

Consolidating  
**Strength,**  
Ensuring  
**Stability**







# FINANCIAL HIGHLIGHTS 2025

Shareholders' Equity

**47,955**

Rs. in Million  
2024: **41,090**

Sales Revenue

**37,536**

Rs. in Million  
2024: **38,648**

Return on Equity

**24.14**

Percentage  
2024: **21.64**

Current Ratio

**3.31**

Times  
2024: **2.90**

Earnings per Share

**11.97**

2024: **9.06**

EBITDA to Sales

**51.58**

Percentage  
2024: **40.46**

Price Earning Ratio

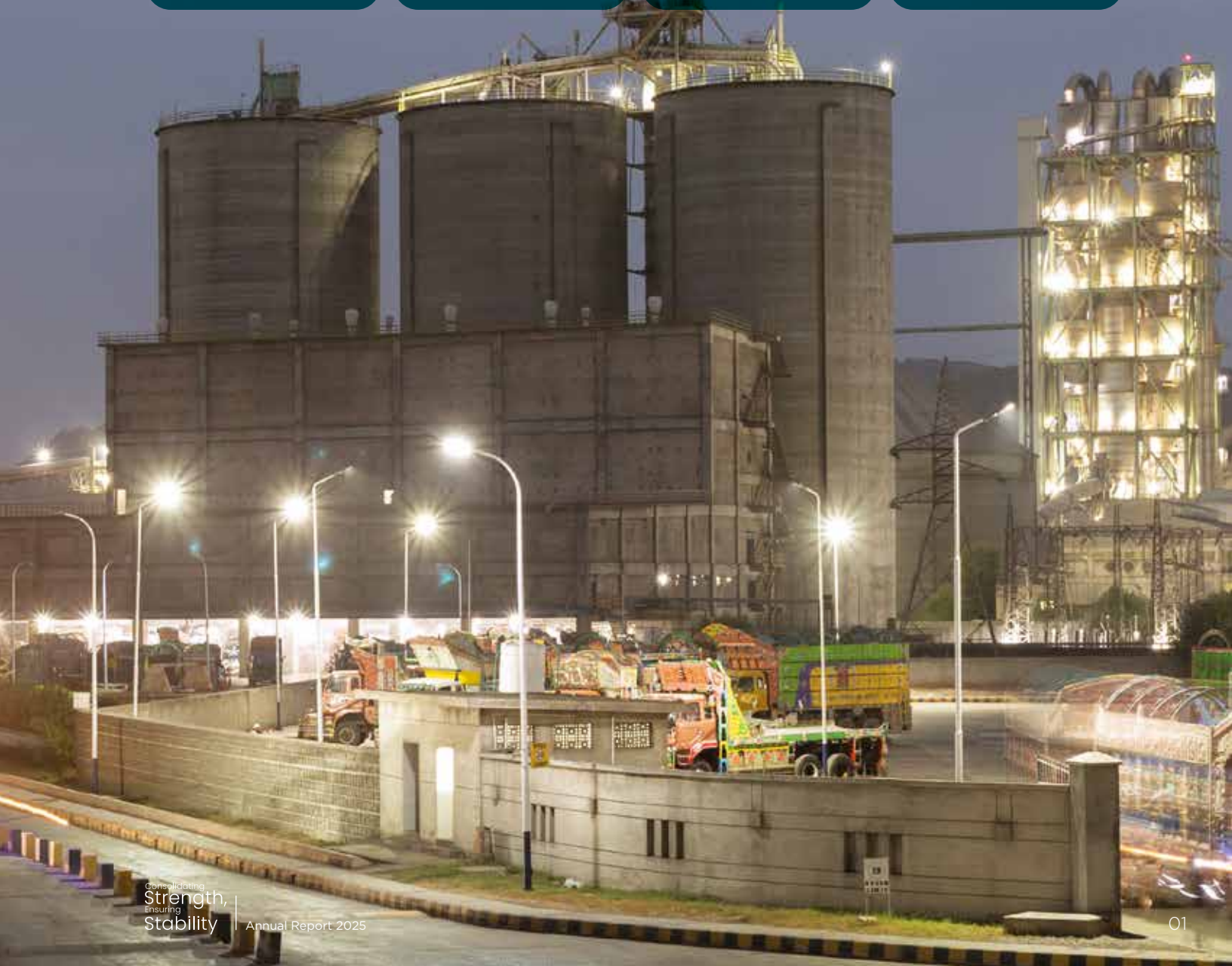
**6.32**

Times  
2024: **5.41**

Interest Cover Ratio

**51.72**

Times  
2024: **21.34**



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# VISION, MISSION AND CORPORATE STRATEGY

## Our Vision

Be the best in the eyes of all stakeholders

## Our Mission is to Provide

- Our Customers with quality cement at competitive pricing
- Our Shareholders with good returns and sustainable growth
- Our Employees with care and career development opportunities

## Our Corporate Strategy

Stay ahead of competition by adopting latest technology with efficient and progressive teamwork in an environment of good governance and professionalism.

# ABOUT THE COMPANY

## Company Information

Kohat Cement Company Limited was incorporated in 1980 and is one of the leading cement manufacturing companies of Pakistan. It is an ISO 9001-2015 certified company, with an annual capacity of 4.81 Million tons of Grey Clinker and 135 thousand tons of White Clinker. The Registered office and the Factory are located at Kohat, whereas the Head Office is located in Lahore.

## Our Culture



Open communication, transparency and good ethical behavior form the basis of our corporate values.



Our executive management has a very 'hands on' approach and thus is involved in the day-to-day activity of the company.



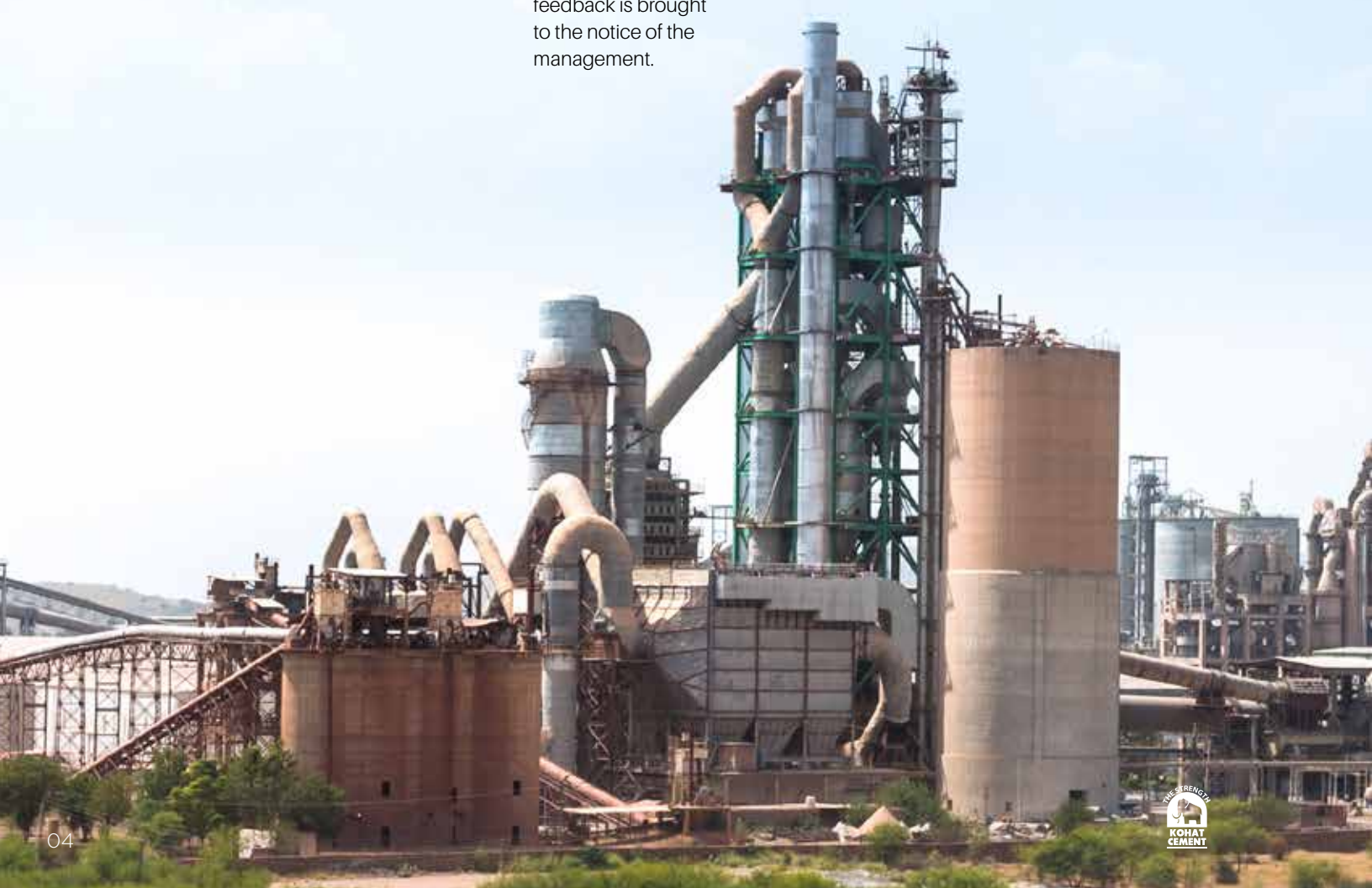
No person in the management hierarchy is unapproachable; our carefully designed communication procedures ensure that any complaint or feedback is brought to the notice of the management.



Our employees experience a healthy work life balance and a constant growth in both their professional and personal life.



To help achieve our employee's full potential and foster their learning, we frequently nominate our employees for trainings, workshops and seminars.





# CORPORATE INFORMATION

## Board of Directors

Mr. Aizaz Mansoor Sheikh	Chairman/Non-Executive Director
Mr. Nadeem Atta Sheikh	Chief Executive
Mr. Ahmad Sajjad Khan	Independent Non-Executive Director
Mr. Talha Saeed Ahmed	Independent Non-Executive Director
Mrs. Hijab Tariq	Non-Executive Director
Mr. Muhammad Rehman Sheikh	Non-Executive Director
Mr. Muhammad Atta Tanseer Sheikh	Non-Executive Director
Mr. Hamza Atta Sheikh	Non-Executive Director

## Audit Committee

Mr. Talha Saeed Ahmed	Chairman
Mr. Aizaz Mansoor Sheikh	Member
Mr. Hamza Atta Sheikh	Member

## HR&R Committee

Mr. Ahmad Sajjad Khan	Chairman
Mr. Nadeem Atta Sheikh	Member
Mr. Muhammad Rehman Sheikh	Member

## Company Secretary

Ms. Iqra Khalid

## Legal Advisor

Imtiaz Siddiqui & Associates

## Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Share Registrar

Hameed Majeed Associates (PVT) Limited  
H.M. House,  
7-Bank Square, Lahore  
Tel: 042 - 37235081-82  
Fax: 042 - 37358817

## Registered Office and Works

Kohat Cement Company Limited  
Rawalpindi Road, Kohat.  
Tel: 0922 - 560990  
Fax: 0922 - 560405

## Head Office

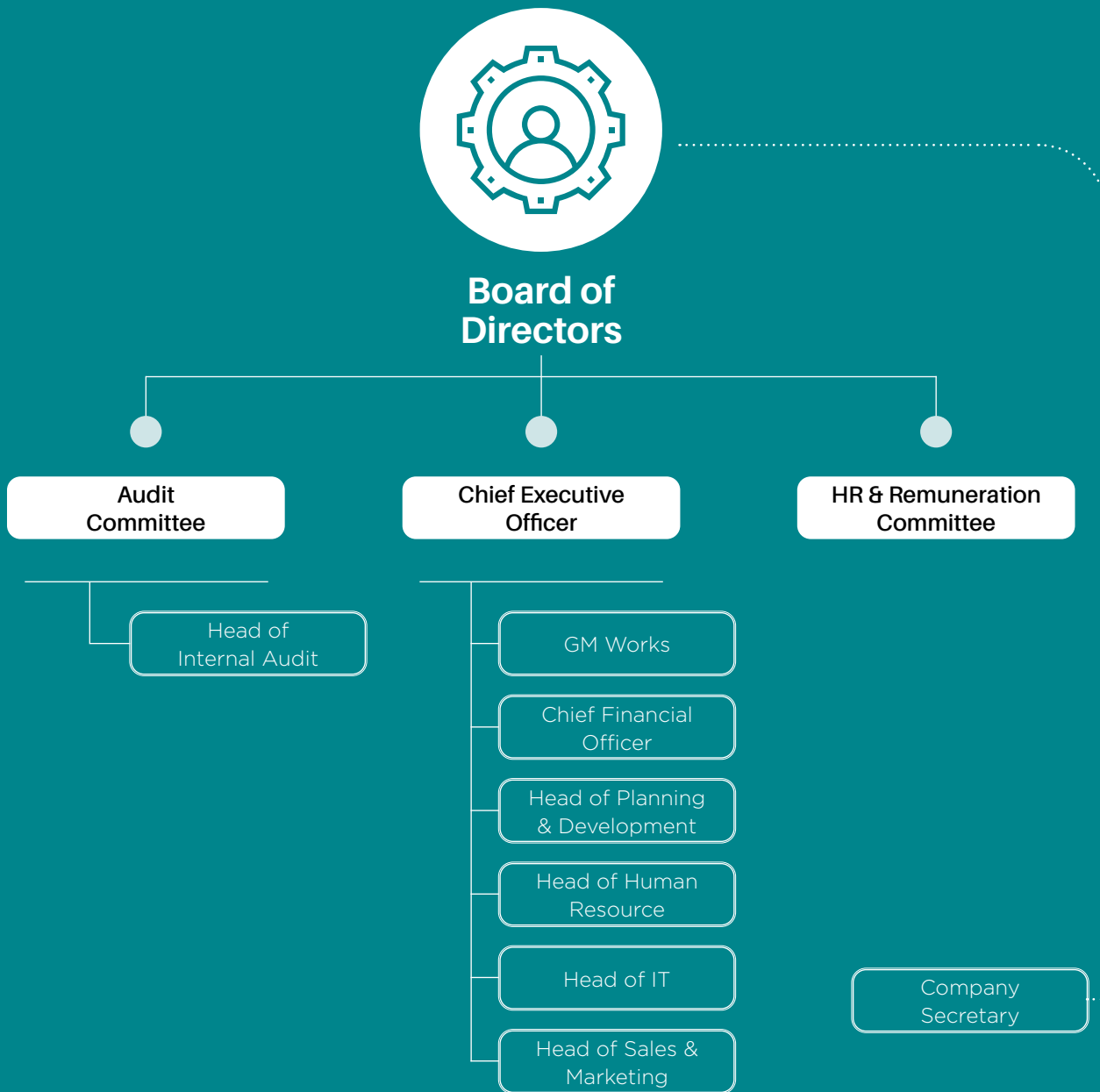
36-37 P, Gulberg - II, Lahore.  
Tel: 042 - 11 111 5225  
Fax: 042 - 3575 4990  
Email: [mis@kohatcement.com](mailto:mis@kohatcement.com)  
Web: [www.kohatcement.com](http://www.kohatcement.com)

## Bankers of the Company

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Dubai Islamic Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pak) Ltd  
The Bank of Khyber  
The Bank of Punjab  
United Bank Limited



# ORGANOGRAM



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE is hereby given that 46<sup>th</sup> Annual General Meeting (AGM) of the shareholders of Kohat Cement Company Limited (the "Company") will be held on Monday, October 13, 2025 at 11:00 A.M., at its registered office, Kohat Cement Factory, Rawalpindi Road, Kohat, to transact the following business:**

## Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2025 together with Auditors' and Directors' Reports and Chairman's Review.
2. To appoint Auditors of the Company and to fix their remuneration.

The members are hereby notified that the present auditors, M/s. KPMG Taseer Hadi and Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting.

The Board Audit Committee and the Board of Directors have recommended the appointment of M/s. A.F. Ferguson & Co. Chartered Accountants as the auditors of the Company, who have consented to act as the auditors.

## Special Business

3. To ratify and approve transactions carried out with Related Parties in the ordinary course of business during the financial year ended June 30, 2025, under the authority of the special resolution passed in the last annual general meeting held on October 15, 2024.
4. To authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2026 and till the date of next Annual General Meeting, and to further authorize him to take any and all necessary steps and to sign/execute any and all such documents/annexures on behalf of the Company as may be required.
5. To consider and if deemed fit, approve renewal of investment in the form of short-term running finance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated company, as per terms and conditions disclosed to the members.

Statement of Material facts as required under section 134(3) of the Companies Act, 2017 along with draft Special Resolutions are attached to this notice.

**By order of the Board:**



Iqra Khalid  
Company Secretary  
Lahore: September 22, 2025

## STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting (AGM) of the Company to be held on October 13, 2025.

### Item No. 3: Ratification / Approval of Related Party Transactions

The Company carried out transactions with its related parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transactions approved by the Board of Directors and under the authority of special resolution of the members passed by them in the last Annual General Meeting held on October 15, 2024. All the related party transactions summarized below were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on quarterly basis pursuant to Clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Name of Related Party	Name of Interested Directors	Nature of Concern/ Interest u/s 205 of Co. Act, 2017	Description and Terms & Conditions of Transaction	Pricing Policy	Amount (Rs.)
Kohat Cement Educational Trust (KCET)	Mr. Aizaz Mansoor Sheikh	Trustees of KCET	Contribution made to KCET (which runs school within the vicinity of KCCL factory)	n/a	8,485,760
	Mr. Nadeem Atta Sheikh				
	Mr. Muhammad Rehman Sheikh	Son of Mr. Aizaz Mansoor Sheikh			
	Mr. Hamza Atta Sheikh	Son of Mr. Nadeem Atta Sheikh			
Ultra Pack (Private) Limited (UPPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL	Purchase of poly propylene bags for packing of cement	Open Market Price	1,532,705,465
	Mr. Nadeem Atta Sheikh				
	Mr. Muhammad Rehman Sheikh				
	Mr. Hamza Atta Sheikh	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL			
	Mr. Muhammad Atta Tanseer Sheikh				
Ultra Kraft (Private) Limited (UKPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL	Purchase of paper bags for packing of cement	Open Market Price	393,091,000
	Mr. Nadeem Atta Sheikh				
	Mr. Muhammad Rehman Sheikh	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL			
	Mr. Hamza Atta Sheikh				
	Mr. Muhammad Atta Tanseer Sheikh				



Name of Related Party	Name of Interested Directors	Nature of Concern/ Interest u/s 205 of Co. Act, 2017	Description and Terms & Conditions of Transaction	Pricing Policy	Amount (Rs.)
Palace Enterprises (Private) Limited (PEL)	Mr. Aizaz Mansoor Sheikh	Shareholder and Director of PEL	Purchase of used Power Generator	Open market price	2,000,000
	Mr. Nadeem Atta Sheikh				
	Mr. Hamza Atta Sheikh	Shareholder of PEL and Son of Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh	Shareholder of PEL and son of Mr. Aizaz Mansoor Sheikh			
	Mrs. Hijab Tariq	Shareholder of PEL			

The Directors have confirmed that they are only interested in these transactions to the extent of their directorship / trusteeship / shareholding in the related parties as disclosed above and that they do not have any other financial or other interest in these transactions.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

“Resolved that following transactions carried out in the ordinary course of business at arm’s length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Kohat Cement Company Limited, during the financial year ended June 30, 2025 be and are hereby ratified, approved and confirmed.

Name of Related Party	Description of transaction	Amount (Rs.)
Kohat Cement Educational Trust (KCET)	Contribution made to KCET (which runs a school within the vicinity of KCCL factory)	8,485,760
Ultra Pack (Private) Limited	Purchase of poly propylene bags for packing of cement	1,532,705,465
Ultra Kraft (Private) Limited	Purchase of paper bags for packing of cement	393,091,000
Palace Enterprises (Private) Limited	Purchase of used Power Generator	2,000,000

## Item No. 4: Authorization to the Company to transact with certain related parties

The Company will continue to carry out transactions with its Related Parties (detailed as under) in its ordinary course of business at arm’s length basis during the financial year ending June 30, 2026 and till the date of next annual general meeting.

Name of Related Party	Name of Interested Directors	Nature of Concern/ Interest u/s 205 of Co. Act, 2017	Description and Terms & Conditions of Transaction	Pricing Policy
Kohat Cement Educational Trust (KCET)	Mr. Aizaz Mansoor Sheikh	Trustees of KCET	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET	n/a
	Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh	Son of Mr. Aizaz Mansoor Sheikh		
	Mr. Hamza Atta Sheikh	Son of Mr. Nadeem Atta Sheikh		

Name of Related Party	Name of Interested Directors	Nature of Concern/ Interest u/s 205 of Co. Act, 2017	Description and Terms & Conditions of Transaction	Pricing Policy
Ultra Pack (Private) Limited (UPPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL	Sale of cement and purchase of poly propylene bags for packing of cement, etc.	Open market price
	Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh			
	Mr. Hamza Atta Sheikh	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL		
	Mr. Muhammad Atta Tanseer Sheikh			
Ultra Kraft (Private) Limited (UKPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL	Sale of cement and purchase of paper bags for packing of cement, etc.	Open market price
	Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Rehman Sheikh			
	Mr. Hamza Atta Sheikh	Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL		
	Mr. Muhammad Atta Tanseer Sheikh			
Ultra Properties (Private) Ltd. (UPTL), a wholly owned subsidiary of Kohat Cement	Mr. Muhammad Rehman Sheikh	Mr. Muhammad Rehman Sheikh and Mr. Hamza Atta Sheikh are the Chief Executive and Director in UPTL respectively.	Sale of cement etc.	Open market price
	Mr. Hamza Atta Sheikh			
	Mr. Aizaz Sheikh father of Mr. Muhammad Rehman Sheikh			
	Mr. Nadeem Sheikh father of Mr. Hamza Atta Sheikh			

The Directors have confirmed that they are only interested in these transactions to the extent of their directorship / trusteeship / shareholding in the related parties as disclosed above and that they do not have any other financial or other interest in these transactions.

Since, the majority of directors are interested in the proposed transactions as mentioned above, therefore, such related party transactions need approval of the members under the provisions of the Companies Act, 2017. Accordingly, these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The following resolutions are proposed to be passed as Special Resolutions with or without modification:

"Resolved that Kohat Cement Company Limited (the Company) be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm's length basis during the financial year ending June 30, 2026 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Name of Related Party	Description of transaction
Kohat Cement Educational Trust (KCET)	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET
Ultra Pack (Private) Limited	Purchase of poly propylene bags for packing of cement and sale of cement, etc.
Ultra Kraft (Private) Limited	Purchase of paper bags for packing of cement and sale of cement, etc.
Ultra Properties (Private) Limited	Sale of cement etc.

Further Resolved that Chief Executive of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s)."

## **Item No. 5 - Approval for renewal of Investment by way of short-term running finance in Ultra Kraft (Private) Limited, an associated company.**

The Members of the Company, in their last AGM held on October 15, 2024, approved and renewed the Short Term Running Finance of upto Rs. 600 Million in the associated Company, Ultra Kraft (Pvt) Limited (UKPL), to meet its short term finance requirements for a period of one year which is valid till October 28, 2025. UKPL has requested the Company to further extend the facility for another term of one year on existing terms and conditions. The members of the Company are accordingly required to consider and if deemed fit, approve the renewal request in terms of Section 199 of the Companies Act, 2017 read with the provisions of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is as under:

### **Brief about Ultra Kraft (Private) Limited:**

UKPL is a private limited company incorporated on September 03, 2020. KCCL and UKPL are associated Companies by way of common holding company, M/s ANS Capital (Private) Limited (ANS). ANS holds 60% and 76% equity shares of KCCL and UKPL respectively. UKPL has set up a Paper Sack manufacturing plant in M3 Industrial City Faisalabad with production capacity of 120 million bags per annum. The commercial production has started in August 2023 and as on 30th June, 2025 UKPL has utilized PKR 540 million out of total sanctioned short-term running finance facility of PKR 600 million.

### **Due Diligence:**

The disinterested directors have certified that the proposed investment is being made after due diligence and financial health of the group as a whole as well as of UKPL and ANS Capital (Pvt.) Limited (the holding company) along with the sponsors commitment signifies that it has the ability to repay the loan as per agreement. Due diligence report shall be made available for inspection of members in the AGM.

### **Audited Financial Statements of UKPL**

The audited financial statements of UKPL for the year ended 30 June 2025 shall be made available to the members for inspection at the AGM.

### **Interest of Investee Company, its sponsors and directors in the Company**

UKPL is not a member of the Company, however, its following sponsors/directors are employees/members of the Company. They have no other interest except to the extent of their remunerations and the shareholdings in the Company, detailed as under:



Sr. No.	Name	Shareholding in UKPL		Shareholding in KCCL		Position in KCCL
		No.	%age	No.	%age	
1	ANS Capital (Private) Limited, the holding Company / member / sponsor of UKPL	3,799,997	76%	552,411,600	60%	Holding Company / Sponsor
2	Mr. Ali Aizaz Sheikh, Chief Executive / Director of UKPL	1	0.00%	3,900	0.0004%	Member and full time employee
3	Mr. Faisal Atta Sheikh, Director of UKPL	1	0.00%	29,750	0.0032%	
4	Mr. Ibrahim Tanseer Sheikh, Director of UKPL	1	0.00%	52,500	0.0057%	

Disclosures regarding associated company and investment

(a) Regarding associated company: -

Sr.	Requirements	Information		
i	Name of associated company	Ultra Kraft (Private) Limited (UKPL)		
ii	Basis of relationship	UKPL is an associated company of KCCL as both UKPL and KCCL are subsidiaries of ANS Capital (Private) Limited (ANS). ANS owns and controls 76% equity shares of UKPL and 60% equity shares of KCCL.		
iii	Earnings per share for the last three financial years (PKR per share)	2023; (2.93) 2024; (28.26) 2025; (39.95)		
iv	Break-up value per share, based on the latest audited financial statements for financial year ended June 30, 2025	Rs. 53.12- with Sponsors Loan Rs. (62.60)- without Sponsors Loan		
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest un-audited financial statements for the year ended June 30, 2025	Balance Sheet		
		Rupees	June 30, 2025 (un-audited)	June 30, 2024 (audited)
		Non-current Assets	1,274,617,740	1,393,979,301
		Current Assets	282,679,528	629,039,078
		Equity	265,583,416	643,545,084
		Non-current Liabilities	530,000,000	670,000,000
		Current Liabilities	761,713,852	709,473,296
		Profit and Loss Account		
		Rupees	June 30, 2025 (un-audited)	June 30, 2024 (audited)
		Sales	422,222,375	695,451,557
		Cost of Goods Sold	454,515,905	662,289,094
		Admin & General Expenses	6,627,092	3,333,564
		Selling & Distribution Expenses	5,851,004	10,396,580
		Other Income	20,287,541	21,843,800
		Other Expenses	22,218,392	-
		Finance costs	153,063,144	182,574,845
		Loss after taxation	199,765,621	141,298,726

(b) General disclosures: –

Sr.	Requirements	Information																				
i	Maximum amount of investment to be made	PKR 600 million																				
ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>To support the associated company in meeting its working capital requirements and to earn Mark-up on short term finance which shall increase the profitability of the Company and add to the shareholders' value.</p> <p>Period of investment is one year commencing from October 29, 2025.</p>																				
iii	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: (i) justification for investment through borrowings; (ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (iii) cost benefit analysis;	The investment will be made from the Company's own funds.																				
iv	Salient features of the agreement(s), if any, with associated company with regards to the proposed investment;	Agreement will be executed after approval of shareholders. Maximum amount of short-term running finance shall be PKR 600 million. Tenure shall be one year from October 29, 2025. Mark up shall be charged @ 3M KIBOR + 1.50% or at average borrowing cost of the Company, whichever is higher. Mark up shall be recovered on quarterly basis within 15 days of the end of each quarter. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.																				
v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or the transaction under consideration;	<p>UKPL and KCCL are subsidiaries of ANS Capital (Private) Limited.</p> <p>The directors, sponsors and majority shareholders of KCCL are also directors / members of ANS Capital (Private) Limited, holding company of UKPL as mentioned herein.</p> <p>None of the directors, sponsors, majority shareholders and their relatives have any interest directly or indirectly in the UKPL or the proposed arrangement, except that the following directors and their relatives are the members / directors in ANS Capital (Pvt.) Limited, which is the holding company of UKPL.</p> <table><tr><th>Name of interested director, his relatives and position in KCCL</th><th>Position in ANS Capital</th></tr><tr><td>Aizaz Sheikh, Director</td><td>Member / Director</td></tr><tr><td>Nadeem Atta Sheikh, Director</td><td>Member / Director</td></tr><tr><td>Shahnaz Aizaz, spouse of Aizaz Sheikh</td><td>Member</td></tr><tr><td>Hafsa Nadeem, spouse of Nadeem Atta Sheikh</td><td>Member</td></tr><tr><td>Omer Aizaz Sheikh, son of Aizaz Sheikh and employee in KCCL</td><td>Member / Director</td></tr><tr><td>Muhammad Rehman Sheikh, Director</td><td>Member / Director</td></tr><tr><td>Faisal Atta Sheikh, son of Nadeem Sheikh and employee in KCCL</td><td>Member / Director</td></tr><tr><td>Asad Atta Sheikh, son of Nadeem Sheikh and employee in KCCL</td><td>Member / Director</td></tr><tr><td>Hamza Atta Sheikh, Director</td><td>Member</td></tr></table>	Name of interested director, his relatives and position in KCCL	Position in ANS Capital	Aizaz Sheikh, Director	Member / Director	Nadeem Atta Sheikh, Director	Member / Director	Shahnaz Aizaz, spouse of Aizaz Sheikh	Member	Hafsa Nadeem, spouse of Nadeem Atta Sheikh	Member	Omer Aizaz Sheikh, son of Aizaz Sheikh and employee in KCCL	Member / Director	Muhammad Rehman Sheikh, Director	Member / Director	Faisal Atta Sheikh, son of Nadeem Sheikh and employee in KCCL	Member / Director	Asad Atta Sheikh, son of Nadeem Sheikh and employee in KCCL	Member / Director	Hamza Atta Sheikh, Director	Member
Name of interested director, his relatives and position in KCCL	Position in ANS Capital																					
Aizaz Sheikh, Director	Member / Director																					
Nadeem Atta Sheikh, Director	Member / Director																					
Shahnaz Aizaz, spouse of Aizaz Sheikh	Member																					
Hafsa Nadeem, spouse of Nadeem Atta Sheikh	Member																					
Omer Aizaz Sheikh, son of Aizaz Sheikh and employee in KCCL	Member / Director																					
Muhammad Rehman Sheikh, Director	Member / Director																					
Faisal Atta Sheikh, son of Nadeem Sheikh and employee in KCCL	Member / Director																					
Asad Atta Sheikh, son of Nadeem Sheikh and employee in KCCL	Member / Director																					
Hamza Atta Sheikh, Director	Member																					

Sr.	Requirements	Information												
		<table><tr><td>Muhammad Atta Tanseer Sheikh, Director</td><td>Member</td></tr><tr><td>Ali Aizaz Sheikh son of Aizaz Sheikh and employee in KCCL</td><td>Member</td></tr><tr><td>Aminah Aizaz Sheikh daughter of Aizaz Sheikh</td><td>Member</td></tr><tr><td>Muhammad Mustafa Mansoor Sheikh son of Muhammad Rehman Sheikh</td><td>Member</td></tr><tr><td>Muhammad Murtaza Mansoor Sheikh son of Muhammad Rehman Sheikh</td><td>Member</td></tr><tr><td>Malika Rehman Sheikh daughter of Muhammad Rehman Sheikh</td><td>Member</td></tr></table>	Muhammad Atta Tanseer Sheikh, Director	Member	Ali Aizaz Sheikh son of Aizaz Sheikh and employee in KCCL	Member	Aminah Aizaz Sheikh daughter of Aizaz Sheikh	Member	Muhammad Mustafa Mansoor Sheikh son of Muhammad Rehman Sheikh	Member	Muhammad Murtaza Mansoor Sheikh son of Muhammad Rehman Sheikh	Member	Malika Rehman Sheikh daughter of Muhammad Rehman Sheikh	Member
Muhammad Atta Tanseer Sheikh, Director	Member													
Ali Aizaz Sheikh son of Aizaz Sheikh and employee in KCCL	Member													
Aminah Aizaz Sheikh daughter of Aizaz Sheikh	Member													
Muhammad Mustafa Mansoor Sheikh son of Muhammad Rehman Sheikh	Member													
Muhammad Murtaza Mansoor Sheikh son of Muhammad Rehman Sheikh	Member													
Malika Rehman Sheikh daughter of Muhammad Rehman Sheikh	Member													
Vi	In case any investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairment or write offs; and	<p>KCCL in its EOGM held on April 14, 2022 approved to issue a Corporate Guarantee for an amount of upto PKR 400 million for a period of seven (7) years in favour of National Bank of Pakistan (NBP) along with lien/charge/ mortgage on immovable property of the Company, to secure long-term financial assistance to be extended by NBP to Ultra Kraft (Private) Limited. In line with this approved facility, KCCL issued a Corporate Guarantee amounting to PKR 390 million in favour of NBP on behalf of UKPL and also mortgaged its commercial properties bearing Plot no. 36 &amp; 37, Block P, Gulberg-II, Lahore.</p> <p>Out of approved Short Term Running Finance Facility of PKR 600 million, UKPL has utilized PKR 540 million as on June 30, 2025 for its short term financing needs including the purchase of raw material i.e. Kraft paper, the most essential ingredient to run the business.</p> <p>UKPL is regularly serving the commission and mark up on the approved facilities to KCCL in accordance with the agreed terms. Moreover, UKPL is also current on all its debt obligations with its lenders including NBP. KCCL has not accounted for any impairment / write off in respect of the facilities extended by it to UKPL.</p>												
vii	Any other important details necessary for the members to understand the transaction;	N/A												



(c) Additional disclosure in case of investments in the form of loans, advances and guarantees: -

Sr.	Requirements	Information
i	Category-wise amount of investment;	Short-term running finance of upto PKR 600 million.
ii	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Average borrowing cost of KCCL on similar financing facilities available to the Company from different commercial banks during July 2024 to June 2025 is three months KIBOR + 0.45% ~ 1%
iii	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	KCCL shall charge mark-up at the rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.
iv	Particulars of collateral or security to be obtained in relation to the proposed investment	Corporate Guarantee of UKPL and ANS Capital (Pvt.) Limited, the holding company.
v	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	There are no conversion features in the subject facility.
vi	Repayment schedule and terms and conditions of loans or advances to be given to the associated company.	The short term running finance facility shall be available to UKPL for a period of one year. Mark up shall be paid by UKPL on quarterly basis within 15 days of the end of each quarter. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.

#### Draft special resolutions:

The following resolutions are proposed to be passed as Special Resolutions with or without any modification:

"Resolved that approval of members of Kohat Cement Company Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017, for renewal of investment by way of short term running finance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated Company, to meet its short term financing requirements for a term of one year from October 29, 2025 at a mark-up rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher, which shall be paid by UKPL within fifteen (15) days of end of each quarter and as per other terms and conditions disclosed to the members and non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.

Further Resolved that Chief Executive of the Company or any officer of the Company authorized by him be and is hereby authorized to enter into agreement with UKPL in line with the terms approved by the members and to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s)/documents and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions."

## Notes:

### 1. Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from Monday, October 06, 2025 to Monday, October 13, 2025 (both days inclusive). Physical transfers / CDS transactions IDs received in order at the Company's Independent Share Registrar Office, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore, up to the close of business on Saturday, October 04, 2025 will be treated in time for the purpose of attending and voting at the AGM.

### 2. Right to appoint Proxy

A member is entitled to appoint a proxy in his/her place to attend, speak and vote instead of him/her. A member can appoint only one proxy in his/her place who can exercise all rights of a member in the meeting. The instrument appointing a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Head Office of the Company, 37-P, Gulberg-II, Lahore not later than 48 hours (excluding non-working days) before the time of the meeting. A proxy must be a member of the Company. Form of proxy in English and Urdu Language is enclosed herewith and also available on Company's website: [www.kohatcement.com](http://www.kohatcement.com).

### 3. Attendance through Video-Conference

Pursuant to the provisions of the Companies Act, 2017, the shareholder(s) residing in a city holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Company Secretary at the head office of the Company, 37-P, Gulberg II, Lahore, at least seven (7) days prior to the date of the meeting on the Standard Form which can be downloaded from the Company's website: [www.kohatcement.com](http://www.kohatcement.com).

### 4 Attendance through Electronic Medium

The Company shall provide video link facility for attending this meeting. The members are encouraged to attend the AGM online through ZOOM, by following the below guidelines:

- To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) to the Company Secretary through WhatsApp at 0324-4184734 or email ID; [mis@kohatcement.com](mailto:mis@kohatcement.com) by October 10, 2025.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number	Email address

- The members who shall be registered after the necessary verification shall be provided a zoom link in email to attend the meeting. The login facility will remain open from start of the meeting till its proceedings are concluded.
- Members may send their comments / suggestions on the agenda item to the Company Secretary on her email ID; [mis@kohatcement.com](mailto:mis@kohatcement.com) or WhatsApp no. 0324-4184734.

## 5. Voting through Postal Ballot (electronic voting and by ballot paper)

In terms of SECP's Notification No. 451(I)/2025 dated 13<sup>th</sup> March, 2025; the members of Kohat Cement Company Limited can only cast their votes through postal ballot (by post or through e-voting) in respect of all Special Business. Accordingly, the members shall be provided e-voting and postal ballot facilities for casting their votes in respect of Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018.

### Procedure for E-Voting


- i. Details of e-voting facility (including web address, login details and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers and e-mails address available in the register of members of the Company.
- ii. The security codes will be communicated to members through SMS from the web portal of Corplink (Private) Limited (being the e-voting service provider).
- iii. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- iv. E-voting lines will start from October 10, 2025, 09:00 a.m. and shall close on October 12, 2025 at 05:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

### Procedure for voting through ballot paper

- i. The members may alternatively opt for voting through postal ballot. Ballot paper in prescribed form is attached with this Notice and is also available on the Company's website [www.kohatcement.com](http://www.kohatcement.com) to download.
- ii. The members must ensure that the duly filled and signed ballot paper, along with Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Kohat Cement Factory, Rawalpindi Road, Kohat or email at [mis@kohatcement.com](mailto:mis@kohatcement.com), by 5:00 pm, October 12, 2025. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match with signature on the CNIC.

## 6. Transmission of Annual Report

- i. In terms of the approval of the members of the Company in their Extra Ordinary General Meeting held on June 22, 2023 and pursuant to the SECP's Notification No. SRO 389 (1)/2023 dated March 21, 2023 and SRO 452 (I)/ 2025 dated March 17, 2025, the Annual Report for the financial year ended on June 30, 2025 of the Company containing inter alia the notice of annual general meeting, audited financial statements, auditors report, directors' and Chairman's reports thereon may be viewed and downloaded by following the QR Code and web-link as given hereunder:

Weblink	QR Code
<a href="http://www.kohatcement.com/financial_reports.aspx">http://www.kohatcement.com/financial_reports.aspx</a>	

- ii. Annual Report has also been e-mailed to those shareholders who have provided their valid e-mail IDs to the Company.
- iii. The shareholders who wish to receive hard copy of the Annual Report may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company [www.kohatcement.com](http://www.kohatcement.com) and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.

## **7. Appointment of Scrutinizer**

M/s Ishtiaq Rana & Co., Chartered Accountants, 6/B, Block-H, Gulberg-III, Lahore, have been appointed as Scrutinizer, who fulfil the requirements stated in Section 247 of the Companies Act, 2017, have a satisfactory QCR rating from the Institute of Chartered Accountants of Pakistan and have necessary knowledge and experience to independently scrutinize the voting process. The purpose of the appointment of the scrutinizer is to observe the voting process for the Special Business and to validate the voting results and the proxy forms, in accordance with the Companies (Postal Ballot) Regulations, 2018.

## **8. Attendance at AGM**

A corporation or company being a member of the Company may appoint any of its officials or any other person through a resolution of its board of directors to attend and vote at the meeting.

The members should quote their folio number/ CDS IDs in all correspondence with the Company and should bring original document at the time of attending the AGM.

CDC account holders will further have to follow the following guidelines as laid down in Circular No. 1 dated 26th January 2000 issued by the Securities & Exchange Commission of Pakistan.

### **For attending the meeting**

- i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/ her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee along with his/her original CNIC or original passport shall be produced (unless it has been provided earlier) at the time of the meeting.

### **For appointing proxies**

- i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the requirements stated above.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
- iii) The proxy shall produce his/ her original CNIC or original passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature along with his/ her original CNIC or original passport shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

#### **9. Deposit of Physical Shares in to CDC Account:**

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-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 Stock Exchange. Further, Section 72 of the Companies Act, 2017 (the Act), states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the promulgation of the Act.

#### **10. Prohibition of Gifts**

In view of prohibition under Section 185 of the Companies Act, 2017, the Company does not distribute gifts in any form to its members in the general meetings.

#### **11. Intimation of Change in Address**

The members are requested to notify the change of their registered addresses, if any, immediately to Company's Independent Share Registrar.



# CHAIRMAN'S REVIEW REPORT

I am pleased to present the Chairman's Review on the overall performance and effectiveness of the role played by the Board in achieving the objectives of Kohat Cement Company Limited (the Company) during the financial year ended June 30, 2025.

The Company has a highly diverse and competent Board that adheres to the Company's vision, mission and core values with the ultimate goal of serving the interests of all stakeholders.

The Company complies with all requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, with respect to the composition, procedures and meetings of the Board of Directors and its committees.

The Board closely monitored business performance, focusing on continued improvement in productivity and efficiency while optimizing costs and processes to ensure sustainable growth. The overall guidance and timely advice from the Board contributed immensely to steering the Company in the right direction.

**Business Overview** - During FY 2024-25, the national economy exhibited initial signs of stabilization, marking a modest recovery subsequent to a period of contraction. This improving trajectory was significantly bolstered by a substantial easing of monetary policy. Concurrently, the inflationary landscape underwent a remarkable transformation, thereby fostering a stable economic environment.

The cement industry in FY2024-25 faced persistent challenges including high taxes, duties, and elevated interest costs that constrained domestic demand. Despite the intense competitive pressures and inherent business challenges, the Company successfully navigated the market to deliver a commendable financial performance, recording a profit after tax of PKR 11.58 billion.

The Company has successfully completed a buy-back of 12 million of its own shares with a total outlay of PKR 4.7 billion, enhancing the shareholders value and increasing the EPS of the Company.

The Company significantly advanced its renewable energy objectives this year by commissioning a 5.34MW solar power project, bringing its total installed solar capacity to 15.34MW.

The Company has commenced construction of 28.5MW coal-fired power plant in Kohat, with initial equipment shipments successfully received and others in process. This project is on schedule for commissioning next fiscal year. Upon completion, it will significantly reduce power consumption costs and decrease reliance on the National Grid, enhancing the Company's operational autonomy and efficiency.

**Board's Performance Evaluation** - As required under the Code of Corporate Governance, an effective mechanism is in place for performance evaluation of the Board and its committees according to which a comprehensive questionnaire was circulated to all directors for evaluating the performance of the Board, its members and its committees.

The Board's annual self-evaluation reflected satisfactory results, meeting the criteria set for the current financial year. This self-assessment helps gauge our performance against set objectives, allowing us to address areas needing improvement.

**Composition of the Board** - The Board of the company has been re-elected for a fresh term of three years commencing from 28-June-2025. The composition of the newly elected Board reflects a reasonable balance of executive and non-executive directors, including independent directors.

The Board members possess rich professional experience in various domains, with strong financial and analytical abilities and independent perspectives.

Their collective expertise has been instrumental in guiding our strategic direction, fulfilling fiduciary responsibilities and ensuring compliance with legal and regulatory requirements.

**Due Diligence** -The Board diligently reviews the Company's significant disclosures, policies, corporate objective plans and budgets and analyzes trends and outlooks. The Board met frequently to adequately discharge its responsibilities, while committee meetings were held as and when required.

**Risk Management Strategies** - The Board has developed and implemented a Risk Management Policy and prepared a risk register addressing major risk categories, including Strategic, Operational, Regulatory & Compliance risks and Sustainability risks.

The Board regularly reviews these policies and systems to integrate necessary changes arising from market conditions and external environments, including changes in the legal framework of the country applicable to the Company's activities.

On behalf of the Board, I acknowledge the contributions of the management, employees and all valued shareholders for their confidence, continued support and commitment to the Company.



**Aizaz Mansoor Sheikh**

Chairman

Lahore: September 08, 2025

بورڈ کی سالانہ خود جائزہ رپورٹ کے نتائج اطمینان بخش رہے، جو کہ زیر جائزہ مالی سال کے لئے مقرر کردہ معیار کے مطابق ہیں۔ یہ جائزہ طے شدہ مقاصد اور وہ شعبے جہاں بہتری درکار ہے، ان کے لئے بورڈ کی کارکردگی کو جانچنے میں مددگار ہے۔

بورڈ کی تشکیل - کمپنی کے بورڈ کو 28 جون، 2025 سے شروع ہونے والی تین سال کی نئی مدت کے لیے دوبارہ منتخب کیا گیا ہے۔ نئے منتخب شدہ بورڈ کی تشکیل میں ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے ساتھ آزاد ڈائریکٹرز کی مناسب نمائندگی شامل ہے۔

بورڈ کے اراکین مختلف شعبوں میں وسیع پیشہ ورانہ تجربہ رکھتے ہیں اور مضبوط مالیاتی و تجزیاتی صلاحیتوں کے ساتھ آزاد نقطہ نظر کے حامل ہیں۔

ان کی اجتماعی مہارت کمپنی کی کاروباری حکمت عملی کی سمت کے تعین، امانتی ذمہ داریوں کی تکمیل اور قوانین و ضوابط کی تعمیل کو یقینی بنانے میں کلیدی کردار ادا کر رہی ہے۔

ذمہ دارانہ چارج پڑتا ہے: بورڈ نے کمپنی کی اہم پالیسیوں، کاروباری تفصیلات اور مقاصد کے منصوبوں اور بجٹ کو نہایت سنجیدگی سے پرکھا اور مستقبل کے رجحانات و امکانات کا جائزہ لیا۔ بورڈ نے ذمہ داریوں کی موثر ادائیگی کے لیے متعدد اجلاس کیے، اور کمیٹیوں کے اجلاس حسب ضرورت منعقد کیے گئے۔

رسک مینجمنٹ کی حکمت عملی - بورڈ نے رسک مینجمنٹ پالیسی تیار کر کے نافذ کی ہے اور سٹرٹیجک، آپریشنل، ریگولیٹری، قانونی تعمیل اور کاروباری استحکام سے متعلق نمایاں خطرات کو مد نظر رکھتے ہوئے ایک رسک رجسٹر تیار کیا ہے۔ بورڈ ان پالیسیوں اور نظام کا باقاعدگی سے جائزہ لیتا ہے تاکہ کسی بھی تبدیلی کو شامل کیا جاسکے جس کی مارکیٹ کے حالات یا دیگر بیرونی عوامل کے تحت ضرورت ہو بشمول رائج الوقت قوانین میں تبدیلی جو کہ کمپنی کی کاروباری سرگرمیوں پر اثر انداز ہو رہی ہو۔

بورڈ کی جانب سے، میں انتظامیہ، ملازمین اور تمام قابل قدر شیئرز ہولڈرز کے اعتماد، مسلسل تعاون اور کمپنی کے ساتھ وابستگی کے لیے ان کے تعاون کو سراہتا ہوں۔



اعزاز منور شیخ

چیرمین

لاہور: 08 ستمبر، 2025ء

## چیزمین جائزہ رپورٹ

میں چیزمین جائزہ رپورٹ پیش کرتے ہوئے اطمینان محسوس کر رہا ہوں، جو بورڈ کی مجموعی کارکردگی اور اس کے نتیجہ خیز کردار کی عکاسی کرتی ہے، جس نے 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران میں کوہاٹ سیمینٹ کمپنی لمیٹڈ کو اپنے مقاصد کے حصول کے لئے موثر پایا۔

کمپنی کا بورڈ بہت متفرق اور قابل ہے جو کہ کمپنی کے ویژن، مشن اور بنیادی اقدار کی پاسداری کے ساتھ تمام شرائط داروں کے مفادات کے تحفظ کی ذمہ داری ادا کر رہا ہے۔

کمپنی نے بورڈ اور اسکی کمیٹیوں کی تشکیل اور اجلاس کے انعقاد میں کمپنیز ایکٹ 2017ء سلسلہ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء اور ان کے تحت جاری کردہ دیگر تمام مروجہ قوانین کی پاسداری کو ملحوظ رکھا گیا ہے۔

بورڈ نے مستقل ترقی کو یقینی بنانے کے لئے لاگت میں کمی اور کاروباری طریقہ کار میں مسلسل بہتری پر توجہ مرکوز کرتے ہوئے کاروباری کارکردگی پر گہری نظر رکھی ہے۔ بورڈ کی طرف سے مجموعی رہنمائی اور بروقت مشورے نے کمپنی کو صحیح سمت میں لے جانے میں بہت اہم کردار ادا کیا۔

کاروبار کا جائزہ۔ مالی سال 2024-25 کے دوران، قومی معیشت میں استحکام کی ابتدائی علامات ابھریں، جو تنگی کے حالات کے بعد ایک ہلکی مگر مثبت بحالی کو ظاہر کرتی ہیں۔ مالیاتی پالیسی میں خاطر خواہ نرمی سے اس بہتری کی رفتار کو نمایاں طور پر تقویت ملی۔ اس کے ساتھ ساتھ، افراط زر کے منظر نامے میں ایک قابل ذکر تبدیلی آئی، اس طرح ایک مستحکم اقتصادی ماحول کو فروغ ملا۔

مالی سال 2024-25 میں سیمینٹ کی صنعت کو مسلسل دشواریوں کا سامنا کرنا پڑا جس میں زیادہ ٹیکس، ڈیوٹیز، اور بلند سود کی لاگت شامل ہے جس کی وجہ سے ملکی طلب کو محدود کر دیا گیا۔ شدید مسابقتی دباؤ اور درپیش کاروباری رکاوٹوں کے باوجود، کمپنی نے دانشمندانہ حکمت عملی سے مارکیٹ میں کامیابی سے آگے بڑھتے ہوئے قابل ستائش مالی کارکردگی دکھائی اور 11.58 بلین روپے کا خالص منافع حاصل کیا۔

کمپنی نے اپنے 12 ملین شیئرز واپس خریدنے کا عمل کامیابی سے مکمل کیا ہے، جس کے لیے مجموعی طور پر 4.7 بلین روپے کیے گئے۔ اس اقدام نے نہ صرف شیئرز ہولڈرز کے مفاد کو تقویت دی ہے بلکہ فی حصص آمدنی میں بھی اضافہ کیا ہے۔

کمپنی نے اس سال قابل تجدید توانائی کے منصوبے کو نمایاں طور پر آگے بڑھایا، جس کے تحت 5.34 میگا واٹ کے سولر پاور پلانٹ سے پیداوار کا آغاز کیا گیا ہے۔ اس سے مجموعی طور پر کارآمد سولر پاور توانائی کی صلاحیت 15.34 میگا واٹ تک پہنچ گئی۔

کمپنی نے کوہاٹ میں 28.5 میگا واٹ کے کونسلے سے چلنے والے پاور پلانٹ کی تعمیر شروع کر دی ہے، ابتدائی طور پر کچھ مشینری کامیابی سے موصول ہو چکی ہے جبکہ باقی سامان جلد پہنچ جائے گا۔ یہ منصوبہ آئندہ مالی سال میں کمیشننگ کے لیے مقررہ شیڈول کے تحت مکمل کیا جائے گا۔ تکمیل کے بعد یہ نہ صرف توانائی کے اخراجات میں خاطر خواہ کمی لائے گا بلکہ نیشنل گرڈ پر انحصار بھی کم کرے گا، جس سے کمپنی کی خود مختاری اور کارکردگی میں اضافہ ہوگا۔

بورڈ کی کارکردگی کا جائزہ۔ کارپوریٹ گورننس کے ضوابط کے تحت، بورڈ اور اس کی کمیٹیوں کی کارکردگی کی جانچ کے لیے ایک موثر طریقہ کار موجود ہے جس کے مطابق بورڈ، اس کے اراکین اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے ایک جامع سوالنامہ تمام ڈائریکٹرز کو تقسیم کیا گیا۔

# DIRECTORS' REPORT

## to the shareholders

The Directors of your Company gladly present the Annual Report containing the audited financial statements and Auditors' Report thereon for the financial year ended June 30, 2025.

## Pakistan's Economic Landscape in FY2024-25

In FY 2024-25 Pakistan's economy showed signs of stabilization with GDP growth of 2.68%. This modest recovery followed by a period of contraction was supported by significant monetary easing, which saw the policy interest rate being reduced from a high of 20.5% during June 2024 to 11.00% by June 2025.

Inflation underwent a remarkable transformation during this period, sharply declining to 4.5% during FY 2024-25 from a high of 23.4% in the previous year. This substantial reduction in inflationary pressures created a more predictable economic environment.

## Industry Review

Despite the broader economic improvements, the cement industry faced a mixed environment. The local cement dispatches decreased to 37.7 million tons, a decline of 2.7% from 38.7 million tons in the previous year, reflecting slower infrastructure development.

However, exports have experienced a notable growth of 29.5%, reaching 9.2 million tons from 7.1 million tons in the previous year, supported by competitive pricing strategies.

The growth in exports counterbalances the decline in domestic sales, resulting in a total increase in overall dispatches of 2.3%. This performance underscores the industry's stability and highlights its growth potential in a recovering economy.

	FY 2025	FY 2024	Change (%)
	Million Metric Tons		
Local Dispatches	37.7	38.7	(2.7%)
Export Dispatches	9.2	7.1	29.5%
Total Dispatches	46.9	45.8	2.3%

## Operational Performance

The Company continued its principal business activity, i.e. manufacturing and sale of cement. Operational performance of your Company is summarized as under:

	FY 2025	FY 2024	Change (%)
	Metric Tons		
Clinker Production	2,153,092	2,195,590	(1.9%)
Cement Production	2,347,987	2,559,397	(8.3%)
Domestic Sales	2,307,444	2,543,930	(9.3%)
Export Sales	20,894	41,856	(50.1%)
Total Sales	2,328,338	2,585,786	(10.0%)

During FY25, operations were impacted by weaker market conditions and a slowdown in construction activity, resulting in a decline in cement production by 8.3% to 2.35 million tons.

Domestic sales decreased by 9.3% to 2.31 million tons compared to the previous year, while export sales also declined, contributing to a total decrease in sales of 10% year-on-year (YoY) to 2.33 million tons.

The overall decline in sales was mainly due to reduced domestic demand from residential and commercial projects, along with lower export volumes as a result of high regional competition.

## Financial Performance

Financial Performance of your Company for the year under review is as under:

Rupees in Million

	FY 2025	FY 2024	Change (%)
Net Sales	37,536	38,648	(2.9%)
Gross Profit	14,722	11,256	30.8%
Gross Profit Ratio	39.2%	29.1%	
Other Income	5,281	4,454	18.6%
Profit before tax	17,747	13,776	28.8%
EBITDA	19,362	15,635	23.8%
Net Profit after tax	11,575	8,893	30.2%
Net Profit after tax Ratio	30.8%	23.0%	
Earnings per share (Rs.) – (FY-2024 restated)	11.97	9.06	

During FY25, the Company demonstrated exceptional financial and operational resilience, reporting revenues of PKR 37.54 billion, which reflected a 2.9% decline compared to



the previous year primarily due to lower sales volume. Despite this revenue adjustment, the Company's strong operational performance and effective financial management led to a substantial 30.2% increase in net profits, reaching PKR 11.58 billion.

Furthermore, profit before tax and EBITDA rose to PKR 17.74 billion and PKR 19.36 billion respectively, (FY24: PKR 13.77 billion, PKR 15.63 billion), highlighting the Company's exceptional ability to generate robust cash flow.

These commendable outcomes were achieved through strategic initiatives, including diligent management of coal & fuel resources and implementation of measures to enhance renewable energy efficiency, which collectively ensured continuous production while effectively controlling operational expenditures, thereby driving higher profitability despite the challenging revenue landscape.

The Company is current on all its debt obligations. PACRA has maintained the Company's long-term entity credit rating to A+ along with short-term rating at A1 with a stable outlook. These ratings indicate a low level of credit risk and a strong ability to meet all financial commitments on time.

## Appropriations

During the year, the Company has completed the buy-back of its 12 million ordinary shares with a total cash outlay of PKR 4.7 billion, in accordance with the approval of the members of the Company given in their AGM held on October 15, 2024; enhancing the shareholders' value as well as the earnings per share of the Company. Moreover, the Company's ongoing projects, i.e. Green Field cement production line in Khushab, Punjab, setting up of Solar Power and Coal Fired Power plants, need huge investments to be made both in local and foreign currency; therefore, the Board of Directors has not proposed any dividend for the year ended June 30, 2025.

## Future Prospects

Looking ahead, the Company remains committed to sustaining operational efficiency and strengthening its market position despite prevailing domestic market challenges. Strategic investments in the Greenfield Cement Production Plant, Solar Power Plant, and Coal-Fired Power Plant are expected to significantly enhance production capacity, improve energy efficiency, and lower long-term operating costs. These initiatives will support the Company in driving sustainable growth while contributing to Pakistan's broader energy and infrastructure development goals.

## Greenfield Cement Production Plant in Khushab, Punjab

The Company is currently in the process of establishing a new cement manufacturing plant in Khushab, Punjab. Infrastructure development for this project is well underway. The import of plant and machinery, a critical phase of the project, will be finalized once the sustained improvement in domestic cement demand, combined with the uplift in the construction sector, materializes.

## Installation of Solar Power Plant

The Company successfully expanded its renewable energy portfolio during the year by commissioning a 5.34MW Solar Power project. This strategic expansion brings the Company's total installed solar capacity to 15.34MW.

The Company remains committed to its renewable energy objectives and is actively progressing to achieve its target of 20MW total installed solar power.

This Solar Power Project is anticipated to significantly reduce reliance on the National Grid, contributing not only to substantial cost savings but also marking a significant step towards a greener and more sustainable future for Pakistan.

## Coal Fired Power Plant at the Company's Plant Site, Kohat

The Company has commenced the construction of 28.5MW coal-fired power plant at its facility in Kohat, with equipment shipments currently in process and few successfully received on site. This significant project is progressing as planned and is anticipated to achieve operational status during the upcoming financial year.

Upon commissioning, the power plant is expected to yield substantial strategic benefits, primarily through a notable reduction in the Company's power consumption costs and a decreased reliance on the National Grid, thereby enhancing operational autonomy and cost efficiency.

## Buy- Back of Shares

The members of the Company in their AGM held on October 15, 2024, approved for purchase/buy-back of 12 million own ordinary shares at spot price during the period from October

23, 2024 to April 12, 2025. The Company has completed the purchase of 12 million shares at an average rate of PKR 392.45. These shares have been cancelled on April 18, 2025 after which the revised paid up capital of the Company is 183,861,297 ordinary shares of Rs. 10 each.

## Stock Split – Subdivision of Company’s share capital

Subsequent to the year end, the Board of Directors in its meeting held on July 10, 2025 recommended a 5:1 stock split, which was subsequently approved by shareholders in their Extraordinary General Meeting held on August 07, 2025. Accordingly, the stock split has been executed on August 23, 2025 pursuant to which the face value of the company’s share has been reduced from PKR 10 per share to PKR 2 per share. Consequently, the total number of shares issued has increased from 183,861,297 to 919,306,485.

This strategic initiative is aimed at sharing the success achieved over the years with a wider investor base, making the Company’s shares more accessible.

## Real Estate Business

Subsequent to the year end, to undertake real estate activities, including marketing and development of all types of immovable properties for sale or rental purposes, the Company has incorporated its 100% wholly-owned subsidiary i.e. Ultra Properties (Private) Limited (UPL). UPL shall initiate the commencement of project during next financial year.

## Outlook

The outlook for the cement industry in FY 2025-26 is one of cautious optimism, largely due to signs of a stabilizing national economy. Key drivers of this improved sentiment include anticipated economic recovery, which is expected to gradually revitalize the construction sector and infrastructure projects.

This recovery is supported by a more accommodating monetary policy, declining interest rates, easing inflation, and a boost in investor confidence. The government’s potential expansion of fiscal space through housing and public sector initiatives is also expected to stimulate domestic cement demand.

Despite the positive forecast, the industry faces considerable obstacles; high taxes, duties, royalties, and escalating fuel

and power costs continue to strain cement manufacturers. A significant challenge also comes from ongoing border disputes with Afghanistan, which have severely hampered cement exports from the northern regions. This situation is expected to persist until a permanent solution is reached.

In spite of these multifaceted challenges, your company has demonstrated remarkable financial and operational resilience. We remain optimistic and determined to navigate these obstacles, confident in our ability to spear through with strategic resolve and a commitment to sustained growth.

## Risk Management framework

Pursuant to the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019, the Company has developed and implemented a Risk Management Policy and prepared a risk register. The management identifies potential risks along with their impact on the Company and regularly presents them before the Board, and the Board formulates strategies to mitigate foreseeable risks to the business. These strategies are enforced throughout the hierarchy of the Company under the supervision of the Audit Committee to meet changes in market conditions and other external environment, including changes in the legal framework applicable to the Company’s activities.

**Below are the Categories of Key Business Risks identified by the Company:**

1. Strategic Risk
2. Operational Risk
3. Regulatory and Compliance Risk
4. Sustainability Risks

Key business risks of the Company have been elaborated as under:

### 1. Strategic Risk

Strategic risks refer to potential adverse effects on a Company’s ability to achieve its long-term goals and objectives. These risks can arise from various sources, including changes in market dynamics, competitive pressures, regulatory changes and internal strategic decisions. Managing strategic risks involves identifying potential threats, assessing their impact and developing strategies to mitigate or adapt to these risks to ensure the Company’s sustained success and growth.

Strategic Risks include increase in cost of energy, i.e. coal, fuel and electricity, negatively affecting the Company’s

profits and its competitive position, compelling the Company to consider alternatives to reduce costs. The Company is currently investing in power generation projects to reduce dependence on National Grid, which shall bring down the electricity costs and is further investing in advanced technologies to reduce coal consumption and related costs.

## 2. Operational Risk

Operational risks refer to risks resulting from breakdowns in internal procedures, people and systems. Business continuity and disaster recovery plans are in place to ensure continuity in production and sales operations in case of major failures to ensure continuity, sustainability, and avoidance of any disruption to the business. Raw material sourcing, adequate segregation of duties, self-sufficiency in power generation and efficient supply chain and logistic operations, both in-house and outsourced have enabled us to mitigate operational risk to an acceptable level.

**2.1 Financial Risks** - Your Company's exposure to credit risk, liquidity risk and market risk (interest rate risk, foreign exchange risk and price risk) is subject to market dynamics. Please refer note no. 38 of the audited financial statements highlighting the Company's exposure to these risks and control procedures to mitigate them.

**2.2 Increase in coal prices** - Increased coal prices directly impacted cost of production. The Company continuously monitors the prices of coal in international and local markets and switches to the cheaper source of coal to keep fuel cost at minimum.

**2.3 Electricity costs** - Cement manufacturing process is energy intensive. Electricity prices are rising continuously driven by the global demand supply scenario and depreciation of PKR. The Company continues to explore alternative sources to reduce its dependence on National Grid. The Company has installed a 15.34MW solar power plant and working progressively to achieve the target of 20MW installed Solar Power Plant. Further, the Company has also commenced the installation of 28.5MW Coal Fired Power Plant, to reduce the cost of electricity.

## 3. Regulatory and Compliance Risk

With the constantly evolving regulatory framework in the country, the risk of non-compliance remains significant

and poses reputational threats. To address this, the Company has implemented measures to automate compliance procedures and establish periodic review mechanisms to ensure adherence to all statutory requirements. These measures include outsourcing of legal and regulatory opinions to experts and appointing them to represent the Company as required.

## 4. Sustainability risks

Sustainability risks, stemming from environmental, social, and economic factors, are potential challenges that could significantly impact the Company's long-term viability and profitability. Notable among these risks are:

**4.1 Non-Compliance with Environmental Laws and Standards** - Non-compliance with environmental laws and standards poses a significant risk to the company, potentially leading to severe legal and financial consequences. The Company manages environmental compliance risk through a strong commitment to adhering to the emission limits prescribed by the Pakistan Environmental Protection Agency (EPA) and the National Environmental Quality Standards (NEQS). Independent third-party assessments are regularly conducted to verify compliance, and these have consistently confirmed that the Company's operations are fully compliant with the applicable regulatory requirements.

**4.2 Employees' Health & Safety** - The company is committed to prioritizing employee health and safety by proactively preventing workplace injuries and property damage. The company implemented a range of initiatives, including comprehensive training on safe work practices and continuous risk assessments. Additionally, we ensure the well-being of our workforce by providing and covering the cost of regular blood examinations, which are conducted by a reputable third-party laboratory in line with established health protocols.

**4.3 Water Scarcity** - As a responsible corporate citizen, Kohat Cement is committed to the effective management of water resources. Our state-of-the-art water treatment plant allows us to recycle approximately 60% of our water, enabling its efficient reuse throughout our operations and significantly reducing our environmental footprint.

A detailed Environmental, Social and Governance report is included in this Annual Report.

## Adequacy of Internal Financial Controls

Effective internal financial controls systems are in place under the supervision of a qualified and experienced team who are well versed with the policies and procedures of the Company. The management regularly reports to the Board as to the adequacy of internal financial controls of the Company.

## Election of Board of Directors

The members of the Company in their Extra Ordinary General Meeting held on 28th June 2025 elected eight directors on the Board of the Company for a term of three years commencing 29th June 2025. The Board of Directors consists of Executive/Non-Executive and Independent Directors in accordance with the requirements of Companies Act, 2017 (the Act) and Rules and Regulations issued thereunder. Independent Directors were selected from the list maintained by the Pakistan Institute of Corporate Governance in terms of requirement of Section 166(1) of the Act who meet the criteria of independence as laid down in Section 166 (2) of the Act. The names of the newly elected directors are as under:

1.	Mr. Ahmad Sajjad Khan independent non-executive director
2.	Mr. Talha Saeed Ahmed independent non-executive director
3.	Mr. Aizaz Mansoor Sheikh
4.	Mr. Nadeem Atta Sheikh
5.	Mrs. Hijab Tariq
6.	Mr. Muhammad Rehman Sheikh
7.	Mr. Muhammad Atta Tanseer Sheikh
8.	Mr. Hamza Atta Sheikh

## Composition of the Board of Directors

As at 30<sup>th</sup> June 2025, the Board of Directors of the Company comprises eight directors, composition of which is as under:

Male	7
Female	1
<b>Total Number of Directors</b>	<b>8</b>

## Independent Non-Executive Directors

Mr. Ahmad Sajjad Khan<sup>1</sup>  
Mr. Talha Saeed Ahmed<sup>1</sup>

## Other Non-Executive Directors

Mr. Aizaz Mansoor Sheikh<sup>1</sup>  
Mrs. Hijab Tariq<sup>1</sup>  
Mr. Muhammad Rehman Sheikh<sup>1</sup>  
Mr. Muhammad Atta Tanseer Sheikh<sup>1</sup>  
Mr. Hamza Atta Sheikh<sup>2</sup>

## Executive Director

Mr. Nadeem Atta Sheikh<sup>1</sup>

1. re-elected as directors on the Board by members on June 28, 2025
2. newly elected director on the Board by members on June 28, 2025; whereas Mrs. Hafsa Nadeem retired on June 28, 2025 on completion of her term of three years.

## Composition of the Committees of the Board

Following are the committees of the Board:

### a) Audit Committee

Mr. Talha Saeed Ahmed - Chairman  
Mr. Aizaz Mansoor Sheikh - Member  
Mr. Muhammad Atta Tanseer Sheikh - Member

### b) Human Resource and Remuneration (HR&R) Committee

Mr. Ahmad Sajjad Khan - Chairman  
Mr. Nadeem Atta Sheikh - Member  
Mr. Muhammad Atta Tanseer Sheikh - Member

Subsequent to the year end, the Board of Directors in its meeting held on July 10, 2025 has reconstituted the following committees:

### Audit Committee

Mr. Talha Saeed Ahmed - Chairman  
Mr. Aizaz Mansoor Sheikh - Member  
Mr. Hamza Atta Sheikh - Member

### Human Resource and Remuneration (HR&R) Committee

Mr. Ahmad Sajjad Khan - Chairman  
Mr. Nadeem Atta Sheikh - Member  
Mr. Muhammad Rehman Sheikh - Member

## Board and its Committee Meetings

### Board of Directors

The Board of Directors met Four (4) times during the financial year ended June 30, 2025; details of attendance by directors are as under:

Name of Director	No. of meetings attended
Mr. Aizaz Mansoor Sheikh	4/4
Mr. Nadeem Atta Sheikh	4/4
Mrs. Hafsa Nadeem	4/4
Mrs. Hijab Tariq	4/4
Mr. Muhammad Rehman Sheikh	4/4
Mr. Muhammad Atta Tanseer Sheikh	4/4
Mr. Ahmad Sajjad Khan	4/4
Mr. Talha Saeed Ahmed	4/4

### Board Audit Committee

The Board Audit Committee met Four (4) times during the financial year ended June 30, 2025; details of attendance by members are as under:

Name of Members	No. of meetings attended
Mr. Talha Saeed Ahmed - Chairman	4/4
Mr. Aizaz Mansoor Sheikh	4/4
Mr. Muhammad Atta Tanseer Sheikh	4/4

## Human Resource & Remuneration (HR&R) Committee

The Board HR&R Committee held One (1) meeting during the financial year ended June 30, 2025, details of attendance by members are as under:

Name of Member	No. of meetings attended
Mr. Ahmad Sajjad Khan – Chairman	1/1
Mr. Nadeem Atta Sheikh	1/1
Mr. Muhammad Atta Tanseer Sheikh	1/1

## Directors' Orientation Program

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the CCG Regulations) the Chairman of the Board issued welcome letter to newly elected directors setting out their role, obligations, powers and responsibilities, their remuneration and entitlement in accordance with the Act and the Company's Articles of Association, enabling them to understand their duties and responsibilities to effectively govern the affairs of the Company.

## Directors' Training Program

Seven (7), out of eight (8) directors of your Company have already either obtained exemption from Directors' Training Program (DTP) or completed certification under DTP from approved Institutions, in earlier years, whereas the remaining one Director who was elected on 28-June-2025 shall comply with the CCG Regulations within stipulated time period.

## Trading in the Company's shares

Trading in the Company's shares by the Directors and the Executive during the current financial year is given as under:

			Shares Purchased	Shares Sold
i)	Mrs. Hijab Tariq	Director	1,383	308,488
ii)	Mr. Omer Aizaz Sheikh	Executive	3,500	--

In addition to the above, Mr. Nadeem Atta Sheikh has gifted 240,000 shares to his wife, Mrs. Hafsa Nadeem. Furthermore, Mrs. Hafsa Nadeem has also received 254,873 shares as a gift from her sons.

The term "executive" as determined by the Board means the Chief Financial Officer, General Manager Works, Head of Sales and Marketing and all whole-time working Directors of the Company.

## Directors' remuneration and its policy

The Company has a formal policy and transparent procedure for determining remuneration of Non-Executive Directors, Non-Executive Independent Directors and Executive Directors. Non-Executive Directors (except Chairman) including Independent Directors are entitled to only meeting



fees along with reimbursement of travel and accommodation expense incurred for attending meetings of the Board or its Committees as approved by the Board of Directors. Executive Directors and Chairman of the Company are entitled to remuneration as per criteria set by the Board in the policy.

## Remuneration package of Directors including the Chief Executive

Below is the remuneration package of the Directors including the Chairman and the Chief Executive:

	Chief Executive	Chairman - Non-Executive Director	Independent Directors	Other Non-Executive Directors
No. of persons	1	1	2	4
Managerial Remuneration	78,284,540	--	--	--
Bonus	23,600,016	--	--	--
Other Benefits	63,190,189	53,629,518	--	--
Medical Expenses reimbursed	953,250	793,393	--	--
Contribution to PF	3,914,225	--	--	--
Chairman's Remuneration	--	78,284,540	--	--
Meeting fee	--	--	975,000	630,000
Reimbursement of travelling expenses	--	--	280,000	--

Chief Executive and certain directors are also entitled for the Company maintained cars and other benefits as per policy.

## Corporate Social Responsibility

The Company acknowledges its responsibility towards society and performs its duty by providing financial assistance to local communities for their economic and social development.

The Company is vigorously complying with its Corporate Social Responsibility (CSR). A detailed report indicating CSR activities of the Company for the year under reference is attached.

## Holding Company

ANS Capital (Private) Limited, incorporated under the laws of Pakistan having its registered office at Lahore, is the holding company of the Company and owns and controls its 110,482,320 ordinary shares constituting 60% (2024:56.41%) of its total paid-up share capital.

## Financial highlights

Key operating & financial data of the last six years is included in this report.

## External auditors

The present auditors, M/s. KPMG Taseer Hadi and Co., Chartered Accountants, retire on the conclusion of the upcoming Annual General Meeting.

As suggested by the Board Audit Committee, the Board of Directors has recommended the appointment of M/s A. F. Ferguson & Co. Chartered Accountants as the external auditors of the Company for the ensuing year.

The BAC and Board consider that the proposed change shall bring fresh perspective and insight into audit.

## Outstanding statutory dues

The outstanding statutory dues on account of taxes, duties, levies and charges are disclosed in Note No. 9 to the audited financial statements and on the face of the statement of financial position. There is no overdue amount on account of taxes and duties.

## Statement on the value of staff retirement funds

The value of investments of the provident fund based on its unaudited accounts as at June 30, 2025, is PKR 561.89 million (2024: PKR 438.29 million).

## Pattern of shareholding

The Pattern of Shareholding, along with categories of shareholding, is included in this report.

## Subsequent Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report. However, EPS has been calculated for the periods presented based on the new numbers of the ordinary shares after the stock split in the ratio of 5:1; executed on August 23, 2025 i.e. subsequent to the balance sheet date but before the date of authorization of financial statements.

## Acknowledgments

We really admire the sincere efforts and services put in by all the stakeholders, including the Company's employees, for their excellent support and efforts, hard work and trust.

For and on behalf of the Board



**Nadeem Atta Sheikh**

Chief Executive



**Talha Saeed Ahmed**

Director

Lahore: September 08, 2025

## اہم مالیاتی جھلکیاں:

اس رپورٹ میں گذشتہ 6 سال کی اہم کاروباری اور مالی معلومات فراہم کی گئیں ہیں۔

## آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آئیندہ سالانہ عام اجلاس کے اختتام پر ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو آڈیٹرز کی آئیندہ مالی سال کیلئے تقرری کی سفارش کی ہے۔

بورڈ آڈٹ کمیٹی اور بورڈ کے اراکین کی رائے ہے کہ مجوزہ تبدیلی نئے زاویے فراہم کرے گی۔

## واجب الادا قانونی محاصل:

قانونی طور پر واجب الادا اسکیز اور ڈیوٹیجز کی تفصیل مالی کھاتہ جات کے نوٹ نمبر 9 میں بیان کر دی گئی ہے۔ کسی قسم کے ٹیکسز یا ڈیوٹیجز کی ادائیگی زائد المیعا نہیں ہے۔

## ملازمین کے ریٹائرمنٹ فنڈز کی مالیت:

30 جون 2025ء تک پروویڈنٹ فنڈ کے غیر آڈٹ شدہ اکاؤنٹس کے مطابق، پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 561.89 ملین روپے ہے، جبکہ گزشتہ مالی سال 2024 میں یہ مالیت 438.29 ملین روپے تھی۔

## شیئر ہولڈنگ کی تفصیل:

کمپنی کے حصص داران کی معلومات بمع درجہ بندی اس رپورٹ میں فراہم کر دی گئی ہیں۔

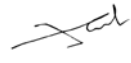
## مالی سال کے بعد کے معاملات:

زیر جائزہ مالی سال کے اختتام کے بعد اس رپورٹ کی تاریخ تک ایسے کوئی قابل ذکر تبدیلی یا مالی ذمہ داریاں نہیں رونما ہوئیں جو کمپنی کی مالی حالت پر اثر انداز ہوں۔ تاہم فی شیئر آمدنی کو 23 اگست، 2025ء کو تعداد میں 1:5 کے تناسب سے ہونے والے اضافے کی بنیاد پر شمار کیا گیا ہے، جو کہ بیلنس شیٹ کے اجراء کے بعد مگر مالیاتی گوشواروں کی منظوری سے پہلے کی گئی ہے۔

## اظہار تشکر:

ہم کمپنی کے تمام شراکت داروں بشمول کمپنی کے ملازمین کی خلوصانہ کاوشوں اور خدمات کو سراہتے ہیں جن کی بھرپور حمایت، کوششیں، محنت اور اعتماد کمپنی کو ہر وقت حاصل رہا۔

برائے وفاق بورڈ آف ڈائریکٹرز



طلحہ سعید احمد

ڈائریکٹر



ندیم عطاء شیخ

چیف ایگزیکٹو

لاہور: 08 ستمبر، 2025ء

## بورڈ آؤٹ کمیٹی کے اجلاس:

30 جون، 2025ء کو اختتام ہونے والے مالی سال کے دوران بورڈ آؤٹ کمیٹی کے 4 اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

اراکین کے نام	اجلاس میں شرکت
جناب طلحہ سعید احمد (چیئر مین)	4/4
جناب اعجاز منصور شیخ	4/4
جناب محمد عطاء ہتھیر شیخ	4/4

## ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے اجلاس:

30 جون، 2025ء کو اختتام ہونے والے مالی سال کے دوران ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا ایک اجلاس ہوا، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

اراکین کے نام	اجلاس میں شرکت
جناب احمد سجاد خان (چیئر مین)	1/1
جناب ندیم عطاء شیخ	1/1
جناب محمد عطاء ہتھیر شیخ	1/1

## آگاہی پروگرام برائے ڈائریکٹرز:

لیکچرینز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق، بورڈ کے چیئر مین نے نئے منتخب ڈائریکٹرز کو خوش آمدید کہتے ہوئے ایک خط جاری کیا، جس میں ان کے فرائض، کردار، اختیارات، معاوضے اور اختیاقات کو ایکٹ اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کے تحت واضح کیا گیا، تاکہ وہ اپنے عہدے کی ذمہ داریوں کو موثر انداز میں نبھاسکیں۔

## تربیتی پروگرام برائے ڈائریکٹرز:

آپ کی کمپنی کے آٹھ (8) ڈائریکٹرز سے سات (7) ڈائریکٹرز نے گزشتہ برسوں میں یا تو ڈائریکٹرز فریڈنگ پروگرام (DTP) سے اشتیاق حاصل کیا ہے یا منظور شدہ اداروں سے اس پروگرام کے تحت سند حاصل کر لی ہے، جبکہ باقی ایک ڈائریکٹر، جو 28 جون 2025 کو منتخب ہوئے ہیں، مقررہ مدت کے اندر CCG ریگولیشنز کے مقرر کردہ دورانیے میں ان ضوابط کی تکمیل کر لیں گے۔

## کمپنی کے حصص کی خرید و فروخت:

ڈائریکٹرز اور ایگزیکٹوز کی جانب سے زیر جائزہ مالی سال کے دوران کی جانے والی کمپنی کے حصص کی خرید و فروخت درج ذیل ہے۔

	فروخت	خرید	
i. محترمہ حجاب طارق	308,488	1,383	ڈائریکٹر
ii. جناب اعجاز شیخ	-	3,500	ایگزیکٹو

اوپر دی گئی تفصیل کے علاوہ جناب ندیم عطاء شیخ نے اپنی اہلیہ محترمہ حفصہ ندیم کو 240,000 شیئرز تحفے میں دیئے ہیں۔ اس کے علاوہ محترمہ حفصہ ندیم کو اپنے بیٹوں کی جانب سے 254,873 شیئرز تحفے میں دیئے گئے ہیں۔

بورڈ آف ڈائریکٹرز کی وضع کی گئی ”ایگزیکٹو“ کی تعریف میں چیف فنانسئل آفیسر، جنرل مینیجر ورکس، سربراہ سبزر اینڈ مارکیٹنگ اور کمپنی کے تمام ورکنگ ڈائریکٹرز شامل ہیں۔

## ڈائریکٹرز کے معاوضہ کے تعین کا نظام:

نان۔ ایگزیکٹو اینڈ اینڈ پیمنٹ اور ایگزیکٹو ڈائریکٹرز کے معاوضے کے تعین کیلئے کمپنی کی باقاعدہ پالیسی اور شفاف طریقہ کار موجود ہے، جس کے تحت تمام نان ایگزیکٹو ڈائریکٹرز (ماسوائے چیئر مین) بشمول اینڈ پیمنٹ ڈائریکٹرز صرف بورڈ آف ڈائریکٹرز کے یا ان کی کمپنی کے اجلاس میں شرکت کی فیس، سفر اور قیام کے ان تمام اخراجات کی وصولی کے اہل ہیں جن کی منظوری بورڈ آف ڈائریکٹرز نے دی ہو۔ ایگزیکٹو ڈائریکٹرز اور چیئر مین پالیسی کے مطابق وضع کئے گئے ضوابط کے مطابق معاوضوں کے اہل ہیں۔

## ڈائریکٹرز بشمول چیف ایگزیکٹو کے معاوضہ کی تفصیل:

ڈائریکٹرز کے معاوضے کی تفصیلات درج ذیل ہیں۔

کل تعداد	چیف ایگزیکٹو	چیئر مین۔ نان ایگزیکٹو ڈائریکٹرز	اینڈ پیمنٹ ڈائریکٹرز	دیگر نان ایگزیکٹو ڈائریکٹرز
1	1	2	4	
78,284,540	-	-	-	منیجریل معاوضہ
23,600,016	-	-	-	بونس
63,190,189	53,629,518	-	-	دیگر فوائد
953,250	793,393	-	-	طبی اخراجات کی ادائیگی
3,914,225	-	-	-	پروویڈنٹ فنڈ میں شراکت
-	78,284,540	-	-	چیئر مین کا معاوضہ
-	-	975,000	630,000	اجلاس میں شرکت کی فیس
-	-	280,000	-	سفری اخراجات کی ادائیگی

چیف ایگزیکٹو اور کچھ ڈائریکٹرز کو کمپنی کی پالیسی کے مطابق استعمال کے لئے کمپنی کی ملکیتی گاڑیاں اور دیگر سہولیات دی گئی ہیں۔

## کاروباری سماجی ذمہ داری:

کمپنی معاشرے سے متعلق اپنی معاشی اور سماجی ذمہ داریوں سے مکمل واقف ہے اور مقامی لوگوں کی معاشی و سماجی فلاح کے لئے مالی امداد فراہم کر کے اپنا فرض ادا کرتی ہے۔

کمپنی اپنی کاروباری سماجی ذمہ داریوں کی ادائیگی کے لئے کوشاں ہے۔ زیر جائزہ سال کے دوران جاری رہنے والی کاروباری سماجی ذمہ داریوں کی تفصیل منسلک کردی گئی ہے۔

## ہولڈنگ کمپنی:

اے این ایس (ANS) کیپٹل پرائیویٹ لمیٹڈ جس کا رجسٹرڈ آفس لاہور میں قائم ہے پاکستانی قوانین کے تحت قائم کی گئی کمپنی ہے، یہ ادارہ کو بائسینس کمپنی کی ہولڈنگ کمپنی ہے اور کمپنی کے 110,482,320 عام حصص کی مالک ہے جو کہ کمپنی کے کل عام حصص کا (2024: 56.41%) 60% ہے۔

## بورڈ آف ڈائریکٹرز کا انتخاب:

## بورڈ کمیٹی کی تفصیل:

بورڈ کی کمیٹی کی تفصیل درج ذیل ہے۔

### ۱۔ آؤٹ کمیٹی:

- جناب طلحہ سعید احمد (چیئر مین)
- جناب اعجاز منصور شیخ (رکن)
- جناب محمد عطاء تبصیر شیخ (رکن)

### ۲۔ ہیومن ریسورس اینڈ ریمونیشن کمیٹی:

- جناب احمد سجاد خان (چیئر مین)
- جناب ندیم عطاء شیخ (رکن)
- جناب محمد عطاء تبصیر شیخ (رکن)

زیر جائزہ مالی سال کے اختتام پر بورڈ آف ڈائریکٹرز نے 10 جولائی 2025ء کو منعقد اپنے اجلاس میں درج ذیل کمیٹیوں کو از سر نو تشکیل دیا ہے۔

### ۱۔ آؤٹ کمیٹی:

- جناب طلحہ سعید احمد (چیئر مین)
- جناب اعجاز منصور شیخ (رکن)
- جناب حمزہ عطاء شیخ (رکن)

### ۲۔ ہیومن ریسورس اینڈ ریمونیشن کمیٹی:

- جناب احمد سجاد خان (چیئر مین)
- جناب ندیم عطاء شیخ (رکن)
- جناب محمد رحمان شیخ (رکن)

## بورڈ اور اسکی کمیٹیوں کے اجلاس:

### بورڈ آف ڈائریکٹرز کے اجلاس:

30 جون، 2025ء کو ختم ہونے والے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے 14 اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

اجلاس میں شرکت	اراکین کے نام
4/4	جناب اعجاز منصور شیخ
4/4	جناب ندیم عطاء شیخ
4/4	محترمہ حفصہ ندیم
4/4	محترمہ مجاہد طارق
4/4	جناب محمد رحمان شیخ
4/4	جناب محمد عطاء تبصیر شیخ
4/4	جناب احمد سجاد خان
4/4	جناب طلحہ سعید احمد

کمیٹی کے بورڈ نے 28 جون، 2025ء کو منعقدہ اپنی غیر معمولی عام اجلاس میں 29 جون، 2025ء کو شروع ہونے والی تین سالہ مدت کے لئے آٹھ ڈائریکٹرز کا انتخاب کیا ہے۔ بورڈ آف ڈائریکٹرز کمیٹی ایکٹ، 2017ء اور اس کے تحت جاری کردہ قواعد و ضوابط کے تقاضوں کے مطابق ایگزیکٹو/نان ایگزیکٹو اور آزاد ڈائریکٹرز پر مشتمل ہے۔ پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کی جاری شدہ فہرست میں سے آزاد ڈائریکٹرز کا انتخاب کیا گیا ہے، جو کہ اس ایکٹ کے سیکشن 166(1) کے مطابق ہے، اس فہرست میں انتخاب کے لیے معیار ٹیکشن 166(2) میں بیان کیا گیا ہے۔

نو منتخب ڈائریکٹرز کے نام درج ذیل ہیں۔

1-	جناب احمد سجاد خان	(آزاد نان ایگزیکٹو ڈائریکٹر)
2-	جناب طلحہ سعید احمد	(آزاد نان ایگزیکٹو ڈائریکٹر)
3-	جناب اعجاز منصور شیخ	
4-	جناب ندیم عطاء شیخ	
5-	محترمہ مجاہد طارق	
6-	جناب محمد رحمان شیخ	
7-	جناب محمد عطاء تبصیر شیخ	
8-	جناب حمزہ عطاء شیخ	

## بورڈ آف ڈائریکٹرز کی تفصیل:

کمیٹی کا بورڈ 30 جون، 2025ء کو آٹھ ڈائریکٹرز پر مشتمل ہے، جس کی تفصیل درج ذیل ہے۔

مرد ڈائریکٹرز	7
خاتون ڈائریکٹرز	1
کل ڈائریکٹرز	8

### ایگزیکٹو/نان ایگزیکٹو ڈائریکٹرز:

- جناب احمد سجاد خان<sup>1</sup>
- جناب طلحہ سعید احمد<sup>1</sup>

### دیگر نان ایگزیکٹو ڈائریکٹرز:

- جناب اعجاز منصور شیخ<sup>1</sup>
- محترمہ مجاہد طارق<sup>1</sup>
- جناب محمد رحمان شیخ<sup>1</sup>
- جناب محمد عطاء تبصیر شیخ<sup>1</sup>
- جناب حمزہ عطاء شیخ<sup>2</sup>

### ایگزیکٹو ڈائریکٹرز:

- جناب ندیم عطاء شیخ<sup>1</sup>

۱۔ 28 جون، 2025ء کو بورڈ کے اراکین کی جانب سے ڈائریکٹر کے طور پر دوبارہ منتخب ہوئے۔

۲۔ 28 جون، 2025ء کو بورڈ کے اراکین کی جانب سے ڈائریکٹر کے طور پر منتخب ہوئے؛ جبکہ محترمہ حفصہ ندیم اپنی تین سالہ مدت مکمل ہونے پر ریٹائر ہوئیں۔



کمپنی کو ممکنہ لاحق کلیدی خطرات کی اقسام درج ذیل ہیں۔

- ۱۔ اسٹریٹجک رسک (حکمت عملی سے متعلق خطرات)
- ۲۔ آپریشنل رسک (کاروباری افعال سے متعلق خطرات)
- ۳۔ قوانین اور ان کی تعمیل سے متعلق خطرات
- ۴۔ پائیدار کاروبار سے متعلق خطرات

کمپنی کے اہم کاروباری خطرات کو ذیل میں بیان کیا گیا ہے:

۱۔ اسٹریٹجک رسک:

اسٹریٹجک خطرات سے مراد وہ ممکنہ منفی اثرات ہیں جو کمپنی کی طویل مدتی اہداف اور مقاصد کو حاصل کرنے کی صلاحیت پر اثر انداز ہو سکتے ہیں۔ یہ خطرات مختلف ذرائع سے پیدا ہو سکتے ہیں، جن میں مارکیٹ کے رجحانات میں تبدیلی، مسابقتی دباؤ، قانونی ضوابط میں تبدیلیاں اور اندرونی حکمت عملی کے فیصلے شامل ہیں۔ ان خطرات سے بچاؤ کے مختلف طریقے ہیں جن میں ممکنہ خطرات کی نشاندہی کرنا، ان کے اثرات کا اندازہ لگانا اور کمپنی کی مستقل کامیابی اور نمو کے لئے ان خطرات کو کم کرنے اور ان کے مطابق کمپنی کو ڈھالنے کے لئے حکمت عملی تیار کرنا شامل ہیں۔

اسٹریٹجک رسک میں توانائی یعنی کوئلہ، ایندھن اور بجلی کی قیمتوں میں تیزی سے اضافہ شامل ہے جو کہ کمپنی کے منافع اور مسابقتی صلاحیت پر بری طرح اثر انداز ہو رہا ہے اور کمپنی کو اپنے اخراجات کم کرنے کے لئے متبادل ذرائع کے استعمال پر مجبور کرنے پر مجبور کر رہا ہے۔ کمپنی فی الحال بجلی کی پیداوار کے منصوبوں میں سرمایہ کاری کر رہی ہے، جس سے نہ صرف پیش گز پر انحصار کم ہوگا، بلکہ بجلی کی لاگت میں بھی کمی ہوگی، اور کوئلے کی کھپت اور متعلقہ لاگت میں کمی کے لئے جدید ٹیکنالوجی میں بھی سرمایہ کاری کر رہی ہے۔

۲۔ آپریشنل رسک:

آپریشنل رسک میں کمپنی کے وضع کردہ طریقہ کار، افراد اور نظام (Systems) میں خرابی کے نتیجے میں پیدا ہونے والے خطرات شامل ہیں۔ بڑے نقصانات کی صورت میں کاروبار کے تسلسل، پائیداری اور رکاوٹ سے بچاؤ کو یقینی بنانے کے لئے کمپنی نے کاروباری تسلسل اور آفات سے بحالی کے منصوبے وضع کر رکھے ہیں، جو پیداوار اور فروخت کے عمل کو جاری رکھتے ہیں۔

خام مال کی فراہمی، ذمہ داریوں کی مناسب تقسیم، بجلی کی پیداواری خود کفالت اور مال کی بروقت فراہمی اور ترسیلات کی موثر آمد و رفت کی بدولت آپریشنل رسک کو قابل قبول حد تک کم رکھنے میں مدد ملی ہے۔

۲.۱ مالیاتی خطرات:

کاروباری حالات میں اتار چڑھاؤ کی بدولت کمپنی کو کریڈٹ، لیکویڈٹی اور دیگر خطرات (شرح سود، زرمبادلہ اور قیمتوں میں تبدیلی کے خطرات) کا سامنا کرنا پڑ سکتا ہے۔ ان خطرات کی تفصیل کے لئے آڈٹ شدہ مالیاتی حسابات کے نوٹ نمبر 39 کو ملاحظہ کریں، جس میں ان خطرات سے نمٹنے کے طریقہ کار کو بھی بیان کر دیا گیا ہے۔

۲.۲ کوئلے کی قیمتوں میں اضافہ:

بڑھتی ہوئی کوئلے کی قیمتیں براہ راست پیداواری لاگت پر اثر انداز ہوئی ہیں۔ کمپنی بین الاقوامی اور مقامی منڈی میں کوئلے کی قیمتوں کی مسلسل نگرانی کرتی ہے اور ایندھن کی لاگت کو کم سے کم رکھنے کے لئے کوئلے کے سستے ذرائع کا استعمال کر رہی ہے۔

۲.۳ بجلی کی لاگت:

سیمنٹ کی پیداوار کے لئے بہت زیادہ توانائی درکار ہوتی ہے۔ بین الاقوامی سطح پر بڑھتی ہوئی ایندھن کی طلب اور روپے کی قدر میں کمی کی وجہ سے اس کی قیمتوں میں مسلسل اضافہ ہو رہا ہے۔ اس مسئلے کے پیش نظر آپریشنل کمپنی متبادل ذرائع کی مسلسل تلاش میں ہے تاکہ پیش گز پر انحصار کم کیا جاسکے۔ کمپنی نے 15.34 میگا واٹ کے مولر پاور

پلانٹ کی تنصیب کی ہے، جبکہ اس کی پیداواری صلاحیت کو 20 میگا واٹ تک بڑھانے کے ہدف پر مسلسل کام ہو رہا ہے۔ مزید 28.5 میگا واٹ کے کوئلے سے چلنے والے پاور پلانٹ کی تنصیب کا آغاز ہو چکا ہے، جس سے بجلی کی لاگت میں کمی ہوگی۔

۳۔ قوانین اور ان کی تعمیل سے متعلق خطرات:

مسلسل بدلتے ہوئے ملکی قوانین کی موجودگی میں عدم تعمیل کا احتمال ہے جس سے دیگر کاروباری نقصانات کے ساتھ کمپنی کی سادھ کو بھی نقصان پہنچنے کا خطرہ ہے۔ اس لئے کمپنی نے ان قوانین کی خود کار تعمیل کا نظام تشکیل دیا ہے اور اس بات کا بھی اہتمام کیا گیا ہے کہ ملکی قانونی ڈھانچہ میں تبدیلی کا متواثر جائزہ لیا جائے تاکہ تمام قوانین پر عمل درآمد کو یقینی بنایا جاسکے۔ اس حوالے سے کمپنی اپنی ضرورت کے مطابق قانونی ماہرین کی آراء سے مستفید ہوتی ہے بلکہ بوقت ضرورت یہ ماہرین کمپنی کی نمائندگی بھی کرتے ہیں۔

۴۔ پائیدار کاروبار سے متعلق خطرات

ماحولیاتی، سماجی اور اقتصادی عوامل سے پیدا ہونے والے کاروباری استحکام سے متعلق خطرات کمپنی کی طویل مدتی منافع اندوزی اور کارکردگی کو متاثر کر سکتے ہیں۔ ان میں سے قابل ذکر خطرات درج ذیل ہیں۔

۴.۱ ماحولیاتی قوانین اور معیارات کی عدم تعمیل

ماحولیاتی قوانین اور معیارات کی عدم تعمیل کمپنی کے لیے ایک اہم خطرہ ہے، جو ممکنہ طور پر سنگین قانونی اور مالی نتائج کا باعث بنتی ہے۔ کمپنی پاکستان انوائزمنٹل پریکشن ایجنسی (EPA) اور قومی ماحولیاتی معیار کے معیارات (NEQS) کی طرف سے تجویز کردہ فاضل گیسز کے اخراج کی حدود کی تعمیل کے مضبوط عزم کے ذریعے ماحولیاتی تعمیل کے خطرے کا انتظام کرتی ہے۔ تعمیل کی تصدیق کرنے کے لئے آزاد تیسرے فریق اداروں کے جائزے باقاعدگی سے کروائے جاتے ہیں، اور مسلسل اس بات کی تصدیق کی ہے کہ کمپنی کے آپریشنز قابل اطلاق ماحولیاتی ضوابط کی ضروریات کے ساتھ مکمل طور پر مطابقت رکھتے ہیں۔

۴.۲ ملازمین کی صحت اور حفاظت

کمپنی کا سرگرمی چلنے پر ہونے والے حادثات اور املاک کو پہنچنے والے نقصان کو فعال طور پر روک کر ملازمین کی صحت اور حفاظت کو ترجیح دینے کے لیے پرعزم ہے۔ کمپنی نے بشمول محفوظ کام کے طریقوں پر جامع تربیت اور مسلسل خطرات کی تشخیص جیسے بہت سے اقدامات کو نافذ کیا ہے۔ مزید برآں، ہم اپنی افرادی قوت کی فلاح و بہبود کو یقینی بنانے کے لئے خون کے باقاعدہ معائنے کی لاگت خود ادا کرتے ہیں، ان نمونوں کی جانچ قائم کردہ ہیتھ پروٹوکول کے مطابق ایک معروف تھریڈ پارٹی لیبارٹری کے ذریعے کروائی جاتی ہے۔

۴.۳ پانی کی کمی

ایک ذمہ دار کاروباری ادارہ کے طور پر، کوئلہ سینٹ آبی وسائل کے موثر انتظام کے لیے پرعزم ہے۔ ہمارا جدید ترین واٹر فٹنٹ پلانٹ ہمیں اپنے تقریباً 60% پانی کو سیکل کرنے کی سہولت فراہم کر رہا ہے، جس کی بدولت ہمارے پورے آپریشنز میں پانی کے موثر طریقے سے دوبارہ استعمال کو ممکن بنایا جاسکتا ہے اور ہمارے مفتی ماحولیاتی اثرات کو نمایاں طور پر کم کیا جاسکتا ہے۔

اس سالانہ رپورٹ میں ماحولیاتی، سماجی اور گورننس کی تفصیلی رپورٹ شامل ہے۔

موثر داخلی مالیاتی کنٹرول کا نظام:

کمپنی میں مالیاتی کنٹرول کا موثر نظام موجود ہے جسکی نگرانی کے لئے جن افراد کو تقرر کیا گیا ہے وہ قابل اور تجربہ کار ہونے کے ساتھ ساتھ کمپنی کی پالیسیوں اور طریقہ کار سے مکمل آگاہ ہیں۔ کمپنی کی انتظامیہ باقاعدگی سے بورڈ آف ڈائریکٹرز کو مالیاتی کنٹرولز کی موزونیت کے بارے میں مسلسل آگاہ رکھتی ہے۔

## منافع کی تفویض:

2025ء کو منسوخ کر دیا گیا ہے اور کمپنی کا ترمیم کردہ ادا شدہ سرمایہ 183,861,297 عام شیئرز ہیں اور جن کی قیمت فی شیئر 10 روپے ہے۔

## شیئرز کی تقسیم اور سرمایہ حصص کی ذیلی تقسیم:

گذشتہ مالی سال کے اختتام پر، 10 جولائی، 2025ء کو منعقدہ بورڈ آف ڈائریکٹرز کے اجلاس کے دوران 5:1 کے تناسب سے شیئرز کی تقسیم (سٹاک سپلٹ) کی تجویز دی، جسے بعد میں 7 اگست، 2025ء کو منعقد ہونے والے غیر معمولی عام اجلاس کے دوران شیئرز ہولڈرز کی رضامندی سے منظور کر دیا گیا۔ اس فیصلے کے تحت اس کی تقسیم 23 اگست، 2025ء کو عمل میں لائی گئی، اور کمپنی کے شیئرز کی قیمت 10 روپے سے کم کر کے 2 روپے کر دی گئی۔ جس سے شیئرز کی کل تعداد 183,861,297 سے بڑھ کر 919,306,485 ہو گئی ہے۔

اس حکمت عملی کا مقصد سرمایہ کاری کی وسیع مواقع کے ساتھ کمپنی کے کئی سالوں میں حاصل کی گئی کامیابی کا اشتراک کرنا، جس سے کمپنی کے شیئرز تک رسائی کو آسان بنانا ہے۔

## ریٹیل ٹیٹ بزنس:

گذشتہ مالی سال کے اختتام پر، ریٹیل ٹیٹ کی باقاعدہ کاروباری سرگرمیوں کے آغاز کے لئے، جس میں تمام قسم کی غیر منقولہ جائیدادوں کی فروخت اور کرایہ کے لئے مارکیٹنگ اور تعمیر و ترقی کے لئے کمپنی نے اپنی 100% ملکیتی ذیلی کمپنی الرپراپریٹیز پرائیویٹ لیٹڈ بنائی ہے، جو کہ اگلے مالی سال کے دوران کاروباری سرگرمیوں کا آغاز کر دے گی۔

## مستقبل کا جائزہ:

مالی سال 2025-26ء کے دوران سینٹ انڈسٹری کے حوالے سے مختار بہتری کی امید کی جاسکتی ہے، جس کی بڑی وجہ قومی معیشت کا استحکام ہے۔ اس امید افزاء توقعات کے کلیدی محرکات میں متوقع اقتصادی بحالی شامل ہے، جس سے تعمیراتی شعبے اور بنیادی ڈھانچے کے منصوبوں کی ترقی بحالی ممکن ہوگی۔

اس بحالی کو مزید بہتر مالیاتی پالیسی، شرح سود میں کمی، افراط زر میں کمی، اور سرمایہ کاروں کے اعتماد میں اضافے سے تقویت ملی ہے۔ حکومت کی جانب سے گھروں کی تعمیر اور عوامی منصوبہ جات کے لئے اخراجات کی بدولت سینٹ کی مقامی طلب میں اضافی توقع کی جاسکتی ہے۔

مثبت پیشین گوئی کے باوجود، سینٹ انڈسٹری کو کافی دشواریوں جیسے زیادہ ٹیکسز، ڈیولپرز، رائلٹی اور ایندھن اور توانائی کے بڑھتے ہوئے اخراجات سینٹ کی صنعت پر دباؤ کی وجہ ہیں۔ افغانستان کے ساتھ جاری سرحدی تنازعہ عام بھی ایک اہم مسئلہ ہے، جس نے شمالی علاقوں سے سینٹ کی برآمدات میں شدید رکاوٹ ڈالی ہے۔ توقع ہے کہ یہ صورت حال اس مسئلے کے مستقل حل تک جاری رہے گی۔

ان کثیر جیتی کاڈوں کے باوجود آپ کی کمپنی نے قابل قدر مالیاتی اور کاروباری کارکردگی کا مظاہرہ کیا ہے۔ ہم ان کاڈوں کو عبور کرنے کے لئے حکمت عملی اور پائیدار ترقی کے ساتھ آگے بڑھنے کے لئے پراعتماد ہیں۔

## کاروباری خطرات سے بچاؤ کی حکمت عملی:

کمپنیز ایکٹ 2017ء اور سٹاک ایکٹ 2015ء (کوڈ آف پریپرٹ گورننس) ریگولیشنز 2019ء کے ضوابط کی تکمیل میں کمپنی نے کاروباری خطرات سے بچاؤ کی پالیسی اور ایک رسک رجسٹر تشکیل دیا ہے۔ کمپنی کی انتظامیہ کمپنی کو لائحہ عمل خطرات اور کمپنی پر ان کے اثرات کی نشاندہی کرتی ہے اور باقاعدہ طور پر بورڈ آف ڈائریکٹرز کے سامنے پیش کرتی ہے۔ بورڈ ان خطرات سے نمٹنے کے لئے حکمت عملی تیار کرتا ہے۔ یہ حکمت عملیاں، آڈٹ کمپنی کے زیر نگرانی کمپنی کے پورے تنظیمی ڈھانچے میں لاگو کی جاتی ہیں تاکہ کاروباری حالات و دیگر بیرونی عوامل بشمول کمپنی سے متعلقہ ملکی قانونی ڈھانچے میں تبدیلی سے مطابقت اختیار کی جاسکے۔

زیر جائزہ مالی سال کے دوران 15 اکتوبر، 2024ء کو منعقدہ سالانہ عام اجلاس کے دوران بورڈ کے اراکین کی منظوری سے 4.7 ملین روپے کی رقم سے کمپنی نے اپنے 12 ملین عام حصص کی واپسی خریداری مکمل کر لی ہے۔ جس کا مقصد شیئرز ہولڈرز کی قدر میں اضافے کے ساتھ فی شیئر آمدنی میں اضافہ کرنا ہے۔ اس کے علاوہ، کمپنی کے جاری منصوبہ جات جن میں خوشاب، پنجاب میں گرین فیلڈ سینٹ پروڈکشن لائن، سولر پاور اور کول فائزڈ پاور پلانٹس کی تکمیل کے لئے مقامی اور غیر ملکی کرنسی میں بھاری سرمایہ کاری کی ضرورت ہے۔ لہذا بورڈ آف ڈائریکٹرز نے 30 جون، 2025ء کو ختم ہونے والے سال کے لئے کوئی ڈیویڈنڈ تجویز نہیں کیا۔

## مستقبل کے امکانات:

مستقبل کے پیش نظر کمپنی مقامی منڈی کی دشواریوں کے باوجود اپنی کاروباری کارکردگی اور درجہ بندی کو بہتر بنانے کے لئے پرعزم ہے۔ گرین فیلڈ سینٹ پروڈکشن پلانٹ، سولر پاور پلانٹ اور کول فائزڈ پاور پلانٹ میں کاروباری حکمت عملی کے تحت سرمایہ کاری کی بدولت پیداوری صلاحیت میں نمایاں اضافہ، ذرائع توانائی کی بہتر کارکردگی اور طویل مدتی کاروباری لاگت میں کمی واقع ہوگی۔ یہ اقدامات کمپنی کی ترقی میں معاون ثابت ہوں گے اور پاکستان کے طویل المدتی توانائی اور بنیادی ڈھانچے کی ترقی کے مقاصد میں فعال کردار ادا کریں گے۔

## خوشاب میں نئے سینٹ پلانٹ کی تنصیب کا منصوبہ:

خوشاب پنجاب میں ایک نیا سینٹ مینوفیکچرنگ پلانٹ لگانے کے منصوبے پر کام جاری ہے، جس کے لیے بنیادی ڈھانچے کی تعمیر جاری ہے جبکہ پلانٹ اور مشینری کی درآمد جو کہ اس منصوبے کا اہم مرحلہ ہے کو سینٹ کی مقامی طلب اور تعمیراتی شعبے کے بہتر ہونے پر جتنی شکل دی جائے گی۔

## سولر پاور پلانٹ کی تنصیب کا منصوبہ:

کمپنی نے زیر جائزہ مالی سال کے دوران 5.34 میگا واٹ کے سولر پاور پراجیکٹ کی تنصیب کر کے اپنے قابل تجدید توانائی کے ذرائع میں کامیابی سے اضافہ کیا ہے۔ اس توسیعی حکمت عملی سے کمپنی کی کل سولر پاور پیداوری صلاحیت 15.34 میگا واٹ ہو گئی ہے۔

کمپنی اپنے قابل تجدید توانائی کے ذرائع میں اضافے کے لئے پرعزم ہے اور اپنی سولر پاور کی تنصیب شدہ صلاحیت کو 20 میگا واٹ تک اضافے کے ہدف کے حصول کے لئے مستعدی سے آگے بڑھ رہی ہے۔

سولر پاور کے یہ منصوبہ جات بنیادی طور پر انحصار کو مزید کم کر دیں گے، جس سے نہ صرف لاگت میں کمی ہوگی بلکہ سرسبز اور پائیدار پاکستان کی جانب ایک بڑا قدم ثابت ہوگا۔

## کوہاٹ فیکٹری میں کول فائزڈ پاور پلانٹ کی تنصیب کا منصوبہ:

کمپنی نے کوہاٹ فیکٹری میں 28.5 میگا واٹ پیداواری صلاحیت کے کونکے سے چلنے والے پاور پلانٹ کی تنصیب کا آغاز کیا ہے، جس کی مشینری کی ترسیل مکمل جاری ہے، جس میں سے کچھ مشینری کامیابی کے ساتھ سائٹ پر پہنچ چکی ہے۔ یہ اہم منصوبہ ہماری طے شدہ حکمت عملی کے مطابق آگے بڑھ رہا ہے، اور آنے والے مالی سال کے دوران پیداوار کا آغاز کر دے گا۔

اس منصوبے سے توانائی کی پیداوار سے بہت سے طویل مدتی فوائد کے حصول کی توقع کی جاسکتی ہے، جن میں کمپنی کی توانائی کی لاگت میں قابل قدر کمی، بنیادی طور پر انحصار میں کمی کے ذریعے کاروباری خود مختاری اور لاگت میں کمی شامل ہیں۔

## کمپنی کے اپنے شیئرز کی خریداری:

کمپنی کے بورڈ نے 15 اکتوبر 2024ء کو منعقدہ سالانہ عام اجلاس میں 23 اکتوبر، 2024ء سے 12 اپریل، 2025ء کے دوران مارکیٹ میں دستیاب قیمت پر کمپنی کے 12 ملین عام شیئرز کی خریداری کی منظوری دی۔ جس کے تحت کمپنی نے 392.45 روپے فی شیئر اوسط پر 12 ملین عام شیئرز کی خریداری مکمل کر لی ہے۔ جس کے بعد ان شیئرز کو 18 اپریل،

## ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2025ء کو ختم ہونے والے مالی سال سے متعلقہ کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ اکاؤنٹس اور آڈیٹرز رپورٹ بھد مسرت پیش کرتے ہیں۔

### مالی سال 2024-25 میں پاکستان کا اقتصادی منظر نامہ:

مالی سال 2024-25ء میں پاکستانی معیشت نے جی ڈی پی کی شرح نمو 2.68 فیصد اضافے کے ساتھ استحکام دکھایا۔ اس اوسط درجے کی بحالی کو مالیاتی پالیسی میں بہتری سے مدد ملی، جس کی بدولت جون 2024ء کی شرح سود 20.5% سے جون 2025ء میں 11.00% تک آگئی ہے۔

اس عرصے کے دوران افراط زر میں قابل ذکر تبدیلی آئی، اور اس کی شرح گزشتہ سال کی بلند سطح سے 23.4% سے کم ہو کر مالی سال 2024-25ء کے دوران 4.5% ہو گئی ہے۔ افراط زر کی وباؤ میں اس خاطر خواہ کمی سے بہتر معاشی ماحول کی توقع کی جاسکتی ہے۔

### انڈسٹری کا جائزہ:

وسیع تر اقتصادی بہتری کے باوجود سیمنٹ کی صنعت کو طے جملے حالات کا سامنا کرنا پڑا۔ مقامی صنعت کی ترسیل گزشتہ سال کی 38.7 ملین ٹن سے 2.7% کم ہو کر 37.7 ملین ٹن رہ گئی، جس سے بنیادی ڈھانچے کی ترقی میں سست روی ظاہر ہو رہی ہے۔

تاہم برآمدات میں 29.5% کی قابل ذکر نمو ہوئی ہے۔ جو پچھلے سال کے 7.1 ملین ٹن سے بڑھ کر 9.2 ملین ٹن ہو گئی ہے، اس بہتری میں مسابقتی قیمت کی حکمت عملی کا اہم کردار ہے۔

برآمدات میں اضافے نے مقامی ترسیلات میں کمی کی ازالہ کرنے کے ساتھ مجموعی ترسیلات میں 2.3% کا اضافہ کیا ہے۔ یہ کارکردگی صنعت کے استحکام کے ساتھ بحالی معیشت کے لئے اس کی ترقی کی صلاحیت کو نمایاں کرتی ہے۔

شرح تبدیلی (%)	2024	2025	
	ملین میٹرک ٹن		
(2.7%)	38.7	37.7	مقامی ترسیلات
29.5%	7.1	9.2	برآمدات
2.3%	45.8	46.9	کل ترسیلات

### پیداواری کارکردگی:

زیر جائزہ سال کے دوران کمپنی نے اپنی بنیادی سرگرمیاں یعنی سیمنٹ کی پیداوار اور فروخت جاری رکھی۔ ذیل میں کمپنی کی پیداواری کارکردگی کا خلاصہ دیا گیا ہے:

شرح تبدیلی (%)	2024	2025	
	میٹرک ٹن		
(1.9%)	2,195,590	2,153,092	کلنگری پیداوار
(8.3%)	2,559,397	2,347,987	سیمنٹ کی پیداوار
(9.3%)	2,543,930	2,307,444	اندرون ملک فروخت
(50.1%)	41,856	20,894	برآمدات
(10.0%)	2,585,786	2,328,338	کل فروخت

مالی سال 2025 کے دوران کمزور کاروباری حالات اور تعمیراتی سرگرمیوں میں سست روی سے سیمنٹ کی پیداوار 8.3% کی کمی کے ساتھ 2.35 ملین ٹن ہو گئی۔

مقامی ترسیلات میں گزشتہ سال کے مقابلے میں 9.3% کمی کے ساتھ 2.31 ملین ٹن ہو گئیں، جبکہ برآمدات میں کمی واقع ہوئی ہے۔ ترسیلات سالانہ موازنہ میں مجموعی طور پر 10% کمی کے ساتھ 2.33 ملین ٹن ہو گئیں۔

ترسیلات میں کمی کی بنیادی وجوہات میں رہائشی اور تجارتی منصوبہ جات میں سیمنٹ کی طلب میں کمی کے ساتھ علاقائی سطح پر بلند مسابقت کی وجہ سے برآمدات میں کمی شامل ہے۔

### مالیاتی کارکردگی:

زیر جائزہ مالی سال کے دوران کمپنی کی مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

شرح تبدیلی (%)	2024	2025	
	روپے (ملین)		
(2.9%)	38,648	37,536	کل فروخت
30.8%	11,256	14,722	خام منافع
	29.1%	39.2%	شرح خام منافع
18.6%	4,454	5,281	دیگر آمدنی
28.8%	13,776	17,747	منافع قبل از ٹیکس
23.8%	15,635	19,362	منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور امورٹائزیشن
30.2%	8,893	11,575	خالص منافع بعد از ٹیکس
	23.0%	30.8%	شرح خالص منافع بعد از ٹیکس
	9.06	11.97	فی شیئر آمدنی (روپے) (FY 2024 Re-stated)

مالی سال 2025ء کے دوران کمپنی نے غیر معمولی مالیاتی اور کاروباری پائیداری کا مظاہرہ کرتے ہوئے 37.54 ملین روپے کا منافع حاصل کیا، جو کہ ترسیلات کے حجم میں کمی کی وجہ سے گزشتہ سال کے مقابلے میں 2.9% کم رہیں۔

خام منافع میں کمی کے رتجان کے باوجود کمپنی کی مضبوط کاروباری کارکردگی اور موثر مالیاتی انتظام کی بدولت 30.2% کے قابل قدر اضافے کے ساتھ 11.58 ملین روپے خالص منافع حاصل ہوا ہے۔

مزید برآں، منافع بشمول ٹیکس اور EBITDA (منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور امورٹائزیشن) میں بھی اضافہ ہوا، جن کا حجم بلترتب 17.74 ملین روپے اور 19.36 ملین روپے ہے۔

یہ قابل ستائش نتائج کاروباری حکمت عملی کے اقدامات جن میں کوئلے اور توانائی کے ذرائع کا موثر انتظام اور قابل تجدید توانائی کی کارکردگی میں اضافہ شامل ہے، جنہوں نے مجموعی طور پر پیداوار کے تسلسل کو یقینی بنایا، جبکہ کاروباری اخراجات کو موثر طریقے سے کنٹرول کیا، اور دشوار کاروباری حالات کے باوجود قابل قدر منافع کا باعث بنے۔

کمپنی اپنی مالی ذمہ داریوں کی بروقت ادائیگی کر رہی ہے۔ PACRA نے کوہاٹ سیمنٹ کی طویل وقیل المدتی انفرادی کریڈٹ ریٹنگ کا جائزہ لیا اور اسے A+ جبکہ قبیل مدتی کریڈٹ ریٹنگ "A1" کو مستحکم آؤٹ لک کے ساتھ برقرار رکھا ہے۔ یہ درجہ بندیاں کمپنی کی جانب سے متوقع کم کریڈٹ رسک اور مالیاتی ذمہ داریوں کی بروقت ادائیگی کی قوی صلاحیت کو ظاہر کرتی ہیں۔



# CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

**Kohat Cement Company Limited (KCCL or “the Company”) remains dedicated to creating long-term sustainable value for the communities in which it operates through meaningful, impact-driven Corporate Social Responsibility (CSR) initiatives.**

**During the year under review, the Company enhanced its CSR footprint with a total contribution of Rs. 96.01 million (2024: Rs. 55.146 million), reflecting a significant increase in its commitment towards social development. These initiatives were primarily focused on improving the quality of life in underserved and rural areas surrounding KCCL’s operations.**

The initiatives described below reflect KCCL’s commitment to social uplift, detailing their purpose and the financial contributions made to empower surrounding communities, detailed as follows:

- |                      |   |
|----------------------|---|
| a) Community Welfare | c) Educational Assistance                                     |
| b) Health and Safety | d) Sports Initiatives   |
|                      | e) Ethics, Transparency and compliance of statutory framework |
|                      | f) Sustaining Environment to ensure long-term growth          |

## a) Community Welfare

### i) Interest-Free Microfinance for Economic Development and Employment Generation

To promote financial inclusion and entrepreneurship at the grassroots level, KCCL contributed Rs. 1.2 Million towards the operational expenses of the Akhuwat Foundation's Billitang Branch.

In addition to operational support, KCCL maintains a dedicated microfinance portfolio of Rs. 15 Million to provide interest-free loans to local individuals and families seeking to start or expand small businesses.

During the current year, a total of 295 applicants benefitted from this initiative. These loans enabled recipients to engage in income-generating activities and improve their livelihoods. Notably, the program recorded a 100% recovery rate, reflecting the trust, responsibility, and commitment of the local community.

### ii) Safe drinking water - Water Filtration (RO) Plants

KCCL installed three new Reverse Osmosis (RO) plants in Babri Banda, Ghulam Banda, and Razgeer Banda, at a total cost of Rs. 2.475 million, in this year. These installations have significantly improved access to safe and clean drinking water for hundreds of families in areas where water scarcity and water contamination are persistent issues.

With these additions, a total of five RO plants are now operational across these localities, playing a vital role in addressing the region's pressing need for clean water and supporting the health and well-being of the local population.

### iii) Installation & Maintenance of Water Motor and Pump Systems

KCCL allocated Rs. 7.2 million towards the installation and long-term maintenance of water supply systems across multiple locations, aimed at providing communities with sustainable access to clean and reliable water. The investment was utilized for the following installations:

- Solar-powered water pressure pumps at Ghurzai Village, Village Tulanj, and Village Seyab
- Hand pumps at Shaheen Sports Complex, Billitang, and Captain Zahoor-ul-Islam Football Club, Babri Banda

KCCL also undertook responsibility for the operation, cleaning, technical maintenance, and security of these facilities. To ensure uninterrupted supply, the Company engaged dedicated operators and watchmen, thereby safeguarding the systems and enabling consistent use by local communities.

### iv) Maintenance of Solar Panels and Street Lights

As part of its commitment to sustainable energy, KCCL contributed Rs. 4.659 million towards projects during the year. The contribution covered;

- Installation of a solar power system at Government Primary School (GPS), Ghulam Banda
- Provision of lithium batteries for Mosques at Babri Banda
- Repair, maintenance, and operational support for existing solar systems installed in schools, mosques, RO plants, and other community water facilities

Currently, sixteen solar power systems are operational across schools, mosques, and public service sites, reducing dependence on conventional electricity and ensuring uninterrupted access to essential services. In addition, 46 solar-powered streetlights have been installed in communities surrounding the KCCL production plant, enhancing safety and promoting energy efficiency in rural and semi-urban areas.

### v) Financial Assistance to Widows and Support for the Local Community

KCCL extended financial assistance to multiple widows through monthly stipends to help meet their essential living needs. The total annual contribution under this program amounted to Rs. 2.52 million. In addition to regular support, the Company also provided special financial assistance on occasions such as Eid, enabling beneficiaries to celebrate with dignity and inclusion.

### vi) Ramzan Support Program

During the holy month of Ramzan, KCCL contributed Rs. 3.41 million towards the distribution of grocery bags to deserving families in Ghulam Banda, Togh Bala, Jawaki, and Billitang. The initiative was carried out in a dignified and respectful manner, with particular care taken to safeguard the self-respect of recipients. To uphold community values, the grocery bags were delivered close to beneficiaries' homes, ensuring convenience and minimizing public exposure during this sacred time.



#### vii) Support for Persons with Disabilities

As part of its inclusive welfare initiatives, KCCL provided a monthly stipend to a differently-abled teacher serving in the Special Education Department. Over the year, a total of Rs. 0.24 million was disbursed under this program, reflecting the Company's commitment to recognizing the contributions of persons with disabilities and supporting their continued service to the community.

#### viii) Long Service Awards for Employees

As a token of appreciation for their continued association with the Company, KCCL recognizes employees who achieve significant service milestones through cash awards. During the year, the Company contributed Rs. 2.55 million under this tradition, reaffirming its commitment to valuing employee loyalty and long-term dedication.

#### ix) Hajj Sponsorship Program

Recognizing the spiritual values of its employees, KCCL annually sponsors the complete Hajj expenses for one selected employee through a transparent balloting process.

During the year, the Company contributed Rs.1.10 million to facilitate this religious journey.

#### x) Government Girls Higher Secondary School, Babri Banda

In line with its commitment to women empowerment through education, KCCL allocated Rs. 9.98 million for the comprehensive infrastructure development of Government Girls Higher Secondary School, Babri Banda. The project included the construction of classrooms, a prayer hall, ablution area, washrooms, boundary wall, and the maintenance of the school's playground. These improvements were aimed at creating a secure, inclusive, and supportive educational environment for girls, encouraging higher enrollment and continued education in the region.

#### xi) Government Primary School, Ghulam Banda

An amount of Rs. 1.34 million was allocated for the improvement of facilities at Government Primary School, Ghulam Banda. The support covered classroom floor maintenance and the provision of essential educational supplies aimed at enhancing the overall learning environment. Items provided included furniture, a solar

power system, sound system, classroom carpets, first aid box, and school bags for students. This intervention contributed to a more comfortable, functional, and resource-equipped setting for both students and teachers.

#### xii) Cement Donation for Community Facilities

As part of its commitment to community welfare, infrastructure development, and spiritual well-being, KCCL donated cement bags worth Rs. 0.55 million to support the construction of key community facilities.

These contributions facilitated the timely construction of religious and healthcare infrastructure, enabling worshippers to conveniently access nearby mosques and patients to benefit from improved medical facilities. This initiative reflects KCCL's continued dedication to strengthening both the spiritual and physical well-being of the communities it serves.

## b) Health & Safety

Ensuring the health and safety of employees and surrounding communities remains one of the top priorities. During the year, the Company undertook the following initiatives:

#### i) Basic Health Unit

KCCL operates a 24/7 dispensary and ambulance service, providing free healthcare to its employees and their families. This facility is equipped to handle emergencies and routine medical needs, ensuring that its workforce and their families remain healthy.







#### ii) Medical Reimbursement for Critical Illness

KCCL extended financial assistance amounting to Rs. 19.56 million during the year to support over 50 patients belonging to the local community in Kohat. This aid was provided to individuals facing serious and life-threatening health conditions, including cancer, paralysis, diabetes, and other chronic or emergency illnesses. The support covered costs such as surgeries, hospitalization, diagnostic tests, and medications, helping patients and their families manage the financial burden of medical treatment.

#### iii) Medical Equipment Donation

To strengthen local healthcare infrastructure, KCCL donated a Chemistry Analyzer Micro Lab 300 to the Rural Health Center (RHC), Billitang at a cost of Rs. 0.63 million. This advanced diagnostic equipment has significantly enhanced the center's capacity to conduct essential medical tests, leading to faster and more accurate diagnosis for patients in the surrounding communities.

#### iv) Medical Camp at Jawaki Village

In collaboration with the Pakistan Army and Oil and Gas Development Company Limited (OGDCL), KCCL organized a free medical camp in Jawaki Village, one of the underserved and remote areas of Kohat. The primary objective of the camp was to provide accessible healthcare services to residents who have limited or no access to medical facilities.

During the one-day camp, over 650 patients received free medical checkups, general health screenings,

consultations and necessary medications. With an investment of Rs. 0.50 million, this joint initiative helped address immediate health concerns in the community and underscored KCCL's commitment to improving public health in marginalized areas.

#### v) Donation to Medicare Health Foundation

KCCL contributed Rs. 0.36 million to support the operational expenses of the Medicare Health Foundation in Lahore, with the goal of strengthening its daily healthcare service delivery. This assistance helped the facility manage recurring costs and ensured the continued provision of essential healthcare services to patients from the surrounding communities, particularly, those unable to afford treatment.

#### vi) Strategic Healthcare Partnership with Alkhidmat Foundation Pakistan

KCCL has entered into a strategic collaboration with Alkhidmat Foundation Pakistan by signing a Memorandum of Understanding (MoU) worth Rs. 40.80 million. This partnership focuses on the expansion of an Emergency Block and the coverage of its operational expenses, with the aim of enhancing access to emergency healthcare services for the local population.

Under this agreement, KCCL employees and the local public will receive subsidized and discounted medical treatment, while Thalassemia patients will be treated free of cost. The MoU also includes support for the care and welfare of local orphans, reflecting a broader humanitarian commitment.



The Emergency Block is currently under construction, and once completed, it will fill a critical healthcare gap in the region especially in areas that currently lack advanced medical facilities.

## c) Educational Assistance

### i) Kohat Cement Education Trust (KCET)

KCCL contributed Rs. 8.49 million to support the operational expenses and maintenance of facilities under the Kohat Cement Education Trust (KCET). The school provides quality education from Playgroup to 10th grade for both boys and girls, serving children of KCCL employees and the local community. It is equipped with a modern computer lab, a well-resourced science lab, spacious and well-ventilated classrooms, and a dedicated playground. This support ensures a safe, stimulating, and conducive learning environment for students, fostering their academic and personal growth.

### ii) KCCL Scholarship Program

KCCL firmly believes that education is not just a right but a powerful catalyst for social transformation and generational change. With the vision of building a "Brighter, Educated Kohat", the company disbursed Rs. 22.86 million under its KCCL Scholarship Program, supporting the academic journey by awarding over 260 scholarships to deserving students from school, college, and university levels. These scholarships covered full-year tuition fees and semester expenses, removing financial barriers that often stand between a child and their dreams.



### iii) Parho Likho Pakistan Scholarships

Under this initiative, Rs. 0.60 million was allocated to support the higher education of four deserving students belonging to areas outside of Kohat, i.e. Karak, Vehari and Jhelum. This effort reflects KCCL's commitment to breaking the cycle of poverty by empowering talented, underprivileged youth with access to quality education and the opportunity to fulfill their potential.

In addition to financial support, KCCL also initiated internship opportunities for university students across Pakistan. This program is designed to provide real-world exposure, skill-building, and workplace experience, helping students bridge the gap between academia and industry.



#### iv) Sponsorship of Convocation - Government Girls Degree College, Darra Adam Khel

As part of its continued support for female education and empowerment, KCCL sponsored the convocation ceremony of Government Girls Degree College, Darra Adam Khel, with a contribution of Rs. 0.50 million.

The event was held at the Iftikhar Auditorium of Kohat University of Science and Technology (KUST), where 50 female students were formally awarded their degrees.

This initiative reflects KCCL's commitment to recognizing academic achievement and encouraging higher education among young women in the region.

### d) Sports Initiatives

#### i) Provision of Kits and Local Event Sponsorship

To encourage youth participation in sports and promote local talent, KCCL spent Rs. 1.20 million on various sports and cultural activities during the year. Key initiatives included:

- Provision of cricket and football kits to local sports clubs
- Organization of a traditional horse cart rally
- Organization of a summer sports camp at Kohat Sports Complex, providing opportunities for young athletes

These efforts were designed to nurture emerging talent, foster healthy lifestyles, and create positive engagement platforms for the youth of the region.

#### ii) KCCL Sports Festival - Kohat

KCCL organized the largest community-based sports event in Kohat by hosting the KCCL Sports Festival, with a total investment of Rs. 1.71 million. Spanning over three months, the festival offered a vibrant platform for youth engagement and athletic development.

##### The event featured:

- 50 teams in a cricket tape-ball tournament
- 42 teams in a cricket hard-ball tournament
- 40 football teams from Kohat and surrounding areas

This extensive festival served as a competitive arena for local talent, promoted healthy lifestyles, and fostered community interaction through well-organized sporting activities.



#### iii) Peshawar Premier League (PPL)

Held in Peshawar, the Peshawar Premier League (PPL) brought together 16 professional teams from across Pakistan for a 12-day tournament marked by competitive spirit and sportsmanship. With a sponsorship contribution of Rs. 0.50 million, KCCL supported this event to promote emerging athletic talent on a national platform.

The tournament served as a dynamic stage for young players to showcase their skills, gain exposure, and develop through direct competition. Importantly, it provided local clubs with the unique opportunity to play alongside and interact with teams from various regions, encouraging experience-sharing, talent development, and a stronger sense of unity within Pakistan's sporting community.

#### iv) Other Sponsorships

KCCL remained steadfast in its mission to promote sports and nurture national talent by investing Rs. 1.34 million in high-impact sporting endorsements during the year. These contributions supported both established athletes and emerging talent across various disciplines.

##### Notable sponsorships included:

- Mr. Arshad Nadeem, the celebrated javelin thrower who made the nation proud by winning a gold medal at the 2024 Olympic Games.
- Punjab Lawn Tennis Association, to support the maintenance and improvement of playing facilities, creating a more effective training environment for aspiring tennis players.





- Blue Thunder Football Club, enabling its Under-13 and Under-15 teams to participate in structured, competitive football tournaments.
- A local boxer from Jawaki, sponsored to compete at a national-level boxing tournament, helping him gain exposure and experience.

These initiatives reflect KCCL's enduring commitment to youth development, sports excellence, and national representation, from grassroots participation to international achievement.

## e) Ethics, Transparency and Compliance of Statutory Framework

The Company is committed to upholding the highest standards of ethics and transparency in all our operations. HR practices, including employee recruitment, development, compensation and promotion are based on merit, fairness and transparency. The Company actively promote a culture of diversity and equal opportunity, ensuring a safe workplace free from discrimination and harassment. Any form of discrimination or harassment is strictly prohibited and is dealt with in accordance with company policies.

The company also places a strong emphasis on educating its employees about ethical proactive and compliance with applicable laws. Through various indoor and outdoor activities, including workshops

and training sessions, employees are encouraged to embrace teamwork, continuous learning and adhere to legal and ethical standards.

### i) National Recognition

With an entry fee of Rs. 0.13 million, KCCL proudly participated in the National Forum for Environment and Health (NFEH), where it submitted its comprehensive CSR portfolio, showcasing a wide range of community development and sustainability initiatives. In recognition of its impactful and consistent efforts, KCCL was honored with an award in the "CSR Initiatives" category.

This acknowledgment underscores the company's commitment to sustainable development, environmental stewardship, and community well-being.

## f) Sustaining Environment to Ensure Long-Term Growth

KCCL is deeply committed to environmental sustainability and acknowledges the critical responsibility of preserving natural resources for the benefit of future generations. The company promotes eco-friendly practices in its daily work and community projects, supporting both national and global efforts to protect the environment and fight climate change.

### i) Tree Plantation Drive

As part of its commitment to environmental sustainability and nature conservation, KCCL launched a large-scale plantation drive in collaboration with the Forest Department under the motto "Green Pakistan & Green Kohat." During the year, over 9,500 trees were planted across various locations in and around Kohat. With a total investment of Rs. 0.99 million, this initiative showcases KCCL's continued efforts to support climate action and foster a cleaner, greener, and healthier environment for the local community.

### ii) Canal & Irrigation Channel Cleaning

To support the agricultural needs of local farmers in Kohat, Rs. 0.10 million was allocated for the cleaning of canals and irrigation channels in the surrounding areas. This initiative aimed to ensure the uninterrupted flow of water essential for seasonal cultivation and soil preparation. By restoring the water pathways, farmers were able to sow seasonal crops efficiently without facing delays or water scarcity, thereby contributing to improved agricultural productivity and rural livelihoods.

### iii) Eid-ul-Azha Waste Management

KCCL took a proactive step in managing waste generated during Eid-ul-Adha by developing a localized waste disposal system specifically for sacrificial animal remains. With an expenditure of Rs. 0.10 million, this initiative played a vital role in maintaining public cleanliness, controlling unpleasant odors, and preventing environmental contamination during the festive period.

By ensuring proper waste management, KCCL helped create a healthier and more dignified environment for the local community to celebrate in, reflecting the company's ongoing commitment to public health, hygiene, and environmental care.

## Contribution to National Exchequer

KCCL is also a significant contributor to the national economy. During the financial year, the Company contributed Rs. 27,004 million (2024: Rs. 19,998 million) in form of duties and taxes to the National Exchequer and further an amount of Rs. 627.73 million (2024: Rs. 544.17 million) was deposited in National Treasury being income tax deducted on payments made to various persons in accordance with income tax laws. Furthermore, KCCL earned foreign exchange worth USD 0.83 million (2024: USD 1.69 million), equivalent to Rs. 232 million (2024: Rs. 482.30 million), through the export of cement, contributing to the country's economic growth.



**Nadeem Atta Sheikh**

Chief Executive

Lahore: September 08, 2025



**Talha Saeed Ahmed**

Director









# ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

At Kohat Cement Company Limited, sustainability is embedded in our business philosophy. We aim to deliver long-term growth while ensuring responsible practices that protect the environment, support our people and communities, and uphold the highest standards of governance.

This report outlines our key ESG initiatives in line with SECP's ESG Guidelines and reflects our ongoing commitment to a sustainable future for all stakeholders.

## **Environmental Initiatives:**

The Company is committed to minimizing adverse environmental impact from its operations. Despite growth and plant expansion, we adhere to all the regulatory compliance requirements set by the regulators including the Environmental Protection Agency (EPA).

An independent environmental testing firm duly certified by EPA, continually monitors the plant's emissions and through its periodic reports, have confirmed that plant's emissions including CO, NOx, SOx, PM, PM10, PM2.5, smoke opacity and waste water analysis are within National Environmental Quality Standards (NEQS).

**Waste Heat Recovery Systems** - We operate a Waste Heat Recovery System (WHRS) that converts kiln waste heat into electricity, reducing our carbon footprint and alleviating pressure on the National Grid.

**Bag Filter System** - To maintain a pollution-free environment, we have installed Bag Filter dust collection equipment at key dust-producing areas.

**Water Recycling Plants** - The Company operates an advanced water recycling facility at its factory site, through which approximately 60% of wastewater is recycled each year. This initiative fulfills nearly 20% of the Company's total water requirements, thereby conserving freshwater resources and promoting responsible water management.

**RO Water Purifier Systems** - Our advanced RO water purifiers at factory site and surrounding areas provide clean drinking water for employees and the local community.

**Solar Power Plant** - During the year, we successfully commissioned a 5.34 MW solar power project, increasing the total installed solar capacity to 15.34 MW. This expansion marks significant progress toward the Company's renewable energy target of 20 MW, further strengthening its commitment to sustainable operations. This renewable energy initiative not only reduces overall CO<sub>2</sub> emissions but also helps alleviate the burden on the National Grid.

**Energy Mix** - We maintain a strategic energy mix that includes both renewable and conventional energy sources. 43% of our power requirement comes from renewable energy (including solar - 9.6%, and Waste Heat Recovery Systems - 33.4%), whereas 23.7% electricity is generated from Coal-Fired Boiler & Furnace Oil Power Plant and the balance 33.3% is drawn from the National Grid.

**GO GREEN Plantation Drive** - In collaboration with local communities, we have planted number of trees at our factory site to enhance air quality.

## Social Responsibility

**Fair Compensation and Benefits** - Kohat Cement is dedicated to establishing a safe and supportive work environment that aligns with industry best practices. Our goal is to provide an environment where team members can thrive both personally and professionally. The Company is committed to fair compensation practices and offers competitive salary packages along with comprehensive benefits, including provident fund, health and life insurance, and paid leave.

The gender pay gap ratio, based on positions held by male and female employees in relative grades, is as follows:

Indicator	Percentage
Mean Gender Pay Gap	12.8%
Median Gender Pay Gap	16.4%

**Employee Turnover** - Our annual employee turnover rate is 12.93% (2024: 11.63%), reflecting employee satisfaction and effective retention strategies.

**Gender Diversity** - Kohat Cement fosters a diverse, equitable, and inclusive workplace through bias-free recruitment practices, gender-neutral job descriptions, and outreach to underrepresented talent pools. The Company fosters an inclusive workplace through its Gender Diversity Policy, which ensures equal opportunity irrespective of gender, race, ethnicity, or disability. Our head office workforce is 84% male and 16% female. We are working proactively to recruit more women and underrepresented groups to reduce the gender gap. A notable example of our commitment to diversity is the appointment of a female Company Secretary, underscoring representation at senior leadership levels.

**Non-Discrimination** - Formal policies on non-discrimination, anti-harassment, and equal opportunity are reinforced by fair and confidential grievance mechanisms, ensuring timely resolution of employee concerns without fear of retaliation. No cases of violence or harassment were reported during the year.

We actively encourage the participation of differently abled individuals within our workforce. Currently, 0.9% of employees are differently abled. We ensure that all employees, regardless of disability are treated with respect, dignity and fairness.

**Health and Safety** - We implement rigorous health and safety protocols through HSE department, including mandatory vaccinations and regular health screenings at no cost to employees.

**Child & Forced Labor** - We strictly prohibit child and forced labor, complying with all relevant labor laws.

**Corporate Social Responsibility** - We actively support local community development through financial assistance. A detailed CSR report, including allocated amounts, is part of this Annual Report.

**Employee Training and Succession Planning** - We conducted 80 training sessions in skills upgradation, soft skills and 19 for health and safety measures, training a total of 2,418 participants. 97.6% of trained employees were men and 2.4% were women.

Our succession planning process not only supports the long-term stability of the Company but also empowers our employees by providing them with clear career pathways and opportunities for advancement.

**Working Conditions** - We prioritize creating a positive and safe working environment. We maintain mechanisms for reporting concerns. During the year, no complaints were made demonstrating our commitment to addressing and resolving issues effectively.

**Injury Rate** - Occupational health and safety is our top priority. We recorded two safety-related incidents during the year. All employees are covered by comprehensive health and life insurance.

## Governance

**Governance Framework** - Kohat Cement is committed to the highest standards of corporate governance, guided by



principles of integrity, accountability, and transparency. The Company goes beyond regulatory compliance to uphold fairness and ethical practices across all operations.

The Board of Directors provides strategic oversight of governance and sustainability matters, ensuring alignment of policies with evolving regulations, best practices, and stakeholder expectations. This oversight is reinforced by Independent Audit and HR&R Committees, which play a vital role in enhancing accountability, transparency, and robust decision-making.

In particular, the HR&R Committee has been entrusted with the responsibility of identifying, assessing, and managing sustainability-related risks and opportunities. By embedding ESG considerations into the governance framework, the Committee supports the creation of long-term, sustainable value for all stakeholders.

**Board Composition** - Kohat Cement places a strong emphasis on fostering an active, well-informed, and independent Board as fundamental to maintaining the highest standards of corporate governance. The Board's strength lies in its diversity of skills, gender representation, and extensive professional experience, ensuring sound decision-making and independent oversight.

The Board comprises eight Directors, including one Executive Director, five Non-Executive Directors, including one female Director, and two Independent Directors. Overall, 12% of the Board members are female and 88% are male. The Chairman of the Board is a Non-Executive Director. This balanced composition not only complies with applicable regulatory requirements but also reflects the Company's commitment to fostering diversity, independence, and strong governance practices.

**Board Committees** - The governance framework is reinforced through two key Committees; the Board Audit Committee (BAC) and the Human Resource & Remuneration (HR&R) Committee. Both Committees are chaired by Independent Directors, ensuring strong oversight,

accountability, transparency, in their respective areas of responsibility. All Committee Chair positions (100%) are held by men, consistent with the current gender composition of the Board.

Our Board composition and Committee structure comply with applicable regulatory requirements and reflect the Company's ongoing commitment to independence, diversity, and sustainable governance practices.

**Code of Conduct** - Kohat Cement's Code of Conduct forms the foundation of its governance framework, embedding integrity, accountability, and ethical conduct across all operations. The Code strictly prohibits bribery, corruption, and discriminatory practices, while promoting fairness, transparency, and respect in all business dealings. Data privacy and confidentiality are protected through robust policies that safeguard employee, customer, and stakeholder information. Ethical supply chain management is ensured through the Supplier Code of Conduct, which requires vendors and partners to uphold principles of integrity, fair labor, and sustainability. In addition, comprehensive policies on whistleblowing, anti-harassment, and human rights provide secure and transparent mechanisms for reporting concerns. Through these measures, Kohat Cement ensures that ethical practices, compliance, and sustainability remain central to its operations and stakeholder relationships. During the year, the Company maintained 100% compliance, reaffirming its dedication to ethical and responsible business conduct.

Kohat Cement Company Limited is committed to driving positive change through its ESG practices. We look forward to advancing these goals, creating value for stakeholders and contributing to a sustainable future.



**Nadeem Atta Sheikh**

Chief Executive

Lahore: September 08, 2025



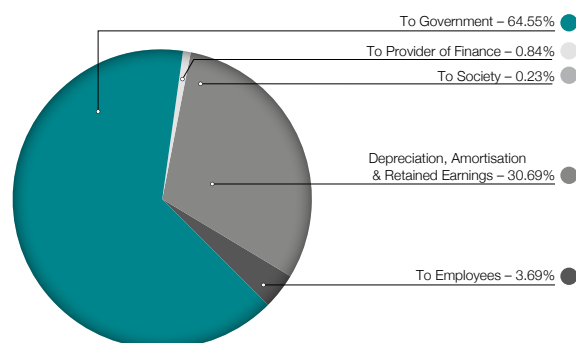
**Talha Saeed Ahmed**

Director

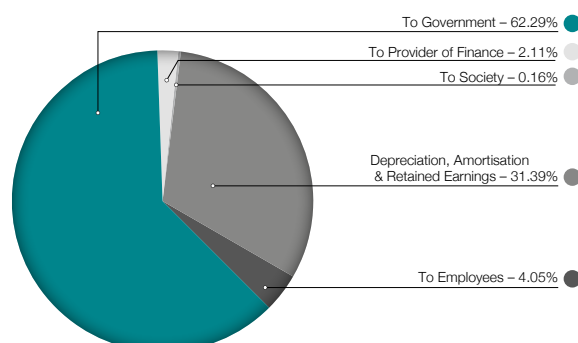
# STATEMENT OF VALUE ADDITION AND DISTRIBUTION OF WEALTH

	FY 2025		FY 2024	
	Rupees	%	Rupees	%
<b>Wealth Generated</b>				
Gross Revenue Generated	62,549,092,472		57,590,331,561	
Materials & Services	(20,714,831,659)		(25,486,754,454)	
	41,834,260,813		32,103,577,107	
<b>Wealth Distribution</b>				
To Employees as Remuneration	1,545,647,079	3.69%	1,300,890,019	4.05%
To Government as Taxes & Levies	27,003,987,941	64.55%	19,997,529,580	62.29%
Income Tax	6,171,669,343	14.75%	4,882,830,313	15.21%
Sales Tax	9,823,008,806	23.48%	9,014,692,480	28.08%
Federal excise duty	9,231,787,840	22.07%	5,087,859,420	15.85%
Royalty and excise duty	838,362,891	2.00%	447,776,282	1.39%
Workers welfare fund	258,822,015	0.62%	173,023,244	0.54%
Workers profit participation fund	680,337,050	1.63%	391,347,845	1.22%
To Provider of Finance as Finance Cost	349,910,716	0.84%	677,380,845	2.11%
To Society under CSR Programme	94,566,263	0.23%	51,534,700	0.16%
Depreciation, Amortisation & Retained Earnings	12,840,148,814	30.69%	10,076,241,963	31.39%
	41,834,260,813	100.00%	32,103,577,107	100.00%

**Wealth Distribution - 2025 (Percentage)**



**Wealth Distribution - 2024 (Percentage)**



# KEY FINANCIAL DATA

## for the Last Six Years

	2025	2024	2023	2022	2021	2020
<b>Statement of Financial Position (Rs. 000)</b>						
Shareholders equity	47,955,195	41,090,305	32,610,045	27,246,220	22,223,539	18,726,673
Non-current liabilities	7,177,416	6,657,354	7,007,559	6,616,457	6,291,138	6,750,446
Current liabilities	11,661,701	11,095,636	9,912,471	9,487,991	7,572,244	6,279,548
Non-current assets	28,179,519	26,630,898	26,616,699	25,574,836	26,238,123	26,519,044
Current assets	38,614,792	32,212,397	22,913,377	17,775,831	9,848,799	5,237,624
<b>Statement of Profit or loss (Rs. 000):</b>						
Sales - net	37,535,700	38,647,768	38,921,635	32,876,949	24,057,376	11,300,241
Gross profit / (loss)	14,721,606	11,256,491	10,432,694	9,811,769	5,965,349	(24,320)
EBITDA	19,361,729	15,636,453	12,325,649	10,581,310	6,633,703	651,468
EBIT	18,096,734	14,453,666	11,209,636	9,463,200	5,403,010	(147,613)
Profit/(loss) before tax	17,746,823	13,776,285	10,469,328	8,925,489	4,885,955	(557,315)
Profit/(loss) after tax	11,575,154	8,893,455	5,820,751	5,024,280	3,497,507	(443,736)
<b>Cash flows (Rs. 000):</b>						
Cash flows from Operation	16,574,726	11,482,975	9,061,900	9,429,253	6,012,031	246,219
Operating activities	9,378,289	6,647,173	4,452,082	8,181,358	5,089,316	(502,396)
Investing activities	(4,398,596)	(5,030,324)	(2,470,516)	(7,092,989)	(3,950,178)	(18,793)
Financing activities	(4,631,639)	(1,447,737)	(1,528,794)	(1,805,333)	(943,014)	838,909
Cash and cash equivalents at the beginning of the year	1,102,649	933,537	480,766	1,197,729	1,001,606	683,886
Cash and cash equivalents at the end of the year	1,450,703	1,102,649	933,537	480,766	1,197,729	1,001,606
<b>Profitability Ratio</b>						
Gross profit ratio	39.22%	29.13%	26.80%	29.84%	24.80%	-0.22%
Net profit to sales ratio	30.84%	23.01%	14.96%	15.28%	14.54%	-3.93%
EBITDA to sales ratio	51.58%	40.46%	31.67%	32.18%	27.57%	5.77%
Return on equity	24.14%	21.64%	17.85%	18.44%	15.74%	-2.37%
Return on capital employed	27.98%	25.99%	27.99%	30.75%	20.60%	-1.43%
Return on Assets	27.09%	24.56%	22.63%	21.83%	14.97%	-0.46%
<b>Liquidity Ratios</b>						
Current ratio	3.31	2.90	2.31	1.87	1.30	0.83
Quick ratio	2.67	2.22	1.54	1.28	0.75	0.31
Cash flow from operations to sales ratio	44.16%	29.71%	23.28%	28.68%	24.99%	2.18%
<b>Investment/market ratios</b>						
Earnings per share *	11.97	9.06	5.80	5.00	3.48	(0.44)
Price Earning Ratio*	6.32	5.41	5.99	5.20	11.86	(62.22)
Price to Book ratio *	1.10	0.82	0.14	0.12	0.23	0.17
Cash Dividend	-	-	-	-	-	-
Stock Dividend	-	-	-	-	-	-
Market Value per Share *						
- Closing	75.67	49.00	34.69	26.03	41.30	27.49
- High	90.00	51.02	35.76	46.89	52.40	30.40
- Low	46.47	31.70	22.61	25.24	27.30	8.02
Breakup value per share of Rs. 2 each *	49.58	41.84	32.47	27.13	22.13	18.65
<b>Capital Structure Ratios</b>						
Debt to equity ratio	4:96	5:95	9:91	13:87	21:79	27:73
Interest coverage ratio	51.72	21.34	15.14	17.60	10.45	(0.36)
Debt Service Coverage Ratio	13.58	8.86	7.25	5.81	7.08	0.37
<b>Activity/Turnover Ratios</b>						
Inventory turnover ratio	5.00	5.10	5.08	5.80	5.75	3.46
No. of days in inventory	72.98	71.58	71.80	62.96	63.47	105.50
Debtor turnover ratio	22.18	18.31	32.29	35.89	24.46	22.86
No. of days in receivables	16.46	19.93	11.31	10.17	14.92	15.97
Creditors turnover ratio	10.49	14.99	39.94	17.41	10.82	8.86
No. of Days in Payables	34.79	24.36	9.14	20.97	33.74	41.21
Cash Operating cycle /Cash Conversion Cycle	54.64	67.15	73.96	52.16	44.66	80.26
Total assets turnover ratio	0.56	0.66	0.79	0.76	0.67	0.36
Fixed assets turnover ratio	1.80	1.83	1.92	1.55	1.11	0.50

Note\*: Ratios for all periods presented have been adjusted to reflect the 5:1 stock split executed on August 23, 2025.

# GLOSSARY OF TERMS

## Gross profit ratio

Gross profit represents the profit remaining after the production costs have been subtracted from revenue. The Gross profit ratio is the relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

## Net profit margin

This ratio is determined by dividing net income (after tax) with net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better. Trends in margin can be attributed to rising/falling production costs or rising/ falling price of the goods sold.

## Return on equity

A percentage that indicates how well common stockholders' invested money is being used. ROE is a measure of financial performance calculated by dividing net income (after tax) by shareholders' equity. Whether ROE is considered satisfactory will depend on what is normal for the industry as a whole. Net income is calculated before dividends paid to common shareholders and after dividends to preferred shareholders and interest to lenders.

## Return on capital employed

Return on capital employed (ROCE) is a financial ratio that can be used in assessing a company's profitability and capital efficiency. ROCE measures company's profitability considering both equity and debt. This can help neutralize financial performance analysis for companies with significant debt. There are two components required to calculate return on capital employed: earnings before interest and tax and average capital employed i.e. shareholders' equity plus long-term debts.

## Current ratio

This ratio is calculated by dividing current assets with current liabilities of the company. This ratio indicates company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better.

## Cash flow from operations to sales ratio

This ratio is calculated by dividing operating cash flows of a company to its sales revenue. This ratio indicates about the ability of a company to generate cash from its sales. In other words, it shows the ability of a company to turn its sales into

cash. It is expressed as a percentage. The higher this ratio is the better it is for the company.

## Earnings per share

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

## Price Earning Ratio

The price-earnings ratio is the ratio of a company's share market value to the company's earnings per share. This ratio is used for valuing companies and to find out whether they are overvalued or undervalued. A high P/E ratio could mean that a company's stock is overvalued, or else that investors are expecting high growth rates in the future.

## Price to Book ratio

This ratio is calculated by market value of share divided by total assets minus intangible assets. The ratio is used to compare a business's net assets that are available in relation to the sales price of its stock.

## Debt to equity ratio

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For comparative purposes, debt-equity ratio is most useful for companies within the same industry.

## Interest coverage ratio

The interest coverage ratio is a measure of a company's ability to honor its interest payments. It is calculated as EBIT divided by the total interest expense /finance Cost.

## Debt Service Coverage Ratio

Debt Service Coverage Ratio is the ratio of operating income available to debt servicing for interest, principal and lease payments. It is a popular benchmark used in the measurement of an entity's ability to produce enough cash to cover its debt payments. It is calculated by dividing EBITDA with repayment of Long Term Loans and related Finance costs during the year.

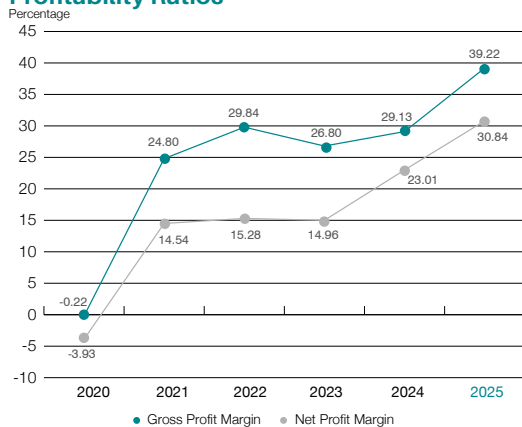
## Return on assets

Return on assets is the amount of profits earned (before interest and taxes), expressed as a percentage of total assets. This is a widely followed measure of profitability, thus the higher the number the better. As long as a company's ROA exceeds its interest rate on borrowing, it's said to have positive financial leverage.

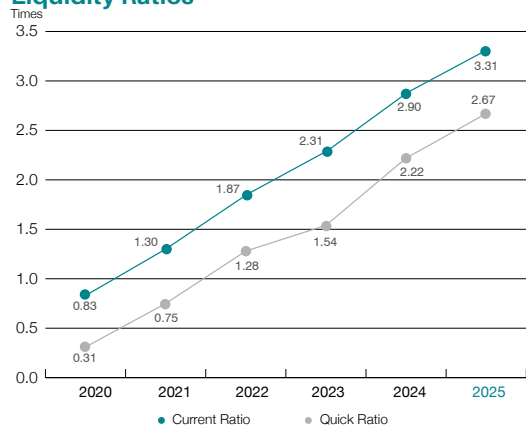


# GRAPHICAL ANALYSIS

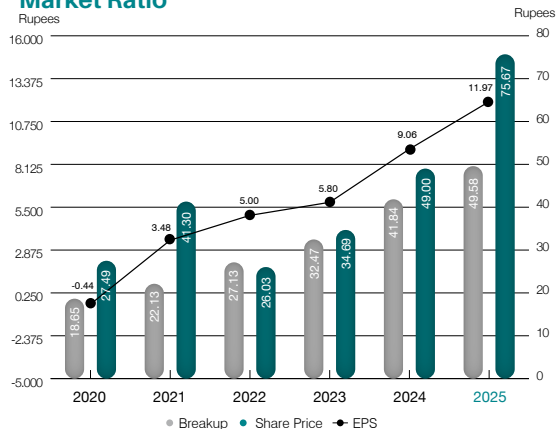
## Profitability Ratios



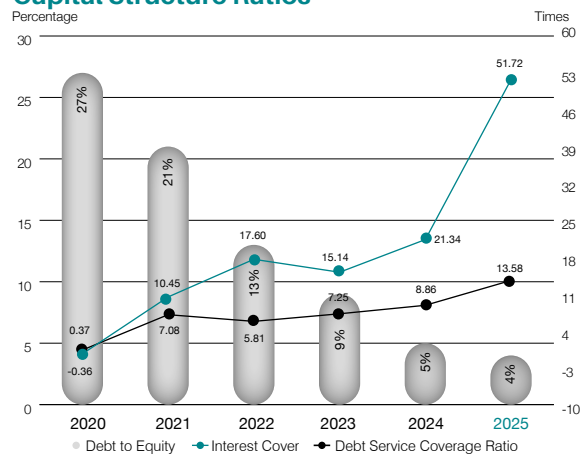
## Liquidity Ratios



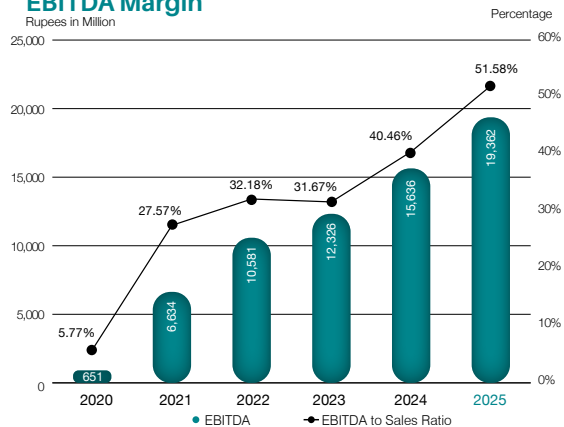
## Market Ratio



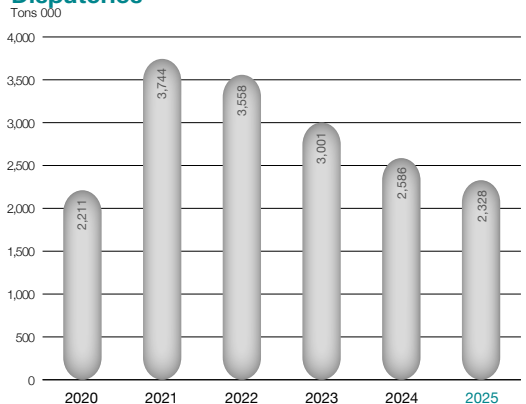
## Capital Structure Ratios



## EBITDA Margin



## Dispatches



# HORIZONTAL & VERTICAL ANALYSIS

## Statement of Financial Position

	2025		2024		2023		2022		2021		2020	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
<b>Horizontal Analysis</b>												
<b>Equity &amp; Liabilities</b>												
Shareholders equity	47,955,195	16.71	41,090,305	26.01	32,610,045	19.69	27,246,220	22.60	22,223,539	18.67	18,726,673	(4.81)
Non-current liabilities	7,177,416	7.81	6,657,354	(5.00)	7,007,559	5.91	6,616,457	5.17	6,291,138	(6.80)	6,750,446	10.33
Current liabilities	11,661,701	5.10	11,095,636	11.94	9,912,471	4.47	9,487,991	25.30	7,572,244	20.59	6,279,548	13.68
	66,794,312	13.51	58,843,295	18.80	49,530,076	14.25	43,350,668	20.13	36,086,921	13.64	31,756,667	1.41
<b>Assets</b>												
Non-current assets	28,179,519	5.82	26,630,898	0.05	26,616,699	4.07	25,574,836	(2.53)	26,238,123	(1.06)	26,519,044	3.15
Current assets	38,614,792	19.88	32,212,397	40.58	22,913,377	28.90	17,775,831	80.49	9,848,799	88.04	5,237,624	(6.58)
	66,794,312	13.51	58,843,295	18.80	49,530,076	14.25	43,350,668	20.13	36,086,921	13.64	31,756,667	1.41
<b>Vertical Analysis</b>												
<b>Equity &amp; Liabilities</b>												
Shareholders equity	47,955,195	71.80	41,090,305	69.83	32,610,045	65.84	27,246,220	62.85	22,223,539	61.58	18,726,673	58.97
Non-current liabilities	7,177,416	10.75	6,657,354	11.31	7,007,559	14.15	6,616,457	15.26	6,291,138	17.43	6,750,446	21.26
Current liabilities	11,661,701	17.46	11,095,636	18.86	9,912,471	20.01	9,487,991	21.89	7,572,244	20.98	6,279,548	19.77
	66,794,312	100.00	58,843,295	100.00	49,530,076	100.00	43,350,668	100.00	36,086,921	100.00	31,756,667	100.00
<b>Assets</b>												
Non-current assets	28,179,519	42.19	26,630,898	45.26	26,616,699	53.74	25,574,836	59.00	26,238,123	72.71	26,519,044	83.51
Current assets	38,614,792	57.81	32,212,397	54.74	22,913,377	46.26	17,775,831	41.00	9,848,799	27.29	5,237,624	16.49
	66,794,312	100.00	58,843,295	100.00	49,530,076	100.00	43,350,668	100.00	36,086,921	100.00	31,756,667	100.00

## Statement of Profit or Loss

	2025		2024		2023		2022		2021		2020	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
<b>Horizontal Analysis</b>												
Sales - Net	37,535,700	(2.88)	38,647,768	(0.70)	38,921,635	18.39	32,876,949	36.66	24,057,376	112.89	11,300,241	(27.77)
Cost of Sales	(22,814,094)	(16.71)	(27,391,276)	(3.85)	(28,488,941)	23.51	(23,065,181)	27.49	(18,092,027)	59.76	(11,324,561)	(1.29)
Gross profit	14,721,606	30.78	11,256,491	7.90	10,432,694	6.33	9,811,769	64.48	5,965,349	(24,628.26)	(24,320)	(100.58)
Selling and distribution expenses	(225,600)	14.37	(197,259)	12.00	(176,123)	44.20	(122,137)	29.70	(94,166)	46.54	(64,260)	(24.70)
Administrative and general expenses	(695,553)	42.52	(488,043)	23.17	(396,230)	12.08	(353,523)	12.76	(313,525)	31.33	(238,728)	(6.07)
Other expenses	(984,438)	73.15	(568,561)	(22.80)	(736,513)	30.81	(563,052)	73.07	(325,323)	1,876.86	(16,457)	(96.42)
Operating profit	12,816,015	28.13	10,002,629	9.63	9,123,828	4.00	8,773,057	67.67	5,232,335	(1,622.07)	(343,765)	(110.19)
Other income	5,280,719	18.64	4,451,037	113.40	2,085,808	202.23	690,143	304.36	170,675	(12.99)	196,152	(43.73)
Finance cost	(349,911)	(48.34)	(677,381)	(8.50)	(740,308)	37.68	(537,711)	3.99	(517,055)	26.20	(409,702)	789.40
Profit before tax	17,746,823	28.82	13,776,285	31.59	10,469,328	17.30	8,925,489	82.68	4,885,955	(976.70)	(557,315)	(115.16)
Taxation	(6,171,669)	26.40	(4,882,830)	5.04	(4,648,577)	19.16	(3,901,209)	180.98	(1,388,447)	(1,322.45)	113,579	(109.41)
Profit after tax	11,575,154	30.15	8,893,455	52.79	5,820,751	15.85	5,024,280	43.65	3,497,507	(888.20)	(443,736)	(117.97)
<b>Vertical Analysis</b>												
Sales - Net	37,535,700	100.00	38,647,768	100.00	38,921,635	100.00	32,876,949	100.00	24,057,376	100.00	11,300,241	100.00
Cost of Sales	(22,814,094)	(60.78)	(27,391,276)	(70.87)	(28,488,941)	(73.20)	(23,065,181)	(70.16)	(18,092,027)	(75.20)	(11,324,561)	(100.22)
Gross profit	14,721,606	39.22	11,256,491	29.13	10,432,694	26.80	9,811,769	29.84	5,965,349	24.80	(24,320)	(0.22)
Selling and distribution expenses	(225,600)	(0.60)	(197,259)	(0.51)	(176,123)	(0.45)	(122,137)	(0.37)	(94,166)	(0.39)	(64,260)	(0.57)
Administrative and general expenses	(695,553)	(1.85)	(488,043)	(1.26)	(396,230)	(1.02)	(353,523)	(1.08)	(313,525)	(1.30)	(238,728)	(2.11)
Other expenses	(984,438)	(2.62)	(568,561)	(1.47)	(736,513)	(1.89)	(563,052)	(1.71)	(325,323)	(1.35)	(16,457)	(0.15)
Operating profit	12,816,015	34.14	10,002,629	25.88	9,123,828	23.44	8,773,057	26.68	5,232,335	21.75	(343,765)	(3.04)
Other income	5,280,719	14.07	4,451,037	11.52	2,085,808	5.36	690,143	2.10	170,675	0.71	196,152	1.74
Finance cost	(349,911)	(0.93)	(677,381)	(1.75)	(740,308)	(1.90)	(537,711)	(1.64)	(517,055)	(2.15)	(409,702)	(3.63)
Profit before tax	17,746,823	47.28	13,776,285	35.65	10,469,328	26.90	8,925,489	27.15	4,885,955	20.31	(557,315)	(4.93)
Taxation	(6,171,669)	(16.44)	(4,882,830)	(12.63)	(4,648,577)	(11.94)	(3,901,209)	(11.87)	(1,388,447)	(5.77)	113,579	1.01
Profit after tax	11,575,154	30.84	8,893,455	23.01	5,820,751	14.96	5,024,280	15.28	3,497,507	14.54	(443,736)	(3.93)

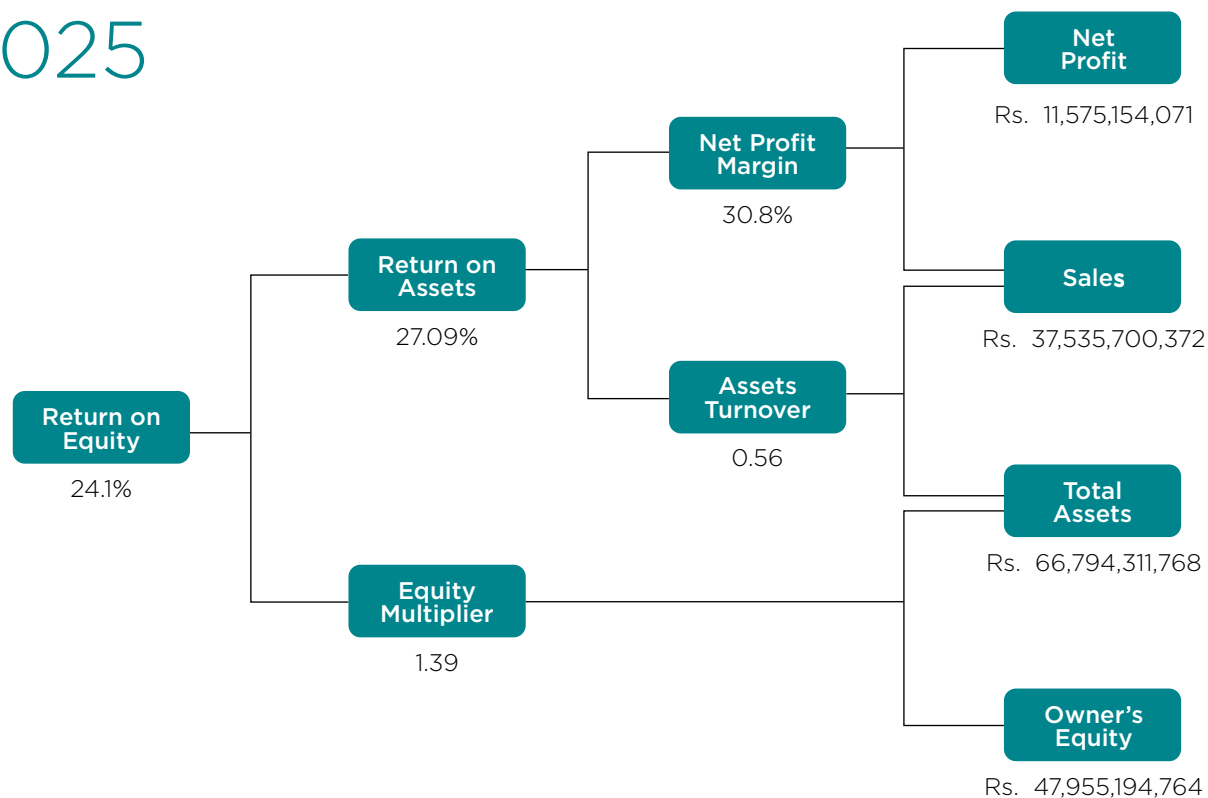
# ANALYSIS OF QUARTERLY RESULTS

Particulars	Amount "000"					
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2024-25	FY 2023-24
<i>Metric tons</i>						
<b>Dispatches - Tons</b>	591,620	632,992	541,105	562,621	2,328,338	2,585,786
- Local	579,702	628,215	540,230	559,297	2,307,444	2,543,929
- Export	11,918	4,777	875	3,324	20,894	41,857
<i>PKR' 000</i>						
Sales Revenue - Net	10,083,701	10,579,690	8,152,123	8,720,186	37,535,700	38,647,768
Cost of Sales	5,770,152	6,114,771	4,929,571	5,999,601	22,814,094	27,391,276
<b>Gross Profit</b>	4,313,549	4,464,919	3,222,552	2,720,586	14,721,606	11,256,491
Gross Profit Margin	43%	42%	40%	31%	39%	29%
- Selling and Distribution Cost	46,280	54,413	53,519	71,388	225,600	197,259
- Administration and General Expenses	180,782	191,436	173,017	150,318	695,553	488,043
- Other Operating Expenses	281,670	280,792	224,496	197,479	984,438	571,950
	508,732	526,641	451,032	419,186	1,905,591	1,257,252
<b>Operating Profit</b>	3,804,817	3,938,278	2,771,519	2,301,400	12,816,015	9,999,239
Operating Profit Margin	38%	37%	34%	26%	34%	26%
- Other Operating Income	(1,470,510)	(1,585,331)	(921,359)	(1,303,518)	(5,280,719)	(4,454,427)
Finance Cost	115,617	94,134	60,633	79,527	349,911	677,381
Profit Before Tax (PBT)	5,159,710	5,429,476	3,632,246	3,525,391	17,746,823	13,776,285
PBT Margin	51%	51%	45%	40%	47%	36%
Taxation	1,720,853	1,983,406	1,296,053	1,171,358	6,171,669	4,882,830
Effective Tax Rate	33%	37%	36%	33%	35%	35%
<b>Profit After Tax (PAT)</b>	3,438,858	3,446,070	2,336,193	2,354,034	11,575,154	8,893,455
PAT Margin	34%	33%	29%	27%	31%	23%
Earning per Share -Rs.	3.51	3.52	2.39	2.55	11.97	9.06
<b>EBITDA</b>	5,584,455	5,844,057	4,011,956	3,921,261	19,361,729	15,636,453
EBITDA Margin	55%	55%	49%	45%	52%	40%

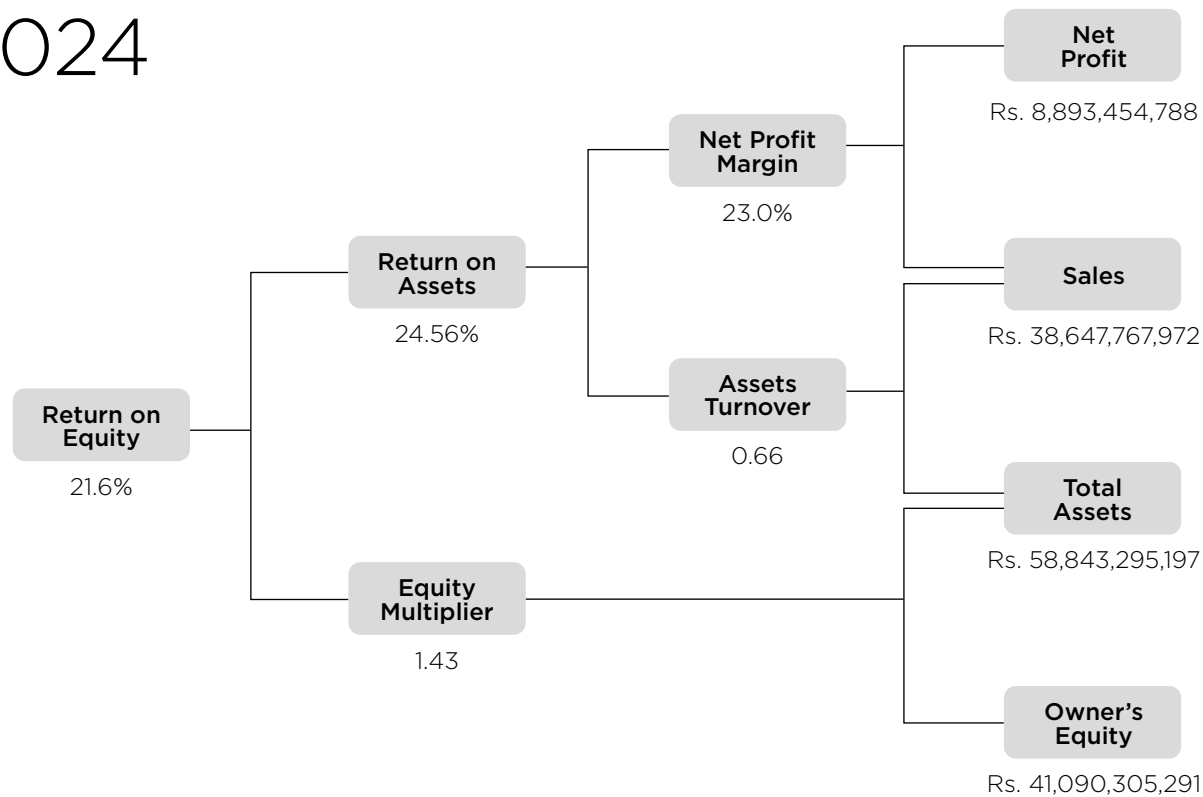
During the FY2024-25, the Company's financial performance demonstrated strong results, particularly in the first and second quarters, where the gross profit (GP) margin reached 43% and 42%, respectively. This robust performance was driven by favorable market conditions, including higher sales prices and a lower cost of sales, and was further supported by a significant contribution from other income. In the third quarter, the GP margin saw a slight decrease to 40%, and profitability was also affected by a decline in other income. In the fourth quarter, the GP margin declined to 31%, primarily attributable to year-end inventory adjustments.

# DUPONT ANALYSIS

## 2025



## 2024



# STATEMENT OF COMPLIANCE

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

Kohat Cement Company Limited for the year ended June 30, 2025

**Kohat Cement Company Limited (“the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:**

1. The total number of directors are eight (8), as per the following:

a) Male	7
b) Female	1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Ahmad Sajjad Khan Mr. Talha Saeed Ahmed
Non-Executive Directors	Mr. Aizaz Mansoor Sheikh Mrs. Hijab Tariq Mr. Muhammad Rehman Sheikh Mr. Muhammad Atta Tanseer Sheikh Mr. Hamza Atta Sheikh
Executive Director	Mr. Nadeem Atta Sheikh

The current Board of Directors of the Company was elected on June 28, 2025 and has appropriate skills, experience, independence and knowledge of the Company to discharge its duties and responsibilities effectively. Therefore, the Board considers that it is adequately composed with two independent directors and hence, the fractional number of independent directors has not been rounded up.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by

the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. Two directors namely Mr. Aizaz Mansoor Sheikh and Mr. Nadeem Atta Sheikh are exempt from Directors’ Training Certification (DTC) as they have 14 years of education and more than 15 years of experience on the Board; all other directors except Mr. Hamza Atta Sheikh have obtained DTC from institutes authorized by SECP. Mr. Hamza Atta Sheikh has been elected as the director of the Company on 28th June 2025, and shall complete the training within stipulated period of time.
10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

## a) Audit Committee

Category	Names
Chairman	Mr. Talha Saeed Ahmed Independent Director
Member	Mr. Aizaz Mansoor Sheikh Non-Executive Director
Member	Mr. Muhammad Atta Tanseer Sheikh Non-Executive Director

**b) Human Resource and Remuneration (HR&R) Committee**

Category	Names	
Chairman	Mr. Ahmad Sajjad Khan	Independent Director
Member	Mr. Nadeem Atta Sheikh	Chief Executive
Member	Mr. Muhammad Atta Tanseer Sheikh	Non-Executive Director

**c) Nomination Committee**

Considering the magnitude and similarity of the nature of terms of reference of this Committee with that of HR&R Committee, the Board of Directors has decided to include the TOR of this committee in the TOR of the HR&R Committee.

**d) Risk Management Committee**

Considering the magnitude and similarity of the nature of terms of reference of this Committee with that of Audit Committee, the Board of Directors, has decided to include the TOR of this committee in the TOR of the Audit Committee.

**e) Sustainability Committee**

The Board of Directors has assigned additional responsibilities to the Board HR&R Committee to assist the Board in overseeing, governing and addressing the Sustainability related Risks & Opportunities of the Company.

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

**14.** The frequency of meetings of the committees were as per following:

Committee	No. of meetings held during the year
Audit Committee	Four
HR&R Committee	One

**15.** The Board has outsourced the internal audit function to M/s Crowe Hussain Chaudhury & Co. Chartered Accountants 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 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 and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, 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.



**Nadeem Atta Sheikh**

Chief Executive



**Talha Saeed Ahmed**

Director

Lahore: September 08, 2025



# FINANCIAL STATEMENT

**For the year ended June 30, 2025**



# INDEPENDENT AUDITOR'S REVIEW REPORT

## To the members of Kohat 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 Kohat Cement Company Limited ("the Company") for the year ended 30 June 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 30 June 2025.

Lahore

Date: 11 September 2025

UDIN: CR202510183XIPJHTeRs



KPMG Taseer Hadi & Co.  
Chartered Accountants

# INDEPENDENT AUDITOR'S REPORT

## **To the members of Kohat Cement Company Limited**

### **Report on the audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of Kohat Cement Company Limited ("the Company"), which comprise the statement of financial position as at 30 June 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 a 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 30 June 2025 and of the profit, and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

# INDEPENDENT AUDITOR'S REPORT

## Following is the Key audit matter:

Sr. No	Key audit matter	How the matter was addressed in our audit
1.	<p><b>Revenue</b></p> <p>Refer to notes 3.8 and 24 to the financial statements</p> <p>The Company recognized revenue of Rs. 37,535.7 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2025.</p> <p>Revenue is a key performance indicator and therefore in internal and external stakeholders' focus. Consequently, there might be pressure to achieve forecasted results. This could lead to an increased audit risk relating to revenues recorded near reporting date.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to a risk that revenue may be recognized without transferring the control near reporting date.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of the process relating to recording of revenue and testing the design and implementation of the relevant internal controls identified in such process;</li> <li>assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting and reporting standards in Pakistan;</li> <li>verifying a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents to assess whether the related revenue was recorded in accordance with the Company's accounting policy;</li> <li>verifying, on a sample basis, specific revenue transactions recorded just before and after the financial year end date to determine whether the revenue was recognized in the appropriate financial reporting period;</li> <li>assessing the appropriateness of journal entries posted to the revenue account during the year by drawing a sub-population meeting certain specific risk based criteria and comparing the details of such journal entries with the underlying documentation and accounting records; and</li> <li>assessing the adequacy of presentation and disclosures related to the revenue as required under the accounting and reporting standards as applicable in Pakistan</li> </ul>

## Information other than the financial statements and the auditor's report thereon

Management is responsible for the other information. Other information comprises the chairman review, directors' report, statement of value addition, key financial data, horizontal and vertical analysis, analysis of quarterly results and dupont analysis included in the annual report for the year ended 30 June 2025, 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 Those Charged with Governance for the Financial Statements



# INDEPENDENT AUDITOR'S REPORT

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. Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditors' 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 auditors' 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 auditors' 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

# INDEPENDENT AUDITOR'S REPORT

From the matters communicated with those charged with governance, 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Rehan Chughtai.

Lahore  
Date: 11 September 2025  
UDIN: AR202510183pbBkJWnTd



KPMG Taseer Hadi & Co.  
Chartered Accountants

# STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>EQUITY AND LIABILITIES</b>			
Authorized share capital	4	3,000,000,000	3,000,000,000
Issued, subscribed and paid-up capital	4	1,838,612,970	1,958,612,970
Reserves	5	286,145,601	167,044,951
Accumulated profits		45,830,436,216	38,964,647,370
		47,955,194,787	41,090,305,291
<b>Non-current liabilities</b>			
Long term financing - secured	6	1,448,977,799	1,118,642,478
Long term deposits	7	3,536,100	3,536,100
Deferred liabilities			
- deferred taxation	8.1	5,688,116,040	5,505,823,994
- compensated absences	8.2	36,785,931	29,351,103
		7,177,415,870	6,657,353,675
<b>Current liabilities</b>			
Current portion of long term financing	6	837,359,258	1,169,295,643
Trade and other payables	9	7,710,012,398	6,223,153,321
Contract liability	24.1.3	144,300,907	113,418,606
Unclaimed dividend		8,503,909	8,503,909
Dividend payable	10	33,677,348	36,835,022
Provision for taxation - net		2,924,142,407	3,544,368,477
Short term borrowings - secured	11	3,704,884	61,253
		11,661,701,111	11,095,636,231
Contingencies and commitments	12		
		66,794,311,768	58,843,295,197

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Financial Officer

	Note	2025 Rupees	2024 Rupees
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	13	23,359,980,509	22,156,640,533
Intangibles	14	259,742	508,226
Long term loans and advances	15	434,691,328	89,361,970
Long term deposits	16	58,226,136	58,026,136
Investment property	17	4,326,361,559	4,326,361,559
		28,179,519,274	26,630,898,424
<b>Current assets</b>			
Stores, spares and loose tools	18	4,991,311,475	5,785,683,486
Stock-in-trade	19	2,513,556,552	1,793,742,440
Trade debts - unsecured, considered good	20	1,692,217,832	2,110,247,902
Short term investments	21	26,941,632,205	20,279,745,954
Loans, advances, deposits, prepayments and other receivables	22	1,025,371,707	1,140,327,819
Cash and bank balances	23	1,450,702,723	1,102,649,172
		38,614,792,494	32,212,396,773
		66,794,311,768	58,843,295,197



Chief Executive Officer



Director

# STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>Sales-net</b>	24	37,535,700,372	38,647,767,972
Cost of sales	25	(22,814,094,271)	(27,391,276,477)
<b>Gross Profit</b>		14,721,606,101	11,256,491,495
Selling and distribution expenses	26	(225,600,417)	(197,259,359)
Administrative and general expenses	27	(695,553,118)	(488,042,831)
(Allowance) / reversal of expected credit loss on trade debts	20	(44,078,565)	2,010,516
Other expenses	28	(940,359,065)	(571,950,389)
		(1,905,591,165)	(1,255,242,063)
<b>Operating profit</b>		12,816,014,936	10,001,249,432
Other income	29	5,280,719,197	4,452,416,513
Finance cost	30	(349,910,716)	(677,380,845)
<b>Profit before income tax and final tax</b>		17,746,823,417	13,776,285,100
Final tax	31	(58,631,368)	(844,151,365)
<b>Profit before taxation</b>		17,688,192,049	12,932,133,735
Taxation	32	(6,113,037,978)	(4,038,678,948)
<b>Profit after taxation</b>		11,575,154,071	8,893,454,787
<b>Restated</b>			
<b>Earnings per share - basic and diluted</b>	33	11.97	9.06

The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2025

	2025 Rupees	2024 Rupees
Profit after taxation	11,575,154,071	8,893,454,787
<b>Other comprehensive income / (loss)</b>		
<b>Items that will not be reclassified to statement of profit or loss:</b>		
Equity investments at FVOCI - net changes in fair value	-	65,703
<b>Items that are or may be reclassified to statement of profit or loss:</b>		
Debt investments at FVOCI - net changes in fair value	(899,350)	(15,000)
- net of deferred tax	(899,350)	50,703
<b>Total comprehensive income for the year</b>	<b>11,574,254,721</b>	<b>8,893,505,490</b>

The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2025

Note	Reserves							
	Share capital	Capital reserves			Revenue reserves		Total reserves	Total
		Capital re-purchase reserve account	Share premium	Fair value reserve	General reserve	Accumulated profits		
Rupees								
Balance as at 01 July 2023	2,008,612,970	-	49,704,951	(2,424,286)	70,000,000	30,484,151,337	30,601,432,002	32,610,044,972
Total comprehensive income for the year								
Profit after tax for the year	-	-	-	-	-	8,893,454,788	8,893,454,788	8,893,454,788
Other comprehensive income for the year	-	-	-	50,703	-	-	50,703	50,703
	-	-	-	50,703	-	8,893,454,788	8,893,505,491	8,893,505,491
Realized gain on equity investments at FVOCI transferred to retained earnings	-	-	-	(286,417)	-	286,417	-	-
Own shares purchased for cancellation	(50,000,000)	50,000,000	-	-	-	(413,245,172)	(363,245,172)	(413,245,172)
Balance as at 30 June 2024	1,958,612,970	50,000,000	49,704,951	(2,660,000)	70,000,000	38,964,647,370	39,131,692,321	41,090,305,291
Total comprehensive income for the year								
Profit after tax for the year	-	-	-	-	-	11,575,154,071	11,575,154,071	11,575,154,071
Other comprehensive loss for the year	-	-	-	(899,350)	-	-	(899,350)	(899,350)
	-	-	-	(899,350)	-	11,575,154,071	11,574,254,721	11,574,254,721
Own shares purchased for cancellation	4.3 (120,000,000)	120,000,000	-	-	-	(4,709,365,225)	(4,589,365,225)	(4,709,365,225)
Balance as at 30 June 2025	1,838,612,970	170,000,000	49,704,951	(3,559,350)	70,000,000	45,830,436,216	46,116,581,817	47,955,194,787

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

# STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>Cash flows from operating activities</b>			
Cash generated from operations	34	16,574,725,509	11,482,975,487
Finance cost paid	44	(391,061,821)	(731,073,634)
Compensated absences paid	8.2	(5,770,071)	(4,833,553)
Income tax paid		(6,349,518,404)	(3,227,391,582)
Final tax paid		(35,529,913)	(508,158,935)
Payment made to Workers' Welfare Fund	9.3	(172,692,762)	(168,012,374)
Payment made to Workers' Profit Participation Fund	9.2	(241,864,000)	(196,332,000)
		(7,196,436,971)	(4,835,802,078)
<b>Net cash generated from operating activities</b>		<b>9,378,288,538</b>	<b>6,647,173,409</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(2,398,919,336)	(1,107,284,933)
Proceeds from disposal of property, plant and equipment		15,321,000	2,890,000
Purchase of investment property		-	(1,450,816)
Short term investments - net		(2,011,541,251)	(7,105,540,815)
Loan disbursed to associated undertaking		(98,000,000)	(342,000,000)
Loan repaid by associated undertaking		60,000,000	-
Dividend received on short term investments		227,521,096	3,359,924,294
Profit on bank deposits and loans		220,743,655	238,329,752
Long term deposits		(200,000)	-
Long term loans and advances		(413,520,934)	(75,191,576)
<b>Net cash used in investing activities</b>		<b>(4,398,595,770)</b>	<b>(5,030,324,094)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term finances	44	1,115,239,380	-
Repayment of long term finances	44	(1,034,355,698)	(1,034,355,875)
Proceeds from short term borrowings	44	100,102,104	828,789,900
Repayment from short term borrowings	44	(100,102,104)	(828,789,900)
Own shares purchased for cancellation	4.3 & 44	(4,709,365,225)	(413,245,172)
Dividend paid	44	(3,157,674)	(136,289)
<b>Net cash used in financing activities</b>		<b>(4,631,639,217)</b>	<b>(1,447,737,336)</b>
<b>Net increase in cash and cash equivalents</b>		<b>348,053,551</b>	<b>169,111,979</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,102,649,172</b>	<b>933,537,193</b>
<b>Cash and cash equivalents at end of the year</b>	35	<b>1,450,702,723</b>	<b>1,102,649,172</b>

The annexed notes from 1 to 47 form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 1 Reporting entity

- 1.1** Kohat Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now "Companies Act, 2017") and is listed on Pakistan Stock Exchange. The Company is engaged in production and sale of cement. Head Office of the Company is situated at 36-37 P, Gulberg-II, Lahore, further the registered office and production facility is situated at Rawalpindi Road, Kohat, Pakistan. The Company is in the process of acquiring further land in District Khushab Punjab Pakistan, for installation of its new grey cement line.
- 1.2** ANS Capital (Private) Limited is the holding company of the Company and holds 110,482,320 (2024: 110,482,320) ordinary shares of the Company comprising 60.09% (2024: 56.41%) of its paid up share capital.

## 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

### 2.2 Standards, interpretations and amendments to published approved accounting standards

- 2.2.1** There are certain amendments and interpretations to the approved accounting standards that were effective during the year. However they did not have material effect on these financial statements, except for:

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(I)/2024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities as their core business activities. Such information is disclosed in note 46 to the financial statements.

- 2.2.2** The following International Financial Reporting Standards as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended June 30, 2025

- Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:

### **Financial Assets with ESG-Linked features:**

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met. The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

#### **Other related amendments:**

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test)

#### **Disclosures on investments in equity instruments:**

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Annual Improvements to IFRS Accounting Standards – Amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash flows.

The above amendments and interpretations are not expected to have any significant impact on financial statements of the Company.

## **2.3 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for certain investments at fair value through other comprehensive income (FVOCI) and fair value through profit or loss account (FVTPL) which are stated at fair value.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ("Rs.") which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest rupee, unless otherwise stated.

## 2.5 Use of judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Judgment made by management in the application of approved accounting standards that is relevant to the financial statements is as follows.

### 2.5.1 Tax contingencies

The Company takes into account the current income tax law and decisions taken by appellate authorities while estimating its tax liabilities. Instances where the Company's views differ from the views taken by 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.

The Company reviews the status of all pending tax litigations against the Company. Based on its judgment and the advice of the tax advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these tax litigations can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

## 3 Material accounting policy information

The material accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated. The information required to be disclosed by Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(I)/2024 dated August 15, 2024 is given in note 46 to the financial statements. Material accounting policies are disclosed below:

### 3.1 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses if any with the exception of freehold land and capital work in progress, which are stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation. Cost in relation to certain property, plant and equipment signifies historical cost and borrowing costs as referred to in note 3.11.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

The Company recognizes depreciation in statement of profit or loss by applying reducing balance method over the useful life of each item of property, plant and equipment except that depreciation on building, plant civil structure and plant and machinery of white and grey cement line III and line IV including waste heat recovery power plant, solar power plant and furnace oil power plant is charged by applying straight line method.

Depreciation rates on items of property, plant and equipment are specified in note 13.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged when the item becomes available for intended use and is discontinued when it is disposed or classified as held for disposal.

An item of property, plant and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property, plant and equipment is recognized in statement of profit or loss.

The assets' residual value and useful lives are reviewed at each reporting date and adjusted, if appropriate. The Company's estimate of residual values of property, plant and equipment as at 30 June 2025 has not required any adjustment as its impact is considered insignificant.

## Capital work in progress

Capital work in progress is stated at cost less any identified impairment losses and includes the expenditures on material, labor, capitalized borrowing cost, and appropriate overheads directly relating to the project. These costs are transferred to property, plant and equipment as and when assets are available for intended use.

## 3.2 Intangible assets

The cost of acquisition, development and installation of identifiable software products having finite useful lives of more than one year is recognized as an intangible asset at cost and are amortized on a straight line basis. Subsequent to initial recognition, it is measured at cost less accumulated amortization and accumulated impairment losses, if any. The rate of amortization is specified in note 14.

## 3.3 Inventories

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

- |                     |  |
|---------------------|--|
| - Stores and spares | Moving average   |
| - Raw materials     | Moving average   |
| - Work in process   | Average manufacturing cost   |
| - Finished goods    | Average manufacturing cost   |
| - Stock in transit  | Invoice price plus related expense incurred up to the reporting date |
| - Packing material  | Moving average   |

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended June 30, 2025

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labor and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. Provision for obsolescence of stock in trade and stores and spares is made on the basis of management's estimate of net realizable value.

### **3.4 Employees benefits**

#### **Defined contributions plan**

The Company operates an approved defined contributory provident fund for its employees. Equal contributions are made by the Company and employees at 10% of basic salary. The Company's contribution is charged to statement of profit or loss currently.

#### **Compensated absences**

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to statement of profit or loss. The Company recognizes provision for compensated absences on an undiscounted basis as the impact of discounting is not material and are expensed as the related services are provided.

A liability is recognized for the amount expected to be paid under compensated absences if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date.

### **3.5 Financial instruments**

#### **3.5.1 Recognition and initial measurement**

All financial assets or 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) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

#### **3.5.2 Classification and subsequent measurement**

##### **Financial assets**

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## **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:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 statement of profit or loss.

Financial assets measured at amortized cost comprise of term deposit receipts, cash and bank balances, long term loan to employees, trade debts, deposits and other receivables.

## **Debt Instrument - FVOCI**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the 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. The investment in TFCs has been classified as financial assets at FVOCI under IFRS 9.

## **Equity Instrument - FVOCI**

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

## **Fair value through profit or loss (FVTPL)**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.



# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended June 30, 2025

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. At reporting date, the Company has classified investments in mutual funds and listed equity securities as disclosed in note 21 as FVTPL.

### **Financial assets – Business model assessment:**

For the purposes of the assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

### **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a 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, other than those eligible for capitalization, and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities comprise trade and other payables, long term deposits and retention money payable, dividend payable, unclaimed dividend, long term financing, current portion of long term financing, short term borrowings and mark-up accrued on borrowings.

### **3.5.3 Derecognition**

#### **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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

## **Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or 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 statement of profit or loss.

### **3.5.4 Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### **3.5.5 Impairment**

#### **Financial assets**

The Company recognizes loss allowances on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial assets at amortized cost excluding trade debts for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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).

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 and including forward-looking information. The Company monitors changes in credit risk by tracking published external credit ratings.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended June 30, 2025

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 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). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. 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.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

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. The Company expects no significant recovery from the amount written off. 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.

### **Non-financial assets**

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 3.6 Loans and borrowings

Loans and borrowings are classified as financial liabilities. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of the borrowings on an effective interest basis.

## 3.7 Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date.

### A contingent liability is disclosed when:

- there is a possible obligation that arises from past events or 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
- there is present obligation that arises from the 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.

## 3.8 Revenue from Contract with customers

Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods excluding sales taxes, federal excise duty, rebates and trade discounts (if any). Invoices are generated at that point in time when control is transferred to the customer.

Revenue from local sale is recognized at the point in time when control of the goods is transferred to the customer, generally when the goods are dispatched from the Company's premises.

Revenue from export sale is recognized at the point in time when control of the goods is transferred to the customer which depends on the related terms; generally on date of bill of lading.

## 3.9 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Company performs under the contract.

It also generally includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## **3.10 Income from Dividends**

Dividend income is recognized when the Company's right to receive payment is established.

## **3.11 Borrowing costs**

Borrowing costs those are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss as incurred.

## **3.12 Taxation**

### **Income tax**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

### **Current tax**

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

### **Deferred taxation**

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. 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.

### **Final tax**

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance. Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## **3.13 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 year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

## **3.14 Cash and cash equivalents**

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand, cash at banks and short term finances that are repayable on demand and form integral part of the Company's cash management.

## **3.15 Foreign currency transactions and balances**

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognized in statement of profit or loss.

## **3.16 Dividend to ordinary shareholders**

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company's financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

## **3.17 Own shares purchase for cancellation**

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from accumulated profits. Repurchased shares are classified as own shares purchased for cancellation and are presented in the statement of changes in equity as a separate reserve.

## **3.18 Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for:

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

- use in production or supply of goods or services or for administrative purposes; and
- sale in the ordinary course of business.

Investment property comprises of land only and it is initially measured at cost, being the fair value of the consideration given. Subsequent to the initial recognition, the investment property is measured using the cost model as provided in International Accounting Standard 40 – Investment Property. The cost model requires to measure the investment property at each reporting date at its cost less any accumulated impairment losses.

The Company assesses at each reporting date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss.

Any gain or loss on disposal of an investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognized in statement of profit or loss.

## 3.19 Trade and other payables

Liabilities for trade creditors and other amounts payable are carried at cost which is fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

## 3.20 Trade debts

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

	Note	2025 Number of shares	2024 Number of shares	2025 Rupees	2024 Rupees
<b>4 Share capital</b>					
<b>Authorized share capital</b>					
Ordinary shares of Rs. 10 each		300,000,000	300,000,000	3,000,000,000	3,000,000,000
<b>Issued, subscribed and paid-up capital</b>					
Ordinary shares of Rs. 10 each, fully paid-up in cash		20,749,585	20,749,585	207,495,850	207,495,850
Shares issued for consideration other than cash	4.2	11,230,000	11,230,000	112,300,000	112,300,000
Fully paid bonus shares		168,881,712	168,881,712	1,688,817,120	1,688,817,120
Buyback of shares		(17,000,000)	(5,000,000)	(170,000,000)	(50,000,000)
		183,861,297	195,861,297	1,838,612,970	1,958,612,970

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

- 4.1** ANS Capital (Private) Limited, holding company, holds 110,482,320 (2024: 110,482,320) ordinary shares comprising 60.09% (2024: 56.41%) of total paid up share capital of the Company. Kohat Cement Educational Trust, an associated undertaking, holds 152,045 (2024: 152,045), ordinary shares of Rs. 10 each of the Company, Directors and Executives hold 33,342,929 (2024: 33,889,239) and 27,611 (2024: 224,111) respectively, ordinary shares of Rs. 10 each of the Company.
- 4.2** These shares were initially issued to State Cement Corporation of Pakistan against transfer of all the assets and liabilities comprising Kohat Cement Project to Kohat Cement Company Limited. These are ordinary shares of Rs. 10 each.
- 4.3** In accordance with the provisions of section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, the members of Kohat Cement Company Limited (the Company) in their general meeting held on October 15, 2024, approved for purchase/buy-back of 12 million own ordinary shares at spot price during the period from October 23, 2024 to April 12, 2025 or till such date the purchase is complete, whichever is earlier for cancellation. During the said purchase period, the Company completed the purchase of its 12 million ordinary shares for an aggregate consideration of Rs. 4,709 million. The said shares were cancelled by CDC on 18th April 2025.
- 4.4** In accordance with the provisions of section 85 of the Companies Act, 2017, the members of the Company, in their Extraordinary General Meeting held on August 7, 2025, has decided to sub-divide the existing capital of the Company, including authorized, issued and paid-up capital, in a manner that each ordinary share of the Company having face value of PKR 10/- be divided into five ordinary shares of PKR 2/- each. The said sub-division has been executed on August 23, 2025; after which the number of Authorized Capital and the Issued, Subscribed & Paid-up Capital shares have been increased from 300,000,000 and 183,861,297 ordinary shares of Rs. 10 each to 1,500,000,000 and 919,306,485 ordinary shares of Rs. 2 each respectively.

	Note	2025 Rupees	2024 Rupees
<b>5 Reserves</b>			
Capital reserves			
- share premium	5.1	49,704,951	49,704,951
- fair value reserve	5.2	(3,559,350)	(2,660,000)
- capital re-purchase reserve account	5.3	170,000,000	50,000,000
Revenue reserve			
- general reserves		70,000,000	70,000,000
		286,145,601	167,044,951

- 5.1** This reserve can be utilized by the Company only for the purpose specified in section 81(2) of the Companies Act, 2017.
- 5.2** This represents fair value adjustment on revaluation of investments classified as 'FVOCI'.
- 5.3** This represents reserve created for cancellation of ordinary shares purchased by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>6 Long term financing - secured</b>			
Term finance	6.1	327,728,453	1,118,642,478
Diminishing musharika	6.2	1,121,249,346	-
		1,448,977,799	1,118,642,478
<b>6.1 Term finance</b>			
The Bank of Punjab	6.1.1	539,791,086	999,039,042
Habib Bank Limited	6.1.2	1,933,077	261,548,443
The Bank of Khyber	6.1.3	220,425,719	375,212,925
Askari Bank Limited	6.1.4	225,155,743	384,111,910
Samba Bank Limited	6.1.5	177,782,086	273,060,429
		1,165,087,711	2,292,972,749
Less: Current maturity:			
Principal		(789,938,861)	(1,034,355,873)
Mark-up		(47,420,397)	(134,939,770)
		(837,359,258)	(1,169,295,643)
Less: Transaction cost	6.1.6	-	(5,034,628)
		327,728,453	1,118,642,478

**6.1.1** This represents long term finance facility obtained from the Bank of Punjab to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal is repayable in 5 equal quarterly installments ending on 24 September 2026.

**6.1.2** This represents long term finance facility obtained from Habib Bank Limited to finance the construction of cement plant having capacity of 7800 TPD (line IV) and 18MW Waste Heat Recovery plant (WHR) at the existing production facilities of the Company. This facility carries markup at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. Only the accrued markup is outstanding at the year end.

**6.1.3** This represents long term finance facility obtained from the Bank of Khyber to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The principal amount is repayable in 6 equal quarterly installments ending on 10 October 2026.

**6.1.4** This represents long term finance facility obtained from Askari Bank Limited to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark-up at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The principal amount is repayable in 6 equal quarterly installments ending on 23 November 2026.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

- 6.1.5** This represents long term finance facility obtained from Samba Bank Limited during the period to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark up at the rate of 3 months KIBOR plus 1.05% per annum which is payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The principal amount is repayable in 8 equal quarterly installments ending on 30 June 2027.

	2025 Rupees	2024 Rupees
<b>6.1.6 Transaction cost</b>		
At the beginning of the year	5,034,628	9,015,606
Amortized during the year	(5,034,628)	(3,980,978)
At the end of the year	-	5,034,628

- 6.2** This represents long term finance facility obtained from United Bank Limited during the period to finance the construction of Coal fired powered plant having capacity of 28.5MW . This facility carries mark up at the rate of 3 months KIBOR plus 0.90% per annum which is payable quarterly in arrears. This facility is secured by way of First Pari Passu Charge/Joint Pari Passu Charge over fixed assets (factory land, building, plant and machinery only) of the Company with 25% margin. The principal amount is repayable in 28 equal quarterly installments ending on 13 June 2033.

	Note	2025 Rupees	2024 Rupees
<b>7 Long term deposits</b>			
Long term deposits	7.1	3,536,100	3,536,100

- 7.1** This represents security deposits received from dealers and transporters against goods and services. These deposits are repayable / adjustable on the termination of the relationship. These are kept in a separate bank account.

		2025		
		Opening balance	Charge / (reversal) in statement of profit or loss	Charge / (reversal) in OCI
		Rupees		
<b>8 Deferred liabilities</b>				
<b>8.1 Deferred taxation</b>				
<b>Taxable / (deductible) temporary difference</b>				
Accelerated tax depreciation		5,401,515,251	49,787,014	-
Unrealized gain / loss - net		120,541,091	151,971,323	(2,275,650)
Provision for expected credit loss on trade debts		(16,232,348)	(17,190,641)	-
		5,505,823,994	184,567,696	(2,275,650)
				5,688,116,040

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	2024			
	Opening balance	Charge / (reversal) in statement of profit or loss	Charge / (reversal) in OCI	Closing balance
	Rupees			
<b>Taxable / (deductible) temporary difference</b>				
Accelerated tax depreciation	4,840,174,896	561,340,355	-	5,401,515,251
Unrealized gain / loss - net	-	120,541,091	-	120,541,091
Provision for expected credit loss on trade debts	(17,016,450)	784,102	-	(16,232,348)
	4,823,158,446	682,665,548	-	5,505,823,994

	Note	2025 Rupees	2024 Rupees
<b>8.2 Compensated absences</b>			
At beginning of the year		29,351,103	31,847,241
Charge for the year		13,204,899	2,337,415
Less: Payments made during the year		(5,770,071)	(4,833,553)
Closing balance		36,785,931	29,351,103

<b>9 Trade and other payables</b>			
Trade creditors - local	9.1	1,002,955,575	847,755,790
Imports bills payable		1,104,180,400	933,691,081
Contractors' bills payable		67,320,365	46,432,357
Accrued liabilities		529,717,484	420,400,000
Payable to Workers' Profit Participation Fund	9.2	2,875,596,596	2,437,123,547
Payable to Workers' Welfare Fund	9.3	259,120,500	172,991,247
Payable to Provident Fund Trust		6,776,955	5,663,132
		5,845,667,875	4,864,057,154
Payable to Government on account of:			
Income Tax deducted at source		46,047,717	31,031,857
Federal Excise Duty		548,817,604	158,853,304
Sales Tax Payable		125,764,698	284,227,145
Royalty and Excise Duty		117,529,508	121,780,345
Super tax on final tax		558,271,832	335,992,429
		1,396,431,359	931,885,080
Retention money payable	9.4	14,943,756	7,739,457
Other payables		452,969,408	419,471,630
		467,913,164	427,211,087
		7,710,012,398	6,223,153,321



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

- 9.1** This includes unsecured balance payable to related parties Ultra Pack (Private) Limited amounting to Rs. 60.959 million (2024: Rs. 191.312 million) and Ultra Kraft (Private) Limited amounting to Rs. 6.84 million (2024: Rs. 19.63).

- 9.2** Workers' Profit Participation Fund ("WPPF")

	Note	2025 Rupees	2024 Rupees
At beginning of the year		2,437,123,547	2,242,107,702
Allocation for the year	28	680,337,050	391,347,845
Less: Paid during the year		(241,864,000)	(196,332,000)
At end of the year	9.2.1	2,875,596,597	2,437,123,547

- 9.2.1** The WPPF liability represents leftover amount payable to Workers Welfare Fund in terms of the Companies Profit (Worker's Participation) Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labor welfare laws have become provincial subject, and accordingly the leftover amount is no more payable to the Federal Treasury.

Major strength of Company's employees eligible for benefit of WPPF are working in the Province of KPK and accordingly potential amount of leftover amount of WPPF is required to be paid to the relevant provincial authority as held by the Honorable Sindh High Court (SHC) in its judgment in C.P. No. D-1313 of 2013 announced on February 12, 2018. However, through an interim order, while granting leave to appeal, the Honorable Supreme Court of Pakistan (SCP) has suspended the operation of the SHC judgement.

Moreover, no provincial authority has been constituted so far in the Province of KPK to collect the left over amount. Therefore, the Company has filed a constitutional Petition before the Honorable Peshawar High Court to seek court direction in this matter, which is pending adjudication.

	Note	2025 Rupees	2024 Rupees
<b>9.3 Workers' Welfare Fund</b>			
At beginning of the year		172,991,247	167,980,377
Allocation for the year	28	258,822,015	173,023,244
Less: Paid during the year		(172,692,762)	(168,012,374)
At end of the year		259,120,500	172,991,247

- 9.4** This includes retention money withheld from contractors and are repayable after satisfactory completion of contracts.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>10 Dividend payable</b>			
Dividend withheld on account of:			
- court order	10.1	20,972,124	20,972,124
- non provision of CNIC / bank details		12,705,224	15,862,898
		<b>33,677,348</b>	<b>36,835,022</b>

- 10.1** This represents dividend withheld out of final cash dividend amounting to Rs. 386.27 million for the year ended 30 June 2012, based on the order dated 25 October 2012 of the Honorable Lahore High Court and Securities and Exchange Commission of Pakistan approval vide letter number EMD/233/380/02-676 dated 23 November 2012 in response to application made by the Company under section 243(2) of the Companies Act, 2017.

	Note	2025 Rupees	2024 Rupees
<b>11 Short term borrowings - secured</b>			
Short term borrowings	11.1	3,704,884	61,253

- 11.1** The Company has aggregate Running Finance / FATR facilities of Rs. 8,384 million (2024: Rs. 6,634 million) to finance working capital requirements of the Company and carry mark up at 3 months KIBOR plus 0.45% to 1% (2024: 3 months KIBOR plus 0.75% to 1.25%) per annum. The amount utilized as at 30 June 2025 is Nil (2024: Nil). Mark-up outstanding as at year-end amounts to Rs. 3.7 million (2024: Rs. 0.061 million).

- 11.2** The Company has aggregate facilities of Rs. 8,184 million (2024: Rs. 6,884 million) for opening of letters of credit and Rs. 488.73 million (2024: Rs. 488.73 million) for bank guarantees. The amount utilized as at 30 June 2025 was Rs. 699.18 million (2024: Rs. 1,134.74 million) and Rs. 235.42 million (2024: Rs. 235.42 million) respectively.

- 11.3** Export Refinance facilities are available from different commercial banks up to Rs. 798 million, under mark-up arrangement carrying mark-up at SBP export refinance rate plus as per agreed spread (2024: SBP export refinance rate plus 0.50% to 1.00%) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days. The amount utilized as at 30 June 2025 is Nil (2024: Nil).

All the above short term finance facilities are secured by way of first parri passu hypothecation charge on present and future current assets of the Company with 25% margin, except that the facilities of bank guarantees issued in favor of SNGPL & PESCO aggregating to Rs. 224.82 million (2024: Rs. 224.82 million) are secured by first parri passu hypothecation charge on present and future fixed assets of the Company with 25% margin.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 12 Contingencies and commitments

### 12.1 Legal Contingencies

- 12.1.1** The Competition Commission of Pakistan ("CCP") took Suo moto action under Competition Ordinance, 2007, (subsequently enacted as Competition Act, 2010 - the "Law") and issued Show Cause Notice (SCN) on 28 October 2008 inquiring increase in cement prices across the country. Similar notices were also issued to All Pakistan Cement Manufacturer Association ("APCMA") and its member cement manufacturers. The Company impugned the SCN and filed a writ petition before Honorable Lahore High Court ("LHC") challenging the vires of the Law. LHC, while granting stay against recovery, allowed CCP to pass the order against the Company resulting into levy of penalty of Rs. 103 million by CCP vide order dated 27 August 2009 (the "Order"). The Order was agitated by the Company before the honorable Supreme Court of Pakistan (SC). The appeal before SC was sent to Competition Appellate Tribunal (CAT), to be decided in accordance with law. The matter is currently pending adjudication before the Competition Appellate Tribunal (CAT).
- 12.1.2** The Sui Northern Gas Pipelines Limited (SNGPL) charged an amount of Rs. 12.19 million being Non-Metered Volume Adjustment for the period from June 16, 2013 to June 25, 2013 in the Sui Gas Bill of the Company for the Month of August 2014. On appeal before OGRA, the said levy was set aside to its Designated Officer, who partially decided the case in favor of the Company which is thus challenged by the Company and Designated Officer in appeal before the OGRA. OGRA has decided the case against the Company which was agitated by the Company in Writ Petition before the honorable Islamabad High Court which is pending adjudication.
- 12.1.3** The Mines and Minerals Department, Khyber Pakhtunkhwa has issued notices to the Company for recovery of fine on late payment of royalty on minerals under the Mineral Sector Governance Act, 2017 amounting to Rs. 40.63 million. The aforesaid notices have been challenged by Company before the honorable Peshawar High Court through filing a Writ Petition (WP), wherein the honorable Court has directed to maintain status quo, but later vide order dated 09 March 2023 directed KCCL to make payment of Rs. 10.989 million and same was duly complied/ paid on 02 June 2023. Later on the Honorable High Court has disposed-off the Writ Petition with a direction to reconcile record with Mine & Minerals Department of KPK and representation/ application is pending before Mine & Minerals Department KPK.
- 12.1.4** Tehsil Municipal Officer (TMO), Kohat, in exercise of powers U/S 44 of KP Local Government Act, 2013 (the LG Act, 2013) notified factory premises of the Company as rating area within the meanings of Urban Immovable Property Tax ACT, 1958 (the UIP Act 1958) for the purposes of imposition of Property Tax of around Rs. 31 million per annum. The Company has challenged the levy on various grounds before the honorable Peshawar High Court, wherein, as an interim relief, the PHC suspended the aforesaid Notification and matter is pending before honorable Peshawar High Court, Peshawar
- 12.1.5** The Khyber Pakhtunkhwa Mines and Minerals Department (Mining Department) conducted a survey of the leased area granted to Company containing mineral resources in order to determine any difference (if any) between the minerals excavated by the Company and the amount of Royalty paid since inception till December 2014. While finalizing the assessment, the Mining Department alleged a difference of minerals excavated and declared by the Company thereby created a demand of Rs. 750 million in dire ignorance of law and facts of the matter. Company filed various representations and / or appeals before the appropriate forums to highlight that the Company has even declared more production and thus paid more Royalty than the hypothetical figure of production assessed by the Mining Department through its survey, which otherwise has no strong basis. However, the Mining Department neither considered nor disposed of the Company's submissions and hence the Company filed a Writ Petition before the honorable Peshawar High Court (PHC) wherein, PHC has directed Mining Department to decide the pending representation after allowing sufficient audience to the Company.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended June 30, 2025

### **12.2. Income Tax Contingencies**

- 12.2.1** The Additional Commissioner Inland Revenue (ACIR) amended the assessment under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010, whereby the ACIR created an Income Tax Demand of Rs. 37.17 million, disallowed various profit and loss expenses, changed apportionment basis of expenses between normal and export sales and ignored the adjustment of brought forward losses of the Company against its income. Being aggrieved, the Company filed an appeal before the CIR(A) which succeeded leaving a tax demand of Rs. 12.8 million against the Company and deleting the entire additions and disallowances. The order of the CIR(A) resulted in filing of appeal by the Company and the Department before the ATIR. ATIR upheld the decision of CIR(A). The Company has challenged the decision of ATIR in LHC which is pending adjudication.
- 12.2.2** The Deputy Commissioner Inland Revenue (DCIR) vide order dated 26 October 2020 raised a tax demand to the tune of Rs. 686 million pertaining to tax year 2012 under section 122(1)/122(5) of the ITO, 2001 on account of suppressed sales and disallowing various profit and loss expenses / deductible allowance and curtailing available tax credits. The Company filed an appeal before the CIR (A) which was decided vide order dated 31st December 2021 resulting into deletion of entire disputed tax demand of Rs. 686 million which has been agitated by tax department through filing of appeal before the ATIR which is pending adjudication.
- 12.2.3** The Additional Commissioner Inland Revenue (ACIR) amended the assessments for tax years 2014 and 2016 whereby the claim of depreciation and initial allowance was curtailed by reducing the cost of depreciable assets for the purposes of depreciation to the extent of tax credits claimed U/S 65B of the ITO, 2001 on such assets and created a tax demand of Rs. 20.71 million and Rs. 64.90 million respectively. The treatment meted out by the ACIR for the aforesaid tax years has been agitated by the Company before CIR (A) who decided the case in favor of the Company which has been challenged by the Department in appeal before ATIR which is pending adjudication.
- 12.2.4** Income tax affairs of the Company for tax year 2015 were selected for audit U/S 177 of the ITO, 2001. The audit proceedings were finalized by the DCIR resulting in change in allocation of expenses between local and export income and disallowance of certain expenses and allowance culminating into a further tax liability of Rs. 234.5 million. The aforesaid treatment meted out by the DCIR has been agitated by the Company before CIR(A) through filing of appeal, wherein partial relief has been allowed to the Company leaving a tax demand of Rs. 41.5 million. Both the department and Company has filed appeals before the (ATIR) against the order of CIR(A) which is pending adjudication.
- 12.2.5** The Additional Commissioner Inland Revenue (ACIR) amended the assessment of Company twice for the tax year 2016 under the provisions of Section 122(5A) of the Income Tax Ordinance, 2001 (ITO, 2001). The amendments of assessment was made by the Additional CIR vide two separate orders which resulted into an aggregate tax demand of Rs. 210.69 million. The orders of the ACIR have been agitated by Company before the CIR(A) through filing two separate appeals, one of which involving tax demand of Rs. 5.9 million has been decided against the Company by the CIR(A) and the ATIR for which a reference application is filed before the Honorable Lahore High Court which is pending adjudication. Demand to the tune of Rs. 204.79 million created vide the other order of the ACIR has been curtailed to Rs. 100.31 million by the CIR(A) and finally deleted by the ATIR which is contested by the Department through filing of a reference application before the LHC. The reference application has been decided against the Department.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

- 12.2.6** The Additional Commissioner Inland Revenue (ACIR) created a tax demand of Rs. 97.7 million for the tax year 2017 under section 122(5A) of the Income Tax Ordinance, 2001 by disallowing various profit and loss expenses / deductible allowance. The Company has filed an appeal before CIR (A), wherein the entire case has been decided in favor of the Company resulting in deletion of entire tax demand. The order of CIR(A) has been challenged by the Department before ATIR which is pending adjudication.
- 12.2.7** The Additional Commissioner Inland Revenue (ACIR), while proceeding U/S 122(5A) of the ITO, 2001 enhanced income tax liability by Rs. 582 Million for the Tax Year 2014. On an appeal, the CIR(A), curtailed the aforesaid demand to Rs. 16.7 million. The aforesaid order of CIR(A) has been challenged by Company and the Department before the ATIR, which is pending adjudication.
- 12.2.8** The Additional Commissioner Inland Revenue (ACIR) amended the assessments for tax year 2018 whereby the claim of depreciation and initial allowance was curtailed by reducing the cost of depreciable assets for the purposes of depreciation to the extent of tax credits claimed U/S 65B of the ITO, 2001 on such assets and created a tax demand of Rs. 10 million. The treatment meted out by the ACIR for the aforesaid tax year was agitated by the Company before CIR(A) who decided the case against the Company. Same has been challenged by the Company in appeal before ATIR which is pending adjudication.
- 12.2.9** The Additional Commissioner Inland Revenue (ACIR) passed assessment orders under section 122(5A) for Tax Year 2019 and 2022, disallowing various expenses, deductions credits by creating income tax demand of Rs. 888 million and Rs. 781 million respectively. The Company has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) against the said orders which are pending adjudication.
- 12.3. Sales Tax Contingencies**
- 12.3.1** The Deputy Commissioner Inland Revenue (DCIR) has imposed a penalty of Rs. 36.95 million under section 33(17) of the Sales Tax Act, 1990 ("the Act") for alleged violation of section 3(2) of the Act, which requires the Company to print retail price on cement bags. In the immediate case, DCIR ignored the facts of legal compliance by the Company including due discharge of its Sales Tax liability and arbitrarily imposed the penalty presuming that entire Sales Tax liability for the period from July 2013 to January 2014 is unpaid. Out of the total demand, the company deposited Rs 33 million under protest. The Company filed an appeal before CIR(A), which was decided against the Company through a non-speaking order. The Company contested the same on 26 January 2015 before the ATIR who deleted the entire amount. The order of ATIR has been agitated by the Department through filing a reference before the Honorable LHC, which is pending adjudication.
- 12.3.2** The Deputy Commissioner Inland Revenue (DCIR) raised a demand of Rs. 497 million by disallowing input sales tax, for tax period July-2018 to June-2019, to the tune of Rs. 474 million and imposed a penalty of Rs. 22.7 million alleging that aforesaid input sales tax belongs to purchase of building material etc. which is thus, not allowed U/S 8(1)(h) of the Act as opposed to Company's contention that the input claimed directly relates to production of taxable supplies. Rs. 49.71 million were deposited by the Company to obtain statutory stay from recovery to bar department to issue recovery notice under section 48 of the Act, along with filing appeal before CIR(A), which, however, decided against the Company. The Company filed an appeal before the ATIR against the order of CIR(A) which resulted in deletion of entire demand whereas the aforesaid amount of Rs. 49.71 million has become refundable to the Company. However, the tax Department has filed a reference application before the honorable LHC against the order of ATIR, which is pending adjudication.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

**12.3.3** The Deputy Commissioner Inland Revenue (DCIR), through two separate orders, disallowed input sales tax claimed by the Company for the tax periods of August 2022 and December 2022 to May 2023 and created an aggregate sales tax demand of Rs. 125.6 million. The Company has filed appeals against these orders before relevant forums which are pending adjudication; however, meanwhile the Company has deposited an amount of Rs. 928,000 to avail the statutory stay under the law.

**12.4.** Certain matters other than those disclosed in these financial statements, are pending at various authorities and courts of law. The management is of the view that the outcome of those is expected to be favorable and a liability, if any, arising at the conclusion of those cases is not likely to be material.

Based on opinion of Company's legal council the management is confident of favorable outcome in all aforesaid matters of the Company, hence no provision is being recognized in respect of these in the Financial Statements.

	Note	2025 Rupees	2024 Rupees
<b>12.5. Commitments</b>			
In respect of letters of credit for:			
- Capital expenditures		2,656,637,970	-
- stores and spares		140,380,566	208,585,518
		2,797,018,536	208,585,518
Others:			
- Guarantee issued by Company in favor of bank on behalf of the associated company		390,000,000	390,000,000
		3,187,018,536	598,585,518
<b>13 Property, plant and equipment</b>			
Operating fixed assets	13.1	20,873,345,754	21,157,313,928
Capital work in progress	13.2	2,486,634,755	999,326,605
		23,359,980,509	22,156,640,533



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 13.1 Operating fixed assets

	Cost				Depreciation			Net book value as at 30 June 2025		
	As at 01 July 2024	Additions/ (transfers)	Disposals	As at 30 June 2025	Depreciation Rate	As at 01 July 2024	For the year			
									Rupees	
									Disposals	As at 30 June 2025
	Rupees									
Freehold land	491,494,366	22,391,196	-	513,885,562	-	-	-	513,885,562		
Factory buildings	1,923,284,216	24,880,576	-	1,948,164,792	4% - 5%	719,098,931	66,571,963	1,162,493,898		
Office and other building	58,713,548	106,278,068	-	164,991,616	5%	32,433,415	1,756,832	130,801,369		
Housing colony	399,038,735	115,815,550	(2,460,916)	512,393,369	5%	85,352,381	16,695,587	412,520,344		
Plant - Civil structures	6,566,956,876	-	-	6,566,956,876	4%	2,309,549,908	248,725,893	4,008,681,075		
Plant - Machinery and equipment	21,641,270,850	468,143,060	-	22,109,413,910	4% - 10%	7,208,129,567	827,019,891	14,074,264,452		
Storage tanks and pipelines	30,148,252	-	-	30,148,252	10%	26,721,296	342,696	3,064,260		
Power installations	133,937,080	-	(911,600)	133,025,480	10%	112,432,296	2,147,377	19,186,791		
Furniture, fixtures and other office equipment	173,165,428	55,504,188	-	228,669,616	10%	90,120,525	9,323,285	129,225,806		
Computer and printers	80,353,883	13,591,664	-	93,945,547	30%	35,628,187	15,354,948	42,962,412		
Weighing scale	29,403,750	-	-	29,403,750	10%	13,929,468	1,547,429	13,926,853		
Light vehicles	535,893,851	94,285,665	(12,443,400)	617,736,116	20%	295,804,526	65,751,784	264,045,155		
Heavy vehicles	18,824,516	-	-	18,824,516	20%	16,757,295	413,445	1,653,776		
Railway sidings	9,853,476	-	-	9,853,476	5%	8,645,432	60,403	1,147,641		
Laboratory equipment	59,379,600	84,922,762	-	144,302,362	10%	39,804,939	9,034,363	95,463,060		
Library books	94,217	-	-	94,217	10%	90,550	367	3,300		
	32,151,812,644	985,812,729	(15,815,916)	33,121,809,457		10,994,498,716	1,264,746,263	20,873,345,754		
2024										
	Cost			Depreciation			Net book value as at 30 June 2024			
	As at 01 July 2023	Additions/ (transfers)	Disposals	As at 30 June 2024	Depreciation Rate	As at 01 July 2023		For the year		
									Disposals	As at 30 June 2024
	Rupees									
Freehold land	478,782,234	12,712,132	-	491,494,366	-	-	-	491,494,366		
Factory buildings	1,844,379,430	78,904,786	-	1,923,284,216	4% - 5%	653,760,064	65,338,867	1,204,185,285		
Office and other building	58,713,548	-	-	58,713,548	5%	31,050,250	1,383,165	26,280,133		
Housing colony	247,512,964	154,650,227	(3,124,456)	399,038,735	5%	76,930,447	11,091,942	313,686,354		
Plant - Civil structures	6,566,956,876	-	-	6,566,956,876	4%	2,060,824,015	248,725,893	4,257,406,988		
Plant - Machinery and equipment	20,025,651,780	1,615,619,070	-	21,641,270,850	4% - 10%	6,416,465,966	791,663,601	14,433,141,283		
Storage tanks and pipelines	30,148,252	-	-	30,148,252	10%	26,340,523	380,773	3,426,956		
Power installations	133,937,080	-	-	133,937,080	10%	110,042,876	2,389,420	21,504,784		
Furniture, fixtures and other office equipment	164,082,427	9,083,001	-	173,165,428	10%	81,480,392	8,640,133	83,044,903		
Computer and printers	43,777,647	36,731,236	(155,000)	80,353,883	30%	29,655,780	6,069,258	44,725,686		
Weighing scale	29,403,750	-	-	29,403,750	10%	12,210,103	1,719,365	15,474,282		
Light vehicles	391,279,133	145,486,405	(871,687)	535,893,851	20%	255,059,172	41,569,518	240,089,325		
Heavy vehicles	18,824,516	-	-	18,824,516	20%	16,240,489	516,806	2,067,221		
Railway sidings	9,853,476	-	-	9,853,476	5%	8,581,851	63,581	1,208,044		
Laboratory equipment	59,379,600	-	-	59,379,600	10%	37,629,977	2,174,962	19,574,661		
Library books	94,217	-	-	94,217	10%	90,143	407	3,667		
	30,102,776,930	2,053,186,857	(4,151,143)	32,151,812,644		9,816,362,048	1,181,727,691	21,157,313,928		
						(3,591,023)	10,994,498,716	21,157,313,928		

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

- 13.2** Factory buildings, plant civil structure, housing colony, plant, machinery and equipment, storage tanks and pipelines, power installations, weighing scale, railway sidings and laboratory equipments are located at freehold land measuring 1,875 kanals and 15 marlas located at Mouza Togh Bala Babri Banda, District Kohat, KPK, Pakistan.

Office land and building is located at land measuring 2 kanal and 8 marlas located at 36-37 P, Gulberg II, Lahore. Office land and building located at 36-37 P, Gulberg II, Lahore is mortgaged in favor of National Bank of Pakistan (NBP) as a security of finance provided by NBP to Ultra Kraft (Private) Limited, an associated Company, as approved by members of the Company in its EOGM held on April 14, 2022, in terms of section 199 of the Companies Act, 2017.

	Note	2025 Rupees	2024 Rupees
<b>13.3 Depreciation charge for the year has been allocated as follows:</b>			
Cost of goods sold	25	1,222,716,176	1,161,057,615
Selling and distribution expenses	26	13,292,158	4,272,778
Administrative and general expenses	27	28,737,929	16,397,298
		1,264,746,263	1,181,727,691

## 13.4 Disposal of property, plant and equipment

	2025							
	Cost	Accumulated depreciation	Net book value	Sales value	Gain on disposal	Mode of disposal	Particulars of buyers	Relationship with buyer
	Rupees							
<b>Particulars of assets</b>								
<b>Light vehicles</b>								
Proton X70	5,592,230	2,907,960	2,684,270	5,445,000	2,760,730	Negotiation	Hafiz Syed M Ali Haider	Third party
Toyota Corolla Altis	2,822,462	1,158,757	1,663,705	3,000,000	1,336,295	Negotiation	Muhammad Umair	Third party
Items having book value less than Rs. 500,000/- each	7,401,224	6,714,560	686,664	6,876,000	6,189,336	-	-	-
<b>2025</b>	15,815,916	10,781,277	5,034,639	15,321,000	10,286,361			
2024	4,151,143	3,591,023	560,119	2,890,000	2,329,881			

	Note	2025 Rupees	2024 Rupees
<b>13.5 Capital work in progress</b>			
Opening balance		999,326,605	1,943,019,581
Additions during the year	13.7	2,228,396,936	790,517,020
Transfers to property, plant and equipment		(741,088,786)	(1,734,209,996)
Closing balance	13.6	2,486,634,755	999,326,605

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

		2025 Rupees	2024 Rupees
<b>13.6</b>	<b>The breakup of closing balance is as follows:</b>		
	Plant and machinery	2,081,328,187	827,607,602
	Civil works	405,306,568	171,719,003
		2,486,634,755	999,326,605

**13.7** This also includes finance cost amounting to Rs. 6 million (2024: Nil) and plant and machinery in transit of Rs. 567.62 million (2024: Nil), relating to the CFPP project.

	Note	2025 Rupees	2024 Rupees
<b>14</b>	<b>Intangible assets</b>		
	Opening balance	508,226	1,567,709
	Less: Amortization for the year	(248,484)	(1,059,483)
	Closing balance	259,742	508,226
	Cost	30,461,960	30,461,960
	Less: Accumulated amortization	(30,202,218)	(29,953,734)
		259,742	508,226
		(Percentage)	(Percentage)
	Amortization rate	20%	20%

	Note	2025 Rupees	2024 Rupees
<b>15</b>	<b>Long term loans and advances</b>		
	Loans to employees - secured considered good	957,538	1,285,163
	Advance against purchase of fixed assets	433,733,790	88,076,807
		434,691,328	89,361,970

**15.1** This includes advances against purchase of land in District Khushab for installation of its new grey cement line amounting to Rs. 11.9 million (2024: Rs. 12.9 million)

	Note	2025 Rupees	2024 Rupees
<b>16</b>	<b>Long term deposits</b>		
	Opening balance	58,026,136	58,026,136
	Additions during the year	200,000	-
	Closing balance	58,226,136	58,026,136

**16.1** This mainly represents security deposit with Peshawar Electric Supply Company and Faisalabad Electric Supply Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>17 Investment property</b>			
Balance at the beginning of the year		4,326,361,559	4,324,910,743
Additions during the year		-	1,450,816
	17.1	4,326,361,559	4,326,361,559

**17.1** Investment property comprises of land that are held for capital appreciation. The approximate market value of investment property is Rs. 9,756.11 million (2024: Rs. 9,190.29 million) and aggregate forced sale value of Rs. 8,292.69 million (2024: Rs. 7,811.74 million) based on valuation conducted by a professional valuer. The Company owns investment properties measuring 1,128.88 kanals (2024: 1,128.88 kanals) located at different locations in District Lahore.

**17.2** Fair value of investment property has been determined by professional valuers (level 2 measurement) appointed by the Company based on their assessment of the market values as disclosed. The valuation experts used a market based approach to arrive at the fair value of the Company's investment properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

	Note	2025 Rupees	2024 Rupees
<b>18 Stores, spares and loose tools</b>			
Stores	18.1	2,681,146,167	3,685,575,712
Spares		2,223,988,416	2,036,157,895
Loose tools		86,176,892	63,949,879
		4,991,311,475	5,785,683,486

**18.1** These include stores in transit amounting to Rs. 842.09 million (2024: Rs. 1,592.21 million).

	Note	2025 Rupees	2024 Rupees
<b>19 Stock-in-trade</b>			
Raw materials		24,423,323	15,250,712
Packing materials		400,011,656	383,936,694
Work in process		1,313,418,768	723,387,446
Finished goods		775,702,805	671,167,588
		2,513,556,552	1,793,742,440
<b>20 Trade debts</b>			
Trade debts - unsecured, considered good		1,777,917,803	2,151,869,308
Expected credit loss on trade debts	20.1	(85,699,971)	(41,621,406)
		1,692,217,832	2,110,247,902

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>20.1 Movement in expected credit loss on trade debts:</b>			
Balance as of July 01		41,621,406	43,631,922
Expected credit loss during the year		44,078,565	(2,010,516)
Closing balance as at 30 June		85,699,971	41,621,406
<b>21 Short term investments</b>			
<b>FVOCI - debt instrument</b>			
Term Finance Certificates	21.2.1	100,000,000	100,000,000
Accumulated fair value loss	21.2.2	(5,835,000)	(2,660,000)
		94,165,000	97,340,000
<b>FVTPL</b>			
<b>Investments in Mutual Funds</b>			
Money Market Mutual Funds - Shariah Compliant		211,898,653	6,631,635,350
Income Mutual Funds - Conventional		7,742,380,056	1,221,164,505
Money Market Mutual Funds - Conventional		17,216,838,304	11,176,938,996
		25,171,117,014	19,029,738,851
<b>Listed equity securities</b>			
Cost		366,684,009	549,497,061
Accumulated fair value gain	21.3	1,309,666,183	603,170,042
		1,676,350,192	1,152,667,103
		26,847,467,205	20,182,405,954
		26,941,632,205	20,279,745,954
<b>21.2 FVOCI - debt instrument</b>			
<b>21.2.1</b>	These represents fully paid-up, privately placed, perpetual, unsecured and sub-ordinated Term Finance Certificates issued by Habib Bank Limited and the Bank of Punjab. These TFCs carry floating rate of return at 3-6 Month Kibor plus 1.60% to 2% per annum.		
		2025 Rupees	2024 Rupees
<b>21.2.2 Fair value changes</b>			
At beginning of the year		(2,660,000)	(2,645,000)
Fair value loss for the year		(3,175,000)	(15,000)
		(5,835,000)	(2,660,000)
<b>21.3 FVTPL - listed equity securities</b>			
<b>Fair value changes</b>			
At beginning of the year		603,170,042	1,778,708
Fair value gain for the year		706,496,141	601,391,334
		1,309,666,183	603,170,042

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>22 Loans, advances, deposits, prepayments and other receivables</b>			
Advances - unsecured, considered good			
- to employees	22.1	4,951,373	4,435,573
- to suppliers		100,412,899	141,844,526
- to contractors		6,144,212	33,136,100
		111,508,484	179,416,199
Income tax and Sales tax paid under protest	22.2	181,855,970	180,927,970
Loan to Ultra Kraft (Private) Ltd- an associated undertaking	22.3	558,885,402	531,786,858
Letter of credit / Bank guarantee margin		7,936,491	61,914,328
Prepayments		19,302,125	6,510,856
Security deposits		7,815,422	9,065,422
Accrued interest on bank deposits		1,475,908	4,929,596
Duty drawback claims receivable on export sales		5,392,294	5,009,762
Other advances and receivables		131,199,610	160,766,828
		1,025,371,707	1,140,327,819
<b>22.1 Advances to Company's employees</b>			
Advances to employees against salary		2,158,915	2,329,897
Advances to employees against expenses		2,792,458	2,105,676
		4,951,373	4,435,573

**22.2** This includes sales tax paid to the Federal Board of Revenue under protest, as referred to in notes 12.3.1, 12.3.2 and 12.3.3.

**22.3** In terms of section 199 of the Companies Act, 2017 the Company in its AGM held on 15 October 2024 has approved renewal of investment by way of short-term running finance up to Rs. 600 million in Ultra Kraft (Private) Limited, an associated company, to meet its working capital requirements. As of 30 June 2025, the Company has disbursed Rs. 540 million (2024: Rs. 502 million) to Ultra Kraft (Private) Limited (UKPL), the loan is for one year period starting from 29 October 2024 and carry mark up rate of 3 MK plus 1.5% per annum. This facility is secured by way of Corporate Guarantee from UKPL and ANS Capital (Private) Limited (the Holding Company) to the Company. Further, the Company has also issued a Corporate Guarantee for an amount of Rs. 390 million for a period of 7 years in favor of National Bank of Pakistan (NBP) and mortgaged its immovable property to secure long term financial assistance to be extended by NBP to UKPL. Commission is being charged at the rate of 0.12% per quarter payable quarterly in arrears. As at 30 June 2025, Rs. 18.885 million (2024: Rs. 29.787 million) pertains to accrued mark-up/commission on these financing facilities. The maximum aggregate balance due from UKPL during the year calculated with reference to month end balances amounts to Rs. 600 million (2024: Rs. 502 million).



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>23</b>	<b>Cash and bank balances</b>		
Cash in hand		453,261	185,667
Cash at bank			
- current accounts			
Deposits with conventional banks		467,957,042	629,737,836
Deposits with Islamic banks		350,486,105	9,236,148
		818,443,147	638,973,984
- saving accounts	23.1		
Deposits with conventional banks		435,950,044	193,968,156
Deposits with Islamic banks		195,856,271	269,521,365
		631,806,315	463,489,521
		1,450,702,723	1,102,649,172

**23.1** These carry return at 4.00% to 19.00% (2024: 10.00% to 20.50%) per annum.

		2025 Rupees	2024 Rupees
<b>24</b>	<b>Sales - net</b>		
	<b>Gross Sales</b>		
Local		57,027,814,702	52,629,386,462
Export		240,558,573	506,518,071
		57,268,373,275	53,135,904,533
Less: Sales tax		(9,823,008,806)	(9,014,692,480)
Federal Excise Duty		(9,231,787,840)	(5,087,859,420)
Discount / rebate		(677,876,257)	(385,584,661)
		(19,732,672,903)	(14,488,136,561)
		37,535,700,372	38,647,767,972
<b>24.1</b>	<b>Disaggregation of revenue</b>		
<b>24.1.1</b>	<b>Type of customers - Gross sales</b>		
Contracts with government customers		2,274,418,424	2,518,709,999
Contracts with non-government customers		54,993,954,851	50,617,194,534
		57,268,373,275	53,135,904,533

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	2025 Rupees	2024 Rupees
<b>24.1.2 Geographical region - Gross Revenue</b>		
Pakistan	57,027,814,702	52,629,386,462
Afghanistan	240,558,573	506,518,071
	57,268,373,275	53,135,904,533

**24.1.3** During the year the Company has recognized revenue amounting to Rs. 91.94 million out of contract liability as at 01 July 2024.

	Note	2025 Rupees	2024 Rupees
<b>25 Cost of sales</b>			
Raw materials consumed		1,476,403,998	1,315,105,785
Packing materials consumed		1,986,157,711	2,227,265,425
Power and fuel		4,062,032,091	5,903,638,078
Coal and gas		10,787,355,891	12,676,526,352
Stores and spares consumed		1,282,545,568	1,050,381,378
Salaries, wages and other benefits	25.1	954,533,049	812,830,304
Royalty and excise duty	25.2	838,362,891	447,776,282
Rent, rates and taxes		46,517,267	46,929,652
Repairs and maintenance		287,520,646	220,231,797
Insurance		72,856,969	61,811,896
Depreciation	13.3	1,222,716,176	1,161,057,615
Other expenses		515,733,391	480,212,863
		23,532,735,648	26,403,767,427
Work in process			
At beginning of the year		723,387,446	1,563,113,179
At end of the year		(1,313,418,768)	(723,387,446)
		22,942,704,326	27,243,493,159
Finished goods			
At beginning of the year		671,167,588	825,190,561
At end of the year		(775,702,805)	(671,167,588)
		22,838,169,109	27,397,516,132
Less: Cost attributable to own cement consumption and others		(24,074,838)	(6,239,655)
		22,814,094,271	27,391,276,477

**25.1** Salaries, wages and other benefits include Rs. 20.30 million (2024: Rs. 19.30 million) and Rs. 9.19 million (2024: Rs. 1.63 million) in respect of provident fund contributions and compensated absences, respectively.

**25.2** This represents royalty and excise duty charged by Government of Khyber Pakhtunkhwa on account of extraction of raw materials from quarry lease.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>26</b>	<b>Selling and distribution expenses</b>		
Salaries, wages and other benefits	26.1	141,799,271	124,952,194
Vehicle running		8,325,137	10,008,512
Travelling and conveyance		4,923,270	5,680,747
Printing and stationary		750,564	616,987
Postage, telephone and telegrams		1,667,907	1,543,733
Repairs and maintenance		1,360,386	1,547,905
Entertainment		4,663,048	5,731,004
Rent, rates and taxes		4,722,540	4,020,417
Electricity, water and gas		1,302,703	1,156,467
Sales promotion		41,340,155	35,898,002
Depreciation	13.3	13,292,158	4,272,778
Miscellaneous		1,453,278	1,830,613
		225,600,417	197,259,359

**26.1** Salaries, wages and other benefits include Rs. 3.24 million (2024: Rs. 2.81 million) and Rs. 1.14 million (2024: Rs. 0.26 million) in respect of provident fund contributions and compensated absences, respectively.

	Note	2025 Rupees	2024 Rupees
<b>27</b>	<b>Administrative and general expenses</b>		
Salaries, wages and other benefits	27.1	449,314,759	363,107,521
Vehicle running		10,105,183	10,306,358
Travelling and conveyance		2,735,527	2,643,153
Printing and stationary		6,387,181	6,178,155
Legal and professional	27.2	123,107,170	21,434,077
Postage, telephone and telegrams		3,897,767	6,572,546
Repairs and maintenance		24,390,484	24,733,652
Rent, rates and taxes		18,612,363	9,986,473
Electricity, water and gas		9,774,200	10,309,292
Entertainment		10,626,522	8,103,991
Auditors' remuneration and fee for other services	27.3	5,325,000	4,610,000
Depreciation	13.3	28,737,929	16,397,298
Amortization	14	248,484	1,059,483
Advertisement		626,031	428,704
Miscellaneous		1,664,519	2,172,128
		695,553,118	488,042,831

**27.1** Salaries, wages and other benefits include Rs. 8.18 million (2024: Rs. 5.67 million) and Rs. 2.87 million (2024: Rs. 0.51 million) in respect of provident fund contributions and compensated absences, respectively.

**27.2** Legal and professional charges include remuneration to cost auditor amounting to Rs. 0.315 million (2024: Rs. 0.289 million).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>27.3 Auditors' remuneration and fee for other services</b>			
Statutory audit		3,400,000	2,860,000
Half year review		500,000	500,000
Certifications		300,000	500,000
Tax consultancy		1,125,000	750,000
		5,325,000	4,610,000
<b>28 Other expenses</b>			
Workers' Profit Participation Fund	9.2	680,337,050	391,347,845
Workers' Welfare Fund	9.3	258,822,015	173,023,244
Donations	28.1	1,200,000	6,200,000
Foreign currency exchange loss - net		-	1,379,300
		940,359,065	571,950,389

**28.1** It includes donations paid to Akhuwat Foundation Rs. 1.2 million (2024: Rs. 1.2 million), Saylani Welfare Trust Nil (2024: Rs. 2.5 million and Al-Khidmat Foundation Nil (2024: Rs. 2.5 million). None of the Directors of the Company or any of their spouse have any interest in donee's fund.

	2025 Rupees	2024 Rupees
<b>29 Other income</b>		
Income from financial assets - Conventional:		
Interest on bank deposits and investments	90,714,037	91,606,211
Realized gain on investments at FVTPL-Mutual Funds	3,126,528,356	39,681,840
Realized gain on investments at FVTPL-Equity	341,781,371	73,159,252
Dividend received from investment in mutual funds	9,779,003	1,568,473,288
Dividend received from investment in equity securities	210,010,165	207,074,563
Net change in fair value of financial assets at FVTPL	700,234,695	644,657,889
Foreign currency exchange gain - net	992,328	-
Interest on employees' loans	125,336	74,064
Interest/commission on financing facilities to Ultra Kraft (Pvt) Ltd - associated company	91,515,847	97,026,448
Income from financial assets - Shariah compliant:		
Profit on bank deposits and investments	35,060,082	46,846,059
Net change in fair value of financial assets at FVTPL	(2,111,066)	(6,011,010)
Realized gain on investments at FVTPL-Mutual Funds	484,810,994	87,592,649
Dividend received from investment in mutual funds	7,731,928	1,584,376,443
	5,097,173,076	4,434,557,696
Income from non-financial assets		
Income from sale of scrap	127,490,563	11,223,568
Miscellaneous income	45,769,197	4,305,368
Profit on disposal / retirement of property, plant and equipment	10,286,361	2,329,881
	183,546,121	17,858,817
	5,280,719,197	4,452,416,513

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	2025 Rupees	2024 Rupees
<b>30 Finance cost</b>		
Mark-up on conventional finances:		
Short term borrowings- secured	20,339,806	14,347,482
Long term finances-secured	285,870,933	631,836,653
	306,210,739	646,184,135
Bank charges, commission and others	43,699,977	31,196,710
	349,910,716	677,380,845
<b>31 Final tax</b>		
Final tax	58,631,368	844,151,365

This represents levy in accordance with the requirements of IFRIC 21 and IAS 37. This includes final tax paid under section 5 of the Income Tax Ordinance, 2001 (ITO, 2001) on dividend income. In the previous financial year, tax on exports under section 154 of the ITO, 2001 was also treated as final tax; however, during the current year, exports have been subject to tax under the Normal Tax Regime (NTR)

	2025 Rupees	2024 Rupees
<b>32 Taxation</b>		
Current		
- for the year	5,932,050,449	3,354,978,718
- for the prior year	(3,580,167)	1,034,682
	5,928,470,282	3,356,013,400
Deferred tax	184,567,696	682,665,548
	6,113,037,978	4,038,678,948
<b>32.1 Relationship between tax expense and accounting profit</b>		
Profit before income tax	17,688,192,049	12,932,133,735
Tax calculated at the rate of 29% (2024 : 29%)	5,129,575,694	3,750,318,783
Tax effect of:		
- income under separate block of income	(591,085,215)	(939,788,379)
- super tax @ 10%	1,687,754,634	1,205,127,746
- change in proportion of local and export sales	-	68,903,481
- change in tax rate	9,486,008	-
- tax revision prior year	(3,580,167)	1,034,682
- unrealized gain	(59,968,579)	(64,666,504)
- permanent difference	(72,893,817)	-
- others	13,749,420	17,749,139
	6,113,037,979	4,038,678,948

**32.2** Reconciliation of tax charge as per tax laws for the year with the current tax and levies recognized in the profit and loss account is as follows:

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	2025 Rupees	2024 Rupees
Portion of income tax liability as per tax laws, representing current tax under IAS 12	5,928,470,282	3,356,013,400
Portion of final tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21/ IAS 37	58,631,368	844,151,365
Total tax liability as per applicable tax laws	5,987,101,650	4,200,164,765

## 33 Earnings per share - basic and diluted

### 33.1 Basic Earnings per share

	Unit	2025	2024
Profit for the year after taxation	Rupees	11,575,154,071	8,893,454,787
Weighted average number of ordinary shares outstanding during the year (note 33.1.1) (2024:Restated)	Numbers	967,142,101	982,114,704
Earnings per share (2024:Restated)	Rupees	11.97	9.06

	Note	2025 Numbers	2024 Numbers
<b>33.1.1 Weighted average number of ordinary shares</b>			
Outstanding number of shares before own shares purchased		195,861,297	200,861,297
Less: Own shares purchased during the year adjusted with time-weighting factor	33.1.2	(2,432,877)	(4,424,658)
Weighted average number of shares outstanding during the year		193,428,420	196,436,639
Weighted average number of shares outstanding during the year with retrospective adjustment of Stock Split in the ratio of 5:1	33.1.3	967,142,101	982,183,197

**33.1.2** During the year, The Company cancelled 12 million (2024: 5 million) of its ordinary shares of Rs. 10 each purchased during the period from October 23, 2024 to April 12, 2025. The Purchase was made pursuant to special Resolution passed in the Extraordinary General meeting held on October 15, 2024 as disclosed in note 4.3 to the financial statements.

**33.1.3** Weighted average number of shares and the resultant earnings per share of 30<sup>th</sup> June 2024 have been restated pursuant to share split as approved by the members of the company in the Extraordinary General Meeting held on August 7, 2025 and executed on August 23, 2025 as disclosed in note 4.4 to the financial statements.

### 33.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share as the Company does not have any convertible instruments in issue as at 30 June 2025 and 30 June 2024.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>34 Cash generated from operations</b>			
Profit before taxation		17,688,192,049	12,932,133,735
Adjustments for non-cash and other items:			
Depreciation on property, plant and equipment	13.3	1,264,746,263	1,181,727,691
Amortization on intangibles	27	248,484	1,059,483
Gain on disposal of property, plant and equipment	29	(10,286,361)	(2,329,881)
Profit on bank deposits and loans – Conventional	29	(182,229,884)	(188,632,658)
Profit on bank deposits – Shariah compliant	29	(35,060,082)	(46,846,059)
Realized gain on investment at FVTPL	29	(3,953,120,721)	(200,433,741)
Net change in fair value of financial assets at FVTPL	29	(698,123,629)	(638,646,879)
Dividend income	29	(227,521,096)	(3,359,924,294)
Provision for compensated absences	8.2	13,204,899	2,337,415
Provision for Workers' Welfare Fund	28	258,822,015	173,023,244
Provision for Workers' Profit Participation Fund	28	680,337,050	391,347,845
Finance cost	30	306,210,739	677,380,845
Final tax on dividends and exports	31	58,631,368	844,151,365
Foreign currency exchange gain	29	(992,328)	-
Deferred tax recognised in equity	8.1	(2,275,650)	-
Expected credit loss on trade debts	20.1	44,078,565	-
		(2,483,330,369)	(1,165,785,624)
<b>Operating profit before working capital changes</b>		<b>15,204,861,680</b>	<b>11,766,348,111</b>
<b>Changes in working capital</b>			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		794,372,011	(1,072,553,722)
Stock in trade		(719,814,112)	1,149,119,114
Trade debts		373,951,505	(904,694,527)
Advances, deposits, prepayments and other receivables		149,502,424	(31,577,403)
		598,011,828	(859,706,538)
Increase / (decrease) in current liabilities:			
Trade and other payables		740,969,700	716,051,253
Contract liabilities		30,882,301	(139,717,339)
<b>Cash generated from operations</b>		<b>16,574,725,509</b>	<b>11,482,975,487</b>
<b>35 Cash and cash equivalents</b>			
Cash and bank balances	23	1,450,702,723	1,102,649,172

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 36 Related parties

**36.1** Following are the related parties with whom the Company had entered into transactions during the period:

Sr. no.	Name of Related Party	Relationship with the Company	Direct Shareholding in the Company
1	Ultra Pack (Private) Limited	Associated undertaking	Nil
2	Nutribel (Private) Limited	Associated undertaking	Nil
3	Ultra Kraft (Private) Limited	Associated undertaking	Nil
4	Art Vision (Private) Limited	Associated undertaking	Nil
5	Palace Enterprises (Private) Limited	Associated undertaking	Nil
6	Employees' Provident Fund Trust	Post employment contribution plan	Nil
7	Kohat Cement Educational Trust	Common directorship / trustee	0.08%

## 36.2 Balances and transactions with related parties

The related parties comprise of holding company, associated companies, Directors of the Company, key management personnel and staff retirement funds. Balances with related parties are disclosed in respective notes. Transactions with related parties are as follows:

	2025 Rupees	2024 Rupees
<b>Transactions with Associated Undertakings</b>		
Purchases in ordinary course of business	1,925,796,465	2,090,238,490
Purchase of asset	2,000,000	-
Professional services	-	7,840
Sales of asset	767,000	865,000
Loan disbursement - net	38,000,000	342,000,000
Commission / markup charges	91,515,847	97,026,448
<b>Transactions with Directors</b>		
Managerial remuneration and other benefits	169,942,220	135,928,916
Chairman remuneration	132,707,451	102,007,605
Meeting fee	1,605,000	1,605,000
Reimbursement of TA/DA expenses	280,000	140,000
<b>Transactions with other key management personnel</b>		
Managerial remuneration and other benefits	263,684,953	219,753,116
<b>Other related parties</b>		
Contribution to company provident fund	31,711,682	27,773,995
Contribution to Kohat Cement Educational Trust	8,485,760	7,932,347

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

**36.3** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers Chief Executive Officer, whole time Directors (including employee directors), Company secretary and CFO to be its key management personnel. Except as disclosed elsewhere in these financial statements, there are no transactions with key management personnel outside the terms of their employment.

## 37 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for the year in respect of remuneration, including benefits to the Chief Executive, Directors and Executives of the Company is as follows:

	2025			
	Directors			Executives
	Chief Executive	Chairman-Non-Executive	Executive	
	Rupees			
Short term employee benefits				
Chairman remuneration	-	78,284,540	-	-
Managerial remuneration	78,284,540	-	-	325,684,366
Bonus	23,600,016	-	-	55,066,514
Medical expenses reimbursed	953,250	793,393	-	-
Other benefits	63,190,189	53,629,518	-	2,222,445
	166,027,995	132,707,451	-	382,973,325
Post employment benefits				
Contribution to provident fund	3,914,225	-	-	10,841,999
	169,942,220	132,707,451	-	393,815,324
Number of persons	1	1	-	25
	2024			
	Directors			Executives
	Chief Executive	Chairman-Non-Executive	Executive	
	Rupees			
Short term employee benefits				
Chairman remuneration	-	68,073,508	-	-
Managerial remuneration	68,073,508	-	-	264,130,496
Bonus	18,791,000	-	-	38,201,629
Medical expenses reimbursed	237,325	4,623,287	-	-
Other benefits	45,423,413	29,310,810	-	1,817,041
	132,525,246	102,007,605	-	304,149,166
Post employment benefits				
Contribution to provident fund	3,403,670	-	-	8,805,210
	135,928,916	102,007,605	-	312,954,376
Number of persons	1	1	-	23

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended June 30, 2025

- 37.1** The Company has paid Rs. 1.88 million (2024: Rs. 1.75 million) to the six non-executive directors as fee for attending Board and Committee meetings.
- 37.2** The Company also provides the Chief Executive, certain Directors and Executives with free use of Company maintained cars.
- 37.3** Executives are those employees of the Company whose annual basic salary is Rs. 1.2 million or above.

### **38 Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

#### **Risk management framework**

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze 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 Board of Directors reviews and agrees upon the policies for managing each of these risks.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### **38.1 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. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

##### **38.1.1 Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Note	2025 Rupees	2024 Rupees
Long term deposits	16	58,226,136	58,026,136
Trade debts - unsecured, considered good	20	1,692,217,832	2,110,247,902
Short term investments - mutual funds	21	25,171,117,014	19,029,738,851
Short term investments - term finance certificates	21	94,165,000	97,340,000
Loan to Ultra Kraft (Private) Ltd- an associated undertaking	22.3	558,885,402	531,786,858
Accrued interest on bank deposits	22	1,475,908	4,929,596
Letter of credit / Bank guarantee margin	22	7,936,491	61,914,328
Deposits and other receivables		141,173,947	172,162,147
Cash at banks	23	1,450,249,462	1,102,463,505
		29,175,447,192	23,168,609,323

## 38.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2025 Rupees	2024 Rupees
Customers	1,692,217,832	2,110,247,902
Banking companies and mutual funds	26,724,943,875	20,296,386,280
Others	758,285,486	761,975,141
	29,175,447,192	23,168,609,323

## 38.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates and present ages.

### 38.1.3(a) Counterparties with external credit ratings

These include banking companies and non-banking financial institutions, which are counterparties to bank balances and short term investments. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. As of the reporting date, the balances held with counterparties having external credit ratings are as follows:

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	2025 Rupees	2024 Rupees
<b>Bank balances</b>		
A1+	1,156,963,608	1,063,946,691
A1	293,285,857	38,516,817
	1,450,249,465	1,102,463,508
<b>LC / guarantee margins</b>		
A1+	7,936,491	61,914,328
<b>Short-term investments - Mutual funds stability ratings</b>		
AAA+(f)	–	588,930,201
AAA(f)	4,223,249,572	1,460,778,784
AA+(f)	11,637,383,592	11,574,883,656
AA-(f)	2,430,404,142	305,641,869
AA(f)	3,308,238,442	4,794,456,303
A+(f)	3,571,841,266	305,048,039
	25,171,117,014	19,029,738,851
<b>Term Finance Certificates</b>		
AA+	47,665,000	47,665,000
AA-	46,500,000	49,675,000
	94,165,000	97,340,000

## 38.1.4 Forward-looking information contained in ECL

The Company's Expected Credit Loss (ECL) calculation incorporates forward-looking information by integrating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward-looking data helps in better predicting potential credit losses under different economic conditions.

To estimate Probability of Default (PD), the Company utilizes historical and forecasted macroeconomic data. For ECL calculations, the Company considers Gross Domestic Product (GDP), Consumer Price Index (CPI) and unemployment rate as the primary macroeconomic variables, with forecasted data sourced from the International Monetary Fund (IMF). The selection of these variables is based on their relevance and sensitivity to the Company's trade debts.

The Company has developed three macroeconomic scenarios—Base, Best, and Worst—to reflect potential economic conditions. These scenarios have been assigned probability weightings of 50% for the Base scenario, 10% for the Best scenario, and 40% for the Worst scenario to ensure a comprehensive assessment of credit risk exposure.

As part of forward-looking assessment, The Company conducted a sensitivity analysis on macroeconomic indicators used in Expected Credit Loss (ECL) calculations. A 10% change in macroeconomic variables (GDP, CPI and unemployment rate) was applied to assess the upside and downside impact on PD. The resulting variation is as follows:



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	Upwards	Downwards
Expected credit loss allowance	1.66%	-1.48%

## 38.1.5 Sensitivity of ECL to future economic conditions

The ECL is sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Company performs sensitivity analysis on the ECL recognized on its trade debts.

The table below shows the loss allowance assuming each forward-looking scenario (e.g. Base, Best and Worst) were weighted 100% instead of applying scenario probability across the three scenarios

	ECL after sensitivity analysis	Increase / decrease %
Base	82,794,979	-3.39%
Best	75,424,255	-11.99%
Worst	91,900,139	7.23%

## 38.1.6 Counterparties without external credit ratings

The maximum exposure to credit risk as at the end of the reporting period was as follows:

	Gross carrying amount	
	2025 Rupees	2024 Rupees
Not yet due	1,105,518,403	1,527,327,836
Past due 0 - 90 days	332,624,024	565,788,658
Past due 91 - 180 days	195,690,947	17,379,300
Past due 181 - 270 days	64,220,213	839,182
Past due 271 - 360 days	29,106,631	1,253,736
Past due above one year	50,757,585	39,280,596
	1,777,917,803	2,151,869,308
Expected credit loss on trade debts	(85,699,971)	(41,621,406)
	1,692,217,832	2,110,247,902

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Provision matrix is based on the Company's historical credit loss experience, adjusted for forward-looking factors which includes GDP, consumer price index and unemployment rate. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of trade debts.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavorable to the Company. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines. Further, the PACRA has assigned long term credit rating A+ and short term credit rating A1 with stable outlook, which reflects Company's strong capacity for timely repayment of its financial commitments and supports its access to funding on favorable terms.

### 38.2.1 Exposure to liquidity risk

#### 38.2.1(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		2025					
	Note	Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years	More than five year
Rupees							
<b>Non-derivative financial liabilities</b>							
Long term financing	6	2,286,337,057	2,996,815,134	1,056,506,399	1,143,128,206	436,151,134	361,029,395
Long term deposits	7	3,536,100	3,536,100	-	-	3,536,100	-
Trade and other payables	9	3,170,335,614	3,170,335,614	3,170,335,614	-	-	-
Short term borrowings	11	3,704,884	3,704,884	3,704,884	-	-	-
Dividend payable	10	33,677,348	33,677,348	33,677,348	-	-	-
Unclaimed dividend		8,503,909	8,503,909	8,503,909	-	-	-
		5,506,094,912	6,216,572,989	4,272,728,154	1,143,128,206	439,687,234	361,029,395
		2024					
	Note	Carrying amount	Contractual cash flows	One year or less	One to three years	Three to five years	More than five year
Rupees							
<b>Non-derivative financial liabilities</b>							
Long term financing	6	2,287,938,121	2,825,862,975	1,518,892,071	1,306,970,904	-	-
Long term deposits	7	3,536,100	3,536,100	-	-	3,536,100	-
Trade and other payables	9	2,281,309,180	2,281,309,180	2,281,309,180	-	-	-
Short term borrowings	11	61,253	61,253	61,253	-	-	-
Dividend payable	10	36,835,022	36,835,022	36,835,022	-	-	-
Unclaimed dividend		8,503,909	8,503,909	8,503,909	-	-	-
		4,618,183,585	5,156,108,439	3,845,601,435	1,306,970,904	3,536,100	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 38.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

### 38.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros, Chinese Yuan, British Pound Sterling and US dollars.

#### 38.3.1(a) Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	2025			
	CNY	EURO	USD	Rupees
<b>Assets</b>				
Cash and bank balances	-	-	184,316	52,271,933
<b>Liabilities</b>				
Imports bills payable	(14,496,600)	(92)	(1,862,776)	(1,104,180,400)
<b>Net balance sheet exposure</b>	(14,496,600)	(92)	(1,678,460)	(1,051,908,467)
<b>Off balance sheet exposure</b>	(69,447,697)	(43,601)	(99,300)	(2,797,018,536)
<b>Total Exposure</b>	(83,944,297)	(43,693)	(1,777,760)	(3,848,927,003)

	2024			
	CNY	EURO	USD	Rupees
<b>Assets</b>				
Cash and bank balances	-	-	147,504	41,050,419
<b>Liabilities</b>				
Imports bills payable	(17,670)	(265,907)	(3,061,911)	(933,691,081)
<b>Net balance sheet exposure</b>	(17,670)	(265,907)	(2,914,407)	(892,640,662)
<b>Off balance sheet exposure - Letters of credit</b>	(2,425,377)	(225,171)	(171,960)	(208,585,518)
<b>Total Exposure</b>	(2,443,047)	(491,078)	(3,086,367)	(1,101,226,180)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 38.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied during the year:

	CNY		EURO		USD	
	2025	2024	2025	2024	2025	2024
	Rupees					
Reporting date spot rate - buying	39.59	38.47	332.25	297.88	283.60	278.30
- selling	39.66	38.53	332.83	298.41	284.10	278.80
Average rate for the year	39.61	39.27	333.11	306.56	283.83	283.31

## 38.3.1(c) Sensitivity analysis

A reasonably possible strengthening / (weakening) of 1% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected profit and loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Effect on profit before taxation	
	2025 Rupees	2024 Rupees
<b>Weakening of Pak Rupee</b>		
EURO	(306)	(780,672)
USD	(4,768,506)	(8,108,761)
CNY	(5,749,352)	122,872
	(10,518,164)	(8,766,561)

Amount of off-balance sheet letters of credit will increase by Rs. 27.97 million (2024: Rs. 2.09 million) if Pak Rupee weakens 1% against other currencies.

All above will have opposite effect on 1% strength in Pak Rupee against other currencies.

## 38.3.1(d) Currency risk management

Since the maximum on balance sheet amount exposed to currency risk is only 1.56% (2024: 1.52%) of the Company's total assets, any adverse / favorable movement in functional currency with respect to Chinese Yuan, Euro and US dollar will not have any material impact on the operational results.

## 38.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 38.3.2(a) Mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2025		2024	
	Financial asset	Financial liability	Financial asset	Financial liability
	Rupees			
<b>Non-derivative financial instruments</b>				
Variable rate instruments	1,286,332,625	2,286,337,057	1,097,545,975	2,152,998,351
	1,286,332,625	2,286,337,057	1,097,545,975	2,152,998,351

## 38.3.2(b) Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	Effect on profit before taxation	
	2025 Rupees	2024 Rupees
<b>Increase of 100 basis points</b>	(10,000,044)	(10,554,524)
Decrease of 100 basis points	10,000,044	10,554,524

## 38.3.2(c) Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

## 38.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes 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 trading in market.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 38.3.3(a) Investments exposed to price risk

At the reporting date, the Company's investment in quoted equity securities and TFCs investments are as follows:

	2025 Rupees	2024 Rupees
Investment in equity securities - FVTPL	1,676,350,192	1,152,667,103
Term Finance Certificates - FVOCI	94,165,000	97,340,000
	1,770,515,192	1,250,007,103

## 38.3.3(b) Sensitivity analysis

A 5% increase / decrease in redemption and share prices at year end would have increased / (decreased) the Company's equity and profit and loss account respectively as follows:

	Equity	
	2025 Rupees	2024 Rupees
<b>FVOCI</b>		
Effect of increase	4,708,250	4,867,000
Effect of decrease	(4,708,250)	(4,867,000)
	Profit or loss	
	2025 Rupees	2024 Rupees
<b>FVTPL</b>		
Effect of increase	83,817,510	57,633,355
Effect of decrease	(83,817,510)	(57,633,355)

## 38.3.3(c) Price risk management

The Company manages price risk by monitoring exposure in quoted equity securities and units in mutual funds and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## **38.4 Fair value of financial instruments**

**38.4.1** 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.

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 that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

Note	Carrying amount					Fair Value		
	Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees								
On-Balance sheet financial instruments								
30 June 2025								
Financial assets measured at fair value								
21	94,165,000	26,847,467,205	-	-	26,941,632,205	1,770,515,192	25,171,117,014	-
	94,165,000	26,847,467,205	-	-	26,941,632,205	1,770,515,192	25,171,117,014	-
Financial assets at amortized cost								
16	-	-	58,226,136	-	58,226,136	-	-	-
20	-	-	1,692,217,832	-	1,692,217,832	-	-	-
22	-	-	709,471,749	-	709,471,749	-	-	-
23	-	-	1,450,702,723	-	1,450,702,723	-	-	-
38.4.2	-	-	3,910,618,440	-	3,910,618,440	-	-	-
Financial liabilities measured at fair value								
	-	-	-	-	-	-	-	-
Financial liabilities measured at amortized cost								
6	-	-	-	2,286,337,057	2,286,337,057	-	-	-
7	-	-	-	3,536,100	3,536,100	-	-	-
9	-	-	-	3,170,335,614	3,170,335,614	-	-	-
11	-	-	-	3,704,884	3,704,884	-	-	-
10	-	-	-	33,677,348	33,677,348	-	-	-
	-	-	-	8,503,909	8,503,909	-	-	-
38.4.2	-	-	-	5,506,094,912	5,506,094,912	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

		Carrying amount				Fair Value		
Note	Fair value through other comprehensive income	Fair value through profit and loss	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
On-Balance sheet financial instruments								
30 June 2024								
Restated								
Financial assets measured at fair value								
	21	97,340,000	20,182,405,954	-	-	20,279,745,954	1,250,007,103	19,029,738,851
		97,340,000	20,182,405,954	-	-	20,279,745,954	1,250,007,103	19,029,738,851
Financial assets at amortized cost								
	16	-	-	58,026,136	-	58,026,136	-	-
	20	-	-	2,110,247,902	-	2,110,247,902	-	-
	22	-	-	770,792,929	-	770,792,929	-	-
	23	-	-	1,102,649,172	-	1,102,649,172	-	-
	38.4.2	-	-	4,041,716,139	-	4,041,716,139	-	-
Financial liabilities measured at fair value								
Financial liabilities measured at amortized cost								
	6	-	-	-	2,287,938,121	2,287,938,121	-	-
	7	-	-	-	3,536,100	3,536,100	-	-
	9	-	-	-	2,281,309,180	2,281,309,180	-	-
	11	-	-	-	61,253	61,253	-	-
	10	-	-	-	36,835,022	36,835,022	-	-
		-	-	-	8,503,909	8,503,909	-	-
	38.4.2	-	-	-	4,618,183,585	4,618,183,585	-	-

**38.4.2** The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 39 Capital management

The Company's policy is to maintain a strong capital base to strengthen investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of the Company monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also determines the level of dividend to ordinary shareholders, which is finally approved in annual general meeting of the shareholders.

The Company's objectives when managing capital are:

- i. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- ii. to provide an adequate return to shareholders.

There were no changes in the Company's approach to capital management during the year. The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets.

## 40 Operating segments

**40.1** These financial statements have been prepared on the basis of single reportable segment.

**40.2** Revenue from sale of cement represents 100.00% (2024: 100.00%) of gross sales of the Company.

**40.3** The net sales percentage by geographic region is as follows:

	2025	2024
Pakistan	99.42%	98.80%
Afghanistan	0.58%	1.20%
	100.00%	100.00%

**40.4** All assets of the Company as at 30 June 2025 are located in Pakistan.

## 41 Capacity and production - Clinker

	Plant capacity		Actual production	
	2025	2024	2025	2024
	Metric tons		Metric tons	
Grey	4,887,600	4,814,800	2,141,241	2,190,697
White	135,000	135,000	11,851	4,893

**41.1** Difference is due to supply demand situation of the market.

**41.2** The capacity of the plant has been determined based on 300 production days. During the financial year 2023-24, the Company carried out BMR of Line-3, resulting in an enhancement of its clinker production capacity from 6,700 tpd to 7,064 tpd. Accordingly, for the comparative year, the production capacity was disclosed of the period for which the enhanced capacity was available till 30th June 2024.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## 42 Provident fund trust

The investments out of Provident Fund Trust have been made in accordance with the provision of section 218 of the Companies Act, 2017 and the conditions specified by the SECP for this purpose.

## 43 Number of employees

The total average number of employees during the year and as at 30 June are as follows:

	2025	2024
	Number of employees	
Number of employees as at 30 June	723	715
Average number of employees during the year	726	707

## 44 Reconciliation of movements of equity and liabilities to cash flows arising from financing activities.

	30 June 2025				
	Equity	Liabilities			Total
	Accumulated profits	Long term finances	Short term borrowings	Dividend payable	
	Rupees				
<b>Balance as at 01 July 2024</b>	38,964,647,370	2,287,938,121	61,253	45,338,931	41,297,985,675
<b>Changes from financing activities</b>					
Long term finances (disbursement)	-	1,115,239,380	-	-	1,115,239,380
Repayment of long term finances	-	(1,034,355,698)	-	-	(1,034,355,698)
Short term borrowings (disbursement)	-	-	100,102,104	-	100,102,104
Short term borrowings (repayment)	-	-	(100,102,104)	-	(100,102,104)
Dividend paid	-	-	-	(3,157,674)	(3,157,674)
Own shares purchased for cancellation	(4,709,365,225)	-	-	-	(4,709,365,225)
<b>Total changes from financing cash flows</b>	(4,709,365,225)	80,883,682	-	(3,157,674)	(4,631,639,217)
<b>Other changes</b>					
Markup expense during the year	-	280,836,305	20,339,806	-	301,176,111
Markup capitalized as borrowing cost	-	6,009,966	-	-	6,009,966
Markup paid on long term financing	-	(374,365,646)	(16,696,175)	-	(391,061,821)
Profit after tax for the year	11,575,154,071	-	-	-	11,575,154,071
Transaction cost	-	5,034,628	-	-	5,034,628
<b>Total liability related other changes</b>	11,575,154,071	(82,484,747)	3,643,631	-	11,496,312,955
<b>Closing as at 30 June 2025</b>	45,830,436,216	2,286,337,057	3,704,884	42,181,257	48,162,659,414

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

	30 June 2024				
	Equity	Liabilities			
	Accumulated profits	Long term finances	Short term borrowings	Dividend payable	Total
	Rupees				
Balance as at 01 July 2023	30,484,151,337	3,376,041,854	6,169	45,475,220	33,905,674,580
Changes from financing activities					
Repayment of long term finances	-	(1,034,355,875)	-	-	(1,034,355,875)
Short term borrowings (disbursement)	-	-	828,789,900	-	828,789,900
Short term borrowings (repayment)	-	-	(828,789,900)	-	(828,789,900)
Dividend paid	-	-	-	(136,289)	(136,289)
Own shares purchased for cancellation	(413,245,172)	-	-	-	(413,245,172)
Total changes from financing cash flows	(413,245,172)	(1,034,355,875)	-	(136,289)	(1,447,737,336)
Other changes					
Markup expense during the year	-	627,855,677	14,347,483	-	642,203,160
Markup paid on long term financing	-	(685,584,513)	(14,292,399)	-	(699,876,912)
Profit after tax for the year	8,893,741,205	-	-	-	8,893,741,205
Transaction cost	-	3,980,978	-	-	3,980,978
Total liability related other changes	8,893,741,205	(53,747,858)	55,084	-	8,840,048,431
Closing as at 30 June 2024	38,964,647,370	2,287,938,121	61,253	45,338,931	41,297,985,675

## 45 Non adjusting events after the reporting date

There were no non-adjusting events requiring disclosure, other than those already disclosed in note 4.4 to the financial statements.

## 46 Disclosure requirement for companies not engaged in Shariah Non-permissible business activities

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(1) 12024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities as their core business activities. Following information is disclosed pursuant to the amendment:

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

Description	Explanation	Note	2025 Rupees	2024 Rupees
<b>Statement of financial position</b>				
Long term financing - Diminishing Musharika	Financing obtained as per Islamic mode	6	1,121,249,346	-
Short term financing - secured	Mark-up accrued on conventional loan	6	47,420,397	134,939,770
Short term investments - money market mutual funds	Mark-up accrued on conventional loan	11	3,704,884	61,253
Cash and bank balances - current account	Shariah compliant investments	21	211,898,653	6,631,635,350
Cash and bank balances - saving account	Shariah compliant bank deposits	23	350,486,105	9,236,148
	Shariah compliant bank deposits	23	195,856,271	269,521,365
<b>Statement of profit or loss</b>				
Gross Sales	Revenue earned from shariah compliant business segment	24	57,268,373,275	53,135,904,533
<b>Other income</b>				
From Shariah Compliant Transactions:				
- Dividend received from investment in mutual funds	Dividend earned on shariah compliant investments	29	7,731,928	1,584,376,443
- Realized gain on investments	Gain on disposal of shariah compliant investments	29	48,4810,994	87,592,649
- Net change in fair value of financial assets	Unrealized loss on shariah compliant investments	29	(211,066)	(6,011,010)
- Profit on bank deposits	Profit earned from shariah compliant bank deposits	29	35,060,082	46,846,059
<b>Interest earned on conventional loan</b>				
Interest on employees' loans	Interest earned on conventional loan	29	125,336	74,064
Interest/commission on financing facilities to Ultra Kraft (Pvt) Ltd - associated company	Interest earned on conventional loan	29	91,515,847	97,026,448
<b>Source and detailed breakup of other income (other than disclosed above)</b>				
Earned from shariah compliant transactions			149,013,121	17,858,817
- Income from non-financial assets			4,480,039,955	2,624,653,043
Earned from non-shariah compliant transactions			34,533,000	-
- Income from financial assets				
- Income from non-financial assets				

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2025

## Relationship with Shariah-compliant financial institutions with balances outstanding at year end

Name	Relationship
United Bank Limited	Diminishing Musharka Long Term Financing and Deposit with Islamic bank
Habib Bank Limited	Deposit with Islamic bank
MCB Islamic Bank Limited	Deposit with Islamic bank
Allied Bank Limited	Deposit with Islamic bank
Bank Al Habib Limited	Deposit with Islamic bank
Bank Alfalah Limited	Deposit with Islamic bank
Bank Islami Pakistan Limited	Deposit with Islamic bank
Dubai Islamic Bank Limited	Deposit with Islamic bank
Habib Metropolitan Bank	Deposit with Islamic bank
Meezan Bank Ltd	Deposit with Islamic bank
The Bank of Khyber	Deposit with Islamic bank
Faysal Funds (Faysal Asset Management Company)	Investment in Faysal Islamic Cash Fund
Pak-Qatar Asset Management Company	Investment in Pak Qatar Daily Dividend Plan and Pak Qatar Cash Plan

## 47 Date of authorization for issue and general

**47.1** These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 08, 2025.

**47.2** Figures have been rounded off to the nearest rupee.



Chief Financial Officer



Chief Executive Officer



Director



# PATTERN OF SHAREHOLDING

As at 30 June 2025

Number of Shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital	
	From	To			
860	1	-	100	27,444	0.01
772	101	-	500	227,406	0.12
333	501	-	1000	261,430	0.14
696	1001	-	5000	1,421,752	0.77
97	5001	-	10000	706,560	0.38
44	10001	-	15000	555,760	0.30
18	15001	-	20000	311,762	0.17
16	20001	-	25000	375,738	0.20
11	25001	-	30000	299,259	0.16
10	30001	-	35000	328,627	0.18
5	35001	-	40000	182,852	0.10
2	40001	-	45000	89,812	0.05
5	45001	-	50000	242,759	0.13
2	50001	-	55000	109,427	0.06
3	55001	-	60000	170,635	0.09
4	60001	-	65000	252,371	0.14
5	65001	-	70000	334,478	0.18
1	70001	-	75000	74,715	0.04
2	75001	-	80000	154,142	0.08
2	80001	-	85000	164,132	0.09
3	85001	-	90000	262,760	0.14
1	90001	-	95000	94,560	0.05
3	95001	-	100000	295,194	0.16
2	100001	-	105000	202,953	0.11
1	105001	-	110000	105,500	0.06
4	110001	-	115000	456,977	0.25
3	115001	-	120000	357,121	0.19
2	120001	-	125000	249,033	0.14
2	125001	-	130000	259,000	0.14
1	140001	-	145000	141,803	0.08
1	145001	-	150000	146,399	0.08
1	150001	-	155000	152,045	0.08
2	160001	-	165000	324,767	0.18
1	180001	-	185000	181,836	0.10
2	190001	-	195000	390,000	0.21
2	195001	-	200000	395,965	0.22
1	215001	-	220000	216,495	0.12
2	220001	-	225000	449,219	0.24
1	255001	-	260000	255,360	0.14
3	265001	-	270000	797,730	0.43
1	300001	-	305000	300,270	0.16
1	320001	-	325000	321,023	0.17
1	335001	-	340000	335,262	0.18
1	350001	-	355000	352,100	0.19
1	365001	-	370000	369,138	0.20
1	380001	-	385000	380,623	0.21
1	415001	-	420000	418,742	0.23
2	495001	-	500000	990,663	0.54
1	520001	-	525000	524,109	0.29
2	575001	-	580000	1,155,362	0.63
1	580001	-	585000	581,843	0.32
1	630001	-	635000	634,221	0.34
1	685001	-	690000	687,388	0.37
1	795001	-	800000	797,700	0.43
1	910001	-	915000	911,851	0.50
1	1250001	-	1255000	1,252,346	0.68
1	1430001	-	1435000	1,431,000	0.78
1	1470001	-	1475000	1,473,199	0.80
1	1965001	-	1970000	1,967,191	1.07
1	3220001	-	3225000	3,224,125	1.75
1	3445001	-	3450000	3,445,721	1.87
1	6665001	-	6670000	6,667,650	3.63
1	33130001	-	33135000	33,131,672	18.02
1	110480001	-	110485000	110,482,320	60.09
2,952				183,861,297	100.00

# CATEGORIES OF SHAREHOLDING

As at 30 June 2025

Categories of Shareholders	Shares Held	Percentage
<b>I Directors, Chief Executive Officer, their Spouse &amp; Minor Children</b>	33,839,287	18.40%
<b>Directors</b>		
Mr. Aizaz Mansoor Sheikh	3,587	0.00%
Mr. Nadeem Atta Sheikh	5,515	0.00%
Mrs. Hijab Tariq	33,329,247	18.13%
Mr. Muhammad Rehman Sheikh	780	0.00%
Mr. Muhammad Atta Tanseer Sheikh	750	0.00%
Mr. Hamza Atta Sheikh	1,500	0.00%
Mr. Ahmad Sajjad Khan	550	0.00%
Mr. Talha Saeed Ahmed	1,000	0.00%
<b>Director's Spouse</b>		
Mrs. Shahnaz Aizaz	780	0.00%
Mrs. Hafsa Nadeem	495,578	0.27%
<b>II Associated Companies, Undertakings &amp; Related Parties</b>	110,634,365	60.17%
ANS Capital (Pvt) Limited	110,482,320	60.09%
Kohat Cement Educational Trust	152,045	0.08%
<b>III NIT &amp; ICP</b>	120,424	0.07%
FUNDS UNDER NATIONAL INVESTMENT TRUST LIMITED	119,800	0.07%
INVESTMENT CORPORATION OF PAKISTAN	624	0.00%
<b>IV Banks, Development Financial Institutions and Non-Banking Financial Institutions</b>	112,695	0.06%
<b>V Insurance/ Takaful Companies</b>	139,952	0.08%
<b>VI Modarbas</b>	-	0.00%
<b>VII Mutual Funds</b>	18,087,691	9.84%
<b>VIII Shareholder holding 10% and more (other than above)</b>	Nil	0.00%
<b>IX General Public</b>	17,102,439	9.30%
a) Local	15,437,252	8.40%
b) Foreign	1,665,187	0.91%
<b>X Others</b>	3,824,444	2.08%
Joint Stock Companies	1,481,671	0.81%
Gratuity/Pension/Provident Funds	1,956,978	1.06%
Charitable Trusts / Non-Profit Organizations / Wakfs	45,612	0.02%
Executives	27,611	0.02%
Investment Companies	312,572	0.17%
<b>Total</b>	<b>183,861,297</b>	<b>100%</b>

# FINANCIAL CALENDAR

The Company follows the period of July 01 to June 30 as the financial year.

Financial results will be announced as per the following tentative schedule:

Annual General Meeting	October 13, 2025
First Quarter ending September 30, 2025	Last week of October 2025
Second Quarter ending December 31, 2025	Fourth week of February 2026
Third Quarter ending March 31, 2026	Fourth week of April 2026
Year ending June 30, 2026	Second week of September 2026

# BALLOT PAPER

## Kohat Cement Company Limited

Registered Office: Kohat Cement Factory, Rawalpindi Road, Kohat  
Phone: 042 111 115 225 (Ext: 108], Website: [www.kohatcement.com](http://www.kohatcement.com)

### Ballot Paper for voting through Post for the Special Business

(at Annual General Meeting to be held at 11:00 am on October 13, 2025)

Duly filled-in ballot paper shall be sent to the Chairman at his designated email address [mis@kohatcement.com](mailto:mis@kohatcement.com).

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below;

Sr.No	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to Resolutions																
			FOR	AGAINST															
1.	<p><b>Agenda Item 3.</b> – To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2025</p> <p>The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):</p> <p><b>“Resolved</b> that following transactions carried out in the ordinary course of business at arm’s length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Kohat Cement Company Limited, during the financial year ended June 30, 2025 be and are hereby ratified, approved and confirmed.</p> <table><tr><th>Name of Related Party</th><th>Description of transaction</th><th>Amount (Rs.)</th></tr><tr><td>Kohat Cement Educational Trust (KCET)</td><td>Contribution made to KCET (which runs a school within the vicinity of KCCL factory)</td><td>8,485,760</td></tr><tr><td>Ultra Pack (Private) Limited</td><td>Purchase of poly propylene bags for packing of cement</td><td>1,532,705,465</td></tr><tr><td>Ultra Kraft (Private) Limited</td><td>Purchase of paper bags for packing of cement</td><td>393,091,000</td></tr><tr><td>Palace Enterprises (Private) Limited</td><td>Purchase of used Power Generator</td><td>2,000,000</td></tr></table>	Name of Related Party	Description of transaction	Amount (Rs.)	Kohat Cement Educational Trust (KCET)	Contribution made to KCET (which runs a school within the vicinity of KCCL factory)	8,485,760	Ultra Pack (Private) Limited	Purchase of poly propylene bags for packing of cement	1,532,705,465	Ultra Kraft (Private) Limited	Purchase of paper bags for packing of cement	393,091,000	Palace Enterprises (Private) Limited	Purchase of used Power Generator	2,000,000			
Name of Related Party	Description of transaction	Amount (Rs.)																	
Kohat Cement Educational Trust (KCET)	Contribution made to KCET (which runs a school within the vicinity of KCCL factory)	8,485,760																	
Ultra Pack (Private) Limited	Purchase of poly propylene bags for packing of cement	1,532,705,465																	
Ultra Kraft (Private) Limited	Purchase of paper bags for packing of cement	393,091,000																	
Palace Enterprises (Private) Limited	Purchase of used Power Generator	2,000,000																	
2.	<p><b>Agenda Item 4.</b> – To authorize the Chief Executive of the Company to approve all transactions with Related Parties</p> <p>The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):</p> <p><b>“Resolved</b> that Kohat Cement Company Limited (the Company) be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm’s length basis during the financial year ending June 30, 2026 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.</p> <table><tr><th>Name of Related Party</th><th>Description of transaction</th></tr><tr><td>Kohat Cement Educational Trust (KCET)</td><td>Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET</td></tr><tr><td>Ultra Pack (Private) Limited</td><td>Purchase of poly propylene bags for packing of cement and sale of cement, etc.</td></tr><tr><td>Ultra Kraft (Private) Limited</td><td>Purchase of paper bags for packing of cement and sale of cement, etc.</td></tr><tr><td>Ultra Properties (Private) Limited</td><td>Sale of cement etc.</td></tr></table> <p><b>Further Resolved</b> that Chief Executive of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s).”</p>	Name of Related Party	Description of transaction	Kohat Cement Educational Trust (KCET)	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET	Ultra Pack (Private) Limited	Purchase of poly propylene bags for packing of cement and sale of cement, etc.	Ultra Kraft (Private) Limited	Purchase of paper bags for packing of cement and sale of cement, etc.	Ultra Properties (Private) Limited	Sale of cement etc.								
Name of Related Party	Description of transaction																		
Kohat Cement Educational Trust (KCET)	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET																		
Ultra Pack (Private) Limited	Purchase of poly propylene bags for packing of cement and sale of cement, etc.																		
Ultra Kraft (Private) Limited	Purchase of paper bags for packing of cement and sale of cement, etc.																		
Ultra Properties (Private) Limited	Sale of cement etc.																		

Sr.No	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to Resolutions	
			FOR	AGAINST
3.	<p><b>Agenda Item 5</b> – To approve renewal of investment in associated company</p> <p>The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):</p> <p><b>“Resolved</b> that approval of members of Kohat Cement Company Limited (the “Company”) be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017, for renewal of investment by way of short term running finance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated Company, to meet its short term financing requirements for a term of one year from October 29, 2025 at a mark-up rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher, which shall be paid by UKPL within fifteen (15) days of end of each quarter and as per other terms and conditions disclosed to the members and non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.</p> <p><b>Further Resolved</b> that Chief Executive of the Company or any officer of the Company authorized by him be and is hereby authorized to enter into agreement with UKPL in line with the terms approved by the members and to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s)/documents and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions.”</p>			

Signature of shareholder(s)

Place:

Date:

## NOTES:

1. Duly filled postal ballot should be sent to Chairman, Kohat Cement Company Limited, Kohat Cement Factory, Rawalpindi Road, Kohat or email at [mis@kohatcement.com](mailto:mis@kohatcement.com) on or before 5:00 PM, Sunday, October 12, 2025. Any postal ballot received after this date, will not be considered for voting.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Signature on postal ballot should match with signature on CNIC.
4. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written and marked with (√) on both options given in ballot paper will be rejected.
5. In case of representative of body corporate and corporation, Postal Ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act 2017, as applicable, unless these have already been submitted along with Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Pakistani Embassy having jurisdiction over the member.
6. Ballot paper has also been placed on the website of the Company [www.kohatcement.com](http://www.kohatcement.com).

# FORM OF PROXY

## 46<sup>th</sup> Annual General Meeting

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a member of Kohat Cement Company Limited (the Company) and  
holder of \_\_\_\_\_ (No.) Ordinary shares as per Share Register Folio No. \_\_\_\_\_  
\_\_\_\_\_ and/or CDC Participant I.D. No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_, another member of the Company  
having Folio No. \_\_\_\_\_ and/or CDC Participant I.D. No. \_\_\_\_\_ and Sub  
Account No. \_\_\_\_\_ (or failing him \_\_\_\_\_  
of \_\_\_\_\_ having Folio No. \_\_\_\_\_ and/or CDC Participant I.D. No.  
\_\_\_\_\_ and Sub Account No. \_\_\_\_\_) as my/our proxy to attend and vote for me/us and  
on my/our behalf at the Annual General Meeting of the Company to be held on Monday, October 13, 2025 at 11:00 A.M. at  
the registered office of the Company, Kohat Cement Factory, Rawalpindi Road, Kohat and at any adjourned meeting thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Signature:

Please affix  
Rupees Ten  
revenue stamp

### Witnesses:

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
CNIC \_\_\_\_\_  
or  
Passport No. \_\_\_\_\_

2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
CNIC \_\_\_\_\_  
or  
Passport No. \_\_\_\_\_

### Note:

1. In order to be effective, a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Head Office of the Company, 37-P, Gulberg-II, Lahore not later than 48 hours (excluding non-working days) before the time of the meeting. No person shall be appointed as a proxy who is not a member of the Company qualified to vote except that a Company/ Corporation being a member may appoint a person who is not a member for attending and voting at the meeting.
2. Shareholders and their proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

AFFIX  
CORRECT  
POSTAGE

The Company Secretary,

**Kohat Cement Company Limited**

37-P, Gulberg II, Lahore.

Tel: 042 11 111 5225

Fax: 042 3 587 4990



## کوہاٹ سیمنٹ کمپنی لمیٹڈ

پراکسی فارم

چھالیسواں سالانہ اجلاس عام

میں مسٹی / مسماة \_\_\_\_\_  
 ساکن / نمائندہ \_\_\_\_\_  
 ضلع \_\_\_\_\_ بحیثیت ممبر کوہاٹ سیمنٹ کمپنی لمیٹڈ (سی ڈی سی / فو لیو نمبر \_\_\_\_\_) مسٹی / مسماة \_\_\_\_\_  
 ساکن \_\_\_\_\_ (سی ڈی سی / فو لیو نمبر \_\_\_\_\_) کو بطور مختار (پراکسی) مقرر کرتا ہوں، تاکہ وہ میری جگہ اور میری طرف سے کمپنی  
 کے سالانہ اجلاس عام جو بتاریخ 13 اکتوبر 2025ء بروز پیر صبح 11:00 بجے کمپنی کے رجسٹرڈ آفس کوہاٹ سیمنٹ فیکٹری، راولپنڈی روڈ، کوہاٹ میں منعقد ہو رہا ہے میں یا اس  
 کے کسی ملوثی شدہ اجلاس میں ووٹ ڈالے  
 یہ پراکسی فارم آج مورخہ \_\_\_\_\_ کو درج ذیل گواہان کی موجودگی میں دستخط ہوا۔

دستخط شیئر ہولڈر:

برائے مہربانی ۱۰ روپے مالیت کی ریونیو  
 سٹیپ چسپاں کریں۔

## گواہان

1-	دستخط:	2-	دستخط:
نام:	نام:	نام:	نام:
پتہ:	پتہ:	پتہ:	پتہ:
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:
یا	یا	یا	یا
پاسپورٹ نمبر:	پاسپورٹ نمبر:	پاسپورٹ نمبر:	پاسپورٹ نمبر:

## نوٹ:

- پراکسی (نمائندے) کو فعال بنانے کے لئے نامزدگی کا فارم (پراکسی) مینٹنگ سے کم از کم 48 گھنٹے (علاوہ ہفتہ وار سرکاری تعطیلات) قبل کمپنی کو موصول ہو جانا چاہئے، کوئی بھی شخص پراکسی (نمائندہ) مقرر نہیں کیا جاسکتا اور نہ وہ ووٹ دینے کا اہل ہو سکتا ہے جو کمپنی کا ممبر نہ ہو، ماسوائے کہ کمپنی کارپوریشن ایسے شخص کو غیر معمولی اجلاس میں شرکت اور ووٹ دینے کیلئے نامزد کر سکتی ہے جو ممبر نہ ہو۔
- حصص داران اور ان کے نمائندوں سے درخواست ہے کہ وہ پراکسی فارم کے ہمراہ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول جمع کروائیں۔

AFFIX  
CORRECT  
POSTAGE

The Company Secretary,

**Kohat Cement Company Limited**

37-P, Gulberg II, Lahore.

Tel: 042 11 111 5225

Fax: 042 3 587 4990



kohatcement.com

37-P, Gulberg II, Lahore, Pakistan

Tel: +92 -42-11-111-KCCL (5225) Fax: +92-423-5754084, 5874990

Email: [mis@kohatcement.com](mailto:mis@kohatcement.com)