



INNOVATING TOWARDS **A GREENER FUTURE**

Annual Report
2025

INNOVATING TOWARDS **A GREENER FUTURE**

At Fauji Cement Company Limited, innovation isn't just about improving performance it's about reshaping the future. As one of Pakistan's leading cement manufacturers, we recognize that our responsibility extends beyond building infrastructure we are helping build a more sustainable world.

This year, FCCL has taken bold strides to integrate cutting-edge technologies and green energy solutions into its operations. From reducing the carbon footprint to optimizing energy efficiency across all production lines, the Company is redefining what it means to be a responsible industry leader.

Every employee of the Company understand that the future belongs to those who act today. Through a culture of continuous innovation and a steadfast commitment to environmental stewardship, FCCL is laying the foundation for a greener, cleaner and more resilient Pakistan.

ABOUT THIS REPORT

This Annual Report presents a comprehensive review of the Company's performance for FY 2024-25 and supports readers in understanding the various aspects of our business. It focuses on highlighting insights into the overall economy and the cement industry in particular as well as the outlook for the year ahead. It also covers financial performance, governance practices, risk management approach and allocation of resources. In line with the Integrated Reporting Framework, the Report incorporates core content elements which are presented below:

- Organizational Overview and External Environment
- Strategy and Resource Allocation
- Risks and Opportunities
- Sustainability Disclosures and Corporate Social Responsibility (CSR)
- Governance
- Our Business Model
- Disclosures on IT Governance and Cybersecurity
- Future Outlook
- Stakeholders Relationship and Engagement
- Financial Statements
- Analysis of Financial Information
- Information for Shareholders

Scope and Boundary

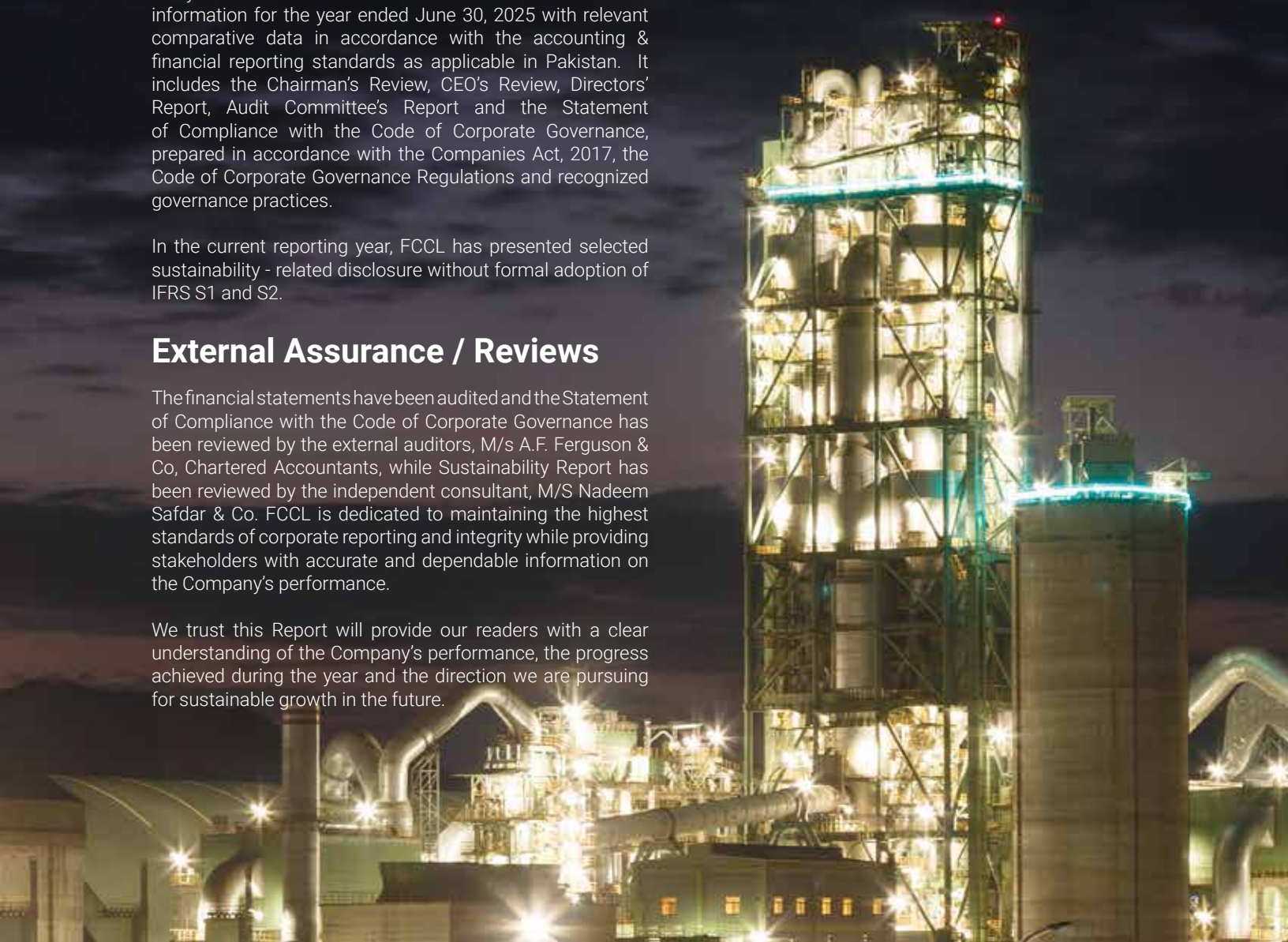
The Report covers the period from July 1, 2024 to June 30, 2025 and outlines significant events of the year, including the acquisition of Polypropylene (PP) Bags manufacturing unit and enhancement in solar captive capacity. Financial analysis and reviews take the lead from the audited financial information for the year ended June 30, 2025 with relevant comparative data in accordance with the accounting & financial reporting standards as applicable in Pakistan. It includes the Chairman's Review, CEO's Review, Directors' Report, Audit Committee's Report and the Statement of Compliance with the Code of Corporate Governance, prepared in accordance with the Companies Act, 2017, the Code of Corporate Governance Regulations and recognized governance practices.

In the current reporting year, FCCL has presented selected sustainability - related disclosure without formal adoption of IFRS S1 and S2.

External Assurance / Reviews

The financial statements have been audited and the Statement of Compliance with the Code of Corporate Governance has been reviewed by the external auditors, M/s A.F. Ferguson & Co, Chartered Accountants, while Sustainability Report has been reviewed by the independent consultant, M/S Nadeem Safdar & Co. FCCL is dedicated to maintaining the highest standards of corporate reporting and integrity while providing stakeholders with accurate and dependable information on the Company's performance.

We trust this Report will provide our readers with a clear understanding of the Company's performance, the progress achieved during the year and the direction we are pursuing for sustainable growth in the future.



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.



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CHAIRMAN'S REVIEW



Dear Stakeholder,

Building upon the foundation laid in my inaugural review last year, I am pleased to report that Fauji Cement Company Limited (FCCL) has continued its upward trajectory, achieving meaningful progress across strategic, operational and financial dimensions. Notably, the Company delivered its highest ever profit, reflecting operational resilience, disciplined execution and prudent financial stewardship. These outcomes underscore the strength of our leadership and our unwavering commitment to innovating towards a greener future.

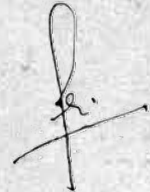
The Board takes great satisfaction in the Company's outstanding financial and operational performance during the year under review. Notable progress was made in enhancing energy efficiency and reducing input costs particularly through targeted initiatives to optimize fuel and power consumption and expand the renewable energy portfolio. These measures reaffirm FCCL's commitment to operational excellence and sustainable value creation.

This year, elections for the Board of Directors were held and the newly elected members assumed office in December 2024. I would like to extend my heartfelt appreciation to the outgoing Directors for their invaluable guidance and contributions in shaping the Company's strategic direction. I warmly welcome the incoming Directors and look forward to their diverse perspectives, and strategic insight as we continue our journey of transformation and sustainable growth.

At FCCL, the Board has instituted a strong governance and legal framework that ensures full compliance with applicable laws, regulatory standards and ethical business practices. This framework also reinforces the Company's zero-tolerance stance on corruption, fraud and any form of unethical conduct reflecting our core values of integrity, accountability and responsible leadership. As Chairman, I remain committed to ensuring that the Board continues to provide strategic oversight, with particular focus on risk management, policy direction and governance matters. I am pleased to report that the Board has diligently fulfilled its fiduciary responsibilities and remained actively engaged in guiding FCCL's strategic progress.

On behalf of the Board of Directors, I would like to extend my sincere appreciation to all our shareholders for their continued support, valuable input and unwavering confidence in the Board. I also commend the Chief Executive Officer and the management team for their dedication, professionalism and disciplined execution of the Board's strategic vision. Their commitment has been instrumental in driving the Company's sustained progress and positioning FCCL for continued growth in an evolving industry landscape.

I assure all stakeholders that the Board remains fully committed to safeguarding shareholder interests and upholding the highest standards of corporate governance. FCCL advances on its path of innovation and sustainability, the Board's focus will remain on driving operational excellence, sector leadership and a future defined by purpose driven growth. With a clear vision and strong governance at the core of our strategy, I am confident that FCCL is well positioned to navigate through emerging challenges successfully and seize new opportunities in the years ahead.



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

Chairman, FCCL Board of Directors

MANAGING DIRECTOR'S REVIEW



Dear Stakeholder,

I am privileged to share that Fauji Cement Company Limited continues its tradition to pursue operational excellence, reaffirming our ability to thrive even amidst significant challenges. During the fiscal year 2024-25, our resilience and forward-looking strategies led to robust growth in both revenue and profitability. We recorded the highest ever turnover of Rs 89 Billion, reflecting a solid 11.25% year-on-year increase. Net Profit after Tax (PAT) of Rs 13.3 Billion is also ever highest, with a YOY increase of 63%. This has translated into earnings per share (EPS) of Rs 5.43 as of June 30, 2025. These results highlight our steadfast commitment to create long-term value for our stakeholders.

FCCL continued to prioritize cost reduction as a key strategic objective during the year. To support this target, the Company acquired a PP Bag Manufacturing Plant at Hattar, aiming to reduce packaging cost through a consistent supply of indigenously produced bags, which now meets 90% of FCCL's packaging requirements. Our commitment to transitioning toward sustainable and green energy also remained a key focus. We added another 15 MW of solar captive capacity bringing FCCL's total renewable energy capacity to 67.5 MW. In parallel, our Waste Heat Recovery (WHR) systems operated alongside daytime solar production to generate clean electricity, significantly reducing reliance on fossil fuels during peak hours. These green energy sources now enable us to meet around 80% of our daytime power needs.

FCCL achieved strong operational performance during the year, driven by a focused fuel mix strategy that increased local coal usage to 75% and alternative fuels to 12%. EBITDA rose to Rs 30.7 billion, reflecting improved capital efficiency and strong financial management. Despite prevailing market challenges, the Company attained 52% capacity utilization and total sales of 5.4 million tons.

In line with our core values of Health, Safety & Environment, our initiatives including large-scale tree plantation and water conservation efforts to promote sustainable water use, reinforce our dedication to reducing the carbon footprint of our operations while supporting long-term environmental stewardship. FCCL also achieved ESG readiness which is on track for full compliance with IFRS S1 and S2 SECP prescribed standards.

FCCL remains committed to uplifting the communities in which we operate. During the year, our Corporate Social Responsibility (CSR) initiatives remained focused on critical areas including education, women's empowerment, healthcare, environmental conservation and overall community development. Our steadfast commitment to

societal progress is also reflected in our adherence to the highest Environmental, Social and Governance (ESG) standards. We firmly believe that long-term stakeholders' value is best achieved through the thoughtful, consistent and effective implementation of robust ESG initiatives.

As we look ahead to FY 2026, we anticipate a business environment shaped by both opportunities and challenges. Economic conditions are expected to gradually stabilize, aided by easing inflationary pressures and potential for more accommodative monetary policies. Nonetheless, uncertainties persist particularly those stemming from the ongoing impacts of climate change and global volatility. FCCL is well positioned to navigate these evolving dynamics. Our strategic investments in technological innovation, operational efficiency and sustainability initiatives position us to capitalize on emerging opportunities. By leveraging our strong market presence, diversified portfolio and forward-looking strategies, we remain firmly committed to delivering sustained value for our stakeholders.

I would like to express my heartfelt gratitude to our valued stakeholders for their continued trust and support. I am especially thankful to the Honorable Chairman and the Board of Directors for their strategic oversight, visionary leadership and steadfast guidance, each of which has been pivotal in navigating challenges and driving FCCL's sustained growth and success.

I also wish to acknowledge and appreciate the dedication, hard work and commitment of our Senior Management and Employees. Their efforts remain at the core of our operational effectiveness and continued progress.

In conclusion, FCCL's clear strategy and genuine commitment to doing things the right and sustainable way give us confidence to face future challenges and capitalize on emerging opportunities. We will remain focused on delivering consistent value to all our stakeholders and together, we will continue building a resilient and prosperous future.



Qamar Haris Manzoor

CEO/MD FCCL

HISTORY OF MAJOR EVENTS

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 (Line II) at JB

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

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



2006

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

2008

Commissioning of 5.4 MW dual fuel captive power plant

2010

Commissioning of 16.3 MW dual fuel Wartsilla power plant at JB

2019

Commissioning of 12.5 MW Solar Power Plant at JB

2020

- Commissioning of 2.5 MW Solar Power Plant at JB
- Shared services arrangement with Askari Cement Limited (ACL)

2021

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

2023

- Commissioning of Brownfield cement manufacturing Plant of 6500 tpd at Nizampur in 18 Months
- Commissioning of Solar Power Plants at Wah and Nizampur, bringing total solar capacity to 40 MW
- Implementation of SAP

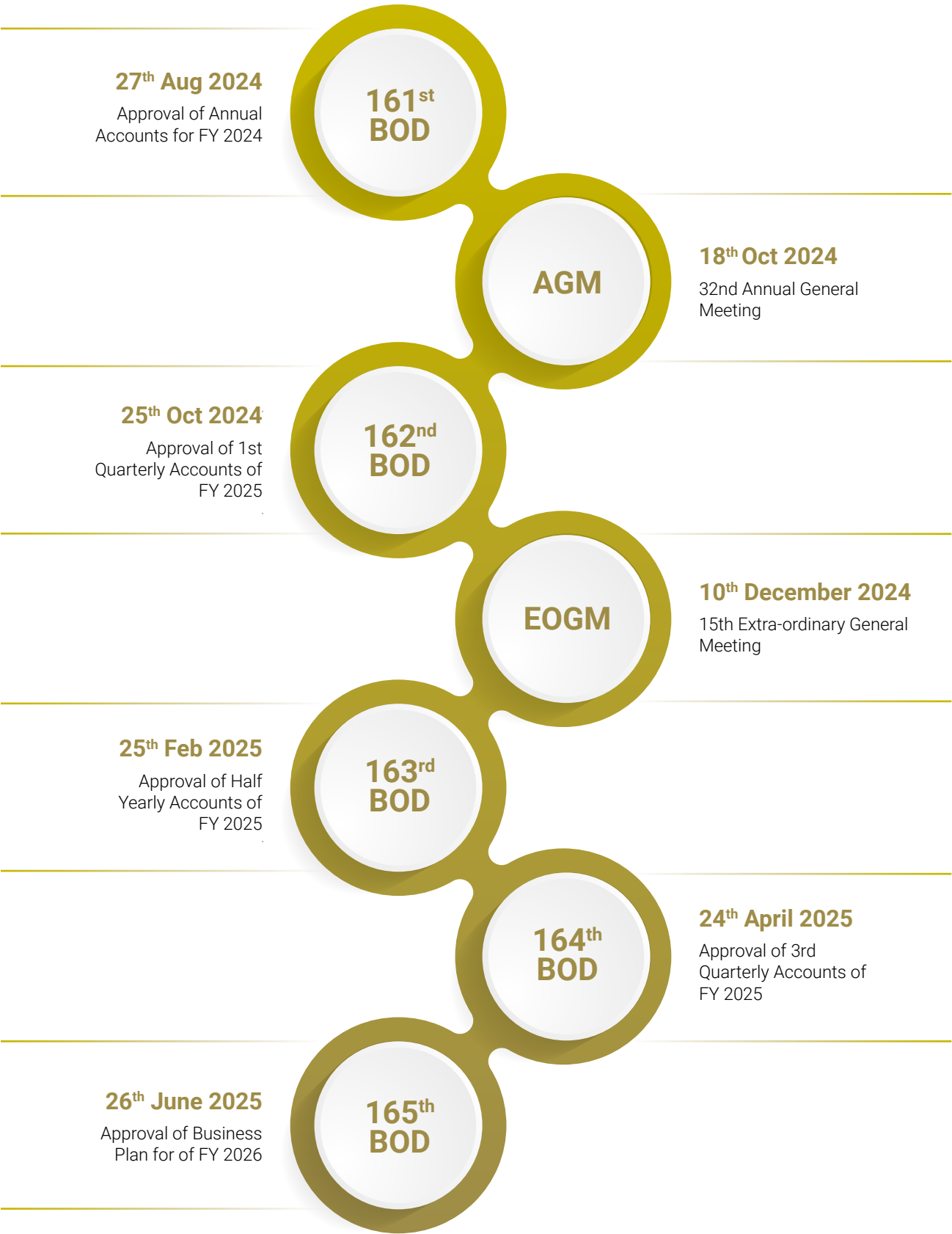
2024

- 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

2025

- Acquisition of Polypropylene (PP) Bags Manufacturing plant at Hattar KPK.
- Increase in Solar captive capacity at Nizampur and Jhang Bhatar (JB) Plants by 10MW & 5 MW bringing capacity to 67.5 MW.

YEAR AT A GLANCE



SIGNIFICANT EVENTS FOR THE YEAR



Contribution to
National Exchequer
48.24 Bn

CSR Contribution
Rs **176.97** Mn



Investment in Green
Solar Energy
Rs **1.86** Bn

Cement Production
5.38 Mn Tons



Cement Sales
5.37 Mn Tons

Capacity Utilization
51%



Own Power
Generation
59%

Highest Ever Sales
Rs **88.96** Bn



Highest Ever Profit
Rs **13.33** Bn

Vertical Integration
Acquisition of PP Bags
Manufacturing Plant



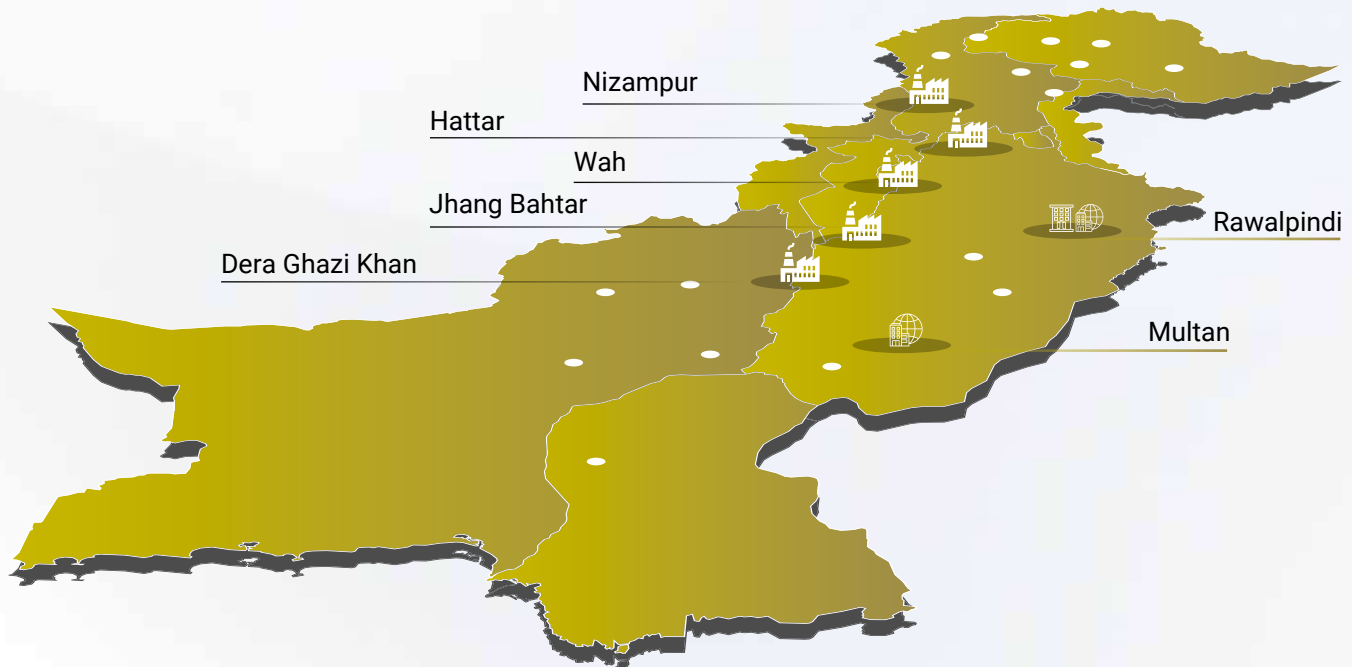


SIGNIFICANT EVENTS OF THE YEAR





GEOGRAPHICAL LOCATIONS





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

Polypropylene Bags Plant
Phase-IV Industrial Estate
Hattar

PRINCIPAL ACTIVITY

Fauji Cement Company Limited remains firmly anchored in its core mission: the manufacturing and supply of a diverse range of high-quality cement products. Our brands are not only among the most preferred choices for domestic consumers but have also earned significant approvals for use in critical national infrastructure, including major hydropower projects, a testament to their reliability and performance.

OUR MARKETS

Local Market

Company's customer base is divided in two main categories:

- **Dealers** Company has a wide network of dealers across Pakistan. Majority of local dispatches are made through the aforesaid dealers network.
- **Mega Projects** Dispatches to mega projects across the country are made directly.

Export Market

The Company's primary export market is Afghanistan due to the strategic location of its plants. During the year, exports accounted for 10% of the total dispatches, making FCCL the leading exporter to Afghanistan.

OUR PRODUCTS



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

- 52.5N 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 environments
- 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 – non-toxic material



Ordinary Portland Cement



Sulphate Resistant Cement (SRC)

- High compressive strength (28 Days) up to 9,500 PSI
- Highly effective against sulphate, chemicals and 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)

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.

QUALITY ASSURANCE AND CONTROL

Fauji Cement's Product quality is not just a compliance benchmark, but rather a core strategic commitment that defines our value proposition and brand integrity. We ensure quality control practices at each stage of cement manufacturing process.

Product Specific Quality Standards

- FCCL ensures full compliance with recognized global and national standards for all cement variants:
- Conforms to EN, ASTM, and Pakistan Standards (PS)
- Compliant with EN, ASTM, and PS
- Follows EN and ASTM specifications
- Meets EN, ASTM and PS requirements
- Independent product performance validation is conducted through TUSDEC, SGS and PSQCA, reinforcing product credibility.

Certifications

FCCL is certified across multiple international standards, ensuring excellence across quality, environment, energy and occupational safety:

International Standards:

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

Sustainability Integration

- ISO 14064-1:2018: GHG Quantification & Verification

Testing and Process Controls

FCCL maintains rigorous testing and real-time process control through advanced laboratory and plant equipment:

- State-of-the-art lab equipped including online Cross-Belt Analyzer (PGNAA), Malvern Particle Size Distribution, Panalytical XRFs, TGA, Bomb Calorimeters, Ash Probe Analyzer and Compressive Strength Machines for quarry-to-mill traceability to ensure compliance and consistency.
- Automated kiln control ensures consistent clinker quality.
- Online proportioning with SO_3 maintained within target thresholds.
- Skilled and experienced manpower to ensure smooth and accurate operations.
- Operational reliability across production units.

Market Validation

FCCL is given preference in hydropower projects due to its reliable performance and quality. It has also been successfully utilized in CPEC initiatives, motorways, hydropower and public infrastructure projects across Pakistan.

These comprehensive quality assurance practices ensure that every product leaving our facility contribute not only to structural durability but also to national development goals and global sustainability benchmarks. Looking ahead, FCCL remains dedicated to continuous improvement and innovation in quality to meet the evolving demands of the construction sector.





KEY PROJECT CUSTOMERS

Projects	Location
Karot Hydropower Project – China Road & Bridge Corp.	Near Karot Village, Punjab
Tarbela Dam T-5 and Basha Dam (Grouting)	Haripur (Khyber Pakhtunkhwa) & Diamer (Gilgit-Baltistan)
Balakot Hydropower Project	Mansehra, Khyber Pakhtunkhwa
Dadhocha Dam	Rawalpindi, Punjab
Lahore Airport Expansion	Lahore, Punjab
Nawaz Sharif Cancer Hospital	Lahore, Punjab
Gaddafi Stadium – Upgradation	Lahore, Punjab
GPO Chowk Underpasses	Rawalpindi, Punjab
Serena Interchange	Islamabad Capital Territory
Murree Road Underpasses & Interchange	Islamabad Capital Territory
Seven Star Mall Residencia	Islamabad Capital Territory
SECP Building	Islamabad Capital Territory
The Garden, F-10	Islamabad Capital Territory
Park One, F-10	Islamabad Capital Territory

MARKETING ACTIVITIES

Fauji Cement actively engages in a range of strategic marketing initiatives aimed at strengthening its brand presence, building long-term customer relationships, and enhancing product visibility in both domestic and international markets.

Key Marketing Activities

- Engagement with foreign clients through regular meetings, plant and site visits, and technical briefings to explore export opportunities and build trust.
- Hosting of annual functions to recognize contributions of key stakeholders, channel partners, and staff.
- Organizing Ramzan Iftar Dinners for dealers, distributors, and corporate clients to foster goodwill and strengthen relationships.
- Distribution of promotional materials to include Calendars, diaries, stationary items, panaflexes etc.

Fauji Tile Bond (FTB) Mason Functions to promote product benefits:-

1. FCCL consumes LSD, an alternate to silica, in manufacturing of tile bond. Silica can lead to silicosis a lung disease and other respiratory elements.
 2. Demonstrate application techniques.
 3. Distribute toolkits / promotional items.
- Conducting awareness sessions for consultants, architects, contractors, and developers to highlight product features, technical advantages, and new offerings.
 - Participation in Expos and sponsoring events to promote brand visibility and awareness.

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 free from hazards.



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 Directors, Employees, third party 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 disclosure. 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





OPERATING STRUCTURE & OWNERSHIP

Operating Structure

The Company operates under a functional vertical organizational structure with dedicated departments managing specific business functions. Each department is led by a functional head or manager who reports directly to the Chief Executive Officer. The Chief Executive Officer is responsible for the overall operational execution and performance of the Company. Strategic oversight and guidance are provided by the Board of Directors, ensuring alignment with long-term goals and stakeholder interests.

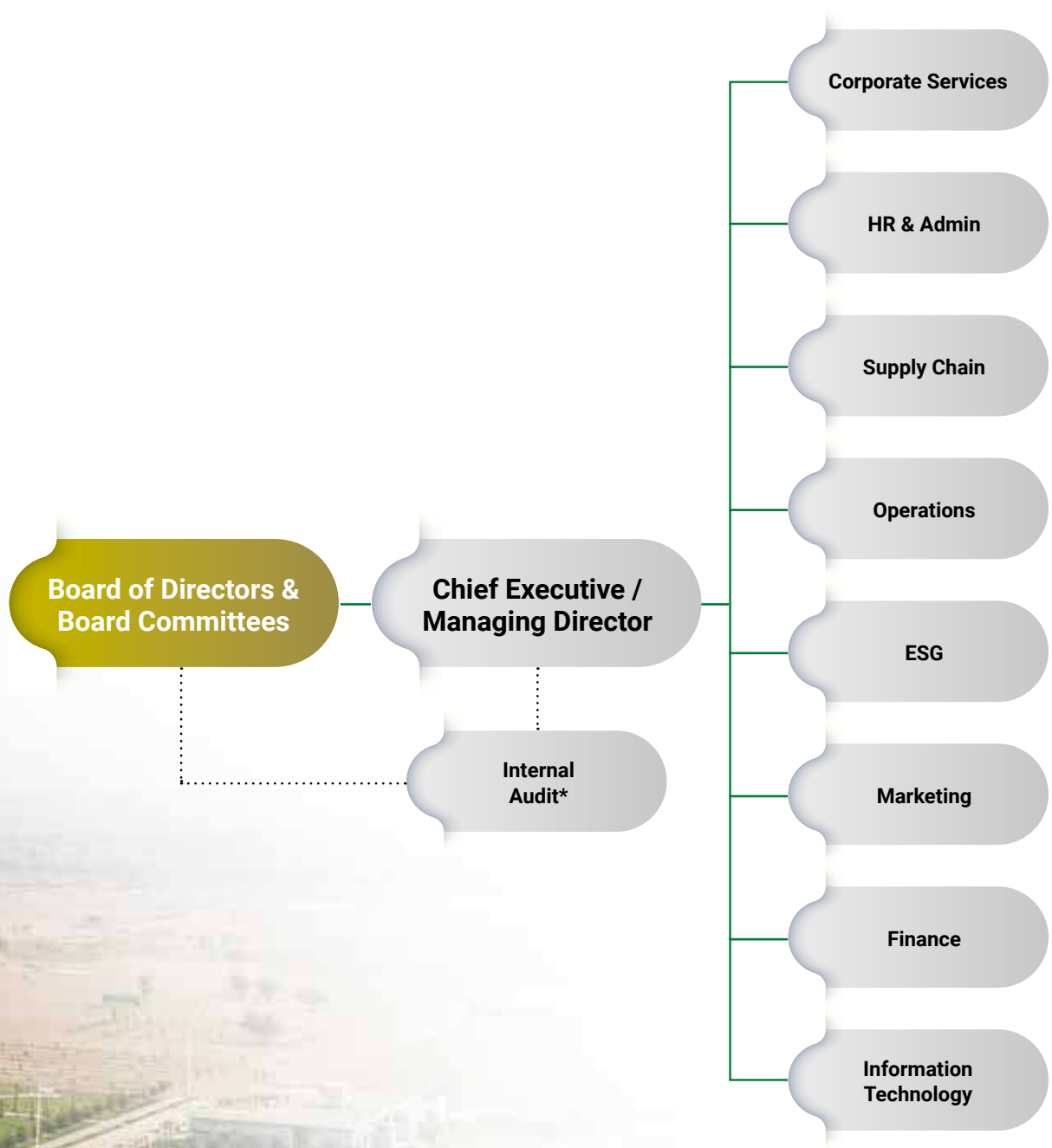
Country of Operations

The Company's manufacturing operations are entirely based in Pakistan. It exports products to Afghanistan through an established network of dealers. Additionally, the Company imports machinery and spare parts from a range of international suppliers to support its production activities.

Ownership and Relationship with Group Companies

Fauji Cement Company Limited is a publicly listed company with its shares traded on the Pakistan Stock Exchange. The Fauji Foundation is the principal shareholder, holding a 61.65% equity stake. Comprehensive details regarding the Company's shareholding structure are provided in the Pattern of Shareholding section of this report. As a listed entity, the Company maintains an arm's length relationship with its associated companies and does not have any subsidiaries.

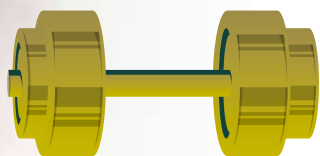




* Head of Internal Audit reports administratively to CEO and functionally to Audit Committee



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 product quality, 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
- Own PP bags manufacturing facility
- 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 harvesting and surface water usage
- Well trained, motivated and dedicated workforce with low turnover rate.

Weaknesses

- Operating in a highly taxed (Federal & Provincial) sector in the country that has a direct bearing on cost of production and demand.
- Plant locations 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

Threats

- Continuous pass on of increase in input costs to consumers with high cement prices may effect demand
- High construction material costs is impacting the construction activity in the country
- In the event of reduced Government's spending on infrastructure projects, the Industry may face oversupply situation due to surplus production capacity





PROFILE OF DIRECTORS



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

Chairman

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.

PROFILE OF DIRECTORS



Mr Qamar Haris Manzoor

Chief Executive / Managing Director

Qamar Haris Manzoor has done his Masters in Chemical Engineering from US and holds over 40 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 Jhampir, 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 into Fauji Cement as well as spearheaded two expansions of Fauji Cement of 2.0 Mn tons per year capacity each 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 Mari Energies Limited, Fauji Fertilizers Company, Foundation Power Company Daharki Limited and Fauji Kabirwala Power Company Limited.



Maj Gen Tariq Qaddus, HI (M), Retd

Non- Executive Director

Major General Tariq Qaddus, Hilal-e-Imtiaz (Military) was commissioned in Infantry Regiment and later joined the Corps of Military Intelligence. He had an illustrious career during which he gained extensive experience in administration, management and intelligence both at home and abroad in very testing and demanding environment.

He is a graduate of Command and Staff College Quetta, National Defence University Islamabad, National Defence University Washington DC USA, Defence Intelligence Agency University USA and Joint Intelligence School UK. He is also an Alumni of Kings College London and University of Chicago, USA. He holds master's Degrees in War and Strategic Studies and International Counter Terrorism from College of International Security Affairs, NDU Washington DC, USA.

He has served on important assignments and contributed extensively at national level in formulation of policies and implementation of relevant strategies. During his career, he served on a variety of Command and Staff appointments that provided him with rich experience of handling very sensitive operational and administrative issues.

He is presently serving as Director in Fauji Foundation. He is on the Board of 6 companies of Fauji Group of Companies including listed and non-listed. Listed companies includes Marri Energies Limited and FCCL. He is also the member of Central Board of Directors of Fauji Group of Companies. In addition, he is also chairperson and member of many functional committees of different companies.

He has extensively travelled and enjoys golfing, hiking, swimming and reading.

PROFILE OF DIRECTORS



Mr Syed Bakhtiyar Kazmi

Non- Executive Director

Mr Syed Bakhtiyar Kazmi is a fellow chartered accountant with over 36 years of experience in audit, advisory and macroeconomic research. During his tenure at KPMG, he played a foundational role in establishing the firm's advisory practice in Islamabad, leading strategic services in financial planning, internal audits, valuations and development advisory.

He has specialized in fiscal policy, tax reform, mergers and acquisitions and greenfield/brownfield projects, advising industry leaders and contributing to Pakistan's regulatory and economic policy frameworks. Mr. Kazmi's in-depth exposure across sectors enabled him to design and implement a service delivery framework that ensures quality and integrity.

Renowned for his thought leadership, Mr. Kazmi frequently writes for leading newspapers on economics, taxation and business strategy, reflecting his commitment to driving informed national dialogue and sustainable growth.



Mr Khurshid Zafar Qureshi

Non Executive Director

Mr. Khurshid Zafar is a seasoned banking and financial services professional with over 35 years of progressive leadership experience across multiple business domains. Throughout his career, he has held senior executive roles and has consistently demonstrated a strong track record in strategic planning, business transformation, and operational excellence.

Mr. Zafar holds a Master's degree in Business Administration from Quaid-e-Azam University and has attended a wide range of professional training programs, both domestically and internationally, further enriching his leadership capabilities and industry acumen.

He is well known within Pakistan's corporate and financial sectors for his deep understanding of market dynamics and his ability to drive complex initiatives to successful outcomes. His most recent role was as Chief Operating Officer (COO) at Askari Bank Limited, where he oversaw key business verticals, including Corporate, Commercial, Retail, and Treasury Banking.

Under his leadership, Askari Bank achieved significant milestones, including notable growth in core business areas, execution of transformative projects, and enhancements to the bank's market presence and brand equity. His contribution was instrumental in strengthening the bank's competitive positioning in the financial industry.



Mr Syed Muhammad Irfan Aqueel

Independent Director

Syed Muhammad Irfan Aqueel holds a bachelor's degree in Chemical Engineering from NED University of Engineering & Technology, Karachi and is an alumnus of Ashridge Business School, UK and INSEAD Business School, France where he obtained advanced management training. He has over 44 years' experience in the chemical and automotive industry in leadership roles.

He commenced his professional journey with ICI Pakistan Limited as a management trainee and went on to head the Operations of the Agrochemicals & Seeds, Paints and the Soda Ash Businesses. Additionally, he took on Project Management roles in the Soda Ash, Polyester and PTA Business working on plant expansions (Soda Ash Business), setting up power plants (Soda Ash & Polyester Business) and extensively working on the front-end design of the PTA plant with the ICI Plc team as well as the contractor M/s Foster Wheeler in the UK.

After spending more than 23 years in the chemical process industry he moved into the automotive industry. He joined Millat Group as CEO of Millat Equipment Ltd and set up and commissioned their automotive gears and transmission shafts plant in Lahore based on equipment from Massey Ferguson's plant in Coventry, England. This was a first of its kind plant in the private sector and was set up and brought into beneficial production in record time. Production was ramped up on a fast track basis to meet the capacity requirements of Millat Tractors and excess production was exported to Poland and India. The product range was soon expanded to include precision equipment like hydraulic pumps and engine balancer units.

Subsequently he was appointed as CEO of the flagship company Millat Tractors Ltd. which manufactures the Massey Ferguson brand of tractors under license from AGCO Corporation, USA. Millat is the largest manufacturer of agricultural tractors in Pakistan with a market share of over 62% plus a wide range of diesel power generation sets, multi-use prime movers, various models of diesel forklift trucks and a wide range of agricultural implements. During his 11-year stint at the helm of the company he created the highest production and sales record in a single year, expanded the range of models, negotiated and entered into export agreement with AGCO Corporation for export of tractors to Africa, Middle East & South Asia and its diesel engines to UK, Ireland & Australia. He moved to the Millat Group Head Office as Director in a Corporate Technical and Business Development role and is also overseeing their foundry business.

He serves as Director on the board of Bolan Castings Ltd.

PROFILE OF DIRECTORS



Ms Maleeha Bangash

Independent Director

Maleeha Bangash is a highly accomplished Corporate & Investment Banking, Digital Banking & Financial Industry expert with more than 26 years of experience obtained in Singapore, Turkiye and Pakistan.

Bangash obtained her MBA from University of Chicago, Booth School of Business, in Investment & Finance, where she graduated with Honors. Earlier, she had obtained an MBA from LUMS, in Finance & Marketing.

She brings with her 19 years C-Suite (CEO/ MD, CEO Designate, Dy. CEO, CSO) experience in Banking & Investment, PE/V.C, Mergers & Acquisitions & Capital Markets. She is involved in the Fintech and Digital Banking space since past 9 years in various capacities.

Most recently engaged as CEO/MD World Bank Group and IFC-International Finance Corporation, Singapore as expert (consultant) Digital Banking & Climate/Green Banking, SME & Gender Finance (East Asia Pacific region). She has served as Founding Member (Commissioner) CCP, where she led areas of Advocacy, Mergers & Acquisitions Review, and Competition Research. She recently served as Ambassador for the SME Finance Forum, Washington (A G20 Initiative managed by the IFC), and is an active member of the Singapore FinTech Association- SFA. As CEO of BAJO Digital Venture, she is working on Digital Banking, Financial Inclusion, Credit Scoring/Fintech, and Digital outreach projects. She is involved as Advisor/ Global Head FinTech, with a Sub-national Government in South East Asia, to enable the establishment of a regional FinTech & Innovation Hub and ecosystem.

Maleeha Bangash commenced her career in Corporate & Investment Banking and has worked in Corporate Banking group of HBL Bank, Singapore. In Makara Capital (Global Capital Partners), Singapore she originated and structured Private Equity (early stage) & Venture Capital deals. She covered UAE, South Asia and South East Asia Investors and Projects (Singapore, Malaysia, Indonesia, India, Sri Lanka, Pakistan, Dubai). In Global Strategies Pte. Ltd., Singapore, Maleeha Bangash, developed investment options by initiating alliances, negotiating agreements with Citibank, Credit Suisse, Merrill Lynch, Morgan Stanley and UBS as product/platform providers. Her responsibilities included portfolio management (Capital Markets/Equity Markets); managing client portfolios, for Investors/ Clients from Singapore, South Africa, Mainland China, Hong Kong, Malaysia, United Kingdom, India, Australia, New Zealand. As CEO Designate/Dy. Chief Executive Officer, she successfully led and turned around AL Habib Asset Management.

Bangash is the proud winner of 100 Most Prominent Women in Anti-Trust (Global) award in 2009 & 2018 selected on merit (profile and achievement). She received Miracle Woman Award for outstanding professional achievements in Banking & Finance. She has attended international workshops and obtained certifications of international institutions including, OECD, ICN, The Hague Academy, IFC/ World Bank Group, Finastra UK, Rekabet Kurumu, KOSGEB, and others.



Saira Nasir

Independent/Female Director

Saira Nasir is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Corporate Secretaries of Pakistan (ICSP). She brings extensive experience in corporate governance, having conducted Board Performance Evaluations and Director Orientation Programs across leading organizations.

Saira has served on the boards of Fauji Fertilizer Bin Qasim, Allied Rental Modaraba, Power Cement Limited, and currently serves as an Independent Director and Chair of the Audit Committee at Fauji Cement Company Limited, where she is also a member of the HR Committee.

She is actively involved with ICAP as a member of the Women Committee and the Digital Board Committee. In recognition of her contributions, she was recently awarded the Lifetime Achievement Award by the CA Women's Committee of ICAP.

In addition to her board roles, Saira has led and facilitated a wide range of training programs, consultations, workshops, webinars, podcasts, and e-learning initiatives for diverse audiences including corporate leaders, educators, and students. Her work emphasizes innovation in learning and governance.

Notably, she presented a case study titled "Disclosure Requirements on Corporate Governance – Pakistan" at the 24th session of ISAR in Geneva (2009), under the auspices of the United Nations Conference on Trade and Development (UNCTAD).



Brig Kashif Naveed Abbasi, SI (M), Retd

Company Secretary

Brigadier Kashif Naveed Abbasi, SI (M), Retd is serving as Company Secretary of FCCL since 7th February 2024. He joined Pakistan Army in March 1987 and got commission in March 1991. During his 31 years of military career, he remained employed on various Command, Staff and Instructional assignments mainly at Swat, Northern Areas, Quetta, Abbottabad, Rawalpindi, Lahore and Karachi. He had also served in United Nations Mission at Haiti as Staff Officer and United Nations Mission at Darfur/ Sudan as Chief of Staff and handled entire range of operational, administrative, supply chain and security aspects. He had undergone various hardcore military courses from USA and Australia to include counter terrorism and international war laws and conducted study tours at South Korea and Indonesia related to national security.

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. He is a certified Director under SECP regulations from Pakistan Institute of Corporate Governance (PICG), Karachi.



Mr Omer Ashraf

CFO

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 27 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 34,860 TPD. During this period, he also led the clean energy initiatives by the Company including Waste Heat Recovery and Solar Power Plants.

SENIOR MANAGEMENT



Mr Muhammad Tariq

Director (Operations)



Brig Khurram Nazir Mirza, SI(M), Retd

Director (ESG)



Brig Salah Ud Din Ayubi, SI(M), Retd

Director (Marketing & Sales)



Brig Mir Ameer Ali, SI(M), Retd

Director (HR & Admin)



Syed Kamran Hassan

Director (Supply Chain)



Rehan Nazir

Head of Department (Internal Audit)

COMPANY INFORMATION

Company Secretary

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Chief Financial Officer

Mr Omer Ashraf

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Director HR & Admin

Brig Ameer Ali, SI(M), Retd

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Director Marketing & Sales

Brig Salah Ud Din Ayubi SI(M), Retd

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Director Supply Chain Management

Syed Kamran Hassan

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Auditors

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Chartered Accountants

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Fax No. +92-51-2277924, 2206473
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Fax No. +92-42-35869037
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. +92-572-538047-48
Fax No. +92-572-538025

**Near Wah Railway Station Tehsil Taxila,
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Fax. +92-57-2520451

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Basti Hamdani, Shadan Lund, District Dera Ghazi Khan

Tel No. +92-333-1177197

**Polypropylene Bags Plant
Phase-IV Industrial Estate Hattar**

Tel No. +92-995-352404

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

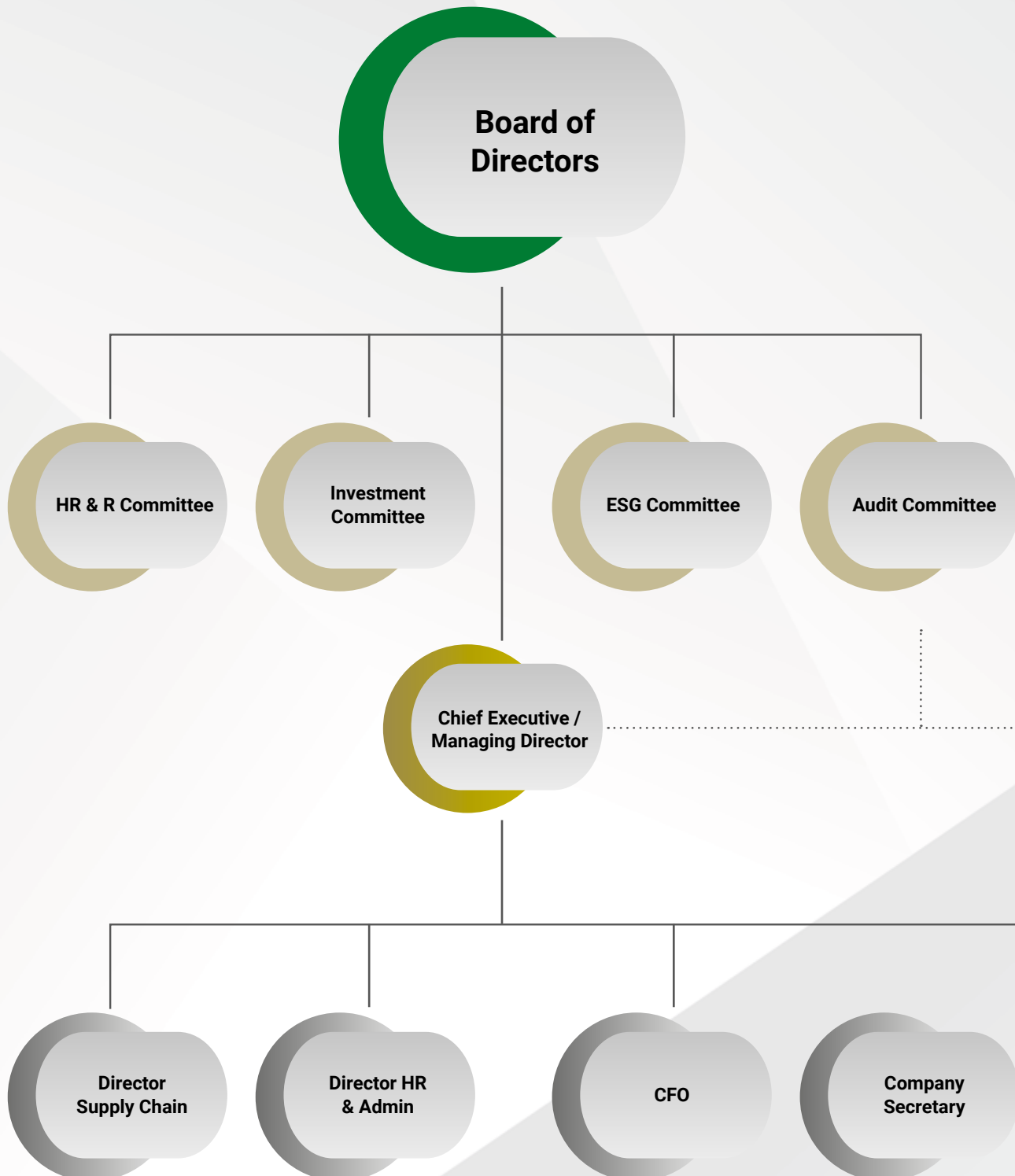
Website: www.fccl.com.pk

Bankers of the Company

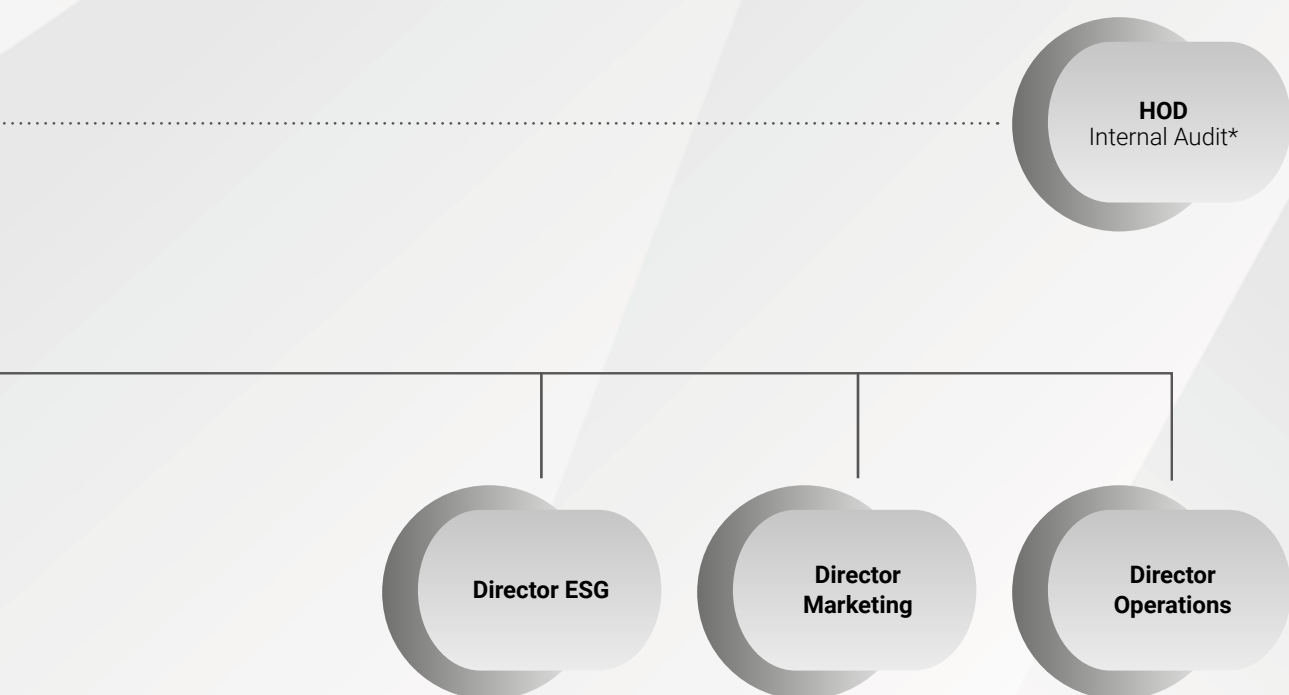
- United Bank Limited
- Allied Bank Limited
- Bank Al-Falah Limited
- Habib Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- Askari Bank Limited
- Standard Chartered Bank (Pak) Limited
- National Bank of Pakistan
- The Bank of Punjab
- Faysal Bank Limited
- Bank Al-Habib Limited
- Al-Baraka Pakistan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



ORGANIZATIONAL CHART



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



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



HUMAN CAPITAL



2,335

No of
Employees at
year end



2,331

Average No of employees during the year



2,037

Factory employees



220

No of Trainings



800

Average No of participants



10,400

Training Hours

EFFECT OF SEASONALITY ON BUSINESS

Production

There is no significant impact of seasonality on the Company's production cycle. Fauji Cement Company Limited maintains steady operations throughout the year, ensuring consistent output.

Sales

Fauji Cement's sales volumes follow predictable seasonal trends with demand peaking during the spring and summer months as favorable weather boosts construction activity. Conversely, market demand naturally moderates during cyclic monsoon and winter periods particularly across Northern regions reflecting temporary constraints on outdoor construction. Through disciplined commercial planning we strategically manage inventory and distribution channels to ensure a consistent nationwide supply throughout the year.

THE LEGISLATIVE AND REGULATORY ENVIRONMENT OF THE COMPANY

As a Public Listed company, the operations of the Company are highly regulated and environmentally sensitive. Cement manufacturing is not only capital intensive but also subject to substantial taxation and environmental scrutiny. Consequently, the Company's operations are governed by a wide array of laws and regulations. The principle areas of business and the applicable legal and regulatory regimes are as follows:








Area of operation	Major Governing laws and regulations
Corporate Governance	• Companies Act, 2017 and Regulations issued under the Act
	• PSX Regulations
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 and related reporting frameworks
	• Mining Laws
	• Labour Laws
	• Explosives Rules, 2010
	• Occupational Safety and Health Acts

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

THE LEGITIMATE NEEDS AND INTEREST OF KEY STAKEHOLDERS

At Fauji Cement Company Limited, we value each of our stakeholders and strive to maximize the value creation for each stakeholder recognizing their integral role in our long-term success. In every major operational and investment decision, we ensure that due consideration is given to the interests of our stakeholders, fostering trust, transparency and mutual growth.

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

Stakeholder	Legitimate need and interest
 Shareholders	<ul style="list-style-type: none"> • Return on investment • Right to accurate and timely information • Long-term wealth generation through sustainability of Business
 Employees	<ul style="list-style-type: none"> • Adequate compensation • Career growth and development • Performance Culture
 Suppliers	<ul style="list-style-type: none"> • Timely payments against supply and services • Long term business relationship with the Company
 Customers	<ul style="list-style-type: none"> • Quality product i.e Value for Money • Timely delivery of products
 Government/ Regulators	<ul style="list-style-type: none"> • Tax payments as per applicable laws • Adherence to applicable laws by the Company • Environment protection and natural resource conservation
 Nearby Communities	<ul style="list-style-type: none"> • Socioeconomic development
 Analysts and media	<ul style="list-style-type: none"> • Timely and accurate information on Company's performance

POSITION WITHIN THE VALUE CHAIN

Regular value chain analysis enables Fauji Cement to pinpoint its core strengths, identify critical stakeholders across the supply and distribution spectrum and evaluate its competitive positioning in the market. This approach not only enhances operational effectiveness but also ensures that each stage of the value chain contributes meaningfully to customer value and long-term sustainability.

The Principle activity of Fauji Cement Company Limited is the manufacturing and sale of various types of cement and tile bond. Cement production is a technically complex process that involves blending a precise mix of naturally occurring earth materials to create a fine raw mix. This mix is then subjected to extremely high temperatures in a rotary kiln, resulting in the formation of clinker, which is subsequently ground into fine powder to produce high-quality cement. Through this process the Company delivers products that meet rigorous standards of strength, durability and performance. Main materials used are as under:

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

On the upstream end, essential raw material such as limestone and clay are sourced from the Company's own quarry, with mining operations managed through specialized quarry contractors. Other key inputs, including laterite and gypsum, are procured from a network of external suppliers. Coal remains the primary fuel, sourced from a diversified mix of imported, Afghan and local origins, while alternative fuels are mainly procured domestically to support environmental objectives and cost efficiency. On the downstream side, the value chain extends to an integrated network of dealers, transporters, project partners and the communities in which we operate.

Upstream	Company Activities	Down Stream
Inbound Extraction of limestone and clay from own quarry	Primary Activities <ul style="list-style-type: none"> • Cement Production • Tile Bond Production • Energy Generation • PP Bag Manufacturing • Marketing and sales 	Out Bound <ul style="list-style-type: none"> • Transporters • Customers • Dealers • Projects • Communities
Out bound Suppliers of: <ul style="list-style-type: none"> • Coal & Alternative fuels • Gypsum, Laterite and Other Fuels • Packing materials • Transporters of imported materials/ spares services provider 	Secondary Activities <ul style="list-style-type: none"> • Human Resource Management • Company Infrastructure–Legal, Admin, Finance , IT, Supply Chain, ESG etc. 	



Inbound



Limestone &
Clay Mining

Upstream



Company's Activities
Primary & Secondary

Outbound



Inward
Logistics



Coal & Other
Material

Downstream



Communities



Dealers



Our Customers



Projects



Outward Logistics



SIGNIFICANT FACTORS AFFECTING THE EXTERNAL ENVIRONMENT

Political

P

Factor Impacting External Environment	Company's Response
<ul style="list-style-type: none"> Political instability - that effects economic policies can impact the operations of the Company negatively. Policy Volatility - Inconsistency or abrupt change in Government policies and regulatory shifts create uncertainty that impacts the Company negatively. 	<ul style="list-style-type: none"> The management of the Company proactively monitors the political 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 and regulatory shifting.

Economic

E

Factor Impacting External Environment	Company's Response
<ul style="list-style-type: none"> 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 impacts the input that results in squeezed margin. Further, these factors impact the income level of people that results in low demand. 	<ul style="list-style-type: none"> Company monitors overall macroeconomic indicators including Government PSDP proactively to position itself in best place. The Company continues to work on cost optimization through cost economization, vertical integration and new value-added products in order to minimize the impact of any economic slowdown and high cost of inputs beyond Company's control.

Social

S

Factor Impacting External Environment	Company's Response
<ul style="list-style-type: none"> Socio-economic condition of the community impacts directly towards sustainability of any business. With increasing awareness of human rights, social obligations keeps on increasing . 	<ul style="list-style-type: none"> 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 sustainability 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.

Technological

T

Factor Impacting External Environment	Company's Response
<ul style="list-style-type: none"> Overall technological developments can impact any product demand and can shift the people needs and consumption pattern, cement is no exception of the foregoing. Technology innovation in business processes is likely to impact the way of doing business. 	<ul style="list-style-type: none"> 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 is implemented, further, SAP Rise is under implementation phase. With increasing dependency on information technology Company has implemented latest available cyber security measures. Detail is given in cyber security section of this report.

Environmental

E

Factor Impacting External Environment	Company's Response
Global environment protection awareness, increasing legislative requirements and scarcity of resources 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 Report.

Legal

L

Factor Impacting External Environment	Company's Response
Regulatory framework and compliance complexity of applicable laws impact any organization and its products.	<ul style="list-style-type: none"> 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. Despite one of the lowest per capita consumption in the world, cement companies in Pakistan have recently undergone capacity enhancements to expand their market share. In such a highly competitive environment, efficiency in cost and consumer satisfaction through quality products is the key to remain competitive.



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.



Threat of New Entrants

While the industry structure permits free entry for new investors, Fauji Cement welcomes healthy competition as a catalyst for market improvement. The Company maintains a formidable market position as one of Pakistan's largest producers, with a deeply entrenched foothold not only domestically but also in key export markets like Afghanistan. Fauji Cement's reputation for top-tier product quality and service excellence has cemented its status as a priority brand for both government and private sector projects. Furthermore, our vast and robust dealership network, coupled with a dedicated team of professionals, creates significant competitive advantages, rendering the threat of new entrants effectively low within our core markets.





Power of Customers

Fauji Cement strategically serves two primary customer segments: our extensive dealer network and major project proponents.

A substantial portion of our sales volume is dedicated to supplying critical national infrastructure initiatives, including all major dam and hydropower projects currently under development across Pakistan. The foundation of our customer relationships rests on an unwavering focus on product quality and exceeding satisfaction benchmarks. This commitment, combined with our diversified and loyal customer base, provides Fauji Cement with a distinct competitive edge within the industry.



Power of Suppliers

In a highly competitive industry, the ability of suppliers to drive up input costs presents a significant challenge, potentially leading to cost escalations that impact operational viability. Fauji Cement strategically mitigates this risk through a multi-faceted approach. Crucially, the Company extracts major raw materials from its own quarries, ensuring control over a fundamental cost component. Electricity needs are met through a combination of self-generation and procurement from the national grid, providing flexibility and security. For remaining materials, supplies and services, the Company engages external suppliers but maintains robust sourcing strategies by developing multiple suppliers for key items. Furthermore, Fauji Cement fosters healthy, reliable relationships with its suppliers, underpinned by a steadfast commitment to agreed terms, timely payments, and its esteemed reputation within the industry. These combined factors ensure the power of suppliers is effectively managed and contained.

AWARDS

Recognized for Round the Clock CSR

Fauji Cement Company Limited is recognized at the 17th NFEHS Annual CSR Summit for its outstanding Round O'clock CSR initiatives. This recognition highlights our commitment to sustainable development and uplifting local communities demonstrating our dedication to creating a positive lasting impact.

Championing Occupational Health and Safety

Value-led initiatives in Occupational Health and Safety are recognized by the Employers Federation of Pakistan (EFP). This acknowledgment reflects our commitment to achieving SDG Goal 3 Good Health and Well being.

Prioritizing Health and Safety Excellence

Health & Safety is a core value at Fauji Cement with a focus on enhancing organizational competence through the SIF (Serious Injury and Fatality) prevention program. A strong leadership commitment guided FCCL to achieve more than 50 Million Safe Man hours by incorporating a risk based approach into our business operations.

Credit Rating by Pacra

Long Term

AA-

Short Term

A1+

Outlook

STABLE



ISO CERTIFICATIONS

Fauji Cement developed and implemented Integrated Management System (IMS) to improve performance and operational excellence. Currently, FCCL Plants 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



ISO 14064-1:2018
Quantification, Reporting
and Verification of
Greenhouse Gas (GHG)
Emissions and Removals





02

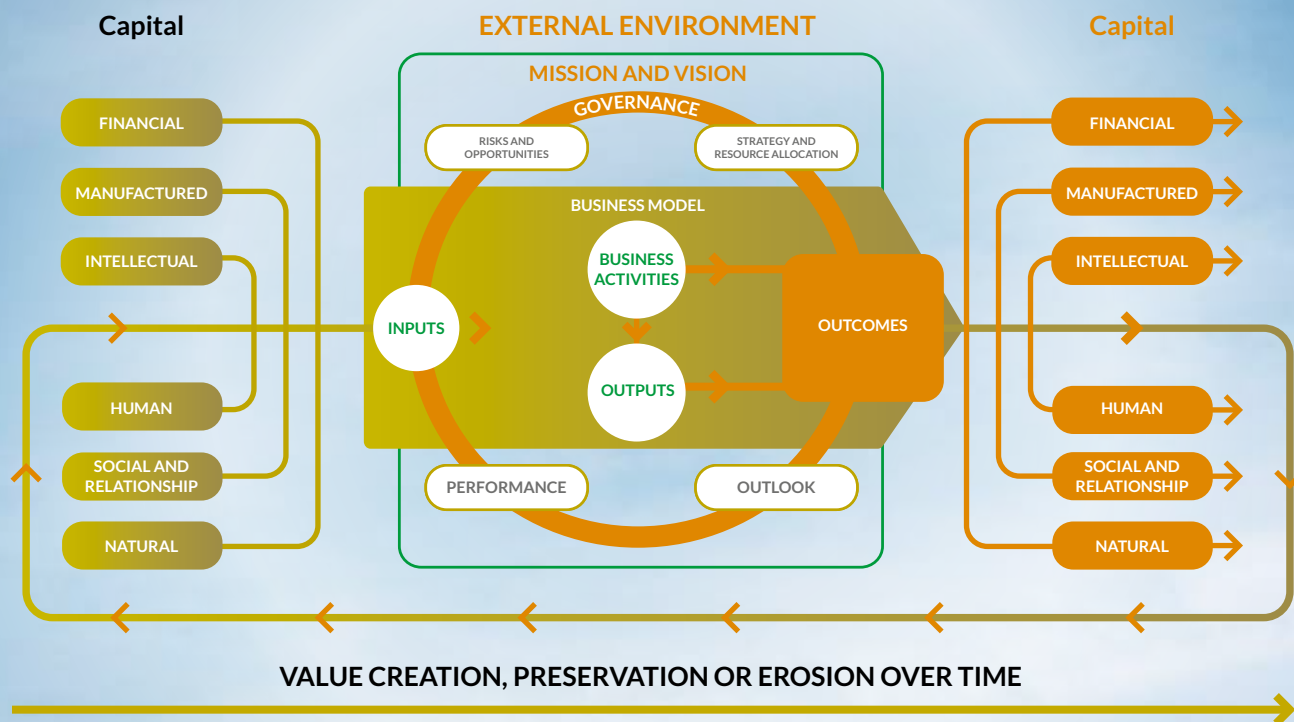
STRATEGY & RESOURCE ALLOCATION

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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.



OUR BUSINESS MODEL

Inputs



Financial Capital

- Total Assets of Rs. 161 Billion
- Strong capital base to fund long term projects and operational activities – Total Equity and reserves Rs 84 Billion
- Sufficient internal cash generation for operational/planned capex 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 67.5 MW
- Waste heat energy production capacity of 48.5 MW at all locations
- European origin PP bags manufacturing plant with annual capacity of 72 Million bags
- 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 of 2,335 (2024: 2,326) numbers
- Employees skill development Total training hours 10,400 (2024:8,400)
- An eminent culture of innovation and emphasize health and safety and well being



Social and Relationship Capital

- Network of 990 dealers across Pakistan
- A well reputed and preferred brand among the mega projects
- Strong and long term relationship with all major financial institutions in country
- Strong relationship with reputed suppliers within and outside the country



Natural Capital

- 67.5 MW solar energy captive power plants
- Waste Heat Recovery (WHR) Plant
- Availability of major raw materials from own quarry
- Surface water availability at all manufacturing facilities

Business Activities

Strategic Objectives

Refer to pages 60

Outlook, Risk and Opportunities

Refer to pages 72



Lime Stone and Clay quarry



Sourcing of Fuels, Raw Materials and Spares



Logistic



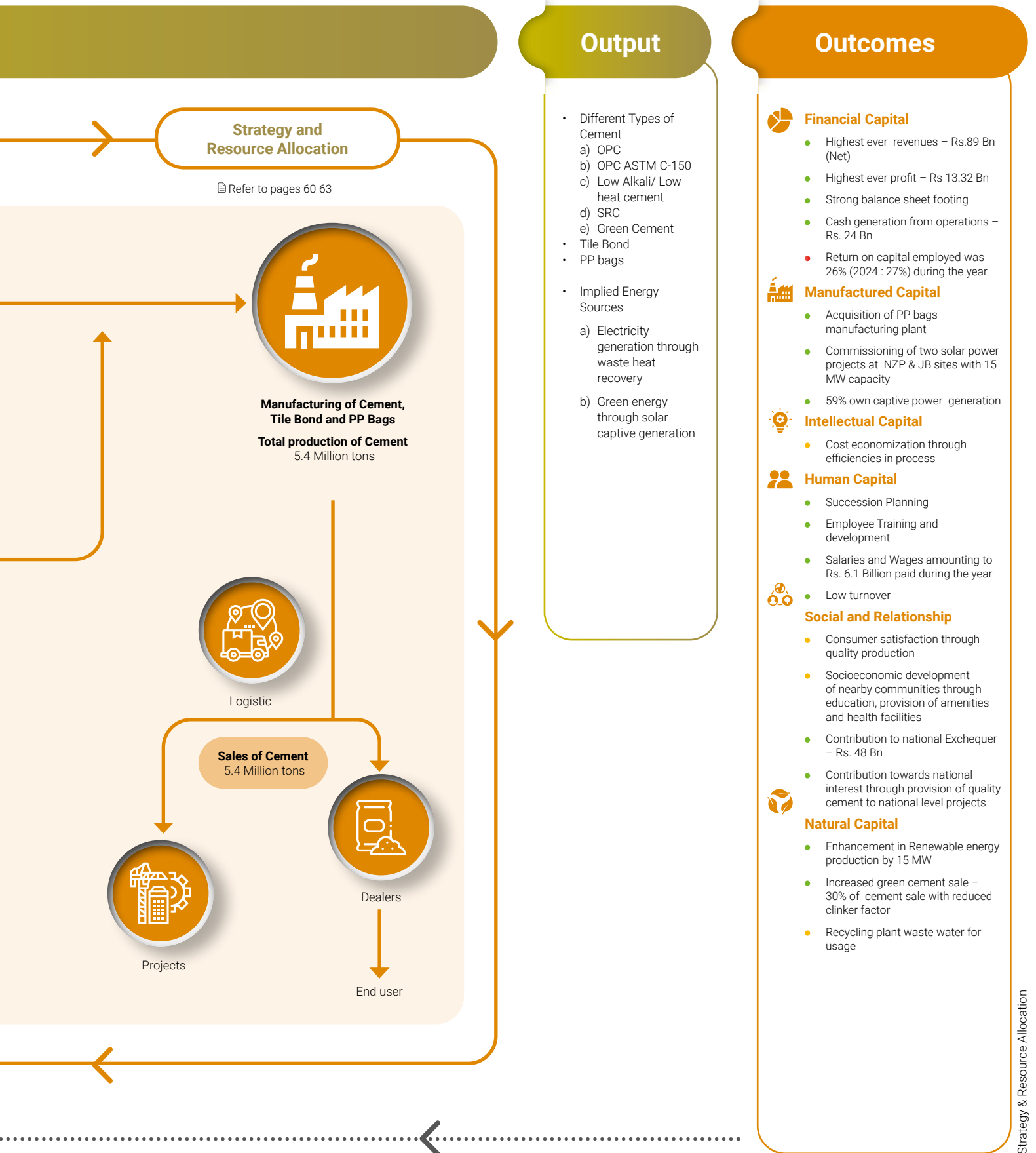
Quarry operations

Sustainability through value creation for all stakeholders

Refer to pages 64







Governance

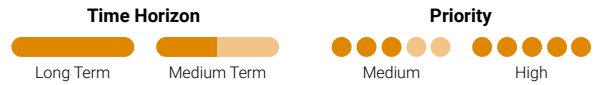
Refer to pages 82







STRATEGIC OBJECTIVES AND STRATEGIES IN PLACE

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




Strategic Objective	Strategies In Place	Time Horizon And Status
 <p>To enhance and maintain market share</p> <p>Sustain market position through business expertise, maintaining and expanding manufacturing capacities and innovation in business process is the key for cement business sustainability</p>	<ul style="list-style-type: none"> Expansion into new markets (domestic and international) – Recent green field and brown field expansions Focus on product research and new product development that takes into account the ever-changing demands of the market 	 <p>Status: On Going Process</p>
 <p>To maintain existing premium position in Quality cement production</p> <p>To maintain premium brand image and strict quality control is the critical for business success</p>	<ul style="list-style-type: none"> Strict quality controls in place throughout the operating cycle i.e. from procurement to production till delivery to customers Compliance with EN, ASTM and PS standards, validated through independent testing, supported by advanced lab technology and international certifications. Product innovation for specialized needs and requirements To maintain quality standards, only reputable suppliers are chosen for the purchase of plant, machinery and equipment 	 <p>Status: On Going Process</p>
 <p>Cost Economization</p> <p>With ever increasing costs of doing business, rational cost economization is critical success factor for business sustainability</p>	<ul style="list-style-type: none"> 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 	 <p>Status: On Going Process</p>





Strategic Objective	Strategies In Place	Time Horizon And Status
 <p>ESG</p> <p>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</p>	<p>Environment</p> <ul style="list-style-type: none"> Focus on reduced CO2 emissions through: <ul style="list-style-type: none"> I. Use of supplementary cementitious materials/ green cement to reduce clinker content II. Continuous investment in renewable energy generation projects III. Planting Tree for carbon sequestration IV. Maximum usage of Alternate Fuels to improve TSR Adherence to all PEQs & NEQs Focus on water preservation through recycling, reuse and rain water harvesting <p>Social</p> <ul style="list-style-type: none"> Ensuring safe working environment for employees Supporting local communities through: <ul style="list-style-type: none"> 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 <p>Governance</p> <ul style="list-style-type: none"> Maintain an Independent and diverse board structure, with directors appointed through a transparent, merit-based process in line with PICG standards. Ensure Compliance with industry standards and regulations Trusted and responsible reporting to all stakeholders Ethical business conduct 	 <p>Status: Ongoing process</p>
 <p>Nurture innovative thinking and teamwork</p> <p>Innovative thinking and teamwork contributes towards value addition in business</p>	<ul style="list-style-type: none"> Create a culture that nurtures innovation and entrepreneurial thinking Establish innovative platforms Enhance employee engagement Engage stakeholders in innovation process to ensure compliance, market relevance and shared value 	 <p>Status: Reinforcement of existing system to promote culture of innovation is under progress</p>

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
 <p>To enhance and maintain market share</p>	<ul style="list-style-type: none"> • Expansions • Product research and development 	<p>Expansions</p> <ul style="list-style-type: none"> • 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 <p>Product R&D</p> <ul style="list-style-type: none"> • Financial capital – allocation of sufficient budget for product development • Human Capital – a dedicated R&D team
 <p>To maintain existing premium position in Quality cement production</p>	<ul style="list-style-type: none"> • Strict quality controls • Product innovation • Quality procurement 	<ul style="list-style-type: none"> • 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.
 <p>Cost economization</p>	<ul style="list-style-type: none"> • Enhanced synergies • Vertical integration • Minimization of fuel cost • Maximization of own power generation • Investments in manufacturing facilities • Predictive maintenance • Stringent budgetary controls 	<ul style="list-style-type: none"> • 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
 <p>ESG</p>	<p>Environment</p> <ul style="list-style-type: none"> • Focus on reduced CO2 emissions • Adherence to all PEQs & NEQs • Focus on water preservation <p>Social</p> <ul style="list-style-type: none"> • Ensuring safe working environment for employees • Supporting local communities • Promoting a diverse and equitable workplace • Equal opportunities for all employees <p>Excellence in Governance</p> <ul style="list-style-type: none"> • Board diversity and independence • To be compliant with industry standards and regulations • Trusted and responsible reporting • Ethical business conduct 	<ul style="list-style-type: none"> • 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 CO2 emission.
 <p>Nurture innovative thinking and teamwork</p>	<ul style="list-style-type: none"> • Create a culture that nurtures innovation and entrepreneurial thinking • Establish innovative platforms • Enhance employee engagement 	<p>Financial Capital – Budget allocation for platforms development, training and facilities</p> <p>Human Capital – Employees in house and outsourced trainings and skill developments</p> <p>Social and Relationship capital – From top to bottom employees engagement at department levels</p>

SUSTAINABLE COMPETITIVE ADVANTAGE AND VALUE CREATION

Our business creates value for all stakeholders:

Competitive Edge

 <p>State of the art manufacturing facilities</p>	<p>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.</p>
 <p>Multiple manufacturing locations</p>	<p>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</p>
 <p>Trusted Brand with Quality as its legacy</p>	<p>Due to its quality, FCCL is a trusted brand among the mega private and public projects. This provides FCCL a competitive advantage</p>
 <p>World renowned ERP software - SAP</p>	<p>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</p>
 <p>Preferred Employer</p>	<p>FCCL is a preferred employer due to its culture and robust HR policies. This helps to attract and retain talent. FCCL has a very low attrition rate.</p>
 <p>Human Capital</p>	<p>An experienced, motivated and committed team is the most valuable asset of the Company that gives it the competitive edge</p>

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
 <p>To enhance and maintain market share</p>	<ul style="list-style-type: none"> • Capacity Utilization • Market Share • Net Profit Margins 	KPIs will remain relevant in the future
 <p>To maintain existing premium position in Quality cement production</p>	<ul style="list-style-type: none"> • 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
 <p>Cost economization</p>	<ul style="list-style-type: none"> • 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
 <p>Sustainability</p>	<ul style="list-style-type: none"> • CSR expenditure • Water conservation • Green energy generation • Net energy efficiency • CO2 reduction • Compliance with applicable environmental laws • Employees health and safety – TRIFR • Compliance with CCG requirements 	KPIs will remain relevant in the future
 <p>Nurture innovative thinking and teamwork</p>	<ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> To be a Role model in Cement manufacturing having public respect and goodwill Value creation for all stakeholders To fulfill corporate social responsibilities 	<ul style="list-style-type: none"> Achieve industry leadership through innovative thinking and teamwork in all areas of cement production by coming up with new ideas and products. Achieving operational excellence and adherence to ethical business practices, thereby building strong corporate reputation. Enhance stakeholder returns through sustainable growth, transparent governance and mutually beneficial partnerships with employees, investors, customers and suppliers. Strengthen ESG and CSR initiatives by investing in community development, environmental stewardship and social welfare programs around plant locations. Identifying new areas of CSR to address specific community needs Sustainability and cost economization
Mission <ul style="list-style-type: none"> Maintaining leadership position in quality of cement Profit maximization through reduced costs of production and enhanced market share 	<ul style="list-style-type: none"> Maintain existing premium position in Quality cement production Enhance and maintain market share Cost economization and value creation

BOARD STATEMENT ON THE INTERNAL CONTROLS INCLUDING IT CONTROL

The Board of Directors affirms its responsibility for maintaining effective internal controls, including IT controls, to safeguard FCCL's assets, ensure reliable financial reporting and compliance with laws. FCCL has a comprehensive risk management framework covering operational, financial and technological risks, with particular emphasis on cybersecurity, information security and data privacy. Through the Audit Committee, the Board regularly reviews and strengthens these controls, supporting management in mitigating emerging risks and ensuring continuous improvement in line with evolving business and technological requirements.

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

ESG 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 and 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 CO2 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.

BOARDS STATEMENT ON SIGNIFICANT PLANS AND DECISIONS

Corporate Restructuring

Company has no plans for any corporate restructuring in foreseeable future.

Business Expansion

- PP Bags expansion
- Opportunity based expansion in cement sector

Major Capital Expenditure

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



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.



03

RISKS & OPPORTUNITIES

Key Risks & Opportunities

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Board Risk Management
Statements

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Risk Management Framework

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Risk of Supply Chain Disruption
due to an ESG Incident and
Company's Strategy for
Monitoring and Mitigating these
Risks


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KEY RISKS & OPPORTUNITIES









Strategic: Demand Supply Gap and Stagnant or decreasing sales prices





Risk	Decreasing demand results in excess supply in the market. It can also put pressure on sales prices Source  Likelihood  Priority 	
Associated Objective	To enhance and maintain market share	
Impact	<ul style="list-style-type: none"> 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 Assessed Impact: Low Effect On Capital(S): Squeezed margins and low turnover can effect availability and affordability of financial and human capital 	
Risk Mitigation or Management	Strategy And Plan <ul style="list-style-type: none"> Fauji Cement is considered as one of the top brand in the consumer market because of its Quality so that helps to increase sales especially to projects Diversified products portfolio helps to broaden customer base Manufacturing of low cost CEM II cement with better margins Efficiency on processes <ul style="list-style-type: none"> Technology up gradation Energy efficient equipment Working on new value added construction products 	KPIs And Targets <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Expansion in DG Khan is helping to 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





Strategic: 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 Assessed Impact: Medium Effect on Capitals: High input costs can impact the availability and affordability of financial capital 	
Risk Mitigation or Management	Strategy And Plan <ul style="list-style-type: none"> Optimal own 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 Maximizing usage of local coal Max possible usage of alternate fuels i.e poultry waste, carbon black etc Increased system efficiencies of Equipment through installation of state of the art and latest available technology Surface water usage, currently, no site is using subsoil water due to Levy of high water charges by district authorities Increase in market share of CEM II having lower clinkering factor and higher additives Own manufacturing of PP bags Stringent monitoring of fixed expenses against the budgetary limits 	KPIs and Targets <ul style="list-style-type: none"> Maximum possible capacity building for low cost solar energy Maximum utilization of local coal and alternative fuel Vertical integration

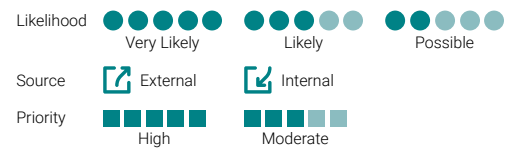
Related Opportunity	To bring further efficiencies in processes New avenues for cost savings
Impact	Effect On Capitals The opportunity can impact the availability and affordability of financial, manufactured and human capital  
Value Creation	<ul style="list-style-type: none"> Resource conservation through process efficiencies Usage of indigenous fuels/raw materials contributing to local economy Usage of alternate fuels help pollution reduction

Financial: Credit Risk		
Risk	Customers are unable to pay their obligations. Source  Likelihood  Priority 	
Associated Objective	Cost Economization	
Impact	Financial loss due to non-recoverability of receivables Assessed Impact: Medium Effect On Capital(S): It may impact the availability and affordability of financial capital 	
Risk Mitigation or Management	Strategy And Plan <ul style="list-style-type: none"> Established Credit policy with assigned limits Analysis of credit worthiness of each customer individually by the management before extending major credit Close monitoring of credit limits and regular recovery procedures in place Post dated cheques are obtained from dealers and bank guarantees in a few cases 	KPIs And Targets <ul style="list-style-type: none"> Adherence to credit policy Credit exposure within authorized limits





Financial: Exchange Rate Risk		
Risk	Certain Operating and capital expenditure incurred by the company in foreign currencies. An adverse exchange rate movement can cause increased input costs Source  Likelihood  Priority 	
Associated Objective	Sustainability	
Impact	An adverse exchange rate movement can cause increased input costs. Assessed Impact: Low Effect On Capital(S): It may impact the availability and affordability of financial and manufactured capital 	
Risk Mitigation or Management	Strategy And Plan <ul style="list-style-type: none"> In case of USD, Company has natural hedge as it imports and exports in the same currency which partially offsets the risk. Major inputs are sourced domestically 	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	Financial loss due to adverse movement of interest rates Source  Likelihood  Priority 	
Associated Objective	Cost Economization	
Impact	High Financial Cost in case of increased interest rates as Company is in debt due to its expansion projects Assessed Impact: Low Effect On Capitals High interest rates can impact the availability and affordability of financial capital 	
Risk Mitigation or Management	Strategy And Plan <ul style="list-style-type: none"> Due to good credit worthiness of the company best possible rates are obtained Govt. specified financing schemes with minimum fixed rates are obtained i.e TERF, LTFF etc. (%age of total debt 37%) 	KPIs And Targets <ul style="list-style-type: none"> Competitive rates Maximum utilization of subsidized financing

Related Opportunity	<ul style="list-style-type: none"> Low-cost financing arrangement Efficient treasury operations
Associated Objective	Cost Economization
Impact	Effect On Capitals Financial Capital 
Value Creation	<ul style="list-style-type: none"> Cost saving through low-cost financing for the expansion project. Utilization of low-cost financing for working capital requirements resulted in lower financing cost











Financial: Taxation




Risk	<ul style="list-style-type: none"> There is risk of tax litigation from the revenue authorities Risk of Non Compliance of applicable taxation laws Source  Likelihood  Priority 	
Associated Objective	Sustainability	
Impact	<ul style="list-style-type: none"> Legal penalties and financial loss in form of default surcharge and financial penalties Hindrance in business operations in case of any litigation as the authorities are empowered to freeze bank accounts and business assets Inaccurate tax planning could cause major financial loss Assessed Impact: High Effect On Capitals Legal penalties and financial losses can impact the affordability and availability of financial impact 	
Risk Mitigation or Management	Strategy And Plan <ul style="list-style-type: none"> Legislative and regulatory changes are closely monitored and their impact on Company's operations are evaluated through qualified and dedicated staff Business transaction are framed by keeping in view the applicable laws and regulation to avoid any violation Company has maintained and implemented robust documentation and record keeping system to provide the tax authorities the required supporting in case of tax audit Reputable Tax practitioners/ lawyers are hired for tax litigations and seeking advice on tax matters 	KPIs And Targets <ul style="list-style-type: none"> Compliance with applicable taxation laws Target is to minimize the tax related litigations through compliance






Related Opportunity	<ul style="list-style-type: none"> Adherence to applicable laws Taxation Planning
Associated Objective	Sustainability
Impact	Effect On Capitals Financial Capital 
Value Creation	<ul style="list-style-type: none"> Adherence to applicable laws and contribution to national exchequer as per law and contribution to national economy

IT related Risk: Disaster Recovery Management

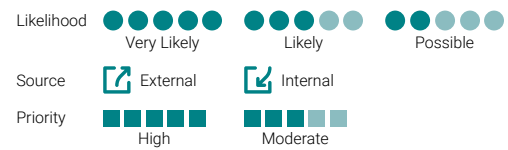
Risk	There is possibility of: <ul style="list-style-type: none"> Natural disaster to equipment's & hardware Hardware failure Failure of WAN – datalinks Source   Likelihood  Priority 	
Associated Objective	Sustainability	
Impact	It could stop company's operations, data/information loss can occur which will have very serious financial impact and reputational loss. Assessed Impact: Low Effect On Capitals This could affect the availability, quality and affordability of all capitals    	
Risk Mitigation or Management	Strategy And Plan <ul style="list-style-type: none"> To guarantee the uninterrupted availability of the ERP (SAP) system, industry-certified renowned hardware providers are selected. Our SAP infrastructure follows SAP's recommended deployment model across three sites. The Primary and High Availability (HA) servers are located at head office, while the Disaster Recovery (DR) site operates from remote site. The database and application servers are configured in a cluster setup, ensuring both the Production Server (PRD) and High Availability (HA) server remain consistently synchronized through real-time replication The company has secured reliable data links from reputable internet service providers to ensure robust connectivity. To maximize the availability of the production site the service providers has established redundant backend connectivity linking the production site to all plants. Additionally, FCCL has implemented auto-failover SSL VPN links as a parallel backup to the primary data links, ensuring uninterrupted operations in the event of a failure. High Availability (HA) Firewalls hardware have been provided at all locations. As a part of business continuity plan, FCCL has implemented SAP in a manner that allows it to operate seamlessly from the disaster recovery site with minimal delay, ensuring uninterrupted functionality. 	Targets and KPIs Target is to make all Equipment and Company information Safe from any type of harm

Related Opportunity	<ul style="list-style-type: none"> 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






IT Related Risk: Cyber Security	
Risk	<ul style="list-style-type: none"> Hackers penetration in the Company's Network Viruses attacks and software vulnerabilities Source  Likelihood  Priority 
Associated Objective	Sustainability
Impact	Damage to MIS and hardware Assessed Impact: Medium
Risk Mitigation or Management	Strategy And Plan <ul style="list-style-type: none"> Hardware firewalls are deployed at all locations to prevent and block hacking attempts. These firewalls are equipped with advanced features, including anti-spam, antivirus, Intrusion Prevention System (IPS), web service protection, and Advanced Threat Protection (ATP) capabilities. Regular penetration testing is done by third party. Servers and endpoints are safeguarded with industry-leading security solutions, specifically TrendMicro Deep Security Manager and TrendMicro Endpoint Protection Platform (EPP) software, ensuring comprehensive protection against potential threats. Implemented Microsoft Endpoint Configuration Manager to streamline security patch management, perform routine patch assessments, and prioritize updates for critical systems.

Sustainability and Environmental: 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 threatening event Assessed Impact: Low Effect On Capitals This could affect the availability, quality and affordability of Human Capital and Social and relationship Capital  
Risk Mitigation or Management	<div> <div> Strategy And Plan <ul style="list-style-type: none"> 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 </div> <div> Targets and KPIs <ul style="list-style-type: none"> Zero work related injury, and Compliance with the occupational health and safety laws </div> </div>

Related Opportunity	<ul style="list-style-type: none"> Implementation of health and safety SOPs Employee Protection
Associated Objective	Sustainability
Impact	Effect On Capitals Human Capital, Social and relationship Capital  
Value Creation	<ul style="list-style-type: none"> Employee safety from any work related injuries Safe and healthy working environment for employees



Sustainability and Environmental: Environmental Legal Exposure






Risk	Noncompliance of Environmental Laws Source   Likelihood  Priority 	
Associated Objective	Sustainability	
Impact	<p>The company prioritizes the environmental sustainability in all its operations and activities. However, certain threats do prevail.</p> <p>Legal Exposure</p> <p>a) Noncompliance of NEQS/PEQS.</p> <p>b) New regulations e.g. water, Co2.</p> <p>Assessed Impact: Low</p> <p>Effect On Capitals</p> <p>This could affect the availability and affordability of natural, social and relationship and manufactured Capitals </p>	
Risk Mitigation or Management	<p>Strategy And Plan</p> <ul style="list-style-type: none"> We are complying with all PEQS/NEQS Monthly monitoring by 3rd party is also done. Various dust collecting equipment (Electrostatic Precipitators, Bag Filters) has been installed at all plants at key dust producing units (Kiln, Raw Mills, Coal Mills, Cement Mills and Conveyor Belts) Outside storage sheds for coal storage have being constructed. Extensive plantation of trees around manufacturing plants is undertaken for green belt development. Use of (cementitious) material in new products to reduce carbon foot print Renewable Energy production – solar power generation, power generation through WHR 	<p>Targets and KPIs</p> <ul style="list-style-type: none"> Compliance with all PEQS/NEQS Voluntary adoption of IFRS S1, S2


Related Opportunity	Adherence of applicable laws
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

Sustainability and Environmental: Green House Gas Emissions – Refer to sustainability report

Sustainability and Environmental: Water Scarcity – Refer to sustainability report

Sustainability and Environmental: Adherence to applicable laws

Risk	Possibility of noncompliance with the applicable laws and regulations Source   Likelihood  Priority 	
Associated Objective	Sustainability	
Impact	<p>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 operations</p> <p>Assessed Impact: Low</p> <p>Effect On Capitals</p> <p>This could affect the availability and affordability of financial, social and relationship capital </p>	
Risk Mitigation or Management	<p>Strategy And Plan</p> <ul style="list-style-type: none"> 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 SECR, PSX, CDC, EOBI, PESSI etc. <p>Targets and KPIs</p> <p>Adherence to all applicable laws in every sphere of business operations</p>	

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

BOARD RISK MANAGEMENT STATEMENTS

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

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.

Board Statement About 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 (Enterprise Risk Management) team is also formed comprising the CEO and senior Management with its role pertaining to the implementation and monitoring of the Risk Management Policy. The structure of the ERM committee is as follows:

Level	Key Roles
BOD	<ul style="list-style-type: none"> Development and effective implementation of risk management policy for managing threats.
Audit Committee (Board's risk management Committee)	<ul style="list-style-type: none"> 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 Team	<ul style="list-style-type: none"> 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:

- Stakeholder Education:** The importance of risk management and the establishment of a risk-conscious culture is emphasized to all stakeholders.
- Risk Identification:** Both external and internal sources of risk are carefully identified and acknowledged.
- Risk Assessment:** Each identified risk is assessed in terms of its likelihood of occurrence and potential impact on the Company.
- Risk Response & Appetite:** Appropriate responses to the identified risks are determined, which may involve tolerating, treating, transferring, or terminating the risk.
- Monitoring and Communication:** The Company establishes a framework for continuously monitoring and communicating the progress of risk treatments and the associated activities.

RISK OF SUPPLY CHAIN DISRUPTION DUE TO AN ESG INCIDENT AND COMPANY'S STRATEGY FOR MONITORING AND MITIGATING THESE RISKS

At FCCL we recognize the dependency of business operations on ESG factors. Company proactively identify 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
 <p>Environmental Pollution</p>	<p>Company complies with all the applicable National Environmental Quality Standards (NEQs) and Provisional Environmental Quality Standards (PEQs) for handling, manufacturing and transportation of its products and materials</p>
 <p>Shortage of Raw Materials And Natural Resources</p>	<ul style="list-style-type: none"> • Company has its own Quarry operations that makes less dependency on raw material suppliers. • Recycling, where ever possible, and conservation of natural resources is top priority. • Company has multiple suppliers for local and imported coal.
 <p>Work Force Health and Safety</p>	<p>All occupational health and safety laws and regulations are adhered with – also refer to risk and opportunity section</p>
 <p>Labour Disputes</p>	<p>Company complies with the relevant labour laws and creates a Good working relationship with employees to avoid any labour dispute</p>
 <p>Geopolitical Considerations</p>	<p>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</p>

For further detail, refer to sustainability report



04

GOVERNANCE

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CORPORATE GOVERNANCE

Corporate Governance

At Fauji Cement Company Limited (FCCL), strong corporate governance is the cornerstone of our long-term success. We are firmly committed to ethical conduct, transparency and accountability in all aspects of our operations. Our governance framework is designed to protect stakeholder interests, support sustainable growth and guide responsible decision making across the organization.

Our experienced Board of Directors plays a vital role in providing oversight and ensuring that our actions reflect the best interests of all stakeholders. Through effective internal controls, a sound risk management system and strict compliance with regulatory standards, FCCL upholds financial discipline and operational integrity.

By embedding these principles into our culture, we continue to earn stakeholder trust, enhance shareholder value and strengthen our leadership position in the Cement Industry while remaining focused on innovation, sustainability and long-term growth.

Corporate Governance Framework

FCCL remains committed to maintaining strong corporate governance as the foundation of our organizational integrity and long-term success. We maintain clear standards of transparency, accountability and ethical conduct throughout the company.

By nurturing a culture of responsible leadership and putting effective oversight in place, we work to protect the interests of all stakeholders, meet regulatory expectations and create long-term, sustainable value. Our governance framework helps us make better decisions, manage risks wisely and stay true to our core values of fairness, integrity and responsibility.

This approach helps us maintain the trust of our shareholders, partners and the communities we serve.

Chairman's Role

The Chairman of the Board holds a pivotal role at FCCL, providing essential leadership and direction to ensure the Board of Directors effectively discharges its critical governance 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 sustained success.
2. To Preside over Board meetings to foster effective governance and impactful decision-making.
3. To provide guidance and support to the Chief Executive Officer (CEO) to cultivate a strong leadership partnership.
4. To represent the company to stakeholders, leaving a lasting impression of excellence.

5. To facilitate communication and alignment between the Board and the CEO, to ensure progress and organizational coherence.
6. To oversee and supervise the performance and composition of Board.
7. To promote exemplary corporate governance and the highest ethical conduct, throughout the organization.

Chief Executive Officer's Role

The CEO of FCCL holds central responsibility for executing the strategy defined by the Board through actionable plans and operational outcomes. Tasked with the stewardship of the company's day-to-day activities, the CEO is ultimately accountable for driving performance to achieve both immediate and long-range objectives. The CEO's primary duties include:

1. To implement the strategic roadmap of the company established by the Board.
2. To oversee daily management decisions and ensuring the effective execution of financial and operational plans of the company in strict alignment with the overarching business strategy.
3. To ensure the achievement of the company's long-term and short-term objectives.
4. To maintain effective communication with the Chairman, bringing significant company issues to the Board's attention and representing FCCL authoritatively to shareholders, employees, government entities and the broader stakeholder community.
5. To work in the best interest of the company, driving sustainable growth and surpassing the 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 strategic investments, formulating recommendations for the Board consideration to secure FCCL's continued success and leadership in the cement industry.
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 key stakeholders.
10. To ensure the overall operational success and health of the organization

Foreign Director

FCCL currently has no foreign directors on its Board, so security clearance has not been required to date. However, if a foreign director is elected to the FCCL Board in the future, security clearance will be obtained from the Ministry of Interior as per circular 13 of 2023 issued by the SECP.

Director's Orientation

FCCL has implemented comprehensive orientation sessions designed to familiarize all Directors, both new and existing with the Company's operations, the full spectrum of applicable laws and regulations and their critical duties and responsibilities. This enables Directors to effectively govern the company on behalf of shareholders. Beyond initial orientation, our Non-Executive Directors benefit from regular, direct exposure to operating management and major customers throughout the year, fostering valuable operational insights.

Additionally, Non-Executive Directors retain the explicit right to independently contact any employee, customer, advisor or supplier of the Company. The Company has tailored a formal Director's training program that extends well beyond mere regulatory compliance. This program systematically acquaints Directors with the company's evolving strategic orientation and the relevant legal clauses and regulatory frameworks, ensuring they remain fully informed and empowered.

Diversity in the Board

FCCL recognizes that a diverse Board, abundant in a range of skills, knowledge and experience is a valuable resource for the organization. We understand that this deliberate blend of perspectives supports well-informed decisions and maintaining the adaptability necessary to navigate an evolving business landscape. By cultivating a Board composed of members with distinct backgrounds and expertise, we foster an environment conducive to meaningful discussion and effective problem-solving. This dedication to diversity is a core operational principle, directly contributing to the informed governance and long-term success of the 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: Mari Energies Limited, Fauji Fertilizers Company, Foundation Power Company Daharki Limited and Fauji Kabirwala Power Company Limited.

Board's Function

The FCCL Board plays a central role in shaping the Company's strategic directions and supporting its long-term success. Leveraging their extensive expertise, knowledge and experience, they provide informed oversight and guidance on key matters that

influence our position in the Cement sector. Through careful analysis and thoughtful deliberation, the Board ensures every strategic choice aligns with our long-term strategic vision, maximizing sustainable value for all stakeholders. Their collaborative approach, informed by diverse perspectives, enable us to navigate challenges, capitalize on emerging opportunities and maintain FCCL's competitive edge. Ultimately, the Board's role remains essential in making well-informed, forward-looking choices that steer FCCL's future direction and drive continued expansion.

Decision Delegated to the Management

At FCCL, the management is entrusted with decision-making authority, enabling them to make informed choices that support the company's growth. This commitment allows the management team to analyze market trends, assess financial data and develop strategies aligned with our long-term business objectives.

By placing confidence in this capable leadership team, FCCL fosters essential organizational agility, enhances operational efficiency and ensures the effective execution of business plans. This delegation creates a dynamic governance structure, allowing the Company to respond to evolving market demands and capitalize on emerging opportunities within the Cement industry.

Independent Oversight of Operations and Functions

FCCL implements several oversight measures, including independent evaluations to strengthen the reliability of internal controls and systems. This involves conducting internal audits and system audits/inspections by external specialists. These independent evaluations offer valuable, objective insights into our processes ensuring compliance with regulatory requirements while also identifying opportunities for improvement. By consistently incorporating external reviews into our governance practices, FCCL reinforces its core values of transparency, accountability and continuous improvement. This structured approach helps to build stakeholder confidence in the integrity and effectiveness of our operations.

Related Party Transaction

FCCL's Directors have established a policy governing related party transactions to ensure every such transaction is conducted strictly at arm's length, adhering to terms fully equivalent to those prevailing in open market conditions. Its core objectives are unambiguous: to promote transparency, maintain fairness in all dealings and eliminate any potential conflicts of interest. To uphold these principles, every proposed related party transaction is subject to mandatory prior review and explicit approval by the Board of Directors or its designated committee. This approach fosters trust and assurance among stakeholders and ensure that all related party transactions adhere to regulatory mandates and sound corporate governance standards.

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 42 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 disagreement or dispute emerges, it is handled in accordance with the guidelines outlined in the Companies Act, 2017. During this time period, the Company did not encounter any conflicts or disputes.

Director's Interest in Related Party Transaction

None of the directors of FCCL have any personal interests in transactions involving related parties.

Details of Any Board Meetings Held Abroad

The Board of Directors did not conducted any meetings overseas, as all Directors are based in Pakistan.

Policy of Records Preservation & Safety

FCCL record retention and preservation policy is designed to meet and in certain areas, go beyond legal and statutory requirements. We ensure the integrity and safety of vital physical records, including financial documents, legal agreements and other critical paperwork, through secure archiving. Key features our record safety policy include:

- Secure Physical Archiving: Contracts and permanent records are stored in fireproof lockers with restricted and monitored access.
- Protected Operational Documentation: Financial and operational documents are safeguarded within secure facilities, protected against deterioration, fire and natural disasters.
- Advanced Digital Safeguards: In strict adherence to FCCL's IT Governance Policy, we implement multi-layered protection for digital records, including:
 - Operation of three state-of-the-art data centers utilizing C9 and C10 servers with real-time replication and backup.

- Deployment of advanced hardware firewalls integrated with cloud sandboxing technologies across all data centers.
- Installation of automated FM-200 fire suppression systems within all server rooms for immediate fire risk mitigation.
- Enforcement of server room access controls, limited to authorized personnel only, utilizing biometric authentication and comprehensive access logging.

Investors Relationship and Grievance Resolution Policy

FCCL has established a comprehensive framework for Investor Relations and Grievance management to demonstrate transparent communication and strong stakeholder engagement. To ensure accessibility and responsiveness, our corporate website features an Investor Section that acts as the main hub for shareholder interaction. To make it easy for shareholders to reach us, we provide several ways to submit complaints or questions. Shareholders can share their concerns or queries directly with Management using a designated email address or through an easy-to-use online Complaint Form available at <https://fccl.com.pk/eng/for-complaint-queries-grievances/>. We also facilitate submissions through telephone, fax or traditional mail. This multi-channel approach ensure that any grievances reported by shareholders are received, reviewed and efficiently resolved in a timely and appropriate manner.

Social Environmental Policy

FCCL operates with a profound sense of responsibility towards the local communities that surround our operations and the environment we share. This initiative is formalized and driven by a comprehensive Social and Environmental Policy, proactively adopted by the Board of Directors. This policy is not merely a statement of intent; it is rigorously implemented at every level of the organization, guiding our daily actions and long-term strategies.

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 yearly.

Disaster Recovery Planning

FCCL maintains a rigorously tested comprehensive Disaster Recovery plan which is periodically tested by our IT team. This plan is designed to ensure the continuity of vital IT systems and data with near-zero downtime, even in the face of significant disruptive events such as natural disasters, earthquakes, fires, or other major disruptions. This proactive preparedness allows FCCL to maintain essential business functions, minimize operational impact and swiftly resume normal

activities, thereby safeguarding service delivery and stakeholder confidence during unforeseen crises. FCCL has a comprehensive Crisis Management Plan covering all operations including plants and head office, to ensure business continuity during any disruption. The IT Crisis Recovery Plan is an integral part of this framework, focused on quickly restoring critical IT systems to minimize impact on operations. Both plans are regularly reviewed and coordinated to ensure effective response and recovery across the company.

External Search Consultancy for Appointment of any Director

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

Communication with Stakeholders

At FCCL we prioritize effective and transparent communication with our stakeholders, recognizing the importance of keeping our investors, partners, and customers informed about our operations and plans. We ensure continuous awareness of our progress and challenges through proactive engagement including regular updates and meticulously prepared annual reports for stakeholders to keep them well-informed and engaged. FCCL welcome feedback and suggestions, considering them valuable in shaping its strategies. This approach supports strong relationships and reflects commitment to transparency and accountability.

Employee Health, Safety and Protection

At FCCL, we fundamentally recognize that our employees are our most valuable asset and their health, safety and protection remain our paramount priority. This commitment transcends policy, which is actively embedded in our operations through stringent safety protocols and comprehensive training programs designed to empower every individual. Our dedicated safety team proactively identifies, evaluates and mitigates potential risks, implementing preventative measures to avert incidents and continuously nurture a deep-rooted culture of safety. Our goal is to create a workplace where employees feel protected, supported and empowered to prioritize their health. Through persistent communication, active engagement and shared responsibility, we strive to cultivate a safety culture, ensuring that every employee returns home safely every day.

Integrity as a Core Value

At FCCL, Integrity stands as a foundational core value that governs our interactions and decisions. Upholding integrity is essential for FCCL's continued success in fostering an environment where employees can excel. It is formally recognized as one of the five key competencies assessed in employee performance evaluations, demonstrating its critical role in shaping our organizational culture.

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

The information about the shares held by the sponsors and the distribution of shareholders is provided in the "Shareholders" category and the "Pattern of Shareholding" sections of this report.

Policy for Governance of Risk and Internal Control

FCCL places effective governance of risk and internal control at the core of its sustainable growth strategy. The Company has established a comprehensive policy that mandates a proactive approach to identifying, assessing and managing risks across all operations. Within a systematic framework, FCCL conducts risk assessments, internal control evaluations and monitoring mechanisms within a robust framework. FCCL Management demonstrates unwavering dedication to maintaining a strong control environment and continually enhancing these critical practices. The disciplined implementation of this policy directly safeguards FCCL's assets, optimizes operational performance and efficiency and actively cultivates an organizational culture rooted in transparency, accountability and disciplined responsibility.

Justification of Independent Directors

FCCL presently comprises three Independent Directors on its Board. These Directors fulfill the independence criteria as outlined in section 166(2) of the Companies Act, 2017 and have been chosen from the database of independent directors curated by PICG.

Disclosure of Director's Interest and Significant Contracts and Arrangement

FCCL maintains a robust policy for disclosure of Director's interest in significant contracts and arrangements, although none of our Directors have an interest in related party transactions. This policy mandates the timely and comprehensive disclosure of any potential conflicts of interest, promoting transparency and accountability. This initiative ensures that all corporate decision-making processes are conducted with absolute fair and impartiality, thereby reinforcing stakeholder's trust.

Board's Policy on Diversity

FCCL places great importance on diversity, equity and inclusion, as these principles are integral to the Company's identity and fundamental to its achievements. We are committed to non-discrimination based on gender, background or any other characteristic. We promote equality, absolute fairness and respect in

all policies, practices and decision-making processes. The Company encourages an inclusive culture and a supportive environment where individuals can contribute their skills and perspectives. By proactively promoting a supportive, inclusive atmosphere free from gender bias, the Company aims to foster a respectful environment that fuels diversity and organizational excellence.

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 organizations.

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

FCCL takes a structured approach to managing and reporting its policies on procurement, waste and emissions. The Company has defined procedures to support responsible procurement by sourcing materials from suppliers who follow ethical and sustainability standards. Concurrently, the Company is committed to minimizing waste generation and maximizing recycling via optimized operational processes.

The Company also works towards reducing emissions by actively investing in environmentally advanced technologies and implementing continuous monitoring to track and mitigate our carbon footprint. Through the disciplined execution of these policies and transparent public reporting on performance and progress, FCCL demonstrates its dedication to building a sustainable value chain and responsible business practices.

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

During the FY 2025 one Annual General Meeting and one Extraordinary general meeting took place. The Chairman of Board Audit Committee attended all the meetings wherein she was available to answer any question pertaining to the Board Audit Committee's activities.

Announcement of Financial Results

The organization has promptly conveyed its Quarterly, Half-Yearly,

and Annual Financial Results. Following is the schedule for the Board of Directors' approval of the financial statements:

Particulars	Date of Authorization	Timeline
First Quarterly Financial Statements	25 th October 2024	Within one month
Half-yearly Financial Statements	25 th February 2025	Within two month
Third Quarterly Financial Statements	24 th April 2025	Within one month
Annual Financial Statements	8 th August 2025	Within 40 days

Commitment to Compliance

We are dedicated to operating our business in strict compliance with all relevant laws, regulations, corporate policies and the utmost ethical standards established in the Code of Corporate Governance Regulations, 2019. This devotion is actively reinforced organization-wide, ensuring every employee understands and aligns with these fundamental principles, which are essential for achieving our strategic objectives and sustaining long-term success. Our leadership proactively communicates our unwavering dedication to compliance. Our values and ethical standards permeate the organization through communication campaigns, training initiatives and the principles embedded in our Code of Conduct and other corporate policies, as well as during internal meetings.

Composition of the Board

The total number of Directors is 8 as per following:

Male: 6
Female: 2

Particulars	Names
Independent Directors	Mr S M Irfan Aqueel Ms Maleeha Humayun Bangesh
Non-Executive Directors	Lt Gen Anwar Ali Hyder, HI(M), Retd Mr Khurshid Zafar Qureshi Maj Gen Tariq Qaddus, HI (M), Retd Syed Bakhtiyar Kazmi
Executive Director	Mr Qamar Haris Manzoor
Female Director	Ms Saira Nasir (Independent Director)

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

Reg(s)	Requirement Summary	Status	Evidence / Remarks
3 & 4	Directorship limit & board diversity	✓	No director shall be elected or nominated in more than 7 listed companies; skills/diversity matrix maintained
5	Representation of minority shareholders	✓	Proxy/candidate facilitation process in place
6	Independent directors	✓	At least 2 or 1/3 of Board; independence declarations filed
7	Female director	✓	At least 1 female director appointed
8	Executive directors	✓	Executives Directors not more than 1/3 of the Board
9	Chairman	✓	Chairman and CEO shall not be the same person
10 (all)	Board responsibilities	✓	Vision & strategy; policies; risk review; succession; evaluation; stakeholder engagement
10A	Sustainability & DE&I oversight	✓	Sustainability review; DE&I policy; committee with 1 female director
11	Agenda an discussion in meetings	✓	Agenda & papers sent atleast 7 days prior
12	Minutes of meetings	✓	Prepared, approved & signed timely
13	Attendance at meetings	✓	CFO & CS shall attend all meetings of the Board
14	Significant issues to Board	✓	Significant issued placed before Board through Audit committee
15	Related party transactions	✓	Placed before Audit Committee or upon recommendations before the Board for approval
16 & 17	Remuneration policy & procedure	✓	Policy approved; directors not self-approving
18	Directors' orientation	✓	Induction programs conducted
19	Directors' training	✓	All directors trained and certified
20-24	CFO, CS & Head IA appointments and qualifications	✓	Board approved appointments & terms/ Qualified
25-26	Financial Reporting	✓	Financial statements endorsed by CEO and CFO
27-30	Committees of the Board	✓	The Broad functions of Nomination and risk management are already being performed by other committees.
31	Internal Audit	✓	Internal Audit: Structure and Operations
32	External Audit	✓	The prerequisites and regulations for appointing an external auditor.
33	Rotation of Auditors	✓	According to the regulations, all Companies except those in the financial sector are required to switch their engagement partner every five years.
34	Directors Report	✓	Disclosed in Annual Report
35	Disclosure of Significant Policies on Website	✓	The Company to upload relevant details regarding its important policies, synopsis of Board Committees and other related information on its website.
36	Compliance Statement & Auditor Review	✓	The Compliance statement, which has been audited and certified by the Statutory Auditors is made available in the Company's review report





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 30th June 2025.

This report has been prepared in accordance with Section 227 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Economic Overview

During the year ended 30 June 2025, Pakistan's economy demonstrated promising signs of recovery. GDP grew by 2.7%, while average inflation dropped sharply to 4.5%, from 23% in the prior year. The monetary policy rate was reduced to 11%, and the current account posted a surplus of USD 2.1 billion, primarily due to record workers' remittances of USD 38.3 billion. An improvement in export earnings further supported GDP growth; however, the contraction in Large-Scale Manufacturing (LSM) continued to pose a notable challenge.

Cement Industry Overview

In FY 2024–25, the cement industry recorded a 2% increase in total dispatches, reaching 46.2 million tons compared to 45.3 million tons in the previous year. Domestic dispatches declined by 3%, from 38.2 million tons to 37 million tons, whereas export sales surged by 30%, from 7.1 million tons to 9.2 million tons. The export growth was primarily driven by higher clinker shipments via sea, supported by favorable international prices and the previous year's depreciation of the Pakistani Rupee.

Company's Performance

FCCL's total cement dispatches stood at 5.37 million tons (FY 2024: 5.08 million tons), comprising domestic sales of 4.81 million tons (FY 2024: 4.56 million tons) and export sales of 0.56 million tons (FY 2024: 0.52 million tons). In FY 25, FCCL delivered Profit after Tax (PAT) of PKR 13.33 billion, reflecting an improvement of 62% compared to FY 24. The Company successfully implemented its marketing strategy and achieved a capacity utilization rate of 51%. The key figures for FY 25 are as follows:

Particulars	2025	2024	Change	% Change
Gross Revenue	131,434,552	107,233,317	24,201,235	▲ 23%
Net Revenue	88,956,328	80,026,226	8,930,102	▲ 11%
Gross Profit as percentage of net Revenue	35%	32%	–	▲ 03%
EBITDA	31,684,346	24,939,013	6,754,333	▲ 27%
PBT	21,525,520	15,299,731	6,225,789	▲ 41%
PAT	13,326,202	8,223,116	5,103,086	▲ 62%
EPS - Rs	5.43	3.35	2.08	▲ 62%

Revenues

Overall sales revenue increased by 11% during the year. Local sales revenue rose by 11% primarily due to higher prices and increased dispatches. Export revenue grew by 9% as a result of higher dispatches and the devaluation of the PKR during the year.

Cost of Sales

Despite rising input costs, the per ton cost of production during the year showed a slight decrease compared to the previous year. The impact of increased input costs was mitigated through cost optimization initiatives undertaken by the management, including the following:

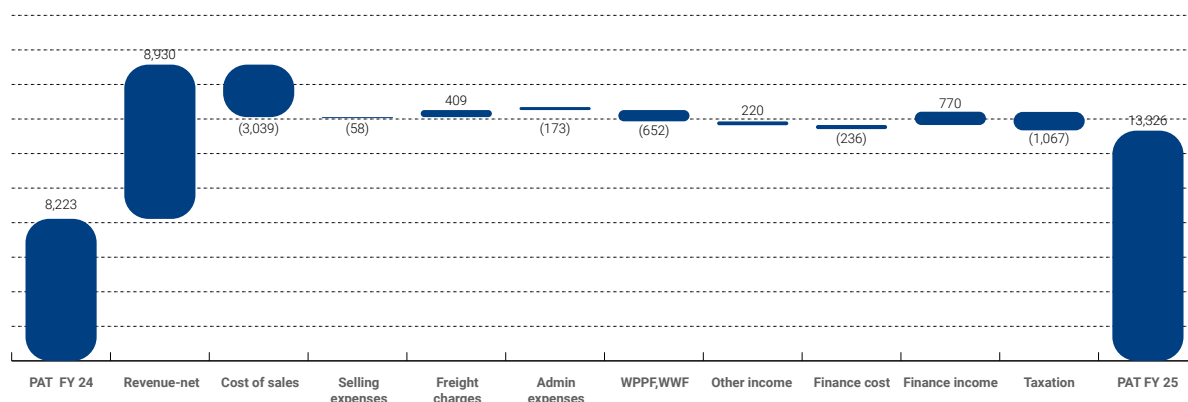
- Higher use of local coal as compared to expensive imported coal and use of multiple types of alternative fuels.
- Reduction in power cost through enhanced captive power generation.
- Rationalization of fixed costs.

Gross Profit

Gross Profit margin improved from 32% in FY 2024 to 35% in FY 2025, reflecting higher prices and cost optimization initiatives undertaken by the Management.

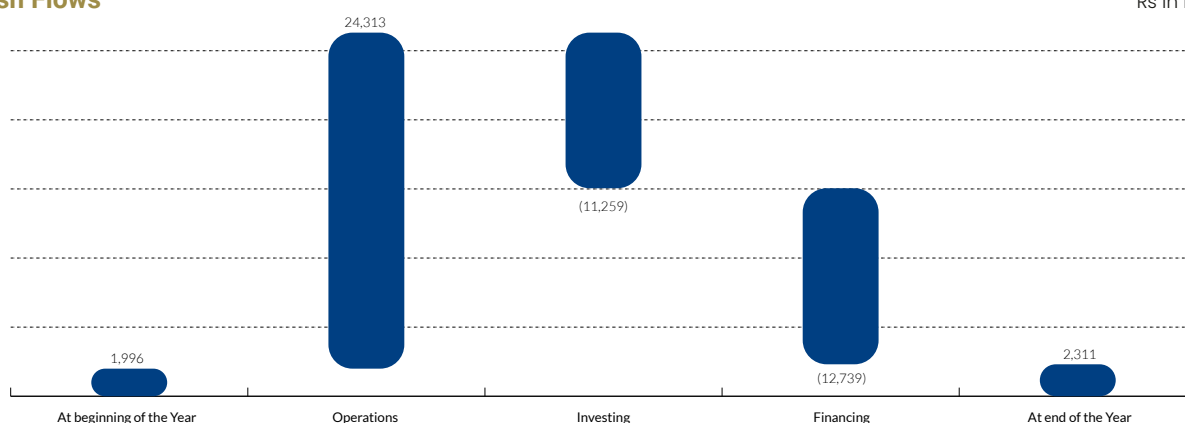
Financial Performance

Rs in Mn



Cash Flows

Rs in Mn



Finance Cost

Owing to the lower interest rates and repayment of long term loans, overall finance cost decreased during the year. In previous year finance cost related to fixed assets amounting to Rs 1,726 was capitalized, resulting in increase in finance cost charge to profit and loss amounting to Rs 5,772 million as compared to Rs 5,536 million of previous year.

Financial Position

Net Worth

Net worth of the Company increased by Rs 10,873 million and resultantly stood at Rs 84,272 million, translating into a breakup value of Rs 34.36 per share. The net worth registered an increase of 15% 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 32,476 million, which decreased by Rs 5,245 million over the previous financial year due to debt servicing during FY 25.

Deferred Tax Liabilities

Deferred tax liabilities increased by Rs 4,763 million during the year and stood at Rs 19,694 million.

Loan from Parent – Unsecured

Loan received from the parent (FF) stood at Rs 7,572 million obtained for cement plant expansion.

Short Term Borrowings

Short-term borrowing balance stood at Rs 2,192 million which increased by Rs 742 million over previous financial year.

Trade & Other Payables and Accrued Liabilities

Trade and other payables were recorded at Rs 3,934 million at year-end and saw decrease of Rs 2,174 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 9,076 million and increased by Rs 3,922 million over the previous financial year primarily due to the accrual of 6% Royalty charge which has been stayed by the Supreme Court of Pakistan.

Property, Plant & Equipment

The total value stood at Rs 109,579 million with decrease of Rs 1,267 million as compared to the previous financial year due to depreciation charge.

Stores, Spares and Loose Tools

Stores, spares and loose tools were valued at Rs 10,377 million with an increase of Rs 1,278 million as compared to the previous financial year mainly on account of increased coal stock at year end.

Short Term Investments and Cash & Bank Balances

Owing to better cash generation, short-term investments stood at Rs 9,210 million while cash and bank balance stood at Rs 2,665 million as compared to Rs 2,933 million of previous financial year.

Contribution to National Exchequer

FCCL contributed PKR 48.2 billion to the national exchequer, compared to PKR 28.9 billion last year, through income tax, excise duty, sales tax and other Government levies. Valuable foreign exchange to the tune of US \$ 25.5 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 @12.50% i.e Rs 1.25 per ordinary share for the year ended 30th June 2025. This final Dividend is subject to the approval of shareholders in 33rd Annual General Meeting scheduled to be held on 30th September 2025.

Outstanding Statutory Dues

The Company has no outstanding statutory dues.

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 that affect the financial position of the Company since the year-end to the date of this report.

Risk Management

Details of FCCL's risk management framework, methodology, key risks, and corresponding mitigation strategies are provided in the 'Risks & Opportunities' section of this Annual Report.

Provident Fund

The total value of this Fund, as of 30th June 2025, is given below: -

S/No	Category of Staff	Rs in Million
a.	Management staff	1,834
b.	Non- Management staff	1,070
Total		2,904

Election of Board Directors

In accordance with sound corporate governance practices, the term of the previous Board of Directors concluded on December 12, 2024. Accordingly, fresh elections were conducted on 10th December 2024 to elect eight (8) Directors during the 15th Extraordinary General Meeting of Shareholders. The Board placed on record its deep appreciation for the dedicated service and valuable contributions of the outgoing Directors; Mr Sami Ul Haq Khilji and Ms Naila Kassim, whose leadership significantly supported FCCL's growth trajectory. Additionally, the Chairman warmly welcomed the newly elected Directors; Ms Saira Nasir, Mr S M Irfan Aqueel and Maj Gen Tariq Qaddus, HI (M) Retd.

Old Board of Directors	New Board of Directors	Remarks
Lt Gen Anwar Ali Hyder, HI (M), Retd, Chairman	Lt Gen Anwar Ali Hyder, HI (M), Retd, Chairman	Re-Elected
Lt Gen Qazi Muhammad Ikram Ahmed, HI(M), Retd	Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd	Re-Elected
Syed Bakhtiyar Kazmi	Syed Bakhtiyar Kazmi	Re-Elected
Mr Mazhar Abbas Hasnani	Mr Mazhar Abbas Hasnani	Re-Elected

Mr Sami Ul Khilji	Mr S M Irfan Aqueel	Elected
Ms Maleeha Bangash	Ms Maleeha Bangash	Re-Elected
Ms Naila Kassim	Ms Saira Nasir	Elected
N/A	Maj Gen Tariq Qaddus, HI (M), Retd	Elected

Composition of the Board

FCCL's eight-member Board of Directors leverages its diverse knowledge and extensive expertise to provide strategic oversight while steadfastly dedicated to advancing the best interests of all stakeholders and enhancing value to the Company. This multifaceted governance approach ensures balanced decision-making aligned with robust corporate principles and sustainable growth objectives.

Total Number of Directors

Male	6
Female	2

Composition of the Board

Independent	2
Non- Executive	4
Executive (CEO)	1
Female Director	1

Composition of the Committees

a.	Audit Committee	
(1)	Ms Saira Nasir	Chairperson
(2)	Syed Bakhtiyar Kazmi	Member
(3)	Syed Muhammad Irfan Aqueel	Member
(4)	Brig Kashif Naveed Abbasi, SI (M), Retd	Secretary

b.	HR and Remuneration Committee	
(1)	Ms Maleeha Humayun Bangash	Chairperson
(2)	Maj Gen Tariq Qaddus, HI (M), Retd	Member
(3)	Ms. Saira Nasir	Member
(4)	Brig Kashif Naveed Abbasi, SI (M), Retd	Secretary

c.	Investment Committee	
(1)	Syed Bakhtiyar Kazmi	Chairperson
(2)	Mr Khurshid Zafar Qureshi	Member
(3)	Syed Muhammad Irfan Aqueel	Member
(4)	Brig Kashif Naveed Abbasi, SI (M), Retd	Secretary

d.	Environmental, Social and Governance Committee	
(1)	Ms Maleeha Humayun Bangash	Chairperson
(2)	Maj Gen Tariq Qaddus, HI (M), Retd	Member
(3)	Syed Muhammad Irfan Aqueel	Member
(4)	Brig Kashif Naveed Abbasi, SI (M), Retd	Secretary

Attendance of Board of Directors during FY 24-25

Directors	Total Number of Meetings
Lt Gen Anwar Ali Hyder, HI (M), Retd, Chairman	5
Mr Qamar Haris Manzoor, CEO	5
Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd (Resigned on 30-5-2025)	4
Maj Gen Tariq Qaddus, HI (M), Retd (Joined on 18-12-2024)	3
Maj Gen Zafar Ul Haq, HI (M), Retd (Joined on 5-4-2024 and Resigned on 17-10-2024)	1
Syed Bakhtiyar Kazmi	5
Mr Mazhar Abbas Hasnani (Joined on 17-10-2024 and Resigned on 23-6-2025)	3
Mr Sami Ul Haq Khilji (Retired on 12-12-2024)	2
Mr S M Irfan Aqueel (Joined on 13-12-2024)	3
Ms Maleeha Bangash	4
Ms Naila Kassim (Retired on 12-12-2024)	2
Ms Saira Nasir (Joined on 13-12-2024)	3
Mr Khurshid Zafar Qureshi (Joined on 30-5-2025)	1

Vision, Mission and Corporate Strategy by the Board

Following a comprehensive evaluation, the Board of Directors diligently examined and sanctioned the vision, mission and overarching corporate strategy of FCCL. The Board

affirms that these core elements embody the fundamental principles upon which the Company was established. Our Vision and Mission serve as the pivot in shaping the trajectory of our corporate strategy and guiding collective efforts throughout the organization. This unifying purpose aligns every facet of our operations, serves as the primary criterion for daily decision-making and ensures all strategic initiatives and operational activities are consistently directed towards achieving our long-term objectives. This alignment further ensures maintaining our commitment to excellence, innovation and sustainability.

CEO's Performance Review by the Board

The CEO of FCCL was appointed for a three-year tenure starting from the date of the election of Directors. The Board conducted regular and structured performance assessments against pre-defined annual targets established at the start of each financial year. This systematic evaluation process ensured that the CEO's focus remained aligned with the Company's strategic objectives while delivering as per key performance indicators (KPIs). The Board's ongoing assessment fostered a culture of accountability, allowed requisite space for continuous improvement and provided essential feedback while driving operational excellence and sustainable corporate success.

Qualification of CFO and Head of Internal Audit

The roles of Chief Financial Officer (CFO) and Head of Internal Audit at FCCL were adequately supported by a team of officers possessing the requisite expertise to efficiently oversee financial operations and uphold robust internal controls and governance practices. The requisite experience and qualifications of these officers were strictly in compliance with the provisions of Regulation No 22 (for the CFO) and Regulation No 23 (for the Head of Internal Audit) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Chairman's Review of the Performance of the Board

The Chairman's review of the Board's overall performance and effectiveness in achieving the Company's objectives is outlined in the dedicated 'Chairman's Review' Section of this report. This critical assessment offers valuable

insights into the Board's substantive contributions, rigorous decision-making processes and steadfast alignment with FCCL's strategic goals. The review underscores the Board's commitment to robust governance while enhancing transparency and reinforcing accountability to all stakeholders.

External Auditors

M/s A.F Ferguson & Co, Chartered Accountants successfully completed the annual audit of the Company for the year ended 30th June 2025. The firm is due for retirement on 30th September 2025 aligned upon conclusion of 33rd Annual General Meeting (AGM). However, as proposed by the Audit Committee, the Board of Directors recommends the reappointment of M/s A.F Ferguson & Co, Chartered Accountants as the Company's External Auditors for the year ending 30th June 2026, after approval by the shareholders at the 33rd AGM.

Compliance with Best Corporate Practices

The Board of Directors of FCCL maintained unwavering compliance with all statutory and regulatory mandates including the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Pakistan Stock Exchange listing regulations and the Financial Reporting Framework prescribed by the Securities & Exchange Commission of Pakistan (SECP), throughout the financial year 2024-25. The Annual Report 2025 embodies FCCL's commitment to transparency and accountability, incorporating a comprehensive report on adherence to the Code of Corporate Governance from the Board's Audit Committee, a formal Statement of Compliance by the Chief Executive Officer, Directors' Report and an independent review report by the Company's auditors. Collectively, these sections provide demonstrable evidence of FCCL's dedication to the highest standards of corporate governance.

Shareholding Pattern

Statements showing the pattern of shareholding as of 30th June 2025, required vide Section 227(f) of the Companies Act, 2017 are annexed to this Report.

Board's Role and Decision Making

The Board of Directors of FCCL focused primarily on cultivating a value-creating and performance-driven culture that propelled the Company's growth trajectory and upheld its commitment to shareholders. Diligently adhering to

all applicable legal and regulatory frameworks, the Board executed its fiduciary responsibilities with rigor. Each strategic decision underwent thorough analysis and deliberation to ensure a balance between welfare of the Company and its shareholders. Under the Chairman's leadership, the Board provided strategic guidance and oversight to the Management, ensured alignment with corporate objectives and managed effective implementation. This collaborative approach ensured that all actions remained strategically focused while fostering sustainable value creation and long-term organizational success.

Ethics and Compliance

The Board of Directors established a robust governance and legal framework, strictly aligned with all applicable laws and regulations, serving as the cornerstone of FCCL's sustainable growth. To strengthen oversight, the Board instituted specialized committees entrusted with critical advisory and supervisory mandates. These committees provided strategic guidance, delivered actionable recommendations, reinforced governance discipline and optimized resource allocation for Management. Their fiduciary responsibilities included executing key initiatives, rigorously assessing investments and refining the capital structure. Ethics and integrity remained fundamental to all internal and external business conduct, underpinned by a comprehensive Code of Conduct disseminated company-wide and accessible via our corporate website. Complementing this, the Audit Committee received routine briefings on risk management policies and effectiveness of internal controls. This integrated approach ensured adherence of every operation to the highest standards of ethical behavior and regulatory compliance.

Unreserved Compliance with International Financial Standards (IFRS)

FCCL maintains an unwavering commitment to the accurate, transparent and verifiable presentation of its financial position which is demonstrated through unreserved compliance with International Financial Reporting Standards (IFRS). The audited financial statements annexed to this report for the year ended 30th June 2025 have been rigorously prepared in full accordance with IFRS as adopted in Pakistan. The specific application and adoption status of these standards are comprehensively detailed in Notes 2.1 and 2.6 to the annexed financial statements. This steadfast adherence underscores Management's dedication to upholding the highest principles of financial integrity, ensuring consistent transparency and reinforcing stakeholder confidence in our financial disclosures.

Salient Aspects of Company's Control and Reporting System

FCCL ensured adherence to all requirements stipulated by the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. The Board exercised vigilance and oversight to ensure corporate governance principles were consistently upheld. This encompassed reviewing and approving Management's strategic direction, sanctioning and monitoring significant capital expenditures, ensuring compliance with senior Management succession policies and establishing and tracking performance goals for the executive team. Furthermore, the Board safeguarded the integrity of internal controls and formally approved the Company's financial and operational reporting systems. This comprehensive governance approach ensured robust oversight, effective management and the sustained integrity of FCCL's control regime for effective business operations.

Change of Directors

- a. Following Directors rendered their resignation from their position during the year: -

1.	Maj Gen Zafar Ul Haq, HI (M), Retd	17 th Oct 2024
2.	Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd	30 th May 2025
3.	Mr Mazhar Abbas Hasnani	23 rd June 2025

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

1.	Mr Mazhar Abbas Hasnani	17 th Oct 2024
2.	Mr Khurshid Zafar Qureshi	30 th May 2025

- c. The Board of Directors officially acknowledged the significant contributions made by the outgoing Directors and extended a warm welcome to the new members.

Female Directors

FCCL demonstrated its commitment to progressive governance through noteworthy female representation on its Board of Directors, with two accomplished women members. This composition not only exceeded the statutory minimum requirement but reflected our deliberate focus on promoting meaningful gender diversity at the highest level of organizational leadership.

Directors Training Program

Demonstrating its commitment to governance excellence, FCCL ensured all Board members-including newly appointed

Directors, successfully completed certified Directors Training Programs through SECP/ authorized institutions. This initiative, rigorously aligned with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and global best practices, equipped our leadership with contemporary regulatory knowledge and strategic oversight competencies.

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.

Performance Evaluation of the Board

The Board's overall performance was deemed satisfactory, as mandated by section 192 of the Companies Act, 2017.

Corporate Briefing Session

Demonstrating FCCL's commitment to transparency, a Corporate Briefing Session was conducted on 9th October 2024 for analysts and stakeholders. The session primarily focused on ESG, operational highlights and the Company's financial overview. It included an extensive Q&A dialogue with the analysts and other attendees, followed by general discussion of the Company's financial and operational performance. The presentation material remained accessible via the Company's website, reinforcing our dedication to ongoing disclosures and informed stakeholder communication.

General Meetings

FCCL conducted two General Meetings during the fiscal year 2024-25. The first was the 32nd Annual General Meeting (AGM) held on 18th October 2024, where the Annual Accounts for 2024 were approved. The second was an Extraordinary General Meeting (EOGM) on 10th December 2024 for Election of Directors.

Related Party Transactions

FCCL maintained the highest standards of integrity and transparency in all related party engagements. During FY2024-25, every such transaction underwent thorough evaluation by the Audit Committee, which subsequently provided detailed recommendations to the Board of Directors for formal approval. This structured governance process ensured all arrangements strictly adhered to arm's length principles while safeguarding fairness and protecting shareholder interests. Comprehensive disclosures of these transactions, including methodologies verifying arm's length compliance, are provided in Note 42 of the annexed financial statements, reinforcing FCCL's commitment to accountability and regulatory adherence.

Cost Optimization Projects

Polypropylene (PP) Bags Manufacturing Plant

FCCL successfully acquired a European cutting-edge Polypropylene Bag Manufacturing Plant at Hattar, Khyber Pakhtunkhwa. This strategic move marked a significant milestone in our journey towards self-sufficiency in materials, innovation and growth.

Increase in Solar Captive Capacity

FCCL recognized for demonstrating visible leadership commitment towards environmental stewardship and sustainability in the Industrial Sector of Pakistan. During the year, the Company increased its Solar Captive Capacity by 15 MW, bringing the total capacity to 67.5 MW. This initiative highlighted FCCL's commitment to diversify energy sources and increase our sustainable power generation.

Alternative Fuel Feeding System at FCCL Wah and D.G Khan

Alternative Fuel Feeding System was installed in FY 2025 for enhancing fuel efficiency, reducing emissions and supporting sustainable production through optimized alternative fuel utilization.

FCCL Wah Plant Optimization Projects

Conversion of Pyro area motors from DC to AC in Oct-Nov 2024, resulted in reduced energy consumption, lower maintenance costs and improved operational reliability. Installation of Variable Capacitor bank at Grid Station in Feb 2025 to improve power factor, further enhanced voltage stability and reduced electricity losses; thereby, contributing to overall energy efficiency.

Emergency Preparedness Optimization

The firefighting network was extended as a step towards enhancing emergency preparedness at FCCL Plant JB and FCCL Plant Nizampur. Both Plants' HSE teams, in coordination with plant mechanical utility teams, extended fire-fighting network. At FCCL Plant JB, hydrant pipeline at storage area of Alternative Fuel (Husk) was installed; whereas, at FCCL Plant Nizampur, Preheater & Coal Mill area was equipped with fire-fighting mechanism.

This was expected to help FCCL suppress fires more swiftly and enhance its emergency response capabilities.

Sustainable Supply Chain Management

FCCL entered into a strategic agreement with Pakistan Mineral Development Corporation (PMDC) for the sustained supply of coal on 7th November 2024.

ISO 14064: Greenhouse Gases Quantification and Reporting of GHG Emissions and Removals

FCCL being the leader in sustainability, successfully achieved the ISO 14064 Certification for all cement plants for the reporting year FY 2024-25. The GHG emission and reduction quantification methodology was designed and developed by FCCL technical team based on IPCC guidelines.

Implementation of Policies

Policy for Remuneration of Directors

FCCL maintained a formal, transparent and fully compliant Directors' Remuneration Policy, reflecting our commitment to governance excellence. This policy outlined key principles: -

- Remuneration fees are to be paid to the members attending the Board and its Committee meetings entitlement is as under.

Chairman
Rs. 225,000 for attending each Board Meeting
Directors
Rs. 150,000 for attending each Board and Committee Meeting

- The only compensation provided to Directors is the meeting fee.
- The Remuneration fee structures underwent periodic review to align with prevailing market standards among comparable listed entities
- Expenditure incurred on traveling, boarding, lodging and other expenses for attending meetings of the Board, its Committees and/ or General Meetings of the Company to be reimbursed to all Directors.

Aggregate remuneration paid to Directors and Chief Executive during FY2024-25 is disclosed in Note 40 of the annexed financial statements, demonstrating our dedication to stakeholder transparency.

Anti-Harassment Policy

Demonstrating its commitment to a safe and respectful workplace, Fauji Cement Company Limited's Board of Directors formally approved a comprehensive Anti-Harassment Policy. This policy underscored FCCL's dedication to fostering an environment free from harassment, where all personnel operate with dignity and mutual respect. The Company enforced a strict, zero-tolerance stance towards workplace harassment of any kind, mandating prompt and thorough investigation of all reported incidents. Proactive implementation of robust preventive measures ensured no harassment issues during the year, validating the effectiveness of our deterrence systems and reinforcing our culture of ethical conduct and employee well-being.

Whistle Blowing Policy

Recognizing operational complexity necessitated vigilance for risk management, FCCL established a robust Whistle Blowing Policy to address potential instances of unethical or unlawful conduct. This framework proactively promoted transparency, accountability and integrity as foundational pillars of operational governance. All stakeholders are formally encouraged to report concerns through secure and confidential channels while protecting whistle blower identities and rights.

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

Relations with Company Personnel

FCCL maintained a productive partnership between management and employees, reinforcing long-term financial security and shared purpose. Demonstrating our commitment to workforce prosperity, FCCL strategically administers two cornerstone benefit schemes: the Workers Profit Participation Fund and Employees Provident Fund, reinforcing long-term financial security.

Concurrently, we invested dedicated resources to ensure a safe, modern work environment while implementing comprehensive welfare initiatives that prioritize holistic well-being. These integrated efforts underscore FCCL's recognition of human capital as fundamental to sustained operational excellence.

Human Capital

Contributing to SDGs			
Inputs	Our talented & motivated workforce of 2,335 employees	People-centric & innovative culture	Spent Rs 34 million on training & skill development
	Performance based work culture	Capability building	Diversity, equity & inclusion
	Introduced Mentorship program for potential leaders	Gender diversity	Culture focus on health & safety and employee well-being
Outputs	PKR 6.61 billion paid in salaries & benefits	Average 4.45 training hours per employee	Attrition decreased by 21% from FY 2024

Managing Human Resource

Based on a powerful adage: "Take care of your employees and they will take care of your business", Human Resource at FCCL was fundamentally guided and managed. This core principle shaped a dedicated strategy built on the understanding that our people should remain an indispensable driving force behind the Company's achievements. FCCL remained deeply committed to cultivating an environment rich in professional development, opportunities for Growth, genuine engagement and holistic well-being. This commitment manifests through comprehensive talent development programs, rigorously fair employment practices and a steadfast focus on employee welfare. By making these strategic investments in our workforce, FCCL ensured its employees remained motivated, skilled and profoundly aligned with our organizational objectives. Ultimately, nurturing our people not only empowers individual careers but also directly fuels the Company's capacity to thrive sustainably within a competitive industry.

Succession Planning: Ensuring Continuity & Growth in FCCL

FCCL Management remained committed to adopting best HR practices and addressing significant strategic areas, with a particular focus on succession planning. FCCL's Succession planning process was made a key to identify and develop successors as backup to address any unexpected departures in leadership/ critical positions. FCCL's Succession Planning framework systematically identified high-potential talent, prepared them for critical roles through

essential job rotations, immersive on-the-job learning and specialized external development programs.

In the long term, succession planning would strengthen the overall capability of the organization by: -

- Ensuring continuity in leadership/ critical positions.
- Selecting key competencies and skills necessary for business continuity.
- Focusing development of individuals to meet future business needs.
- Facilitates smooth transition during changes in leadership and other critical positions.

Merit Based Recruitment

FCCL remained committed to upholding a transparent, equitable and merit-based recruitment process aimed at attracting and retaining the most qualified candidates. Central to this approach, principle of equal opportunity hiring and bias free selection was ensured. The Company also encouraged internal mobility while giving precedence to eligible internal candidates for filling vacancies; thereby fostering employee development and retention.

To institutionalize this commitment, FCCL standardized recruitment procedures through a structured policy framework. This ensured consistency and fairness throughout the hiring lifecycle. With emphasis on seamless onboarding process, new hires were integrated through well-defined orientation programs. Additionally, FCCL actively engaged emerging talent by leveraging structured initiatives such as campus drives and the MTOs, TEs, TS and Internship Programs and positioning the organization as an employer of choice among the future workforce.

Performance Based Appraisal

FCCL's Performance Management System (PMS) aligned individual contributions with organizational objectives being fair and transparent. The PMS Policy promoted accountability while supporting employee growth through career development initiatives as it is built on setting clear and measurable goals and delivering ongoing feedback to achieve sustained high performance.

To implement this effectively, FCCL conducted structured evaluations that blend qualitative assessments with quantitative metrics. These appraisals form the basis for personalized growth plans tailored to individual roles and aspirations. Moreover, the organization remained committed to instituting a robust "Pay for Performance" mechanism, reinforcing the direct link between performance outcomes and financial or career rewards.

Promotions, Incentives and Motivation



FCCL promoted and incentivized its employees based on demonstrated merit and performance, with the aim of fostering sustained motivation and supporting career progression. The organization ensured fairness and transparency in all promotion decisions while aligning these closely with appraisal outcomes. Achievements were celebrated through both monetary means and through formal recognition initiatives that reinforced a culture of appreciation.

The implementation framework included the development of clear and performance-linked criteria for promotions that ensured advancement opportunities across the workforce. The Company also maintained a practice of regularly reviewing and updating its reward systems to stay aligned with evolving industry benchmarks, ensuring both competitiveness and internal equity.

Diversity, Equity and Inclusion (DE&I)

FCCL warranted Diversity, Equity and Inclusion (DE&I) as essential principles, firmly integrated into our organizational values. Believing cultivation of a diverse and inclusive workplace as essential element, we strengthened our human capital while driving greater innovation, sharper decision-making and enhance overall performance. This dedication involved creating a workplace where an equal chance was afforded to everyone to succeed without any discrimination or biases, as outlined in our Equal Opportunity Employment Policy. This policy ensured fairness as essential part of every employee's journey catering to all stages from hiring and selection to growth and progression regardless of their gender, age, ethnicity, religion, physical ability or socioeconomic status. FCCL's culture empowered every employee to contribute meaningfully and perform at their highest potential.

Looking ahead, we aimed at further institutionalizing DEI practices by strengthening awareness, reinforcing policy compliance and encouraging diverse representation at all organizational levels. We remained steadfast in our resolve to cultivate a workplace where every individual felt respected, empowered and aligned with our shared values.

No of Employees	
 Female	11
 Male	2324

Employee by Gender, Age and Minority Group

Gender	Minority Group		Age Group		
	Muslim	Non-Muslim	<30	30-50	>50
Male	2286	38	178	1583	563
Female	9	2	2	8	1

Employees by Employment Category

Gender	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Management	861	9	867	3	58	570	242
Staff	1463	2	1428	37	122	1022	321

Building Bridges, Elevating Voices: FCCL Empowered Women

FCCL maintained a steadfast allegiance to fostering an inclusive workplace where female employees were actively encouraged, supported and empowered to display their full potential. Demonstrating this dedication, the Company organized and participated in specialized events and initiatives designed to address the unique challenges women encountered professionally. During the reporting period, FCCL facilitated significant engagement, including participation in WIBCON (Women in Business Conference). Complementing this, the Company provided targeted exposures focused on enhancing work-life balance, strategies for overcoming career obstacles and building resilience. These initiatives were deliberately designed to motivate participants and equip them with essential skills, confidence and supportive networks, driving both professional growth and personal development.

By backing these initiatives, FCCL powerfully reinforced its pledge to gender diversity and cultivated a workplace culture where women felt genuinely valued, inspired and fully empowered to contribute meaningfully to the Company's sustained success.

Training and Development

At FCCL, we did not take our people as just resource; they were taken as individuals with unique potential contributing to our shared success. For sustained performance, we ensured empowering every employee with the Right Skills, Knowledge and Capabilities. Thus, our devotion to human capital development focused intensely on structured/

customized training programs designed not just to sharpen Functional Competencies but to unlock Leadership potential across every team.

Our competency based training framework remained aligned with business priorities and departmental needs, ensuring targeted development to address evolving market demands and operational challenges. This year, more than 800 employees across various functions and locations participated in structured training programs, contributing to over 10,000 training hours. These programs were designed not only to enhance technical and functional skills but also to address broader aspects of professional growth and personal well-being.

In line with our long-term vision and fidelity to human capital development, FCCL formally declared FY-2024/25 as the "Year of Successor's Development". This strategic focus underscored our proactive approach to identifying, nurturing and preparing the next generation of leaders across all tiers of the Company. Through structured succession planning, we ensured that key positions remained consistently backed by capable and well developed talent ready to set up as and when needed. Our succession planning framework included talent identification through assessment, targeted development programs and developing leadership backup through the following training and development initiatives:

- **Leadership Development:** Focused training for mid and senior level managers to strengthen leadership qualities, critical thinking and decision making skills.
- **Succession Planning:** Targeted development of high potential employees to build a strong leadership backup for key roles.
- **Technical Skill Enhancement:** Practical, on-the-job, rotational training and workshops to improve Plant efficiency, safety and product quality.
- **Health and Wellbeing:** Awareness sessions were conducted on stress management, nutrition and personal wellbeing to foster a supportive and balanced work environment.
- **Safety and Compliance:** Regular programs to reinforce FCCL's strong safety culture and ensure adherence to best practices and regulatory standards.
- **Soft Skills Development:** Various training programs were conducted on problem solving, communication, negotiation, conflict management, emotional intelligence and work ethics to develop interpersonal skills, particularly for our young and mid-level employees.

These initiatives were more than just courses; they were a testament to our core belief in continuous learning and building workforce agility. Looking ahead, FCCL remained dedicated to enhancing the capabilities of its workforce through learning tools, strategic partnerships with renowned

training institutes like LUMS, NUST, PSTD, KSBL, PIM, FUI etc and a stronger focus on personalized development pathways by engaging well reputed trainers. By investing in tailored skills for growth, we were not aimed at just checking boxes; we actively equipped our people for the future, fostering individual career journeys, boosting collective productivity and ultimately, building a stronger, more progressive FCCL together.

Employee Engagement

FCCL believed in work-life balance and fostered a culture of wellness through various recreational activities. Our employees had the opportunity to unwind and channel their energy productively by enjoying participation in sports and team building trips that promoted bonding and fun that impacted output at work.

FCCL also hosted several sports events throughout the year on all Plants by featuring a diverse range of competitive sports and recreational activities including cricket, football and various indoor games. These were thoughtfully designed to foster teamwork, boost morale and promote cross-functional interaction.

Honoring Legacy: Celebrating Decades of Dedication at FCCL

At FCCL, we believed that the true pillars of our success were not just strategies or products; rather the People whose loyalty, devotion and long-standing service formed our very own strong foundation.

This profound belief came alive in September 2024 as we gathered to proudly confer the Long Service Award upon 250 employees having long association with FCCL. This ceremony was not merely an event; it was a heartfelt tribute to decades of unwavering dedication, recognizing milestones of 20, 25, 30, 35 and even 40 years representing countless contributions woven into the fabric of our Company's legacy.

As a profound token of appreciation, each awardee received a Gold Coin, a tangible symbol reflecting FCCL's deep respect and gratitude for their enduring journey with us. This gesture embodies our core commitment to fostering a culture of appreciation, continuity and long-term engagement. More than celebrating individual tenures, the Long Service Award powerfully reinforced our organizational values of respect, integrity and people-centric growth. It stood as a testament to FCCL's unwavering resolve: to recognize and value every employee's role in our shared progress.

Employee Health & Wellness at FCCL

FCCL remained firmly committed to promoting the health and overall well-being of its employees recognizing healthy workforce as foundational to sustained organizational success. The Company's wellness strategy was anchored in preventive care, early intervention and continuous support ensuring easy access to state-of-the-art medical facilities to all employees.

Preventive Health & Wellness Programs

To foster a culture of wellness, a comprehensive set of preventive health programs were implemented organization wide, during the year. These included regular organized health check-ups, vaccination drives and stress management awareness sessions aimed at physical and mental well-being. The Company also introduced nutritionist-led workshops and organization-wide fitness programs focusing on weight management. These initiatives were instrumental in encouraging early health risk detection, promoting lifestyle awareness and embedding self-care practices into the workplace culture.

Health Digital Application: Digitizing Healthcare Access

In line with its digital transformation efforts, FCCL developed and launched a dedicated internal Health App to facilitate easier access to healthcare resources and enhance employee engagement. The app provided detailed information on medical policies and standard operating procedures, a geo-tagged directory of panel medical facilities and offered teleconsultation options with in-house medical doctors. This tool empowered employees to manage their health proactively while streamlining access to essential healthcare services.

Comprehensive Support for Critical Medical Cases

A dedicated internal healthcare and support team remained actively engaged to provide assistance in any emergent or life-threatening situations. The internal health team worked closely with panel hospitals to deliver timely referrals and ongoing follow-up support. For employees and their immediate family members facing complex or life-threatening medical conditions, FCCL adopted a compassionate, end-to-end support model. Ranging from open-heart surgeries to complex neurological, spinal or organ transplant procedures including liver and kidney. The Company ensured

comprehensive care through personalized intervention. This empathetic approach underlined FCCL's resolute devotion to supporting its people through the most critical phases of their healthcare journey.

Nutritionist Led Lifestyle & Diet Interventions

To encourage healthier eating habits and disease prevention, FCCL engaged a certified external nutritionist who conducted personalized dietary assessments and led group awareness sessions. These sessions covered key areas such as diabetes, hypertension and obesity management. In addition, the nutritionist collaborated with cafeteria staff to improve the nutritional quality of meals provided at the workplace, reinforcing a culture of health-conscious and mindful eating.

Health Screening and Vaccination Drives

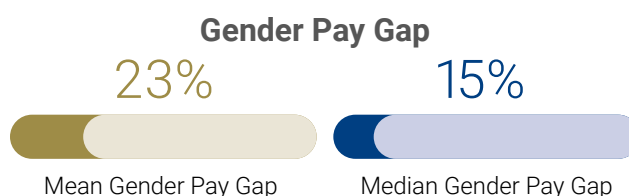
Further reinforcing its preventive care approach, FCCL organized multiple health screening drives across the organization. These efforts included comprehensive heart health assessments, Hepatitis B and C testing, spirometry and audiometry evaluations of employee having exposure to high dust and sound working areas, as well as targeted vaccination campaigns for Hepatitis B. These initiatives not only helped identify potential health risks early but also reflected the Company's deep commitment to maintaining a safe, healthy and resilient work environment.

Championing Pay Equity

FCCL remained aligning with SECP guidelines on gender pay equity by ensuring fair compensation practices. Our pay structure remained based solely on qualifications, experience, performance and job level which were applied uniformly across genders, with no systemic biases.

The nature of the cement industry demanded higher proportion of men, especially in operational roles. This gender distribution stems from labor market dynamics without any internal discrimination.

FCCL remained committed to attracting more women into technical and operational roles and fostering an inclusive culture. We continue to strengthen pay equity, transparency and our broader engagement to diversity and inclusion.





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

CSR Initiatives

During the year, FCCL undertook several community-focused projects across the following key areas:



Education & Skill Development



Health Care



Tree Plantation and Green Initiatives



Support to Local Community

Education & Skill Development

Location	Initiative	Details/Description	Impact
DG Khan	School Setup, Jaffarabad	Two-room solar powered school, 110 students	Bridged 8km gap to nearest school
	Food & Stationery Support	Support tied to 80% attendance, 250 students benefitted	Improved attendance and engagement
	School Upgradation	Hand pumps, classrooms, solar kits, playgrounds	Better facilities in girls' schools
Nizampur	Scholarships	Top 3 students from Class 5 to BA/BSc, 26 schools	Rewarded academic excellence
	Stitching/Tailoring + Solar Center	Training for 30 women per session + 10kW solar install	Women empowerment + climate action
Wah	School Support	Model high schools for 1,560 students	Modern labs, computer centers, holistic development
Jhang Bahtar	Technical Training	Multiple programs in collaboration with TEVTA	70 students trained in various trades
	School Support	922 Students including Boys & Girls enrolled	Subsidized Co-educational High School
RWP	Academia-Industry MoU	Collaboration with Foundation University Islamabad	R&D, innovation, SDG 9 & 17 alignment

Health Care

Location	Initiative	Details/Description	Impact
DG Khan	Medical Inspection Room	Fully equipped with doctor and dispensers, operational since 2023	Free healthcare for employees and locals
	Mines Labor Welfare Dispensary	Daily OPD & 24/7 emergency; male/female doctors; heat stroke room	Treated 6,000+ patients
	Mother & Child Care Clinic	Two-day specialized clinic with gynecologist, pediatrician, nutritionist	Treated 522 patients (271 women, 251 children)
	Free Eye Camp	Collaboration with Al-Shifa Eye Trust Hospital	1,000 patients received free eye checkups
Nizampur	Medical Room (Ongoing)	Operational since 1995, offers free healthcare & medicine	Free services for staff and community
	Free Eye Camp	In collaboration with Al-Shifa Eye Trust	978 treated (563 men, 313 women, 102 children)
Jhang Bahtar	Medical Dispensary & Ambulance	Dispensary and emergency ambulance services	Ongoing medical support to locals
Wah	Free Medical & Eye Camp	Eye Donor Org. collaboration; eye and general checkups	354 treated (158 eye, 196 medical patients)
	Blood Donation Camp	In collaboration with PATHWEL	Blood donated by employees and locals

Tree Plantation and Green Initiatives

Location	Initiative	Details/Description	Impact
DG Khan	Tree Plantation	1,500 trees (summer), 2,000 more (monsoon)	Improved air quality, reduced carbon footprint
Nizampur	Green Drive	5,000 saplings, 1,500 distributed to locals	Community-driven climate awareness
	Monsoon Plantation	Held at school and plant, student engagement	Promoted sustainability culture
Wah	Plantation Campaign	490 trees planted, 1,120 saplings distributed	Enhanced local biodiversity
	EPA Collaboration	Nursery plants donation to EPA	Public-private environmental partnership
Jhang Bahtar	World Forest Day Drive	2,000 trees planted	Reinforced environmental responsibility

Support to the Local Community

Location	Initiative	Details/Description	Impact
DG Khan	Water RO Plants	3 RO plants in Basti Ghulam Hussain, Yarani, Shadan Lund	Serving 9,700 people/month
	Daily Water Supply	Jaffarabad & Shamali Thal	2,200 people/month receive clean water
	Cook Stove Project	250 stoves distributed	Healthier homes, reduced deforestation
	Livestock Distribution	16 goats given to widows/ deserving families	Enhanced rural livelihoods
Wah	Sewing Machine Distribution	19 machines to widows	Income support for underprivileged women
	School Furniture Donation	Furniture to Govt Primary School	Benefitted 90 students with improved facilities

Awards and Recognition

NFEH's CSR Awards

The CSR Awards Ceremony was held on 18th February 2025 at Serena Hotel, Islamabad, celebrating organizations for their outstanding contributions to corporate social responsibility.

FCCL was proudly recognized for its impactful "CSR Round O' Clock" initiatives, reflecting the Company's unwavering commitment to sustainable community development and inclusive growth across diverse social sectors.

ESG Training Sessions on GRI Standards and Global Practices

As part of FCCL's continuous capacity building efforts in sustainability and responsible reporting, ESG training sessions were conducted on 12th March and 20th March 2025, focusing on the Global Reporting Initiative (GRI) Standards and international best practices. The sessions were aimed to enhance participants' understanding of ESG frameworks, disclosure requirements and global sustainability trends.

Environment, Social and Governance Committee

On 23rd January 2025, a highly productive session on Environmental, Social and Governance (ESG) was held at the FCCL Head Office. It chaired by Chairperson ESG Committee, Ms Maleeha Bangash, who led the discussion with invaluable insights and was attended by the key members of the FCCL ESG Management Committee. The forum provided a platform for exchange of ideas, strategies and innovations in sustainability.

Disclosure Related to Sustainability Risk and Opportunities

The Board and Management affirmed strategic commitment to integrating sustainability and climate considerations into the Company's core business objectives. Our disclosures presented material sustainability related risks and opportunities across our operations and value chain, with articulation of their potential impact on the Company's financial position, performance and prospects over the short, medium and long term. Structured around the four foundational pillars of Governance, Strategy, Risk Management and Metrics & Targets, these disclosures reflected a robust approach to sustainability oversight. A qualitative assessment of climate related physical and transition risks, along with emerging opportunities, underscored our commitment to informed decision making and long term value creation". Refer to page 180-191 for detailed disclosures.



FUTURE OUTLOOK

Forward Looking Statement

The outlook for FY 2025–26 looks positive as Pakistan's key economic indicators show signs of macroeconomic stabilization. While structural challenges such as high external debt, constrained fiscal space and persistent geopolitical tensions are there but the massive reduction in inflation and interest rates and currency stabilization does give us hope for some sort of recovery in business activity, particularly in construction and infrastructure sectors.

The continuation of the IMF program, improved trade balance and fiscal reforms should help stabilize macroeconomic indicators. Nonetheless, business sentiment remains sensitive to political consistency and government execution on development projects.

Domestic Cement Market Outlook

Demand for cement in the domestic market is expected to remain stable with maybe a potential upside in the second half of FY 2025–26. Key factors for any recovery in demand depend on the government's ability to meet PSDP (Public Sector Development Program) targets, implement CPEC related projects and support the construction sector through policy facilitation.

Construction activity continues to be hindered by elevated material and energy costs, though a declining trend in inflation and policy rate cuts offer hope for a rebound. Export momentum, particularly toward Afghanistan, is expected to continue its upward trajectory assuming continued political and logistical stability in the region.

Analysis of Forward Looking Disclosures Made in Previous Year

Extract of Matter Reported in Previous Year's Statement	Actual Results
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.	The macroeconomic environment in FY 2025 remained relatively stable, with inflation continuing its downward trend and interest rates easing further. The PKR maintained its position against major currencies, supported by improved foreign inflows and government fiscal discipline.
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 Industry's domestic cement dispatches continued to face downward pressure, declining by 3.0% from 38.2 million tons to 37 million tons during FY 2025.
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.	Export volumes continued to improve, rising from 1.45 million tons in FY 2024 to 1.68 million tons in FY 2025, reflecting sustained growth in regional demand.

Future R&D Initiatives

The Company has made tangible progress in its commitment towards research and development. In FY 2025, the focus evolved from initial development to implementation, with continued emphasis on green innovation and aligning with changing stakeholder expectations. Key priorities advanced from planning to execution, particularly in areas of emission reduction, operational efficiency and sustainability driven product development. The Company made significant strides in its digital transformation journey. The shift from on premise to cloud based SAP is actively underway, with modules being rolled out to improve agility, compliance and real-time reporting marking a meaningful step forward from the S4Hana implemented in FY 2022 to 2023.



Status of Projects in Progress and Disclosed in Previous Year

The Management, under the able guidance of the Board, continues to focus on increasing market share and driving cost optimization initiatives. Key projects disclosed in the previous year have progressed significantly, contributing to operational efficiencies and sustainability goals:

- **PP Bags Manufacturing Plant.** This project was fully commissioned and operational. It has reduced reliance on third party suppliers, lower packaging costs and enhance operational control; thereby adding value to the Company's overall bottom line.
- **Solar Energy Projects.** The Company successfully expanded its solar captive power capacity by 15 MW at its plant sites with this addition, the total solar capacity now stands at 67.45 MW, reinforcing the Company's commitment to sustainability and energy efficiency.

Sources of Information and Assumptions Used for Projections/ Forecasts

Future forecasts and projections remain inherently subject to a degree of uncertainty and are based on well considered assumptions. For FY 2026 the Company continues to adopt a structured and data driven approach in preparing its forecasts, grounded in a thorough analysis of historical performance, management initiatives and evolving market dynamics both within the cement industry and the broader economic landscape.

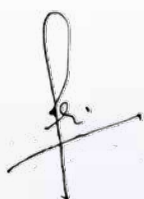
The Board of Directors and its Committees played a critical oversight role by rigorously evaluating the assumptions, methodologies and data sets used in the budgeting and forecasting process. This ensured that the outlook remains realistic, risk aware and aligned with the Company's strategic direction.

Internal insights are generated through the Company's robust and continuously enhanced data infrastructure, while external information is sourced from credible industry research, regulatory bodies, financial institutions and trade associations. This integrated approach enables the Company to remain responsive to market shifts and supports informed decision-making as it navigates future challenges and opportunities.

Acknowledgment

The Board of Directors extends its sincere gratitude to the Company's shareholders, customers, suppliers, government bodies, financial institutions and all other stakeholders for their continued support and trust. Special appreciation has also been conveyed to the employees of FCCL for their dedication, resilience and outstanding performance in navigating a challenging business environment. The Board remains committed to driving sustainable growth and value creation with the ongoing support of its stakeholders.

For and on Behalf of FCCL Board



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

Chairman Board of Director
Rawalpindi
8th Aug 2025



Qamar Haris Manzoor

CEO/MD FCCL
Rawalpindi
8th Aug 2025

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, 2025, 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, 2025.



Chartered Accountants
Islamabad
Date: August 27, 2025
UDIN: CR202510083vwJ1Pb0Dj



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, 2025

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

- The total number of Directors are 8 as on June 30, 2025 (excluding a casual vacancy as a result of resignation of a Non-Executive Director* on June 23, 2025) as per the following: -

a.	Male:	6
b.	Female:	2

- The composition of the Board is as follows:-

a.	Independent Directors	Mr S M Irfan Aqueel Ms Maleeha Humayun Bangesh
b.	Non-Executive Directors	Lt Gen Anwar Ali Hyder, HI (M), Retd Maj Gen Tariq Qaddus, HI (M), Retd Syed Bakhtiyar Kazmi Mr Khurshid Zafar Qureshi
c.	Executive Director	Mr Qamar Haris Manzoor
d.	Female Director	Ms Saira Nasir

* Note: Mr Mazhar Abbas Hasnani, Director FCCL Board resigned on June 23, 2025; the vacancy will be filled as per Section 155(3) of the Companies Act 2017 (the Act) within 90 days.

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

- 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.

- 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

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

- The Board has arranged Directors' Training program for the following: -

Brig Kashif Naveed Abbasi, SI (M), Retd	Company Secretary
Brig Khurram Nazir Mirza, SI (M), Retd	Director (ESG Dept)
Mr Syed Kamran Hassan	Director (Supply Chain Dept)

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

- 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.

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

- The Board has formed Committees comprising of members given below: -

a.	Audit Committee	
(1)	Ms Saira Nasir	Chairperson
(2)	Syed Bakhtiyar Kazmi	Member
(3)	Syed Muhammad Irfan Aqueel	Member
(4)	Brig Kashif Naveed Abbasi, SI (M), Retd	Secretary

b. HR and Remuneration Committee		
(1)	Ms Maleeha Humayun Bangesh	Chairperson
(2)	Maj Gen Tariq Qaddus, HI (M), Retd	Member
(3)	Ms. Saira Nasir	Member
(4)	Brig Kashif Naveed Abbasi, SI (M), Retd	Secretary

c. Investment Committee		
(1)	Syed Bakhtiyar Kazmi	Chairperson
(2)	Mr Khurshid Zafar Qureshi	Member
(3)	Syed Muhammad Irfan Aqueel	Member
(4)	Brig Kashif Naveed Abbasi, SI (M), Retd	Secretary

d. Environmental, Social and Governance Committee		
(1)	Ms Maleeha Humayun Bangesh	Chairperson
(2)	Maj Gen Tariq Qaddus, HI (M), Retd	Member
(3)	Syed Muhammad Irfan Aqueel	Member
(4)	Brig Kashif Naveed Abbasi, SI (M), Retd	Secretary

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee members 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	At least annually
c.	Investment Committee	On ad hoc basis
d.	Environmental, Social and Governance Committee	At least annually

15. The Board has set up an effective internal audit function comprising 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: -

- 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.
- 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.
- 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. 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.

19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as under: -

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



Lt Gen Anwar Ali Hyder,
HI(M),(Retd)
Chairman Board of Director
Rawalpindi
August 8, 2025












































Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
August 8, 2025

BOARD AND ITS COMMITTEES

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

Attendance at Board Meetings 2024-2025

Director	Status	161 st	162 nd	163 rd	164 th	165 th	Total No. of Meetings
Lt Gen Anwar Ali Hyder, HI(M), Retd Chairman	Non-Executive Director						5
Mr Qamar Haris Manzoor, CEO, MD	Executive Director						5
Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd	Non-Executive Director					Resigned	4
Maj Gen Tariq Quddus, HI (M), Retd	Non-Executive Director						3
Maj Gen Zafar Ul Haq, HI (M), Retd	Non-Executive Director		Resigned				1
Mr Mazhar Abbas Hasnani	Non-Executive Director					Resigned	3
Mr S M Irfan Aqueel	Non-Executive Director						3
Mr Sami Ul Haq Khilji	Non-Executive Director			Resigned			2
Mr Syed Bakhtiyar Kazmi	Independent Director						5
Ms Maleeha Bangash	Independent Director			On Leave			4
Ms Naila Kassim	Independent Director			Resigned			2
Ms Saira Nasir	Independent Director						3
Mr Khurshid Zafar Qureshi	Non-Executive Director						1









Casual vacancy

New Appointment	Date of appointment	Name of Directors	Date of resignation
Mr Mazhar Abbas Hasnani	17 th Oct 2024	Maj Gen Zafar Ul Haq, HI (M), Retd	17 th Oct 2024
Mr Khurshid Zafar Qureshi	30 th May 2025	Lt Gen Qazi Muhammad Ikram Ahmed, HI (M), Retd	30 th May 2025
		Mr Mazhar Abbas Hasnani	23 rd June 2025

Election of Directors

New Appointment	Date of appointment	Name of Directors	Date of resignation
Ms Saira Nasir	13 th Dec 2024	Ms Naila Kassim	12 th Dec 2024
Mr S M Irfan Aqueel	13 th Dec 2024	Mr Sami Ul Haq Khilji	12 th Dec 2024
Maj Gen Tariq Quddus, HI (M), Retd	13 th Dec 2024		

Attendance at Audit Committee 2024-2025

Director	Status	21 st Aug 2024	21 st Oct 2024	19 th Feb 2025	21 st Apr 2025	20 th June 2025	Total No. of Meetings
Ms Maleeha Bangash	Independent Director						2
Ms Naila Kassim	Independent Director			Resigned			2
Ms Saira Nasir	Independent Director						3
Lt Gen Qazi Muhammad Ikram, Retd	Independent Director		Resigned				1
Mr Syed Bakhtiyar Kazmi	Non-Executive Director						5
Mr S M Irfan Aqueel	Non-Executive Director						3
Mr Mazhar Abbas Hasnaini	Non-Executive Director						1











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:-

- Determination of appropriate measures to safeguard the company's assets.
- 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:-
 - Major judgmental areas.
 - Significant adjustments resulting from the audit.
 - Going concern assumption.
 - Any changes in accounting policies and practices.
 - Compliance with applicable accounting standards.
 - Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019, as applicable, and other statutory and regulatory requirements.
 - All related party transactions.
- Review of preliminary announcements of results prior to external communication and publication.
- 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).
- Review of management letter issued by external auditors and management's response thereto.
- Ensuring coordination between the internal and external auditors of the Company.
- 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.
- Consideration of major findings of internal investigations of activities characterized as fraud, corruption and abuse of power and management's response thereto.
- 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.
- Review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports.
- 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.
- 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	21 st Oct 2024	20 th Jun 2025	Total No. of Meetings
Ms Naila Kassim	Independent Director		Resigned	1
Mazhar Abbas Hasnani	Non-Executive Director			-
Ms Sami Ul Haq Khilji	Non-Executive Director		Resigned	1
Ms Maleeha Bangash	Independent Director			1
Ms Saira Nasir	Independent Director			1
Maj Gen Tariq Quddus, HI (M), Retd				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.)

Note:







No meetings of Investment Committee held in FY 2025.

Terms of Reference – Investment Committee

The Committee has the following specific responsibilities: -

- Make recommendations to the Board of Director regarding viable option for different project(s) within the existing available financial resources offering attractive returns;
- Make recommendations for the new avenues with respect to vertical and horizontal growth of the company;
- Review Management's proposals for investments, diversification in projects and feasibility studies and forward recommendations for the approval of the Board.
- Review proposals external growth opportunities, potential investments, as proposed by the Management.
- To evaluate performance of investments made in projects over the period and monitor progress of on-going projects in line with Board approvals;
- Review Management's proposals for strategic alliances with other entities/companies to achieve growth or diversification objectives of the Company
- Provision of guidance to the management on all matters related to investment

Attendance of ESG Committee Meeting

Director	Status	18 th Feb 2025	21 st Apr 2025	Total No. of Meetings
Ms Maleeha Bangash	Independent Director			2
Mr S M Irfan Aqueel	Non-Executive Director			2
Maj Gen Tariq Qaddus	Non-Executive Director			2

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:-

- Formulate an ESG vision, mission and policy of the Company and get board's approval.
- Identifying company's priority areas; formulate an ESG strategy for approval by the Board.
- Coordinate and formulate the implementation agenda based on the ESG strategy.
- 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.
- Discuss and make decisions on recommendations from the ESG Management Committee.
- Identify and determine important ESG risk issues and offer advice to the Board.
- Review policies, reports and disclosures related to ESG of the Company as and when ready.
- 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.
- Oversee Management's execution of ESG Strategy as agreed by the Board.
- 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 <ul style="list-style-type: none"> • 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.





REPORT OF AUDIT COMMITTEE

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended June 30, 2025.

Composition of the Audit Committee

The Audit Committee of the FCCL Board comprises three Directors. Two members, including the Chairperson, are Independent Non-Executive Directors, while the third is a Non-Executive Director. All members are financially literate and possess significant expertise in finance, economics, and business management. Details on composition and Terms of Reference (ToRs) are included in the Board Committees Section of this report.

The Chief Financial Officer (CFO) attends Committee meetings on special invitation. The Head of Internal Audit is present in all meetings, while the External Auditors attend as required.

Meetings of the Audit Committee

The Committee held quarterly meetings to review and recommend financial statements for Board approval. All related party transactions were reviewed by the Committee and then submitted to the Board for final approval. Separate sessions were also conducted with internal and external auditors to ensure compliance with regulatory guidelines.

Meeting minutes were circulated to all Committee members, the Board, Internal Auditors, and CFO before each Board meeting. The Chairperson briefed the Board on significant matters during these meetings.

Financial Statements

The Committee confirms the following regarding the financial statements for the year ended June 30, 2025: -

- Prepared on a going concern basis in accordance with the Companies Act, 2017, IFRS, the Code of Corporate Governance, and other applicable regulations.
- Present a true and fair view of the Company's financial position, performance, and cash flows.
- Auditors issued unmodified reports in line with the Auditors (Reporting Obligations) Regulations, 2018 (SECP).
- Accounting policies applied consistently and disclosed adequately.
- Financial statements endorsed by a Director, the CEO, and the CFO, acknowledging responsibility for fair presentation, compliance, and internal controls.
- Accounting estimates made using prudent and reasonable judgment.
- Compliance with the Fourth Schedule to the Companies Act, 2017 ensured, with consistent internal and external reporting.

- All related party transactions reviewed and recommended by the Committee before Board approval.
- External Auditors reviewed and certified the Statement of Compliance with the Code of Corporate Governance.

Risk Management and Internal Control

- The Company has an established risk management framework that identifies, ranks, and mitigates risks, monitored quarterly by the Committee.
- An effective internal control framework is in place, supported by an independent Internal Audit function.
- Internal Audit provides assurance on internal controls and risk management effectiveness.
- Mechanisms exist for confidential reporting of financial or other improprieties. No whistleblowing concerns were raised during the year.
- Risk types and mitigation measures are disclosed in the Risks and Opportunities section of this report.

Internal Audit Function

- The internal control framework includes an independent Internal Audit function reporting directly to the Audit Committee.
- The Committee approves the Internal Audit Plan annually and reviews its progress quarterly.
- All processes are regularly audited, and the control system has been deemed sound and effective.
- Internal Audit findings are reviewed, and appropriate action is taken or referred to the Board when necessary.
- Open audit observations are tracked for resolution.
- The Head of Internal Audit has direct access to the Audit Committee Chairperson and operates with adequate staffing and access to information.
- Coordination between Internal and External Auditors ensures robust financial reporting and compliance.

Annual Report 2025

- A comprehensive Annual Report has been issued, providing clear and balanced financial and non-financial information in compliance with all applicable regulations.

- The Report reflects the Company's performance, risk management, future outlook, and value creation for stakeholders.

External Auditors

- M/s A. F. Ferguson & Co., Chartered Accountants, completed their audit of the financial statements and the Statement of Compliance with the Code of Corporate Governance for FY2024-25 and will retire at the conclusion of the 33rd Annual General Meeting.
- The Committee discussed the audit process, new applicable accounting standards, key risk areas, and other observations with the auditors.
- Being eligible, M/s A. F. Ferguson & Co. have offered themselves for reappointment. The Audit Committee recommends their reappointment for FY2025-26.

Evaluation of the Audit Committee

The Committee has fulfilled its responsibilities in accordance with its Board-approved Terms of Reference, which align with the Code of Corporate Governance. The Board's performance evaluation, which included Audit Committee members, was conducted separately and is detailed in the Annual Report.



Saira Nasir

Chairperson FCCL Audit Committee
Rawalpindi
8th August 2025



IT GOVERNANCE & CYBERSECURITY

The Board Responsibility Statement

The IT System/Controls and AI Strategy

The Board of Directors of Fauji Cement Company Limited exercises vigilant oversight over the Company's IT infrastructure, internal control environment, and strategic Artificial Intelligence initiatives, ensuring strict adherence to all applicable legal and regulatory mandates, particularly those governing data privacy and cybersecurity. The Board proactively assesses evolving cyber threats, rigorously monitors compliance with relevant laws and standards, and actively supports management in deploying robust risk mitigation strategies.

Board Engagement with Management in case of Cyber Breach

In the event of any cybersecurity breach or compliance violation, the Board engages directly and promptly with senior management to evaluate the incident's impact, oversee response effectiveness, and ensure timely remediation. This structured and proactive governance approach underscores the Board's unwavering commitment to upholding the integrity, resilience, and security of Fauji Cement's digital assets and information systems, thereby protecting stakeholder interests.

IT Governance and Cybersecurity Framework

Fauji Cement Company operating in the cement manufacturing sector, has implemented a robust IT governance framework to ensure secure, efficient, and compliant digital operations. The Company maintains comprehensive cybersecurity policies and procedures covering access controls, system monitoring, data protection, incident response, and backup management system.

These measures ensure data integrity, availability, and confidentiality. The cybersecurity framework is aligned with industry standards and regulatory requirements, with regular oversight to maintain a secure and compliant environment. 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.

IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.

IT governance and cybersecurity programs

Policies and procedures

Fauji Cement Company Limited has established a robust IT governance framework designed to ensure secure, efficient and compliant digital operations across the organization, operating within the critical infrastructure sector of cement manufacturing. The Company maintains stringent cybersecurity programs, policies and procedures, encompassing comprehensive access controls, continuous system monitoring, rigorous data protection protocols, defined incident response plans and resilient backup management systems. These systematic measures are implemented to guarantee the integrity, availability and confidentiality of corporate data. The cybersecurity framework is meticulously aligned with relevant industry-specific standards and regulatory mandates, subject to regular oversight to sustain a secure and compliant operational environment.

Cybersecurity Strategy

The Company's cybersecurity strategy undergoes continuous review and proactive updates to effectively counter emerging threats and integrate advanced technologies. This vigilant approach enables Fauji Cement to maintain a strong security posture, safeguard critical infrastructure and sensitive information, and enhance operational resilience.

Cybersecurity in Board's Risk Oversight Function

Integration into Risk Oversight

Cybersecurity was a critical component of the Board's risk oversight function. The Board's Audit Committee regularly reviewed cybersecurity risks and ensured their integration into the Company's overall risk management framework.

Engagement with Management

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

Committee Oversight

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

Administration of IT Risk Oversight

The Board administered IT risk oversight by setting clear expectations, delegating responsibilities to relevant Committees, and ensuring IT risks were maintained as a standing agenda item in Board meetings.

Early Warning System for Cybersecurity Risks

Fauji Cement Company Limited (FCCL) has implemented a sophisticated "early warning system," utilizing industry-leading cybersecurity solutions featuring advanced threat intelligence, behavior analytics, and comprehensive real-time monitoring. This critical control mechanism enables the proactive identification, assessment, and early detection of anomalies, unauthorized access attempts, and malicious activity. Leveraging intelligent threat detection algorithms and robust firewall protections, the system empowers the IT security team to rapidly respond with effective countermeasures, facilitating swift containment and preventing potential breaches. This integrated capability ensures the protection of sensitive corporate data and safeguards the continuity of critical business functions, including uninterrupted production operations. Furthermore, the system's design inherently supports timely internal disclosures and communications to the Board regarding identified cybersecurity risks and incidents. The deployment and continuous refinement of this proactive defense mechanism exemplify FCCL's unwavering commitment to maintaining a secure, resilient, and trustworthy digital operating environment.

Independent Security Assessments and Third-Party Risk Management

Fauji Cement Company Limited (FCCL) implements a rigorous policy mandating regular independent and comprehensive security assessments of its entire technology environment, explicitly encompassing critical third-party risks. This policy is executed through a multi-layered approach: the Internal Audit department conducts systematic internal audits and reviews of IT controls, while the dedicated Local IT team performs ongoing vulnerability assessments to proactively identify and remediate potential security weaknesses. To further strengthen our security posture and ensure objective validation, FCCL engages reputable third-party professional service providers for independent, comprehensive assessments and evaluations of our technology infrastructure and networks. These external audits are crucial for verifying the sufficiency of our cybersecurity controls, assessing overall incident preparedness, and providing an unbiased benchmark of our security maturity.

Last Third Party Review

The most recent independent, comprehensive network security assessment and penetration testing, covering both internal systems and third-party risk exposures, was conducted in August 2024. This structured assessment regime underscores FCCL's unwavering commitment to maintaining a robust, resilient and validated security framework.

Disclosures

Contingency and Disaster Recovery

Fauji Cement Company Limited (FCCL) maintains a comprehensive and resilient Contingency and Disaster Recovery (DR) framework, integral to safeguarding business continuity against unforeseen IT failures or cyber breaches. This structured plan encompasses proactive measures, defined processes, and dedicated resources specifically designed to mitigate risks, minimize operational downtime, and enable swift system and data recovery. Core components include rigorously documented procedures ensuring data availability, integrity, and the continuity of critical business functions.

Robust Backup Systems and Redundant Infrastructure

FCCL employs robust backup systems utilizing multiple data copies across diverse media, secure offsite storage, and database-level replication to guarantee maximum data accessibility. Our critical IT infrastructure features an Active-Passive server configuration with Primary and Local High Availability Servers, augmented by a dedicated remote Disaster Recovery site. The Disaster Recovery Servers are engineered to activate within stringent, pre-defined timeframes as stipulated in the DR plan.

Validation, Testing, and Financial Risk Mitigation

To ensure continued effectiveness, FCCL conducts rigorous DR testing, including regular database restores in isolated sandbox environments, to validate data integrity and system usability. Complementing these technical safeguards, the Company also maintains comprehensive cyber insurance coverage. This acts as a critical financial risk mitigation layer within FCCL's overall resilience strategy, ensuring the organization's preparedness to respond swiftly and effectively to IT disruptions while protecting core operations.

Advancement in Digital Transformation

FCCL's Journey Towards Digital Innovation and Automation

Fauji Cement Company Limited (FCCL) recognizes digital transformation as a core strategic imperative for sustainable growth and operational excellence. The Company is actively advancing its phase-wise journey to integrate key Industry 4.0 technologies including Artificial Intelligence (AI), Robotic Process Automation (RPA), advanced Data Analytics, Blockchain, and Cloud Computing across its operations. This structured technological evolution is strategically leveraged to enhance organizational transparency, strengthen governance frameworks, improve the accuracy and timeliness of internal and external reporting and unlock significant long-term value creation. Through the methodical implementation and continuous innovation of these transformative tools, FCCL is optimizing processes, generating deeper operational insights and reinforcing its commitment to driving efficiency and resilience throughout the business.

With the upgrade to RISE with SAP, FCCL is transitioning its ERP to a scalable cloud environment under the umbrella of FF Head Office, ensuring improved integration, real-time data accessibility and centralized governance.\

Cybersecurity Education and Training

Fauji Cement Company Limited (FCCL) prioritizes cybersecurity education and training as a fundamental pillar of its risk mitigation strategy, empowering employees to strengthen our collective security posture and reduce cyber incident likelihood. The IT Department leads this initiative by developing and disseminating comprehensive security policies, guidelines, and best practices governing sensitive information handling, system usage, and robust password management. We actively foster a culture of continuous cybersecurity learning, encouraging employees to stay abreast of evolving threats through structured programs, access to curated resources, support for industry certifications, and participation in relevant conferences and workshops.

These investments are strategically designed to cultivate a vigilant and cybersecurity-conscious workforce capable of proactively identifying and mitigating risks. FCCL maintains an unwavering commitment to enhancing these programs, ensuring they dynamically address emerging threats to safeguard our digital assets, sensitive data, operational integrity, and stakeholder trust.

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

Fauji Cement Company Limited (FCCL) has strategically leveraged the globally recognized SAP S/4HANA ERP system since its November 2022 implementation, fundamentally transforming the integration and management of our core business processes. This powerful platform serves as the operational backbone of our organization, centralizing enterprise-wide data and automating critical workflows to drive unprecedented efficiency, transparency, and data-driven decision-making. By enabling seamless cross-departmental collaboration, SAP S/4HANA has catalyzed significant organization-level benefits—streamlining operations, enhancing governance visibility, and cementing operational excellence across our value chain. This strategic investment underscores FCCL's commitment to technological leadership and positions the Company for sustained competitive advantage in an evolving marketplace through optimized resource utilization and agile responsiveness.

a) Integration and Optimization of Core Business Processes

1. Sourcing & Procurement

The SAP Procurement Module has transformed vendor management by establishing transparent and fully traceable processes. From automated comparative statement generation to vendor performance monitoring and seamless integration with the Finance Module, procurement operations are now significantly faster, more reliable, and demonstrate audit-ready compliance.

2. Inventory Management

Real-time inventory tracking, optimized stock level maintenance, and automated stock replenishment have substantially reduced waste while improving material availability. Integration with the Weighbridge and Gate Pass system provides precise control and visibility over all stock movements.

3. Production Planning

The system enables automated production planning and real-time monitoring, ensuring accurate daily production activity tracking and comprehensive traceability throughout the entire production cycle.

4. Plant Maintenance

The Plant Maintenance Module automates routine maintenance scheduling and execution, effectively extending machinery lifespan and minimizing unplanned downtime, thereby directly enhancing overall operational reliability.

5. Quality Management (QM)

With quality assurance principles embedded into every relevant process, the QM Module guarantees consistent adherence to FCCL's stringent quality standards across procurement, production, and dispatch activities.

6. Finance

SAP automates all core financial transactions, providing real-time visibility into budgets, expenditures, and financial performance. This significantly enhances financial integrity, regulatory compliance, and reporting accuracy.

7. Cost Control

By integrating granular cost tracking across all departments, SAP facilitates precise cost analysis at each operational stage, empowering management to control process and product costs effectively.

8. Sales & Distribution (SD)

The SD module streamlines the entire sales order processing and cement dispatch workflow. Automated integration of receipts into financial records enhances cash flow visibility and improves end-to-end order tracking efficiency.

9. Human Resources (HR)

SAP's HR module strategically facilitates recruitment, onboarding, payroll processing, performance evaluation, and centralized employee data management, ensuring workforce operations are both strategic and streamlined.

Strategic Impact of SAP Integration

The integration of all modules within the unified SAP S/4HANA platform has significantly enhanced real-time data sharing, improved cross-functional collaboration, and accelerated organizational decision-making. SAP enables FCCL to operate with greater transparency, enhanced efficiency, and alignment with industry best practices, establishing a robust foundation for sustained growth and ongoing digital transformation.

Other Disclosures

Upgradation to SAP Cloud – RISE with SAP

Fauji Cement Company Limited is pleased to announce the strategic migration of its Enterprise Resource Planning (ERP) system to SAP Cloud (RISE with SAP), executed under the strategic oversight of the FF Head Office. This transition from an on premise to a cloud-based solution represents a significant advancement in our digital transformation journey.

RISE with SAP is an integrated business transformation-as-a-service offering designed to accelerate cloud adoption with enhanced speed, agility, and minimal operational disruption. Through this upgrade, the Company will achieve the following strategic objectives:

- Enhance operational agility by leveraging scalable cloud infrastructure
- Improve system performance and accessibility through real-time data processing and mobile/cloud access
- Ensure higher security and compliance with SAP's cloud governance and regulatory frameworks
- Enable faster innovation through access to SAP Business Technology Platform (BTP) and AI-driven insights
- Reduce total cost of ownership by eliminating heavy infrastructure maintenance costs

The Implementation will be centrally coordinated and managed by the FF Head Office, ensuring standardized deployment, governance, and cross-functional support across all business units.

This initiative exemplifies our commitment to pursuing next-generation technologies that strengthen business resilience, enhance transparency, and drive sustainable value creation for all stakeholders.

Actions to prevent or Mitigate Potential Negative Impacts

- Infrastructure Redundancy Implemented redundant systems for all core services, including dual network switches, redundant power supplies with UPS backup, active/passive WAN links, and high-availability virtual machine clusters utilizing VMware vSphere/Hyper-V.
- Data Backup Strategy Configured daily incremental and full backups for all critical servers using a leading industry Backup & Replication solution, featuring offsite replication to a secondary data center.
- Patch Management Executes regular patching through automated processes, ensuring all servers and endpoints remain current to minimize cyberattack risks.

- **Security Controls** Safeguards network infrastructure and components with next-generation Firewalls and integrated Endpoint Protection Platform (EPP) with Endpoint Detection and Response (EDR) solutions. These solutions provide automated detection and response capabilities, utilizing advanced threat defense techniques that combine multiple security functionalities to apply appropriate protection dynamically. The layered security architecture employs behavioral analysis and machine learning for advanced threat detection, response, and investigation, ensuring robust endpoint protection.
- **Monitoring and Alerts** The FCCL IT team continuously monitors all incoming and outgoing internet traffic and analyzes security alerts using advanced security tools.

Digitalization Journey at FCCL

Use of eOAS System, a step towards Paperless Environment

The implementation of an eOffice Automation System (eOAS) signifies a strategic advancement in FCCL's digital transformation, establishing a foundation for a paperless operational environment. By replacing manual workflows with electronic processes, the system accelerates communication, optimizes document management, and enhances enterprise-wide efficiency.

Key benefits include

- **Paperless Operations** Digital records replace physical files, significantly reducing paper consumption, printing expenditures, and physical storage requirements.
- **Improved Efficiency** Automated workflows accelerate the processing, approval, and tracking of documents and communications.
- **Enhanced Transparency and Accountability** Comprehensive digital audit trails record every action, strengthening governance and ensuring full traceability.
- **Remote Access and Collaboration**: Employees securely access documents and collaborate from any location, facilitating seamless hybrid work models.
- **Data Security and Backup** Encryption protocols and scheduled backups protect digital records against unauthorized access or loss.
- **Environmental Sustainability** Reduced paper usage directly supports FCCL's green initiatives and corporate social responsibility objectives.

Collectively, the eOffice Automation System accelerates organizational digital maturity while cultivating a culture of sustainability, operational transparency, and business agility.

Digitalization of Land Records

The digitalization of land records represents a significant reform initiative designed to enhance transparency, efficiency, and accessibility in land administration. By converting paper-based records into secure electronic formats, FCCL mitigates instances of fraud, land disputes, and manual errors. Digital land records enable real-time updates, streamlined ownership verification, and accelerated transaction processing. Overall, this initiative establishes a more accountable, efficient, and stakeholder-centric governance framework.

Digitalization - Sales Booking Order Confirmation through SMS Service

The implementation of SMS-based sales booking order confirmation signifies a strategic advancement in digitalizing FCCL's traditionally manual process. By providing customers with instant automated confirmation, this initiative enhances transactional transparency, strengthens customer confidence, and ensures seamless communication. The SMS system further drives operational efficiency by accelerating processing cycles and minimizing manual errors. Environmentally, it eliminates paper-based communications, directly supporting FCCL's "Go Green" sustainability objectives. Collectively, this innovation demonstrates FCCL's commitment to operational modernization, elevated service delivery, and proactive environmental stewardship.

Digitalization - Project-Based Dispatch Vehicles (Bulkers) Tracking through Email or SMS

Tracking project-based dispatch vehicles (bulk carriers) via email or SMS represents a strategic advancement in digitizing FCCL's logistics operations. This system delivers real-time updates on vehicle movements and dispatch schedules, enhancing operational transparency, efficiency, and responsiveness. It eliminates reliance on manual processes and paper-based records, directly supporting the Company's "Go Green" sustainability initiative. Collectively, this innovation strengthens granular operational oversight, accountability, and environmental stewardship—aligning with FCCL's vision for an agile and environmentally conscious business ecosystem.

Digitalization through the Use of Company-Owned Email System

The adoption of a company-owned email system represents a critical advancement in FCCL's digital transformation. This secure internal communication platform ensures enhanced data control, strengthens the confidentiality of business correspondence, and facilitates seamless cross-departmental collaboration. Transitioning from traditional methods to an integrated digital system has improved operational efficiency, accelerated decision-making, and reduced dependence on physical documentation. Additionally, it supports environmental sustainability by minimizing paper usage. The company-managed email system reinforces information security and operational transparency while aligning with FCCL's commitment to modernization and a digitally driven work culture.

Digitalization - Medical / Health Apps

The Medical/Health App streamlines employee access to essential healthcare services. It features a comprehensive directory of panel hospitals, diagnostic labs, and pharmacies, complete with detailed contact information and GPS-enabled mapping for real-time location tracking all across Pakistan.

EMS Help Desk Ticketing System: A Step toward Digitalization and Eco-Friendliness

The EMS Help Desk Ticketing System advances FCCL's digitalization and eco-friendly initiatives. It optimizes service request logging and resolution, enhances transparency, and eliminates paper-based processes. By enabling real-time tracking and expedited responses, the system boosts operational efficiency while supporting sustainability goals and modernized service delivery.

Steps taken to strengthen the Security Posture

To strengthen the organization's overall security posture, several critical measures are implemented. Key initiatives include:

a. Upgraded Hardware Firewall

Enhanced perimeter protection through deployment of a high-performance firewall model.

b. Deployment of Strong Firewall Policies

Implemented comprehensive, tightly controlled firewall rules to restrict unauthorized access and reduce attack surfaces.

c. Implementation of Top-Tier Server Security Solution

Deployed Trend Micro Deep Security™ an industry-leading cybersecurity solution to safeguard the data center with advanced threat detection, real-time monitoring, and automated response.

e. Centralized Endpoint Monitoring via AV Dashboard

Endpoint security is now centrally managed through an integrated dashboard, providing enhanced visibility, proactive protection, and streamlined incident response.

f. Strong Password Policy Enforcement

Enforced robust password requirements at domain and application levels, mandating complexity, regular updates, and prevention of credential reuse.

g. Implementation of Open Source SIEM Solution

Third-Party Vulnerability Assessment and Penetration Testing: Conducted comprehensive assessments with subsequent implementation of remediation measures.

h. Regular Vulnerability Assessment and Security Patching

These enhancements collectively reinforce FCCL's cybersecurity framework, mitigating risks and ensuring regulatory compliance.

Planned Initiatives for Upcoming Budget Cycle

The following initiatives are proposed for the next budget cycle to enhance IT infrastructure, cybersecurity, and operational efficiency:

a. Migration to Dedicated VPS Hosting

Transitioning FCCL's website from shared hosting to a Virtual Private Server (VPS) platform for improved performance, control, and security.

b. Engagement of Consultancy Services for ISO 27001 Certification

Partnering with experts to conduct gap analysis and implement an Information Security Management System (ISMS) for ISO 27001 certification, strengthening compliance and risk governance.

c. Upgrade to Windows 11 Pro

Phased migration to leverage enhanced security, performance, and management features.

d. Endpoint Hardware Upgradation

Refreshing hardware to meet Windows 11 Pro requirements, ensuring optimal security and performance.

e. Security Awareness Trainings

Implementing end-user cybersecurity training programs.

These initiatives align with FCCL's strategic goals of digital transformation, cybersecurity resilience and operational excellence.



05

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

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STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

At FCCL, our Core belief is that sustainability is best achieved through active engagement and by generating value for all stakeholders. We remain committed to creating a positive impact on our stakeholder's well-being while ensuring the long-term viability and success of our operations.

Stakeholders' Engagement Policy

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

- remain open and honest to every stakeholder
- provide accurate and timely related information to every stakeholder
- listen and respond on views and concerns of every stakeholder
- keep on improving our engagement process through feedback from stakeholders
- engage ourselves with stakeholders on regular basis and at appropriate forums
- follow the policy of glasnost (openness) and perestroika (restructuring).

How We Identify Stakeholders

We define our Stakeholders as individuals or groups whose interests are affected, or could be affected 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 follows:

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
 <p>Our people</p>	<ul style="list-style-type: none"> Employees are engaged through regular departmental meetings Employee Rabta day is held for addressing concerns of employees In-house employee trainings Long service awards Townhall Meetings 		<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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.
 <p>Shareholders/ Investors</p>	<ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> Shareholders are the owners of the Company Certain decisions are required to be approved by shareholders in accordance with the law 	<ul style="list-style-type: none"> 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
 <p>Customers & Suppliers</p>	<ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> Company has long term business relationship with its suppliers and dealers Customers and suppliers are the key elements of business supply chain. 	<ul style="list-style-type: none"> 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
 <p>Financial Institutions</p>	<ul style="list-style-type: none"> Regular business meetings with our treasury department Financial institutions are engaged through formal contracts depicting terms and conditions and cost of financial capital etc. 		<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The engagement with financial institutions is managed through a separate treasury department. Company timely fulfills all contractual commitments with financial institutions
 <p>Local Community</p>	<ul style="list-style-type: none"> 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 		<p>As a responsible corporate citizen, the company feels that without the development of the community, the goal of sustainability cannot be achieved.</p>	<p>Provision of medical facilities, education, Clean water, and employment to local communities</p>
 <p>Analysts and media</p>	<ul style="list-style-type: none"> Open communication at analyst meetings. Continuous update of Company's Website and other social media platforms Timely provision of information to PSX 		<p>Beyond statutory requirements, the company feels it has the responsibility to educate the community about its business activities</p>	<p>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.</p>
 <p>Regulators</p>	<ul style="list-style-type: none"> Management remains engaged with all regulatory authorities Company complies with all related rules and regulations. 		<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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

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 (AGM).

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

During the meetings, shareholders have the right to voice their concerns and actively participate by proposing and seconding any agenda items. They may also request draft minutes of the meeting within a specified period after the meeting. Furthermore, Shareholders are 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 October 9, 2024, focusing on Environmental, Social, and Governance (ESG) matters, key operational highlights, and the Company's financial performance. The session included 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).

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 be disseminated to shareholders in form of dividend i.e. Company has declared 12.50% 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. 44.67 as compared to Rs. 22.91 in FY 2024.

Break value per share (Rupees)



Whistle-blowing Mechanism

FCCL has placed in a comprehensive whistle blowing policy to address suspected wrongdoing in the workplace that may cause material harm to the Company. These includes internal matters such as criminal offences, financial loss, breaches of health and safety of employees etc. It also extends to external threats, including money laundering, bribery, violation of laws, or any conduct posing a direct risk to public interests. The policy provides a secure and confidential framework for reporting concerns, ensuring that all cases are thoroughly investigated, handled impartially and resolved in a manner that safeguards both the integrity of the process and protection of whistle-blower.

This policy applies to all FCCL employees, management, Board members and external business partners. The Human Resource department ensures the policy is effectively communicated while safeguarding whistle-blowers from retaliation, with support from the whistle-blowing Committee and the Managing Director. The whistle-blowing Committee comprises of the Company Secretary, CFO, Director HR&A, Head of Internal Audit and relevant department heads.

- **Reporting channels and Confidentiality:**

Relevant concerns can be raised confidentially with a supervisor, department head or designated Focal person in Internal Audit. The Committee investigates the concerns within 30 days, and whistle-blowers are acknowledged within 7 days, after which findings and recommendations are submitted to the Managing Director, with preventive measures implemented where necessary. FCCL's philosophy ensures protection for those raising concerns in good faith, with identity kept confidential wherever possible. Anonymous reports are also considered if sufficiently detailed.

- **Audit committee oversight and Annual Reporting**

The Head of Audit Committee prepares quarterly reports of all concerns and actions for the Managing Director and Board, with an annual summary presented in the Company's annual report.

During the year, no significant issues were reported. The minor issues reported did not qualify as whistleblowers; however, the complaints were duly addressed by the management on merits.



06

SUSTAINABILITY REPORT

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MESSAGE FROM CHAIRPERSON ESG COMMITTEE

On behalf of the Board ESG Committee, I am pleased to reaffirm FCCL's commitment to responsible business conduct and long-term value creation through this year's ESG Report.

At Fauji Cement Company Limited, we recognize that our responsibility goes beyond delivering financial performance. We are equally committed to building a sustainable future, grounded in environmental stewardship, social responsibility, and strong governance practices.

This year, the ESG Committee worked closely with management to integrate sustainability deeper into our business strategy. We prioritized reducing our carbon footprint, investing in alternative fuels and renewable energy, and improving resource efficiency across our operations. Sustainability at FCCL is not viewed as a parallel track but as an evolving lens through which business decisions are assessed.

In 2025, FCCL improved energy intensity to 2.9 GJ/ton and reduced Scope 1 and 2 emissions by over 322,631 metric tons, driven by renewable energy, waste heat recovery, and alternative fuels. Alongside these environmental gains, our CSR programs strengthened education, healthcare, livelihoods, and infrastructure in surrounding communities, reaffirming FCCL's commitment to sustainable growth and responsible corporate citizenship. On the social front, we continued to uphold our duty towards employees, communities, and other stakeholders. Beyond our walls, we actively supported community development programs in health, education, and skill-building, ensuring that our growth benefits the society around us.

Strong governance is the foundation that enables us to deliver on these commitments. The ESG Committee remains vigilant in upholding transparency, accountability, and ethical business conduct. We are also aligning our disclosures with international sustainability reporting standards to provide stakeholders with greater clarity on our progress and impact.

We are strengthening cross-functional collaboration to enable FCCL to embed ESG in all aspects of its work and implement ESG initiatives efficiently. Looking ahead, our focus remains on enhancing data-driven ESG performance monitoring, supporting climate-resilient initiatives, and aligning stakeholder interests with the company's strategic direction.

We are prepared to implement ESG related IFRS S1 (Sustainability) and IFRS S2 (Climate) financial disclosure standards of the International Sustainability Standards Board-ISSB.

We appreciate the dedication of our management team, employees, and partners in advancing FCCL's ESG journey. We are proud of the strides made this year, but we also recognize that sustainability is a continuous journey. The Committee remains dedicated to guiding and monitoring FCCL's ESG performance so that we can contribute meaningfully to Pakistan's industrial growth while safeguarding the environment and supporting communities.

Maleeha Bangash

Chairperson, ESG Committee



MESSAGE FROM MANAGING DIRECTOR

I am pleased to present the inaugural Sustainability Report of Fauji Cement Company Limited (FCCL), which reflects our unwavering commitment to play our role for a sustainable and responsible future. We at FCCL care about the environment we operate in and believe in taking a lead to address the growing challenge of climate change.

Operating in a resource-intensive industry, we recognize our responsibility to minimize our environmental foot print and invest to play our role for a sustainable future. This report outlines our key initiatives and progress across environmental stewardship, workforce wellbeing, community engagement, and corporate governance for the period July 1, 2024, to June 30, 2025.

At FCCL, we are actively embedding sustainability principles across our operations to ensure continuity, competitiveness, and responsible growth. We are focused on improving operational efficiency, optimizing resource utilization, and maintaining responsible production practices. These efforts are aligned with our ambition to deliver value for all stakeholders in a transparent and accountable manner.

We continue to invest in our employees through structured training programs, focused health and safety protocols and robust policies. We have cultivated a work environment that encourages innovation, performance and engagement. Our zero-fatality record during the reporting period stands as a testament to our strong safety culture and commitment to keep our work places safe.

FCCL remains dedicated to uplifting the communities in which we operate. Our community development initiatives emphasize access to education, primary healthcare, water conservation, and afforestation. These programs are guided by our belief that inclusive growth is essential for sustainable business outcomes.

Good governance remains at the heart of our operations. With oversight by our Board and (Environmental, Social and Governance) (ESG) Committee, we have established clear frameworks for monitoring ESG performance and ensuring alignment with best practices. We maintain open and ethical relationships with all our stakeholders and uphold the highest standards of integrity in all aspects of our business.

While this is our first sustainability report, it marks a formal step toward structured and transparent disclosure. We have adopted globally recognized sustainability frameworks, including the Global Reporting Initiatives (GRI) Standards, to communicate our progress and priorities. This report serves as a baseline, and we are committed to continuous improvement in future cycles.

I express my gratitude to our employees, customers, shareholders, and community partners for their trust and support. Together, we will continue to play our role for a sustainable tomorrow.

Qamar Haris Manzoor

CEO/MD FCCL

ABOUT THIS REPORT

Fauji Cement Company Limited (FCCL) published its first annual Environmental, Social, and Governance (ESG) Report on 09 September 2025, covering the reporting period from July 1, 2024, to June 30, 2025. This report outlines FCCL's sustainability approach, highlighting its policies, commitments, and governance practices across key ESG dimensions.

Scope and Basis of Reporting

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, ensuring transparency, consistency, and comparability in sustainability disclosures. The report also aligns with ESG guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX).

The scope of the report covers all operating cement production facilities of Fauji Cement Company Limited (FCCL), excluding the newly acquired polypropylene bag manufacturing plant due to its data systems. All information presented pertains to the defined reporting period of July 1, 2024, to June 30, 2025. As this is FCCL's first sustainability report in accordance with Global Reporting Initiative (GRI) standards, no restatement is applicable.

The report provides a comprehensive overview of the company's initiatives and their alignment with the United Nations Sustainable Development Goals (SDGs).

The ESG report was reviewed by the management and approved by the CEO/MD.

Independent Review

To ensure credibility and alignment with international standards, an external assurance was conducted by Nadeem Safdar & Co., Chartered Accountants. The assessment evaluated the report's compliance with the GRI Standards and the ISAE 3000 (Revised) assurance framework. The review process involved close interaction with FCCL's senior management to facilitate the assurance activities.

A detailed description of the assurance approach, scope, and findings is available on pages 178-179 of the report.

For further information or queries related to this Report, please reach out to our ESG Department through the following:

Phone: 051-9280081 ext 180
Email: ESG@FCCL.COM.PK



SUSTAINABILITY HIGHLIGHTS FY 2025



ESG ROADMAP



Environmental

Emission Management & Climate Action

ISO 14064-1:2018 GHG Certification for FY 2026 by August 2025

- Greenhouse gas (GHG) quantification and verification
- Establishment of baseline for Environmental factors

Reduction of CO2 Footprint by Adopting Sustainable Practices

- 500,000 tCO2e/Annum

Carbon Offsetting

- Plant 10,000 Indigenous Trees - 240 tons reduction of CO2e/Annum

Environmental Management Systems

Surveillance Audits FY 25-26 and Certification

- ISO 14001, 45001, 50001, 9001

Innovation & Product Improvement

- Feasibility: LC3 Cement

Capacity Building & Awareness

- FCCL Sustainability Seminar
- Attendance of Sustainability Conferences
- IFRS S1 and 2 trainings



Social

Employee Engagement & Well-being

- Enhance employees engagement by conducting monthly Town Halls, Weekly Rabta (interaction) Days, time to time Team-Building events, celebrating National/ International Days/ festivals, Sports events & Mentorship Program

Diversity, Equity & Inclusion

- Update/ revise DEI Policy to align with best practices
- Increase diverse hiring based on gender, differently abled and geographic parameters
- Hold Awareness Sessions on DEI

Community Support Activities

- Conduct community Sports activity at all plant sites.
- Provision of clean drinking water

Education & Vocational Training

New Initiatives – Enhancement of Skill Training Capacity

- Establishment of two new Women Vocational training center at Nizampur & DG Khan - December 2026
- Establishment of two Youth Technical Training Institutes at Jang Bahtar and Nizampur - December 2026

Provision of Basic Education

- Sponsorship of existing three schools through FF Education foundation

- Support to three Primary schools at DG Khan
- Award of Scholarships and Food Support for students

Healthcare & Well Being

New Initiatives – Spreading Awareness

- Awareness sessions on Healthcare & Well-being for employees
- Awareness sessions on Water Management for Local Community

Increasing healthcare outreach

- Free Eye Camps & Mother & Child clinics on six monthly basis

Meeting Day to Day medical Needs of Local Community

- Dispensary at DG Khan
- Provision of Medicine to local BHU's

Job Creation / Income Generation

Direct Employment

- Preference to local community
- Apprenticeship Programs for locals
- Binding contractors to hire local unskilled labor

Indirect Employment

- Supporting small businesses in plant vicinity
- Preferring local vendors for supply chain



Governance

Corporate Governance

- Compliance with applicable corporate laws and regulatory requirements of SECP
- Disclosures related to Meetings and Shares etc
- Ensure Board Oversight & Accountability
- Internal control for implementation of decisions
- Board and Directors' Evaluation through External Partner

ESG Policy Framework

- Development and publication Sustainability Report
 - Partnership - CSRCP
 - September 2025
- Compliance and Adoption of IFRS S1 & S2
- Annual accounts reporting on IFRS S1 & S2 wef July 2025

Ethics & Transparency

- Implement & cascade Code of Conduct & Ethics across all levels
- Strengthen Anti-Corruption and Whistleblower Mechanisms

CORPORATE PROFILE

Fauji Cement Company Limited (FCCL) is a publicly listed company and a key enterprise within the Fauji Foundation Group. It stands among the largest cement producers in Pakistan and is headquartered in Rawalpindi. The company operates as a standalone entity without any subsidiaries and plays a significant role in supporting the country's infrastructure development.

FCCL manufactures and markets a comprehensive range of high-quality cement products under the well-established Fauji and Askari brands. These products cater to both the domestic market across Pakistan and international markets, including Afghanistan. FCCL supplies its cement products to a diverse customer base across Pakistan, including retail and wholesale distributors, private construction companies, government contractors, and institutional buyers such as real estate developers and industrial projects. The company's strong distribution network and consistent product quality make it a preferred choice for both small-scale and large-scale infrastructure and construction needs.

FCCL operates four fully integrated cement manufacturing plants located in Tehsil Fateh Jang in District Attock, Tehsil Taxila in District Rawalpindi, Nizampur in District Nowshera, and Chak Ladan in District Dera Ghazi Khan. These facilities collectively provide a total annual production capacity of approximately 10.6 million tonnes, placing FCCL at the forefront of the Pakistani cement industry. FCCL acquired a PP bags manufacturing plant located at Hattar (Haripur) with an annual capacity of 72 million bags to cater to the packaging needs of its cement plants. To strengthen its market presence and ensure responsiveness to customer needs, the company maintains dedicated marketing offices in Islamabad and Multan.

The company's product portfolio includes Ordinary Portland Cement (OPC), Sulphate Resistant Cement (SRC), Low Alkali Cement (LAC), Low Heat of Hydration Cement (LHC), Portland Composite Cement (PCC) and Tile Bond. These products are designed to meet a wide range of construction needs, offering durability, performance, and environmental resilience.

Fauji Cement Company Limited (FCCL) maintains a wide range of business relationships across its value chain to support sustained and responsible operations. These include relationships with suppliers of raw materials and fuels, logistics and transport service providers, outsourced contractors, security service providers, non-governmental organisations (NGOs), and distributors and retail

partners. In addition, FCCL collaborates with industry associations, regulatory bodies, and local communities to strengthen its operational resilience, compliance, and social impact.

Commitments, membership, and awards

Fauji Cement Company Limited (FCCL) actively engages with national and regional industry bodies to foster collaboration, support sustainable development, and contribute to policy dialogue. These affiliations reflect FCCL's commitment to responsible corporate citizenship, industry leadership, and alignment with global sustainability goals such as the United Nations Sustainable Development Goals (SDGs). Participation in these associations enables FCCL to stay informed about regulatory developments, promote best practices, and advocate for responsible industry growth.

FCCL holds active memberships in the following associations:

- Rawalpindi Chamber of Commerce and Industry (RCCI)
- Khyber Pakhtunkhwa Chamber of Commerce and Industry (KPCCI)



Net Sales

PKR. **88,956** Mn



Production

5,383,885 Tons



Products Sales

5,368,785 Tons

EMBRACING SUSTAINABILITY

At Fauji Cement Company Limited (FCCL), sustainability is a fundamental pillar of our long-term business strategy. Our Environmental, Social, and Governance (ESG) framework is guided by a formal ESG Policy, governed by a dedicated ESG Committee at the Board level, and embedded across all levels of the organization. This approach aligns with international best practices and complies with all applicable regulatory requirements in Pakistan.

FCCL is progressively integrating sustainable practices into its operations and supply chain to enhance operational resilience, reduce risk, and strengthen long-term competitiveness.

Environmental Responsibility

FCCL is committed to minimizing its environmental impact through targeted investments in renewable and energy-efficient technologies, including solar energy systems and waste heat recovery units, which help reduce fossil fuel consumption and greenhouse gas (GHG) emissions. We actively support carbon sequestration initiatives through large-scale tree plantation and agroforestry programs, while promoting water conservation through rainwater harvesting, wastewater recycling, and the minimization of groundwater extraction for industrial processes. These actions reflect our broader goal of advancing toward low-carbon and resource-efficient operations.

Social Responsibility and Community Engagement

FCCL's social sustainability efforts are centered around employee well-being, occupational health and safety, and community development. Our community initiatives are strategically designed and implemented following established procedures under the company's ESG framework. These programs focus on education, healthcare, infrastructure development, and clean water access, especially in the communities surrounding our operational sites. Engagement with local stakeholders ensures that these initiatives are responsive to actual needs and contribute to inclusive growth and social equity.

Governance, Ethics, and Oversight

FCCL's governance model is anchored in the principles of transparency, accountability, and ethical conduct. Our ESG Committee provides oversight, policy guidance, and strategic direction on sustainability matters. The governance framework ensures compliance with national legislation, including environmental and corporate governance laws,

as well as alignment with international standards and frameworks. Risk management and performance monitoring are key components of our oversight mechanism.

FCCL recognizes that the integration of sustainability principles into core business strategy is essential to creating long-term value, enhancing stakeholder trust, and building a resilient and future-ready organization. As we continue this journey, we remain committed to advancing our ESG performance through continuous improvement, innovation, and stakeholder engagement.



ESG GOVERNANCE

FCCL's Board plays a central role in overseeing the company's sustainability strategy and ESG-related disclosures. Operational responsibility for ESG matters has been delegated to the ESG Committee, which receives quarterly reports from the ESG Department. These reports summarise progress, key performance indicators, risks, and emerging issues concerning FCCL's environmental, social, and economic impacts. The ESG Committee evaluates these updates and escalates relevant findings to the Board of Directors during scheduled meetings.

The ESG Department, headed by the Director ESG, is tasked with collecting data, coordinating with internal departments,

and preparing ESG disclosures. Final ESG reports are reviewed by the Board ESG Committee before publication, ensuring they reflect the company's values, commitments, and stakeholder expectations. This governance structure ensures accountability, transparency, and alignment of sustainability efforts with FCCL's long-term strategic objectives.

All members of the highest governance body have completed the Certified Director Training Program, which includes modules on ESG principles and best practices. The Board meets quarterly to stay informed on sustainability matters and evolving governance expectations.



POLICIES AND COMMITMENTS

Fauji Cement Company Limited (FCCL) is committed to upholding sustainable, ethical, and responsible business practices through a robust Environmental, Social, and Governance (ESG) framework. As a leading cement producer in Pakistan, FCCL recognizes its responsibility to minimize environmental impacts, enhance social value, and maintain high standards of governance across its operations and value chain.

Policy Commitments

FCCL's ESG Policy forms the foundation for integrating sustainability considerations into its strategic planning, operational decision-making, and corporate culture. The company's policies are aligned with internationally recognized frameworks, including the Universal Declaration of Human Rights, International Labor Organization (ILO) Core Conventions ratified by Pakistan, and a precautionary approach consistent with Article 15 of the Rio Declaration on Environment and Development.

The company's ESG-related policies, addressing human rights such as ethics, and community development, are approved by the Board of Directors. Ethics are addressed through the Whistle blowing Policy and the Code of Corporate Governance. Other policies, such as workplace safety and environmental responsibility, are managed at the executive level. All relevant policies are communicated to employees and external stakeholders, including business partners and suppliers, through emails, workshops, on boarding, and training sessions. These are formally communicated to employees and relevant external stakeholders, including business partners and suppliers, through emails, workshops, on boarding and training sessions. Policy updates and revisions are also disseminated electronically to ensure timely awareness and alignment. The code of conduct applies to all FCCL employees and governance bodies, while supply chain-specific policies apply to supply chain partners.

Embedding Commitments into Operations

FCCL's governance is grounded in integrity, ethics, and regulatory compliance. The Chief Executive Officer is ultimately accountable for implementing the company's ESG policy commitments, while the management team is responsible for operationalizing these commitments across all business units and functions. ESG principles are embedded into daily operations, procurement practices, risk management, and stakeholder engagement.

Policy reviews are conducted periodically to reflect evolving stakeholder expectations, emerging sustainability trends, and regulatory developments, ensuring that FCCL remains responsive and future-ready.

Grievance Mechanisms and Remediation

FCCL acknowledges its responsibility to address and remediate adverse impacts resulting from its operations. The company provides accessible grievance mechanisms that allow stakeholders, including employees, community members, and external partners, to raise concerns or lodge complaints in a confidential and timely manner.

All grievances are handled through structured complaint-resolution procedures, designed to ensure fairness, transparency, and responsiveness. Where adverse impacts are identified, FCCL is committed to providing effective remediation, consistent with its ethical obligations and sustainability values.







STAKEHOLDERS ENGAGEMENT

Fauji Cement Company Limited (FCCL) follows a structured stakeholder engagement approach to identify stakeholders' concerns, assess the impacts of its operations and business relationships, and evaluate related business risks. We regularly engage with a diverse group of stakeholders who are affected by our activities or can influence the achievement of our objectives.

Engagement planning considers factors such as influence, dependency and responsibility. FCCL conducts stakeholder

engagement at both the corporate and plant levels. Corporate engagement includes regulators, government bodies, shareholders, financial institutions, employees, dealers, and suppliers. Plant-level engagement focuses on local communities, contractors, suppliers, plant employees, and local authorities.

The perspectives and feedback gathered through these engagements play a key role in aligning our strategies with stakeholder expectations and in reinforcing our commitment to delivering long-term, responsible value.

Stakeholder Groups	Examples of Engagement	Key Topics and Concerns Raised by Stakeholders
 Shareholders	<ul style="list-style-type: none"> Annual/Extraordinary General Meetings Investors briefings Annual/quarterly reports 	<ul style="list-style-type: none"> Economic returns Health and safety Share price
 Government	<ul style="list-style-type: none"> Policy development inputs Regulatory reporting Awareness sessions 	<ul style="list-style-type: none"> Regulatory compliance Payment of duties and taxes Community development
 Banks/Lenders	<ul style="list-style-type: none"> Meetings Emails 	<ul style="list-style-type: none"> Economic performance Health and safety and environmental performance
 Employees	<ul style="list-style-type: none"> Town hall meeting Trainings Rabta Day 	<ul style="list-style-type: none"> Health and safety Economic performance Training and education
 Suppliers	<ul style="list-style-type: none"> Request for quotation Bids grievances mechanism Supplier meeting 	<ul style="list-style-type: none"> Timely delivery Health and Safety Environmental and social compliance
 Dealers	<ul style="list-style-type: none"> Meetings Emails Letters 	<ul style="list-style-type: none"> Consistent and reliable supply Product specification Price and product availability
 Local Communities	<ul style="list-style-type: none"> Public hearings Outreach programs Grievances mechanism 	<ul style="list-style-type: none"> Infrastructure development Community development and provision of education and health facilities Employment opportunities
 NGOs/NPOs	<ul style="list-style-type: none"> Project donations Partnership opportunities Dialogue with stakeholders 	<ul style="list-style-type: none"> Community development projects
 Media	<ul style="list-style-type: none"> Company reports Press releases Interviews 	<ul style="list-style-type: none"> Economic performance

MATERIALITY

We conducted a structured materiality assessment aligned with the Global Reporting Initiative (GRI) 3: Material Topics (2021), the SASB Construction Materials Industry Standard, and the Global Cement and Concrete Association (GCCA) guidelines. This assessment identifies and prioritises the most significant ESG topics that reflect FCCL's actual and potential economic, environmental, and social impacts, as well as those that influence the decisions of its key stakeholders.

The process began by mapping FCCL's business activities across the cement production value chain, from raw material acquisition to production, packaging, distribution, and corporate-level operations. Each activity was analysed to identify potential and actual ESG impacts, which were further evaluated based on their positive or negative nature, time horizon, likelihood, severity, and reversibility. Stakeholder concerns were incorporated through insights from the company's grievance mechanisms, alongside benchmarking with industry peers, applicable legal and regulatory requirements, and sector-specific standards.










































The assessment was conducted by a cross-functional internal team and informed by engagement with FCCL departments responsible for operations, compliance, strategy, and community relations. The finalised material topics were reviewed and formally approved by the ESG Committee of the Board, ensuring alignment with FCCL's governance structure and strategic objectives. FCCL is committed to reviewing and updating its material topics annually to ensure their continued relevance in light of emerging risks, evolving stakeholder expectations, and changes in the business environment.

As a result of this process, FCCL identified material topics based on the likelihood and severity of their impacts and their alignment with the company's long-term strategic direction.

Material Sustainability-related Financial Matters

Material sustainability-related financial matters, including key risks and opportunities, were identified and assessed as part of FCCL's broader materiality evaluation to address the information needs of the primary users of its financial statements. These matters capture the actual and potential financial effects of significant environmental, social, and governance (ESG) issues on the company's performance, financial position, and long-term value creation. In this reporting cycle, particular emphasis was placed on assessing climate-related risks and opportunities. FCCL has presented selected sustainability-related disclosures without formal adoption of IFRS S1 and S2. Comprehensive disclosures on these matters are presented separately. For further details, please refer to page 180.



Material topics	Topics Covered	Relevant SDGs
 Emissions	-	 
 Air quality	-	 
 Energy	-	 
 Biodiversity	-	   
 Water	-	   
 Circularity	<ul style="list-style-type: none"> Materials Waste 	    
 Human capital management	<ul style="list-style-type: none"> Employment, Training and Education Non-discrimination 	     
 Human Rights	<ul style="list-style-type: none"> Freedom of Association and Collective Bargaining Child Labor Forced or Compulsory Labor 	 
 Diversity, Equity, and Inclusion	-	  
 Health & Safety	-	 
 Local communities	-	     
 Ethical practices	<ul style="list-style-type: none"> Anti-corruption 	 
 Digitalization and Cybersecurity	-	
 Supply Chain Management	-	   
 Product Innovation	-	 





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OUR APPROACH

We are committed to delivering high-quality products while minimising the environmental impacts of our operations and enhancing operational efficiency. As part of its sustainability strategy, FCCL has adopted a structured environmental management approach to address material ecological topics such as climate change, resource use, emissions, water, waste, and biodiversity.

FCCL's environmental management approach is guided by its ESG Policy, applicable laws and regulations, which outline clear actions and targets to reduce the ecological footprint of its operations. The company places strong emphasis on carbon emissions reduction, resource efficiency, and the adoption of circular economy principles.

Key measures include the integration of alternative fuels and investments in clean energy solutions. To control emissions, FCCL has installed advanced technologies across its production sites. Additionally, afforestation programs are implemented to offset residual carbon emissions and enhance local ecosystems.

Water stewardship is another priority area. FCCL is committed to reducing freshwater withdrawals, particularly from groundwater sources, by utilising surface and recycled water, alongside rainwater harvesting and closed-loop recycling systems. The company has set targets for zero liquid discharge, minimal water withdrawal, and long-term water positivity, supported by continuous performance monitoring and infrastructure upgrades.

In line with its circular economy commitment, FCCL actively promotes the reuse of materials and the reduction of waste. This includes the incorporation of industrial by-products, supplementary cementitious materials (SCMs), and low-carbon inputs into the production process. Environmental efforts extend to biodiversity conservation through land rehabilitation, tree plantation, and initiatives like beekeeping to support pollinator populations and local biodiversity.

FCCL ensures that the management of environmental impacts is embedded across its organisational functions. Responsibilities are clearly defined within operational departments, with oversight by senior management. The effectiveness of environmental controls is validated through third-party verifications, periodic audits, and performance tracking against ecological KPIs. Audit findings and performance reviews inform policy and procedural improvements, driving continuous enhancement of environmental performance and maintaining FCCL's competitive edge. No non-compliance with environmental laws was reported during the year.

CLIMATE CHANGE

Material topics covered

GHG and air emissions, energy

Most relevant SDGs:



FCCL supports Pakistan's national climate commitments under the Paris Agreement by complying with applicable local environmental regulations and maintaining essential emission control systems across its operations. While large-scale carbon reduction initiatives are still evolving, FCCL has taken foundational steps to improve energy efficiency and reduce its environmental footprint.

The company is working to optimise energy use and reduce greenhouse gas (GHG) emissions, with a focus on clinker substitution, adoption of renewable energy, and use of alternative fuels. FCCL has installed solar power plants and Waste Heat Recovery (WHR) power plant to generate clean energy, contributing to reduced reliance on National Grid. Additionally, Supplementary cementitious materials are introduced to further reduce emissions intensity.

Air quality is managed through electrostatic precipitators and bag house filters, which control dust and particulate matter at production sites. The company also undertakes afforestation initiatives to support carbon sequestration and enhance local environmental conditions.

The technical team evaluates, operates, and monitors energy and emissions-related systems, while the compliance team conducts reviews and ensures compliance.

FCCL maintains robust internal oversight through daily monitoring of production and energy usage, Monthly Operations Committee (OCM) meetings, and periodic reviews of Corrective Action Progress (CAP). Key performance indicators (KPIs) are tracked regularly to evaluate the effectiveness of emissions reduction and energy optimisation measures. Insights from these reviews inform continuous improvement.

External stakeholders are informed through corporate briefings and sustainability communications, reinforcing FCCL's commitment to transparent and responsible environmental stewardship.

Energy Consumption

FCCL relies on a diversified mix of energy sources in its cement manufacturing operations. The primary source of thermal energy is coal, which is used in kiln operations for clinker production and is sourced both locally and through imports to ensure a consistent supply and quality. Electricity requirements are met through a combination of grid power and self-generated renewable energy, including solar and waste heat recovery (WHR) Power Plants. FCCL has made strategic investments in WHR technology to harness excess heat from kiln and clinker cooler operations, converting it into usable power and enhancing overall clean energy share. FCCL has improved its power mix by ensuring a demand decrease in purchased electricity and investing in renewable energy projects to increase the self-generation power share from renewable sources. These efforts resulted in 49% renewable energy share in power-mix in FY 2025 as compared to 43% renewable energy share in year FY 2024.

Power Consumption in Percentage	FY 2024 %	FY 2025 %
Renewable Energy Share	43	49
Solar Plants	13	18
Waste Heat Recovery Power Plants	30	31
Non-renewable Energy Share	57	51
Purchase Electricity	52	41
Thermal Power Plant (Self-generation)	05	10

Energy consumption in GJ	FY 2024	FY 2025
Energy consumption from non-renewable sources	14,987,848	14,222,973
Energy consumption from Renewable Energy	1,074,024	1,389,759
Total Energy Consumption within the Organization	16,061,872	15,612,73
Energy Intensity (GJ/ton cement)	3	2.90

WHR (GJ)	518,861	519,728
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GHG Emissions Data

The primary sources of greenhouse gas (GHG) emissions stem from both direct and indirect activities related to cement production. The largest share of emissions arises from process-related emissions during the calcination of limestone in the kiln, which releases significant amounts of carbon dioxide (CO₂). Fuel combustion emissions represent another primary source, from the burning of coal to generate the high temperatures required for clinker production. There were no emissions of ozone-depleting substances.

Indirect (Scope 2) emissions are generated through the consumption of purchased electricity from the national grid, although this is partly offset by FCCL's own solar and waste heat recovery (WHR) Power Plants. Additionally, Scope 3 emissions are not reported ..

Emission in MT	FY 2024	FY 2025	% Reduction
GHG Emissions CO ₂ equivalent, MT (Scope 1)	3,944,421	3,658,811	7
GHG Emissions CO ₂ equivalent, MT (Scope 2)	148,457	111,436	25
Total Scope 1 and 2 emissions	4,092,878	3,770,247	8
GHG Emissions Intensity (tCO ₂ e/ton cement) (Scope 1 and Scope 2)	0.77	0.70	9
Scope 1 Intensity (tCO ₂ e/ton cement)	0.74	0.68	8
Scope 2 Intensity (tCO ₂ e/ton cement)	0.03	0.02	33

During the year, GHG emissions (Scope 1 and Scope 2) were reduced by 322,631 MT. FCCL reports its greenhouse gas emissions using internationally recognised methodologies to ensure accuracy, consistency, and comparability. The base year for GHG emissions reporting is 2024. FCCL calculates energy use and GHG emissions using the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, supplemented by emission and energy conversion factors from the U.S. EPA Climate Leadership Protocols (2024) and the UNFCCC publication "IFIs – Harmonisation of Standards for GHG Accounting." Global Warming Potential (GWP) values are referenced from both the IPCC Fifth (AR5) and Sixth (AR6) Assessment Reports. Scope 2 emissions are reported using the location-based method, capturing emissions from purchased electricity based on the average emissions intensity of the national grid. FCCL GHG emissions data for reporting year (FY 2024-25) is verified by M/s TUV Austria in accordance with ISO 14064-1:2018 standard requirements and verification statement are issued.

Other emissions in metric tons

Description	FY 2024	FY 2025
NO _x (excluding N ₂ O)	5,469	5,608
SO _x	159	03
Particulate matter (PM ₁₀)	1,324	1,094

FCCL determines non-GHG air emissions such as NO_x, SO_x, and particulate matter through third-party testing conducted by an EPA-certified laboratory. Emissions are measured using a calibrated flue gas analyzer, following internationally recognized protocols. The calculation and monitoring approach is based on key U.S. EPA methods, including OTM 39 for the quantification of volatile organic compounds (VOCs) through extractive sampling, Method 08 for measuring sulfuric acid mist and sulfur dioxide, and Method 17 (Isokinetic Sampling) for accurately collecting and quantifying particulate matter from stack emissions under actual flow conditions.

BIODIVERSITY

Most relevant SDGs:



FCCL is committed to preserving natural ecosystems and biodiversity by applying site-specific, preventive, and restorative measures to minimise ecological impacts across its cement plants and operational areas. While none of FCCL's facilities are located in or adjacent to protected areas or regions of high biodiversity value, the company proactively implements actions to protect and enhance local ecosystems.

The principles of avoidance, minimisation, remediation, and compensation guide FCCL's approach. Potential biodiversity impacts are identified during operational planning, particularly around quarrying and land use, allowing the company to define appropriate conservation strategies. These include land restoration, afforestation, and rainwater harvesting to support native flora and fauna.

FCCL organises seasonal and event-based plantation drives in partnership with schools, local communities, and regulators. The company has planted over 12,000 trees during FY 2025 across its DG Khan, Nizampur, Wah, and Jhang Bahtar plants, using indigenous and fruit-bearing species to restore degraded land and promote biodiversity.

Beekeeping has also been introduced to enhance pollination and support healthy ecosystems. Refer to the page 168-169 for plantation drives.

Site-level infrastructure includes rainwater harvesting ponds and wetland systems to conserve water and support biodiversity.. FCCL distributes fruit trees to neighbouring communities to promote green awareness and engage local stakeholders in conservation practices.

The technical team oversees the planning, implementation, and monitoring of biodiversity initiatives. An annual budget is allocated to support afforestation, ecosystem restoration, and environmental education efforts. The Internal Audit Department reviews implementation to ensure proper execution, compliance with internal policies, and evidence-based reporting. FCCL engages regularly with local communities, schools, regulatory authorities, and other stakeholders to raise environmental awareness and encourage collective action for biodiversity conservation. Feedback from these stakeholders informs continuous improvement of its nature-positive strategy.



WATER

Most relevant SDGs:



FCCL recognizes water as a critical resource for its operations and surrounding ecosystems. The company manages water responsibly through efficient withdrawal and use, aligned with regulatory requirements and sustainability goals.

Water is primarily withdrawn from nearby rivers, canals, and channels. No water is sourced from third parties and all cement plants operate with the surface water withdrawal. The Jhang Bahtar plant withdraws used water from the local stream/nullah located 07 Kilometers away from plant to ensure zero groundwater withdrawal for industrial purposes. The closed-loop systems are in place, such as reusing blowdown from the Waste Heat Recovery (WHR) plants to reduce freshwater withdrawal. FCCL has implemented water recycling and rainwater harvesting systems to improve efficiency and reduce reliance on freshwater sources. In water-stressed areas like DG Khan, operational strategies focus on lowering surface water withdrawal and enhancing reuse.

Water use is continuously monitored to identify opportunities for efficiency. Due to low groundwater dependence and limited environmental impact, FCCL has not conducted formal water risk or impact assessments. FCCL does not discharge wastewater and our all plants operate with zero liquid discharge (ZLD) operational model.

Water-related matters are managed by site-level technical teams and overseen by the relevant plant management. Performance is reviewed regularly to ensure alignment with sustainability objectives. FCCL engages with local communities through rainwater harvesting, plantation drives, and awareness activities.

Water withdrawal by source in ML/year	FY 2024		FY 2025	
	All areas	Areas with Water stress	All areas	Areas with Water stress
Surface water withdrawal	1,481	210	1,338	209
Fresh Water	987	210	789	209
Other Water	494	-	549	-
Total water withdrawal	1,481	210	1,338	209
Total water Discharge	-	-	-	-
Total water Consumption	1,481	210	1,338	209

*All the water withdrawal is from the nearby surface water sources. The water sources include freshwater ($\leq 1,000$ mg/L Total Dissolved Solids) and other water ($>1,000$ mg/L Total Dissolved Solids). No FCCL plant withdraws groundwater for industrial purposes.

Water reclaimed in ML/year	FY 2024	FY 2025
Total water reclaimed	504	444

*All the withdrawn surface water is reclaimed and reused for industrial purposes except evaporation losses.

CIRCULARITY

Topics covered: Materials and Waste

Most relevant SDGs:



FCCL is committed to preserving natural ecosystems by preventing pollution and managing waste responsibly across its operations. The company applies circular economy principles to minimize environmental impact, particularly in the areas of waste, water, and materials.

FCCL integrates waste-derived resources into its production processes. The consumption of alternative fuel increased significantly while 88,727 tons of alternative fuel was consumed during FY 2025. Use of biomass as alternative fuel resulted in 111,619 tCO₂e reduction. Moreover, alternative fuel substituted 9.4% of thermal/coal energy during clinker production.

To reduce clinker content and transition to low carbon products, the FCCL utilizes all possible efforts to consume supplementary cementitious materials, which include but not limited to the crushed limestone, fly ash, slag, pozzolana etc., depending upon the quality and availability (quantity). These efforts support resource conservation, reduce the clinker factor, and contribute to lowering overall carbon emissions. The average raw meal to clinker conversion factor is 1.59 for all FCCL Plants.

Raw and Recycled Input Materials Used

Material Type	Unit	Quantity
Fly Ash	Tons	954
Slag		9,055

FCCL's cement manufacturing process is largely closed and generates zero waste. The waste streams primarily arise from internal operational activities and include mainly metallic scrap and combustible materials. The FCCL has developed a mechanism to collect and segregate waste types based on their characteristics for safe handling and reusing waste (used oil) in plants or co-processing it in cement kilns.

We send zero waste to landfills and regularly conduct awareness trainings for our employees to reduce waste generation. All waste generated is managed through disposal

processes following applicable regulatory requirements. During FY 2025, FCCL operations generated 2,980 tons of non-hazardous waste (metallic scrap) and sold this waste to authorized vendors, who recycled it for further use.

Our recycling commitment further ensures the use of waste-derived resources, including fly ash, slag, etc. and utilizes a substantial amount of waste from other industries, reducing our reliance on mined resources and preventing disposal.

Waste by composition, in metric tons (t)

Description	FY 2024			FY 2025		
	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous	-	-	-	-	-	-
Non-hazardous	2,781	2,781	-	2,980	2,980	-
Total waste	2,781	2,781	-	2,980	2,980	-

Percentage of Waste Recycled – (offsite through vendors)

Description	FY 2024	FY 2025
	Waste recycled	Waste recycled
Hazardous	-	-
Non-hazardous	100%	100%
Total	100%	100%

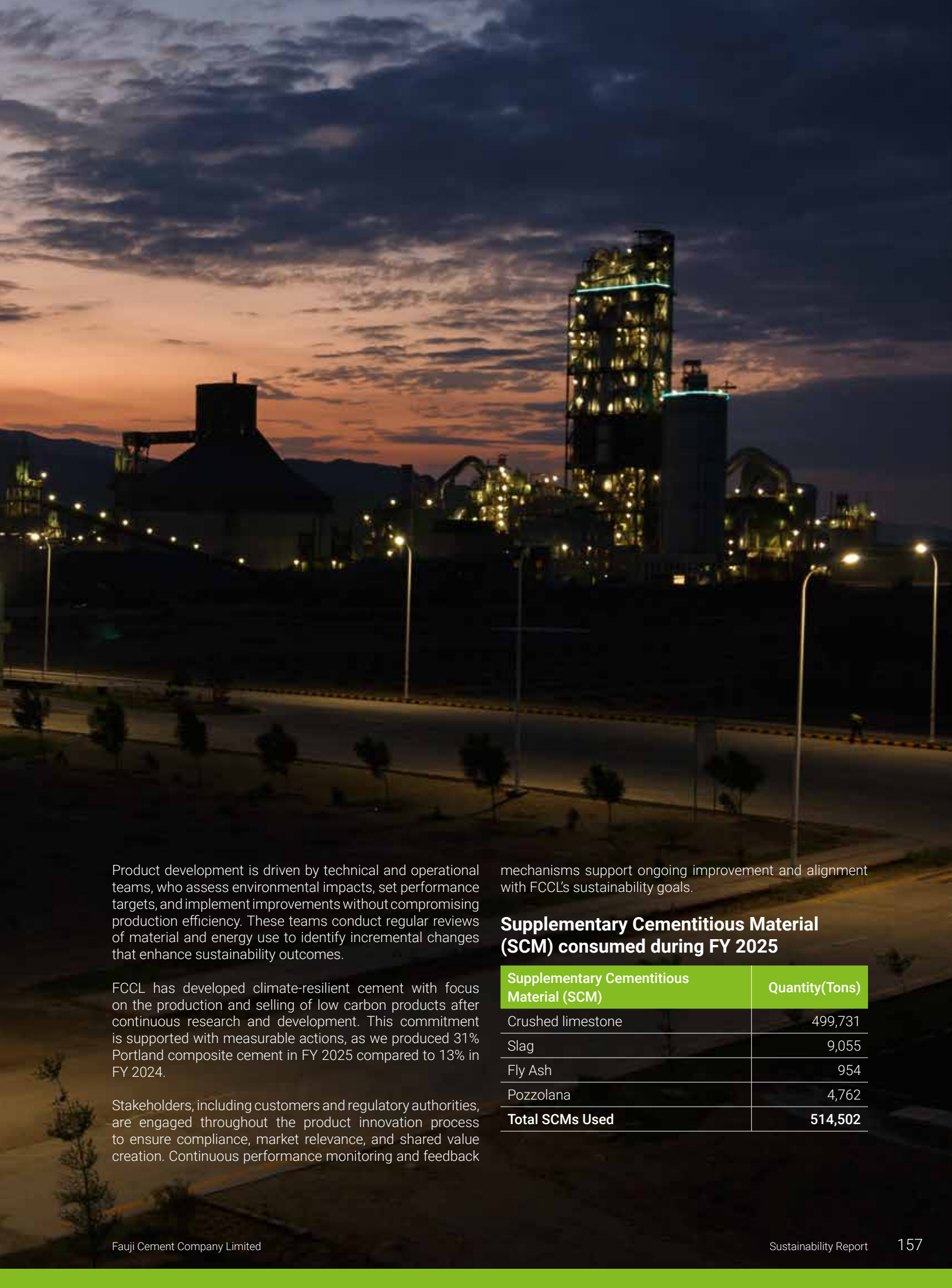
The HSE department compiles the waste data from all plants. All waste generated is managed through disposal processes following applicable regulatory requirements.



PRODUCT INNOVATION

FCCL is committed to developing low-carbon cement products by reducing the use of virgin raw materials and minimising waste. Innovation is guided by principles of resource efficiency and circularity, with a focus on delivering products that align with sustainability objectives while maintaining quality and performance standards.

FCCL continues to replace clinker with supplementary cementitious materials (SCMs) and integrate biomass to lower process emissions and reduce dependence on conventional fuels and raw materials. In 2025, FCCL consumed 514,502 tons into its production processes which is a significant volume of SCMs such as fly ash, slag, and pozzolana. These efforts contribute to lowering the clinker factor, reducing greenhouse gas emissions, and advancing circular economy principles in cement manufacturing. Innovation efforts prioritise practical, step-by-step improvements that are feasible within existing operational frameworks.



Product development is driven by technical and operational teams, who assess environmental impacts, set performance targets, and implement improvements without compromising production efficiency. These teams conduct regular reviews of material and energy use to identify incremental changes that enhance sustainability outcomes.

FCCL has developed climate-resilient cement with focus on the production and selling of low carbon products after continuous research and development. This commitment is supported with measurable actions, as we produced 31% Portland composite cement in FY 2025 compared to 13% in FY 2024.

Stakeholders, including customers and regulatory authorities, are engaged throughout the product innovation process to ensure compliance, market relevance, and shared value creation. Continuous performance monitoring and feedback

mechanisms support ongoing improvement and alignment with FCCL's sustainability goals.

Supplementary Cementitious Material (SCM) consumed during FY 2025

Supplementary Cementitious Material (SCM)	Quantity(Tons)
Crushed limestone	499,731
Slag	9,055
Fly Ash	954
Pozzolana	4,762
Total SCMs Used	514,502





SOCIAL

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HUMAN CAPITAL

Topics covered: Employment, Training and Education and Non-discrimination

Most relevant SDGs:



FCCL is committed to promoting fair employment practices and empowering employees to grow, perform, and realise their full potential through continuous support, development, and engagement.

Human capital is managed through well-defined policies that promote non-discrimination, equal opportunity, and workforce development. Recruitment and Training Policies are designed to prevent bias and ensure equitable access to employment, career progression, and skill enhancement.

FCCL's approach goes beyond regulatory compliance to foster an inclusive, safe, and enabling work environment. The company's Diversity, Equity, and Inclusion (DEI) Policy establishes clear expectations for fair and inclusive practices in hiring, promotions, and workplace culture. Equal opportunity is embedded through merit-based recruitment, transparent compensation structures, and uniform policy implementation across all sites and levels.

Responsibility for human capital management rests with the Human Resources (HR) Department, with oversight and compliance supported by the Legal and Internal Audit Departments. These functions ensure policy consistency and address any risks or deviations through structured internal reviews. Human capital governance is further reinforced through periodic performance evaluations, labour inspections, and corrective action mechanisms.

FCCL also engages workers who are not employees, including trainees and third-party workers, involving security personnel and helpers.

FCCL offers a range of employee benefits to full-time staff, including group life insurance, unlimited medical coverage for eligible employees, disability insurance, paid prolonged sick leave of up to three months, and a provident fund. Additionally, FCCL provides maternity and iddat leave.

Employee engagement remains central to FCCL's human capital strategy. The company maintains open communication through town halls, Rabta Day events, and

regular feedback channels. Training needs assessments and succession planning discussions ensure alignment between individual development goals and FCCL's long-term talent needs. Through this integrated and proactive approach, FCCL ensures that its human capital practices support business continuity and contribute to the well-being and advancement of its workforce.

FY 2025	2,335
FY 2024	2,326

Employees by employment type, broken by gender

Employment type	FY 2024		FY 2025	
	Male	Female	Male	Female
Full time	2,315	11	2,324	11
Part-time	-	-	-	-
Total	2,315	11	2,324	11

Employees by employment contract broken by gender

Employment contract	FY 2024		FY 2025	
	Male	Female	Male	Female
Permanent	2,315	11	2,324	11
Temporary	-	-	-	-
Total	2,315	11	2,324	11

Employees by employment contract broken by region

Description	FY 2024			FY 2025		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Islamabad	25	-	25	24	-	24
Punjab	1,694	-	1,694	1,716	-	1,716
Sindh	19	-	19	18	-	18
Khyber pakh-tunkhwa	540	-	540	534	-	534
Gilgit Baltistan	7	-	7	-	-	-
Balochistan	2	-	2	2	-	2
Azad Kashmir	39	-	39	41	-	41
Total	2,326	-	2,326	2,335	-	2,335

Gender Pay Gap

23%

15%



Hiring and Attrition

Hiring by age group			No.	Hiring by gender			No.	Hiring by region			No.
<30	32%	45		Male	100%	141		Punjab	84%	119	
30-50	51%	72		Female	0%	0		Sindh	1%	1	
>50	17%	24						KPK	13%	19	
								Balochistan	1%	1	
								AJK	1%	1	
Total		141		Total		141					141

Attrition by age group			No.	Attrition by gender			No.	Attrition by region			No.
<30	10%	14		Male	100%	132		Punjab	74%	98	
30-50	46%	61		Female	0%	0		KPK	18%	24	
>50	44%	57						Islamabad	1%	1	
								AJK	5%	6	
								Balochistan	1%	1	
Total		132		Total		132		Sindh	2%	2	
								Total			132

Hiring and attrition rates were 6% and 5.6%.

Training programs are central to FCCL's human capital strategy and were significantly expanded during the reporting year to strengthen workforce capabilities and support long-term organisational resilience. Over 85 targeted training initiatives were implemented, focusing on technical excellence, leadership development, communication, data analytics, and health, safety, and environment (HSE) management.

Key programs included SHRM-CP certification, Advanced Microsoft Excel, Data Analytics with Power BI, ISO 9001:2015 QMS Lead Auditor Course, Senior Leadership Development, Behaviour-Based Safety, and the Women in Business and Leadership Conference. These initiatives were designed to address operational and strategic capability gaps, promote employee well-being, and prepare the workforce for future industry demands. FCCL does not provide transition assistance programs. All employees received a performance appraisal during the year.

The effectiveness of training efforts is assessed through participation data and structured employee feedback. These insights inform continuous improvement in program design and delivery. FCCL sets internal training targets and uses key performance indicators (KPIs) to monitor progress in capability building, engagement, and learning outcomes. Lessons learned through these evaluations are integrated into HR processes to ensure more substantial alignment with business objectives and to enhance employee development and satisfaction.

Annual training hours per employee

	FY 2024	FY 2025
Training hours	9,300	10,400
Number of employees	2,326	2,335
Training hours per employee per year	4	4.45

Average annual training hours by gender

	Male		Female	
	FY 2024	FY 2025	FY 2024	FY 2025
Training per employee per year	3.92	4.36	20.36	23.63

Annual training hours by employee category

	Management		Staff	
	FY 2024	FY 2025	FY 2024	FY 2025
Training hours per employee per year	9.93	10.3	0.55	0.93

RESPECTING HUMAN RIGHTS

Most relevant SDGs:



FCCL is committed to respecting and promoting internationally recognised human rights and ethical labour practices across all areas of its operations. The Company aligns its policies and procedures with Pakistan's national legal framework and international human rights principles. Human rights considerations are embedded within FCCL's corporate governance, workforce policies, and operational procedures, particularly in the areas of non-discrimination, workplace well-being, and fair labour practices.

FCCL maintains a strict zero-tolerance policy toward child labour, forced or compulsory labour, and any form of discrimination based on gender, religion, ethnicity, disability, or social status. The minimum age for employment is 18 years, and this requirement is enforced through all direct hiring and third-party contracting arrangements. Contractor agreements contain explicit clauses reinforcing the prohibition of child and forced labour and are reviewed by the Legal department to ensure compliance with both national laws and the company's ethical standards.

The company fully supports employees' right to freedom of association and collective bargaining, as enshrined in Pakistan's Constitution. 67 workers are covered under CBA agreements.

FCCL maintains open and inclusive communication through regular engagement channels such as Rabta Days, departmental town halls, and performance feedback mechanisms.

FCCL has established confidential and accessible grievance mechanisms to support employee well-being and uphold human rights. The whistleblowing system allows for anonymous reporting of concerns related to ethical violations, workplace misconduct, or labour rights. Reports are handled impartially by the Internal Audit and Compliance departments to ensure transparency and appropriate corrective action, free from any retaliation.

The Company also expects its suppliers and contractors to uphold similar human rights standards. Vendor screening and contractual requirements address fair labour conditions, occupational health and safety, and ethical conduct. While a formal human rights due diligence framework is still under development, FCCL remains committed to strengthening its approach through periodic assessments, stakeholder engagement, and enhanced disclosure in future reporting cycles. During the reporting period, no incidents of non-compliance related to child labour, forced labour, or freedom of association were identified in FCCL's operations or among its suppliers.

Oversight of human rights and labour practices is carried out by the Legal Department, which is responsible for monitoring policy implementation, conducting compliance reviews, and ensuring alignment with applicable laws and standards. These teams also track legal updates and emerging risks through official notifications and credible public sources, integrating lessons learned into internal processes. Through this structured and proactive approach, FCCL affirms its responsibility to uphold human dignity, promote ethical working conditions, and safeguard the rights of all individuals connected to its operations.



DIVERSITY, EQUITY AND INCLUSION

Most relevant SDGs:



FCCL is committed to cultivating a diverse, equitable, and inclusive workplace that recognises and values the unique backgrounds, perspectives, and contributions of all employees. Our Diversity, Equity and Inclusion (DEI) Policy establishes clear expectations for inclusive practices and is embedded across recruitment, training, performance management, and workplace culture. This commitment goes beyond regulatory compliance. While aligned with national legal frameworks and relevant intergovernmental instruments, FCCL integrates DEI principles into internal processes, daily operations, and decision-making to create a workplace that fosters fairness and respect for all.

FCCL actively manages the potential impacts related to DEI by implementing structured actions to promote equitable opportunity across all levels of the organisation. Standardised recruitment procedures support fair and unbiased hiring practices, while transparent and merit-based remuneration and promotion processes ensure equal remuneration and access to career advancement. Workplace equity is further promoted through the development of competitive and internally balanced compensation structures. In addition, the company delivers training programs that promote inclusive leadership and raise awareness of unconscious bias, helping build a more informed and respectful workforce.

Responsibility for managing DEI-related impacts rests with the Human Resources Department, with oversight from the Compliance functions. Dedicated budgetary support ensures that DEI initiatives are adequately resourced and aligned with corporate priorities. FCCL tracks the effectiveness of its DEI initiatives through defined goals, indicators, and internal performance metrics. These include monitoring diversity in recruitment and promotions, analysing gender and pay equity trends, and evaluating employee feedback on inclusion and belonging. Lessons learned from performance reviews and stakeholder engagement are regularly integrated into HR policies and procedures, enabling continuous improvement.

Employees age group

Age Group-2024			Age Group-2025		
<30	30-50	>50	<30	30-50	>50
14%	66%	20%	9%	70%	21%

Employees by employment category by gender

	FY 2024		FY 2025	
	Management	Staff	Management	Staff
Male	37%	63%	37%	63%
Female	82%	18%	82%	18%

Individuals in governance bodies by gender and age group

	Gender		Age Group		
	Male	Female	<30	30-50	>50
Board of Directors	75%	25%	-	-	100%



HEALTH & SAFETY

Most relevant SDGs:



FCCL prioritizes the health and safety of its workforce and stakeholders by actively managing operational risks and fostering a robust safety culture across all levels of the organization. Health and safety are considered strategic priorities and integral to FCCL's long-term sustainability objectives.

FCCL complies with applicable occupational health and safety (OHS) laws and aligns its practices with globally recognized standards, including ISO 45001:2018, ILO Guidelines, and OSHA protocols. The company maintains an Occupational Health and Safety Management System (OHSMS) that applies to 100% of employees and contractors operating within FCCL premises. This system is independently certified and regularly audited to ensure compliance and continuous improvement.

Hazard Identification, Risk Assessment, and Incident Investigation

FCCL applies a structured process to identify and mitigate occupational hazards using the hierarchy of controls from elimination to use of personal protective equipment (PPE). Hazards are identified through field observations, job hazard analyses, walkdowns, and direct worker engagement. All identified risks are categorized by severity (low, medium, high), with monthly analyses presented to the Operations Committee chaired by the MD. This process ensures timely mitigation and system-wide improvements.

FCCL has established incident and near-miss reporting and investigation procedures to ensure transparency and continuous learning. Injuries are categorized according to internationally accepted classifications (fatal, lost-time, restricted work, medical treatment, or first aid). We conduct root cause analyses of reportable incidents and develop corrective action plans to prevent recurrences. The incident findings are shared across all plants through flash reports for implementing lessons learned.

Worker Participation and Engagement

FCCL fosters active worker participation in OHS through structured engagement platforms such as town hall meetings, walkdowns, safety committees, and VFL (Visible Felt Leadership) interactions. The HAZID module in FCCL's Employee Management System (EMS) empowers all employees to report hazards. At the same time, the Stop Work Procedure ensures that workers have right to refuse or withdraw them from unsafe conditions without fear of reprisal. An HSE Awards Program reinforces compliance and recognizes exemplary safety observers and behaviors.

Training, Competence, and Communication

Training is fundamental to FCCL's safety culture. In 2024–2025, FCCL implemented extensive training programs on hazard identification, emergency response, PPE use, and incident management. These sessions are delivered by in-house qualified trainers, using both annual and monthly plans that cover employees and contractors. Training effectiveness is measured through participation metrics, feedback, and performance improvements, and is regularly updated to reflect new risks and regulatory changes.

Occupational Health Services

FCCL provides comprehensive occupational health surveillance, including pre-employment screening and periodic health assessments that address exposure to occupational hazards. Health monitoring includes chronic illness screening, Body Mass Index (BMI) checks, audiometry, and spirometry. Each plant is staffed with qualified medical professionals, including 24/7 onsite doctors and nurses, and fully equipped ambulances are available to handle emergencies.

Responsibilities and Oversight

The line managers at each location are responsible for implementing and monitoring FCCL's health and safety programs. Site-level teams ensure compliance through regular internal audits, inspections, and performance tracking vide the EMS. Goals and HSE-specific KPIs are assigned to all employees based on job profiles, reinforcing individual accountability and alignment with organizational targets.

FCCL regularly engages with internal and external stakeholders—including employees, contractors, communities, and regulators—to shape its health and safety policies and procedures. Feedback from these stakeholders has informed enhancements to protocols, capital investments in safety systems and infrastructure. The system undergoes regular internal and external audits to verify the effectiveness of Integrated Management System implementation.

Performance Monitoring and Reporting

FCCL continuously tracks and discloses its occupational health and safety performance using standardized metrics, including injury frequency rates, severity rates, number of incidents, lost-time injuries, and near misses. Trends are reviewed regularly to assess system effectiveness and develop improvement strategies.

Work-related injuries

Indicator	FY 2024	FY 2025
Number of fatalities as a result of work-related injury	Nil	Nil
Number of high-consequence work-related injuries (excluding fatalities)	01 (Lost-time Injury)	00 (Lost-time Injury)
Lost-Time Injury Frequency Rate (LTIFR)	0.02 (Target: 0.040)	00 (Target: 00)
Number of total recordable work-related injuries	05	05
Total Recordable Injury Frequency Rate (TRIFR)	0.078 (Target: 0.08)	0.052 (Target: 0.060)
Main types of work-related injuries	Fatality, Lost-time Injury, Restricted Work Injury, Medical Treatment Injury, First Aid Injury	Fatality, Lost-time Injury, Restricted Work Injury, Medical Treatment Injury, First Aid Injury
Number of hours worked	12,820,513	19,230,769

No worker categories are excluded from this disclosure. Fatalities are included in the recordable injury rate and injury rates are calculated based on 200,000 hours worked.

High-Consequence Risks, Work-related Ill Health and Hazard Management

Work-related hazards posing a risk of high-consequence injury are categorized in the EMS database as SIF (Serious Injury or Fatality) and Non-SIF. These classifications are based on incident history and potential severity. The responsibility for hazard rectification is assigned to area in-charges, who document feedback and resolution through the database. The hierarchy of controls is applied to manage these risks.

There were no reported cases of ill health among FCCL employees during the year. For non-employees under FCCL's control, there have been no fatalities or recordable work-related ill health cases during the reporting period. The hazards presenting health risks are monitored through the (Hazard Identification (HAZID) module in EMS.

COMMUNITY INVESTMENTS

Most relevant SDGs:



FCCL's community investment approach reflects its broader commitment to responsible business practices and inclusive, sustainable growth. The company proactively supports the socio-economic development of communities surrounding its operational sites through voluntary and well-structured initiatives. Guided by its Corporate Social Responsibility (CSR) Policy and Standard Operating Procedure (SOP), FCCL has institutionalised a structured framework for planning, implementing, and monitoring community investment activities. These efforts are aligned with the voluntary CSR Guidelines of the Securities and Exchange Commission of Pakistan (SECP) and go beyond compliance with any mandatory regulatory requirement.

The ESG department, in collaboration with plant-level teams and senior leadership, oversees the end-to-end execution of community development projects. This includes identification of local needs, proposal of initiatives, budget allocation, and monitoring and reporting. Progress is evaluated through internal audits and feedback loops to ensure alignment with FCCL's CSR objectives and stakeholder expectations.

FCCL regularly consults local committees to understand the needs and concerns of the surrounding populations. Although formal social or gender impact assessments and third-party stakeholder mappings have not yet been conducted, community needs are addressed through participatory planning processes. These consultations directly inform the design and delivery of initiatives and help ensure that interventions are locally relevant and impactful. FCCL also prioritises hiring local labour, particularly for unskilled roles, and sourcing goods and services from the surrounding areas to enhance regional economic benefits.

FCCL undertakes a broad range of community development initiatives across its operational sites. These voluntary efforts focus on healthcare, education, water access, infrastructure development, livelihood support, and environmental sustainability.

The effectiveness of these community initiatives is monitored through indicators such as participation rates, community feedback, and the achievement of project outcomes. Although no significant actual or potential negative impacts on local communities have been identified to date, FCCL remains vigilant in integrating social and environmental risk assessments into its operational planning to prevent unintended consequences.

Grievance mechanisms have been established at all operational sites to allow community members to raise concerns and receive timely responses. These mechanisms are part of FCCL's broader CSR governance system and are designed to promote transparency, accountability, and long-term trust with stakeholders.

CSR Spending (PKR in million)		
Plant	FY 2024	FY 2025
DG Khan	50	39
Wah	15	16
Jhang Bahtar	28	30
Nizampur	9	8
Total	102	93

Community Education Support

D.G. Khan Plant

FCCL's plant in D.G. Khan is actively contributing to improved access to quality education for children in surrounding communities. To address the challenge of limited access to nearby schools, FCCL established a solar-powered two-room facility serving students from Government Primary School Jaffarabad, currently accommodating 110 enrolled children. The company also supports the continuity of education by funding salaries for ad-hoc teaching staff.

In parallel, FCCL is upgrading educational infrastructure at Government Girls Primary School Basti Ghulam Hussain, Haftgat, and Jaffarabad. Planned improvements include new classroom construction, solar energy installations, hand pump installation for clean water access, and playground development to foster a safe and engaging learning environment.

As part of FCCL's ongoing commitment to sustainability and community development, the company launched a Food and Stationery Support Program to address the critical link between poverty, access to education, and student well-being. Recognizing that financial hardship often prevents families from sending their children to school, the program was initiated at Government Primary School Basti Ghulam Hussain and later expanded to Government Primary School Haft Garh and Primary School Jafarabad, with support contingent on maintaining at least 80% student attendance. Through this initiative, FCCL provides food and essential learning materials to approximately 250 students, resulting in improved attendance, enhanced study habits, greater participation in extracurricular activities, and better personal hygiene among students in rural areas. Reinforcing this effort, on 29th January 2025, FCCL extended support to 60 students from the same schools, equipping them with the necessary tools to pursue their educational goals. By embedding social responsibility into its core operations, FCCL continues to drive meaningful impact and contribute to a more sustainable future for the communities it serves.



Nizampur Plant

At its Nizampur Plant, FCCL actively promotes academic excellence by supporting high-performing students from surrounding communities. Under the jurisdiction of Union Council Kahi, the company operates a merit-based scholarship program that covers 26 schools and two colleges in nearby villages. Scholarships are awarded to the top three students from Class 5 up to the BA and BSc levels.

To celebrate these achievements, FCCL organised a Scholarship Award Ceremony on October 31, 2024, at Government Degree College Khan Kahi. The event brought together 124 students, their families, and local dignitaries, reinforcing FCCL's commitment to youth development and strengthening ties with the community through sustained investment in education.

Wah Plant

FCCL sponsors two subsidised high schools, separately for boys and girls, at its Wah Colony, offering quality education to 1,560 students from the local community and employees' families. The schools are equipped with modern learning facilities, including a computer lab, library, and science laboratories, fostering a well-rounded educational environment. Beyond academics, the schools emphasise character building and civic responsibility through events such as national day celebrations, social service activities, and tree plantation drives. Strong parental involvement and participation of local dignitaries further reinforce community ties and recognition of student accomplishments.

Education and Skill Development

Jhang Bahtar Plant

FCCL promotes vocational training and youth empowerment through the Fauji Technical Training Institute (FTTI), established at its Jhang Bahtar Plant in 2014. In partnership with TEVTA Punjab, FTTI delivers structured technical programs designed to equip students with practical skills for the workforce. The institute runs a three-year Apprenticeship Training Program for Matric and F.Sc. graduates, currently training 21 individuals in various skilled trades. A parallel two-year program caters to Diploma of Associate Engineering (DAE) holders, with 26 trainees presently enrolled. Additionally, a six-month foundational course is offered for Matric-level students in trades such as AC mechanics, solar technology, and domestic electrics, benefiting 23 participants.

FCCL sponsor a subsidized co-educational high school located near its JB plant, providing quality education to 922 students, including both male and female learners from the local community as well as the families of its employee.



Women Empowerment

On June 3, 2025, FCCL inaugurated the Women's Stitching and Tailoring Program at Government Girls High School (GGHS), alongside the installation of a 10-kW solar power system. The initiative empowers 30 female students per three-month session by providing vocational training in stitching and tailoring, enabling self-reliance and income generation. The solar system ensures uninterrupted operations of the training center and reflects FCCL's commitment to sustainable, climate-resilient development.



Academia-Industry Collaboration – Rawalpindi

On May 15, 2025, Fauji Cement Company Limited (FCCL) signed a Head of Terms agreement with Foundation University Islamabad (FUI), establishing a strategic partnership to enhance academic-industry linkages. The agreement was formalized at FCCL's Head Office in the presence of senior leadership from both institutions. This collaboration aims to promote innovation, applied research, and capacity building through joint initiatives that benefit both the academic and industrial sectors, while contributing to broader national development goals.

Health Services for Local Communities

DG Khan Plant

FCCL has established a dedicated medical inspection room at its D.G. Khan Plant to provide accessible primary healthcare services.

COMMUNITY INVESTMENTS

The facility is staffed by a qualified doctor and supported by three dispensers, delivering free consultations and essential medications to FCCL employees, contractor personnel, and residents from nearby communities. A 24/7 ambulance service is also maintained to ensure prompt medical response during emergencies. By covering the operational costs and staff salaries, FCCL underscores its commitment to safeguarding the health and well-being of both its workforce and the surrounding population.

Mines Welfare Dispensary DG Khan

FCCL operates the Mines Labor Welfare Dispensary at Basti Salar to meet the healthcare needs of the surrounding communities. Staffed with qualified male and female doctors and support personnel, the facility offers daily outpatient services during working hours and 24/7 emergency care. A designated heat stroke room enhances its emergency response capabilities. The dispensary serves multiple villages, including Basti Hussain Abad, Basti Ghulam Hussain, Basti Salar, Basti Neem, Haftgat, Khalifa, Kalari, Mauza Shamali Thal, Yarani, Mumdari, and Jamvani. FCCL ensures uninterrupted service through a regular monthly allocation for free medicines, reinforcing its commitment to accessible, community-focused healthcare.



Mother and Child Care Clinic

On 18 and 19 February 2025, FCCL organized a two-day Mother and Child Care Clinic at the Mines Welfare Dispensary in DG Khan to deliver targeted healthcare services to women and children from nearby villages. A specialized medical team, including a gynecologist, pediatrician, and nutritionist, provided free consultations, pediatric care, nutritional advice, and essential medicines. The clinic served a total of 522 patients, comprising 271 women and 251 children, reinforcing FCCL's commitment to maternal and child health in underserved areas.

Free Eye Camp

On 5 and 6 January 2025, FCCL, in collaboration with Al-Shifa Eye Trust Hospital, conducted a free two-day eye camp at its DG Khan Plant to enhance access to essential eye care services. The camp served approximately 1,000 individuals from Koh-e-Suleiman, Mauza Chak Ladan, Shadan Lund, and surrounding villages, offering comprehensive eye examinations and treatments. The initiative was well-received by the local community and reinforced FCCL's commitment to supporting preventive healthcare in underserved areas.

Nizampur Plant

FCCL operates a fully funded medical inspection room at its Nizampur Plant, offering free healthcare services and medications to employees, contractors, and nearby residents. In addition to regular services, FCCL supports the broader community by donating essential medicines quarterly to the Basic Health Unit (BHU) Kahi. Further extending its outreach, a two-day free eye camp was held on 20 and 21 May 2025 in collaboration with Al-Shifa Eye Trust at the plant's Female Medical Centre. The camp provided eye examinations and consultations to 978 individuals from surrounding villages, reflecting FCCL's commitment to accessible healthcare for all.



Wah Plant

On 17 June 2025, FCCL organized a Free Medical and Eye Camp in Wah in collaboration with the Eye Donor Organisation (EDO), Wah Cantt. The initiative provided comprehensive healthcare services, including eye check-ups by specialist doctors and general medical consultations facilitated by FCCL Wah's Medical Officer and support staff. A total of 354 individuals received treatment, comprising 158 eye patients and 196 general medical patients.

In a separate health initiative, FCCL Wah hosted a Blood Donation Camp on 24 October 2024 in partnership with the Pakistan Thalassemia Welfare Society (PATHWEL). Employees and residents of the colony voluntarily contributed to the cause, donating blood to support children receiving treatment for thalassemia, underscoring FCCL's continued commitment to community welfare and public health.

Environmental Sustainability and Plantation Drives

DG Khan Plant

At the DG Khan Plant, the company undertook significant plantation activities during the fiscal year. As part of the summer drive, 1,500 indigenous trees were planted along the inner perimeter of the plant, with an additional 2,000 indigenous trees planned for plantation during the monsoon season within the plant area.

Nizampur Plant

At the Nizampur Plant, a Spring Plantation Ceremony was launched on 25 February 2025, aiming to plant approximately 5,000 olive, citrus, and shady saplings across the plant and quarry areas. Additionally, 1,500 fruit saplings were distributed to the local community to encourage environmental awareness. A monsoon plantation ceremony was held on 21 August 2024 at the Government Higher Secondary School, Nizampur, and the plant premises, where students, school staff, and employees actively participated in the drive. Fruit and shade plants were also distributed among locals to promote green growth in the region.



Wah Plant

At the Wah Plant, a Grand Plantation Campaign was organized on 25 March 2025, resulting in the plantation of 490 trees within the plant and distribution of 1,120 saplings to the local community. The saplings, grown in the company's nursery, included fruit and shade varieties. The plant also supported the Environmental Protection Agency (EPA) Taxila through a donation of nursery-grown plants.

Jhang Bahtar Plant

At the Jhang Bahtar Plant, large-scale plantation activities were carried out. On 21 March 2025, World Forest Day was marked with the plantation of 2,000 trees, including 1,100 at the plant site and 900 in nearby villages.

Support for the Local Community

DG Khan Plant - Ensuring Access to Clean Drinking Water

To help alleviate the acute shortage of clean drinking water in Tehsil DG Khan and Tehsil Koh-e-Suleiman, FCCL has installed and is operating three strategically located Reverse Osmosis (RO) plants near its DG Khan Plant. These facilities serve the communities of Basti Ghulam Hussain, Basti Yarani, and Shadan Lund by providing safe, filtered drinking water. Additionally, FCCL ensures a daily water



supply to Jaffarabad and Shamali Thal, supporting communities that face persistent water scarcity and quality issues. These initiatives reflect FCCL's proactive approach to improving local access to essential resources.

Energy-Efficient Cookstove Initiative

As part of its broader sustainability and community health efforts, FCCL organised an energy-efficient cookstove distribution ceremony on 12 December 2024 in collaboration with the National Rural Support Programme (NRSP) and SKP. The initiative aimed to reduce fuelwood consumption, lower indoor air pollution, and enhance energy efficiency in local households. A total of 250 stoves were distributed to families, contributing to improved environmental and health outcomes in the region.



Livelihood Support through Livestock Distribution

Fauji Cement Company Limited's DG Khan Plant continues to advance livelihood enhancement in the Koh-e-Suleiman region through its livestock distribution program. In the latest phase, livestock was provided to widows and deserving individuals from nearby communities, aiming to support sustainable income generation and improve household food security. This initiative reflects FCCL's sustained commitment to the socio-economic empowerment of vulnerable groups in its operational areas.





GOVERNANCE

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OUR GOVERNANCE

Most relevant SDGs:



The Board of Directors serves as the highest governance body, responsible for the company's strategic direction, performance oversight, risk management, and accountability to stakeholders. Directors are appointed for a three-year term in accordance with applicable corporate laws, with independent directors nominated from the Pakistan Institute of Corporate Governance (PICG) Databank to ensure a transparent and merit-based selection process aligned with recognised governance standards.

The Chair of the Board holds no executive position within the organisation, thereby maintaining independent oversight and a clear separation from management functions. The Chief Executive Officer (CEO), who also serves as the Managing Director (MD), is appointed through a reputable recruitment agency and is responsible for executing the company's strategy, managing operations, and ensuring organisational effectiveness.

The Board comprises eight members, including one executive director (CEO/MD), four non-executive directors, and three independent directors. In line with best practices and FCCL's commitment to diversity, the Board includes two female independent directors. To ensure effective governance and specialised oversight, the Board has constituted several committees. An independent female director chairs the Audit Committee and consists of independent and non-executive

members. An independent female director also chairs the Human Resource and Remuneration Committee and comprises both independent and non-executive members. The Investment Committee, which includes executive, non-executive, and independent directors, is chaired by a non-executive director. A female independent director leads the Environmental, Social, and Governance (ESG) Committee and includes non-executive and independent members. Each committee is supported by a designated secretary to ensure regulatory compliance and accurate documentation. Refer to page 29 to 35 and 114 to 117 for directors profile and committees of the board of directors.

Conflict of Interest

The company has established a comprehensive Code of Conduct and whistle blowing Policy covering anti-corruption that applies to all Board members and senior management. These policies reinforce ethical behaviour, prevent conflicts of interest, and uphold FCCL's commitment to transparency and accountability.

FCCL has established a formal communication and escalation framework for addressing critical concerns. At the same time, concerns are routed to the appropriate committee, typically the Audit Committee or the ESG Committee, for Board-level review. During the reporting period, no critical concerns or conflicts of interest were escalated to the Board.

The company also discloses information related to shareholding structures, cross-holdings, Board members' external directorships, controlling shareholders, and related party transactions, all of which are reviewed by the Audit



Committee to ensure fair and arm's length dealings. An Investor Grievance Policy is in place to ensure stakeholder issues are addressed effectively.

Remuneration and Board Evaluation

FCCL's remuneration policies are structured to align with industry benchmarks and support both short- and long-term organisational goals. These policies are reviewed by the Human Resource and Remuneration Committee and approved by the Board, as applicable. The CEO and Managing Director's compensation is subject to this review and approval process. Non-executive directors receive a fixed fee for participating in Board meetings and activities.

Executive and non executive compensation includes a mix of fixed and variable components. Specific compensation ratios and pay scales are not publicly disclosed due to their sensitive nature.

To maintain effective governance, FCCL conducts an annual performance evaluation of its Board, including an assessment of Board committees and individual directors. This evaluation is facilitated by an external consultant, the Pakistan Institute of Corporate Governance (PICG), and is designed to identify strengths and areas for improvement. No changes to Board composition or governance practices resulted from the latest evaluation.

Corporate Policies, Risk Oversight, and Stakeholder Engagement

The Board is responsible for formulating and approving FCCL's core values, long-term strategies, and key corporate policies. Stakeholder input, particularly from shareholders during Annual General Meetings, is considered in reviewing and updating these policies to ensure alignment with stakeholder expectations and responsible business practices.

The Board also ensures that effective systems are in place to identify, assess, and manage any potential negative impacts that the company's operations may have on the environment, communities, or economic conditions. Due diligence is conducted before major decisions, and the effectiveness of these mitigation and sustainability measures is reviewed quarterly during ESG Committee meetings. Operational responsibility for implementation lies with the ESG Department, which is mandated to oversee the execution and monitoring of ESG initiatives across FCCL's operations.

The Board of Directors remains committed to fostering an ethical, inclusive, and transparent governance environment. Regular engagement with employees, regulators, shareholders, and community stakeholders ensures that the company remains responsive, adaptive, and forward-looking in its sustainability journey.



ETHICS AND COMPLIANCE

Topics covered: Anti-corruption and Payment to governments

Most relevant SDGs:



Anti-corruption

FCCL is committed to maintaining the highest standards of integrity, ethical business practices, and legal compliance. The Company follows a zero-tolerance policy towards corruption, fully aligned with its Code of Conduct and applicable laws. FCCL operates under the principles of transparency, honesty, accountability, and fairness across all its operations and stakeholder relationships.

The Board of Directors provides oversight for anti-corruption and business integrity, with responsibility for compliance formally delegated to the Internal Audit Department and the Legal Branch. These functions are charged with managing risks and ensuring the effectiveness of the company's anti-corruption systems. FCCL's Code of Conduct and Whistle Blowing Policy, approved by the Board, guide all employees, officers, and stakeholders in identifying and responding to ethical risks, managing conflicts of interest, and reporting unethical practices. FCCL also fully complies with relevant intergovernmental instruments on anti-corruption and adheres to Pakistan's legal framework on anti-bribery and anti-money laundering.

The Company conducts an annual risk assessment across key operational areas, including procurement, payments, and marketing, to identify corruption risks. Findings from these assessments inform the yearly internal audit plan, which is reviewed by senior management and approved by the Audit Committee. Special audits are also conducted as needed in response to emerging risks or concerns raised by the Board or management. Audit findings, including any red flags related to fraud, abuse of power, or non-compliance, are reported monthly to the Managing Director and quarterly to the Audit Committee. Timely corrective actions, including policy revisions or targeted employee training, are monitored to ensure effectiveness and continuous improvement.

To reinforce ethical conduct and deter misconduct, FCCL has implemented a robust whistle blowing system that allows for anonymous and confidential reporting of unethical or illegal activities. The mechanism is governed by a formal policy, approved by the Board, and is widely communicated across the organisation. All reported concerns are managed by

the Whistle blowing Committee and escalated to the Audit Committee and Board when necessary. The system includes clearly defined consequences for non-compliance.

All new employees receive mandatory training on FCCL's Code of Conduct and anti-corruption policies as part of their onboarding process. This training emphasises ethical decision-making, legal compliance, reporting obligations, and the consequences of unethical behaviour. Department heads and line managers are responsible for ensuring that anti-corruption practices are enforced across all business units.

FCCL ensures that all major business processes, especially in high-risk areas like procurement, supply chain, and payments, are designed with embedded controls and risk mitigation measures. The Company Secretary Department oversees implementation of the Code of Conduct, while Internal Audit independently verifies compliance through regular operational audits. Any concerns arising from internal audits, whistle blower reports, or risk assessments are addressed through corrective measures. These may include enhanced training, process revisions, or disciplinary actions.

During the reporting period, FCCL did not identify any confirmed incidents of corruption. As a result, no employees were dismissed or disciplined on grounds of corruption. Similarly, there were no instances where contracts with business partners were terminated or not renewed due to corruption-related violations. Furthermore, no public legal cases regarding corruption were initiated against the Company or any of its employees.

Payment to Governments

FCCL adopts a responsible, transparent, and compliant approach to taxation, aligned with applicable tax laws and regulations of Pakistan. The Company recognises tax as a key component of its economic contribution and seeks to manage its tax affairs in a manner that supports sustainable business practices and public trust.

FCCL's tax strategy is embedded within its broader corporate governance and risk management frameworks. Tax matters are managed by a dedicated team of qualified professionals within the Finance Department, under the leadership of the Chief Financial Officer (CFO). Oversight and accountability are provided by the Audit Committee of the Board of Directors, which reviews tax compliance status, emerging risks, and internal control effectiveness periodically.

The Company's tax risk management framework is designed to ensure full compliance with relevant tax obligations, including accurate reporting, timely payment, and proactive adaptation to changes in legislation. Internal controls are regularly tested as part of the company's overall risk management system. Significant tax-related risks are identified during the annual enterprise risk assessment process, reviewed by senior management, and escalated to the Audit Committee where necessary.

FCCL maintains constructive and cooperative relationships with the Federal Board of Revenue (FBR) and other tax authorities. The Company responds promptly to inquiries or audits and strives to resolve any issues through transparent and professional engagement. While FCCL has not adopted a standalone stakeholder engagement policy on tax, it addresses tax-related concerns raised by regulators, investors, or other stakeholders through its existing disclosure practices and grievance mechanisms. Refer to page 92 for details of taxes paid during the year.



SUPPLY CHAIN MANAGEMENT

Most relevant SDGs:



FCCL is committed to advancing environmental sustainability and responsible business practices across its operations and throughout its supply chain. FCCL integrates environmental considerations into procurement decisions and supplier engagements through initiatives such as carbon footprint tracking, renewable energy integration, and green procurement strategies. These efforts reflect the company's intent to exceed legal compliance and embed sustainability throughout the value chain.

Supply chain risks at FCCL are managed through a structured, risk-based approach that evaluates factors such as quality, delivery timelines, pricing, health and safety, and the creditworthiness of suppliers. While environmental and social screening of suppliers is not currently practised, FCCL plans to integrate these criteria into its procurement process in future. As part of its evolving supply chain sustainability strategy, the company intends to conduct ecological risk assessments and implement pollution control and resource

efficiency measures, extending these expectations to suppliers through updated contractual obligations and performance standards. FCCL also encourages its supply chain partners to adopt practices that support energy efficiency, emission reduction, and afforestation, thereby contributing to broader environmental goals.

Oversight of supply chain environmental and social performance rests with the Health, Safety, and Environment (HSE) Department, led by a Senior Manager who reports directly to Executive Management. The performance is reviewed quarterly to ensure alignment with FCCL's environmental commitments and operational goals. Strategic direction and accountability are reinforced through oversight by a board-level sustainability committee.

Based on existing criteria, FCCL maintains a supplier monitoring system, including monthly progress evaluations, internal audits, and regulatory compliance checks. Supplier performance is reviewed against EPA standards and FCCL's internal sustainability targets to ensure consistency with the company's broader ESG objectives.



DIGITALIZATION AND CYBERSECURITY

Most relevant SDGs:



Digitalisation and Cybersecurity are strategically integrated into the company's operational framework and risk management system. These areas are recognised as critical enablers of business continuity, stakeholder trust, and regulatory compliance.

FCCL's approach to cybersecurity is governed by a robust IT governance structure, aligned with internationally recognised standards. The Board of Directors oversees cybersecurity risk management, ensuring the company's responsiveness to emerging threats, compliance with applicable laws and regulations, and timely communication with stakeholders in the event of security incidents. The company has implemented comprehensive cybersecurity controls, including endpoint protection, firewall enhancements, penetration testing, threat detection and response systems, and a dedicated Disaster Recovery (DR) site to ensure business resilience. Policies and procedures are regularly reviewed and supported by internal audits and employee awareness programs to strengthen the security posture across all digital platforms.

To support efficiency and transparency, FCCL continues to advance its digital transformation agenda. The company has deployed an eOffice Automation System to reduce paper use and streamline workflows, digitised records for improved data accessibility and control, and implemented a vehicle tracking system integrated with email and SMS alerts. Planned initiatives include migration to VPS hosting, ISO 27001 certification consultancy, hardware upgrades, and continued user awareness campaigns to embed a culture of cyber vigilance.

Data privacy and information security are central components of FCCL's cybersecurity framework. The company applies strict access controls, secure storage and transmission protocols, encryption, and real-time system monitoring to protect employees and customer data. FCCL adheres to all applicable data protection requirements and has integrated privacy considerations into its digital processes. While FCCL does not currently operate under a standalone data privacy policy, privacy protection is embedded within broader IT governance practices. A company-owned email system and internal reporting tools are used to engage stakeholders and assess the effectiveness of cybersecurity and data protection initiatives.



EXTERNAL ASSURANCE REPORT

Independent Assurance Statement

For the Fauji Cement Company Limited (FCCL) ESG Report 2025

We, Nadeem Safdar & Co., Chartered Accountants (NSCO), were engaged by Fauji Cement Company Limited (FCCL) to provide a limited assurance under the International Standard on Assurance Engagements ISAE 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", on compliance with Global Reporting Initiative's (GRI) Standards 2021 "In accordance criteria" for the year ended June 30, 2025 ('the criteria').

Our scope of assurance is restricted only to checking compliance with the "In accordance criteria" of GRI Sustainability Reporting Standards 2021. Accordingly, our conclusion is regarding the compliance with the criteria and not about the structure, data and information reported therein.

Fauji Cement Company Limited's Responsibilities

FCCL's management is responsible for selecting the criteria and presenting the ESG Report in accordance with that criterion in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to preparing the ESG Report so that it is free from material misstatement, whether due to fraud or error.

Nadeem Safdar & Co., Chartered Accountant's Responsibilities

Our responsibility is to express a conclusion on the compliance with the criterion based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and the terms of reference for this engagement as agreed with FCCL. Those standards require that we plan and perform our engagement to obtain the level of assurance needed and to issue a report. The nature, timing, and extent of the selected procedures depend on our judgment, including assessing the risk of material misstatement, whether due to fraud or error. The work was planned and carried out to provide limited, rather than reasonable assurance and we believe that the desk review of the report completed by NSCO provides an appropriate basis for our conclusion.

Statement of Independence, Impartiality and Competence

Nadeem Safdar & Co., Chartered Accountants, operates a strict conflict of interest check and has confirmed our independence to work on this assurance engagement with FCCL. The review team has not provided consulting services and was not involved in preparing any part of the report. The review team has the required combination of education, experience, training, and skills for this assurance engagement.

Description of Procedures Performed

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on the effectiveness of internal controls. We carried out a desk review of the final draft report and communicated with FCCL to determine whether the report meets the criterion.

Our procedures for this engagement included:

- Review adherence to the requirement of GRI Standards 2021 "In accordance Criteria";
- Review of the material topics disclosures against the requirements of the GRI 3 Material Topics 2021 and relevant GRI Topic Standards;
- Elaboration of the adjustment report; and
- Final review of the report.

Use of GRI Standards 2021

FCCL declares the report to be in accordance with the GRI Standards 2021. NSCO, reviewed the use of the GRI Standards GRI 2, GRI 3, and the Topic-Specific Standards, considering those standards linked to the material topics. In case of a lack of response, FCCL provides omission statements in line with the requirements of GRI 1. Based on the analysis, minor recommendations to complete the content have been made. FCCL has integrated our recommendations into the report.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Sustainability policies, practices and performance;
- Financial figures and performance data;
- Positional statements (expression of opinion, belief, aim, or future intention of FCCL) and statements of future commitment.

Limited Assurance Conclusion

FCCL's declared adherence to the GRI's Standards 2021 – In accordance

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the ESG Report 2025 does not meet the "in accordance criteria" of the GRI Standards 2021. The compliance with GRI Standards has been disclosed in more detail in the GRI Content Index, which provides omission statements in case data has not been provided.

Restricted Use

This report is intended solely for FCCL and is not intended to be and should not be used by anyone other than FCCL. Any reliance on the report by any third party is entirely at its own risk.



Nadeem Safdar & Co.,
Chartered Accountants

Nadeem Safdar, FCA
Managing Partner

Islamabad, August 29, 2025

SUSTAINABILITY RELATED FINANCIAL DISCLOSURES (IFRS S1 AND S2)

Overview of the Reporting Entity

Fauji Cement Company Limited (FCCL) is a public limited company listed on the Pakistan Stock Exchange. Headquartered in Rawalpindi, FCCL is a key enterprise within the Fauji Foundation Group and functions independently without any subsidiaries. Its major shareholders include Fauji Foundation (61.65%), Fauji Fertilizer Company Limited (4.30%), Fauji Oil Terminal and Distribution Company Limited (0.86%), and the general public (33.19%).

Over the years, FCCL has emerged as one of Pakistan's largest and most prominent cement manufacturers, playing a vital role in the country's infrastructure development. The company is known for delivering high-quality cement products.

Our Key Business Activities

FCCL is engaged in the manufacturing, marketing, and distribution of a comprehensive portfolio of cement products under the well-recognised Fauji and Askari brands. Its product lineup includes Ordinary Portland Cement (OPC), Sulphate Resistant Cement (SRC), Low Alkali Cement (LAC), Low Heat of Hydration Cement (LHC), Portland Composite Cement (PCC) and Tile Bond. These products are engineered to fulfil diverse construction needs, offering resilience, durability, and performance across a variety of environments, including those with harsh chemical exposure or extreme temperatures.

To support packaging needs, FCCL acquired a polypropylene-bag manufacturing plant in November 2024, located at Hattar (Haripur) with a capacity of six million bags per month.

Geographical locations

FCCL currently operates four fully integrated cement manufacturing plants strategically located across Pakistan.

The details of these plants are provided below:

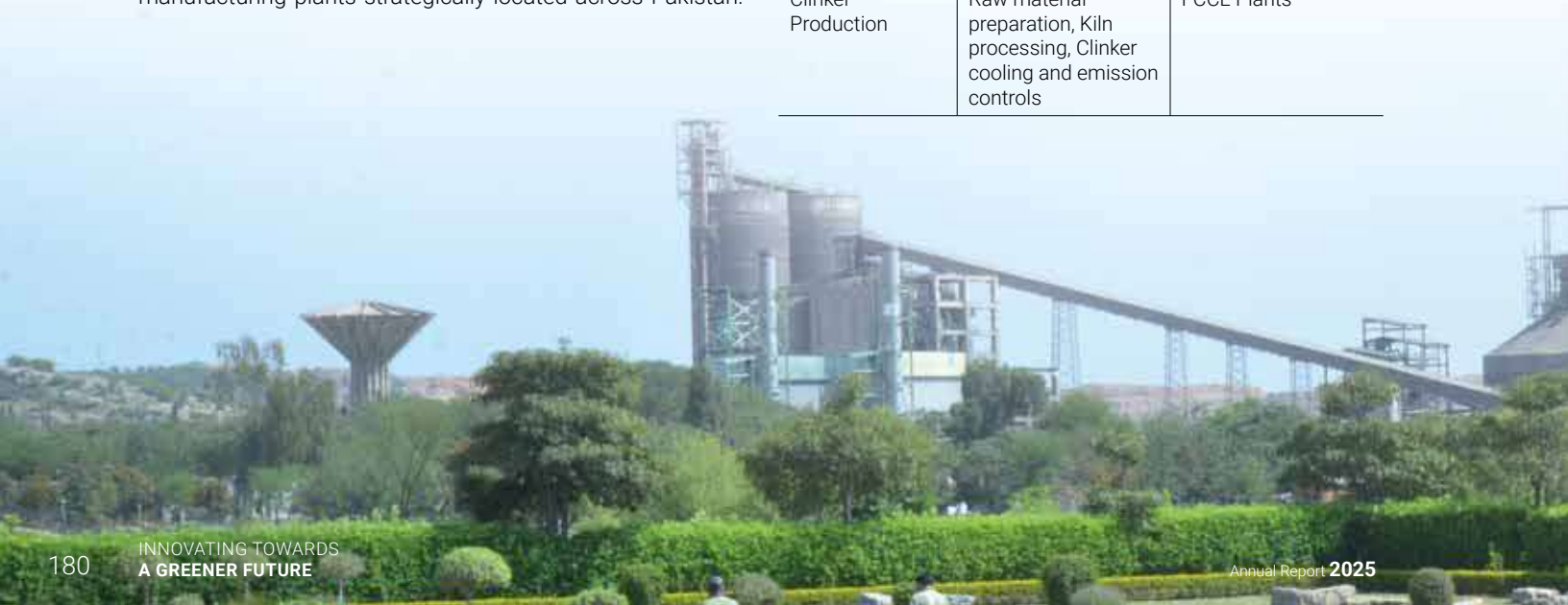
Plant Location	Tehsil/District	Key Notes
Jhang Bahtar	Fateh Jang, District Attock	Original site; major production facility
Wah	Taxila, District Rawalpindi	Integrated with Askari Cement post-merger
Nizampur	District Nowshera	High-capacity plant acquired through merger
Chak Ladan Tehsil	Dera Ghazi Khan	Greenfield plant commissioned in November 2023

These plants collectively provide an annual cement production capacity of approximately 10.6 million tonnes, positioning FCCL as the third-largest cement producer in Pakistan. The commissioning of the new greenfield plant at Dera Ghazi Khan has been a significant milestone, enhancing the company's production footprint and operational strength.

Value Chain and Market Reach

The following table summarises key activities and their geographical locations.

Value Chain Stage	Key Internal Activities	Geographical Location
Raw Material Extraction	Limestone and clay quarrying - Overburden removal - Blasting and haulage	Jhang Bahtar, Wah, Nizampur, DG Khan
Fuel Procurement & Handling	Sourcing of fuel and coal, storage and handling	Domestic and Imports
Clinker Production	Raw material preparation, Kiln processing, Clinker cooling and emission controls	FCCL Plants



Cement Grinding & Processing	Clinker grinding, additive mixing (gypsum, fly ash, etc.) Product quality testing and process control	On-site at production units
Packaging & Warehousing	Cement bagging (paper or polypropylene), Bulk cement loading, warehouse storage and internal logistics	Plant sites
Distribution & Delivery	Fleet loading and dispatching, Dealer and retail logistics coordination, Delivery to construction and infrastructure clients	International (Afghanistan) and Nationwide: GB, AJK, Punjab, Sindh, KP, Balochistan
Sales & Support	Project-based sales - Coordination with major project customers	Regional sales offices and customer sites

Reporting Boundary

The sustainability-related financial disclosures relate to the assets and operations of the reporting entity for the year ended June 30, 2025, except for the newly acquired polypropylene bag manufacturing plant.

The reporting entity and the scope of sustainability-related information considered in this report are summarized below:

Entities and assets in the reporting entity	Information considered and included
The company	100% of the sustainability information except polypropylene bag manufacturing plant.
Leased assets	100% of the sustainability information related to the use of the leased assets during the lease term.

GHG emissions

The company measures its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

The company's reporting boundary for GHG emissions includes its organizational boundary and operational boundary:

1. Organizational boundary

The company applies the operational control approach to establish its organizational boundary for the reporting of GHG emissions.

The company believes that the use of the operational control approach is the most appropriate method to measure the company's GHG emissions. Therefore, the company's own and leased assets are included for GHG emissions reporting.

2. Operational boundary

The company includes 100% of greenhouse gas (GHG) emissions from assets and operations over which it has operational control in its reported GHG emissions. These emissions are classified as either Scope 1 or Scope 2, in line with the GHG Protocol.

Emissions arising from the company's upstream and downstream activities are classified as Scope 3 emissions. For the current reporting period, the company has not reported Scope 3 emissions.

GOVERNANCE

The Board of Directors provides oversight of the company's sustainability strategy, with dedicated support from the ESG Committee. An overview of the sustainability governance structure is set out below.

Board Oversight

The Board of Directors holds overall responsibility for defining the strategic direction of the Company and overseeing sustainability-related risks and opportunities. Sustainability considerations, including climate-related impacts, are integrated into the Company's broader strategy and evaluated as part of strategic planning, performance monitoring, and risk management. To enhance governance effectiveness, the Board established a dedicated Environmental, Social, and Governance (ESG) Committee, which provides focused oversight and guidance on sustainability matters. Board members have also received training on sustainability risks and opportunities to ensure informed decision-making and effective oversight in alignment with global standards.

Board ESG Committee

The Board's ESG Committee is responsible for overseeing and approving the company's sustainability strategy, targets, policies, and ESG-related disclosures. The committee advises the Board on emerging sustainability-related risks and opportunities, including those related to climate change.

The Board considers that the ESG Committee members possess the requisite expertise and experience to oversee sustainability strategies and risk management effectively. The committee works closely with management to align sustainability risk management with corporate objectives and is responsible for reviewing progress against established targets on a biannual basis or as required.

To stay abreast of evolving sustainability challenges, the committee engages with external experts and actively participates in specialised training sessions and sustainability conferences.

Management's Role

Responsibility for assessing and managing sustainability-related risks and opportunities is embedded in the ESG task force, composed of cross-functional departmental representatives, chaired by the Director ESG, who reports to the Managing Director. The MD oversees the activities and reports directly to the Board ESG Committee.

The ESG task force supports the strategic oversight and implementation of sustainability-related matters. Its key responsibilities include assisting the materiality assessment process, developing sustainability strategy and policies, implementing sustainability-related actions and plans, monitoring sustainability metrics and targets, and contributing to the preparation and review of the sustainability report.

The company plans to incorporate sustainability targets into executive performance metrics to align future performance-based compensation frameworks with its environmental, social, and governance (ESG) priorities. This initiative aims to strengthen accountability for ESG outcomes across leadership levels.

Expertise within the governance bodies is further strengthened through targeted training programs focused on sustainability and climate-related risks. These trainings equip members with the knowledge required to make informed decisions aligned with global standards. Continuous learning initiatives ensure the governance bodies remain up to date with evolving ESG frameworks and best practices.



STRATEGY

Sustainability-related risks and opportunities

Climate-related risks and opportunities	Time horizon	Value chain	Financial impact			Metrics and Targets
			Current	Short-term	Medium and long-term	
Climate-related transition risks						
Policy and Legal Risks	Medium to long-term	Own operation	-	-	-	-

Current and anticipated effects on business model, value chain, strategy and decision making

In alignment with Pakistan's evolving climate policy framework, the government has introduced a carbon levy initially focused on fossil fuel consumption. This policy aims to reduce national greenhouse gas emissions and promote a shift toward cleaner energy sources. In the future, the scope of this carbon tax is expected to expand to cover high-emission industries, including cement. Such measures may have financial and operational implications for the sector.

Description of financial impact

The potential carbon tax may raise operational expenses and require key investments in energy efficiency, renewable energy integration, and emissions monitoring and management systems. The introduction of carbon pricing mechanisms, both internal and external, may have significant impact on FCCL's financial performance. Furthermore, the absence of a national framework to incentivize companies actively pursuing decarbonization presents an additional challenge.

FCCL aims to enhance process efficiencies, increase the share of renewable energy, develop low-carbon products, and utilize alternative raw materials to align with the Sectoral Decarbonization Approach (SDA) and mitigate the potential financial impact of carbon pricing.

The implementation of IFRS Sustainability Disclosure Standards (IFRS S1 and S2) by SECP, effective July 1, 2025, introduces new compliance risks for the Company. These standards require disclosure of material sustainability and climate-related risks and opportunities impacting financial performance and long-term outlook. To comply, the company must set measurable emissions targets, allocate resources for low-carbon energy transition, and invest in climate resilience, highlighting the need to strengthen internal capacity, systems, and governance.

Description of financial impact

The non-compliance with the IFRS S1 & S2 may result in fine and penalties under the Companies Act 2017.

This report aligns with upcoming regulatory requirements and to identify gaps for achieving full compliance by 2026, which marks the first year of mandatory reporting under these standards.

Climate-related risks and opportunities	Time horizon	Value chain	Financial impact			Metrics and Targets
			Current	Short-term	Medium and long-term	
Climate-related transition risks						
Technology Risk	Medium to long-term	Own operation	-	-	-	-

Current and anticipated effects on business model, value chain, strategy and decision making

Emerging low carbon technologies relevant to the cement industry offer significant potential to reduce emissions from clinker production. For the Company, a delay in exploring or adopting these technologies may pose transition risks, impacting its ability to remain competitive and align with long-term decarbonization goals.

Description of financial impact

Managing technology-related risks may necessitate substantial capital investment and could affect the company's future cost structures, asset valuations, and revenue streams. While these investments are intended to mitigate transition risks and strengthen long-term resilience, they may have medium to medium-term financial implications depending on factors such as technology readiness, regulatory support, and market adoption.

The company's infrastructure is largely carbon-based, creating inherent challenges in shifting toward low-carbon alternatives. Given the substantial investments already made in current systems, transitioning will require further technical and financial support, along with sufficient lead time. To reduce its Scope 1 and Scope 2 emissions, FCCL is planning to consider additional efforts. The company will closely monitor the technologies as well as the enabling environment for adopting emerging technologies.

Climate-related risks and opportunities	Time horizon	Value chain	Financial impact			Metrics and Targets
			Current	Short-term	Medium and long-term	
Climate-related transition risks						
Reputation Risk	Medium to long-term	Own operation	-	-	-	-

Current and anticipated effects on business model, value chain, strategy and decision making

Reputational risk associated with emission intensive operations may adversely affect FCCL's market positioning as stakeholder expectations.

Description of financial impact

Such reputational risks may result in reduced investor confidence and limited access to green or sustainability-linked financing. Additionally, brand value and long-term profitability may be undermined if FCCL is perceived as lagging in the low-carbon transition.

To mitigate this, FCCL is in planning to integrate low-carbon initiatives into its strategy, value chain, and brand positioning.

Climate-related risks and opportunities	Time horizon	Value chain	Financial impact			Metrics and Targets
			Current	Short-term	Medium and long-term	
Climate-related transition risks						
Chronic Risk	Medium to long-term	Own operation, downstream	-	-	-	-

Current and anticipated effects on business model, value chain, strategy and decision making

FCCL may face chronic climate risks due to sustained high temperatures, heatwaves, and water scarcity, which may require increased investment in plant maintenance, cooling systems, and adaptation measures. These conditions can lead to reduced equipment life, greater replacement needs, and heightened operational stress. Additionally, workforce health and safety may be impacted due to increased temperature, potentially lowering productivity and increasing work-related incidents, while heat-induced soil erosion may further exacerbate water scarcity and deteriorate water quality.

Description of financial impact

These chronic climate risks may lead to increased operational and maintenance costs, capital expenditure on adaptive infrastructure, and potential productivity losses.

FCCL is integrating chronic risks into its strategic and operational planning, with a focus on resilient infrastructure design, efficient cooling technologies, and occupational safety enhancements. The company is committed to strengthening its climate risk assessment these long-term risks are evaluating across its operations.

Climate-related risks and opportunities	Time horizon	Value chain	Financial impact			Metrics and Targets
			Current	Short-term	Medium and long-term	
Climate-related opportunities						
Resource Efficiency	Short to me-dium-term	Own operation, downstream, up-stream	-	-	-	-

Current and anticipated effects on business model, value chain, strategy and decision making

FCCL has the opportunity to reduce operating costs by enhancing efficiency across production, distribution, and support functions through the adoption of energy-efficient technologies, green buildings, optimized equipment performance, and improved water and waste management practices.

Description of financial impact

While the financial impact can not be measured at this stage, the efficiency measures are expected to lower operational expenditures, reduce energy and resource consumption, and improve overall cost-effectiveness. Over time, this may enhance profit margins and reduce exposure to future carbon or utility price fluctuations.

The company's strategy includes adopting energy-efficient equipment, digital automation to enhance productivity, minimize losses, and align operations with sustainability goals.

Climate-related risks and opportunities	Time horizon	Value chain	Financial impact			Metrics and Targets
			Current	Short-term	Medium and long-term	
Climate-related opportunities						
Energy Source	Medium to long-term	Own operations	Rs. 2.29 billion	-	-	-

Current and anticipated effects on business model, value chain, strategy and decision making

An opportunity exists to diversify the energy mix toward low-carbon sources to reduce greenhouse gas emissions and achieve long-term energy cost savings.

Description of financial impact

The company has substantially enhanced its renewable energy capacity by installing solar parks and waste heat recovery systems, including 67.5 MW of solar energy and 48 MW of Waste Heat Recovery (WHR) across its plants, enabling the company to reduce purchased energy, leading to cost savings and a reduction in carbon emissions.

Over the years, FCCL has invested PKR 7.38 billion in a large-scale solarisation program including PKR 1.86 billion capital investment during FY2024-25. This renewable energy investment has replaced a significant portion of grid electricity. In FY2024-25 alone, the program generated an estimated PKR 2.58 billion in cost savings as well as reduced cash outflows. The associated annual depreciation on solar assets was PKR 0.29 billion, resulting in a net positive impact on operating performance of PKR 2.29 billion. This initiative also reduced FCCL's exposure to electricity price volatility and reduction of scope 2 GHG emissions (presently, the reduction could not be calculated)

FCCL is advancing its clean energy strategy by assessing the solarization of key operational sites to meet ancillary energy needs. This initiative aims to reduce reliance on conventional energy sources, lower utility costs, and improve energy efficiency for non-production operations.

Climate-related risks and opportunities	Time horizon	Value chain	Financial impact			Metrics and Targets
			Current	Short-term	Medium and long-term	
Climate-related opportunities						
Markets	Medium and long-term	Own operations	-	-	-	-

Current and anticipated effects on business model, value chain, strategy and decision making

FCCL may have an opportunity to capitalize on emerging markets by offering low-carbon cement solutions.

Description of financial impact

Sustain revenue and market share through low carbon cement.

The company is monitoring market developments and assessing potential opportunities for the innovation of low-carbon cement products.

Climate-related risks and opportunities	Time horizon	Value chain	Financial impact			Metrics and Targets
			Current	Short-term	Medium and long-term	
Climate-related opportunities						
Resilience	Medium to long-term	Own operations, downstream, up-stream	-	-	-	-

Current and anticipated effects on business model, value chain, strategy and decision making

Building climate resilience offers a strategic opportunity to enhance adaptability, protect operations, and manage climate-related risks, supporting long-term value creation.

Description of financial impact

Reduced costs through increased resilience and business continuity

FCCL is enhancing its adaptive capacity by evaluating resilient infrastructure upgrades, improving maintenance protocols, and strengthening its operational preparedness to ensure continuity amid increasing climate-related risks.

Cumulative Financial Effect of Climate-related Risks and Opportunities

In PKR million	Current financial effects	Anticipated financial effects		
		Short-term	Medium-term	Long-term
*Financial position	Rs. 2.29 billion	-	-	-
*Financial performance (cost reduction)	Rs. 2.29 billion	-	-	-
*Cash flows (reduced cash outflow)	Rs. 0.72 billion	-	-	-

*Refer to the opportunity "Energy source" for detailed information.

The company currently quantifies the current and short-term financial effects of key climate-related risks and opportunities. However, it is actively developing processes and methodologies to assess and disclose the detailed potential impacts of these risks and opportunities on its financial position, performance, and cash flows.

Climate resilience

The company has begun evaluating the resilience of its business strategy against plausible future climate-related conditions. Although a formal scenario analysis is yet to be performed, an initial qualitative assessment has been carried out to explore the potential impacts of both physical and transition risks over short-, medium-, and long-term horizons. These early insights are shaping the company's understanding of climate-related vulnerabilities and are laying the groundwork for more comprehensive scenario-based planning and strategic resilience-building in the future.

Qualitative Resilience Considerations

1. Strategic and Operational Flexibility

The company has reviewed its primary operations to identify risks from extreme weather and long-term climate changes. In response, it is taking proactive steps to ensure business continuity and reduce climate-related disruptions. The increased investment in renewable energy initiatives reflects the company's alignment with the global energy transition.

2. Exposure to Low-Carbon Transition Risks

The company has carried out initial internal assessments to identify areas facing moderate to high long-term transition risks, primarily due to the global move toward a low-carbon economy and changing climate-related regulations. In response, it plans to explore more sustainable business approaches and resource-efficient practices. These early efforts are helping the company better understand potential long-term challenges and inform the direction of future strategic planning.

Resilience Readiness

FCCL is strengthening its financial and reporting systems to more effectively monitor data and spending related to climate adaptation, mitigation, and resilience. These improvements are intended to enhance transparency in climate-related capital allocation and spending and support FCCL's gradual transition toward a more resilient and sustainable operations framework, contributing to long-term value creation.

RISK MANAGEMENT

The company applies a defined process to prepare its sustainability-related financial disclosures, including evaluation of the climate-related risks and opportunities material to its operations and across the value chain. Led by the Director ESG, with input from the ESG working group and external advisors, the process involves cross-functional engagement to ensure comprehensive analysis. Identified risks and opportunities are evaluated based on their potential impact on enterprise value and prospects. The Managing Director reviews material matters, while formal approving authority rests with the Board ESG Committee. The company has defined the risk prioritisation and monitoring process based on qualitative factors. The climate risk re-evaluation will be conducted according to the defined process.

The company uses qualitative data to identify sustainability-related risks and opportunities, considering its operations and activities across the value chain. Key inputs to the process include applicable regulatory requirements, the company's existing risk register, stakeholder feedback, and disclosure topics outlined in the SASB Standards. The assessment also considers material sustainability issues reported by industry peers to ensure alignment with sector best practices and emerging expectations.

The company evaluates sustainability-related risks and opportunities by assessing potential impacts on its financial prospects. For risks involving uncertain future occurrences, a range of plausible outcomes is considered based on available data. Historical incidents and past performance were also analyzed to support and validate the assessment.

The company's assessment of sustainability-related risks and opportunities incorporated forward-looking insights and relevant industry trends, despite the absence of a formal scenario analysis. Only those risks and opportunities reasonably expected to impact cash flows, access to finance, or cost of capital were considered material and included in the disclosures.

To support prioritization, risks and opportunities were evaluated. This approach enables the company to focus on issues with the most significant potential to influence enterprise value. While FCCL has not yet defined a formal quantitative threshold, the risks and opportunities are prioritized based on available qualitative data for the identification, assessment, and monitoring of material sustainability-related matters.

Sustainability-related risks are integrated into the company's broader enterprise risk management (ERM) framework, which the Board Risk Committee oversees in line with its governance responsibilities. Individual departments are accountable for identifying, assessing, and monitoring sustainability-related risks and opportunities within their respective functions. The evaluation of these risks involves a high degree of professional judgment, particularly in determining their potential impact on the company's financial position, performance, and long-term outlook.

Identified risks are reviewed and consolidated to ensure alignment with the company's strategic objectives before submission to the Board ESG Committee. The Board ESG Committee provides final validation and approval of sustainability-related risks and opportunities, ensuring robust oversight and effective integration of these matters into the company's strategic decision-making and overall risk governance framework.



METRICS AND TARGETS

Metrics

The company has disclosed sustainability-related financial information for the year ended June 2025. It is currently gathering baseline data and establishing systems to define measurable, clear, and relevant metrics and targets for assessing its performance on climate-related risks and opportunities. For this reporting period, GHG emissions metrics have been disclosed as part of the company's initial performance reporting.

The company has not yet incorporated an internal carbon price into its decision-making processes. Climate-related targets have not been defined during the current reporting period.

Cross-Industry Metrics

GHG emissions metrics

GHG emission in Co2 _e	Metric	Emissions FY 2024	Emissions FY 2025 (Base year)
Scope 1	MT	3,944,421	3,658,811
Scope 2 – location based		148,457	111,436
Scope 3 – N/A		-	-
Total emissions		4,092,878	3,770,247

Calculation methodology

The base year for GHG emissions reporting is FY 2025.

FCCL reports its greenhouse gas (GHG) emissions following internationally recognised methodologies to ensure accuracy, consistency, and comparability.

Scope 1 and Scope 2 emissions are calculated using the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, with Global Warming Potential (GWP) values referenced from both the IPCC Fifth (AR5) and Sixth (AR6) Assessment Reports.

Scope 2 emissions are reported using the location-based method, capturing emissions from purchased electricity based on the average emissions intensity of the national grid. FCCL uses emission and conversion factors from the IPCC Guidelines (2006), the U.S. EPA Climate Leadership Protocols (2024), and the UNFCCC publication "IFIs – Harmonisation of Standards for GHG Accounting."

The Scope 3 emissions have not been reported for this reporting period.

Emissions have been reported using the operational control approach in accordance with the GHG Protocol. The company does not have any subsidiaries.

Climate-related risk metrics

Capital deployed to manage climate-related FY 2025	Capital expenditure (PKR)	Financing/investment (PKR)
Risks	-	-
Opportunities	1.86 billion	Investment through own resources

Targets

The company is currently gathering baseline information necessary for setting targets. The outcome of data analysis and outcomes will inform strategic decision-making towards setting climate-related targets, including the reduction of absolute GHG emissions, as part of its strategic response to climate-related risks and opportunities. These targets shall be reviewed annually by management, with interim milestones used to track progress and make necessary adjustments to ensure continued relevance and alignment with evolving climate objectives.

Currently, as the targets have not been finalized, they and their methodologies have not undergone external validation by a third party.

The company shall develop and use appropriate metrics to measure its progress related to climate-related risks and opportunities.

GENERAL DISCLOSURES

1. Basis of preparation

1.1 IFRS Sustainability Disclosure Standards

Pursuant to the Securities and Exchange Commission of Pakistan (SECP) adoption order dated December 31, 2024, the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) will become mandatory for FCCL for reporting periods commencing on or after July 1, 2025. In the current reporting cycle, FCCL has presented selected sustainability-related disclosures to support future readiness. These disclosures are intended solely for alignment purposes and do not constitute full compliance with, or reporting in accordance with, the standards. FCCL will formally adopt the IFRS Sustainability Disclosure Standards, together with the transition reliefs provided, once mandatory reporting becomes effective.

1.2 Connectivity with financial statements (reporting period, reporting entity, and presentation currency)

This sustainability-related financial information has been prepared for the company and should be read alongside the company's financial statements prepared in accordance with IFRS Accounting Standards. It covers the 12-month period ending June 30, 2025, aligning with the reporting period of the financial statements.

The company determines time horizons based on the expected timing of sustainability-related risks and opportunities. As of the end of the reporting period, the following time horizons have been established, consistent with those used in the company's strategic planning and decision-making processes.

1. short term (0 to 12 months)
2. medium term (2 to 5 years)
3. long term (beyond 5 years)

The amounts presented in sustainability-related financial disclosures are given in Pakistan Rupees, consistent with the financial statements, with amounts rounded to the nearest thousand unless stated otherwise.

2. Judgements and uncertainties

The preparation of this sustainability-related financial disclosure requires management judgment in critical areas, particularly in identifying relevant sustainability-related risks and opportunities, as well as determining material disclosures.

Where information is not directly measurable or subject to data limitations, estimates and forward-looking assumptions have been applied. These judgments and estimates are based on management's assessment of the potential financial impacts of sustainability-related risks and opportunities on the company's strategy, business model, and cash flows over the short, medium, and long term.

Significant areas of judgement and estimation uncertainty are highlighted below, with further details provided in the referenced note disclosures.

2.1 Significant judgements

	Description	Note reference
Materiality process	<p>Management exercised significant judgment in identifying sustainability-related risks and opportunities relevant to the company and in determining the material information to be disclosed. This process considered which matters could reasonably be expected to affect the company's future prospects or influence the decisions of primary users of general-purpose financial reports.</p> <p>Judgment was also applied in evaluating the relevance and applicability of metrics from industry-specific SASB Standards to ensure alignment with the company's operational context and to enhance the decision-usefulness of disclosures.</p>	Section 4
Organizational boundary for GHG emissions	In defining the organizational boundary for greenhouse gas (GHG) emissions reporting, the company has adopted the operational control approach. Determining the appropriate boundary and assessing which operations fall under the company's operational control involved significant management judgment.	Section I
Calculation methods for GHG emissions	The company has applied a combination of calculation methodologies to determine its Scope 1 and Scope 2 GHG emissions, exercising judgment to select the most appropriate approach for each emissions source.	Section 5

2.2 Measurement uncertainty

The following metrics have a high degree of measurement uncertainty.

Metric	Description	Note reference
GHG-related metrics	The company measures its greenhouse gas (GHG) emissions in accordance with the GHG Protocol. The reported emissions metrics are subject to inherent estimation uncertainty, primarily due to the reliance on activity data and standardized emission factors, which may be incomplete, unavailable, or based on assumptions. In such instances, management applies reasonable estimation techniques to calculate emissions, which may introduce a degree of measurement uncertainty into the disclosures.	Section 5

For these disclosures, the company has assessed that none of the metrics related to anticipated financial effects involve significant estimation in their measurement.

3. Changes in estimates

There were no changes in the estimates.

4. Material errors

There were no applicable errors.

5. Events after the reporting period

No transactions, events, or conditions have occurred after the reporting period and up to the date of authorisation of this disclosure that would require recognition or disclosure in the sustainability-related financial information.

GRI CONTENT INDEX

The following table has been provided to help the reader locate content within the document, specifies each of the GRI Standards used, and lists all disclosures included in the report. Each disclosure is followed by referencing the appropriate pages in the 2025 Sustainability Report or other publicly available sources.

Statement of use	FCCL has reported in accordance with the GRI Standards for the period 1st July 2024 to 30th June 2025				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standard	No sector standard is available for our sector				
		Omission			
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	147			
	2-2 Entities included in the organization's sustainability reporting	138			
	2-3 Reporting period, frequency and contact point	138			
	2-4 Restatements of information	138			
	2-5 External assurance	138, 178-179			
	2-6 Activities, value chain and other business relationships	141			
	2-7 Employees	160			
	2-8 Workers who are not employees	160			
	2-9 Governance structure and composition	172			
	2-10 Nomination and selection of the highest governance body	172			
	2-11 Chair of the highest governance body	172			
	2-12 Role of the highest governance body in overseeing the management of impacts	172, 173			
	2-13 Delegation of responsibility for managing impacts	172, 173			
	2-14 Role of the highest governance body in sustainability reporting	143			
	2-15 Conflicts of interest	172			
	2-16 Communication of critical concerns	172			
	2-17 Collective knowledge of the highest governance body	143			
	2-18 Evaluation of the performance of the highest governance body	173			

		Omission			
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
General Disclosures					
	2-19 Remuneration policies	173	a not reported	Information incomplete	FCCL is currently in the process of setting baselines and defining targets.
	2-20 Process to determine remuneration	173			
	2-21 Annual total compensation ratio	-	a, b, c not reported	Confidentiality constraint	
	2-22 Statement on sustainable development strategy	142			
	2-23 Policy commitments	144			
	2-24 Embedding policy commitments	144			
	2-25 Processes to remediate negative impacts	144			
	2-26 Mechanisms for seeking advice and raising concerns	144			
	2-27 Compliance with laws and regulations	150, 174			
	2-28 Membership associations	141			
	2-29 Approach to stakeholder engagement	145			
	2-30 Collective bargaining agreements	162			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	146			
	3-2 List of material topics	147			
Climate change					
Emissions and Air emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	150,151			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	152			
	305-2 Energy indirect (Scope 2) GHG emissions	152			
	305-3 Other indirect (Scope 3) GHG emissions	152	a-g not reported	Information unavailable	
	305-4 GHG emissions intensity	152			
	305-5 Reduction of GHG emissions	152			
	305-6 Emissions of ozone-depleting substances (ODS)	152			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	152			

GRI CONTENT INDEX

		Omission			
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	150, 151			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	151			
	302-2 Energy consumption outside of the organization	-	302-2 (a)	Information unavailable	
	302-3 Energy intensity	151			
	302-4 Reduction of energy consumption	151			
	302-5 Reduction in energy requirements of products and services	-	Not Applicable		
	Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	150, 153			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	153			
	304-2 Significant impacts of activities, products and services on biodiversity	153			
	304-3 Habitats protected or restored	153			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	153			
Water					
GRI 3: Material Topics 2021	3-3 Management of material topics	150, 154			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	154			
	303-2 Management of water discharge-related impacts	154			
	303-3 Water withdrawal	154			
	303-4 Water discharge	154			
	303-5 Water consumption	154			
Circularity					
GRI 3: Material Topics 2021	3-3 Management of material topics	150, 155			

		Omission			
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
GRI 301: Materials 2016	301-1 Materials used by weight or volume	-		Information unavailable as per GRI requirement	
	301-2 Recycled input materials used	155			
	301-3 Reclaimed products and their packaging materials	-	a not reported.	Not applicable	FCCL does not reclaim products and the packaging materials.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	155			
	306-2 Management of significant waste-related impacts	150-155			
	306-3 Waste generated	155			
	306-4 Waste diverted from disposal	155			
	306-5 Waste directed to disposal	155			
Product Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	156-157			
Human Capital					
GRI 3: Material Topics 2021	3-3 Management of material topics	160			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	161			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	160			
	401-3 Parental leave	160	401-3 (a-e)	Information unavailable as per GRI requirement	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	160			
	404-2 Programs for upgrading employee skills and transition assistance programs	160			
	404-3 Percentage of employees receiving regular performance and career development reviews	160			







GRI CONTENT INDEX

GRI Standard/Other Source	Disclosure	Omission			
		Location	Requirement(s) Omitted	Reason	Explanation
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	162,174			
Human Rights					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	162			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	162			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	162			
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	163			
	405-2 Ratio of basic salary and remuneration of women to men	163			
Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	164			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	164			
	403-2 Hazard identification, risk assessment, and incident investigation	164			
	403-3 Occupational health services	164			
	403-4 Worker participation, consultation, and communication on occupational health and safety	164			
	403-5 Worker training on occupational health and safety	164-165			
	403-6 Promotion of worker health	164-165			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	165			
	403-8 Workers covered by an occupational health and safety management system	165			
	403-9 Work-related injuries	165	b not reported	Information unavailable	FCCL does not record separate data for workers.
	403-10 Work-related ill health	165	b not reported	Information unavailable	FCCL does not record separate data for workers.

		Omission			
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	166			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	166-169			
	413-2 Operations with significant actual and potential negative impacts on local communities	166			
Supply Chain Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	176			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	176	a not reported	Information unavailable	FCCL currently does not screen suppliers against this criterion.
	308-2 Negative environmental impacts in the supply chain and actions taken	176	a-e not reported	Information unavailable	FCCL currently does not assess suppliers against this criterion.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	176	a not reported	Information unavailable	FCCL currently does not screen suppliers against this criterion.
	414-2 Negative social impacts in the supply chain and actions taken	176	a-e not reported	Information unavailable	FCCL currently does not assess suppliers against this criterion.
Ethical Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	174			
GRI 207: Tax 2019	207-1 Approach to tax	174			
	207-2 Tax governance, control, and risk management	174			
	207-3 Stakeholder engagement and management of concerns related to tax	174			
	207-4 Country-by-country reporting	174			
Digitalization and Cyber Security					
GRI 3: Material Topics 2021	3-3 Management of material topics	177			

SDGs INDEX

SDGs		Page No.	GRI Standards Disclosure
	End poverty in all its forms everywhere	166	413-2
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	166	413-2
	Ensure healthy lives and promote well-being for all at all ages	152, 155, 150	305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4, 403-8, 403-9, 403-10
	Ensure inclusive and quality education for all and promote lifelong learning	143, 160	2-17, 404-1
	Achieve gender equality and empower all women and girls	172, 160, 163, 162, 174, 176	2-9, 2-10, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1, 414-1, 414-2
	Ensure access to water and sanitation for all	154, 155	303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5
	Ensure access to affordable, reliable, sustainable, and modern energy for all	151	302-1, 302-2, 302-3
	Promote inclusive and sustainable economic growth, employment, and decent work for all	160, 162, 155, 151, 154, 160, 165, 163, 176	2-7, 2-8, 2-30, 301-1, 301-2, 301-3, 302-1, 302-2, 303-5, 401-1, 401-2, 401-3, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, 407-1, 408-1, 409-1, 414-1, 414-2
	Build resilient infrastructure, promote sustainable industrialization, and foster innovation	-	-
	Reduce inequality within and among countries	163	405-2
	Make cities inclusive, safe, resilient, and sustainable	166-169	413-1

SDGs		Page No.	GRI Standards Disclosure
	Ensure sustainable consumption and production patterns	151, 152, 155	302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4
	Take urgent action to combat climate change and its impacts	151, 152	302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4
	Conserve and sustainably use the oceans, seas, and marine resources	152, 155	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	152, 155	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
	Promote just, peaceful, and inclusive societies	172, 173, 144, 150, 174, 162, 176	2-9, 2-10, 2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 406-1, 408-1, 414-1, 414-2
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	-	Not applicable



07

FINANCIAL INFORMATION

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KEY INDICATORS

Financial Performance

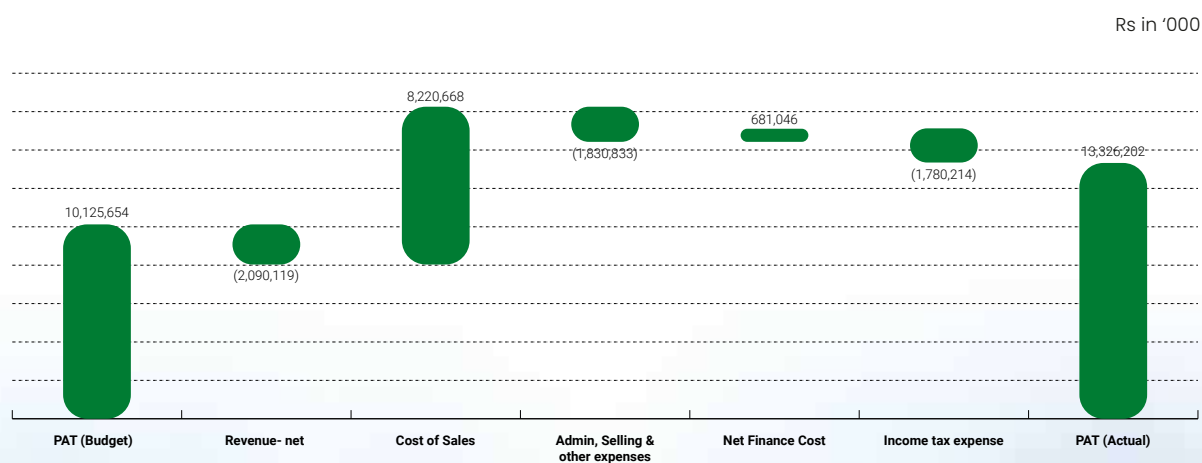
	2025	2024	Change%
Turnover (Rs '000)	88,956,328	80,026,226	▲ 11.16
Increased Quantity and higher prices helped achieve highest ever revenue in Company's history			
Gross profit margin (%)	35	32	▲ 9.38
With prudent cost economization, vertical integration and cost pass through Company was able to enhance its gross profit margins during the year as compared to last year.			
Net profit margin (%)	15	10	▲ 50
The increase in net profit margin is attributable to the enhanced GP margin, better investment income and lower tax rate as compared to last year. In last year high taxation caused a mior dip in net profit margin i.e. impact of shifting export taxation from presumptive to normal tax regime with effective tax rate of 46% during the year.			
Dividend per share (Rs)	1.25	1.00	▲ 25
Company has declared cash dividend during the year despite the capital investments in green energy, PP manufacturing plant and debt servicing.			
Return on Equity (%)	16	11	▲ 43.73
Company earned consistent return for equity holders YoY.			
Breakup value per share (Rs)	34	30	▲ 14.8
Net assets value (Rs '000)	84,272,208	73,398,853	▲ 14.8
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

	2025	2024
Manufacturing Capital		
Cement Produced-Metric Tons	5,383,885	5,060,431
Capacity Utilization- %	51	55
Acquisition of PP Bags Manufacturing Plant		
Natural Capital		
CO2 emission aversion-Metric Tons	132,272	121,327
Generation of Clean Energy (GJ)	1,389,759	1,074,024
Human Capital		
Number of employees	2,335	2,326
Total training hours	10,400	8,400
Social and Relationship Capital		
Contribution to National Exchequer (Rs'000)	48,237,400	28,858,881
Donations and other CSR contribution (Rs'000)	176,971	166,694
Intellectual Capital		
SAP Rise		
Voluntarily Adoption of IFRS S1 and S2		

ACTUAL VS BUDGET

	Actual	Budget
Sales Volume - Tons	5,368,387	5,741,200
	Actual	Budget
	Rs '000	
Revenue- net	88,956,328	91,046,447
Cost of Sales	(57,384,978)	(65,605,646)
GP	31,571,350	25,440,801
Admin, Selling & other expenses	(5,342,529)	(3,511,696)
EBIT	26,228,821	21,929,105
Net Finance Cost	(4,703,301)	(5,384,347)
Income tax expense	(8,199,318)	(6,419,104)
PAT	13,326,202	10,125,654



QUARTER WISE PROFIT OR LOSS

	1st Quarter Rupees'000	2nd Quarter Rupees'000	3rd Quarter Rupees'000	4th Quarter Rupees'000	Total (FY 2024-25) Rupees'000
Turnover - net	22,956,406	24,887,957	19,309,821	21,802,144	88,956,328
Cost of sales	(15,072,575)	(15,986,688)	(13,040,730)	(13,284,985)	(57,384,978)
Gross profit	7,883,831	8,901,269	6,269,091	8,517,159	31,571,350
Other income	173,890	213,069	165,902	207,911	760,772
Selling and distribution expenses	(693,302)	(709,310)	(847,188)	(685,339)	(2,935,139)
Administrative expenses	(413,671)	(434,907)	(408,050)	(432,258)	(1,688,886)
Other expenses	(362,605)	(449,348)	(231,726)	(435,597)	(1,479,276)
EBIT	6,588,143	7,520,773	4,948,029	7,171,876	26,228,821
Finance cost	(1,675,497)	(1,328,796)	(1,636,137)	(1,131,702)	(5,772,132)
Finance income	320,195	275,552	177,201	295,883	1,068,831
	(1,355,302)	(1,053,244)	(1,458,936)	(835,819)	(4,703,301)
PBT	5,232,841	6,467,529	3,489,093	6,336,057	21,525,520
Taxation	(1,986,115)	(2,447,113)	(1,349,206)	(2,416,884)	(8,199,318)
PAT	3,246,726	4,020,416	2,139,887	3,919,173	13,326,202
EPS - Basic & diluted (Rupees)	1.32	1.64	0.87	1.59	5.43

Q1

Q1 of current financial year witnessed volumetric sales quantity of 1.3 MT and capacity utilization of 51%. Higher sales quantity resulted in high turnover. Gross profit margin remained 34% with net profit margin of 14%.

Q2

Q2 sales increased to 1.5 MT and capacity utilization of 57% coupled with better retention prices resulted in increased turnover and Gross Profit margin of 36%.

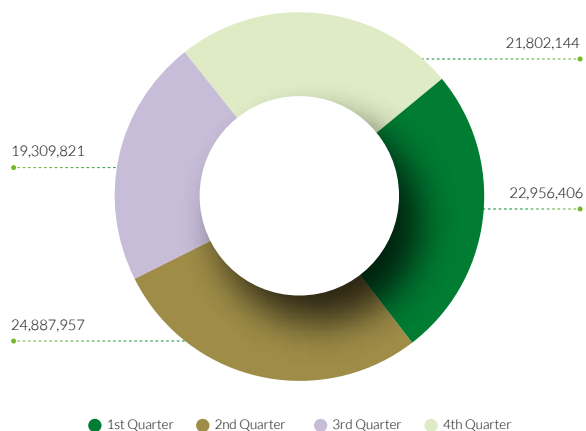
Q3

Sales in Q3 decreased to 1.18 MT mainly due to winter season which resulted in capacity utilization of 45%. 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 32%.

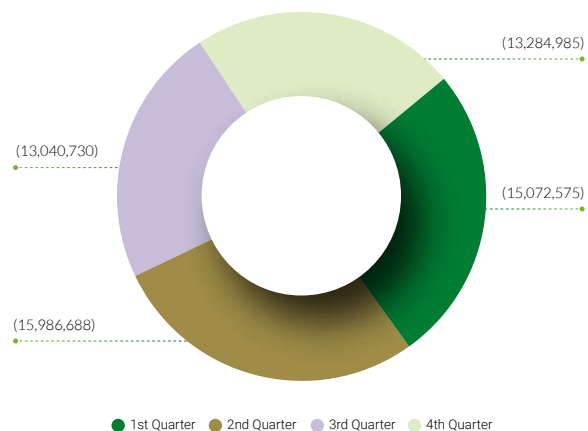
Q4

Sales in Q4 remained on higher side compared to Q3 due to start of summer season. Total sales made during the quarter was 1.4 MT with capacity utilization of 53%. Net revenue in Q4 remained higher compared to third quarter. With increased retention and decreased cost of production in last Qtr Company able to achieve gross profit margin of 39% with net profit margin of 18%

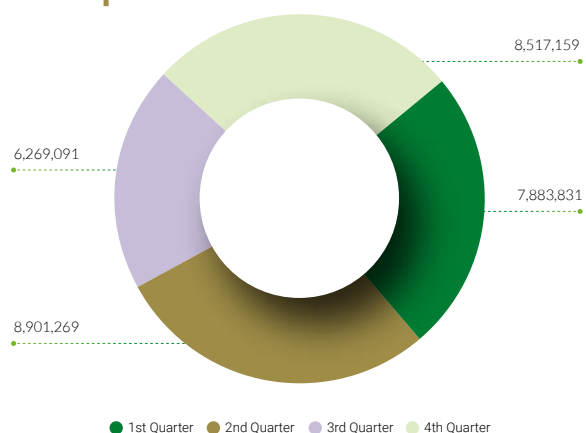
Turnover - net



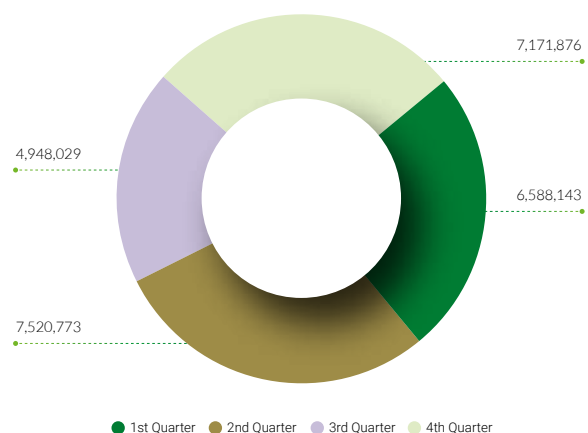
Cost of sales



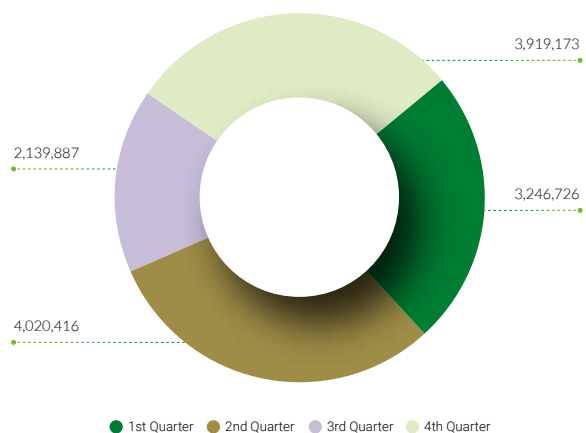
Gross profit



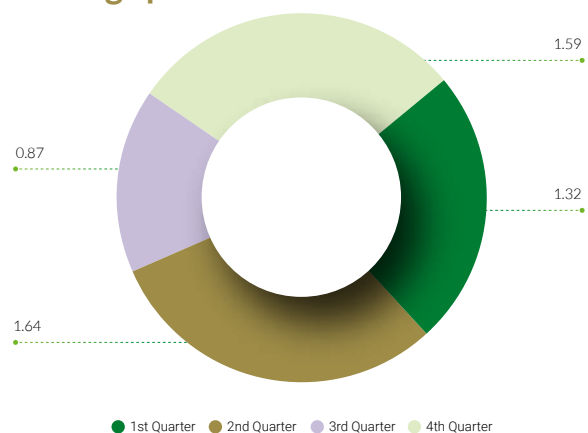
EBIT



PAT



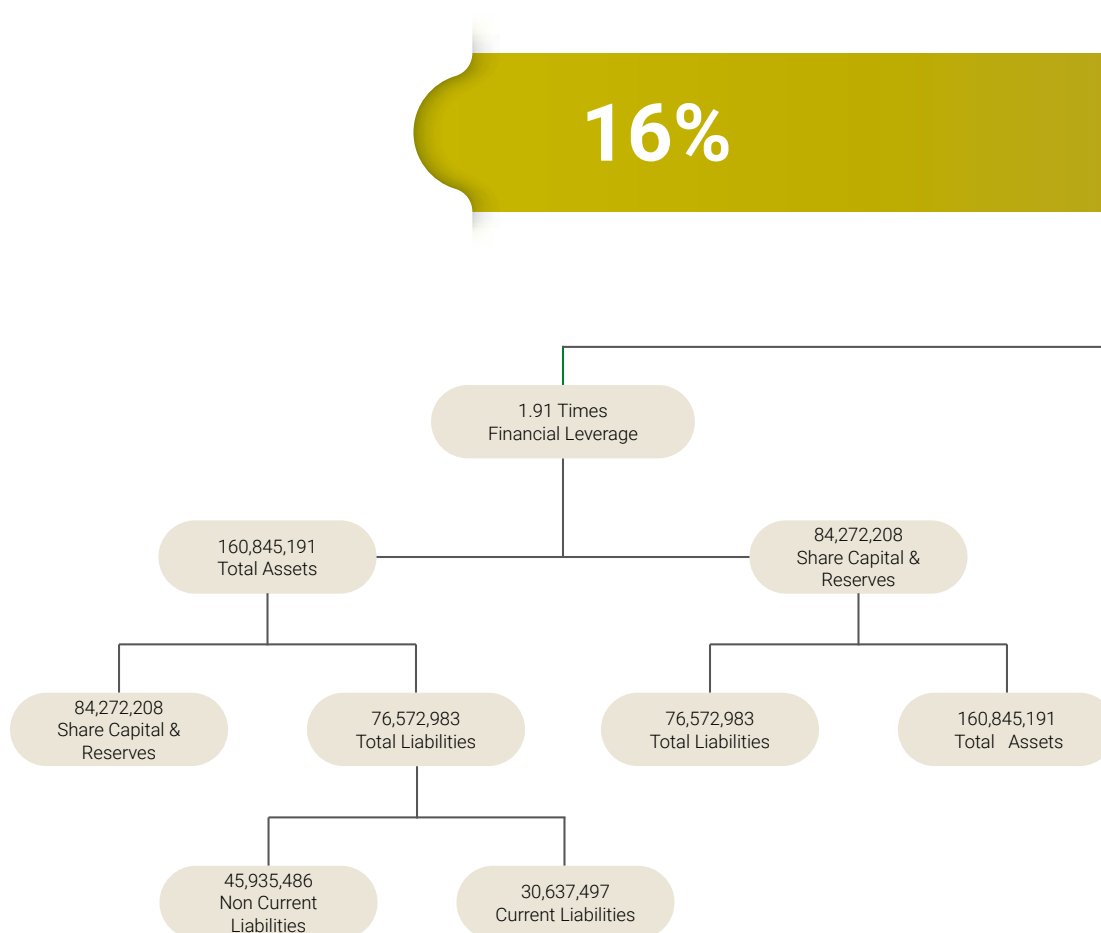
Earnings per shares - Rs



DUPONT ANALYSIS

Highlights

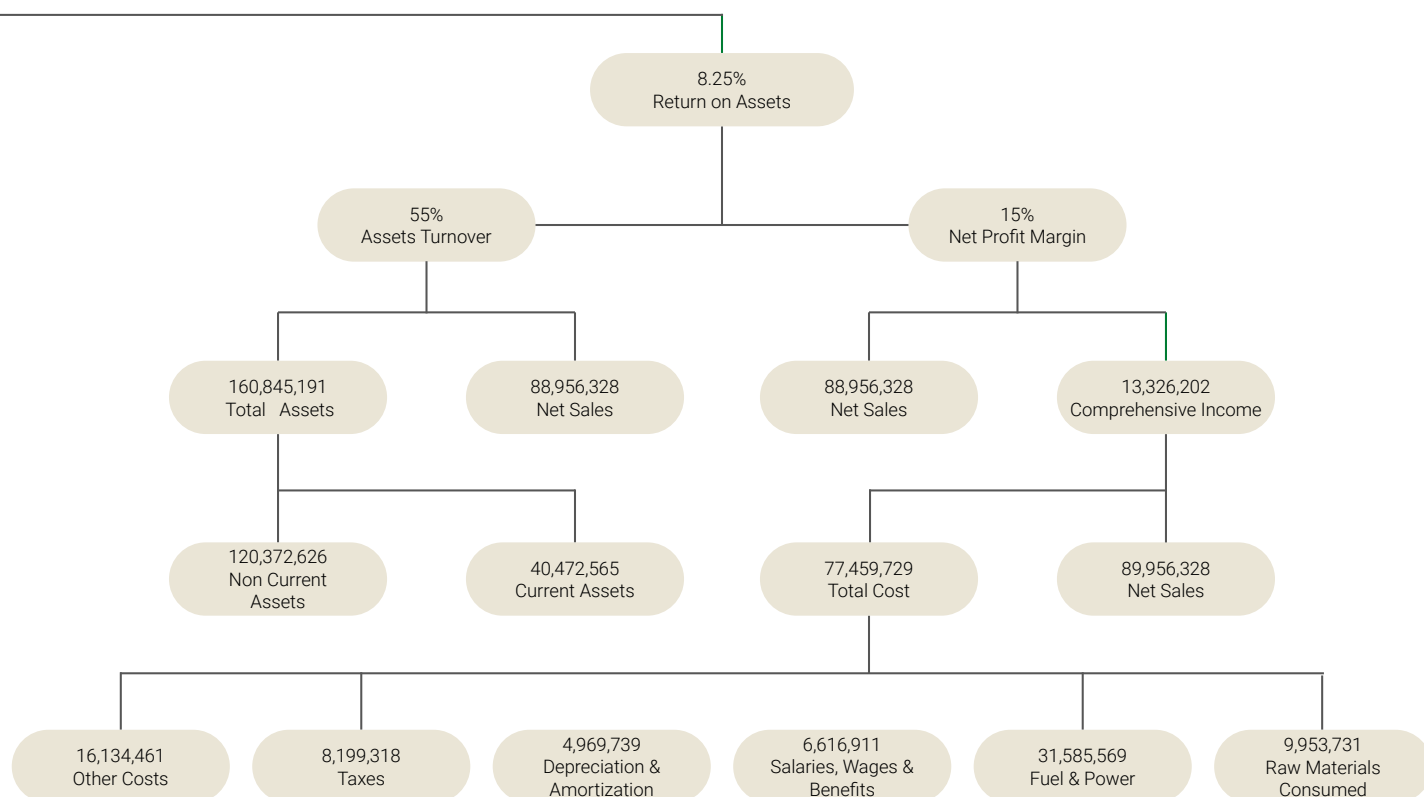
Net profit margin increased compared to previous year due to better gross margins owing to cost economization and better retention. Substantial investment in exapnsions bringing fruit in form of increasing asset trunover with wider revenue base. Financial leverage decreased during the year owing to repayment of long term loans. With the better retrun on assets year on year ROE witnessed an increasing 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	AxBxC=D
2025	15%	55%	1.91	16%
2024	10%	54%	2.01	11%
2023	11%	49%	2.13	11%
2022	13%	48%	1.97	12%
2021	14%	71%	1.46	15%
2020	0%	59%	1.48	-0.30%

Rs. '000 unless otherwise stated

Return on Equity



KEY RATIO ANALYSIS

		2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross Profit Ratio	%	35	32	30	29	25	4
Net Profit to Sales	%	15	10	11	13	14	(0)
EBITDA Margin to Sales	%	36	31	30	29	28	10
Operating Leverage Ratio	%	2.75	1.50	1.18	1.17	208.40	5.75
Return on Equity and Shareholders Fund	%	16	11	11	12	15	(0.30)
Return on Capital Employed	%	26	27	25	23	16	(0.28)
Shareholders' Funds	(Rs'000)	84,272,208	73,398,853	65,175,737	57,736,056	23,275,675	19,804,322
Return on Shareholders' Funds	%	16	11	11	12	15	-
Total Shareholders' Return (per share)	Rs.	23	12	(1)	(9)	6	1

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% in FY 2020 to 35% in FY 2025. A minor dip in net profit to turnover ratio in FY 2024 is mainly attributable to high taxation and finance cost post expansions that again increased to 15% in FY 2025. Return on capital employed shown a consistent trend over the years. Shareholders' total return during FY 2025 has also witnessed an impressive increase during the year due to operational and financial efficiencies and overall improvement in economy.

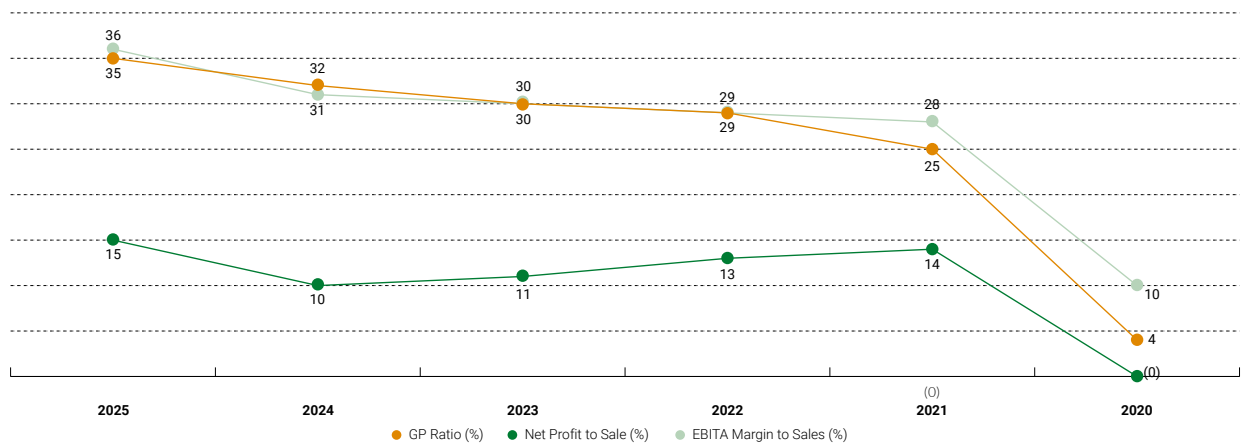
		2025	2024	2023	2022	2021	2020
Liquidity Ratios							
Current Ratio	Times	1.75	1.32	1.10	1.46	2.02	1.35
Quick/Acid Test Ratio	Times	0.90	0.47	0.38	0.65	1.14	0.44
Cash to Current Liabilities	Times	0.39	0.12	0.04	0.23	0.86	0.11
Cash Flow from Operations to Sales	Times	0.27	0.27	0.24	0.14	0.24	0.06
Cash Flow from operations to Capital Expenditures	Times	2.16	2.66	0.55	0.29	1.11	1.88
Cash Flow coverage ratio	Times	0.75	0.57	0.41	0.30	6.58	1.39

With optimal working capital structure over the years, Company maintained current ratio of more than one. Quick ratio for FY 2024 & 2023 is slightly on lower side from the average 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. Cash flows from operations to sales ratios also shows consistent trend over the years depicting the consistent realization of sales in cash.

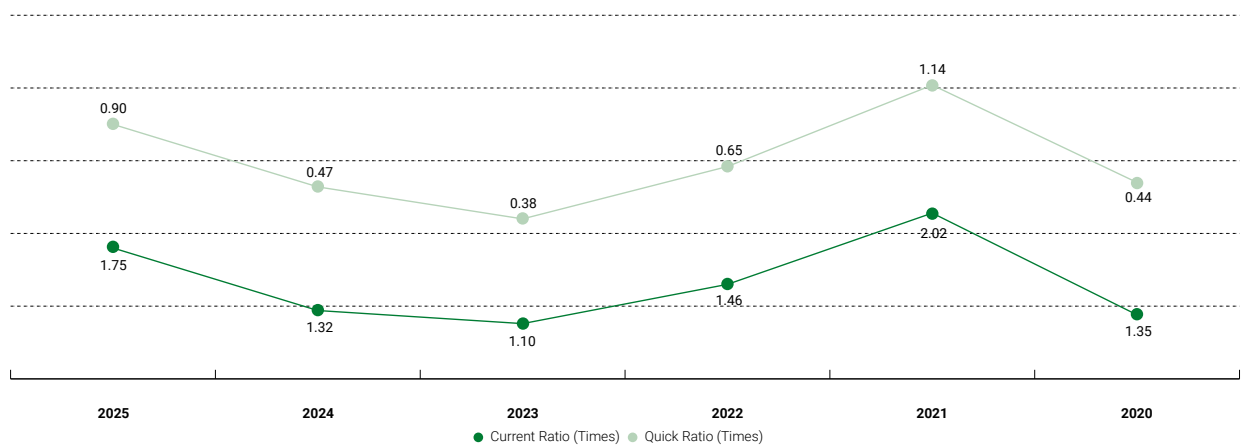
		2025	2024	2023	2022	2021	2020
Turnover Ratios							
Total Assets Turnover Ratio	Times	0.08	0.07	0.07	0.08	0.71	0.59
Fixed Assets Turnover Ratio	Times	0.12	0.09	0.11	0.16	1.13	0.78
No. of Days in Inventory	Days	54	49	41	22	24	23
No. of Days in Receivables	Days	23	26	18	13	19	19
No. of Days in Payables	Days	30	36	30	17	15	8
Operating Cycle	Days	107	111	90	52	58	50

Both asset turnover and fixed assets turnover ratios improved during the year depicting improved assets utilization. No of debtors and payable days also reduced during the year showing a quicker cash flow cycle.

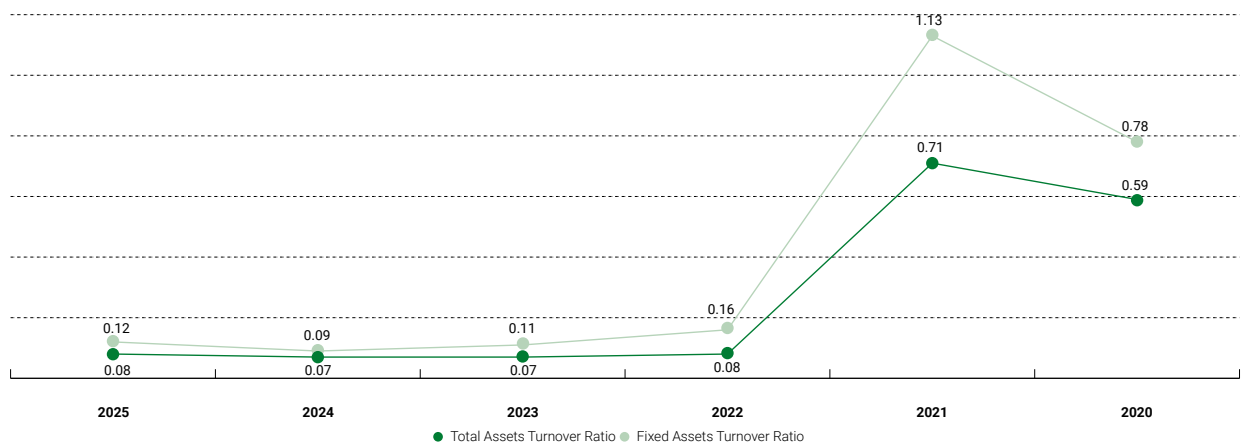
Profitability Ratios (%)



Liquidity Ratios (Times)



Turnover Ratio (Times)



		2025	2024	2023	2022	2021	2020
Investment/Market Ratios							
Earnings Per Share (EPS)/Diluted EPS	Rs	5.43	3.35	3.16	3.02	2.52	(0.04)
Price Earnings Ratio	Rs	6.69	5.26	3.92	6.00	7.96	-
Price to Book Ratio	Rs	1.30	0.77	0.44	0.54	1.36	1.18
Dividend Yield Ratio	%	2.80	4.36	-	-	-	-
Dividend Payout Ratio	%	23.01	29.83	-	-	-	-
Dividend per share - Cash	Rs	1.25	1.00	-	-	-	-
Break-up Value Per Share	Rs	34.36	29.92	26.57	26.48	16.87	14.35
Market value per share - at year end	Rs	44.67	22.91	11.76	14.17	23.00	16.88
Highest market value per share during the year	Rs	48.54	24.14	16.31	23.26	27.61	22.85
Lowest market value per share during the year	Rs	20.01	10.54	10.51	13.99	18.43	11.50

All profitability ratios improved during the year, consequent to high profitability. Highest ever profit in Company's history resulted higher EPS during the year as against the average EPS of Rs. 2.91 of last 6 years. Despite major capital investments, Company was able to declare dividend with payout ratio of 23% 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 during the year.

		2025	2024	2023	2022	2021	2020
Capital Structure Ratios							
Financial leverage ratio	Times	0.41	0.53	0.67	0.61	0.11	0.13
Weighted Average Cost of Debt	%	15.58	18.76	13.77	6.60	7.26	11.28
Debt to Equity Ratio - as per books	Times	0.39	0.51	0.60	0.43	0.04	0.04
Debt to Equity Ratio - as per market value	Times	0.30	0.67	1.36	0.08	0.03	0.03
Net Assets per Share	Rs	34	30	27	26	17	14
Interest Cover Ratio	Times	4.84	3.82	6.38	11	48	0.26

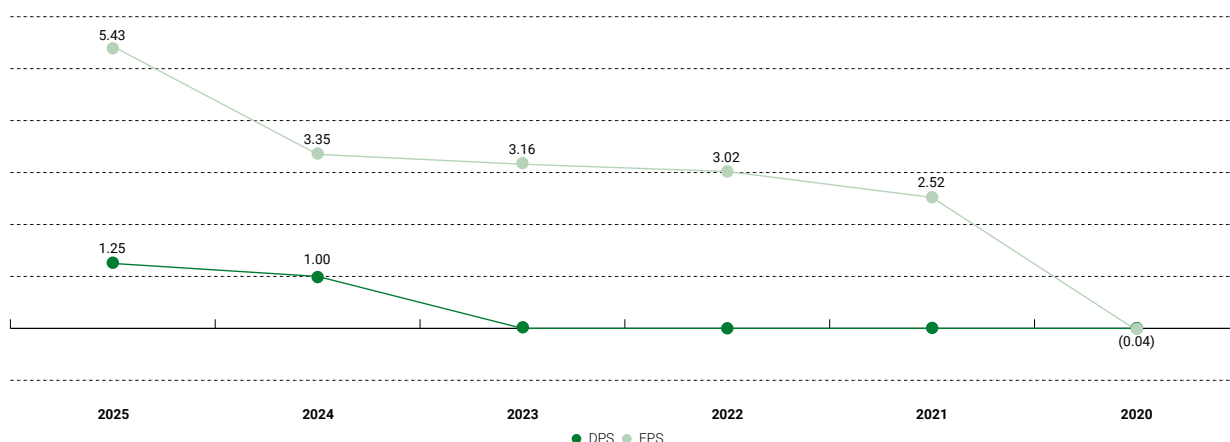
Financial leverage ratio witnessed an improvement on account of improved net assets of the Company in FY 2025. Over the years financial stability has ensured Company's ability to be current on its long term liabilities. Net assets of the Company per share improved significantly year on year, From Rs. 14 per share to Rs. 34 per share, an increase of 142%. Even with heavy finance cost, Company has an impressive interest coverage ratio ensuring the Company's ability to pay cost of its finances.

		2025	2024	2023	2022	2021	2020
Non-Financial Ratios							
% of plant availability	%	100	100	100	100	100	100
Production per Employee	Tons	2,306	2,176	2,256	2,541	3,130	2,514
Revenue per Employee	Rs'000	56,289	46,102	41,344	33,358	30,733	22,130
Staff Turnover Ratio	Times	2.10	1.55	1.59	2.06	1.29	0.24
Spares Inventory as % of Assets Cost	%	25.64	35.29	34.63	42.31	34.17	50.20
Maintenance Cost as % of Operating Expenses	%	4.03	3.73	3.60	4.69	4.72	4.62
Cement Production	MT	5,383,885	5,060,431	4,915,536	5,657,076	3,483,466	3,066,737
No. of employees		2,335	2,326	2,179	2,226	1,113	1,220
Gross Revenue	Rs'000	131,434,552	107,233,317	90,089,281	74,255,138	34,206,154	26,998,155

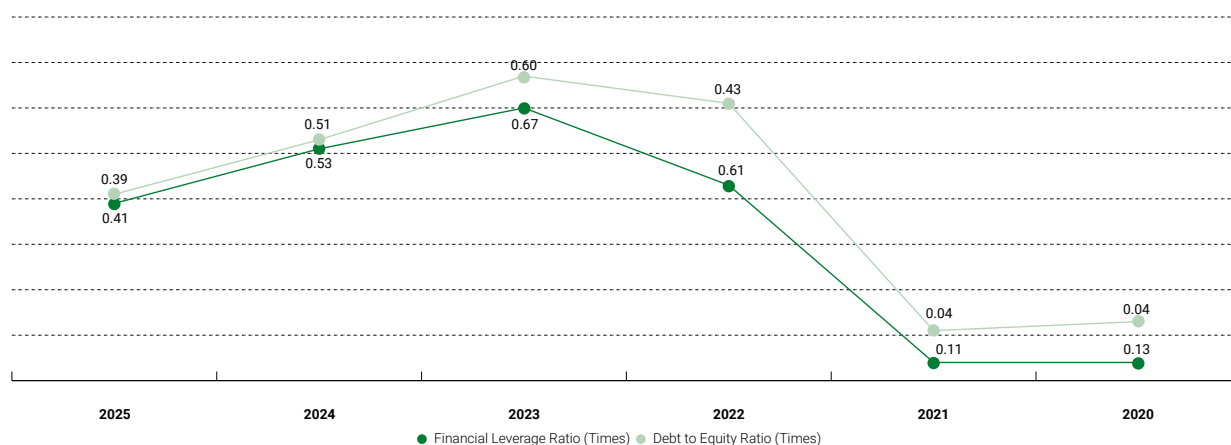
Explanation of Negative Change in Performance as Compared to Last year

FY 2025 was a tremendous year in Company's history and Company earned highest ever profit. There is not any material negative indicator as compared to the last year except for inventory no of days due to higher stocks level.

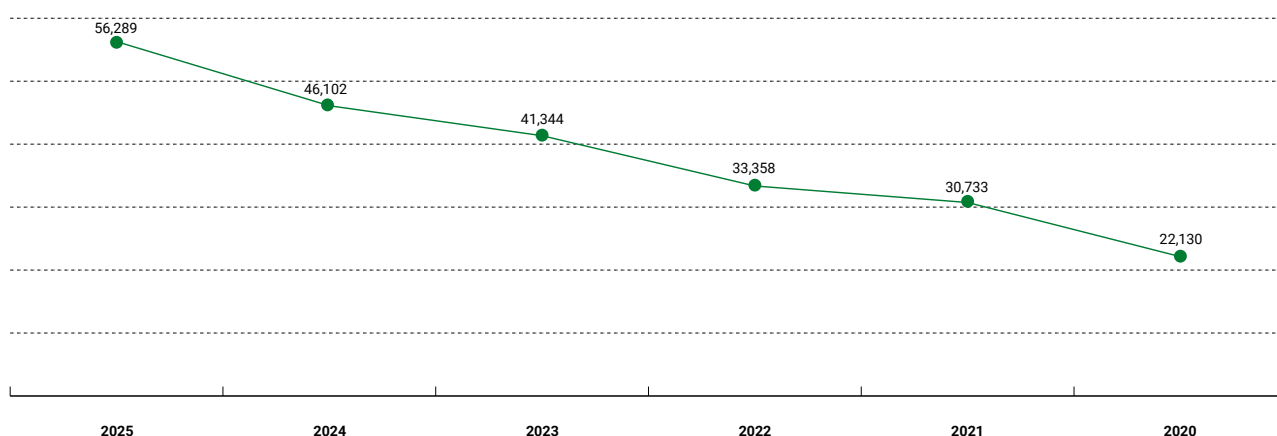
EPS & DPS - Rs



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

	2025	2024	2023	2022	2021	2020
	(Rs in Million)					
Net Sales	88,956	80,026	68,069	54,243	24,271	17,232
Gross Profit	31,571	25,680	20,418	15,463	6,064	649
Operating Profit	26,229	20,592	16,018	11,982	5,054	11,676
EBITDA	31,697	24,939	20,179	15,680	6,814	1,789
Finance Cost	5,772	5,536	3,645	1,202	110	234
Profit / (loss) After Taxation	13,326	8,223	7,440	7,113	3,471	(59)
EPS / (LPS) (Rs)						
Basic	5.43	3.35	3.16	3.02	2.52	(0.04)
Diluted	5.43	3.35	3.16	3.02	2.52	(0.04)

	2025	2025 Vs 2024	2024	2024 Vs 2023
	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)
Turnover - net	88,956,328	11%	80,026,226	18%
Cost of sales	(57,384,978)	6%	(54,345,821)	14%
Gross profit	31,571,350	23%	25,680,405	26%
Other income	760,772	41%	540,373	24%
Selling and distribution expenses	(2,935,139)	-11%	(3,285,923)	21%
Administrative expenses	(1,688,886)	11%	(1,516,046)	10%
Other expenses	(1,479,276)	79%	(826,875)	10%
Operating profit	26,228,821	27%	20,591,934	29%
Finance cost	(5,772,132)	4%	(5,536,298)	52%
Finance income	1,068,831	257%	299,318	-43%
Net finance (cost)/income	(4,703,301)	-10%	(5,236,980)	68%
Share of profit of associate	-	0%	-	0%
Profit /(Loss) before taxation	21,525,520	40%	15,354,954	19%
Final tax-levy	-	-100%	(55,223)	21%
Profit before income tax	21,525,520	41%	15,299,731	19%
Income tax credit / (expense)	(8,199,318)	16%	(7,076,615)	31%
Profit/(Loss) for the year	13,326,202	62%	8,223,116	11%
Earnings /(loss) per share - Basic (Rupees)	5.43	62%	3.35	6%
Earnings /(loss) per share - Diluted (Rupees)	5.43	62%	3.35	6%

Horizontal Analysis

Turnover

The Company achieved highest ever turnover of Rs. 89 Bn in 2025 that is 416% higher than its turnover in 2020 and with annual average growth of 44% 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 2025 stood at Rs 57 Bn as compared to Rs. 16.5 Bn in 2020, an increase of 245 % due to high volume and increased input costs. Per ton cost of sales in FY 2025 remained Rs 10,654 as compared to Rs. 5,380 in 2020, a surge of 98%, 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, vertical integration and captive power generation helped the Company to keep its cost of sales under control in line with the industry norms.

2023	2023 Vs 2022	2022	2022 Vs 2021	2021	2021 Vs 2020	2020
Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000	/ (Decrease)	Rupees'000
68,069,282	25%	54,243,118	123%	24,271,285	41%	17,231,709
(47,650,809)	23%	(38,779,542)	113%	(18,206,880)	10%	(16,582,605)
20,418,473	32%	15,463,576	155%	6,064,405	834%	649,104
436,173	89%	230,695	182%	81,710	126%	36,134
(2,705,263)	69%	(1,603,323)	746%	(189,537)	-7%	(204,344)
(1,381,633)	6%	(1,299,439)	148%	(524,709)	12%	(468,651)
(750,078)	-7%	(808,964)	114%	(377,946)	66,557%	(567)
16,017,672	34%	11,982,545	137%	5,053,923	43,185%	11,676
(3,645,265)	203%	(1,201,612)	996%	(109,623)	-53%	(233,800)
527,702	-29%	745,852	365%	160,543	229%	48,857
(3,117,563)	584%	(455,760)	-995%	50,920	128%	(184,943)
-	-100%	1,308	-54%	2,849	100%	-
12,900,109	12%	11,528,093	126%	5,107,692	3048%	(173,267)
(45,660)	0%	-	0%	-	0%	-
12,854,449	12%	11,528,093	126%	5,107,692	3048%	(173,267)
(5,414,768)	23%	(4,415,553)	170%	(1,636,341)	1537%	113,886
7,439,681	5%	7,112,540	105%	3,471,351	5946%	(59,381)
3.16	5%	3.02	20%	2.52	6400%	(0.04)
3.16	5%	3.02	20%	2.52	6400%	(0.04)

Gross Profit

The Company has demonstrated a commitment to elevating its gross profitability through process efficiencies, vertical integration, cost economization, capacity enhancement and efficient resource management. This elevation witnessed a remarkable increase in gross profit of Rs.31.57 Bn in FY 2025 as compared to Rs. 6.04 Bn in FY 2021, an increase of 423%.

Distribution Cost

The major component of distribution cost is freight charges on delivery of cement to projects that varies with the actual project sales. Rest of the costs escalates in line with the inflation. Prudent cost control measures have restrained the escalation in cost at minimal level.

Admin Costs

In preceding 3 years, admin cost is increased with an average of 9% 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 3 years. The main

contributing factors for last 3 years’ high finance costs are the expansion related financing that start repaying during the year. Owing to higher cash generation finance income, primarily related to markup on bank deposits and gain on mutual funds investments, is increased significantly during the year.

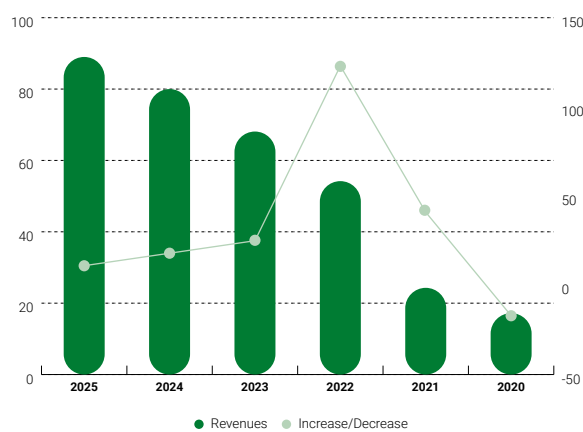
Income Tax

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 effective rate of 39%. During FY 2025 effective tax rate remained at 38% as against the actual rate of 39%, the lower rate is attributable to certain finance incomes that taxed at lower rates

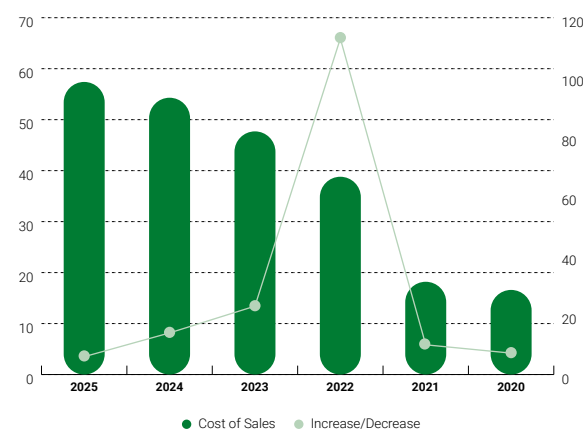
Profit after tax

During FY 2025 Company earned highest ever profit of Rs. 13.2 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. 13.2 Bn as compared to Rs. 3.5 Bn in 2021, an increase of 277%.

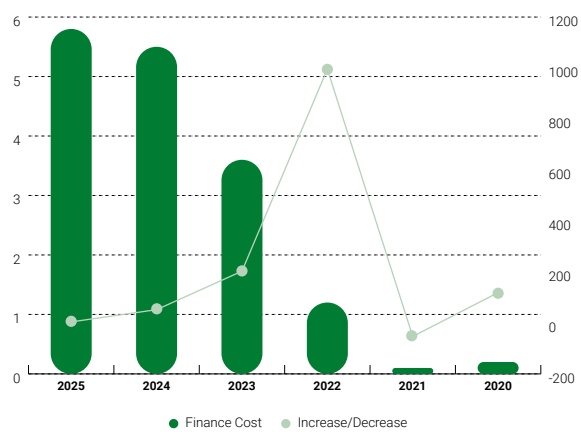
Revenues



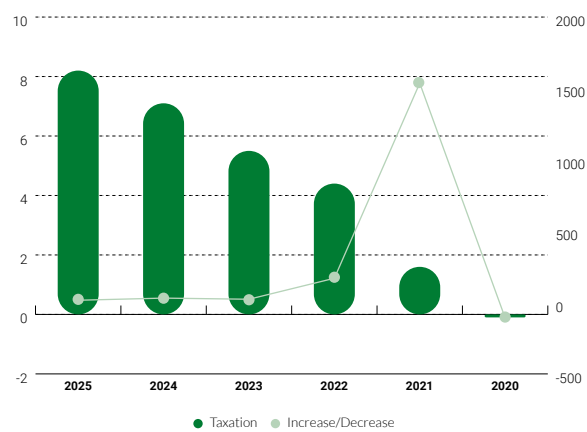
Cost of Sales



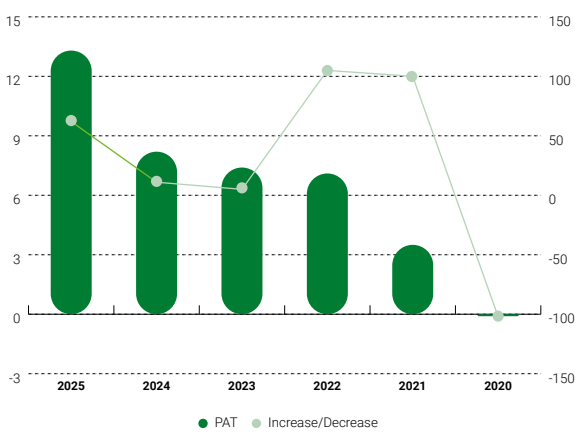
Finance Cost



Taxation



PAT



VERTICAL ANALYSIS STATEMENT OF PROFIT OR LOSS

	2025		2024	
	Rupees'000	%	Rupees'000	%
Turnover - net	88,956,328	100%	80,026,226	100%
Cost of sales	(57,384,978)	-65%	(54,345,821)	-68%
Gross profit	31,571,350	35%	25,680,405	32%
Other income	760,772	1%	540,373	1%
Selling and distribution expenses	(2,935,139)	-3%	(3,285,923)	-4%
Administrative expenses	(1,688,886)	-2%	(1,516,046)	-2%
Other expenses	(1,479,276)	-2%	(826,875)	-1%
Operating profit	26,228,821	29%	20,591,934	26%
Finance cost	(5,772,132)	-6%	(5,536,298)	-7%
Finance income	1,068,831	1.2%	299,318	0.4%
Net finance income/ (cost)	(4,703,301)	-5%	(5,236,980)	-7%
Share of profit of associate	-	-	-	-
Profit / (Loss) before income tax and final tax	21,525,520	24%	15,354,954	19%
Final tax-levy	-	-	(55,223)	0%
Profit before income tax	21,525,520	24%	15,299,731	19%
Income tax (expense) /credit	(8,199,318)	-9%	(7,076,615)	-9%
Profit / (Loss) for the year	13,326,202	15%	8,223,116	10%

Vertical Analysis

Gross Profit

Over the years gross profit margins of the company demonstrated a significant increase from 25 % in FY 2021 to 35% in FY 2025 an increase of 40%. 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. 29% in FY 2025 from 21% in FY 2021. Besides unprecedented inflation and increased fuel prices, the escalated costs have been passed on successfully with increased bottom-line 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 change in export taxation from presumptive to normal the tax as percentage of revenue increased from average 8% to 9%.

2023		2022		2021		2020	
Rupees'000	%	Rupees'000	%	Rupees'000	%	Rupees'000	%
68,069,282	100%	54,243,118	100%	24,271,285	100%	17,231,709	100%
(47,650,809)	-70%	(38,779,542)	-71%	(18,206,880)	-75%	(16,582,605)	-96%
20,418,473	30%	15,463,576	29%	6,064,405	25%	649,104	4%
436,173	1%	230,695	0.4%	81,710	0.3%	36,134	0.2%
(2,705,263)	-4%	(1,603,323)	-3%	(189,537)	-1%	(204,344)	-1%
(1,381,633)	-2%	(1,299,439)	-2%	(524,709)	-2%	(468,651)	-3%
(750,078)	-1%	(808,964)	-1%	(377,946)	-2%	(567)	0%
16,017,672	24%	11,982,545	22%	5,053,923	21%	11,676	-
(3,645,265)	-5%	(1,201,612)	-2%	(109,623)	0%	(233,800)	-1%
527,702	1%	745,852	1%	160,543	1%	48,857	0.3%
(3,117,563)	-5%	(455,760)	-1%	50,920	0%	184,943	1%
-	-	1,308	-	2,849	-	-	-
12,900,109	19%	11,528,093	21%	5,107,692	21%	(173,267)	-1%
(45,660)	0%	-	0%	-	0%	-	0%
12,854,449	19%	11,528,093	21%	5,107,692	21%	(173,267)	-1%
(5,414,768)	-8%	(4,415,553)	-8%	(1,636,341)	-7%	113,886	1%
7,439,681	11%	7,112,540	13%	3,471,351	14%	(59,381)	0%

Profit for the year

Profit as percentage of revenue remained 11% on average in last 6 years with exception of FY 2020 when Company incurred loss due to lower gross margins on account of unfavourable market conditions. Another exception is FY 2024 where this ratio is reduced to 10%, mainly attributable to income tax expense as described earlier. For FY 2025 the profit as percentage of revenue increased significantly to 15%.

HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

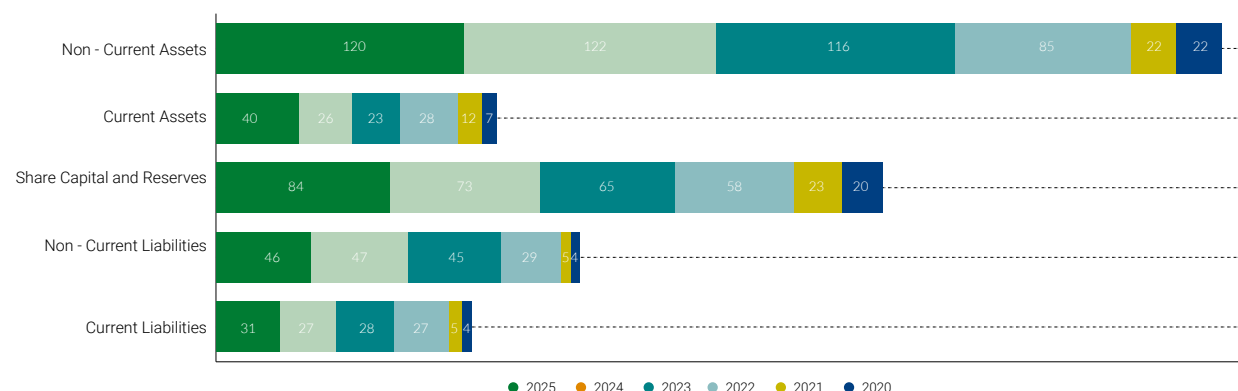
	2025	2025 Vs 2024	2024	2024 Vs 2023
	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)
SHARE CAPITAL AND RESERVES				
Share capital	24,528,476	0%	24,528,476	0%
Premium /(Discount) on issue of shares	15,253,134	0%	15,253,134	0%
Accumulated profits	44,490,598	32%	33,617,243	32%
Total equity	84,272,208	15%	73,398,853	13%
NON - CURRENT LIABILITIES				
Long term loans-secured	24,208,633	-19%	29,908,287	-6%
Employee benefits	283,590	13%	250,230	18%
Lease Liabilities	101,211	-14%	117,454	-1%
Deferred government grant	1,647,630	-24%	2,164,959	-21%
Deferred tax liabilities - net	19,694,422	32%	14,931,049	45%
	45,935,486	-3%	47,371,979	5%
CURRENT LIABILITIES				
Loan from Parent - unsecured	7,572,186	3%	7,387,000	0%
Trade and other payables	3,934,508	-36%	6,108,790	-8%
Accrued liabilities	9,076,142	76%	5,154,131	28%
Security deposits payable	570,602	5%	545,487	20%
Contract liabilities	588,076	36%	432,704	-26%
Unclaimed dividend	41,182	16%	35,646	-1%
Short term borrowings	2,192,462	51%	1,450,934	-68%
Provision for tax-net	-	100%	56,810	100%
Current portion of lease liability	43,099	-7%	46,206	-8%
Current portion of long term loans	6,104,065	20%	5,066,868	21%
Current portion of deferred government grant	515,175	-11%	580,891	-4%
	30,637,497	14%	26,865,467	-6%
Total Equity and Liabilities	160,845,191	9%	147,636,299	6%
NON - CURRENT ASSETS				
Property, plant and equipment	109,579,089	-1%	110,845,663	6%
Right of use asset	126,445	-4%	131,165	-28%
Intangibles	10,533,667	-2%	10,745,700	-2%
Long term deposits	133,425	3%	129,700	0%
Advance against issue of shares	-	0%	-	0%
Long term investment in associate	-	0%	-	0%
	120,372,626	-1%	121,852,228	5%
CURRENT ASSETS				
Stores, spares and loose tools - net	10,377,008	14%	9,099,130	14%
Stock in trade	9,337,617	25%	7,495,705	5%
Trade debts - net	6,911,322	25%	5,545,241	55%
Advances	305,685	110%	145,244	-60%
Sales tax refundable-net	526,868	100%	-	-100%
Trade deposits, short term prepayments	57,182	60%	35,696	44%
Advance tax - net	1,032,953	100%	-	-100%
Other receivables	48,492	-83%	280,071	-1%
Short term Investments	9,210,100	3584%	250,000	0%
Cash and bank balances	2,665,338	-9%	2,932,984	202%
	40,472,565	57%	25,784,071	11%
Total Assets	160,845,191	9%	147,636,299	6%

2023	2023 Vs 2022	2022	2022 Vs 2021	2021	2021 Vs 2020	2020
Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000
24,528,476	12%	21,803,090	58%	13,798,150	0%	13,798,150
15,253,134	-15%	17,978,520	-1418%	(1,364,385)	0%	(1,364,385)
25,394,127	41%	17,954,446	66%	10,841,906	47%	7,370,555
65,175,737	13%	57,736,056	148%	23,275,671	18%	19,804,320
31,777,087	62%	19,555,997	3879%	491,502	10%	447,327
211,595	18%	179,291	118%	82,380	14%	72,547
118,972	32%	89,965	22%	73,593	28%	57,656
2,745,849	39%	1,982,301	29903%	6,607	100%	-
10,312,402	39%	7,433,214	88%	3,960,489	9%	3,643,608
45,165,905	54%	29,240,768	534%	4,614,571	9%	4,221,138
7,387,000	0%	7,387,000	100%	-	0%	-
6,639,368	-5%	7,013,780	278%	1,854,218	45%	1,283,169
4,022,396	-7%	4,321,163	178%	1,554,895	49%	1,040,530
455,052	-1%	461,712	77%	260,652	3%	253,940
584,809	-32%	862,309	98%	435,097	18%	367,952
36,001	-3%	37,157	-3%	38,479	-4%	40,051
4,530,981	41%	3,218,249	99%	1,616,787	-14%	1,869,167
-	0%	-	0%	-	0%	-
50,463	-26%	68,332	177%	24,686	100%	23,737
4,176,493	40%	2,985,087	726%	361,521	19%	303,912
604,292	65%	366,464	2241%	15,654	0%	-
28,486,855	7%	26,721,253	334%	6,161,989	19%	5,182,458
138,828,497	22%	113,698,077	234%	34,052,231	17%	29,207,916
104,425,181	41%	74,126,315	246%	21,422,215	-3%	22,065,172
181,380	37%	132,263	48%	89,334	48%	60,322
10,957,737	100%	11,029,756	100%	-	-	-
129,700	3%	126,274	46%	86,601	-	86,601
-	100%	-	100%	-	-100%	12,500
-	-100%	66,657	334%	15,349	100%	-
115,693,998	35%	85,481,265	295%	21,613,499	-3%	22,224,595
8,011,181	-33%	11,939,147	181%	4,250,754	21%	3,505,809
7,112,327	92%	3,697,721	211%	1,189,198	0%	1,187,752
3,572,445	48%	2,412,758	66%	1,449,600	38%	1,050,640
366,231	89%	193,629	325%	45,593	-38%	73,695
1,820,851	-31%	2,650,804	100%	-	0%	-
24,840	10%	22,559	-14%	26,147	32%	19,843
723,704	-26%	975,108	983%	90,073	-84%	562,239
282,463	61%	175,443	97%	88,890	301%	22,169
250,000	-93%	3,843,310	-13%	4,397,699	0%	-
970,457	-58%	2,306,633	156%	900,778	61%	561,174
23,134,499	-18%	28,217,112	127%	12,438,732	78%	6,983,321
138,828,497	22%	113,698,377	234%	34,052,231	17%	29,207,916

Summary of Financial Position for last six years

	2025	2024	2023	2022	2021	2020
	(Rs in Million)					
Equity & Liabilities						
Shareholders' Equity	84,272	73,399	65,176	57,736	23,276	19,804
Long Term Loans Including Current Portion	30,313	34,975	35,953	22,541	853	751
Deferred tax liabilities - net	19,694	14,931	10,312	7,433	3,960	3,644
Other Non-current and current liabilities	26,566	24,331	27,387	25,988	5,963	5,009
	160,845	147,636	138,828	113,698	34,052	29,208
Assets						
Property, plant and equipment	109,579	110,846	104,425	74,126	21,422	22,065
Intangible assets and goodwill	10,534	10,746	10,958	11,030	-	-
Other Non-current and current assets	40,732	26,044	23,445	28,542	12,630	7,143
	160,845	147,636	138,828	113,698	34,052	29,208

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. 84 Bn in FY 2025, an increase of 320%, predominantly attributable to share premium consequent to merger of Askari Cement Company Limited and high profit earnings of the Company, the significant portion of which is retained for capital projects.

Non Current Liabilities

Increase in non current liabilities i.e. from Rs. 4 Bn in FY 2020 to Rs. 46 Bn in FY 2025 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 subsidized financing for expansion projects. Deferred tax liability of the Company increased significantly in past three years, predominantly

attributable to capitalization of expansion projects in FY 2023 & 2024, imposition of super tax and abolishment of presumptive tax regime on exports in FY 2024.

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 2025 significantly on account of expansion related financing starts becoming due in coming year. Accrued liabilities increased significantly during the FY 2025 due to accrual of royalty on minerals.

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 2025 property, plant and equipment stood at Rs. 110 Bn, 400% higher than the base year, predominately on account of Company's capital investment in its expansion, green energy and process efficiencies projects.

Current Assets

Company's current assets increased significantly i.e. Rs. 40 Bn in FY 2025, 471% higher than the base year of 2020. 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. Owing to the better cash flow generation during FY 2025 Company's liquid investments increased to Rs. 12 Bn at the end of FY 2025. By the end of FY 2025 Company has accumulated a reasonable liquid fund balance to meet its operational and capital 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.

	2025	2024	2023	2022	2021	2020
Weighted Average Cost of capital -%	15.58%	18.76%	19.25%	15.68%	15.68%	17.90%
Capital employed	105,489,263	80,770,832	75,810,470	57,174,654	22,511,907	18,686,392
Economic Value Added						
Net Operating Profit After Tax (Rs'000)	18,029,503	13,460,096	10,557,244	7,568,300	3,421,431	125,562
Less: Cost of Capital (Rs'000)	16,435,227	15,152,608	14,593,515.48	8,964,985.75	3,529,867.02	3,344,864.17
Economic Value Added (Rs'000)	1,594,276	(1,692,512)	(4,036,271)	(1,396,686)	(108,436)	(3,219,302)

VERTICAL ANALYSIS STATEMENT OF FINANCIAL POSITION

	2025		2024	
	Rupees'000	%	Rupees'000	%
SHARE CAPITAL AND RESERVES				
Share capital	24,528,476	15%	24,528,476	17%
Premium /(Discount) on issue of shares	15,253,134	9%	15,253,134	10%
Accumulated profits	44,490,598	28%	33,617,243	23%
Total equity	84,272,208	52%	73,398,853	50%
NON - CURRENT LIABILITIES				
Long term loans - secured	24,208,633	15%	29,908,287	20%
Employee benefits	283,590	0%	250,230	0%
Lease liabilities	101,211	0%	117,454	0%
Deferred government grant	1,647,630	1%	2,164,959	1%
Deferred tax liabilities - net	19,694,422	12%	14,931,049	10%
	45,935,486	29%	47,371,979	32%
CURRENT LIABILITIES				
Loan from Parent - unsecured	7,572,186	5%	7,387,000	5%
Trade and other payables	3,934,508	2%	6,108,790	4%
Accrued liabilities	9,076,142	6%	5,154,131	3%
Security deposits payable	570,602	0%	545,487	0%
Contract liabilities	588,076	0%	432,704	0%
Unclaimed dividend	41,182	0%	35,646	0%
Short term borrowings	2,192,462	1%	1,450,934	1%
Provision for tax-net	-	0%	56,810	0%
Current portion of lease liability	43,099	0%	46,206	0%
Current portion of long term loans	6,104,065	4%	5,066,868	3%
Current portion of deferred government grant	515,175	0%	580,891	0%
	30,637,497	19%	26,865,467	18%
Total Equity and Liabilities	160,845,191	100%	147,636,299	100%
NON - CURRENT ASSETS				
Property, plant and equipment	109,579,089	68%	110,845,663	75%
Right of use asset	126,445	0%	131,165	0%
Intangibles	10,533,667	7%	10,745,700	7%
Long term deposits	133,425	0%	129,700	0%
Advance against issue of shares	-	0%	-	0%
Long term investment in associate	-	0%	-	0%
	120,372,626	75%	121,852,228	83%
CURRENT ASSETS				
Stores, spares and loose tools - net	10,377,008	6%	9,099,130	6%
Stock in trade	9,337,617	6%	7,495,705	5%
Trade debts - net	6,911,322	4%	5,545,241	4%
Advances	305,685	0%	145,244	0%
Sales tax refund able - net	526,868	0%	-	0%
Trade deposits, short term prepayments	57,182	0%	35,696	0%
Advance tax - net	1,032,953	1%	-	0%
Other receivables	48,492	0%	280,071	0%
Short term Investments	9,210,100	6%	250,000	0%
Cash and bank balances	2,665,338	2%	2,932,984	2%
	40,472,565	25%	25,784,071	17%
Total Assets	160,845,191	100%	147,636,299	100%

2023		2022		2021		2020	
Rupees'000	%	Rupees'000	%	Rupees'000	%	Rupees'000	%
24,528,476	18%	21,803,090	19%	13,798,150	41%	13,798,150	47%
15,253,134	11%	17,978,520	16%	(1,364,385)	-4%	(1,364,385)	-5%
25,394,127	18%	17,954,446	16%	10,841,906	32%	7,370,555	25%
65,175,737	47%	57,736,056	51%	23,275,671	68%	19,804,320	68%
31,777,087	23%	19,555,997	17%	491,502	1%	447,327	2%
211,595	0%	179,291	0%	82,380	0%	72,547	0%
118,972	0%	89,965	0%	73,593	0%	57,656	0%
2,745,849	2%	1,982,301	2%	6,607	0%	-	0%
10,312,402	7%	7,433,214	7%	3,960,489	12%	3,643,608	12%
45,165,905	33%	29,240,768	26%	4,614,571	14%	4,221,138	14%
7,387,000	5%	7,387,000	6%	-	0%	-	0%
6,639,368	5%	7,013,780	6%	1,854,218	5%	1,283,169	4%
4,022,396	3%	4,321,163	4%	1,554,895	5%	1,040,530	4%
455,052	0%	461,712	0%	260,652	1%	253,940	1%
584,809	0%	862,309	1%	435,097	1%	367,952	1%
36,001	0%	37,157	0%	38,479	0%	40,051	0%
4,530,981	3%	3,218,249	3%	1,616,787	5%	1,869,167	6%
-	0%	-	0%	-	0%	-	0%
50,463	0%	68,332	0%	24,686	0%	23,737	0%
4,176,493	3%	2,985,087	3%	361,521	1%	303,912	1%
604,292	0%	366,464	0%	15,654	0%	-	0%
28,486,855	21%	26,721,253	24%	6,161,989	18%	5,182,458	18%
138,828,497	100%	113,698,077	100%	34,052,231	100%	29,207,916	100%
104,425,181	75%	74,126,315	65%	21,422,215	63%	22,065,172	76%
181,380	0%	132,263	0%	89,334	0%	60,322	0%
10,957,737	8%	11,029,756	10%	-	0%	-	0%
129,700	0%	126,274	0%	86,601	0%	86,601	0%
-	0%	-	0%	-	0%	12,500	0%
-	0%	66,657	0%	15,349	0%	-	0%
115,693,998	83%	85,481,265	75%	21,613,499	63%	22,224,595	76%
8,011,181	6%	11,939,147	11%	4,250,754	12%	3,505,809	12%
7,112,327	5%	3,697,721	3%	1,189,198	3%	1,187,752	4%
3,572,445	3%	2,412,758	2%	1,449,600	4%	1,050,640	4%
366,231	0%	193,629	0%	45,593	0%	73,695	0%
1,820,851	1%	2,650,804	2%	-	0%	-	0%
24,840	0%	22,559	0%	26,147	0%	19,843	0%
723,704	1%	975,108	1%	90,073	0%	562,239	2%
282,463	0%	175,443	0%	88,890	0%	22,169	0%
250,000	0%	3,843,010	3%	4,397,699	13%	-	0%
970,457	1%	2,306,633	3%	900,778	3%	561,174	2%
23,134,499	17%	28,216,812	25%	12,438,732	37%	6,983,321	24%
138,828,497	100%	113,698,077	100%	34,052,231	100%	29,207,916	100%

Vertical Analysis

Share Capital and Reserves

Shareholder's equity as percentage of total balance sheet base is decreased from 68% in FY 2020 to 52% in FY 2025 depicting a shift in Company's financing structure i.e. from equity to debt financing (mainly for expansion projects).

Non Current Liabilities

A significant shift in non current liabilities is witnessed in recent years, mainly, due to long term financing (non current portion) and deferred tax liabilities. 56% of total non current liabilities is related to long term loans (including deferred grants) that was 11 % in FY 2020. Second most significant component of non current liabilities is deferred tax that form 43% of non current liabilities in FY 2025 as compared to 25% in FY 2022, post merger. Surge in deferred tax liabilities is predominantly attributable to capitalization of expansion projects in FY 2023 & 2024, imposition of super tax and abolishment of presumptive tax regime on exports in FY 2024.

Current Liabilities

Over the past years current liabilities as parentage of total balance sheet footing witnessed a consistent trend with

exception in FY 2022 and FY 2023 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 2025, form 7% 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.

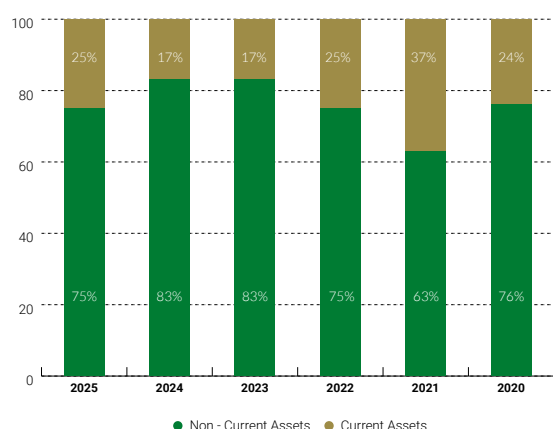
Non Current Assets

75% 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.

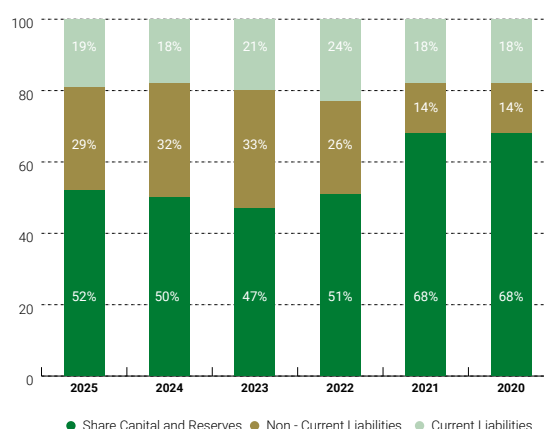
Current Assets

For FY 2025, current assets remains 25% of total assets of the Company. Company achieved optimal level of stores and spares and stock in trade in recent years. For FY 2025, Company's stocks and stores stood at 12% of total assets as against the average of 13% of last 6 years. At the end of FY 2025 short term investment stood at 6% of the total assets of the Company, all time high short term investments is resultant of higer cash generation from operations.

Assets



Equity and Liabilities



CASH FLOWS

Summary of Cash Flows for last six years

	2025	2024	2023	2022	2021	2020
	(Rs. in '000)					
Net cash generated from operating activities	24,313,208	22,284,607	16,030,998	7,567,564	5,739,097	1,013,426
Net cash used in investing activities	(11,259,190)	(8,158,036)	(29,667,173)	(26,064,704)	(5,141,658)	(545,109)
Net cash generated from / (used in)						
financing activities	(12,739,192)	(8,479,996)	10,897,767	19,345,923	(5,455)	(1,181,854)
Net increase / (decrease) in cash and cash equivalents	314,826	5,646,575	(2,738,408)	848,783	591,984	(713,537)
Cash and cash equivalents at beginning						
 of the year	1,996,550	(3,650,024)	(911,616)	(716,009)	(1,307,993)	(594,456)
Cash and cash equivalents acquired						
 through business combination	-	-	-	(1,044,390)	-	-
Cash and cash equivalents at end of the year	2,311,376	1,996,551	(3,650,024)	(911,616)	(716,009)	(1,307,993)

Cash flows Analysis

Cash flows from operations

Cash flows from operations are Rs.24Bn as against the Rs. 1 Bn in FY 2020. This mainly is attributable to higher profitability as a result of amalgamation and capacity enhancement along with operational efficiencies bring in by the management. Apart from operations related cash flows, income tax payments are increased multi fold since 2020, 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, green energy generation and capital investments for vertical integration. The Company has invested Rs. 80 Bn in last 6 years on capacity enhancement, green energy generation, BMRs for operational efficiencies and acquisition of PP bags manufacturing plant. During FY 2025, Company also made short investment amounting to Rs. 8.9 Bn in mutual funds.

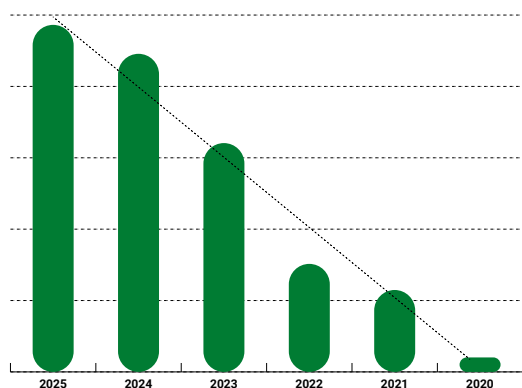
Cash flows from financing activities

To meet its capital needs Company secured loan amounting to Rs. 41 Bn in last 6 years and also repaid long term loans amounting to Rs. 13 Bn. During this period Company payed finance cost amounting to Rs. 17 Bn against long and short term financing. Apart from repayment of long term loans and finance cost amounting to Rs. 30 Bn, Company also paid Rs. 5.9 Bn as dividend to its shareholders during the aforesaid period of 6 years.

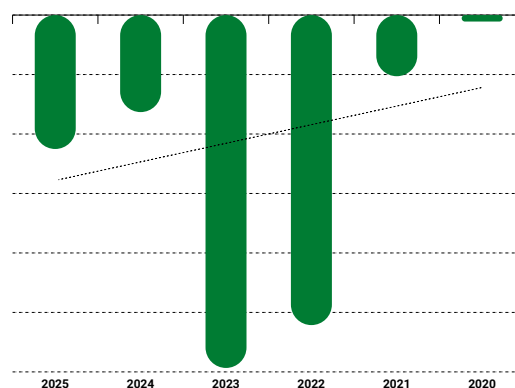
Cash and Cash Equivalents

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. 1.3 Bn in FY 2020 owing to the better cash generations from operations. In FY 2025 same trend continues and Company remains positive in cash at year end.

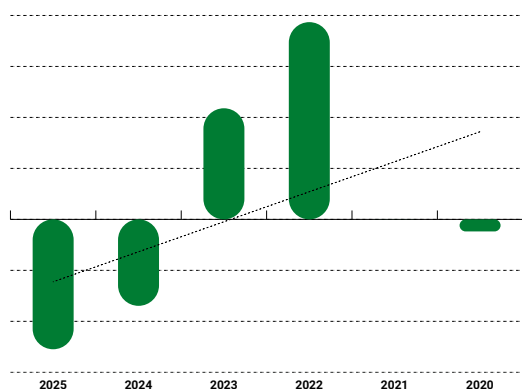
Net cash generated from operating activities



Net cash used in investing activities



Net cash generated from /(used in) financing activities



Free Cash Flows

	2025	2024	2023	2022	2021	2020
	(Rs '000)					
Net Cash generated from Operating Activities	24,313,208	22,284,607	16,030,998	7,567,564	5,739,097	1,013,426
Capital Additions	(2,314,221)	(8,158,037)	(29,667,173)	(26,064,704)	(857,636)	(545,109)
Free Cash Flows to the Company	21,998,987	14,126,570	(13,636,175)	(18,497,140)	4,881,461	468,317
Add : Net Debt	(12,739,192)	(8,479,995)	10,897,767	19,345,923	141,373	92,311
Free Cash Flows to the Equity Holders	9,259,795	5,646,575	(2,738,408)	848,783	5,022,834	560,628

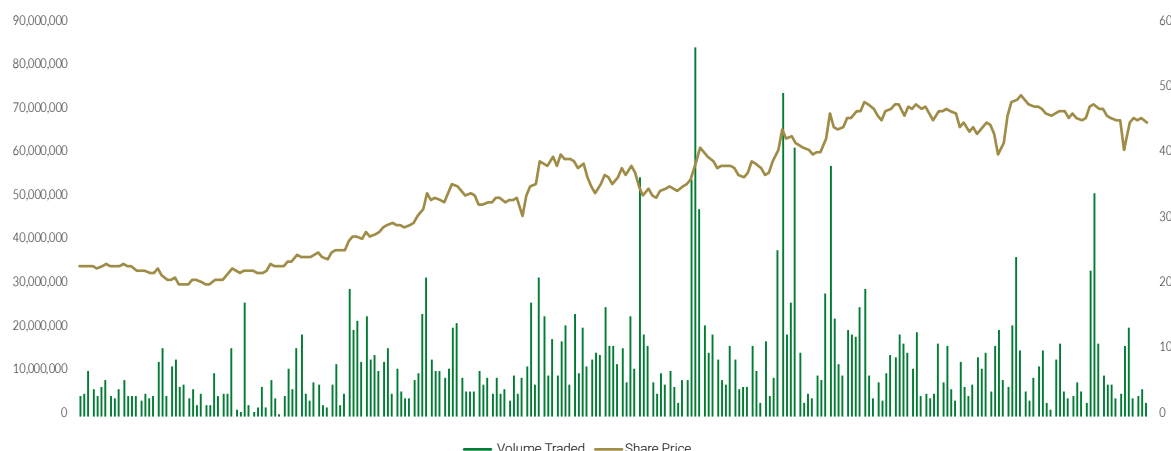
DIRECT METHOD STATEMENT OF CASH FLOWS

	2025	2024
	Rupees'000	Rupees'000
Cash Flow from operating Activities		
Cash receipts from customers	87,745,619	78,053,430
Cash Paid to vendors & employees	(57,596,461)	(53,093,030)
Compensated absences paid	(133,659)	(113,619)
Payment to Workers' (Profit) Participation Fund	(1,164,913)	(741,244)
Payment to Workers Welfare Fund	(11,670)	(88,253)
Taxes paid	(4,525,708)	(1,732,677)
Net cash generated from operating activities	24,313,208	22,284,607
Cash flows from investing activities		
Additions in property, plant and equipment	(3,477,647)	(8,478,876)
Short term investments	(8,944,969)	-
Proceeds from disposal of property, plant and equipment	109,726	21,522
Income received against deposits and investments	1,053,700	299,318
Net cash used in investing activities	(11,259,190)	(8,158,036)
Cash flows from financing activities		
Repayment of long term loans	(4,657,115)	(2,053,004)
Disbursements from new long term loans	-	644,239
Lease payments	(75,315)	(77,816)
Dividend paid	(2,447,311)	(355)
Markup paid on loan from parent	(553,514)	-
Finance cost paid	(5,005,937)	(6,993,060)
Net cash used in financing activities	(12,739,192)	(8,479,996)
Net increase in cash and cash equivalents	314,826	5,646,575
Cash and cash equivalents at beginning of the year	1,996,550	(3,650,025)
Cash and cash equivalents at end of the year	2,311,376	1,996,550

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 1.40.

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% +)	755
Sales Volume (1% +)	507
Fuel and Power (1% +)	185
Interest Rate (1%+)	126
Currency (1% +)	1

DISCLOSURE OF MARKET SHARE AND PRODUCTS OF THE COMPANY

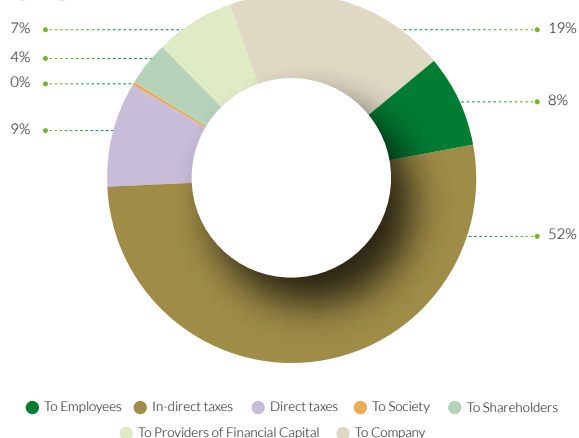
Fauji & Askari are trusted brands among the mega projects and over the years have gained trust of general consumers through their quality and reliability. Complete range of products is given in “Our Products & Markets” section of this report. Company has 13% of share in the Domestic market. Due to inherent limitation of its location the only export market of the Company is Afghanistan, where Company’s share is 33% of the exports from Pakistan



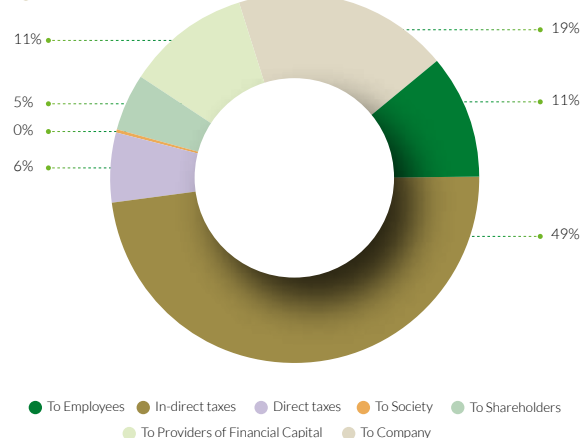
STATEMENT OF VALUE ADDITION

	2025 PKR in '000	%	2024 PKR in '000	%
Wealth Generated				
Gross Revenues	128,602,428		105,667,788	
Other income	1,829,603		839,691	
	130,432,031		106,507,479	
Brought-in-Material and services	(51,337,578)		(54,104,307)	
	79,094,453	100%	52,403,172	100%
Wealth Distribution				
To Employees (Salaries, benefits & other costs)	6,616,911	8%	5,516,556	11%
To Government				
In-direct taxes	41,469,000	52%	25,704,000	49%
Direct taxes	6,768,400	9%	3,154,881	6%
To Society (Donations)	176,971	0%	166,694	0%
To Shareholders (Dividend)	3,066,059	4%	2,452,847	5%
To Providers of Financial Capital (Mark-up expenses on borrowed funds)	5,767,230	7%	5,579,874	11%
To Company (Depreciation, Amortisation & Retained Profit)	15,229,882	19%	9,828,320	19%
	79,094,453	100%	52,403,172	100%

2025



2024



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 that 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 17 of financial statements
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	Note 44 of financial statements
4	Specific disclosures required for shariah compliant companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	Note 46.1 of financial statements
5	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
6	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
7	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

CEO presentation Video on the company's business performance for the year.

<https://fccl.com.pk/eng/>





08

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, 2025, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, 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, 2025 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 is the Key audit matter:

S. No	Key audit matters	How the matter was addressed in our audit
(i)	<p>Revenue recognition (Refer notes 3.8 and 28 to the financial statements)</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <ul style="list-style-type: none"> • 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.

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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance

The engagement partner on the audit resulting in this independent auditor's report is JehanZeb Amin.



Chartered Accountants
Islamabad
Date: August 27, 2025
UDIN: AR202510083yIWjRApF

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	2025 Rupees'000	2024 Rupees'000
EQUITY & LIABILITIES			
EQUITY AND RESERVES			
Share capital	5	24,528,476	24,528,476
Capital reserve – Premium on issue of shares		15,253,134	15,253,134
Revenue reserve – Accumulated profits		44,490,598	33,617,243
		84,272,208	73,398,853
NON-CURRENT LIABILITIES			
Long term loans – secured	6	24,208,633	29,908,287
Employee benefits	7	283,590	250,230
Lease liabilities	8	101,211	117,454
Deferred government grant	9	1,647,630	2,164,959
Deferred tax liabilities – net	10	19,694,422	14,931,049
		45,935,486	47,371,979
CURRENT LIABILITIES			
Loan from Parent – unsecured	11	7,572,186	7,387,000
Trade and other payables	12	3,934,508	6,108,790
Accrued liabilities	13	9,076,142	5,154,131
Security deposits payable	14	570,602	545,487
Contract liabilities		588,076	432,704
Unclaimed dividend		41,182	35,646
Short term running finance – secured	15	2,192,462	1,450,934
Provision for tax – net		–	56,810
Current portion of long term loans	6	6,104,065	5,066,868
Current portion of lease liability	8	43,099	46,206
Current portion of deferred government grant	9	515,175	580,891
		30,637,497	26,865,467
TOTAL EQUITY AND LIABILITIES		160,845,191	147,636,299

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 47 form an integral part of these financial statements.


	Note	2025	2024
		Rupees'000	Rupees'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	109,579,089	110,845,663
Right of use asset	18	126,445	131,165
Intangible assets and goodwill	19	10,533,667	10,745,700
Long term deposits		133,425	129,700
		120,372,626	121,852,228
CURRENT ASSETS			
Stores, spares and loose tools	20	10,377,008	9,099,130
Stock in trade	21	9,337,617	7,495,705
Trade debts	22	6,911,322	5,545,241
Advances	23	305,685	145,244
Sales tax refundable – net		526,868	–
Trade deposits and short term prepayments	24	57,182	35,696
Advance tax – net		1,032,953	–
Other receivables	25	48,492	280,071
Short term investments	26	9,210,100	250,000
Cash and bank balances	27	2,665,338	2,932,984
		40,472,565	25,784,071
TOTAL ASSETS		160,845,191	147,636,299



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		Rupees'000	Rupees'000
Revenue – net	28	88,956,328	80,026,226
Cost of sales	29	(57,384,978)	(54,345,821)
Gross profit		31,571,350	25,680,405
Other income	30	760,772	540,373
Selling and distribution expenses	31	(2,935,139)	(3,285,923)
Administrative expenses	32	(1,688,886)	(1,516,046)
Other expenses	33	(1,479,276)	(826,875)
Operating profit		26,228,821	20,591,934
Finance cost	34	(5,772,132)	(5,536,298)
Finance income	35	1,068,831	299,318
Net finance cost		(4,703,301)	(5,236,980)
Profit before income tax and final tax		21,525,520	15,354,954
Final tax – levy	36	–	(55,223)
Profit before income tax		21,525,520	15,299,731
Income tax expense	37	(8,199,318)	(7,076,615)
Profit for the year		13,326,202	8,223,116
		Rupees	Rupees
Earnings per share – basic and diluted	38	5.43	3.35


The annexed notes 1 to 47 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, 2025

	2025	2024
	Rupees'000	Rupees'000
Profit for the year	13,326,202	8,223,116
Other comprehensive income for the year – net of tax	–	–
Total comprehensive income for the year	13,326,202	8,223,116


The annexed notes 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		Rupees'000	Rupees'000
Cash flows from operating activities			
Profit before income tax and levy		21,525,520	15,354,954
Adjustments for:			
Provision for employee benefits	7	190,243	168,483
Workers' (Profit) Participation Fund including interest	12.1	1,154,028	811,936
Depreciation on property, plant and equipment	17.2	4,706,393	3,775,527
Depreciation on right of use asset	18	51,313	70,487
Amortization on intangibles	19	212,033	212,037
Spares write off during the year	20.1	25,752	(57,700)
Gain on disposal of property, plant and equipment	30	(71,898)	(12,182)
Gain on settlement of leases	30	(14,496)	–
Amortization of deferred grant	30	(583,045)	(428,391)
Workers' Welfare Fund	33	323,744	13,376
Finance cost excluding exchange loss and interest on WPPF	34	5,763,163	5,576,797
Exchange loss / (gain)	34	4,902	(43,576)
Investment and bank deposit income		(1,068,831)	(299,318)
		10,693,301	9,787,476
Operating cash flows before working capital changes		32,218,821	25,142,430
Changes in			
Stores, spares and loose tools		(1,303,630)	(1,030,249)
Stock in trade		(1,841,912)	(383,378)
Trade debts		(1,366,081)	(1,972,796)
Advances		(160,441)	220,987
Trade deposits and short term prepayments		(21,486)	(10,856)
Other receivables		231,579	2,392
Long term deposits		(3,725)	–
Sales tax refundable – net		(1,245,819)	2,539,802
Trade and other payables		(1,784,646)	(1,217,997)
Accrued liabilities		3,922,011	1,131,735
Short term running finance – secured		1,324,000	600,000
Security deposits payable		25,115	90,435
Contract liabilities		155,372	(152,105)
		(2,069,663)	(182,030)
Cash generated from operating activities		30,149,158	24,960,400
Employee benefits paid	7	(133,659)	(113,619)
Payment to Workers' (Profit) Participation Fund	12.1	(1,164,913)	(741,244)
Payment to WWF		(11,670)	(88,253)
Taxes / levy paid		(4,525,708)	(1,732,677)
Net cash generated from operating activities		24,313,208	22,284,607

	Note	2025	2024
		Rupees'000	Rupees'000
Cash flows from investing activities			
Additions to property, plant and equipment		(3,477,647)	(8,478,876)
Short term investments – net		(8,944,969)	–
Proceeds from disposal of property, plant and equipment	17.1	109,726	21,522
Income received against deposits and investments		1,053,700	299,318
Net cash used in investing activities		(11,259,190)	(8,158,036)
Cash flows from financing activities			
Repayment of long term loans		(4,657,115)	(2,053,004)
Long term loans received during the year		–	644,239
Lease payments		(75,315)	(77,816)
Dividend paid during the year		(2,447,311)	(355)
Markup paid on loan from parent		(553,514)	–
Finance cost paid		(5,005,937)	(6,993,060)
Net cash used in financing activities		(12,739,192)	(8,479,996)
Net increase in cash and cash equivalents		314,826	5,646,575
Cash and cash equivalents at beginning of the year		1,996,550	(3,650,025)
Cash and cash equivalents at end of the year	39	2,311,376	1,996,550


The annexed notes 1 to 47 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, 2025

	Share capital	Capital reserve	Revenue reserve	Total
	Ordinary shares	Premium on issue of shares	Accumulated profits	
Rupees'000				
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 profit 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
Balance at July 1, 2024	24,528,476	15,253,134	33,617,243	73,398,853
Total comprehensive income for the year				
Profit for the year	–	–	13,326,202	13,326,202
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	13,326,202	13,326,202
Transactions with owners of the Company				
Distributions:				
Final dividend 2024 @ Rs. 1.00 per share	–	–	(2,452,847)	(2,452,847)
Balance at June 30, 2025	24,528,476	15,253,134	44,490,598	84,272,208


The annexed notes 1 to 47 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, 2025

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% (2024: 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
 - Hattar, District Haripur

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, 2025

2.4.1 Property, plant and equipment

The Company reviews the residual values, useful lives and depreciation method 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.

2.4.2 Provision for inventory obsolescence and measurement of quantities

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. Determining the value of specific category of stock-in-trade and stores and spares i.e. cement, clinker and coal, involves the use of estimates and assumptions. As the weighing of these inventory items is not practicable, the reasonableness of the quantities on hand is assessed by obtaining measurement of stockpiles and converting these measurements into unit of volume by bulk density values.

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 amortization

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, amendments to published standards and interpretations that are effective for the year and are relevant to the Company

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, 2024. However, these do not have any significant impact on the Company's financial statements.

2.6 Standards, interpretations and amendments to approved accounting standards that are not yet effective

2.6.1 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 21	The Effect of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (consolidated financial statements) and IAS 7 (statements of cashflows)		January 1, 2026

2.6.2 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, 2025;

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 realized. 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 17. 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.

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 fixed 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 and intangibles 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 or net realizable value except for stock in transit which are stated at cost (purchase order value) plus other charges incurred thereon till the reporting date. Cost is calculated using weighted average method and comprises of direct material, direct labour and appropriate 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 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.

Revenue is measured at transaction price excluding discounts, rebates and government levies. 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 Financial Assets

3.9.1.1 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 its fair value as other comprehensive income. This election is made on an investment by investment basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

(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.

3.9.1.2 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.

3.9.1.3 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.

3.9.2 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.

3.9.3 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 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.

3.12 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.

3.13 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.

3.14 Finance income and finance cost

Finance income comprises interest income on funds invested, deposit accounts and 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.

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3.15 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.

3.16 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.

3.17 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.

3.18 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 28. The Company only makes export sales to one foreign country. Revenue from transaction with a single customer does not exceed 10% of Company's total revenue. All the assets of the Company are based in Pakistan.

3.19 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.

3.20 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 SUMMARY OF OTHER ACCOUNTING POLICIES

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of user's understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

4.1 Leases

4.1.1 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

4.1.2 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.

4.2 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 4.2.1 and 4.2.2:

4.2.1 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.

4.2.2 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.

4.3 Other income

Other income includes the following:

- Gain on disposal of property, plant and equipment, investment in associate and sale of scrap items is recognised as income when risks and rewards of ownership are transferred.
- Amortization income on deferred government grant 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.

4.4 Levy

In accordance with the application guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP) relating to IAS 12 "Income taxes", any amount in excess of normal tax liability and not based on taxable income is to be treated as a levy. Accordingly, the Company classifies any amount over and above the normal tax as per the enacted tax laws as minimum tax differential and same is treated as a levy in terms of IAS 37 "Provisions, contingent liabilities and contingent assets" and IFRIC 21 "Levies" and not treated as part of income tax balances if any to be recognized under IAS 12.

5 SHARE CAPITAL

5.1 Authorized share capital

	2025	2024
	Rupees '000	Rupees '000
5,000,000,000 (2024: 5,000,000,000) ordinary shares of Rs 10 each	50,000,000	50,000,000

5.2 Issued, subscribed and paid up capital

2025	2024		2025	2024
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

5.2.1 Fauji Foundation, holds 1,512,162 thousand (2024: 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 (2024: 105,469 thousand) and 21,094 thousand (2024: 21,094 thousand) ordinary shares respectively of the Company at the year end, whereas 55 thousand (2024: 10 thousand) shares are held by Directors of the Company.

5.2.2 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.

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6 LONG TERM LOANS – SECURED

6.1 Loans from banking companies (under mark up arrangements)

Lender	Note	Rupees '000	Rupees '000	Rate of interest per annum as at	No. of installments outstanding	Ending on	Interest payable
		2025	2024				
Syndicate term finance facility – I	6.1.1	-	300,000	Nil (2024:6 months KIBOR + 0.30%)	Nil	-	-
Syndicate term finance facility – II	6.1.2	-	1,200,000	Nil (2024:6 months KIBOR + 0.30%)	Nil	-	-
Syndicate term finance facility – III	6.1.3	-	727,518	Nil (2024:6 months KIBOR + 1.25%)	Nil	-	-
Temporary economic refinance facility (TERF) – Syndicate term finance facility III	6.1.4	68,750	275,000	3.5% (2024:3.5%)	1 semi annual	December 2025	Quarterly
Syndicate term finance facility – IV	6.1.5	8,826,225	8,826,225	6 months KIBOR + 0.90% (2024:6 months KIBOR + 0.90%)	14 semi annual	March 2032	Semi annually
Long term financing facility (LTFF) – Syndicate term finance facility – IV	6.1.6	2,770,133	3,194,340	3.5% & 5.5% (2024:3.5% & 5.5%)	14 semi annual	June 2032	Quarterly
Temporary economic refinance facility (TERF) Syndicate term finance facility – IV	6.1.7	4,052,888	4,677,996	2.5% (2024:2.5%)	14 semi annual	June 2032	Quarterly
SBP renewable energy finance – I	6.1.8	176,817	197,619	3.75% (2024: 3.75%)	34 quarterly	December 2033	Quarterly
Term finance facility	6.1.8	-	510,131	Nil (2024:3 months KIBOR +1%)	Nil	-	-
SBP renewable energy finance – II	6.1.9	21,916	65,748	4.25% (2024:4.25%)	1 semi annual	October 2025	Quarterly
SBP renewable energy finance – III	6.1.10	71,955	119,926	3.75% (2024:3.75%)	6 quarterly	October 2026	Quarterly
Syndicate term finance facility – V	6.1.11	8,360,039	8,360,039	6 months KIBOR + 0.90%	14 semi annual	November 2032	Semi annually
Syndicate term finance facility V – Musharka	6.1.11	3,443,546	3,443,546	(2024:6 months KIBOR + 0.90%)	14 semi annual	November 2032	Semi annually
Temporary economic refinance facility (TERF) Syndicate term finance facility – V	6.1.12	3,588,538	4,000,000	2.25% (2024:2.25%)	14 semi annual	March 2032	Quarterly
Long term financing facility (LTFF) – Syndicate term finance facility – V	6.1.13	521,863	596,415	3.25%(2024:3.25%)	14 semi annual	March 2032	Quarterly
SBP renewable energy finance – IV	6.1.14	174,718	197,866	3.75% (2024: 3.75%)	16 semi annual	July 2032	Quarterly
Term finance facility		-	42,134	Nil (2024:6 months KIBOR + 0.75%)	Nil	-	-
		32,077,388	36,734,503				
Less: Current portion shown under current liabilities		(3,925,937)	(2,840,536)				
Deferred portion of grant income		(3,860,711)	(3,873,356)				
Transaction cost		(82,107)	(112,324)				
		24,208,633	29,908,287				
Current portion							
Current portion of long term financing		3,925,937	2,840,536				
Markup accrued		2,178,128	2,226,332				
		6,104,065	5,066,868				

- 6.1.1** This includes loan amounting to Rs Nil thousand (2024: Rs 120,000 thousand) under Islamic mode of financing. This loan has been repaid to Askari Bank Limited – a related party
- 6.1.2** This includes loan amounting to Rs Nil thousand (2024: Rs 435,000 thousand) under Islamic mode of financing.
- 6.1.3** This facility is obtained from consortium of Bank Al Habib Limited and Dubai Islamic Bank. This includes loan amounting to Rs Nil thousand (2024: Rs 188,000 thousand) under Islamic mode of financing.
- 6.1.4** 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.
- 6.1.5** 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. This includes loan amounting to Rs 1,760,059 thousand (2024: Rs 1,760,059 thousand) under Islamic mode of financing.
- 6.1.6** This represents draw down against Long Term Finance Facility (LTFF/ILTFF) from consortium of Habib Bank Limited, National Bank of Pakistan, Bank Al Falah Limited and Faysal Bank Limited for setting up new cement production line at Nizampur in accordance with the State Bank of Pakistan LTFF scheme for setting up new industrial units, with an applicable interest rate below market terms. This is a sub limit of Syndicate Term Finance IV and includes loan amounting to Rs 1,263,980 thousand (2024: Rs 1,450,223 thousand) under Islamic mode of financing.
- 6.1.7** 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 for setting up new cement production line at Nizampur in accordance with the Temporary Refinance Facility (TERF/ITERF) 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. It includes loan amounting to Rs 828,414 thousand (2024: Rs 958,457 thousand) under Islamic mode of financing.
- 6.1.8** 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.
- 6.1.9** This represents concessionary loan availed from Allied Bank Limited under SBP Scheme for Renewable Energy Refinance Facility – category 1.
- 6.1.10** This represents concessionary loan availed from United Bank Limited under SBP Scheme for Renewable Energy Refinance Facility – category 1.
- 6.1.11** 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. In addition to this an amount of Rs 3,443,546 thousand (2024: Rs 3,443,546 thousand) has been obtained under Islamic mode of financing.
- 6.1.12** 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.
- 6.1.13** 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/ILTFF) for setting up new industrial units, with an applicable interest rate below market terms. This includes loan amounting to Rs 104,372 thousand (2024: Rs 119,283 thousand) under Islamic mode of financing.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6.1.14 This represents concessionary loan availed from the Bank of Punjab under SBP Scheme for Renewable Energy Refinance Facility – category 1.

6.1.15 There are no unutilized facilities of long term loans outstanding as at June 30, 2025.

6.2 Pursuant to appointment of Habib Bank Limited as security agent during the year, the above finance facilities are secured through charge allocation made in favour of respective lender out of security created in favour of the security agent by way of hypothecation over present and future current and fixed assets (excluding land and building) of the Company respectively retaining 25 % margin. The aforesaid security shall constitute first charge ranking pari passu amongst the lenders.

		Note	2025	2024
			Rupees'000	Rupees'000
7	EMPLOYEE BENEFITS			
	Balance at beginning of the year		362,927	308,063
	Charge for the year		190,243	168,483
	Payments made during the year		(133,659)	(113,619)
		7.2	419,511	362,927
	Less: Employee benefits – current portion		(135,921)	(112,697)
			283,590	250,230

7.1 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.

7.2 This includes Rs. 32.7 million (2024: Rs. 23.7 million) payable to key management personnel of the Company.

		2025	2024
		Rupees'000	Rupees'000
8	LEASE LIABILITIES		
	Balance at the beginning of the year	163,660	169,435
	Additions during the year	33,605	–
	Lease modification during the year	9,393	20,273
	Loss on settlement of lease	(10,901)	–
	Payments made during the year	(75,315)	(77,816)
	Interest accrued on lease liability	23,868	51,768
	Balance at end of the year	144,310	163,660
	Shown under current liabilities	(43,099)	(46,206)
		101,211	117,454

8.1 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 12.28% to 23.52% (2024: 16.13% to 23.52%) per annum.

8.2 For contractual maturity of remaining lease commitments, please refer note 41.5 to the financial statements.

	2025	2024
	Rupees'000	Rupees'000
9 DEFERRED GOVERNMENT GRANT		
Balance at beginning of the year	2,745,850	3,350,141
Amortized during the year	(583,045)	(604,291)
	2,162,805	2,745,850
Less: Current portion shown under current liabilities	(515,175)	(580,891)
Balance at end of the year	1,647,630	2,164,959

- 9.1** 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 6 to these financial statements has been accounted for as government grant under IAS – 20 Government Grants.

	2025	2024
	Rupees'000	Rupees'000
10 DEFERRED TAX LIABILITIES – NET	19,694,422	14,931,049

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		
2025			
Deductible temporary difference			
Provision for slow moving spares	(15,143)	–	(15,143)
Lease liability	(63,827)	7,546	(56,281)
Un-realised exchange loss	(9,535)	9,535	–
Alternative corporate tax	(3,022,756)	3,022,756	–
Taxable temporary difference			
Property, plant and equipment	17,558,655	1,581,210	19,139,865
Right of use assets	51,155	(1,841)	49,314
Intangibles	432,500	144,167	576,667
	14,931,049	4,763,373	19,694,422
2024			
Deductible temporary difference			
Provision for slow moving spares	(13,628)	(1,515)	(15,143)
Un-realised exchange loss	(59,472)	(4,355)	(63,827)
Lease liability	–	(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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Rupees'000	Rupees'000
11 LOAN FROM PARENT – UNSECURED		
Principal outstanding	7,387,000	7,387,000
Accrued mark-up	185,186	–
	7,572,186	7,387,000

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 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 mutually agreed terms and conditions. Effective July 1, 2024, the Parent has entered into an arrangement for charging mark-up at the rate of 10% per annum.

	Note	2025	2024
		Rupees'000	Rupees'000
12 TRADE AND OTHER PAYABLES			
Creditors		2,034,141	2,726,664
Retention money		479,895	1,392,312
Sales tax payable		–	718,951
Federal excise duty payable		122,953	601,230
Workers' Profit Participation Fund (WPPF) payable	12.1	137,974	148,859
Workers' Welfare Fund (WWF) payable		320,971	8,897
Withholding tax payable		55,571	54,142
Payable to employees' provident fund trust		37,806	29,902
Employee benefits – current portion		135,921	112,697
Other liabilities		609,276	315,136
		3,934,508	6,108,790
12.1	The movement in WPPF payable during the year is as follows;		
	Balance at beginning of the year	148,859	78,167
	Interest on funds utilized in the Company's business	4,067	3,077
	Charge for the year	1,149,961	808,859
	Payments made during the year	(1,164,913)	(741,244)
		137,974	148,859
	Allocation for the year is made up as follows:		
	Profit for the year before tax, WPPF and WWF	22,999,225	16,177,189
	Charge for the year at the rate of 5%	1,149,961	808,859

13 ACCRUED LIABILITIES

- 13.1** This includes royalty amounting to Rs. 3,846 million (2024: Rs. 271 million) pursuant to notification no. SOT(M&MD)5–3/2007(Vol–II) dated August 1, 2024 (effective from July 1, 2024), issued by the Mines & Mineral Department, Government of Punjab. The rate on limestone and argillaceous clay was revised from Rs. 250 per metric ton of to 6% of the ex–factory sale price of cement or clinker. The Company challenged this revision before the Lahore High Court (LHC) and also submitted bank guarantees for the differential amount. The case was decided against the Company. Being aggrieved, the Company then filed an appeal before Supreme Court of Pakistan (SCP) against the decision of LHC, whereby SCP has granted stay on LHC order and instructed to pay the royalty amount as determined before the said notification along with the bank guarantee of the differential amount of 6% ex–factory sale price of cement / clinker. The case is pending for adjudication. The Company and its legal advisor are of the view that the ultimate outcome of this case is expected to be favourable and a liability, if any, arising on the settlement of this case is not likely to differ from the amount recorded in the financial statements.

14 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 will be utilized by the Company in accordance with the terms of the contracts.

	2025	2024
	Rupees'000	Rupees'000
15 SHORT TERM RUNNING FINANCE – SECURED		
Short term finance – Conventional	2,180,325	1,372,411
Markup accrued	12,137	78,523
	2,192,462	1,450,934

- 15.1** These drawdowns represent short term finance facilities out of the total utilisable amount of Rs. 10,000 million (2024: Rs. 11,955 million) from banking companies. Rs. 3,750 million (2024: Rs 4,750 million) has been obtained under Islamic mode of financing and this includes export refinance facility which is interchangeable with short term running finance provided by the banks. Pursuant to appointment of Habib Bank Limited as security agent during the year, these facilities are secured through charge allocation made in favour of respective financier out of security created in favour of the security agent by way of hypothecation over present and future current and fixed assets (excluding land and building) of the Company respectively, retaining 25 % margin and constitute first charge ranking pari passu amongst the financiers. Running finance facilities carry markup based on 1–month to 3–month KIBOR and spread ranging from 0.15% to 0.45% (2024: 1–month to 6–month KIBOR and spread ranging from 0.20% to 0.45%) per annum of the utilized amount. Export refinance facility carries markup ranging from SBP rate plus spread margin ranging from 0.65% to 1 %(2024: SBP rate plus spread margin of 1%).

16 CONTINGENCIES AND COMMITMENTS

16.1 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 and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.

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- b)** 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 which were heard on 24 June 2025 and decision of CAT is awaiting. 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 and its advisor are of the view that the ultimate outcome of these cases is expected to be favorable. Accordingly, no provision has been recognised in the financial statements in this regard.
- c)** 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 and its advisor are 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.
- d)** 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 and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been recognised in the financial statements in this regard.
- e)** DCIR through his orders dated August 28, 2024 imposed sales tax amounting to Rs. 304 million alleging that the Company had claimed input sales tax on fake invoices, for the period from May 2022 to August 2023. The Company filed appeals against the aforesaid orders before ATIR on September 19, 2024 providing detailed evidence of purchases including invoices and payments which are pending for adjudication. The management and its advisor are of the view that the ultimate outcome of these cases are expected to be favorable. Accordingly, no provision has been recognised in the financial statements in this regard.
- f)** DCIR through his order dated April 24, 2025 imposed sales tax amounting to Rs.128 million on account of non withholding of 80% Input Sales Tax on purchases made by the Company during the month of July 2024. The Company filed an appeal against aforesaid order before ATIR dated May 14, 2025 which is pending for adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been recognised in the financial statements in this regard.

- g)** DCIR through his order dated April 14, 2025 rejected input tax claimed by the Company mainly on steel used for its new plants and created a demand of Rs.104 million. The Company filed an appeal against aforesaid order before ATIR dated May 5, 2025 which is pending for adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been recognised in the financial statements in this regard.
- h)** 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 and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.
- i)** 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 CIR (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 and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.
- j)** 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 and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.
- k)** 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 3, 2019 which is pending adjudication till date. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.

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- l)** 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 and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.
- m)** The Company acquired 409 kanal in Mauza Kahi Nizampur vide Award dated April 28, 2017 in Nowshera. The rate up to Rs. 50,000/- per kanal was fixed which was paid by the Company, however, the previous land owners filed reference against the Award and demanded enhancement of compensation in Session Court, Nowshera. After trial proceedings, the Session Court through its order dated February 8, 2025 decided the case in favor of previous land owners and enhanced the land compensation up to Rs. 1,200,000/- per kanal with compulsory acquisition charges at the rate of 25%. The Company filed an appeal dated March 3, 2025 at Peshawar High Court against the order of Session Court, Nowshera. The High Court suspended the judgement and granted a stay order in favor of Company on March 19, 2025. Appeal is now pending for adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.
- n)** The Company received correspondence issued by District Council Attock, imposing charges on the Company with effect from May, 2018 for sub-soil aqua usage. The Company filed a constitutional petition challenging this imposition before the honorable Lahore High Court Rawalpindi Bench ("the Court") on December 18, 2020 against which stay has been granted and no new date of hearing has been fixed. The management and its advisor are of the view that, considering the amount provided for, the ultimate outcome of this case is not likely to attract any further significant financial impact.
- o)** The Company is contingently liable in respect of guarantees amounting to Rs. 3,457 million (2024: Rs. 971 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.

16.2 Commitments

- a)** The Company has outstanding letters of credit for the import of plant and machinery and spare parts valuing Rs. 543 million (2024: Rs. 1,972 million).
- b)** The Company has capital contractual commitment of Rs. Nil (2024: Rs. 1,264 million).

17 PROPERTY, PLANT AND EQUIPMENT

	Freehold land (Note 17.3)	Leasehold land	Buildings on freehold land	Buildings on leasehold 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 17.5)	Total
Rupees '000															
As at July 1, 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
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	127,49	33,064	14,863	8,936	148,574	-	-	882,4005	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	-	-	-	-	-	-	-	(47,853)	(41)	(90)	(53,625)	-	-	-	(58,541)
Depreciation	-	-	-	-	-	-	-	365	100	-	8,875	-	-	-	9,340
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	-	24,777,153	-	102,118,103	396,629	76,922	232,543	317,335	192,884	564,626	17,568	455,267	700,153	137,590,825
Accumulated depreciation	-	-	(5,033,885)	-	(20,857,897)	-	(37,709)	(165,870)	(187,479)	(97,430)	(290,153)	(5,270)	(69,469)	-	(26,745,162)
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

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FOR THE YEAR ENDED JUNE 30, 2025

Rupees '000															
Year ended June 30, 2025															
Opening net book value	7,741,642	-	19,743,268	-	81,260,206	396,629	39,213	66,673	129,856	95,454	27,4473	12,298	385,798	700,153	110,845,663
Additions	392,62	202,632	41,417	105,800	426,838	420,419	19,596	24,408	20,368	7,415	107,459	-	-	2,062,033	3,477,647
Transfers	-	-	131,050	-	2,470,724	(306,779)	-	474	29	-	91,803	-	78,311	(2,46,5612)	-
Disposals															
Cost	-	-	-	-	142,277	-	-	5,259	90	-	77,075	-	-	-	224,701
Accumulated depreciation	-	-	-	-	(113,090)	-	-	(5,182)	(90)	-	(68,511)	-	-	-	(186,873)
Depreciation	-	-	-	-	29,187	-	-	77	-	-	8,564	-	-	-	37,828
Depreciation charge	-	(1,558)	(859,428)	(2,368)	(3,563,479)	-	(10,284)	(38,105)	(34,090)	(23,631)	(127,646)	(1,757)	(44,047)	-	(4,706,393)
Closing net book value	7,780,904	201,074	19,056,307	103,432	80,565,102	510,269	48,525	53,373	116,163	79,238	337,525	10,541	420,062	296,574	109,579,089
As at June 30, 2025															
Cost	7,780,904	202,632	24,949,620	105,800	104,873,388	510,269	96,518	252,166	337,642	200,299	686,613	17,568	533,578	296,574	140,843,771
Accumulated depreciation	-	(1,558)	(5,893,313)	(2,368)	(24,308,286)	-	(47,993)	(198,793)	(221,479)	(121,061)	(349,288)	(7,027)	(113,516)	-	(31,264,682)
Net book value	7,780,904	201,074	19,056,307	103,432	80,565,102	510,269	48,525	53,373	116,163	79,238	337,525	10,541	420,062	296,574	109,579,089
Rates of depreciation															
(per annum) - %	-	1.18%-1.47	-	2.85%-21%	4%	2.85%-21%	15%	33%	10%-15%	15%	20%-25%	5%-33%	10%	-	-
Detail of property, plant and equipment disposed															
Rupees '000															
Motor vehicle	6,670	2,109	20,750	18,641	Auction	Mr. Farman	None								
Motor vehicle	1,828	578	4,075	3,497	Auction	Mr. Awais	None								
Motor vehicle	2,901	1,349	1,349	-	As per Company's policy	Mr. Atif Hussain	Ex-employee of the Company								
Motor vehicle	3,667	1,973	1,973	-	As per Company's policy	Mr. Shafiqat Ullah	Ex-employee of the Company								
Plant and machinery	142,277	29,187	63,559	34,372	Auction	M/s NETCO Energy Services	None								
Other assets with individual book value not exceeding Rs. 500,000	67,358	2,632	18,020	15,388											
	224,701	37,828	109,726	71,898											

	Note	2025	2024
		Rupees'000	Rupees'000
17.2 Depreciation charge for the year has been allocated on actual basis as follows:			
Cost of sales	29	4,589,470	3,692,109
Selling and distribution expenses	31	17,065	13,179
Capital work in progress		–	10,286
Administrative expenses	32	74,942	59,953
Internally allocated to packing material		24,916	–
		4,706,393	3,775,527

		2025	2024
		Kanals	Kanals
17.3 Land of the Company is located as follows:			
Freehold land and building on freehold land			
Jhang Bahtar, tehsil Fateh Jang, District Attock		4,986	4,976
Railway station Wah, District Attock		5,297	5,273
Village Kahi, Nizampur, District Nowshera		1,841	1,841
Zinda Peer , District Dera Ghazi Khan		11,937	11,937
		24,061	24,027
Leasehold land and building on leasehold land			
Hattar, District Haripur		15	–

17.4 Immovable fixed assets

The immovable fixed assets of the Company comprising of freehold land, buildings on freehold land, leasehold land and buildings on leasehold land are located as disclosed in note 17.3 of the financial statements.

		2025	2024
		Rupees'000	Rupees'000
17.5 Capital work in progress			
Expansion projects		–	101,040
Solar power project		72,054	339,599
Advance for capital expenditures		–	224,307
Road related developments		224,520	–
Others		–	35,207
		296,574	700,153

17.6 Borrowing cost amounting to Rs. Nil (2024: Rs. 1,726,473 thousand) is capitalized during the year at capitalization rate of Nil % (2024: 18.78%) per annum. This includes the markup on Islamic mode of financing amounting to Rs. Nil (2024: Rs. 480,332 thousand).

17.7 All fixed assets (excluding land and building) are under bank charge against loan obtained as disclosed in note 6 to these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees'000	2024 Rupees'000
18 RIGHT OF USE ASSET			
Leasehold Properties			
Balance at beginning of the year		131,165	181,380
Additions during the year		33,605	–
Modification of lease		22,327	20,272
Deletions during the year		(9,339)	–
Depreciation	18.2	(51,313)	(70,487)
Balance at end of the year		126,445	131,165

18.1 These include premises rented by the Company. Rate of depreciation for right of use assets is 4%–33% (2024: 4%–33%) per annum.

18.2 Depreciation for the year has been allocated on the basis of respective premises wise cost centres.

	Note	2025 Rupees'000	2024 Rupees'000
19 INTANGIBLE ASSETS AND GOODWILL – EXTERNALLY ACQUIRED			
Goodwill	19.2	6,541,456	6,541,456
Customer relationships	19.3	1,192,196	1,390,896
Brand	19.4	2,700,000	2,700,000
SAP software	19.5	100,015	113,348
		10,533,667	10,745,700

	Goodwill	Customer relationships	Brand	SAP software	Total
	Rupees'000				
Cost					
Balance at July 01, 2024	6,541,456	1,987,000	2,700,000	133,329	11,361,785
Additions during the year	–	–	–	–	–
Balance at June 30, 2025	6,541,456	1,987,000	2,700,000	133,329	11,361,785
Accumulated amortization					
Balance at July 01, 2024	–	596,104	–	19,981	616,085
Amortization for the year	–	198,700	–	13,333	212,033
Balance at June 30, 2025	–	794,804	–	33,314	828,118
Carrying amounts – 2025	6,541,456	1,192,196	2,700,000	100,015	10,533,667
Carrying amounts – 2024	6,541,456	1,390,896	2,700,000	113,348	10,745,700
Useful life / amortization rate	–	10%	–	10%	

	Note	2025	2024
		Rupees'000	Rupees'000
19.1 Amortization charge for the year has been allocated to statement of profit or loss as follows:			
Amortization has been allocated on the basis of respective cost centres as follow:			
Selling and distribution expenses	31	198,700	198,700
Administrative expenses	32	13,333	13,333
		212,033	212,033

19.2 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. The goodwill is considered to have an indefinite useful life. For the purpose of impairment, the plants of Askari Cement Limited have been treated as a single Cash Generating Unit (CGU). The goodwill has been allocated to only this CGU.

19.3 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.

19.4 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.

19.5 The remaining useful lives of customer relationship is 6 whole years (2024: 7 whole years) and SAP software is 7 whole years (2024: 8 whole years)

19.6 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 unit (CGU). The key assumptions used in the estimation of value in use were as follows:

	% Per annum
Discount rate	22
Terminal value growth rate	4
Growth rate – revenues	2

This pre-tax discount rate represents estimate of rate implicit in relevant market for the same currency in which the cash flows arise. Eleven years of free equity cash flows approved by the Board of directors 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 related CGU exceeds its carrying value. However, in the future years, any adverse movement in the key assumptions may lead to reduction in recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

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	Note	2025 Rupees'000	2024 Rupees'000
20	STORES, SPARES AND LOOSE TOOLS		
Stores		6,185,788	5,005,884
Spares (Including items in transit of Rs. 265 million (2024: Rs. 289 million))		4,176,648	4,078,674
Provision for slow moving spares	20.1	(38,828)	(38,828)
		4,137,820	4,039,846
Loose tools		53,400	53,400
		10,377,008	9,099,130

20.1 Management has performed a detailed assessment of stores and spares and has concluded that related items are not technically obsolete and will be consumed in ordinary course of business. Movement of provision for slow moving spares is as follows:

	Note	2025 Rupees'000	2024 Rupees'000
Balance at the beginning of the year		38,828	38,828
Charge for the year		25,752	57,700
Write-off for the year against provision		(25,752)	(57,700)
		38,828	38,828

21	STOCK IN TRADE		
Raw and packing material		2,169,850	1,241,652
Work in process		6,238,655	5,355,426
Finished goods		929,112	898,627
		9,337,617	7,495,705

22	TRADE DEBTS		
Unsecured			
Considered good		6,561,257	5,406,898
Considered doubtful		3,281	3,281
		6,564,538	5,410,179
Secured – considered good		350,065	138,343
Less: Impairment loss on trade debts		(3,281)	(3,281)
		6,911,322	5,545,241

23	ADVANCES		
Advances – considered good			
To suppliers – non interest bearing	23.1	297,299	137,321
To employees against business expenditures		8,386	7,923
		305,685	145,244

23.1 These are given to suppliers in ordinary course of business.

	Note	2025	2024
		Rupees'000	Rupees'000
24	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
	Trade deposits	55,427	35,696
	Short term prepayments	1,755	–
		57,182	35,696
25	OTHER RECEIVABLES		
	Other receivables – considered good	22,867	280,071
	Margin on letter of guarantee	25,625	–
		48,492	280,071
26	SHORT TERM INVESTMENTS		
	Carried at fair value through profit or loss		
	Term finance certificates – conventional	26.1	250,000
	Open ended mutual funds – conventional	26.2	8,658,428
	Open ended mutual funds – Islamic	26.2	301,672
		9,210,100	250,000

26.1 These carry markup at 6-month KIBOR plus 2.25% (2024: 6-month KIBOR plus 2.25%) per annum.

26.2 Fair value of these investments is determined using quoted repurchase price. Breakup is as follows:

	2025	2024
Units held (Number '000)	287,181	–
Fair value (Rs. '000)	8,960,100	–

	2025		2024	
	Number '000	Rupees '000	Number '000	Rupees '000
26.3	Break-up of the units along fair value is as follows:			
	MCB Cash Management Optimizer Fund	6,502	665,183	–
	Alfalah GHP Money Market Fund	12,128	1,200,917	–
	NBP Financial Sector Income Fund	47,508	507,332	–
	NBP Money Market Fund	67,074	672,937	–
	HLB Cash Fund	10,756	1,111,640	–
	AL Habib Cash Fund	8,014	814,238	–
	AL Habib Money Market Fund	4,366	438,613	–
	UBL Money Market Fund	12,022	1,215,875	–
	Atlas Liquid Fund	215	107,707	–
	Atlas Money Market Fund	1,582	810,671	–
	ABL Money Market Fund	111,148	1,113,343	–
	Meezan Cash Fund	5,866	301,644	–
		287,181	8,960,100	–

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FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees'000	2024 Rupees'000
27 CASH AND BANK BALANCES			
Cash at bank			
Deposit accounts			
Conventional banks	27.1 & 27.2	2,029,769	1,765,400
Islamic banks		1,670	50,206
Term deposit receipts			
Conventional banks	27.3	85,500	85,500
Islamic banks		500,000	532,043
Current accounts			
Conventional banks		47,893	499,401
Islamic banks		122	104
		2,664,954	2,932,654
Cash in hand		384	330
		2,665,338	2,932,984

27.1 These carry mark-up ranging from 8% to 10.6% (2024: 4.35% to 21.7%) per annum.

27.2 This amount includes foreign currency balances amounting to Rs 2,944 thousand (2024: Rs 2,891 thousand)

27.3 The amount is lien marked in respect of the guarantee extended by the bank.

27.4 Term deposit receipts represent readily encashable short term placements with maturity of one month with mark-up ranging from 7% to 10.6% (2024: 19.85% to 20.10%) per annum.

	Note	2025 Rupees'000	2024 Rupees'000
28 REVENUE – NET			
Revenue from external customers			
Local sales	28.1	124,231,885	100,900,379
Export sales		7,202,667	6,332,938
		131,434,552	107,233,317
Less: Sales tax		20,411,096	16,505,479
Excise duty		19,217,116	9,120,272
Rebates and discounts		2,832,124	1,565,529
Export development surcharge		17,888	15,811
		42,478,224	27,207,091
		88,956,328	80,026,226

28.1 This includes sale of tile bond of Rs 368 million (2024: Rs 321 million).

28.2 Revenue recognised during the year includes Rs. 432.7 million (2024: Rs. 584.8 million) which was shown as contract liabilities at the beginning of the year.

	Note	2025	2024
		Rupees'000	Rupees'000
29	COST OF SALES		
Raw materials consumed		9,953,731	5,494,558
Packing material consumed		3,091,485	3,256,902
Stores and spares consumed		2,351,605	2,049,936
Salaries, wages and benefits	29.1	5,165,391	4,238,075
Rent, rates and taxes		105,142	117,054
Insurance		355,849	308,662
Fuel consumed		22,821,025	23,938,780
Power consumed		8,764,544	10,995,075
Depreciation on property, plant and equipment	17.2	4,589,470	3,692,109
Depreciation on right of use asset		2,198	2,834
Technical assistance		135,562	127,898
Vehicle running and maintenance expenses		96,179	89,436
Printing and stationery		12,264	8,733
Travelling and conveyance		195,304	164,724
Security services		442,201	332,925
Communication and other expenses		241,500	194,492
Water conservancy charges		8,138	1,098
		58,331,588	55,013,291
Add: Opening work-in-process		5,355,426	4,464,731
Less: Closing work-in-process		(6,238,655)	(5,355,426)
Cost of goods manufactured		57,448,359	54,122,596
Add: Opening finished goods		898,627	1,240,545
Less: Closing finished goods		(929,112)	(898,627)
		57,417,874	54,464,514
Less: Own consumption		(32,896)	(118,693)
		57,384,978	54,345,821

29.1 This includes retirement benefits of Rs. 280 million (2024: Rs. 237.6 million).

	2025	2024
	Rupees'000	Rupees'000
30	OTHER INCOME	
Gain on disposal of property, plant and equipment	71,898	12,182
Deferred government grant	583,045	428,391
Gain on settlement of leases	14,496	–
Others	91,333	99,800
	760,772	540,373

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		Rupees'000	Rupees'000
31	SELLING AND DISTRIBUTION EXPENSES		
Salaries, wages and benefits	31.1	407,312	356,522
Freight charges on sale of cement		2,203,738	2,612,362
Travelling and conveyance		13,535	13,234
Vehicle running and maintenance expenses		16,679	16,713
Rent, rates and taxes		224	195
Repairs and maintenance		2,328	2,058
Printing and stationery		3,051	3,813
Depreciation on property, plant and equipment	17.2	17,065	13,179
Depreciation on right of use asset		15,724	21,076
Amortization	19.1	198,700	198,700
Communication and other expenses		19,705	17,876
Advertisement and sale promotion expenses		36,009	29,170
Insurance		1,069	1,025
		2,935,139	3,285,923

31.1 This includes retirement benefits of Rs. 22.3 million (2024: Rs. 19.7 million).

	Note	2025	2024
		Rupees'000	Rupees'000
32	ADMINISTRATIVE EXPENSES		
Salaries, wages and benefits	32.1	1,044,208	921,960
Travelling and conveyance		23,184	14,895
Vehicle running and maintenance expenses		38,193	44,586
Insurance		3,392	3,220
Rent, rates and taxes		562	430
Repairs and maintenance		3,322	5,985
Printing and stationery		8,821	9,734
Communication and other expenses		100,251	97,772
Legal and professional charges		71,033	70,198
Cost charged by Fauji Foundation		175,000	151,403
Depreciation on property, plant and equipment	17.2	74,942	59,953
Amortization	19.1	13,333	13,333
Depreciation on right of use asset		33,391	46,577
Donations	32.2	99,254	76,000
		1,688,886	1,516,046

32.1 This includes retirement benefits of Rs. 63.9 million (2024: Rs. 56.2 million).

32.2 Refer note 42 for donations paid to Fauji Foundation

	Note	2025	2024
		Rupees'000	Rupees'000
33 OTHER EXPENSES			
Auditors' remuneration:			
Annual audit		3,250	2,500
Half yearly review		900	700
Out of pocket expenses		571	790
Statutory certifications		850	650
		5,571	4,640
Workers' Profit Participation Fund	12.1	1,149,961	808,859
Workers' Welfare Fund		323,744	13,376
		1,479,276	826,875
34 FINANCE COST			
Interest and other charges on long term loans and short term running finance			
– Conventional banks		4,703,758	5,247,047
– Islamic banks		942,585	221,845
		5,646,343	5,468,892
Interest on Workers' Profit Participation Fund		4,067	3,077
Finance cost related to lease		23,868	51,768
Exchange loss / (gain) – net		4,902	(43,576)
Bank charges and commission – Conventional banks		92,952	56,137
		5,772,132	5,536,298
35 FINANCE INCOME			
Income from financial assets			
Income from deposits and investments			
– Conventional banks		400,750	212,304
– Islamic banks		43,871	71,477
		444,621	283,781
Gain on re-measurement of investments classified as fair value through profit or loss–held for trading – Conventional funds		538,490	3,715
Dividend received on investments classified as fair value through profit or loss–held for trading – Conventional funds		1,787	11,822
Dividend received on investments classified as fair value through profit or loss–held for trading – Islamic funds		316	–
Gain on re-measurement of investments classified as fair value through profit or loss–held for trading – Islamic funds		83,617	–
		1,068,831	299,318

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

36 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	2025 Rupees'000	2024 Rupees'000
37 INCOME TAX EXPENSE			
Current			
For the year		3,453,118	2,495,070
Prior year		(17,173)	(37,102)
		3,435,945	2,457,968
Deferred	10	4,763,373	4,618,647
		8,199,318	7,076,615
Accounting profit for the year before levy		21,525,520	15,354,954
Applicable tax rate for companies (%)		29%	29%
Income tax at applicable rate		6,242,401	4,452,937
Tax effect of income taxable at lower rates		(87,179)	(77,802)
Super tax		2,114,747	1,144,205
Tax effect of change in proportion of export sales to local sales		–	1,795,398
Prior year adjustment		(17,173)	(37,102)
Others		(53,478)	(201,021)
		8,199,318	7,076,615
37.1 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		3,453,118	2,550,293
Portion of current tax liability as per tax law, representing income tax under IAS 12		(3,453,118)	(2,495,070)
Portion of current tax liability as per tax law, representing levy in terms of requirements of IFRIC 21/IAS 37		–	(55,223)
Difference		–	–

37.2 Tax assessments up to and including tax year 2024 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.

	2025	2024
	Rupees'000	Rupees'000
38 EARNINGS PER SHARE (BASIC AND DILUTED)		
Profit after tax	13,326,202	8,223,116
Profit attributable to ordinary shareholders	13,326,202	8,223,116
	Numbers '000	Numbers '000
Weighted average number of ordinary shares	2,452,847	2,452,847
	Rupees	Rupees
Earnings per share – basic	5.43	3.35

38.1 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, 2025, which would have effect on the basic EPS, if the option to convert would have been exercised.

39 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	2025	2024
		Rupees'000	Rupees'000
Cash and bank balances	27	2,665,338	2,932,984
Short term running finance – secured	15	(268,462)	(850,934)
Bank balances under lien	27.3	(85,500)	(85,500)
		2,311,376	1,996,550

40 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	
	2025	2024	2025	2024
	Rupees'000			
Managerial remuneration	70,514	49,001	1,791,700	993,446
Bonus	33,320	26,492	485,484	375,930
Provident fund	4,219	3,213	62,386	48,418
Gratuity	7,159	22,214	–	–
Compensated absences	7,143	1,805	41,860	31,524
Utilities and upkeep	4,219	3,214	146,424	117,741
	126,574	105,939	2,527,854	1,567,059
Number of persons	1	1	319	252

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 40.1** Chief Executive, key management personnel and certain executives are provided with Company maintained cars.
- 40.2** Meeting fee of non-executive directors charged during the year was Rs. 9.97 million (2024: Rs. 9.8 million). Number of non-executive directors at year end were 7 (2024: 7).
- 40.3** Number of persons include those who worked part of the year.

41 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).

41.1 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, 2025								
Financial assets not measured at fair value								
Trade debts – net of impairment loss	22	6,911,322	-	6,911,322	-	-	-	-
Other receivables	25	48,492	-	48,492	-	-	-	-
Trade deposits	24	55,427	-	55,427	-	-	-	-
Cash and bank balances	27	2,665,338	-	2,665,338	-	-	-	-
		9,680,579	-	9,680,579	-	-	-	-
Financial assets measured at fair value								
Long term deposits		-	133,425	133,425	-	-	133,425	133,425
Short term investments	26	-	9,210,100	9,210,100	9,210,100	-	-	9,210,100
		-	9,343,525	9,343,525	9,210,100	-	133,425	9,343,525
Financial liabilities not measured at fair value								
Long term loans (including current portion)	6	30,312,698	-	30,312,698	-	-	-	-
Employee benefits (including current portion)	7	419,511	-	419,511	-	-	-	-
Lease liability (including current portion)	8	144,310	-	144,310	-	-	-	-
Loan from Parent – unsecured	11	7,572,186	-	7,572,186	-	-	-	-
Creditors	12	2,034,141	-	2,034,141	-	-	-	-
Retention money	12	479,895	-	479,895	-	-	-	-
Other liabilities	12	609,276	-	609,276	-	-	-	-
Payable to employees' provident fund trust		37,806	-	37,806	-	-	-	-
Accrued liabilities	13	9,076,142	-	9,076,142	-	-	-	-
Security deposits payable	14	570,602	-	570,602	-	-	-	-
Unclaimed dividend		41,182	-	41,182	-	-	-	-
Short term running finance – secured	15	2,192,462	-	2,192,462	-	-	-	-
		53,490,211	-	53,490,211	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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	22	5,545,241	-	5,545,241	-	-	-	-
Other receivables	25	280,071	-	280,071	-	-	-	-
Trade deposits	24	35,696	-	35,696	-	-	-	-
Cash and bank balances	27	2,932,984	-	2,932,984	-	-	-	-
		8,793,992	-	8,793,992	-	-	-	-
Financial assets measured at fair value								
Long term deposits		-	129,700	129,700	-	-	129,700	129,700
Short term investments	26	-	250,000	250,000	-	-	-	250,000
		-	379,700	379,700	250,000	-	129,700	379,700
Financial liabilities not measured at fair value								
Long term loans (including current portion)	6	34,975,155	-	34,975,155	-	-	-	-
Employee benefits (including current portion)	7	362,927	-	362,927	-	-	-	-
Lease liability (including current portion)	8	163,660	-	163,660	-	-	-	-
Loan from Parent – unsecured	11	7,387,000	-	7,387,000	-	-	-	-
Creditors	12	2,726,664	-	2,726,664	-	-	-	-
Retention money	12	1,392,312	-	1,392,312	-	-	-	-
Other liabilities	12	315,136	-	315,136	-	-	-	-
Payable to employees' provident fund trust		29,902	-	29,902	-	-	-	-
Accrued liabilities	13	5,154,131	-	5,154,131	-	-	-	-
Security deposits payable	14	545,487	-	545,487	-	-	-	-
Unclaimed dividend		35,646	-	35,646	-	-	-	-
Short term running finance – secured	15	1,450,934	-	1,450,934	-	-	-	-
		54,538,954	-	54,538,954	-	-	-	-

41.2 The Company has not disclosed the fair value for certain financial assets and financial liabilities in note 41.1, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

41.3 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.

41.4 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 customer/dealer. 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, which are regularly reviewed and approved by the management. Customer 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:

	2025	2024
	Rupees'000	Rupees'000
From government institutions	747,833	129,700
Banks and financial institutions	11,897,921	3,182,654
Others	6,377,966	5,861,008
	19,023,720	9,173,362

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

	2025	2024
	Rupees'000	Rupees'000
Trade debts		
Counterparties without external credit ratings		
with no default in the past	6,911,322	5,545,241

Impairment loss

The aging of trade debts at the reporting date was:

	Gross	2025 Impairment	Gross	2024 Impairment
	Rupees'000		Rupees'000	
Past due 1–30 days	3,892,351	–	3,368,543	–
Past due 31–60 days	1,209,714	–	1,007,923	–
Past due 61–90 days	779,505	–	461,914	–
Past due 91–120 days	542,688	–	457,788	–
Over 120 days	490,345	3,281	252,354	3,281
	6,914,603	3,281	5,548,522	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:

	2025	2024
	Rupees'000	Rupees'000
Balance at July 1	3,281	3,281
Impairment loss recognised during the year	–	–
Balance at June 30	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 other financial assets 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. 2,665 million at June 30, 2025 (2024: Rs. 2,933 million). Cash at bank is held with banks and financial institution, which are rated AAA to BBB-. No significant 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	2025	2024
		Rupees'000	Rupees'000
Long term deposits		133,425	129,700
Trade debts – net of impairment loss	22	6,911,322	5,545,241
Other receivables	25	48,492	280,071
Trade deposits	24	55,427	35,696
Short term investments	26	9,210,100	250,000
Bank balances	27	2,664,954	2,932,654
		19,023,720	9,173,362

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. 1,096 million (2024: Rs. 874 million) was outstanding and which is included in total carrying amount of trade debtors as at June 30, 2025.

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.

	2025	2024
	Rupees'000	Rupees'000
Long term deposits		
Counterparties with external credit ratings of from A– to AA+	43,506	102,711
Counterparties without external credit ratings	89,919	26,989
Trade deposits		
Counterparties without external credit ratings	55,427	35,696
Other receivables		
Counterparties without external credit ratings	22,867	280,071
Counterparties with external credit rating A+	25,625	–

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FOR THE YEAR ENDED JUNE 30, 2025

Short term investments	Credit rating	Rating	2025	2024
Rupees'000				
MCB Cash Management Optimizer Fund	PACRA	AA+	665,183	–
Alfalah GHP Money Market Fund	PACRA	AA+	1,200,917	–
NBP Financial Sector Income Fund	PACRA	A+	507,332	–
NBP Money Market Fund	PACRA	AA	672,937	–
HBL Cash Fund	VIS	AA+	1,111,640	–
AL Habib Cash Fund	VIS	AAA	814,238	–
AL Habib Money Market Fund	VIS	AAA	438,613	–
UBL Money Market Fund	VIS	AA+	1,215,875	–
Atlas Liquid Fund	PACRA	AA+	107,707	–
Atlas Money Market Fund	PACRA	AA+	810,671	–
ABL Money Market Fund	PACRA	AA+	1,113,343	–
Meezan Cash Fund	VIS	AA+	301,644	–
JS Bank–TFC (Tier-I)	PACRA	A	250,000	250,000
			9,210,100	250,000

	Credit rating agency	Short term rating	Long term rating	2025	2024
Rupees'000					
Bank balances					
United Bank Limited	VIS	A-1+	AAA	1,434,197	1,652,712
Allied Bank Limited	PACRA	A-1+	AAA	56,192	218,886
MCB Bank Limited	PACRA	A-1+	AAA	71,108	75,043
Bank Alfalah Limited	PACRA	A-1+	AAA	77,520	17,837
Silk Bank Limited	VIS	A-2	A-	–	39
The Bank of Punjab	PACRA	A-1+	AA+	84	50,022
Faysal Bank Limited	PACRA	A-1+	AA	502,714	532,147
Standard Chartered Bank Pakistan Limited	PACRA	A-1+	AAA	5	5
Habib Bank Limited	VIS	A-1+	AAA	6,000	4,829
Askari Bank Limited	PACRA	A-1+	AA+	97,553	291,023
National Bank of Pakistan	PACRA	A-1+	AAA	24,149	339
Bank AlHabib Limited	PACRA	A-1+	AAA	157,695	2,781
Al Baraka Bank Pakistan Limited	VIS	A-1	A+	1	–
Bank Islami Pakistan Limited	PACRA	A-1	AA	30	6
Meezan Bank Limited	VIS	A-1+	AAA	1,624	179
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	86,038	86,755
First Women Bank Limited	PACRA	A-2	A-	4	4
JS Bank Limited	PACRA	A-1+	AA	–	–
Bank Makramah Limited	VIS	A-3	BBB-	2	2
SME Bank Limited	PACRA	B	CCC	–	11
Samba Bank Limited	PACRA	A-1	AA	150,038	34
				2,664,954	2,932,654

41.5 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 16.2 to the financial statements.

The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	Note	Carrying amount	Contractual cash flows	Up to one year	One to two years	Two to five years	Five years onwards
Rupees'000							
2025							
Long term loans (including current portion)	6	30,312,698	42,834,819	6,451,095	7,036,797	28,330,044	1,016,883
Lease liability (including current portion)	8	144,310	312,336	61,973	43,081	43,869	163,413
Loan from Parent – unsecured	11	7,572,186	7,572,186	7,572,186	–	–	–
Trade and other payables	12	3,123,312	3,123,312	3,123,312	–	–	–
Accrued liabilities	13	9,076,142	9,076,142	9,076,142	–	–	–
Security deposits payable	14	570,602	570,602	570,602	–	–	–
Payable to employees' provident fund trust		37,806	37,806	37,806	–	–	–
Unclaimed dividend		41,182	41,182	41,182	–	–	–
Short term running finance – secured	15	2,192,462	2,192,462	2,192,462	–	–	–
		53,070,700	65,760,847	29,126,760	7,079,878	28,373,913	1,180,296
2024							
Long term loans (including current portion)	6	34,975,155	60,201,804	9,449,061	9,432,361	23,877,058	17,443,324
Lease Liability (including current portion)	8	163,660	395,495	72,624	46,576	24,638	251,657
Loan from Parent – unsecured	11	7,387,000	7,387,000	7,387,000	–	–	–
Trade and other payables	12	4,434,112	4,434,112	4,434,112	–	–	–
Accrued liabilities	13	5,154,131	5,154,131	5,154,131	–	–	–
Security deposits payable	14	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	15	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

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

- 41.5.1** 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 6 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

41.6 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.

41.6.1 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:

	2025 Average rate	2024	2025 Balance sheet date rate	2024
US Dollars	281.45	282.95	284.10	278.80
Euro	315.62	306.34	332.83	298.41

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.

	2025 Rupees'000	2024 Rupees'000
Trade and other payables	(98,934)	(1,545,751)
Cash and bank balances	2,944	2,891
	(95,990)	(1,542,860)

Sensitivity

A 1% strengthening of the functional currency against foreign currencies at June 30 would have decreased profit before tax by Rs. 960 thousand (2024: Rs 15,429 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

41.6.2 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:

	2025 Effective interest rates	2024 Effective interest rates	Carrying Amount 2025 Rupees '000	2024 Rupees '000
Fixed rate instruments				
Financial assets	7% to 10.6%	4.35% to 21.7%	2,531,439	2,433,149
Financial liabilities	2.25% – 23.5%	2.25% – 23.52%	16,960,070	14,860,570
Variable rate instruments				
Financial assets	6 month KIBOR + 2.25%	6 month KIBOR + 2.25%	250,000	250,000
Financial liabilities	1 month KIBOR to 6 month KIBOR + 0.15% to 0.90%	1 month KIBOR to 6 month KIBOR + 0.20% to 1.25%	20,886,135	23,488,527

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 before tax 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 2024.

	Profit or loss 100 basis points increase Rupees'000	100 basis points decrease Rupees'000
Cash flow sensitivity (net)		
Variable rate instruments June 30, 2025	(206,361)	206,361
Variable rate instruments June 30, 2024	(246,567)	246,567

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

41.6.3 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.

Sensitivity analysis–price risk

The Company carries investments at fair value through profit or loss for an amount of Rs 9,210 million (2024: Rs 250 million). A 1% increase in market price at reporting date would have increased profits before tax by Rs. 92.1 million (2024: Rs 2.5 million) an equal change in opposite direction would have decreased the profit by the same amount.

41.7 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 the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements. The Company is required to comply with certain debt covenants related to long term borrowings and the Company has complied with the covenants during the year.

The Company's strategy is to ensure compliance with the agreements executed with financial institutions so that gearing ratio does not exceed the lender covenants. Gearing ratio as at June 30, 2025 and 2024 are as follows:

	2025	2024
	Rupees'000	Rupees'000
Debt	40,191,999	37,884,665
Equity	84,272,208	73,398,853
	124,464,207	111,283,518
Gearing ratio	32%	34%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

42 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 Energies 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
FFBL Power Company 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, 7.2, 11 and 42 to the financial statements. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2025 Rupees'000	2024 Rupees'000
Transactions and balances with related parties		
Fauji Foundation		
Sale of cement	–	1,638
Receipts against sale of cement	–	1,638
Payment for use of medical facilities	2,127	2,166
Payable for use of medical facilities	–	8
Payment of rent and utilities	70,587	69,212
Donation paid	84,424	75,000
Consultancy charges paid	–	15,240
Payable against cost charged	29,468	35,874
Payment against cost charged	158,723	158,847
Reimbursement against services payments	22,073	–
Reimbursement against CSR activities	29,856	23,135
Payable against CSR activities	7,649	7,402
Payment against letter of support	108,984	128,411
Payable against letter of support	–	31,788
Payment of dividend on ordinary shares	1,512,162	–
Mark-up paid on loan	553,514	–
Mark-up payable on loan	185,186	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Rupees'000	Rupees'000
Foundation Solar Energy (Pvt) Limited		
Payment against supply of solar equipment and services	207,325	1,379,003
Payable against supply of solar equipment	–	6,257
Mari Energies Limited		
Payment / expense against supply of crude oil	32,357	32,666
TPL Insurance Limited		
Payment / expense against insurance premium	12,417	17,349
Habib Insurance Company Limited		
Payment / expense against insurance premium	8,054	8,675
Cherat Packaging Limited		
Payment against supplies	328,782	676,381
Payable against supplies	–	83,997
Procurement of supplies	244,785	459,278
FFBL Power Company Limited		
Payment against services	229	–
Payable against services	39	–
Expense against services	268	–
Fauji Fertilizer Company Limited		
Payment of dividend on ordinary shares	105,469	–
Fauji Oil Terminal and Distribution Company Limited		
Payment of dividend on ordinary shares	21,094	–
Askari Bank Limited		
Balance in bank accounts	97,553	287,858
Loan payable	1,926,817	2,693,250
Principal repayment of loan	1,080,932	237,250
Export re-finance payable	1,649,000	1,087,000
Bank charges	8,962	12,888
Interest paid on export re-finance	135,445	129,819
Interest paid on running finance	1,141	2,762
Interest paid on long term loans	137,675	259,490
Profit received on deposit accounts	16,410	16,111
Employees Provident Fund		
Payable to employee provident fund including employees' share	37,806	29,902
Payments made into the fund including employees' contribution	401,837	347,197
Expense of employee provident fund	176,068	145,127
Others		
Remuneration to key management personnel (other than Chief Executive)	252,857	201,800
Payment of dividend to directors	10	–

43 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities		Equity			Total
	Lease liability	Long term loan including current portion	Loan from the parent	Share capital	Premium on issue of shares	
Rupees '000						
Balance at July 01, 2024	163,660	34,975,155	7,387,000	24,528,476	15,253,134	115,924,668
Lease liability on right of use asset	32,097	-	-	-	-	32,097
Changes from financing cash flows						
Long term loans received during the year	-	-	-	-	-	-
Repayment of loan	-	(4,657,115)	-	-	-	(4,657,115)
Finance cost paid for the year	-	(5,005,937)	(553,514)	-	-	(5,559,451)
Lease payments	(75,315)	-	-	-	-	(75,315)
Total changes from financing cash flows	(75,315)	(9,663,052)	(553,514)	-	-	(10,291,881)
Other changes						
Liability related						
Net increase in short term running finance	-	-	-	-	-	-
Finance cost expense / transaction cost for the year	23,868	5,000,595	738,700	-	-	5,763,163
Total liability related other changes	23,868	5,000,595	738,700	-	-	5,763,163
Equity related						
Total comprehensive income for the year	-	-	-	-	13,326,202	13,326,202
Final dividend 2024 @ Rs. 1.00 per share	-	-	-	-	(2,452,847)	(2,452,847)
Total equity related other changes	-	-	-	-	10,873,355	10,873,355
Balance at June 30, 2025	144,310	30,312,698	7,572,186	24,528,476	15,253,134	122,301,402

FOR THE YEAR ENDED JUNE 30, 2025

[illegible]

	2025 Installed capacity	Actual Production	2024 Installed capacity	Actual Production
	Metric Tons		Metric Tons	
44 PLANT CAPACITY AND ACTUAL PRODUCTION				
Cement	10,458,000	5,383,885	9,263,625	5,060,431
Clinker	9,960,000	4,670,651	8,822,500	4,522,575

44.1 Difference between installed capacity and actual production is due to demand supply situation of the market.

45 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.

46 DISCLOSURES IN RELATION TO COMPLIANCE OF SHARIAH MATTERS

46.1 Disclosure Requirement For Companies Not Engaged In Shariah Non-Permissible Business Activities

As determined by shariah expert, following information has been disclosed as required under amended Part I Clause VII of Fourth Schedule to the Companies Act , 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

	Note	2025 Rupees'000	2024 Rupees'000
Statement of Financial Position			
Liabilities			
Long-term loans as per Islamic mode	6	7,400,371	7,919,568
Short term borrowings as per Islamic mode		–	–
Mark-up accrued on conventional loans Non-shariah	6	2,064,940	2,082,677
Assets			
Shariah short term investments	26	301,672	–
Shariah bank deposits, bank balances and TDRs	27	501,792	582,353
Statement of Profit or Loss			
Revenue earned from Shariah business segment	28	88,956,328	80,026,226
Gains and dividend from Shariah compliant investments	35	83,933	–
Profit earned from shariah compliant bank deposits, bank balances and TDRs	35	43,871	71,477
Exchange gain earned from actual currency		32	–
Profit paid on Islamic mode of financing		1,002,499	1,586,573
Mark-up on Islamic mode of financing	34	942,585	221,845
Interest on conventional loans	34	4,703,758	5,247,047

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FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees'000	2024 Rupees'000
Sources and detailed breakup of other income			
Income from bank deposits/balances and TDRs			
Non – shariah	35	400,750	212,304
Shariah compliant	35	43,871	71,477
Gain on re–measurement of investments			
Non – shariah	35	538,490	3,715
Shariah compliant	35	83,617	–
Dividend and bonus on investments			
Non – shariah	35	1,787	11,822
Shariah compliant		316	–
Other Income			
Non – shariah	30	597,541	428,391
Others –Shariah compliant	30	163,231	111,982

The Company has business relationship with Islamic banks in ordinary course of business. Disclosures other than above are not applicable to the Company.

47 GENERAL

47.1 Corresponding Figures

Corresponding figures have been reclassified to reflect more appropriate presentation of the related transactions in the financial statement as to confirm to current year presentation and these reclassifications have no significant effect on previously reported statement of financial position, net income, earning per share, shareholders' equity and cash flows of the Company. These reclassifications include payable to employees' provident fund trust and current portion of employee benefits aggregately amounting to Rs 142,599 thousand which have been reclassified now to the trade and other payables disclosed in note 12 from previously presented at face of statement of financial position.

47.2 Letters of guarantee and letters of credit facilities

These represent the Letter of Guarantee and Letter of Credit facilities extended to the Company by various banks to the extent of Rs. 3,717 million and Rs. 3,420 million (2024: Rs. 1,011 million and Rs. 3,986 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.

	2025	2024
47.3 Number of persons employed		
Total employees of the Company at year end	2,335	2,326
Average employees of the Company during the year	2,331	2,253

47.4 Proposed dividend

The Board of Directors in their meeting held on August 8, 2025 has proposed a final dividend of Rs 1.25 per share.

47.5 Date for authorization

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on August 8, 2025.



Chief Executive Officer



Director



Chief Financial Officer



09

SHAREHOLDERS' INFORMATION

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PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

Shareholding			
No. of Shareholders	From	To	Total Shares Held
3510	1	100	133,666
3086	101	500	936,111
2523	501	1,000	1,921,786
5080	1,001	5,000	12,334,218
1493	5,001	10,000	10,986,371
704	10,001	15,000	8,692,790
366	15,001	20,000	6,613,213
300	20,001	25,000	6,877,380
187	25,001	30,000	5,206,396
123	30,001	35,000	4,043,862
105	35,001	40,000	4,038,445
101	40,001	45,000	4,374,613
104	45,001	50,000	5,100,207
38	50,001	55,000	1,977,156
67	55,001	60,000	3,861,469
34	60,001	65,000	2,134,065
42	65,001	70,000	2,857,172
39	70,001	75,000	2,860,964
25	75,001	80,000	1,969,521
20	80,001	85,000	1,664,570
30	85,001	90,000	2,665,123
13	90,001	95,000	1,198,827
74	95,001	100,000	7,353,620
12	100,001	105,000	1,232,771
22	105,001	110,000	2,366,510
48	110,001	115,000	5,392,931
13	115,001	120,000	1,540,212
19	120,001	125,000	2,351,989
7	125,001	130,000	905,947
10	130,001	135,000	1,332,062
20	135,001	140,000	2,760,564
9	140,001	145,000	1,276,339
19	145,001	150,000	2,833,591
11	150,001	155,000	1,673,674
7	155,001	160,000	1,109,313
11	160,001	165,000	1,791,312
14	165,001	170,000	2,359,336
9	170,001	175,000	1,556,124
5	175,001	180,000	897,150
6	180,001	185,000	1,092,586
2	185,001	190,000	376,395
5	190,001	195,000	961,870
26	195,001	200,000	5,188,572
6	200,001	205,000	1,218,700
8	205,001	210,000	1,669,875
7	210,001	215,000	1,489,548

Shareholding			
No. of Shareholders	From	To	Total Shares Held
1	215,001	220,000	216,611
16	220,001	225,000	3,589,765
2	225,001	230,000	457,700
5	230,001	235,000	1,157,452
1	235,001	240,000	236,000
3	240,001	245,000	730,320
10	245,001	250,000	2,488,237
4	250,001	255,000	1,009,738
6	255,001	260,000	1,551,261
4	260,001	265,000	1,057,696
4	265,001	270,000	1,071,509
2	270,001	275,000	544,601
1	275,001	280,000	279,100
5	280,001	285,000	1,414,000
1	285,001	290,000	286,625
2	290,001	295,000	585,390
12	295,001	300,000	3,597,287
5	300,001	305,000	1,514,520
1	305,001	310,000	309,375
1	310,001	315,000	312,400
3	320,001	325,000	969,797
1	325,001	330,000	330,000
3	330,001	335,000	998,851
3	335,001	340,000	1,009,454
3	340,001	345,000	1,030,700
3	345,001	350,000	1,046,500
2	350,001	355,000	705,975
2	355,001	360,000	712,758
1	360,001	365,000	360,500
2	365,001	370,000	731,508
3	370,001	375,000	1,125,000
1	375,001	380,000	378,145
3	385,001	390,000	1,164,587
1	390,001	395,000	392,500
4	395,001	400,000	1,600,000
1	400,001	405,000	403,312
1	405,001	410,000	410,000
1	410,001	415,000	415,000
1	415,001	420,000	418,817
4	420,001	425,000	1,687,262
1	435,001	440,000	437,900
2	440,001	445,000	888,160
2	445,001	450,000	900,000
1	450,001	455,000	452,000
3	455,001	460,000	1,373,629
1	460,001	465,000	463,370

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

Shareholding			
No. of Shareholders	From	To	Total Shares Held
3	475,001	480,000	1,438,125
3	480,001	485,000	1,453,050
3	495,001	500,000	1,500,000
4	505,001	510,000	2,031,750
1	515,001	520,000	515,850
2	520,001	525,000	1,049,861
1	535,001	540,000	535,500
2	540,001	545,000	1,081,750
1	545,001	550,000	550,000
1	550,001	555,000	553,090
1	555,001	560,000	555,300
1	560,001	565,000	562,641
1	565,001	570,000	570,000
1	575,001	580,000	577,714
1	585,001	590,000	586,687
3	595,001	600,000	1,795,075
1	605,001	610,000	605,062
1	610,001	615,000	610,220
2	615,001	620,000	1,236,750
2	620,001	625,000	1,248,307
3	630,001	635,000	1,895,687
1	635,001	640,000	635,875
1	640,001	645,000	643,438
5	645,001	650,000	3,244,825
1	655,001	660,000	657,800
2	660,001	665,000	1,326,312
2	670,001	675,000	1,348,000
2	680,001	685,000	1,363,937
6	695,001	700,000	4,197,500
1	705,001	710,000	709,000
1	710,001	715,000	711,500
1	725,001	730,000	725,888
1	745,001	750,000	746,437
2	760,001	765,000	1,524,500
1	770,001	775,000	772,312
1	775,001	780,000	775,540
2	795,001	800,000	1,600,000
1	800,001	805,000	804,499
1	810,001	815,000	811,687
1	815,001	820,000	820,000
3	840,001	845,000	2,520,423
1	845,001	850,000	849,375
2	850,001	855,000	1,705,200
1	870,001	875,000	872,484
2	875,001	880,000	1,755,893
1	895,001	900,000	900,000

Shareholding			
No. of Shareholders	From	To	Total Shares Held
1	905,001	910,000	905,989
1	910,001	915,000	914,871
1	915,001	920,000	920,000
1	925,001	930,000	929,500
1	935,001	940,000	938,750
1	940,001	945,000	945,000
1	955,001	960,000	957,569
1	970,001	975,000	975,000
3	995,001	1,000,000	3,000,000
1	1,005,001	1,010,000	1,010,000
3	1,010,001	1,015,000	3,036,362
2	1,020,001	1,025,000	2,046,375
1	1,025,001	1,030,000	1,026,000
1	1,030,001	1,035,000	1,031,174
1	1,055,001	1,060,000	1,056,313
1	1,080,001	1,085,000	1,080,600
2	1,085,001	1,090,000	2,176,576
1	1,095,001	1,100,000	1,095,728
1	1,120,001	1,125,000	1,125,000
2	1,130,001	1,135,000	2,266,144
1	1,155,001	1,160,000	1,155,937
1	1,180,001	1,185,000	1,181,250
1	1,185,001	1,190,000	1,186,217
1	1,210,001	1,215,000	1,210,750
1	1,225,001	1,230,000	1,229,000
1	1,250,001	1,255,000	1,250,212
1	1,295,001	1,300,000	1,300,000
2	1,340,001	1,345,000	2,684,300
1	1,355,001	1,360,000	1,355,832
1	1,385,001	1,390,000	1,389,875
1	1,395,001	1,400,000	1,399,250
1	1,430,001	1,435,000	1,434,483
1	1,495,001	1,500,000	1,500,000
1	1,500,001	1,505,000	1,501,635
1	1,510,001	1,515,000	1,512,621
2	1,515,001	1,520,000	3,038,750
1	1,580,001	1,585,000	1,582,000
1	1,585,001	1,590,000	1,585,687
1	1,650,001	1,655,000	1,651,375
1	1,685,001	1,690,000	1,687,500
1	1,695,001	1,700,000	1,700,000
1	1,705,001	1,710,000	1,709,718
1	1,780,001	1,785,000	1,782,500
2	1,795,001	1,800,000	3,600,000
1	1,815,001	1,820,000	1,820,000
1	1,820,001	1,825,000	1,823,300

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

Shareholding			
No. of Shareholders	From	To	Total Shares Held
1	1,855,001	1,860,000	1,859,136
2	1,870,001	1,875,000	3,742,030
1	1,905,001	1,910,000	1,908,350
3	1,925,001	1,930,000	5,790,000
1	1,995,001	2,000,000	2,000,000
1	2,000,001	2,005,000	2,000,874
1	2,050,001	2,055,000	2,052,167
1	2,085,001	2,090,000	2,087,742
1	2,190,001	2,195,000	2,190,937
1	2,220,001	2,225,000	2,222,337
1	2,245,001	2,250,000	2,250,000
1	2,295,001	2,300,000	2,300,000
1	2,305,001	2,310,000	2,308,000
1	2,350,001	2,355,000	2,352,812
1	2,390,001	2,395,000	2,391,561
1	2,405,001	2,410,000	2,406,993
1	2,485,001	2,490,000	2,489,170
1	2,490,001	2,495,000	2,491,000
1	2,495,001	2,500,000	2,500,000
1	2,545,001	2,550,000	2,550,000
1	2,555,001	2,560,000	2,558,024
1	2,570,001	2,575,000	2,573,500
1	2,835,001	2,840,000	2,835,632
1	2,855,001	2,860,000	2,855,917
1	3,280,001	3,285,000	3,280,022
1	3,285,001	3,290,000	3,286,931
1	3,385,001	3,390,000	3,389,765
1	3,395,001	3,400,000	3,400,000
1	3,495,001	3,500,000	3,500,000
1	3,525,001	3,530,000	3,525,817
1	3,560,001	3,565,000	3,563,502
1	3,635,001	3,640,000	3,637,000
1	3,715,001	3,720,000	3,718,987
2	3,925,001	3,930,000	7,855,394
1	3,995,001	4,000,000	4,000,000
1	4,255,001	4,260,000	4,256,437
1	4,285,001	4,290,000	4,289,765
1	4,505,001	4,510,000	4,505,250
1	4,530,001	4,535,000	4,533,021
1	4,860,001	4,865,000	4,860,919
1	5,180,001	5,185,000	5,184,469
1	6,120,001	6,125,000	6,123,625
1	6,360,001	6,365,000	6,360,443
1	6,495,001	6,500,000	6,500,000
1	6,570,001	6,575,000	6,574,786
1	7,085,001	7,090,000	7,088,500

Shareholding			
No. of Shareholders	From	To	Total Shares Held
1	8,580,001	8,585,000	8,583,495
1	9,635,001	9,640,000	9,636,725
1	10,335,001	10,340,000	10,355,691
1	11,010,001	11,015,000	11,013,750
1	11,645,001	11,650,000	11,645,076
1	12,235,001	12,240,000	12,239,218
1	13,075,001	13,080,000	13,078,596
1	16,410,001	16,415,000	16,410,596
1	16,995,001	17,000,000	17,000,000
1	21,090,001	21,095,000	21,093,750
1	24,840,001	24,845,000	24,841,031
1	34,245,001	34,250,000	34,249,145
1	35,785,001	35,790,000	35,789,020
1	46,910,001	46,915,000	46,912,995
1	88,535,001	88,540,000	88,538,514
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
18,704			2,452,847,220

CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2025

Sr. No.	Name	No. of Shares Held	Percentage
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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)	1,859,136	0.0758
2	CDC – TRUSTEE AKD AGGRESSIVE INCOME FUND (CDC)	150,000	0.0061
3	CDC – TRUSTEE AKD INDEX TRAKER FUND (CDC)	300,460	0.0122
4	CDC – TRUSTEE AKD OPPORTUNITY FUND (CDC)	75,000	0.0031
5	CDC – TRUSTEE AL HABIB ASSET ALLOCATION FUND (CDC)	41,380	0.0017
6	CDC – TRUSTEE AL HABIB ISLAMIC STOCK FUND (CDC)	2,550,000	0.1040
7	CDC – TRUSTEE AL HABIB STOCK FUND (CDC)	1,700,000	0.0693
8	CDC – TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	14,500	0.0006
9	CDC – TRUSTEE AL –AMEEN SHARIAH STOCK FUND (CDC)	2,352,812	0.0959
10	CDC – TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND (CDC)	134,720	0.0055
11	CDC – TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	577,714	0.0236
12	CDC – TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND (CDC)	167,024	0.0068
13	CDC – TRUSTEE ALFALAH GHP INCOME FUND – MT (CDC)	64,215	0.0026
14	CDC – TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND (CDC)	20,700	0.0008
15	CDC – TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	2,489,170	0.1015
16	CDC – TRUSTEE ALFALAH GHP STOCK FUND (CDC)	2,855,917	0.1164
17	CDC – TRUSTEE ALFALAH GHP VALUE FUND (CDC)	102,960	0.0042
18	CDC – TRUSTEE ALFALH MTS FUND – MT (CDC)	150,018	0.0061
19	CDC – TRUSTEE ALHOF –DIVIDEND STRATEGY PLAN (CDC)	50,000	0.0020
20	CDC – TRUSTEE APF –EQUITY SUB FUND (CDC)	598,000	0.0244
21	CDC – TRUSTEE APIF – EQUITY SUB FUND (CDC)	673,000	0.0274
22	CDC – TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND (CDC)	421,000	0.0172
23	CDC – TRUSTEE ATLAS ISLAMIC STOCK FUND (CDC)	4,860,919	0.1982
24	CDC – TRUSTEE ATLAS STOCK MARKET FUND (CDC)	12,239,218	0.4990
25	CDC – TRUSTEE AWT ISLAMIC STOCK FUND (CDC)	648,950	0.0265
26	CDC – TRUSTEE AWT STOCK FUND (CDC)	51,300	0.0021
27	CDC – TRUSTEE FAYSAL ISLAMIC STOCK FUND (CDC)	804,499	0.0328
28	CDC – TRUSTEE FAYSAL ISLAMIC STOCK FUND–II (CDC)	54,100	0.0022
29	CDC – TRUSTEE FAYSAL STOCK FUND (CDC)	23,967	0.0010
30	CDC – TRUSTEE FIRSGT CAPITAL MUTUAL FUND (CDC)	15,000	0.0006
31	CDC – TRUSTEE GOLDEN ARROW STOCK FUND (CDC)	350,000	0.0143
32	CDC – TRUSTEE HBL – STOCK FUND (CDC)	920,000	0.0375
33	CDC – TRUSTEE HBL EQUITY FUND (CDC)	662,000	0.0270

Sr. No.	Name	No. of Shares Held	Percentage
34	CDC – TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN 1 – MT (CDC)	1,512,621	0.0617
35	CDC – TRUSTEE HBL GROWTH FUND (CDC)	2,300,000	0.0938
36	CDC – TRUSTEE HBL INCOME FUND – MT (CDC)	10,250	0.0004
37	CDC – TRUSTEE HBL INVESTMENT FUND (CDC)	711,500	0.0290
38	CDC – TRUSTEE HBL IPF EQUITY SUB FUND (CDC)	264,646	0.0108
39	CDC – TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND (CDC)	167,000	0.0068
40	CDC – TRUSTEE HBL ISLAMIC EQUITY FUND (CDC)	618,000	0.0252
41	CDC – TRUSTEE HBL MULTI – ASSET FUND (CDC)	89,800	0.0037
42	CDC – TRUSTEE HBL PF EQUITY SUB FUND (CDC)	164,500	0.0067
43	CDC – TRUSTEE JS ISLAMIC FUND (CDC)	279,100	0.0114
44	CDC – TRUSTEE JS LARGE CAP FUND (CDC)	1,823,300	0.0743
45	CDC – TRUSTEE KSE MEEZAN INDEX FUND (CDC)	2,391,561	0.0975
46	CDC – TRUSTEE LAKSON EQUITY FUND (CDC)	3,286,931	0.1340
47	CDC – TRUSTEE LAKSON ISLAMIC TACTICAL FUND (CDC)	121,881	0.0050
48	CDC – TRUSTEE LAKSON TACTICAL FUND (CDC)	124,046	0.0051
49	CDC – TRUSTEE LUCKY ISLAMIC STOCK FUND (CDC)	631,000	0.0257
50	CDC – TRUSTEE MAHANA ISLAMIC INDEX EXCHANGE TRADED FUND (CDC)	153,049	0.0062
51	CDC – TRUSTEE MCB PAKISTAN DIVIDEND YIELD PAN (CDC)	100,000	0.0041
52	CDC – TRUSTEE MCB PAKISTAN STOCK MARKET FUND (CDC)	2,558,024	0.1043
53	CDC – TRUSTEE MDAAF – MEEZAN DIVIDEND YIELD PAN (CDC)	241,070	0.0098
54	CDC – TRUSTEE MEEZAN ISLAMIC FUND (CDC)	8,583,495	0.3499
55	CDC – TRUSTEE NBP BALANCED FUND (CDC)	10,200	0.0004
56	CDC – TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND (CDC)	12,400	0.0005
57	CDC – TRUSTEE NBP ISLAMIC STOCK FUND (CDC)	3,525,817	0.1437
58	CDC – TRUSTEE NBP MAHANA AMDANI FUND – MT (CDC)	332,752	0.0136
59	CDC – TRUSTEE NBP SARMAYA IZAFI FUND (CDC)	6,900	0.0003
60	CDC – TRUSTEE NBP SAVINGS FUND – MT (CDC)	258,886	0.0106
61	CDC – TRUSTEE NBP STOCK FUND (CDC)	7,088,500	0.2890
62	CDC – TRUSTEE PAKISTAN CAPITAL MARKET FUND (CDC)	200,000	0.0082
63	CDC – TRUSTEE PAK-QATAR ISLAMIC STOCK FUND (CDC)	480,000	0.0196
64	CDC – TRUSTEE UBL ASSET ALLOCATION FUND (CDC)	1,010,000	0.0412
65	CDC – TRUSTEE UBL RETIREMENT SAVINGS FUND – EQUITY SUB FUND (CDC)	877,500	0.0358
66	CDC – TRUSTEE UNIT TRUST OF PAKISTAN (CDC)	1,080,600	0.0441
67	CDC – TRUSTEE-PQIAAF – PAK-QATAR ASSET ALLOCATION PALN III (CDC)	17,000,000	0.6931
68	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND- EQUITY SUB FUND (CDC)	1,186,217	0.0484
69	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND (CDC)	346,500	0.0141
70	CDC-TRUSTEE HBL ISLAMIC STOCK FUND (CDC)	709,000	0.0289
71	MF FSL – TRUSTEE JS GROWTH FUND (CDC)	2,087,742	0.0851
72	MCBFSL – TRUSTEE ABL ISLAMIC STOCK FUND (CDC)	957,569	0.0390
73	MCBFSL – TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND (CDC)	200,000	0.0082
74	MCBFSL – TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND (CDC)	200,000	0.0082
75	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND (CDC)	150,500	0.0061

CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2025

Sr. No.	Name	No. of Shares Held	Percentage
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. QAMAR HARIS MANZOOR – CEO/MD (CDC)	10,125	0.0004
2	MR. TARIQ QADDUS (CDC)	45,000	0.0018
3	LT GEN ANWAR ALI HYDER, HI(M) (RETD)	1	0.0000
4	SYED BAKHTIYAR KAZMI	1	0.0000
5	MS. MALIHA HUMAYUN BANGASH	1	0.0000
6	MRS. SAIRA NASIR	1	0.0000
7	SYED MUHAMMAD IRFAN AQUEEL	1	0.0000
8	MR. KHURSHID ZAFAR QURESHI	1	0.0000
9	MRS. SHIREEN SHAH AQUEEL W/O SYED M. IRFAN AQUEEL (CDC)	11,250	0.0005

Executives:

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Public Sector Companies & Corporations:

Banks, Development Finance Institutions, Non Banking Finance	101,292,205	4.1296%
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Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

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
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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	66,381	0.0027%
2	Associated Companies, undertakings and related parties. (Parent Company)	1,638,724,338	66.8091%
3	NIT and ICP	7,849,350	0.3200%
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	70,033,923	2.8552%
5	Insurance Companies	22,153,621	0.9032%
6	Modarabas and Mutual Funds	101,997,161	4.1583%
7	Shareholders holding 10% or more	1,512,161,838	61.6492%
8	General Public		
	a. Local	317,057,634	12.9261%
	b. Foreign	1,386,896	0.0565%
9	Others (to be specified)		
	– Investment Companies	4,122,818	0.1681%
	– Joint Stock Companies	191,679,099	7.8146%
	– Pension Funds	8,938,036	0.3644%
	– Foreign Companies	77,089,986	3.1429%
	– Others	11,747,977	0.4790%
10	List of Shareholders Holding 10% or More of Total Capital		
	COMMITTEE OF ADMIN. FAUJI FOUNDATION	1,512,161,838	61.6492
		1,512,161,838	61.6492
11	List of Shareholders Holding 5% or More of Total Capital		
	COMMITTEE OF ADMIN. FAUJI FOUNDATION	1,512,161,838	61.6492
		1,512,161,838	61.6492

FINANCIAL CALENDAR – 2025/2026

The Company's Financial Year Start From 1st July and End at 30th June Each Year. Tentative Schedule For Announcement of Financial Results in 2025/2026 is as under:–

a.	Annual General Meeting	30 th September 2025
b.	1 st Quarter ending 30 th September 2025	30 th October 2025
c.	2 nd Quarter ending 31 st December 2025	Last week of February 2026
d.	3 rd Quarter ending 31 st March 2026	Last week of April 2026
e.	Annual Accounts year ending 30 th June 2026	First week of August 2026

NOTICE OF 33RD ANNUAL GENERAL MEETING

Notice is hereby given that 33rd Annual General Meeting (AGM) of the members of Fauji Cement Company Limited (FCCL) will be held at Pearl Continental Hotel, The Mall, Rawalpindi on 30th September 2025 (Tuesday) at 1500 hours to transact the following business: -

ORDINARY BUSINESS

1. To confirm the minutes of 32nd Annual General Meeting and 15th Extraordinary General Meeting held on 14th October 2024 and 10th December 2024 respectively.
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 2025.
3. To appoint Statutory Auditors of the Company and fix their remuneration for the year ending 30th June 2026.
4. To consider and approve payment of final cash dividend @ 12.50 % i.e Rs 1.25 per share for the year ended 30th June 2025, 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



Rawalpindi
Dated 09 September 2025

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

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/eng/financial-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 24th September 2025 to 30th September 2025 (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 23rd September 2025 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/eng/wp-content/uploads/2025/05/Proxy-Form-2025.pdf>.
- 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 23rd September 2025.
- 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 29th September 2025.

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 within 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: http://www.fccl.com.pk	M/s Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial Model Town Lahore, Pakistan Tel: +92-042-35916714-19, +92-042-35839182 Email: corplink786@gmail.com , Website: http://www.corplink.com.pk

FORM OF PROXY

33rd Annual General Meeting – 30th September 2025

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 33rd Annual General Meeting of the Company to be held on 30th September 2025 (Tuesday) 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 _____ 2025.

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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1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	24
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.	90-92
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.	90-92
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	46-47
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	48-49
	b) The effect of seasonality on business in terms of production and sales.	44
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).	50-51
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3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	78
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.	73-77
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).	79
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4.01	a) Disclosures of company specific sustainability-related risks and opportunities (climate-related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated;	183-187
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company.	182-189
	c) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored.	163
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	• Environmental initiatives - climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green /sustainable project.	151-155
	• Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs;	156-157
	• Information on consumption and management of materials, energy, water, emissions and waste.	151-157
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4.05	Highlights of the company's performance, policies, initiatives for CSR.	104-106, 166-169
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5.02	A brief description about role of the Chairman and the CEO.	82
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	b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year';	2-3, 94
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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.	96
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	96
5.08	Details of formal orientation courses for directors.	83

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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.	95-96, 112
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5.11	Disclosure about related party transactions: a) Approved policy for related party transactions; b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding; 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; d) Disclosure of director's interest in related party transactions; e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	83-84, 96
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8.03	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.	122
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8.06	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.	123
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میں/ہم۔۔۔۔۔ بحیثیت فوجی سینٹ کمپنی لمیٹڈ کے رکن (اراکین)۔۔۔۔۔ عام حصص برطانیہ رجسٹرڈ فولیو نمبر سی سی
اکاؤنٹ نمبر۔۔۔۔۔ اپنی جانب سے محترم/محترمہ۔۔۔۔۔ کو تقرر کرتا کرتی ہوں۔ ان کا مکمل پتہ۔۔۔۔۔ اور ان کی عدم
موجودگی میں محترم/محترمہ۔۔۔۔۔ کا تقرر کرتا کرتی ہوں۔ ان کا مکمل پتہ۔۔۔۔۔ رجسٹرڈ فولیو نمبر سی سی اکاؤنٹ نمبر (اگر ممبر ہے)
۔۔۔۔۔ کو اپنی رہماری عدم موجودگی میں کمپنی کے 30 ستمبر 2025 بروز منگل ہونے والے سالانہ اجلاس عام میں شرکت کرنے، حق رائے دہی استعمال
کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا پر کسی مقرر کرتا ہوں/کرتے ہیں۔

دستخط شیر ہولڈر

دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت ہونا لازمی ہے

پچاس روپے مالیت کے ریونیو ٹکٹ

دستخط پراسی

آج بروز _____ بتاریخ _____ 2025 کو دستخط کئے گئے

گواہان:-

گواہ نمبر۔ ۱

گواہ نمبر - ۲

..... دستخط دستخط

نام: _____

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 کر سکتا ہے جو ایسے حقوق جیسے حاضر ہونے، بات کرنے اور اجلاس میں ووٹ ڈالنے کیلئے اہل ہو جائیگا رگی جیسے حقوق ایک رکن کو دستیاب ہیں۔
- ۲۔ نمائندہ اجلاس میں حاضری کے وقت اپنی شناخت کا ثبوت اپنا کمپیوٹرایز قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر ظاہر کرے گا رگی اور نیو نمبرز (اگر ممبر ہے) بھی ہمراہ لائے گا رگی۔
- ۳۔ پر کسی فارم موثر ہونے کی غرض سے فوجی سیمنٹ کمپنی لمیٹڈ، ہبڈ آفس، فوجی ٹاؤن، بلاک - ۳، ۶۸ ٹیپورڈ، چکالہ 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 کمپیوٹرایز قومی شناختی کارڈ یا اصل پاسپورٹ کی تصدیق شدہ نقول پر کسی فارم کے ہمراہ بھیجنے ہوں گے۔
- ۵۔ کارپوریٹ ادارے کی صورت بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ مع نمونہ دستخط پر کسی (Proxy) فارم کے ساتھ کمپنی کو پیش کیا جائے گا۔

10- انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN) کی تفصیلات کی فراہمی

کمپنیز ایکٹ، 2017 کے سیکشن 242 اور SECP کے سرکلر نمبر 2018 (I) 421 مورخہ 19 مارچ 2021 کے تحت، لسٹڈ کمپنی کے لیے یہ لازم ہے کہ اپنے شراکت داروں کو منافع جات کی ادائیگی صرف شراکت دار کے مجاز بینک اکاؤنٹ میں الیکٹرانک طریقے سے کرے۔ مزید برآں، SECP نے اپنے خط مورخہ 19 مارچ 2021 میں ہدایت کی ہے کہ تمام لسٹڈ کمپنیاں اپنے شراکت داروں سے انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) کی تفصیلات حاصل کریں۔

11- پتے کی تبدیلی:

ممبران سے گزارش ہے کہ ان کے پتے میں کسی طرح کی تبدیلی کی صورت میں فوری طور پر آگاہ کریں۔ مزید معاونت کے حصول کے لیے، ممبران کمپنی یا شیئر رجسٹرار سے درج ذیل پتوں پر رابطہ کر سکتے ہیں:

رجسٹرار	FCCL - آفس
کمپنی سیکرٹری، میسرز کارپانک (پرائیویٹ) لمیٹڈ، وگنڈ آرکیڈ، 1-K، کمرشل ماڈل ٹاؤن، لاہور، پاکستان۔ فون: +92-042-35916714-19، +92-042-35839182 ای میل: corplink786@gmail.com ویب سائٹ: http://www.corplink.com.pk	کمپنی سیکرٹری، فوجی سینٹ کمپنی لمیٹڈ، فوجی ٹاورز، بلاک III-68، ٹیپو روڈ، چکلا، راولپنڈی، پاکستان۔ ٹیلی فون: +92-051-9280081-83 ویب سائٹ: http://www.fccl.com.pk

ب۔ حصے 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 حصے 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 (shareholders Joint)، 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 اور مشترکہ حصص داران کے تناسب (proportions) سے ہمارے شیئرز رجسٹر اور رجسٹرڈ ذیل فارمیٹ کے مطابق تحریر بطور پراگاہ کریں:

مشترکہ حصص کے تناسب کا فارم					
فولیو CDC / اکاؤنٹ نمبر	شیئرز کی کل تعداد	بنیادی (Principal) شیئرز ہولڈر	مشترکہ (Joint) شیئرز ہولڈر	دستخط	
		بنیادی شیئرز ہولڈر کا نام اور شناختی کارڈ نمبر	مشترکہ شیئرز ہولڈر کا نام اور شناختی کارڈ نمبر	حصص کا تناسب (حصص کی تعداد)	حصص کا تناسب (حصص کی تعداد)

ر۔ مشترکہ اکاؤنٹس کی معلومات ہمارے شیئرز رجسٹر اور 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 شیئرز ہولڈر اور مشترکہ شیئرز 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 شیئرز رجسٹر اور کو شیئرز کے کھاتے بند ہونے کی تاریخ سے قبل فراہم کریں، بصورت دیگر حصے (dividend) کی ادائیگی پر عموماً قابل اطلاق شرح کے مطابق ٹیکس کاٹا جائے گا۔

7۔ وڈیو کانفرنس کی سہولت کی رضامندی

کمپنیز ایکٹ، 2017 کی دفعہ (2) 132 کی رو سے ممبران اس سالانہ اجلاس 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 ویب سائٹ www.fccl.com.pk پر فراہم کیا گیا ہے۔

8۔ غیر دعویٰ شدہ حصے (dividend) اور شیئرز 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 حصص اور غیر تقسیم شدہ شیئرز سرٹیفکیٹس کے لیے قانون کے مطابق ممبران تک رسائی حاصل کر کے انہیں مطلع کرے گی۔

ب۔ ایسے ممبران سے، جن کے حصے (dividend) اور شیئرز سرٹیفکیٹ تاحال غیر دعویٰ شدہ یا غیر تقسیم شدہ ہیں، کمپنی ایک مرتبہ پھر گزارش کرتی ہے کہ اپنے واجب الادا حصے اور سرٹیفکیٹ حاصل کرنے کے لیے اپنے کلیم داخل کریں۔

9۔ فزیکل شیئرز کو CDC اکاؤنٹ میں جمع کروانا

کمپنیز ایکٹ، 2017 کی دفعہ 72 کے مطابق، ہر ایک موجودہ لسٹڈ 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 براہ راست CDC کے ساتھ اپنا سرمایہ کاری اکاؤنٹ کھولیں تاکہ ان کے فزیکل شیئرز، scrip-less فارموں میں تبدیل ہو سکیں۔ اس سے ان کو کوئی طرح کی سہولتیں حاصل ہوں گی جن میں شیئرز کو بحفاظت رکھنا اور جب چاہیں انہیں فروخت کرنا بھی شامل ہے، کیونکہ پاکستان سٹاک ایکسچینج کے موجودہ ضوابط کی رو سے فزیکل شیئرز کی خرید و فروخت کی اجازت نہیں ہے۔

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 اشخاص 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 ٹاورز، بلاک III، 68، ٹیپو روڈ، چکالہ، 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 سے ڈاؤن لوڈ کیا جاسکتا ہے

<https://fccl.com.pk/eng/wp-content/uploads/2025/05/Proxy-Form-2025.pdf>

ج۔ شیئرز 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 کارڈ شناختی کارڈ کی نقول فراہم کریں اور اپنے پتے میں کسی قسم کی تبدیلی کی صورت میں فوری اطلاع دیں۔

5- AGM میں آن لائن شرکت

الف۔ ممبران کی بڑی تعداد کی شرکت کو یقینی بنانے اور انہیں 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 ان کر کے شرکت کرنے کے قابل ہو سکیں گے۔ اس ضمن میں ممبران کے لیے ضروری ہے کہ اپنے کارڈ آمدی میل ایڈریس 23 ستمبر 2025 سے قبل شیئرز رجسٹر ارا کو ارسال کریں۔

ب۔ وہ ممبران جنہوں نے اپنے کارڈ آمدی میل ایڈریس کمپنی یا اس کے شیئرز رجسٹر ارا کو ارسال کر دیے ہیں اور وہ AGM کی کارروائی میں آن لائن شرکت میں دلچسپی رکھتے ہیں، اپنے فوٹیو نمبر کے ساتھ secretaryoffice@fccl.com.pk پر اپنی درخواست ارسال کر سکتے ہیں۔ ایسی درخواستیں اپنے کارڈ آمد اور باقاعدہ رجسٹر شدہ ای میل ایڈریس سے رجسٹریشن کی غرض سے 29 ستمبر 2025 تک بھیج دی جانی چاہئیں

6- حصے (Dividend) کی ادائیگی پراکسمیکس کی کٹوتی اور کٹوتی سے استثنیٰ

الف۔ کمپنیوں کی طرف حصے (Dividend) کی ادائیگی پراکسمیکس آرڈیننس، 2001 کی دفعہ 150 کے تحت وڈ ہولڈنگ ٹیکس کی کٹوتی کی موجودہ مقرر شدہ شرح درج ذیل

ہے

(1) اکم ٹیکس ریٹرن کے فائلرز کے لیے = 15 فیصد

(2) اکم ٹیکس ریٹرن کے نان فائلرز کے لیے = 30 فیصد

اطلاع برائے 33 واں سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ فوجی سینٹ کمپنی لمیٹڈ کے ممبران کا 33 واں سالانہ اجلاس عام (AGM) بمقام پرل کانٹینیٹل ہوٹل، دی مال، راولپنڈی، بتاریخ 30 ستمبر 2025 (منگل) بوقت 1500 بجے منعقد ہوگا جس میں درج ذیل امور طے کیے جائیں گے:

عمومی امور

- 1- 32 ویں سالانہ اجلاس عام منعقدہ 14 اکتوبر 2024 اور 15 ویں غیر معمولی اجلاس عام منعقدہ 10 دسمبر 2024 کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2025 کو ختم ہونے والے مالی سال کے کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس اور ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو زیر غور لانا اور ان کی منظوری دینا۔
- 3- 30 جون 2026 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 2025 کو ختم ہونے والے مالی سال کے لیے 12.50 فیصد یعنی 1.25 روپیہ کے حساب سے حتمی نقد حصہ فی شیئر کی ادائیگی کو زیر غور لانا اور اس کی منظوری دینا۔
- 5- چیئرمین کی اجازت سے کسی دیگر معاملے کو زیر غور لانا۔

بحکم بورڈ آف ڈائریکٹرز، FCCL



برگیڈیر کاشف نوید عباسی، ستارہ امتیاز (ملٹری)، ریٹائرڈ
کمپنی سیکریٹری

راولپنڈی

مؤرخہ 09 ستمبر، 2025

نوٹس

- 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 آپ لوڈ کر دیے گئے ہیں جنہیں درج ذیل ویب لنک اور کیو آر کوڈ کے ذریعے ڈاؤن لوڈ کیا جاسکتا ہے:



<https://fccl.com.pk/eng/financial-reports/>


اگر کوئی ممبر مذکورہ مالیاتی گوشواروں کی پرنٹ شدہ کاپی حاصل کرنے کا خواہاں ہو تو کمپنی سیکریٹری کو تحریری طور پر کہہ سکتا ہے کہ پرنٹ شدہ 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 24 ستمبر 2025 سے 30 ستمبر 2025 (بشمول ان دونوں دنوں کے) اجلاس 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، وگلز آر کیڈ، 1-K، کمرشل ماڈل ٹاؤن، لاہور کو 23 ستمبر 2025 کو دفتری اوقات کے ختم ہونے تک موصول ہو جائیں گی، ان کو بروقت گروانٹے ہوئے مندرجہ بالا استحقاق کا حامل سمجھا جائے اور وہ سالانہ اجلاس عام (AGM) میں شرکت کے اہل ہوں گے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز کمپنی کے شراکت داروں، صارفین، سامان مہیا کرنے والوں، حکومتی اداروں، مالیاتی اداروں اور دیگر تمام متعلقین کا اُن کے مسلسل اعتماد اور تعاون پر دل کی گہرائیوں سے شکریہ ادا کرتا ہے۔ خصوصی تحسین FCCL کے ملازمین کے لیے ہے جنہوں نے مشکل کاروباری حالات سے عہدہ برآ ہونے میں لگن، ثابت قدمی اور شاندار کارکردگی کا مظاہرہ کیا۔ بورڈ کمپنی کے سب متعلقین کے جاری تعاون کے ساتھ پائیدار ترقی اور کمپنی کی قدر میں اضافے کے عزم پر کاربند ہے۔


قمر حارث منظور
چیف ایگزیکٹو آفیسر / مینیجنگ ڈائریکٹر FCCL
راولپنڈی
8 اگست 2025


لیفٹیننٹ جنرل انور علی حیدر، ہلال امتیاز (ملٹری)، ریٹائرڈ
چیئر مین بورڈ آف ڈائریکٹرز FCCL
راولپنڈی
8 اگست 2025

- پی پی بیگ کی تیاری کا پلانٹ

یہ منصوبہ مکمل طور پر فعال ہو کر پیداوار دینے لگا ہے۔ اس سے بیرونی سپلائرز پر انحصار کم ہوا، پیکیجنگ کے اخراجات میں کمی ہوئی اور عملی اختیار میں اضافہ ہوا، یوں کمپنی کی مجموعی نفع بخشی میں اضافہ ہوا۔

- سٹی توانائی کے پراجیکٹ

کمپنی نے اپنے کارخانوں پر سٹی توانائی کی استعداد میں مزید 15 میگا واٹ کا اضافہ کیا۔ اس اضافے کے ساتھ کمپنی کی سٹی توانائی کی مجموعی صلاحیت 67.45 میگا واٹ تک پہنچ گئی ہے جو پائیداری اور توانائی کی بچت کے لیے کمپنی کے عزم کو مزید مستحکم کرتی ہے۔

مستقبل کی پیش گوئیوں کے لیے معلومات اور تخمینوں کے ذرائع

مستقبل کی پیش گوئیاں اور تخمینے فطری طور پر ہمیشہ کسی نہ کسی حد تک غیر یقینی صورت حال کے حامل ہوتے ہیں اور یہ محاذ انداز میں قائم کیے گئے مفروضوں پر مبنی ہوتے ہیں۔ مالی سال 2026 کے لیے کمپنی اپنی پیش گوئیوں کی تیاری میں ایک منظم اور اعداد و شمار پر مبنی طریقہ کار اپنائے ہوئے ہے، جو ماضی کی کارکردگی، کمپنی انتظامیہ کے اقدامات اور سیمنٹ کی صنعت کے ساتھ ساتھ مجموعی معیشت میں بدلتی ہوئی صورت حال کے جامع تجزیے پر استوار ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں نے بجٹ اور پیش گوئی کے عمل میں استعمال ہونے والے مفروضات، طریقہ کار اور اعداد و شمار کا باریک بینی سے جائزہ لیا۔ یوں اس امر کو یقینی بنایا کہ مستقبل کا منظر نامہ حقیقت پسندانہ ہو، خدشات کو پیش نظر رکھتا ہو اور کمپنی کی مجموعی حکمت عملی کے ساتھ ہم آہنگ ہو۔

کمپنی کے اندرونی معاملات کا ادراک کمپنی کے مضبوط اور مسلسل بہتر کیے جانے والے مستند معلومات سے حاصل کیا جاتا ہے، جبکہ بیرونی معلومات مستند صنعتی تحقیقی اداروں، انتظامی اور مالیاتی اداروں اور تجارتی تنظیموں سے لی جاتی ہیں۔ یہ مربوط طریقہ کار کمپنی کو مارکیٹ میں ہونے والی تبدیلیوں پر بروقت رد عمل دینے کے قابل بناتا ہے اور مستقبل کے چیلنجوں اور مواقع کے بارے میں بہتر فیصلہ کرنے میں اس کا معاون ہوتا ہے۔

آئندہ کی صورت حال

مالی سال 2025-26 کے لیے منظر نامہ مثبت دکھائی دیتا ہے کیونکہ پاکستان کے اہم معاشی اشاریے ملکی معیشت میں استحکام کی علامات ظاہر کر رہے ہیں۔ اگرچہ نظام میں موجود مسائل مثلاً زیادہ بیرونی قرضہ، محدود مالیاتی گنجائش اور مسلسل جغرافیائی سیاسی کشیدگیاں موجود ہیں، تاہم مہنگائی اور شرح سود میں بڑی کمی اور کرنسی کے استحکام نے کاروباری سرگرمیوں، خاص کر تعمیرات اور انفراسٹرکچر کے شعبوں میں کسی نہ کسی حد تک بحالی کی امید پیدا کی ہے۔

آئی ایم ایف پروگرام کا تسلسل، بہتر تجارتی توازن اور مالیاتی اصلاحات سے ملکی معیشت کے اشاریوں کو استحکام ملنے کی توقع ہے۔ تاہم کاروباری اعتماد ابھی سیاسی تسلسل اور حکومت کی جانب سے ترقیاتی منصوبوں پر عمل درآمد سے جزا ہوا ہے۔

مقامی سینٹ منڈی کا منظر نامہ

مقامی منڈی میں سینٹ کی طلب کے مستحکم رہنے کی توقع ہے، جبکہ مالی سال 2025-26 کی دوسری شش ماہی میں اس میں بہتری کا امکان بھی موجود ہے۔ طلب میں کسی بھی قسم کی بحالی بنیادی طور پر حکومت کی جانب سے پبلک سیکرڈ ویلپمنٹ پروگرام (PSDP) کے اہداف کے حصول، سی پیک سے متعلق منصوبوں پر عمل درآمد اور تعمیراتی شعبے کو پالیسی کی سطح پر سہولت فراہم کرنے پر منحصر ہے۔

تعمیراتی سرگرمیاں تا حال تعمیراتی سامان اور توانائی کی بلند قیمتوں کی وجہ سے متاثر ہو رہی ہیں، تاہم مہنگائی کی شرح اور پالیسی ریٹ میں کمی سے دوبارہ بہتری کی امید پیدا ہو رہی ہے۔ برآمدات میں اضافہ، خاص طور پر افغانستان کی جانب، جاری رہنے کی توقع ہے بشرطیکہ خطے میں سیاسی حالات اور نقل و حمل کے معاملات مستحکم رہیں۔

گزشتہ سال پیش کیے گئے مستقبل کے منظر نامے کا تجزیہ

گزرشتہ سال کی رپورٹ میں بیان کیا گیا اقتباس	حقیقی نتائج
مہنگائی میں کمی کے ساتھ شرح سود میں بھی کمی آنا	مالی سال 2025 میں مجموعی معاشی ماحول نسبتاً شروع ہو گئی ہے جو کاروبار کے لیے مثبت ہے۔ مستحکم رہا، مہنگائی کی شرح مسلسل کمی کی طرف مائل رہی اور شرح سود میں مزید نرمی آئی۔
موجود ہیں لیکن امید ہے کہ مستقبل قریب میں	پاکستانی روپے نے بڑی کرنسیوں کے مقابلے میں اپنی پوزیشن برقرار رکھی، جسے بہتر غیر ملکی رقوم کی آمد اور حکومت کے مالیاتی نظم و ضبط نے سہارا عرصے میں ان قرضوں کی ادائیگی کا انتظام ممکن ہو جائے گا، اگرچہ بڑی سطح کے انتظامی چیلنجوں سے نمٹنا پھر بھی باقی ہے۔

اندرون ملک سینٹ کی مارکیٹ میں دیکھیں تو سینٹ کی صنعت کی اندرون ملک فروخت پر کمی دباؤ برقرار رہا اور مالی سال 2025 کے دوران کی طلب میں کوئی بڑا اضافہ متوقع نہیں ہے، تاہم اس میں بہتری کی کچھ امید اس صورت میں ہو سکتی 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 کر لے۔	یہ 3.0 فیصد کمی کے ساتھ 38.2 ملین ٹن سے کم ہو کر 37 ملین ٹن پر آگئیں۔
افغانستان کو برآمدات کی صورت 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۔	برآمدات کے حجم میں بہتری کا سلسلہ جاری رہا اور یہ مالی سال 2024 میں 1.45 ملین ٹن سے بڑھ کر مالی سال 2025 میں 1.68 ملین ٹن تک پہنچ گئیں جو کہ خطے میں مسلسل بڑھتی ہوئی طلب کی عکاسی کرتا ہے۔

تحقیق و ترقی (R&D) کے ضمن میں مستقبل کے اقدامات

کمپنی نے تحقیق اور ترقی کے حوالے سے اپنی وابستگی میں نمایاں پیش رفت کی ہے۔ مالی سال 2025 میں توجہ ابتدائی ترقی سے بڑھ کر عملی اطلاق پر مرکوز رہی، جہاں ماحول دوست جدت طرازی (Green Innovation) اور کمپنی کے متعلقین کی بدلتی ہوئی توقعات کے ساتھ ہم آہنگی پر زور دیا گیا۔ اہم ترجیحات، منصوبہ بندی سے آگے بڑھ کر عملی اقدامات بروئے کار لانے پر مرکوز ہوئیں، بالخصوص پلانٹ سے مضر گیسو اور ذرات کے اخراج میں کمی، عملی کارکردگی اور مصنوعات کی تیاری میں پائیداری کے شعبوں میں مزید بہتری پیدا ہوئی۔ کمپنی نے ڈیجیٹل تبدیلی کے اپنے سفر میں بھی نمایاں کامیابیاں حاصل کی ہیں۔ کمپنی کے انتظامی اور پیداواری ڈیجیٹل معاملات کو پلانٹ سائٹ سے اٹھا کر انٹرنیٹ کلاؤڈ پر منتقل کرنے کا عمل سرگرمی سے جاری ہے اور مختلف ماڈیول متعارف کروائے جا رہے ہیں تاکہ مستعد رابطے، عمل درآمد اور فوری آگاہی کے نظام کو بہتر بنایا جاسکے۔ یہ اقدام Hana S4 کے اس نظام سے آگے ایک اہم پیش رفت ہے جو مالی سال 2024 میں نافذ کیا گیا تھا۔

گزشتہ سال اعلان کیے گئے منصوبوں کی موجودہ صورت حال

بورڈ کی منوثر رہنمائی میں کمپنی انتظامیہ کی توجہ سینٹ کی مارکیٹ میں اپنا حصہ بڑھانے اور لاگت میں کمی کے اقدامات پر مرکوز رہی۔ گزشتہ برس متعارف کرائے گئے اہم منصوبوں میں نمایاں پیش رفت ہوئی جس سے عملی کارکردگی اور پائیداری کے اہداف کے حصول کو تقویت ملی۔

چیف ایگزیکٹو / مینجنگ ڈائریکٹر کی جائزہ رپورٹ

محترم متعلقین،

FCCL اپنے پلانٹ کے گرد و نواح کی آبادیوں کی فلاح و بہبود کے لیے بھی پرعزم ہے۔ اس سال ہماری تجارتی سماجی ذمہ داریوں (CSR) کی سرگرمیاں تعلیم، خواتین کو باختیار بنانے، صحت کی سہولیات، ماحولیاتی تحفظ اور مجموعی عوامی فلاح جیسے اہم شعبوں پر مرکوز رہیں۔ سماجی ترقی کے لیے ہمارا پختہ عزم اس بات سے بھی جھلکتا ہے کہ ہم اعلیٰ ترین ماحولیاتی، سماجی اور انتظامی (ESG) معیارات پر عمل پیرا ہیں۔ ہمارا پختہ یقین ہے کہ کمپنی کے متعلقین کی طویل مدتی بہتری صرف مستحکم ESG اقدامات کے بامقصد، مستقل اور موثر اطلاق کے ذریعے ہی حاصل کی جاسکتی ہے۔

جب ہم مالی سال 2026 کی طرف نگاہ ڈالتے ہیں تو ہمیں ایک ایسا کاروباری ماحول دکھائی دیتا ہے جس میں مواقع بھی ہیں اور مقابلہ بھی ہے۔ معاشی حالات کے بتدریج مستحکم ہونے کی توقع ہے، جسے مہنگائی کے دباؤ میں کمی اور نسبتاً نرم مالیاتی پالیسیوں کے امکانات سہارا دیں گے۔ اس کے باوجود ماحولیاتی تبدیلی کے اثرات اور عالمی سطح پر عدم استحکام کے تناظر میں غیر یقینی صورت حال برقرار ہے۔ تاہم FCCL ان بدلنے والے حالات کا سامنا کرنے کے لیے بخوبی تیار ہے۔ ہماری حکمت عملی پر مبنی سرمایہ کاری، ٹیکنالوجی میں جدت، پیداواری استعداد اور پائیداری کے اقدامات ہمیں متوقع مواقع سے فائدہ اٹھانے کے قابل بناتے ہیں۔ مارکیٹ میں اپنی مستحکم موجودگی، متنوع پیداواری صلاحیت اور مستقبل گیر حکمت عملی کے باعث ہم اپنی کمپنی کے متعلقین کے لیے مستقل مالیاتی قدر فراہم کرنے کے پختہ عزم پر کاربند ہیں۔

میں اپنی کمپنی کے معزز متعلقین کا دل کی گہرائی سے شکریہ ادا کرتا ہوں کہ انھوں نے ہمیشہ اعتماد اور تعاون کا مظاہرہ کیا ہے۔ میں اپنے محترم چیئرمین اور بورڈ آف ڈائریکٹرز کا بھی بے حد شکر گزار ہوں جن کی دانائی، بصیرت پر مبنی قیادت اور پائیدار رہنمائی نے FCCL کی ترقی اور کامیابی میں فیصلہ کن کردار ادا کیا ہے۔

اسی طرح میں اپنی اعلیٰ انتظامیہ اور تمام ملازمین کی لگن، محنت اور عزم کو بھی خراج تحسین پیش کرتا ہوں اور ان کا شکریہ ادا کرتا ہوں کہ ان کی کاوشیں ہی ہماری پیداواری کارکردگی اور مسلسل ترقی کی بنیاد ہیں۔ آخر میں، FCCL کی واضح حکمت عملی اور درست اور پائیدار طریقے سے کام کرنے کا حقیقی عزم ہمیں یہ اعتماد دیتا ہے کہ ہم مستقبل کے چیلنجوں کا مقابلہ کر سکیں اور متوقع مواقع سے فائدہ اٹھاسکیں۔ ہم اپنی کمپنی کے تمام متعلقین کو مستقل مالیاتی قدر فراہم کرنے پر توجہ مرکوز کیے رکھیں گے اور مل کر ایک مضبوط اور خوشحال مستقبل کی تعمیر کرتے رہیں گے۔



قمر حارث منظور

چیف ایگزیکٹو / مینجنگ ڈائریکٹر FCCL

8 اگست 2025

میرے لیے یہ بتانا اعزاز و افتخار کا باعث ہے کہ فوجی سینٹ کمپنی لمیٹڈ نے بہترین کارکردگی کے حصول کی روایت قائم رکھی ہوئی ہے اور ایک بار پھر ثابت کیا ہے کہ ہم حوصلہ آزمائش حالات کے باوجود ترقی کرنے کی صلاحیت رکھتے ہیں۔ مالی سال 2024-25 کے دوران مشکل حالات میں ہماری ثابت قدمی اور مستقبل گیر حکمت عملیوں نے آمدنی اور منافع میں نمایاں بہتری کو یقینی بنایا۔ ہم نے 89 ارب روپے کی کمپنی کی تاریخ کی بلند ترین آمدنی ریکارڈ کی جو 11.25 فیصد سالانہ اضافے کی عکاس ہے۔ بعد ازاں ٹیکس صافی منافع (PAT) بھی کمپنی کی تاریخ کی بلند ترین سطح 13.3 ارب روپے تک پہنچ گیا جو سالانہ 63 فیصد اضافے کو ظاہر کرتا ہے۔ یہ نتائج فی حصہ آمدن (EPS) کو 30 جون 2025 تک 5.43 روپے تک لے آئے ہیں جو اس امر کا ثبوت ہیں کہ ہم اپنی کمپنی کے متعلقین کے لیے طویل مدتی نفع بخشی کی قدر پیدا کرنے کے عزم پر قائم ہیں۔

FCCL نے اس برس بھی پیداواری لاگت میں کمی کو حکمت عملی کے ایک اہم ہدف کے طور پر ترجیح دی۔ اس مقصد کے حصول کے لیے کمپنی نے حطار کے مقام پر پی پی بیگ تیار کرنے کا پلانٹ حاصل کیا تاکہ اپنے طور پر تیار کیے گئے بیگز کی مستقل سپلائی کے ذریعے پیکیجنگ کی لاگت کو کم کیا جاسکے۔ یہ پلانٹ اب FCCL کی پیکیجنگ کی 90 فیصد ضروریات پوری کر رہا ہے۔ ہماری پائیدار اور ماحول دوست توانائی کی جانب منتقلی کا عزم بھی ہماری توجہ کا مرکز رہا۔ کمپنی نے مزید 15 میگا واٹ شمسی توانائی کی صلاحیت میں اضافہ کیا جس سے FCCL کی قابل تجدید توانائی کی مجموعی استعداد 67.5 میگا واٹ تک پہنچ گئی۔ اس کے ساتھ ساتھ، زائد حرارت سے توانائی کے حصول کے سسٹم نے دن کے وقت شمسی توانائی کی پیداوار کے ساتھ مل کر صاف توانائی پیدا کی جس سے خاص طور پر کارخانہ چلنے کے عروج کے دورانیے میں معدنی ایندھن پر انحصار نمایاں طور پر کم ہو گیا۔ ان ماحول دوست توانائی کے ذرائع کے باعث اب کمپنی دن کے وقت اپنی بجلی کی ضرورت کا تقریباً 80 فیصد حاصل کر رہی ہے۔

FCCL نے اس برس کے دوران ایندھن کے استعمال میں خاص حکمت عملی کے باعث مستحکم عملی کارکردگی کا مظاہرہ کیا ہے جس میں مقامی کوئلے کا استعمال 75 فیصد تک اور دیگر متبادل ایندھن کا استعمال 12 فیصد تک بڑھا دیا گیا ہے۔ EBITDA بڑھ کر 30.7 ارب روپے تک پہنچ گیا ہے جو سرمائے کے بہتر استعمال اور مضبوط مالی نظم و نسق کی عکاسی کرتا ہے۔ مارکیٹ کے موجودہ چیلنجز کے باوجود، کمپنی نے اپنی استعداد کا 52 فیصد استعمال کرنے کا ہدف حاصل کیا اور مجموعی فروخت 5.4 ملین ٹن رہی۔

صحت، سلامتی اور ماحولیات سے متعلق اپنی بنیادی اقدار کی بیروی میں کمپنی نے بڑے پیمانے پر شجر کاری اور پانی کے تحفظ کی کوششوں جیسے اقدامات کیے تاکہ پانی کے پائیدار استعمال کو فروغ دیا جاسکے۔ یہ اقدامات ہماری اس وابستگی کو مزید مستحکم کرتے ہیں کہ ہم اپنے پیداواری عمل کے دوران کاربن کے اخراج کو کم کریں اور طویل مدتی ماحولیاتی تحفظ میں اپنا کردار ادا کریں۔ FCCL نے ESG کے لیے تیار بھی کر لی ہے اور اب ضابطے کی مکمل بیروی کے لیے SECP کے تجویز کردہ S1، IFRS اور S2 معیارات کی جانب پیش رفت کر رہی ہے۔

چیسر مین کی جائزہ رپورٹ

محترم متعلقین،

میں تمام متعلقین کو یقین دلاتا ہوں کہ بورڈ شراکت داروں کے مفادات کے تحفظ اور کاروباری انتظامی معاملات میں اعلیٰ درجے کو برقرار رکھنے کے لیے مکمل طور پر عزم ہے۔ جیسے جیسے FCCL جدت اور پائیداری کے راستے پر آگے بڑھ رہی ہے، بورڈ کی توجہ عملی مہارت، صنعتی شعبے میں قائدانہ کردار اور با مقصد ترقی پر قائم مستقبل کے سفر پر مرکوز ہے۔ ایک واضح عزم اور مضبوط نظم و نسق کے ساتھ ہمیں یقین ہے کہ FCCL مستقبل میں درپیش چیلنجوں سے بخوبی عہدہ برآ ہوگی اور نئے مواقع سے فائدہ اٹھانے میں کامیاب ہوگی۔



لیفٹیننٹ جنرل انور علی حیدر، ہلال امتیاز (ملٹری)، ریٹائرڈ
چیسر مین بورڈ آف ڈائریکٹرز FCCL
8 اگست 2025

گذشتہ برس پیش کی گئی اپنی پہلی جائزہ رپورٹ کی بنیاد پر مجھے یہ بتاتے ہوئے مسرت محسوس ہو رہی ہے کہ فوجی سیمنٹ کمپنی لمیٹڈ (FCCL) نے ترقی کی راہ پر مسلسل پیش رفت جاری رکھی ہے اور اس نے حکمت عملی آپریشنز اور مالی شعبے میں نمایاں کامیابیاں حاصل کی ہیں۔ بالخصوص کمپنی نے اپنی تاریخ کا سب سے زیادہ منافع کمایا جو اس کی کام کرنے کی صلاحیت، منظم منصوبہ بندی اور مالی معاملات میں دانشمندانہ اقدامات کا ثبوت ہے۔ یہ کامیابیاں ہماری قیادت کے استحکام اور ایک ماحول دوست مستقبل کی جانب جدت طرازی کے عزم کی عکاس ہیں۔

بورڈ کمپنی کی اس برس کی شاندار مالی اور عملی کارکردگی پر مکمل اطمینان کا اظہار کرتا ہے۔ اس برس توانائی کی بچت اور پیداواری لاگت میں کمی کے لیے خاص اقدامات کیے گئے، جن میں ایندھن اور بجلی کے استعمال کو موثر بنانا اور قابل تجدید توانائی کے منصوبوں میں توسیع شامل ہیں۔ یہ اقدامات FCCL کے عملی معیار اور پائیدار ترقی کے عزم کو مزید تقویت دیتے ہیں۔

اس برس بورڈ آف ڈائریکٹرز کے انتخابات منعقد ہوئے اور دسمبر 2024 میں نو منتخب اراکین نے اپنی ذمہ داریاں سنبھال لیں۔ میں سکدوش ہونے والے ڈائریکٹرز کا دل کی گہرائیوں سے شکریہ ادا کرتا ہوں جنہوں نے کمپنی کی حکمت عملی کے تعین میں گراں قدر رہنمائی فراہم کی۔ ساتھ ہی میں نئے ڈائریکٹران کا خیر مقدم کرتا ہوں اور توقع رکھتا ہوں کہ ان کے متنوع تجربے اور بصیرت سے کمپنی کی بہتری اور پائیدار ترقی کا سفر جاری رہے گا۔

FCCL میں بورڈ نے ایک مضبوط گورننس اور قانونی ڈھانچہ قائم کیا ہے جو تمام متعلقہ قوانین، ضوابط اور کاروباری اخلاقیات کے اصولوں کی مکمل پاسداری کو یقینی بناتا ہے۔ اس ڈھانچے کے تحت بدعنوانی، دھوکہ دہی یا کسی بھی غیر اخلاقی عمل کے قطعی نا قابل برداشت ہونے کی حکمت عملی اپنائی گئی ہے جو ہماری کمپنی کی بنیادی اقدار یعنی دیانت، جوابدہی اور ذمہ دار قیادت کی مظہر ہے۔ بطور چیئر مین میں اس بات کا پختہ عزم رکھتا ہوں کہ بورڈ نہ صرف حکمت عملی پر رہنمائی جاری رکھے گا بلکہ خدشات کے سید باب، اصول سازی اور انتظامی معاملات پر بھی بھرپور نگاہ رکھے گا۔ مجھے یہ کہتے ہوئے خوشی محسوس ہو رہی ہے کہ بورڈ نے اپنی ذمہ داریاں احسن طریقے سے نبھائیں اور کمپنی کی ترقی کی راہ میں موثر رہنمائی فراہم کی۔

میں بورڈ آف ڈائریکٹرز کی جانب سے اپنے تمام معزز شراکت داروں کا شکریہ ادا کرتا ہوں جنہوں نے ہمیشہ اعتماد، مشورے اور حمایت کے ذریعے ہمارا حوصلہ بڑھایا۔ میں کمپنی کے چیف ایگزیکٹو آفیسر اور انتظامی ٹیم کو بھی خراج تحسین پیش کرتا ہوں جنہوں نے پیشہ ورانہ انداز میں بورڈ کی حکمت عملی کو عملی جامہ پہنایا۔ ان کی محنت اور لگن کمپنی کی مسلسل کامیابی کا اہم سبب رہی ہے اور اسی کی بدولت FCCL سیمنٹ کی صنعت کے موجودہ حالات میں ترقی کی راہ پر گامزن ہے۔



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سردرق

فوجی سیمنٹ کمپنی لمیٹڈ میں جدت پسندی کا مفہوم محض کارکردگی کو بہتر بنانے کا نام نہیں بلکہ یہ مستقبل کو نئے سانچے میں ڈھالنے کا عزم ہے۔ پاکستان کے سرکردہ سیمنٹ ساز اداروں میں ہوتے ہوئے ہم یہ تسلیم کرتے ہیں کہ ہماری ذمہ داری صرف بنیادی ڈھانچے کی تعمیر تک محدود نہیں بلکہ ایک پائیدار دنیا کی تشکیل میں بھی ہمارا کردار ہے۔

رواں برس ایف سی سی لبل نے حیرت و بصیرت کے ساتھ اپنی صنعت میں جدید ترین ٹیکنالوجی اور ماحول دوست توانائی کے ذرائع کو شامل کیا ہے۔ کاربن کے اثر کو گھٹانے سے لے کر توانائی کے مؤثر استعمال تک، کمپنی نے یہ دکھایا ہے کہ ایک صنعتکار ہنما صرف پیداوار نہیں بڑھاتا بلکہ ذمہ داری کے نئے معیارات بھی قائم کرتا ہے۔

کمپنی کا ہر فرد اس حقیقت سے آگاہ ہے کہ بہترین مستقبل انہی کو میسر آتا ہے جو آج اقدام کرتے ہیں۔ جدت کی لگن اور ماحول کے تحفظ سے غیر متزلزل وابستگی کے ذریعے ایف سی سی لبل ایک زیادہ سرسبز، زیادہ صاف اور زیادہ مضبوط پاکستان کی بنیاد رکھ رہا ہے۔



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