



Power Cement
مضبوطی - چٹانوں جیسی



Street to Strength



First Quarterly Report
September 30, 2025

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COMPANY INFORMATION

Board of Directors

Mr. Muhammad Arif Habib
Mr. Nasim Beg
Mr. Muhammad Kashif
Mr. Abdus Samad
Syed Salman Rashid
Mr. Khursheed Anwer Jamal
Mr. Khalilullah Shaikh
Ms. Zainab Kashif

Chairman, Non-Executive Director
Non-Executive Director
Chief Executive Officer
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Non-Executive Director

Audit Committee

Mr. Khursheed Anwer Jamal
Syed Salman Rashid
Mr. Abdus Samad

Chairman
Member
Member

Human Resources & Remuneration Committee

Mr. Khursheed Anwer Jamal
Syed Salman Rashid
Mr. Muhammad Kashif

Chairman
Member
Member

Chief Financial Officer

Muhammad Taha Hamdani

Company Secretary

Mr. Salman Gogan

Share Registrar

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

External Auditors

A.F. Ferguson & Co. Chartered Accountants

Registered Office

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

Cost Auditors

UHY Hassan Naeem & Co. Chartered Accountants

Factory

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

Legal Advisor

Barrister Asad Iftikhar

Website

www.powercement.com.pk

Bankers / Lenders of the Company

Local Banks / DFIs

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

Foreign Banks / DFIs

DEG - Deutsche Investitionsund
Entwicklungsgesellschaft mbH - Germany

The OPEC Fund for International Development
("OFID") – Austria

Islamic Corporation for the Development
of the Private Sector ("ICD") – Saudi Arabia

Contact Number

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021-32463209

DIRECTORS' REVIEW

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

The Board of Directors of your Company present herewith their review on the financial and operational performance of the Company for the first quarter ended September 30, 2025.

Economic Overview

Pakistan's economy continued on a path of stabilization and moderate growth during the initial months of FY-2026, supported by structural reforms, stable external inflows, and improved fiscal discipline. The World Bank has revised Pakistan's GDP growth forecast for FY2025-26 downward by 0.5% due to floods in KPK and Punjab provinces, projecting at 2.6% compared to the earlier estimate of 3.1% issued in June 2025. Inflation hits its bottom averaging 4.23% during Jul-Sep FY-2026 compared to 9.2% in the same period last year.

The State Bank of Pakistan maintained the policy rate at 11% since May 2025 to ensure macroeconomic stability. However, the recent flood-induced supply shocks, particularly affecting the agricultural sector, causing raise in inflation and widen the current account deficit.

Industry Overview

During the quarter ended September 30, 2025, total cement dispatches increased by 16.25% compared to the same period of the previous financial year, reaching 12.16 million tons. Domestic dispatches rose by 15.08% to 9.57 million tons, reflecting a healthy recovery in local demand, while export dispatches grew by 20.81% to 2.59 million tons, supported by stronger international markets.

In the North Zone, domestic dispatches increased by 13.65% to 8.01 million tons, while exports rose by 30.49% to 0.66 million tons. The South Zone showed robust growth, with domestic dispatches rising by 22.99% to 1.56 million tons and exports increasing by 17.80% to 1.93 million tons.

The upward trend was supported by growing international demand, which has become a significant contributor to the industry's sales mix. Exports continue to provide a vital balancing role, sustaining volumes and improving capacity utilization. Meanwhile, domestic demand, though gradual, is being reinforced by increased construction activity and expectations of infrastructure development. Capacity utilization, while still below optimal levels, has improved compared to the previous year, reflecting better alignment of supply with demand.

Production & Sales Performance

The production and sales statistics for the first quarter ended September 30, 2025 compared to the corresponding period are as follows:

Production	First Quarter Ended		Variance
	September 30, 2025	September 30, 2024	
	In Tons		
Clinker production	506,574	477,339	6%
Cement production	417,286	327,188	28%

Sales Volume	First Quarter Ended		Variance
	September 30, 2025	September 30, 2024	
	In Tons		
Cement/ Clinker dispatches (Local)	359,594	251,806	43%
Clinker dispatches (Export)	197,048	99,897	97%
Cement dispatches (Export)	41,291	42,802	(3.5)%
Total	597,933	394,505	

Financial Performance

An analysis of the key financial results of your Company for the first quarter ended September 30, 2025 is as under:

Particulars	First Quarter Ended	
	September 30, 2025	September 30, 2024
	Rs. in ‘ 000 ‘	
Net Sales Revenue	7,814,354	5,047,490
Gross Profit	2,709,146	1,238,357
EBITDA	1,972,923	880,088
Operating Profit	1,758,120	679,981
Finance Cost - Net	(504,701)	(1,108,899)
Profit / (Loss) Before Taxation and Levy	1,253,419	(428,918)
Profit / (Loss) After Taxation and Levy	804,359	(492,155)
EPS - Basic	0.60	(0.55)
EPS - Diluted	0.58	(0.55)

Power Cement Limited recorded a significant improvement in its financial performance during the first quarter ended September 30, 2025. Net sales revenue increased by 55% to PKR 7.81 billion compared to PKR 5.05 billion in the corresponding period last year, driven by higher demand. Gross profit rose by 119% to PKR 2.71 billion, reflecting enhanced production efficiencies, effective cost management, and higher sales volume.

EBITDA witnessed a whopping appreciation by 124% to PKR 1.97 billion from PKR 880 million in the same period last year, highlighting improved cost control. Operating profit increased by 159% to PKR 1.76 billion compared to PKR 680 million, supported by better plant utilization and energy efficiency.

Finance costs declined by 55% to PKR 505 million from PKR 1.11 billion, owing to falling interest rates and sponsors support. Consequently, the Company posted a profit before tax of PKR 1.25 billion, compared to a loss of PKR 429 million in the corresponding quarter last year. Profit after tax stood at PKR 804 million, translating into basic and diluted EPS of PKR 0.60 and PKR 0.58, respectively, versus a loss per share of PKR 0.55 in the previous year.

This turnaround from loss to profit reflects the positive impact of higher demand, improved cost efficiencies, and lower finance cost. The results demonstrate the Company's resilience amid challenging market conditions.

Future Outlook

While certain headwinds persist, the strong quarterly performance provides a promising outlook for sustained growth and profitability in the periods ahead.

The outlook for the cement industry remains encouraging, supported by the anticipated revival of infrastructure projects, gradual recovery in private construction, and improved financing conditions. Despite challenges, like high cost of energy, relief is expected in the ensuing quarters through operational efficiencies and lower finance costs.

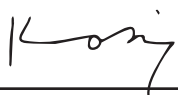
The Company has remained profitable in each quarter since December 2024, with profitability steadily increasing quarter after quarter. The continued profitability has also created significant value for investors, including shareholders, reinforcing the Company's position as a reliable and growth-oriented enterprise.

Building on this momentum, Power Cement Limited remains focused on sustaining profitability through operational excellence, cost optimization, and the greater use of alternative energy sources. The Company's balanced approach—leveraging both domestic and export markets—positions it well for steady growth, margin enhancement, and long-term value creation for all stakeholders.

Acknowledgement

The Directors express sincere gratitude for the commitment and contributions of all employees, as well as the trust placed in the Company by stakeholders.

For and on behalf of the Board of Directors




Muhammad Kashif
Chief Executive Officer



Muhammad Arif Habib
Chairman

October 20, 2025
Karachi



FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

BALANCE & FOUNDATION

A game of structured movement across drawn boxes, requiring players to leap skillfully. Represents strong footing, step-by-step progress, and staying grounded just like the foundational strength Power Cement provides to every build.

پہل دوج



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

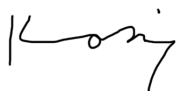
AS AT SEPTEMBER 30, 2025

		(Unaudited) September 30, 2025	(Audited) June 30, 2025
	Note	(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	33,559,007	33,682,318
Right-of-use asset		78,249	83,465
Long-term investment		21,994	21,589
Deferred tax asset		2,667,810	2,751,777
Long-term deposits		62,069	62,069
		36,389,129	36,601,218
Current assets			
Inventories	6	1,876,128	2,056,194
Stores, spares and loose tools	7	4,246,876	3,828,520
Trade receivables - considered good	8	349,492	343,571
Advances and other receivables - unsecured, considered good		665,612	576,269
Taxation - payments less provision		368,457	659,995
Derivative financial asset		954,424	1,474,289
Trade deposits and short-term prepayments		90,381	157,242
Tax refund due from government - sales tax		302,446	346,079
Short-term investments		240,457	140,457
Cash and bank balances	9	647,640	1,496,175
		9,741,913	11,078,791
TOTAL ASSETS		46,131,042	47,680,009

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

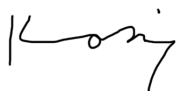
AS AT SEPTEMBER 30, 2025

		(Unaudited) September 30, 2025	(Audited) June 30, 2025
	Note	(Rupees in '000)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	10		
Ordinary shares		12,917,330	12,905,237
Cumulative preference shares		733,464	742,534
		13,650,794	13,647,771
Reserves			
Capital reserve			
Share premium		739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares		(570,797)	(567,774)
Hedging reserve		-	-
Revenue reserve			
Accumulated loss		(4,485,874)	(5,290,233)
		(4,317,178)	(5,118,514)
Contribution from associated undertakings		14,600,000	15,000,000
TOTAL EQUITY		23,933,616	23,529,257
LIABILITIES			
Non-current liabilities			
Long-term financing - secured		10,297,348	12,601,197
Long-term lease liability		72,185	83,394
Staff retirement benefits		370,295	356,996
		10,739,828	13,041,587
Current liabilities			
Trade and other payables		4,387,889	4,126,156
Unclaimed dividend		126	126
Accrued mark-up		682,050	1,085,284
Short-term financing - secured		3,743,064	4,311,176
Current portion of long-term lease liability		14,310	12,900
Current portion of long-term financing		2,630,159	1,573,523
		11,457,598	11,109,165
TOTAL LIABILITIES		22,197,426	24,150,752
Contingencies and commitments	11		
TOTAL EQUITY AND LIABILITIES		46,131,042	47,680,009

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



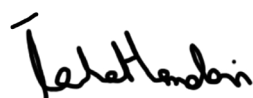
Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - UNAUDITED

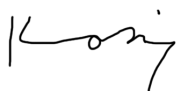
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

		First Quarter ended	
		September 30, 2025	September 30, 2024
		(Rupees in '000)	
	Note		
Revenue from contracts with customers	12	7,814,354	5,047,490
Cost of sales		(5,105,208)	(3,809,133)
Gross profit		2,709,146	1,238,357
Selling and distribution expenses	13	(666,519)	(436,783)
Administrative expenses		(156,377)	(124,082)
Other (expenses) / income - net		(128,130)	2,489
		(951,026)	(558,376)
Profit from operations		1,758,120	679,981
Finance income		10,227	7,162
Finance cost		(514,928)	(1,116,061)
Finance income / (cost) - net		(504,701)	(1,108,899)
Profit / (loss) before taxation and levy		1,253,419	(428,918)
Levy		(24,220)	(13,491)
Profit / (loss) before taxation		1,229,199	(442,409)
Taxation		(424,840)	(49,746)
Profit / (loss) after taxation and levy		804,359	(492,155)
Other comprehensive income :			
Items that are or may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		(519,864)	(252,346)
Adjustment for amounts transferred to profit or loss		519,864	413,584
		-	161,238
Related deferred tax		-	(62,883)
Hedging Reserve		-	98,355
Total comprehensive income / (loss) for the period		804,359	(393,800)
		------(Rupee)-----	
Earnings / (loss) per share			
-Basic	14.1	0.60	(0.55)
-Diluted	14.2 & 14.3	0.58	(0.55)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED

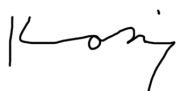
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

	Share Capital	Difference on conversion of cumulative preference shares into ordinary shares	Capital reserve		Revenue reserve	Contribution from associated undertakings	Total Equity
	Issued, subscribed and paid up capital		Share premium	Hedging reserve	Accumulated loss		
(Rupees in '000)							
Balance as at July 1, 2024	13,201,175	(121,178)	739,493	-	(6,100,369)	11,700,000	19,419,121
Contribution received - net	-	-	-	-	-	3,350,000	3,350,000
Cumulative preference shares of Rs.10 each converted into 1.333 ordinary shares of Rs. 10 each during the period	333	(333)	-	-	-	-	-
	333	(333)	-	-	-	3,350,000	3,350,000
Total comprehensive income / (loss) for the period							
Loss for the period	-	-	-	-	(492,155)	-	(492,155)
Other comprehensive income for the period	-	-	-	98,355	-	-	98,355
	-	-	-	98,355	(492,155)	-	(393,800)
Balance as at September 30, 2024	13,201,508	(121,511)	739,493	98,355	(6,592,524)	15,050,000	22,375,321
Balance as at July 1, 2025	13,647,771	(567,774)	739,493	-	(5,290,233)	15,000,000	23,529,257
Contribution repaid - net	-	-	-	-	-	(400,000)	(400,000)
Cumulative preference shares of Rs.10 each converted into 1.333 ordinary shares of Rs. 10 each during the period	3,023	(3,023)	-	-	-	-	-
	3,023	(3,023)	-	-	-	(400,000)	(400,000)
Total comprehensive income for the period							
Profit for the period	-	-	-	-	804,359	-	804,359
Balance as at September 30, 2025	13,650,794	(570,797)	739,493	-	(4,485,874)	14,600,000	23,933,616

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



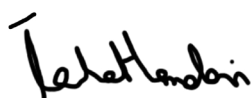
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED

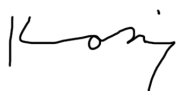
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

		September 30, 2025	September 30, 2024
	Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	2,021,181	2,218,728
Gratuity paid		(15,559)	(756)
Leave encashment paid		(1,992)	(970)
Income tax and levy paid		(73,554)	(47,037)
Finance cost paid - Islamic		(887,485)	(2,121,206)
Finance cost paid - Conventional		(2,162)	(33,786)
		(980,752)	(2,203,755)
Net cash generated from operating activities		1,040,429	14,973
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - operations		(86,276)	(369,220)
Proceeds from sale of property, plant and equipment		-	1,287
Finance income received		9,522	6,123
Net cash used in investing activities		(76,754)	(361,810)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing & trade payables		(829,762)	(774,079)
Repayment of short-term financing		(500,233)	(2,348,794)
Lease rentals paid		(14,336)	(13,032)
(Repayment to) / Contribution from associated undertakings - net		(400,000)	3,350,000
Net cash (used in) / generated from financing activities		(1,744,331)	214,095
Net decrease in cash and cash equivalents		(780,656)	(132,742)
Cash and cash equivalents at beginning of the period		1,235,232	136,925
Cash and cash equivalents at end of the period	16	454,576	4,183

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2025.

2.1 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2026. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2025.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual audited financial statements as at and for the year ended June 30, 2025.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2025.

		(Unaudited) September 30, 2025	(Audited) June 30, 2025
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	32,776,814	32,960,889
Capital work-in-progress		117,291	108,077
Capitalisable stores and spares		664,902	613,352
		<u>33,559,007</u>	<u>33,682,318</u>
5.1 Operating assets			
Opening net book value		32,960,889	33,732,846
Additions during the period / year - at cost			
Plant and machinery		14,987	60,346
Non factory building on leasehold land		-	14,019
Computers and peripherals		2,842	7,023
Office equipment		933	1,779
Furniture and fixtures		-	22,540
Vehicles		6,750	687
		<u>25,512</u>	<u>106,394</u>
Disposals during the period / year - net book value		-	(1,744)
Depreciation for the period / year		<u>(209,587)</u>	<u>(876,607)</u>
		<u>(209,587)</u>	<u>(878,351)</u>
Closing net book value		<u>32,776,814</u>	<u>32,960,889</u>
6. INVENTORIES			
Raw material		377,746	288,155
Packing material		212,401	271,884
Semi-finished goods	6.1	662,736	1,299,827
Work-in-process		6,298	20,826
Finished goods	6.2	616,947	175,502
		<u>1,876,128</u>	<u>2,056,194</u>
6.1	This includes clinker held at port for export amounting to Rs. 11.08 million (June 30, 2025: Rs. 480.39 million).		
6.2	This includes cement held at port for export amounting to Rs. 305.24 million (June 30, 2024: Rs. 22.22 million).		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

		(Unaudited) September 30, 2025	(Audited) June 30, 2025
	Note	----- (Rupees in '000) -----	
7. STORES, SPARES AND LOOSE TOOLS			
Stores		1,007,711	881,397
Coal & other fuels	7.1	1,543,611	1,415,741
Spares		1,703,845	1,540,988
Loose tools		10,700	9,385
		4,265,867	3,847,511
Less: Provision for net realisable value written down		(18,991)	(18,991)
		4,246,876	3,828,520
7.1	This includes coal-in-transit amounting to Rs. Nil (June 30, 2025: 453.13 million).		
8. TRADE RECEIVABLES - considered good			
Secured		-	15,250
Due from related parties - unsecured		119,471	85,640
Due from other parties - unsecured		291,444	304,104
		410,915	404,994
Less: Loss allowance on trade receivables		(61,423)	(61,423)
		349,492	343,571
9. CASH AND BANK BALANCES			
Cash at bank			
Conventional			
- In current accounts		1,730	5,170
Islamic			
- In current accounts		139,730	219,979
- In savings accounts	9.1	505,231	170,513
		644,961	390,492
- Term deposit receipts		-	1,100,000
Cash in hand		949	513
		647,640	1,496,175
9.1	These accounts are maintained with Islamic banks and carry profits at declared rates ranging from 6.63% - 9.92% (June 30, 2025: 7.46% - 9.92%) per annum.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

10 SHARE CAPITAL

10.1 Authorised share capital

(Unaudited) September 30, 2025 (Number of Shares)	(Audited) June 30, 2025		(Unaudited) September 30, 2025 (Rupees in '000)	(Audited) June 30, 2025
1,390,000,000	1,390,000,000	Ordinary and Cumulative Preference Shares of Rs.10 each	13,900,000	13,900,000

10.2 Issued, subscribed and paid-up capital

10.2.1 Ordinary Shares

(Unaudited) September 30, 2025 (Number of Shares)	(Audited) June 30, 2025		(Unaudited) September 30, 2025 (Rupees in '000)	(Audited) June 30, 2025
		Fully paid ordinary shares of Rs. 10 each issued:		
1,051,234,846	1,051,234,846	For cash	10,512,348	10,512,348
840,000	840,000	For consideration other than cash	8,400	8,400
11,339,588	11,339,588	Bonus shares	113,396	113,396
228,318,570	227,109,237	Converted from preference shares	2,283,186	2,271,093
1,291,733,004	1,290,523,671		12,917,330	12,905,237

10.2.2 Cumulative Preference Shares

(Unaudited) September 30, 2025 (Number of Shares)	(Audited) June 30, 2025		(Unaudited) September 30, 2025 (Rupees in '000)	(Audited) June 30, 2025
244,585,320	244,585,320	Fully paid Cumulative Preference Shares of Rs. 10 each	2,445,853	2,445,853
(171,238,939)	(170,331,939)	Converted to ordinary shares	(1,712,389)	(1,703,319)
73,346,381	74,253,381		733,464	742,534

10.3 If cash dividend is not paid in any year, due to loss or inadequate profits, then such unpaid cash dividend will accumulate and will be paid in the subsequent year(s) before any dividend is paid to the ordinary shareholders subject to approval of the Board of Directors. As at September 30, 2025 the unpaid dividend on Cumulative Preference Shares amounted to Rs. 1,599.66 million (June 30, 2025: Rs. 1,574.67 million).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no change in the status of the contingencies as disclosed in note 26 to the annual audited financial statements for the year ended June 30, 2025, except as mentioned below:

11.1.1 As disclosed in Note 26.8.6 to the annual audited financial statements, the Company filed an application for rectification of mistake under section 57 of the Act on July 26, 2021. However, no action was taken by the office of the Deputy Commissioner Inland Revenue (DCIR).

Consequently, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals), who, through his order, annulled the impugned order.

11.1.2 As disclosed in note 26.8.7 to the annual audited financial statements, the tax department has filed a reference before the Sindh High Court against the order of the Appellate Tribunal Inland Revenue (ATIR) involving an amount of Rs. 14.68 million. The matter is currently pending for adjudication.

Based on the opinion of the Company's legal advisor, the management is confident that the ultimate outcome of the case will be in the Company's favor. Accordingly, no provision has been made in these financial statements.

(Unaudited) (Audited)
September 30, June 30,
2025 2025
----- (Rupees in '000) -----

11.2 Commitments

Commitments against open letter of credit for:

- Coal

- Stores and spares

Commitments against letter of guarantees

Commitments against ljarah rentals

Total Commitments

-	1,331,625
345,756	307,788
10,747,673	10,765,593
178,503	159,737
<u>11,271,932</u>	<u>12,564,743</u>

(Unaudited) (Unaudited)
September 30, September 30,
2025 2024
----- (Rupees in '000) -----

12. REVENUE FROM CONTRACTS WITH CUSTOMERS

Local Sales

Sales tax

Federal excise duty

Commission

Net local sales

Exports

Freight

Net exports

8,238,927	5,668,591
(1,373,543)	(951,589)
(1,438,377)	(1,007,091)
(12,148)	(11,508)
<u>5,414,859</u>	<u>3,698,403</u>
2,422,024	1,349,087
(22,529)	-
<u>2,399,495</u>	<u>1,349,087</u>
<u>7,814,354</u>	<u>5,047,490</u>

13. Selling and distribution expenses include Rs. 553.93 million (September 30, 2024: Rs 351.89 million) incurred in respect of export sales.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

(Unaudited) (Unaudited)
September 30, September 30,
2025 2024
----- (Rupees in '000) -----

14. EARNINGS / (LOSS) PER SHARE

14.1 Basic

Profit / (loss) after taxation and levy attributable to ordinary shareholders	804,359	(492,155)
Adjustment for cumulative preference shares dividend	(24,995)	(115,730)
Profit / (loss) after taxation and levy for calculation of basic earnings / (loss) per share	779,364	(607,885)
Weighted average number of ordinary shares outstanding at the end of period (shares in thousands)	1,290,576	1,111,994
Basic earnings / (loss) per share (in rupee)	0.60	(0.55)

14.2 Diluted

Profit / (loss) after taxation and levy for calculation of diluted earnings / (loss) per share	804,359	(492,155)
Weighted average number of ordinary shares outstanding at the end of period (shares in thousands)	1,290,576	1,111,994
Adjustment for conversion of convertible preference shares (shares in thousands)	97,795	277,510
Weighted average number of potential ordinary shares outstanding at the end of period (shares in thousands)	1,388,371	1,389,504
Diluted earnings / (loss) per share (in rupee) - Note 14.3	0.58	(0.35)

14.3 IAS 33 Earnings per Share (paragraph 43) provides that potential ordinary shares are considered anti-dilutive when their conversion would increase earnings per share or decrease loss per share.

Accordingly, such potential shares are excluded from the computation of diluted earnings per share and hence diluted earnings/ (loss) per share equates to basic earnings/ (loss) per share.

As disclosed in Note 14.2, for the quarter ended 30 September 2024, the calculated diluted loss per share was anti-dilutive. Hence, in line with the above requirement, the diluted loss per share was assumed to be equal to the basic loss per share of Rs. 0.55.

For the current quarter ended 30 September 2025, the potential ordinary shares were dilutive and therefore included in the computation of diluted earnings per share. Consequently, the diluted earnings per share for the current and corresponding periods are not directly comparable.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

		(Unaudited) September 30, 2025	(Unaudited) September 30, 2024
		----- (Rupees in '000) -----	
15. CASH GENERATED FROM OPERATIONS			
	Note		
Profit / (loss) before taxation and levy		1,253,419	(428,918)
Adjustment for:			
Depreciation on property, plant and equipment		209,587	195,059
Depreciation on right-of-use asset		5,217	5,048
Finance cost on short-term financing - Islamic		101,492	333,716
Finance cost on short-term financing - Conventional		1,102	15,178
Finance cost on long-term financing - Islamic		381,590	724,374
Finance cost on long-term financing - Conventional		1,624	14,291
Unwinding of restructuring cost		7,160	6,420
Mark up on long-term trade payables		11,119	14,814
Mark up on lease liability		4,537	5,187
Exchange loss - net		27,922	506
Loss on disposal of property, plant and equipment		-	295
Loss from scrap sales		-	3,611
Finance income		(10,227)	(7,162)
Provision for gratuity expense		25,579	23,405
Provision for leave encashment expense		5,271	5,393
		771,973	1,340,135
Operating profit before working capital changes		2,025,392	911,217
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(418,356)	810,236
Inventories		180,066	(1,023,130)
Trade receivables		(5,921)	(92,014)
Advances and other receivables		(89,343)	(334,514)
Short-term investments		(100,000)	-
Tax refund due from government - sales tax		43,633	309,566
Trade deposits and short-term prepayments		66,861	29,914
		(323,060)	(299,942)
Increase in current liabilities		318,849	1,607,453
Net cash generated from operations		2,021,181	2,218,728
16. CASH AND CASH EQUIVALENTS			
Cash and bank balances	9	647,640	273,539
Short-term financing		(193,064)	(269,356)
		454,576	4,183

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

Name of the related party	Relationship	Transactions during the period	(Unaudited) September 30, 2025	(Unaudited) September 30, 2024
			----- (Rupees in '000) -----	
Aisha Steel Mills Limited	Associated company by virtue of common directorship	- Sharing of Expense	422	1,500
		- Payments received	422	-
		- Payments made	429	2,000
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	- Contribution received	892,000	4,116,000
		- Contribution repaid	100,000	-
		- Loan repaid	154,380	154,380
		- Mark-up accrued	9,650	41,343
		- Mark-up paid	39,858	101,107
Arif Habib Corporation Limited	Associated company by virtue of common directorship	- Guarantee commission accrued	212	212
		- Guarantee commission paid	212	212
Biomasdar (Pakistan) Limited	Associated company by virtue of common directorship	- Payments received	10	-
Fatima Packaging Limited	Associated company by virtue of common directorship	- Purchase of goods	198,034	159,152
		- Payments made	266,987	4,189
Fatima Fertilizer Company Limited	Associated company by virtue of common directorship	- Purchase of goods	-	168
Green Store (Private) Limited	Associated company by virtue of common directorship	- Purchase of goods	-	622
		- Payments made	-	622
Globe Residency REIT	Associated undertaking by virtue of common directorship	- Sale of goods	19,182	9,616
		- Payments received	15,933	10,046
Habib Sugar Mills Limited	Associated company by virtue of common directorship	- Sale of goods	9,906	-
		- Payments received	10,034	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

Transactions with related parties during the period are as follows:

Name of the related party	Relationship	Transactions during the period	(Unaudited) September 30, 2025	(Unaudited) September 30, 2024
			----- (Rupees in'000) -----	
Javedan Corporation Limited	Associated company by virtue of common directorship	- Sale of goods	3,054	2,412
		- Payments received	68	23,548
		- Services received	408	-
Mr. Muhammad Arif Habib	Substantial shareholder / Director	- Contribution received	-	3,350,000
		- Contribution repaid	892,000	4,116,000
Rahat Residency REIT	Associated undertaking by virtue of common directorship	- Sale of goods	4,038	1,442
		- Payments received	2,500	213
		- Services received	7,776	7,562
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	- Lease rentals	14,336	13,032
		- Payments made	12,147	2,181
		- Contribution repaid	300,000	-
		- Sale of goods	227,882	104,737
Safe Mix Concrete Limited	Associated company by virtue of common directorship	- Payments received	203,715	89,865
		- Sale of goods	3,029	962
Signature Residency REIT	Associated undertaking by virtue of common directorship	- Payments received	1,000	2,569
		- Provision for gratuity expense	25,579	23,405
Staff retirement benefit	Staff benefit plan	- Gratuity paid	15,559	756
		- Remuneration and other benefits	150,162	116,531
All members of Company's Management Team and Directors	Key management	- Retirement benefits	14,709	12,039
		- Directors' fees	125	275
		- Advances disbursed to employees	12,512	18,792
		- Advances repaid by employees	16,671	11,393

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

	(Unaudited) September 30, 2025	(Audited) June 30, 2025
	----- (Rupees in'000) -----	
Balances with related parties are as follows:		
Aisha Steel Mills Limited		
- Amount payable	-	429
Arif Habib Equity (Private) Limited		
- Contribution Outstanding	11,053,300	10,261,300
- Loan payable (including mark-up)	319,657	504,245
Arif Habib Corporation Limited		
- Guarantee commission payable	212	212
Biomasar (Pakistan) Limited		
- Receivable from customer	-	10
Fatima Packaging Limited		
- Amount payable	389,195	458,148
Globe Residency REIT		
- Receivable from customer	19,594	16,345
Habib Sugar Mills Limited		
- Receivable from customer	-	128
Javedan Corporation Limited		
- Receivable from customer	16,603	13,617
- Amount payable	408	-
Mr. Muhammad Arif Habib		
- Contribution Outstanding	2,780,700	3,672,700
- Mark-up payable	292,722	292,722
Memon Health & Education Foundation		
- Advance from customer	192	192
Rahat Residency REIT		
- Receivable from customer	6,015	4,477

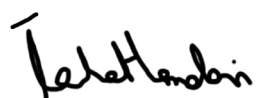
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2025

	(Un audited) September 30, 2025	(Audited) June 30, 2025
	----- (Rupees in '000) -----	
Rotocast Engineering Company (Private) Limited		
- Contribution Outstanding	766,000	1,066,000
- Amount payable	9,965	-
Safe Mix Concrete Limited		
- Receivable from customer	73,330	49,163
Signature Residency REIT		
- Receivable from customer	3,929	1,900
Staff retirement benefits		
- Payable to gratuity fund	291,287	281,267
Key management personnel		
- Advances to employees	50,628	54,787

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements has been authorized for issue on October 20, 2025 by the Board of Directors.



Chief Financial Officer



Chief Executive



Director



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