, PLANT AND EQUIPMENT

	Freehold land (Note 16.3)	Buildings on freehold land	Plant and machinery	Stores held for capital expenditure	Office equipment	Computers	Electric installation and other equipment	Furniture and fittings	Motor vehicles	Quarry equipment	Road and related development	Capital work in progress (Note 16.5)	Total
							Rupees '000						
As at July 1, 2022													
Cost	7,270,272	11,075,129	43,800,927	564,230	58,374	141,220	260,012	159,850	455,332	93,637	176,818	29,802,170	93,857,971
Accumulated depreciation	-	(3,688,940)	(15,434,322)	(28,436)	(24,215)	(104,500)	(127,719)	(57,311)	(219,005)	(9,364)	(37,844)	-	(19,731,656)
Net book value	7,270,272	7,386,189	28,366,605	535,794	34,159	36,720	132,293	102,539	236,327	84,273	138,974	29,802,170	74,126,315
Year ended June 30, 2023													
Opening net book value	7,270,272	7,386,189	28,366,605	535,794	34,159	36,720	132,293	102,539	236,327	84,273	138,974	29,802,170	74,126,315
Additions	377,191	-	64,237	193,404	2,188	20,239	19,628	1,592	51,201	-	-	33,173,762	33,903,442
Transfers	-	4,550,662	24,148,555	(456,937)	-	31,888	-	770	36,493	-	-	(28,311,431)	-
Adjustments	-	-	-	(33,688)	-	-	-	-	-	-	-	-	(33,688)
Transfer to intangibles	-	-	-	-	-	-	-	-	-	-	-	(133,329)	(133,329)
Disposals													
Cost	-	-	-	-	-	496	-	-	64,474	76,069	-	-	141,039
Accumulated depreciation	-	-	-	-	-	(399)	-	-	(57,774)	(12,088)	-	-	(70,261)
	-	-	-	-	-	97	-	-	6,700	63,981	-	-	70,778
Depreciation													
Depreciation charge	-	(648,875)	(2,563,153)	(114)	(6,451)	(25,822)	(29,026)	(19,463)	(84,247)	(6,237)	(11,943)	-	(3,395,331)
Adjustments	-	-	-	28,550	-	-	-	-	-	-	-	-	28,550
	-	(648,875)	(2,563,153)	28,436	(6,451)	(25,822)	(29,026)	(19,463)	(84,247)	(6,237)	(11,943)	-	(3,366,781)
Closing net book value	7,647,463	11,287,976	50,016,244	267,009	29,896	62,928	122,895	85,438	233,074	14,055	127,031	34,531,172	104,425,181
As at June 30, 2023													
Cost	7,647,463	15,625,791	68,013,719	267,009	60,562	192,851	279,640	162,212	478,552	17,568	176,818	34,531,172	127,453,357
Accumulated depreciation	-	(4,337,815)	(17,997,475)	-	(30,666)	(129,923)	(156,745)	(76,774)	(245,478)	(3,513)	(49,787)	-	(23,028,176)
Net book value	7,647,463	11,287,976	50,016,244	267,009	29,896	62,928	122,895	85,438	233,074	14,055	127,031	34,531,172	104,425,181

	Freehold land (Note 16.3)	Buildings on freehold land	Plant and machinery	Stores held for capital expenditure	Office equipment	Computers	Electric installation and other equipment	Furniture and fittings	Motor vehicles	Quarry equipment	Road and related development	Capital work in progress (Note 16.5)	Total
	Rupees '000												
Year ended June 30, 2024													
Opening net book value	7,647,463	11,287,976	50,016,244	267,009	29,896	62,928	122,895	85,438	233,074	14,055	127,031	34,531,172	104,425,181
Additions	86,998	35,185	219,330	821,645	12,749	33,064	14,863	8,936	148,574	-	-	8,824,005	10,205,349
Transfers	7,181	9,116,177	33,885,054	(692,025)	3,611	11,778	22,973	21,826	-	-	278,449	(42,655,024)	-
Disposals													
Cost	-	-	-	-	-	5,150	141	90	62,500	-	-	-	67,881
Accumulated depreciation	-	-	-	-	-	(4,785)	(41)	(90)	(53,625)	-	-	-	(58,541)
	-	-	-	-	-	365	100	-	8,875	-	-	-	9,340
Depreciation													
Depreciation charge	-	(696,070)	(2,860,422)	-	(7,043)	(40,732)	(30,775)	(20,746)	(98,300)	(1,757)	(19,682)	-	(3,775,527)
Closing net book value	7,741,642	19,743,268	81,260,206	396,629	39,213	66,673	129,856	95,454	274,473	12,298	385,798	700,153	110,845,663
As at June 30, 2024													
Cost	7,741,642	20,439,338	84,120,628	396,629	46,256	102,620	160,590	116,110	319,148	14,055	405,480	700,153	114,562,649
Accumulated depreciation	-	(696,070)	(2,860,422)	-	(7,043)	(35,947)	(30,734)	(20,656)	(44,675)	(1,757)	(19,682)	-	(3,716,986)
Net book value	7,741,642	19,743,268	81,260,206	396,629	39,213	66,673	129,856	95,454	274,473	12,298	385,798	700,153	110,845,663
Rates of depreciation													
(per annum) - %	-	2.85%-21%	2.85%-21%	-	15%	33%	10%-15%	15%	20%-25%	5%-33%	10%	-	

16.1 Detail of property, plant and equipment disposed

	Cost	Book value	Sale proceeds	Gain/ (loss)	Mode of disposal	Particular of Purchaser	Relationship with the Company
	Rupees '000						
Motor vehicle	2,899	2,221	2,270	49	As per Company policy	Mr. Minatullah Khan	Ex Employee of the Company
Motor vehicle	2,865	1,473	1,473	-	As per Company policy	Mr. Rafiq Javaid	Ex Employee of the Company
Motor vehicle	3,667	2,889	2,889	-	As per Company policy	Mr. Umar Rafiq	Ex Employee of the Company
Motor vehicle	2,676	1,429	4,500	3,071	As per Company policy	Insurance claim	None
Other assets with individual book value not exceeding Rs. 500,000	55,774	1,328	10,390	9,062			
	67,881	9,340	21,522	12,182			

		Note	2024 Rupees'000	2023 Rupees'000
16.2	**Depreciation charge for the year has been allocated on actual basis as follows:**			
	Cost of sales	28	3,692,109	3,326,193
	Selling and distribution expenses	30	13,179	11,516
	Capital work in progress		10,286	16,025
	Administrative expenses	31	59,953	41,597
			3,775,527	3,395,331

		2024 Kanals	2023 Kanals
16.3	**Freehold land of the Company is located as follows:**		
	Jhang Bahtar, tehsil Fateh Jang, District Attock,	4,976	4,976
	Railway station Wah, District Attock	5,273	5,228
	Village Kahi, Nizampur, District Nowshera	1,841	1,806
	Zinda Peer , District Dera Ghazi Khan	11,937	11,537
		24,027	23,547

16.4 Immovable fixed assets

The immovable fixed assets of the Company comprises of freehold land and buildings are located as disclosed in note 16.3 of the financial statements.

		2024 Rupees'000	2023 Rupees'000
16.5	**Capital work in progress**		
	Expansion projects	101,040	34,308,692
	Solar power project	339,599	–
	Advance for capital expenditures	224,307	207,407
	Others	35,207	15,073
		700,153	34,531,172

16.6 Borrowing cost amounting to Rs. 1,726,473 thousand (2023: Rs. 1,644,653 thousand) is capitalized during the year at capitalization rate of 18.78 % (2023: 14.88%) per annum. This includes the markup on Islamic mode of financing amounting to Rs. 480,332 thousand (2023: Rs.456,208 thousand).

		2024 Rupees'000	2023 Rupees'000
17	**RIGHT OF USE ASSET**		
	Leasehold Properties		
	Balance at beginning of the year	181,380	132,263
	Modification of lease	20,272	22,503
	Additions during the year	–	79,626
	Deletions during the year	–	(3,805)
	Amortization	(70,487)	(49,207)
	Balance at end of the year	131,165	181,380

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17.1 These include rented premises leased by the Company. Rate of depreciation for right of use assets is 4%-33% (2023: 5%-33%) per annum.

17.2 Amortization for the year has been allocated on actual basis.

	Note	2024	2023
		Rupees'000	Rupees'000
18 INTANGIBLE ASSETS AND GOODWILL -EXTERNALLY ACQUIRED			
Goodwill	18.1	6,541,456	6,541,456
Customer relationships	18.2	1,390,896	1,589,600
SAP software		113,348	126,681
Brand	18.3	2,700,000	2,700,000
		10,745,700	10,957,737

	Goodwill	Customer relationships	SAP software	Brand	Total
			Rupees'000		
Cost					
Balance at July 01, 2023	6,541,456	1,987,000	133,329	2,700,000	11,361,785
Additions during the year	–	–	–	–	–
Balance at June 30, 2024	6,541,456	1,987,000	133,329	2,700,000	11,361,785
Accumulated amortization and impairment losses					
Balance at July 01, 2023	–	397,400	6,648	–	404,048
Amortization for the year	–	198,704	13,333	–	212,037
Balance at June 30, 2024	–	596,104	19,981	–	616,085
Carrying amounts - 2024	6,541,456	1,390,896	113,348	2,700,000	10,745,700
Carrying amounts - 2023	6,541,456	1,589,600	126,681	2,700,000	10,957,737
Useful life/ amortization rate	–	10%	10%	–	

18.1 Goodwill recognised on the acquisition relates to the expected growth, cost synergies and the value of Askari Cement Limited's workforce which cannot be separately recognised as an intangible asset. The recognized goodwill is deductible for tax purposes.

18.2 This represents the value that Company expects to receive through the customers relationship of Askari Cement Limited. It is valued by using the generally accepted multi-period excess earning method .The management has estimated useful life of the Customer Relationships to be 10 years starting from the date of acquisition.

18.3 This represents brand acquired through business combination and is recognised on the basis of economic benefit expected to be derived through its use. The value of this intangible has been determined by using the generally accepted relief from royalty method. As a going concern, the Company is expected to achieve the benefit of brand indefinitely as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. Management intends to continue the brand to market its products in the perpetuity.

18.4 The remaining useful life of customer relationship is 7 whole years.

18.5 Impairment testing of goodwill and brand

The recoverable amount of goodwill and brand is tested for impairment annually based on its value in use, determined by discounting the future cash flows to be generated by internally allocated cash generating units. The key assumptions used in the estimation of value in use were as follows:

	% Per annum
Discount rate	24.76
Terminal value growth rate	5
Growth rate - revenues	3

This pre-tax discount rate represents estimate of rate implicit in relevant market for the same currency in which the cash flows arise. Ten years of free equity cash flows were included in the discounted cash flow model, and thereafter on the basis of terminal value growth rate.

Growth rate was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced in the recent years and the estimated sales volume and price growth.

Following the impairment testing, management concludes that recoverable amount of investment exceeds its carrying value. However, in the future years, any adverse movement in the key assumptions may lead to reduction in recoverable amount.

		Note	2024 Rupees'000	2023 Rupees'000
19	**STORES, SPARES AND LOOSE TOOLS**			
	Stores		5,005,884	4,063,044
	Spares (Including items in transit of Rs. 289 million (2023: Rs. 199 million))		4,078,674	3,933,565
	Provision for slow moving spares	19.1	(38,828)	(38,828)
			4,039,846	3,894,737
	Loose tools		53,400	53,400
			9,099,130	8,011,181

19.1 Management has performed a detailed assessment of stores and spares utilised and has concluded that related items are not obsolete and will be consumed in ordinary course of business. Movement of provision for slow moving spares is as follows:

	2024 Rupees'000	2023 Rupees'000
Balance at the beginning of the year	38,828	38,828
Charge for the year	57,700	–
Write-off for the year against provision	(57,700)	- –
	38,828	38,828

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FOR THE YEAR ENDED JUNE 30, 2024

		Note	2024	2023
			Rupees'000	Rupees'000
20	**STOCK IN TRADE**			
	Raw and packing material		1,241,652	1,407,051
	Work in process		5,355,426	4,464,731
	Finished goods		898,627	1,240,545
			7,495,705	7,112,327
21	**TRADE DEBTS**			
	Unsecured			
	Considered good		5,406,898	3,492,349
	Considered doubtful		3,281	3,281
			5,410,179	3,495,630
	Secured - considered good		138,343	80,096
	Less: Impairment loss on trade debts		(3,281)	(3,281)
			5,545,241	3,572,445
22	**ADVANCES**			
	Advances - considered good			
	To suppliers - non interest bearing	22.1	137,321	353,316
	To employees against business expenditures		7,923	12,915
			145,244	366,231

22.1 These are given to suppliers in ordinary course of business.

		Note	2024	2023
			Rupees'000	Rupees'000
23	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits		35,696	24,406
	Short term prepayments		–	434
			35,696	24,840
24	**OTHER RECEIVABLES**			
	Other receivables - considered good		280,071	280,556
	Margin on letter of guarantee		–	1,907
			280,071	282,463
25	**SHORT TERM INVESTMENTS**			
	Amortized cost - conventional	25.1	250,000	250,000

25.1 These carry markup at 6-month KIBOR plus 2.25% (2023: 6-month KIBOR plus 2.25%) per annum.

		Note	2024	2023
			Rupees'000	Rupees'000
26	**CASH AND BANK BALANCES**			
	Cash at bank			
	Deposit accounts			
	Conventional banks	26.1 & 26.2	1,765,400	374,071
	Islamic banks		50,206	389
	Term deposit receipts			
	Conventional banks	26.3	85,500	544,256
	Islamic banks		532,043	–
	Current accounts			
	Conventional banks		499,401	50,728
	Islamic banks		104	478
			2,932,654	969,922
	Cash in hand		330	535
			2,932,984	970,457

26.1 These carry mark-up ranging from 4.35% to 21.7% (2023: 3.5% to 22.25%) per annum.

26.2 This amount includes foreign currency balances amounting to Rs 2,891 thousand (2023: Rs 2,969 thousand).

26.3 This amount includes lien marked on bank balance amounting to Rs 85,500 thousand (2023: Rs 85,500 thousand) in respect of the guarantee extended by the bank.

		Note	2024	2023
			Rupees'000	Rupees'000
27	**REVENUE - NET**			
	Revenue from external customers			
	Local sales	27.1	100,900,379	85,011,673
	Export sales		6,332,938	5,077,608
			107,233,317	90,089,281
	Less: Sales tax		16,505,479	13,570,621
	Excise duty		9,120,272	7,363,929
	Rebates and discounts		1,565,529	1,072,989
	Export development surcharge		15,811	12,460
			27,207,091	22,019,999
			80,026,226	68,069,282

27.1 This includes sale of tile bond Rs 321 million (2023: Rs 133.3 million).

27.2 Revenue recognised during the year includes Rs. 584.8 million (2023: Rs. 862.3 million) which was shown as contract liabilities at the beginning of the year.

		Note	2024	2023
			Rupees'000	Rupees'000
28	**COST OF SALES**			
	Raw materials consumed		5,494,558	4,101,917
	Packing material consumed		3,256,902	2,731,077
	Stores and spares consumed		2,049,936	1,836,574
	Salaries, wages and benefits	28.1	4,238,075	3,644,796
	Rent, rates and taxes		117,054	75,947
	Insurance		308,662	217,479
	Fuel consumed		23,938,780	26,567,938
	Power consumed		10,995,075	7,853,797
	Depreciation on property, plant and equipment	16.2	3,692,109	3,326,193
	Depreciation on right of use asset		2,834	2,834
	Technical assistance		127,898	81,850
	Vehicle running and maintenance expenses		89,436	70,991
	Printing and stationery		8,733	6,306
	Travelling and conveyance		164,724	138,158
	Security services		332,925	180,884
	Communication and other expenses		194,492	145,829
	Water conservancy charges		1,098	1,418
			55,013,291	50,983,988
	Add:Opening work-in-process		4,464,731	2,098,340
	Less: Closing work-in-process		(5,355,426)	(4,464,731)
	Cost of goods manufactured		54,122,596	48,617,597
	Add:Opening finished goods		1,240,545	626,363
	Less: Closing finished goods		(898,627)	(1,240,545)
			54,464,514	48,003,415
	Less: Own consumption		(118,693)	(352,606)
			54,345,821	47,650,809

28.1 This includes retirement benefits of Rs. 237.6 million (2023: Rs. 211.9 million).

		2024	2023
		Rupees'000	Rupees'000
29	**OTHER INCOME**		
	Gain on disposal of property, plant and equipment	12,182	45,466
	Deferred government grant	428,391	169,331
	Income from disposal of Foundation Solar Energy (Pvt) Ltd.	–	61,469
	Others	99,800	159,907
		540,373	436,173

	Note	2024	2023
		Rupees'000	Rupees'000

30 SELLING AND DISTRIBUTION EXPENSES

	Note	2024 Rupees'000	2023 Rupees'000
Salaries, wages and benefits	30.1	356,522	292,237
Freight charges on sale of cement		2,612,362	2,122,848
Travelling and conveyance		13,234	10,464
Vehicle running and maintenance expenses		16,713	16,339
Rent, rates and taxes		195	411
Repairs and maintenance		2,058	683
Printing and stationery		3,813	1,706
Depreciation on property, plant and equipment	16.2	13,179	11,516
Depreciation on right of use asset		21,076	15,103
Amortization		198,700	198,700
Communication and other expenses		17,876	14,429
Advertisement and sale promotion expenses		29,170	20,023
Insurance		1,025	804
		3,285,923	2,705,263

30.1 This includes retirement benefits of Rs. 19.7 million (2023: Rs. 17.7 million).

31 ADMINISTRATIVE EXPENSES

	Note	2024 Rupees'000	2023 Rupees'000
Salaries, wages and benefits	31.1	921,960	775,918
Travelling and conveyance		14,895	14,897
Vehicle running and maintenance expenses		44,586	32,664
Insurance		3,220	1,863
Rent, rates and taxes		430	416
Repairs and maintenance		5,985	2,862
Printing and stationery		9,734	9,940
Communication and other expenses		97,772	138,558
Legal and professional charges		70,198	19,804
Cost charged by Fauji Foundation		151,403	150,000
Depreciation on property, plant and equipment	16.2	59,953	41,597
Amortization		13,333	6,648
Depreciation on right of use asset		46,577	31,270
Donations	31.2	76,000	155,196
		1,516,046	1,381,633

31.1 This includes retirement benefits of Rs. 56.2 million (2023: Rs. 48.6 million).

31.2 During the year the Company has paid donation amounting to Rs. 1 million (2023: Rs. 3 million) to Al-Shifa Trust. None of the director has any interest in aforesaid donee. Refer note 41 for donations paid to Fauji Foundation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

		Note	2024	2023
			Rupees'000	Rupees'000
32	**OTHER EXPENSES**			
	Auditors' remuneration:			
	Annual audit		2,500	1,750
	Half yearly review		700	500
	Out of pocket expenses		790	211
	Special purpose Audit / Statutory certifications		650	500
			4,640	2,961
	Workers' Profit Participation Fund	11.1	808,859	682,361
	Workers' Welfare Fund		13,376	64,756
			826,875	750,078
33	**FINANCE COST**			
	Interest and other charges on long term loans and short term running finance			
	- Conventional banks		5,247,047	2,317,981
	- Islamic banks		221,845	273,918
			5,468,892	2,591,899
	Interest on Workers' Profit Participation Fund		3,077	3,761
	Finance cost related to lease		51,768	29,150
	Exchange (gain)/loss - net		(43,576)	959,501
	Bank charges and commission - Conventional banks		56,137	60,954
			5,536,298	3,645,265
34	**FINANCE INCOME**			
	Income from financial assets			
	Income from deposits and investments			
	- Conventional banks		212,304	346,057
	- Islamic banks		71,477	29,938
			283,781	375,995
	Gain on re-measurement of investments classified as fair value through profit or loss-held for trading - Conventional funds		3,715	56,818
	Dividend and bonus received on investments classified as fair value through profit or loss-held for trading - Conventional funds		11,822	94,067
	Dividend and bonus received on investments classified as fair value through profit or loss-held for trading - Islamic funds		–	822
			299,318	527,702

35 FINAL TAX

This represents the final taxes paid under section 154 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

	Note	2024	2023
		Rupees'000	Rupees'000
36 INCOME TAX EXPENSE			
Current			
For the year		2,495,070	2,518,764
Prior year		(37,102)	16,816
		2,457,968	2,535,580
Deferred	9	4,618,647	2,879,188
		7,076,615	5,414,768
Accounting profit for the year		15,354,954	12,900,109
Applicable tax rate for companies (%)		29%	29%
Income tax at applicable rate		4,452,937	3,741,032
Tax effect of income taxable at lower rates		(77,802)	(159,065)
Super tax		1,144,205	449,785
Impact of change in tax rate for future years			
when temporary differences are settled		–	1,956,780
Tax effect of change in proportion of export sales to local sales		1,795,398	(608,244)
Prior year adjustment		(37,102)	16,816
Others		(201,021)	17,664
		7,076,615	5,414,768
36.1 Reconciliation of current tax charge as per income tax			
laws with the current tax recognized is as follows:			
Current tax liability for the year as per tax laws		2,550,293	2,564,424
Portion of current tax liability as per tax law, representing			
income tax under IAS 12		(2,495,070)	(2,518,764)
Portion of current tax liability as per tax law, representing			
levy in terms of requirements of IFRIC 21/IAS 37		(55,223)	(45,660)
Difference		–	–

36.2 Tax assessments up to and including tax year 2023 have been finalized. However, the tax authorities are empowered to reopen these assessments within five years from the end of the financial year in which the returns were filed.

36.3 As per the latest amendment in tax law, income tax on exports has been changed from presumptive (deducted at time of export realisation) to normal tax.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees'000	Rupees'000
37 EARNINGS PER SHARE (BASIC AND DILUTED)		
Profit after tax	8,223,116	7,439,681
Profit attributable to ordinary shareholders	8,223,116	7,439,681
	Numbers '000	**Numbers '000**
Weighted average number of ordinary shares	2,452,857	2,353,539
	Rupees	**Rupees**
Earnings per share - basic	3.35	3.16

37.1 There is no dilution effect on earnings per share of the Company.

37.2 There is no dilution effect on the basic earning per share of the Company as the Company has no convertible potential dilutive instruments outstanding as on June 30, 2024, which would have effect on the basic EPS, if the option to convert would have been exercised.

38 CASH AND CASH EQUIVALENTS

Cash, cash equivalents and short-term borrowings (used for cash management purposes) include the following for the purposes of statement of cash flows.

	Note	2024	2023
		Rupees'000	Rupees'000
Cash and bank balances	26	2,932,984	970,457
Short term running finance - secured	14	(1,450,934)	(4,530,981)
Bank balances under lien	26.2	(85,500)	(89,500)
		1,396,550	(3,650,024)

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts recognized during the year on account of remuneration, including benefits and perquisites as per the terms of employment contract, are as follows:

	Chief Executive		Executives	
	2024	2023	2024	2023
	Rupees'000			
Managerial remuneration	49,001	42,254	993,446	774,452
Bonus	26,492	22,221	375,930	322,240
Provident fund	3,213	2,748	48,418	40,652
Gratuity	22,214	–	–	–
Compensated absences	1,805	2,936	31,524	29,450
Utilities and upkeep	3,214	2,746	117,741	123,144
	105,939	72,905	1,567,059	1,289,938
Number of persons	1	1	252	215

39.1 Chief Executive, key management personnel and certain executives are provided with Company maintained cars.

39.2 Meeting fee of non-executive directors charged during the year was Rs. 9.8 million (2023: Rs. 6.9 million). Number of non-executive directors at year end were 7 (2023: 7).

39.3 Number of persons include those who worked part of the year.

40 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurements' requires the Company to classify 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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

40.1 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments	Note	Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
		Rupees '000						
June 30, 2024								
Financial assets not measured at fair value								
Trade debts – net of impairment loss	21	5,545,241	–	5,545,241	–	–	–	–
Other receivables	24	280,071	–	280,071	–	–	–	–
Short term investments	26	250,000	–	250,000	–	–	–	–
Cash and bank balances	26	2,932,984	–	2,932,984	–	–	–	–
		9,008,296	–	9,008,296	–	–	–	–
Financial assets measured at fair value								
Long term deposits		–	129,700	129,700	–	–	129,700	129,700
Trade deposits	23	–	35,696	35,696	–	–	35,696	35,696
		–	165,396	165,396	–	–	165,396	165,396
Financial liabilities not measured at fair value								
Long term loans (including current portion)	5	34,975,155	–	34,975,155	–	–	–	–
Employee benefits (including current portion)	6	362,927	–	362,927				
Lease liability (including current portion)	7	163,660	–	163,660	–	–	–	–
Loan from Parent – unsecured	10	7,387,000	–	7,387,000	–	–	–	–
Creditors	11	2,726,664	–	2,726,664	–	–	–	–
Retention money	11	1,392,312	–	1,392,312	–	–	–	–
Other liabilities	11	315,136	–	315,136	–	–	–	–
Payable to employees' provident fund trust		29,902	–	29,902				
Accrued liabilities		5,154,131	–	5,154,131	–	–	–	–
Security deposits payable	12	545,487	–	545,487	–	–	–	–
Unclaimed dividend		35,646	–	35,646	–	–	–	–
Short term running finance – secured	14	1,450,934	–	1,450,934	–	–	–	–
		54,538,954	–	54,538,954	–	–	–	

On-balance sheet financial instruments	Note	Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
				Rupees '000				
June 30, 2023								
Financial assets not measured at fair value								
Trade debts – net of impairment loss	21	3,572,445	–	3,572,445	–	–	–	–
Other receivables	24	282,463	–	282,463	–	–	–	–
Short term investments	26	250,000	-	250,000				
Cash and bank balances	26	970,457	–	970,457	–	–	–	–
		5,075,365	–	5,075,365	–	–	–	–
Financial assets measured at fair value								
Long term deposits		–	129,700	129,700	–	–	129,700	129,700
Trade deposits	23	–	24,406	24,406	–	–	24,406	24,406
		–	154,106	154,106	–	–	154,106	154,106
Financial liabilities not measured at fair value								
Long term loans (including current portion)	5	35,953,580	–	35,953,580	–	–	–	–
Employee benefits (including current portion)	6	308,063	–	308,063	–	–	–	–
Lease liability (including current portion)	7	169,435	–	169,435	–	–	–	–
Loan from Parent – unsecured	10	7,387,000	–	7,387,000	–	–	–	–
Creditors	11	2,623,342	–	2,623,342	–	–	–	–
Retention money	11	3,045,172	–	3,045,172	–	–	–	–
Other liabilities	11	305,034	–	305,034	–	–	–	–
Payable to employees' provident fund trust		26,438	–	26,438				
Accrued liabilities		4,022,396	–	4,022,396	–	–	–	–
Security deposits payable	12	455,052	–	455,052	–	–	–	–
Unclaimed dividend		36,001	–	36,001	–	–	–	–
Short term running finance – secured	14	4,530,981	–	4,530,981	–	–	–	–
		58,862,494	–	58,862,494	–	–	–	–

40.2 The Company has not disclosed the fair value for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

40.3 The Company has exposure to the credit risk, market risk and liquidity risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible 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 training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of the Company 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. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

40.4 **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances, deposits, other receivables, margin on letter of guarantee, short term investments and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

The Company's credit risk exposure is categorized under the following headings:

Trade debts and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customers/ dealers. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. Credit limits are established for each customer, which are regularly reviewed and approved by the management. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. Lifetime expected credit losses recognised pursuant to practical expedient measured.

Concentration of credit risk

Geographically there is no concentration of credit risk. The maximum exposure to credit risk for financial assets at the reporting date by type of counter party is as follows:

	2024	2023
	Rupees'000	Rupees'000
From government institutions	129,700	129,700
Banks and financial institutions	3,182,654	1,219,922
Others	5,861,008	3,879,314
	9,173,362	5,228,936

Credit quality of financial assets

The credit quality of the Company's financial assets have been assessed below by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited (formerly JCR - VIS Credit Rating Company Limited). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting their obligations.

	2024	2023
	Rupees'000	Rupees'000
Trade debts		
Counterparties without external credit ratings		
with no default in the past	5,545,241	3,572,445

Impairment loss

The aging of trade debts at the reporting date was:

	2024		2023	
	Gross	Impairment	Gross	Impairment
	Rupees'000		Rupees'000	
Past due 1-30 days	3,368,543	–	1,911,782	–
Past due 31-60 days	1,007,923	–	1,189,964	–
Past due 61-90 days	461,914	–	243,312	–
Past due 91-120 days	457,788	–	100,694	–
Over 120 days	252,354	3,281	129,974	3,281
	5,548,522	3,281	3,575,726	3,281

Expected credit losses on trade debts are assessed on a collective basis. The movement in allowance for impairment in respect of trade debts during the year was as follows:

	2024	2023
	Rupees'000	Rupees'000
Balance at 1 July	3,281	3,281
Impairment loss recognised during the year	–	–
Balance at 30 June	3,281	3,281

Based on past experience, the management believes that no further impairment allowance is necessary in respect of carrying amount of trade debts. The Company expects no material expected credit loss under IFRS 9 'Financial Instruments' on trade debts at the year end.

The allowance account in respect of trade debts is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible at which point the amount considered irrecoverable is written off against the financial asset directly.

Cash at Bank

The Company held cash at bank of Rs. 2,933 million at June 30, 2024 (2023: Rs. 970 million). Cash at bank is held with banks and financial institution, which are rated AAA to A-. No increase in credit risk was observed during the period. Accordingly, these financial assets are assessed to extent of 12-months ECL.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2024	2023
		Rupees'000	Rupees'000
Long term deposits		129,700	129,700
Trade debts - net of provision	21	5,545,241	3,572,445
Trade deposits	23	35,696	24,406
Other receivables	24	280,071	282,463
Short term investments	26	250,000	250,000
Bank balances	26	2,932,654	969,922
		9,173,362	5,228,936

The maximum exposure to credit risk for trade debts at the reporting date is with end - user customers and represents debtors within the country.

The Company's most significant customer is an end user from whom Rs. 874 million (2023: Rs. 1,269 million) was outstanding and which is included in total carrying amount of trade debtors as at June 30, 2024.

Certain trade debts are secured against letter of guarantee and security deposits. The Company has placed funds in financial institutions with high credit ratings. The Company assesses the credit quality of the counter parties as satisfactory. The Company does not hold any collateral as security against any of its financial assets other than trade debts.

The Company limits its exposure to credit risk by investing only in liquid securities and placing funds with banks that have high credit rating. Management actively monitors credit ratings and given that the Company only has placed funds in the banks and financial institutions with high credit ratings, management does not expect any counter party to fail to meet its obligations.

	2024	2023
	Rupees'000	Rupees'000
Long term deposits		
Counterparties with external credit ratings of AA+	102,711	102,711
Counterparties without external credit ratings	26,989	26,989
Trade deposits		
Counterparties without external credit ratings	35,696	24,406
Other receivables		
Counterparties with external credit ratings of A-	–	87,738
Counterparties without external credit ratings	280,071	194,725
Short term investments		
Counterparties with external credit rating AA- (2023: AA-)	250,000	250,000

	Credit rating agency	Short term rating	Long term rating	2024	2023
				Rupees'000	
Bank balances					
United Bank Limited	VIS	A-1+	AAA	1,652,712	37,367
Allied Bank Limited	PACRA	A-1+	AAA	218,886	19,184
MCB Bank Limited	PACRA	A-1+	AAA	75,043	88,767
Bank AlFalah Limited	PACRA	A-1+	AAA	17,837	463,636
Silk Bank Limited	VIS	A-2	A-	39	35
The Bank of Punjab	PACRA	A-1+	AA+	50,022	123
Faysal Bank Limited	PACRA	A-1+	AA	532,147	477
Standard Chartered Bank Pakistan Limited	PACRA	A-1+	AAA	5	4
Habib Bank Limited	VIS	A-1+	AAA	4,829	3,625
Askari Bank Limited	PACRA	A-1+	AA+	291,023	265,661
National Bank of Pakistan	PACRA	A-1+	AAA	339	1,405
Bank AlHabib Limited	PACRA	A-1+	AAA	2,781	12
Al Baraka Bank Pakistan Limited	VIS	A-1	A+	–	4
Bank Islami Pakistan Limited	PACRA	A-1	AA-	6	61
Meezan Bank Limited	VIS	A-1+	AAA	179	303
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	86,755	87,737
First Women Bank Limited	PACRA	A-2	A-	4	5
JS Bank Limited	PACRA	A-1+	AA	–	1,476
Summit Bank Limited	VIS	A-3	BBB-	2	1
SME Bank Limited	PACRA	B	CCC	11	10
Samba Bank Limited	PACRA	A-1	AA	34	29
				2,932,654	969,922

40.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains letters of credit as mentioned in note 15.2 to the financial statements.

The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Up to one year	One to two years	Two to five years	Five years onwards
	Rupees'000					
2024						
Long term loans (including current portion)	34,975,155	60,201,804	9,449,061	9,432,361	23,877,058	17,443,324
Lease liability (including current portion)	163,660	395,495	72,624	46,576	24,638	251,657
Loan from Parent – unsecured	7,387,000	7,387,000	7,387,000			
Trade and other payables	4,434,112	4,434,112	4,434,112	–	–	–
Accrued liabilities	5,154,131	5,154,131	5,154,131	–	–	–
Security deposits payable	545,487	545,487	545,487	–	–	–
Payable to employees' provident fund trust	29,902	29,902	29,902	–	–	–
Unclaimed dividend	35,646	35,646	35,646	–	–	–
Short term running finance – secured	1,450,934	1,450,934	1,450,934	–	–	–
	54,176,027	79,634,511	28,558,897	9,478,937	23,901,696	17,694,981
2023						
Long term loans (including current portion)	35,953,580	67,789,916	7,588,113	9,449,061	18,104,270	32,648,472
Lease Liability (including current portion)	169,435	438,374	97,279	42,552	46,346	252,197
Loan from Parent – unsecured	7,387,000	7,387,000	7,387,000			
Trade and other payables	5,973,548	5,973,548	5,973,548	–	–	–
Accrued liabilities	4,022,396	4,022,396	4,022,396	–	–	–
Security deposits payable	455,052	455,052	455,052	–	–	–
Payable to employees' provident fund trust	26,438	26,438	26,438	–	–	–
Unclaimed dividend	36,001	36,001	36,001	–	–	–
Short term running finance – secured	4,530,981	4,530,981	4,530,981	–	–	–
	58,554,431	90,659,706	30,116,808	9,491,613	18,150,616	32,900,669

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

40.5.1 The contractual cash flows relating to long term borrowings have been determined on the basis of expected mark-up rates. The mark-up rates have been outlined in note 5 to these financial statements.

40.6 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 change in credit rating of the issuer or the instruments' supply and demand of securities and liquidity in the market. The Company is exposed to currency risk, interest rates risks and price risks.

40.6.1 Foreign currency risk

The PKR is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than PKR. The Company's potential foreign currency exposure comprise:

- Transactional exposure in respect of non functional currency monetary items; and
- Transactional exposure in respect of non functional currency expenditure and revenues.

Transactional exposure in respect of non functional currency monetary items

Financial assets and liabilities which are denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the statement of profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

The following significant exchange rates have been applied during the year:

	2024	2023	2024	203
	Average rate		Balance sheet date rate	
		Rupees'000		
US Dollars	282.95	245.85	278.80	287.10
Euro	306.34	264.18	298.41	314.27

Transactional exposure in respect of non functional currency expenditures and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as part of overall risk management strategy.

The following table details the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The amounts of the exposure are shown in PKR, translated using the spot rate at the end of the reporting period.

	2024	2023
	Rupees'000	Rupees'000
Trade and other payables	(1,545,751)	(2,575,064)
Cash and bank balances	2,891	2,969
	(1,542,860)	(2,572,095)

Sensitivity

A 1% strengthening of the functional currency against foreign currencies at June 30 would have decreased profit by Rs 15,429 thousand (2023: Rs 25,721 thousand). A 1% weakening of the functional currency against foreign currencies at June 30 would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant.

40.6.2 Interest rate risk

The 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. Majority of interest rate exposure arises from short and long term borrowings from banks and deposits with banks. At the date of statement of financial position, the interest rate profile of the Company's interest bearing financial instruments is:

	2024	2023	Carrying Amount 2024	2023
	Effective interest rates		Rupees '000	
		Rupees'000		
Fixed rate instruments				
Financial assets	4.35% to 21.7%	3.5% - 22.25%	2,433,149	918,716
Financial liabilities	2.25%- 5.50%	2.5%- 5.50%	14,696,910	14,866,051
Variable rate instruments				
Financial assets	6 month KIBOR	6 month KIBOR	250,000	250,000
	+	+		
	2.25%	2.25%		
Financial liabilities	1 month KIBOR	1 month KIBOR		
	to 6 month KIBOR	to 6 month KIBOR	23,488,527	27,808,198
	+	+		
	0.20% to 1.25%	0.30% to 1.25%		

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

	Profit or loss	
	100 basis points increase	100 basis points decrease
	Rupees'000	Rupees'000
Cash flow sensitivity (net)		
Variable rate instruments		
June 30, 2024	246,567	(246,567)
Variable rate instruments		
June 30, 2023	275,308	(275,308)

40.6.3 Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

40.7 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and/or issue new shares. There were no changes to Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.

41 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of directors, entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, staff retirement funds and key management personnel which include persons having designations General Manager and above.

Related party	Basis of relationship	Percentage of shareholding
		%
Fauji Foundation	Shareholder	61.65
Fauji Fertilizer Company Limited	Shareholder / Common directorship	4.30
Fauji Oil Terminal and Distribution Company Limited	Shareholder / Common directorship	0.86
Askari Bank Limited	Common directorship	Nil
Foundation Solar Energy (Pvt) Limited	Common directorship	Nil
Mari Petroleum Company Limited	Common directorship	Nil
TPL Insurance Limited	Common directorship	Nil
Habib Insurance Company Limited	Common directorship	Nil
Foundation Power Company Daharki Limited	Common directorship	Nil
Cherat Packaging Limited	Common directorship	Nil
Employees' provident fund trust	Provident fund trust	Nil

Balances and transactions with related parties are disclosed in note 6.2, 10 and 39 to the financial statements. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2024	2023
	Rupees'000	Rupees'000
Transactions and balances with related parties		
Fauji Foundation		
Sale of cement	1,638	36,745
Receipts against sale of cement	1,638	32,643
Payment for use of medical facilities	2,166	2,480
Payable for use of medical facilities	8	359
Payment of rent and utilities	69,212	72,383
Donation paid through Fauji Foundation	75,000	141,774
Consultancy charges paid through Fauji Foundation	15,240	20,174
Payable against cost charged	35,874	33,750
Payment against cost charged	158,847	149,369
Reimbursement against CSR activities	23,135	11,240
Payable against CSR activities	7,402	–
Payment against letter of support fee	128,411	127,805
Payable against letter of support fee	31,788	31,788
Foundation Solar Energy (Pvt) Limited		
Payment against supply of solar equipment and services	1,379,003	1,258,895
Payable against supply of solar equipment	6,257	17,517

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees'000	2023 Rupees'000
Mari Petroleum Company Limited		
Payment against supply of crude oil	32,666	31,394
TPL Insurance Limited		
Payment against insurance premium	17,349	–
Habib Insurance Company Limited		
Payment against insurance premium	8,675	–
Foundation Power Company Daharki Limited		
Receipt against disposal of Foundation Solar Energy (Pvt) Limited shareholding	–	128,125
Cherat Packaging Limited		
Payment against supply of packing material	676,381	775,280
Payable against supply of packing material	83,997	217,103
Askari Bank Limited		
Balance in bank accounts	287,858	265,794
Loan payable	2,693,250	2,845,000
Principal repayment of loan	237,250	200,000
Export re-finance payable	1,087,000	693,000
Bank charges	12,888	5,790
Interest paid on export re-finance	129,819	75,505
Interest paid on running finance	2,762	–
Interest charged on long term loans	259,490	224,194
Profit received on deposit accounts	16,111	17,899
Employees Provident Fund		
Payments made into the fund	149,227	127,896
Others		
Remuneration to key management personnel (other than Chief Executive)	201,800	160,892

42 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities			Equity			
	Lease liability	Long term loan including current portion	Loan from the parent	Share capital	Premium on issue of shares	Revenue reserves	Total
				Rupees '000			
Balance at July 01, 2023	169,435	35,953,580	7,387,000	24,528,476	15,253,134	25,394,127	108,685,752
Lease liability on right of use asset	20,273	–	–	–	–	–	20,273
Changes from financing cash flows							
Long term loans received during the year	–	644,239	–	–	–	–	644,239
Repayment of loan	–	(2,053,004)	–	–	–	–	(2,053,004)
Finance cost paid for the year	–	(6,993,060)	–	–	–	–	(6,993,060)
Lease payments	(77,816)	–	–	–	–	–	(77,816)
Deferred grant	–	49,326	–	–	–	–	49,326
Total changes from financing cash flows	(77,816)	(8,352,499)	–	–	–	–	(8,430,315)
Other changes							
Liability related							
Net increase in short term running finance	–	–	–	–	–	–	–
Finance cost expense / transaction cost for the year	51,768	7,378,074	–	–	–	–	7,429,842
Total liability related other changes	51,768	7,378,074	–	–	–	–	7,429,842
Equity related							
Total comprehensive income for the year	–	–	–	–	–	8,223,116	8,223,116
Total equity related other changes	–	–	–	–	–	8,223,116	8,223,116
Balance at June 30, 2024	163,660	34,975,155	7,387,000	24,528,476	15,253,134	33,617,243	115,928,668

RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities			Equity			
	Lease liability	Long term loan including current portion	Loan from the parent	Share capital	(Discount)/ Premium on issue of shares	Revenue reserves	Total
				Rupees '000			
Balance at July 01, 2022	158,297	22,541,085	7,387,000	21,803,090	17,978,520	17,954,446	87,822,438
Lease liability on right of use asset	71,342	–	–	–	–	–	71,342
Changes from financing cash flows							
Long term loans received during the year	–	15,976,605	–	–	–	–	15,976,605
Repayment of loan	–	(2,505,227)	–	–	–	–	(2,505,227)
Finance cost paid for the year	–	(2,562,932)	–	–	–	–	(2,562,932)
Lease payments	(89,354)	–	–	–	–	–	(89,354)
Deferred grant	–	(1,397,179)	–	–	–	–	(1,397,179)
Total changes from financing cash flows	(89,354)	9,511,267	–	–	–	–	9,421,913
Other changes							
Liability related							
Net increase in short term running finance	–	–	–	–	–	–	–
Finance cost for the year	29,150	3,901,228	–	–	–	–	3,930,378
Total liability related other changes	29,150	3,901,228	–	–	–	–	3,930,378
Equity related							
Total comprehensive income for the year	–	–	–	–	–	7,439,681	7,439,681
Bonus share issued	–	–	–	2,725,386	(2,725,386)	–	–
Total equity related other changes	–	–	–	2,725,386	(2,725,386)	7,439,681	7,439,681
Balance at June 30, 2023	169,435	35,953,580	7,387,000	24,528,476	15,253,134	25,394,127	108,685,752

	2024		2023	
	Installed capacity	Actual Production	Installed capacity	Actual Production
	Metric Tons		Metric Tons	
43 PLANT CAPACITY AND ACTUAL PRODUCTION				
Cement	9,263,625	5,060,431	7,472,063	4,915,536
Clinker	8,822,500	4,522,575	7,116,250	4,593,342

43.1 The new line at Dera Ghazi Khan plant with annual clinker capacity of 1.95 Million Tons commenced commercial production on 1 February 2024 and therefore its available capacity has been included on proportionate basis.

43.2 Difference between capacity and actual production is due to demand supply situation of the market.

44 EMPLOYEES PROVIDENT FUND TRUST

All the investments out of aforementioned provident fund trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

45 GENERAL

45.1 Letters of guarantee and letters of credit facilities

This includes the Letter of Guarantee and Letter of Credit facilities extended to the Company by various banks to the extent of Rs. 1,011 million and Rs. 3,986 million (2023: Rs. 766 million and Rs. 10,574 million) respectively. The letter of Guarantees are mainly secured against first pari passu hypothecation charge over present and future current and fixed assets of the Company (excluding land and building) and lien over bank deposits.

	2024	2023
45.2 Number of persons employed		
Total employees of the Company at year end	2,326	2,179
Average employees of the Company during the year	2,253	2,203

45.3 Disclosure Requirements For All Shares Islamic Index

Following information has been disclosed as required under Paragraph 10 of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

	2024	2023
	Rupees'000	Rupees'000
Description		
Long-term loans as per Islamic mode	7,919,568	7,931,150
Shariah compliant bank deposits and bank balances	50,310	867
Profit earned from Shariah compliant bank deposits/balances	71,477	29,938
Revenue earned from Shariah compliant business segment	80,026,226	68,069,282
Dividend from Shariah compliant investments	–	822
Mark-up on Islamic mode of financing	702,177	730,126
Interest on conventional loans	6,549,325	3,567,380

The Company has business relationship with Islamic banks in ordinary course of business. Disclosures other than above are not applicable to the Company.

45.4 Corresponding Figures

Corresponding figures have been reclassified to reflect more appropriate presentation of the related transactions in the financial statements. These reclassifications have no significant effect on previously reported net income, shareholders' equity and cash flows of the Company.

45.5 Dividend

The Board of Directors in their meeting held on August 27, 2024 has proposed a final dividend of Rs 1.00 per share.

45.6 Date of Authorization

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on August 27, 2024.

Chief Executive Officer **Director** **Chief Financial Officer**

SHAREHOLDERS' INFORMATION

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2024

Shareholding			
No. of Shareholders	From	To	Total Shares Held
1141	1	100	42,053
1304	101	500	410,591
1824	501	1,000	1,279,648
4221	1,001	5,000	9,838,866
1360	5,001	10,000	9,603,059
731	10,001	15,000	8,869,795
360	15,001	20,000	6,436,132
337	20,001	25,000	7,786,259
203	25,001	30,000	5,655,815
141	30,001	35,000	4,642,050
113	35,001	40,000	4,342,924
95	40,001	45,000	4,132,256
102	45,001	50,000	5,014,443
54	50,001	55,000	2,817,104
86	55,001	60,000	4,914,795
32	60,001	65,000	2,006,248
43	65,001	70,000	2,922,513
39	70,001	75,000	2,851,430
39	75,001	80,000	3,065,384
21	80,001	85,000	1,747,987
31	85,001	90,000	2,756,834
18	90,001	95,000	1,657,937
63	95,001	100,000	6,246,025
19	100,001	105,000	1,947,020
19	105,001	110,000	2,046,815
74	110,001	115,000	8,323,694
15	115,001	120,000	1,774,023
16	120,001	125,000	1,990,201
21	125,001	130,000	2,697,909
17	130,001	135,000	2,258,894
20	135,001	140,000	2,749,596
15	140,001	145,000	2,125,677
10	145,001	150,000	1,497,937
5	150,001	155,000	767,750
10	155,001	160,000	1,581,937
12	160,001	165,000	1,949,022
18	165,001	170,000	3,033,124
10	170,001	175,000	1,730,214
2	175,001	180,000	358,875
7	180,001	185,000	1,276,863
6	185,001	190,000	1,128,162
8	190,001	195,000	1,542,312
36	195,001	200,000	7,185,627
9	200,001	205,000	1,827,625
7	205,001	210,000	1,457,652
6	210,001	215,000	1,279,159

Shareholding			
No. of Shareholders	From	To	Total Shares Held
4	215,001	220,000	876,767
18	220,001	225,000	4,046,625
6	225,001	230,000	1,374,312
4	230,001	235,000	926,202
4	235,001	240,000	950,092
6	240,001	245,000	1,448,503
10	245,001	250,000	2,481,448
5	250,001	255,000	1,266,438
2	255,001	260,000	515,125
4	260,001	265,000	1,053,062
4	265,001	270,000	1,073,475
2	270,001	275,000	549,101
4	275,001	280,000	1,111,625
13	280,001	285,000	3,665,388
3	285,001	290,000	858,025
11	295,001	300,000	3,298,687
3	300,001	305,000	911,614
2	305,001	310,000	615,936
2	310,001	315,000	626,062
3	325,001	330,000	978,723
1	330,001	335,000	333,000
5	335,001	340,000	1,687,812
3	340,001	345,000	1,029,250
4	345,001	350,000	1,400,000
1	350,001	355,000	354,375
3	355,001	360,000	1,074,037
1	360,001	365,000	360,500
3	365,001	370,000	1,100,750
1	370,001	375,000	371,250
4	385,001	390,000	1,557,488
2	390,001	395,000	787,500
4	395,001	400,000	1,600,000
3	400,001	405,000	1,208,687
1	410,001	415,000	415,000
2	415,001	420,000	835,629
2	420,001	425,000	843,702
3	425,001	430,000	1,285,063
2	435,001	440,000	879,875
2	440,001	445,000	886,625
8	445,001	450,000	3,599,062
1	450,001	455,000	452,000
3	455,001	460,000	1,377,705
2	465,001	470,000	938,500
2	475,001	480,000	958,125
2	480,001	485,000	964,250
1	485,001	490,000	487,332

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2024

	Shareholding		
No. of Shareholders	From	To	Total Shares Held
2	490,001	495,000	986,250
7	495,001	500,000	3,500,000
1	500,001	505,000	502,641
1	505,001	510,000	506,250
1	510,001	515,000	515,000
2	515,001	520,000	1,033,854
1	520,001	525,000	522,000
3	525,001	530,000	1,585,460
1	530,001	535,000	535,000
1	535,001	540,000	535,500
1	540,001	545,000	541,125
2	545,001	550,000	1,096,700
1	550,001	555,000	554,000
3	555,001	560,000	1,671,300
2	560,001	565,000	1,125,000
1	580,001	585,000	581,312
3	585,001	590,000	1,761,703
8	595,001	600,000	4,800,000
2	600,001	605,000	1,202,875
1	605,001	610,000	605,062
2	615,001	620,000	1,238,750
1	625,001	630,000	629,204
2	630,001	635,000	1,265,062
1	635,001	640,000	640,000
1	640,001	645,000	642,000
4	645,001	650,000	2,594,374
1	650,001	655,000	654,750
1	655,001	660,000	657,200
2	660,001	665,000	1,328,387
1	665,001	670,000	669,000
2	670,001	675,000	1,350,000
2	680,001	685,000	1,366,437
1	685,001	690,000	689,500
2	695,001	700,000	1,397,500
1	705,001	710,000	706,000
2	710,001	715,000	1,425,375
1	720,001	725,000	725,000
1	735,001	740,000	737,540
2	745,001	750,000	1,496,437
1	750,001	755,000	751,000
1	760,001	765,000	760,500
1	765,001	770,000	767,500
1	770,001	775,000	772,312
2	795,001	800,000	1,600,000
1	800,001	805,000	804,000
2	805,001	810,000	1,616,875

	Shareholding		
No. of Shareholders	From	To	Total Shares Held
1	810,001	815,000	811,687
2	815,001	820,000	1,635,976
1	820,001	825,000	821,250
1	825,001	830,000	827,613
1	835,001	840,000	838,125
3	840,001	845,000	2,520,423
2	845,001	850,000	1,695,875
1	850,001	855,000	855,000
1	860,001	865,000	860,808
2	865,001	870,000	1,736,000
2	870,001	875,000	1,750,000
1	885,001	890,000	889,875
3	895,001	900,000	2,700,000
1	905,001	910,000	909,562
3	925,001	930,000	2,781,250
1	935,001	940,000	939,000
2	970,001	975,000	1,945,583
1	975,001	980,000	976,500
2	985,001	990,000	1,980,000
4	995,001	1,000,000	4,000,000
5	1,010,001	1,015,000	5,060,181
1	1,025,001	1,030,000	1,026,000
1	1,030,001	1,035,000	1,035,000
1	1,065,001	1,070,000	1,068,393
1	1,095,001	1,100,000	1,100,000
1	1,110,001	1,115,000	1,110,812
4	1,120,001	1,125,000	4,495,258
1	1,125,001	1,130,000	1,127,941
1	1,140,001	1,145,000	1,141,875
1	1,155,001	1,160,000	1,155,937
1	1,180,001	1,185,000	1,181,250
2	1,235,001	1,240,000	2,476,926
1	1,250,001	1,255,000	1,250,212
2	1,295,001	1,300,000	2,596,481
1	1,345,001	1,350,000	1,350,000
3	1,395,001	1,400,000	4,200,000
1	1,430,001	1,435,000	1,435,000
1	1,435,001	1,440,000	1,439,000
1	1,465,001	1,470,000	1,467,945
1	1,470,001	1,475,000	1,470,353
4	1,495,001	1,500,000	6,000,000
1	1,515,001	1,520,000	1,518,750
1	1,520,001	1,525,000	1,525,000
1	1,585,001	1,590,000	1,585,687
1	1,590,001	1,595,000	1,595,000
1	1,620,001	1,625,000	1,622,250

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2024

	Shareholding		
No. of Shareholders	From	To	Total Shares Held
1	1,625,001	1,630,000	1,628,438
1	1,640,001	1,645,000	1,642,367
1	1,650,001	1,655,000	1,651,375
2	1,685,001	1,690,000	3,375,000
1	1,705,001	1,710,000	1,709,718
1	1,720,001	1,725,000	1,724,612
1	1,795,001	1,800,000	1,800,000
1	1,845,001	1,850,000	1,850,000
2	1,870,001	1,875,000	3,742,030
1	1,875,001	1,880,000	1,878,325
1	1,900,001	1,905,000	1,905,000
1	1,910,001	1,915,000	1,910,750
1	1,975,001	1,980,000	1,978,500
1	1,980,001	1,985,000	1,983,002
1	1,990,001	1,995,000	1,994,000
2	1,995,001	2,000,000	4,000,000
1	2,020,001	2,025,000	2,023,500
1	2,050,001	2,055,000	2,055,000
1	2,190,001	2,195,000	2,190,937
1	2,205,001	2,210,000	2,208,350
2	2,245,001	2,250,000	4,500,000
1	2,400,001	2,405,000	2,402,678
1	2,445,001	2,450,000	2,446,738
1	2,460,001	2,465,000	2,462,120
1	2,470,001	2,475,000	2,472,500
1	2,495,001	2,500,000	2,500,000
1	2,615,001	2,620,000	2,617,250
1	2,630,001	2,635,000	2,630,401
1	2,650,001	2,655,000	2,651,500
1	2,730,001	2,735,000	2,730,121
1	2,770,001	2,775,000	2,775,000
1	2,810,001	2,815,000	2,812,500
1	2,935,001	2,940,000	2,940,000
1	2,940,001	2,945,000	2,942,945
1	3,160,001	3,165,000	3,163,502
1	3,205,001	3,210,000	3,208,217
1	3,385,001	3,390,000	3,389,765
1	3,635,001	3,640,000	3,637,000
1	3,745,001	3,750,000	3,745,318
3	3,995,001	4,000,000	12,000,000
1	4,105,001	4,110,000	4,105,250
1	4,250,001	4,255,000	4,252,217
1	4,255,001	4,260,000	4,256,437
1	4,285,001	4,290,000	4,289,765
1	4,300,001	4,305,000	4,305,000
1	4,385,001	4,390,000	4,386,400

	Shareholding		
No. of Shareholders	From	To	Total Shares Held
1	4,530,001	4,535,000	4,533,021
1	4,605,001	4,610,000	4,608,000
1	4,765,001	4,770,000	4,766,106
1	5,010,001	5,015,000	5,014,500
1	5,235,001	5,240,000	5,237,000
2	5,295,001	5,300,000	10,598,000
2	5,620,001	5,625,000	11,248,779
1	5,795,001	5,800,000	5,799,125
1	6,120,001	6,125,000	6,123,625
1	6,155,001	6,160,000	6,160,000
1	6,870,001	6,875,000	6,870,500
1	7,015,001	7,020,000	7,019,968
1	7,275,001	7,280,000	7,279,052
1	7,760,001	7,765,000	7,760,590
1	8,535,001	8,540,000	8,540,000
1	9,395,001	9,400,000	9,399,490
1	9,750,001	9,755,000	9,751,500
1	11,010,001	11,015,000	11,013,750
1	11,210,001	11,215,000	11,210,999
1	11,995,001	12,000,000	12,000,000
1	13,500,001	13,505,000	13,505,000
1	17,775,001	17,780,000	17,779,000
1	18,920,001	18,925,000	18,922,687
1	21,090,001	21,095,000	21,093,750
1	24,840,001	24,845,000	24,841,031
1	25,180,001	25,185,000	25,183,645
1	29,900,001	29,905,000	29,901,431
1	51,240,001	51,245,000	51,242,079
1	105,465,001	105,470,000	105,468,750
1	556,815,001	556,820,000	556,819,936
1	955,340,001	955,345,000	955,341,902
13,139			2,452,847,220

CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	COMMITTEE OF ADMIN. FAUJI FOUNDATION (CDC)	556,819,936	22.7010
2	FAUJI FOUNDATION	955,341,902	38.9483
3	FAUJI OIL TERMINAL & DISTRIBUTION	21,093,750	0.8600
4	FAUJI FERTILIZER COMPANY LTD (CDC)	105,468,750	4.2998
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE ABL STOCK FUND (CDC)	2,942,945	0.1200
2	CDC - TRUSTEE AKD INDEX TRAKER FUND (CDC)	287,025	0.0117
3	CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND (CDC)	50,000	0.0020
4	CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND (CDC)	1,500,000	0.0612
5	CDC - TRUSTEE AL HABIB STOCK FUND (CDC)	1,350,000	0.0550
6	CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	5,014,500	0.2044
7	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET FUND (CDC)	110,340	0.0045
8	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND (CDC)	2,250,000	0.0917
9	CDC - TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	1,239,526	0.0505
10	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND (CDC)	208,027	0.0085
11	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND (CDC)	97,500	0.0040
12	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	2,651,500	0.1081
13	CDC - TRUSTEE ALFALAH GHP STOCK FUND (CDC)	2,630,401	0.1072
14	CDC - TRUSTEE ALFALAH GHP VALUE FUND (CDC)	135,960	0.0055
15	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND (CDC)	8,540,000	0.3482
16	CDC - TRUSTEE APF-EQUITY SUB FUND (CDC)	350,000	0.0143
17	CDC - TRUSTEE APIF - EQUITY SUB FUND (CDC)	250,000	0.0102
18	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND (CDC)	150,000	0.0061
19	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND (CDC)	2,775,000	0.1131
20	CDC - TRUSTEE ATLAS STOCK MARKET FUND (CDC)	9,751,500	0.3976
21	CDC - TRUSTEE AWT ISLAMIC STOCK FUND (CDC)	245,600	0.0100
22	CDC - TRUSTEE AWT STOCK FUND (CDC)	137,100	0.0056
23	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND (CDC)	4,386,400	0.1788
24	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND (CDC)	110,800	0.0045
25	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND (CDC)	459,975	0.0188
26	CDC - TRUSTEE FAYSAL MTS FUND - MT (CDC)	1,467,945	0.0598
27	CDC - TRUSTEE FAYSAL STOCK FUND (CDC)	110,500	0.0045
28	CDC - TRUSTEE FIRSGT CAPITAL MUTUAL FUND (CDC)	15,000	0.0006
29	CDC - TRUSTEE HBL EQUITY FUND (CDC)	104,000	0.0042
30	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN 1 - MT (CDC)	2,730,121	0.1113
31	CDC - TRUSTEE HBL GROWTH FUND (CDC)	1,994,000	0.0813
32	CDC - TRUSTEE HBL INCOME FUND - MT (CDC)	33,125	0.0014
33	CDC - TRUSTEE HBL INVESTMENT FUND (CDC)	100,000	0.0041

Sr. No.	Name	No. of Shares Held	Percentage
34	CDC - TRUSTEE HBL IPF EQUITY SUB FUND (CDC)	470,000	0.0192
35	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND (CDC)	350,000	0.0143
36	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND (CDC)	182,500	0.0074
37	CDC - TRUSTEE HBL MULTI - ASSET FUND (CDC)	108,300	0.0044
38	CDC - TRUSTEE HBL PF EQUITY SUB FUND (CDC)	261,500	0.0107
39	CDC - TRUSTEE JS MOMENTUM FACTOR EXCHANGE TRADED FUND (CDC)	518,224	0.0211
40	CDC - TRUSTEE KSE MEEZAN INDEX FUND (CDC)	3,208,217	0.1308
41	CDC - TRUSTEE LAKSON EQUITY FUND (CDC)	3,745,318	0.1527
42	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND (CDC)	219,562	0.0090
43	CDC - TRUSTEE LAKSON TACTICAL FUND (CDC)	119,036	0.0049
44	CDC - TRUSTEE MAHANA ISLAMIC INDEX EXCHANGE TRADED FUND (CDC)	36,260	0.0015
45	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND (CDC)	990,000	0.0404
46	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND (CDC)	6,160,000	0.2511
47	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND (CDC)	120,000	0.0049
48	CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	530,000	0.0216
49	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	13,505,000	0.5506
50	CDC - TRUSTEE NBP FINANCIAL SECTOR INCONE FUND - MT (CDC)	974,296	0.0397
51	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT (CDC)	827,613	0.0337
52	CDC - TRUSTEE NBP SAVINGS FUND - MT (CDC)	1,642,367	0.0670
53	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND (CDC)	683,000	0.0278
54	CDC - TRUSTEE PAK-QATAR ISLAMIC STOCK FUND (CDC)	815,976	0.0333
55	CDC - TRUSTEE UBL ASSET ALLOCATION FUND (CDC)	25,000	0.0010
56	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND (CDC)	2,472,500	0.1008
57	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND (CDC)	1,595,000	0.0650
58	CDC - TRUSTEE MEEZAN DEDICATED EQUITY FUND (CDC)	181,500	0.0074
59	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND- EQUITY SUB FUND (CDC)	4,252,217	0.1734
60	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND (CDC)	2,940,000	0.1199
61	CDC-TRUSTEE HBL ISLAMIC STOCK FUND (CDC)	426,500	0.0174
62	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND (CDC)	976,500	0.0398
63	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND (CDC)	200,000	0.0082
64	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND (CDC)	200,000	0.0082
65	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND (CDC)	189,000	0.0077
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	LT GEN ANWAR ALI HYDER, HI(M) (RETD)	1	0.0000
2	MR. QAMAR HARIS MANZOOR (CDC)	10,125	0.0004
3	LT GEN QAZI MUHAMMAD IKRAM AHMED HI(M) (RETD)	1	0.0000
4	MAJ GEN ZAFAR UL HAQ HI(M) (RETD)	1	0.0000
5	MR. SAMI UL HAQ KHILJI	1	0.0000
6	SYED BAKHTIYAR KAZMI	1	0.0000
7	MS. NAILA	1	0.0000
8	MS. MALIHA BANGASH	1	0.0000

CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		148,059,683	6.0362%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	COMMITTEE OF ADMIN. FAUJI FOUNDATION	1,512,161,838	61.6492

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	Name	SALE	PURCHASE
	NIL		

	No. of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	10,132	0.0004%
2	Associated Companies, undertakings and related parties. (Parent Company)	1,638,724,338	66.8091%
3	NIT and ICP	8,424,350	0.3435%
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	86,596,322	3.5304%
5	Insurance Companies	43,442,818	1.7711%
6	Modarabas and Mutual Funds	103,433,301	4.2169%
7	Shareholders holding 10% or more	1,512,161,838	61.6492%
8	General Public		
	a. Local	397,880,271	16.2212%
	b. Foreign	2,748,429	0.1121%
9	Others (to be specified)		
	- Investment Companies	850,460	0.0347%
	- Joint Stock Companies	115,596,767	4.7128%
	- Pension Funds	17,691,418	0.7213%
	- Foreign Companies	25,583,576	1.0430%
	- Others	11,865,038	0.4837%
10	Shareholders Holding 10% or More of the Total Capital		
	Committee of Admin Fauji Foundation	1,512,161,838	61.6429
11.	Shareholders Holding 5% or More of the Total Capital		
	Committee of Admin Fauji Foundation	1,512,161,838	61.6429

FINANCIAL CALENDAR – 2024/2025

The Company's Financial Year Start From 1st July and End at 30th June Each Year. Tentative Schedule For Announcement of Financial Results in 2024/2025 is as under:-

a.	Annual General Meeting	14th Oct 2024
b.	1st Quarter ending 30th September 2024	25th October 2024
c.	2nd Quarter ending 31st December 2024	Last week of February 2025
d.	3rd Quarter ending 31st March 2025	Last week of April 2025
e.	Annual Accounts year ending 30th June 2025	Last week of August 2025

NOTICE OF 32ND ANNUAL GENERAL MEETING

Notice is hereby given that 32nd Annual General Meeting (AGM) of the members of Fauji Cement Company Limited (FCCL) will be held at Pearl Continental Hotel, The Mall, Rawalpindi on 14th October 2024 (Monday) at 1500 hours to transact the following business:-

ORDINARY BUSINESS

1. To confirm the minutes of 31st Annual General Meeting held on 27th October 2023.
2. To receive, consider and adopt Annual Audited Financial Statements of the Company together with the Directors' and Auditors' Reports for the year ended 30th June 2024.
3. To appoint Statutory Auditors of the Company and fix their remuneration for the year ending 30th June 2025.
4. To consider and approve payment of final cash dividend @ 10 % i.e. Rs. 1 per share for the year ended 30th June 2024, as recommended by the Board of Directors.
5. To transact any other business with permission of the Chairman.

By Order of FCCL Board of Directors

Brig Kashif Naveed Abbasi, SI(M), Retd
Company Secretary

Rawalpindi
Dated 20 September 2024

NOTES

1. In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O. 389(I)/2023 dated 21st March 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web-link and QR enabled code:-

   https://fccl.com.pk/en/annual-reports/

   If any member wishes to have a printed copy of the said financial statements, the member may write to the Company Secretary for sending a printed copy by mail at member's registered address. It will be supplied free of cost within one week of receipt of the request.

2. **Closure of Share Transfer Books.** The Share Transfer Books of the Company will remain closed from 8th October to 14th October 2024 (both days inclusive) for the purpose of attending AGM. Transfers received in order at M/s Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial Model Town Lahore upto the close of business on 7th October 2024 will be treated in time for purpose of the above entitlement and to attend the Annual General Meeting (AGM).

3. A member entitled to attend and vote at this meeting may appoint another member as his / her proxy to attend the meeting and vote instead of him / her. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.

4. **For CDC Account Holders / Corporate Entities.** In addition to the above, the following requirements have to be met:-

   a. The proxy form duly completed and signed as per requirement must be deposited at the registered office of the Company i.e. Fauji Towers, Block-III, 68 Tipu Road, Chaklala, Rawalpindi. CNIC numbers shall be mentioned on the form.

b. Proxy form can be downloaded from the following link on Company's website https://fccl.com.pk/en/download-forms.

c. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

d. The proxy holder shall produce his original CNIC or original passport at the time of meeting.

e. In case of corporate entity, certified copy of the Board of Directors' resolution/power of attorney with specimen signature shall be submitted.

f. Members are requested to provide copies of their valid CNICs, and also promptly notify any changes in their addresses.

5. Online Participation in AGM

a. To facilitate and ensure wider participation of the members, the Company will also be providing the online platform / facility to participate in the AGM in the shape of webinar/webex/zoom. The members will be able to login and participate in the AGM proceedings through their smartphones or computer devices after completing all the formalities required for the verification and identification of the members. In this regard, members are required to update their valid e-mail addresses with the Share Registrar, latest by 7th October 2024.

b. The members who have already updated their valid e-mail addresses with the Company or its Share Registrar and are interested to attend AGM electronically, may send their request along with folio number at secretaryoffice@fccl.com.pk. Such request should be sent from their duly registered valid e-mail address for the registration purposes latest by 13th October 2024.

6. Deduction of Income Tax from Dividend and Exemption from Deduction

a. The current prescribed rates for the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 from payment of dividend by the companies are as under:

(1) For filers of income tax returns = 15%

(2) For non-filers of income tax returns = 30%

b. The income tax is deducted from the payment of dividend according to the Active Tax-Payer List (ATL) provided on the website of FBR. All those shareholders who are filers of income tax returns are therefore advised to ensure that their names are entered into ATL to enable the Company to withhold income tax from payment of cash dividend @ 15% instead of 30%.

c. Further according to Federal Board of Revenue (FBR), withholding tax will be determined separately on "Filer/Non-Filer" status of Principal shareholders as well as joint shareholder(s) based on their shareholding proportions in case of joint accounts held by the shareholders.

d. In this regard all shareholders who hold shares jointly are requested to provide the shareholding proportions of Principal shareholder and joint shareholder(s) in respect of shares held by them to our Share Registrar in writing as follows:-

Form of Joint Shareholding Proportion						
Folio / CDC Account No.	Total Holding	Principal Shareholder		Joint Shareholder(s)		Signatures
		Name of Principal Shareholder and CNIC No	Shareholding Proportion (No. of Shares)	Name of Joint Shareholder(s) and CNIC No.	Shareholding Proportion (No. of Shares)	

e. The joint accounts information must reach our Share Registrar with 10 days of this notice. In case of non-receipt of information, it will be assumed that the shares are equally held by the principal shareholder and the joint holder(s).

f. The shareholders, who want to avail exemption u/s 150 of the Income Tax Ordinance 2001, must provide valid Tax Exemption Certificate to our Share Registrar before commencement of book closure, otherwise tax will be deducted on dividend as per applicable rates.

7. Consent for Video Conference Facility

Pursuant of Section 132(2) of the Companies Act. 2017, Members may avail video conference facility for this Annual General Meeting provided the Company received consent from the members holding aggregate 10% or more shareholding at least 7 days prior to the date of meeting. The requisite form for availing the facility is provided at the website of the company at www.fccl.com.pk.

8. Unclaimed Dividends and Share Certificates

a. The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the members to claim their unclaimed dividend and undelivered share certificates in accordance with the law.

b. Members, whose dividends and share certificates are still unclaimed/ undelivered, are hereby once again advised to approach the Company to claim their outstanding dividend amounts and/ or undelivered share certificates.

9. Deposit of Physical Shares into CDC Account.

As per Section 72 of the Companies Act, 2017, every existing listed Company is required to replace its physical shares with book-entry form in a manner as specified by the Commission. The members having physical shareholding are encouraged to open Investor Account directly with CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

10. Provision of International Banking Account Number (IBAN Detail).

"Under the provisions of Section 242 of the Companies Act, 2017 and SECP's Circular No 421(I) 2018 dated 19th March 2021, listed Company must pay cash dividends directly into shareholders' designated bank accounts. Shareholders are required to provide their International Bank Account Number (IBAN) details as directed by SECP.

11. Change of Address.

Members are requested to notify any change in their addresses immediately. For any further assistance, the members may contact the Company or the Share Registrar at the following address:-

Registered Office - FCCL	FCCL Registrar
Company Secretary Fauji Cement Company Limited Fauji Towers, Block -III, 68 Tipu Road Chaklala, Rawalpindi, Pakistan Tel: +92-051-9280081- 83 Website: htpp://www.fccl.com.pk	M/s Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial Model Town Lahore, Pakistan Tel: +92-042-35916714-19, 35839182 Email: corplink786@gmail.com, Website: http://www.corplink.com.pk

FORM OF PROXY

32nd Annual General Meeting – 14th October 2024

I/we ______________ of ____________being a member(s) of Fauji Cement Company Limited, holding ___________ ordinary shares as per Registered Folio No /CDC A/c. No.______ hereby appoint Mr./Mrs./Miss. _______________of (full address)___________________ or failing him / her Mr./Mrs/Miss _____________(address) ________________ (being member of the Company) as my/our Proxy to attend, act and vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on 14th October 2024 (Monday) and/ or any adjournment thereof.

Please affix
Rupees fifty
revenue Stamp

____
Signature of Shareholders
(The signature should agree with the Specimen registered with the Company)

Signed this _______ day of_______2024.

Signature of Proxy ___________

1. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   ____
   CNIC/Passport No: ______________________

2. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   ____
   CNIC/Passport No: ______________________

Notes

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as attending, speaking and voting at the meeting, as are available to a member.

2. Proxy shall authenticate his/her identity by showing his / her Computerized National Identity card (CNIC) or original passport and bring folio number (if members) at the time of attending the meeting.

3. In order to be effective, the instructions/proxy forms must be received at the Company's Registered Office address at FCCL Head Office, Fauji Towers, Block-3, 68 Tipu Road, Chaklala, Rawalpindi not later than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signatures names, address, CNIC numbers given on the form.
4. 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.

5. 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.

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1.04	The legislative and regulatory environment in which the company operates.	44
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1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	22
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	22
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	40 - 41
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	88 - 90
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	88 - 90
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1.13	The legitimate needs, interests of key stakeholders and industry trends.	45
1.14	SWOT Analysis of the company.	27
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	50
1.16	History of major events.	24 - 25
1.17	Details of significant events occurred during the year and after the reporting period.	11
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2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	62 - 63
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	64
2.04	Company's strategy on market development, product and service development.	66

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2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	67
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2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	66
2.08	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	69
2.09	a) Information about defaults in payment of any debt with reasons and its repayment plan;	68
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3.02	A Statement from the Board for determining the following: a) Company's level of risk tolerance by establishing risk management policies;	76
	b) Company's robust assessment of the principal risks being faced, including those that would threaten the business model, future performance and solvency or liquidity.	76
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	76
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	72 - 75
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	77
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4.02	Board's statement about the company's strategic objectives and the intended impact on stakeholders on ESG (Environmental, Social and Governance) reporting/ Sustainability Reporting in line with IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'. Weightage will be given to companies who provides following disclosures (as per IFRS S1 and IFRS S2) along with the company specific examples for each factor for the investor's information: a) Disclosures of company specific sustainability-related risks and opportunities and their impact on the financial performance in the short, medium and long term; b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrices designed by the company to demonstrate the performance and progress of the company. c) Disclosures of material information about sustainability-related risks and opportunities throughout a company's value chain together with specific examples of initiatives taken by the company. [In IFRS S1, the 'value chain' is the full range of interactions, resources and relationships related to a company's business model and the external environment in which it operates] d) Disclosure about company's climate-related risks and opportunities, as required in IFRS S2 including explanation of the specific methodologies and tools used by the company.	136- 138

	Climate-related opportunities refer to the potential positive effects arising from climate change for a company. Climate-related risks refers to the potential negative effects of climate change on a company and are of two types, physical risks (such as those resulting from increased severity of extreme weather) and transition risks (such as those associated with policy action and changes in technology)]	
4.03	A chairman's overview on how the company's sustainable practices can affect the financial performance of the company.	6 - 7
4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to 5 the various aspects of sustainability and CSR: • Social initiatives such as research and development initiatives, employment generation, community health and education, and health and safety of staff etc.; • Environmental initiatives like climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources; • Technological innovation such as contributing to sustainability (i.e. energy-efficient processes or eco-friendly product designs); • Information on consumption and management of materials, energy, water, emissions and waste. • Status of adoption/ compliance of the Corporate Social Responsibility (Voluntary) 3 Guidelines, 2013 issued by the SECP. • ISO certifications acquired for best sustainability and CSR practices.	139 - 147
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	b) Name of independent directors indicating justification for their independence;	33 - 35, 84
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	81, 28 - 35
	d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	28 - 35
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	81
5.02	A brief description about role of the Chairman and the CEO.	80
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	81
5.04	Chairman's Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company's objectives; b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year'; c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	91,92, 6 - 7
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	92
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	93
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	93
5.08	Details of formal orientation courses for directors.	80

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5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	93, 110
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	81, 121
5.11	Disclosure about related party transactions:	81
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	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	81
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement;	81
	d) Disclosure of director's interest in related party transactions;	82
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	81
5.12	Disclosure of Board's Policy on the following significant matters:	84
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	c) Disclosure of director's interest in significant contracts and arrangements.	84
	d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	93
	e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	84
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	l) Investors' relationship and grievances.	82
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	n) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in Audit Committee's report.	94
	o) Safety of records of the company.	82
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	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	84
5.18	Timely Communication	
	Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	85
5.19	Audit Committee report should describe the work of the committee in discharging its 3 responsibilities. The report should include:- a) Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	118 -119
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5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: a) How it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system; b) Management support in the effective implementation and continuous updation c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties.	122 - 123
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	Board statement of the organization's business continuity plan or disaster recovery plan.	83
5.23	Information on company's contribution to the national exchequer (in terms of payment of 1 duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	90
6.	Analysis of the Financial Information	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance; b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	150 - 151
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	b) Explanation of negative change in the performance as compared to last year.	158
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6.04	Cash Flowatement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	175
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	b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	175
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6.07	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	177
6.08	Disclosure of market share of the company and its products and services.	177
6.09	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	178
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8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	120
8.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	120
8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	120
8.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	121
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	121
8.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	121
8.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	121
8.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	122
	Explanatory Note Companies are recommended to assess the risks related to the potential theft or compromise of their technology, data or intellectual property in connection with their operations, as well as how the recognition of these risks may impact their business, including their financial condition and results of operations, and any effects on their reputation, stock price and long-term value. Where these risks are material to investment and voting decisions, they should be disclosed, and we encourage companies to provide disclosure that allows investors to evaluate these risks through the eyes of management. Please note that disclosure about these risks should be specifically fit to a company's unique facts and circumstances. We trust that corporations should continue to consider this growing area of risk and evaluate its materiality on an ongoing basis. Further, the Company should not make such detailed disclosures that could compromise its cybersecurity efforts - for example, by providing a "roadmap or product details" for those who seek to penetrate a company's security protections. However, companies should disclose IT governance and cybersecurity risks and incidents that are material to investors, including the associated financial, legal, or reputational consequences, if any.	

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پراکسی فارم

32واں سالانہ اجلاس عام۔ 14 اکتوبر 2024

میں/ہم۔۔۔۔۔۔۔۔۔۔۔۔۔بحثیت فوجی سیمنٹ کمپنی لمیٹڈ کے رکن (اراکین)۔۔۔۔۔۔۔۔۔۔۔۔۔۔عام حصص بمطابق رجسٹرڈ فولیونمبر/سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔اپنی جانب سے محترم/محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کوتقرر کرتا/کرتی ہوں۔ان کا مکمل پتہ۔۔۔۔۔۔۔۔۔۔اوران کی عدم موجودگی میں محترم/محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔کا تقرر کرتا/کرتی ہوں۔ان کا مکمل پتہ ۔۔۔۔۔۔۔۔رجسٹرڈ فولیونمبر/سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے) ۔۔۔۔۔۔۔۔۔۔۔کو اپنی/ہماری عدم موجودگی میں کمپنی کے 14 اکتوبر 2024 بروز سوموار ہونے والے سالانہ اجلاس عام میں شرکت کرنے،حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا پراکسی مقرر کرتا ہوں/کرتے ہیں۔

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

دستخط شیئر ہولڈر

دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت ہونا لازمی ہے

پچاس روپے مالیت کے ریونیو ٹکٹ

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

دستخط پراکسی

آج بروز۔۔۔۔۔۔۔۔بتاریخ۔۔۔۔۔۔۔۔۔۔۔2024 کو دستخط کئے گئے

گواہان:۔

گواہ نمبر۔۱	گواہ نمبر۔۲
دستخط۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	دستخط۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
نام۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	نام۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
پتہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	پتہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
شناختی کارڈ/پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	شناختی کارڈ/پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

اطلاع

۱۔ ایک رکن جو اجلاس میں حاضر ہونے اور ووٹ ڈالنے کا اہل ہے اپنی جگہ کسی اور شیئر ہولڈر کو اپنے نمائندے کے طور پر مقرر کرسکتا ہے جو ایسے حقوق جیسے حاضر ہونے، بات کرنے اور اجلاس میں ووٹ ڈالنے کیلئے اہل ہوجائیگا/گی جیسے حقوق ایک رکن کو دستیاب ہیں۔

۲۔ نمائندہ اجلاس میں حاضری کے وقت اپنی شناخت کا ثبوت اپنا کمپیوٹرائز قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر ظاہر کرے گا/گی اور فولیو نمبرز (اگر ممبر ہے) بھی ہمراہ لائے گا/گی۔

۳۔ پراکسی فارم موثر ہونے کی غرض سے فوجی سیمنٹ کمپنی لمیٹڈ، ہیڈ آفس، فوجی ٹاوز، بلاک۔۳، ۶۸ ٹیپو روڈ، چکلالہ راولپنڈی، پاکستان پر اچھی طرح دستخط اور مہر اور دو اشخاص کی گواہی مع ان کے دستخط، نام، پتہ اور شناختی کارڈ نمبر جو فارم پر دیا گیا ہے۔ اجلاس کے انعقاد سے زیادہ سے زیادہ 48 گھنٹے قبل موصول ہونا لازمی ہے۔

۴۔ اگر معاملہ افراد کا ہے۔ تو مستفید ہونے والے افراد کے تصدیق شدہ اپنا کمپیوٹرائز قومی شناختی کارڈ یا اصل پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ہمراہ بھیجنے ہوں گے۔

۵۔ کارپوریٹ ادارے کی صورت بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نمونہ دستخط پراکسی (Proxy) فارم کے ساتھ کمپنی کو پیش کیا جائے گا۔

داخل کریں۔

9۔ **فزیکل شیئرز کو CDC اکاؤنٹ میں جمع کروانا**

کمپنیز ایکٹ، 2017 کی دفعہ 72 کے مطابق، ہر ایک موجودہ لِسٹڈ کمپنی کے لیے ضروری ہے کہ وہ اپنے فزیکل شیئرز کو کمیشن کے بتائے گئے طریقے کے مطابق کھاتے کے اندراج کے ایک فارم میں تبدیل کرے۔ ایسے ممبران جن کے پاس فزیکل شیئرز موجود ہیں، ان سے گزارش کی جاتی ہے کہ براہِ راست CDC کے ساتھ اپنا سرمایہ کاری اکاؤنٹ کھولیں تاکہ ان کے فزیکل شیئرز، scripless فارموں میں تبدیل ہوسکیں۔ اس سے ان کو کئی طرح کی سہولتیں حاصل ہوں گی جن میں شیئرز کو بحفاظت رکھنا اور جب چاہیں انھیں فروخت کرنا بھی شامل ہے، کیونکہ پاکستان سٹاک ایکسچینج کے موجودہ ضوابط کی رُو سے فزیکل شیئرز کی خرید وفروخت کی اجازت نہیں ہے۔

10۔ **انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN کی تفصیلات) کی فراہمی**

کمپنیز ایکٹ، 2017 کی دفعہ 242 کی رُو سے اور سکیورٹی ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 2018(I)421 مؤرخہ 19 مارچ 2021 کے مطابق کسی لِسٹڈ کمپنی کے لیے لازم ہے کہ وہ منافع (dividend) کی نقد ادائیگی براہِ راست حصص داران کے باقاعدہ بینک اکاؤنٹ میں کرے۔ تمام حصص داران کے لیے ضروری ہے کہ SECP کی ہدایات کی روشنی میں اپنے انٹرنیشنل بینکنگ اکاؤنٹ نمبر کی تفصیلات کمپنی کو فراہم کریں۔

11۔ **پتے کی تبدیلی**

ممبران سے گزارش کی جاتی ہے کہ اپنے پتے میں کسی قسم کی تبدیلی کی صورت میں فوری طور پر آگاہ کریں۔ مزید معاونت کے حصول کے لیے ممبران کمپنی یا اس کے شیئر رجسٹرار سے درج ذیل پتے پر رابطہ کرسکتے ہیں:

الف۔ **رجسٹرڈ آفس — FCCL**

کمپنی سیکرٹری

فوجی سیمنٹ کمپنی لمیٹڈ

فوجی ٹاورز، بلاک — III، 68 ٹیپو روڈ،

چکلالہ، راولپنڈی، پاکستان۔

فون: +92-51-9280081-83

ویب سائٹ: htpp://www.fccl.com.pk

ب۔ **FCCL رجسٹرار**

میسرز کارپ لنک (پرائیویٹ) لمیٹڈ

وِنگز آرکیڈ، K-1، کمرشل ماڈل ٹاؤن،

لاہور، پاکستان۔

فون: +92-42-35916714-19, 35839182

ای میل: corplink786@gmail.com

ویب سائٹ: http://www.corplink.com.pk

اور مشترکہ حصص داران کے تناسب (proportions) سے ہمارے شیئر رجسٹرار کو درج ذیل فارمیٹ کے مطابق تحریری طور پر آگاہ کریں:

مشترکہ حصص کے تناسب کا فارم							
فولیو/ CDC اکاؤنٹ نمبر	شیئرز کی کُل تعداد	بنیادی (Principal) شیئر ہولڈر		مشترکہ (Joint) شیئر ہولڈر		دستخط
		بنیادی شیئر ہولڈر کا نام اور شناختی کارڈ نمبر	حصص کا تناسب (حصص کی تعداد)	مشترکہ شیئر ہولڈر کا نام اور شناختی کارڈ نمبر	حصص کا تناسب (حصص کی تعداد)	

ر۔ مشترکہ اکاؤنٹس کی معلومات ہمارے شیئر رجسٹرار کو اس نوٹس کی اشاعت کے دس دن کے اندر لازماً موصول ہو جانی چاہئیں۔ معلومات کی عدم موصولی کی صورت میں یہ سمجھا جائے گا بنیادی شیئر ہولڈر اور مشترکہ شیئر ہولڈر کے حصص کا تناسب مساوی ہے۔

س۔ ایسے حصص داران جو انکم ٹیکس آرڈیننس، 2001 کی دفعہ 150 کے تحت استثنیٰ حاصل کرنا چاہتے ہیں، لازماً ٹیکس سے استثنیٰ کا اپنا کارآمد سرٹیفکیٹ ہمارے شیئر رجسٹرار کو شیئر کے کھاتے بند ہونے کی تاریخ سے قبل فراہم کریں، بصورتِ دیگر حصّے (dividend) کی ادائیگی پر عمومی قابلِ اطلاق شرح کے مطابق ٹیکس کاٹا جائے گا۔

7۔ وڈیو کانفرنس کی سہولت کی رضامندی

کمپنیز ایکٹ، 2017 کی دفعہ (2)132 کی رُو سے، ممبران اس سالانہ اجلاسِ عام کے لیے وڈیو کانفرنس کی سہولت سے بھی فائدہ اٹھا سکتے ہیں بشرطیکہ کمپنی کو مجموعی طور پر 10 فیصد یا اس سے زیادہ حصص رکھنے والے ممبران کی طرف سے میٹنگ کی تاریخ سے کم از کم سات دن قبل رضامندی کا فارم موصول ہو۔ اس سہولت کے حصول کے لیے مطلوبہ فارم کمپنی کی وب سائٹ www.fccl.com.pk پر فراہم کیا گیا ہے۔

8۔ غیر دعویٰ شدہ منافع (dividend) ور شیئر سرٹیفکیٹ

الف۔ کمپنیز ایکٹ، 2017 کی دفعہ 244 کے تحت کمپنی پہلے ہی اپنی اس ذمہ داری سے سبکدوش ہو چکی ہے کہ وہ غیر دعویٰ شدہ منافع جات اور غیر تقسیم شدہ شیئر سرٹیفکیٹس کے لیے قانون کے مطابق ممبران تک رسائی حاصل کر کے انھیں مطلع کرے گی۔

ب۔ ایسے ممبران سے جن کے منافع جات (dividend) اور شیئر سرٹیفکیٹ تا حال غیر دعویٰ شدہ یا غیر تقسیم شدہ ہیں، کمپنی ایک مرتبہ پھر گزارش کرتی ہے کہ اپنے واجب الادا منافع جات اور سرٹیفکیٹ حاصل کرنے کے لیے اپنے دعویٰ

5۔ AGM میں آن لائن شرکت

الف۔ ممبران کی بڑی تعداد کی شرکت کو یقینی بنانے اور انھیں سہولت فراہم کرنے کی غرض سے، کمپنی میٹنگ میں آن لائن شرکت کا پلیٹ فارم/سہولت webinar/webex/zoom کی صورت میں بھی مہیا کرے گی۔ ممبران اپنے سمارٹ فون یا کمپیوٹر کے ذریعے اپنی شناخت اور تصدیق کے لوازمات پورے کرنے کے بعد AGM کی کارروائی میں لاگ اِن کر کے شرکت کرنے کے قابل ہوسکیں گے۔ اس ضمن میں ممبران کے لیے ضروری ہے کہ اپنے کارآمد ای میل ایڈریس 17 اکتوبر 2024 سے قبل شیئر رجسٹرار کو ارسال کریں۔

ب۔ وہ ممبران جنھوں نے اپنے کارآمد ای میل ایڈریس کمپنی یا اس کے شیئر رجسٹرار کو ارسال کردیے ہیں اور وہ AGM کی کارروائی میں آن لائن شرکت میں دلچسپی رکھتے ہیں، اپنے فولیو نمبر کے ساتھ secretaryoffice@fccl.com.pk پر اپنی درخواست ارسال کرسکتے ہیں۔ ایسی درخواستیں اپنے کارآمد اور باقاعدہ رجسٹرشدہ ای میل ایڈریس سے رجسٹریشن کی غرض سے 13 اکتوبر 2024 تک بھیج دی جانی چاہئیں۔

6۔ منافع (Dividend) کی ادائیگی پر انکم ٹیکس کی کٹوتی اور کٹوتی سے استثنیٰ

الف۔ کمپنیوں کی طرف سے منافع (Dividend) کی ادائیگی پر انکم ٹیکس آرڈیننس، 2001 کی دفعہ 150 کے تحت وِدہولڈنگ ٹیکس کی کٹوتی کی موجودہ مقررشدہ شرح درج ذیل ہے:

(1)	انکم ٹیکس ریٹرن کے فائلرز کے لیے	=	15 فیصد
(2)	انکم ٹیک ریٹرن کے نان فائلرز کے لیے	=	30 فیصد

ب۔ منافع کی ادائیگی میں سے انکم ٹیکس کی کٹوتی FBR کی ویب سائٹ پر دی گئی فعال ٹیکس دہندگان کی فہرست (ATL) کے مطابق کی جائے گی۔ اس لیے ایسے تمام حصص داران سے جو انکم ٹیکس ریٹرن کے فائلر ہیں، گزارش کی جاتی ہے کہ اس امر کو یقینی بنائیں کہ ان کے ناموں کا اندراج ATL میں موجود ہے تاکہ کمپنی ان کے منافع جات کی نقد ادائیگی کرتے ہوئے انکم ٹیکس کی مد میں 30 فیصد کی بجائے 15 فیصد کے حساب سے کٹوتی کرے۔

ج۔ مزید برآں فیڈرل بورڈ آف ریونیو (FBR) کے قواعد کے مطابق بنیادی حصص داران (Principal shareholders) اور مشترکہ حصص داران (Joint shreholders) پر، اگر وہ جوائنٹ اکاؤنٹ رکھتے ہیں، ان کے حصص کے تناسب سے ان کے ''فائلر/نان فائلر'' ہونے کی حیثیت سے الگ الگ حساب سے ٹیکس لاگو ہوگا۔

د۔ اس ضمن میں ایسے تمام حصص داران جو مشترکہ حصص رکھتے ہیں، ان سے گزارش ہے کہ اپنے بنیادی حصص داران

کاپی بذریعہ ڈاک ممبر کے رجسٹرڈ پتے پر بھیجی جائے۔ یہ کاپی درخواست موصول ہونے کے ایک ہفتے کے اندر بلا معاوضہ ارسال کر دی جائے گی۔

2۔ شیئرز کی منتقلی کے کھاتہ جات کی بندش

کمپنی کے شیئرز کی منتقلی کے کھاتہ جات 8 اکتوبر سے 14 اکتوبر 2024 (بشمول ان دونوں دنوں کے) اجلاسِ عام میں شرکت کی غرض سے بند رہیں گے۔ شیئرز کی منتقلی کی ایسی درخواستیں جو قاعدے کے مطابق ہوں اور میسرز کارپ لنک (پرائیویٹ) لمیٹڈ وِنگز آرکیڈ، 1-K، کمرشل ماڈل ٹاؤن، لاہور کو 7 اکتوبر 2024 کو دفتری اوقات کے ختم ہونے تک موصول ہو جائیں گی، ان کو بروقت گردانتے ہوئے مندرجہ بالا استحقاق کا حامل سمجھا جائے اور وہ سالانہ اجلاسِ عام (AGM) میں شرکت کے اہل ہوں گے۔

3۔ میٹنگ میں شرکت کرنے اور ووٹ دینے کا استحقاق رکھنے والا ممبر اپنی جگہ کسی دوسرے شخص کو بطور پراکسی میٹنگ میں شرکت کرنے اور اپنی جگہ ووٹ دینے کے لیے مقرر کر سکتا ہے۔ پراکسی کے تقرر کی دستاویز میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانی چاہیے۔

4۔ CDC اکاؤنٹ کے حامل/تجارتی اداروں کے لیے

مندرجہ بالا شق کے علاوہ درج ذیل تقاضے پورا کرنا بھی ضروری ہے:

الف۔ مطلوبہ تقاضوں کے مطابق پراکسی کے تقرر کا باقاعدہ پُر شدہ اور دستخط شدہ فارم کمپنی کے رجسٹرڈ آفس یعنی فوجی ٹاور، بلاک –III، 68 ٹیپو روڈ، چکلالہ، راولپنڈی میں جمع کروایا جانا چاہیے۔ فارم پر شناختی کارڈ نمبر کا اندراج لازمی ہے۔

ب۔ پراکسی فارم کمپنی کی ویب سائٹ کے درج ذیل لنک https://fccl.com.pk/en/download-forms سے ڈاؤن لوڈ کیا جا سکتا ہے۔

ج۔ شیئر کے مالک اور پراکسی کے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں گی۔

د۔ پراکسی کا حامل فرد میٹنگ کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرے گا۔

ر۔ تجارتی ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامے کی مصدقہ نقل مع نمونے کے دستخط کے جمع کروائی جائے گی۔

س۔ تمام ممبران سے گزارش کی جاتی ہے کہ اپنے کارآمد شناختی کارڈ کی نقول فراہم کریں اور اپنے پتے میں کسی قسم کی تبدیلی کی صورت میں فوری اطلاع دیں۔

اطلاع برائے 32واں سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ فوجی سیمنٹ کمپنی لمیٹڈ کے ممبران کا 32واں سالانہ اجلاسِ عام (AGM) بمقام پرل کانٹی نینٹل ہوٹل، دی مال، راولپنڈی، بتاریخ 14 اکتوبر 2024 (پیر) بوقت 1500 بجے منعقد ہوگا جس میں درج ذیل امور طے کیے جائیں گے:

عمومی امور

1۔ 27 اکتوبر 2023 کو منعقد ہونے والے 31ویں سالانہ اجلاسِ عام کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2024 کو ختم ہونے والے مالی سال کے کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس اور ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو زیرِ غور لانا اور ان کی منظوری دینا۔

3۔ 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنی کے منظور شدہ آڈیٹرز کا تقرر کرنا اور ان کے معاوضے کا تعین کرنا۔

4۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے 10 فیصد یعنی ایک روپیہ کے حساب سے حتمی نقد حصہ فی شیئر کی ادائیگی کو زیرِ غور لانا اور اس کی منظوری دینا۔

5۔ چیئرمین کی اجازت سے کسی دیگر معاملے کو زیر غور لانا۔

بحکم بورڈ آف ڈائریکٹرز، فوجی سیمنٹ کمپنی لمیٹڈ

راولپنڈی

مؤرخہ 20 ستمبر 2024

بریگیڈیر کاشف نوید عباسی، ستارۂ امتیاز (ملٹری)، ریٹائرڈ
کمپنی سیکریٹری

نوٹ

1۔ کمپنیز ایکٹ 2017 کے سیکشن 223 کے تحت اور S.R.O. 389(I)/2023 مؤرخہ 21 مارچ 2023 کے مطابق، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اَپ لوڈ کر دیے گئے ہیں جنھیں درج ذیل ویب لنک اور کیو آر کوڈ کے ذریعے ڈاؤن لوڈ کیا جا سکتا ہے:

https://fccl.com.pk/en/annual-reports/

اگر کوئی ممبر مذکورہ مالیاتی گوشواروں کی پرنٹ شدہ کاپی حاصل کرنے کا خواہاں ہو تو کمپنی سیکرٹری کو تحریری طور پر کہہ سکتا ہے کہ پرنٹ شدہ

سیمنٹ کی مارکیٹ کے حوالے سے دیکھا جائے تو تعمیراتی سامان کی تاریخ کی بلند ترین قیمتوں کے باعث اندرونِ ملک سیمنٹ کی طلب میں کمی کا رجحان جاری رہے گا جس میں الیکشن ہونے کے بعد مالی سال 2024 کے نصف آخر میں کچھ بہتری کی امید ہے۔	اندرونِ ملک سیمنٹ کی فروخت میں 4.6 فیصد کمی آئی یعنی گزشتہ سال کے 40 ملین ٹن کے مقابلے میں اس مالی سال 2024 میں 38.2 ملین ٹن رہیں۔ کمپنی کی سیمنٹ کی مجموعی فروخت مالی سال 2024 میں 5.1 ملین ٹن ریکارڈ کی گئیں جبکہ گزشتہ برس یہ ترسیلات 4.8 ملین ٹن تھیں۔
افغانستان کو سیمنٹ کی برآمدات کی صورت حال امید افزا ہے جس میں مالی سال 2023 میں کافی بہتری آئی ہے اور آئندہ مالی سال میں بہتری کی رفتار جاری رہنے کی توقع ہے۔	افغانستان میں استحکام کی صورت حال بہتر ہونے کے باعث افغانستان کی برآمدات میں اس سال بہتری آئی ہے یعنی مالی سال 2024 میں 0.5 ملین ٹن رہیں جبکہ مالی سال 2023 میں یہ 0.4 ملین ٹن تھیں۔

گزشتہ سال اعلان کیے گئے منصوبوں کی موجودہ صورت حال

ڈیرہ غازی خان توسیعی پراجیکٹ

ڈیرہ غازی خان والے پراجیکٹ نے کامیابی سے اس سال کام کرنا شروع کر دیا ہے اور یکم فروری 2024 سے اس کی تجارتی سرگرمیوں کا آغاز ہو چکا ہے۔

مستقبل کی پیش گوئیوں کے لیے معلومات اور مفروضوں کے ذرائع

مستقبل کے تخمینے اور پیش گوئیاں ہمیشہ کسی حد تک غیر یقینی صورتحال پر منحصر ہوتے ہیں اور اس میں کچھ مفروضے بھی شامل ہوتے ہیں۔ کمپنی کی طرف سے پیش کیے جانے والے تمام تخمینے اور پیش گوئیاں ماضی کے رجحانات، کمپنی انتظامیہ کی طرف سے کیے گئے اقدامات اور فیصلوں، مارکیٹ کی حالیہ صورت حال اور ممکنہ پیش رفت (سیمنٹ کی صنعت سے یا مجموعی معیشت سے متعلق) کا تنقیدی تجزیہ کرنے کے بعد پیش کی جاتی ہیں۔ فیصلہ سازی کے عمل کے ایک حصے کے طور پر، بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹیاں بجٹ اور پیش گوئیوں کے لیے کمپنی انتظامیہ کی طرف سے استعمال کیے گئے مفروضوں اور ڈیٹا کا تنقیدی جائزہ لیتی ہیں۔

اندرونی معلومات کمپنی کے عمدگی سے لیس مواد اور بیرونی معلومات تحقیق میں مصروف کمپنیوں، نگران اداروں، مالیاتی اداروں اور متعلقہ تجارتی تنظیموں سے حاصل کی جاتی ہیں۔

لیفٹیننٹ جنرل انور علی حیدر، ہلال امتیاز (ملٹری)، (ریٹائرڈ)
چیئرمین بورڈ آف ڈائریکٹرز FCCL
راولپنڈی
27 اگست 2024

قمر حارث منظور
چیف ایگزیکٹو آفیسر/منیجنگ ڈائریکٹر FCCL
راولپنڈی
27 اگست 2024

مستقبل کا جائزہ

مہنگائی میں کمی کے ساتھ شرحِ سود میں بھی کمی آنا شروع ہوگئی ہے جو کاروبار کے لیے مثبت ہے۔ ملک کے بیرونی قرضوں کی ادائیگی کے چیلنج اب بھی موجود ہیں لیکن امید ہے کہ مستقبل قریب میں آئی ایم ایف کے نئے معاہدے پر کام مکمل ہونے اور شرحِ مبادلہ میں استحکام کے ساتھ تھوڑے عرصے میں ان قرضوں کی ادائیگی کا انتظام ممکن ہوجائے گا، اگرچہ بڑی سطح کے انتظامی چیلنجوں سے نمٹنا پھر بھی باقی ہے۔

اندرونِ ملک سیمنٹ کی مارکیٹ میں دیکھیں تو تعمیراتی مواد کی بلندترین قیمتوں کے ساتھ سیمنٹ کی طلب میں کوئی بڑا اضافہ متوقع نہیں ہے تاہم اس میں بہتری کی کچھ امید اس صورت میں ہوسکتی ہے اگر حکومت مالی سال 2025 کے بجٹ کے ترقیاتی پروگرام میں رکھے گئے اہداف کو مکمل کرنے کے اخراجات کے لیے کچھ مالی گنجائش تلاش کرلے۔ افغانستان کو کی جانے والی برآمدات کی صورتِ حال امید افزا ہے جس میں مالی سال 2024 میں بہت بہتری آئی اور توقع ہے کہ آئندہ مالی سال میں بھی یہ رفتار جاری رہے گی۔

بورڈ کی مستعد رہنمائی میں کمپنی انتظامیہ پیداواری لاگت میں مزید بہتری لانے کی کوششوں کے ساتھ ساتھ شمسی توانائی کی صلاحیت میں اضافے، نئے پی پی بیگ تیار کرنے کی سہولت کے حصول اور متبادل ایندھن کے استعمال میں اضافے کے ذریعے سیمنٹ کی مارکیٹ میں اپنے حصہ بڑھانے کی تگ ودو جاری رکھے گی تاکہ اس کا حتمی نتیجہ مجموعی نفع بخشی کی صورت میں سامنے آسکے۔

گذشتہ سال پیش کیے گئے مستقبل کے جائزے کا تجزیہ

گذشتہ سال کی رپورٹ میں بیان کیا گیا اقتباس	
یہ دیکھتے ہوئے کہ ہم نے جہاں مالی سال 2023 کا اختتام کیا ہے، آئندہ مالی سال پاکستانی معیشت اور خاص کر کاروبار کے لیے سخت ہو گا تاوقتیکہ مہنگائی اور شرحِ سود نمایاں حد تک کم ہوجائے اور بالآخر دس سے کم پر پہنچ جائے۔ مالی سال 2024 میں بیرونی قرضوں کی ادائیگی کے لیے مالی ضروریات آئی ایم ایف سے قرضہ مل جانے کے باوجود پاکستانی روپے پر دباؤ برقرار رکھیں گی، خاص طور پر آئی ایم ایف کی اس شرط کے باعث کہ روپے کی قدر کی سرکاری اور مارکیٹ کی شرح میں فرق 1.25 فیصد تک رکھا جائے گا۔	مالی سال 2024 پاکستانی معیشت کے لیے ایک اور سخت سال رہا جس میں سال کے نصف آخر میں کچھ استحکام نظر آیا۔ مہنگائی اور پالیسی ریٹ میں کمی مثبت خبریں تھیں۔ موجود آئی ایم ایف پروگرام کے تحت قرضے کے حصول اور تجارتی خسارے میں کمی کے باعث پاکستانی روپے کی قدر میں مالی سال 2024 کے دوران استحکام رہا۔

کامیابی کا محرّک رہی ہے۔

آخر میں یہ کہنا ہے کہ FCCL کی حکمتِ عملی کا مستحکم ڈھانچا، بہترین کارکردگی اور پائیداری کے لیے ہماری لگن ہمیں مستقبل کے چیلنجوں پر قابو پانے اور ابھرتے ہوئے مواقع سے فائدہ اٹھانے کے قابل بناتے ہیں۔ ہم اپنے حصص داران، صارفین، ملازمین اور مجموعی طور پر پورے معاشرے کو نفع بخشی پر توجہ مرکوز رکھیں گے۔ باہم مل کر ہم ایک ثابت قدم اور خوش حال مستقبل کی تعمیر جاری رکھیں گے۔

قمر حارث منظور

چیف ایگزیکٹو آفیسر/ منیجنگ ڈائریکٹر FCCL

27 اگست 2024

توانائی کے آلودگی سے پاک ذرائع کی طرف منتقلی کا ہمارا عزم بدستور برقرار ہے۔ اس برس ہم نے اپنی شمسی توانائی کی صلاحیت میں 12.5 میگاواٹ کا اضافہ کیا ہے اور آئندہ برس مزید 15 میگاواٹ اضافے کا ارادہ ہے۔ اس سے FCCL کی قابلِ تجدید توانائی کی پیداواری صلاحیت 67.5 میگاواٹ تک پہنچ جائے گی۔ یوں دن کے وقت آلودگی سے پاک توانائی کے حصول کے ذریعے سیمنٹ کی پیداوار کے دوران کاربن کا اخراج کم کرنے کے ہمارے عزم کو تقویت ملے گی۔ مزید برآں ہم پی پی بیگ مینوفیکچرنگ پلانٹ حاصل کرنے کا ارادہ رکھتے ہیں جو پیداواری کارکردگی کو مزید بہتر بنائے گا اور سیمنٹ پیک کرنے کے مقامی طور پر تیار کردہ بیگ کی مسلسل فراہمی کو یقینی بنائے گا۔

کاروباری سماجی ذمہ داری (CSR) کے حوالے سے بھی FCCL اپنے عزم پر ثابت قدم رہی ہے۔ ہم نے صحت، تعلیم اور خواتین کو بااختیار بنانے پر مرکوز سماجی بہبود کے کئی منصوبے شروع کیے ہیں۔ صحت کے شعبے میں ہم میڈیکل کیمپ لگانے میں تعاون فراہم کیا ہے اور صحت سے متعلق آگاہی کے پروگرام منعقد کیے ہیں تاکہ پس ماندہ آبادی کو ضروری سہولیات فراہم کی جاسکیں۔ تعلیم سے متعلق ہمارے اقدامات میں وظائف کی فراہمی، سکول کی عمارت اور سہولیات میں بہتری اور اساتذہ کے تربیتی پروگرام شامل ہیں جن کا مقصد نوجوانوں کے لیے تعلیم کا بہتر ماحول فراہم کرنا ہے۔ خواتین کو بااختیار بنانے کا عزم ہماری CSR کی حکمتِ عملی کا ایک کلیدی نکتہ بنا ہوا ہے۔ اس مقصد کا حصول خواتین کی معاشی آزادی اور سماجی شراکت کو فروغ دینے کے لیے قائم کیے گئے ہنرمندی کے مراکز اور کاروبار کے پروگراموں کے ذریعے جاری ہے۔

مستقبل پر نگاہ ڈالی جائے تو معاشی استحکام کے آثار نظر آتے ہیں اور حکومت کی طرف سے بجٹ میں اعلان کردہ ترقیاتی فنڈز کے ساتھ صنعت کے شمار یے مثبت رہنے کی توقع ہے۔ آپ کی کمپنی اپنی استقامت اور دوراندیش حکمتِ عملی کے ساتھ ابھرتے ہوئے معاشی منظرنامے کا بہتر طور پر اندازہ لگانے کی اچھی پوزیشن میں ہے۔ ہمیں یقین ہے کہ معیاری پیداوار، تکنیکی جدت طرازی اور پائیداری پر ہماری مسلسل توجہ ہماری ترقی کے عمل کو آگے بڑھائے گی۔ ہماری حکمتِ عملی کے اقدامات پیداواری کارکردگی کو بڑھانے، پیداواری لاگت کو کم کرنے اور مسابقتی برتری کو برقرار رکھنے پر توجہ مرکوز کیے رکھیں گے۔ ہم اپنی نئی پیداواری سہولتوں اور توسیعی پیداواری صلاحیتوں کو کام میں لاتے ہوئے سیمنٹ کی بڑھتی ہوئی طلب کو پورا کرنے کے لیے اپنی رسد کا نظام بہتر بنانے اور مجموعی پیداواری صلاحیت بڑھانے کی غرض سے جدت اور ڈیجیٹل تبدیلی کی نئی راہیں تلاش کریں گے۔

میں کمپنی کی جانب سے اپنے تمام متعلقین کے لیے ان کی مستحکم حمایت اور ہم پر اعتماد کرنے پر تحسین اور تشکر کا اظہار کرتا ہوں۔ میں معزز چیئرمین بورڈ آف ڈائریکٹرز کا بھی خصوصی شکریہ ادا کرنا چاہوں گا حکمتِ عملی کے حوالے سے جن کی رہنمائی، بصیرت افروز قیادت اور مستقل تعاون کی بدولت کمپنی ہر قسم کے چیلنج سے نبرد آزما ہونے کے قابل ہوئی۔ ان کی گراں قدر رہنمائی اور رہبری ہماری مسلسل ترقی اور

مینجنگ ڈائریکٹر کی جائزہ رپورٹ

محترم شراکت داران !

میرے لیے یہ بات اعزاز وافتخار کا باعث ہے کہ میں مالیاتی سال 2023-2024 کا جائزہ پیش کر رہا ہوں۔ زیرِ جائزہ دورانیے کا جائزہ بتاتا ہے کہ فوجی سیمنٹ کمپنی لمیٹڈ (FCCL) کی ترقی کی حکمت عملی کس طرح سے کامیاب اور نفع بخش رہی ہے۔ اس برس متعدد اقتصادی چیلنج درپیش رہے جن میں افراطِ زر، مالیاتی خسارہ، بڑھتا ہوا بیرونی قرضہ، توانائی کی بلند قیمتیں اور ہماری کرنسی کی قدر میں کمی شامل ہیں، اس کے نتیجے میں سیمنٹ کی طلب میں نمایاں کمی واقع ہوئی۔ تاہم ان تمام چیلنجوں کے باوجود FCCL نے نمایاں طور پر استقامت، جدت طرازی اور بہترین کارکردگی کے عزم کا مظاہرہ کیا ہے، جس سے سیمنٹ کی پیداوار کے اعتبار سے پاکستان کے صفِ اوّل کے اداروں میں سے ایک بننے کی ہماری حکمتِ عملی کو تقویت ملی ہے۔

مجھے یہ بتاتے ہوئے فخر محسوس ہو رہا ہے کہ مسائل کے باوجود FCCL نے اپنے حصص داران کو ان کے حصص کی قدر میں بہتری کی فراہمی جاری رکھی ہے اور برآمدات پر ٹیکس کے قانون میں تبدیلی کی وجہ سے مالی سال 2024 میں 1.8 بلین روپے کے اضافی موخر ٹیکس کے اخراجات کے باوجود گزشتہ سال کے 7.4 بلین روپے کے مقابلے میں اس سال 8.2 بلین روپے کا بعد از ٹیکس منافع کمانے میں کامیابی حاصل کی ہے۔ یوں FCCL نے قومی خزانے میں اپنا حصہ شامل کرنے کی روایت جاری رکھتے ہوئے رواں مالی سال کے دوران ٹیکس اور محصولات کی مد میں 28.9 بلین روپے کی رقم ادا کی۔

اس برس کی اہم ترجیح یہ تھی کہ لاگت کے اخراجات کم کرنے پر مسلسل توجہ مرکوز کرتے ہوئے اپنی پیداواری صلاحیت کر بڑھایا جائے۔ اس برس کے دوران عبور کیا جانے والا اہم سنگِ میل شادن لُنڈ ضلع ڈیرہ غازی خان میں ہمارے گرین فیلڈ سیمنٹ بنانے کے پلانٹ کا کامیاب آغاز تھا۔ 6,500 ٹن یومیہ کلنکر کی پیداواری صلاحیت کے حامل اس نئے پلانٹ نے FCCL کی کُل پیداواری صلاحیت کو 10.6 ملین ٹن سالانہ تک بڑھا دیا ہے، جس سے پاکستان میں سیمنٹ کی پیداوار کے اعتبار سے تیسرے بڑے ادارے کے طور پر ہماری پوزیشن مستحکم ہوگئی ہے۔ 13 ماہ کے ریکارڈ وقت میں مکمل ہونے والا یہ پلانٹ پیداوار کے جدید ترین آلات، گیسوں کے اخراج کے کنٹرول کے جدید نظام اور مشینری سے حاصل شدہ زائد حرارت سے بجلی پیدا کرنے والے ایک پلانٹ سے آراستہ ہے۔ مزید برآں جنوبی پنجاب کے ایک پس ماندہ علاقے میں پلانٹ کی موجودگی سے توقع ہے کہ مقامی آبادی کو نمایاں طور پر ترقی اور روزگار کے متعدد مواقع حاصل ہوں گے۔

Financial Information

پیداواری صلاحیت 10.6 ملین ٹن سالانہ تک پہنچ گئی ہے جس سے سیمنٹ کی پیداواری صلاحیت کے اعتبار سے پاکستان کے تیسرے بڑے ادارے کے طور پر ہماری پوزیشن مستحکم ہوگئی ہے۔ مزید برآں، توقع ہے کہ شادن لُنڈ ضلع ڈیرہ غازی خان میں ہماری موجودگی اس خطے کی معاشی اور سماجی ترقی میں اہم کردار ادا کرے گی۔

پائیدار ترقی کے لیے ہمارے عزم کا مزید اظہار اپنی شمسی توانائی کی پیداوری صلاحیت کو 12.5 میگاواٹ تک بڑھانے سے بھی ہوتا ہے جس سے قومی گرِڈ پر انحصار کم ہوگیا ہے۔ مستقبل میں آگے چل کر ہم اس صلاحیت کو مزید 15 میگاواٹ تک بڑھانے کا ارادہ رکھتے ہیں جس کا مقصد بجلی کی لاگت کو کم کرنا، قابلِ تجدید توانائی کے استعمال کو بڑھانا اور کاربن کے اخراج کو کم کرنا ہے۔

اس سال بورڈ کی کارکردگی مثالی رہی ہے جس کی فعال شمولیت اور بروقت فیصلوں کی وجہ سے FCCL کی ترقی ممکن ہوئی۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق، ہم نے مستحکم گورننس اور شفافیت کو یقینی بناتے ہوئے آڈٹ، HR&R، ESG اور سرمایہ کاری کمیٹیاں تشکیل دی ہیں۔ نئی تشکیل شدہ ESG کمیٹی تعلیم، پیشہ ورانہ تربیت، صحت کی دیکھ بھال اور مختلف سماجی پروگراموں کے لیے مسلسل تعاون کے ساتھ، ماحولیاتی استحکام اور سماجی ذمہ داری کے لیے ہمارے عزم اور وابستگی کو واضح کرتی ہے۔

مستقبل میں FCCL اپنی صلاحیتوں سے فائدہ اٹھانے اور ترقی کے نئے مواقع حاصل کرنے کے لیے بہتر پوزیشن میں ہے۔ ہماری حکمتِ عملی کی جہت، گورننس کا فریم ورک اور جدت طرازی کا ہمارا عزم انشاءاللہ پائیدار کامیابی کی طرف ہماری رہنمائی کرے گا۔

میں اپنے تمام متعلقین کا شکریہ ادا کرتا ہوں جن کی مستحکم حمایت اور اعتماد ہمیں حاصل ہے۔ بورڈ کی بصیرت کو عملی جامہ پہنانے میں اپنی لگن اور پیشہ ورانہ مہارت کے استعمال کے لیے میں اپنے چیف ایگزیکٹو آفیسر اور مینجمنٹ ٹیم کے لیے بھی اظہارِ تشکر کرتا ہوں۔ ہم مل کر FCCL کو کاروباری کارکردگی اور پائیدار ترقی کی نئی بلندیوں تک لے جائیں گے۔

لیفٹیننٹ جنرل انور علی حیدر، ہلال امتیاز (ملٹری)، ریٹائرڈ

چیئرمین، FCCL بورڈ آف ڈائریکٹرز

27 اگست 2024

چیئرمین کی جائزہ رپورٹ

معزز شراکت داران!

میرے لیے یہ امر اعزاز کا باعث ہے کہ اپریل 2024 میں FCCL کے بورڈ آف ڈائریکٹرز کے چیئرمین کے طور پر اپنی ذمہ داری سنبھالنے کے بعد میں اپنی پہلی جائزہ رپورٹ پیش کر رہا ہوں۔ اعلیٰ مہارت اور تنوع کے حامل اور کام کی لگن سے سرشار ایسے ڈائریکٹرز کے بورڈ کی قیادت کرنا بہت بڑا اعزاز ہے جو کمپنی کے نقطہ نظر، اس کے اہداف اور اس کی بنیادی اقدار کی ترقی کے لیے پوری طرح پُرعزم ہیں۔ ہمارا بنیادی مقصد اسی امر پر مرکوز ہے کہ کمپنی کے تمام متعلقین کے مفادات کو مؤثر طریقے سے پورا کیا جائے۔

بورڈ کی مسلسل کوششیں ایک جامع نقطہ نظر اور بصیرت کی تشکیل پر مرکوز ہیں جو ہمارے کام کے ہر شعبے میں ہماری حکمتِ عملی کی سمت نمائی کرتی ہے۔ یہ بصیرت اس امر کو یقینی بناتی ہے کہ ہم مستقبل کے چیلنجوں سے نبرد آزما ہونے اور ابھرتے ہوئے مواقع سے فائدہ اٹھانے کے لیے پورے طور پر تیار رہیں۔ اس ہدف کے حصول کے لیے کمپنی انتظامیہ کو اختیار دیا گیا ہے کہ وہ معمول کے امور آزادی اور مستعدی سے انجام دیں۔

میں اس سال بورڈ میں شامل ہونے والے نئے ڈائریکٹرز کا پُرتپاک خیرمقدم کرتا ہوں۔ ان کا متنوع تجربہ بلاشبہ بورڈ کو مستحکم کرنے کا باعث ہوگا اور FCCL کی کامیابیوں کے تسلسل میں اپنا حصہ ڈالے گا۔ میں سبکدوش ہونے والے ہمارے چیئرمین جناب وقار احمد ملک کا بھی تہِ دل سے شکریہ ادا کرنا چاہوں گا کہ انھوں نے گزشتہ چار سال میں کمپنی کی قیادت کے دوران انقلابی اقدامات کیے۔ مزید برآں میں بورڈ کے رخصت ہونے والے اراکین کا بھی شکریہ ادا کرتا ہوں کہ انھوں نے کمپنی کی کامیابی میں اہم کردار ادا کیا۔

جیسا کہ ہم ایک ایسے عالمی منظرنامے سے گزر رہے ہیں جو بڑی تبدیلیوں کی زد پر ہے، خاص طور پر اشیا کی قیمتیں اور توانائی کے لاگت میں اتار چڑھاؤ کے باعث اندرونِ ملک سیمنٹ کی طلب کو دباؤ کا سامنا کرنا پڑا ہے جو گزشتہ سال کے مقابلے میں 5 فیصد کم ہوگئی ہے۔ ان چیلنجوں کے باوجود FCCL نے بعد از ٹیکس 8.2 بلین روپے کا ریکارڈ منافع کمایا ہے جس کا باعث پیداواری اقدامات کا مستعد ہونا اور لاگت میں کمی اقدامات کرنا ہے۔ یہ کامیابی نامساعد حالات میں ہمارے کاروبار کی ثابت قدمی کی عکاس ہے کیونکہ برآمدات میں 56 فیصد اضافے سے تقویت پا کر کمپنی کی سیمنٹ کی مجموعی فروخت میں 2 فیصد اضافہ ہوا ہے۔

اس سال کی ایک اہم پیش رفت ڈیرہ غازی خان میں ہمارے گرین فیلڈ سیمنٹ مینوفیکچرنگ پلانٹ کا 13 ماہ کی ریکارڈ مدت میں کامیاب آغاز ہے جس سے پیداواری صلاحیت میں یومیہ 6,500 ٹن اضافہ ہوا۔ اس کامیابی سے FCCL کی کل

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