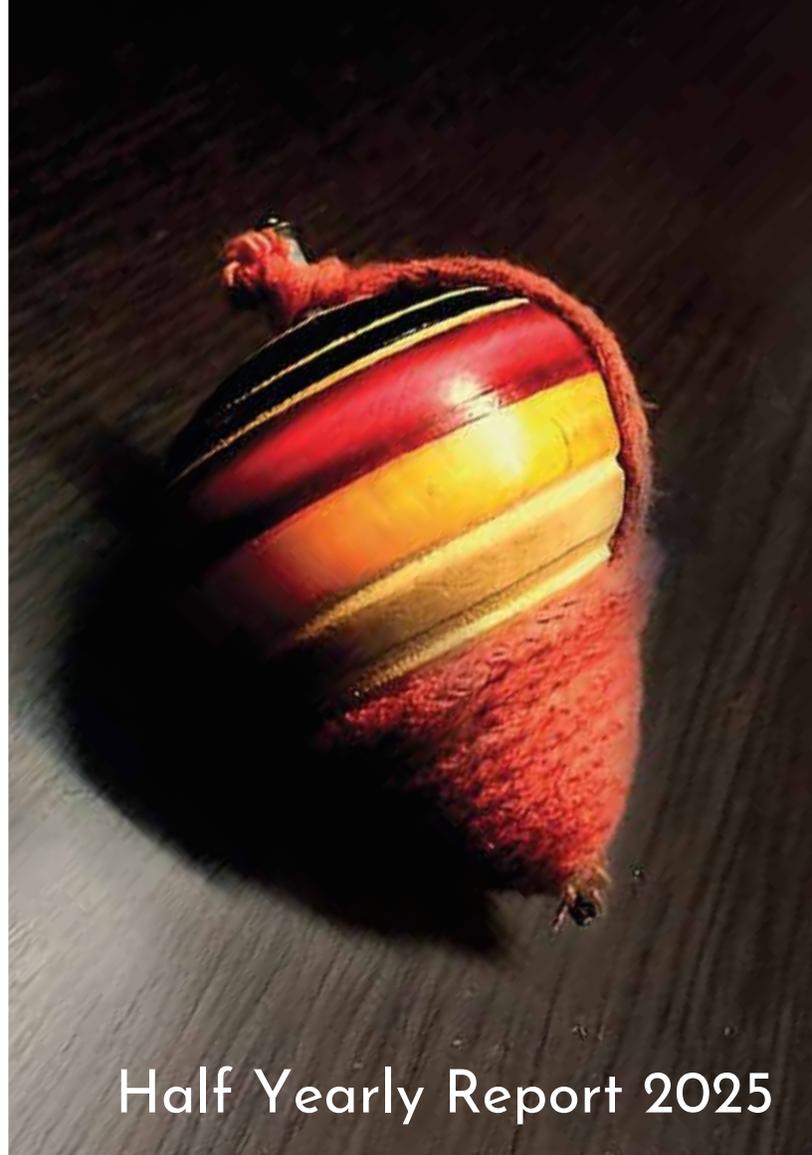




**Power Cement**  
مضبوطی۔ چٹانوں جیسی



**Street to  
Strength**



Half Yearly Report 2025

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# COMPANY INFORMATION

## Board of Directors

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

## Audit Committee

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

## Human Resources & Remuneration Committee

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

## ERP Governance & Implementation Committee

Mr. Khalilullah Shaikh	Chairman
Mr. Khursheed Anwer Jamal	Member
Mr. Muhammad Kashif	Member

## Chief Financial Officer

Muhammad Taha Hamdani

## Company Secretary

Mr. Salman Gogan

## External Auditors

A.F. Ferguson & Co. Chartered Accountants

## Cost Auditors

UHY Hassan Naeem & Co. Chartered Accountants

## Legal Advisor

Barrister Asad Iftikhar

## Share Registrar

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

## Bankers / Lenders of the Company

### Local Banks / DFIs

Al Baraka Bank (Pakistan) Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Bank Makramah Limited  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
First Credit & Investment Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
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

### Registered Office

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

### Factory

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

### Website

[www.powercement.com.pk](http://www.powercement.com.pk)

### Contact Number

021-32468231-2  
021-32468350-1

### Fax Number

021-32463209

# DIRECTORS' REVIEW

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

The Board of Directors of your Company present herewith their review on the financial and operational performance of the Company for the half year ended December 31, 2025.

### Economic Overview

Pakistan's economy continued to stabilize during the first half of FY-2025-26, supported by stable external inflows, and improved fiscal discipline. Reflecting these improvements, the International Monetary Fund (IMF) revised Pakistan's GDP growth forecast for FY-2025-26 upward to 3.2% in December 2025.

Overall, improving performance across key sectors indicates a gradual strengthening of economic conditions. Stable inflation, enhanced fiscal management, and rising industrial activity are supporting growth, while continued reform momentum remains essential to sustaining macroeconomic stability.

### Industry Overview

Pakistan's cement industry showed early signs of recovery during the first half of FY-2025-26, with domestic dispatches increasing by 13.11% after three years of contraction, supported by higher public sector development activity and improving private sector sentiment. This recovery was partially offset by a 3.73% decline in exports, largely due to regional and geopolitical constraints.

In the North Zone, domestic dispatches grew by 14.67%, while export dispatches declined by 18.53%; nevertheless, total dispatches increased by 12.68%, driven by strong local demand. The South Zone recorded modest growth, with domestic dispatches rising by 5.22% and exports remaining broadly stable, resulting in an overall dispatch increase of 2.39%.

Looking ahead, cement demand is expected to grow moderately, supported by higher development spending and housing incentives. While low utilization may weigh on near-term profitability, pricing discipline and ongoing industry consolidation are expected to support margins and enhance sector stability.

### Production & Sales Performance

The production and sales statistics for the half year ended December 31, 2025 compared to the corresponding period are as follows:

Production	Half Year Ended		Variance
	December 31, 2025	December 31, 2024	
	In Tons		
Clinker production	1,125,926	1,098,038	2.54%
Cement production	884,626	794,920	11.28%

Sales	Half Year Ended		Variance
	December 31, 2025	December 31, 2024	
	In Tons		
Clinker & Cement dispatches (Local)	705,619	640,038	10.24%
Clinker dispatches (Export)	307,408	274,388	12.00%
Cement dispatches (Export)	214,707	193,811	10.78%
<b>Total</b>	<b>1,227,734</b>	<b>1,108,237</b>	

## Financial Performance

An analysis of the key financial results of your Company for the half year ended December 31, 2025 is as under:

Particulars	Half Year Ended	
	December 31, 2025	December 31, 2024
	Rs. in ' 000 '	
Net Sales Revenue	16,460,134	13,822,103
Gross Profit	5,981,633	3,746,510
EBITDA	4,196,212	2,558,907
Operating Profit	3,727,186	2,103,663
Finance Cost -Net	979,184	1,889,236
Profit Before Taxation and Levy	2,748,002	214,427
Profit After Taxation and Levy	1,661,407	32,369
EPS - Basic (in Rupees)	1.25	(0.15)
EPS - Diluted (in Rupees)	1.20	(0.15)

During the half year ended December 31, 2025, the Company delivered a strong improvement in financial performance compared to the corresponding period last year, reflecting higher dispatch volumes, improved margins, and lower finance costs.

Net sales revenue increased by 19% to Rs. 16.46 billion from Rs. 13.82 billion. This growth, combined with effective cost management, led to a significant improvement in profitability. Gross profit increased by 60% to Rs. 5.98 billion, resulting in improved margins driven by operational efficiencies and favorable cost trends.

EBITDA increased by 64% to Rs. 4.20 billion from Rs. 2.56 billion, while operating profit increased by 77% to Rs. 3.73 billion, reflecting a marked strengthening of the Company's core operating performance.

Net finance costs declined substantially by 48% to Rs. 0.98 billion primarily due to lower interest rates, reduced borrowings, and improved financial management. In addition, owing to sponsors' support, classified as "Contribution from Associated Undertakings", the Company deferred mark-up obligations, resulting in a significant reduction in mark-up expense and related cash outflows during the half year.

Profit after taxation and levy improved significantly to Rs. 1,661 million compared to Rs. 32 million in the corresponding period last year. Earnings per share turned positive at Rs. 1.25 (basic) and Rs. 1.20 (diluted), compared to a loss of Rs. 0.15 per share last year, underscoring the Company's turnaround and strengthening financial position.

## Future Outlook

The Company's strong performance underpins a positive outlook. Cement industry is expected to benefit from higher infrastructure spending, improving private sector construction activity, and easing financing conditions. While energy costs remain elevated, efficiency measures and lower finance costs are expected to provide relief. In addition, the Company's 7.5 MW wind energy project, being implemented on a rental model similar to the solar project, is progressing as planned and is expected to become operational during the last quarter of FY 2025-26, which will further support cost optimization and sustainability objectives.

The Company's sustained profitability and sequential improvement have strengthened shareholder value and reinforced its resilient position. With GDP growth projected at 3.2%, supported by public sector development and housing initiatives, operating conditions are likely to improve. Pricing discipline and industry consolidation are expected to support margins, enabling the Company to focus on sustainable growth and long-term value creation.

## 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

February 11, 2026  
Karachi



## FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 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.

# پہلے دوں



**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
POWER CEMENT LIMITED****REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Power Cement Limited as at December 31, 2025 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to and forming part of the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other matter**

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and other comprehensive income for the quarter ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

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



**A. F. Ferguson & Co.**  
**Chartered Accountants**  
**Karachi**

**Date: 13 February 2026**

**UDIN: RR202510059Aj0mkyhT7**

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	Note	(Unaudited) December 31, 2025 (Rupees in '000)	(Audited) June 30, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	33,503,469	33,682,318
Right-of-use asset		73,032	83,465
Long-term investment	6	-	21,589
Deferred tax asset	7	2,407,119	2,751,777
Long-term deposits		62,069	62,069
		36,045,689	36,601,218
<b>Current assets</b>			
Inventories	8	2,493,784	2,056,194
Stores, spares and loose tools	9	3,427,915	3,828,520
Trade receivables - considered good	10	875,419	343,571
Advances and other receivables		854,160	576,269
Taxation - payments less provision		69,563	659,995
Derivative financial asset		947,327	1,474,289
Trade deposits and short-term prepayments		102,075	157,242
Tax refund due from government - sales tax		303,276	346,079
Short-term investments	11	312,856	140,457
Cash and bank balances	12	2,210,641	1,496,175
		11,597,016	11,078,791
<b>TOTAL ASSETS</b>		<b>47,642,705</b>	<b>47,680,009</b>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive

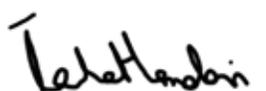
  
Director

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	Note	(Unaudited) December 31, 2025 (Rupees in '000)	(Audited) June 30, 2025
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Share capital</b>			
Ordinary shares	13	12,917,330	12,905,237
Cumulative preference shares		733,464	742,534
		13,650,794	13,647,771
<b>Reserves</b>			
<b>Capital reserve</b>			
Share premium		739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares		(570,797)	(567,774)
<b>Revenue reserve</b>			
Accumulated loss		(3,628,826)	(5,290,233)
		(3,460,130)	(5,118,514)
Contribution from associated undertakings	14	13,900,000	15,000,000
<b>TOTAL EQUITY</b>		<b>24,090,664</b>	<b>23,529,257</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term financing - secured	15	10,296,259	12,601,197
Long-term trade payables	16	-	-
Long-term lease liability		75,106	83,394
Staff retirement benefits		385,298	356,996
		10,756,663	13,041,587
<b>Current liabilities</b>			
Trade and other payables		3,822,045	2,941,878
Contract liabilities		732,788	1,184,278
Unclaimed dividend		126	126
Accrued mark-up		1,009,256	1,085,284
Short-term financing - secured	17	4,635,212	4,311,176
Current portion of long-term lease liability		15,792	12,900
Current portion of long-term financing	15	2,580,159	1,573,523
		12,795,378	11,109,165
<b>TOTAL LIABILITIES</b>		<b>23,552,041</b>	<b>24,150,752</b>
Contingencies and commitments	18		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,642,705</b>	<b>47,680,009</b>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive

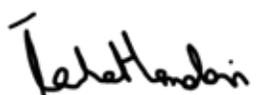
  
Director

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Half year ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
----- (Rupees in '000) -----					
Revenue from contracts with customers	19	16,460,134	13,822,103	8,645,780	8,774,613
Cost of sales		(10,478,501)	(10,075,593)	(5,373,293)	(6,266,460)
<b>Gross profit</b>		5,981,633	3,746,510	3,272,487	2,508,153
Selling and distribution expenses	20	(1,625,951)	(1,367,212)	(959,432)	(930,429)
Administrative expenses		(383,578)	(289,906)	(227,201)	(165,824)
Impairment loss on trade receivables		(5,984)	(12,021)	(5,984)	(12,021)
Other (expense) / income - net	21	(238,934)	26,292	(110,804)	23,803
		(2,254,447)	(1,642,847)	(1,303,421)	(1,084,471)
<b>Profit from operations</b>		3,727,186	2,103,663	1,969,066	1,423,682
Finance income		17,324	14,481	7,097	7,319
Finance cost		(996,508)	(1,903,717)	(481,580)	(787,656)
Finance income / (cost) - net		(979,184)	(1,889,236)	(474,483)	(780,337)
<b>Profit before taxation and levy</b>		2,748,002	214,427	1,494,583	643,345
Levy		(206,353)	(46,328)	(182,133)	(32,837)
<b>Profit before taxation</b>		2,541,649	168,099	1,312,450	610,508
Taxation	22	(880,242)	(135,730)	(455,402)	(85,984)
<b>Profit after taxation and levy</b>		1,661,407	32,369	857,048	524,524
<b>Other comprehensive income / (loss):</b>					
Items that are or may be reclassified subsequently to profit or loss					
Changes in fair value of cash flow hedges		(526,961)	(353,105)	(7,097)	(100,759)
Adjustment for amounts transferred to profit or loss		526,961	353,105	7,097	(60,479)
		-	-	-	(161,238)
Related deferred tax		-	-	-	62,883
Hedging reserve		-	-	-	(98,355)
<b>Total comprehensive income for the period</b>		1,661,407	32,369	857,048	426,169
----- (Rupees) -----					
<b>Earnings / (loss) per share</b>					
- Basic	23.1	1.25	(0.15)	0.65	0.40
- Diluted	23.2 & 23.3	1.20	(0.15)	0.62	0.40

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive

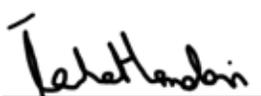
  
Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 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	Accumulated loss	(Note 14)	
----- (Rupees in '000)-----						
<b>Balance as at July 1, 2024</b>	13,201,175	(121,178)	739,493	(6,100,369)	11,700,000	19,419,121
Contribution received - net	-	-	-	-	4,950,000	4,950,000
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs.10 each during the period	197,875	(197,875)	-	-	-	-
	197,875	(197,875)	-	-	4,950,000	4,950,000
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	32,369	-	32,369
<b>Balance as at December 31, 2024</b>	<u>13,399,050</u>	<u>(319,053)</u>	<u>739,493</u>	<u>(6,068,000)</u>	<u>16,650,000</u>	<u>24,401,490</u>
<b>Balance as at July 1, 2025</b>	13,647,771	(567,774)	739,493	(5,290,233)	15,000,000	23,529,257
Contribution repaid - net	-	-	-	-	(1,100,000)	(1,100,000)
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)	-	-	(1,100,000)	(1,100,000)
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	1,661,407	-	1,661,407
<b>Balance as at December 31, 2025</b>	<u>13,650,794</u>	<u>(570,797)</u>	<u>739,493</u>	<u>(3,628,826)</u>	<u>13,900,000</u>	<u>24,090,664</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive

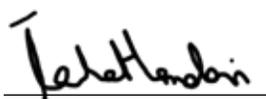
  
Director

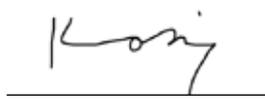
# CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	December 31, 2025 (Rupees in '000)	December 31, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	24	4,024,197	3,753,490
Gratuity paid		(29,043)	(15,410)
Leave encashment paid		(2,924)	(3,735)
Income tax and levies paid		(151,507)	(221,647)
Deposits paid		-	(7,600)
Finance cost paid - Islamic		(1,003,996)	(2,326,627)
Finance cost paid - Conventional		(6,474)	(63,596)
		(1,193,944)	(2,638,615)
<b>Net cash generated from operating activities</b>		<b>2,830,253</b>	<b>1,114,875</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure - operations		(280,119)	(438,124)
Proceeds from sale of property, plant and equipment		374	1,436
Proceeds from realization of long term investment		-	2,917
Short-term investments made		(150,000)	(850,000)
Finance income received		12,084	13,725
<b>Net cash used in investing activities</b>		<b>(417,661)</b>	<b>(1,270,046)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term financing		(811,761)	(756,360)
Repayment of long-term trade payables		(96,065)	(95,870)
Lease rentals paid		(14,336)	(20,201)
Proceeds from short-term financing		18,574,317	12,388,228
Repayment of short-term financing		(18,108,669)	(11,363,228)
(Repayment to) / Contribution from associated undertakings - net		(1,100,000)	4,950,000
<b>Net cash (used in) / generated from financing activities</b>		<b>(1,556,514)</b>	<b>5,102,569</b>
<b>Net increase in cash and cash equivalents</b>		<b>856,078</b>	<b>4,947,398</b>
Cash and cash equivalents at beginning of the period		1,235,232	(4,415,599)
<b>Cash and cash equivalents at end of the period</b>	25	<b>2,091,310</b>	<b>531,799</b>

The annexed notes from 1 to 28 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 HALF YEAR ENDED DECEMBER 31, 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

#### 2.1 Statement of compliance

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;
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications 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.

#### 2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

#### 2.3 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 is a new standard and amendments that will be applicable to the Company for its annual periods beginning on or after January 1, 2026. The new standard refers to IFRS 18 Presentation and Disclosure in Financial Statements with applicability date of January 1, 2027. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of the new standard and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The summary of 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 HALF YEAR ENDED DECEMBER 31, 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 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.

		<b>(Unaudited)</b> <b>December 31,</b> <b>2025</b>	(Audited) June 30, 2025
	Note	----- (Rupees in '000) -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	5.1	32,697,241	32,960,889
Capital work-in-progress		12,179	108,077
Capitalisable stores and spares	5.2	794,049	613,352
		<u>33,503,469</u>	<u>33,682,318</u>
<b>5.1 Operating assets</b>			
<b>Opening net book value</b>		32,960,889	33,732,846
<b>Additions during the period / year - at cost</b>			
Plant and machinery		14,987	60,346
Non factory building on leasehold land		-	14,019
Factory building on leasehold land		133,577	-
Computer and peripherals		16,382	7,023
Office equipment		4,773	1,779
Furniture and fixtures		-	22,540
Vehicles		25,601	687
		195,320	106,394
Disposals during the period / year - net book value		(375)	(1,744)
Depreciation for the period / year		(458,593)	(876,607)
		(458,968)	(878,351)
<b>Closing net book value</b>		<u>32,697,241</u>	<u>32,960,889</u>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

		(Unaudited) December 31, 2025	(Audited) June 30, 2025
	Note	----- (Rupees in '000) -----	
<b>5.2 Capitalisable stores and spares</b>			
Balance at beginning of the period / year		613,352	530,720
Additions during the period / year		311,432	361,427
Transferred to operating assets and spares		(130,735)	(278,795)
Balance at end of the period / year		<u>794,049</u>	<u>613,352</u>

### 6. LONG-TERM INVESTMENT

#### At amortised cost

Defence Savings Certificates	6.1	<u>-</u>	<u>21,589</u>
------------------------------	-----	----------	---------------

**6.1** These Defence Savings Certificates (DSCs) are for a period of 10 years having maturity in November 2026. These carry mark-up at effective interest rate of 7.44% per annum. These DSCs are pledged with the Nazir of High Court of Sindh. This investment has been reclassified under short term investments at the interim reporting date.

### 7. DEFERRED TAX ASSET

Deferred tax asset has been recognized in full (June 30, 2025: recognized in full) as per future financial projections of the Company.

		(Unaudited) December 31, 2025	(Audited) June 30, 2025
	Note	----- (Rupees in '000) -----	
<b>8. INVENTORIES</b>			
Raw material		410,056	288,155
Packing material		301,490	271,884
Semi-finished goods	8.1	1,543,218	1,299,827
Work-in-process		26,692	20,826
Finished goods	8.2	212,328	175,502
		<u>2,493,784</u>	<u>2,056,194</u>

**8.1** This includes clinker held at port for export amounting to Rs. 8.32 million (June 30, 2025: Rs. 480.39 million).

**8.2** This includes cement held at port for export amounting to Rs. 4.95 million (June 30, 2025: Rs. 22.22 million).

		(Unaudited) December 31, 2025	(Audited) June 30, 2025
	Note	----- (Rupees in '000) -----	
<b>9. STORES, SPARES AND LOOSE TOOLS</b>			
Stores		848,004	881,397
Coal & other fuels	9.1	894,794	1,415,741
Spares		1,692,992	1,540,988
Loose tools		11,116	9,385
		<u>3,446,906</u>	<u>3,847,511</u>
Less: Provision for net realisable value written down		(18,991)	(18,991)
		<u>3,427,915</u>	<u>3,828,520</u>

**9.1** This includes coal-in-transit amounting to Nil (June 30, 2025: Rs. 453.13 million).

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
<b>10. TRADE RECEIVABLES - considered good</b>		
Secured	514,809	15,250
Due from related parties - unsecured	114,093	85,640
Due from other parties - unsecured	313,924	304,104
	<u>942,826</u>	<u>404,994</u>
Less: Loss allowance on trade receivables	(67,407)	(61,423)
	<u>875,419</u>	<u>343,571</u>

### 11. SHORT-TERM INVESTMENTS

#### At amortised cost

Term deposit modaraba certificates	11.1	235,757	135,757
Investment in Sukuk	11.2	50,000	-
Defence Savings Certificates	6.1	22,399	-
Treasury Bills	11.3	4,700	4,700
		<u>312,856</u>	<u>140,457</u>

**11.1** These represents term deposit modaraba certificates placed with local banks and carry profit at declared rates ranging from 4.71% to 10.00% (June 30, 2025: 4.71% to 10.00%) per annum maturing in February 2026 to November 2026.

**11.2** This represent sukuk of Burj Clean Modaraba at the profit rate of 12.82% per annum maturing in January 2026.

**11.3** This represent treasury bill having maturity upto 12 months carried at amortised cost. The yield on this investment is 11.15% per annum (June 30, 2025: 13.2%), maturing in October 2026.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
<b>12. CASH AND BANK BALANCES</b>		
Cash at bank		
<b>Conventional</b>		
- In current accounts	3,332	5,170
<b>Islamic</b>		
- In current accounts	371,608	219,979
- In savings accounts	179,715	170,513
	<u>551,323</u>	<u>390,492</u>
Cash in hand	986	513
Term deposit modaraba certificates	1,655,000	1,100,000
	<u>2,210,641</u>	<u>1,496,175</u>

**12.1** These accounts are maintained with Islamic banks at the declared rates ranging from 6.70% to 9.92% (June 30, 2025: 7.46% to 9.92% ) per annum.

**12.2** These represents term deposit modaraba certificates placed with Islamic banks and carry profit at the rate ranging from 10.15% to 10.50% (June 30, 2025: 10.50%) per annum.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

### 13. SHARE CAPITAL

#### 13.1 Authorised share capital

(Unaudited) December 31, 2025	(Audited) June 30, 2025		(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Number of Shares)			(Rupees in '000)	
<u>1,390,000,000</u>	<u>1,390,000,000</u>	Ordinary and Cumulative Preference Shares of Rs. 10 each	<u>13,900,000</u>	<u>13,900,000</u>

#### 13.2 Issued, subscribed and paid-up capital

##### 13.2.1 Ordinary Shares

(Unaudited) December 31, 2025	(Audited) June 30, 2025		(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Number of Shares)			(Rupees in '000)	
		Fully paid ordinary shares of Rs. 10 each issued:		
		For cash	10,512,348	10,512,348
		For consideration other than cash	8,400	8,400
		Bonus shares	113,396	113,396
		Converted from preference shares	2,283,186	2,271,093
<u>1,051,234,846</u>	<u>1,051,234,846</u>		<u>12,917,330</u>	<u>12,905,237</u>
840,000	840,000			
11,339,588	11,339,588			
228,318,570	227,109,237			
<u>1,291,733,004</u>	<u>1,290,523,671</u>			

##### 13.2.2 Cumulative Preference Shares

(Unaudited) December 31, 2025	(Audited) June 30, 2025		(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Number of Shares)			(Rupees in '000)	
		Fully paid Cumulative Preference Shares of Rs. 10 each	2,445,853	2,445,853
		Converted to ordinary shares	(1,712,389)	(1,703,319)
<u>244,585,320</u>	<u>244,585,320</u>		<u>733,464</u>	<u>742,534</u>
(171,238,939)	(170,331,939)			
<u>73,346,381</u>	<u>74,253,381</u>			

**13.3** 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 December 31, 2025 the undeclared dividend on Cumulative Preference Shares amounted to Rs. 1,622.87 million (June 30, 2025: Rs. 1,574.67 million).

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	----- (Rupees in '000) -----	
<b>14. CONTRIBUTION FROM ASSOCIATED UNDERTAKINGS</b>		
<b>14.1 Movement in contributions from associated undertakings during the period / year:</b>		
Balance at beginning of the period / year	15,000,000	11,700,000
Contributions received during the period / year	1,192,000	11,918,600
Repayments made during the period / year	(2,292,000)	(8,618,600)
Balance at end of the period / year	<u>13,900,000</u>	<u>15,000,000</u>

- 14.2** This represents musharakah arrangement with Mr. Muhammad Arif Habib (Sponsor), Arif Habib Equity (Private) Limited (Associated Undertaking) and Rotocast Engineering Company (Private) Limited (Associated Undertaking) (together termed as 'Investors'). The investment has been made on terms and conditions disclosed in note 18.1 to the annual audited financial statements for the year ended June 30, 2025.

Pursuant to the requirements of IAS 32- 'financial instruments presentation' and the terms of the arrangement, the Long Term Musharakah arrangement is classified as equity in these condensed interim financial statements. The unpaid profit at the discretion of the Company as at December 31, 2025 in respect of the above mentioned arrangement amounts to Rs. 7,133.06 million (June 30, 2025 : Rs. 6,191.51 million).

		(Unaudited) December 31, 2025	(Audited) June 30, 2025
	Note	----- (Rupees in '000) -----	
<b>15. LONG-TERM FINANCING - secured</b>			
<b>Local currency loan</b>			
Syndicated loan	15.1 & 15.2	11,016,671	11,300,165
Term loan		-	50,000
		<u>11,016,671</u>	<u>11,350,165</u>
Current maturity		(1,652,156)	(645,520)
		<u>9,364,515</u>	<u>10,704,645</u>
<b>Foreign currency loan</b>			
Syndicated loan	15.3	1,859,747	2,824,555
Current maturity		(928,003)	(928,003)
		<u>931,744</u>	<u>1,896,552</u>
		<u>10,296,259</u>	<u>12,601,197</u>

- 15.1** This includes funded / Musharakah contribution amount drawn from a syndicate of 16 local banks / Development Financial Institutions (DFIs) under the long-term syndicate finance facility of Rs. 16,200 million, for the expansion project of 7,700 Tonnes Per Day, led by National Bank of Pakistan as Investment Agent (June 30, 2025: Rs.16,200 million). The said facility has been structured in Islamic mode of financing (Diminishing Musharakah) having Syndicate Term Finance Facility (STFF) of Rs. 16,200 million. The facility carries mark-up at the rate of 6 months KIBOR plus 0.5% (June 30, 2025: 6 months KIBOR plus 0.5%) per annum calculated on daily product basis with profit and principal repayment falling due on semi-annual basis. The facility is secured through first pari passu charge over current and fixed assets of the Company amounting to Rs. 16,180 million along with additional collaterals. This loan was initially payable through semi annual instalments in 10 years time and started from July 2018.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

- 15.2** This also includes loan of Rs. 1,000 million (June 30, 2025: Rs. 1,000 million) structured as Diminishing Musharakah for the purpose of operational support, project cost overruns and service of deferred payables of Company's clinker plant. The security includes first pari passu charge on fixed and current assets amounting to Rs. 1,333 million along with additional collaterals and personal guarantees of the Company's related party.
- 15.3** This represents loan from 3 foreign multilateral institutions / DFIs under long-term syndicate finance facility of equivalent drawdowns of EUR 11.36 million, USD 11.36 million, USD 15.14 million disbursed by Deutsche Investitions-und Entwicklung-sgesellschaft mbH (DEG) through Arif Habib Equity (Private) Limited (AHEPL), OPEC Fund for International Development (OFID) and Islamic Corporation Development (ICD) respectively for the expansion project of Line III.

The Company has executed cross currency swaps with Habib Bank Limited at the exchange rate of PKR 139.5 and PKR 141.4 per USD and Faysal Bank Limited through AHEPL at the exchange rate of PKR 162 and PKR 164.5 per EURO to hedge the Company's foreign currency payment obligation. This facility carries markup ranging between 6 months KIBOR plus 4.15% to 6 months KIBOR plus 5.49% with mark-up / principal repayment falling due on semi-annual basis with commercial Banks for cross currency swap. The facility is secured through first pari passu charge over current and fixed assets of the Company along with additional collaterals. The above hedge of exposures arising due to variability in cash flows owing to interest / currency risks were designated as cash flow hedges by the management of the Company.

	<b>(Unaudited)</b> <b>December 31,</b> <b>2025</b>	(Audited) June 30, 2025
Note	----- (Rupees in '000)	-----

### 16. LONG-TERM TRADE PAYABLES

Local currency payables	16.1	281,718	330,424
Less: Current maturity		(281,718)	(330,424)
		-	-
Foreign currency payables		-	26,582
Less: Current maturity		-	(26,582)
		-	-
		-	-

- 16.1** In 2017, the Company had entered into a construction contract with CEEC Tianjin (Pakistan) Electric Power Construction (Private) Limited for the construction of Line III. In 2022, the Company entered into an extension of payment contract for settlement of the outstanding amount. As per the terms of the contract, the Company is liable to pay a revised amount of Rs. 847.68 million along with USD 0.4 million over a period of 4 years. The current portion has been classified in trade and other payables.

	<b>(Unaudited)</b> <b>December 31,</b> <b>2025</b>	(Audited) June 30, 2025
Note	----- (Rupees in '000)	-----

### 17. SHORT-TERM FINANCING - secured

<b>Conventional</b>			
Running finance	17.2	119,331	260,943
<b>Islamic</b>			
Istisna / Running Musharakah	17.3		
- Maturity within three months		750,000	1,000,233
- Maturity after three months		2,565,881	2,350,000
Islamic Export Refinance Facilities (IERFs)	17.4	1,200,000	700,000
		4,515,881	4,050,233
		4,635,212	4,311,176

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

- 17.1** The short-term financing facilities available to the Company aggregate to Rs. 8,050 million (June 30, 2025: Rs.7,550 million) repayable within a maximum tenure of 180 days from the date of disbursement. These facilities have been obtained on annually renewable basis. As at the reporting date, unavailed amount under these facilities amounts to Rs. 3,415 million (June 30, 2025: Rs. 3,239 million). These are secured by first pari passu charge against current and fixed assets of the Company.
- 17.2** This represents short-term running finance facility from a commercial bank amounting to Rs. 119.33 million (June 30, 2025: Rs. 260.94 million). This carries mark up at the rate of 1 month KIBOR plus 1.5% (June 30, 2025: 1 month KIBOR plus 1.5%) per annum calculated on daily product basis. The facility is annually renewable and mark-up on the facility is payable on quarterly basis. The facility is secured by first pari passu charge against current and fixed assets of the Company amounting to Rs. 400 million.
- 17.3** These Istisna and Running Musharaka facilities carry applicable profit at the rates ranging from KIBOR plus 0.1% to KIBOR plus 2% (June 30, 2025: KIBOR plus 0.1% to KIBOR plus 3%).
- 17.4** These IERF facilities carry profit at the rates ranging from 7.5% to 8.0% per annum or SBP policy rate minus 3%. (June 30, 2025: 8% to 19% per annum or SBP policy rate minus 3%).

## 18. CONTINGENCIES AND COMMITMENTS

### 18.1 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:

- 18.1.1** 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, but no action was taken by the DCIR. Consequently, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals), who annulled the impugned order of DCIR.
- 18.1.2** 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 ATIR involving an amount of Rs. 14.68 million. The matter is currently pending for adjudication.

### 18.2 Commitments

Commitments against open letter of credit for:

- Coal

- Stores and spares

Commitments against letter of guarantees

Commitments against Ijarah rentals

Total Commitments

Note	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	----- (Rupees in '000) -----	
	2,710,973	1,331,625
	315,692	307,788
18.2.1	10,721,395	10,765,593
	144,011	159,737
	<u>13,892,071</u>	<u>12,564,743</u>

- 18.2.1** This includes corporate guarantee of Rs. 9,866 million (as approved by the Company's shareholders vide special resolution passed on June 23, 2018) issued to DEG (a Foreign Currency Long-Term Financier being part of the Company's long-term financing on behalf of the Arif Habib Equity (Private) Limited - a related party), being part of Company's long-term financing as disclosed in note 15.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Unaudited) December 31, 2025	(Unaudited) December 31, 2024
	----- (Rupees in '000) -----	
<b>19. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Local Sales	16,369,783	14,204,665
Sales tax	(2,725,747)	(2,369,737)
Federal excise duty	(2,822,477)	(2,560,022)
Commission	(23,746)	(14,929)
<b>Net local sales</b>	<b>10,797,813</b>	<b>9,259,977</b>
Exports	5,686,680	4,632,832
Freight	(24,359)	(70,706)
<b>Net exports</b>	<b>5,662,321</b>	<b>4,562,126</b>
	<b>16,460,134</b>	<b>13,822,103</b>

### 20. SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses include Rs. 1,387.91 million (December 31, 2024: Rs. 1,152.76 million) incurred in respect of export sales.

		(Unaudited) December 31, 2025	(Unaudited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>21. OTHER (EXPENSE) / INCOME - NET</b>			
Exchange (loss) / gain - net	21.1 & 21.2	(24,462)	45,959
Scrap sales		1,177	7,822
Loss on disposal of fixed assets		(1)	(263)
Sindh Workers' Profit Participation Fund		(148,183)	(14,632)
Workers' Welfare Fund		(67,465)	(12,725)
Insurance claim		-	131
		<b>(238,934)</b>	<b>26,292</b>

**21.1** This includes the net amount of exchange gain or loss calculated on import of coal, export sales and on remeasurement of foreign payables & receivables.

**21.2** This includes the net amount of exchange gain or loss booked on remeasurement of foreign currency borrowings and the related hedging instrument.

	(Unaudited) December 31, 2025	(Unaudited) December 31, 2024
	----- (Rupees in '000) -----	
<b>22. TAXATION</b>		
Current - for the year	591,386	200,532
- prior year	(55,800)	-
Deferred tax expense / (income)	344,656	(64,802)
	<b>880,242</b>	<b>135,730</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Unaudited) December 31, 2025 ----- (Rupees in '000) -----	(Unaudited) December 31, 2024 -----
<b>23. EARNINGS / (LOSS) PER SHARE</b>		
<b>23.1 Basic</b>		
Profit after taxation and levy attributable to ordinary shareholders	1,661,407	32,369
Adjustment for cumulative preference shares dividend	(48,197)	(197,006)
Profit / (loss) after taxation and levy for calculation of basic earnings / (loss) per share	1,613,210	(164,637)
Weighted average number of ordinary shares outstanding at the end of period (shares in thousands)	1,291,155	1,134,683
Basic earnings / (loss) per share (in rupees)	1.25	(0.15)
<b>23.2 Diluted</b>		
Profit after taxation and levy for calculation of diluted earnings / (loss) per share	1,661,407	32,369
Weighted average number of ordinary shares outstanding at the end of period (shares in thousands)	1,291,155	1,134,683
Adjustment for conversion of convertible preference shares (shares in thousands)	97,795	198,493
Weighted average number of potential ordinary shares outstanding at the end of period (shares in thousands)	1,388,950	1,333,176
Diluted earnings / (loss) per share (in rupees) - note 23.3	1.20	(0.15)

**23.3** IAS 33 Earnings per Share (paragraph 43) provides that potential ordinary shares are considered antidilutive 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 earning/ loss per share equates to basic earning/ loss per share.

As disclosed in note 23.2 of the condensed interim financial statements for the half year ended December 31, 2024, the calculated diluted earning per share was anti-dilutive i.e, Rs. 0.02. 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. 0.15.

For the current half year ended December 31, 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 HALF YEAR ENDED DECEMBER 31, 2025

	(Unaudited) December 31, 2025	(Unaudited) December 31, 2024
	----- (Rupees in '000) -----	
<b>24. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	2,541,649	168,099
<b>Adjustment for:</b>		
Depreciation on property, plant and equipment	458,593	444,810
Depreciation on right-of-use asset	10,433	10,434
Finance cost on short-term financing - Islamic	181,098	418,030
Finance cost on short-term financing - Conventional	1,602	23,661
Finance cost on long-term financing - Islamic	748,858	1,380,717
Finance cost on long-term financing - Conventional	2,883	21,512
Finance cost on Sindh Workers' Profit Participation Fund	4,789	-
Unwinding of restructuring cost	14,265	12,794
Mark up on long-term trade payables	21,073	28,590
Mark up on lease liability	8,940	9,880
Exchange loss /(gain) - net	26,682	(28,527)
Loss on disposal of property, plant and equipment	1	263
Gain from scrap sales	(1,177)	(7,822)
Impairment loss on trade receivables	5,984	12,021
Finance income	(17,324)	(14,481)
Provision for gratuity expense	51,158	46,809
Levy	206,353	46,328
Provision for leave encashment expense	9,110	11,407
	<b>1,733,321</b>	<b>2,416,426</b>
<b>Operating profit before working capital changes</b>	<b>4,274,970</b>	<b>2,584,525</b>
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	400,605	38,423
Inventories	(437,590)	(812,829)
Trade receivables	(537,832)	(240,217)
Advances and other receivables	(235,088)	111,690
Trade deposits and short-term prepayments	55,167	64,909
	<b>(754,738)</b>	<b>(838,024)</b>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	955,455	1,688,258
Contract liabilities	(451,490)	318,731
	<b>503,965</b>	<b>2,006,989</b>
<b>Net cash generated from operations</b>	<b>4,024,197</b>	<b>3,753,490</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

		(Unaudited) December 31, 2025	(Unaudited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>25. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	12	2,210,641	605,297
Running finance	17	(119,331)	(73,498)
		<u>2,091,310</u>	<u>531,799</u>

## 26. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parties which are related to the Company in pursuit of IAS 24 'Related Party Disclosures' including associates, staff retirement benefit plans and key management personnel are considered for disclosure of related party transactions.

Transactions with related parties during the period are as follows:			(Unaudited) December 31, 2025	(Unaudited) December 31, 2024
Name of the related party	Relationship	Transactions during the period	----- (Rupees in'000) -----	
Aisha Steel Mills Limited	Associated company by virtue of common directorship	- Sharing of Expense	422	3,000
		- Payments made	429	3,500
		- Sale of goods	-	337
		- Payments Received	422	337
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	- Contribution received	892,000	4,705,000
		- Contribution repaid	100,000	-
		- Loan repaid	154,380	154,380
		- Mark-up accrued	18,807	80,920
		- Mark-up paid	39,859	101,107
Arif Habib Corporation Limited	Associated company by virtue of common directorship	- Mark-up accrued	-	1,446
		- Financing received	-	2,375,000
		- Financing Repaid	-	2,375,000
		- Guarantee commission accrued	424	425
		- Guarantee commission paid	424	424
Biomasdar (Pakistan) Limited	Associated company by virtue of common directorship	- Sale of goods	-	11,552
		- Payment received	10	11,552
Fatima Packaging Limited	Associated company by virtue of common directorship	- Purchase of goods	654,214	439,645
		- Payments made	795,845	490,816
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	-	1,292
		- Payments made	-	1,292

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Transactions with related parties during the period are as follows:			(Unaudited) December 31, 2025	(Unaudited) December 31, 2024
Name of the related party	Relationship	Transactions during the period	----- (Rupees in'000) -----	
Globe Residency REIT	Associated company by virtue of common directorship	- Sale of goods	43,097	25,001
		- Payment received	32,087	27,966
Habib Sugar Mills Limited	Associated company by virtue of common directorship	- Sale of goods	19,060	11,900
		- Payment received	19,188	11,900
Javedan Corporation Limited	Associated company by virtue of common directorship	- Sale of goods	8,147	8,230
		- Payment received	10,127	27,315
		- Services received	408	180
		- Payment made	408	180
Mr. Muhammad Arif Habib	Substantial shareholder / Director	- Contribution received	-	4,950,000
		- Contribution repaid	1,126,000	4,705,000
Rahat Residency REIT	Associated company by virtue of common directorship	- Sale of goods	10,144	6,250
		- Payment received	4,529	3,048
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	- Services received	14,737	15,019
		- Lease rental	14,336	20,201
		- Payments made	27,113	22,767
		- Contribution received	300,000	-
		- Contribution repaid	1,066,000	-
Safe Mix Concrete Limited	Associated company by virtue of common directorship	- Sale of goods	405,232	261,194
		- Payment received	397,358	222,501
Signature Residency REIT	Associated company by virtue of common directorship	- Sale of goods	7,091	1,924
		- Payment received	1,019	3,530
Staff retirement benefit fund	Staff benefit plan	- Charge during the period	51,158	46,809
		- Contribution during the period	29,043	15,410
All members of Company's Management	Key management	- Remuneration and other benefits	293,892	231,961
		- Retirement benefits	29,192	22,990
		- Directors' fees	275	400
		- Advances disbursed to key management personnel	51,489	55,413
		- Advances repaid by key management personnel	44,057	38,593

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Balances with related parties are as follows:

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	----- (Rupees in'000) -----	
<b>Aisha Steel Mills Limited</b>		
- Amount payable	-	429
<b>Arif Habib Equity (Private) Limited</b>		
- Contribution outstanding	11,053,300	10,261,300
- Loan payable (including mark-up)	328,813	504,245
<b>Arif Habib Corporation Limited</b>		
- Guarantee commission payable	212	212
<b>Biomasdar (Pakistan) Limited</b>		
- Receivable from customer	-	10
<b>Fatima Packaging Limited</b>		
- Amount payable	316,517	458,148
<b>Globe Residency REIT</b>		
- Receivable from customer	27,355	16,345
<b>Habib Sugar Mills Limited</b>		
- Receivable from customer	-	128
<b>Javedan Corporation Limited</b>		
- Receivable from customer	11,637	13,617
<b>Mr. Muhammad Arif Habib</b>		
- Contribution outstanding	2,546,700	3,672,700
- Mark-up payable	292,722	292,722
<b>Memon Health &amp; Education Foundation</b>		
- Advance from Customer	192	192
<b>Rahat Residency REIT</b>		
- Receivable from customer	10,092	4,477
<b>Rotocast Engineering Company (Private) Limited</b>		
- Amount payable	1,960	-
- Contribution outstanding	300,000	1,066,000
<b>Safe Mix Concrete Limited</b>		
- Receivable from customer	57,037	49,163
<b>Signature Residency REIT</b>		
- Receivable from customer	7,972	1,900
<b>Key management personnel</b>		
- Advances to employees	62,219	54,787
<b>Staff retirement benefit fund</b>		
- Payable to gratuity fund	303,382	281,267

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

## FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	----- (Rupees in '000) -----	
<b>27. SHARIAH COMPLIANCE STATUS DISCLOSURE</b>		
<b>Disclosures in relation to the condensed interim statement of financial position - Liability</b>		
1. Short term financing as per Islamic mode	4,515,881	4,050,233
2. Long term financing as per Islamic mode	12,875,497	14,123,773
3. Accrued mark-up on conventional loans	292,771	295,205
<b>Disclosures in relation to the condensed interim statement of financial position - Assets</b>		
1. Bank balances that are Shariah compliant	551,323	390,492
2. TDRs that are Shariah compliant	1,890,757	1,235,757
	<b>(Unaudited) December 31, 2025</b>	<b>(Unaudited) December 31, 2024</b>
	----- (Rupees in '000) -----	
<b>Disclosures in relation to the condensed interim statement of profit or loss and other comprehensive income</b>		
1. Revenue earned from Shariah-compliant business	16,460,134	13,822,103
2. Profit earned from Shariah complaint bank balances and investments	15,905	12,067
3. Exchange gain / (loss) on actual currency	1,694	(17,237)
4. Profit on Islamic mode of financing	929,956	1,798,747
5. Break-up of other income		
<i>Shariah compliant Income</i>		
- Gain on scrap sales	1,177	7,822
<i>Non-Shariah compliant Income</i>		
- Insurance claim	-	131

### Relationship with Shariah-compliant financial institutions

#### - Islamic banks

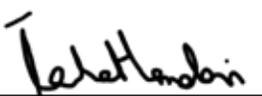
The Company has facilities with Islamic banks for Istisna loan, letter of credit, Running Musharakah, Murabaha and Islamic Export Refinance Facility amounting to Rs. 4,050 million, Rs. 1,280 million, Rs. 2,200 million, Rs. 200 million and Rs. 1,500 million respectively.

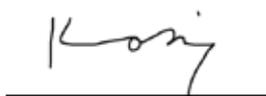
#### - Takaful operators

The company has obtained various takaful policies from multiple takaful operators including life insurance from EFU Life Assurance Limited - EFU Hemayah Family Takaful Operations, health insurance from Jubilee Life Insurance Company Limited - Window Takaful Operations, and substantial asset insurance from EFU General Insurance Limited - Window Takaful Operations.

### 28. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements has been authorised for issue on February 11, 2026 by the Board of Directors.

  
Chief Financial Officer

  
Chief Executive

  
Director



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