FAUJI CEMENT

Redefining Cement for a
GREENER PAKISTAN

Annual Report **2026**

INNOVATING BEYOND CONCRETE

INNOVATING BEYOND CONCRETE

At Fauji Cement, innovation goes beyond the products we manufacture. It is about continuously finding smarter, more efficient and responsible ways to build a stronger future. As Pakistan advances, we remain committed to combining operational excellence, technology and sustainable practices to create lasting value for our customers, shareholders, employees and communities.

Our journey is driven by the belief that growth and environmental responsibility must move forward together. By optimising resources, improving efficiency and reducing our environmental footprint, we are taking meaningful steps towards a more sustainable future. “Innovating Beyond Concrete” reflects our commitment to not only build the foundations of Pakistan’s progress, but to build them responsibly.

As we look ahead, we remain focused on transforming challenges into opportunities, ideas into innovation and progress into sustainable impact — contributing to a stronger business, stronger communities and a greener Pakistan.

ABOUT THIS REPORT

This Annual Report reflects on a year of meaningful progress for the Company, offering our stakeholders a comprehensive view of our performance during FY 2025-26. Beyond the numbers, it tells the story of how we navigated the broader economic landscape and the evolving cement industry, while setting our sights on the opportunities ahead. From financial results to governance practices, risk management and the way we allocate our resources, this Report is designed to give every reader whether shareholder, employee, or partner, genuine insight into where we stand today and where we are headed. Guided by the Integrated Reporting Framework, the Report brings together the following core content elements:

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

Scope and Boundary

The Report covers the period from July 1, 2025 to June 30, 2026, and outlines significant events of the year, including the joint acquisition, alongside Kot Addu Power Company Limited (KAPCO), of a 92.03% controlling stake in Attock Cement Pakistan Limited and the enhancement of solar captive power capacity to 70.3 MWp. Financial analysis and reviews take the lead from the audited financial information for the year ended June 30, 2026, with relevant comparative data in accordance with the accounting & financial reporting standards as applicable in Pakistan. It includes the Chairman's Review, CEO's Review, Directors' Report, Audit Committee's Report and the Statement of Compliance with the Code of Corporate Governance, prepared in accordance with the Companies Act, 2017, the Code of Corporate Governance Regulations and recognized governance practices.

External Assurance/Reviews

For the year ended June 30, 2026, the Company's financial statements were subjected to a thorough audit and the Statement of Compliance with the Code of Corporate Governance was independently examined by the external auditors, M/s A.F. Ferguson & Co., Chartered Accountants. The Sustainability Report, in turn, underwent independent review by, M/S Nadeem Safdar & Co. These external assurance processes reflect FCCL's continued commitment to the highest standards of corporate integrity and disclosure so that stakeholders receive information that is both accurate and dependable regarding the Company's performance.

It is our sincere hope that this Report offers readers meaningful insight into FCCL's performance over FY 2025-26 including the milestone acquisition of a controlling stake in Attock Cement Pakistan Limited as well as the strategic direction the Company continues to pursue for long-term, sustainable growth.

VISION

To be Pakistan's most trusted construction materials company, delivering sustainable value to its stakeholders.

MISSION

To deliver quality products through operational excellence, while upholding the highest standards of responsibility and governance.

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COMPANY'S OV
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CHAIRMAN'S REVIEW

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present my review of the Company's performance for the financial year ended June 30, 2026.

Financial year 2025-26 will be remembered as a defining chapter in the evolution of Fauji Cement Company Limited (FCCL). Amid economic uncertainty, industry-wide pricing pressures and shifting market dynamics, the Board remained steadfast in its commitment to strengthening the Company's long-term competitive position through prudent governance, disciplined capital allocation and strategic decision-making. The Management demonstrated unwavering resilience while continuing to pursue sustainable growth and long-term value creation for its shareholders.

Against a backdrop of a challenging business environment characterized by economic uncertainty, fluctuating input costs and persistent industry competition, FCCL once again delivered a commendable financial performance. The Company recorded a turnover of Rs 93,690 million and a profit after tax of Rs 16,183 million during the year, as against Rs 13,326 million in the preceding year - an increase of 21%. These results reflect the resilience of our business model, disciplined execution by Management and the effectiveness of the strategic direction set by the Board.

The defining achievement of the year was the successful acquisition of a controlling stake of approximately 92% in Attock Cement Pakistan Limited (ACPL), in partnership with Kot Addu Power Company Limited (KAPCO) - one of the largest and most consequential strategic investments in FCCL's history. The Board remained closely engaged at every stage of this transformational transaction, from strategic evaluation through financing arrangements and regulatory approvals, in accordance with the highest standards of governance. The Board believes this investment will unlock meaningful operational synergies, strengthen market positioning and create significant value for stakeholders in the years ahead.

The Board further encouraged continued investment in strengthening its Company's operational platform. During the year, FCCL successfully completed the strategic expansion of its PP Bag Manufacturing Plant, enabling the Company to achieve complete self-sufficiency in meeting its packaging requirements. This investment reflects the Board's long-term focus on supply chain resilience, cost competitiveness and operational efficiency.

Sustainability continues to be an integral component of FCCL's long-term strategy. The Board firmly believes that sustainable value creation can only be achieved through responsible environmental stewardship, social responsibility and sound corporate governance. During the year, the Board continued to oversee initiatives aimed at expanding renewable energy utilization, improving resource efficiency and strengthening environmental performance across all operations. The Company also advanced its sustainability reporting framework by aligning with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), a further affirmation of its commitment to transparency and accountability.

The Board remained committed to maintaining the highest standards of corporate governance throughout the year. Through its various Committees - Audit, Human Resource & Remuneration, ESG and Investment - the Board maintained an effective oversight of financial reporting, risk management, internal controls, human capital, investments and sustainability matters. We firmly believe that strong governance remains fundamental to protecting shareholder interests and supporting the Company's sustainable long-term success.

Looking ahead, the operating environment is expected to remain influenced by global economic uncertainty, climate-related challenges and shifting market conditions. Yet, the Board remains optimistic about FCCL's long-term prospects. Our priorities will continue to maintain focus on maximizing the value of the Company's strategic investment in ACPL by realizing the operational synergies in full and to sustain investment in operational excellence, renewable energy and digital transformation. The Board will continue to provide strategic oversight to ensure that FCCL remains financially resilient, operationally efficient and firmly positioned to create sustainable long-term value for all stakeholders.

On behalf of the Board, I extend my sincere appreciation to our Chief Executive Officer, the Management team and all employees, whose professionalism, dedication and unwavering commitment have been instrumental in delivering another best ever year. I also express my heartfelt gratitude to our shareholders for their continued confidence and trust; to our customers, financial institutions and business partners for their enduring relationships; to our regulators for their guidance and support and to all other stakeholders whose continued confidence has contributed to FCCL's sustained success.

The Board remains fully committed to leading FCCL toward a future defined not merely by growth, but by excellence, resilience, innovation and responsible leadership. With a clear strategic vision, strengthened business fundamentals and an unwavering commitment to good governance, we are confident that FCCL will further build on its achievements.

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

Chairman Board of Directors FCCL
11 August 2026

MANAGING DIRECTOR'S REVIEW

Dear Stakeholders,

It is my privilege to present this review of Fauji Cement Company's performance for the financial year 2025-26, a year that stands out as a defining chapter in the Company's growth journey. Against a challenging macroeconomic backdrop marked by subdued construction activity, persistent pricing pressures and evolving geopolitical uncertainty, FCCL delivered a strong financial performance, underpinned by a diversified strategy, disciplined execution and an unwavering focus on operational and cost excellence.

The Company recorded turnover of Rs 93,690 million, a 5% increase over the prior year, while profit after tax (PAT) rose 21% year-on-year to Rs 16,183 million. Earnings per Share (EPS) increased to Rs 6.60 as on June 30, 2026. This marked the fourth consecutive year in which FCCL recorded its highest-ever PAT, a testament to the underlying strength of our business. The improvement in profitability was driven by higher operational efficiencies, disciplined cost management, a significant reduction in net finance costs and a continued focus on strengthening the Company's financial position. Thus, EBITDA rose to Rs 33,064 million, reflecting stronger capital efficiency and sound financial management.

The period under review saw a difficult and challenging external environment. The closure of the Pakistan-Afghanistan border and supply chain interruptions stemming from the conflict in Iran, disrupted regional trade flows, halting export dispatches and pushing coal prices higher. A focused fuel cost optimization strategy by sourcing cheaper coal, improving the local coal utilization to 70% and alternative fuel usage to 4% helped to contain the adverse impact on production cost. Against these headwinds, FCCL achieved capacity utilization of 55% and total cement sales of 5,700,796 tons, delivering record profitability that reflected the resilience of our operating model and the discipline of our teams.

The year under review would be remembered as one of the most transformational in FCCL's history. In partnership with Kot Addu Power Company Limited (KAPCO), FCCL completed the acquisition of a controlling stake of approximately 92% in Attock Cement Pakistan Limited (ACPL), one of Pakistan's most established cement manufacturers. The transaction materially expanded FCCL's production footprint and strengthened its geographic reach, both locally and internationally, while creating a larger and more diversified business platform. Beyond scale, it opens considerable opportunities for operational synergies, procurement efficiencies and knowledge sharing.

Operational excellence and cost optimization remained pivotal to our strategy throughout the year. Building on the acquisition of the PP Bag Manufacturing Plant in the prior year, FCCL completed the expansion of its Hattar Industrial Estate facility, raising production capacity from 200,000 to 300,000 bags per day. The project was fully commissioned by FCCL's own technical team - a reflection of the Company's in-house engineering capability. This enabled the Company to be fully self-sufficient in packaging, resulting in sustainable cost optimization.

The Company also advanced its digital transformation agenda through the implementation of ABB Ability™ Expert Optimizer, in collaboration with KI Quanta. This process optimization solution would provide real-time data analysis and artificial intelligence to kiln operations and would expect to improve energy efficiency, optimize fuel consumption, enhance clinker quality consistency and strengthen overall plant reliability.

Our transition to sustainable and renewable energy continued to gather pace. FCCL added a further 2.8 MW of captive solar generation, taking total renewable capacity to 70.3 MWp, with an additional 4 MW currently under completion. Together with our Waste Heat Recovery (WHR) systems, these assets met approximately 80% of daytime electricity requirements, reducing both our reliance on conventional energy and our power costs while improving energy security and lowering the carbon footprint.

Environmental stewardship remained integral to FCCL's long-term strategy. During the year, we continued our afforestation initiatives, strengthened water conservation measures and further improved resource efficiency across our operations. We also began aligning our ESG reporting framework with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), reinforcing our commitment to transparent and responsible reporting.

Community development remained an important pillar of our corporate philosophy. Through our Corporate Social Responsibility (CSR) initiatives, FCCL continued to support education, healthcare, women's empowerment, environmental conservation and broader community development in the areas surrounding our operations. We firmly believed that sustainable business success would remain inseparable from the progress and wellbeing of the communities in which we operate.

Looking ahead to FY 2027, FCCL enters with a significantly expanded production platform following the acquisition of ACPL. While the business environment is likely to remain shaped by global economic uncertainty, evolving market dynamics and climate-related challenges, we are confident in FCCL's ability to capitalize on emerging opportunities. Our strategic priorities remain clear: realization of operational synergies with ACPL, continued investment in operational excellence, digital transformation and renewable energy and disciplined capital allocation. Supported by a diversified asset base, a strong governance framework and a dedicated workforce, FCCL would remain committed to delivering sustainable growth and long-term value for its shareholders and other stakeholders.

I extend my sincere appreciation to the Chairman and the Board of Directors for their strategic guidance and continued confidence throughout this transformational and challenging year. I am equally grateful to our employees, whose dedication and professionalism have been instrumental in delivering another best ever year of strong performance and to our customers, business partners, suppliers, financial institutions and regulators for their continued trust and support.

FY 2025-26 represented a defining milestone in FCCL's journey. The successful acquisition of ACPL, combined with our continued focus on operational excellence, sustainability and financial discipline had strengthened our competitive position and laid a robust foundation for future growth. With a clear strategic direction, an expanded business platform and an unwavering commitment to responsible and sustainable value creation, we look to the future with confidence.

Qamar Haris Manzoor

CEO/MD FCCL

HISTORY OF MAJOR EVENTS

1993

Incorporation of FCCL as public limited company

1997

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

2005

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

2012

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

2015

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

2018

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

2022

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

2023

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

2024

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

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

2008
Commissioning of 5.4 MW dual fuel captive power plant

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

2019
Commissioning of 12.5 MWp Solar Power Plant at JB

2020
- Commissioning of 2.5 MWp Solar Power Plant at JB
- Shared services arrangement with Askari Cement Limited (ACL)

2021
- Announcement of Greenfield Project at D.G Khan and Brownfield at Nizampur
- Commissioning of 2.5 MWp solar power plant at JB

2025
- Acquisition of Polypropylene (PP) Bags Manufacturing plant at Hattar KPK.
- Increase in Solar captive capacity at Nizampur and Jhang Bahtar (JB) Plants by 10 MWp & 5 MWp bringing capacity to 67.5 MWp.

2026
- Joint acquisition of 92% shares of ACPL with KAPCO
- Expansion of PP Bag Plant at Hattar KPK increasing production capacity from 200,000 bags per day to 300,000 bags per day
- Production and export of CEM II 32.5 Green Cement to Afghanistan
- ISO 14064 Greenhouse Gas (GHG) Emissions and Removals

YEAR AT A GLANCE

166 BOD	08 Aug 2025	Approval of Annual Accounts of FY 2025
AGM	30 Sep 2025	33rd Annual General Meeting
167 BOD	27 Oct 2025	Approval of 1st Quarterly Accounts of FY 2026
168 BOD	03 Nov 2025	Emergent Board Meeting for acquiring shares of Attock Cement Pakistan Limited (ACPL)
169 BOD	25 Feb 2026	Approval of Half Yearly Accounts of FY 2026
170 BOD	24 Apr 2026	Approval of 3rd Quarterly Accounts of FY 2026

SIGNIFICANT EVENTS FOR THE YEAR

Contribution to National Exchequer

Rs **56.8** Bn

CSR Contribution

Rs **203** Mn

Investment in Attock Cement Pakistan Limited

Rs **20.91** Bn

Cement Production

5.69 Mn Tons

Cement Sales

5.70 Mn Tons

Capacity Utilization

55%

Own Power Generation

51%

Highest Ever Revenue

Rs **93.69** Bn

Highest Ever Profit

Rs **16.18** Bn

Vertical Integration

Expansion of PP Bags Manufacturing Plant at Hattar

ANNUAL SNAPSHOTS


IMPLEMENTATION OF ABB EXPERT OPTIMIZER
SOLUTION
PAKISTAN


EXPANSION OF PP SACK UNIT
AT HATTAR INDUSTRIAL ESTATE
BY
Mr. QAMAR HARIS MANZOOR
MD & CEO Fauji Cement Company Ltd.


JazzCash

GEOGRAPHICAL LOCATIONS

Head Office

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

Marketing

4th Floor, AWT Plaza, The Mall, Rawalpindi

1st Floor, United Mall, Abdali Road, Multan

Plants

Near Village Jhang Bahtar, Tehsil Fateh Jang, District Attock

Near Wah Railway Station, Tehsil Taxila, District Rawalpindi

Nizampur (Village Kahi) District Nowshera

Mauza Shadan Lund, Chak Ladan, Tehsil, District Dera Ghazi Khan

Polypropylene Bags Plant Phase-IV Industrial Estate Hattar

BUSINESS OVERVIEW

Principal Activity

The Company manufactures and supplies cement in several types. Its products are among the most preferred by domestic consumers and are approved for use on major national projects, including dams, hydropower schemes and other major projects.

The markets served are Punjab, comprising Central and South Punjab, Khyber Pakhtunkhwa, Azad Jammu and Kashmir with Hazara, Gilgit-Baltistan, Rawalpindi and Islamabad, Sindh and Balochistan. Project dispatches are made throughout Pakistan.

Local Market

The Company's customer base is divided into two main categories.

Customer category	Distribution approach
Dealers	The Company has a wide network of dealers across Pakistan. The main portion of local dispatches is made through that dealers' network.
Mega Projects	Dispatches to projects across the country are made directly.

Export Market

Afghanistan is the Company's principal export market, owing to the proximity of the Company's plants to the Afghan market.

MESSAGE OF DIRECTOR
Marketing & Sales

I am pleased to present the Marketing and Sales review for the financial year 2025-26.

The year brought shifting market conditions, strong competition and continued economic pressure. Against that background Fauji Cement continued to strengthen its market position by remaining focused on customer satisfaction, operational excellence and sustainable growth. Our success rests not only on the quality of our products but on the trust of our customers, dealers, distributors, institutional clients and project partners, whose continued support remains the foundation of what we achieve.

Looking ahead, we remain committed to creating sustainable value through market excellence, customer-centric innovation and long-term partnerships.

The year ahead will bring the same focus: strengthening distribution, improving the customer experience, opening new market opportunities and supporting Pakistan's infrastructure requirements with products that meet the highest standards of quality and reliability. I thank our customers, dealers, project partners, employees and all our stakeholders for their continued confidence.

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

Director (Marketing & Sales)

Fauji Tile Bond (Non-silica based formulation)

At Fauji Cement Company Limited, innovation is driven by a commitment to delivering high-performance construction solutions that advance health, safety and sustainability. In line with this vision, the Company introduced Fauji Tile Bond — Pakistan's first non-silica-based tile adhesive, establishing a new benchmark for responsible product innovation in the construction materials industry. The significance of this achievement was recognized during the visit of the Director Labour, Government of Punjab, who appreciated Fauji Cement's initiative to prevent silicosis and occupational exposure to respirable crystalline silica through application of the Hierarchy of Controls, particularly by eliminating the hazard at source.

This innovation reinforces Fauji Cement's commitment to Environmental, Social and Governance (ESG) principles by embedding worker health, responsible manufacturing and sustainability into product development. Rather than relying solely on PPE or administrative measures, Fauji Tile Bond addresses the hazard at its source through a non-silica-based alternative, contributing to safer workplaces across the construction value chain. More than a new product, this initiative reflects Fauji Cement's commitment to eliminating occupational health hazards, protecting stakeholders (workers, customers etc.) and delivering sustainable solutions that create long-term value for society.

Marketing activity during the year

- Engagement with foreign/ local clients through regular meetings, plant and site visits and technical briefings to explore export opportunities and build trust.
- Hosting of annual functions to recognize contributions of key stakeholders, channel partners and staff.
- Distribution of promotional materials to include Calendars, diaries, stationery items, panaflexes etc.
- Conducting awareness sessions for consultants, architects, contractors and developers to highlight product features, technical advantages and new offerings.
- Participation in Expos and sponsoring events to promote brand visibility and awareness.

Major Events Coverage

Event	Outcome as supplied
Annual Dealers Function, Islamabad	Strengthened partnerships with the dealer network through an annual engagement function focused on collaboration, recognition and future growth. The event reaffirmed the Company's commitment to building long-term relationships with its valued business partners.
Annual Dealers Function, Multan	Brought together dealers from South Punjab to celebrate shared achievements and reinforce the Company's vision for sustained business excellence. The gathering fostered stronger connections and enhanced regional market engagement.
Engagement with dealers across Pakistan	Maintained continuous engagement with dealers nationwide through regular meetings, market visits and collaborative initiatives. These interactions strengthened customer relationships, enhanced market intelligence and supported business growth.

Sponsorships

Event	Description as supplied
International Boxing Championship, Lahore	Supported one of Pakistan's premier sporting events, reinforcing the Company's commitment to promoting athletic excellence and community development. The sponsorship enhanced brand visibility among a diverse national audience.
Pakistan Tennis Challenger Tour 2025 (ATP)	Sponsorship of the Pakistan Tennis Challenger Tour 2025, an international sporting event featuring leading athletes from across the tennis fraternity. The tournament attracted strong public and media attention, ensuring sustained brand visibility throughout.
NOBELIUM Cup 2026, Beaconhouse	Sponsored a prestigious inter-school competition to encourage innovation, leadership and academic excellence among young talent. The initiative reinforced the Company's support for education and the development of future leaders.
International Defence Exhibition and Seminar, IDEAS Pakistan	Participated as a sponsor of Pakistan's premier defence exhibition, showcasing the Company's commitment to national development and industrial excellence. The event provided valuable opportunities for engagement with key public and private sector stakeholders.
Tamseel-e-Dastaan, University of Wah	Supported a cultural and literary event celebrating creativity, storytelling and youth engagement. The sponsorship reflected the Company's dedication to promoting education, arts and meaningful community initiatives.

DEALERS NETWORK ACROSS PAKISTAN

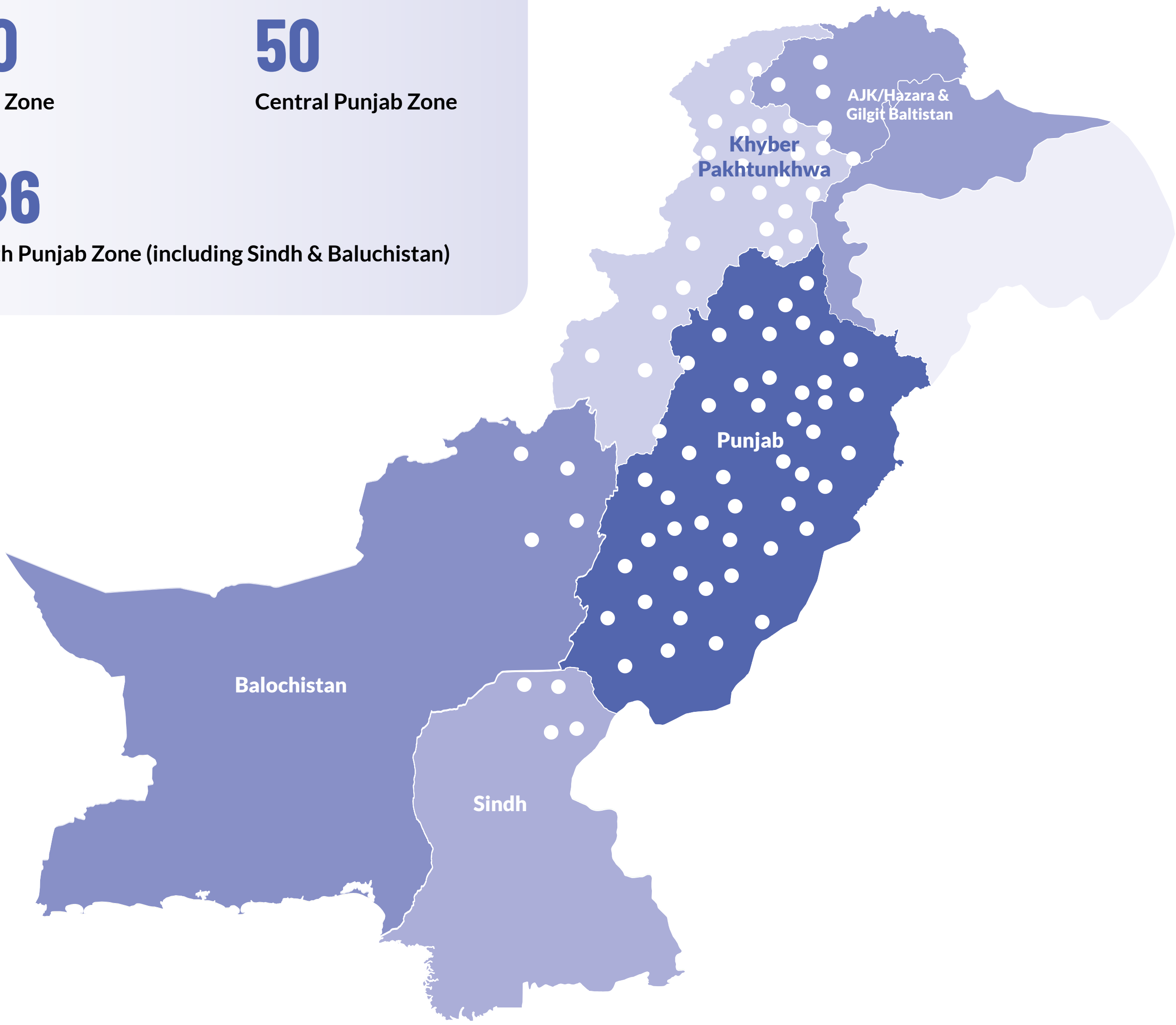
55
AJK/Hazara & GB Zone

67
Rawalpindi Zone

70
KPK Zone

50
Central Punjab Zone

186
South Punjab Zone (including Sindh & Baluchistan)



7+
Diversified Products

500+
Business Partners

150+
Active Projects

20M
Satisfied Customers

3000+
Retailers


BARD
askaribank


CONCRETE COMMITMENT

OUR PRODUCTS

Ordinary Portland Cement (OPC)

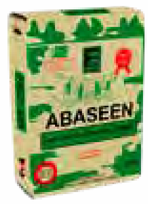
- High early and compressive strength (28 Days) up to 10,000 PSI
- Pure composition of 95% clinker and 5% gypsum
- Very little loss on ignition and low insoluble residue
- Suitable for general construction, reinforced concrete structures, high rise buildings, pavements and pre-cast members
- Long lasting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

Sulphate Resistant Cement (SRC)

- High compressive strength (28 Days) up to 9,500 PSI
- Highly effective against sulphate, chemicals and salt contamination
- Improves durability of concrete
- Improves resistance of concrete when used in waterlogged and saline areas
- Useful for basements, foundations, sewerages and pipes

Portland Composite Cement CEM-II 42.5

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



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

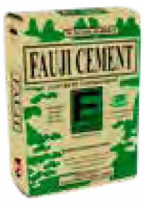
- ASTM C-150 designated Type-IV cement
- Specialized product for mega projects to provide a lower heat of hydration in concrete
- This unique product is ideal for massive concrete pours in order to mitigate the risk of thermal cracking, concrete deterioration and compressive strength concerns
- Performance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

Low Alkali Cement (LAC) 42.5 N

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

Low Alkali Cement (LAC) 52.5 N

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



Fauji Portland Composite Cement 32.5 R

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

Fauji Tile Bond

- High bonding strength
- Ideal for all kinds of residential and commercial buildings
- Compatible with all types of cement substrates
- Ready to use (only water to be added)
- Non-silica-based formulation — eliminates the risk of silicosis

Markets served and Sales Performance

The Company sold 5,719,633 MT during 2025-26 through a network of 428 dealers, 153 projects and 63 transporters.

Distribution network

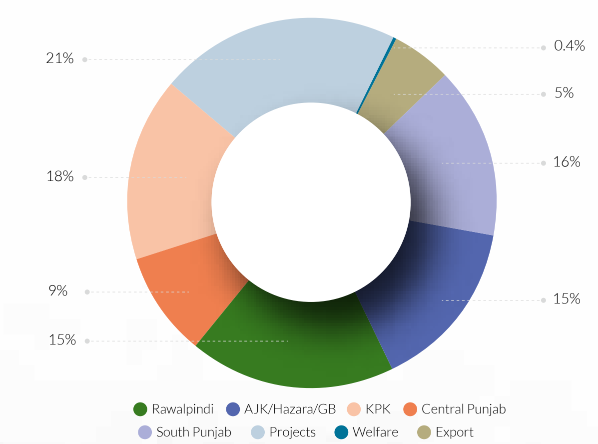
Downstream entities by category, as supplied

Sales during the year

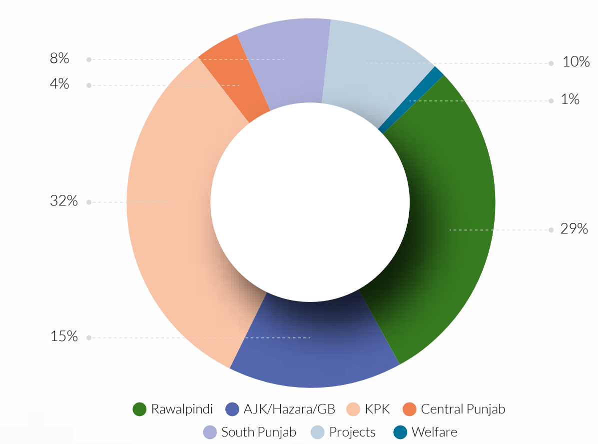
Total volume of 5,719,633 MT comprised 5,700,796 MT of cement and 18,837 MT of Fauji Tile Bond.

Sales by Zone, Cement and Fauji Tile Bond

Cement (Zone-wise Distribution - %)



Fauji Tile Bond (Zone-wise Distribution - %)



Customers and Projects

The submission identifies seventeen major customers and thirty-four named projects, of which eight are dams and hydropower schemes.

Major customers

- Power Construction Corporation of China
- China Gezhouba Group of Companies
- China Civil Engineering Construction Corporation
- Frontier Works Organization (FWO)
- NESCOM
- National Logistics Cell (NLC)
- Izhar Construction (Private) Limited
- Defence Housing Authority
- Army Housing
- ZKB Engineers and Construction
- HQ Civil Works Organization
- J7 Group
- Layyah Group of Companies
- Imarat Group of Companies
- Riphah Trust
- Al Shifa Trust
- Bannu Mukhtar Contracting

Dams and Hydro-power Projects

Project	Location
Tarbela Dam T-5	Tarbela, Khyber Pakhtunkhwa
Diamer Bhasha Dam	Diamer, Gilgit-Baltistan
Balakot Hydropower Project	Mansehra, Khyber Pakhtunkhwa
Dadocha Dam	Rawalpindi, Punjab
Neelum Jhelum Hydropower Plant	Azad Jammu and Kashmir
Suki Kinari Hydropower Plant	Naran and Balakot
Mohmand Hydropower Plant	Mohmand, Khyber Pakhtunkhwa
Dasu Hydropower Plant	Dasu, Kohistan

Other Major Projects

Project	Location
Lahore Airport expansion	Lahore, Punjab
Nawaz Sharif Cancer Hospital	Lahore, Punjab
Gaddafi Stadium — upgrade	Lahore, Punjab
GPO Chowk underpasses	Rawalpindi, Punjab
Serena Interchange	Islamabad Capital Territory
Murree Road underpasses and interchange	Islamabad Capital Territory
Seven Star Mall Residencia	Islamabad Capital Territory
SECP Building	Islamabad Capital Territory
The Garden, F-10	Islamabad Capital Territory
Park One, F-10	Islamabad Capital Territory
Giga Mall	Islamabad
Amazon Mall	Islamabad
Sapphire Textile Mill	Punjab
Sky47 Limited	Islamabad
Road Construction Project, Swat	Swat, Khyber Pakhtunkhwa
Water Treatment Plant, Peshawar	Peshawar, Charsadda and Landi Kotal, Khyber Pakhtunkhwa
Metro Project — ZKB	Lahore
Faisal Hills	Rawalpindi
Mount Khalid Gulberg Greens	Islamabad
Riphah International University	Islamabad
Novacave Hospital	Islamabad
Peshawar Ring Road Project	Peshawar
J7 Emporium	Islamabad
Al Shifa Eye Trust Hospital	Lahore
Air University	Kharian Cantonment
Marka-e-Haq Square	Rawalpindi

COMPETITIVE LANDSCAPE AND MARKET POSITIONING (PORTER'S FIVE FORCES MODEL)

Competition in the Industry

Pakistan's cement industry is competitive, with numerous producers operating across the country. Cement consumption per head in Pakistan is among the lowest in the world, yet established producers have expanded capacity to win market share. In that environment, cost efficiency and consistent product quality determine who competes successfully. Building on its record of delivering quality products year after year, and to widen its market reach, the Company has carried out greenfield expansion at D.G. Khan.

Threat of New Entrants

Entry to the industry is open to any party willing to invest, and the Company welcomes healthy competition. As one of the largest cement producers in Pakistan, it has held its position both in domestic markets and in Afghanistan. The quality of its products and services has established it as a preferred brand across the government and private sectors. An extensive dealer network and an experienced sales organisation keep the threat from new entrants low in the markets the Company serves.

Power of Customers

As a norm in the Pakistan cement industry, sales are carried out through a network of dealers and distributors. Dealers and projects are the two main customer categories of the Company, and a significant portion of sales is made to mega projects, including the dams and hydropower projects being built in the country.

Quality and customer satisfaction underpin the Company's relationships with its customers. A diversified, strong customer base and quality products give the Company an edge over competitors in the industry.

Threat from Substitute Products

Cement remains one of the principal construction materials worldwide and the threat of its substitution by a new product is not significant.

Power of Suppliers

The Company extracts its major raw materials from its own quarries and either generates electricity from its own sources or draws it from the national grid. Remaining materials, supplies and services are procured externally, with multiple sources developed for key components, materials and services. Established supplier relationships, payment on agreed terms and the Company's standing in the industry together keep supplier power well managed.

QUALITY ASSURANCE AND CONTROL

Fauji Cement's quality of products is more than a compliance requirement being a core strategic commitment that defines our value proposition and reinforces our brand integrity. We maintain rigorous quality control measures at every stage of the cement manufacturing process to ensure consistent excellence and reliability through well-established Quality Control Labs.

Product Specific Quality Standards

FCCL is committed to delivering high-quality cement products that comply with recognized national and international standards. All cement variants conform to the applicable standards and specifications, including but not limited to those listed below, ensuring consistent quality, performance, reliability, and customer satisfaction.

- European Standards (EN)
- ASTM International standards
- Pakistan Standards (PS)

To further reinforce product reliability and credibility, FCCL undertakes independent product testing and performance validation through recognized third-party organizations, including TUSDEC, SGS, and the Pakistan Council of Scientific and Industrial Research (PCSIR).

ISO Certifications Portfolio

FCCL maintains internationally recognized management system certifications, demonstrating its commitment to operational excellence, sustainability, and continual improvement across quality, environmental stewardship, energy performance, occupational health and safety, and climate management.

Integrated Management System Certifications

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

Climate and Sustainability Certifications

- ISO 14064-1:2018 – Greenhouse Gas (GHG) Quantification and Reporting

Testing and Process Controls

FCCL maintains rigorous quality assurance and real-time process control through advanced laboratory facilities, automated process monitoring, and a highly skilled workforce to ensure consistent product quality and operational excellence.

Key quality assurance measures include:

- State-of-the-art laboratories equipped with advanced analytical instruments, including Online Cross-Belt Analyzer (PGNAA), Malvern Particle Size Analyzer, Panalytical XRF analyzers, Thermogravimetric Analyzer (TGA), Bomb Calorimeters, Ash Probe Analyzer, and Compressive Strength Testing Machines, providing end-to-end quality control from quarry to finished cement.
- Automated kiln process control systems to maintain consistent clinker quality and optimize production performance.
- Online raw mix and cement proportioning systems with continuous monitoring of critical quality parameters, including SO_3, to ensure compliance with product specifications.
- Qualified and experienced technical personnel responsible for laboratory testing, process monitoring, and quality assurance.
- High operational reliability across all production units through continuous monitoring, preventive maintenance, and process optimization.

Market Validation

FCCL cement is widely recognized for its consistent quality, durability, and reliable performance. These attributes have made it a preferred choice for a wide range of infrastructure projects, including hydropower developments, motorways, projects under the China–Pakistan Economic Corridor (CPEC), and other major public infrastructure initiatives across Pakistan.

As part of its commitment to sustainable construction, FCCL also offers CEM II cement, which contains a lower clinker content than conventional Portland cement. By partially replacing clinker with supplementary cementitious materials, CEM-II helps reduce the carbon footprint associated with cement production while conserving natural resources and improving energy efficiency. This contributes to lower greenhouse gas emissions without compromising product quality, strength, or long-term durability, supporting the transition toward more sustainable and climate-resilient infrastructure.

FCCL's comprehensive quality assurance system ensures that every product consistently meets applicable national and international quality standards, delivering reliable performance while contributing to the construction of safe, durable, and sustainable infrastructure. Through continuous investment in advanced technologies, robust quality management systems, research and development, and process innovation, the Company enhances product quality, operational efficiency, and customer satisfaction.

Looking ahead, FCCL remains committed to continual improvement, innovation, and operational excellence to meet the evolving needs of the construction industry, support Pakistan's infrastructure development, and create sustainable long-term value for its customers, shareholders, employees, communities, and other stakeholders.

ETHICS & CODE OF CONDUCT

Corporate Responsibility

Corporate integrity rests on the conduct of every individual associated with the Company. Daily dedication to ethical practice is a shared responsibility, requiring full adherence to this Code in letter and spirit, compliance with professional obligations, accountability for one's own conduct and the timely reporting of violations through appropriate channels. This statement defines the broad corporate values that shape FCCL's business practices.

Honesty and Integrity

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

Respect for People and Teamwork

Dignity and respect form the basis of every relationship at FCCL, owed equally to colleagues, partners and all those encountered in the course of business. This standard of mutual respect runs through daily interactions and shapes how the Company's culture is perceived, both internally and externally. An inclusive workplace, free from harassment, bullying or discrimination of any kind, remains a collective priority, grounded in the recognition that no individual achieves success in isolation.

Anti-Bribery, Anti-Corruption and Anti-Money Laundering

FCCL maintains a zero-tolerance approach to corruption and financial crimes in all forms whether direct or indirect. No employee or associate may offer, give, solicit or accept bribes, kickbacks, facilitation payments or improper gifts. Company funds and assets must never be used for corrupt or unlawful purposes, and no one may participate in or facilitate money laundering or the financing of unlawful activities. All business dealings must be transparent, properly recorded and open to audit.

Human Rights and Labour Practices

We are committed to respecting internationally recognized human rights across all operations and our supply chain. All forms of slavery, human trafficking, child labour, bonded labour and forced or compulsory labour are strictly prohibited. We ensure fair, safe and dignified working conditions with freely agreed contracts, lawful wages and respect for individual rights, and we provide accessible grievance mechanisms without fear of retaliation.

Legal/ Compliance Obligations

The activities and operations of Fauji Cement Company will be carried out in strict compliance with all applicable laws and the highest ethical standards, including the Companies Act, 2017 and SECP regulations. Meeting our legal obligations and cooperating with local, national and international authorities lay a solid foundation for our corporate values. Employees must remain aware of and comply with laws applicable to their area of responsibility, including competition law, anti-money laundering provisions and insider trading regulations.

Confidentiality

Every employee is obligated to protect the Company's confidential and proprietary information. All information developed or shared as a result of the business process is proprietary to the Company and must be treated as confidential. This obligation extends to material non-public information, including restrictions on trading in Company shares, and continues even after separation from the Company. Employees must also exercise caution when using any public communication platform, including social media.

Unauthorized Use of Corporate Assets

Every employee is obligated to protect the assets of the Company. Company property such as office supplies, production equipment, IT systems, products and buildings may not be used for personal reasons. Expenses may not be charged to the Company unless they are for Company business. Any misuse or misappropriation of Company assets, funds or authority is strictly prohibited and will be treated as a serious violation of this Code.

Conflict of Interest

A conflict of interest arises when a personal interest or activity influences or interferes with an employee's performance of duties, responsibilities or loyalties to the Company. Personal or business relationships capable of compromising or appearing to compromise, an individual's ability to act in the Company's best interests are to be avoided by employees and Directors alike. Any such conflict is to be disclosed promptly through the appropriate channel.

Insider Trading

Directors and employees having access to price-sensitive information shall not directly or indirectly trade in FCCL shares during closed periods, nor misuse such information for personal advantage. All transactions involving FCCL shares must be disclosed to the Company Secretary with full particulars.

Corporate Records

Company documents and records form part of the Company's assets with their accuracy and safekeeping entrusted to every employee. Information is to be recorded accurately and honestly with records retained as long as necessary to meet business objectives and regulatory requirements. Financial records must reflect every transaction of the Company faithfully and no false, artificial or misleading entries are permitted in the Company's books under any circumstances.

Safety, Health and Environment

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. Accidents, injuries and unsafe equipment, practices or conditions must be reported immediately to a supervisor or other designated person. We are committed to keeping our workplace free from hazards and to environmental responsibility, reducing our ecological footprint and complying with all applicable environmental protection laws and regulations.

Dedication to Quality

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

Corporate Image and Social Media

The Company's reputation and identity are among its most valuable assets. All employees, particularly those in management are expected to conduct themselves in a manner that reflects positively on the Company's image, both internally and externally. No one should act in a way or make any statement that adversely affects the reputation of the Company with employees, customers or the community at large. Employees must exercise caution when using social media and ensure their personal statements do not harm FCCL's reputation. Sharing unverified information, hearsay or opinions that may mislead or spread misinformation is strictly prohibited.

ESG Practices

Employees and Directors shall actively support the Company's commitment to environmental sustainability and social responsibility. This includes initiatives to reduce emissions, conserve resources, adopt energy-efficient practices and promote fair labour standards and ethical supply chain management. Transparent ESG disclosures aligned with global sustainability reporting frameworks are a collective responsibility.

Stakeholders

Stakeholders are valuable partners with whom a long-term, fair and trustworthy relationship shall be built and maintained through appropriate information disclosure. Shareholders own the Company and, on the basis of their entrustment, we will exert our best efforts to protect their investment value and maximize their benefit. Employees must deal fairly with all stakeholders and act at all times in the best interests of FCCL.

Speak Up and Whistleblowing

FCCL encourages a culture of accountability through designated reporting channels that enable employees and other relevant stakeholders to raise concerns about misconduct, ethical violations or activities not aligned with the Company's values. Confidentiality is assured and protection against retaliation is guaranteed. Violations of this Code may result in disciplinary action, including termination and legal proceedings.

Prohibition of Bribery, Improper Gifts, Hospitality and Political Contributions

The Company has defined thresholds and an approved matrix for gifts, hospitality and business expenses, with prescribed reporting and approval procedures. These controls ensure that such transactions are appropriately approved, monitored and reported, with safeguards against conflicts of interest and undue influence. Moreover, the Company strictly prohibits political contributions or donations from Company funds or resources, whether directly or indirectly, to political parties, organizations or individual candidates as well.

For complete FCCL Code of Conduct, please visit our official website or scan the QR Code

CORE VALUES

Financial Responsibility

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

Citizenship

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

Accountability

We believe in excellence. Our leaders set clear goals and expectations, provide support, and encourage two-way feedback in return for performance and results of an elite caliber.

People

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

Customers

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

OPERATING STRUCTURE & OWNERSHIP

Operating Structure

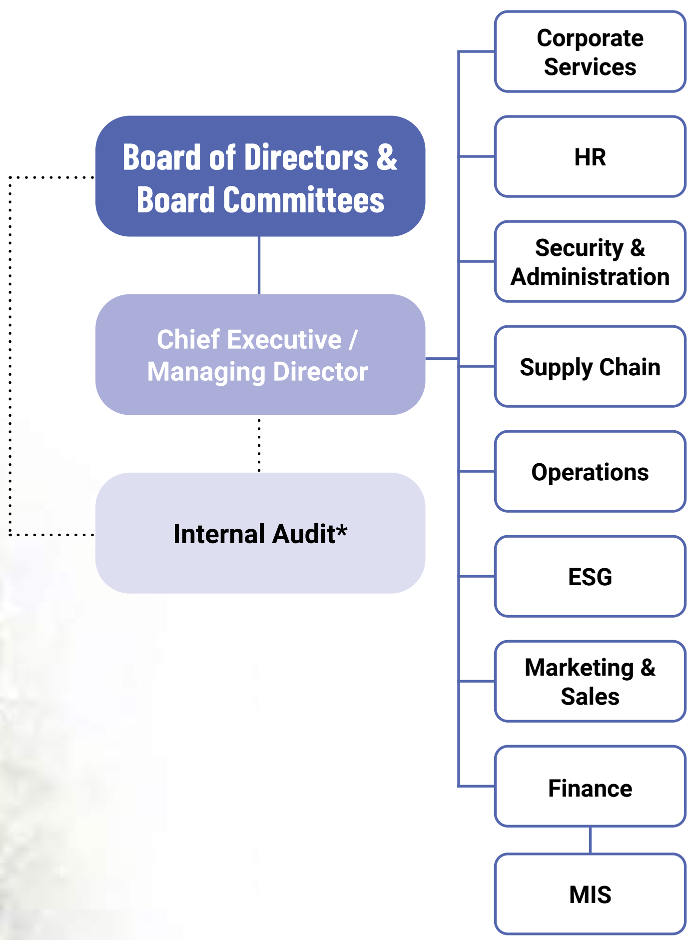
The Company operates through a functional based organizational structure comprising specialized departments responsible for distinct business functions. Each department is headed by a functional leader who reports directly to the Chief Executive Officer (CEO). The CEO oversees the Company's day-to-day operations, ensuring effective execution of business strategies and achievement of operational objectives. The Board of Directors provides strategic direction and governance, overseeing management's performance and ensuring the Company's operations remain aligned with its long-term objectives and the interests of its stakeholders.

Country of Operations

The Company's manufacturing operations are entirely based in Pakistan. Its products are exported to Afghanistan through an established network of authorized dealers. To support its manufacturing activities and maintain operational efficiency, the Company procures machinery, equipment, and spare parts from a diverse network of international suppliers.

Ownership (UBO) and Relationship with Group Companies

Fauji Cement Company Limited is a public listed company, with its shares quoted on the Pakistan Stock Exchange. The Company's principal shareholder (UBO) is Fauji Foundation, which holds a 61.65% equity interest. Detailed information regarding the Company's shareholding structure is presented in the "Pattern of Shareholding" section of this Annual Report. As a listed entity, the Company maintains arm's length relationships with its associated companies and does not have any subsidiaries.



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

SWOT ANALYSIS

Strengths

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

Weaknesses

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

Opportunities

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

Threats

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

PROFILE OF DIRECTORS

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

Chairman

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

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

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

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

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

Mr Qamar Haris Manzoor

Chief Executive / Managing Director

Qamar Haris Manzoor has done his Masters in Chemical Engineering from US and holds over 41 years of experience in plant and project management. He started his career with ICI managing its Soda Ash Plant operations. He also worked on ICI's polyester plant in Pakistan in the Plant Operations and also held senior positions in Operation at Exxon Chemical Pakistan Ltd at their Fertilizer Plant. He also worked at ICI's PTA Plant as Director Manufacturing and managed various aspects of plant i.e. from Commissioning, Operations Management, Process Engineering, Project Engineering, HSE and other improvement projects. He has also been a technical advisor of Lotte for its growth strategies in Pakistan and contributed in setting up 48 MW Cogen Plant at Lotte's PTA Plant.

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

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

He took over as MD and CEO of Fauji Cement and Askari Cement in June 2020 and is responsible to spearhead cement portfolio of Fauji Foundation. In his role he successfully led the merger of Askari Cement into Fauji Cement as well as spearheaded two expansions of Fauji Cement of 2.0 Mn tons per year capacity each to grow the Company to become the 3rd largest player of cement sector in the Country.

He previously served as Director on the Boards of MEL, FPCL, FFC, FPCDL and FKPCL.

Maj Gen Irfan Arshad Khan, HI (M), Retd

Director

Major General (Retired) Irfan Arshad, HI (M) is a highly accomplished leader with over three decades of distinguished service in strategic leadership, public policy, law and organizational development. A decorated officer and recipient of the Hilal-i-Imtiaz (Military), he has held key command and leadership appointments, represented Pakistan in a UN peacekeeping mission and played a pivotal role in establishing the Pakistan Army's Law Branch.

An accomplished scholar with advanced degrees in public policy and international law, he continues to contribute to national development as Director Services, Fauji Foundation and President, Alpine Club of Pakistan, championing leadership, youth empowerment, environmental stewardship and adventure sports. As President Alpine Club of Pakistan he has a vision to use adventure sports and mountain tourism for developing leadership abilities in the youth of Pakistan.

Syed Bakhtiyar Kazmi

Director

Mr Syed Bakhtiyar Kazmi is a fellow chartered accountant with over 37 years of experience in audit, advisory and macroeconomic research. During his tenure at KPMG, he played a foundational role in establishing the firm's advisory practice in Islamabad, leading strategic services in financial planning, internal audits, valuations and development advisory.

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

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

Mr Khurshid Zafar Qureshi

Director

Mr. Khurshid Zafar brings over 34 years of extensive experience in the banking and financial sector, holding leadership roles across various business functions. He has developed and executed strategies that have driven growth and success in the organizations he's led.

He holds a Master's degree in Business Administration from Quaid-e-Azam University and he participated in numerous domestic and international training programs and courses, further enhancing his professional skills and expertise.

His last assignment was as Chief Operating Officer (COO) at Askari Bank Limited, where he led diverse business functions including Corporate, Commercial, Retails and Treasury. Under his tenure, the bank reached several key milestones, including significant growth and numerous transformative projects and initiatives that have significantly enhanced the bank's image and overall market position.

Mr Mohammad Majid Munir

Director

Mohammad Majid Munir is an accomplished professional in the fields of Investment Banking and Strategy, having amassed extensive experience in strategy consulting, mergers and acquisitions, private equity, public equity, and capital restructuring across a wide range of industries, including industrials, financials, logistics, real estate, consumer goods, and entertainment.

Majid successfully designed and executed strategic initiatives, driving impactful results both at the sectoral and national levels. At Arthur D. Little, he advised the Economic Development Board of Bahrain on formulating the country's industrial policy, using quantitative tools. Other notable macro strategy initiatives include a climate finance strategy mapping the interconnected roles of clean energy, mobility, infrastructure, and capacity building, and a national education reform strategy advocating employer-driven, modular learning ecosystems.

Majid has led high-impact transaction advisory assignments across emerging markets. These include securing equity and hybrid investments in transport infrastructure, structuring a cross-border M&A deals and raising growth capital from European impact investors. Majid has engaged with FIs and private investors and driven deals from origination through to close.

Majid has worked with renowned organizations such as Credit Suisse, Arthur D. Little, and Bank Alfalah across Pakistan, Middle East and Far East. Majid has also held leadership positions as President and Vice President of the Board of the LUMS alumni association.

He holds an MBA in Finance from Lahore University of Management Sciences (LUMS) and a BSc in Finance and International Business from New York University's (NYU) Stern School of Business.

Syed Muhammad Irfan Aqueel

Independent Director

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

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

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

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

He moved to the Millat Group Head Office as Director in a Corporate Technical and Business Development role and is also overseeing their foundry business.

Ms Maleeha Bangash

Independent Director

Maleeha Mimi Bangash is a highly accomplished international Investment Banking, Fintech, Digital Banking & Financial Industry expert with more than 28 years of experience obtained in Singapore, Turkiye and Pakistan.

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

She brings 20 years C-Suite & leadership (CEO/ MD, CEO Designate, Dy. CEO, CSO) and valuable expertise in Banking & Investment, P.E/V.C, Mergers & Acquisitions, including hands on experience & Capital Markets. She is involved in the Fintech and Digital Banking space since past 9 years in various capacities. She has been a regulator, having served as Member/Commissioner CCP (Mergers & Acq., Advocacy & Research).

As the Chief Executive Officer of BAJO Digital Ventures LLC., USA, Ms. Bangash leads strategic projects in the digital economy, fintech, mergers & acquisitions and private equity advisory. Under her leadership, BAJO established its international offices in Lujiazui Shanghai Centre, Shanghai, China and Izmir, Turkiye. She has forged a strategic partnership with Ant Group to introduce the "310" MyBank digital lending model to banks and supports financial institutions and banks on fintech-related initiatives, including digital banking, agentic AI, credit scoring, AML/CFT, and RegTech. She also provides strategic support to a US-based investment platform focused on technology start-ups and actively engages with international stakeholders and chambers/business networks in Turkiye, Shandong, Changzhou, Singapore, Hong Kong and the Gulf region to facilitate cross-border business opportunities.

Most recently engaged as CEO/MD World Bank Group and IFC-International Finance Corporation, Singapore as expert (consultant) Digital Banking & Climate/Green Banking, SME & Gender Finance (in Asia Pacific with IFC). She has served as Founding Member (Commissioner) CCP, where she led areas of Advocacy, Mergers & Acquisitions Review and Competition Research, she recently served as Ambassador for the SME Finance Forum, Washington (A G20 Initiative managed by the IFC), She is an active member of the Singapore FinTech Association- SFA.

Maleeha Bangash commenced her career in Corporate & Investment Banking and has worked in Corporate Banking group of HBL Bank, Singapore. In Makara Capital (Global Capital Partners), Singapore she originated and structured Private Equity (early stage) & Venture Capital deals. She covered UAE, South Asia and South East Asia Investors and Projects (Singapore, Malaysia, Indonesia, India, Sri Lanka, Pakistan, Dubai)

In Global Strategies Pte. Ltd., Singapore, Mimi Bangash, developed investment options by initiating alliances, negotiating agreements with Citibank, Credit Suisse, Merrill Lynch, Morgan Stanley and UBS as product/platform providers. Her responsibilities included portfolio management (Capital Markets/Equity Markets); managing client portfolios, for Investors/ Clients from Singapore, South Africa, Mainland China, Hong Kong, Malaysia, United Kingdom, India, Australia, New Zealand. As CEO Designate/Dy. Chief Executive Officer, she successfully led and turned around AL Habib Asset Management, launching the Separately Managed Accounts (SMA) business.

She is the proud winner of 100 Most Prominent Women in Anti-Trust (Global) award in 2009 & 2018 selected on merit (profile and achievement) from the entire world's competition professionals. She was awarded the Miracle Woman Award in 2016 for outstanding professional achievements in Banking & Finance. She has attended international workshops and obtained certifications from international institutions including, OECD, ICN, The Hague Academy, IFC/ World Bank Group, Finastra UK, Rekabet Kurumu, KOSGEB and others.

She has working knowledge of and speaks the Turkish language which she studied at the Ankara University (TOMER). Ms. Bangash is a Certified Director from PICG, serving on several reputable Boards.

Ms Saira Nasir

Independent/Female Director

Saira Nasir, FCA, FCIS is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP) and a Fellow Member of the Institute of Corporate Secretaries of Pakistan (ICSP). She currently serves as Partner – Board & Governance and Learning & Diversity Hub at the THK Group.

With extensive experience in corporate governance, board advisory, and professional learning, Saira has led numerous strategic assignments focused on Board Performance Evaluations, Director Orientation Programs, and governance advisory. She is also an accomplished facilitator and speaker, having conducted a wide range of training programs, consultations, workshops, seminars, webinars, and podcasts on corporate governance, innovation, digital learning, and capacity building for directors, executives, coaches, trainers, educators, students, and other professional audiences.

Her international contributions include authoring and presenting the case study, "Disclosure Requirements on Corporate Governance – Pakistan," at the 24th session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), held in Geneva in October 2009 under the auspices of the United Nations Conference on Trade and Development (UNCTAD).

Saira is an active contributor to the accounting profession and currently serves as a member of the Women Committee and the Digital Accounting & Assurance Board of the Institute of Chartered Accountants of Pakistan.

She has held several independent directorships across leading listed companies. Her previous board roles include serving as Independent Director and Chair of the Audit Committee at Fauji Fertilizer Bin Qasim Limited, and Independent Director at Allied Rental Modaraba and Power Cement Limited. She currently serves as Independent Director and Chair of the Audit Committee at Fauji Cement Company Limited, where she also serves on the Human Resources Committee. In addition, she is an Independent Director on the Board of International Packages Limited, where she chairs the Sustainability Governance Committee.

Brig Kashif Naveed Abbasi, SI (M), Retd

Company Secretary

Brigadier Kashif Naveed Abbasi, SI (M), Retd has been serving as Company Secretary of FCCL since 7th February 2024.

Earlier, he got commissioned in Pakistan Army as an infantry officer in March 1991. During his 31 years of military career, he remained employed on various Command, Staff and Instructional assignments mainly at Swat, Northern Areas, Rawalpindi, Lahore and Karachi. He has also served in United Nations Missions at Haiti as Staff Officer and Darfur/ Sudan as Chief of Staff. He has undergone various hardcore military courses from USA and Australia and conducted study tours at South Korea and Indonesia.

He is a graduate of Command and Staff College, Quetta and National Defence University, Islamabad. He holds a master degree in National Security and War Studies. He is a certified Director under SECP regulations from Pakistan Institute of Corporate Governance (PICG), Karachi.

Mr Qaiser Mehmood

Chief Financial Officer

Mr Qaiser Mehmood joined FCCL in 2006 and he is a Fellow member of the Institute of Chartered Accountants of Pakistan (FCA) with over 20 years of rich professional experience in managing finances, budget, tax planning, investor relations, project development, project financing and mergers and acquisitions. He was extensively involved in the Expansions of FCCL from a capacity of 3885 TPD to 34,860 TPD. During this period he was also involved in the clean energy initiatives by the company including Waste Heat Recovery and Solar power plants.

SENIOR MANAGEMENT

Mr Muhammad Tariq
Director (Operations)

Brig Khurram Nazir Mirza Retd
Director (ESG)

Brig Salah Ud Din Ayubi, SI (M), Retd
Director (Marketing & Sales)

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

Brig Atif Rauf, SI (M), Retd
Director (Security & Admin)

Syed Kamran Hassan
Director (Supply Chain)

Mr Rehan Nazir
Head of Department (Internal Audit)

COMPANY INFORMATION

Company Secretary

Brig Kashif Naveed Abbasi, SI (M), Retd

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Chief Financial Officer

Mr Qaiser Mehmood

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Director Operations

Mr Muhammad Tariq

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Email: muhammad.tariq@fccl.com.pk

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Email: ameer.ali@fccl.com.pk

Director ESG

Brig Khurram Nazir Mirza Retd

Tel No: +92-51-9280063
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Email: khurram.nazir@fccl.com.pk

Director Security & Admin

Brig Atif Rauf, SI (M), Retd

Tel No: +92-51-9281545
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Email: atif@fccl.com.pk

Director Marketing & Sales

Brig Salah Ud Din Ayubi SI (M), Retd

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+92-51-9273001, +92-51-9270667
Fax No: +92-51-5528965-66
Email: ayubi@fccl.com.pk

Director Supply Chain Management

Syed Kamran Hassan

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Head of Department - Internal Audit

Mr Rehan Nazir

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Email: rehan@fccl.com.pk

Legal Advisor

Mr Abdul Rehman Qadir

M/s Qadar Law Associates, Office # 2, First Floor, Rafay Mall, Rawalpindi.
Tel No: +92 336 8379 437

Auditors

A.F.FERGUSON & CO. Chartered Accountants

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

Shares Registrar

M/s Corplink (Pvt) Limited

Wings Arcade, 1-K, Commercial, Model Town, Lahore
Tel No. +92-42-35916714-19
Fax No: +92-42-35869037
Email: corplink786@yahoo.com

Email for E-Filling and E- Services
Email: secretaryoffice@fccl.com.pk

Production Location

Near Village Jhang Bahtar, Tehsil Fateh Jang, District Attock

Tel No. +92-572-538047-48
Fax No. +92-572-538025

Near Wah Railway Station, Tehsil Taxila, District Rawalpindi Pakistan

Tel No. +51-4937015-18
Fax No. 51-4937019

Nizampur, (Village Kahi), District Nowshera, Pakistan

Tel No. +92-923-690140-42
Fax No. +92-923-690144

Basti Hamdani, Shadan Lund, District Dera Ghazi Khan

Tel No. +92-64-2400386

Polypropylene Bags Plant Phase-IV Industrial Estate Hattar

Tel No. +92-99-5352707

Registered Office

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

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

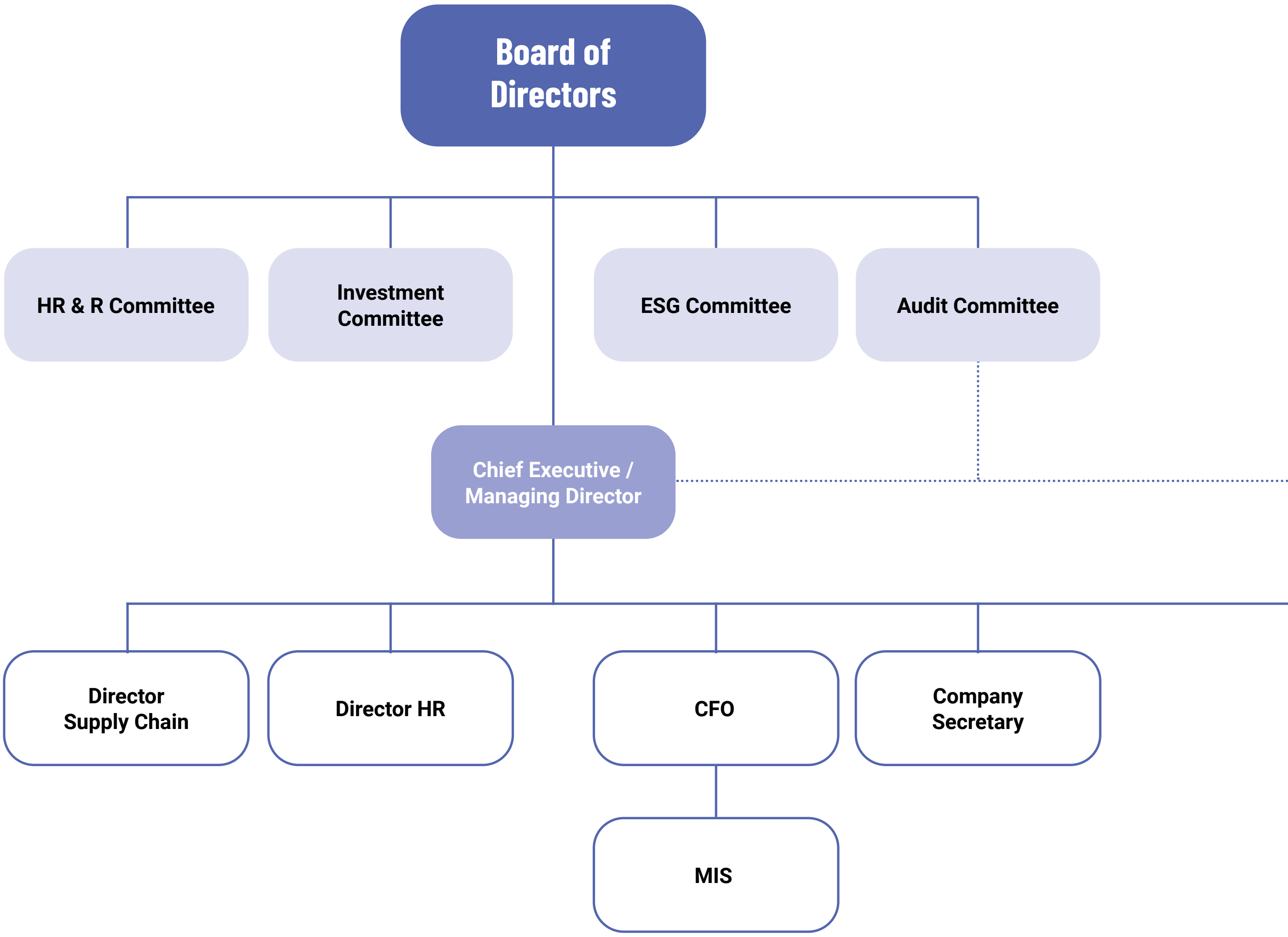
Marketing Office

4th Floor, AWT Plaza, The Mall, Rawalpindi-Pakistan

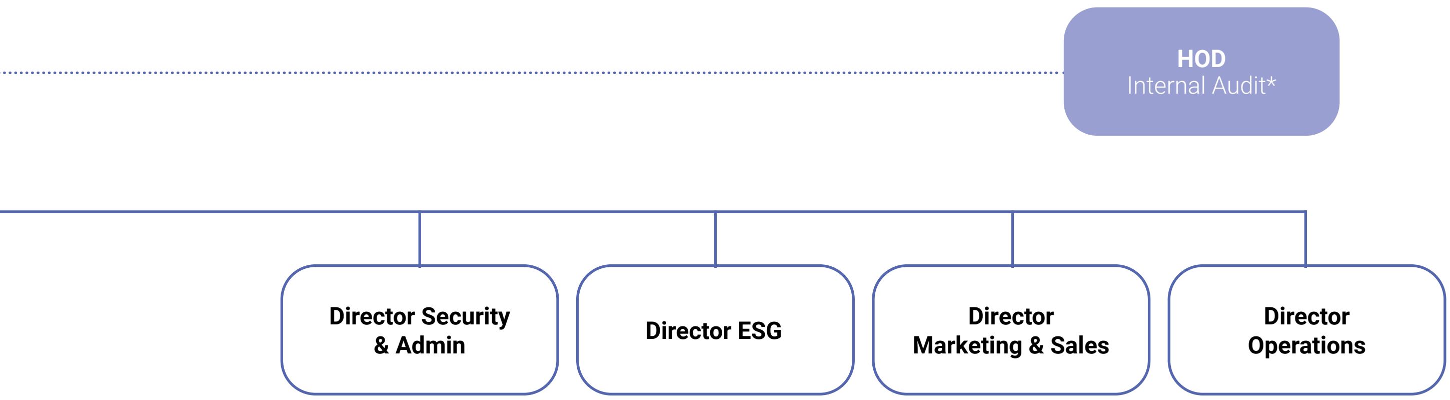
Bankers of the Company

- United Bank Limited
- Allied Bank Limited
- Bank Al-Falah Limited
- Habib Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- Askari Bank Limited
- National Bank of Pakistan
- The Bank of Punjab
- Faysal Bank Limited
- Bank Al-Habib Limited
- Habib Metropolitan Bank Limited
- JS Bank Limited
- The Bank of Khyber
- SAMBA Bank Limited
- First Women Bank Limited
- Dubai Islamic Bank Limited
- Mobilink Microfinance Bank Limited
- Standard Chartered Bank Limited

ORGANIZATIONAL CHART



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



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

HUMAN CAPITAL

2,332

No of Employees at year end

2,334
Average No of employees during the year

2,029
Factory employees

121
No of Trainings

1,170
Average No of participants

14,274
Training Hours

TESTIMONIALS

Mr Wang Chaozhu

Managing Director, CCECC Pakistan Branch

CCECC International Engineering Consortium has operated in Pakistan since 2015 on flagship Chinese projects. FCCL has consistently demonstrated exceptional quality and reliable, timely deliveries that have supported the successful execution of our projects. We confidently recommend FCCL to organizations seeking quality, reliability and dependable service

Zhou Zhuolin

Procurement Head — China Gezhouba Group of Companies (CGGC)

For over 15 years, China Gezhouba Group of Companies has relied on Fauji Cement Company Limited for its exceptional quality and dependable supply. FCCL's consistent performance has supported the successful execution of our major hydropower projects, making it our preferred partner for high-stakes construction projects

Hassan Abbas

CEO — Sky47 Limited (Karakoram-01, Islamabad)

For the development of Karakoram-01, Pakistan's largest purpose-built Tier III data center, we chose Fauji Cement Company Limited for its consistent quality, engineering excellence and dependable supply. FCCL has proven to be a trusted partner in delivering this landmark project.

Mr. Iftikhar Ali Goraya

Goraya Cement Dealer — Gujranwala & surrounding areas
Fauji Cement partner since 2005

For me, working with Fauji Cement is first an Ibadat and then a business. Every bag of Fauji Cement sold contributes towards supporting the families of our martyrs and that gives me immense pride.

Ch. Ayaz Ahmed

CEO, Siraj Group & Managing Partner — ADS Enterprises

ADS Enterprises is the largest cement distributor in Azad Jammu & Kashmir and a multi-generational Fauji Cement partner. Legacy built by Ch. Allah Ditta over three decades; now led by Ch. Ayaz Ahmed. Continues to grow through operational excellence and strong customer focus across AJK.

Mr Imran Maskeen

DM, Internal Audit

Two decades with same organization, I can confidently say it is an exceptional place to build a career. Its strong values, supportive leadership and culture of trust, professionalism and continuous learning have inspired me to grow, contribute and remain proud to be part of its journey

Ms Maha Jamshed

Supply Chain Officer

Working at FCCL has strengthened my confidence, enhanced my skills and given me the opportunity to contribute to projects that create meaningful value. Throughout my journey, I have been fortunate to work alongside supportive colleagues, managers and Heads of Departments who are always willing to guide, encourage and share their knowledge. Their approachable leadership, trust and mentorship have played a significant role in my professional growth and have motivated me to continuously improve.

Ms Palvisha Chaudhry

MTO, MIS Dept

Working at Fauji Cement Company Limited has been a rewarding experience that has contributed significantly to my professional growth. Being part of FCCL has strengthened my professional capabilities and has given me a sense of pride in contributing to an organization that consistently strives for operational excellence and sustainable growth. I am grateful to be associated with FCCL and look forward to continuing my journey with a company that truly invests in its people and promotes a culture of excellence.

Syed Nayyer Abbas Zaidi

Ex-General Manager (Human Resource)

After 18 years of dedicated service, I depart with a deep sense of pride and gratitude. My sincere thanks to the entire team for their trust and cooperation. I leave with cherished memories and wish the Company continued growth. It has been an Honour to serve.

Mr. Faisal Shahzad

Deputy Manager – Taxation & Insurance

Having been part of FCCL since 2008, I have witnessed its remarkable growth and transformation. FCCL has provided me with continuous opportunities to learn, grow and contribute to key initiatives. Its strong values, professional culture and commitment to excellence have greatly supported my professional development. I am proud to be associated with FCCL and look forward to contributing to its continued success and sustainable growth.

EFFECT OF SEASONALITY ON BUSINESS

Production

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

Sales

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

THE LEGISLATIVE AND REGULATORY ENVIRONMENT OF THE COMPANY

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

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

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

THE LEGITIMATE NEEDS AND INTEREST OF KEY STAKEHOLDERS

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

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

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

POSITION WITHIN THE VALUE CHAIN

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

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

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

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

Upstream	Company Activities	Down Stream
Inbound Extraction of limestone and clay from own quarry	**Primary Activities** • Cement Production • Tile Bond Production • Energy Generation • PP Bags Manufacturing • Marketing and sales	**Out Bound** • Transporters • Customers • Dealers • Projects • Communities
Out bound Suppliers of: • Coal & Alternative fuels • Gypsum, Laterite and Other Fuels • Packing materials • Transporters of imported materials/ spares services provider	**Secondary Activities** • Human Resource Management • Company Infrastructure–Legal, Admin, Finance , IT, Supply Chain, ESG etc.	

Upstream

Inbound

- Limestone & Clay Mining

Company's Activities

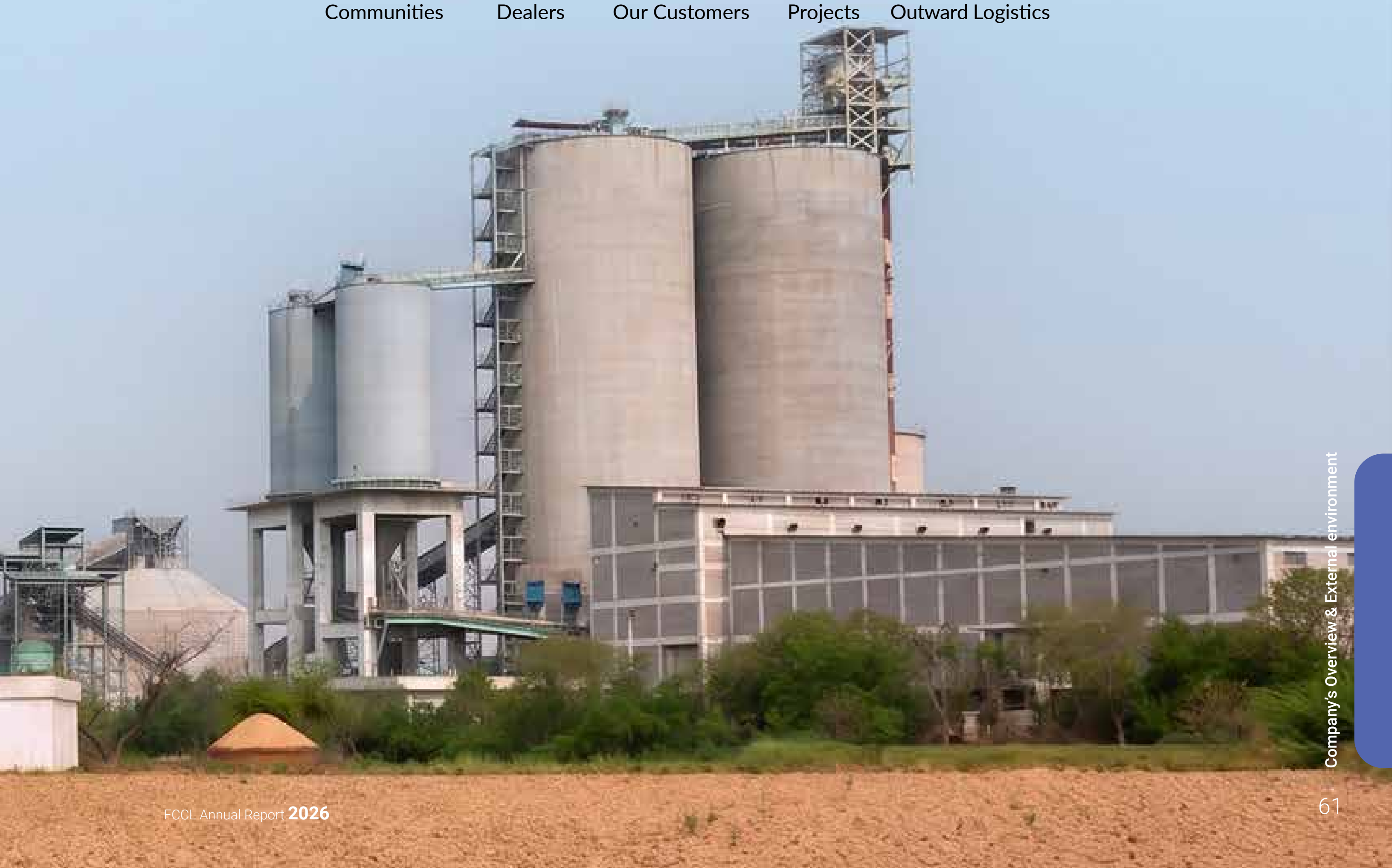
Primary & Secondary

Outbound

- Inward Logistics
- Coal & Other Material

Downstream

- Communities
- Dealers
- Our Customers
- Projects
- Outward Logistics



SIGNIFICANT FACTORS AFFECTING THE EXTERNAL ENVIRONMENT

Political

P

Factor Impacting External Environment	Company's Response
• Political instability - that effects economic policies can impact the operations of the Company negatively. • Policy Volatility - Inconsistency or abrupt change in Government policies and regulatory shifts create uncertainty that impacts the Company negatively.	• The management of the Company proactively monitors the political developments that could impact the Company negatively and adjust its position proactively. • Management proactively adapts Company's processes and policies in response to any anticipation of Government policy and regulatory shifting.

Economic

E

Factor Impacting External Environment	Company's Response
• During economic slowdown and reduced Government spending construction activity also slows down that results in low dispatches . • Currency devaluation, high general inflation, higher interest rates generally impacts the input that results in squeezed margin. Further, these factors impact the income level of people that results in low demand.	• Company monitors overall macroeconomic indicators including Government PSDP proactively to position itself in best place. • The Company continues to work on cost optimization through cost economization, vertical integration and new value-added products in order to minimize the impact of any economic slowdown and high cost of inputs beyond Company's control.

Social

S

Factor Impacting External Environment	Company's Response
• Socio-economic condition of the community impacts directly towards sustainability of any business. • With increasing awareness of human rights, social obligations keeps on increasing .	• The Company consistently works towards the socio-economic development of the surrounding communities. • A considerable budget is allocated, and investments are made for ESG activities covering the health, education and environmental sectors. Details are in sustainability report.

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

Technological

T

Factor Impacting External Environment	Company's Response
• Overall technological developments can impact any product demand and can shift the people needs and consumption pattern, cement is no exception of the foregoing. • Technology innovation in business processes is likely to impact the way of doing business.	• The Company strives to adopt cutting edge technologies and continuously upgrade its manufacturing facilities through BMRs. • Company adopts latest hardware and software, recently latest version of SAP S/4 Hana is implemented, further, SAP Rise is under implementation phase. • With increasing dependency on information technology Company has implemented latest available cyber security measures. Detail is given in cyber security section of this report.

Environmental

E

Factor Impacting External Environment	Company's Response
Global environment protection awareness, increasing legislative requirements and scarcity of resources is impacting the way of doing business.	Beyond the regulatory compliance, the Company strives to conserve its natural capital. The Company's efforts including water conservation, biodiversity protection and the use of renewable energy sources to reduce its carbon footprint, are detailed in the Sustainability Report.

Legal

L

Factor Impacting External Environment	Company's Response
Regulatory framework and compliance complexity of applicable laws impact any organization and its products.	• The Company complies with all the applicable laws and regulations. • Dedicated and experienced individuals ensure that all areas of the business operations adhere and comply with their respective laws.

AWARDS

CSR
AWARD 2026
18th Corporate Social Responsibility Award 2026
SAFA
JOINT SILVER AWARD

ISO CERTIFICATIONS

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

ISO 9001: 2015
Quality Management System

ISO 14001: 2015
Environmental Management System

ISO 45001: 2018
Occupational Health & Safety Management System

ISO 50001:2018
Energy Management System

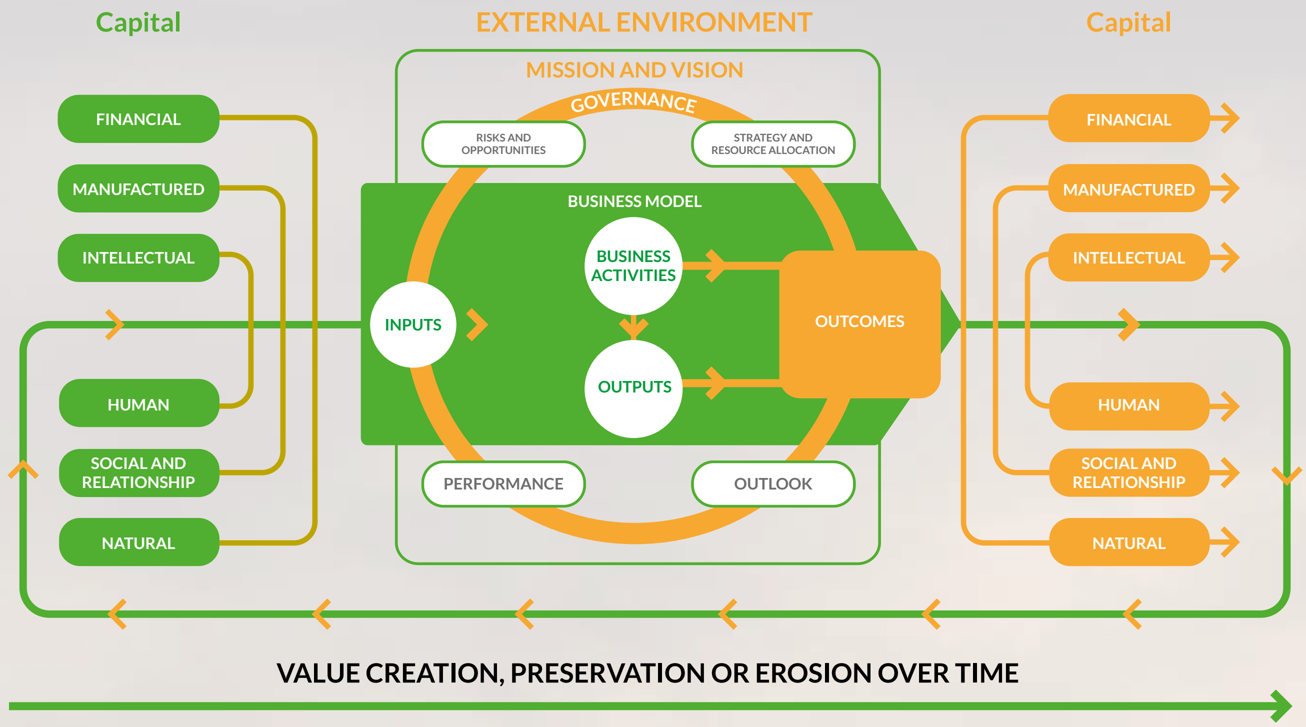
ISO 14064-1:2018
Quantification, Reporting and Verification of Greenhouse Gas (GHG) Emissions and Removals


STRATEGY &
RESOURCE AL


LOCATION

UNDERSTANDING OUR VALUE CREATION BUSINESS MODEL

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


Capital
EXTERNAL ENVIRONMENT
Capital
MISSION AND VISION
GOVERNANCE
RISKS AND OPPORTUNITIES
STRATEGY AND RESOURCE ALLOCATION
FINANCIAL
MANUFACTURED
INTELLECTUAL
HUMAN
SOCIAL AND RELATIONSHIP
NATURAL
BUSINESS MODEL
BUSINESS ACTIVITIES
INPUTS
OUTPUTS
OUTCOMES
PERFORMANCE
OUTLOOK
FINANCIAL
MANUFACTURED
INTELLECTUAL
HUMAN
SOCIAL AND RELATIONSHIP
NATURAL
VALUE CREATION, PRESERVATION OR EROSION OVER TIME

OUR BUSINESS MODEL

Inputs

Financial Capital

- Total Assets of Rs. 175 Billion
- Strong capital base to fund long term projects and operational activities – Total Equity and reserves Rs 97 Billion
- Sufficient internal cash generation for operational/planned capex needs

Manufactured Capital

- State of the Art energy efficient and low emission European/Hybrid Production facilities at 4 locations of 34,860 TPD of cement
- Tile bond manufacturing unit with capacity of 100 TPD
- Solar power generation having capacity of 70.3 MWp
- Waste heat energy production capacity of 47.9 MW at all locations
- European origin PP bags manufacturing plant with annual capacity of 108 Million bags
- Quality control departments/labs at all locations

Intellectual Capital

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

Human capital

- A well trained, motivated and experienced team of 2,332 (2025: 2,335) numbers
- Employees skill development Total training hours 14,274 (2025:10,400)
- An eminent culture of innovation and emphasize health and safety and well being

Social and Relationship Capital

- Network of 1,000 dealers across Pakistan
- A well reputed and preferred brand among the mega projects
- Strong and long term relationship with all major financial institutions in country
- Strong relationship with reputed suppliers within and outside the country

Natural Capital

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

Business Activities

Strategic Objectives

Refer to pages 72

Outlook, Risk and Opportunities

Refer to pages 82

Lime Stone and Clay quarry

Sourcing of Fuels, Raw Materials and Spares

Logistic

Quarry operations

Sustainability through value creation for all stakeholders

Refer to pages 76

Governance

Refer to pages 94

Value Creation Value Preservation Value Erosion

Strategy and Resource Allocation

Refer to pages 72-75

Manufacturing of Cement, Tile Bond and PP Bags

Total production of Cement
5.7 Million tons

Logistic

Sales of Cement
5.7 Million tons

Dealers

Projects

End user

Output

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

Outcomes

Financial Capital

- Highest ever revenues – Rs.94 Bn (Net)
- Highest ever profit – Rs 16.18 Bn
- Strong balance sheet footing
- Cash generation from operations – Rs. 27 Bn
- Return on capital employed was 23% (2025 : 26%) during the year

Manufactured Capital

- Expansion of PP manufacturing plant – 36 Mn bags per annum
- Commissioning of two solar power projects of 2.8 MWp
- 51% own captive power generation

Intellectual Capital

- Cost economization through efficiencies in process
- Cloud based SAP implementation in process

Human Capital

- Succession Planning
- Employee Training and development
- Low turnover

Social and Relationship

- Consumer satisfaction through quality production
- Socioeconomic development of nearby communities through education, provision of amenities and health facilities
- Contribution to national Exchequer – Rs. 57 Bn
- Contribution towards national interest through provision of quality cement to national level projects

Natural Capital

- Enhancement in Renewable energy production by 2.8 MWp
- Increased green cement sale – 31% of cement sale with reduced clinker factor
- Recycling plant waste water for usage

STRATEGIC OBJECTIVES AND STRATEGIES IN PLACE

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

Strategic Objective	Strategies In Place	Time Horizon And Status
To enhance and maintain market share Sustain market position through business expertise, maintaining and expanding manufacturing capacities and innovation in business process is the key for cement business sustainability	• Expansion in high Cement Consumption plus completely new markets – recent expansions and acquisition of equity stake in Attock Cement Pakistan Limited • Focus on product research and new product development that takes into account the ever-changing demands of the market	Status: On Going Process
To maintain existing premium position in Quality cement production To maintain premium brand image strict quality control is the critical for business success	• Strict quality controls are in place throughout the operating cycle i.e. from procurement to production till delivery to customers • Compliance with EN, ASTM and PS standards, validated through independent testing, supported by advanced lab technology and international certifications • Product innovation for specialized needs and requirements • To maintain quality standards, only reputable suppliers are chosen for the purchase of plant, machinery and equipment	Status: On Going Process
COST **Cost Economization** With ever increasing costs of doing business, rational cost economization is critical success factor for business sustainability	• Realignment of policies and procedures to enhance synergies among the business processes • Continuous efforts to explore possibilities for vertical integration for controlling input costs • Continuous efforts to minimize the fuel cost through maximum usage of alternative fuels and local coal • Maximization of green captive power generation for reduced energy production costs • Constant investments in manufacturing facilities to improve efficiency in operations • Predictive maintenance of equipment and machinery to reduce unscheduled stoppages and increase the life of the plant & machinery • Stringent budgetary controls at all levels of the organization to minimize fixed costs	Status: On Going Process

Time Horizon: Long Term, Medium Term

Priority: Medium, High

Strategic Objective	Strategies In Place	Time Horizon And Status
ESG We believe ESG is the way forward for a better tomorrow and especially focus on long term environmental concerns, climate changes and betterment of community where we operate	**Environment** • Reducing GHG emissions through: i. Increased use of Supplementary Cementitious Materials (SCMs) to reduce clinker content. ii. Continuous investment in renewable energy generation projects. iii. Tree plantation and afforestation to enhance carbon sequestration. iv. Maximizing the use of Alternative Fuels to reduce dependence on fossil fuels. • Full compliance with applicable PEQS and NEQS requirements. • Water conservation and stewardship through increased water recycling and reuse, rainwater harvesting and utilization of surface water resources where feasible. • Promoting circular economy principles by optimizing resource efficiency and minimizing waste generation. **Social** • Ensuring safe working environment for employees • Supporting local communities through: i) Providing Education through self-run schools ii) Women Vocational training iii) Jobs creation in general and especially in less privileged area of DG Khan iv) Water filtration & RO Plants to provide clean drinking water to nearby communities v) Solarization of nearby communities vi) Technical Trainings to local community • Promoting a diverse and equitable workplace • Equal opportunities for all employees **Governance** • Board diversity and independence • Ensure Compliance with industry standards and regulations • Trusted and responsible reporting to all stakeholders • Ethical business conduct	Status: Ongoing process
Nurture innovative thinking and teamwork Innovative thinking and teamwork contributes towards value addition in business	• Create a culture that nurtures innovation and entrepreneurial thinking • Establish innovative platforms • Enhance employee engagement • Engage stakeholders in innovation process to ensure compliance, market relevance and shared value	Status: Reinforcement of existing system to promote culture of innovation is under progress

RESOURCE ALLOCATION PLAN TO IMPLEMENT THE STRATEGY

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

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

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

THE CAPABILITIES AND RESOURCES OF THE COMPANY TO PROVIDE SUSTAINABLE GROWTH

Competitive Advantage and Value Created By the Business

Competitive Edge

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

Value Creation by Business

Our business creates value for all stakeholders:

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

COMPANY'S STRATEGY ON MARKET AND PRODUCT DEVELOPMENT

Market development strategy

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

Market research

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

Competitors Analysis

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

Market Segmentation

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

Unique Selling Proposition (USP)

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

Product development strategy

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

KPI'S TO MEASURE THE ACHIEVEMENT OF STRATEGIC OBJECTIVES

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

LINKAGE OF VISION AND MISSION & STRATEGIC OBJECTIVES

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

Vision & Mission	Corresponding Strategic Objectives
Vision To be Pakistan's most trusted construction material Company, delivering sustainable value to its stakeholders	• To maintain and enhance existing market share • To maintain existing premium position in quality cement production • ESG and nurture innovative thinking and teamwork • Value Creation
Mission To deliver quality products through operational excellence, while upholding the highest standards of responsibility and governance	• To maintain existing premium position in quality cement production • To enhance and maintain market share • Sustainability and Cost Economization • Excellence in governance

BOARD STATEMENT ON THE INTERNAL CONTROLS INCLUDING IT CONTROL

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

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

Technological Changes

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

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

ESG Reporting and Challenges

Sustainability is one of the key strategic objectives of the Company. Company endeavors to give back to the communities in which it operates. Considerable financial capital is allocated for the Wellbeing of nearby communities, protection of environment and excellence in governance. Further a comprehensive ESG policy has been formulated, which is being implemented. An ESG committee of the Board is formed to oversee the ESG function of the Company. During manufacturing process all the PEQs and NEQs standards are adhered and separate strategies are formulated for water conservation, green energy generation and CO2 reduction.

Initiatives taken for promoting and enabling innovation

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

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

BOARDS STATEMENT ON SIGNIFICANT PLANS AND DECISIONS

Corporate Restructuring

Company has no plan for any corporate restructuring in foreseeable future

Business Expansion

Opportunity based expansion in cement sector

Major Capital Expenditure

Company will keep investing in process efficiencies and new product development

Discontinuance of operations

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

INFORMATION ABOUT DEFAULTS IN PAYMENT OF DEBT

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

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

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


RISKS &
OPPORTUN


NITIES

KEY RISKS & OPPORTUNITIES

Strategic: Demand Supply Gap and Stagnant or decreasing sales prices

Risk	Decreasing demand results in excess supply in the market. It can also put pressure on sales prices Source Likelihood Priority
Associated Objective	To enhance and maintain market share
Impact	• Possibility of drop in market share due to decline in sales • Pressure on sales prices resulting in Company being unable to pass on any increase in input costs **Assessed Impact:** Low **Effect On Capital(S):** Squeezed margins and low turnover can effect availability and affordability of financial and human capital
How We Manage or Mitigate Risks	**Strategy And Plan** • Fauji Cement is considered as one of the top brand in the consumer market because of its Quality so that helps to increase sales especially to projects • Diversified products portfolio helps to broaden customer base • Efficiency on processes o Technology up gradation o Energy efficient equipment • Working on new value added construction products **KPIs And Targets** • Keep delivering better than quality standards • Maximization of project sales • Maximization of green cement and tile bond sales • Cost economization, target is to be the most cost efficient cement producer in the industry

Related Opportunity	• Penetrating into new local markets • Hydro power and mega projects • Continuous Innovation
Impact	**Effect On Capitals** The opportunity can impact the availability and affordability of financial and human capital
Value Creation	• Capacity Expansions is helping to enhance Company's market share in Southern and Central Punjab. Also helping in supply of cement to hydro power projects in efficient and cost effective manner • Tough competition helps to bring efficiencies in all business processes

Strategic: Increasing Input Costs

Risk	High Input costs due to higher inflation, as a result of geopolitical situation of the region, with risk of not being passed on because of market conditions Source Likelihood Priority
Associated Objective	Cost Economization
Impact	High Cost of production with a risk that it may not be passed on due to market conditions. With squeezed margins profitability can be impacted negatively **Assessed Impact:** Medium **Effect On Capital(S):** High input costs can impact the availability and affordability of financial capital
How We Manage or Mitigate Risks	**Strategy And Plan** • Optimal own captive power generation through multiple sources including Waste heat recovery, Solar and Furnace oil • Close monitoring of prices and optimum stock building of coal and other raw materials • Maximizing usage of local coal • Max possible usage of alternate fuels • Increased system efficiencies of Equipment through installation of state of the art and latest available technology • Surface water usage, currently, no site is using subsoil water due to Levy of high water charges by district authorities • Increase in market share of CEM II having lower clinkering factor and higher additives • Own manufacturing of PP bags • Stringent monitoring of fixed expenses against the budgetary limits **KPIs And Targets** • Maximum possible capacity building for low cost solar energy • Maximum utilization of local coal and alternative fuel • Vertical integration

Related Opportunity	To bring further efficiencies in processes New avenues for cost savings
Impact	**Effect On Capitals** The opportunity can impact the availability and affordability of financial, manufactured and human capital
Value Creation	• Resource conservation through process efficiencies • Usage of indigenous fuels/raw materials contributing to local economy • Usage of alternate fuels help pollution reduction

Likelihood	Very Likely	Likely	Possible
Source	External	Internal	
Priority	High	Moderate	

Financial: Credit Risk

Risk	Customers are unable to pay their obligations. Source: External Likelihood: Likely Priority: Moderate	
Associated Objective	Cost Economization	
Impact	Financial loss due to non-recoverability of receivables **Assessed Impact:** Medium **Effect On Capital(S):** It may impact the availability and affordability of financial capital	
How We Manage or Mitigate Risks	**Strategy And Plan** • Established Credit policy with assigned limits • Analysis of credit worthiness of each customer individually by the management before extending major credit • Close monitoring of credit limits and regular recovery procedures in place • Post dated cheques are obtained from dealers and bank guarantees in a few cases	**KPIs And Targets** • Adherence to credit policy • Credit exposure within authorized limits

Financial: Interest Rate Fluctuation

Risk	Financial loss due to adverse movement of interest rates Source: External Likelihood: Possible Priority	
Associated Objective	Cost Economization	
Impact	High Financial Cost in case of increased interest rates **Assessed Impact:** Low **Effect On Capital(S):** High interest rates can impact the availability and affordability of financial capital	
How We Manage or Mitigate Risks	**Strategy And Plan** • Due to good credit worthiness of the company best possible rates are obtained • Govt. specified financing schemes with minimum fixed rates are obtained i.e TERF, LTFF etc.	**KPIs And Targets** • Competitive rates • Maximum utilization of subsidized financing

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

Financial: Taxation

Risk	• There is risk of tax litigation from the revenue authorities • Risk of Non Compliance of applicable taxation laws Source: External Likelihood: Possible Priority	
Associated Objective	Sustainability	
Impact	• Legal penalties and financial loss in form of default surcharge and financial penalties • Hindrance in business operations in case of any litigation as the authorities are empowered to freeze bank accounts and business assets • Inaccurate tax planning could cause major financial loss **Assessed Impact:** High **Effect On Capital(S):** Legal penalties and financial losses can impact the affordability and availability of financial capital	
How We Manage or Mitigate Risks	**Strategy And Plan** • Legislative and regulatory changes are closely monitored and their impact on Company's operations are evaluated through qualified and dedicated staff • Business transaction are framed by keeping in view the applicable laws and regulation to avoid any violation • Company has maintained and implemented robust documentation and record keeping system to provide the tax authorities the required supporting in case of tax audit • Reputable Tax practitioners/ lawyers are hired for tax litigations and seeking advice on tax matters	**KPIs And Targets** • Compliance with applicable taxation laws • Target is to minimize the tax related litigations through compliance

Related Opportunity	• Low-cost financing arrangement • Efficient treasury operations
Impact	**Effect On Capitals** Financial Capital
Value Creation	• Adherence to applicable laws and contribution to national exchequer as per law and contribution to national economy

IT related Risk: Disaster Recovery Management

Risk	There is possibility of: • Natural disaster to equipment's & hardware • Hardware failure • Failure of WAN – datalinks • Failure of firewall Source Likelihood Priority
Associated Objective	Sustainability
Impact	It could stop company's operations, data/information loss can occur which will have very serious financial impact and reputational loss. **Assessed Impact:** Low **Effect On Capital(S):** This could affect the availability, quality and affordability of all capitals

How We Manage or Mitigate Risks	**Strategy And Plan**	**KPIs And Targets**
	• To guarantee the uninterrupted availability of the ERP (SAP) system, industry-certified renowned hardware providers are selected. • Our SAP infrastructure follows SAP's recommended deployment model across three sites. The Primary and High Availability (HA) servers are located at head office, while the Disaster Recovery (DR) site operates from remote site. • The database and application servers are configured in a cluster setup, ensuring both the Production Server (PRD) and High Availability (HA) server remain consistently synchronized through real-time replication • The company has secured reliable data links from reputable internet service providers to ensure robust connectivity. • To maximize the availability of the production site the service providers has established redundant backend connectivity linking the production site to all plants. • Additionally, FCCL has implemented auto-failover SSL VPN links as a parallel backup to the primary data links, ensuring uninterrupted operations in the event of a failure. • High Availability (HA) Firewalls hardware have been provided at all locations. • As a part of business continuity plan, FCCL has implemented SAP in a manner that allows it to operate seamlessly from the disaster recovery site with minimal delay, ensuring uninterrupted functionality.	Target is to make all Equipment and Company information Safe form any type of harm

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

IT related Risk: Cyber Security

Risk	• Hackers penetration in the Company's Network • Viruses attacks and software vulnerabilities Source Likelihood Priority
Associated Objective	Sustainability
Impact	Damage to MIS and hardware **Assessed Impact:** Medium

How We Manage or Mitigate Risks	**Strategy And Plan**	**KPIs And Targets**
	• Hardware firewalls are deployed at all locations to prevent and block hacking attempts. These firewalls are equipped with advanced features, including anti-spam, antivirus, Intrusion Prevention System (IPS), web service protection, and Advanced Threat Protection (ATP) capabilities. • Regular penetration testing is done by third party. • Servers and endpoints are safeguarded with industry-leading security solutions, specifically TrendMicro Deep Security Manager and TrendMicro Endpoint Protection Platform (EPP) software, ensuring comprehensive protection against potential threats. • Implemented Microsoft Endpoint Configuration Manager to streamline security patch management, perform routine patch assessments, and prioritize updates for critical systems.	Target is to make all Equipment and Company information Safe form any type of harm

Sustainability and Environmental: Employees' Health and Safety

Risk	Cement manufacturing involves significant occupational health and safety hazards. These hazards may result in occupational injuries or serious incidents if not effectively controlled. Source Likelihood Priority	
Associated Objective	Sustainability	
Impact	High rates of safety incidents or fatalities may result in financial losses, legal liabilities, operational disruptions and reputation damage. **Assessed Impact:** Low **Effect On Capital(S):** This could affect the employee well-being, operational continuity, workforce morale, stakeholder trust, regulatory action and the Company's reputation.	
How We Manage or Mitigate Risks	**Strategy And Plan** • Implementation of comprehensive Occupational Health & Safety Management Systems across all manufacturing facilities. • Implementation of Risk-based Process Safety Management, critical control management, PTW and energy isolation for high-risk activities. • Regular exposure assessments, health surveillance and effective dust-emission/ exposure controls. • Prioritizing hazard elimination, substitution and engineering controls, supported by warning, administrative controls and PPE. • Behavior-Based Safety, competency development and employee engagement to strengthen safe behaviors and compliance. • Regular HSE audits, inspections, incident investigations and monitoring of leading and lagging indicators to drive continual improvement.	**KPIs And Targets** • Zero work-related fatalities and serious injuries. • 100% compliance with applicable occupational health and safety laws and regulatory requirements. • Continuous improvement in leading and lagging HSE performance indicators.

Related Opportunity	• Ensure effective implementation of HSE IMS and PSM to protect employees and contractors from workplace hazards and prevent injuries, occupational illnesses and unsafe exposures.
Associated Objective	Sustainability
Impact	**Effect On Capitals** Human Capital, Social and relationship Capital
Value Creation	• Employee safety from any work related injuries • Safe and healthy working environment for employees

Sustainability and Environmental: Environmental Legal Exposure

Risk	Noncompliance of Environmental Laws Source Likelihood Priority	
Associated Objective	Sustainability	
Impact	The company prioritizes the environmental sustainability in all its operations and activities. However, certain threats do prevail. **Legal Exposure** a) Noncompliance of NEQS/PEQS. b) New regulations e.g. water, Co2. **Assessed Impact:** LOW **EFFECT ON CAPITALS** This could affect the availability and affordability of natural, social and relationship and manufactured Capitals	
How We Manage or Mitigate Risks	**Strategy And Plan** • We are complying with all PEQS/NEQS • Monthly monitoring by 3rd party is also done. • Various dust collecting equipment (Electrostatic Precipitators, Bag Filters) has been installed at all plants at key dust producing units (Kiln, Raw Mills, Coal Mills, Cement Mills and Conveyor Belts) • Outside storage sheds for coal storage have being constructed. • Extensive plantation of trees around manufacturing plants is undertaken for green belt development. • Use of (cementitious) material in new products to reduce carbon foot print • Alternate Energy production – solar power generation, power generation through WHR	**KPIs And Targets** • Compliance with all PEQS/NEQS • Voluntary adoption of international disclosure standards regarding environment

Related Opportunity	Adherence of applicable laws
Associated Objective	Sustainability
Impact	**Effect On Capitals** Natural, social and relationship and manufactured Capitals
Value Creation	Contribution towards environment and communities in which company operates

Sustainability and Environmental: Green House Gas Emissions

Risk	Evolving pressure of net zero base manufacturing, globally, may lead to distrust and legal complications Source Likelihood Priority	
Associated Objective	Sustainability	
Impact	Evolving pressure of net zero base manufacturing, globally, may lead to distrust and legal complications **Assessed Impact:** Low **Effect On Capital(S):** This could affect the availability and affordability of natural, social and relationship and manufactured Capitals	
How We Manage or Mitigate Risks	**Strategy And Plan** • R&D on new products with low clinker factor • Enhanced CEM II production • Partial compensation through tree plantation • Enhanced Alternative Fuels consumption • Green energy production	**KPIs And Targets** Minimization of GHG emission – refer sustainability report

Related Opportunity	Low greenhouse gas emissions and environment protection
Associated Objective	Sustainability
Impact	**Effect On Capitals** Natural, social and relationship and manufactured Capitals
Value Creation	• Contribution towards environment and communities in which company operates • Low carbon emission leads to environment protection

Sustainability and Environmental: Water Scarcity

Risk	Depleting underground water resources Source Likelihood Priority	
Associated Objective	Sustainability	
Impact	Production Loss **Assessed Impact:** Low **Effect On Capital(S):** This could affect the availability and affordability of natural, social and relationship and manufactured Capitals	
How We Manage or Mitigate Risks	**Strategy And Plan** • Waste water recycling and usage of rain water for harvesting and recharge of water table. • Surface water usage for industrial purposes at all locations with abundant supply of water • No subsoil water usage for industrial purpose at any location	**KPIs And Targets** Zero subsoil water usage for industrial purposes

Sustainability and Environmental: Adherence to applicable laws

Risk	Possibility of noncompliance with the applicable laws and regulations Source Likelihood Priority
Associated Objective	Sustainability
Impact	In case on any noncompliance company can be penalized in accordance with relevant laws and regulations. Further, Company can be dragged into litigations and this could cause hindrance in operations **Assessed Impact:** Low **Effect On Capital(S):** This could affect the availability and affordability of financial, social and relationship capital
How We Manage or Mitigate Risks	**Strategy And Plan** • The specific departments/employees are instructed to adhere to the applicable laws. • Updating and educating employees about all applicable laws. • Engagement of external consultants/ lawyers for expert advice and any litigation. • Regular Coordination with all regulatory authorities SECP, PSX, CDC, EOBI, PESSI etc. **KPIs And Targets** Adherence to all applicable laws in every sphere of business operations

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

BOARD RISK MANAGEMENT STATEMENTS

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

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

Board Statement About Robust Assessment of Principal Risks

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

RISK MANAGEMENT FRAMEWORK

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

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

Risk Methodology

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

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

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

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

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

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

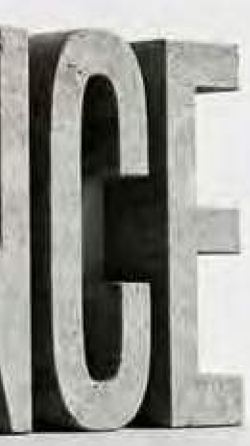
RISK OF SUPPLY CHAIN DISRUPTION DUE TO AN ESG INCIDENT AND COMPANY'S STRATEGY FOR MONITORING AND MITIGATING THESE RISKS

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

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

For further detail, refer to sustainability report


GOVERNAN



CORPORATE GOVERNANCE

At Fauji Cement Company Limited, enduring success is built on the integrity with which every decision is made. We are firmly committed to transparency, accountability and ethical conduct not as a compliance obligation but as a reflection of who we are as an organization.

Our experienced Board of Directors provides the independent oversight necessary to ensure that strategic decisions remain aligned with the long-term interests of all stakeholders. Through robust internal controls, a sound risk management framework and strict regulatory compliance, FCCL maintains the financial discipline and operational integrity that our stakeholders rely upon.

These principles are not policies confined to boardrooms, they are embedded into the very culture of our organization. It is this commitment that continues to earn stakeholder trust, elevate shareholder value and reinforce our leadership position in the Cement Industry, as we remain steadfast in our pursuit of innovation, responsible growth and a future built to last.

Corporate Governance Structure

Corporate governance at FCCL is more than a framework; it is the foundation upon which our integrity and long-term success rest. We hold ourselves to clear standards of integrity, responsibility and ethical conduct and these standards apply uniformly across every function and level of the Company.

Responsible leadership and effective oversight allow us to protect stakeholder interests, meet regulatory expectations and deliver value that is both meaningful and lasting. Our governance practices support sound decision-making, disciplined risk management and a consistent adherence to our core values of principle, accountability and purpose.

This is how we maintain the trust of our shareholders, partners and the communities we serve and how we intend to keep it.

Chairman's Role

The Chairman holds a pivotal role at FCCL, providing the leadership and directions necessary for the Board of Directors to discharge its governance responsibilities with purpose and effectiveness. The key responsibilities of the Chairman include, but are not limited to, the following: -

1. To set the strategic direction and vision for the company, guiding it towards sustained success.
2. To preside over Board meetings to foster effective governance and impactful decision-making.
3. To provide guidance and support to the Chief Executive Officer (CEO) to cultivate a strong leadership partnership.
4. To represent the Company to stakeholders, leaving a lasting impression of excellence.
5. To facilitate communication and alignment between the Board and the CEO, to ensure progress and organizational coherence.
6. To oversee and supervise the performance and composition of Board.
7. To promote exemplary corporate governance and the highest ethical conduct, throughout the organization.

Chief Executive Officer's Role

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

1. To implement the strategic roadmap of the Company established by the Board.
2. To oversee daily management decisions and ensuring the effective execution of financial and operational plans of the company in strict alignment with the overarching business strategy.
3. To ensure the achievement of the Company's long-term and short-term objectives.
4. To maintain effective communication with the Chairman, bringing significant Company issues to the Board's attention and representing FCCL authoritatively to shareholders, employees, government entities and the broader stakeholder community.
5. To work in the best interest of the Company, driving sustainable growth and surpassing the performance targets set by the Board.
6. To oversee the execution of financial and operational plans in alignment with the business strategy.
7. To identify potential opportunities for diversification and strategic investments, formulating recommendations for the Board consideration to secure FCCL's continued success and leadership in the cement industry.
8. To develop Key Performance Indicators (KPIs) and ensuring they are communicated throughout the organization.
9. To represent the Company in communications with shareholders, employees, government authorities and other key stakeholders.
10. To ensure the overall operational success and health of the organization.

Foreign Director

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

Director's Orientation

FCCL has implemented comprehensive orientation sessions designed to familiarize all Directors with the functioning of the Company, ensuring they are thoroughly equipped to fulfil their responsibilities. These sessions provide Directors with a comprehensive understanding of the Company's operations, applicable laws & regulations and their duties as effective stewards of shareholder interests.

In addition, FCCL has developed a formal Directors' training program that goes well beyond regulatory compliance. It systematically acquaints Directors with the Company's evolving strategic direction and the relevant legal and regulatory frameworks, ensuring they remain informed, engaged and fully empowered to lead with confidence.

Director development extends beyond formal orientation and training. Throughout the year, Non-Executive Directors benefit from regular, direct exposure to operating management and key customers, providing valuable insight into the Company's day-to-day operations. They also retain the independent right to contact any employee, customer, advisor or supplier of the Company, reinforcing their ability to exercise effective and independent oversight.

Diversity in the Board

FCCL recognizes that a diverse Board, rich in varied skills, knowledge and experience is one of the organization's most valuable assets. This deliberate breadth of perspective supports well-informed decision-making and equips the Board with the adaptability needed to navigate an ever-evolving business landscape.

By bringing together Directors of distinct backgrounds and complementary expertise, we cultivate an environment where meaningful dialogue thrives and effective problem-solving is the norm. This commitment to diversity is not incidental, it is a core principle of how we govern and a direct contributor to the informed leadership and long-term success of FCCL.

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

The Executive Director of FCCL does not serve on the Board of Directors of any other company.

Board's Function

The Board of Directors holds a central role in defining FCCL's strategic direction and securing its long-term success. Guided by their collective expertise, knowledge and experience, the Directors provide meaningful oversight and sound guidance on matters of significance to the Company's position within the Cement sector. Each strategic decision is the product of careful analysis and deliberate consideration, grounded in a long-term vision and a firm commitment to delivering sustainable value for all stakeholders. The Board's breadth of perspective and depth of experience allows FCCL to address challenges with confidence, pursue emerging opportunities and maintain a strong competitive standing. It is this culture of informed, principled leadership that continues to shape FCCL's direction and underpin its continued growth.

Decision Delegated to the Management

At FCCL, Management is entrusted with clearly defined decision-making authority, empowering them to make informed, timely choices that support the Company's growth and strategic objectives. This confidence in capable leadership allows the management team to assess market dynamics, interpret financial data and develop strategies that are firmly aligned with our long-term business goals.

By placing trust in this leadership, FCCL maintains the organizational agility and operational efficiency required to execute business plans with precision. This structure of delegated authority creates a responsive and dynamic governance model, one that allows the Company to adapt to shifting market conditions and act decisively on opportunities within the Cement industry.

Independent Oversight of Operations and Functions

FCCL maintains a structured system of oversight measures designed to strengthen the reliability of its internal controls and operational processes. This includes regular internal audits complemented by independent system audits and inspections conducted by external specialists providing objective, expert assessment of our practices and procedures. These independent evaluations offer valuable insight into areas of compliance, operational efficiency and opportunities for improvement. The findings/ conclusions reflect on our governance practices and reinforce our commitment to meeting regulatory obligations with rigour and consistency.

By integrating external reviews as a standing element of our governance framework, FCCL builds and sustains stakeholder confidence in the integrity and effectiveness of its operations upholding the standards of openness, responsibility and continuous improvement that define our culture.

Related Party Transaction

FCCL's Directors have established a clear and comprehensive policy governing related party transactions, requiring that every such transaction be conducted strictly at arm's length and on terms consistent with prevailing open market conditions. The policy's objectives are unambiguous to uphold fairness, promote openness in all dealings and eliminate any potential conflicts of interest. In adherence to these principles, every proposed related party transaction is subject to mandatory prior review and formal approval by the Board of Directors or its designated committee. This disciplined process provides stakeholders with the assurance that all related party transactions are handled with integrity in full compliance with regulatory requirements and in accordance with the highest standards of corporate governance.

Details of Related Party Transactions

In accordance with the requirements of the Companies Act and the Listed Companies (Code of Corporate Governance) 2019, complete details of all related party transactions are provided in note 42 of the Financial Statements. These transactions are reviewed quarterly by the Audit Committee before being presented to the Board for approval.

Contract or Arrangement with Related Party other than in Normal Course of Business

Not Applicable.

Disclosure and Management of the Board if any Conflict Arises

Any disagreement or dispute arising within the Company is addressed in accordance with the provisions set out in the Companies Act, 2017. During the period under review, no such conflicts or disputes were encountered.

Director's Interest in Related Party Transaction

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

Details of Any Board Meetings Held Abroad

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

Risk Management and Business Continuity

FCCL maintains a robust Business Continuity Management framework, the effective application of which remains a priority for the Company. Risk management policies are formally reviewed and updated on an annual basis to remain aligned with the evolving operational environment.

Disaster Recovery Planning

FCCL maintains a comprehensive and rigorously tested Disaster Recovery Plan, periodically assessed by the Company's IT team to confirm its effectiveness. The plan is designed to preserve the continuity of critical IT systems and data with near-zero downtime, even in the event of significant disruptions such as natural disasters, fires or other unforeseen crises. This level of preparedness allows the Company to sustain essential business functions, minimize operational impact and restore normal operations swiftly. Complementing this, FCCL has a well-defined Crisis Management Plan covering all operations including plant facilities and the head office to maintain business continuity across the organization under any circumstance. The IT Crisis Recovery Plan forms an integral part of this broader framework, focused on the rapid restoration of critical systems to limit any impact on operations. Both plans are regularly reviewed and coordinated to strengthen the Company's overall resilience and readiness.

External Search Consultancy for Appointment of any Director

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

Communication with Stakeholders

At FCCL, open and transparent communication with our stakeholders is a responsibility we take seriously. We are committed to keeping our investors, partners and customers well-informed of our operations, progress and plans through proactive engagement, regular updates and meticulously prepared annual reports. Stakeholder feedback and suggestions are actively welcomed and genuinely valued, they inform our thinking and contribute meaningfully to the shaping of our strategies. This commitment to consistent, two-way communication reflects our broader dedication to openness and accountability and forms the basis of the strong, enduring relationships we maintain with those we serve.

Employee Health, Safety and Protection

At FCCL, our employees are our most valued asset and their health, safety and wellbeing remain our foremost priority. This commitment is not confined to policy; it is actively embedded in our operations through stringent safety protocols and comprehensive training programs that equip every individual to work with confidence and care. Our dedicated safety team continuously identifies, evaluates and mitigates potential risks, implementing preventative measures that reinforce a deep-rooted culture of safety across the organization. Through consistent communication, active engagement and a shared sense of responsibility, we foster a workplace where every employee feels protected, supported and empowered. Our goal is simple that every member of our workforce returns home safely, every day.

Integrity as a Core Value

Integrity is a foundational core value at FCCL, guiding all interactions and decisions across the organization. It is integral to fostering a performance-driven culture where employees are empowered to excel. In formal recognition of its significance, integrity is embedded as one of the five key competencies in the employees' performance evaluation framework, underscoring its central role in shaping organizational conduct and culture.

The Company's Board-approved Code of Conduct establishes a comprehensive ethical framework applicable to Directors, employees and other associated persons. It incorporates a zero-tolerance approach towards bribery, corruption, facilitation payments, money laundering and other unethical or unlawful practices. The Code further governs the offering and acceptance of gifts and hospitality, political contributions, conflicts of interest, insider trading and the responsible use of Company assets, while requiring all business dealings to be conducted with integrity, transparency and full compliance with applicable legal and regulatory requirements. These standards are supported through mandatory reporting mechanisms, periodic awareness initiatives and appropriate disciplinary action in the event of any breach.

FCCL does not make political contributions or donations on behalf of the Company and prohibits the use of Company funds, assets or resources for political purposes.

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

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

Justification of Independent Directors

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

Disclosure of Director's Interest and Significant Contracts and Arrangement

FCCL maintains a formal policy governing the disclosure of Directors' interests in significant contracts and arrangements. During the year under review, no Director held any interest in related party transactions. The policy mandates timely and comprehensive disclosure of potential conflicts of interest, upholding the principles of fairness and impartiality in all corporate decision-making. This practice reflects the Company's dedication to principled governance and sustains the trust placed in it by its stakeholders.

Board's Policy on Diversity

FCCL recognizes diversity, equity and inclusion as integral to its identity and central to its continued success. We are committed to non-discrimination on the basis of gender, background or any other characteristic and upholds principles of fairness and respect across all practices and decision-making processes. The Company actively cultivates an inclusive workplace where individuals are valued for their skills, perspectives and contributions. By fostering an environment free from bias and prejudice, the Company endeavors to sustain a culture of mutual respect that drives both individual growth and organizational excellence.

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

Not Applicable. The Executive Director of FCCL is not serving as a Non-Executive Director on the board of any other company.

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

FCCL adopts a structured approach to managing and reporting its policies on procurement, waste and emissions. The Company has defined procedures to promote responsible procurement, prioritizing suppliers who adhere to ethical and sustainability standards. Alongside this, FCCL is committed to minimizing waste generation and advancing recycling through continually optimized operational processes.

The Company actively invests in environmentally advanced technologies and maintains continuous monitoring to track and reduce its carbon footprint. Through the disciplined execution of these policies and transparent reporting on performance and progress, FCCL affirms its commitment to building a sustainable value chain and conducting business in a manner that is responsible and forward-looking.

Presence of the Chairperson of the Audit Committee at the General Meetings

During the FY 2026, Annual General Meeting took place on 30 September 2025. The Chairperson of Audit Committee attended all the meetings wherein she was available to answer any question pertaining to the Board Audit Committee's activities.

Announcement of Financial Results

The organization has promptly conveyed its Quarterly, Half-Yearly, and Annual Financial Results. Following is the schedule for the Board of Directors' approval of the financial statements:

Particulars	Date of Authorization	Timeline
First Quarterly Financial Statements	27 October 2025	Within one month
Half-yearly Financial Statements	25 February 2026	Within two month
Third Quarterly Financial Statements	24 April 2026	Within one month
Annual Financial Statements	11 August 2026	Within 60 days

Commitment to Compliance

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

Composition of the Board

The total number of Directors is 9 as per following:

Male: 7
Female: 2

Particulars	Names
Independent Directors	Mr Syed Muhammad Irfan Aqueel Ms Maleeha Bangash
Non-Executive Directors	Lt Gen Anwar Ali Hyder, HI(M), Retd Maj Gen Irfan Arshad Khan, HI (M), Retd Syed Bakhtiyar Kazmi Mr Khurshid Zafar Qureshi Mr Mohammad Majid Munir
Executive Director	Mr Qamar Haris Manzoor
Female Director	Ms Saira Nasir (Independent Director as well)

Policies of Fauji Cement Company

FCCL has established a comprehensive policy and governance framework to ensure effective corporate governance, regulatory compliance, risk management, operational excellence and sustainable business practices. The framework comprises Board-approved policies, functional manuals, management systems and operating procedures covering corporate governance, ethics and compliance, finance, marketing and sales, human resources, legal affairs, supply chain, health, safety, environment, sustainability and business continuity. Key policies include, among others, the Code of Conduct, Whistle Blowing Policy, Human Resource Manual, Crisis Management Plan, Related Party Policy, Customer Credit Policy, Sales and Distribution Policy, Logistics Policy, Customer Complaint Redressal Mechanism, Risk Management and Internal Control Policy, Investment Policy, Dividend Policy, Environmental, Social and Governance (ESG) Policy, Energy Management System, Environmental Management System, Occupational Health and Safety Management System, Quality Management System and Water Efficiency Management System. The salient features of these policies are provided in this report, while the policies mandated under applicable laws and regulations, together with other relevant governance documents, are available on the Company's official website.

Investors Communication Policy

FCCL is committed to maintaining transparent, timely and effective communication with its shareholders, investors, financial analysts, regulators and other stakeholders by ensuring the accurate, consistent and timely dissemination of material information regarding the Company's business, financial performance and corporate developments. This policy establishes the framework for investor communication, regulatory disclosures and the handling of investor concerns and grievances in compliance with applicable laws, regulations and corporate governance requirements. It applies to all Company personnel involved in investor communications and covers interactions with shareholders, prospective investors, analysts, media representatives, regulators and other stakeholders. Material information is communicated through approved channels, including regulatory filings, the Company's website, annual and financial reports, press releases and shareholders' meetings. Investor concerns relating to share transfers, dividends, bonus shares, taxation matters and other shareholding-related issues may be submitted through designated communication channels and are addressed in coordination with the Share Registrar and relevant Company departments. The Company maintains records of investor communications and grievances, reviews them periodically, and ensures that all investor information is handled with appropriate confidentiality and in accordance with applicable legal and regulatory requirements.

Estate Management Policy

FCCL is committed to the efficient, transparent and legally compliant management of its estate assets through a comprehensive framework that ensures accountability, safeguards the Company's land and property interests and preserves the value of its estate holdings. This Policy applies to all estate-related activities at FCCL's Head Office, Marketing Offices and Manufacturing Units and governs the acquisition, purchase, lease, rental, management, protection and disposal of estate assets, as well as the maintenance of land and property records, prevention and management of encroachments, handling of litigation and dispute resolution, and compliance with applicable legal and regulatory requirements. The Company shall ensure that all estate-related transactions and activities are conducted through approved processes and appropriate oversight mechanisms, while maintaining accurate and reliable documentation, mitigating risks associated with unauthorized occupation and legal disputes, and protecting its property rights in the best interests of the Company and its stakeholders. The Policy applies to all employees, officers and departments involved in estate operations and establishes the governance framework for the effective administration, monitoring and safeguarding of the Company's estate assets.

Legal Management Policy

FCCL is committed to managing its legal affairs through a structured framework that minimizes legal risk, ensures compliance with applicable laws and internal governance requirements, and promotes effective dispute resolution. This Policy applies to the Legal Section and all departments involved in legal matters. All legal affairs are managed by the Legal Section under the supervision of the Company Secretary, with litigation undertaken only where necessary and preference given to mediation and arbitration. Legal cases are classified according to risk and reported to the relevant management and Board committees as appropriate. The Legal Section is responsible for managing legal records, vetting contracts and legal documents, coordinating with external legal counsel, monitoring litigation, and safeguarding confidential legal information in accordance with the Company's policies.

Policy of Records Preservation and Safety

FCCL is committed to the secure creation, management, retention and disposal of Company records to ensure their authenticity, integrity, confidentiality and availability in compliance with the Companies Act, 2017, applicable SECP and PSX regulations, and other legal requirements. This Policy applies to all business units, departments and employees of the Company. Physical and electronic records are protected through appropriate security measures and retained in accordance with the Board-approved retention schedule. Records that have exceeded their retention period are disposed of securely through approved procedures. Access to confidential records is restricted to authorized personnel, while record management practices are periodically reviewed through internal audit to ensure compliance and effectiveness.

Supply Chain Management Policy

FCCL is committed to managing its procurement and supply chain activities through a transparent, efficient and value-driven framework that ensures regulatory compliance, operational excellence and alignment with the Company's governance standards. This Policy applies to all Supply Chain Department activities, including sourcing, procurement, fuel and raw materials, contracts, packaging, logistics and indigenization, and extends to all employees, suppliers and third-party service providers engaged in supply chain operations. Procurement activities are conducted through approved processes in accordance with the Board-approved Delegation of Authority, supported by structured vendor management, risk assessment, ethical sourcing practices and comprehensive record management to ensure accountability, transparency and compliance with applicable legal, regulatory and quality requirements.

Directors' Remuneration Policy

FCCL is committed to maintaining a fair, transparent and structured framework for determining and administering the remuneration and compensation of its Directors in accordance with the Company's governance objectives and applicable legal and regulatory requirements. This Policy applies to all members of the Board of Directors, including the Chairman, Non-Executive Directors, Independent Directors and the Chief Executive Officer (CEO) acting as an Executive Director. It governs the determination, approval and administration of Directors' remuneration, meeting fees and business-related travel and other reimbursable expenses. Remuneration matters are reviewed by the HR & Remuneration Committee and approved by the Board and shareholders, where applicable, while all related payments, records and disclosures are maintained in compliance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other applicable requirements.

Whistle Blowing Policy

FCCL is committed to fostering a culture of integrity, transparency and accountability by providing a secure mechanism for reporting actual or suspected misconduct without fear of retaliation. This Policy applies to all Company affiliates, including Directors, management, employees, contractors, vendors, consultants and other business partners. It covers the reporting of fraud, financial irregularities, legal or regulatory violations, unethical conduct, misuse of Company assets, workplace harassment, insider trading, health and safety concerns and other misconduct. All disclosures must be made in good faith and are investigated confidentially and impartially, with appropriate reporting to the Managing Director, Audit Committee and Board where required. Retaliation against whistle-blowers acting in good faith is strictly prohibited, and appropriate disciplinary action may be taken where misconduct is substantiated. During the year, no whistle-blowing incidents were reported under this Policy.

Customer Credit Policy

FCCL is committed to managing customer credit through a prudent and structured framework that supports business growth while safeguarding the Company's financial interests. This Policy applies to all credit-related transactions involving dealers, distributors, institutional customers, project buyers, export customers and other approved business partners, as well as all departments involved in the evaluation, approval, monitoring and recovery of credit. Credit is granted only after due diligence and approval by the authorized authorities, with limits determined based on customer creditworthiness, financial strength and payment history. Outstanding credit is monitored regularly, and overdue accounts are managed through established recovery procedures, including legal action where necessary. Credit limits are reviewed periodically, and all credit-related activities are conducted in compliance with the Company's governance framework, approved authorities and applicable legal and regulatory requirements.

Sale & Distribution (Cement and Tile Bond) Policy

FCCL is committed to conducting the sale and distribution of its cement products and Fauji Tile Bond (FTB) through a fair, transparent and efficient framework that promotes customer satisfaction, operational excellence and compliance with applicable legal and regulatory requirements. This Policy applies to all Project and Institutional Sales, Dealer Sales, Export Sales and the sale and distribution of Fauji Tile Bond, as well as all personnel and departments involved in dealer onboarding, sales planning, pricing, credit management, order booking and processing, dispatch, billing, recovery and market monitoring.

All sales transactions are conducted in accordance with approved pricing, credit, documentation and authorization procedures, supported by ERP/SAP systems where applicable. The Company continuously monitors market conditions, customer demand and competitor activity to support effective pricing, distribution and commercial performance. The Marketing & Sales, Finance, Tax, Legal, Logistics and other relevant departments perform their respective functional responsibilities to ensure efficient order execution, regulatory compliance and sound commercial governance.

Logistic Policy

FCCL is committed to managing its logistics operations through a structured, efficient and transparent framework that ensures the timely, safe and cost-effective transportation of its products while complying with applicable legal and regulatory requirements. This Policy applies to all logistics activities relating to dealer, project and export sales, including transporter appointment and management, freight rate determination, dispatch coordination, freight billing, payment processing, complaint handling and performance evaluation. Transporters are selected and managed through approved procedures, while freight rates, billing and payments are administered in accordance with the Company's delegated authorities and governance framework. The Policy also establishes responsibilities for transit risk, dispute resolution and coordination among the Marketing & Sales, Finance, Tax, HSE and other relevant departments to ensure efficient logistics operations and continuous service improvement.

Customer Complaint Redressal Mechanism

FCCL is committed to resolving customer complaints in a fair, timely and transparent manner to enhance customer satisfaction and maintain the quality and reliability of its products and services. This Policy applies to all complaints relating to the manufacture, sale, distribution, marketing, delivery, pricing, quality and after-sales services of cement products and Fauji Tile Bond (FTB), and covers all customers, dealers, retailers, transporters and other stakeholders. Complaints received through any communication channel are recorded, investigated and resolved through a structured process involving the Marketing & Sales Department and relevant functions, including Operations, Quality Control, Finance and Legal. Quality-related complaints are managed through the Company's ERP/SAP system with defined reporting, investigation and escalation procedures, while legal complaints are handled in coordination with the Legal Department. The Company ensures that all complaints are addressed impartially, confidentially and without retaliation, with corrective actions implemented and outcomes communicated to the appropriate management.

Direct / Welfare Sales (Cement and Fauji Tile Bond)

FCCL is committed to conducting direct and welfare sales of cement and Fauji Tile Bond (FTB) through a transparent, efficient and customer-focused framework that ensures compliance with approved pricing, applicable tax laws and internal governance requirements. This Policy applies to all personnel and departments involved in the processing, pricing, billing, payment collection, dispatch and customer service of direct and welfare sales for eligible customers.

All sales transactions are processed through SAP and supported by appropriate documentation, with pricing, discounts and approvals administered in accordance with the Company's delegated authority to ensure effective internal controls, operational efficiency and a consistent customer experience. In the case of Fauji Tile Bond, the Company further ensures that products supplied under this Policy are utilized solely for the approved project or intended purpose through appropriate oversight and periodic review, thereby safeguarding Company interests and maintaining compliance.

Risk Management and Internal Control Policy

FCCL is committed to maintaining an effective enterprise-wide risk management and internal control framework that supports informed decision-making, safeguards the Company's assets, reputation and stakeholders' interests, and ensures compliance with applicable legal and regulatory requirements. This Policy applies to the Board of Directors, the Audit Committee, all departments, business units and employees involved in identifying, assessing, managing, monitoring and reporting risks. It covers strategic, operational, financial, compliance, reputational, ESG-related and other material risks, which are managed through defined governance structures, periodic risk assessments, maintenance of risk registers, implementation of appropriate internal controls, continuous monitoring and regular reporting to strengthen organizational resilience and support the achievement of the Company's strategic objectives.

Debt Coverage and Leverage Management Policy

FCCL is committed to managing its debt and leverage position through a prudent and sustainable framework that safeguards liquidity and solvency, ensures compliance with financing covenants and supports the Company's strategic and capital planning objectives. This Policy applies to all borrowings, financing arrangements, guarantees and contingent liabilities, including short-term and long-term, conventional and Islamic financing facilities, lease obligations and other debt instruments. It establishes the governance framework for evaluating financing decisions, monitoring debt coverage and leverage indicators, ensuring compliance with lender and regulatory requirements, and maintaining transparent financial reporting and effective oversight by the Board of Directors and Audit Committee.

Dividend Policy

FCCL is committed to adopting a prudent and transparent approach to the declaration and distribution of dividends that balances shareholder returns with the Company's financial strength, liquidity, growth objectives and long-term sustainability. This Policy applies to the Board of Directors, management and all relevant departments involved in financial planning, regulatory compliance, shareholder communication and the declaration and distribution of dividends. Dividend decisions are made at the discretion of the Board after considering profitability, cash flows, available reserves, working capital requirements, future investment plans, financing obligations and applicable legal and regulatory requirements, while ensuring fair treatment of shareholders and timely statutory disclosures and payments.

Investment Policy

FCCL is committed to managing its surplus funds through a prudent investment framework that preserves capital, maintains adequate liquidity and optimizes returns while supporting the Company's operational, financial and strategic objectives. This Policy applies to the Board of Directors, Chief Financial Officer, Finance Department and other personnel involved in treasury and investment management. Investments are made in approved financial instruments in accordance with the principles of Safety, Liquidity and Yield (SLY), supported by defined authorization limits, diversification requirements, risk management measures and applicable legal and regulatory requirements to ensure sound treasury management and effective governance.

Capital Expenditure, Planning and Control and Sale of Leased/ Owned Assets

FCCL is committed to managing its capital expenditure and asset portfolio through a structured framework that promotes prudent capital allocation, operational efficiency, effective asset stewardship and compliance with applicable legal, regulatory and accounting requirements. This Policy applies to the planning, budgeting, approval, execution and monitoring of capital expenditure, as well as the lease, sale and disposal of the Company's assets and undertakings. It establishes governance mechanisms for evaluating and approving capital projects and asset transactions, supported by disciplined budgeting, financial and operational assessments, performance monitoring, post-implementation reviews and appropriate internal controls to ensure transparency, accountability and the achievement of the Company's strategic objectives.

Write-off of Bad/ Doubtful Debts, Advances and Receivables Policy

FCCL is committed to managing the identification, assessment, approval and accounting treatment of bad and doubtful debts, advances and receivables through a transparent and well-governed framework that safeguards the Company's financial interests and ensures compliance with applicable laws, International Financial Reporting Standards (IFRS) and the Company's Accounting Manual. This Policy applies to all write-offs recorded in the Company's books and to all Directors, management and employees involved in the evaluation, approval, accounting, legal review, reporting and monitoring of such write-offs. It establishes clear governance, documentation and approval requirements, while preserving the Company's legal rights to pursue recoveries and promoting accurate financial reporting, accountability and prudent financial management.

Energy Management System Policy

FCCL is committed to improving its energy performance through the efficient and responsible management of energy resources in support of sustainable manufacturing and compliance with applicable legal and regulatory requirements. This Policy applies to all manufacturing facilities, operational sites, departments and employees whose activities may affect the Company's energy performance. It establishes the framework for planning, monitoring, measuring and continually improving energy use through the implementation of the Energy Management System (EnMS), the management of Energy Performance Indicators (EnPIs), compliance with energy-related obligations and the adoption of energy efficiency initiatives across the Company's operations.

Environmental Management System Policy

FCCL is committed to managing the environmental impacts of its operations through a structured Environmental Management System (EMS) that promotes sustainable manufacturing, pollution prevention, responsible use of natural resources and compliance with applicable legal and regulatory requirements. This Policy applies to all manufacturing facilities, operational locations and employees whose activities may affect the Company's environmental performance. It establishes the framework for identifying and managing environmental aspects, setting environmental objectives, monitoring performance and driving continual improvement to support sustainable development and responsible environmental stewardship across the Company's operations.

Occupational Health and Safety Management System Policy

FCCL is committed to providing a safe and healthy workplace by implementing an effective Occupational Health and Safety Management System (OHSMS) that promotes hazard identification, risk assessment, accident prevention and continual improvement in health and safety performance. This Policy applies to all FCCL locations, operational activities and individuals working on behalf of the Company, including employees, contractors, consultants and visitors where applicable. It establishes the framework for managing occupational health and safety risks, complying with applicable legal and regulatory requirements, encouraging active participation in safety initiatives and fostering a culture of shared responsibility to protect people, assets and business operations.

Quality Management System Policy

FCCL is committed to maintaining an effective Quality Management System (QMS) that ensures the consistent delivery of products and services meeting customer expectations, applicable standards and regulatory requirements. This Policy applies to all manufacturing facilities, business functions and personnel whose activities influence product quality or customer satisfaction. It establishes the framework for quality planning, production, testing, monitoring and continual improvement, while promoting operational excellence, process discipline, risk-based decision-making and customer focus to enhance product reliability, business performance and long-term sustainable growth.

Water Efficiency Management System Policy

FCCL is committed to the responsible and efficient management of water resources through a structured Water Efficiency Management System that promotes water conservation, sustainable resource utilization and continual improvement in water performance. This Policy applies to all FCCL facilities, operations and personnel whose activities influence water consumption or water management practices. It establishes the framework for planning, monitoring and optimizing water use, implementing conservation and efficiency initiatives, managing water-related risks and opportunities, and ensuring compliance with applicable legal and regulatory requirements to support sustainable manufacturing and environmental stewardship.

ESG Policy

FCCL is committed to integrating Environmental, Social and Governance (ESG) principles into its business strategy, operations and decision-making to support sustainable growth, responsible business practices and long-term value creation. This Policy applies to all employees, departments and operations across the Company's Head Office, Marketing Offices and Manufacturing Units. It establishes the framework for managing environmental stewardship, social responsibility and corporate governance through defined objectives, ethical business conduct, human rights, occupational health and safety, climate and resource management, stakeholder engagement, transparent reporting and regulatory compliance. The implementation and oversight of this Policy are supported by the Board of Directors, the ESG Committee, the ESG Management Committee and other designated governance bodies to ensure accountability, continual improvement and compliance with applicable legal, regulatory and sustainability reporting requirements.

HR Policies

FCCL has established a comprehensive Human Resource (HR) policy framework to support effective people management, promote fairness and consistency in HR practices, enhance employee development and well-being, and ensure compliance with applicable laws, regulations and internal governance standards. The framework applies to all employees across the Company and covers the entire employee lifecycle, including recruitment, onboarding, performance management, compensation and benefits, learning and development, succession planning, diversity, equity and inclusion, employee engagement, workplace discipline, anti-harassment, travel, leave, health and welfare, and other employment-related matters. The Company's HR framework comprises detailed policies and operating procedures that provide standardized guidance for the administration of all human resource functions and foster a productive, inclusive and high-performance work environment.

Crisis Management Plan

FCCL is committed to maintaining a coordinated and effective framework for identifying, responding to, managing and recovering from crises that may affect its employees, operations, assets, financial position, environment, reputation or business continuity. This Plan applies to all Company operations, including manufacturing plants, the PP Bags Unit, Head Office, Marketing and Sales Offices, subsidiaries and other locations under FCCL's operational control, and covers operational, environmental, security, financial and other crisis situations. It establishes the governance structure, roles, communication protocols and response mechanisms required to ensure timely decision-making, effective resource allocation, regulatory compliance, business continuity and the safe restoration of normal operations while protecting the interests of the Company and its stakeholders.

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

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

DIRECTORS' REPORT

The Board of Directors of Fauji Cement Company Limited (FCCL) presents the Directors' Report along with the audited financial statements for the year ended 30 June 2026.

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

Economic Overview

Pakistan's economy showed notable improvement during FY 2025–26, with GDP growth accelerating to 3.70% (up from 3.18% in FY 2024–25). This momentum was driven by a 4.09% expansion in the Services Sector and a 3.51% recovery in the Industrial Sector, which was anchored by a 6.11% spike in Large Scale Manufacturing (LSM) that reversed the previous year's contraction. Backed by a 10.1% increase in FBR tax collections, the fiscal deficit narrowed to a 21 year low of 3.6% of GDP, down significantly from 5.4% in FY 2024–25.

However, the trade deficit swelled to $39.47 billion (up from $32.47 billion in FY 2024–25) as imports climbed 7.89% to $69.60 billion while exports fell 5.97% to $30.13 billion. This widening gap was fueled by costly energy imports, reviving industrial demand, trade suspension with Afghanistan and surging freight costs due to geopolitical situation in the region. Historic workers' remittances of $41.6 billion allowed Pakistan to avert a balance-of-payments crisis and maintain a narrow current account surplus.

Cement Industry Overview

Pakistan's cement sector experienced a strong turnaround in FY 2025–26, growing by 7% compared to a modest 2% in FY 2024–25, primarily driven by domestic recovery. Total cement dispatches reached 50.51 million tons (up from 47.12 million tons in FY 2024–25). Domestic dispatches led this upward momentum with a robust 10% increase, rising to 41.51 million tons from 37.91 million tons. Conversely, export sales declined by 2% from 9.2 million tons to 9 million tons impacted by border closures with Afghanistan.

Company's Performance

FCCL's total cement dispatches reached 5.7 million tons (up from 5.37 million tons in FY 2024–25), comprising domestic sales of 5.4 million tons (previously 4.81 million tons) and export sales of 0.30 million tons (down from 0.56 million tons) due to closure of Afghanistan Borders. However, backed by a successful marketing strategy, the Company achieved 55% capacity utilization. FCCL delivered a Profit after Tax (PAT) of Rs 16.18 Billion, a 21% improvement over FY 2025.

Financial Highlights Table

The Company's financial highlights for FY 2026 are presented below: -

Particulars	2026	2025	Change	% Change
Gross Revenue	141,788,110	131,434,552	10,353,558	8
Net Revenue	93,690,178	88,956,328	4,733,850	5
Gross Profit (%)	35	35	-	-
EBITDA	33,064,211	31,696,991	1,367,220	4
PBT	24,522,829	21,525,520	2,997,309	14
PAT	16,182,912	13,326,202	2,856,710	21
EPS – Rs	6.60	5.43	1.17	22

Revenues

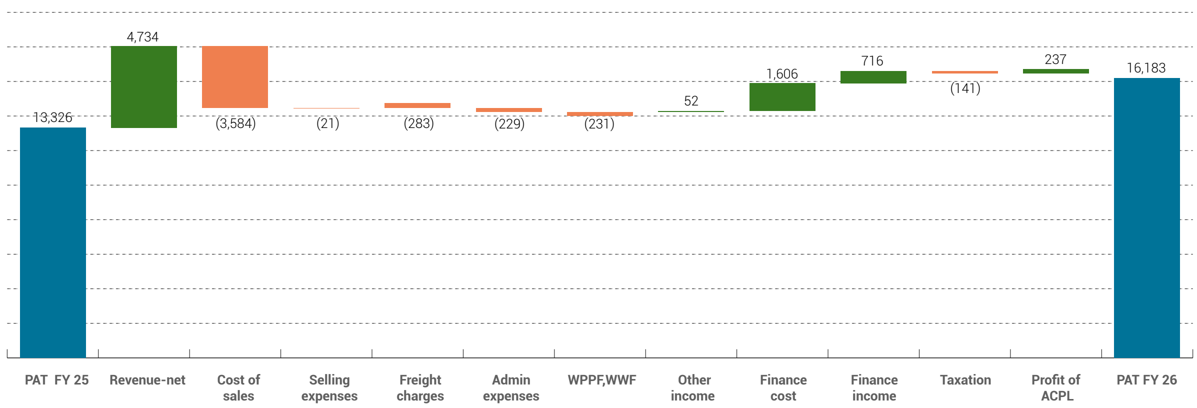
Overall sales revenue increased by 8% during the year on account of higher dispatches. Local sales revenue rose by 11% while export revenue dropped by 48% mainly as a result of closure of Afghanistan border since October 2025.

Cost of Sales

Despite the increase in input costs during the year, the Company managed to keep its cost under control. Cost of production increased by a nominal amount of Rs 64 per ton (1% over FY 2025) despite of inflation and challenging environment. This was accomplished due to the following cost optimization initiatives undertaken by the Management during the year: -

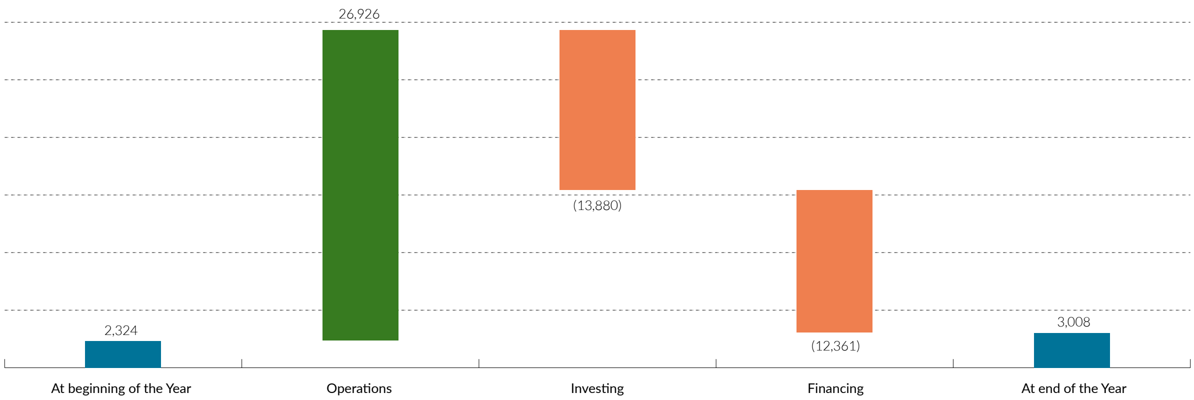
Financial Performance

Rs in Mn



Cash Flows

Rs in Mn



- Reduction in power cost through enhanced own power generation and reduction in power tariff.
- Use of multiple types of alternative fuels.
- Meeting almost 100% of packing bags requirement through self-production.
- Rationalization of fixed costs.

Gross Profit

The Company maintained its Gross Profit Margin at 35% during the year supported by higher sales volumes and realization of cost optimization initiatives undertaken by the Management.

Finance Cost

On account of early payment of long term loans, overall finance cost decreased during the year to Rs 4,167 million as compared to Rs 5,772 million with the corresponding period of the previous financial year.

Financial Position

Net Worth

Net worth of the Company increased by Rs 13,100 million during the year; thereby increasing to Rs 97,372 million, translating into a breakup value of Rs 40 per share. The net worth registered an increase of 16% in comparison to the last financial year.

Long Term Loans and Deferred Government Grants

Long-term loans and deferred government grant (including the current portion) stood at Rs 27,228 million, decreasing by Rs 5,247 million over the previous financial year due to early and normal debt servicing during FY 2026.

Deferred Tax Liabilities

Deferred tax liabilities increased by Rs 259 million during the year and stood at Rs 19,954 million. The increase was attributable to addition in fixed assets during the year.

Short Term Borrowings

Short term borrowing balance stood at Rs 2,469 million which increased by Rs 277 million over previous financial year with no material change during the year.

Trade & Other Payables and Accrued Liabilities

Trade and other payables were recorded at Rs 5,373 million at year end, representing an increase of Rs 1,438 million as compared to the last financial year, mainly on account of increase in sales tax payable and Federal Excise Duty payable on cement. Accrued liabilities stood at Rs 13,265 million, increasing by Rs 4,189 million over the previous financial year primarily due to the accrual of Royalty on lime stone and clay extraction charged during the year as per Government of Punjab's Mines and Minerals Laws, the recovery of which was stayed by the Supreme Court of Pakistan.

Property, Plant and Equipment

The total value stood at Rs 106,869 million; a decrease of Rs 2,710 million as compared to the previous financial year, primarily due to depreciation charge for the year. Additions made during the year were Rs 2,153 million.

Long Term Investment

At year end, the Company had a long term equity investment of Rs 21,197 million in Attock Cement of Pakistan Limited (ACPL) representing 46.02% equity stake in ACPL.

Stores, Spares and Loose Tools

Stores, spares and loose tools were valued at Rs 11,323 million with an increase of Rs 946 million as compared to the previous financial year mainly on account of increase in Coal stock at the year end.

Short Term Investments and Cash & Bank Balances

During the year, the Company redeemed short-term investment amounting to Rs 7,303 million to meet the liquidity requirement of the Company and stood at Rs 1,924 million at the year-end as compared to Rs 9,210 million of previous financial year. Cash and Bank balances at the year-end stood at Rs 3,682 million as compared to Rs 2,665 million of previous financial year.

Contribution to National Exchequer

FCCL contributed Rs 57 billion (in comparison to Rs 48.2 billion for the previous year) to the national exchequer on account of income tax, excise duty, sales tax and other Government levies. Valuable foreign exchange to the tune of US $ 15.8 million was generated by FCCL from the export of cement during the year.

Dividend

Based on the performance of the Company, the Board is pleased to propose a final Dividend @15% (Rs 1.50 per ordinary share) for the year ended 30 June 2026. This final Dividend is subject to the approval of shareholders at the Annual General Meeting scheduled to be held on 28 September 2026.

Statutory Matters

Material Changes on Commitments

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

Information about Defaults in Payments of Debt

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

Outstanding Statutory Dues

The Company has no outstanding statutory dues.

Risk Management

Risk management framework, methodology and key risks along with mitigating steps/ strategies are set out in the Risk and Opportunities Section of this Annual Report (page 84).

Employees' Provident Fund

The total value of the employees' Provident Fund as of 30 June 2026, remained as given below: -

S/No	Category of Staff	Rs in Million
a.	Management Staff	2,011
b.	Non- Management Staff	1,174
Total		**3,185**

Board of Directors

Composition of the Board

FCCL's nine member Board of Directors (including Executive Directors) brings together a broad range of expertise, experience and perspectives to provide effective strategic direction and oversight. Committed to safeguarding the interests of all stakeholders and creating long-term value for the Company, the Board promotes sound governance, informed decision-making and accountability. This balanced and forward-looking approach supports FCCL's sustainable growth ambitions and reinforces its commitment to the highest standards of corporate governance.

Total Number of Directors

Apart from the CEO/ MD FCCL (Executive Director), the Board was comprised of following number of Directors: -

Male	6
Female	2

Board Composition

Independent Directors	2
Independent/Female Director	1
Non-Executive Directors	5
Executive Director (CEO)	1
Total	9

Board Diversity (Female Directors)

FCCL continued its commitment to progressive corporate governance through the representation of two female Directors on its Board. This representation not only exceeded the minimum regulatory requirement but also underscored the Company's commitment to fostering gender diversity and inclusive leadership at the highest level of decision-making.

Attendance of Board of Directors during FY 2026

Directors	Total Number of Meetings
Lt Gen Anwar Ali Hyder, HI (M), Retd, Chairman	5
Mr Qamar Haris Manzoor (CEO/ MD)	5
Maj Gen Tariq Qaddus, HI (M), Retd	5
Syed Bakhtiyar Kazmi	5
Mr Mohammad Majid Munir	4
Mr Syed Muhammad Irfan Aqueel	5
Ms Maleeha Bangash	5
Ms Saira Nasir	5
Mr Khurshid Zafar Qureshi	5
Maj Gen Irfan Arshad Khan, HI (M), Retd	Joined on 30 April 2026

Changes in Directors

a. The following Director resigned during the year:

1.	Maj Gen Tariq Qaddus, HI(M), Retd	30 April 2026

b. The following Directors were appointed to the Board during the year:

1.	Mr Mohammad Majid Munir	16 Sep 2025
2.	Maj Gen Irfan Arshad Khan, HI(M), Retd	30 April 2026

c. The Board of Directors placed on record its appreciation for the valuable contributions made by the outgoing Directors and welcomed the new members.

Board Committees

Composition of the Committees

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

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

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

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

Board Effectiveness

Directors Training Program

FCCL ensured that all Board members successfully completed certified Directors Training Programs conducted through institutions approved by the Securities and Exchange Commission of Pakistan (SECP). In line with the Listed Companies (Code of Corporate Governance) Regulations - 2019 and international best practices, these programs enhanced the Board's understanding of applicable regulatory requirements and governance responsibilities.

Evaluation of the Board, Committees and Individual Directors

In accordance with the Listed Companies (Code of Corporate Governance) Regulations -2019, the performance of the Board and its supporting Committees were evaluated in the following areas: -

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

External Evaluation of the Board

To enhance the transparency of the evaluation process a third party assessment was conducted by the Pakistan Institute of Corporate Governance (PICG), a well renowned institution in Pakistan, to evaluate the performance of Directors. Accordingly, the results were presented to the Board, identifying areas for further improvement.

Performance Evaluation of the Board

The Board concluded that its overall performance was satisfactory following the annual evaluation conducted in accordance with Section 192 of the Companies Act - 2017.

Chairman's Review of the Performance of the Board

The Chairman's Comprehensive Review of the Board's overall performance and effectiveness in advancing the Company's objectives was presented in detail within the dedicated 'Chairman's Review' Section of this report. The Chairman's Review provided the assessment required under the Listed Companies (Code of Corporate Governance) Regulations - 2019.

CEO's Performance Review by the Board

The CEO of FCCL was appointed for a three-year term beginning from the date of the Directors' election. Throughout this period, the Board carried out regular, structured performance reviews measured against annual targets set at the start of each financial year. This evaluation framework kept the CEO's priorities in step with the Company's strategic goals while ensuring delivery against key performance indicators (KPIs). The Board periodically evaluated the CEO's performance against approved objectives and key performance indicators in accordance with applicable governance requirements.

Governance Framework

Board's Role and Decision Making

The Board of Directors of FCCL remained committed to cultivating a value driven and performance-oriented culture that supported the Company's growth trajectory and reinforced its accountability to shareholders. In fulfilling its fiduciary responsibilities, the Board maintained compliance to all applicable legal and regulatory frameworks, ensuring that governance standards were never compromised.

Every strategic decision was subject to thorough analysis and careful deliberation, with due consideration given to balancing the long-term interests of the Company with those of its shareholders. Under the Chairman's distinguished leadership, the Board provided robust strategic direction and oversight to the Management, ensuring coherent alignment with corporate objectives and the effective execution of key initiatives.

This integrated and collaborative approach ensured that all actions remained purposefully directed toward sustainable value creation and enduring organizational success. By fostering a culture of accountability, strategic discipline and shared purpose, the Board continued to lay a strong foundation for FCCL's long-term growth, resilience and stakeholder trust.

Vision, Mission and Corporate Strategy by the Board

After a thorough review, the Board of Directors revised Company's Vision, Mission and Corporate Strategy, confirming that these remain aligned with the Company's long-term objectives and core principles. These continue to guide decision-making across the organization, provide strategic direction for its operations and support the achievement of long term objectives while reinforcing the Company's commitment to excellence, innovation and sustainability.

Ethics and Compliance

The Board of Directors established a comprehensive governance and legal framework, aligned with all applicable laws and regulations. To enhance oversight and support the discharge of its fiduciary responsibilities, the Board constituted specialized Committees with clearly defined mandates. These Committees provided strategic guidance, oversight and recommendations in their respective areas of responsibility. The Board also oversaw Management's execution of key initiatives, efficient utilization of resources, evaluation of investment opportunities and capital structure decisions. Ethics and integrity remained central to all aspects of business conduct, supported by a company-wide Code of Conduct accessible through the corporate website, while the Audit Committee received regular briefings on risk management policies and the effectiveness of internal controls collectively ensuring the Company's operations adhered to the highest standards of ethical behavior and regulatory compliance.

Qualification of CFO and Head of Internal Audit

The Chief Financial Officer (CFO) and Head of Internal Audit at FCCL were supported by a capable team of professionals with the expertise needed to effectively manage financial operations and maintain strong internal controls and governance standards. The qualifications and experience of these officers fully met the requirements set out under Regulation 22 (for the CFO) and Regulation 23 (for the Head of Internal Audit) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Change of Chief Financial Officer

The Board of Directors approved the appointment of Mr Qaiser Mehmood as Chief Financial Officer (CFO) of Fauji Cement Company Limited with effect from 2 May 2026, succeeding Mr Omer Ashraf.

The Board placed on record its sincere appreciation for the valuable contributions and dedicated services rendered by Mr Omer Ashraf during his tenure with the Company. The Board also welcomes Mr Qaiser Mehmood and is confident that his experience and expertise will support the Company's financial management, governance framework and strategic objectives.

Compliance and Assurance

External Auditors

M/s A.F Ferguson & Co, Chartered Accountants conducted the statutory audit of the Company for the financial year ended 30 June 2026. In accordance with standard practice, the firm shall retire upon the conclusion of the 34th Annual General Meeting (AGM) scheduled for 28 September 2026. However, on the recommendation of the Audit Committee, the Board of Directors recommended the reappointment of M/s A.F Ferguson & Co, Chartered Accountants, as the Company's External Auditors for the financial year ending 30 June 2027, subject to the approval of the members at the 34th AGM.

Compliance with Best Corporate Practices

Throughout the financial year 2025-26, the Board of Directors of FCCL maintained compliance with all applicable statutory and regulatory requirements, including the Listed Companies (Code of Corporate Governance) Regulations - 2019, the Pakistan Stock Exchange Listing Regulations and the Financial Reporting Framework prescribed by the Securities & Exchange Commission of Pakistan (SECP).

The Annual Report 2026 reflects FCCL's enduring commitment to transparency, accountability and responsible corporate conduct. It incorporates a comprehensive compliance report from the Board's Audit Committee, a formal Statement of Compliance by the Chief Executive Officer, the Directors' Report and an independent review report issued by the Company's external auditors. Taken together, these disclosures provide evidence of FCCL's commitment to upholding the highest standards of corporate governance. The Company remains committed to maintaining a governance culture that not only meets regulatory expectations but also fosters long-term stakeholder confidence and institutional integrity.

Integrated Reporting Awards and Recognition

During the year, the Company continued to receive recognition for its commitment to excellence in corporate reporting and transparent financial disclosures.

- FCCL secured 3rd Position in the Cement Sector at the Joint ICAP & ICMAP Best Corporate & Sustainability Report Awards 2025, reflecting the Company's adherence to high standards of corporate governance and reporting.
- The Company was also honoured with a Joint Silver Award at the South Asian Federation of Accountants (SAFA) Best Presented Annual Report Awards, further reinforcing its commitment to transparency, accountability and best reporting practices at the regional level.

Compliance with International Financial Standards (IFRSs)

FCCL remained committed to the fair and transparent presentation of its financial position, demonstrated through full and unreserved compliance with International Financial Reporting Standards (IFRS). The audited financial statements annexed to this report for the year ended 30 June 2026 were prepared in accordance with IFRSs as adopted in Pakistan, with the specific application and adoption status of these standards disclosed in Notes 2.1 and 2.6 to the financial statements. The Management remained committed to maintaining high standards of financial reporting as part of its corporate governance framework.

Salient Aspects of Company's Internal Control and Reporting System

FCCL maintained compliance to all requirements stipulated under the Companies Act - 2017 and the Listed Companies (Code of Corporate Governance) Regulations - 2019, with the Board exercising oversight to ensure that corporate governance principles were consistently upheld across all levels of the organization. This encompassed reviewing and approving Management's strategic direction, sanctioning and monitoring significant capital expenditures, ensuring compliance with senior Management succession plan, establishing and tracking performance goals for the executive team.

The Board further safeguarded the integrity of internal controls and formally approved the Company's financial and operational reporting systems, ensuring their reliability and accuracy. Through this governance framework, the Board maintained effective oversight of the Company's control and reporting systems.

Shareholding Pattern

The statement of shareholding pattern as on 30 June 2026, as required under Section 227(f) of the Companies Act - 2017, is included in the Shareholder Information Section of this Annual Report.

Corporate Briefing Session

As part of its commitment to transparency and proactive stakeholder engagement, FCCL conducted a Corporate Briefing Session (CBS) on 25 September 2025 for analysts, investors and other stakeholders. The session provided a comprehensive overview of the Company's financial performance for the year ended 30 June 2025, key operational achievements, ESG initiatives and future business outlook. Participants were also engaged through an interactive question-and-answer session, facilitating stakeholder engagement on the Company's strategic direction and performance. The presentation material was subsequently made available on the Company's website, further reinforcing FCCL's commitment to timely disclosure and effective stakeholder communication.

General Meetings

FCCL convened one General Meeting during the financial year 2025-26. The 33rd Annual General Meeting (AGM) was held on 30 September 2025, during which shareholders approved the Company's Annual Financial Statements for the year ended 30 June 2025.

Related Party Transactions

FCCL continued to uphold the highest standards of integrity, transparency and corporate governance in all related party transactions during FY 2025–26. All related party transactions requiring approval under the Listed Companies (Code of Corporate Governance) Regulations - 2019 were reviewed by the Audit Committee and recommended to the Board of Directors for approval in accordance with the Company's Policy on Related Party Transactions. This robust oversight process ensured that such transactions were executed in accordance with applicable laws and regulations, while safeguarding the interests of the Company and its shareholders. Detailed disclosures of related party transactions, including the basis for determining arm's length pricing, are provided in Note 42 to the annexed financial statements, reflecting FCCL's unwavering commitment to accountability, fairness and regulatory compliance.

Implementation of Key Governance Policies

The Board reviewed and approved a comprehensive framework of governance policies and operating procedures covering ethics and business conduct, anti-bribery and anti-corruption, workplace conduct, human rights, legal and estate management, investor communication, supply chain, marketing, operational controls and other areas necessary to ensure compliance with applicable laws and regulations. Certain governance requirements, including gifts and hospitality, facilitation payments, conflicts of interest, human rights and the prohibition of child and forced labour, were incorporated within the Company's Code of Conduct. Selected key governance policies are summarized in ensuing paragraphs.

Directors' Remuneration Policy

The Company maintained a Directors' Remuneration Policy in accordance with applicable legal and regulatory requirements. This policy outlined key principles: -

Chairman
Rs 300,000 for attending each Board Meeting
Directors
Rs 200,000 for attending each Board and Committee Meeting

- The only compensation provided to the Directors is the meeting fee.
- The remuneration fee structure is reviewed by the Board from time to time, taking into account prevailing market practices of comparable listed companies.
- Travelling, boarding, lodging and other reasonable expenses incurred in attending meetings of the Board and its Committees are reimbursed to the Directors.

The aggregate remuneration paid to Directors and Chief Executive during FY2025–26 is disclosed in Note 40 to the annexed financial statements.

Anti-Harassment Policy

The Board has approved an Anti-Harassment Policy to promote a safe, respectful and inclusive workplace. The Policy prohibits all forms of workplace harassment and provides procedures for reporting, investigating and addressing complaints in accordance with applicable laws. No incidents of harassment were reported during the year.

Whistle Blowing Policy

The Company maintains a Whistleblowing Policy to facilitate the confidential reporting of actual or suspected unethical, unlawful or inappropriate conduct. The Policy promotes transparency, accountability and ethical business conduct and incorporates a two-way communication mechanism that enables acknowledgement of complaints, follow-up with the whistleblower and communication of the status or outcome of the matter, while ensuring confidentiality and protection against retaliation. No issues were reported during the period under review.

Diversity, Equity and Inclusion (DE&I) Policy

The Board continued to oversee the implementation of the Company's Diversity, Equity and Inclusion (DE&I) Policy to promote an inclusive, equitable and merit-based workplace. During the year, the policy framework was further supported through measures aimed at enhancing workforce diversity, equal opportunity, employee engagement and a safe working environment.

Operational Excellence, Sustainability and Major Projects

Operational Excellence

Strategic Acquisition of Attock Cement of Pakistan Limited (ACPL)

During FY 2026, FCCL, in collaboration with Kot Addu Power Company Limited (KAPCO), successfully completed the acquisition of a strategic equity stake in Attock Cement of Pakistan Limited (ACPL), marking a significant milestone in the Company's long term growth strategy. The acquisition strengthens FCCL's strategic presence in Pakistan's cement sector in south, expands opportunities for long-term value creation and reinforces the Board's commitment to disciplined capital allocation and sustainable growth. This strategic investment is expected to create long-term operational and commercial synergies while enhancing shareholder value.

Polypropylene (PP) Bags Plant Expansion

During the financial year, FCCL successfully completed the expansion of its Polypropylene (PP) Bags Plant, increasing the production capacity from 200,000 to 300,000 bags per day. The expanded facility has enabled complete self-sufficiency in meeting the Company's PP bag requirements, eliminating reliance on external procurement. This strategic investment has improved operational efficiency, strengthened supply chain reliability and contributing significantly to overall cost optimization objective of the Company.

Process Optimization – JB Plant

FCCL signed an agreement with KI Quanta Engineering Consultancy & Services (Private) Limited for the implementation of ABB Ability™ Expert Optimizer. The initiative marks a significant step towards digitalization and operational excellence by leveraging advanced process control technology to enhance process efficiency and optimization.

Plant Reliability Improvement

FCCL implemented proactive reliability measures for critical plant equipment to enhance operational stability. Comprehensive diagnostic testing and maintenance of power transformers improved equipment health, ensured stable operations and strengthened the reliability of the electrical distribution system.

Cooler-II Upgradation Project – JB Plant

FCCL successfully upgraded the first grate of Line-II Clinker Cooler to enhance cooling efficiency, equipment reliability and operational performance. The upgraded system improved clinker bed stability, reduced material fall-through and enhanced sealing system durability. The project is expected to improve cooling performance, reduce power consumption, simplify maintenance and extend equipment life.

Sustainability and Decarbonization

Solar Power Capacity Expansion at PP Bags Plant at Hattar

As part of its commitment to de-carbonization and sustainable manufacturing, FCCL expanded the installed solar power capacity at the PP Bags Plant from 850 kW to 1.3 MWp, adding 450 kW of renewable energy capacity during the year. The expansion has increased the use of clean electricity, reduced dependence on conventional power sources, lowered greenhouse gas emissions and reinforced

FCCL's transition towards a low-carbon and energy-efficient operation.

1.5 MWp Solar Power Plant Extension – DG Khan Plant

The 1.5 MWp solar power plant extension at the DG Khan Plant was successfully completed and commissioned during FY 2025–26. The project contributes to reducing reliance on grid electricity, lowering greenhouse gas emissions and advancing FCCL's decarbonization strategy. This took FCCL's solar capacity to 70.3 MWp enabling to meet 80% of its electricity need in day time.

255 kW Solar Power Project

The Company successfully completed and commissioned its another net-metering project, a 255-kW solar power installation at Kachi Canal. This milestone reinforces FCCL's commitment to clean, sustainable and cost effective energy generation while enhancing overall energy efficiency.

Energy Management

FCCL continued to enhance energy efficiency through increased solar power utilization, optimized electricity consumption during peak tariff hours and effective demand management. Measures such as MDI control and optimization of cement and raw mill operations contributed to energy cost savings, reduced specific energy consumption and improved operational performance.

Alternative Fuel System – Wah Plant

The installation of the Alternative Fuel (AF) Feeding System enabled FCCL to achieve an Alternative Fuel Thermal Substitution Rate (TSR) of 10.3% (NCV basis). The initiative reduced reliance on conventional fossil fuels, improved thermal efficiency, lowered fuel costs and supported FCCL's decarbonization strategy through increased use of lower-carbon and biomass-based alternative fuels.

Fly Ash Utilization Enhancement – JB & DG Khan Plants

FCCL enhanced fly ash utilization through the installation of dedicated storage and feeding systems at the JB and DG Khan Plants. These initiatives increased the use of fly ash as a supplementary cementitious material (SCM), enabling higher clinker substitution, and reducing CO_2 emissions. The projects also improved resource efficiency, optimized production costs, supported low-carbon cement production and reinforced the Company's decarbonization and sustainable manufacturing objectives.

Oil Sludge Storage and Feeding System Installation - DG Khan

A 35-ton oil sludge storage and feeding system with a capacity of 2 TPH was installed at the DG Khan Plant to enable the direct injection of sludge into the preheater as an alternative fuel. The project enhances thermal energy substitution, reduces reliance on conventional fossil fuels, improves kiln thermal efficiency, promotes responsible waste utilization, lowers greenhouse gas emissions, and supports FCCL's decarbonization and sustainability objectives.

Ball Mill Limestone Bin Installation Project – JB Plant

FCCL successfully commissioned the Ball Mill Limestone Bin Installation Project on 1 October 2025 to enhance limestone and slag feeding efficiency. The project enabled the replacement of 59,707 tons of clinker through limestone and 7,851 tons through slag, resulting in an estimated reduction of 20,845 tons of CO_2 emissions by lowering the clinker factor. Completed through in-house execution with a cost saving of PKR 6.67 million, the initiative supported FCCL's decarbonization strategy and operational efficiency.

Safety and Risk Management

Fire Detection System Enhancement

FCCL enhanced its fire protection infrastructure by installing 300 additional fire detection units at critical locations including Medical Unit, Dispatch Office, Canteen, Stores and Transformer Rooms. The upgraded system strengthened early fire detection capabilities, improved safety measures and enhanced protection of personnel, assets and business continuity.

Operational Safety Enhancement

FCCL strengthened operational safety and LOTOTO compliance by installing visible cut-off switches across critical plant areas. The initiative improved equipment isolation, enhanced accessibility, simplified maintenance activities and reinforced safe work practices, contributing to a stronger safety culture.

Process Safety Management (PSM)

FCCL continued to lead the implementation of Process Safety Management (PSM) in Pakistan's cement sector through awareness sessions on Risk-Based Process Safety (RBPS) based on the CCPS framework by AIChE. The sessions focused on key PSM elements including Management of Change (MOC), Pre-Startup Safety Review (PSSR), Operating Procedures and Training & Performance Assurance.

The initiative strengthened understanding of process-related risks, operational discipline and safety culture while supporting FCCL's transition towards a comprehensive risk-based safety management approach. The sessions concluded with participants reaffirming their commitment to process safety, accountability and continuous improvement through the PSM Fundamentals Pledge.

Upgradation of Cement Transport System – Wah Plant

The Cement Transport System Upgradation Project was completed on 06 December 2025 with an investment of PKR 80 million. The project replaced the existing belt conveyor with a fully enclosed bucket elevator and air slide conveying system, increasing transport capacity from 200 TPH to 220 TPH. The upgrade enhanced operational reliability, improved energy efficiency, reduced maintenance requirements, eliminated cement spillage and fugitive dust emissions, and strengthened housekeeping, supporting sustainable production and FCCL's environmental and operational objectives.

Human Capital – Our People

FCCL remained committed to fostering a high-performing, diverse and engaged workforce by promoting fair employment practices and creating an environment where employees were empowered to grow, perform and realize their full potential. The Company recognized its people as its most valuable asset and continued to invest in their development, well-being and engagement to support sustainable business growth.

FCCL's commitment extended beyond regulatory compliance by fostering an inclusive, safe and respectful workplace. The Company maintained an inclusive, safe and merit-based work environment supported by robust human capital policies and governance practices. Employment decisions were made solely on the basis of merit, qualifications, competencies, experience and performance. Transparent compensation structures and the consistent implementation of HR policies across all business locations reinforced fairness and equal opportunity throughout the organization.

Overall responsibility for human capital management rested with the Human Resources Department, while governance and compliance were strengthened through oversight by the Legal and Internal Audit Departments. These functions worked collaboratively to ensure adherence to Company policies, monitor compliance with applicable laws and regulations, identify potential risks and recommend corrective actions where necessary. Human capital governance was further supported through periodic performance evaluations, internal reviews, labour compliance inspections and continuous policy improvements.

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

Employee engagement remained a cornerstone of FCCL's human capital strategy. The Company promoted open communication and employee participation through regular town hall meetings, Rabta Day sessions, employee feedback mechanisms and ongoing dialogue between management and staff. Training needs assessments, leadership development initiatives and succession planning were regularly undertaken to align individual career aspirations with the Company's long-term talent requirements.

Through this integrated and people-centric approach, FCCL continued to strengthen its human capital practices, enhance employee engagement and capabilities, support business continuity and create long-term value for its employees and stakeholders.

Workforce Profile

Indicators	FY-26	FY-25
Total Employees	2,332	2,335
Male	2,321	2,324
Female	11	11
New Hires	133	141
Attrition	135	132
Training Hours	14,274	10,400
Employees Trained	1,170	800
Average Training Hours/ Employee	6.0	4.45

Diversity, Equity and Inclusion

FCCL continued to strengthen diversity, equity and inclusion by expanding opportunities for female trainees, broadening representation from diverse academic and professional backgrounds, promoting the inclusion of differently abled persons and integrating employment categories to foster greater equity. The Company further reinforced an inclusive workplace through its job evaluation framework, employee engagement platforms and accessible feedback and grievance mechanisms, supporting a culture of fairness, respect and equal opportunity.

Talent Acquisition and Workforce Development Merit-Based and Transparent Recruitment

The FCCL remained steadfast in its commitment to uphold transparent, equitable and merit-based recruitment process aimed at attracting and retaining the top talent. Central to this approach was strict adherence to the principles of equal employment opportunity, selection based on objective and non-discriminatory criteria embedded throughout the selection process. FCCL also promoted internal mobility by according precedence to eligible internal talent thereby fostering employee development, career progression and enhanced retention.

Talent Pipeline – Nurturing Talent, Powering Growth

FCCL continued strengthening its trainee-to-employee conversion framework to build a steady & reliable talent pipeline for future manpower requirement. Trainees underwent a systematic training, hands-on-Job exposure and regular performance monitoring to prepare them for future roles. This approach has strengthened the internal talent pool, reduced reliance on external hiring and supported knowledge retention reflecting the FCCL's commitment to build a capable & future-ready workforce. The FCCL's talent pipeline comprises of Management Trainee Officer (MTOs), Management Trainee Engineers (MTEs) & Apprenticeship Program. FCCL engages emerging talent through campus recruitment & university collaboration initiatives to attract talent, positioning the organization as an Employer of Choice among the future workforce.

Onboarding – Building Foundation for Future Success and Integration

FCCL prioritized a structured onboarding process to support the effective integration of new employees and trainees. Through orientation programs all incoming employees are briefed on Company's policies, Code of Conduct, organizational structure, health & safety requirements and operational procedures enabling them to perform their roles responsibly while fostering a culture of integrity, compliance and collaboration.

Merit-Based Recruitment | Talent Pipeline | Structured Onboarding

Performance Management and Learning

Performance Management

FCCL remained committed to strengthen its performance-based culture through a structured Performance Management System (PMS) that aligns individual objectives with corporate priorities. The framework promotes clear goal setting, continuous feedback and objective performance evaluations to support accountability, meritocracy and high performance.

The PMS also supports talent development by identifying high-potential employees, strengthening succession planning and addressing capability gaps through targeted learning initiatives. Reinforcing its Pay for Performance philosophy, FCCL continued to link performance with recognition, rewards and career progression.

Learning Strategy

Learning priorities were identified through Training Needs Assessments (TNA), competency gap analysis, succession planning, operational priorities, statutory compliance and emerging business needs to align capability development with the Company's strategic objectives.

- Leadership Development: Strengthened leadership, strategic thinking, collaboration, innovation and decision-making capabilities to support succession planning and leadership continuity.
- Future Skills: Expanded learning in digital transformation, artificial intelligence, sustainability, energy efficiency and data-driven decision-making to prepare employees for future business needs.
- Succession Planning and Talent Development: Continued developing high-potential employees through structured initiatives with 100% execution of successor development plans.
- Competency Framework: Strengthened competency-based learning by aligning technical, functional, behavioral and leadership competencies with role requirements
- Business Performance: Enhanced operational excellence, leadership capability, compliance, safety awareness and organizational performance.
- Technical and Functional Excellence: Delivered specialized training, certifications and on-the-job learning to improve safety, quality, productivity and operational efficiency.
- Health, Well-being and Employee Support: Conducted awareness programs on mental health, stress management, resilience, nutrition and employee wellbeing.
- Safety Culture: Reinforced safe work practices, environmental stewardship, emergency preparedness and regulatory compliance through continuous safety training.
- Professional Certifications: Continued investing in professional certifications including CHRM, SHRM-CP, GRI Professional Certification, Machine Lubricant Analyst, Vibration Analyst, CSP/ CCSP, ISO 50001:2018 EMS and ISO 14001:45001 IHMS.
- Employee Awareness and Workplace Culture: Conducted awareness sessions on the Code of Conduct, whistleblowing, diversity, equity and inclusion, anti-harassment, wellbeing, nutrition and the AI HR Chat Assistant to strengthen workplace culture.
- Management Trainee Program: Continued the Young Leadership Development Program (YLDP) to develop high-potential graduates through structured rotations, mentoring and leadership development.
- Sustainability: Strengthened ESG capabilities through learning focused on responsible leadership, workplace safety, ethical conduct, diversity and sustainable business practices.

Training

FCCL continued to enhance employee capabilities through a structured learning and development framework focused on leadership, technical excellence, digital readiness, operational safety and succession planning. During FY2025/ 26, the Company conducted 121 training programs, delivering 14,274 training hours and benefiting 1,170 employees across its operations, reinforcing its commitment to building a skilled and future-ready workforce.

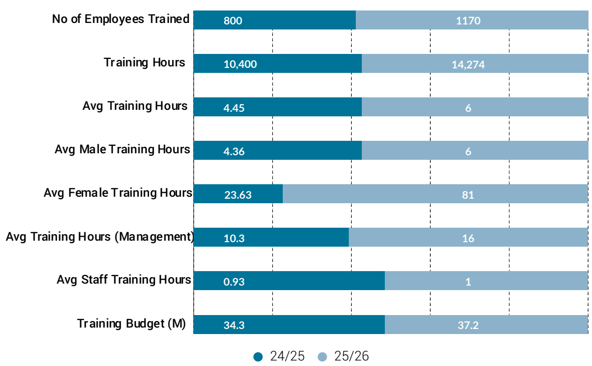
Average Annual Training Hours by Gender

Gender	Male		Female	
	FY 2025	FY 2026	FY 2025	FY 2026
Training per employee per year	4.36	6	23.63	81

Annual Training Hours by Employee Category

Gender	Management		Staff	
	FY 2025	FY 2026	FY 2025	FY 2026
Training hours per employee per year	10.3	16	0.93	1

Training Overview 2025/2026



Learning Partnerships

FCCL strengthened employee capabilities through strategic partnerships with leading national and international institutions, including LUMS, Brown University, NUST, INSEAD, IBA, SOULS, MyMacom, PSTD, Pakistan Learning Nest, KSBL, PIM and Foundation University Islamabad (FUI). These collaborations provided access to contemporary learning practices, global insights and industry-focused development programs.

Leadership Development and Succession Planning

Succession Planning: Ensuring Continuity and Growth

FCCL further strengthened its succession planning framework to ensure leadership continuity, organizational resilience and long-term business sustainability. The Company identified high-potential employees for critical roles and developed their capabilities through job rotations, experiential learning, mentoring and targeted development programs. This approach supported a robust leadership pipeline by enhancing competencies, ensuring smooth transitions and aligning talent development with future business needs.

Successors' Training

Successor readiness was further enhanced through mentoring, on-the-job learning, job rotations and targeted external development programs covering leadership, decision-making, corporate governance and change management. Partnerships with LUMS, IBA, NUST and PSTD complemented these initiatives while 12 senior mentors guided 24 mentees.

The mentoring program spans three structured six-month phases from May 2025 to October 2026. Successor training interventions increased from 137 in FY2024/ 25 to 147 in FY2025/ 26.

FY 2026	
12 Mentors	24 Mentees

Hallmark Achievement – Delivering Results through Succession Planning

FCCL's succession planning framework strengthened the internal leadership pipeline, with the majority of critical positions successfully filled identified successors during FY 2026. This reflects the effectiveness of the Company's investment in talent identification and leadership development.

By developing talent from within, FCCL has enhanced organizational resilience, minimized leadership transition risks, preserved institutional knowledge and reinforced a culture of merit-based career progression. This achievement demonstrates the maturity of the Company's succession planning process and its contribution to long-term business performance and leadership continuity.

Employee Engagement and Well-being

Honouring Legacy: Recognizing and Celebrating Long Service and Employee Commitment

FCCL values the dedication, experience and loyalty of its employees as key drivers of long-term success. Through its Long Service Award Program, the Company recognizes employees whose commitment has contributed significantly to organizational growth and operational excellence.

In February 2026, FCCL honored employees who completed 20 to 40 years of service. Each recipient was presented with a commemorative Gold Coin in recognition of their long-standing dedication and valuable contributions.

The program reinforces FCCL's people-centric culture by recognizing excellence, encouraging long-term employee engagement and preserving institutional knowledge that supports sustainable business performance.

Employee Engagement - Together We Grow 2026

In April 2026, FCCL reinforced its commitment to an inclusive and equitable workplace by transitioning all Fixed-Term Employees to Regular Employees, eliminating category distinctions and extending a comprehensive benefits framework.

The Company also strengthened employee engagement by standardizing and increasing trainee stipends and implementing salary compression adjustments for eligible employees from Junior Officer to Assistant Manager level. These initiatives reflect FCCL's commitment to employee development, equal opportunity and a culture where employees can grow and thrive.

Preventive Health and Wellness Programs - People Wellbeing First Always

During the year, FCCL implemented a structured preventive health initiative across the organization. Employees aged 40 years and above underwent comprehensive health screenings with a special focus on cardiac health, followed by medical guidance, consultations and necessary support. The initiative promoted early detection of health risks, timely medical intervention and preventive healthcare.

FCCL also conducted stress management sessions, health awareness drives and wellbeing programs to support employees' physical and mental health. Key initiatives included Grit to Growth, mental health and wellbeing awareness sessions, women's health initiatives, breast cancer awareness campaigns and other wellness activities aimed at building resilience and promoting self-care in the workplace.

Comprehensive Support for Critical Medical Cases - A Coordinated Path from First Response to Follow-up

FCCL maintained a dedicated internal healthcare team that supports employees during medical emergencies by coordinating timely referrals, treatment and follow-up with panel hospitals.

The Company also provides comprehensive support to employees and their immediate family members facing serious medical conditions, including cardiac surgeries, neurological and spinal treatments, cancer care and liver and kidney transplants. Through timely guidance, coordinated care and continuous support, FCCL remains committed to employee wellbeing and reducing the burden on families during critical health situations.

Employee Engagement and Recognition

Employees had more opportunities to hear from leadership and to be heard. Regular Managing Director engagement, weekly Rabta Day discussions and town halls created direct channels for questions, feedback and dialogue. Sports, team-building activities, recreational visits and awareness sessions added further opportunities for connection across locations.

Digital HR Transformation

AI HR Chat Assistant - Digital Access to Trusted Guidance

As part of our ongoing digital transformation journey, FCCL continued to enhance the employee experience through technology-driven solutions. During the year, FCCL introduced an AI-powered HR Chat Assistant that provides employees with instant access to HR and EHS-related information. Built on the Company's approved policies and procedures, the Chat Assistant enables employees to obtain accurate guidance on HR and EHS matters at their fingertips, making information more accessible while promoting consistency, transparency and faster resolution of routine queries. This digital initiative reflects FCCL's commitment to creating a more connected, informed and employee-centric workplace.

Digitalization and Technological Change

FCCL continued to advance its digital HR platform to enhance service accessibility, consistency and data-driven decision-making. SAP HCM serves as the core employee records and payroll system while digitized employee records, the Performance Management System and the AI HR Chat Assistant had enhanced self-service access to approved HR and EHS guidance.

The implementation of SAP Success Factors modules is underway to further reduce manual processes, reduce response time and strengthen workforce analytics, talent management and organizational planning.

Strategic Human Capital Initiatives - HR Transformation

Building a more connected, capable and agile organization by aligning our workforce with business priorities as a business partner, strengthening governance, investing in talent and creating a people first culture where employees can grow and thrive for excellence.

Job Evaluation - New Chapter

FCCL successfully implemented its first organization-wide job evaluation framework using Mercer's International Position Evaluation (IPE) methodology. A total of 416 positions were evaluated, establishing a consistent and objective assessment of roles across the Company.

The framework has strengthened organizational structure, career path design, salary benchmarking and workforce and compensation decisions by assigning a Mercer Position Class to each role.

Cement Industry Remuneration Benchmarking – Mercer

FCCL commissioned a Mercer-led Total Remuneration Survey to establish a reliable compensation benchmark for Pakistan's cement sector for the first time. Seven companies are participating and the survey would provide an evidence base for revisiting pay bands. Its outcomes are expected to support transparent, market-aligned and internally equitable remuneration while further strengthening FCCL's ability to attract and retain talent.

Relations with Company Personnel - People First

FCCL maintained constructive and collaborative relations with its employees throughout the year. The Company continued to strengthen employee welfare through a comprehensive benefits framework designed to promote financial security, wellbeing and long-term employee engagement. The Board recognizes its workforce as a strategic asset and remains committed to fostering a safe, inclusive and supportive workplace that enables sustainable organizational success.

Gender Pay Gap

FCCL is fully committed to promoting gender pay equity and aligning its compensation practices with the guidelines of the SECP. The Company's remuneration framework is based on objectives and merit-based criteria. It applied consistently across all employees, irrespective of gender, ensuring a fair, transparent and equitable compensation system.

As a cement manufacturing organization FCCL's workforce composition reflects male representation is comparatively higher, particularly in technical and operational roles. This workforce profile is driven by industry-wide talent availability and occupational trends rather than any discriminatory employment or compensation practices.

FCCL remains committed to increasing the participation of women across technical, operational and leadership positions by fostering an inclusive workplace, expanding opportunities for female talent and implementing initiatives that support diversity and equal opportunity.

Gender Pay Gap Metrics		FY 2026
	Mean Gender Pay Gap	**25%**
	Mean Gender Pay Gap	**18%**
	FCCL will continue to strengthen its policies and practices to ensure pay equity, enhance transparency and reinforce its long-term commitment to diversity, equity and inclusion.	

OUR Commitment			
	Foster an inclusive workplace culture		Increase women participation across all levels
	Ensure equal opportunity and fair treatment		Strengthen policies and practices for pay equity

Human Capital Outlook

Collectively, these initiatives strengthened FCCL's ability to attract, develop and retain talent while supporting operational excellence, leadership continuity and the achievement of the Company's long-term strategic objectives. Recognizing human capital as a strategic asset, the Board remains committed to investing in workforce capability, digital transformation, employee wellbeing and organizational resilience to build a future-ready workforce and create sustainable long term value.

Human Capital Highlights FY 2025–26

- Workforce: 2,332 employees
- New hires: 133
- Employees trained: 1,170
- Training hours: 14,274
- Long Service Awards: 20–40 years of service recognized
- Fixed-term employees transitioned to regular employment
- AI HR Chat Assistant introduced
- Revised HR policies (Manual)
- Increased female trainee Engineers/ Officers
- Succession planning and implementation
- Revised Org structured as per JE

Health, Safety and Environment – Our Safety

HSE Overview

The Board remained committed to maintaining the highest standards of Health, Safety and Environment (HSE) across all Company operations. Guided by a Zero Harm Culture, the Company strives to provide a safe and healthy workplace for employees, contractors and other stakeholders while promoting environmental stewardship, compliance with applicable legal and regulatory requirements and the responsible management of operational risks. Through robust governance, continuous improvement and the integration of HSE considerations into business decisions, FCCL remains committed to protecting people, preserving the environment and creating long-term sustainable value.

Occupational Health and Safety

Occupational health and safety remained a core priority of the Company's HSE framework. The Company strengthened workplace safety through preventive health initiatives, timely medical support, emergency preparedness and the promotion of a proactive safety culture across all operations. Continuous awareness programs and wellbeing initiatives reinforced safe work practices, enhanced employee resilience and supported a healthy and productive workforce while advancing the Company's commitment to Zero Harm.

Safety Training and Emergency Preparedness

Strengthening workforce competency and emergency preparedness remained an important focus of the Company's HSE strategy. During the year, the Company strengthened safety capabilities through defensive driving programs, incident reporting and investigation training, road safety awareness initiatives and emergency response capacity-building exercises conducted in collaboration with relevant authorities. These initiatives enhanced hazard awareness, reinforced safe work practices, strengthened emergency response capabilities and promoted proactive risk management across the Company's operations.

Contractor and Process Safety

Contractor Safety Management (CSM) remained an integral component of the Company's Occupational Safety

& Health (OSH) and Process Safety Management (PSM) framework. Contractors are expected to comply with the same health, safety and environmental standards applicable to FCCL employees through structured prequalification, safety induction, competency development, performance monitoring and periodic audits. This integrated approach reinforces operational discipline, strengthens risk management and supports the Company's commitment to achieving Zero Harm across all operations.

Environmental Stewardship

Environmental stewardship remained an integral part of FCCL's sustainability agenda. During the year, the Company continued to promote environmental awareness, resource efficiency and biodiversity conservation through World Environment Day, Earth Day and plantation initiatives undertaken across its operational locations in collaboration with relevant stakeholders. These initiatives reinforced FCCL's commitment to responsible environmental management, climate action and sustainable operations.

HSE Highlights FY 2025-26

Key HSE Achievements

- Defensive Driving Program conducted
- Incident Reporting and Investigation Training completed
- Rescue 1122 Emergency Response Training conducted
- Contractor Safety Management framework strengthened
- Road Safety Awareness Campaign implemented
- Environmental awareness activities conducted across all plant locations
- Plantation and afforestation initiatives undertaken
- Continued focus on Zero Harm culture and operational safety

CORPORATE SOCIAL RESPONSIBILITY

Our Communities

FCCL remained committed to creating sustainable value for the communities surrounding its operations through responsible corporate citizenship and long-term social investment. The Company's CSR initiatives are aligned with local community needs and focus on improving access to education, healthcare, environmental sustainability and community infrastructure. By working closely with local stakeholders, FCCL continued to promote inclusive socioeconomic development while strengthening long-term relationships with the communities it serves.

CSR Initiatives

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

Education and Skill Development

Location	Initiative	Program Highlights	Key Impact
DG Khan	Upgradation of Primary School	Upgraded classrooms, furniture and solar power.	100 students benefited
	Food Support Program	Food support linked to school attendance.	120 students supported
Nizampur	Women Vocational Training	Sewing training with certification and sewing machines.	30 women empowered
	Youth Technical Skills – CIT Course (Boys)	Six-month IT training with certification.	30 youth trained
	HSE Training	Six-month HSE certification program.	20 youth certified
	Youth Technical Skills – CIT Course (Female)	IT training with stipend and certification.	30 female students trained
	Digital Workshop	Digital marketing, e-commerce and freelancing training.	37 youth upskilled
Wah	Sponsorship of Two Schools	Sponsored two Fauji Foundation schools.	1,622 students benefited
Jhang Bahtar	Sponsorship of School	Sponsored Fauji Foundation high school.	939 students benefited
	Herbal Cosmetics Training	Vocational training in herbal cosmetics.	60 women trained
Al-Mujtaba Education Trust	Student Scholarships	Scholarships for deserving students.	19 scholarships awarded

Health Care

Location	Initiative	Program Highlights	Key Impact
DG Khan	Mines Labor Welfare Dispensary	24/7 outpatient and emergency healthcare services.	7,000+ patients treated
	Free Eye Camp	Free eye screening and consultations.	545 patients screened
	Free Mother & Child Care Camp	Free consultations, medicines and diagnostics.	511 patients treated
Nizampur	Medicine Donation to BHU	Essential medicines supplied to local BHU.	Strengthened primary healthcare
	Free Medical Camp	Specialist consultations, diagnostics and medicines.	Improved community healthcare 2,750 targeted patients
Wah	Free Mother & Child Care Camp	Free consultations, medicines and diagnostics.	511 patients targeted
Jhang Bahtar	Medical Dispensary & Ambulance Service	Community healthcare and emergency ambulance services	5,500 beneficiaries served
	Free Eye Camp	Free eye screening and consultations.	518 patients screened

Support to the Local Community

Location	Initiative	Program Highlights	Key Impact
DG Khan	RO Water Plants	Operated 3 RO plants for safe drinking water.	11,868 people served monthly
	Daily Water Supply	Supplied clean drinking water through water bowsers.	2,200 residents served monthly
	8 KM Water Pipeline Project	An 8 km water pipeline for nearby communities.	6–7 Villages and 7200 beneficiaries targeted
Nizampur	Water Conservation Awareness Seminar	Conducted a seminar on water conservation and sustainable use.	Promoted water conservation awareness 200 students attended the seminar

Tree Plantation and Green Initiatives

Location	Initiative	Program Highlights	Key Impact
DG Khan	Tree Plantation	Planted 3,250 indigenous saplings.	Enhanced biodiversity and green cover
Nizampur	Green Drive	Distributed 4,080 fruit and shade plants to local communities.	Reduced carbon footprint and supported livelihoods Improved green cover
	Monsoon & Spring Plantation	Planted 1,120 trees and developed 11,400 sq. ft. of green area.	
Wah	Tree Plantation	Planted 1,912 trees during seasonal campaigns.	Strengthened environmental sustainability
Jhang Bahtar	Tree Plantation	Planted and donated 700 trees.	Supported afforestation and climate resilience

ESG, Sustainability and Stakeholder Engagement

NFEH's CSR Awards - ESG and Sustainability Leadership Award

NFEH CSR Awards Ceremony was held on 12 February 2026 at Serena Hotel, Islamabad, recognizing organizations for their outstanding contributions to corporate social responsibility and sustainable development. FCCL was honored with the ESG and Sustainability Leadership Award in recognition of its commitment to integrating ESG principles into its business strategy and delivering meaningful social, environmental and economic value for its stakeholders.

ESG Orientation Session with ESG Taskforce

As part of FCCL's continuous capacity building efforts in sustainability and responsible reporting, ESG orientation session were conducted on 16 June 2026, focusing on the Global Reporting Initiative (GRI) Standards, new developments in standards/ frameworks. The sessions were aimed to enhance participants' understanding of ESG frameworks, disclosure requirements and global sustainability trends.

ESG Seminar

A FF Group-level ESG Seminar was organized by FCCL on 16 April 2026 at Sona Towers, Rawalpindi. The seminar brought together representatives from the State Bank of Pakistan (SBP), the Securities and Exchange Commission of Pakistan

(SECP), industry experts and Fauji Group Companies to discuss emerging ESG trends, regulatory developments and sustainability best practices.

ESG Awareness Session of Board of Directors

An ESG Awareness Session for the Board of Directors was conducted by PwC on 3 February 2026 at Islamabad Club. The session enhanced the Board's understanding of ESG principles, governance responsibilities, evolving regulatory expectations and the strategic importance of sustainability in long term value creation.
ESG Summit

FCCL representatives participated in the ESG Summit held on 25 September 2025 at the Marriott Hotel, Islamabad. The summit provided insights into evolving ESG frameworks, corporate sustainability practices and stakeholder expectations through knowledge sharing with industry leaders and experts.

Environment Seminar

FCCL attended the Environment Seminar organized on 14 November 2025 at the Islamabad Chamber of Commerce. The seminar focused on environmental compliance, climate change, pollution control and sustainable business practices, strengthening the Company's commitment to environmental stewardship.

ESG Sustainable Training Course

Members of the Internal Audit team attended a two-day ESG Sustainable Training Course held on 17-18 September 2025 in Lahore. The training enhanced their understanding of ESG risk management, sustainability reporting, governance practices and internal assurance mechanisms.

ESG Management Committee Meeting

The ESG Management Committee convened its meeting on 31 October to 1 November, to review the Company's ESG performance, monitor progress against sustainability objectives and discuss strategic initiatives for strengthening ESG integration across business operations.

Disclosure Related to Sustainability Risks and Opportunities

The Board and Management affirmed strategic commitment to integrating sustainability and climate considerations into the Company's core business objectives. Our disclosures presented material sustainability related risks and opportunities across our operations and value chain, with articulation of their potential impact on the Company's financial position, performance and prospects over the short, medium and long term. Refer to page 87 to 89 of the Annual Report 2026 for detailed disclosures.

FUTURE OUTLOOK

Forward Looking Statement

The outlook for Pakistan's economy in FY 2026–27 remains cautiously positive, supported by moderating inflation and continued structural reforms. Real GDP growth is projected at 4.0%, with the Services Sector continuing to serve as the primary engine of expansion. Average inflation is expected to settle between 8.2% and 8.3%; while this is significantly lower than in previous years, the outlook remains vulnerable to domestic energy tariff adjustments and global commodity price fluctuations. On the fiscal front, targeted incentives and corporate tax adjustments under the FY 2026–27 federal budget are anticipated to stimulate corporate profitability across major industrial sectors. Ultimately, successfully navigating the fiscal year will depend heavily on maintaining fiscal discipline, implementing structural energy reforms and sustaining robust export and remittance channels.

Domestic Cement Market Outlook

The Cement Sector enters FY 2026–27 on solid footing, with domestic volumetric growth projected at approximately 8%. Sequential cuts to the policy rate have lowered commercial borrowing costs, paving the way for the revival of suspended construction projects and the initiation of new developments. The FY 2026–27 federal budget introduced targeted relief for the Construction Sector and a reduction in corporate supertax rates. The inclusion of Non-Banking Finance Companies (NBFCs) in subsidized housing finance programs has widened credit access for low and middle income consumers, further sparking domestic cement consumption. Despite a 7% jump in sales during FY 2026, the Sector faces notable challenges in the upcoming year. These include persistently low capacity utilization, elevated energy and fuel costs driven by international supply chain disruptions, high indirect taxation and the pressing need to develop alternative export markets to offset the decline in trade with Afghanistan.

Analysis of Forward Looking Disclosures Made in Previous Year

Extract of Matter Reported in Previous Year's Statement	Actual Results
The outlook for FY 2025–26 looks positive as Pakistan's key economic indicators show signs of macroeconomic stabilization. While structural challenges such as high external debt, constrained fiscal space and persistent geopolitical tensions are there but the massive reduction in inflation and interest rates and currency stabilization does give hope for some sort of recovery in business activity, particularly in construction and infrastructure sectors. The continuation of the IMF program, improved trade balance and fiscal reforms should help stabilize macroeconomic indicators. Nonetheless, business sentiment remains sensitive to political consistency and government execution on development projects.	In line with outlook for FY 2025-26, Pakistan's economy showed notable improvement, with GDP growth accelerating to 3.7%. In Large-Scale Manufacturing (LSM) Large Scale Manufacturing grew by 6.11%. Fiscal deficit narrowed to 3.6% of GDP, backed by a 10.1% increase in FBR tax collections. Historic workers' remittances of $41.6 billion allowed Pakistan to maintain a narrow current account surplus. Pakistan's trade deficit swelled to $39.47 billion in FY 2025-26 imports climbed 7.89% to $69.60 billion while exports fell 5.97% to $30.13 billion. Costly energy imports, reviving industrial demand, trade suspensions with Afghanistan and surging freight costs due to tension in Middle East results in widening trade deficit.
Demand for cement in the domestic market is expected to remain stable with a potential upside in the second half of FY 2025–26. Key factors for any recovery in demand depend on the government's ability to meet PSDP (Public Sector Development Program) targets, implement CPEC related projects and support the construction sector through policy facilitation.	In line with outlook for FY 2025-26 demand for cement in domestic market witnessed robust growth of 10% with mills operating in North Region led the charge and grew by 10.83% while mills operating in South Region grew by 3.5%. Reduced commercial borrowing costs on account of SBP lower policy rates, increased allocations and efficient utilization of Public Sector Development Program (PSDP) and successful expansion of housing finance to middle and low income brackets though inclusion of Non-Banking Finance Companies are major contributors for growth of domestic cement market.
Construction activity continues to be hindered by elevated material and energy costs, though a declining trend in inflation and policy rate cuts offer hope for a rebound. Export momentum, particularly toward Afghanistan, is expected to continue its upward trajectory assuming continued political and logistical stability in the region.	As against Outlook for FY 2025-26, exports to Afghanistan, the only logistically viable export market for FCCL, could not materialized due to closure of border in October 2025 onwards.

Future Research and Development (R&E) Initiatives

The Company remains committed to advancing research, innovation and digital transformation to support sustainable growth and operational excellence. Building on the progress achieved during FY 2025–26, FCCL will continue to focus on the development of low-carbon cement products, increased utilization of alternative fuels, energy efficiency, clinker factor optimization and the adoption of AI based advanced manufacturing technologies. The Company will also continue the phased implementation of its cloud-based SAP platform while exploring artificial intelligence, automation and data analytics to enhance operational efficiency, governance, compliance and real-time decision making; thereby reinforcing its long-term competitiveness and sustainability objectives.

Status of Projects in Progress and Disclosed in Previous Year

The Management, under the strategic guidance of the Board, continued to advance the Company's digital transformation, sustainability and operational excellence initiatives during FY 2025–26. The status of key projects disclosed in the previous year's Directors' Report is as follows: -

- Cloud-based SAP Implementation. The phased transformation/ migration from the on premise SAP environment to a cloud based platform remained in progress during the year. Implementation of key modules continued to enhance operational efficiency, data integration, governance, cyber resilience and real time reporting across business functions.
- Renewable Energy and Captive Power Expansion. The Company continued to evaluate opportunities for expanding renewable energy and captive power generation capacity to further reduce energy costs, enhance energy security and support its decarbonization objectives.

Sources of Information and Assumptions Used for Projections/ Forecasts

The Company's forecasts and projections are prepared using prudent assumptions. These forecasts remain subject to uncertainties arising from changes in macroeconomic conditions, market demand, input costs, regulatory developments and other external factors. During FY 2026, Management has adopted a structured and data driven approach to budgeting and forecasting, based on a comprehensive assessment of historical performance, prevailing business conditions, strategic priorities and expected industry trends. This approach ensures that financial and operational forecasts remain realistic, balanced and aligned with the Company's long term objectives.

The Board of Directors, through its oversight role, reviewed the key assumptions, methodologies and business drivers underpinning the Company's projections. The Board and its Committees critically evaluated Management's forecasts to ensure that they appropriately reflected business risks, available opportunities and the Company's strategic direction while supporting effective planning and resource allocation.

The forecasting process is supported by internally generated operational and financial information, together with external data obtained from credible sources, including government agencies, regulatory authorities, industry associations, financial institutions and market research reports. By integrating internal analytics with external market intelligence, the Company seeks to strengthen the reliability of its projections and enhance its ability to respond proactively to changing business conditions and exploiting emerging opportunities.

Acknowledgment

The Board of Directors extends its sincere appreciation to the Company's shareholders, customers, suppliers, business partners, financial institutions, regulatory authorities, government agencies and all other stakeholders for their continued confidence, trust and unwavering support. The Board also places on record its profound gratitude to the Management and employees of the Company for their dedication, professionalism and commitment, which have remained instrumental in achieving the Company's objectives. The Board remains committed to upholding the highest standards of corporate governance, operational excellence and sustainable value creation for the benefit of all stakeholders.

For and on Behalf of FCCL Board

Lt Gen Anwar Ali Hyder, HI (M), Retd
Chairman Board of Directors FCCL
Rawalpindi
11th Aug 2026

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
11th Aug 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Fauji Cement Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Fauji Cement Company Limited, (the Company) for the year ended June 30, 2026, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

A. F. Ferguson & Co
Chartered Accountants
Islamabad
Date: September 2, 2026
UDIN: CR2026100837lGh3zfld

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Governance

STATEMENT OF COMPLIANCE

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

Name of Company:	Fauji Cement Company Limited (the Company)
Year Ended:	June 30, 2026

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

1. The total number of Directors are 9 as on June 30, 2026 as per the following details: -

a.	Male:	7 (including Executive Director – CEO/ MD)
b.	Female:	2

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

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

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

4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a "Vision and Mission Statements", overall "Corporate Strategy" and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations;

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

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

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

Mr Muhammad Tariq	Director (Operations Dept)

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

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

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

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

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

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

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

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

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

14. The frequency of meetings (quarterly/ half yearly/ yearly) of the Committees were: -

d.	Environmental, Social and Governance Committee	Frequency	Meetings during the year
(1)	Audit Committee	Quarterly	04
(2)	HR and Remuneration Committee	At least annually	04
(3)	Investment Committee	On ad hoc basis	02
(4)	Environment, Social and Governance Committee	At least annually	01

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

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

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

b. They and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

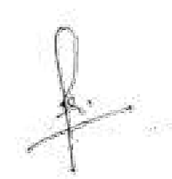
c. They and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement. The auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

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

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



Lt Gen Anwar Ali Hyder, HI(M),(Retd)
Chairman Board of Directors
Rawalpindi
11 August 2026

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
11 August 2026

BOARD AND ITS COMMITTEES

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

Attendance at Board Meetings 2025-2026

Director	Status	166th 8 Aug 25	167th 27 Oct 25	168th 3 Nov 25	169th 25 Feb 26	170th 24 Apr 26	Total No of Meetings
Lt Gen Anwar Ali Hyder, HI (M), Retd,	Chairman						5
Mr Qamar Haris Manzoor, CEO, MD	Executive Director						5
Maj Gen Tariq Quddus, HI (M), Retd,	Non-Executive Director						5
Mr Syed Bakhtiyar Kazmi	Non-Executive Director						5
Mr Khurshid Zafar Qureshi	Non-Executive Director						5
Mr S M Irfan Aqueel	Independent Director						5
Mr Mohammad Majid Munir (Joined Board on 16-09-2025)	Non-Executive Director	✕					4
Ms Maleeha Bangash	Independent Director						5
Ms Saira Nasir	Independent Director						5

Attendance at Audit Committee Meetings 2025-2026

Director	Status	5 Aug 25	20 Oct 25	18 Feb 2026	20 Apr 2026	Total No of Meetings
Ms Saira Nasir	Independent Director					4
Mr Syed Bakhtiyar Kazmi	Non- Executive Director					4
Mr S M Irfan Aqueel	Independent Director	✕				3

Terms of Reference – Audit Committee

The Board of Directors shall provide adequate resources and authority to enable the Audit Committee to carry out its responsibilities effectively.

The terms of reference of the Audit Committee shall include the following: -

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

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

   1). Major judgmental areas.

   2). Significant adjustments resulting from the audit.

   3). Going concern assumption.

   4). Any changes in accounting policies and practices.

   5). Compliance with applicable accounting standards.

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

   7). All related party transactions.

c. Review of preliminary announcements of results prior to external communication and publication.

d. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).

e. Review of management letter issued by external auditors and management's response thereto.

f. Ensuring coordination between the internal and external auditors of the Company.

g. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company. The performance appraisal of head of internal audit shall be done jointly by the Chairman of the Audit Committee and the Chief Executive Officer.

h. Consideration of major findings of internal investigations of activities characterized as fraud, corruption and abuse of power and management's response thereto.

i. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.

j. Review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports.

k. Instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body.

l. Determination of compliance with relevant statutory requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

Attendance at HR&R Committee Meetings

Director	Status	20 Oct 25	16 Jan 26	18 Feb 26	19 May 26	Total No of Meetings
Ms Maleeha Bangash	Independent Director					4
Maj Gen Tariq Quddus, HI (M), Retd	Non- Executive Director				Resigned on 30 April 2026	3
Maj Gen Irfan Arshad Khan, HI (M), Retd	Non- Executive Director	Joined Board on 30 April 2026				1
Ms Saira Nasir	Independent Director					4

Terms of Reference - HR&R Committee

1. Recommend to the Board, for consideration and approval of a policy framework for determining remuneration of Directors (both Executive and Non- Executive Directors) and members of Senior Management.
2. Undertaking annually a formal process of evaluation of performance of the Board as a whole and its Committees, either directly or by engaging external independent consultant.
3. Recommending human resource management policies to the Board.
4. Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, CFO, Company Secretary and Head of Internal Audit.
5. Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer.
6. Where human resource and remuneration consultants are appointed. (The Committee will know they will make their credentials and a statement as to whether they have any other connection with the Company).

Attendance of Investment Committee Meetings

Director	Status	7th Aug 2025	17th Apr 2026	Total No. of Meetings
Mr Syed Bakhtiyar Kazmi	Non-Executive Director		Left the Committee on 16 Sep 2025	1
Mr Mohammad Majid Munir	Non-Executive Director	Joined the Committee on 16 Sep 2025		1
Mr Khurshid Zafar Qureshi	Non-Executive Director			2
Mr S M Irfan Aqueel	Independent Director			2

Terms of Reference - Investment Committee

The Committee has the following specific responsibilities: -

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

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

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

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

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

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

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

Attendance of ESG Committee Meetings

Director	Status	17 Apr 2026	Total No. of Meetings
Ms Maleeha Bangash	Independent Director		1
Maj Gen Tariq Qaddus	Non- Executive Director		1
Mr S M Irfan Aqueel	Independent Director		1

Terms of Reference - ESG Committee

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

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

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

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

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

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

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

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

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

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

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

DISCLOSURE ABOUT GOVERNMENT POLICIES RELATED TO COMPANY'S BUSINESS

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

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

DIVIDEND POLICY

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

REPORT OF AUDIT COMMITTEE

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended 30 June 2026.

Composition of the Audit Committee

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

The Chief Financial Officer (CFO) attends Committee meetings by special invitation. The Head of Internal Audit Department attends all meetings, while the External Auditors are invited as required.

Meetings of the Audit Committee

The Committee held quarterly meetings to review and recommend the financial statements for approval by the Board. All related party transactions were reviewed by the Committee for subsequent being submitted to the Board for final approval. Separate sessions were also held with Internal and External Auditors to ensure compliance with applicable regulatory requirements and guidelines.

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

Financial Statements

The Committee confirmed the following aspects regarding the financial statements for the year ended 30 June 2026: -

- The financial statements were prepared on a going concern basis in accordance with the Companies Act - 2017, IFRS as applicable in Pakistan and other relevant regulations.
- The financial statements presented a true and fair view of the Company's financial position, financial performance and cash flows.
- The Auditors issued unmodified reports in line with the Auditors Regulations (Reporting Obligations), 2018 issued by SECP.
- Accounting policies were applied consistently and disclosed adequately.
- The Financial statements were endorsed by a Director, the CEO and the CFO, acknowledging their responsibility for fair presentation, compliance and internal controls.
- Accounting estimates made using prudent and reasonable judgment.
- Compliance with the Fourth Schedule to the Companies Act - 2017 was ensured, with consistent internal and external reporting.
- All related party transactions were reviewed and recommended by the Committee before the Board for approval.
- The External Auditors reviewed and certified the Statement of Compliance with the Code of Corporate Governance.

Risk Management and Internal Control

- The Company maintained an established risk management framework through which risks were identified, assessed, prioritized, and mitigated, with the risk profile monitored quarterly by the Committee.
- An effective internal control framework remained in place, supported by an independent Internal Audit function.
- Internal Audit provided assurance regarding the effectiveness of internal controls and risk management effectiveness.
- Mechanisms were in place for confidential reporting of financial or other improprieties. No whistleblowing concerns were raised during the year.

- Risk types and related mitigation measures were appropriately disclosed in the Risks and Opportunities Section of this report.

Internal Audit Function

- The internal control framework included an independent Internal Audit function reporting directly to the Audit Committee.
- The Committee approved the Annual Internal Audit Plan and reviewed its progress on a quarterly basis.
- All significant processes were regularly audited and the control system remained sound and effective.
- Internal Audit findings were reviewed and appropriate corrective actions were taken or referred to the Board where necessary.
- Open audit observations were continuously monitored and tracked to ensure timely resolution.
- The Head of Internal Audit Department maintained direct access to the Chairperson of the Audit Committee and operated with adequate staffing and unrestricted access to relevant information.
- Effective coordination between Internal and External Auditors contributed to robust financial reporting and regulatory compliance.

Annual Report 2026

- A comprehensive Annual Report for the period under review has been issued, providing clear and balanced financial and non-financial information in compliance with applicable regulations.
- The report adequately reflects the Company's performance, risk management framework, future outlook and value creation for stakeholders.

External Auditors

- M/s A. F Ferguson & Co, Chartered Accountants, completed their audit of the financial statements and the Statement of Compliance with the Code of Corporate Governance for FY - 2025/26 and will retire at the conclusion of the 34th Annual General Meeting (AGM).
- The Committee discussed the audit process, newly applicable accounting standards, key risk areas and other observations with the External Auditors.
- Being eligible, M/s A. F Ferguson & Co offered themselves for reappointment. The Audit Committee recommended their reappointment for FY - 2026/27.

Evaluation of the Audit Committee

The Committee has fulfilled its responsibilities in accordance with its Board-approved ToRs, which remained aligned with the Code of Corporate Governance. The Board's performance evaluation, including the evaluation Audit Committee members, was conducted separately, the details of which are covered in the Annual Report.

Saira Nasir

Chairperson Audit Committee FCCL
Rawalpindi
11th August 2026


Promote well-being of ex-servi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Development

MESSAGE FROM THE HEAD

of Management Information Systems (MIS)

Information Technology remains a key enabler of operational efficiency, innovation and sustainable growth. The MIS Department is committed to providing secure, reliable and innovative technology solutions that strengthen business performance and support the organization's strategic objectives.

The organization has continued to advance its digital transformation journey through the adoption of modern technologies and enterprise-wide systems. The successful implementation of SAP S/4HANA ERP in 2022 replaced the legacy system and strengthened process standardization, transparency, data integrity and real-time decision-making. Building on this foundation, the organization is progressing towards RISE with SAP and cloud technologies to further enhance agility, scalability and business resilience.

During the year, the MIS Department continued to strengthen cybersecurity, network infrastructure and disaster recovery capabilities, while enhancing the reliability and resilience of the organization's technology environment. Looking ahead, the Department remains committed to embracing emerging technologies, strengthening cyber resilience and developing its people and capabilities to deliver secure, agile and future-ready IT solutions aligned with the organization's evolving business needs.

Qaiser Mehmood

Chief Financial Officer (CFO)

IT GOVERNANCE & CYBERSECURITY

The Board Responsibility Statement

The IT System/Controls and AI Strategy

The Board of Directors of Fauji Cement Company Limited maintains close oversight of the Company's IT infrastructure, internal control environment, and strategic Artificial Intelligence initiatives, with strict adherence to applicable legal and regulatory requirements, particularly those governing data privacy and cybersecurity. The Board takes a forward-looking approach to emerging cyber threats, monitors compliance with relevant laws and standards and supports management in implementing sound risk mitigation strategies.

Board Engagement with Management in case of Cyber Breach

In the event of a cybersecurity incident or compliance breach, the Board engages promptly with senior management to assess its impact, oversee the response and confirm that corrective actions are taken in a timely manner. This governance approach reflects the Board's commitment to safeguarding Fauji Cement's information assets, building cyber resilience and protecting stakeholder interests.

IT Governance and Cybersecurity Framework

Fauji Cement Company has put in place a sound IT governance and cybersecurity framework supporting secure, resilient and compliant digital operations. Comprehensive policies and procedures govern access controls, system monitoring, data protection, incident response and backup management to preserve the confidentiality and availability of information assets. The framework is aligned with applicable regulatory requirements and industry best practices and is periodically reviewed and updated to address evolving cyber threats and reinforce the Company's security posture.

IT Governance and Cybersecurity Programs

Policies and procedures and industry specific requirements for cybersecurity

Fauji Cement Company Limited has instituted a structured IT governance framework that guides the Company's cybersecurity programs and digital risk management. This framework is supported by a defined set of policies and procedures covering access controls, network security, data protection, incident response and disaster recovery. These policies are designed in line with industry-specific requirements applicable to the manufacturing and cement sector, taking into account the operational technology environment alongside conventional IT systems. Periodic reviews and audits are conducted to assess the effectiveness of these controls and to ensure alignment with regulatory obligations and evolving industry standards. The Company continues to invest in strengthening its cybersecurity posture through employee awareness, system upgrades and monitoring mechanisms.

Cybersecurity in Board's Risk Oversight Function

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

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

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

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

Early Warning System for Cybersecurity Risks

Fauji Cement Company Limited (FCCL) has put in place an advanced cybersecurity monitoring and early warning system to proactively identify, assess and respond to potential cyber threats. The system draws on threat intelligence, behavioural analytics, real-time monitoring and layered security controls to enable early detection of anomalies, unauthorised access attempts and malicious activity, supporting timely incident response and risk mitigation. This capability safeguards critical business systems and sensitive information, supports operational continuity and enables timely reporting of significant cybersecurity risks and incidents to the Board. The Company remains committed to strengthening this capability on an ongoing basis to maintain a secure, resilient and trusted digital environment.

Independent Security Assessments and Third-Party Risk Management

Fauji Cement Company Limited (FCCL) maintains a structured cybersecurity assurance program comprising regular internal and independent assessments of its technology environment, including critical third-party risks. The Internal Audit function periodically reviews IT controls and governance processes, while the MIS team performs continuous vulnerability assessments to identify and remediate potential security weaknesses. In addition, the Company engages independent cybersecurity specialists to conduct comprehensive assessments of its IT infrastructure and networks, providing objective validation of cybersecurity controls, evaluating incident preparedness, and identifying opportunities for continuous improvement. This layered assurance approach strengthens FCCL's cybersecurity resilience and supports the effectiveness of its information security framework.

Last third party review conducted

As part of the Company's cybersecurity assurance program, its security technology service provider conducted a comprehensive security health assessment of the IT environment in May 2025 to evaluate the effectiveness of security controls and identify opportunities for further enhancement.

Disclosures

Structured Disaster Recovery and Business Continuity Planning

Fauji Cement Company Limited (FCCL) maintains a comprehensive Business Continuity and Disaster Recovery (BC/DR) framework to ensure the resilience of critical business operations in the event of technology disruptions or cybersecurity incidents. The framework comprises documented policies, recovery procedures, and dedicated resources designed to minimize operational disruption and enable the timely restoration of critical systems and data. Regular testing and continuous enhancement of recovery capabilities help ensure the availability, integrity, and resilience of the Company's information systems and support uninterrupted business operations.

Robust Backup Systems and Redundant Infrastructure

Fauji Cement Company Limited (FCCL) has established a resilient backup and disaster recovery infrastructure to ensure the availability, integrity, and recoverability of critical business information. The Company maintains multiple backup copies across diverse storage media, secure offsite repositories, and database replication to strengthen data protection and operational resilience. Its IT infrastructure is supported by an Active-Passive architecture comprising Primary and Local High Availability (HA) servers, complemented by a dedicated remote Disaster Recovery (DR) site. The DR environment is designed to restore critical systems and services within established recovery objectives, minimizing operational disruption and supporting the continuity of business operations

Validation, Testing and Financial Risk Mitigation

To ensure the continued effectiveness of its Disaster Recovery framework, FCCL conducts periodic disaster recovery drills and recovery validation exercises, including database restoration testing in controlled environments, to verify data integrity, system recoverability, and operational readiness.

Advancement in Digital Transformation

FCCL's Journey Toward Digital Innovation and Automation

Fauji Cement Company Limited (FCCL) continues to advance its digital transformation agenda through the implementation of RISE with SAP. The initiative is expected to modernize the Company's enterprise technology landscape by leveraging cloud computing, advanced data analytics, intelligent process automation, and AI-enabled capabilities. Upon completion, the platform is expected to enhance business agility, strengthen data-driven decision-making, improve process efficiency, and support the Company's long-term digital transformation objectives. The implementation is progressing in accordance with the approved project roadmap and is expected to further strengthen operational resilience and governance across key business functions.

Cybersecurity Education and Training

Fauji Cement Company Limited (FCCL) regards cybersecurity education and training as a key pillar of its risk mitigation strategy, equipping employees to strengthen the Company's overall security posture and reduce the likelihood of cyber incidents. The IT Department leads this initiative through the development and dissemination of security policies, guidelines and best practices governing the handling of sensitive information, system usage and password management. The Company promotes a culture of continuous cybersecurity learning, encouraging employees to stay informed of evolving threats through structured programs, curated resources, support for industry certifications and participation in relevant conferences and workshops.

These initiatives are aimed at building a vigilant, security-conscious workforce capable of identifying and addressing risks in a timely manner. FCCL remains committed to enhancing these programs on an ongoing basis, so that they continue to address emerging threats and safeguard the Company's digital assets, sensitive data, operational integrity and stakeholder trust.

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

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

a) Integration and Optimization of Core Business Processes

1. Sourcing & Procurement

The SAP Procurement Module has strengthened vendor management by enabling transparent and fully traceable processes across the procurement cycle. Through automated generation of comparative statements, vendor performance monitoring and seamless integration with the Finance Module, procurement operations have become faster and more reliable while maintaining a high standard of audit readiness and compliance.

2. Inventory Management

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

3. Production Planning

The system supports automated production planning and real-time monitoring, enabling accurate tracking of daily production activity and comprehensive traceability across the entire production cycle.

4. Plant Maintenance

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

5. Quality Management (QM)

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

6. Finance

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

7. Cost Control

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

8. Sales & Distribution (SD)

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

9. Human Resources (HCM)

SAP HCM module strategically facilitates recruitment, on-boarding, payroll processing, performance evaluation, and centralized employee data management, ensuring workforce operations are both strategic and streamlined.

Strategic Impact of SAP Integration

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

Other Disclosures

Upgradation to SAP Cloud – RISE with SAP

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

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

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

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

Actions to prevent or mitigate potential negative impacts:

- Infrastructure Redundancy: Implemented redundant systems for all core services, including dual network switches, redundant power supplies with UPS backup, active/passive WAN links, and high-availability virtual machine clusters utilizing VMware vSphere/Hyper-V.
- Data Backup Strategy: Configured daily incremental and full backups for all critical servers using a leading industry Backup & Replication solution, featuring offsite replication to a secondary data center.
- Patch Management: Executes regular patching through automated processes, ensuring all servers and endpoints remain current to minimize cyberattack risks.
- Security Controls: Safeguards network infrastructure and components with next-generation Firewalls and integrated Endpoint Protection Platform (EPP) with Endpoint Detection and Response (EDR) solutions. These solutions provide automated detection and response capabilities, utilizing advanced threat defense techniques that combine multiple security functionalities to apply appropriate protection dynamically. The layered security architecture employs behavioral analysis and machine learning for advanced

threat detection, response, and investigation, ensuring robust endpoint protection.

- Monitoring and Alerts: The FCCL IT team continuously monitors all incoming and outgoing internet traffic and analyzes security alerts using advanced security tools.

High-Availability Network Infrastructure

The Company's 5 Plants and 2 Marketing offices remained securely connected to the central side (Head Office) having its' data center through a private VPN network, ensuring reliable and protected communication across all locations. During the year, the network infrastructure maintained high availability and performance without significant downtime, enabling seamless access to enterprise applications and uninterrupted collaboration. The robust and resilient connectivity infrastructure continued to support critical business processes, ensuring operational efficiency, business continuity, and secure information exchange throughout the organization.

Enterprise Digital Transformation

To support efficiency and transparency, FCCL continues to advance its digital transformation agenda. The company has implemented SAP S/4 HANA, the latest and world best ERP System that brings enhancement of controls and business efficiency through accurate and timely reporting which helps management make timely and well informed decisions, an eOffice Automation System (eOAS) to reduce paper use and streamline workflows, digitised records for improved data accessibility and control, and implemented a vehicle tracking system integrated with email and SMS alerts. Official website moved to secure VPS hosting environment.

AI-Powered HR Assistant

During the year, the Company implemented an AI-powered HR Assistant to enhance employee self-service and improve access to HR information. The solution enables employees to instantly search and retrieve accurate information from HR policies, procedures, and related documents using natural language queries. By providing quick, context-aware responses, the AI Assistant reduces the time spent searching through lengthy documents, improves policy awareness, ensures consistent information delivery, and supports faster decision-making. The initiative enhances employee experience, increases operational efficiency, and represents another step in the Company's digital transformation and adoption of artificial intelligence technologies.

Medical Health Apps

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

Digitalization of Land Records

The digitization of land records represents a significant reform initiative aimed at enhancing transparency, efficiency and accessibility in land administration. By converting paper-based records into secure electronic formats, FCCL reduces the potential for fraud, land disputes and manual errors. Digital land records allow for real-time updates, streamlined ownership verification and faster transaction processing. Overall, this initiative supports a more accountable, efficient and stakeholder-centric governance framework.

Digitalization - Sales Booking Order Confirmation through SMS Service

The implementation of SMS-based sales booking order confirmation marks a meaningful step forward in digitizing FCCL's traditionally manual process. By providing customers with instant, automated confirmation, this initiative improves transactional transparency, strengthens customer confidence and supports seamless communication. The SMS system also contributes to operational efficiency by accelerating processing cycles and reducing manual errors. From an environmental standpoint, it eliminates paper-based communication, in line with FCCL's "Go Green" sustainability objectives. Together, these developments reflect FCCL's continued focus on operational modernization, improved service delivery and environmental responsibility.

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

The tracking of project-based dispatch vehicles (bulk carriers) via email and SMS represents a further step in digitizing FCCL's logistics operations. This system provides real-time updates on vehicle movements and dispatch schedules, improving operational transparency, efficiency and responsiveness. It reduces reliance on manual processes and paper-based records in line with the Company's "Go Green" sustainability initiative. Together, these developments strengthen operational oversight and accountability, and reflect FCCL's vision for an agile and environmentally conscious business ecosystem.

Digitalization through the Use of Company-Owned Email System

The adoption of a company-owned email system marks an important step in FCCL's digital transformation. This secure internal communication platform provides greater control over data, strengthens the confidentiality of business correspondence and supports seamless cross-departmental collaboration. The shift from traditional methods to an integrated digital system has improved operational efficiency, supported faster decision-making and reduced dependence on physical documentation. It also contributes to environmental sustainability by minimizing paper usage. The company-managed email system reinforces information security and operational transparency, in keeping with FCCL's commitment to modernization and a digitally driven work culture.

EMS Help Desk Ticketing System

The EMS Help Desk Ticketing System supports FCCL's digitalization and environmental sustainability initiatives. It streamlines the logging and resolution of service requests, improves transparency and removes the need for paper-based processes. By enabling real-time tracking and faster response times, the system enhances operational efficiency while contributing to the Company's sustainability goals and modernized service delivery.

Steps taken to strengthen the Security Posture

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

a. **Upgraded Hardware Firewall:**

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

b. **Deployment of Strong Firewall Policies:**

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

c. **Implementation of Top-Tier Server Security Solution:**

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

e. **Centralized Endpoint Monitoring via AV Dashboard:**

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

f. **Strong Password Policy Enforcement:**

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

g. **Third-Party Vulnerability Assessment and Penetration Testing:**

   Conducted comprehensive assessments with subsequent implementation of remediation measures.

h. **Regular Vulnerability Assessment and Security Patching**

   To keep systems up to date and secure, regular vulnerability assessments and security patching are performed through both automated and manual processes

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

Planned Initiatives for Upcoming Budget Cycle

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

a. **Engagement of Consultancy Services for ISO 27001 Certification:**

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

c. **Upgrade to Windows 11 Pro:**

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

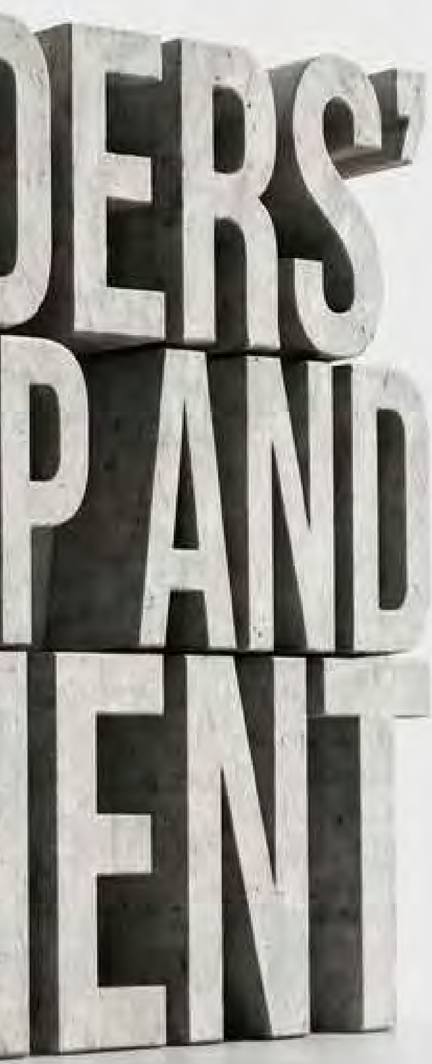
d. **Endpoint Hardware Upgradation:**

   Phase wise refreshing hardware to meet Windows 11 Pro requirements, ensuring optimal security and performance.

e. **Security Awareness Trainings: Implementing end-user cybersecurity training programs.**

   These initiatives are in line with FCCL's strategic goals of digital transformation, cybersecurity resilience and process efficiency.


STAKEHOL
RELATIONSHI
ENGAGEM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STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

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

Stakeholders' Engagement Policy

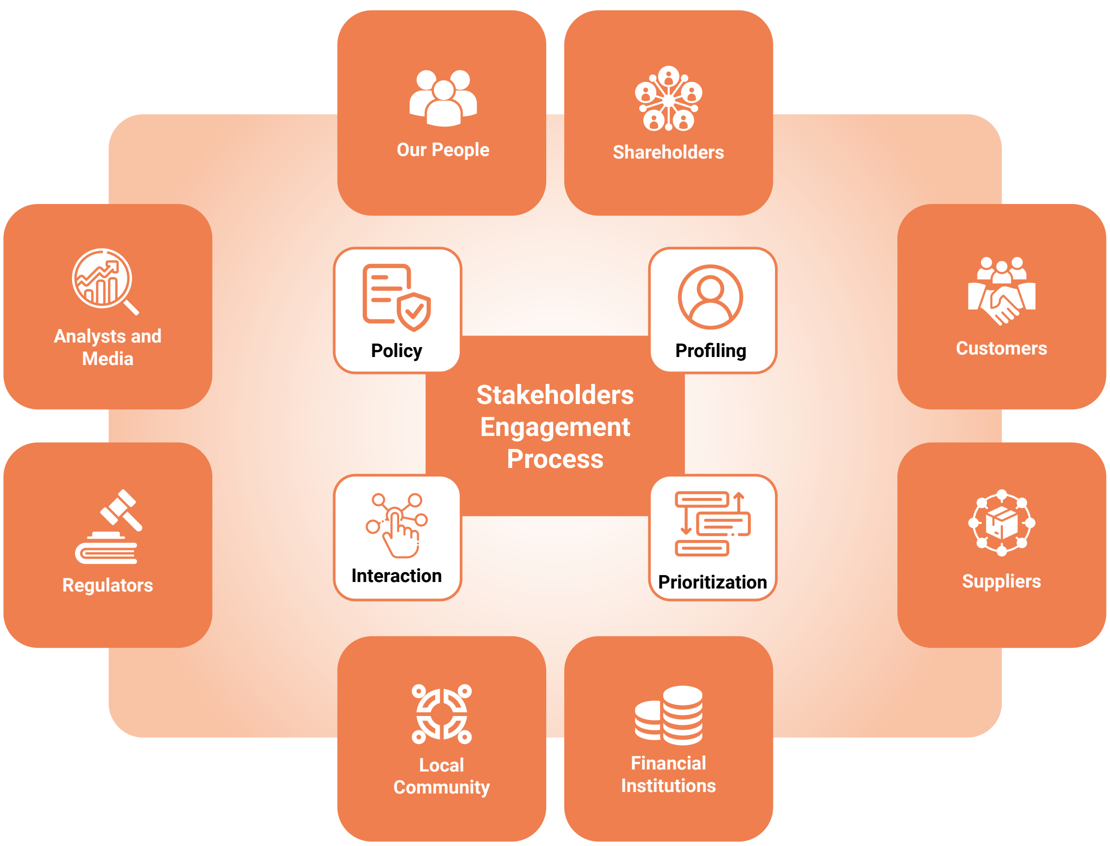
We recognize the genuine needs, rights and expectations of every stakeholder. Keeping in view the applicable regulatory framework, legitimate rights and needs of any stakeholder we:

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

How We Identify Stakeholders

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

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



Frequency of Engagement

Regular Periodic

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

Participation of Minority Shareholders at General Meetings

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

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

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

Investor Relations Section on Fauji Cement's Website

Comprehensive information about the company and relevant regulatory requirements is available on FCCL's website. The "Investor Relations" section is regularly updated, providing detailed information on dividend history, financial highlights, financial results, and other necessary details. To ensure accessibility for all shareholders, the website is maintained in both English and Urdu, in line with the applicable regulatory framework. The website can be accessed at www.fccl.com.pk. The most up-to-date version of the report is the online PDF available on the FCCL website, which supersedes any previously uploaded editions.

Issues Raised at the Last AGM

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

Understanding the Views of Stakeholders through Corporate Briefing Sessions

FCCL remains committed to fostering a strong relationship with the investor community by regularly hosting Corporate Briefing Sessions. During the fiscal year, a session was held on September 25, 2025, focusing on Environmental, Social, and Governance (ESG) matters, key operational highlights, and the Company's financial performance. The session included a detailed Q&A segment with analysts and attendees, followed by a general discussion on the Company's financial and operational results. The presentation from this session is available on the FCCL website.

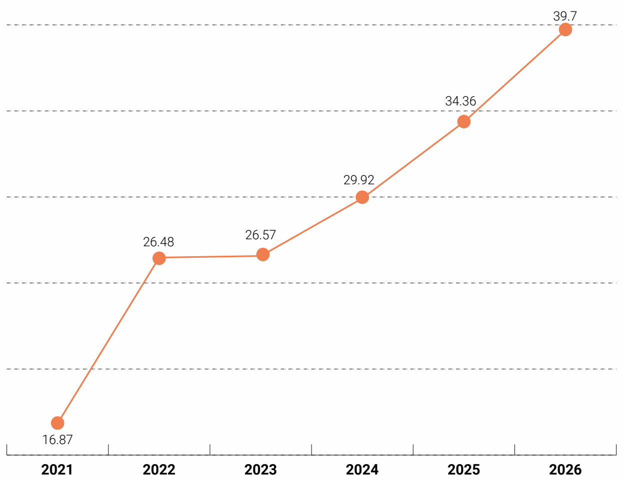
Highlights about Redressal of Investors Complaints

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

Shareholders' Information

To keep shareholders informed about the company's operations, growth, and overall status, the management ensures the timely dissemination of all important information, including the announcement of interim and final results, to the Pakistan Stock Exchange. Quarterly, half-yearly, and annual financial statements are distributed to all relevant parties within the required timeframe. Likewise, notices and announcements regarding dividends are communicated to all stakeholders and regulators in accordance with the Listed Companies (Code of Corporate Governance) Regulations 2019 and the Companies Act 2017. All this information is also promptly uploaded on the company's website (www. fccl.com.pk). Company has generated wealth for its shareholders in the form of increased breakup value per share as a result of capacity expansions and higher EPS. The generated wealth is starting to being disseminated to shareholders in form of dividend i.e. Company has declared 15% dividend despite significant capital investments in holding equity investment in Attock Cement Pakistan Limited and green energy projects that are expected to generate long term wealth for shareholders. The Company's market capitalization along with share price also increased significantly at year end i.e. Rs. 57.55 as compared to Rs. 44.67 in FY 2025.

Break value per share (Rupees)



Whistle-blowing Mechanism

FCCL has placed in a comprehensive whistle blowing policy to address suspected wrongdoing in the workplace that may cause material harm to the Company. These includes internal matters such as criminal offences, financial loss, breaches of health and safety of employees etc. It also extends to external threats, including money laundering, bribery, violation of laws, or any conduct posing a direct risk to public interests. The policy provides a secure and confidential framework for reporting concerns, ensuring that all cases are thoroughly investigated, handled impartially and resolved in a manner that safeguards both the integrity of the process and protection of whistle-blower. This policy applies to all FCCL employees, management, Board members and external business partners. The Human Resource department ensures the policy is effectively communicated while safeguarding whistle-blowers from retaliation, with support from the whistle-Blowing Committee and the Managing Director. The whistle-blowing Committee comprises of the Company Secretary, CFO, Director HR&A, Head of Internal Audit and relevant department heads.

Reporting channels and Confidentiality:

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

Audit committee oversight and Annual Reporting

The Chairperson of Audit Committee prepares quarterly reports of all concerns and actions for the Managing Director and Board, with an annual summary presented in the Company's annual report During the year, no significant issues were reported. The minor issues reported did not qualify as whistleblowers; however, the complaints were duly addressed by the management on merits.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Sustainability at FCCL

Environment

Social

Governance

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Building Strength, Cementing Trust

Cement provides the foundation for building homes, businesses, and infrastructure, making it essential to Pakistan's economic and social development. Its production is also resource- and energy-intensive, creating significant responsibilities relating to emissions, energy, water, raw materials, land, workplace safety and neighbouring communities.

For Fauji Cement Company Limited (FCCL), building strength means more than expanding production and market reach. It translates to improving operational efficiency, managing environmental and social impacts, ensuring safety of the people who work across its plants and preserving the trust of its customers, communities, regulators, investors and business partners.

During FY2026, FCCL continued to develop the systems and capabilities supporting this responsibility. The Company strengthened sustainability oversight and reporting, invested in energy efficiency, renewable power and waste-heat recovery, expanded the use of suitable alternative materials, improved water-data management and continued its focus on occupational safety, employee development, and community investments. The acquisition of an interest in Attock Cement Pakistan Limited also extended FCCL's business relationships and market presence into Southern Pakistan.

Our Journey was not uniform across every area. This year's performance also brought into focus the need for continued attention to emissions and energy efficiency, more structured environmental and social assessments of suppliers, deeper look at biodiversity, and broader coverage of value chain data. FCCL has disclosed these limitations to provide a balanced account of its current position and the work still required.

As FCCL's Second Sustainability Report, this publication reflects a progression from establishing initial disclosures towards improving the consistency, relevance, and accountability of sustainability information. By strengthening its operational foundations and reporting transparently on both its progress and future challenges, FCCL seeks to build a more resilient business and seeks lasting stakeholder trust.


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ABOUT FCCL

MESSAGE FROM CHAIRPERSON ESG COMMITTEE

Dear Stakeholders,

It is my immense pleasure and privilege, as Chairperson of the ESG Committee, to present FCCL's second ESG and Sustainability Report for 2026.

At the outset, I extend my heartfelt gratitude to our Honourable Chairman of the Board, FCCL, Lt. Gen (R) Anwar Ali Hyder, whose ownership of the ESG agenda, unstinting support, visionary leadership and invaluable guidance have enabled meaningful progress within FCCL, while fostering collaboration and synergies across Group companies to maximize impact. We are purposefully moving toward a more integrated, enterprise and Group-wide commitment to ESG.

At FCCL, we have been rethinking ESG implementation to ensure real, measurable impact. Our approach is underpinned by authenticity and one clear conviction: sustainability is not only about regulatory compliance, but about concrete action.
We have consciously chosen substance over symbolism. Every initiative in this report reflects genuine progress, measured through clear metrics. My highest commendation and sincerest appreciation go to the CEO FCCL, Mr. Qamar Haris Manzoor, Director ESG Brig. Khurram Nazir, Secy to the FCCL BoD, Brig. Kashif Abbasi, and the entire FCCL Management team and employees for embracing this agenda wholeheartedly and executing it with passion, purpose and diligence.

Among the milestones we are proud to share this year are:

- **Decarbonizing Cement Manufacturing:** GHG intensity improved from **0.70 to 0.69 tCO_2e/t cement,** with **454,243 tCO_2e avoided** through Supplementary Cementitious Materials (SCMs).
- **Accelerating Clean Energy & Efficiency:** Energy intensity improved from **2.90 to 2.82 GJ/t cement,** supported by investment in solar power and Waste Heat Recovery (WHR) systems.
- **Advancing Water Stewardship: 205,923 m^2** of rainwater harvesting infrastructure and **53,336 m^3** of storage capacity were established, alongside **ISO 46001 implementation**.
- **Driving Circularity & Low Carbon Products: 39,097 tons of Alternative Fuel** were consumed, complemented by **32.5N cement** and increased SCM utilization.
- **Creating Community Impact: 120 women** were trained across all plants, **11,866 monthly beneficiaries** gained access to clean drinking water, and over **24,000 healthcare beneficiaries** were reached.
- **Strengthening ESG Leadership & Governance: Over 150 leaders from 22 companies,** including **13 Group companies,** engaged through our Group-wide ESG Leadership Seminar. The outcome report has been finalized and will be widely circulated after publication.

As we conclude this chapter, my belief remains firm: through continued effort and resolve, we can pursue this agenda with greater rigor, embracing every ESG initiative to reaffirm FCCL's commitment to a greener, sustainable future, with a healthier environment, real social impact and stronger governance.
The ESG journey has only just begun. We remain determined to carry it forward with purpose, conviction and resolve, mindful of the poet's words:

"(we) have promises to keep,
And miles to go before (we) sleep,
And miles to go before (we) sleep"

Thank you for your support and for being part of our journey!

Maleeha Bangash

Chairperson, ESG Committee

MESSAGE FROM MANAGING DIRECTOR & CEO

Pakistan's continuing urbanization and infrastructure development reaffirms the importance of a reliable, forward-looking domestic cement industry. As the sector grows, hence our commitment to producing responsibly - keeping pace with rising energy costs, tightening resource constraints, and increasingly demanding climate, environmental and social expectations. FCCL's strategic challenge is clear: to remain operationally competitive while steadily reducing the environmental and social footprint of our growth.

Within our existing operations, our foremost environmental priority remains improving how efficiently we convert energy and mineral resources into cement. Higher production during the year increased our absolute greenhouse gas (GHG) emissions, however, our emissions intensity improved from 0.70 to 0.69 tCO_2e per ton of cement, and energy intensity improved from 2.90 to 2.82 gigajoules per ton. Although these gains are encouraging, but the scale of the industry's climate challenge demands sustained, disciplined progress. We remain focused on the levers most relevant to cement manufacturing - raising thermal and electrical efficiency, increasing clinker substitution wherever product quality allows, adopting suitable alternative fuels and raw materials, and expanding our use of lower-carbon energy. Advancing on each front will be based on more robust emissions data, disciplined capital allocation, and a sharper understanding of our climate-related risks and opportunities.

In the years ahead, we will prioritize better measurement and management of indirect emissions, more comprehensive location-specific risk assessments, and stronger environmental and social due diligence across our supply chain. Sustained progress will depend on improved data quality and analysis and phased implementation plans aligned with our long-term sustainability objectives.

As our second Sustainability Report, this publication reflects FCCL's ongoing commitment to strengthening our sustainability practices and disclosures. We intend to use the insights this reporting process generates to support better decision-making, build operational resilience, and direct resources toward the issues that matter most to our business and our stakeholders.

I extend my sincere appreciation to our employees for their dedication, and to our Stakeholders for their continued confidence and support. Together, we remain committed to building a stronger, resilient and sustainable FCCL.

Qamar Haris Manzoor

CEO/MD FCCL

ABOUT THIS REPORT

Fauji Cement Company Limited (FCCL) is proud to present its second annual Sustainability Report, covering its environmental, social and governance approach, material impacts, initiatives and performance during FY 2026. The report forms part of FCCL's continuing efforts to strengthen the consistency and transparency of its sustainability disclosures.

Reporting period and frequency

This report covers the period from 1 July 2025 to 30 June 2026 and has been prepared as part of FCCL's annual sustainability reporting cycle. The report was published on 07 September 2026.

Reporting scope and boundary

Unless otherwise stated, the qualitative and quantitative information in this report covers FCCL's four cement-manufacturing operations at Jhang Bahtar, Wah, Nizampur, Dera Ghazi Khan and Polypropylene PP Bag Unit at Hattar for the period from 1 July 2025 to 30 June 2026.

Reporting basis

This report has been prepared in accordance with the GRI Standards (2021). The report has also been developed with reference to the Securities and Exchange Commission of Pakistan (SECP) ESG Disclosure Guidelines for Listed Companies 2025. FCCL's material sustainability topics provide the basis for the report's structure and disclosures. The process for determining these topics is described in the Materiality section. Relevant activities and impacts have also been mapped against the United Nations Sustainable Development Goals (SDGs), with a clear relationship identified.

Related disclosures and restatements

This report should be read alongside FCCL's Annual Report 2026 and other relevant corporate disclosures available on the Company's website.

Restatements of information reported in the previous reporting period were made during FY2026 and noted at relevant places.

External assurance

The report has been independently assured by Nadeem Safdar & Co., Chartered Accountants, in accordance with ISAE 3000 (Revised). The assurance statement contains details of applicable criteria, the level of assurance, the procedures performed and the conclusions reached, which are available in the External Assurance Report section of this report.

Feedback

FCCL welcomes stakeholder feedback to support the continued improvement of its sustainability reporting.

ESG Department

Fauji Cement Company Limited

Phone: +92 (51) 9280081, Ext. 299

Email: khurram.nazir@fccl.com.pk

SUSTAINABILITY HIGHLIGHTS FY 2026

5.7 million Tons
(FY 2025: 5.4 million Tons)
Cement Production

51% *RE
(FY 2025: 49% *RE)
Power Mix
*RE - Renewable Energy

0.088
(FY 2025: 0.052)
Rate of recordable work related injuries

39,097 MT
(FY 2025: 88,727 MT)
Alternative Fuels Consumption

16,043,768 GJ
(FY 2025: 15,093,004 GJ)
Energy Consumption

1,500 ML
(FY 2025: 1,338 ML)
Water consumption

16.62%
(FY 2025: 16%)
Return on equity

PKR 203 million
(FY 2025: PKR 93 million)
Community investment

CO_2

3,920,842 MT
(FY 2025: 3,770,247 MT)
GHG emissions

CORPORATE PROFILE

Fauji Cement Company Limited (FCCL) is a public limited company incorporated in Pakistan on 23 November 1992 and listed on the Pakistan Stock Exchange. Its registered office and corporate headquarters are located at Fauji Towers, Rawalpindi, Pakistan.

FCCL operates in Pakistan's cement and construction-materials sector. Its manufacturing operations are located entirely in Pakistan, while its products are sold principally in the domestic market and exported to Afghanistan.

Operations and Manufacturing Footprint

FCCL operates four integrated cement-manufacturing plants with a total capacity of 10.6 MT located at:

- Jhang Bahtar, District Attock;
- Wah, District Rawalpindi;
- Nizampur, District Nowshera; and
- Dera Ghazi Khan, Punjab.

The Company also operates a polypropylene bag manufacturing projects facility at Hattar, District Haripur. The facility supports FCCL's packaging requirements and has an annual production capacity of approximately 108 million bags.

Products and Markets

FCCL manufactures and sells cement and related construction products under the Fauji and Askari brands. Its portfolio includes:

- Ordinary Portland Cement;
- Sulphate Resistant Cement;
- Low Alkali Cement;
- Low Heat of Hydration Cement;
- Portland Composite Cement; and
- Tile Bond.

The Company serves residential, commercial, industrial and infrastructure markets. Its domestic customers include authorised dealers (428), distributors, construction companies, government contractors, institutional customers and major infrastructure projects. FCCL also exports cement to Afghanistan.

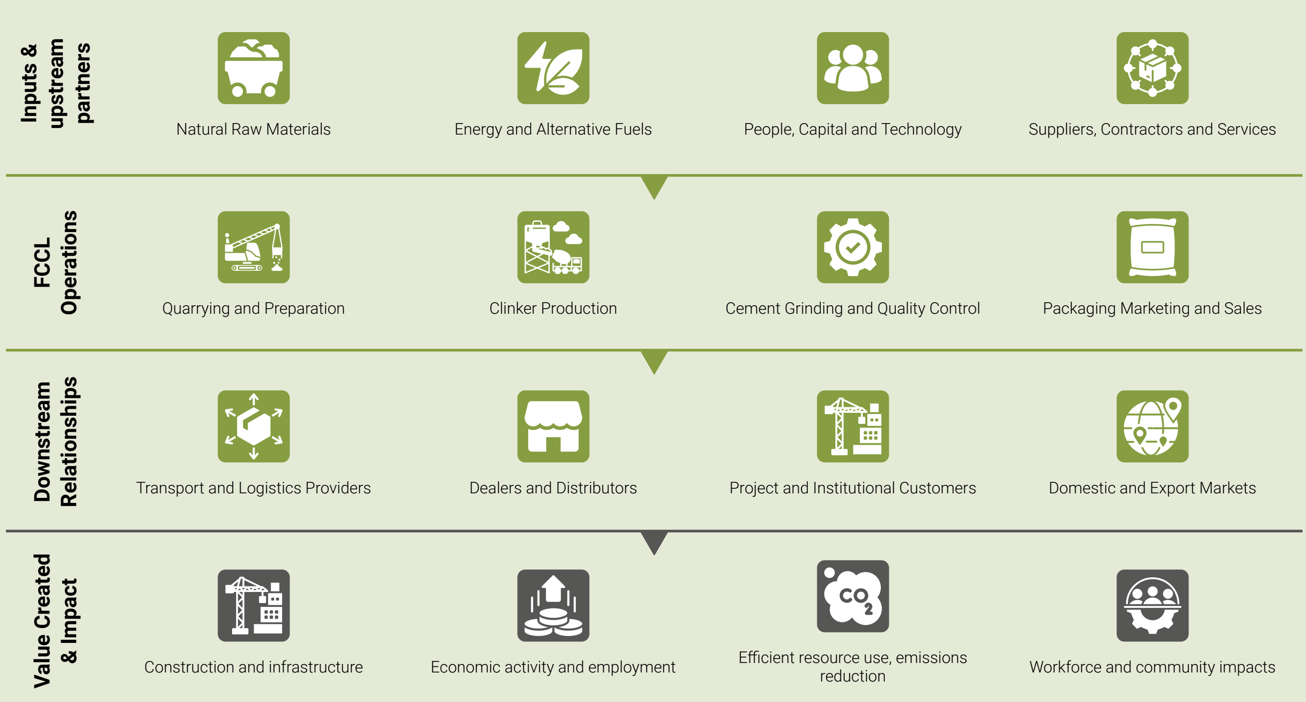
Value Chain and Business Relationships

FCCL's value chain extends from the extraction and procurement of raw materials to the production, packaging, distribution and end use of its products. FCCL maintains relationships with Fauji Foundation and other associated companies, regulatory authorities, financial institutions, industry associations, community organisations and implementation partners.

During FY2026, FCCL, together with Kot Addu Power Company Limited, completed the acquisition of a majority interest and joint control in Attock Cement Pakistan Limited (ACPL). As part of the transaction, FCCL acquired 46.02% of ordinary shares. ACPL operates a cement manufacturing facility in Hub, District Lasbela and Balochistan. The acquisition established a significant new business relationship for FCCL and extended its manufacturing presence and market reach into southern Pakistan. The ACPL is not included in the reporting boundary this year.

Other than the acquisition of ACPL, no significant changes occurred during FY2026 in FCCL's principal activities, core value-chain structure, product categories, supply arrangements, distribution channels or other relevant business relationships.

Business Model



Commitments and External Initiatives

FCCL uses recognised management systems to support consistency, regulatory compliance and the continued development of its operational practices.

Management System

During FY2026, FCCL's operations applied the following standards:

Standard	Area of application
ISO 9001:2015	Quality management system
ISO 14001:2015	Environmental management system
ISO 45001:2018	Occupational health and safety management system
ISO 50001:2018	Energy management system
ISO 14064-1:2018	Quantification and verification of organizational greenhouse gas emissions and removals

Membership Associations

FCCL maintains memberships in business and industry associations that provide opportunities for regulatory engagement, knowledge exchange and participation in matters relevant to its operations.

During FY2026, these included:

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

Awards and Accolades Received During 2025-26

During FY2026, FCCL received the following external recognition.

- ESG & Sustainability by Leadership by National Forum for Environment & Health (NFEH), held at Serena Hotels Islamabad on February 12, 2026

SUSTAINABILITY AT FCCL

STRENGTHENING OUR SUSTAINABILITY APPROACH

As a cement manufacturer, FCCL operates in a labour and energy-intensive industry with significant environmental and social impacts. These include greenhouse gas and air emissions, the extraction and use of raw materials, energy and water consumption, waste generation, occupational health and safety risks, and effects on communities surrounding its operations. Changing regulatory requirements, resource constraints and stakeholder expectations further reinforce the need for a structured approach to managing these impacts.

Fauji Cement also intends to increase the utilization of Solid Recovered Fuel (SRF) as an alternative fuel to partially replace conventional fossil fuels in its cement manufacturing process. This initiative will contribute to reducing the consumption of coal and other fossil fuels, lowering associated GHG emissions and improving the Thermal Substitution Rate (TSR). At the same time, the use of SRF will support the principles of a circular economy by converting suitable non-recyclable waste into a valuable energy resource, reducing waste disposal requirements and minimizing reliance on virgin fossil resources. This initiative is therefore expected to deliver both environmental and operational benefits while supporting Fauji Cement's broader decarbonization and resource-efficiency objectives.

FCCL is continuing to develop its sustainability approach as its reporting and management practices mature. During FY2026, the Company focused on strengthening governance arrangements, improving coordination across business functions, developing more consistent ESG information and enhancing the transparency of its disclosures. These efforts represent a progression from FCCL's initial reporting year, while recognising that integrating sustainability considerations across all business processes remains an ongoing undertaking.

Oversight of sustainability matters is provided through the Board ESG Committee, with senior management and relevant business functions responsible for implementation within their respective areas. The ESG Steering Committee supports coordination and performance review across functions. FCCL's ESG Policy, other corporate policies and established management systems provide the current foundation for managing environmental, workforce, community and governance matters.

To further reinforce governance oversight, an ESG Awareness Session for the Board of Directors, conducted by PwC, was held at Islamabad Club on 3 February 2026.

To advance its sustainability framework, FCCL organized a Group-wide ESG Leadership Seminar at Sona Towers, Rawalpindi, bringing together senior leadership, key directors, and sustainability experts to build strategic alignment across group entities. The seminar examined evolving regulatory expectations under SECP, SBP Green Taxonomy parameters, capital allocation requirements, and the transition toward a green ecosystem. Discussions highlighted the importance of real-time data-driven decision-making, climate risk management, long-term value chain mapping, and cross-functional innovation to protect against future risks and prepare for evolving carbon credit markets. This collaborative initiative maximized the synergy created across companies to address shared operational challenges in energy efficiency, resource management, digitalization, and climate resilience, reinforcing FCCL's commitment to structured governance, robust ESG board oversight, and long-term operational resilience.

FCCL's immediate priorities are to improve the quality and consistency of ESG data, strengthen accountability for material sustainability topics, enhance performance monitoring and progressively incorporate relevant sustainability considerations into operational planning and decision-making. The Company's materiality assessment provides the basis for determining the impacts and topics that require the greatest management attention and disclosure. During FY2026, FCCL also expanded the scope and credibility of its reporting through its second annual Sustainability Report and the independent assurance.

Strengthening our approach enables FCCL to enhance operational resilience, improve manufacturing efficiency, reduce business risks, and generate long-term value, while also contributing to Pakistan's infrastructure development.

ESG ROADMAP 2027

Climate Change

- Reduce carbon emissions intensity (tCO_2e per ton of cement produced) from the FY 2024 baseline:
- Net GHG Emissions: 0.77 tCO_2e {FY 2024)
- Net GHG Emissions: 0.70 tCO_2e {FY 2025)
- Net GHG Emissions: 0.69 tCO_2e {FY 2026)
- Net GHG Emissions: 0.68 tCO_2e {FY 2027) - Target

Biodiversity

- Plant 15,000 indigenous trees to increase carbon sequestration
- Maintain and continually improve Environmental Management System in accordance with ISO 14001:2015

Climate Change

- Maintain and continually improve the Energy Management System (EnMS) in accordance with ISO 50001:2018
- Obtain 3rd party verification of GHG inventory for FY 2025–26 - ISO 14064-1:2018
- Identification of relevant Scope-3 GHG emission categories (upstream & downstream) significant to FCCL operations

Health & Safety

- Achieve a Total Recordable Injury Frequency Rate (TRIR) of 0.06 or below through proactive risk management
- Consolidate and conduct internal audit for 04 Process Safety Management (PSM) elements (CCPS, AIChE)
- Maintain and continually improve the Occupational Health & Safety Management System (OHSMS) in accordance with ISO 45001:2018

Community Development - Education

- Upgradation of School at DG Khan plant
- Students Food Support Program at DG Khan
- Women Vocational training at Nizampur and Jhang bahtar
- IT Literacy for local Male & Female at Nizampur
- Digital Workshop for local youth at Nizampur
- Provision of high quality Education in Rural Areas to a Joint Venture with FF Education System
- Technical Training Course for Local youth at DG Khan

Human Capital Management

- Strengthen employee engagement through recreational trips, Town halls, Training and awareness sessions on stress, burnout, work-life balance and healthy routines
- Female employees health screening
- Succession planning Initiative

Corporate Governance

- Development of ESG Strategy and Targets for 2030 and its approval
- Development of Sustainability Manual
- Publication of Sustainability Report FY 27
- Conduct ESG training to 1-2 Directors to enhance Board oversight of ESG matters
- Develop internal expertise in sustainability reporting and disclosures

Corporate Governance

- Obtain Certificate of Statutory Compliance confirming compliance with applicable corporate laws, SECP regulations and the Code of Corporate Governance
- Annual performance evaluation of BOD
- Hold two (2) ESG Committee meetings to monitor ESG performance and implementation of the ESG Road Map

Ethical Practices

- Specialized training / awareness session for employees regarding Code of Conduct, Anti-Bribery & Corruption

Circularity

- Enhance the utilization of Supplementary Cementitious Materials (SCMs)
- Utilization of Solid Recovered Fuel (SRF) and biomass-based alternative fuels (AF) to substitute conventional fossil fuels
- Enhance the utilization of Limestone Dust (LSD) to conserve natural raw materials and promote circular economy practices.

Water

- Obtain Water Efficiency Management System (WEMS) certification in accordance with ISO 46001:2019
- Enhance rainwater harvesting infrastructure and practices across all FCCL sites

Product Innovation

- Explore and evaluate viable options to secure a sustainable source (China Clay) for the commercial production of LC3 (Limestone Calcined Clay Cement).
- Maintain and continually improve the Quality Management System in accordance with ISO 9001:2015

Community Development - Healthcare

- Free Eye camps at JB, Nizampur and DG Khan
- Free Medical and Mother & Child care clinics at DG Khan, Nizampur
- Provision of Medicines to local BHU's at all sites
- Medical Dispensary services at DG Khan
- Community Awareness Programs on healthcare

Community Development – Income Generation, Drinking Water Supply & Others

- Launch pilot Agriculture project through community participation at DG Khan
- Direct / Indirect Employment - preference to local community
- Trainee Engineers & Apprenticeship programs for locals
- Replace water provision for drinking through bowsers by construction and installation of a 7.5 KM water pipeline ensuring regular supply of water to local community
- Continue Provision of clean drinking water at DG Khan through RO Plants
- Distribution of Cook stove to local community at DG Khan

Diversity Equity & Inclusion

- Progressively enhance female representation in senior positions over the next 5-7 years through merit-based talent development, broad based succession planning and inclusive leadership practices
- Increase hiring differently abled employees by seven (7) individuals during FY 27

Financial Performance & Reporting

- Publish S1 & S2 disclosures by March 2027

Digitalization and Cyber Security

- Obtain ISO 27001:2022 - Information security management systems

ESG POLICY

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

Environment

Climate Change

We recognize climate change as a significant environmental issue and are dedicated to supporting Pakistan's national climate goals under the Paris Agreement through regulatory compliance and integrating climate considerations into business and operational decisions. We aim to reduce greenhouse gas emissions intensity and increase energy efficiency by optimizing energy use, expanding the use of renewable and cleaner energy sources, increasing supplementary Cementitious material and adopting alternative and refuse-derived fuels.

Biodiversity

We adopt a precautionary, site-specific approach to conserving biodiversity and protecting natural ecosystems that seeks to avoid, minimize, remediate and where necessary, compensate for ecological impacts arising from our operations, supported by structured oversight, dedicated resources and stakeholder engagement to promote responsible environmental stewardship, strengthen ecosystem resilience and drive continuous improvement in biodiversity management across the Company.

Water

We recognize water as a critical natural resource and are committed to responsible water stewardship across our operations through efficient withdrawal, use, reuse and discharge practices in compliance with applicable regulatory requirements and sustainability objectives.

Circularity

We are committed to preventing pollution and managing waste responsibly by embedding circular economy principles across our operations, focusing on minimizing waste generation, improving resource efficiency and reducing reliance on virgin raw materials through the recovery and productive use of waste-derived inputs.

Product Innovation

We prioritise the development of low-carbon and sustainable cement products through responsible use of raw materials and reduction of waste. We will continue to lower the clinker factor and associated greenhouse gas emissions by increasing the use of supplementary cementitious materials and alternative, biomass-based inputs, while ensuring that product quality, safety and performance standards are consistently maintained.

SOCIAL

Human Capital Management

We uphold fair employment practices and foster a skilled, engaged and diverse workforce, recognizing human capital as essential for long-term success and resilience. We also pledge to uphold non- discrimination, equal opportunity, merit-based hiring and fair access to career growth, all while fostering an inclusive, safe and supportive work environment in line with our Diversity, Equity and Inclusion principles.

Human Rights

We respect and promote internationally recognized human rights and ethical labor practices throughout our operations in accordance with applicable national laws and international principles. This commitment includes zero tolerance for child labor, forced or involuntary labor and discrimination in any form, as well as protecting employees' rights to freedom of association and fostering an open, respectful and inclusive workplace culture. We also commit to ensuring that concerns related to human rights, labor practices, or ethical conduct can be raised through trusted and confidential mechanisms without fear of retaliation.

Diversity, Equity and Inclusion

We foster a diverse, equitable and inclusive workplace that values the dignity and contributions of all employees. Guided by our DEI Policy and aligned with applicable laws and international principles, we are committed to embedding inclusive practices across our workplace culture and decision-making to promote fair treatment, mutual respect and equal opportunity.

Health & Safety

We safeguard the health and safety of employees, contractors, and stakeholders through proactive risk management and a strong safety culture. We ensure compliance with applicable OHS laws and align with international standards, including ISO 45001, ILO Guidelines, and OSHA protocols. Our certified OHS Management System applies across FCCL sites and is regularly audited to ensure effectiveness and continuous improvement.

Local Communities

We promote responsible community investment to drive inclusive and sustainable socio-economic growth in our areas of operation. Guided by our CSR Strategy and aligned with SECP CSR Guidelines, we support voluntary community development that addresses local needs and improves social outcomes. We actively engage stakeholders, encourage local participation and manage social risks transparently to build long-term trust.

GOVERNANCE

Corporate Governance

We conduct our operations in accordance with the highest standards of integrity and full compliance with applicable laws, regulations and internal controls. Our governance architecture is robust and transparent, led by a competent and diverse Board of Directors that provides strategic oversight, policy guidance and long-term value creation in line with environmental, social and governance best practices.

Ethical Practices

We uphold the highest standards of integrity, transparency and ethical business conduct across all operations. Guided by the Code of Conduct and aligned with relevant national and international regulations, we pledge to uphold a zero-tolerance policy for corruption, bribery and unethical practices, supported by strong governance and a culture of accountability and ethics.

Digitalization and Cyber Security

We recognize digitalization and cybersecurity as essential to business continuity, regulatory compliance and stakeholder trust and maintain a resilient information security framework aligned with international standards and supported by Board-level oversight. The focus is on protecting information assets, managing cyber risks effectively and continuously enhancing the company's security posture in response to evolving digital threats.

Financial Performance & Reporting

we maintain a transparent accounting and taxation framework with full compliance to all applicable laws and regulations. Our reporting is focused on the material issues that matter to our stakeholders.

Qamar Haris Manzoor

CEO/MD FCCL

ESG GOVERNANCE

FCCL continued to strengthen its governance arrangements through which it oversees and manages its environmental, social and economic impacts. The current structure assigns oversight responsibilities to the Board of Directors and its ESG Committee, delegates implementation responsibilities to senior management, and allocates operational responsibilities to relevant business functions.

Oversight and Direction

The Board of Directors provides overall oversight of FCCL's approach to sustainability. The Board ESG Committee supports this responsibility by reviewing material sustainability matters, performance and emerging risks and opportunities, and by providing recommendations to the Board in accordance with its approved mandate.

During FY2026, the Board ESG Committee met one time. Details of its composition, ToRs and members' attendance are provided in FCCL's 2026 Annual Report.

Coordination and Implementation

Senior management is responsible for implementing the direction of the Board and its ESG Committee into management priorities and operational actions. The ESG Steering Committee provides a forum for coordination among relevant functions, while the ESG Department supports performance monitoring, internal reporting and preparation of sustainability disclosures.

Individual business functions remain responsible for managing the sustainability matters associated with their activities. Material performance information and significant concerns are escalated through senior management to the Board ESG Committee in accordance with established reporting arrangements.

Strengthening ESG Leadership and Creating Synergy

FCCL organised a Group-wide ESG leadership seminar on 16 April 2026 at Sona Towers, Rawalpindi, bringing together over 150 senior leaders, directors, general managers, and local and international sustainability experts representing 22 companies, including 13 Fauji Foundation group companies. The programme was designed to strengthen organisational understanding of ESG principles, align business strategy and decision-making with responsible business practices, and develop Group-level synergies through mutual experience sharing. The seminar brought together these key stakeholders to discuss evolving global and regional ESG developments, emerging regulatory expectations such as SECP requirements, national financial frameworks including the State Bank of Pakistan (SBP) Green Taxonomy, climate-related challenges, value chain mapping, carbon credit markets, and practical approaches to implementation. The programme also provided a platform for sharing experiences, showcasing the ESG progress of Group companies, including FCCL's expanding ESG board oversight and CSR initiatives alongside milestones from Fauji Fertilizer, Mari Energies, and Askari Bank, and promoting collaboration on sustainability priorities across the Group.

As key outcomes, the seminar identified core synergy areas across member companies in energy efficiency, resource management, digitalization, innovation, and climate resilience. To drive implementation, a dedicated Group-Level ESG Action Committee will be nominated with defined hierarchy, Terms of Reference (TORs), and clear timelines to lead measures in these synergy areas. Furthermore, a formal six-monthly review mechanism has been established at the Fauji Foundation Head Office to track progress, ensure continuous accountability, and maintain strategic alignment across all Group entities.

Sustainability Governance Structure

Performance Reporting and Escalation of Significant Concerns

Board of Directors
Overall oversight and strategic direction

ESG Committee
Review of material sustainability matters, performance and emerging risks

ESG Management Committee
Cross-functional coordination, monitoring and reporting

ESG Task force
Management of environmental, workforce, supply-chain, community and governance matters

POLICIES AND COMMITMENTS

FCCL's approach to responsible business conduct is supported by policies and codes addressing ethical conduct, environmental management, occupational health and safety, employment practices, anti-bribery and anti-corruption. These policies abide by the international charters on human rights and internal conventions as ratified by the Government of Pakistan. These documents establish expectations for relevant employees and business functions and provide the basis for related procedures, controls and management practices. The approval authority, organisational scope and application to business relationships vary between policies.

Principal Policies and Codes

Policy or code	Principal commitment	Approval and scope
Code of Conduct	Establishes expectations concerning ethical conduct, compliance, conflicts of interest and responsible workplace behaviour.	Approved by Board of Directors; applies to directors and employees.
Environmental Policy	Establishes commitments relating to regulatory compliance, pollution prevention and the management of environmental impacts.	Approved by Board of Directors; applies to manufacturing plants and head office.
Occupational Health and Safety Policy	Establishes the Company's commitment to providing safe and healthy working conditions and preventing work-related injury and ill health.	Approved by Board of Directors; applies to employees, contractors and operating sites.
Human Resource Policy	Establishes expectations for employment practices, employee development and workplace conduct.	Approved by Board of Directors; applies to employee categories.
Anti-Bribery and Anti-Corruption Policy	Prohibits bribery and corruption and establishes related compliance expectations and controls.	Approved by Board of Directors; applies to directors, employees, intermediaries and suppliers.

Responsibility for implementing each policy is assigned to the relevant business function. Policy commitments are translated into operating procedures, management-system requirements, internal controls and employee responsibilities. The extent to which these commitments apply to suppliers, contractors, dealers and other business relationships depends on the relevant policy and contractual requirements.

Policies are communicated through employee induction, training, internal procedures, workplace notices, digital channels, contractual documentation and supplier or contractor sessions. Regular training and awareness sessions on policies and procedures are provided through ongoing training. Compliance and implementation are monitored through management reviews, internal audits, site inspections, compliance assessments, incident reporting and grievance mechanisms. Findings are used to identify corrective actions and policy or procedural improvements.

Policies are reviewed according to their approved review cycles and updated where required to reflect changes in legislation, business activities, risks or management practices. FCCL's internal policies are available to relevant employees but are not currently published externally.

FCCL's whistleblowing and grievance channels enable employees and other stakeholders to raise concerns regarding suspected misconduct or breaches of Company policies. Information on the channels, confidentiality protections, investigation process and escalation of significant matters is provided in the Ethics and Compliance section.

STAKEHOLDERS ENGAGEMENT

FCCL engages with stakeholders that affect or may be affected by its operations, products and business relationships. Stakeholder groups are identified with input from relevant corporate functions and operating sites, considering the nature of FCCL's activities and impacts, regulatory obligations, business relationships and the proximity of communities to its operations.

Engagement helps FCCL understand stakeholders' concerns and expectations, identify actual and potential impacts, inform the assessment of material sustainability topics and improve operational and community-level decisions. The nature and frequency of engagement vary by stakeholder group and the matters under consideration. Engagement takes place through meetings, consultations, employee forums, customer and supplier interactions, regulatory dialogue, community outreach, feedback and grievance channels.

At the operational level, community representatives and affected groups are consulted, where relevant, before major community development initiatives are undertaken. Feedback received through engagement channels is communicated to the responsible functions for review, response and where necessary, escalation. Stakeholder feedback is considered in our sustainability priorities, operational practices, risk controls and community development programmes.

Stakeholder Group	Topics Covered	Topics Covered	Relevant SDGs
Shareholders & Investors	Annual & Extraordinary General Meetings, investor briefings, annual and quarterly reports	Financial performance, long-term value creation, corporate governance	Regular financial and sustainability disclosures, investor engagement and governance oversight.
Government & Regulators	Regulatory reporting, meetings, policy consultations, compliance submissions	Regulatory compliance, environmental performance, taxation, community development	Compliance with applicable regulations, timely reporting and ongoing engagement with regulatory authorities.
Banks & Financial Institutions	Meetings, performance reviews, periodic communications	Financial resilience, ESG performance, risk management	Disclosure of financial and ESG performance to support informed decision-making.
Employees	Town halls, training programmes, Rabta Day, employee feedback channels	Health & safety, employee well-being, career development, training, workplace practices	Continuous investment in employee development, workplace safety and organizational culture.
Suppliers & Contractors	Procurement processes, supplier meetings, grievance mechanisms, operational coordination	Responsible procurement, quality, HSE requirements, timely payments and deliveries	Supplier collaboration, performance expectations and adherence to policies.
Dealers & Customers	Meetings, technical support, correspondence, market feedback	Product quality, reliable supply, product availability, customer service	Production planning, customer support and continuous product quality improvement.
Local Communities	Public consultations, outreach programmes, grievance mechanisms, community meetings	Employment, education, healthcare, infrastructure, environmental impacts	Community investment programmes and ongoing dialogue to address local priorities.
NGOs & Development Partners	Partnerships, consultations, project collaboration	Community development, environmental awareness and social initiatives	Collaborative programmes supporting sustainable community development.
Media	Press releases, corporate announcements, interviews	Corporate developments, ESG initiatives, business performance	Transparent and timely communication to promote public awareness.

MATERIALITY

FCCL determines its material sustainability topics by identifying and assessing its actual and potential positive and negative impacts on the economy, environment and people, including impacts on human rights. The assessment considers impacts arising from the Company's activities and business relationships across its value chain.

The materiality assessment process includes reviewing FCCL's operating context, identifying impacts, assessing their significance and prioritising the most significant impacts for reporting. The resulting material topics are reviewed and validated by the Managing Director and Chief Executive Officer.

During FY2026, FCCL reviewed the material topics reported in its previous Sustainability Report. No changes were made to the list of material topics during the reporting period.

Material Sustainability-Related Financial Matters

The GRI impact-materiality assessment described above determines the topics covered in this Sustainability Report. Separately, FCCL assessed sustainability-related risks and opportunities that could reasonably be expected to affect its financial prospects for its IFRS S1 and IFRS S2 disclosures. The two assessments serve different reporting objectives and should not be interpreted as a single materiality process.

FCCL intends to publish its IFRS S1 and IFRS S2 disclosures separately, in line with the applicable regulatory requirements and transitional provisions of the SECP's phased adoption of the IFRS Sustainability Disclosure Standards.

Materiality Assessment Process

Understand the operating context

Review activities, operating locations, business relationships, the value chain, regulatory requirements and cement-sector sustainability issues.

Identify impacts

Identify actual and potential positive and negative impacts on the economy, environment and people, including human rights.

Assess significance

Assess negative impacts by scale, scope and irremediable character, and potential impacts by likelihood. Assess positive impacts by scale, scope and likelihood.

Prioritise material topics

Rank impacts by significance, group them into material topics and submit the results to the MD/CEO for review and validation.

Stakeholder engagement and relevant external expertise inform the process

Material topics	Sub Topics Covered	Linkage SDGs
Emissions	-	13 Climate Action; 14 Life Below Water
Air quality	-	3 Good Health and Well-Being; 15 Life on Land
Energy	-	7 Affordable and Clean Energy; 12 Responsible Consumption and Production
Biodiversity	-	6 Clean Water and Sanitation; 12 Responsible Consumption and Production; 14 Life Below Water; 15 Life on Land
Water	-	6 Clean Water and Sanitation; 12 Responsible Consumption and Production; 14 Life Below Water; 15 Life on Land
Circularity	• Materials • Waste	3 Good Health and Well-Being; 6 Clean Water and Sanitation; 12 Responsible Consumption and Production; 14 Life Below Water; 15 Life on Land
Human capital management	• Employment, Training and Education • Non-discrimination	1 No Poverty; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Human Rights	• Freedom of Association and Collective Bargaining • Child Labor • Forced or Compulsory Labor	8 Decent Work and Economic Growth; 16 Peace and Justice Strong Institutions
Diversity, Equity, and Inclusion	-	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Health & Safety	-	3 Good Health and Well-Being; 8 Decent Work and Economic Growth
Local communities	-	1 No Poverty; 4 Quality Education; 3 Good Health and Well-Being; 5 Gender Equality; 6 Clean Water and Sanitation; 16 Peace and Justice Strong Institutions
Ethical practices	• Anti-corruption	12 Responsible Consumption and Production; 16 Peace and Justice Strong Institutions
Digitalization and Cybersecurity	-	9 Industry, Innovation and Infrastructure
Supply Chain Management	-	1 No Poverty; 3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 12 Responsible Consumption and Production
Product Innovation	-	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production

ENVIRONMENT

OUR APPROACH

Cement manufacturing relies on mineral resources and energy-intensive production processes, resulting in greenhouse gas and air emissions, water and raw-material consumption, waste generation and impacts on land and biodiversity. Managing these impacts is an important part of FCCL's operational and regulatory responsibilities.

FCCL manages environmental matters through its environmental policies, site-level controls and monitoring arrangements. HSE and operational teams are responsible for implementing applicable requirements at manufacturing sites, under the oversight of plant management. The ESG Department supports the consolidation and reporting of environmental performance, while significant matters are reviewed by senior management and, where necessary, escalated through the sustainability governance structure.

Environmental performance is monitored through operational data, regulatory measurements, inspections and compliance assessments. Identified incidents, non-conformities and performance deviations are reviewed by the responsible teams, and corrective actions are assigned and monitored. The findings from these processes inform operational improvements and environmental priorities.

Relevant stakeholders are informed of performance updates, corporate briefings, and sustainability communications that emphasise FCCL's dedication to transparent, responsible environmental stewardship.

The following sections present FCCL's impacts, actions and performance relating to climate change and energy, air emissions, water, biodiversity, circularity and waste, and product innovation. Topic-specific management measures are discussed only where they are additional to the common approach described above.

CLIMATE CHANGE

Material Topic: GHG and Air Emissions and Energy

Reducing emissions and adopting clean energy are deeply connected. Each accelerates the other, creating the quickest route to a low-carbon future.

Most relevant SDGs:

Cement manufacturing generates greenhouse gas emissions primarily through the calcination of limestone during clinker production, fuel combustion and the use of purchased electricity. These emissions represent one of FCCL's most significant environmental impacts and expose FCCL to evolving regulatory, technological, energy-security and market considerations.

Climate-related matters are managed under FCCL's Environmental Management Approach, as described on page 28, 101, 121. FCCL's climate-related actions focus on improving electrical efficiency, increasing the use of solar power and waste heat recovery, evaluating suitable alternative fuels and strengthening greenhouse gas emissions reduction initiatives.

During FY2026, FCCL continued to operate and invest in energy-efficiency and solar power projects across its manufacturing operations. These measures are intended to reduce reliance on conventional energy sources, improve resource efficiency and manage the emissions intensity of production. Their contribution to performance is presented through the energy and emissions indicators reported in this section.

Alternative Fuels and Raw Materials

FCCL uses suitable alternative fuels and raw materials in its manufacturing processes to reduce reliance on conventional fossil fuels and virgin mineral resources. Alternative fuels enable energy recovery from eligible waste streams through controlled co-processing in cement kilns, providing an alternative to landfill disposal while helping manage fuel-related greenhouse gas emissions.

The selection and use of alternative materials are subject to technical, quality, environmental and regulatory requirements. FCCL evaluates opportunities to increase its use without compromising product quality or environmental compliance.

CLIMATE CHANGE

The Company consumed 39,097 tonnes of Alternative Fuels (AF), comprising of fossil-based alternative fuels and biomass, reducing reliance on conventional fossil fuels avoiding approximately 27,501 tCO_2e. The increased utilisation of Supplementary Cementitious Materials (SCMs) delivered the most significant emissions reduction, avoiding an estimated 454,243 tCO_2e, while the Waste Heat Recovery (WHR) Plant and solar energy systems prevented a further 61,587 tCO_2e and 41,646 tCO_2e, respectively. In addition, the Company's afforestation initiatives contributed to the sequestration of approximately 2,976 tCO_2e.

Emission in tCO_2e	2024	2025	2026
GHG Emissions CO2 equivalent, MT (Scope I)	3,944,421	3,658,811	3,819,937
GHG Emissions CO2 equivalent, MT (Scope 2)	148,457	111,436	100,905
Total Scope I and 2 emissions	4,092,878	3,770,247	3,920,842
GHG Emissions Intensity (tCO2e/ Ton cement) (Scope I and Scope 2)	0.77	0.70	0.69
Scope 1 Intensity (tCO2e/ Ton cement)	0.74	0.68	0.67
Scope 2 Intensity (tCO2e/ Ton cement)	0.03	0.02	0.02
GHG Emissions Intensity (tCO2e/clinker produced) (Scope I and Scope 2)			0.81
Scope 1 Intensity (tCO2e/ Ton clinker produced)			0.79
Scope 2 Intensity (tCO2e/ Ton clinker produced)			0.02

FCCL's combined Scope 1 and Scope 2 gross greenhouse gas emissions increased by 4% during FY2026, primarily due to higher cement production volumes. Despite this increase, emissions intensity declined from 0.70 to 0.69 tCO_2e per metric ton of cement, reflecting improved operational efficiency, greater use of Supplementary Cementitious Materials (SCMs), expanded renewable energy initiatives, carbon sequestration through tree plantation, and continued progress in developing lower-carbon cement products.

The current GHG inventory covers Scope 1 and Scope 2 emissions. Scope 3 emissions have not been quantified for FY2026 because the data and calculation processes required for relevant value-chain categories are still being developed. FCCL intends to evaluate its significant Scope 3 categories and progressively strengthen the coverage of its GHG inventory.

FCCL reports its energy and greenhouse gas (GHG) emissions following internationally recognised methodologies to ensure accuracy, consistency, and comparability. The all GHG gases are included in the emission. The base year for GHG emissions reporting is 2024. Scope 1 and Scope 2 emissions are calculated using the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, with Global Warming Potential (GWP) values referenced in the Sixth Assessment Report (AR6).

Scope 2 emissions are reported using the location-based method, capturing emissions from purchased electricity based on the average emissions intensity of the national grid. FCCL uses emission factors from the ADEME (2021-French environmental and energy management agency).

Air Emissions

In addition to greenhouse gas emissions, cement manufacturing can generate particulate matter, nitrogen oxides and sulphur oxides through kiln operations, fuel combustion, material processing and the handling and transportation of raw materials. Fugitive dust may also arise from quarrying, storage areas, internal roads and loading activities. These emissions can affect workers, neighbouring communities and local air quality if not effectively controlled.

FCCL manages air emissions through state of art pollution-control equipment, operational controls, preventive maintenance, dust-suppression measures and housekeeping practices. Stack emissions are monitored in accordance with applicable regulatory requirements, while inspections and maintenance activities support the performance of emissions-control equipment. Monitoring results and identified deviations are reviewed by the responsible operational teams, with corrective action undertaken where required.

Other emissions in metric tons

Description	FY 2024	FY 2025	FY 2026
NOx (excluding N_2O)	5,469	5,608	8,285
SOx	159	03	*BDL
Particulate matter (PM_{10})	1,324	1,094	1,430

* Below Deductible Limit (BDL)

Energy Use and Efficiency

Cement production requires thermal energy for clinker manufacturing and electricity for grinding, material handling, packaging and other plant operations. FCCL's power consumption includes purchased electricity, solar energy and energy recovered through waste heat recovery systems.

FCCL manages energy use through operational monitoring, process optimisation, preventive maintenance and improvements in equipment and production controls. Energy performance is reviewed at the plant level to identify energy losses, maintain equipment efficiency and evaluate opportunities for reducing thermal and electrical energy intensity. FCCL also continues to monitor energy consumption across its operations to identify opportunities for further efficiency improvements.

Solar-power installations and waste heat recovery systems supplement FCCL's conventional electricity sources. Solar power provides renewable electricity, while waste heat recovery captures heat generated during production and converts it into usable electricity.

Energy consumption in GJ	FY 2024	FY 2025	FY 2026
Energy consumption from non-renewable sources	14,987,848	14,222,973	15,416,317
Energy consumption from Renewable Energy	1,074,024	1,389,759	1,149,008
Waste heat recovery (GJ)*	(518,861)	(519,728)	(521,557)
Total Energy Consumption within the Organization	15,543,001	15,093,004	16,043,768
Energy Intensity (GJ/ton cement)	3.01	2.90	2.82

*FY 2024 & 2025 total energy consumption adjusted by waste heat recovery and restated accordingly.

During FY 2026, FCCL's total energy consumption increased due to higher cement production volumes; however, energy intensity decreased compared to the previous year. This year-on-year improvement was primarily driven by the FCCL focused approach toward Significant Energy Uses (SEUs), enhanced operational efficiency, optimized process performance, and continued investment in cleaner and renewable energy sources.

WATER MANAGEMENT

Material Topic: Water Management

Sustainable water management, encompassing extraction, consumption, and disposal, is paramount to safeguarding ecosystems, supporting communities, and ensuring organizational resilience.

Water is used across FCCL's manufacturing operations for equipment cooling, process support, dust suppression, domestic requirements and greenbelt maintenance. Water withdrawal and consumption can affect the availability of shared water resources, particularly in areas experiencing seasonal scarcity or water stress.

FCCL identifies water-related impacts through environmental assessments, site inspections and operational monitoring. These processes cover the Company's manufacturing sites and consider water availability, withdrawal, operational use, recycling and potential effects on surrounding water resources. FCCL uses the Aqueduct water-stress assessment tool to assess whether its operations are in water-stressed areas. The findings inform site-level efficiency measures, metering requirements and water-conservation priorities.

Plant Management is responsible for operational water management, with support from the Corporate Environment, Health, Safety and Sustainability Department. Water-related objectives are established considering operational requirements, regulatory obligations, performance trends and the local water context. FCCL engages with communities and regulators to understand water availability and water quality concerns in areas surrounding its operations.

Water-related matters are managed under FCCL's Environmental Management Approach, as described on page 28, 101, 121. FCCL's practices are supported by its ISO 14001:2015

Environmental Management System. During FY2025-26, FCCL commenced the phased implementation of the ISO 46001:2019 Water Efficiency Management System (WEMS) across all its plants, with implementation expected to be completed during FY2026-27. Operational reviews, internal audits and relevant certification audits are used to evaluate performance and identify improvement priorities.

Water Efficiency, Recycling and Reuse

FCCL uses water metering, operational controls, inspections and preventive maintenance to identify losses and improve water-use efficiency. Process water is recovered and recirculated where technically feasible, while suitable treated water is reused for greenbelt irrigation, housekeeping and other appropriate applications. Blowdown water from waste heat recovery operations is collected and reused within relevant systems.

No water discharge outside FCCL plant boundaries occurred during FY2026. Water generated or recovered from operational processes is recycled for internal reuse, subject to consumption through evaporation, dust suppression and other operational losses.

Rainwater Harvesting

During FY2026, FCCL operated rainwater-harvesting infrastructure covering approximately 205,923 m², with a reported storage capacity of approximately 53,336 m³. Captured rainwater supplements surface-water and groundwater sources for suitable operational and non-process applications FCCL has designated FY2026 as the baseline year for water reporting following the commencement of the phased implementation of its ISO 46001:2019 Water Efficiency Management System (WEMS). As part of this initiative, comprehensive water balance studies are being undertaken to accurately quantify water withdrawal, consumption, recycling and reuse. Prior to FY2026, water-related data was primarily based on estimates. During the current reporting year, FCCL adopted a more robust and reliable approach by collecting data through calibrated flow meters and verified monitoring systems. These improvements significantly enhance the accuracy, reliability and transparency of water performance data, ensuring a fair and representative presentation of the Company's water management practices.

*All FCCL's water withdrawal is sourced from nearby surface water sources.

Water withdrawal by source ML/year

	FY 2024		FY 2025		FY 2026	
	All Areas	Areas with water stress	All Areas	Areas with water stress	All Areas	Areas with water stress
Surface water with-drawal	1,481	210	1,338	209	1,500	304
Freshwater (≤1,000 mg/L Total Dissolved Solids)	987	210	789	209	1,016	304
Other water (>1,000 mg/L Total Dissolved Solids)	494	-	549	-	484	-
Total water withdrawal	1,481	210	1,338	209	1,500	304
Total water Discharge	Nil	Nil	Nil	Nil	Nil	Nil
Total water Consump-tion	1,481	210	1,338	209	1,500	304

All withdrawn water is recycled and/or reused within FCCL's operations, except for unavoidable evaporation losses.

Water reclaimed in ML/year	FY 2024	FY 2025	FY 2026
Total water reclaimed	504	444	450

PROTECTING BIODIVERSITY

Material Topic: Biodiversity

Protecting biodiversity through deliberate impact management and habitat restoration ensures ecosystem balance, enhances local community resilience, and secures long-term corporate viability.

Most relevant SDGs:

6 CLEAN WATER AND SANITATION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
14 LIFE BELOW WATER
15 LIFE ON LAND

FCCL's cement production relies on limestone and other mineral resources. Quarrying, raw-material extraction and associated activities can affect land, habitats and ecosystem services through physical disturbance, dust, noise, water use and changes to the surrounding environment. Biodiversity-related matters are managed under FCCL's Environmental Management Approach, as described on page 101,121.

Biodiversity considerations are also addressed through environmental impact assessments, regulatory compliance, quarry planning and operational monitoring. These processes help identify potential impacts associated with quarrying, manufacturing, water use, emissions and land management, and inform the selection of controls within FCCL's operational and approved mining areas.

FCCL seeks to avoid and minimise biodiversity impacts through environmental screening and the planned development of quarries. Where impacts cannot be avoided, measures such as controlled quarrying and blasting, dust suppression, noise control, emissions monitoring and the management of operational areas are applied to limit their extent. Disturbed quarry areas are progressively rehabilitated, where operationally feasible, through backfilling, land stabilisation and plantation. Native or locally adapted species are preferred for plantation and rehabilitation activities to support local ecological conditions and reduce the risk of introducing invasive species.

Employees, contractors, local communities and regulatory authorities are involved, where relevant, through environmental awareness activities, plantation campaigns, regulatory processes and site-level environmental programmes. As FCCL strengthens its biodiversity approach, it will consider consolidating these practices into a more formal policy framework and developing company-wide priorities and targets, considering relevant international developments, including the Kunming–Montreal Global Biodiversity Framework. Greater focus will also be placed on consolidating location-specific information concerning ecosystems, sensitive areas, affected species and significant biodiversity impacts to support a more consistent understanding across FCCL's operations and, progressively, relevant parts of its supply chain.

Nature Stewardship in Action

As part of its commitment to biodiversity conservation and environmental stewardship, FCCL launched a Monsoon Plantation Drive at its DG Khan site in December 2025. The initiative to expand green cover, enhance local biodiversity and strengthen ecosystem resilience through active employee participation supports the Company's broader ESG objectives and relevant United Nations Sustainable Development Goals (SDGs).

During FY2025–26, FCCL strengthened biodiversity and ecological restoration through seasonal plantation campaigns across its operational sites. The Company planted 6,982 indigenous trees and plants on its premises and distributed an additional 4,080 fruit and shade plants to neighbouring communities to promote afforestation, enhance green cover and encourage community participation in environmental stewardship. In total, 11,062 trees and plants were planted and distributed during the reporting period, contributing to biodiversity enhancement, carbon sequestration, improved air quality and climate resilience.

Trees, plants and saplings planted or distributed

11,062

Across four operating locations

Trees, plants and saplings planted or distributed

11,400 sq. ft.

Across four operating locations

Distribution of plantation activities **FY2025–26**

DG Khan Indigenous saplings planted	**3,250**
Nizampur communities Fruit and shade trees distributed	**4,080**
Nizampur operations Additional plants established	**1,120**
Wah Trees planted	**1,912**
Jhang Bahtar Trees planted or distributed	**700**

CIRCULARITY

Material Topic: Materials and Waste

Optimising material lifecycles and waste streams through responsible consumption, recovery, and disposal is essential for environmental protection, community health, and operational resilience.

Most relevant SDGs:

Cement manufacturing uses substantial quantities of mineral resources, fuels and packaging materials and generates waste through production, maintenance and supporting activities. FCCL's circularity approach focuses on improving material efficiency, using suitable secondary inputs, recovering value from waste streams and reducing waste directed to disposal. Plant, technical, and HSE teams monitor material consumption, process losses, waste generation and recovery routes. Materials introduced into the manufacturing process undergo technical evaluation and quality testing, while FCCL-generated waste is classified and managed based on its characteristics and applicable regulatory requirements.

Materials and Resource Efficiency

Limestone and other mineral inputs are the primary materials used in FCCL's manufacturing processes, and FCCL drives material efficiency through production controls, process optimisation, quality testing, and the use of suitable secondary and alternative inputs where technically feasible. FCCL uses supplementary cementitious materials to partially substitute clinker in applicable cement products. These include secondary materials such as fly ash and slag, as well as mineral additions such as crushed limestone and natural pozzolana. Their suitability and proportion depend on product specifications, material availability, manufacturing requirements and applicable quality standards. Clinker substitution can reduce the requirement for clinker and associated raw materials while creating productive uses for suitable industrial by-products. The increased use of recycled materials facilitated clinker substitution, thereby reducing greenhouse gas (GHG) emissions and supporting FCCL's decarbonization objectives, while continuing to deliver high-quality cement products that meet customer requirements and performance expectations. However, only materials recovered from waste streams or other production processes are classified as recycled input materials. Primary mineral additions, including naturally sourced limestone and pozzolana, are reported separately.

Raw and Recycled Input Materials Used in Tons

Description	FY 2025	FY 2026
Fly Ash	954	4,879
Slag	9,055	7,951

The increased use of alternative fuels enabled greater coal substitution, while the utilization of recycled materials facilitated clinker substitution, resulting in a significant reduction in greenhouse gas (GHG) emissions and supporting FCCL's decarbonization objectives. These initiatives contributed to a lower GHG emissions intensity while advancing circular economy principles through improved resource efficiency and waste valorization. FCCL continued to deliver high-quality cement products that meet customer requirements and performance expectations.

Waste

Waste generation results from manufacturing, maintenance, packaging, administrative and other supporting activities. These waste streams can result in resource losses and potential impacts on land, water, air quality and human health. Waste-related impacts can also arise through third-party recycling, treatment and disposal activities that are directly linked to FCCL through its waste-management arrangements. FCCL applies the waste hierarchy by prioritising prevention and reduction, followed by reuse, recycling and recovery where feasible. Waste that cannot be recovered is directed to appropriate disposal routes according to its characteristics and applicable requirements.

Waste Segregation, Recovery and Disposal

Waste generated at FCCL's operating sites is segregated by type and managed through designated collection, storage and transfer arrangements. Recyclable materials are provided to authorised recycling or waste-management vendors where suitable recovery routes are available. Residual waste is transferred to approved disposal facilities in accordance with applicable environmental requirements.

Plant and HSE teams maintain waste records and monitor the transfer of waste to external service providers. The HSE Department consolidates information received from the operating sites for environmental monitoring and sustainability reporting. FCCL uses authorised vendors and relevant transfer or disposal documentation to support oversight of waste managed outside its premises.

Waste Generated (by composition, in metric tons)

Description	FY 2024			FY 2025			FY 2026		
	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous	-	-	-	-	-	-	-	-	-
Non-hazardous	2,781	2,781	-	2,980	2,980	-	1,390	1,390	-
Total waste	2,781	2,781	-	2,980	2,980	-	1,390	1,390	-

Percentage of Waste Recycled – (offsite through vendors)

Description	FY 2024	FY 2025	FY 2026
Hazardous	-	-	-
Non-hazardous	100%	100%	100%
Total	100%	100%	100%

Sustainability Report


PETERSAFE

PRODUCT INNOVATION

Material Topic: Product Innovation

Prioritising product development aimed at driving efficiency and durability in construction.

Most relevant SDGs:

Product design and performance influence how cement is produced and used across different construction applications. Changes in cement composition can affect raw-material use, clinker requirements, manufacturing performance, product durability and associated environmental impacts. FCCL therefore considers product innovation an important part of maintaining product quality, responding to customer requirements and improving resource efficiency.

Product Development and Improvement

Product development and improvement are led by FCCL's technical and quality functions. Potential changes to cement formulations are evaluated through laboratory testing, production trials and quality-control processes before being introduced at commercial scale. Product specifications are assessed against applicable national standards, intended engineering applications and manufacturing requirements. FCCL evaluates opportunities to improve cement formulations, production performance and material utilisation while maintaining the strength, consistency and durability required for each product application.

Where technically suitable, supplementary cementitious materials and mineral additions are added into cement formulations to partially substitute clinker, subject to material availability, product specifications, laboratory testing and applicable quality standards.

Supplementary Cementitious Material (SCM) consumed

Component in tons	FY 2025	FY 2026
Crushed limestone	499,731	580,928
Slag	9,055	7,951
Fly Ash	954	4,879
Pozzolana	4,762	8,345
Total SCMs Used	**514,502**	**602,103**

Quality Assurance and Technical Support

FCCL applies quality control and testing processes to raw materials, intermediate products and finished cement. Laboratory testing and production controls are used to verify compliance with relevant product specifications and to identify variations that require corrective action. The Company also provides technical information and support to customers according to product applications and project requirements. Customer feedback and product performance inform the review of existing products and the identification of opportunities for improvement. During the reporting period, product-development activities focused on improving or validating the performance of the existing portfolio.

FCCL remains committed to the development and promotion of low-carbon cement products, particularly CEM II cement, which meets customer expectations while contributing to national and global climate goals. During the year, the Company increased the share of 42.5N cement in its sales portfolio through a focused strategy aimed at expanding the adoption of lower-carbon products. This transition contributed to a reduction in greenhouse gas (GHG) emissions by lowering the clinker factor and enhancing the use of supplementary cementitious materials (SCMs).

In addition, 32.5R cement continues to serve as a value-added product, offering customers a sustainable alternative with a lower carbon footprint and reduced embodied emissions. Through the promotion of these products, FCCL has successfully reduced GHG emissions while maintaining product quality and performance standards. FCCL is actively pursuing opportunities to further expand its low-carbon product portfolio and remains committed to leading the decarbonization of Pakistan's cement sector through innovation, sustainable manufacturing practices, reduced GHG emissions and customer-focused solutions.

During FY2026, FCCL offered cement products for infrastructure, industrial, commercial and residential applications. The portfolio is available on page 24 to 25 of the Annual Report.


FAUJI CEMENT

SOCIAL

HUMAN CAPITAL

Material Topic: Employment, Training, Education and Non-discrimination

Most relevant SDGs:

1 NO POVERTY · 4 QUALITY EDUCATION · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES · 16 PEACE AND JUSTICE STRONG INSTITUTIONS

FCCL's ability to operate its manufacturing facilities and support business growth depends on maintaining a workforce with the necessary technical, operational and professional capabilities. Its employment practices affect employees through remuneration and benefits, job continuity, access to learning and career-development opportunities, and workplace relationships. Inconsistent application of these practices could adversely affect employee development, engagement and retention.

FCCL manages these impacts through its Human Resource Policy, Code of Conduct, employment procedures and applicable labour regulations. The Human Resources Department works with functional leaders to determine workforce requirements, recruit employees, manage performance, develop capabilities, plan succession and administer employee benefits.

Human capital objectives are established through FCCL's annual business-planning, workforce-planning and performance-management processes. Workforce composition, recruitment, turnover, training participation and performance-review coverage are monitored to evaluate employment trends and the implementation of human capital practices. Where reviews identify gaps or emerging workforce requirements, the Human Resources Department and relevant business functions determine and follow up on the required response.

Employee perspectives are obtained through meetings, engagement surveys, town hall, Rabta Day events, employee representatives and grievance mechanisms. Matters raised through these channels are reviewed by the responsible functions, and relevant findings are considered in the review of employment practices, workforce development priorities and employee engagement initiatives.

Further information on workplace rights, equal opportunity and occupational health and safety is provided in the Human Rights, Diversity, Equity and Inclusion, and Occupational Health and Safety sections of this report.

To align its workforce with long-term strategic priorities and enhance operational agility, FCCL executed a comprehensive HR transformation agenda. Following the amalgamations, the Company streamlined its organizational structure through shared-services consolidation and operational redesign. Further reinforcing governance and internal controls, FCCL completed a comprehensive review of its human resource policy framework, securing Board approval for 17 policies and 21 operating procedures.

Workforce Profile

As of 30 June 2026, FCCL employed 2,332 permanent employees across its corporate offices and manufacturing operations. FCCL also engages workers who are not employees. These include trainees and third-party contracted personnel, such as security staff and support helpers, representing a total non-employee workforce of 2,172 personnel.

Year	Total Employees
FY 2024	2,326
FY 2025	2,335
FY 2026	2,332

Employees by employment type, broken by gender

Employment type	FY 2024		FY 2025		FY 2026	
	Male	Female	Male	Female	Male	Female
Full time	2,315	11	2,324	11	2,321	11
Part-time	-	-	-	-	-	-
Total	2,315	11	2,324	11	2,321	11

Employees by employment contract broken by gender

Employment contract	FY 2024		FY 2025		FY 2026	
	Male	Female	Male	Female	Male	Female
Permanent	2,315	11	2,324	11	2,321	11
Temporary	-	-	-	-	-	-
Total	2,315	11	2,324	11	2,321	11

Employees by employment contract broken by region

Location	FY 2024			FY 2025			FY 2026		
	Permanent	Temporary	Total	Permanent	Temporary	Total	Permanent	Temporary	Total
Islamabad	25	-	25	24	-	24	23	-	23
Punjab	1,694	-	1,694	1,716	-	1,716	1,725	-	1,725
Sindh	19	-	19	18	-	18	16	-	16
Khyber Pakhtunkhwa	540	-	540	534	-	534	529	-	529
Gilgit Baltistan	7	-	7	-	-	-	1	-	1
Balochistan	2	-	2	2	-	2	3	-	3
Azad Kashmir	39	-	39	41	-	41	35	-	35
Total	**2,326**	**-**	**2,326**	**2,335**	**-**	**2,335**	**2,332**	**-**	**2,332**

Talent Acquisition and Retention

FCCL's recruitment practices align with strategic workforce planning and structured employment procedures. Candidate selection is strictly merit-based, evaluating core qualifications, professional experience, capabilities, and the role's specific requirements. FCCL also considers internal candidates for suitable vacancies, supporting career progression and the retention of organisational knowledge. During FY2026, FCCL hired 133 employees and recorded 135 employee departures. New-hire and turnover rates were 5.7% and 5.8%, respectively, during the reporting period.

Hiring

Hiring by age group		Hiring by gender		Hiring by region	
<30	32	Male	133	Punjab	94
30-50	68	Female	0	Islamabad	02
>50	33			KPK	33
				Balochistan	1
				AJK	3
Total	133	Total	133	Total	133

Attrition

Attrition by age group		Attrition by gender		Attrition by region	
<30	11	Male	135	Punjab	83
30-50	50	Female		KPK	38
>50	74			Islamabad	3
				AJK	9
				Sindh	2
Total	135	Total	135	Total	135

Employee Benefits and Well-being

FCCL provides eligible employees with medical coverage, insurance, retirement benefits, paid leave and other welfare support in accordance with applicable laws, employment terms and Company policies. During the year, employee support activities included awareness programmes on mental health, employee well-being, and women's well-being. FCCL did not provide a separate parental-leave benefit beyond leave entitlements available under applicable laws and Company policies.

Digital HR Infrastructure and Preventive Healthcare

To enhance employee experience and accessibility, FCCL introduced an AI powered HR chat assistant providing instant, policy-based guidance on HR and EHS routine queries. Parallel to digital initiatives, the Company expanded its employee well-being framework by executing comprehensive health screenings for employees aged 40 and above. Supported by a dedicated internal medical team and a network of panel hospitals, the program emphasizes early cardiac risk detection, preventive care, and coordinated support for critical health conditions.

Employee Engagement and Long Service Recognition

Honouring sustained employee dedication and institutional knowledge, the Company hosted a formal Long Service Award ceremony recognizing milestones ranging from 20 to 40 years of service. Eligible recipients were presented with commemorative Gold Coins, certificates, and shields, celebrating their long-standing contribution to operational excellence and organizational growth.

Learning and Development

FCCL provides learning and development programmes to strengthen the technical, managerial and professional capabilities required across its manufacturing operations and corporate functions. Training needs are identified through operational priorities, compliance requirements, performance reviews and employee-development planning.

In 2026, 93 training programmes covering leadership and supervision; technical and operational capabilities; digital and data skills; health, safety, and environmental management; functional expertise; and employee well-being and inclusion were delivered.

Leadership and management development included the Advanced Leadership Programme, Director's Executive Management programme, Leading with Impact and development courses for supervisors. Technical programmes addressed areas such as asset reliability, process optimisation, vibration analysis, machinery lubrication, welding, electrical systems and the use of alternative fuels in cement kilns. Digital capability was supported through training in data warehousing and business intelligence, advanced data analysis, dashboard reporting, Microsoft Excel, artificial intelligence and generative AI. Programmes on incident investigation, corporate water stewardship, integrated HSE management systems, energy management, ESG, workplace ethics and whistleblowing strengthened awareness of operational, environmental and conduct requirements. FCCL also provided learning on anti-harassment, diversity and inclusion, women's leadership, employee well-being and mental health.

Participation records, training hours and employee feedback are used to review learning activities and inform subsequent Programme planning. Performance appraisals also help identify individual development requirements. During the year, as in practice all employees received their performance appraisal.

Succession Readiness and Job Evaluation Architecture

FCCL enhanced its succession planning by significantly increasing the number of employees prepared for immediate leadership roles, allowing the Company to fill most recent leadership openings through internal talent. Complementing this effort, an organization wide job evaluation exercise was conducted using Mercer's methodology to assess 416 positions. The resulting framework ensures fair role positioning, market aligned pay structures, and clear career progression.

Industry Remuneration Benchmarking

To establish a reliable compensation baseline, the Company commissioned a Mercer led Total Remuneration Survey covering seven participating companies across Pakistan's cement sector. By mapping roles to Mercer Position Classes, this survey provides an evidence base to align pay bands, ensuring transparent, market aligned, and internally equitable remuneration.

Learning Partnerships and Professional Capability Building

To align internal expertise with global management practices, the Company expanded strategic learning partnerships with premier national and international institutions, including LUMS, NUST, IBA, and INSEAD. Personnel across critical operational, human resource, and sustainability functions acquired specialized professional certifications, including GRI Professional Certification, Certified Human Resource Manager, Machine Lubricant Analyst, Vibration Analyst, and ISO management systems standards.

Annual training hours per employee

Description	FY 2024	FY 2025	FY 2026
Training hours	9,300	10,400	14,274
Number of employees	2,326	2,335	2,332
Training hours per employee per year	4	4.45	6.12

Average annual training hours by gender

	Male			Female		
	FY 2024	FY 2025	FY 2026	FY 2024	FY 2025	FY 2026
Training per employee per year	3.92	4.36	6	20.36	23.63	81

Annual training hours by employee category

Employment contract	Management			Staff		
	FY 2024	FY 2025	FY 2026	FY 2024	FY 2025	FY 2026
Training hours per employee per year	9.93	10.3	26	0.55	0.93	1

RESPECTING HUMAN RIGHTS

Material Topic: Human rights, Freedom of Association & Collective Bargaining, Child Labour and Forced or Compulsory Labour

Integrating fairness, human dignity, and responsible conduct across all operations strengthens community trust, protects our stakeholders, and drives resilient, responsible growth

Most relevant SDGs:

FCCL's employment and contracting practices may affect the rights and working conditions of employees and workers associated with its operations and business relationships. Relevant human rights matters include non-discrimination, freedom of association, fair working conditions and the prevention of child, forced and compulsory labour. FCCL manages workplace-related human rights matters through its Code of Conduct, Human Resource Policy, employment procedures and applicable labour laws. The Human Resources, Legal, Internal Audit and Compliance functions have responsibilities relating to employment practices, contractual controls, reported concerns and compliance reviews.

FCCL prohibits child, forced and compulsory labour within its operations. During the year, no confirmed incidents of child, forced or compulsory labour were identified in FCCL's direct operations.

Contracts with suppliers, contractors and service providers require compliance with applicable laws. FCCL did not conduct systematic social or human rights screening of its supply chain during FY 2026. No related cases were reported to FCCL through its available channels. FCCL intends to strengthen its approach by assessing relevant human rights risks and reviewing the labour-related requirements applicable to suppliers and contractors.

As part of our commitment to fostering an inclusive workplace, FCCL actively supports the integration and empowerment of differently abled persons. During the year, FCCL employed 6 differently abled individuals, bringing the total across company to 30, ensuring equal access to meaningful employment, tailored accommodations, and career development opportunities.

FCCL does not impose procedural restrictions on employees' right to freedom of association and collective bargaining in accordance with applicable laws. No trade union or recognised Collective Bargaining Agent was active within FCCL during FY 2026. Consequently, no employees were covered by collective bargaining agreements during the reporting period. Employees communicate workplace matters through channels including Rabta Days, departmental town halls and performance-feedback processes.

Employees can raise concerns relating to ethical conduct, workplace behaviour and labour practices through FCCL's grievance and whistleblowing mechanisms. The whistleblowing mechanism allows concerns to be reported anonymously, with matters referred to the responsible function for review according to their nature. Internal Audit, Compliance, Legal or Human Resources may be involved in reviewing a concern. Where a matter is substantiated, the responsible function determines the appropriate corrective, disciplinary or remedial response under the relevant Company procedure. No human rights or labour-related grievances were recorded during the year.

DIVERSITY, EQUITY AND INCLUSION

Material Topic: Diversity, Equity & Inclusion

Prioritising diversity, equity, and inclusion across organisational practices cultivates fairness, optimises workforce engagement, and enhances long-term operational resilience.

Most relevant SDGs:

FCCL's employment practices directly influence equitable access to career opportunities, professional development, and career advancement. Given the historical gender and demographic imbalances in technical and operational roles in the heavy manufacturing sector, prioritising diversity, equity, inclusion, and non-discrimination remains a core priority in our workforce management strategy.

FCCL manages these matters through its approved DE&I Policy, Human Resource Policy, Code of Conduct and related employment procedures. The DE&I Policy applies to FCCL employees and establishes expectations relating to equal opportunity, inclusion and respectful workplace conduct. Responsibility for its implementation rests with the Human Resources Department. Recruitment, performance and development decisions are guided by position requirements, qualifications, experience, capability and employee performance. Detailed information on recruitment and career development is provided in the Human Capital section on page 190 to 191. Concerns relating to discrimination, harassment or unfair treatment are addressed through the mechanisms described in the Human Rights section. No incidents of discrimination were reported during the year.

FCCL monitors workforce and governance-body composition by gender and age group. Recruitment and promotion information is also reviewed by gender to identify changes in representation and support workforce-planning decisions. During the year, FCCL delivered programmes addressing inclusion, leadership and employee well-being, including DE&I Awareness, Accelerating Women's Leadership and Women's Well-being.

Workforce Equity and Employee Inclusion Initiatives

Demonstrating its commitment to an inclusive workplace, FCCL eliminated contractual category distinctions in April 2026 by transitioning fixed term employees into regular employment with full benefits coverage. The Company increased stipend structures for trainee officers and implemented salary adjustments to address compensation equity across junior levels. Furthermore, FCCL expanded female representation within its trainee quota and provided dedicated employment support, tailored workplace accommodations, and career development opportunities for 30 differently abled employees across the organization.

Employees age group

Age Group-2024			Age Group-2025			Age Group-2026		
<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
14%	66%	20%	9%	70%	21%	7%	67%	26%

Employees by employment category by gender

	FY 2024		FY 2025		FY 2026	
	Management	Staff	Management	Staff	Management	Staff
Male	37%	63%	37%	63%	37%	63%
Female	82%	18%	82%	18%	82%	18%

Individuals in governance bodies by gender and age group

	Gender		Age Group		
	Male	Female	<30	30-50	>50
Board of Directors	77%	23%	-	-	100%

HEALTH AND SAFETY

Most relevant SDGs:

FCCL's manufacturing, quarrying, maintenance and logistics activities expose employees and contractors to occupational health and safety risks, including those associated with mobile equipment, work at height, confined spaces, lifting operations, dust, noise and other operational hazards. FCCL has therefore implemented a robust Occupational Health and Safety Management System that focuses on preventing work-related injuries and ill health through systematic hazard identification, risk assessment, operational controls, workforce participation, incident learning and continual improvement.

Occupational health and safety are managed through the Company's Integrated Management System and is aligned with ISO 45001:2018, ISO 14001:2015, ISO 50001:2018 and ISO 9001:2015 standard requirements. The system is implemented in accordance with applicable legal requirements and covers all employees and contractors working within FCCL's operational boundaries.

Process Safety Management (PSM)

Operational excellence extends beyond Health & Safety performance. Managing process-related risks remains fundamental to operations to ensure business continuity, protecting people and assets and maintaining stakeholder confidence. In FY 2025–26, FCCL initiated the implementation of the Center for Chemical Process Safety (CCPS) Risk-Based Process Safety Management (RBPS) Framework, positioning itself among the pioneers within Pakistan's cement sector. The Company commenced implementation with four foundational RBPS elements: -

i. Management of Change (MOC)
ii. Pre-Startup Safety Review (PSSR)
iii. Training & Performance Assurance
iv. Operating Procedures

These elements establish a robust framework for: -

- Managing process-related risks.
- Strengthening operational discipline.
- Improving equipment and process reliability.
- Enhancing workforce competency.
- Preventing major process safety incidents.

FCCL views process safety as an integral component of its ESG strategy. By integrating process safety with sustainability initiatives, digital transformation and operational excellence programs, the Company is strengthening resilience and creating long-term value for all stakeholders. Fauji Cement's sustainability journey extends well beyond compliance and reporting. It reflects a long-term commitment to creating shared value for shareholders, employees, customers, communities and future generations reinforcing FCCL's standing as a responsible leader within Pakistan's cement sector.

Contractor Safety Management (CSM)

FCCL has implemented a structured framework for managing occupational health and safety risks associated with contractors and subcontractors through its "Contractor Safety Management, Operating Procedure". The procedure establishes requirements for the selection, onboarding, monitoring and performance evaluation of contractors working within FCCL's operational boundaries.

FCCL engages only qualified and competent contractors who are screened through a formal pre-qualification process that evaluates their technical capability, safety performance, legal compliance and resource adequacy. Prior to contract award, contractors are assessed against defined health, safety, environmental and operational criteria to ensure their ability to perform work safely and in compliance with FCCL requirements. Each Contract Manager is responsible for ensuring that contractors understand and comply with FCCL's Health, Safety, Environment (HSE) policies, site rules and procedural requirements throughout the contract period. Contractors working within FCCL's operational boundaries are required to comply with applicable legal requirements, site safety standards, risk management requirements and operational procedures.

Before commencing work, contractor personnel receive site-specific induction training and task-specific safety instructions relevant to their assigned activities. Contractor work is managed through appropriate risk assessments, Job Hazard Analyses (JHA), Permit-to-Work (PTW) systems, supervision, inspections, audits, and performance reviews. High-risk activities, including work at height, confined-space entry, lifting operations, hot work, and energy isolation are subject to additional controls and authorization requirements. Contractors are encouraged to actively participate in FCCL's safety program, report hazards and near misses, raise safety concerns and exercise Stop Work Authority whenever unsafe conditions or imminent risks are identified. Contractor safety performance is monitored through inspections, audits, incident investigations, corrective action tracking and periodic performance evaluations.

These measures are intended to prevent injuries and occupational illnesses, strengthen contractor engagement and reduce health and safety risks associated with contracted activities.

Hazard and High-Consequence Risk Management

Routine and non-routine hazards are identified through Hazard Identification and Risk Assessment (HIRA), field observations, management walkdowns, worker interactions, workplace inspections, Job Hazard Analyses (JHA) and activity-specific risk assessments. Permit-to-Work (PTW) requirements and specialized controls are applied to activities such as work at height, confined-space entry, lifting operations, and energy isolation, including Lockout, Tagout and Try-out (LOTOTO) etc. Hazards are assessed by qualified personnel with relevant operational and technical competence. Controls are selected according to the hierarchy of controls, prioritizing elimination, substitution, and engineering measures before warning systems, administrative controls and personal protective equipment.

The Hazard Identification Module within FCCL's Employee Management System enables workers to report hazards and unsafe conditions. Reported issues are assessed, assigned to the responsible function and monitored through implementation and verification. Hazards with the potential to cause serious injury and/or fatality receive heightened management attention and are reviewed through established operational oversight

processes. FCCL's near-miss and incident-reporting procedures require incidents to be investigated according to their nature and severity. Investigation teams identify immediate and underlying causes, determine corrective and preventive actions and communicate relevant lessons learned across operating sites. Corrective actions are tracked through to closure to reduce the risk of recurrence.

Worker Participation and Safety Communication

Employees and contractors contribute to health and safety management through safety committees, toolbox talks, town halls, management walkdowns, safety stand-downs, Visible Felt Leadership interactions and participation in incident investigations. These channels enable workers to raise concerns, share operational knowledge and contribute to improvements in workplace controls. Workers may also report hazards through the Employee Management System and exercise Stop Work Authority when they reasonably believe that an activity presents an imminent health or safety risk. FCCL's non-retaliation policy is intended to protect workers who report hazards, raise safety concerns, or stop unsafe work. Positive safety behaviours and proactive hazard reporting are recognized through the HSE award events.

Training and Competence

FCCL provides occupational health and safety training to employees and contractors through site inductions, refresher program, toolbox talks, emergency drills and job-specific instruction. Training addresses general safety requirements and operational risks, including hazard identification, emergency response, fire safety, personal protective equipment, work at height, confined-space entry, lifting operations and energy isolation. Training is delivered in accordance with annual and monthly plans by personnel with appropriate subject-matter expertise. Participation records, worker feedback, field observations and safety-performance findings are used to assess training needs and inform subsequent training program.

Occupational Health and Worker Well-being

FCCL's occupational health services support the prevention, early identification and management of work-related health risks. These services include pre-employment assessments, periodic health examinations, fitness-for-work evaluations, and health surveillance based on workplace exposures and job requirements. Relevant monitoring may include audiometry, spirometry, body mass index (BMI) assessments, and screening for chronic health conditions. Medical and emergency-response arrangements are maintained at operating sites through qualified healthcare personnel, on-site medical facilities, first-aid provision and ambulance services. FCCL also provides eligible employees and their families with access to medical support in accordance with applicable Company policies. The availability and scope of occupational health services are reviewed in relation to workplace risks and operational requirements. Individual medical information is managed in accordance with applicable confidentiality requirements.

Safety Performance

FCCL monitors and reports key occupational health and safety performance indicators, including fatalities, high-consequence injuries, total recordable injuries, lost-time injuries, near misses, man-hours worked and associated frequency rates. These indicators are used to evaluate the effectiveness of occupational health and safety controls and to identify opportunities for continual improvement. Safety performance data are reviewed alongside hazard reports, incident investigation findings, workplace inspection results, audit outcomes and corrective action status. Trends and significant events are analyzed to identify recurring risks, assess the effectiveness of preventive and mitigation measures, and determine areas requiring additional management attention.

Health and safety performance is reviewed through established management review processes, including monthly Operations Committee meetings chaired by the MD/CEO.

Work-related injuries

Indicator	FY 2024	FY 2025	FY 2026
Number of fatalities as a result of work-related injury	Nil	Nil	Nil
Number of high-consequence work-related injuries (excluding fatalities)	0 (Lost-time Injury)	0 (Lost-time Injury)	6 (Lost-time Injury)
Lost-Time Injury Frequency Rate (LTIFR)	0.02 (Target: 0.040)	0 (Target: 00)	0.067 (target: 00)
Number of total recordable work-related injuries	05	05	08
Rate of recordable work-related injuries	0.078 (Target: 0.08)	0.052 (Target: 0.06)	0.088 (Target was 0.06)
Main types of work-related injuries	Burn, fracture, muscular tear, cuts	Fracture, Muscular tear, cuts	Burn and cuts
Number of hours worked	12.82 million	19.23 million	18.16 million

No worker categories were excluded from occupational health and safety performance reporting. The injury rates are calculated based on 200,000 hours worked.

COMMUNITY INVESTMENTS

Material Topic: Community Investment

Strategic community investment accelerates localised socio-economic development, strengthens community partnerships, and reinforces long-term organisational resilience.

Most relevant SDGs:

FCCL's operations contribute to surrounding communities through employment, local procurement and investment in essential services. Industrial activity, quarrying, transportation, land use and the use of shared resources can also create potential adverse impacts on neighbouring communities. FCCL engages with communities surrounding its operating locations and undertakes voluntary initiatives to address locally identified priorities and create value for the communities.

Community investment initiatives are guided by FCCL's management-approved Corporate Social Responsibility guidelines. The initiatives under the CSR Programme are focused on education and skills development, healthcare, access to drinking water, selected infrastructure and environmental activities. These initiatives are voluntary and are informed by the Securities and Exchange Commission of Pakistan's CSR Guidelines, 2013.

Responsibility for community engagement and investment rests with the ESG Department, which works with plant management and relevant operational teams under the oversight of the Director ESG. Proposed initiatives are identified through engagement with local elders, community committees, educational institutions, healthcare providers, public authorities and other relevant organisations.

To ensure CSR initiatives directly target actual community vulnerabilities, FCCL conducts structured needs assessments and socio-economic profiling prior to project rollout. Operational teams collect baseline demographic and infrastructure data through direct field visits, Union Council coordination, and engagement with local community committees. This process identifies localized priorities including low-income household needs, youth skill gaps, and essential service shortages, ensuring resource allocation is evidence-based and effective.

During Programme execution, FCCL gives preference to hiring residents of surrounding communities for suitable unskilled positions and to sourcing goods and services locally where operationally and commercially feasible to extend the economic benefits associated with FCCL's operations to nearby communities.

FCCL conducts consultative meetings and awareness sessions with local community representatives to communicate proposed operational activities and gather stakeholder feedback prior to project commencement. Implementation is monitored through progress reporting, internal reviews and audits. The programmes are assessed using indicators that include activities completed, beneficiaries reached, resources provided and feedback received from participating communities and partner organisations.

Community Investment Expenditure and beneficiaries Reach

FCCL allocates dedicated financial resources annually to support community development initiatives and to address priority social and environmental needs across its operational locations. Investments are directed towards creating social value while supporting the long-term resilience of neighbouring communities.

Reflecting an ongoing strategic commitment to community resilience, FCCL elevated its total CSR spending during the current year. Strategic capital deployment across plant locations and head office initiatives delivered measurable social returns, broadening direct community reach and beneficiary engagement compared to the previous year.

CSR Beneficiaries						
Plant	**FY 2025**			**FY 2026**		
	Education & Vocational Training	**Health**	**Clean Drinking Water**	**Education & Vocational Training**	**Health**	**Clean Drinking Water**
JB Plant	1,003	5,500	-	999	6,018	-
Wah Plant	1,560	354	-	1,622	1,200	-
Nizampur Plant	154	3,978	-	147	4,100	-
DG Khan Plant	391	6,563	11,866	325	12,787	11,866
Sector Total	3,108	16,395	11,866	3,093	24,105	11,866
Grand Total	**31,369**			**39,064**		

CSR Spending (PKR in million)			
Plant	**FY 2024**	**FY 2025**	**FY 2026**
DG Khan	50	39	30
Wah	15	16	16
Jhang Bahtar	28	30	35
Nizampur	9	8	8
Head Office	-	-	114
Total	102	93	203

Education and Skills Development

FCCL supported educational institutions, scholarships and vocational and digital-skills programmes intended to improve access to learning and strengthen the employability of people in neighbouring communities.

At DG Khan, FCCL upgraded the primary school in Jaffarabad by improving classroom infrastructure, providing furniture and installing a solar power system. Approximately 100 students attended the school during the reporting period. Food assistance was also provided to 120 students enrolled in three schools near the plant, with continued support linked to regular attendance.

At Nizampur, 30 women participated in a three-month sewing, knitting and dressmaking Programme. Participants were registered with the Trade Testing Board in Peshawar and received sewing machines upon completion of the Programme. FCCL also supported six-month information technology courses for 30 male and 30 female students, as well as an HSE course for 20 young people. A five-day workshop on digital marketing, e-commerce and freelancing reached a further 37 participants.

Post-training evaluations from the Nizampur tailoring initiative revealed high satisfaction, with complete beginners successfully transitioning into independent earners. The targeted support effectively reached eligible community members, including widows and orphans without fixed incomes, driving genuine household financial stability.

To proactively maintain community trust and partnership and enhance program effectiveness, FCCL conducted an on-site engagement at the Nizampur Plant in December 2025. The visit focused on driving sustainable local impact through the ongoing support of educational scholarships and women's vocational training, alongside upgrading traditional IT courses into dynamic digital workshops for female students.

FCCL continued to sponsor two of its schools outsourced to the Fauji Foundation Education Division at Wah, attended by 1,622 students, and one of its co-educational high school at Jhang Bahtar, attended by 939 students. At Jhang Bahtar, 60 women also participated in practical training on the production of herbal cosmetic products. Additionally, during FY 2025–26, vocational training including dress cutting, tailoring, and beautician courses was provided to 70 females at the Fauji Women Vocational Training Institute (FWVTI). In collaboration with the Al-Mujtaba Education Trust, FCCL provided scholarships to 19 students, 11 of whom achieved A or A-plus grades.

Community Healthcare

FCCL supported access to primary healthcare, specialist consultations, medicines and emergency services through community medical facilities and targeted health camps.

At DG Khan, the Mines Labour Welfare Dispensary provided outpatient and emergency healthcare services to more than 7,000 patients. A two-day eye camp, organised in collaboration with Al-Shifa Eye Trust Hospital, provided examinations and consultations to 545 patients. A separate mother-and-child healthcare camp provided consultations, diagnostic support, medicines and health guidance to 208 women and 303 children.

At Jhang Bahtar, approximately 5,500 community members accessed services through the community dispensary and ambulance service. A free eye camp organised with Al-Shifa Eye Trust Hospital provided eye examinations to a further 518 patients. At Wah, weekly outpatient services provided primary healthcare consultations to 1,101 community members.

At Nizampur, FCCL provided medicines to the Basic Health Unit in Village Kahi. FCCL also worked with the Pakistan National Heart Association to organise a multidisciplinary medical camp, benefiting 2,750 targeted individuals by offering specialist consultations, diagnostic assessments, basic medical tests and prescribed medicines.

Targeted health and environmental needs assessments across plant sites consistently inform facility upgrades and medical interventions. Recent field evaluations at Jhang Bahtar and Wah identified specific local requirements, including dispensary equipment modernization.

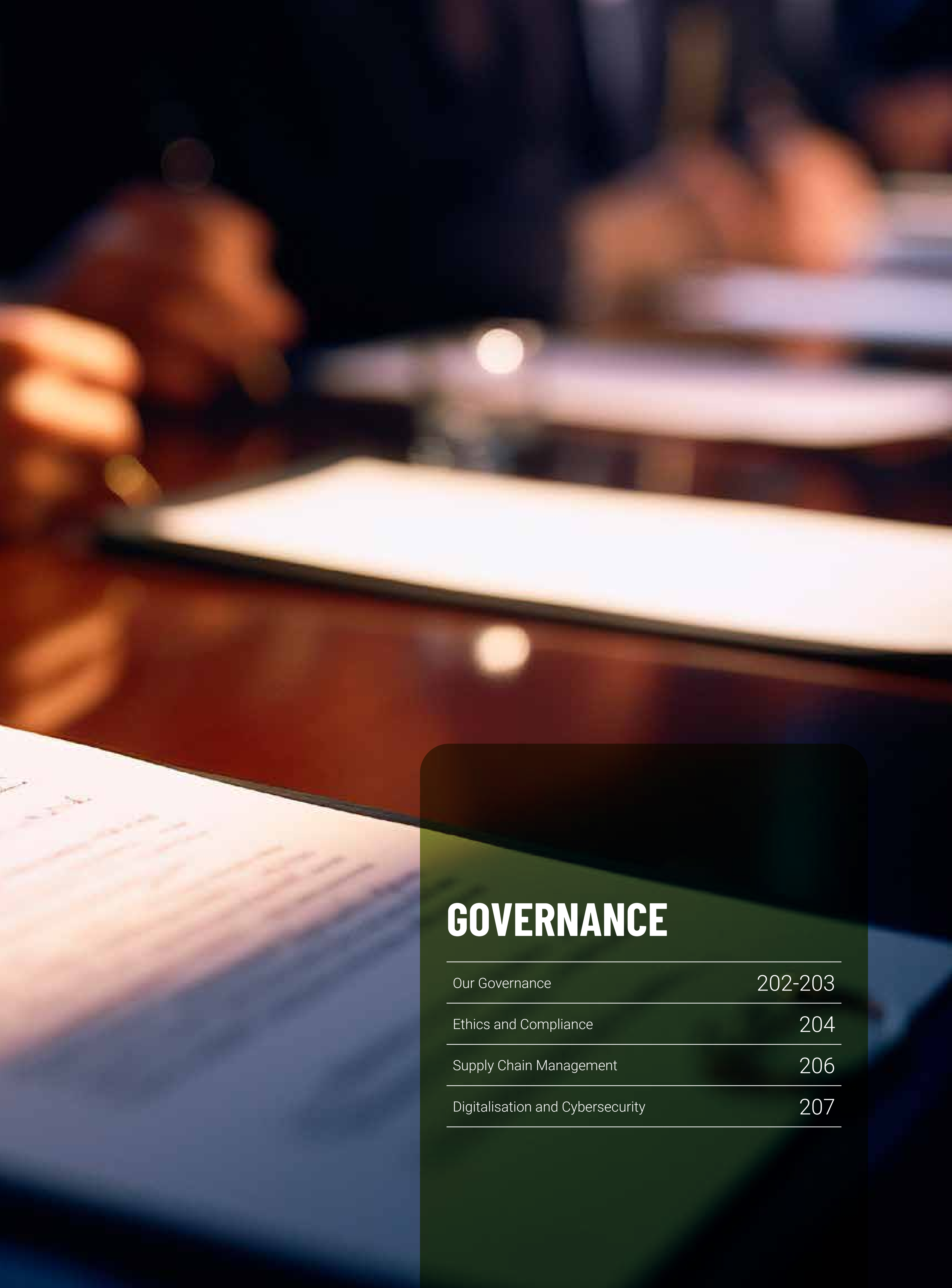
Access to Drinking Water

FCCL supported access to drinking water in communities near its DG Khan operations. Three reverse-osmosis water-filtration plants at Basti Ghulam Hussain, Yarani and Shadan Lund served approximately 11,868 people each month. Water was also supplied by bowser to Jaffarabad and Shamali Thal, reaching approximately 2,200 residents each month, where permanent water infrastructure was limited. FCCL commenced an 7.5 kilometre water pipeline project to connect the plant, crusher area and nearby communities. The project is expected to establish approximately 10 to 15 water connections serving six to seven villages; with project implementation currently underway, the initiative targets 7,200 beneficiaries across seven villages. As the project was still under implementation at the end of the reporting period, these figures reflect anticipated reach rather than completed outcomes.

At Nizampur, FCCL organised an awareness seminar attended by 200 students at Government Boys Degree College Khan Kohi covering water scarcity, declining groundwater levels and responsible water use.

Community Greening Initiatives

FCCL distributed fruit and shade plants to community members around its Nizampur operations, subject to the availability of land and water for their maintenance. FCCL's plantation activities and green-area development are available on page 124.



GOVERNANCE

OUR GOVERNANCE

FCCL's corporate governance framework establishes a clear matrix of roles, responsibilities, and decision-making authorities, ensuring oversight, accountability, and the long-term stewardship of the Company. As a listed entity, FCCL complies with the Companies Act, 2017; the Listed Companies (Code of Corporate Governance) Regulations, 2019; Pakistan Stock Exchange requirements; and other relevant legal and regulatory standards.

The Board of Directors is FCCL's highest governance body and is responsible for strategic direction, oversight of management, financial reporting, internal controls, enterprise risk management and regulatory compliance. Executive Management is responsible for implementing the Board's decisions and managing the Company's day-to-day operations. The Chair of the Board is a Non-Executive Director and does not hold an executive management position within FCCL. The Board appoints the Chief Executive Officer and Managing Director, who serves as the Executive Director and is responsible for executing the Company's strategy and managing its operations.

Sustainability-related responsibilities of the Board, Board ESG Committee and ESG Department are described separately in the Sustainability Governance section of this report.

Board Composition

As of 30 June 2026, FCCL's Board comprised nine directors: one Executive Director, five Non-Executive Directors, including the Chair, and three Independent Directors. The Board included two women, both serving as Independent Directors. The directors bring experience across business management, finance, investment, manufacturing, engineering, human resources and governance. This mix of executive, non-executive and independent representation supports management oversight and informed decision-making. Further information on individual directors and their other directorships is available on FCCL's website and on the page 36 to 45.

Directors are elected by shareholders at a general meeting for a three-year term in accordance with applicable corporate requirements. Candidates are considered with reference to the Board's required competencies, professional experience, independence, diversity and the applicable legal and regulatory eligibility requirements. Independent Directors are selected in accordance with the independence criteria and databank requirements prescribed by applicable laws and the Listed Companies (Code of Corporate Governance) Regulations, 2019. FCCL does not apply specific Board quotas based on nationality, ethnicity or age. Gender representation and the mix of relevant professional experience are considered in accordance with the applicable governance requirements.

Board Committees

The Board is supported by four Committees operating under approved terms of reference. The Board committees include the Audit Committee, the Human Resource and Remuneration Committee, the Investment Committee and

the ESG Committee. Details of Committee membership and attendance are provided on page 109 to 110.

FCCL supports the Board's collective knowledge through director orientation, access to relevant management and technical expertise, periodic briefings and recognised director training programmes. Board meetings and Committee sessions provide opportunities for directors to consider regulatory developments, business performance, emerging risks and other matters relevant to their oversight responsibilities.

Remuneration Governance and Performance Evaluation

FCCL's remuneration framework is intended to attract and retain qualified leadership appropriately while supporting organisational performance and compliance with applicable governance requirements. The Human Resource and Remuneration Committee reviews and recommends the remuneration framework for the executive director and senior management. The remuneration of the Chief Executive Officer and Managing Director is recommended by the Committee and approved by the Board. Non-Executive Directors receive fees for attending Board and Committee meetings in accordance with the approved Board Remuneration Policy and applicable requirements.

FCCL considers relevant legal requirements, organisational responsibilities, individual and Company performance and market practices when determining remuneration. Further details of directors' remuneration are provided in the Annual Report and audited financial statements.

The performance of the Board, its committees and individual directors is evaluated annually using defined assessment criteria. An independent external evaluation is also undertaken once every three years. The results are considered by the Board to identify opportunities to improve its composition, processes, Committee effectiveness and oversight. The latest evaluation did not result in changes to Board membership or governance practices.

Conflicts of Interest

FCCL requires directors and senior management to avoid, disclose and appropriately manage actual, potential or perceived conflicts of interest. Relevant requirements are established through the Company's Code of Conduct and applicable corporate-governance procedures. Directors are required to disclose relevant interests and abstain from discussions and decisions where a conflict exists.

Communication of Critical Concerns

FCCL maintains defined channels through which significant governance, financial, compliance, and ethical concerns can be escalated. Critical matters may be referred to the Board through the Audit Committee or another relevant Board Committee, depending on their nature. During the year, no critical concerns were communicated to the Board of Directors.

ETHICS AND COMPLIANCE

Material Topic: Anti-corruption and payments to governments

Integrating robust ethics and compliance frameworks across our operations safeguards organisational integrity, deepens stakeholder trust, and secures long-term institutional resilience.

Most relevant SDGs:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE AND JUSTICE STRONG INSTITUTIONS

FCCL, ethical conduct and strong compliance serve as the foundation of our stakeholder ecosystem, strengthening our relationships with employees, customers, partners, and regulators. We recognise that non-compliance, misconduct, and corruption pose threats to our operational stability and financial health. To mitigate these systemic risks and safeguard long-term enterprise value, FCCL's framework is anchored in our Code of Conduct, Whistleblower Policy, rigorous internal controls, and a data-driven, risk-based internal audit Programme.

The Audit Committee oversees ethical conduct, internal controls, and significant compliance matters. Executive Management and the responsible business functions implement applicable policies and controls, while Internal Audit independently reviews selected processes in accordance with its approved risk-based audit plan. Audit findings and the corresponding management actions are communicated through established governance channels and tracked until resolved.

FCCL strictly prohibits bribery, corruption, fraud, and all forms of unethical conduct. Corruption-related risks are included in the development of our annual internal audit plan, with specialised attention given to high-exposure processes, including procurement, payments, and sales. During the reporting period, all FCCL's operations were formally assessed for corruption-related risks. Through these evaluations, significant corruption-related risks were identified, primarily in third-party vendor interactions and transactional controls, and mapped for ongoing strategic mitigation. Through strong internal controls and continuous monitoring, zero confirmed incidents of corruption were recorded across all operations during the reporting period. Consequently, no legal actions, regulatory sanctions, or terminations of contracts or employees due to corruption occurred.

All newly onboarded employees receive mandatory training on FCCL's Code of Conduct and anti-corruption policies as part of their initial onboarding process. This curriculum emphasises ethical decision-making, regulatory compliance, corporate reporting obligations, and the consequences of unethical behaviour. Beyond this initial onboarding training, no separate or dedicated anti-corruption training sessions were provided to the broader workforce during the reporting year. Operational accountability remains decentralised, with department heads and line managers holding direct responsibility for ensuring anti-corruption practices are enforced across all business units.

Employees and other eligible stakeholders may report suspected misconduct, fraud, corruption, policy violations or regulatory non-compliance through the channels established under FCCL's Whistle Blowing Policy. Reports may be submitted confidentially and are reviewed and investigated in accordance with the applicable procedures. FCCL prohibits retaliation against individuals who raise concerns in good faith. During FY2026, no whistleblowing concerns were received,

Compliance with applicable laws and regulations is managed by the relevant business functions, supported by Legal, management oversight and internal controls. Significant compliance matters are escalated through established management and Board-level channels. During FY2026, FCCL recorded no significant instances of non-compliance and non-monetary sanctions.

The effectiveness of FCCL's ethics and compliance arrangements is assessed through corruption-risk reviews, internal audits, reported concerns, investigation outcomes, regulatory matters and the implementation of corrective actions. Findings from these processes are used to strengthen relevant policies, procedures and internal controls.

Payment to Government

FCCL contributes to public finances through income tax, duties, levies and other statutory payments associated with its operations. The Company approaches taxation as part of responsible financial management, to meet its obligations through accurate reporting, timely payment and compliance with applicable laws and regulations in Pakistan.

The Finance Department manages FCCL's tax affairs under the leadership of the Chief Financial Officer. Established review and approval controls support the preparation of tax filings, assessment of tax positions and monitoring of regulatory developments. Material tax exposures are considered through the Company's financial governance and risk-management processes and, where appropriate, reported to senior management and the Audit Committee. External professional advice is obtained when the nature or complexity of a matter requires specialist input.

FCCL maintains professional engagement with the Federal Board of Revenue and other relevant authorities in connection with tax filings, assessments, audits and regulatory inquiries. Material tax-related questions from investors and other stakeholders are addressed through the Company's established reporting and communication channels. FCCL does not maintain a separate stakeholder-engagement policy for taxation; tax matters are managed through its broader governance, compliance and stakeholder-communication processes.

Taxes and other payments to the government made during the year are included in the economic value generated and distributed on page 248. Further information on current and deferred tax, tax contingencies and related matters is provided in FCCL's Annual Report on page 108.

SUPPLY CHAIN MANAGEMENT

Material Topic: Supply Chain Management

Strengthening our supply chain through responsible sourcing and collaborative oversight ensures FCCL's operational continuity. This proactive integration mitigates risk, deepens stakeholder trust, and reinforces enterprise-wide resilience.

FCCL's supply chain supports the continuity, quality and efficiency of its manufacturing operations. The Company works with local and international suppliers, contractors and service providers for fuels, raw materials, packaging, machinery, spare parts, logistics and specialised operational services. The scale and diversity of these relationships expose FCCL to commercial, operational, regulatory, environmental and social risks, which require effective procurement and supplier management.

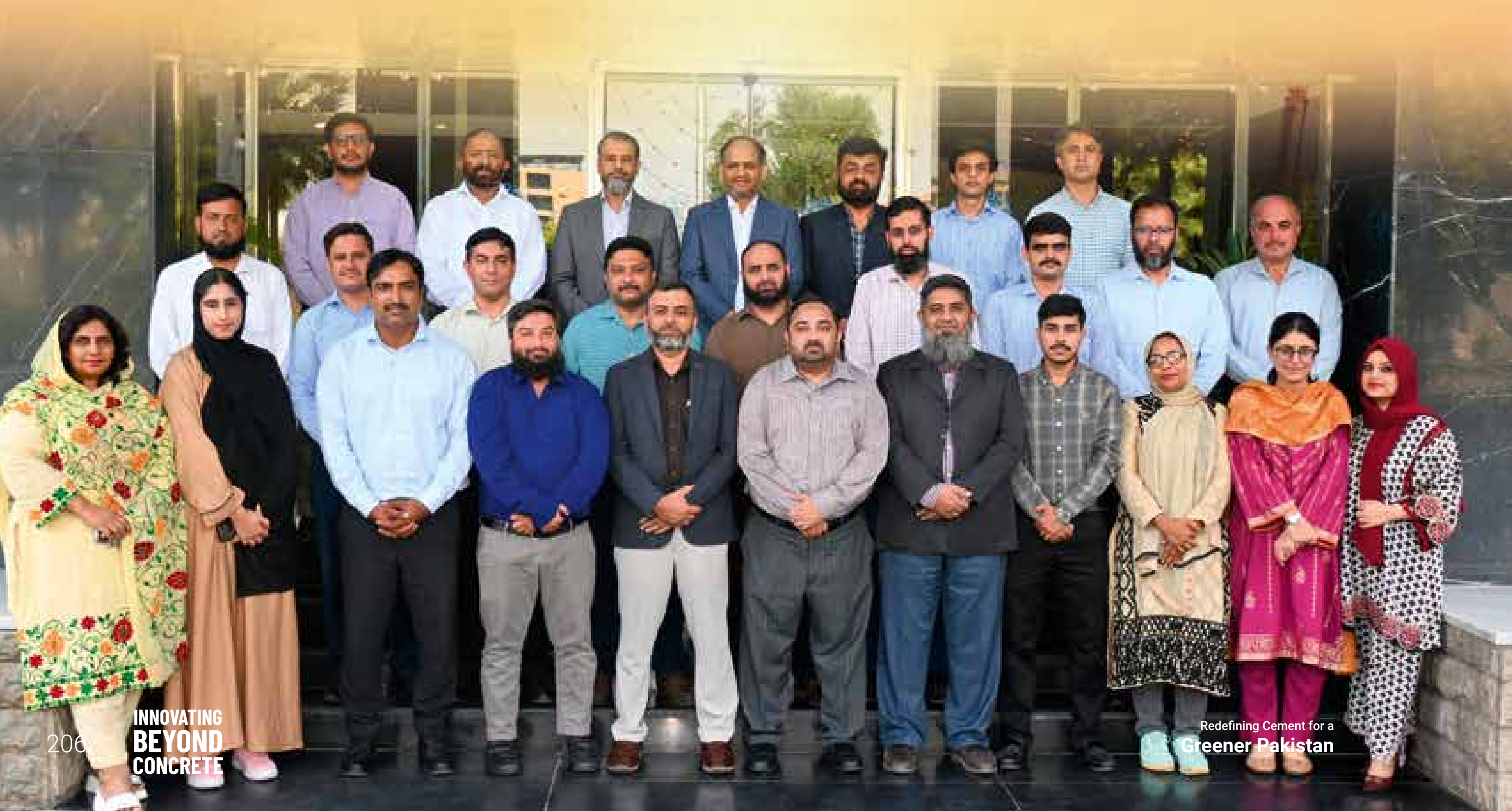
The Supply Chain Department manages vendor registration, qualification, procurement and supplier-performance processes in coordination with relevant operational functions. Current supplier selection and management practices focus primarily on commercial, technical and operational considerations, including product and service quality, delivery performance, pricing, health and safety requirements and supplier capability. Applicable requirements are communicated through procurement documents, contractual provisions and the Supplier Code of Conduct.

Under the FCCL Suppliers' Code of Conduct, suppliers and service providers must strictly comply with applicable laws, maintain zero tolerance for bribery and corruption, uphold labour and human rights, ensure health, safety, and environmental practices, and protect confidential data.

During FY2026, the Company registered two hundred twenty-five new suppliers, while 70% of its procurement expenditure was directed to suppliers defined as local. Local suppliers are defined as suppliers based in Pakistan.

The Supplier Code of Conduct communicates FCCL's expectations concerning legal compliance and responsible business conduct. During the year, 95% of active suppliers signed the Code, acknowledging expectations regarding their compliance with it.

FCCL is currently in the process of developing formal environmental, social, and human-rights criteria for screening both new and existing suppliers. While structured supply chain impact assessments were not conducted during the reporting period, the Company recognizes the importance of these standards and is actively working to establish a robust evaluation framework. Moving forward, FCCL is designing clear assessment metrics, assigning key management responsibilities, and introducing standardized documentation to ensure reliable monitoring, risk mitigation, and reporting across its supply chain.



DIGITALIZATION AND CYBERSECURITY

Material Topic: Digitalisation and Cybersecurity

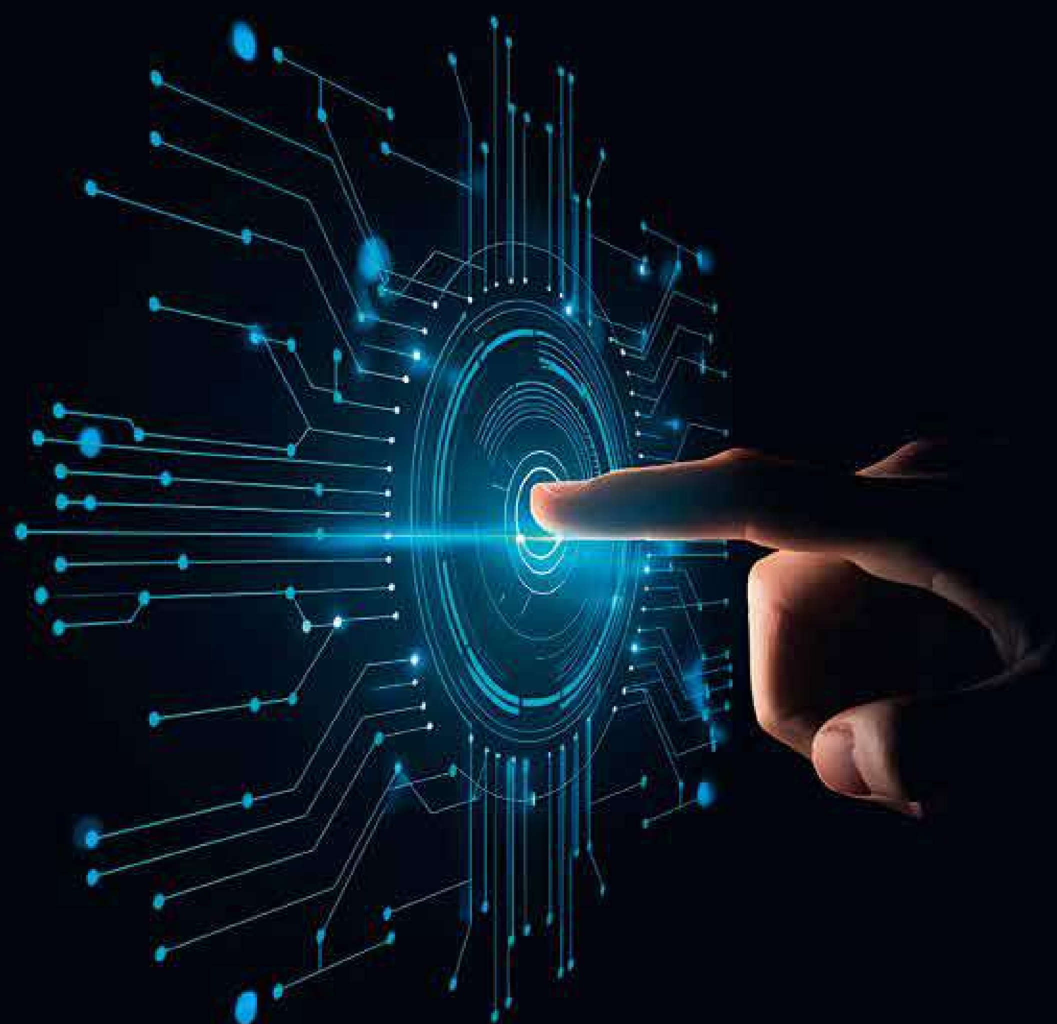
Embedding digitalisation and cybersecurity into governance and operations enhances efficiency, safeguards critical assets and reinforces organisational resilience

Digital technologies support FCCL's operational efficiency and decision-making while introducing risks such as system disruption, unauthorised access and data loss. The Board oversees material technology and cybersecurity risks, while operational responsibility rests with the Deputy General Manager MIS and the IT Security team. Internal Audit's mandate includes reviewing relevant IT controls, incident management and backup processes.

Informed by the ISO/IEC 27001 framework, FCCL applies network and endpoint protection, centrally managed firewalls, threat detection, vulnerability assessment and security patching. These controls are supported by business continuity arrangements that include redundant infrastructure, regular backups, off-site replication, and a remote disaster recovery environment. Restoration testing is conducted to assess the availability and usability of backed-up data.

FCCL continued to use its SAP S/4HANA enterprise platform to integrate core business processes and support operational and financial reporting. Other digital systems included eOffice automation, digitised land records, sales-booking confirmations, dispatch-vehicle tracking and electronic help-desk services. These systems support transaction traceability, record accessibility and process efficiency; However, FCCL is currently in the process of quantifying the environmental and resource savings associated with its digital initiatives.

Business, employee and customer information is protected through access controls, endpoint security, password requirements, secure backups and system monitoring. Cybersecurity awareness is supported through employee communications. FCCL did not maintain a standalone data-privacy policy during the year, with privacy matters addressed through its broader information-security and IT-governance procedures. No substantiated customer-privacy complaints or material confirmed cybersecurity incidents were recorded during the reporting period.



EXTERNAL ASSURANCE REPORT

Independent Assurance Statement

For Fauji Cement Company Limited (FCCL) ESG Report 2026

We, Nadeem Safdar & Co., Chartered Accountants (NSCO), were engaged by Fauji Cement Company Limited (FCCL) to provide a limited assurance under the International Standard on Assurance Engagements ISAE 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", on compliance with GRI Standards 2021 "In accordance criteria" for the year ended June 30, 2026 ('the criteria').

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

Fauji Cement Company Limited Responsibilities

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

Nadeem Safdar & Co., Chartered Accountants Responsibilities

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

Statement of Independence, Impartiality, and Competence

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

Description of Procedures Performed

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on the effectiveness of internal controls.

We carried out a desk review of the final draft report and communicated with FCCL to determine whether the report meets the criterion.

Our procedures for this engagement included:

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

Use of GRI Standards 2021

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

Limitations and Exclusions

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

- sustainability policies, practices and performance;
- financial figures and performance data;
- positional statements (expression of opinion, belief, aim, or future intention of FCCL) and statements of future commitment.

Limited Assurance Conclusion

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

Based on our limited assurance engagement, Nothing has come to our attention that causes us to believe that the ESG Report 2026 does not meet the "in accordance criteria" of the GRI Standards 2021. The compliance with GRI Standards has been disclosed in more detail in the GRI Content Index, which provides omission statements in case data has not been provided.

Restricted Use

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

Nadeem Safdar & Co.,
Chartered Accountants

Nadeem Safdar, FCA
Managing Partner
Islamabad, August 28, 2026

GRI CONTENT INDEX

The following table has been provided to help the reader locate content within the document, specifies each of the GRI Standards used, and lists all disclosures included in the report. Each disclosure is followed by referencing the appropriate pages in the 2026 Annual Report or other publicly available sources.

Statement of use	FCCL has reported in accordance with the GRI Standards for the period 1st July 2025 to 30th June 2026
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	No sector standard is available for our sector

			Omission		
GRI Standard/Other Source	**Disclosure**	**Location**	**Requirement(s) Omitted**	**Reason**	**Explanation**
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	162			
	2-2 Entities included in the organization's	160, 162			
	2-3 Reporting period, frequency and contact point	160			
	2-4 Restatements of information	160			
	2-5 External assurance	160, 208-209			
	2-6 Activities, value chain and other business relationships	162, 163			
	2-7 Employees	190			
	2-8 Workers who are not employees	190	"c" not reported	Information incomplete	
	2-9 Governance structure and composition	171, 202			
	2-10 Nomination and selection of the highest governance body	202			
	2-11 Chair of the highest governance body	158, 202			
	2-12 Role of the highest governance body in overseeing the management of impacts	158, 166, 171, 202			
	2-13 Delegation of responsibility for managing impacts	166, 171			
	2-14 Role of the highest governance body in sustainability reporting	160, 166, 171			
	2-15 Conflicts of interest	172, 203			
	2-16 Communication of critical concerns	171, 172, 203			
	2-17 Collective knowledge of the highest governance body	166, 203			
	2-18 Evaluation of the performance of the highest governance body	203			

GRI Standard/Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General Disclosures					
	2-19 Remuneration policies	191, 203	"b" not reported	Information not available	
	2-20 Process to determine remuneration	191, 203			
	2-21 Annual total compensation ratio	-	a, b, c not reported	Information unavailable/ incomplete	
	2-22 Statement on sustainable development strategy	166, 170			
	2-23 Policy commitments	170, 172			
	2-24 Embedding policy commitments	170, 172			
	2-25 Processes to remediate negative impacts	172, 192			
	2-26 Mechanisms for seeking advice and raising concerns	172, 192			
	2-27 Compliance with laws and regulations	170, 172, 204			
	2-28 Membership associations	163			
	2-29 Approach to stakeholder engagement	173			
	2-30 Collective bargaining agreements	192			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	174, 175			
	3-2 List of material topics	175			
Climate change **Emissions and Air emissions**					
GRI 3: Material Topics 2021	3-3 Management of material topics	178, 179			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	161, 180			
	305-2 Energy indirect (Scope 2) GHG emissions	161, 180			
	305-3 Other indirect (Scope 3) GHG emissions	180	a-g not reported	Information unavailable	
	305-4 GHG emissions intensity	159, 180			
	305-5 Reduction of GHG emissions	179, 180			
	305-6 Emissions of ozone-depleting substances (ODS)	180			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	180, 181			

GRI CONTENT INDEX

			Omission		
GRI Standard/Other Source	**Disclosure**	**Location**	**Requirement(s) Omitted**	**Reason**	**Explanation**
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 178, 181			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	161, 181			
	302-2 Energy consumption outside of the organization	181	(a)	Information unavailable	
	302-3 Energy intensity	159, 181			
	302-4 Reduction of energy consumption	161, 181			
	302-5 Reduction in energy requirements of products and services	-	Not Applicable		
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 178, 184			
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	170, 184	a, b, c	Information incomplete	
	Disclosure 101-2 Management of biodiversity impacts	184	(b, c, d, e, f)	Information incomplete	
	Disclosure 101-3 Access and benefit-sharing	-	Not applicable		
	Disclosure 101-4 Identification of biodiversity impacts	184	a	Information incomplete	
	Disclosure 101-5 Locations with biodiversity impacts	184	a, b, c, d	Information Unavailable	
	Disclosure 101-6 Direct drivers of biodiversity loss	184	a, b, c, d, e, f	Information Unavailable	
	Disclosure 101-7 Changes to the state of biodiversity	184	a, b, c, d, e	Information Unavailable	
	Disclosure 101-8 Ecosystem services	184			
Water					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 178, 182			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	182, 183			
	303-2 Management of water discharge-related impacts	182, 183			
	303-3 Water withdrawal	183			
	303-4 Water discharge	182, 183			
	303-5 Water consumption	161, 183			
Circularity					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 178, 185			

		Omission			
GRI Standard/Other Source	**Disclosure**	**Location**	**Requirement(s) Omitted**	**Reason**	**Explanation**
GRI 301: Materials 2016	301-1 Materials used by weight or volume	185			
	301-2 Recycled input materials used	185			
	301-3 Reclaimed products and their packaging materials	-	"a" not reported	Not applicable	FCCL does not reclaim products and the packaging materials.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	185			
	306-2 Management of significant waste-related impacts	185			
	306-3 Waste generated	185			
	306-4 Waste diverted from disposal	185			
	306-5 Waste directed to disposal	185			
Product Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 178, 187			
Human Capital					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 190, 191			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	191			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	191			
	401-3 Parental leave	191			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	191			
	404-2 Programs for upgrading employee skills and transition assistance programs	191			
	404-3 Percentage of employees receiving regular performance and career development reviews	191			

GRI CONTENT INDEX

			Omission		
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	170, 190, 193			
Human Rights					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	170, 192			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	170, 192			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	170, 192			
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	193			
	405-2 Ratio of basic salary and remuneration of women to men	193			
Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 194			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	170, 194			
	403-2 Hazard identification, risk assessment, and incident investigation	195, 196			
	403-3 Occupational health services	196			
	403-4 Worker participation, consultation, and communication on occupational health and safety	196			
	403-5 Worker training on occupational health and safety	196			
	403-6 Promotion of worker health	196			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	194, 195			
	403-8 Workers covered by an occupational health and safety management system	194, 196			
	403-9 Work-related injuries	161, 196	"b" not reported	Information unavailable	FCCL does not record separate data for workers.
	403-10 Work-related ill health	196	"b" not reported	Information unavailable	FCCL does not record separate data for workers.

GRI Standard/Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 197			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	197-199			
	413-2 Operations with significant actual and potential negative impacts on local communities	197			
Supply Chain Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	206			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	206	"a" not reported	Information unavailable	FCCL currently does not screen suppliers against this criterion.
	308-2 Negative environmental impacts in the supply chain and actions taken	206	"a-e" not reported	Information unavailable	FCCL currently does not assess suppliers against this criterion.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	206	"a" not reported	Information unavailable	FCCL currently does not screen suppliers against this criterion.
	414-2 Negative social impacts in the supply chain and actions taken	206	"a-e" not reported	Information unavailable	FCCL currently does not assess suppliers against this criterion.
Ethical Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 204			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	204			
	205-2 Communication and training about anti-corruption policies and procedures	204			
	205-3 Confirmed incidents of corruption and actions taken	204			
GRI 207: Tax 2019	207-1 Approach to tax	170, 204			
	207-2 Tax governance, control, and risk management	204			
	207-3 Stakeholder engagement and management of concerns related to tax	204			
	207-4 Country-by-country reporting	204			
Digitalization and Cyber Security					
GRI 3: Material Topics 2021	3-3 Management of material topics	170, 207			

SDGs INDEX

SDGs		Page No.	GRI Standards Disclosure
1 NO POVERTY	End poverty in all its forms everywhere	197	413-2
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	197	413-2
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	161, 180, 181, 185, 194, 195, 196	305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4, 403-8, 403-9, 403-10
4 QUALITY EDUCATION	Ensure inclusive and quality education for all and promote lifelong learning	166, 191, 197, 203	2-17, 404-1
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	171, 190, 191, 193, 202, 206	2-9, 2-10, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1, 414-1, 414-2
6 CLEAN WATER AND SANITATION	Ensure access to water and sanitation for all	182, 183, 185	303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable, and modern energy for all	159, 161, 181	302-1, 302-2, 302-3
8 DECENT WORK AND ECONOMIC GROWTH	Promote inclusive and sustainable economic growth, employment, and decent work for all	159, 161, 181, 183, 185, 190, 191, 192, 193, 194, 195, 196, 206	2-7, 2-8, 2-30, 301-1, 301-2, 301-3 302-1, 302-2, 303-5, 401-1, 401-2, 401-3, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, 407-1, 408-1, 409-1, 414-1, 414-2
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote sustainable industrialization, and foster innovation	170, 178, 187	-
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	193	405-2
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities inclusive, safe, resilient, and sustainable	197, 198, 199	413-1

SDGs		Page No.	GRI Standards Disclosure
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	159, 161, 180, 181, 185	302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-7, 306-1, 306-2, 306-3, 306-4
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	159, 161, 179, 180, 181	302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4
14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas, and marine resources	159, 161, 180, 185	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
15 LIFE ON LAND	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	159, 161, 170, 180, 184, 185	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
16 PEACE AND JUSTICE STRONG INSTITUTIONS	Promote just, peaceful, and inclusive societies	158, 166, 170, 171, 172, 190, 191, 192, 193, 202, 203, 204, 206	2-9, 2-10, ,2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 406-1, 408-1, 414-1, 414-2
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the global partnership for sustainable development	-	Not applicable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KEY INDICATORS

Financial

	2026	2025	Change%
Turnover (Rs '000)	93,690,178	88,956,328	▲ 5
Although retention decreased but increase in sale quantity helped achieve highest ever revenue in Company's history.			
Gross profit margin (%)	35	35	
Despite decrease in retention prices, with prudent cost economization, vertical integration and cost pass through Company was able to maintain gross profit margins during the year as compared to last year.			
Net profit margin (%)	17	15	▲ 2
The increase in net profit margin is attributable to decreased finance cost resulting from early payments of loans and lower tax rate as compared to last year. In current year, super tax rate was reduced from 10% to 8% resulting in effective tax rate of 34% vs 38% in last year.			
Dividend per share (Rs)	1.50	1.25	▲ 20
Company has declared cash dividend during the year despite the capital investments in Attock Cement Company Limited and prepayment of loans.			
Return on Equity (%)	17	16	▲ 1
Above factors contributed to higher return for equity holders.			
Breakup value per share (Rs)	40	34	▲ 18
Net assets value (Rs '000)	97,372,207	84,272,208	▲ 16
Net assets value for shareholders increased significantly during the year, predominantly attributable to higher profitability, a resultant of operational efficiency through efficient resource management.			
Investment in Attock Cement Pakistan Limited			

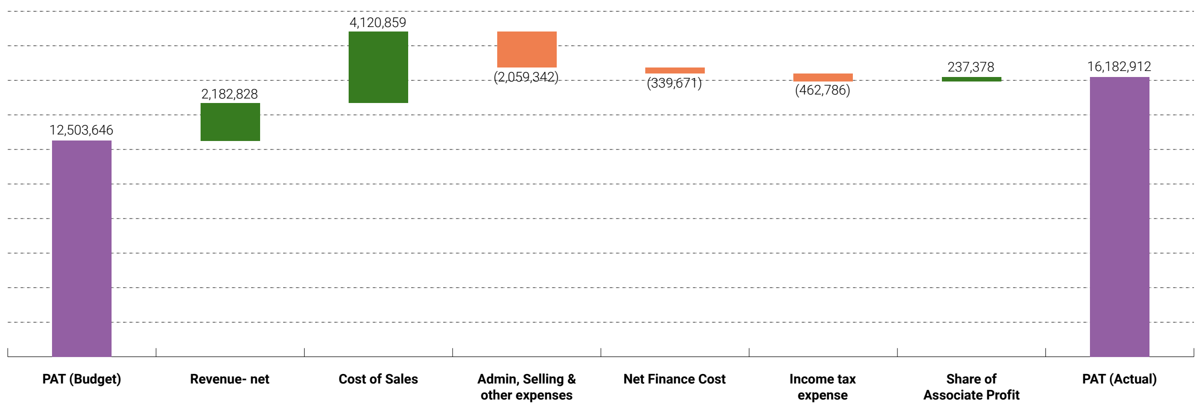
Non Financial

	2026	2025
Manufacturing Capital		
Cement Produced-Metric Tons	5,685,910	5,383,885
Capacity Utilization- % (Based on production)	54	51
Intellectual Capital		
SAP Rise		
Natural Capital		
CO2 emission aversion-Metric Tons (Solar and Waste Heat Recovery only)	103,233	132,272
Generation of Clean Energy (GJ)	1,149,008	1,389,759
Human Capital		
Number of employees	2,332	2,335
Total training hours	14,274	10,400
Social and Relationship Capital		
Contribution to National Exchequer (Rs'000)	56,825,000	48,237,400
Donations and other CSR contribution (Rs'000)	203,364	176,971

ACTUAL VS BUDGET FY 2025-26

	Actual	Budget
Sales Volume - Tons	5,700,796	5,368,785
	Actual	Budget
	Rs '000	
Revenue- net	93,690,178	91,507,350
Cost of Sales	(60,969,007)	(65,089,866)
GP	32,721,171	26,417,484
Admin, Selling & other expenses	(6,054,043)	(3,994,701)
Net Finance Cost	(2,381,677)	(2,042,006)
Income tax expense	(8,339,917)	(7,877,131)
Share of Associate Profit	237,378	-
PAT	16,182,912	12,503,646

Rs in '000



Analysis of Actual Vs Budget

Budgetary targets are set keeping in sight the current and foreseeable market trends, general economic conditions and management's experience of past trends. For FY 2026. Company meet all its Budgetary targets for FY 2026, financial and non financial, with the exception of volumetric sales as described above.

QUARTER WISE PROFIT OR LOSS

	1st Quarter Rupees'000	2nd Quarter Rupees'000	3rd Quarter Rupees'000	4th Quarter Rupees'000	Total (FY 2025-26) Rupees'000
Turnover - net	23,417,812	23,935,672	22,430,091	23,906,603	93,690,178
Cost of sales	(16,039,313)	(15,586,147)	(14,427,396)	(14,916,151)	(60,969,007)
Gross profit	7,378,499	8,349,525	8,002,695	8,990,452	32,721,171
Other income	175,780	189,814	190,129	256,821	812,544
Selling and distribution expenses	(725,099)	(876,142)	(803,709)	(833,894)	(3,238,844)
Administrative expenses	(499,772)	(513,576)	(447,618)	(456,770)	(1,917,736)
Other expenses	(368,122)	(435,860)	(416,034)	(489,991)	(1,710,007)
EBIT	5,961,286	6,713,761	6,525,463	7,466,618	26,667,128
Finance cost	(1,135,639)	(1,073,491)	(1,026,269)	(931,117)	(4,166,516)
Finance income	467,187	580,692	501,477	235,483	1,784,839
Net Finance Cost	(668,452)	(492,799)	(524,792)	(695,634)	(2,381,677)
Share of net profit of investment under equity method	-	-	-	237,378	237,378
PBT	5,292,834	6,220,962	6,000,671	7,008,362	24,522,829
Taxation	(2,006,397)	(2,190,870)	(2,541,499)	(1,601,151)	(8,339,917)
PAT	3,286,437	4,030,092	3,459,172	5,169,833	16,182,912
EPS - Basic & diluted (Rupees)	1.34	1.64	1.41	2.21	6.60

Q1

Q1 of current financial year witnessed volumetric sales quantity of 1.5 MT and capacity utilization of 57%. Higher sales quantity resulted in high turnover. Gross profit margin remained 32% with net profit margin of 14%.

Q2

Q2 sales remained 1.5 MT but better retention prices resulted in increased turnover and GP ratio of 35%.

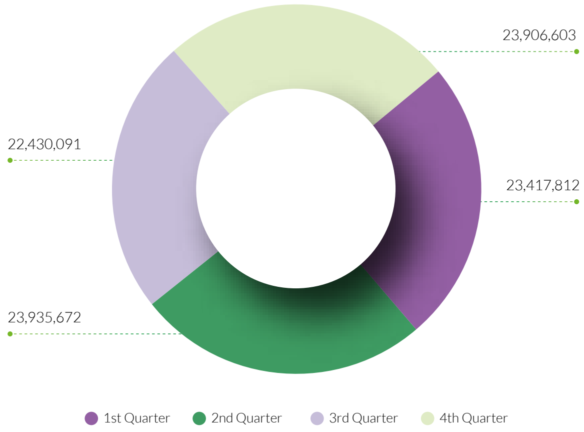
Q3

Sales in Q3 decreased to 1.37 MT mainly due to winter season which resulted in capacity utilization of 52%. Better retention and cost optimization steps taken by the management resulted in increase in GP ratio to 36% with net profit margin of 15%.

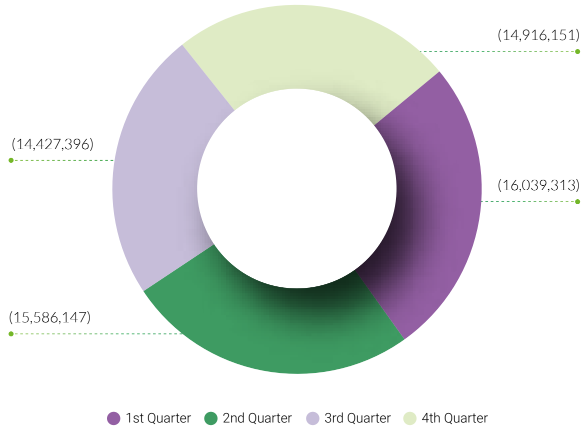
Q4

Capacity utilization remained 52% in last quarter of FY 2025-26. Net revenue in Q4 remained high due to better retentions. With increased retention GP ratio increased to 38%. Decrease in super tax rate enabled the Company to achieve net profit margin of 22%.

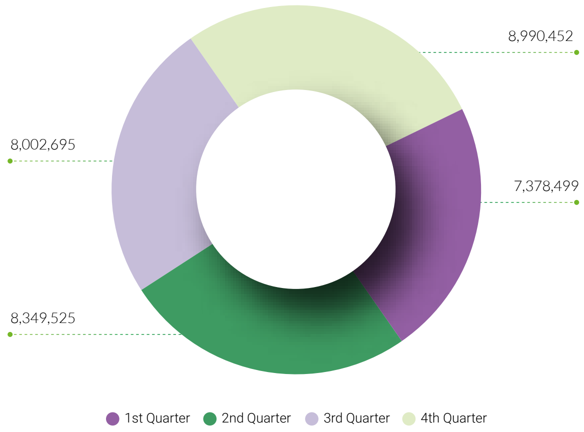
Turnover - net



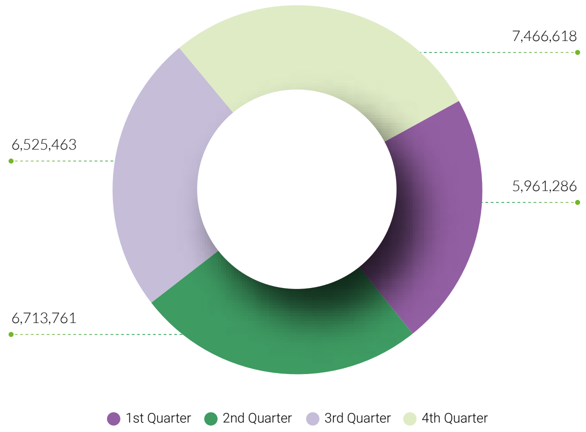
Cost of sales



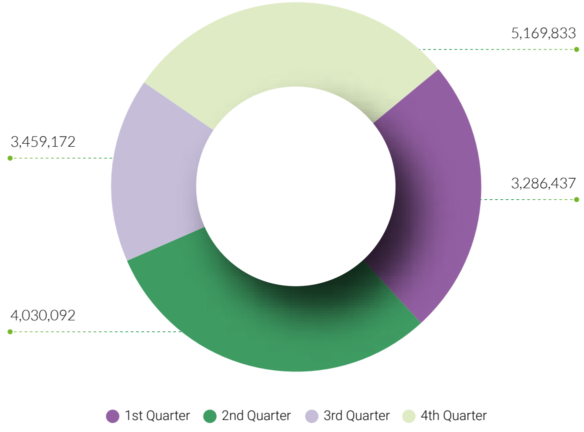
Gross profit



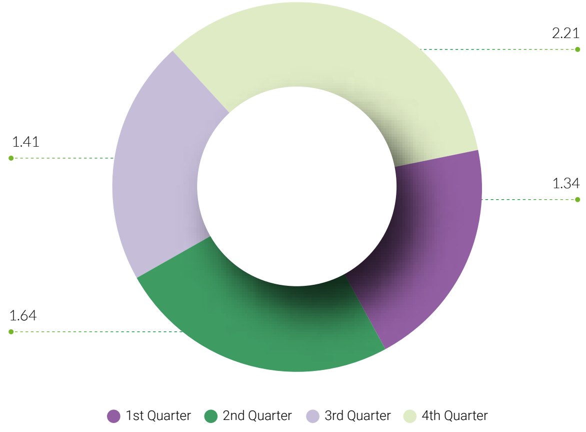
EBIT



PAT



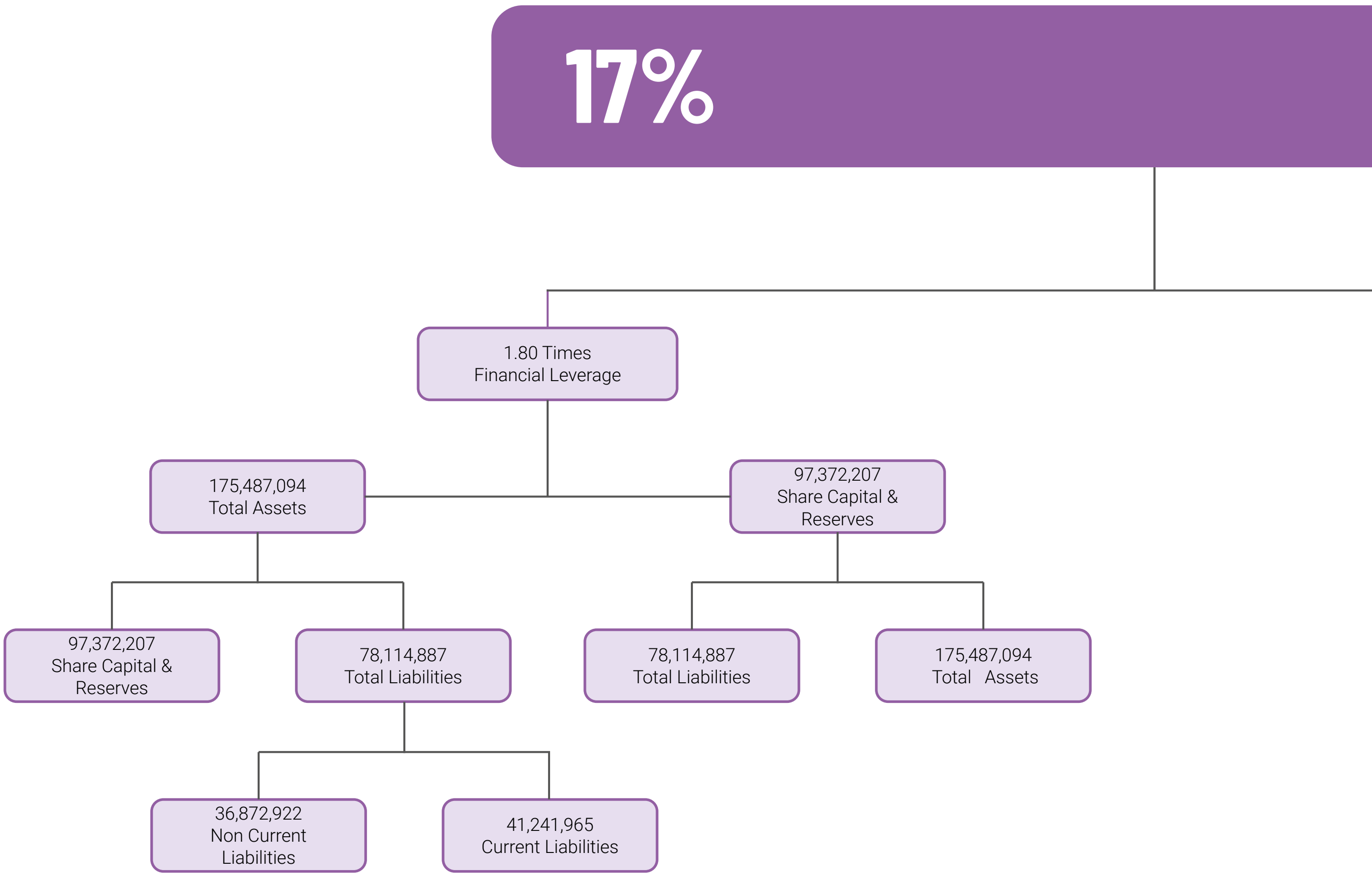
Earnings per shares - Rs



DUPONT ANALYSIS

Highlights

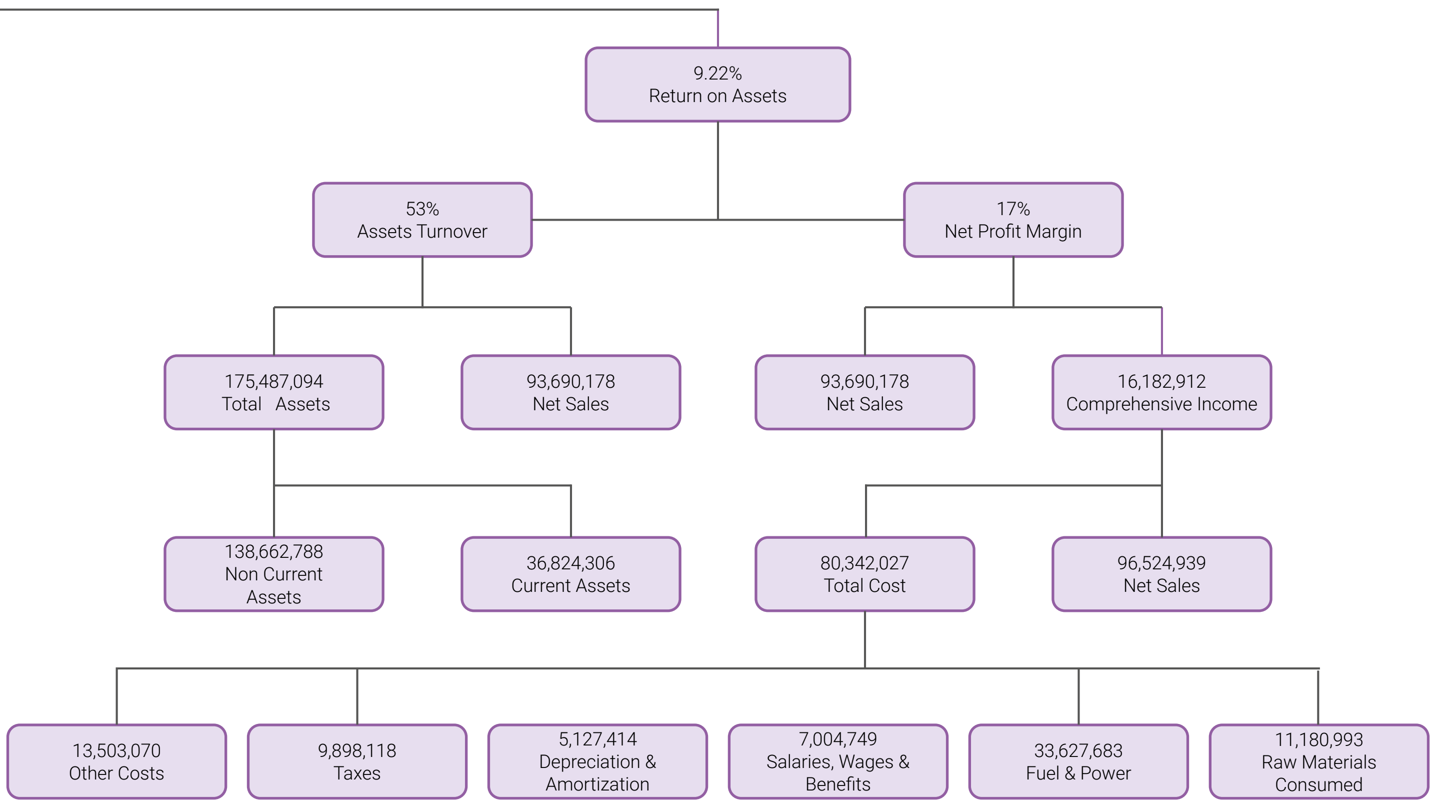
Net profit margin increased compared to previous year due to better gross margins owing to cost economization and better retention. Substantial investment in expansions bringing fruit in form of increasing asset turnover with wider revenue base. Financial leverage decreased during the year owing to repayment of long term loans. With the better return on assets year on year ROE witnessed an increasing trend.



Year	Profit Margin (Net Profit/Turnover)	Assets Turnover (Turnover/Total Assets)	Financial Leverage (Total Assets/Total Equity)	ROE (Return On Equity)
	A	B	C	AxBxC=D
2026	17%	53%	1.80	17%
2025	15%	55%	1.91	16%
2024	10%	54%	2.01	11%
2023	11%	49%	2.13	11%
2022	13%	48%	1.97	12%
2021	14%	71%	1.46	15%

Rs. '000 unless otherwise stated

Return on Equity



KEY RATIO ANALYSIS

		2026	2025	2024	2023	2022	2021
Profitability Ratios							
Gross Profit Ratio	%	35	35	32	30	29	25
Net Profit to Sales	%	17	15	10	11	13	14
EBITDA Margin to Sales	%	35	36	31	30	29	28
Operating Leverage Ratio	%	0.96	2.75	1.50	1.18	1.17	208.40
Return on Equity and Shareholders Fund	%	17	16	11	11	12	15
Return on Capital Employed	%	23.00	26.00	27.00	25.00	23.00	15.55
Shareholders' Funds	(Rs'000)	97,372,207	84,272,208	73,398,853	65,175,737	57,736,056	23,275,675
Return on Shareholders' Funds	%	16.62	15.81	11.20	11.41	12.32	14.91
Total Shareholders' Return (per share)	Rs.	14.38	23.01	12.15	(1.16)	(8.83)	6.12

Consistent growth in turnover coupled with improved pricing strategy and cost economization measures enabled the Company to keep its GP ratio growing i.e. from 25% in FY 2021 to 35% in FY 2026. A minor dip in net profit to turnover ratio in FY 2024 is mainly attributable to high taxation and finance cost post expansions that again increased to 17% in FY 2026. Return on capital employed shown a consistent trend over the years. However, in FY 2026 return decreased due to higher profits accumulation. Shareholders' total return during FY 2026 has also witnessed an impressive increase during the year due to operational and financial efficiencies and overall improvement in economy.

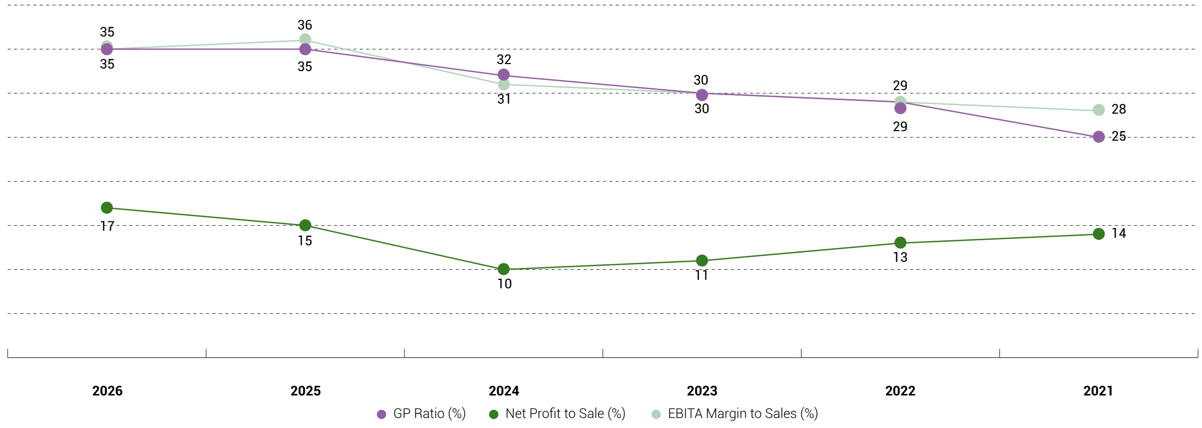
		2026	2025	2024	2023	2022	2021
Liquidity Ratios							
Current Ratio	Times	0.89	1.32	1.32	1.10	1.46	2.02
Quick/Acid Test Ratio	Times	0.37	0.68	0.47	0.38	0.65	1.14
Cash to Current Liabilities	Times	0.14	0.39	0.12	0.04	0.23	0.86
Cash Flow from Operations to Sales	Times	0.29	0.27	0.27	0.24	0.14	0.24
Cash Flow from operations to Capital Expenditures	Times	1.92	2.16	2.66	0.55	0.29	1.11
Cash Flow coverage ratio	Times	0.82	0.75	0.57	0.41	0.30	6.58

With optimal working capital structure over the years, Company maintained current ratio of near to one. Reason for decrease in current ratio in FY 2026 is increase in accrued liabilities and current maturity of loans. Cash flow coverage ratio also improved during the year as a result of better liquidity generation from operations. Cash flows from operations to sales ratios also shows consistent trend over the years depicting the consistent realization of sales in cash.

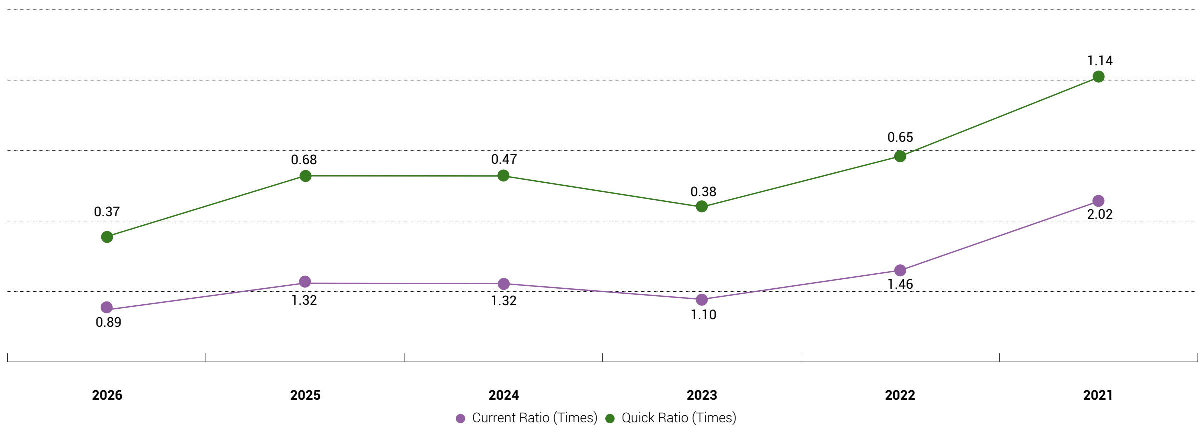
		2026	2025	2024	2023	2022	2021
Turnover Ratios							
Total Assets Turnover Ratio	Times	0.09	0.08	0.07	0.07	0.08	0.71
Fixed Assets Turnover Ratio	Times	0.15	0.12	0.09	0.11	0.16	1.13
No. of Days in Inventory	Days	59	54	49	41	22	24
No. of Days in Receivables	Days	25	23	26	18	13	19
No. of Days in Payables	Days	25	30	36	30	17	15
Operating Cycle	Days	109	107	111	90	52	58

Both asset turnover and fixed assets turnover ratios improved during the year depicting improved assets utilization. No of inventory and no of debtors days increased during the year due to higher credit sales. However, number of days payable decreased.

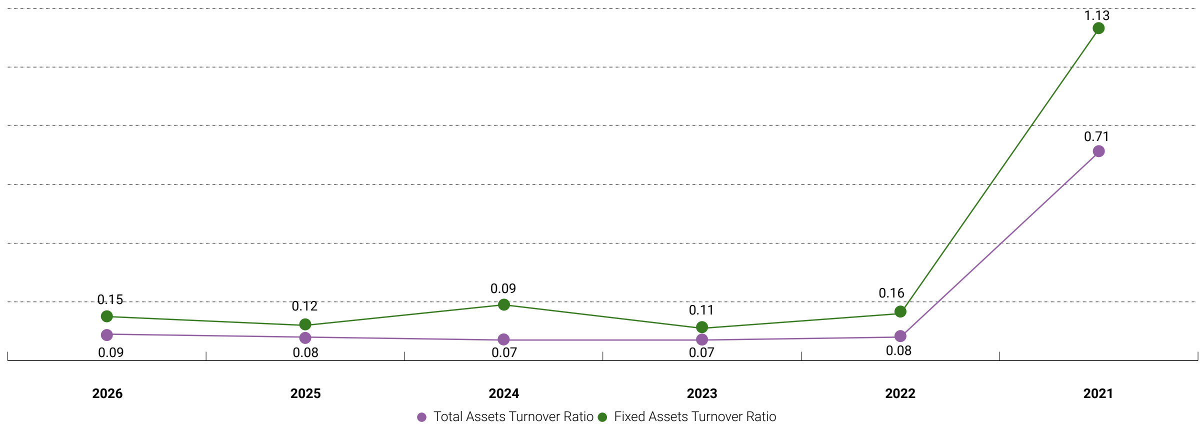
Profitability Ratios (%)



Liquidity Ratios (Times)



Turnover Ratio (Times)



Financial Information

		2026	2025	2024	2023	2022	2021
Investment/Market Ratios							
Earnings Per Share (EPS)/Diluted EPS	Rs	6.60	5.43	3.35	3.16	3.02	2.52
Price Earnings Ratio	Rs	8.02	6.69	5.26	3.92	6.00	7.96
Price to Book Ratio	Rs	1.45	1.30	0.77	0.44	0.54	1.36
Dividend Yield Ratio	%	2.61	2.80	4.36	-	-	-
Dividend Payout Ratio	%	22.74	23.01	29.83	-	-	-
Dividend per share - Cash	Rs	1.50	1.25	1.00	-	-	-
Break-up Value Per Share	Rs	39.70	34.36	29.92	26.57	26.48	16.87
Market value per share - at year end	Rs	57.55	44.67	22.91	11.76	14.17	23.00
Highest market value per share during the year	Rs	61.05	48.54	24.14	16.31	23.26	27.61
Lowest market value per share during the year	Rs	36.87	20.01	10.54	10.51	13.99	18.43

All profitability ratios improved during the year, consequent to high profitability. Highest ever profit in Company's history resulted higher EPS during the year as against the average EPS of Rs. 4.01 of last 6 years. Despite major capital investments, Company was able to declare dividend with payout ratio of 23% showing the management commitment to payback to its shareholder in addition to increased wealth in form of higher net assets. Consequently, the market value of share of the Company gained value substantially during the year.

		2026	2025	2024	2023	2022	2021
Capital Structure Ratios							
Financial leverage ratio	Times	0.30	0.41	0.53	0.67	0.61	0.11
Weighted Average Cost of Debt	%	18.70	15.58	18.76	13.77	6.60	7.26
Debt to Equity Ratio - as per books	Times	0.28	0.39	0.51	0.60	0.43	0.04
Debt to Equity Ratio - as per market value	Times	0.19	0.30	0.67	1.36	0.08	0.03
Net Assets per Share	Rs	40	34	30	27	26	17
Interest Cover Ratio	Times	5.02	4.84	3.82	6.38	11	48

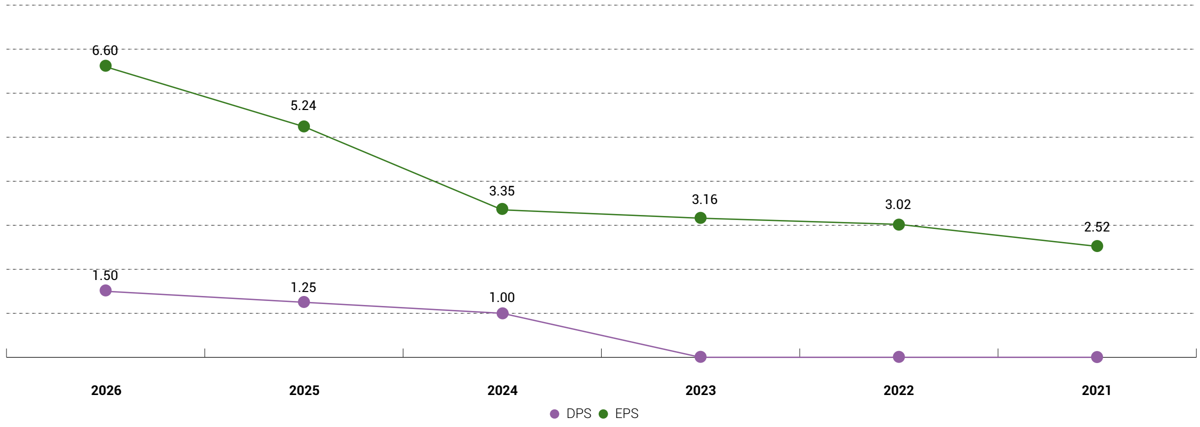
Financial leverage ratio witnessed an improvement on account of improved net assets of the Company in FY 2026. Over the years financial stability has ensured Company's ability to be current on its long term liabilities. Net assets of the Company per share improved significantly year on year, From Rs. 17 per share to Rs. 40 per share, in increase of 135%. Decrease in finance cost enabled an impressive interest coverage ratio ensuring the Company's ability to pay cost of its finances.

		2026	2025	2024	2023	2022	2021
Non–Financial Ratios							
% of plant availability	%	100	100	100	100	100	100
Production per Employee	Tons	2,438	2,306	2,176	2,256	2,541	3,130
Revenue per Employee	Rs'000	60,801	56,289	46,102	41,344	33,358	30,733
Staff Turnover Ratio	Times	1.84	2.10	1.55	1.59	2.06	1.29
Spares Inventory as % of Assets Cost	%	30.75	25.64	35.29	34.63	42.31	34.17
Maintenance Cost as % of Operating Expenses	%	4.03	4.03	3.73	3.60	4.69	4.72
Cement Production	MT	5,685,910	5,383,885	5,060,431	4,915,536	5,657,076	3,483,466
No. of employees		2,332	2,335	2,326	2,179	2,226	1,113
Gross Revenue	Rs'000	141,788,110	131,434,552	107,233,317	90,089,281	74,255,138	34,206,154

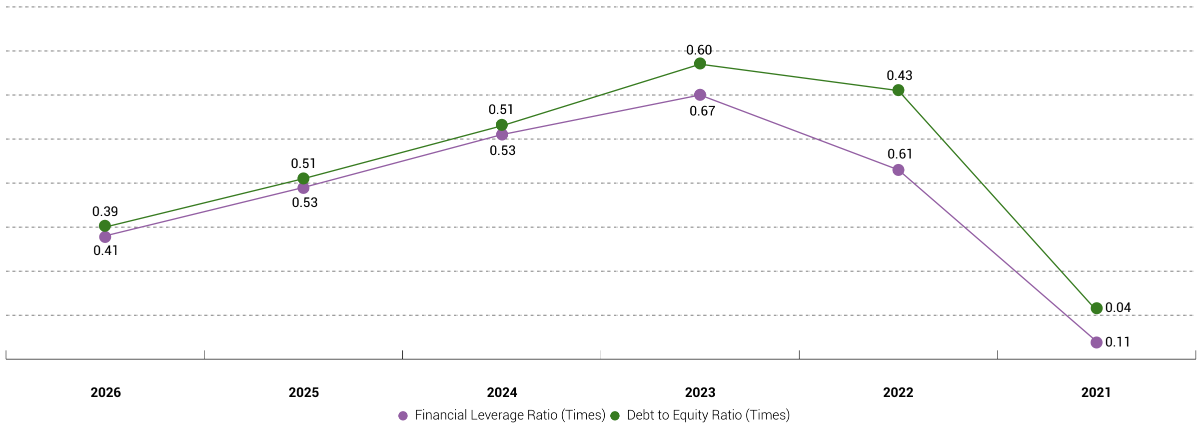
Explanation of Negative Change in Performance as Compared to Last year

FY 2026 was a remarkable year in Company's history and Company earned highest ever profit. There is not any material negative indicator as compared to the last year except for inventory no of days, receivable number of days due to higher stocks level and increase in credit sales, respectively.

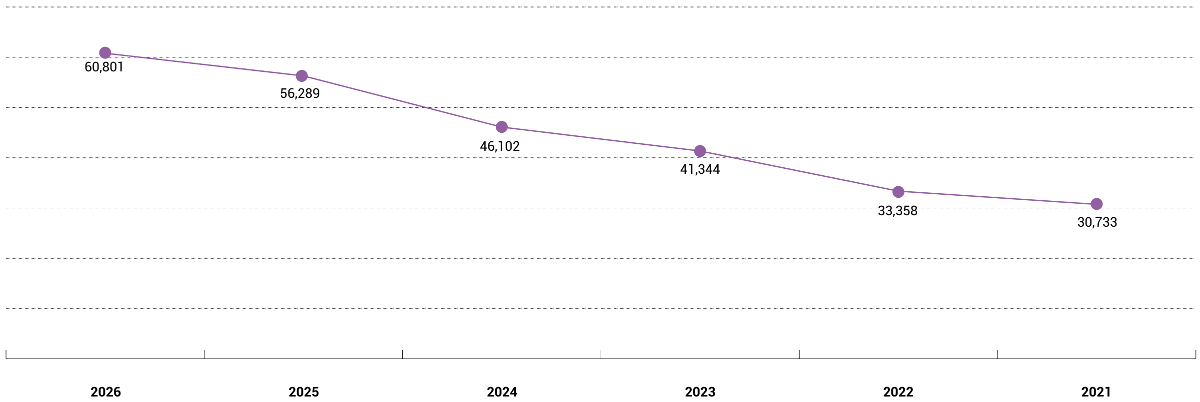
EPS & DPS - Rs



Capital Structure (Times)



Revenue per Employee (Rs'000)



Methods and Assumptions used in Compiling the Indicators

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

HORIZONTAL ANALYSIS STATEMENT OF PROFIT OR LOSS

Summary of Profit or Loss for last six years

	2026	2025	2024	2023	2022	2021
			(Rs in Million)			
Net Sales	93,690	88,956	80,026	68,069	54,243	24,271
Gross Profit	32,721	31,571	25,680	20,418	15,463	6,064
Operating Profit	26,667	26,229	20,592	16,018	11,982	5,054
EBITDA	33,064	31,684	24,939	20,179	15,680	6,814
Finance Cost	4,166	5,772	5,536	3,645	1,202	110
Profit After Taxation	16,183	13,326	8,223	7,440	7,113	3,471
EPS (Rs)						
Basic	6.60	5.43	3.35	3.16	3.02	2.52
Diluted	6.60	5.43	3.35	3.16	3.02	2.52

	2026	2026 Vs 2025	2025	2025 Vs 2024
	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)
Turnover - net	93,690,178	5%	88,956,328	11%
Cost of sales	(60,969,007)	6%	(57,384,978)	6%
Gross profit	32,721,171	4%	31,571,350	23%
Other income	812,543	7%	760,772	41%
Selling and distribution expenses	(3,238,844)	10%	(2,935,139)	-11%
Administrative expenses	(1,927,736)	14%	(1,688,886)	11%
Other expenses	(1,700,007)	15%	(1,479,276)	79%
Operating profit	26,667,127	2%	26,228,821	27%
Finance cost	(4,166,516)	-28%	(5,772,132)	4%
Finance income	1,784,839	67%	1,068,831	257%
Net finance (cost)/income	(2,381,677)	-49%	(4,703,301)	-10%
Share of net profit of investment under equity method	237,378	100%	-	0%
Profit before taxation	24,522,828	14%	21,525,520	40%
Final tax-levy	-	0%	-	-100%
Profit before income tax and levy	24,522,828	14%	21,525,520	41%
Income tax expense	(8,339,917)	2%	(8,199,318)	16%
Profit for the year	16,182,912	21%	13,326,202	62%
Earnings per share - Basic (Rupees)	6.60	22%	5.43	62%
Earnings per share - Diluted (Rupees)	6.60	22%	5.43	62%

Horizontal Analysis

Turnover

The Company achieved highest ever turnover of Rs. 94 Bn in 2026 that is 292% higher than its turnover in 2021 and with annual average growth of 37% in last 6 years. This milestone represents management vision of gaining market share through capacity enhancement in new markets, amalgamation with Askari Cement Company Limited and successful absorption of inflationary and cost related impacts. Customer loyalty due to quality played vital role for market retention and expansion over the years.

Cost of Sales

The Company's cost of sale in 2026 stood at Rs 61 Bn as compared to Rs. 18.2 Bn in 2021, an increase of 239 % due to high volume and increased input costs. Per ton cost of sales in FY 2026 remained Rs 10,723 as compared to Rs. 5,054 in 2021, a surge of 112%, a result of high input production costs i.e. costs of raw materials (increased royalty, excise duty and fuel costs), costs of fuel and power. Management initiatives for cost reduction and operational efficiencies through process innovations and vertical integration and captive power generation helped the Company to keep its cost of sales under control in line with the industry norms.

2024	2024 Vs 2023	2023	2023 Vs 2022	2022	2022 Vs 2021	2021
Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000	Increase /(Decrease)	Rupees'000
80,026,226	18%	68,069,282	25%	54,243,118	123%	24,271,285
(54,345,821)	14%	(47,650,809)	23%	(38,779,542)	113%	(18,206,880)
25,680,405	26%	20,418,473	32%	15,463,576	155%	6,064,405
540,373	24%	436,173	89%	230,695	182%	81,710
(3,285,923)	21%	(2,705,263)	69%	(1,603,323)	746%	(189,537)
(1,516,046)	10%	(1,381,633)	6%	(1,299,439)	148%	(524,709)
(826,875)	10%	(750,078)	-7%	(808,964)	114%	(377,946)
20,591,934	29%	16,017,672	34%	11,982,545	137%	5,053,923
(5,536,298)	52%	(3,645,265)	203%	(1,201,612)	996%	(109,623)
299,318	-43%	527,702	-29%	745,852	365%	160,543
(5,236,980)	68%	(3,117,563)	584%	(455,760)	-995%	50,920
-	0%	-	-100%	1,308	-54%	2,849
15,354,954	19%	12,900,109	12%	11,528,093	126%	5,107,692
(55,223)	21%	(45,660)	0%	-	0%	-
15,299,731	19%	12,854,449	12%	11,528,093	126%	5,107,692
(7,076,615)	31%	(5,414,768)	23%	(4,415,553)	170%	(1,636,341)
8,223,116	11%	7,439,681	5%	7,112,540	105%	3,471,351
3.35	6%	3.16	5%	3.02	20%	2.52
3.35	6%	3.16	5%	3.02	20%	2.52

Gross Profit

The Company has demonstrated a commitment to elevating its gross profitability through process efficiencies, vertical integration, cost economization, capacity enhancement and efficient resource management. This elevation witnessed a remarkable increase in gross profit of Rs.32.7 Bn in FY 2026 as compared to Rs. 6.1 Bn in FY 2021, an increase of 436%.

Distribution Cost

The major component of distribution cost is freight charges on delivery of cement to projects that varies with the actual project sales. Rest of the costs escalates in line with the inflation. Prudent cost control measures have restrained the escalation in cost at minimal level.

Admin Costs

In preceding 3 years, admin cost is increased with an average of 12% against the average inflation of 17% in last 3 years. As a result of prudent cost control measures, cost escalation has restrained to minimum level.

Finance Cost - Net

In FY 2026, the Company managed to maximum repayment of KIBOR based loans, hence, avoiding major finance cost component which resulted in significant reduction in finance cost. Owing to higher cash generation finance income, primarily related to markup on bank deposits and gain on mutual funds investments, is increased significantly during the year.

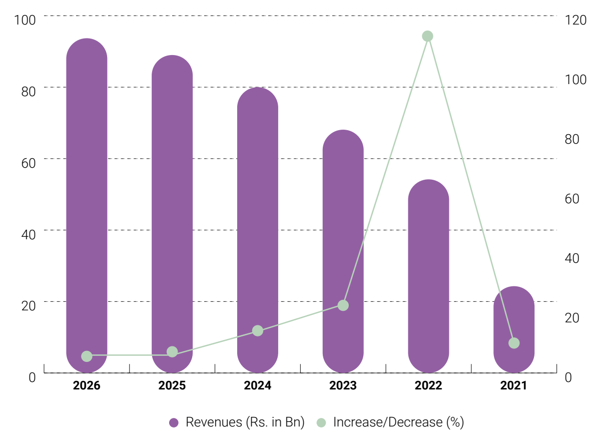
Income Tax

The tax expense is generally a reflection of income of the company, however, due to imposition of super tax and change in export related taxation from presumptive to normal, the effective rate of income tax in FY 2024 has been surged to 46% as compared to effective rate of 39%. During FY 2026 effective tax rate remained at 34% as against the actual rate of 39%, the lower rate is attributable to reduction in super tax rate from 10% to 8% and certain finance incomes that taxed at lower rates

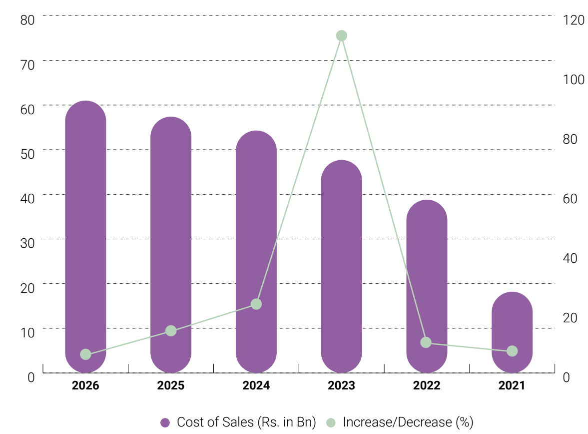
Profit after tax

During FY 2026 Company earned highest ever profit of Rs. 16.2 Bn, a new benchmark for the Company, demonstrating the robust growth in net profitability. This is mainly attributable to highest ever turnover with cost economization. Overall, profitability of the Company increased to Rs. 16.2 Bn as compared to Rs. 3.5 Bn in 2021, an increase of 363%.

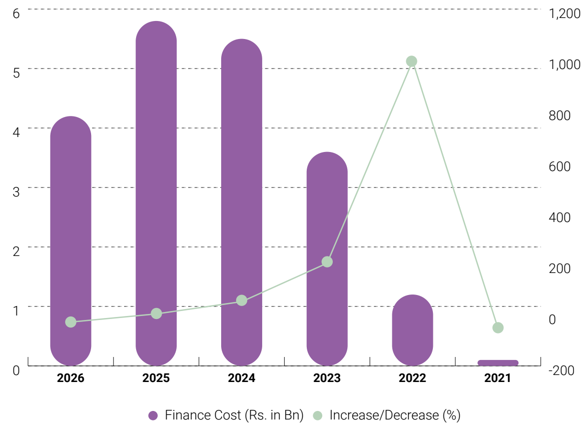
Revenues



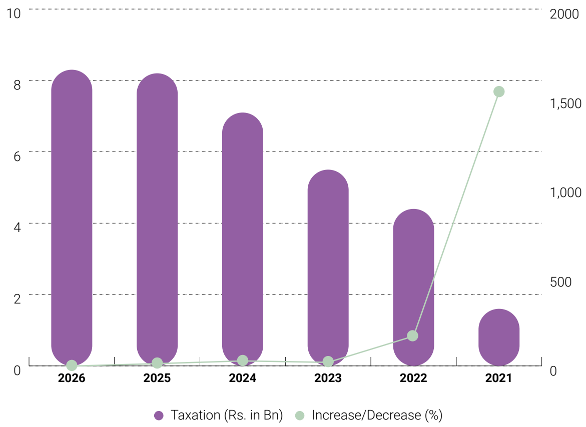
Cost of Sales



Finance Cost



Taxation



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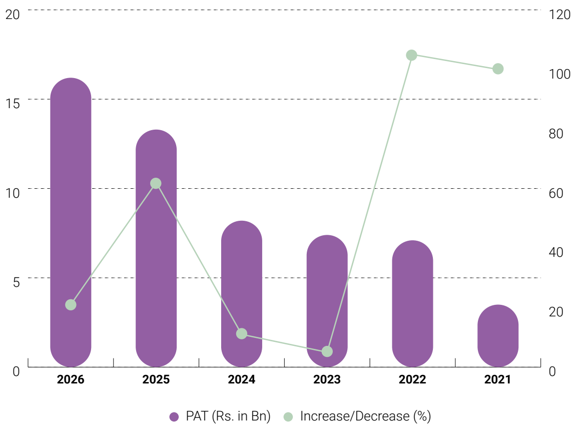


Financial Information

VERTICAL ANALYSIS
STATEMENT OF PROFIT OR LOSS

	2026		2025	
	Rupees'000	%	Rupees'000	%
Turnover - net	93,690,178	100%	88,956,328	100%
Cost of sales	(60,969,007)	-65%	(57,384,978)	-65%
Gross profit	32,721,171	35%	31,571,350	35%
Other income	812,543	1%	760,772	1%
Selling and distribution expenses	(3,238,844)	-3%	(2,935,139)	-3%
Administrative expenses	(1,927,736)	-2%	(1,688,886)	-2%
Other expenses	(1,700,007)	-2%	(1,479,276)	-2%
Operating profit	26,667,127	28%	26,228,821	29%
Finance cost	(4,166,516)	-4%	(5,772,132)	-6%
Finance income	1,784,839	2%	1,068,831	1.2%
Net finance (cost)/income	(2,381,677)	-3%	(4,703,301)	-5%
Share of net profit of investment under equity method	237,378	-	-	-
Profit before income tax and levy	24,522,828	26%	21,525,520	24%
Final tax-levy	-	-	-	-
Profit before income tax	24,522,828	26%	21,525,520	24%
Income tax expense	(8,339,917)	-9%	(8,199,318)	-9%
Profit for the year	16,182,912	17%	13,326,202	15%

Vertical Analysis

Gross Profit

Over the years gross profit margins of the company demonstrated a significant increase from 25 % in FY 2021 to 35% in FY 2026 an increase of 40%. This consistency in gross profit margins shows the management commitment to elevate Company's gross profitability through process efficiencies, cost economization and efficient resource management.

Operating Profit

The operating profit as a percentage of turnover shows a consistency with increase i.e. 28% in FY 2026 from 21% in FY 2021. Besides unprecedented inflation and increased fuel prices, the escalated costs have been passed on successfully with increased bottom-line over the years.

Finance Cost

Decrease in finance cost as percentage of revenue , largely attributable to early repayment of higher KIBOR based loans in FY 2026.

Taxation

Tax charge as a percentage of revenue remained consistent in line with the fluctuation of top line.

2024		2023		2022		2021	
Rupees'000	%	Rupees'000	%	Rupees'000	%	Rupees'000	%
80,026,226	100%	68,069,282	100%	54,243,118	100%	24,271,285	100%
(54,345,821)	-68%	(47,650,809)	-70%	(38,779,542)	-71%	(18,206,880)	-75%
25,680,405	32%	20,418,473	30%	15,463,576	29%	6,064,405	25%
540,373	1%	436,173	1%	230,695	0.4%	81,710	0.3%
(3,285,923)	-4%	(2,705,263)	-4%	(1,603,323)	-3%	(189,537)	-1%
(1,516,046)	-2%	(1,381,633)	-2%	(1,299,439)	-2%	(524,709)	-2%
(826,875)	-1%	(750,078)	-1%	(808,964)	-1%	(377,946)	-2%
20,591,934	26%	16,017,672	24%	11,982,545	22%	5,053,923	21%
(5,536,298)	-7%	(3,645,265)	-5%	(1,201,612)	-2%	(109,623)	0%
299,318	0.4%	527,702	1%	745,852	1%	160,543	1%
(5,236,980)	-7%	(3,117,563)	-5%	(455,760)	-1%	50,920	0%
-	-	-	-	1,308	-	2,849	-
15,354,954	19%	12,900,109	19%	11,528,093	21%	5,107,692	21%
(55,223)	0%	(45,660)	0%	-	0%	-	0%
15,299,731	19%	12,854,449	19%	11,528,093	21%	5,107,692	21%
(7,076,615)	-9%	(5,414,768)	-8%	(4,415,553)	-8%	(1,636,341)	-7%
8,223,116	10%	7,439,681	11%	7,112,540	13%	3,471,351	14%

Profit for the year

The Company's profit as a percentage of revenue has averaged 13% over the last 6 years. In FY 2026, the Company achieved its highest-ever profit, which improved the profit margin to 17%. An exception was observed in FY 2024, where the ratio declined to 10% primarily due to higher income tax expense, as explained earlier.

HORIZONTAL ANALYSIS STATEMENT OF FINANCIAL POSITION

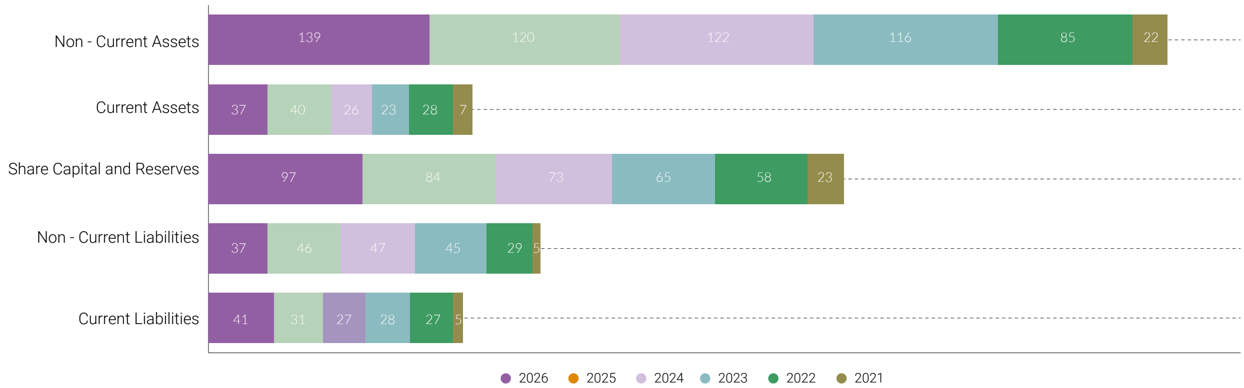
	2026	2026 Vs 2025	2025	2025 Vs 2024
	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)
SHARE CAPITAL AND RESERVES				
Share capital	24,528,476	0%	24,528,476	0%
Premium /(Discount) on issue of shares	15,253,134	0%	15,253,134	0%
Accumulated profits	57,590,597	29%	44,490,598	32%
Total equity	97,372,207	16%	84,272,208	15%
NON - CURRENT LIABILITIES				
Long term loans-secured	15,327,475	-37%	24,208,633	-19%
Employee benefits	315,399	11%	283,590	13%
Lease Liabilities	83,005	-18%	101,211	-14%
Deferred government grant	1,193,317	-28%	1,647,630	-24%
Deferred tax liabilities - net	19,953,726	1%	19,694,422	32%
	36,872,922	-20%	45,935,486	-3%
CURRENT LIABILITIES				
Loan from Parent - unsecured	7,387,000	-2%	7,572,186	3%
Trade and other payables	5,372,515	37%	3,934,508	-36%
Accrued liabilities	13,265,101	46%	9,076,142	76%
Security deposits payable	581,539	2%	570,602	5%
Contract liabilities	1,342,184	128%	588,076	36%
Unclaimed dividend	45,513	11%	41,182	16%
Short term borrowings	2,469,127	13%	2,192,462	51%
Provision for tax-net	-	0%	-	-100%
Current portion of lease liability	71,299	65%	43,099	-7%
Current portion of long term loans	10,253,374	68%	6,104,065	20%
Current portion of deferred government grant	454,313	-12%	515,175	-11%
	41,241,965	35%	30,637,497	14%
Total Equity and Liabilities	175,487,094	9%	160,845,191	9%
NON - CURRENT ASSETS				
Property, plant and equipment	106,869,361	-2%	109,579,089	-1%
Right of use asset	155,412	23%	126,445	-4%
Intangibles	10,321,634	-2%	10,533,667	-2%
Long term deposits	119,759	-10%	133,425	3%
Long term Investment accounted for under equity method	21,196,622	100%	-	0%
	138,662,788	15%	120,372,626	-1%
CURRENT ASSETS				
Stores, spares and loose tools	11,323,280	9%	10,377,008	14%
Stock in trade	10,316,705	10%	9,337,617	25%
Trade debts	8,036,414	16%	6,911,322	25%
Advances	236,769	-23%	305,685	110%
Sales tax refundable-net	-	-100%	526,868	100%
Trade deposits and short term prepayments	42,283	-26%	57,182	60%
Advance tax - net	1,232,159	19%	1,032,953	100%
Other receivables	30,626	-37%	48,492	-83%
Short term Investments	1,923,627	-79%	9,210,100	3584%
Cash and bank balances	3,682,443	38%	2,665,338	-9%
	36,824,306	-9%	40,472,565	57%
Total Assets	175,487,094	9%	160,845,191	9%

2024	2024 Vs 2023	2023	2023 Vs 2022	2022	2022 Vs 2021	2021
Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000	Increase / (Decrease)	Rupees'000
24,528,476	0%	24,528,476	12%	21,803,090	58%	13,798,150
15,253,134	0%	15,253,134	-15%	17,978,520	-1418%	(1,364,385)
33,617,243	32%	25,394,127	41%	17,954,446	66%	10,841,906
73,398,853	13%	65,175,737	13%	57,736,056	148%	23,275,671
29,908,287	-6%	31,777,087	62%	19,555,997	3879%	491,502
250,230	18%	211,595	18%	179,291	118%	82,380
117,454	-1%	118,972	32%	89,965	22%	73,593
2,164,959	-21%	2,745,849	39%	1,982,301	29903%	6,607
14,931,049	45%	10,312,402	39%	7,433,214	88%	3,960,489
47,371,979	5%	45,165,905	54%	29,240,768	534%	4,614,571
7,387,000	0%	7,387,000	0%	7,387,000	100%	-
6,108,790	-8%	6,639,368	-5%	7,013,780	278%	1,854,218
5,154,131	28%	4,022,396	-7%	4,321,163	178%	1,554,895
545,487	20%	455,052	-1%	461,712	77%	260,652
432,704	-26%	584,809	-32%	862,309	98%	435,097
35,646	-1%	36,001	-3%	37,157	-3%	38,479
1,450,934	-68%	4,530,981	41%	3,218,249	99%	1,616,787
56,810	100%	-	0%	-	0%	-
46,206	-8%	50,463	-26%	68,332	177%	24,686
5,066,868	21%	4,176,493	40%	2,985,087	726%	361,521
580,891	-4%	604,292	65%	366,464	2241%	15,654
26,865,467	-6%	28,486,855	7%	26,721,253	334%	6,161,989
147,636,299	6%	138,828,497	22%	113,698,077	234%	34,052,231
110,845,663	6%	104,425,181	41%	74,126,315	246%	21,422,215
131,165	-28%	181,380	37%	132,263	48%	89,334
10,745,700	-2%	10,957,737	100%	11,029,756	100%	-
129,700	0%	129,700	3%	126,274	46%	86,601
-	0%	-	-100%	66,657	334%	15,349
121,852,228	5%	115,693,998	35%	85,481,265	295%	21,613,499
9,099,130	14%	8,011,181	-33%	11,939,147	181%	4,250,754
7,495,705	5%	7,112,327	92%	3,697,721	211%	1,189,198
5,545,241	55%	3,572,445	48%	2,412,758	66%	1,449,600
145,244	-60%	366,231	89%	193,629	325%	45,593
-	-100%	1,820,851	-31%	2,650,804	100%	-
35,696	44%	24,840	10%	22,559	-14%	26,147
-	-100%	723,704	-26%	975,108	983%	90,073
280,071	-1%	282,463	61%	175,443	97%	88,890
250,000	0%	250,000	-93%	3,843,310	-13%	4,397,699
2,932,984	202%	970,457	-58%	2,306,633	156%	900,778
25,784,071	11%	23,134,499	-18%	28,217,112	127%	12,438,732
147,636,299	6%	138,828,497	22%	113,698,377	234%	34,052,231

Summary of Financial Position for last six years

	2026	2025	2024	2023	2022	2021
			(Rs in Million)			
Equity & Liabilities						
Shareholders' Equity	97,372	84,272	73,399	65,176	57,736	23,276
Long Term Loans Including Current Portion	25,581	30,313	34,975	35,953	22,541	853
Deferred tax liabilities - net	19,954	19,694	14,931	10,312	7,433	3,960
Other Non-current and current liabilities	32,580	26,566	24,331	27,387	25,988	5,963
	175,487	160,845	147,636	138,828	113,698	34,052
Assets						
Property, plant and equipment	106,869	109,579	110,846	104,425	74,126	21,422
Intangible assets and goodwill	10,322	10,534	10,746	10,958	11,030	-
Other Non-current and current assets	58,296	40,732	26,044	23,445	28,542	12,630
	175,487	160,845	147,636	138,828	113,698	34,052

Financial Position Rs. in Billion



Horizontal Analysis

Share Capital and Reserves

Share capital of the Company witnessed an increase of 58% in FY 2022 on account of issue of right shares after merger of Askari Cement Company Limited with the Company. Net shareholder equity increased significantly from Rs. 23 Bn in FY 2021 to Rs. 97 Bn in FY 2026, an increase of 318%, predominantly attributable to share premium consequent to merger of Askari Cement Company Limited and high profit earnings of the Company the significant portion of which is retained for capital projects.

Non Current Liabilities

Non-current liabilities rose from Rs. 5 billion in FY 2021 to Rs. 37 billion in FY 2026, largely driven by Rs. 27 billion in financing raised for capacity expansion and acquisition of stake in Attock Cement Pakistan Limited. Deferred government grant reflects the benefit derived from subsidized financing obtained at interest rates below market levels for expansion initiatives. The increase in deferred tax liability over the past three years is primarily due to capitalization of expansion projects in FY 2023 and FY 2024, coupled with the impact of super tax and the withdrawal of the presumptive tax regime for exports in FY 2024.

Current Liabilities

Post-merger, the Company's current liabilities increased significantly in FY 2022 due to the assumption of liabilities of Askari Cement Limited. Short-term borrowings have remained stable and minimal over the past six years, except in FY 2023 when internal cash generation was deployed toward expansion projects. The current maturity of long-term financing rose sharply in FY 2026 as repayments related to expansion financing and investment in Attock Cement Company Limited commenced. Accrued liabilities increased notably in FY 2026, mainly driven by the accrual of mineral royalty.

Non Current Assets

Over the past three years, the Company's asset base has expanded substantially post-merger and on account of ongoing expansion. Non-current assets mainly consist of property, plant and equipment and intangible assets, including goodwill and brand arising from the business combination in FY 2022. Property, plant and equipment increased to Rs. 107 billion as of FY 2026, up 409% from the base year, driven largely by capital expenditure on expansion, green energy, and efficiency enhancement projects. The Company further invested Rs. 21 billion for a 46.02% equity stake in Attock Cement Pakistan Limited.

Current Assets

Current assets rose to Rs. 37 billion in FY 2026, an increase of 196% compared to the base year FY 2021. The Company continued to maintain inventory, stores, and spares at optimal levels to meet operational and market demands. Trade receivables increased in FY 2026, largely driven by higher cement sales volumes. In addition to bank financing, surplus funds were utilized for investment in a 46.02% stake in Attock Cement Pakistan Limited, resulting in a corresponding decrease in investments in mutual funds and liquid assets.

ECONOMIC VALUE ADDED

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

	2026	2025	2024	2023	2022	2021
Cost of Capital						
Weighted Average Cost of capital -%	18.70%	15.58%	18.76%	19.25%	15.68%	15.68%
Capital employed	123,394,486	105,489,263	80,770,832	75,810,470	57,174,654	22,511,907
Economic Value Added						
Net Operating Profit After Tax (Rs'000)	18,564,589	18,029,503	13,460,096	10,557,244	7,568,300	3,421,431
Less: Cost of Capital (Rs'000)	23,074,769	16,435,227	15,152,608	14,593,515.48	8,964,985.75	3,529,867.02
Economic Value Added (Rs'000)	(4,510,180)	1,594,276	(1,692,512)	(4,036,271)	(1,396,686)	(108,436)

VERTICAL ANALYSIS
STATEMENT OF FINANCIAL POSITION

	2026		2025	
	Rupees'000	%	Rupees'000	%
SHARE CAPITAL AND RESERVES				
Share capital	24,528,476	14%	24,528,476	15%
Premium /(Discount) on issue of shares	15,253,134	9%	15,253,134	9%
Accumulated profits	57,590,597	33%	44,490,598	28%
Total equity	97,372,207	55%	84,272,208	52%
NON - CURRENT LIABILITIES				
Long term loans - secured	15,327,475	9%	24,208,633	15%
Employee benefits	315,399	0%	283,590	0%
Lease liabilities	83,005	0%	101,211	0%
Deferred government grant	1,193,317	1%	1,647,630	1%
Deferred tax liabilities - net	19,953,726	11%	19,694,422	12%
	36,872,922	21%	45,935,486	29%
CURRENT LIABILITIES				
Loan from Parent - unsecured	7,387,000	4%	7,572,186	5%
Trade and other payables	5,372,515	3%	3,934,508	2%
Accrued liabilities	13,265,101	8%	9,076,142	6%
Security deposits payable	581,539	0%	570,602	0%
Contract liabilities	1,342,184	1%	588,076	0%
Unclaimed dividend	45,513	0%	41,182	0%
Short term borrowings	2,469,127	1%	2,192,462	1%
Provision for tax-net	-	0%	-	0%
Current portion of lease liability	71,299	0%	43,099	0%
Current portion of long term loans	10,253,374	6%	6,104,065	4%
Current portion of deferred government grant	454,313	0%	515,175	0%
	41,241,965	24%	30,637,497	19%
Total Equity and Liabilities	175,487,094	100%	160,845,191	100%
NON - CURRENT ASSETS				
Property, plant and equipment	106,869,361	61%	109,579,089	68%
Right of use asset	155,412	0%	126,445	0%
Intangibles	10,321,634	6%	10,533,667	7%
Long term deposits	119,759	0%	133,425	0%
Long term Investment accounted for under equity method	21,196,622	12%	-	0%
	138,662,788	79%	120,372,626	75%
CURRENT ASSETS				
Stores, spares and loose tools	11,323,280	6%	10,377,008	6%
Stock in trade	10,316,705	6%	9,337,617	6%
Trade debts	8,036,414	5%	6,911,322	4%
Advances	236,769	0%	305,685	0%
Sales tax refundable-net	-	0%	526,868	0%
Trade deposits and short term prepayments	42,283	0%	57,182	0%
Advance tax - net	1,232,159	1%	1,032,953	1%
Other receivables	30,626	0%	48,492	0%
Short term Investments	1,923,627	1%	9,210,100	6%
Cash and bank balances	3,682,443	2%	2,665,338	2%
	36,824,306	21%	40,472,565	25%
Total Assets	175,487,094	100%	160,845,191	100%

2024		2023		2022		2021	
Rupees’000	%	Rupees’000	%	Rupees’000	%	Rupees’000	%
24,528,476	17%	24,528,476	18%	21,803,090	19%	13,798,150	41%
15,253,134	10%	15,253,134	11%	17,978,520	16%	(1,364,385)	-4%
33,617,243	23%	25,394,127	18%	17,954,446	16%	10,841,906	32%
73,398,853	50%	65,175,737	47%	57,736,056	51%	23,275,671	68%
29,908,287	20%	31,777,087	23%	19,555,997	17%	491,502	1%
250,230	0%	211,595	0%	179,291	0%	82,380	0%
117,454	0%	118,972	0%	89,965	0%	73,593	0%
2,164,959	1%	2,745,849	2%	1,982,301	2%	6,607	0%
14,931,049	10%	10,312,402	7%	7,433,214	7%	3,960,489	12%
47,371,979	32%	45,165,905	33%	29,240,768	26%	4,614,571	14%
7,387,000	5%	7,387,000	5%	7,387,000	6%	-	0%
6,108,790	4%	6,639,368	5%	7,013,780	6%	1,854,218	5%
5,154,131	3%	4,022,396	3%	4,321,163	4%	1,554,895	5%
545,487	0%	455,052	0%	461,712	0%	260,652	1%
432,704	0%	584,809	0%	862,309	1%	435,097	1%
35,646	0%	36,001	0%	37,157	0%	38,479	0%
1,450,934	1%	4,530,981	3%	3,218,249	3%	1,616,787	5%
56,810	0%	-	0%	-	0%	-	0%
46,206	0%	50,463	0%	68,332	0%	24,686	0%
5,066,868	3%	4,176,493	3%	2,985,087	3%	361,521	1%
580,891	0%	604,292	0%	366,464	0%	15,654	0%
26,865,467	18%	28,486,855	21%	26,721,253	24%	6,161,989	18%
147,636,299	100%	138,828,497	100%	113,698,077	100%	34,052,231	100%
110,845,663	75%	104,425,181	75%	74,126,315	65%	21,422,215	63%
131,165	0%	181,380	0%	132,263	0%	89,334	0%
10,745,700	7%	10,957,737	8%	11,029,756	10%	-	0%
129,700	0%	129,700	0%	126,274	0%	86,601	0%
-	0%	-	0%	66,657	0%	15,349	0%
121,852,228	83%	115,693,998	83%	85,481,265	75%	21,613,499	63%
9,099,130	6%	8,011,181	6%	11,939,147	11%	4,250,754	12%
7,495,705	5%	7,112,327	5%	3,697,721	3%	1,189,198	3%
5,545,241	4%	3,572,445	3%	2,412,758	2%	1,449,600	4%
145,244	0%	366,231	0%	193,629	0%	45,593	0%
-	0%	1,820,851	1%	2,650,804	2%	-	0%
35,696	0%	24,840	0%	22,559	0%	26,147	0%
-	0%	723,704	1%	975,108	1%	90,073	0%
280,071	0%	282,463	0%	175,443	0%	88,890	0%
250,000	0%	250,000	0%	3,843,010	3%	4,397,699	13%
2,932,984	2%	970,457	1%	2,306,633	3%	900,778	3%
25,784,071	17%	23,134,499	17%	28,216,812	25%	12,438,732	37%
147,636,299	100%	138,828,497	100%	113,698,077	100%	34,052,231	100%

Vertical Analysis

Share Capital and Reserves

The proportion of shareholders' equity to total assets declined from 68% in FY 2021 to 55% in FY 2026, indicating a shift toward debt financing, largely in support of the Company's expansion initiatives.

Non Current Liabilities

The structure of non-current liabilities has changed materially over recent years. Deferred tax liabilities increased to 54% of total non-current liabilities in FY 2026 from 25% in FY 2022, post-merger. This surge in deferred tax liabilities is mainly due to the capitalization of expansion projects in FY 2023 and FY 2024, coupled with the impact of super tax and the withdrawal of the presumptive tax regime for exports in FY 2024. Meanwhile, the non-current portion of long-term financing (including government grant) rose to 46% in FY 2026 from 11% in FY 2021.

Current Liabilities

Over the past years current liabilities as parentage of total balance sheet footing witnessed a consistent trend with exception in FY 2022 and FY 2023 on account of higher running finance utilization. Post merger trade and other payables and accrued liabilities form 41% of total current liabilities. Short term borrowings, for FY 2025, form 7% of total current liabilities and stayed at minimal level. Although, current portion of long term loans increased over the years but its percentage to total balance sheet footing remained the same over last 3 years.

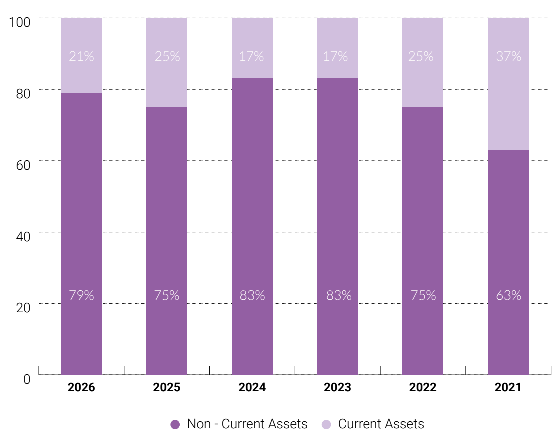
Non Current Assets

79% of total assets base of the Company consists of non current assets depicting the greater allocation of investments in property, plant and equipment for long term viability and continuity of business.

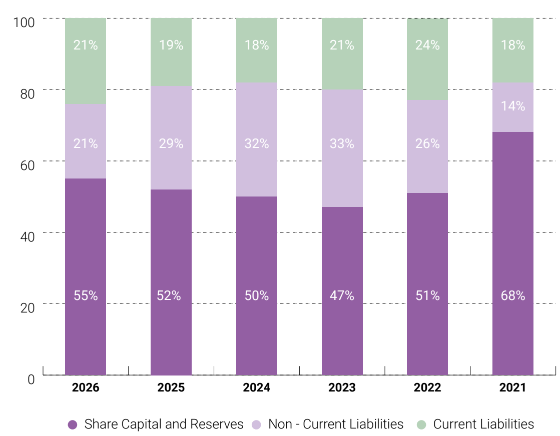
Current Assets

For FY 2025, current assets remains 21% of total assets of the Company. Company achieved optimal level of stores and spares and stock in trade in recent years. For FY 2026, Company's stocks and stores stood at 12% of total assets as against the average of 12% of last 6 years.

Assets



Equity and Liabilities



CASH FLOWS

Summary of Cash Flows for last six years

	2026	2025	2024	2023	2022	2021
			(Rs. in '000)			
Net cash generated from operating activities	26,926,005	22,989,208	22,284,607	16,030,998	7,567,564	5,739,097
Net cash used in investing activities	(13,880,060)	(11,259,190)	(8,158,036)	(29,667,173)	(26,064,704)	(5,141,658)
Net cash (used in) / generated						
from financing activities	(12,361,165)	(11,403,059)	(8,479,996)	10,897,767	19,345,923	(5,455)
Net increase / (decrease) in cash and cash equivalents	684,780	326,959	5,646,575	(2,738,408)	848,783	591,984
Cash and cash equivalents at beginning of the year	2,323,509	1,996,550	(3,650,024)	(911,616)	(716,009)	(1,307,993)
Cash and cash equivalents acquired						
through business combination	-	-	-	-	(1,044,390)	-
Effect of exchange rate changes	(58)	-	-	-	-	-
Cash and cash equivalents at end of the year	3,008,231	2,323,509	1,996,551	(3,650,024)	(911,616)	(716,009)

Cash flows Analysis

Cash flows from operations

Cash flows from operations are Rs. 27 Bn as against the Rs. 5.7 Bn in FY 2021. This mainly is attributable to higher profitability as a result of amalgamation and capacity enhancement along with operational efficiencies bring in by the management. Apart from operations related cash flows, income tax payments are increased multifold since 2021, especially after imposition of super tax and increase in profitability.

Cash used in investing activities

To ensure business continuity and sustainable operations with ever changing business environment and needs the main focusing area of capital investments of the Company remains capacity enhancements, green energy generation and capital investments for vertical integration. The Company has invested Rs. 75 Bn in last 5 years on capacity enhancement, green energy generation, BMRs for operational efficiencies and acquisition of PP bags manufacturing plant. in FY 2026, the Company also paid Rs. 21 Bn against equity investment in Attock Cement Pakistan Limited.

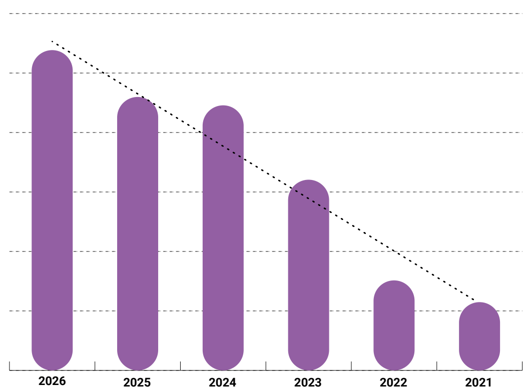
Cash flows from financing activities

To meet its capital needs Company secured loan amounting to Rs. 48 Bn in last 6 years and also repaid long term loans amounting to Rs. 31 Bn. During this period Company paid finance cost amounting to Rs. 20 Bn against long and short term financing. Apart from repayment of long term loans and finance cost amounting to Rs. 30 Bn, Company also paid Rs. 5.5 Bn as dividend to its shareholders during the aforesaid period of 6 years.

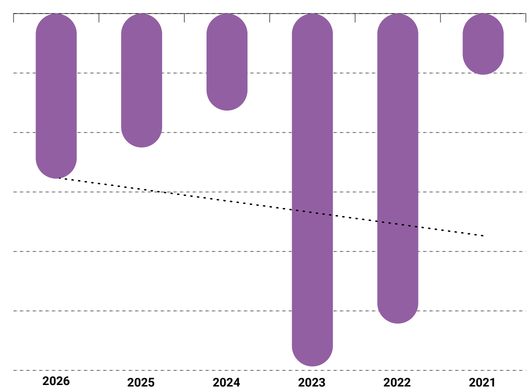
Cash and Cash Equivalents

Even after funding of Rs.28 Bn through internal cash generation for capacity enhancement Company stood positive in cash i.e. Rs. 1.4 Bn at the close of FY 2024 from a negative cash of Rs. 1.3 Bn in FY 2021 owing to the better cash generations from operations. In FY 2026 same trend continues and Company remains positive in cash at year end.

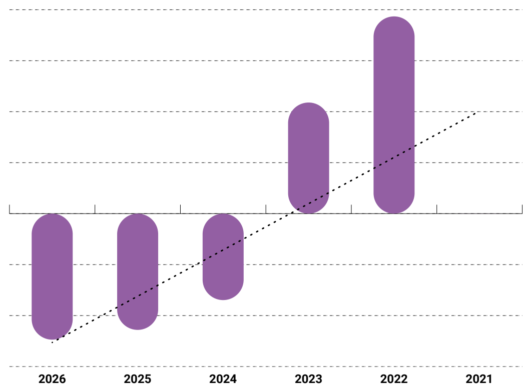
Net cash generated from operating activities



Net cash used in investing activities



Net cash generated from /(used in) financing activities



Free Cash Flows

	2026	2025	2024	2023	2022	2021
			(Rs '000)			
Net Cash generated from Operating Activities	26,926,005	22,989,208	22,284,607	16,030,998	7,567,564	5,739,097
Capital Additions	(21,182,946)	(2,314,221)	(8,158,037)	(29,667,173)	(26,064,704)	(857,636)
Free Cash Flows to the Company	5,743,059	20,674,987	14,126,570	(13,636,175)	(18,497,140)	4,881,461
Add : Net Debt	(9,299,383)	(8,955,748)	(8,479,995)	10,897,767	19,345,923	141,373
Free Cash Flows to the Equity Holders	(3,556,324)	11,719,239	5,646,575	(2,738,408)	848,783	5,022,834

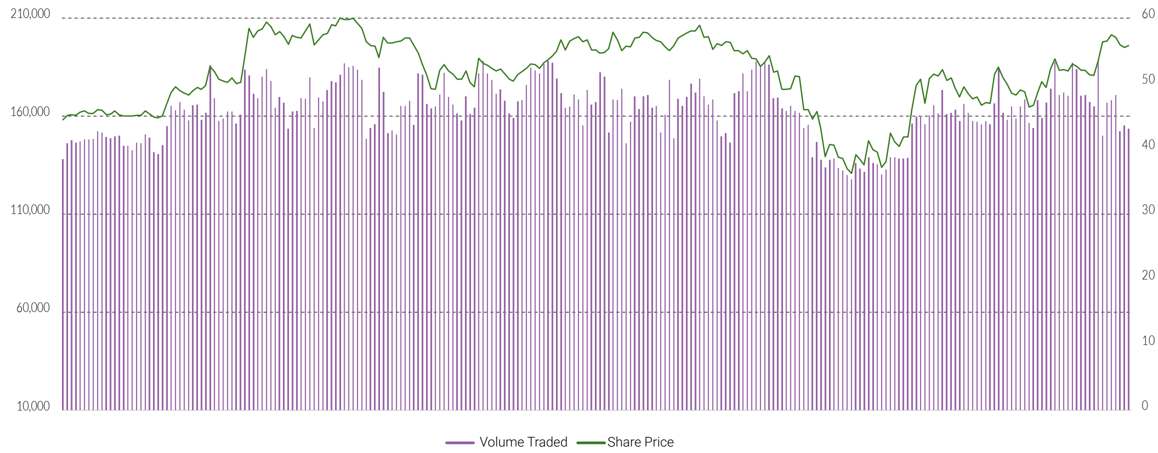
DIRECT METHOD STATEMENT OF CASH FLOWS

	2026	2025
	Rupees'000	Rupees'000
Cash Flow from operating Activities		
Cash receipts from customers	93,690,178	87,745,619
Cash Paid to vendors & employees	(56,716,182)	(57,596,461)
Compensated absences paid	(149,873)	(133,659)
Payment to Workers' (Profit) Participation Fund	(1,299,825)	(1,164,913)
Payment to Workers Welfare Fund	(323,509)	(11,670)
Taxes paid	(8,274,784)	(4,525,708)
Net cash generated from operating activities	26,926,005	24,313,208
Cash flows from investing activities		
Additions in property, plant and equipment	(2,153,380)	(3,477,647)
Investment in Attock Cement Pakistan Limited - net	(20,914,792)	-
Short term investments	7,302,886	(8,944,969)
Proceeds from disposal of property, plant and equipment	31,300	109,726
Income received against deposits and investments	1,853,926	1,053,700
Net cash used in investing activities	(13,880,060)	(11,259,190)
Cash flows from financing activities		
Repayment of long term loans	(18,199,783)	(4,657,115)
Long term loans received during the year	13,264,374	-
Short term running finance - secured	(149,000)	1,324,000
Lease payments	(103,300)	(75,315)
Dividend paid	(3,061,728)	(2,447,311)
Markup paid on loan from parent	(922,869)	(553,514)
Finance cost paid	(3,188,859)	(4,993,804)
Net cash used in financing activities	(12,361,165)	(12,727,059)
Net increase in cash and cash equivalents	684,780	326,959
Cash and cash equivalents at beginning of the year	2,323,509	1,996,550
Effect of exchange rate changes	(58)	-
Cash and cash equivalents at end of the year	3,008,231	2,323,509

SEGMENTAL REVIEW OF BUSINESS

The revenue stream of the Company is generated through Manufacturing and Sale of different types of Cement and tile bond and Company organized its activities under a single operating segment. Primary market of the Company's products is local market where Company sold 95% of total sales volume during the year. Due to inherent limitation of its manufacturing locations, the only feasible export market of the Company is Afghanistan where Company dispatched 4% of its sales volume till closure of Afghanistan border in October 2025.

SHARE PRICE SENSITIVITY



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

Internal factors

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

External factors

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

Operational and financial performance

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

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

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

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

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

Government policies and macroeconomic indicators

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

Investor sentiments and market performance

Apart from systematic risk, the market share price is also exposed to its respective sector performance, economic outlook and share market overall performance. The Beta of FCCL with respect to Pakistan Stock Exchange is 1.37

Sensitivity of key factors

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

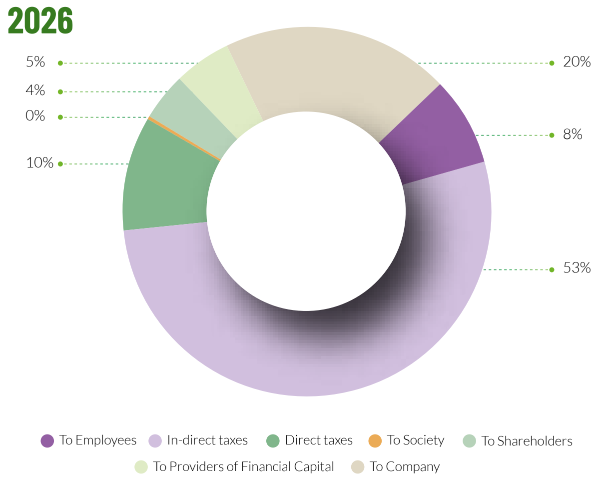
Key Variables	PAT impact (Rs. in Million)
Selling Price (1% +-)	833
Sales Volume (1% +-)	550
Fuel and Power (1% +-)	197
Interest Rate (1%+-)	23
Currency (1% +-)	195

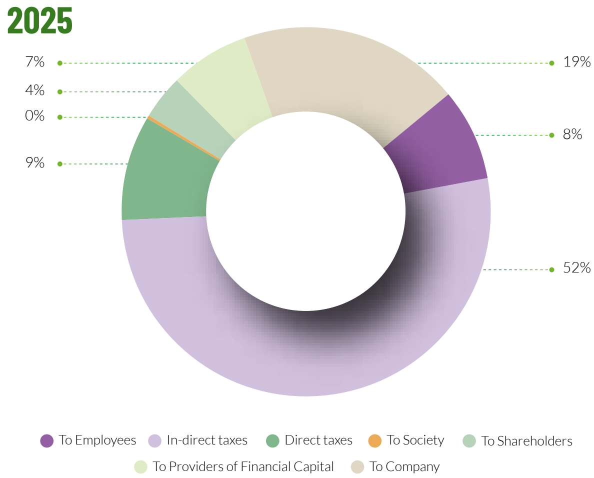
DISCLOSURE OF MARKET SHARE AND PRODUCTS OF THE COMPANY

Fauji & Askari are trusted brands among the mega projects and over the years have gained trust of general consumers through their quality and reliability. Complete range of products is given in “Our Products & Markets” section of this report. Company has 13% of share in the Domestic market. Due to inherent limitation of its location the only export market of the Company is Afghanistan, where Company’s share is 38% of the exports from Pakistan til closure of Afghanistan border in October 2025.

STATEMENT OF VALUE ADDITION

	2026 PKR in '000	%	2025 PKR in '000	%
Wealth Generated				
Gross Revenues	138,264,835		128,602,428	
Other income	2,834,761		1,829,603	
	141,099,596		130,432,031	
Brought-in-Material and services	(51,556,449)		(51,337,578)	
	89,543,147	100%	79,094,453	100%
Wealth Distribution				
To Employees (Salaries, benefits & other costs)	7,004,749	8%	6,616,911	8%
To Government				
In-direct taxes	47,429,000	53%	41,469,000	52%
Direct taxes	9,396,000	10%	6,768,400	9%
	56,825,000		48,237,400	
To Society (Donations)	203,364	0%	176,971	0%
To Shareholders (Dividend)	3,679,271	4%	3,066,059	4%
To Providers of Financial Capital (Mark-up expenses on borrowed funds)	4,199,708	5%	5,767,230	7%
To Company (Depreciation, Amortisation & Retained Profit)	17,631,055	20%	15,229,882	19%
	89,543,147	100%	79,094,453	100%





STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

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

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

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

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

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

SPECIFIC DISCLOSURES OF THE FINANCIAL STATEMENTS

Specific Disclosures of the Financial Statements		
1	Fair value of Property, Plant and Equipment.	Not Applicable
2	Particulars of significant/ material assets and immovable property including location and area of land.	Note 17 of financial statements
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	Note 44 of financial statements
4	Specific disclosures required for shariah compliant companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	Note 46.1 of financial statements
5	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53 (I)/2022 dated January 12, 2022)	Not applicable
6	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	Not applicable
7	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	Not applicable

CEO/ MD's Video Message on Financial Overview and the Company's Business Performance for the year 2025-26

CEO/ MD's video message has been uploaded on the Company's website at www.fccl.com.pk.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INDEPENDENT AUDITOR'S REPORT

To the members of Fauji Cement Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Fauji Cement Company Limited (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

A. F. FERGUSON & CO., Chartered Accountants, a member firm of
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P.O. Box 3021, Islamabad-44000, Pakistan
Tel: +92 (51) 2273457-60/2604934-37; Fax:+92 (51) 2277924

Following is the Key audit matter:

S. No	Key audit matters	How the matter was addressed in our audit
(i)	**Revenue recognition** (Refer notes 2.4.8, 3.8 and 29 to the financial statements) The Company is engaged in the production and sale of cement in the local and export market. Revenue is recognised when performance obligation is satisfied by transferring control of promised goods to the customers. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations, inherent risk of material misstatement and significant increase in revenue from last year.	Our audit procedures in relation to the matter, amongst others, included: • Understood and evaluated key management controls over revenue and checked their validation; • Performed testing of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices; • Performed cut-off procedures on sample basis to assess whether revenue was recognised in the correct period; • Checked on a sample basis, approval of sales prices by the appropriate authority; • Performed recalculation of rebates, and discounts on test basis as per Company's policy; • Performed analytical procedures to analyse variation in the price and quantity sold during the year; • Tested journal entries relating to revenue recognised during the year based on identified risk criteria; and • Assessed the adequacy of disclosures made in the financial statements related to revenue in accordance with the applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

A. F. Ferguson & Co
Chartered Accountants
Islamabad
Date: September 2, 2026
UDIN: AR202610083KZthqab0d

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026	2025
		Rupees'000	Rupees'000
EQUITY & LIABILITIES			
EQUITY AND RESERVES			
Share capital	5	24,528,476	24,528,476
Capital reserve – Premium on issue of shares		15,253,134	15,253,134
Revenue reserve – Accumulated profits		57,590,597	44,490,598
TOTAL EQUITY AND RESERVES		97,372,207	84,272,208
NON–CURRENT LIABILITIES			
Long term loans – secured	6	15,327,475	24,208,633
Employee benefits	7	315,399	283,590
Lease liabilities	8	83,005	101,211
Deferred government grant	9	1,193,317	1,647,630
Deferred tax liabilities – net	10	19,953,726	19,694,422
TOTAL NON–CURRENT LIABILITIES		36,872,922	45,935,486
CURRENT LIABILITIES			
Loan from Parent – unsecured	11	7,387,000	7,572,186
Trade and other payables	12	5,372,515	3,934,508
Accrued liabilities	13	13,265,101	9,076,142
Security deposits payable	14	581,539	570,602
Contract liabilities		1,342,184	588,076
Unclaimed dividend		45,513	41,182
Short term running finance – secured	15	2,469,127	2,192,462
Current portion of long term loans	6	10,253,374	6,104,065
Current portion of lease liability	8	71,299	43,099
Current portion of deferred government grant	9	454,313	515,175
TOTAL CURRENT LIABILITIES		41,241,965	30,637,497
TOTAL EQUITY AND LIABILITIES		175,487,094	160,845,191
CONTINGENCIES AND COMMITMENTS	16		

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

	Note	2026	2025
		Rupees'000	Rupees'000
ASSETS			
NON–CURRENT ASSETS			
Property, plant and equipment	17	106,869,361	109,579,089
Right of use asset	18	155,412	126,445
Intangible assets and goodwill	19	10,321,634	10,533,667
Long term Investment accounted for under equity method	20	21,196,622	–
Long term deposits		119,759	133,425
TOTAL NON–CURRENT ASSETS		138,662,788	120,372,626
CURRENT ASSETS			
Stores, spares and loose tools	21	11,323,280	10,377,008
Stock in trade	22	10,316,705	9,337,617
Trade debts	23	8,036,414	6,911,322
Advances	24	236,769	305,685
Sales tax refundable – net		–	526,868
Trade deposits and short term prepayments	25	42,283	57,182
Advance tax – net		1,232,159	1,032,953
Other receivables	26	30,626	48,492
Short term investments	27	1,923,627	9,210,100
Cash and bank balances	28	3,682,443	2,665,338
TOTAL CURRENT ASSETS		36,824,306	40,472,565
TOTAL ASSETS		175,487,094	160,845,191

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

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		Rupees'000	Rupees'000
Revenue – net	29	93,690,178	88,956,328
Cost of sales	30	(60,969,007)	(57,384,978)
Gross profit		32,721,171	31,571,350
Other income	31	812,544	760,772
Selling and distribution expenses	32	(3,238,844)	(2,935,139)
Administrative expenses	33	(1,917,736)	(1,688,886)
Other expenses	34	(1,710,007)	(1,479,276)
Operating profit		26,667,128	26,228,821
Finance cost	35	(4,166,516)	(5,772,132)
Finance income	36	1,784,839	1,068,831
Net finance cost		(2,381,677)	(4,703,301)
Share of net profit of investment under equity method	20	237,378	–
Profit before income tax		24,522,829	21,525,520
Income tax expense	37	(8,339,917)	(8,199,318)
Profit for the year		16,182,912	13,326,202
		Rupees	Rupees
Earnings per share – basic and diluted	38	6.60	5.43

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

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees'000	2025 Rupees'000
Profit for the year	16,182,912	13,326,202
Other comprehensive income for the year – net of tax	–	–
Share of other comprehensive income of investment accounted for using the equity method – net of tax	(16,854)	–
Total comprehensive income for the year	16,166,058	13,326,202

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

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

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		Rupees'000	Rupees'000
Cash flows from operating activities			
Profit before income tax		24,522,829	21,525,520
Adjustments for:			
Provision for employee benefits	7	182,494	190,243
Workers' (Profit) Participation Fund including interest	12.1	1,300,811	1,154,028
Depreciation on property, plant and equipment	17.2	4,846,086	4,706,393
Depreciation on right of use asset	18	69,295	51,313
Amortization on intangibles	19	212,033	212,033
Spares write off during the year	21.1	–	25,752
Gain on disposal of property, plant and equipment	31	(14,278)	(71,898)
Gain on settlement of leases	31	(11,647)	(14,496)
Amortization of deferred grant	31	(515,175)	(583,045)
Workers' Welfare Fund	34	393,952	323,744
Finance cost excluding exchange loss and interest on WPPF	35	4,197,813	5,763,163
Exchange (gain)/ loss	35	(33,192)	4,902
Gain on bargain purchase		(66,340)	–
Share of net profit of investment accounted under equity method		(237,378)	–
Investment and bank deposit income		(1,784,839)	(1,068,831)
		8,539,635	10,693,301
Operating cash flows before working capital changes		33,062,464	32,218,821
Changes in			
Stores, spares and loose tools		(946,272)	(1,303,630)
Stock in trade		(979,088)	(1,841,912)
Trade debts		(1,125,092)	(1,366,081)
Advances		68,916	(160,441)
Trade deposits and short term prepayments		14,899	(21,486)
Other receivables		17,866	231,579
Sales tax refundable – net		526,868	(1,245,819)
Long term deposits		13,666	(3,725)
Trade and other payables		1,365,765	(1,784,646)
Accrued liabilities		4,188,959	3,922,011
Security deposits payable		10,937	25,115
Contract liabilities		754,108	155,372
		3,911,532	(3,393,663)
Cash generated from operating activities		36,973,996	28,825,158
Employee benefits paid	7	(149,873)	(133,659)
Payment to Workers' (Profit) Participation Fund	12.1	(1,299,825)	(1,164,913)
Payment to WWF		(323,509)	(11,670)
Taxes / levy paid		(8,274,784)	(4,525,708)
Net cash generated from operating activities		26,926,005	22,989,208

	Note	2026	2025
		Rupees'000	Rupees'000
Cash flows from investing activities			
Additions to property plant and equipment		(2,153,380)	(3,477,647)
Investment in Attock Cement Pakistan Limited – net		(20,914,792)	–
Short term investments – net		7,302,886	(8,944,969)
Proceeds from disposal of property, plant and equipment	17.1	31,300	109,726
Income received against deposits and investments		1,853,926	1,053,700
Net cash used in investing activities		(13,880,060)	(11,259,190)
Cash flows from financing activities			
Repayment of long term loans		(18,199,783)	(4,657,115)
Long term loans received during the year		13,264,374	–
Short term running finance – secured		(149,000)	1,324,000
Lease payments		(103,300)	(75,315)
Dividend paid during the year		(3,061,728)	(2,447,311)
Markup paid on loan from parent		(922,869)	(553,514)
Finance cost paid		(3,188,859)	(4,993,804)
Net cash used in financing activities		(12,361,165)	(11,403,059)
Net increase in cash and cash equivalents		684,780	326,959
Cash and cash equivalents at beginning of the year		2,323,509	1,996,550
Effect of exchange rate changes		(58)	–
Cash and cash equivalents at end of the year	39	3,008,231	2,323,509

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

	Share capital	Capital reserve	Revenue reserve	Total
	Ordinary shares	Premium on issue of shares	Accumulated profits	
	Rupees'000			
Balance at July 1, 2024	24,528,476	15,253,134	33,617,243	73,398,853
Total comprehensive income for the year				
Profit for the year	–	–	13,326,202	13,326,202
Other comprehensive income for the year	–	–	–	–
Total comprehensive profit for the year	–	–	13,326,202	13,326,202
Transactions with owners of the Company				
Distributions:				
Final dividend 2024 @ Rs. 1.00 per share	–	–	(2,452,847)	(2,452,847)
Balance at June 30, 2025	24,528,476	15,253,134	44,490,598	84,272,208
Balance at July 1, 2025	24,528,476	15,253,134	44,490,598	84,272,208
Total comprehensive income for the year				
Profit for the year	–	–	16,182,912	16,182,912
Other comprehensive loss for the year	–	–	(16,854)	(16,854)
Total comprehensive income for the year	–	–	16,166,058	16,166,058
Transactions with owners of the Company				
Distributions:				
Final dividend 2025 @ Rs. 1.25 per share	–	–	(3,066,059)	(3,066,059)
Balance at June 30, 2026	24,528,476	15,253,134	57,590,597	97,372,207

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

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1. COMPANY AND ITS OPERATIONS

1.1 Fauji Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan on November 23, 1992 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The Company commenced its business with effect from May 22, 1993. The Company was listed on Pakistan Stock Exchange on October 9, 1996. The Company is a subsidiary of Fauji Foundation with a shareholding of 61.65% (2025: 61.65%). The principal activity of the Company is manufacturing and sale of different types of cement and tile bond.

The geographical location and address of the Company's business units, including plants is as under:

- The Company's registered office is situated at Fauji Towers, Block–III, 68–Tipu Road, Rawalpindi.
- The Company's marketing and sales office is situated at AWT Plaza, The Mall, Rawalpindi.
- The Company's manufacturing facilities are located at:
  - Village Jhang Bahtar, Tehsil Fateh Jang in District Attock
  - Railway Station Wah in District Rawalpindi
  - Village Kahi, Nizampur in District Nowshera
  - Zinda Peer, District Dera Ghazi Khan
  - Hattar, District Haripur

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement and preparation

These financial statements have been prepared under historical cost convention unless otherwise stated in respective policy note.

2.3 Functional and presentation currency

The financial statements are presented in Pakistani Rupees (PKR) which is the Company's functional currency. Amounts presented in PKR have been rounded–off to nearest thousand, unless other wise stated.

2.4 Significant accounting estimates, judgments and assumptions

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are discussed in ensuing paragraphs.

2.4.1 Property, plant and equipment

The Company reviews the residual values, useful lives and depreciation method of property, plant and equipment on regular basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis. Any change in such estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge, impairment and related deferred tax liability.

2.4.2 Provision for inventory obsolescence and measurement of quantities

The Company reviews the net realizable value of stock in trade and stores, spare and loose tools to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated cost to complete and estimated cost to make the sales. Determining the value of specific category of stock–in–trade and stores and spares i.e. cement, clinker and coal, involves the use of estimates and assumptions. As the weighing of these inventory items is not practicable, the reasonableness of the quantities on hand is assessed by obtaining measurement of stockpiles and converting these measurements into unit of volume by bulk density values.

2.4.3 Taxation

The Company takes into account the prevailing income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities. In instances where the Company determines the likelihood of realization of an exposure to be material, a provision is recognized in the financial statements as disclosed in note 2.4.4 to the financial statements.

2.4.4 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

2.4.5 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non–occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

2.4.6 Impairment of intangible assets not subject to amortization

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Impairment reviews of intangible assets with indefinite useful life are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Impairment expense, if any, is recognized immediately as an expense in profit or loss and is not subsequently reversed.

2.4.7 **Measurement of Expected Credit Losses (ECL)**

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include development of ECL models, including the various formulas and choice of inputs, determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment.

2.4.8 **Revenue**

Revenue is measured net of variable consideration relating to customer rebates. The Company estimates the amount of rebates expected to be payable to customers and recognizes a corresponding reduction in revenue at the time the related sales are recognized. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The rebate accrual at period–end is based on management's best estimate of customer patterns and is subsequently adjusted upon finalization of customer rebate claims. Any resulting differences between estimated and actual rebate amounts are recognized as an adjustment to revenue in ensuing period.

2.4.9 **Recoverable amount of investment in joint venture**

Investment in joint venture is measured at cost as per the requirements of "IAS 28 – Investment in Associates and Joint Ventures". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss.

2.4.10 **Assessment of joint control over investee**

Management exercises judgment in determining whether the Company has joint control over an investee and, consequently, whether the investment should be classified as a joint venture under IFRS 11. Joint control exists only when decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. In assessing the existence of joint control, management evaluates the contractual arrangement, voting rights, governance structure, and the decision–making process relating to the relevant activities of the investee.

2.4.11 **Assessment of classification of joint arrangement**

Management exercises judgment in determining the classification of the Company's interest in a joint arrangement as either a joint venture or a joint operation in accordance with IFRS 11. This assessment requires an evaluation of the rights and obligations arising from the arrangement, considering its legal form, contractual terms, and other relevant facts and circumstances. In respect of acquisition in Attock Cement Pakistan Limited during the year, management has concluded that the Company has rights to the net assets of the arrangement rather than direct rights to its individual assets and obligations for its liabilities. Accordingly, the arrangement has been classified as a joint venture and is accounted for using the equity method.

2.5 **Standards, amendments to published standards and interpretations that are effective for the year and are relevant to the Company**

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

2.6 Standards, interpretations and amendments to approved accounting standards that are not yet effective

2.6.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures (Amendments)	January 1, 2027
IAS 28	Fair Value Option for Investments in Associates and Joint Venture (Amendments)	January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
IAS 7	Statement of Cashflows (Amendments)	January 1, 2026
Annual improvements to IFRS 1, IFRS 7, IFRS 9, IFRS 10 (consolidated financial statements) and IAS 7 (statements of cashflows)		January 1, 2026

The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1 First–time Adoption of International Financial Reporting Standards
IFRIC 12 Service Concession Arrangement
IFRS 20 Regulatory Assets and Regulatory Liabilities

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Income tax

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

Current

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or recovered and reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset if criteria as per applicable financial reporting framework is met.

Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

– temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be realized. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used on the reporting date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if criteria as per applicable financial reporting framework is met.

3.2 Property, plant and equipment

Property, plant and equipment except for freehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work in progress are stated at cost less allowance accumulated for impairment, if any. Cost of property, plant and equipment includes acquisition cost, borrowing cost during construction phase of relevant asset, if any and other directly attributable costs.

Depreciation is charged to statement of profit or loss on the straight line method so as to write off the depreciable amount of the property, plant and equipment over their estimated useful lives at the rates specified in note 17. Depreciation on depreciable assets is commenced from the date the asset is available for use up to the date when the asset is disposed or written off.

The cost of replacing a major item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced item is derecognized. The cost of the day to day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposals with the carrying amount of property, plant and equipment and are recognised in the statement of profit or loss.

Capital work–in–progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets, capital stores and intangibles assets in the course of their acquisition, construction and installation. Transfers from capital work in progress are made to the relevant category of property, plant and equipment and intangibles as and when the assets are available for use in the manner intended by the Company's management.

3.3 Investment in joint venture

Investments in joint ventures are accounted for using the equity method, whereby the investment is initially recognized at cost and subsequently adjusted for the Company's share of the joint venture's profit or loss and other comprehensive income. Dividends received reduce the carrying amount of the investment. The investment is assessed for impairment at each reporting date, with impairment losses and any subsequent reversals recognized in profit or loss. Gains or losses on disposal of the investment are also recognized in profit or loss.

3.4 Impairment

(i) Non–derivative financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company measures loss allowances at an amount equal to lifetime ECLs.

The Company considers the credit risk on a financial asset has increased significantly when:

– the counter party is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

– the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward–looking information.

12–month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
Measurement of ECLs

The Company recognises life time ECL for trade debts and other receivables, using the simplified approach.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and other receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward–looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Credit–impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit–impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit–impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default or being more than 120 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Recognition of allowance for ECL in the statement of financial position

Allowances for ECL for financial assets measured at amortized cost are deducted from the carrying amount of the assets and charged to profit or loss.

Write–off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write–off based on whether there is a reasonable expectation of recovery. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

(ii) Non–financial assets

At each reporting date, the Company reviews the carrying amount of its non–financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amounts of any goodwill allocated to CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.5 Inventories

Inventories comprises of stores, spares and loose tools and stock in trade.

3.5 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value. Cost is determined using weighted average method except for items in transit which is determined on the basis of cost incurred upto the statement of financial position date. For items which are slow moving and/or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence of any items.

3.6 Stock in trade

Stock of raw material, work in process and finished goods are valued at the lower of weighted average cost or net realizable value except for stock in transit which are stated at cost (purchase order value) plus other charges incurred thereon till the reporting date. Cost is calculated using weighted average method and comprises of direct material, direct labour and appropriate manufacturing overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to be incurred in order to make a sale.

3.7 Foreign currency transactions and translation

Transactions in foreign currencies are translated into functional currency at exchange rates at the date of transaction. Monetary assets and liabilities denominated in foreign currencies outstanding on the date of statement of financial position are translated to the functional currency at the exchange rates prevailing on that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at beginning of the year, adjusted for effective interest and payments during the year, and amortized cost in foreign currency translated at the exchange rate at statement of financial position date. Exchange differences are included in the statement of profit or loss.

3.8 Revenue recognition

Revenue associated with the sale of cement and clinker is recognised when performance obligation is satisfied by transferring control of promised goods to the customer at a point in time , and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised as follows:

Local and export sale of goods to dealers and other end users is recognised when the vehicle, carrying goods, leaves the plant premises of the Company.

Revenue from project sales is recognised upon delivery of goods to customers at site as per terms of respective agreements.

Revenue is measured at transaction price excluding discounts, rebates and government levies. No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

3.9 Financial instruments

3.9.1 Financial Assets

3.9.1.1 Classification

The Company classifies its financial assets on initial recognition in the following categories: at amortized cost, at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial asset, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(c) Fair value through profit or loss

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3.9.1.2 Recognition and measurement

Trade and other receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial liability is initially measured at fair value minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Regular way purchases and sales of financial assets are recognised on trade–date, the date on which the Company commits to purchase or sell the asset.

3.9.1.3 Subsequent measurement and gains and losses

(i)	**Financial assets at amortized cost**	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
(ii)	**Financial assets at FVOCI**	Debt investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. Equity investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
(iii)	**Financial assets at FVTPL**	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets of the Company include trade debts, other receivables, cash and bank balances, long term deposits, trade deposits and short term investments.

3.9.2 Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held–for–trading, it is derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. The financial liabilities of the Company includes long term loans, lease liability, creditors, retention money, other liabilities, payable to employees provident fund trust, accrued liabilities, security deposit payable, unclaimed dividend and short term running finance.

3.9.3 Derecognition

(i) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non–cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss.

(iii) Off–setting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.10 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs relate to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset.

3.11 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by using profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all potential dilutive ordinary shares.

3.12 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

3.13 Share capital and dividend

Ordinary shares are classified as equity and recognized at their face value. Dividend is recognized as a liability in the period in which it is declared. Movement in reserves is recognized in the year in which it is approved. Final dividend distributions to the Company’s shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company’s shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

3.14 Finance income and finance cost

Finance income comprises interest income on funds invested, deposit accounts and income on investment in marketable securities. Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Income on investments is recognized on time proportion basis taking into account the effective yield of such securities.

Finance cost comprises interest expense on borrowings, Workers’ Profit Participation Fund, lease, exchange losses and bank charges and is recognised in the statement of profit or loss on accrual basis.

3.15 Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non–performance risk.

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non–financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short position at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.16 Government grant

The Company recognizes government grants as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

3.17 Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade debts

A trade debt represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, short term borrowings and other short term highly liquid investments that are readably convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.19 Operating segments

The Board of Directors who are operating decision–makers, are responsible for allocating resources and assessing Company's performance and operations and have identified one reportable segment. Accordingly, these financial statements have been prepared on the basis of single reportable segment. Revenue from external customers along with local and export sales is disclosed in note 29. The Company only makes export sales to one foreign country. Revenue from transaction with a single customer does not exceed 10% of Company's total revenue. All the assets of the Company are based in Pakistan.

3.20 Intangible assets

Goodwill and Brand

Goodwill arises on the acquisition of subsidiary or business and represents the excess of the consideration transferred, the amount of any non–controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non–controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense in profit or loss and is not subsequently reversed.

Impairment reviews of intangible assets with indefinite useful lives are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

With finite useful life

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight–line method over their estimated useful lives, and is generally recognised in the statement of profit or loss. The estimated useful lives of intangible assets are disclosed in note 19 to the financial statements.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.21 Capital Reserve

This includes amount received upon issuance of shares in surplus of par value of issued shares and can be utilized in accordance with requirements of section 81 of Companies Act, 2017.

4 SUMMARY OF OTHER ACCOUNTING POLICIES

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of user's understanding of these financial statements. These polices have been applied consistently for all periods presented, unless otherwise stated.

4.1 Leases

4.1.1 Right of use asset

The Company recognises right–of–use assets at the commencement date of the lease i.e. the date the underlying assets are available for use. Right–of–use assets are measured at cost less any accumulated depreciation and impairment losses and are adjusted for any remeasurement of lease liabilities.

The cost comprises of the following:

- the amount of the initial measurement of lease liabilities
- any lease payments made at or before the commencement date less any lease incentives received any initial direct costs, and
- restoration costs.

Right–of–use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight–line basis. If the Company is reasonably certain to exercise a purchase option, the right–of–use assets are depreciated over the underlying assets' useful life.

4.1.2 Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments in the measurement of the lease liability comprise the following:

a) fixed payments, including in–substance fixed payments;

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable under a residual value guarantee;

d) the exercise price under a purchase option that the Company is reasonably certain to exercise;

e) lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and

f) Penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right–of–use asset, or is recorded in profit or loss if the carrying amount of the right–of–use asset has been reduced to zero.

4.2 Employees benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company and measured on an undiscounted basis. The accounting policies for other employee benefits are described below in 4.2.1 and 4.2.2:

4.2.1 Defined contribution plan – Provident fund (retirement benefit)

The Company operates a defined contribution provident fund scheme for permanent employees. Contributions to the fund are made monthly by the Company and employees at the rate of 10% of the basic salary, the fund is managed by its Board of Trustees. The contributions of the Company are charged to the statement of profit or loss.

4.2.2 Compensated leave absences

The Company provides for compensated absences on the unavailed balance of privilege leaves of all its permanent employees in the period in which leave is earned. Provision for the year is charged to the statement of profit or loss.

4.3 Other income

Other income includes the following:

- Gain on disposal of property, plant and equipment, investment in joint arrangement and sale of scrap items is recognised as income when risks and rewards of ownership are transferred.
- Amortization income on deferred government grant is recognised on a systematic basis over the period in which the Company recognise interest expense (related cost) for which the grant is intended to compensate.

4.4 Levy

In accordance with the application guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP) relating to IAS 12 "Income taxes", any amount in excess of normal tax liability and not based on taxable income is to be treated as a levy. Accordingly, the Company classifies any amount over and above the normal tax as per the enacted tax laws as minimum tax differential and same is treated as a levy in terms of IAS 37 "Provisions, contingent liabilities and contingent assets" and IFRIC 21 "Levies" and not treated as part of income tax balances if any to be recognized under IAS 12.

5 SHARE CAPITAL

5.1 Authorized share capital

	2026 Rupees '000	2025 Rupees '000
5,000,000,000 (2025: 5,000,000,000) ordinary shares of Rs 10 each	50,000,000	50,000,000

5.2 Issued, subscribed and paid up capital

2026 Number '000	2025 Number '000		2026 Rupees '000	2025 Rupees '000
		Ordinary shares		
171,311	171,311	Ordinary shares of Rs. 10 each paid in cash	1,713,105	1,713,105
199,433	199,433	Ordinary shares of Rs. 10 each issued at a discount of Rs. 3.85 per share – paid in cash	1,994,325	1,994,325
322,546	322,546	Ordinary shares of Rs. 10 each issued at a premium of Rs. 6 per share – paid in cash	3,225,465	3,225,465
637,826	637,826	Ordinary shares of Rs. 10 each issued at a discount of Rs. 5 per share – paid in cash	6,378,263	6,378,263
48,699	48,699	Ordinary shares of Rs. 10 each issued on conversion of preference shares	486,992	486,992
800,494	800,494	Ordinary shares of Rs. 10 each issued pursuant to amalgamation of Askari Cement Limited with and into the Company	8,004,940	8,004,940
272,539	272,539	Bonus shares of Rs. 10 each issued @12.5%	2,725,386	2,725,386
2,452,848	2,452,848		24,528,476	24,528,476

5.2.1 Fauji Foundation, holds 1,512,162 thousand (2025: 1,512,162 thousand) ordinary shares of the Company at the year end. In addition Fauji Fertilizer Company Limited and Fauji Oil Terminal & Distribution Company Limited are related parties that hold 105,469 thousand (2025: 105,469 thousand) and 21,094 thousand (2025: 21,094 thousand) ordinary shares respectively of the Company at the year end, whereas 21 thousand (2025: 55 thousand) shares are held by Directors of the Company.

5.2.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

6 LONG TERM LOANS - SECURED

6.1 Loans from banking companies

Lender	Note	2026	2025	Rate of interest per annum as at	No. of installments outstanding	Ending on	Interest payable
		Rupees '000	Rupees '000				
Temporary economic refinance facility (TERF)	6.1.1	–	68,750	Nil (2025:3.5%)	Nil	–	–
Syndicate term finance facility – I	6.1.2	–	8,826,225	Nil (2025:6 month's KIBOR + 0.90%)	Nil	–	–
Long term financing facility (LTFF) – Syndicate term finance facility – I	6.1.3	2,360,911	2,770,133	3.5% & 5.5% (2025:3.5% & 5.5%)	12 semi annual	June 2032	Quarterly
Temporary economic refinance facility (TERF) Syndicate term finance facility – I	6.1.4	3,440,389	4,052,888	2.5% (2025:2.5%)	12 semi annual	June 2032	Quarterly
SBP renewable energy finance – I	6.1.5	156,015	176,817	3.75% (2025: 3.75%)	30 quarterly	December 2033	Quarterly
SBP renewable energy finance – II	6.1.6	–	21,916	Nil (2025:4.25%)	Nil	–	–
SBP renewable energy finance – III	6.1.7	23,985	71,955	3.75% (2025:3.75%)	2 quarterly	October 2026	Quarterly
Syndicate term finance facility – II	6.1.8	2,982,120	8,360,039	6 month's KIBOR + 0.90% (2025:6 month's KIBOR + 0.90%)	12 semi annual	November 2032	Semi annually
Syndicate term finance facility II – Musharka	6.1.8	1,228,352	3,443,546	6 month's KIBOR + 0.90% (2025:6 month's KIBOR + 0.90%)	12 semi annual	November 2032	Semi annually
Temporary economic refinance facility (TERF) Syndicate term finance facility – II	6.1.9	3,088,538	3,588,538	2.25% (2025:2.25%)	12 semi annual	March 2032	Quarterly
Long term financing facility (LTFF) – Syndicate term finance facility – II	6.1.10	447,311	521,863	3.25%(2025:3.25%)	12 semi annual	March 2032	Quarterly
Term loan facility	6.1.11	2,646,225	–	3 month's SOFAR + 3.25% (2025: Nil)	12 quarterly	April 2029	Quarterly
Murahaba facility	6.1.12	10,584,900	–	3 month's SOFAR + 3.25% (2025: Nil)	12 quarterly	April 2029	Quarterly
SBP renewable energy finance – IV	6.1.13	149,985	174,718	3.75% (2025: 3.75%)	14 semi annual	July 2032	Quarterly
		27,108,731	32,077,388				
Less: Current portion shown under current liabilities		(7,762,396)	(3,925,937)				
Deferred portion of grant income		(3,860,711)	(3,860,711)				
Transaction cost		(158,149)	(82,107)				
		15,327,475	24,208,633				
Current portion							
Current portion of long term financing		7,762,396	3,925,937				
Markup accrued		2,490,978	2,178,128				
		10,253,374	6,104,065				

6.1.1 This facility was obtained from Bank Al Habib Limited in accordance with the temporary refinance facility (TERF) of State Bank of Pakistan for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020 as amended from time to time, with an applicable interest rate below market terms.

6.1.2 This facility was obtained from consortium of Habib Bank Limited, National Bank of Pakistan, Bank AlFalah Limited and Faysal Bank Limited for setting of new cement production line at Nizampur. This includes loan amounting to Rs Nil (2025: Rs 1,760,059 thousand) under Islamic mode of financing.

6.1.3 This represents draw down against Long Term Finance Facility (LTFF/ILTFF) from consortium of Habib Bank Limited, National Bank of Pakistan, Bank Al Falah Limited and Faysal Bank Limited for setting up new cement production line at Nizampur in accordance with the State Bank of Pakistan LTFF scheme for setting up new industrial units, with an applicable interest rate below market terms. This is a sub limit of Syndicate Term Finance I and includes loan amounting to Rs 1,077,738 thousand (2025: Rs 1,263,980 thousand) under Islamic mode of financing.

6.1.4 This facility is obtained from consortium of Habib Bank Limited, National Bank of Pakistan, Bank Alfalah Limited and Faysal Bank Limited being sub limit of Syndicate Term Finance I for setting up new cement production line at Nizampur in accordance with the Temporary Refinance Facility (TERF/ITERF) of State Bank of Pakistan for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020 as amended from time to time, with an applicable interest rate below market terms. It includes loan amounting to Rs 703,414 thousand (2025: Rs 828,414 thousand) under Islamic mode of financing.

6.1.5 This represents concessionary loan availed from Askari Bank Limited (a related party) under SBP Scheme for Renewable Energy Refinance Facility – category 1.

6.1.6 This represents concessionary loan availed from Allied Bank Limited under SBP Scheme for Renewable Energy Refinance Facility – category 1.

6.1.7 This represents concessionary loan availed from United Bank Limited under SBP Scheme for Renewable Energy Refinance Facility – category 1.

6.1.8 This facility is obtained from consortium of Habib Bank Limited, Bank of Punjab, Bank of Khyber, MCB Bank Limited, Bank AL Habib Limited, Habib Metropolitan Bank Limited, Faysal Bank Limited and Meezan Bank Limited for setting of new cement production line at D.G.Khan. The facility is obtained under islamic mode of financing.

6.1.9 This facility is obtained from consortium of Habib Bank Limited, First Women Bank Limited, Bank AlFalah Limited and Askari Bank Limited (a related party) for setting of new cement production line at D.G.Khan in accordance with the Temporary Refinance Facility (TERF) of State Bank of Pakistan for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020 as amended from time to time, with an applicable interest rate below market terms.

6.1.10 This facility is obtained from consortium of Habib Bank Limited and Faysal Bank Limited for setting of new cement production line at D.G.Khan in accordance with the State Bank of Pakistan long term financing facility (LTFF/ILTFF) for setting up new industrial units, with an applicable interest rate below market terms. This includes loan amounting to Rs 89,462 thousand (2025: Rs 104,372 thousand) under Islamic mode of financing.

6.1.11 This facility is obtained from Askari Bank Limited (a related party) equivalent to US$ 9,500 thousand (2025: Nil) for equity investment in Attock Cement Company Pakistan Limited.

6.1.12 This facility is obtained from Dubai Islamic Bank Limited equivalent to US$ 38,000 thousand (2025: Nil) for equity investment in Attock Cement Company Pakistan Limited.

6.1.13 This represents concessionary loan availed from the Bank of Punjab under SBP Scheme for Renewable Energy Refinance Facility – category 1.

6.1.15 There are no unutilized facilities of long term loans outstanding as at June 30, 2026.

6.2 Pursuant to appointment of Habib Bank Limited as security agent, the above finance facilities are secured through charge allocation made in favour of respective lender out of security created in favour of the security agent by way of hypothecation over present and future current and fixed assets (excluding land and building) of the Company respectively retaining 25 % margin. The aforesaid security shall constitute first charge ranking pari passu amongst the lenders. The facilities at note 6.1.11 and 6.1.12 are secured against pledge of equity investment of the Company in Attock Cement Company Pakistan Limited and 100% cash backed lien over bank deposits provided by Fauji Foundation (the parent).

		Note	2026	2025
			Rupees'000	Rupees'000
7	**EMPLOYEE BENEFITS**			
	Balance at beginning of the year		419,511	362,927
	Charge for the year		182,494	190,243
	Payments made during the year		(149,873)	(133,659)
		7.2	452,132	419,511
	Less: Employee benefits – current portion		(136,733)	(135,921)
			315,399	283,590

7.1 As per the rules of compensated absences, unavailed leaves up to 30 days are payable at the time of retirement on the basis of gross salary. Compensated absences over and above the period of 30 days are paid to the employees as per the Company policy. The balance of unavailed compensated absences expected to be realised within 1 year are transferred to current liabilities.

7.2 This includes Rs. 36.9 million (2025: Rs. 32.7 million) payable to key management personnel of the Company.

		2026	2025
		Rupees'000	Rupees'000
8	**LEASE LIABILITIES**		
	Balance at the beginning of the year	144,310	163,660
	Additions during the year	–	33,605
	Lease modification during the year	98,262	9,393
	Gain on settlement of lease	(11,647)	(10,901)
	Payments made during the year	(103,300)	(75,315)
	Interest accrued on lease liability	26,679	23,868
	Balance at end of the year	154,304	144,310
	Shown under current liabilities	(71,299)	(43,099)
		83,005	101,211

8.1 The Company has recognized lease liabilities at the present value of the remaining lease payments using the Company's incremental borrowing rates at date of inception or modification of lease ranging from 12.12% to 23.52% (2025: 12.28% to 23.52%) per annum.

8.2 For contractual maturity of remaining lease commitments, please refer note 41.5 to the financial statements.

	2026	2025
	Rupees'000	Rupees'000
9 DEFERRED GOVERNMENT GRANT		
Balance at beginning of the year	2,162,805	2,745,850
Amortized during the year	(515,175)	(583,045)
	1,647,630	2,162,805
Less: Current portion shown under current liabilities	(454,313)	(515,175)
Balance at end of the year	1,193,317	1,647,630

9.1 This represents State Bank of Pakistan's concessionary relief facility namely Temporary Economic Refinance Facility (TERF) for manufacturing industry for setting up new industrial units vide IH&SMEFD Circular letter No 1 dated March 17, 2020. The value of benefit of below–market interest rate on the loans disclosed in note 6 to these financial statements has been accounted for as government grant under IAS – 20 Government Grants.

	2026	2025
	Rupees'000	Rupees'000
10 DEFERRED TAX LIABILITIES – NET	19,953,726	19,694,422

The movement in deferred tax is as follows:

	Opening Balance as on July 01	Recognized in profit or loss	Recognized in OCI	Closing balance as on June 30
	Rupees'000			
2026				
Deductible temporary difference				
Provision for slow moving spares	(15,143)	777	–	(14,366)
Lease liability	(56,281)	(812)	–	(57,093)
Un–realised exchange loss	–	–	–	–
Taxable temporary difference				
Property, plant and equipment	19,139,865	79,129	–	19,218,994
Right of use assets	49,314	8,189	–	57,503
Intangibles	576,667	107,200	–	683,867
Investment in joint venture	–	69,855	(5,034)	64,821
	19,694,422	264,338	(5,034)	19,953,726
2025				
Deductible temporary difference				
Provision for slow moving spares	(15,143)	–	–	(15,143)
Lease liability	(63,827)	7,546	–	(56,281)
Un–realised exchange loss	(9,535)	9,535	–	–
Alternative Corporate tax	(3,022,756)	3,022,756	–	–
Taxable temporary difference				
Property, plant and equipment	17,558,655	1,581,210	–	19,139,865
Right of use assets	51,155	(1,841)	–	49,314
Intangibles	432,500	144,167	–	576,667
	14,931,049	4,763,373	–	19,694,422

		2026	2025
		Rupees'000	Rupees'000
11	**LOAN FROM PARENT – UNSECURED**		
	Principal outstanding	7,387,000	7,387,000
	Accrued mark–up	–	185,186
		7,387,000	7,572,186

This represents the amount received from Fauji Foundation, the Parent, in accordance with project financing agreement with Askari Cement Limited (now merged with the Company) for expansion project at Nizampur. The loan is unsecured and payable on demand subject to approval of the Company's lenders. Fauji Foundation may convert this loan into ordinary shares of the Company at mutually agreed terms and conditions. Effective July 1, 2024, the Parent has entered into an arrangement for charging mark–up at the rate of 10% per annum.

		Note	2026	2025
			Rupees'000	Rupees'000
12	**TRADE AND OTHER PAYABLES**			
	Creditors		2,175,868	2,034,141
	Retention money		250,370	479,895
	Sales tax payable		693,585	–
	Federal excise duty payable		928,928	122,953
	Workers' Profit Participation Fund (WPPF) payable	12.1	138,960	137,974
	Workers' Welfare Fund (WWF) payable		391,414	320,971
	Withholding tax payable		56,698	55,571
	Payable to employees' provident fund trust		37,624	37,806
	Employee benefits – current portion		136,733	135,921
	Other liabilities		562,335	609,276
			5,372,515	3,934,508
12.1	The movement in WPPF payable during the year is as follows;			
	Balance at beginning of the year		137,974	148,859
	Interest on funds utilized in the Company's business		1,895	4,067
	Charge for the year		1,298,916	1,149,961
	Payments made during the year		(1,299,825)	(1,164,913)
			138,960	137,974
	Allocation for the year is made up as follows:			
	Profit for the year before tax, WPPF and WWF		25,978,319	22,999,225
	Charge for the year at the rate of 5%		1,298,916	1,149,961

13 ACCRUED LIABILITIES

This includes royalty amounting to Rs. 7,608 million (2025: Rs. 3,846 million) pursuant to notification no. SOT(M&MD)5–3/2007(Vol–II) dated August 1, 2024 (effective from July 1, 2024), issued by the Mines & Mineral Department, Government of Punjab. The rate on limestone and argillaceous clay was revised from Rs. 250 per metric ton to 6% of the ex–factory sale price of cement or clinker. The Company challenged this revision before the Lahore High Court (LHC) and also submitted bank guarantees for the differential amount. The case was decided against the Company. Being aggrieved, the Company then filed an appeal before Supreme Court of Pakistan (SCP) against the decision of LHC, whereby SCP has granted stay on LHC order and instructed to pay the royalty amount as determined before the said notification along with the bank guarantee of the differential amount of 6% ex–factory sale price of cement / clinker. The case is pending for adjudication. The Company and its legal advisor are of the view that the ultimate outcome of this case is expected to be favourable and a liability, if any, arising on the settlement of this case is not likely to differ from the amount recorded in the financial statements.

14 SECURITY DEPOSITS PAYABLE

This represents security deposits received from customers and suppliers and are kept in a separate bank account as required under Section 217(2) of the Companies Act, 2017. These will be utilized by the Company in accordance with the terms of the contracts.

	2026	2025
	Rupees'000	Rupees'000
15 SHORT TERM RUNNING FINANCE – SECURED		
Short term finance – Conventional	2,448,414	2,180,325
Markup accrued	20,713	12,137
	2,469,127	2,192,462

15.1 These drawdowns represent short term finance facilities out of the total utilisable amount of Rs. 10,000 million (2025: Rs. 10,000 million) from banking companies. Rs. 3,750 million (2025: Rs 3,750 million) has been obtained under Islamic mode of financing and this includes export refinance facility which is interchangeable with short term running finance provided by the banks. Pursuant to appointment of Habib Bank Limited as security agent during the year, these facilities are secured through charge allocation made in favour of respective financier out of security created in favour of the security agent by way of hypothecation over present and future current and fixed assets (excluding land and building) of the Company respectively, retaining 25 % margin and constitute first charge ranking pari passu amongst the financiers. Running finance facilities carry markup based on 1–month to 3–month KIBOR and spread ranging from 0.15% to 0.45% (2025: 1–month to 3–month KIBOR and spread ranging from 0.15% to 0.40%) per annum of the utilized amount. Export refinance facility carries markup rate of 4.5% (2025: SBP rate plus spread margin ranging from 0.65% to 1 %).

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

a) The Custom Authorities allowed release of plant and machinery imported by the Company at concessionary rates of duty in terms of SRO 484(1)/92 dated May 14, 1992. Subsequent to the release of plant and machinery, the Custom Authorities raised a demand in respect of aforesaid items which are considered by the Federal Board of Revenue (FBR) as not qualifying for the concessionary rate of duty. After dismissal of customs appeal from Supreme Court of Pakistan on April 25, 2019, the Custom Authorities issued fresh show cause notice of Rs. 455 million in September 20, 2019 to the Company without providing the details/description of subjected items and including some items which were never contested before and are patently time barred. On December 18, 2019 Collector Customs decided the case in favor of customs with directions to provide the Company complete GD wise detail depicting the items and relevant duties applicable on subjected items, which is not yet provided to the Company. The Company filed an appeal before Custom Appellate Tribunal on February 17, 2020 against the order of Collector Customs, on the grounds of time limitation and on the basis that Company is not being informed about the alleged duties, basis or facts which may form the basis of proceedings against the Company in aforesaid show cause notice. The same was dismissed on March 19, 2024 by the Appellate Tribunal, however, directions were given to the Custom Authorities to provide Goods Declaration (GD) wise detail depicting the items and relevant duties applicable on subjected items. The Company filed a Special Customs Reference Application against the order of Appellate Tribunal before Sindh High Court (SHC) in April 2024. The SHC vide order dated April 30, 2024 has set aside the orders passed by the Custom Authorities and the Appellate Tribunal while remanding the case to Collector of Customs for deciding it afresh in accordance with law after hearing the objections raised by the Company. Since then, no notice has been received from the Collector of Customs as directed by the High Court. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.

b) The Competition Commission of Pakistan (CCP) has issued a show cause notice dated October 28, 2008 to 21 cement manufacturers (including the Company) under section 30 of the Competition Ordinance, 2007 ("Ordinance") and imposed a penalty of Rs 499 million on the Company. The cement manufacturers (including the Company) have filed a petition in Lahore High Court (Court) and challenged the CCP proceedings and penalty in the Court. An amended writ petition challenging applicability of Ordinance was filed on October 01, 2009 in the Court. After numerous hearings, Lahore High Court dismissed the case on October 26, 2020. Against the said dismissal, Company has filed an appeal in Supreme Court of Pakistan which is still pending. Meanwhile Competition Appellate Tribunal (CAT) on the directions of Supreme Court of Pakistan issued notice dated October 18, 2017 for refiling of appeal in CAT after removal of deficiencies. Another Appeal of the Company against CCP was also referred in the same CAT by Lahore High Court. At present, two (2) Appeals of the Company are pending at CAT which were heard on 24 June 2025 and decision of CAT is awaiting. Further, a constitutional petition is sub–judice in Sindh High Court (SHC) since January 6, 2018 challenging the vide of Section 42, 43 and 44 of Competition Act 2010. The management and its advisor are of the view that the ultimate outcome of these cases is expected to be favorable. Accordingly, no provision has been recognised in the financial statements in this regard.

c) For tax periods pertaining to Financial year 2013, 2014, 2015 and 2016, Deputy Commissioner Inland Revenue (DCIR) raised sales tax demand of Rs. 15.4 million, Rs. 19.9 million, Rs. 13.7 million and Rs. 16.5 million respectively. Without providing an opportunity to be heard, DCIR issued these demands by disallowing Company's input tax credit on spare parts and fuel purchases. The Commissioner Inland Revenue, Appeals (CIR–A) upheld the orders of DCIR. The Company filed appeals before Appellate Tribunal Inland Revenue (ATIR) on October 16, 2017 against the orders of CIR (A), where proceedings are underway. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

d) DCIR vide orders dated April 15, 2022 imposed sales tax amounting to Rs. 518 million alleging that the Company had claimed input sales tax from August 2016 to April 2021, on invoices issued by suspended suppliers. On Company's appeal against the aforesaid order CIR (A) remanded back the case to DCIR for further verification vide order dated September 19, 2022. The Company filed an appeal before ATIR against the order of CIR (A) which remains pending adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

e) DCIR vide orders dated August 28, 2024 imposed sales tax amounting to Rs. 304 million alleging that the Company had claimed input sales tax on fake invoices, for the period from May 2022 to August 2023. The Company filed appeals against the aforesaid orders before ATIR on September 19, 2024 providing detailed evidence of purchases including invoices and payments which remains pending adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

f) DCIR vide order dated April 14, 2025 rejected input tax claimed by the Company mainly on steel used for its new plants and created a demand of Rs.104 million. The Company filed an appeal against this order before ATIR dated May 5, 2025 which remains pending adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

g) DCIR vide order dated September 03, 2025 disallowed rightfully claimed input sales tax amounting to Rs. 1,365 million (plus hundred percent penalty) alleging that Company has claimed this input tax on the basis of invoices that were issued by suspended suppliers or are flying/fake. The disallowance was made despite the Company providing all the relevant supporting documents including goods receipt notes, invoices of supplier and Bank Payment records. Being aggrieved, the Company filed an appeal against this order before CIR (A) on September 24, 2025 which remains pending adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

h) DCIR vide order dated March 03, 2026 disallowed input sales tax amounting to Rs. 819 million alleging that input tax claimed under certain HS codes does not relate to the cement industry. This disallowance was made on assumptions, without furnishing factual and legal justification. The Company filed an appeal against this order before CIR (A) on March 16, 2026 which remains pending adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

i) Upon conclusion of the Sales Tax & FED audit for TY 2021, DCIR raised a demand of Rs.425 million vide order dated June 30, 2026. Subsequently to the year end, The Company filed an appeal with CIR (A) against the order of DCIR, which remains pending adjudication. The management and its advisor expect a favorable outcome of this case. Accordingly no provision has been recognized in these financial statements.

j) For tax year 2013, AdCIR vide order dated September 29, 2016 disallowed the determined refunds of previous years which company claimed, based on certificate issued by the Commissioner and created demand of Rs. 70 million. The Company filed an appeal before CIR (A) who vide his order dated January 17, 2017 remanded back the case to AdCIR to allow claimed refunds. While giving the appeal effects, AdCIR did not follow the directions of CIR (A). The Company filed another appeal before CIR (A) who once again, remanded the case back to AdCIR vide Order dated March 26, 2019 with specific directions to allow the refunds after necessary verification. AdCIR issued appeal effects vide order dated June 25, 2021 and rejected the claim of the company. The company filed appeal before CIR (Appeals) dated July 29, 2021 which is pending for adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

k) For tax year 2014, 2015 and 2016, the DCIR / AdCIR amended the Company's assessments through orders dated July 18, 2016, June 14, 2017 and June 15, 2017 and created demands of Rs. 269.31 million, Rs. 410.16 million and Rs. 550.16 million respectively by disallowing credit of ACT carried forward, exchange losses and capitalization of finance costs, cross currency swap fee and amortization of hedge reserve. The Company appealed theses orders before CIR (A), who upheld the decisions of DCIR / ADCIR via orders dated May 26, 2017, October 25, 2017 and October 18, 2017. Subsequently, the Company filed appeals before ATIR against the orders of CIA (A). ATIR vide separate orders dated November 23, 2018, for each tax year, vacated the demand to the extent of ACT credit, finance cost and amortization of hedge reserve and remand back the cases with directions to allow exchange loss and swap fee to the Company. Accordingly the demand ceases to exist. CIR (A) filed references before High Court for each year, where proceedings are currently underway. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.

l) For tax year 2016, the AdCIR issued assessment order dated February 2, 2020, withdrawal adjustment of excess minimum tax for tax year 2012, 2013 and 2014 amounting to Rs. 269.17 million (refund allowed Rs. 36.39 million instead of Rs 305.59 million). The Company filed an appeal before CIR (A) on March 16, 2020. CIR (A) upheld the order of AdCIR through his order in appeal dated May 25, 2021. The Company has filed an appeal before ATIR dated July 28, 2021 which is pending for adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.

m) For the tax year 2014, the AdCIR vide its order dated October 15, 2018 amended the Company's assessment and created a demand of Rs. 34 million. The Company filed an appeal before CIR(A) against the order of ADCIR on July 22, 2019. The CIR(A) remanded back the case to assessing officer for re–assessment on issue non–deduction of tax on commission paid and confirmed the action of ACIR on account of addition of long outstanding trade and other payables. The Company has filed an appeal before ATIR against the order of CIR(A) on September 3, 2019 which is pending adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

n) For the tax year 2015, the ADCIR vide its order dated May 03, 2018 amended Company's assessment and created a demand of Rs. 48 million. The Company has filed an appeal before CIR(A) against the order of ADCIR on May 30, 2018. CIR (A) decided the case partially in favor of the Company and partially against the Company through its order dated May 23, 2019. Both the Company and Department filed appeals before ATIR against the decision of CIR(A) dated July 11, 2019, which are pending adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

o) For the tax year 2022, the AdCIR vide order dated July 09, 2025 amended the Company's assessment by disallowing certain expenses and creating a tax demand of Rs. 2,997 million. The Company filed an appeal before CIR(A) against the ADCIR's order on August 07, 2025 which remains pending adjudication. Subsequently the AdCIR through a rectification order dated November 28, 2025 revised the demand to Rs. 2,445 million. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

p) For tax years 2022, 2023, and 2024, the DCIR, vide orders dated May 07, 2026, imposed a default surcharge on super tax payments for these years amounting to Rs. 358 million, Rs. 49 million, and Rs. 4 million, respectively. The Company filed separate appeals for these years before the CIR(A) against the orders of the DCIR on May 19, 2026, which remains pending adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable and a liability, if any, arising on the settlement of this case is not likely to be material. Accordingly, no provision has been recognised in the financial statements in this regard.

q) The Company acquired 409 kanal in Mauza Kahi Nizampur vide Award dated April 28, 2017 in Nowshera. The rate up to Rs. 50,000/– per kanal was fixed which was paid by the Company, however, the previous land owners filed reference against the Award and demanded enhancement of compensation in Session Court, Nowshera. After trial proceedings, the Session Court through its order dated February 8, 2025 decided the case in favor of previous land owners and enhanced the land compensation up to Rs. 1,200,000/– per kanal with compulsory acquisition charges at the rate of 25%. The Company filed an appeal dated March 3, 2025 at Peshawar High Court against the order of Session Court, Nowshera. The High Court suspended the judgement and granted a stay order in favor of Company on March 19, 2025. Appeal is now pending for adjudication. The management and its advisor are of the view that the ultimate outcome of this case is expected to be favorable. Accordingly, no provision has been made in the financial statements in this regard.

r) The Company is contingently liable in respect of guarantees amounting to Rs. 6,554 million (2025: Rs. 3,457 million) issued by banks on behalf of the Company in the normal course of business. These guarantees are mainly secured against first ranking pari passu charge by way of hypothecation over the present and future current and fixed assets of the Company (excluding land and building) retaining 25% margin.

s) Company's share of contingencies of Attock Cement Pakistan Limited (ACPL) as at June 30, 2026 is Rs. 1,189 million (2025: Nil)

16.2 Letters of guarantee and letters of credit facilities

These represent the Letter of Guarantee and Letter of Credit facilities extended to the Company by various banks to the extent of Rs. 7,060 million and Rs. 3,850 million (2025: Rs. 3,717 million and Rs. 3,420 million) respectively. The letter of Guarantees are mainly secured against first pari passu hypothecation charge over present and future current and fixed assets of the Company (excluding land and building) in favour of Habib Bank Limited through charge allocation made in favour of respective lenders as per inter creditor agreement dated April 28, 2025, and lien over bank deposits.

16.3 Commitments

16.3.1 The Company has outstanding letters of credit for the import of equipment and spare parts valuing Rs. 971 million (2025: Rs. 543 million). These letter of credits are secured against lien over valid import/shipping documents and trust receipts.

16.3.2 The Company's share of commitments of ACPL as at June 30, 2026 is Rs. 1,493 million (2025: Nil)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

17 PROPERTY, PLANT AND EQUIPMENT

	Freehold land (Note 17.3)	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Stores held for capital expenditure	Office equipment	Computers	Electric installation and other equipment	Furniture and fittings	Motor vehicles	Quarry equipment	Road and related development	Capital work in progress (Note 17.5)	Total
							Rupees '000								
As at July 1, 2024															
Cost	7,741,642	-	24,777,153	-	102,118,103	396,629	76,922	232,543	317,335	192,884	564,626	17,568	455,267	700,153	137,590,825
Accumulated depreciation	-	-	(5,033,885)	-	(20,857,897)	-	(37,709)	(165,870)	(187,479)	(97,430)	(290,153)	(5,270)	(69,469)	-	(26,745,162)
Net book value	7,741,642	-	19,743,268	-	81,260,206	396,629	39,213	66,673	129,856	95,454	274,473	12,298	385,798	700,153	110,845,663
Year ended June 30, 2025															
Opening net book value	7,741,642	-	19,743,268	-	81,260,206	396,629	39,213	66,673	129,856	95,454	274,473	12,298	385,798	700,153	110,845,663
Additions	39,262	202,632	41,417	105,800	426,838	420,419	19,596	24,408	20,368	7,415	107,459	-	-	2,062,033	3,477,647
Transfers	-	-	131,050	-	2,470,724	(306,779)	-	474	29	-	91,803	-	78,311	(2,465,612)	-
Disposals															
Cost	-	-	-	-	142,277	-	-	5,259	90	-	77,075	-	-	-	224,701
Accumulated depreciation	-	-	-	-	(113,090)	-	-	(5,182)	(90)	-	(68,511)	-	-	-	(186,873)
	-	-	-	-	29,187	-	-	77	-	-	8,564	-	-	-	37,828
Depreciation															
Depreciation charge	-	(1,558)	(859,428)	(2,368)	(3,563,479)	-	(10,284)	(38,105)	(34,090)	(23,631)	(127,646)	(1,757)	(44,047)	-	(4,706,393)
Closing net book value	7,780,904	201,074	19,056,307	103,432	80,565,102	510,269	48,525	53,373	116,163	79,238	337,525	10,541	420,062	296,574	109,579,089
As at July 1, 2025															
Cost	7,780,904	202,632	24,949,620	105,800	104,873,388	510,269	96,518	252,166	337,642	200,299	686,813	17,568	533,578	296,574	140,843,771
Accumulated depreciation	-	(1,558)	(5,893,313)	(2,368)	(24,308,286)	-	(47,993)	(198,793)	(221,479)	(121,061)	(349,288)	(7,027)	(113,516)	-	(31,264,682)
Net book value	7,780,904	201,074	19,056,307	103,432	80,565,102	510,269	48,525	53,373	116,163	79,238	337,525	10,541	420,062	296,574	109,579,089

	Freehold land (Note 17.3)	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Stores held for capital expenditure	Office equipment	Computers	Electric installation and other equipment	Furniture and fittings	Motor vehicles	Quarry equipment	Road and related development	Capital work in progress (Note 17.5)	Total
	Rupees '000														
Year ended June 30, 2026															
Opening net book value	7,780,904	201,074	19,056,307	103,432	80,565,102	510,269	48,525	53,373	116,163	79,238	337,525	10,541	420,062	296,574	109,579,089
Additions	2,809	-	15,404	-	348,044	430,710	17,161	39,200	27,895	10,934	119,837	-	-	1,141,386	2,153,380
Transfers	-	-	82,334	-	877,409	(223,824)	-	-	1,320	-	-	-	-	(737,239)	-
Disposals															
Cost	-	-	-	-	-	-	-	8,963	158	-	63,024	-	-	-	72,145
Accumulated depreciation	-	-	-	-	-	-	-	(8,400)	(158)	-	(46,565)	-	-	-	(55,123)
	-	-	-	-	-	-	-	563	-	-	16,459	-	-	-	17,022
Depreciation															
Depreciation charge	-	(2,683)	(863,366)	(4,232)	(3,668,269)	-	(12,565)	(41,013)	(36,853)	(23,988)	(139,649)	(1,757)	(51,711)	-	(4,846,086)
Closing net book value	7,783,713	198,391	18,290,679	99,200	78,122,286	717,155	53,121	50,997	108,525	66,184	301,254	8,784	368,351	700,721	106,869,361
As at June 30, 2026															
Cost	7,783,713	202,632	25,047,358	105,800	106,098,841	717,155	113,679	282,403	366,699	211,233	743,626	17,568	533,578	700,721	142,925,006
Accumulated depreciation	-	(4,241)	(6,756,679)	(6,600)	(27,976,555)	-	(60,558)	(231,406)	(258,174)	(145,049)	(442,372)	(8,784)	(165,227)	-	(36,055,645)
Net book value	7,783,713	198,391	18,290,679	99,200	78,122,286	717,155	53,121	50,997	108,525	66,184	301,254	8,784	368,351	700,721	106,869,361
Rates of depreciation															
(per annum) - %	-	1.18%-1.47-%	2.85%-21%	4%	2.85%-21%	-	15%	33%	10%-15%	15%	20%-25%	5%-33%	10%	-	

17.1 Detail of property, plant and equipment disposed

	Cost	Net Book value	Sale proceeds	Gain	Mode of disposal	Particular of Purchaser	Relationship with the Company
	Rupees '000						
Motor vehicle	4,903	3,799	3,799	-	As per Company's policy	Mr. Khalid Mehmood	Ex-employee of the Company
Motor vehicle	8,000	6,176	6,176	-	As per Company's policy	Mr. Nayyer Zaidi	Ex-employee of the Company
Motor vehicle	8,000	4,752	6,076	1,324	Auction	Mr. Jawad Hussain	Employee of the Company
Motor vehicle	4,967	1,702	4,400	2,698	Insurance claim	EFU Life insurance Company	Corporate insurer
Other assets with individual book value not exceeding Rs. 500,000	46,275	593	10,849	10,256			
	72,145	17,022	31,300	14,278			

		Note	2026 Rupees'000	2025 Rupees'000
17.2	**Depreciation charge for the year has been allocated on actual basis as follows:**			
	Cost of sales	30	4,692,860	4,589,470
	Selling and distribution expenses	32	21,598	17,065
	Administrative expenses	33	83,071	74,942
	Internally allocated to packing material		48,557	24,916
			4,846,086	4,706,393

		2026 Kanals	2025 Kanals
17.3	**Land of the Company and building on freehold is located as follows:**		
	Freehold land and building on freehold land		
	Jhang Bahtar, Tehsil Fateh Jang, District Attock	4,986	4,986
	Railway station Wah, District Attock	5,299	5,297
	Village Kahi, Nizampur, District Nowshera	1,841	1,841
	Zinda Peer , District Dera Ghazi Khan	11,937	11,937
		24,063	24,061
	Leasehold land and building on leasehold land		
	Hattar, District Haripur	15	15

17.4 Immovable fixed assets

The immovable fixed assets of the Company comprising of freehold land, buildings on freehold land, leasehold land and buildings on leasehold land are located as disclosed in note 17.3 of the financial statements.

		2026 Rupees'000	2025 Rupees'000
17.5	**Capital work in progress**		
	Solar power project	61,255	72,054
	Capital equipment – in transit	380,436	–
	Road related developments	148,657	224,520
	Others	110,373	–
		700,721	296,574

17.6 All fixed assets (excluding land and building) are under bank charge against loan obtained as disclosed in note 6 to these financial statements.

	Note	2026	2025
		Rupees'000	Rupees'000
18 RIGHT OF USE ASSET			
Leasehold Properties			
Balance at beginning of the year		126,445	131,165
Additions during the year		–	33,605
Modification of lease		98,262	22,327
Deletions during the year		–	(9,339)
Depreciation	18.2	(69,295)	(51,313)
Balance at end of the year		155,412	126,445

18.1 These include premises rented by the Company. Rate of depreciation for right of use assets is 4%–33% (2025: 4%–33%) per annum.

18.2 Depreciation for the year has been allocated on the basis of respective premises wise cost centres.

	Note	2026	2025
		Rupees'000	Rupees'000
19 INTANGIBLE ASSETS AND GOODWILL – EXTERNALLY ACQUIRED			
Goodwill	19.2	6,541,456	6,541,456
Customer relationships	19.3	993,496	1,192,196
Brand	19.4	2,700,000	2,700,000
SAP software	19.5	86,682	100,015
		10,321,634	10,533,667

	Goodwill	Customer relationships	Brand	SAP software	Total
			Rupees'000		
Cost					
Balance at July 01, 2025	6,541,456	1,987,000	2,700,000	133,329	11,361,785
Additions during the year	–	–	–	–	–
Balance at June 30, 2026	6,541,456	1,987,000	2,700,000	133,329	11,361,785
Accumulated amortization					
Balance at July 01, 2025	–	794,804	–	33,314	828,118
Amortization for the year	–	198,700	–	13,333	212,033
Balance at June 30, 2026	–	993,504	–	46,647	1,040,151
Carrying amounts – 2026	6,541,456	993,496	2,700,000	86,682	10,321,634
Carrying amounts – 2025	6,541,456	1,192,196	2,700,000	100,015	10,533,667
Amortization rate	–	10%	–	10%	

	Note	2026	2025
		Rupees'000	Rupees'000
19.1 Amortization charge for the year has been allocated to statement of profit or loss as follows:			
Amortization has been allocated on the basis of respective cost centres as follow:			
Selling and distribution expenses	32	198,700	198,700
Administrative expenses	33	13,333	13,333
		212,033	212,033

19.2 Goodwill recognised on the acquisition relates to the expected growth, cost synergies and the value of Askari Cement Limited's workforce which cannot be separately recognised as an intangible asset. The recognized goodwill is deductible for tax purposes. The goodwill is considered to have an indefinite useful life. For the purpose of impairment, the plants of Askari Cement Limited have been treated as a single Cash Generating Unit (CGU). The goodwill has been allocated to only this CGU.

19.3 This represents the value that Company expects to receive through the customers relationship of Askari Cement Limited. It is valued by using the generally accepted multi–period excess earning method. The management has estimated useful life of the Customer Relationships to be 10 years starting from the date of acquisition.

19.4 This represents brand acquired through business combination and is recognised on the basis of economic benefit expected to be derived through its use. The value of this intangible has been determined by using the generally accepted relief from royalty method. As a going concern, the Company is expected to achieve the benefit of brand indefinitely as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. Management intends to continue the brand to market its products in the perpetuity.

19.5 The remaining useful lives of customer relationship is 5 years (2025: 6 years) and SAP software is 6 years (2025: 7 years)

19.6 Impairment testing of goodwill and brand

The recoverable amount of goodwill and brand is tested for impairment annually based on its value in use, determined by discounting the future cash flows to be generated by internally allocated cash generating unit (CGU). The key assumptions used in the estimation of value in use were as follows:

	% Per annum
Discount rate	26
Terminal value growth rate	4
Growth rate – revenues	4

This pre–tax discount rate represents estimate of rate implicit in relevant market for the same currency in which the cash flows arise. Eleven years of free equity cash flows approved by the Board of directors were included in the discounted cash flow model, and thereafter on the basis of terminal value growth rate.

Growth rate was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced in the recent years and the estimated sales volume and price growth.

Following the impairment testing, management concludes that recoverable amount of related CGU exceeds its carrying value. However, in the future years, any adverse movement in the key assumptions may lead to reduction in recoverable amount.

		2026	2025
		Rupees'000	Rupees'000
20	**LONG TERM INVESTMENT ACCOUNTED FOR UNDER EQUITY METHOD**		
	Balance at the beginning of the year	–	–
	Investment during the year	20,914,792	–
	Gain on bargain purchase	66,340	–
	Share of total comprehensive income for the year	215,490	–
		21,196,622	–

This represents investment in Attock Cement Pakistan Limited (ACPL) through acquisition of 63,238,328 fully paid ordinary shares of Rs. 10 each, representing 46.02% of ACPL share capital. Market value of the investment in the ordinary shares of ACPL as at 30 June 2026 was Rs. 13,708,172 thousand.

The company jointly controls ACPL along with Kot Addu Power Company Limited (KAPCO) and ACPL's registered office is at D–70, Block–4, Kehkashan–5, Clifton, Karachi. The principal activity of ACPL is manufacturing and sale of different types of cement.

Identified assets acquired, liabilities assumed or incurred have been currently carried at provisional fair values. The fair value exercise of identifiable assets and liabilities is currently in progress and will be completed within the allowed measurement period of one year specified under IFRS – 3. The carrying value of the below balances may change as a result of the fair value exercise as required under IFRS – 3. Any adjustment arising at the time finalisation of this exercise will be incorporated with retrospective effect from the date of acquisition.

Summary of provisional fair values as at acquisition date and gain on bargain purchase arising on acquisition of stake in ACPL is as follows;

	Provisional Fair value as at acquisition date
	Rupees'000
Assets	
Non–current assets	
Property, plant and equipment	57,433,200
Long–term loans and advances	55,313
Long–term deposits and Prepayments	99,940
	57,588,453
Current assets	
Inventories	6,297,951
Trade debts	1,196,074
Advances, Deposits, prepayments and other receivables	1,145,138
Tax refund due from government	1,018,198
Short term investments	4,352,638
Cash and bank balances	1,403,959
	15,413,958
Total assets	73,002,411

	Provisional Fair value as at acquisition date
	Rupees'000
Non current liabilities	
Long – term loans	4,268,220
Deferred income – Government grant	494,941
Deferred liabilities	5,592,434
Employee benefit obligations	143,207
	10,498,802
Current liabilities	
Trade and other payables	10,569,238
Preference dividend payable	4,750
Mark–up accrued on borrowings	29,267
Short term borrowings – secured	6,309,020
	16,912,275
Total liabilities	27,411,077
Fair value of net assets of ACPL as at acquisition date – provisional	45,591,334
Bargain purchase – Provisional	
Cost of investment in joint venture	20,914,792
Fair value of net assets of ACPL as at acquisition date – provisional	45,591,334
Percentage shareholding	46.02%
Company's share of net assets	20,981,132
Gain on bargain purchase – Provisional	66,340

Summary financial information of equity accounted investee

The following table summarizes the financial information of joint venture as included in their own financial statements for the year ended June 30, 2026 which have been used for accounting under equity method as these were the latest approved financial statements.

Reporting date of ACPL is June 30, 2026. Accordingly, the results of operations of two months April 30, 2026 till June 30, 2026 have been considered for ACPL based on management approved accounts. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in joint venture.

Percentage of shareholding	**46.02%**
Non–current assets	35,837,013
Current assets	14,489,139
Total assets	50,326,152
Non–current liabilities	10,120,308
Current liabilities	15,504,391
Total liabilities	25,624,699

Net assets (100%)	24,701,453
Non–controlling interest of joint venture	(13,333,845)
Net assets attributable to the Company	11,367,609
Company's share of net assets	11,367,609
Fair value adjustment	9,829,014
Carrying amount of interest in Joint venture	21,196,623
	93,443,292
Revenue	44,324,642
Depreciation and amortization	1,849,534
Interest expense	1,015,303
Income tax expense	1,861,023
Interest income	60,494
Profit from continuing operations	659,160
Other comprehensive loss	(47,563)
Total comprehensive income	611,597
Company share of net profit	237,378
Company share of other comprehensive loss	(21,888)
Company's share of total comprehensive income	215,490

		Note	2026	2025
			Rupees'000	**Rupees'000**
21	**STORES, SPARES AND LOOSE TOOLS**			
	Stores		6,625,728	6,185,788
	Spares (Including items in transit of Rs. 348 million)		4,682,980	4,176,648
	(2025: Rs. 265 million)			
	Provision for slow moving spares	21.1	(38,828)	(38,828)
			4,644,152	4,137,820
	Loose tools		53,400	53,400
			11,323,280	10,377,008

21.1 Management has performed a detailed assessment of stores and spares and has concluded that related items are not technically obsolete and will be consumed as part of working capital in ordinary course of business. Movement of provision for slow moving spares is as follows:

	2026	2025
	Rupees'000	**Rupees'000**
Balance at the beginning of the year	38,828	38,828
Charge for the year	–	25,752
Write–off for the year against provision	–	(25,752)
	38,828	38,828

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026	2025
			Rupees'000	Rupees'000
22	**STOCK IN TRADE**			
	Raw and packing material		2,109,551	2,169,850
	Work in process		7,362,022	6,238,655
	Finished goods		845,132	929,112
			10,316,705	9,337,617
23	**TRADE DEBTS**			
	Unsecured			
	Considered good		7,702,082	6,561,257
	Considered doubtful		3,281	3,281
			7,705,363	6,564,538
	Secured – considered good		334,332	350,065
	Less: Impairment loss		(3,281)	(3,281)
			8,036,414	6,911,322
24	**ADVANCES**			
	Advances – considered good			
	To suppliers – non interest bearing	24.1	236,294	297,299
	To employees against business expenditures		475	8,386
			236,769	305,685

24.1 These are given to suppliers in ordinary course of business.

		Note	2026	2025
25	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits		41,350	55,427
	Short term prepayments		933	1,755
			42,283	57,182
26	**OTHER RECEIVABLES**			
	Other receivables – considered good		30,626	22,867
	Margin on letter of guarantee		–	25,625
			30,626	48,492
27	**SHORT TERM INVESTMENTS**			
	Carried at fair value through profit or loss			
	Term finance certificates – conventional	27.1	250,000	250,000
	Open ended mutual funds – conventional	27.2	1,469,717	8,658,428
	Open ended mutual funds – Islamic	27.2	203,910	301,672
			1,923,627	9,210,100

27.1 These carry markup at 6–month KIBOR plus 2.25% (2025: 6–month KIBOR plus 2.25%) per annum.

27.2 Fair value of these investments is determined using quoted repurchase price. Breakup is as follows:

	2026	2025
Units held (Number '000)	44,382	287,181
Fair value (Rs. '000)	1,673,627	8,960,100

		2026		2025	
		Number '000	Rupees '000	Number '000	Rupees '000
27.3	**Break–up of the units along with fair value is as follows:**				
	MCB Cash Management Optimizer Fund	–	–	6,502	665,183
	ABL Cash Fund	16,742	171,811	–	–
	NBP Mahana Amdani Fund	16,563	171,185	–	–
	Alfalah GHP Money Market Fund	1,021	101,487	12,128	1,200,917
	NBP Financial Sector Income Fund	–	–	47,508	507,332
	NBP Money Market Fund	–	–	67,074	672,937
	HBL Cash Fund	1,526	158,331	10,756	1,111,640
	Al Habib Cash Fund	–	–	8,014	814,238
	Al Habib Money Market Fund	1,700	171,749	4,366	438,613
	UBL Money Market Fund	–	–	12,022	1,215,875
	UBL Cash Fund	2,030	204,300	–	–
	Atlas Liquid Fund	238	119,666	215	107,707
	Atlas Money Market Fund	280	144,063	1,582	810,671
	ABL Money Market Fund	–	–	111,148	1,113,343
	MCB Investment Saving Plan–I	2,256	227,125	–	–
	Meezan Cash Fund	–	–	5,866	301,644
	Faysal Islamic Mehdood Muddat Plan XXIII	2,026	203,910	–	–
		44,382	1,673,627	287,181	8,960,100

		Note	2026	2025
			Rupees'000	Rupees'000
28	**CASH AND BANK BALANCES**			
	Cash at bank			
	Deposit accounts			
	Conventional banks	28.1 & 28.2	1,226,413	2,029,769
	Islamic banks		23,652	1,670
	Term deposit receipts			
	Conventional banks		1,335,207	85,500
	Islamic banks		750,226	500,000
	Current accounts			
	Conventional banks		346,284	47,893
	Islamic banks		172	122
			3,681,954	2,664,954
	Cash in hand		489	384
			3,682,443	2,665,338

28.1 These carry mark–up ranging from 7% to 10% (2025: 8% to 10.6%) per annum.

28.2 This amount includes foreign currency balances amounting to Rs. 2,893 thousand (2025: Rs. 2,944 thousand).

28.3 Term deposit receipts represent readily encashable short term placements with maturity of upto one month with mark–up ranging from 8% to 11.6% (2025: 7% to 10.6%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026	2025
			Rupees'000	Rupees'000
29	**REVENUE – NET**			
	Revenue from external customers			
	Local sales	29.1	138,008,783	124,231,885
	Export sales		3,779,327	7,202,667
			141,788,110	131,434,552
	Less: Sales tax		22,940,062	20,411,096
	Excise duty		21,623,420	19,217,116
	Rebates and discounts		3,523,275	2,832,124
	Export development surcharge		11,175	17,888
			48,097,932	42,478,224
			93,690,178	88,956,328

29.1 This includes sale of tile bond of Rs. 416 million (2025: Rs. 368 million).

29.2 Revenue recognised during the year includes Rs. 512.4 million (2025: Rs. 432.7 million) which was shown as contract liabilities at the beginning of the year.

		Note	2026	2025
			Rupees'000	Rupees'000
30	**COST OF SALES**			
	Raw materials consumed		11,180,993	9,953,731
	Packing material consumed		2,848,922	3,091,485
	Stores and spares consumed		2,501,865	2,351,605
	Salaries, wages and benefits	30.1	5,477,154	5,165,391
	Rent, rates and taxes		110,377	105,142
	Insurance		262,102	355,849
	Fuel consumed		25,585,794	22,821,025
	Power consumed		8,041,889	8,764,544
	Depreciation on property, plant and equipment	17.2	4,692,860	4,589,470
	Depreciation on right of use asset		12,466	2,198
	Technical assistance		167,429	135,562
	Vehicle running and maintenance expenses		106,090	96,179
	Printing and stationery		13,613	12,264
	Travelling and conveyance		215,904	195,304
	Security services		520,046	442,201
	Communication and other expenses		275,241	241,500
	Water conservancy charges		8,396	8,138
			62,021,141	58,331,588
	Add: Opening work–in–process		6,238,655	5,355,426
	Less: Closing work–in–process		(7,362,022)	(6,238,655)
	Cost of goods manufactured		60,897,774	57,448,359
	Add: Opening finished goods		929,112	898,627
	Less: Closing finished goods		(845,132)	(929,112)
			60,981,754	57,417,874
	Less: Own consumption		(12,747)	(32,896)
			60,969,007	57,384,978

30.1 This includes retirement benefits of Rs. 284 million (2025: Rs. 280 million).

	Note	2026	2025
		Rupees'000	Rupees'000
31 OTHER INCOME			
Gain on disposal of property, plant and equipment		14,278	71,898
Deferred government grant		515,175	583,045
Gain on settlement of leases		11,647	14,496
Gain on bargain purchase	20	66,340	–
Others		205,104	91,333
		812,544	760,772
32 SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and benefits	32.1	422,779	407,312
Freight charges on sale of cement		2,486,619	2,203,738
Travelling and conveyance		9,983	13,535
Vehicle running and maintenance expenses		17,434	16,679
Rent, rates and taxes		236	224
Repairs and maintenance		13,455	2,328
Printing and stationery		2,604	3,051
Depreciation on property, plant and equipment	17.2	21,598	17,065
Depreciation on right of use asset		17,937	15,724
Amortization	19.1	198,700	198,700
Communication and other expenses		17,940	19,705
Advertisement and sale promotion expenses		28,652	36,009
Insurance		907	1,069
		3,238,844	2,935,139

32.1 This includes retirement benefits of Rs. 22 million (2025: Rs. 22.3 million).

	Note	2026	2025
		Rupees'000	Rupees'000
33 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	33.1	1,104,816	1,044,208
Travelling and conveyance		19,465	23,184
Vehicle running and maintenance expenses		42,312	38,193
Insurance		3,473	3,392
Rent, rates and taxes		527	562
Repairs and maintenance		3,436	3,322
Printing and stationery		12,023	8,821
Communication and other expenses		92,282	100,251
Legal and professional charges		45,987	71,033
Cost charged by Fauji Foundation		347,729	175,000
Depreciation on property, plant and equipment	17.2	83,071	74,942
Amortization	19.1	13,333	13,333
Depreciation on right of use asset		38,892	33,391
Donations	33.2	110,390	99,254
		1,917,736	1,688,886

33.1 This includes retirement benefits of Rs. 62.9 million (2025: Rs. 63.9 million).

33.2 Refer note 42 for donations paid to Fauji Foundation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026	2025
			Rupees'000	Rupees'000
34	**OTHER EXPENSES**			
	Auditors' remuneration:			
	Annual audit		3,900	3,250
	Half yearly review		1,100	900
	Out of pocket expenses		1,139	571
	Sustainability related services		10,000	–
	Statutory certifications		1,000	850
			17,139	5,571
	Workers' Profit Participation Fund	12.1	1,298,916	1,149,961
	Workers' Welfare Fund		393,952	323,744
			1,710,007	1,479,276
35	**FINANCE COST**			
	Interest and other charges on long term loans and short term running finance			
	– Conventional banks		3,245,304	4,703,758
	– Islamic banks		811,635	942,585
			4,056,939	5,646,343
	Interest on Workers' Profit Participation Fund		1,895	4,067
	Finance cost related to lease		26,679	23,868
	Exchange (gain)/ loss – net		(33,192)	4,902
	Bank charges and commission – Conventional banks		114,195	92,952
			4,166,516	5,772,132
36	**FINANCE INCOME**			
	Income from financial assets			
	Income from deposits and investments			
	– Conventional banks		266,993	400,750
	– Islamic banks		43,108	43,871
			310,101	444,621
	Gain on re–measurement of investments classified as fair value through profit or loss–held for trading – Conventional funds		1,347,718	538,490
	Gain on re–measurement of investments classified as fair value through profit or loss–held for trading – Islamic funds		125,826	83,617
	Dividend received on investments classified as fair value through profit or loss–held for trading – Conventional funds		850	1,787
	Dividend received on investments classified as fair value through profit or loss–held for trading – Islamic funds		344	316
			1,784,839	1,068,831

	Note	2026	2025
		Rupees'000	Rupees'000

37 INCOME TAX EXPENSE

	Note	2026 Rupees'000	2025 Rupees'000
Current			
For the year		8,001,433	3,453,118
Prior year		74,146	(17,173)
		8,075,579	3,435,945
Deferred	10	264,338	4,763,373
		8,339,917	8,199,318
Accounting profit for the year before levy		24,522,829	21,525,520
Applicable tax rate for companies (%)		29%	29%
Income tax at applicable rate		7,111,620	6,242,401
Tax effect of income taxable at lower rates		(206,296)	(87,179)
Super tax		1,337,406	2,114,747
Prior year adjustment		74,146	(17,173)
Others		23,041	(53,478)
		8,339,917	8,199,318

The super tax rate u/s 4C have been reduced to 8% from 10% on taxable income of Rs. 500 million or above pursuant to the Finance Act 2026. The changes of the said rate have been incorporated in the calculation of deferred tax as at June 30, 2026.

37.1 Reconciliation of current tax charge as per income tax laws with the current tax recognized is as follows:

	2026	2025
Current tax liability for the year as per tax laws	8,001,433	3,453,118
Portion of current tax liability as per tax law, representing income tax under IAS 12	(8,001,433)	(3,453,118)
Difference	–	–

37.2 Tax assessments up to and including tax year 2025 have been finalized. However, the tax authorities are empowered to reopen these assessments within five years from the end of the financial year in which the returns were filed.

38 EARNINGS PER SHARE (BASIC AND DILUTED)

	2026	2025
	Rupees'000	Rupees'000
Profit after tax	16,182,912	13,326,202
Profit attributable to ordinary shareholders	16,182,912	13,326,202
	Numbers '000	**Numbers '000**
Weighted average number of ordinary shares	2,452,847	2,452,847
	Rupees	**Rupees**
Earnings per share – basic	6.60	5.43

38.1 There is no dilution effect on the basic earning per share of the Company as the Company has no convertible potential dilutive instruments outstanding as on June 30, 2026, which would have effect on the basic EPS, if the option to convert would have been exercised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

39 CASH AND CASH EQUIVALENTS

Cash, cash equivalents and short–term borrowings (used for cash management purposes) include the following for the purposes of statement of cash flows.

	Note	2026	2025
		Rupees'000	Rupees'000
Cash and bank balances	28	3,682,443	2,665,338
Short term running finance – secured	15	(674,212)	(256,329)
Bank balances under lien		–	(85,500)
		3,008,231	2,323,509

40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts recognized during the year on account of remuneration, including benefits and perquisites as per the terms of employment contract, are as follows:

	Chief Executive		Executives	
	2026	2025	2026	2025
	Rupees'000			
Managerial remuneration	71,843	70,514	1,921,782	1,791,700
Bonus	31,723	33,320	564,461	485,484
Provident fund	4,413	4,219	68,739	62,386
Gratuity	9,279	7,159	–	–
Compensated absences	4,593	7,143	47,460	41,860
Utilities and upkeep	4,413	4,219	161,301	146,424
	126,264	126,574	2,763,743	2,527,854
Number of persons	1	1	348	319

40.1 Chief Executive, key management personnel and certain executives are provided with Company maintained cars.

40.2 Meeting fee of non–executive directors charged during the year was Rs. 13.4 million (2025: Rs. 9.97 million). Number of non–executive directors at year end were 8 (2025: 7).

40.3 Number of persons include those who worked part of the year.

41 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of short–term investments is determined using inputs other than quoted market prices and is based on the Net Asset Value (NAV) published by the Mutual Funds Association of Pakistan (MUFAP).

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

– Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

41.1 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On–balance sheet financial instruments	Note	Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
		Rupees '000						
June 30, 2026								
Financial assets not measured at fair value								
Long term deposits		119,759	–	119,759	–	–	–	–
Trade debts – net of impairment loss	23	8,036,414	–	8,036,414	–	–	–	–
Other receivables	26	30,626	–	30,626	–	–	–	–
Trade deposits	25	41,350	–	41,350	–	–	–	–
Cash and bank balances	28	3,682,443	–	3,682,443	–	–	–	–
		11,910,592	–	11,910,592	–	–	–	–
Financial assets measured at fair value								
Short term investments	27	–	1,923,627	1,923,627	–	1,923,627	–	1,923,627
		11,910,592	1,923,627	13,834,219	–	1,923,627	–	1,923,627
Financial liabilities not measured at fair value								
Long term loans (including current portion)	6	25,580,849	–	25,580,849	–	–	–	–
Lease liability (including current portion)	8	154,304	–	154,304	–	–	–	–
Loan from Parent – unsecured	11	7,387,000	–	7,387,000	–	–	–	–
Creditors	12	2,175,868	–	2,175,868	–	–	–	–
Retention money	12	250,370	–	250,370	–	–	–	–
Other liabilities	12	562,335	–	562,335	–	–	–	–
Accrued liabilities	13	13,265,101	–	13,265,101	–	–	–	–
Security deposits payable	14	581,539	–	581,539	–	–	–	–
Unclaimed dividend		45,513	–	45,513	–	–	–	–
Short term running finance – secured	15	2,469,127	–	2,469,127	–	–	–	–
	–	52,472,006	–	52,472,006	–	–	–	–

On–balance sheet financial instruments	Note	Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
				Rupees '000				
June 30, 2025								
Financial assets not measured at fair value								
Long term deposits		133,425	–	133,425	–	–	–	–
Trade debts – net of impairment loss	23	6,911,322	–	6,911,322	–	–	–	–
Other receivables	26	48,492	–	48,492	–	–	–	–
Trade deposits	25	55,427	–	55,427	–	–	–	–
Cash and bank balances	28	2,665,338	–	2,665,338	–	–	–	–
		9,814,004	–	9,814,004	–	–	–	–
Financial assets measured at fair value								
Short term investments	27	–	9,210,100	9,210,100	–	9,210,100	–	9,210,100
		9,814,004	9,210,100	19,024,104	–	9,210,100	–	9,210,100
Financial liabilities not measured at fair value								
Long term loans (including current portion)	6	30,312,698	–	30,312,698	–	–	–	–
Lease liability (including current portion)	8	144,310	–	144,310	–	–	–	–
Loan from Parent – unsecured	11	7,572,186	–	7,572,186	–	–	–	–
Creditors	12	2,034,141	–	2,034,141	–	–	–	–
Retention money	12	479,895	–	479,895	–	–	–	–
Other liabilities	12	609,276	–	609,276	–	–	–	–
Accrued liabilities	13	9,076,142	–	9,076,142	–	–	–	–
Security deposits payable	14	570,602	–	570,602	–	–	–	–
Unclaimed dividend		41,182	–	41,182	–	–	–	–
Short term running finance – secured	15	2,192,462	–	2,192,462	–	–	–	–
		53,032,894	–	53,032,894	–	–	–	–

41.2 The Company has not disclosed the fair value for certain financial assets and financial liabilities in note 41.1, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

41.3 The Company has exposure to the credit risk, market risk and liquidity risk from its use of financial instruments.

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

41.4 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances, deposits, other receivables, margin on letter of guarantee, short term investments and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

The Company's credit risk exposure is categorized under the following headings:

Trade debts and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer/ dealer. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. Credit limits are established, which are regularly reviewed and approved by the management. Customer that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. Lifetime expected credit losses recognised pursuant to practical expedient measured.

Concentration of credit risk

Geographically there is no concentration of credit risk. The maximum exposure to credit risk for financial assets at the reporting date by type of counter party is as follows:

	2026	2025
	Rupees'000	**Rupees'000**
From government institutions	664,231	747,833
Banks and financial institutions	5,605,581	11,897,921
Others	7,564,407	6,377,966
	13,834,219	19,023,720

Credit quality of financial assets

The credit quality of the Company's financial assets have been assessed below by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited. The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting their obligations.

	2026	2025
	Rupees'000	Rupees'000
Trade debts		
Counterparties without external credit ratings		
with no default in the past	8,036,414	6,911,322

Impairment loss

The aging of trade debts at the reporting date was:

	2026		2025	
	Gross	Impairment	Gross	Impairment
	Rupees'000		Rupees'000	
Past due 1–30 days	5,287,599	–	3,892,351	–
Past due 31–60 days	1,022,140	–	1,209,714	–
Past due 61–90 days	736,109	–	779,505	–
Past due 91–120 days	520,098	–	542,688	–
Over 120 days	473,749	3,281	490,345	3,281
	8,039,695	3,281	6,914,603	3,281

Expected credit losses on trade debts are assessed on a collective basis. The movement in allowance for impairment in respect of trade debts during the year was as follows:

	2026	2025
	Rupees'000	Rupees'000
Balance at July 1	3,281	3,281
Impairment loss recognised during the year	–	–
Balance at June 30	3,281	3,281

Based on past experience, the management believes that no further impairment allowance is necessary in respect of carrying amount of trade debts. The Company expects no material expected credit loss under IFRS 9 'Financial Instruments' on other financial assets at the year end.

The allowance account in respect of trade debts is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible at which point the amount considered irrecoverable is written off against the financial asset directly.

Cash at Bank

The Company held cash at bank of Rs. 3,682 million at June 30, 2026 (2025: Rs. 2,665 million). Cash at bank is held with banks and financial institution, which are rated A– to AAA. No significant increase in credit risk was observed during the period. Accordingly, these financial assets are assessed to extent of 12–months ECL.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2026	2025
		Rupees'000	Rupees'000
Long term deposits		119,759	133,425
Trade debts – net of impairment loss	23	8,036,414	6,911,322
Other receivables	26	30,626	48,492
Trade deposits	25	41,350	55,427
Short term investments	27	1,923,627	9,210,100
Bank balances	28	3,682,443	2,665,338
		13,834,219	19,024,104

The maximum exposure to credit risk for trade debts at the reporting date is with end – user customers and represents debtors within the country.

The Company's most significant customer is an end user from whom Rs. 687 million (2025: Rs. 1,096 million) was outstanding and which is included in total carrying amount of trade debtors as at June 30, 2026.

The maximum amount of receivable during the year from Sky47 was Rs. 119,929 thousand (2025: Nil), Askari Bank Limited was Rs 86 thousand (2025: Nil) and Attock Cement Pakistan Limited was Rs. 9,032 thousand (2025: Nil), respectively.

Certain trade debts are secured against letter of guarantee and security deposits. The Company has placed funds in financial institutions with high credit ratings. The Company assesses the credit quality of the counter parties as satisfactory. The Company does not hold any collateral as security against any of its financial assets other than trade debts.

The Company limits its exposure to credit risk by investing only in liquid securities and placing funds with banks that have high credit rating. Management actively monitors credit ratings and given that the Company only has placed funds in the banks and financial institutions with high credit ratings, management does not expect any counter party to fail to meet its obligations.

	2026	2025
	Rupees'000	Rupees'000
Long term deposits		
Counterparties with external credit ratings of from A– to AA+	29,840	43,506
Counterparties without external credit ratings	89,919	89,919
Trade deposits		
Counterparties without external credit ratings	41,350	55,427
Other receivables		
Counterparties without external credit ratings	30,626	22,867
Counterparties with external credit rating A+	–	25,625

Short term investments	Credit rating	Rating	2026	2025
			Rupees'000	
MCB Cash Management Optimizer Fund	PACRA	AA+	–	665,183
Alfalah GHP Money Market Fund	PACRA	AA+	101,487	1,200,917
NBP Financial Sector Income Fund	PACRA	A+	–	507,332
NBP Money Market Fund	PACRA	AA	–	672,937
HBL Cash Fund	VIS	AA+	158,331	1,111,640
Al Habib Cash Fund	VIS	AAA	–	814,238
Al Habib Money Market Fund	VIS	AAA	171,749	438,613
UBL Cash Fund	PACRA	AAA	204,300	–
UBL Money Market Fund	VIS	AA+	–	1,215,875
Atlas Liquid Fund	PACRA	AA+	119,666	107,707
Atlas Money Market Fund	PACRA	AA+	144,063	810,671
ABL Money Market Fund	PACRA	AA+	–	1,113,343
ABL Cash Fund	PACRA	AA+	171,811	–
Meezan Cash Fund	VIS	AA+	–	301,644
MCB Investment Saving Plan–I	PACRA	AA+	227,125	–
NBP Mahana Amdani Fund	PACRA	AA–	171,185	–
Faysal Islamic Mehdood Muddat Plan XXIII	VIS	AA+	203,910	–
JS Bank–TFC (Tier–I)	PACRA	A+	250,000	250,000
			1,923,627	9,210,100

	Credit rating agency	Short term rating	Long term rating	2026	2025
				Rupees'000	
Bank balances					
United Bank Limited	VIS	A–1+	AAA	1,688,792	1,434,197
Dubai Islamic Bank	VIS	A–1+	AA	81	–
Allied Bank Limited	PACRA	A–1+	AAA	312,311	56,192
MCB Bank Limited	PACRA	A–1+	AAA	43,372	71,108
Bank AlFalah Limited	PACRA	A–1+	AAA	648,319	77,520
The Bank of Punjab	PACRA	A–1+	AAA	60	84
Faysal Bank Limited	PACRA	A–1+	AA	762,809	502,714
Standard Chartered Bank Pakistan Limited	PACRA	A–1+	AAA	5	5
Habib Bank Limited	VIS	A–1+	AAA	27,114	6,000
Askari Bank Limited	PACRA	A–1+	AA+	65,989	97,553
National Bank of Pakistan	PACRA	A–1+	AAA	505	24,149
Bank AlHabib Limited	PACRA	A–1+	AAA	121,369	157,695
Al Baraka Bank Pakistan Limited	VIS	A–1	AA–	–	1
Bank Islami Pakistan Limited	PACRA	A–1	AA–	–	30
Meezan Bank Limited	VIS	A–1+	AAA	11,008	1,624
Mobilink Micro Finance Bank	PACRA	A–1	A	213	–
Habib Metropolitan Bank Limited	PACRA	A–1+	AAA	–	86,038
First Women Bank Limited	PACRA	A–1	A	4	4
Bank Makramah Limited	VIS	A–2	A–	–	2
Samba Bank Limited	PACRA	A–1	AA	3	150,038
JS Bank Limited	PACRA	A–1+	AA–	–	–
The Bank of Khyber	PACRA	A–1	AA–	–	–
				3,681,954	2,664,954

41.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains letters of credit as mentioned in note 16.2 to the financial statements.

The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	Note	Carrying amount	Contractual cash flows	Up to one year	One to two years	Two to five years	Five years onwards
				Rupees'000			
2026							
Long term loans (including current portion)	6	25,580,849	30,184,810	9,283,359	8,697,019	10,748,878	1,455,554
Lease liability (including current portion)	8	154,304	335,209	82,385	73,064	22,015	157,745
Loan from Parent – unsecured	11	7,387,000	7,387,000	7,387,000	–	–	–
Trade and other payables	12	2,988,573	2,988,573	2,988,573	–	–	–
Accrued liabilities	13	13,265,101	13,265,101	13,265,101	–	–	–
Security deposits payable	14	581,539	581,539	581,539	–	–	–
Unclaimed dividend		45,513	45,513	45,513	–	–	–
Short term running finance – secured	15	2,469,127	2,469,127	2,469,127	–	–	–
		52,472,006	57,256,872	36,102,597	8,770,083	10,770,893	1,613,299
2025							
Long term loans (including current portion)	6	30,312,698	42,834,819	6,451,095	7,036,797	28,330,044	1,016,883
Lease Liability (including current portion)	8	144,310	312,336	61,973	43,081	43,869	163,413
Loan from Parent – unsecured	11	7,572,186	7,572,186	7,572,186	–	–	–
Trade and other payables	12	3,123,312	3,123,312	3,123,312	–	–	–
Accrued liabilities	13	9,076,142	9,076,142	9,076,142	–	–	–
Security deposits payable	14	570,602	570,602	570,602	–	–	–
Unclaimed dividend		41,182	41,182	41,182	–	–	–
Short term running finance – secured	15	2,192,462	2,192,462	2,192,462	–	–	–
		53,032,894	65,723,041	29,088,954	7,079,878	28,373,913	1,180,296

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

41.5.1 The contractual cash flows relating to long term borrowings have been determined on the basis of expected mark–up rates. The mark–up rates have been outlined in note 6 to these financial statements.

41.6 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instruments' supply and demand of securities and liquidity in the market. The Company is exposed to currency risk, interest rates risks and price risks.

41.6.1 Foreign currency risk

The PKR is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than PKR. The Company's potential foreign currency exposure comprise:

- Transactional exposure in respect of non functional currency monetary items; and
- Transactional exposure in respect of non functional currency expenditure and revenues.

Transactional exposure in respect of non functional currency monetary items

Financial assets and liabilities which are denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the statement of profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

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

	2026	2025	2026	2025
	Average rate		Balance sheet date rate	
US Dollars	281.33	281.45	278.55	284.10
Euro	325.18	315.62	317.52	332.83

Transactional exposure in respect of non functional currency expenditures and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as part of overall risk management strategy.

The following table details the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The amounts of the exposure are shown in PKR, translated using the spot rate at the end of the reporting period.

	2026	2025
	Rupees'000	Rupees'000
Long term loans– secured	(13,231,125)	–
Trade and other payables	(124,808)	(98,934)
Cash and bank balances	2,893	2,944
	(13,353,040)	(95,990)

Sensitivity

A 1% strengthening of the functional currency against foreign currencies at June 30 would have increased profit before tax by Rs. 133,530 thousand (2025: Rs. 960 thousand). A 1% weakening of the functional currency against foreign currencies at June 30 would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant

41.6.2 Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of interest rate exposure arises from short and long term borrowings from banks and deposits with banks. At the date of statement of financial position, the interest rate profile of the Company's interest bearing financial instruments is:

	2026	2025	Carrying Amount 2026	2025
	Effective interest rates		Rupees '000	
Fixed rate instruments				
Financial assets	7% to 11.6%	7% to 10.6%	3,335,498	2,531,439
Financial liabilities	2.25%– 10%	2.25%– 23.5%	18,968,094	16,960,070
Variable rate instruments				
Financial assets	6 month KIBOR	6 month KIBOR	250,000	250,000
	+ 2.25%	+ 2.25%		
Financial liabilities	1 month KIBOR	1 month KIBOR	18,115,001	20,886,135
	to 6 month KIBOR	to 6 month KIBOR		
	+ 0.15% to 0.90% &	+ 0.15% to 0.90%		
	3 month's SOFAR			
	+ 3.25%			

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2025.

	Profit or loss 100 basis points increase	100 basis points decrease
	Rupees'000	Rupees'000
Cash flow sensitivity (net)		
Variable rate instruments		
June 30, 2026	(178,650)	178,650
Variable rate instruments		
June 30, 2025	(206,361)	206,361

41.6.3 Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Sensitivity analysis–price risk

The Company carries investments at fair value through profit or loss for an amount of Rs. 1,924 million (2025: Rs. 9,210 million). A 1% increase in market price at reporting date would have increased profits before tax by Rs. 19.2 million (2025: Rs. 92.1 million) an equal change in opposite direction would have decreased the profit by the same amount.

41.7 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and/or issue new shares. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements. The Company is required to comply with certain debt covenants related to long term borrowings and in respect of which was in breach of a covenant and for which waiver has been obtained as at June 30, 2026.

The Company's strategy is to ensure compliance with the agreements executed with financial institutions so that gearing ratio does not exceed the lender covenants. Gearing ratio as at June 30, 2026 and 2025 are as follows:

	2026	2025
	Rupees'000	Rupees'000
Debt	37,238,910	40,191,999
Equity	97,372,207	84,272,208
	134,611,117	124,464,207
Gearing ratio	28%	32%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

42 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of directors, entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, staff retirement funds and key management personnel which include persons having designations General Manager and above.

Related party	Basis of relationship	Percentage of shareholding
Fauji Foundation	Shareholder	61.65
Fauji Fertilizer Company Limited	Shareholder / Common directorship	4.30
Fauji Oil Terminal and Distribution Company Limited	Shareholder / Common directorship	0.86
Askari Bank Limited	Common directorship	Nil
Foundation Solar Energy (Pvt) Limited	Common directorship	Nil
Mari Energies Limited	Common directorship	Nil
Foundation Power Company Daharki Limited	Common directorship	Nil
FFBL Power Company Limited	Common directorship	Nil
Sky 47 Limited	Common directorship	Nil
Cherat Packaging Limited	Common directorship	Nil
Attock Cement Pakistan Limited	Common directorship	Nil
AWT Investments Limited	Common directorship	Nil
Employees' Provident Fund Trust	Provident fund trust	Nil

Balances and transactions with related parties are disclosed in note 6, 7.2, 11 and 42 to the financial statements. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2026 Rupees'000	2025 Rupees'000
Transactions and balances with related parties		
Fauji Foundation		
Payment for use of medical facilities	3,725	2,127
Payable of rent and utilities	2,688	–
Payment of rent and utilities	70,340	70,587
Donation paid	98,080	84,424
Payable against cost charged	–	29,468
Payment against cost charged	340,927	158,723
Reimbursement against services payments	74,320	22,073
Reimbursement against CSR activities	36,851	29,856
Payable against CSR activities	12,000	7,649
Payment against letter of support	–	108,984
Payment of dividend on ordinary shares	1,890,202	1,512,162
Mark–up paid on loan	922,869	553,514
Mark–up payable on loan	–	185,186
Fee payable on cash lien	29,266	–
Foundation Solar Energy (Pvt) Limited		
Payment against supply of solar equipment and services	–	207,325
Mari Energies Limited		
Payment / expense against supply of crude oil	36,243	32,357
Sky 47 Limited		
Rent receivable	400	–
Amount received against sale of cement	382,230	–
Receivable against sale of cement	1,088	–

	2026	2025
	Rupees'000	Rupees'000
TPL Insurance Limited		
Payment / expense against insurance premium	–	12,417
Habib Insurance Company Limited		
Payment / expense against insurance premium	–	8,054
Cherat Packaging Limited		
Payment against supplies	113,010	328,782
Payable against supplies	113	–
Procurement of supplies	113,124	244,785
FFBL Power Company Limited		
Payment against services	–	229
Payable against services	39	39
Expense against services	–	268
Fauji Fertilizer Company Limited		
Payment of dividend on ordinary shares	131,836	105,469
Fauji Oil Terminal and Distribution Company Limited		
Payment of dividend on ordinary shares	26,367	21,094
Attock Cement Pakistan Limited		
Receivable against services	9,032	–
Askari Bank Limited		
Balance in bank accounts	65,989	97,553
Loan payable	4,302,240	1,926,817
Principal repayment of loan	270,803	1,080,932
Export re–finance payable	1,500,000	1,649,000
Bank charges	3,615	8,962
Interest paid on export re–finance	93,298	135,445
Interest paid on running finance	–	1,141
Interest paid on long term loans	42,809	137,675
Profit received on deposit accounts	8,921	16,410
Receipts against rent and utilities	718	–
AWT Investments Limited		
Gain on re–measurement of investments classified as fair value through profit or loss–held for trading – Islamic funds	14,476	–
Employees Provident Fund		
Payable to employee provident fund including employees' share	37,624	37,806
Payments made into the fund including employees' contribution	434,717	401,837
Expense of employee provident fund	186,089	176,068
Others		
Remuneration to key management personnel (other than Chief Executive)	277,291	252,857
Payment of dividend to directors	13	10

43 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities				Equity			
	Lease liability	Long term loan including current portion	Short term running finance - ERF	Loan from the parent	Share capital	Premium on issue of shares	Revenue reserves	Total
	Rupees '000							
Balance at July 01, 2025	144,310	30,312,698	1,936,133	7,572,186	24,528,476	15,253,134	44,490,598	124,237,535
Lease liability on right of use asset	86,615	–	–	–	–	–	–	86,615
Changes from financing cash flows	–							
Long term loans received during the year	–	13,264,374	–	–	–	–	13,264,374	
Repayment of loan	–	(18,199,783)	–	–	–	–	–	(18,199,783)
Finance cost paid for the year	–	(3,081,388)	(107,471)	(922,869)	–	–	–	(4,111,728)
Lease payments	(103,300)	–	–	–	–	–	–	(103,300)
Total changes from financing cash flows	(103,300)	(8,016,797)	(107,471)	(922,869)	–	–	–	(9,150,437)
Other changes								
Liability related								
Net increase in short term running finance	–	–	(149,000)	–	–	–	–	(149,000)
Effect of changes in foreign currency	–	(33,192)	–	–	–	–	–	(33,192)
Finance cost expense / transaction cost for the year	26,679	3,318,140	115,253	737,683	–	–	–	4,197,755
Total liability related other changes	26,679	3,284,948	(33,747)	737,683	–	–	–	4,015,563
Equity related								
Total comprehensive income for the year	–	–	–	–	–	–	16,182,912	16,182,912
Share of other comprehensive income of investment accounted for using the equity method – net of tax	–	–	–	–	–	–	(16,854)	(16,854)
Final dividend 2025 @ Rs. 1.25 per share	–	–	–	–	–	–	(3,066,059)	(3,066,059)
Total equity related other changes	–	–	–	–	–	–	13,099,999	13,099,999
Balance at June 30, 2026	154,304	25,580,849	1,794,915	7,387,000	24,528,476	15,253,134	57,590,597	132,289,275

	Liabilities				Equity			
	Lease liability	Long term loan including current portion	Short term running finance - ERF	Loan from the parent	Share capital	Premium on issue of shares	Revenue reserves	Total
	Rupees '000							
Balance at July 01, 2024	163,660	34,975,155	597,933	7,387,000	24,528,476	15,253,134	33,617,243	116,522,601
Lease liability on right of use asset	32,097	–	–	–	–	–	–	32,097
Changes from financing cash flows								
Long term loans received during the year	–	–	–	–	–	–	–	
Repayment of loan	–	(4,657,115)	–	–	–	–	(4,657,115)	
Finance cost paid for the year	–	(4,823,087)	(170,717)	(553,514)	–	–	–	(5,547,318)
Lease payments	(75,315)	–	–	–	–	–	–	(75,315)
Deferred grant	–	–	–	–	–	–	–	–
Total changes from financing cash flows	(75,315)	(9,480,202)	(170,717)	(553,514)	–	–	–	(10,279,748)
Other changes								
Liability related								
Net increase in short term running finance	–	–	1,324,000	–	–	–	–	1,324,000
Finance cost for the year	23,868	4,817,745	184,918	738,700	–	–	–	5,765,231
Total liability related other changes	23,868	4,817,745	1,508,918	738,700	–	–	–	7,089,231
Equity related								
Total comprehensive income for the year	–	–	–	–	–	–	13,326,202	13,326,202
Final dividend 2024 @ Rs. 1.00 per share	–	–	–	–	–	–	(2,452,847)	(2,452,847)
Total equity related other changes	–	–	–	–	–	–	10,873,355	10,873,355
Balance at June 30, 2025	144,310	30,312,698	1,936,133	7,572,186	24,528,476	15,253,134	44,490,598	124,237,535

	2026		2025	
	Installed capacity	Actual Production	Installed capacity	Actual Production
	Metric Tons		Metric Tons	
44 PLANT CAPACITY AND ACTUAL PRODUCTION				
Cement	10,458,000	5,685,910	10,458,000	5,383,885
Clinker	9,960,000	4,843,864	9,960,000	4,670,651

44.1 Difference between installed capacity and actual production is due to demand supply situation of the market.

45 EMPLOYEES PROVIDENT FUND TRUST

All the investments out of aforementioned provident fund trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

46 DISCLOSURES IN RELATION TO COMPLIANCE OF SHARIAH MATTERS

46.1 Disclosure Requirement For Companies Not Engaged In Shariah Non–Permissible Business Activities

As determined by shariah expert, following information has been disclosed as required under amended Part I Clause VII of Fourth Schedule to the Companies Act , 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

	Note	2026	2025
		Rupees'000	Rupees'000
Statement of Financial Position			
Liabilities			
Long–term loans as per Islamic mode	6	13,683,866	7,400,371
Short term borrowings as per Islamic mode		–	–
Lease financing as per Islamic mode		–	–
Mark–up accrued on conventional loans Non–shariah	6	2,083,982	2,064,940
Assets			
Long term investments – Shariah business segment	20	21,196,622	–
Shariah short term investments	27	203,910	301,672
Shariah bank deposits, bank balances and TDRs	28	774,050	501,792
Statement of Profit or Loss			
Revenue earned from Shariah business segment	29	93,690,178	88,956,328
Late payments or liquidated damages		–	–
Gains and dividend from Shariah compliant investments	36	126,170	83,933
Share of profit from joint venture – Shariah business segment	20	237,378	–
Profit earned from shariah compliant bank deposits, bank balances and TDRs	36	43,108	43,871
Exchange gain earned from conventional currency and loan		6,592	32
Exchange gain earned from Shariah loan		26,600	–
Profit paid on Islamic mode of financing		702,742	1,002,499
Mark–up on Islamic mode of financing	35	811,635	942,585
Interest on conventional loans	35	3,245,304	4,703,758

	Note	2026	2025
		Rupees'000	Rupees'000
Sources and detailed breakup of other income			
Income from bank deposits/balances and TDRs			
Non – shariah	36	266,993	400,750
Shariah compliant	36	43,108	43,871
Gain on re–measurement of investments			
Non – shariah	36	1,347,718	538,490
Shariah compliant	36	125,826	83,617
Dividend and bonus on investments			
Non – shariah	36	850	1,787
Shariah compliant		344	316
Other Income			
Non – shariah	31	526,822	597,541
Others – Shariah compliant	31	285,722	163,231

The Company has business relationship with Islamic banks in ordinary course of business. Disclosures other than above are not applicable to the Company.

		2026	2025
47	**GENERAL**		
47.1	**Number of persons employed**		
	Total employees of the Company at year end	2,332	2,335
	Average employees of the Company during the year	2,334	2,331

47.2 Non adjusting events after the statement of financial position date

The Board of Directors in their meeting held on August 11, 2026 has proposed a final cash dividend for the year ended June 30, 2026 @ Rs 1.50 per share, for approval of the shareholders in annual general meeting.

47.3 Date for authorization

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on August 11, 2026.

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


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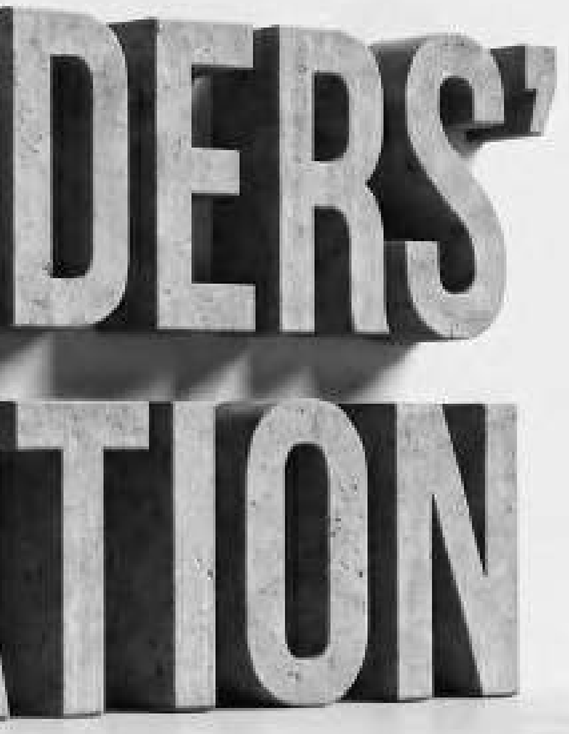
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PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

	Shareholding		
No. of Shareholders	From	To	Total Shares Held
10,385	1	100	369,884
6,603	101	500	1,923,121
3,883	501	1,000	3,047,775
6,340	1,001	5,000	15,291,875
1,556	5,001	10,000	11,609,413
702	10,001	15,000	8,641,342
404	15,001	20,000	7,301,153
267	20,001	25,000	6,158,340
177	25,001	30,000	4,978,014
136	30,001	35,000	4,487,164
103	35,001	40,000	3,941,117
87	40,001	45,000	3,768,804
126	45,001	50,000	6,206,971
37	50,001	55,000	1,944,265
59	55,001	60,000	3,419,441
27	60,001	65,000	1,706,637
46	65,001	70,000	3,135,451
33	70,001	75,000	2,432,402
28	75,001	80,000	2,194,030
20	80,001	85,000	1,660,153
24	85,001	90,000	2,135,129
14	90,001	95,000	1,303,783
64	95,001	100,000	6,359,186
15	100,001	105,000	1,542,878
18	105,001	110,000	1,942,858
41	110,001	115,000	4,608,425
16	115,001	120,000	1,900,570
20	120,001	125,000	2,474,950
18	125,001	130,000	2,300,441
13	130,001	135,000	1,722,080
13	135,001	140,000	1,778,938
14	140,001	145,000	1,991,931
16	145,001	150,000	2,386,024
8	150,001	155,000	1,214,045
5	155,001	160,000	793,600
7	160,001	165,000	1,144,500
12	165,001	170,000	2,024,367
14	170,001	175,000	2,429,270
7	175,001	180,000	1,257,200
4	180,001	185,000	730,891
4	185,001	190,000	756,318
8	190,001	195,000	1,537,250
27	195,001	200,000	5,393,875
5	200,001	205,000	1,009,535
6	205,001	210,000	1,246,187
6	210,001	215,000	1,275,989

Shareholding			
No. of Shareholders	From	To	Total Shares Held
1	215,001	220,000	220,000
14	220,001	225,000	3,141,556
4	225,001	230,000	917,000
4	230,001	235,000	929,375
4	235,001	240,000	948,396
5	240,001	245,000	1,218,046
12	245,001	250,000	2,992,169
6	250,001	255,000	1,514,978
4	255,001	260,000	1,029,625
4	260,001	265,000	1,050,687
1	265,001	270,000	268,750
4	270,001	275,000	1,096,601
4	275,001	280,000	1,110,809
1	280,001	285,000	281,250
1	285,001	290,000	289,000
13	295,001	300,000	3,898,687
5	300,001	305,000	1,516,436
2	305,001	310,000	618,076
2	310,001	315,000	627,951
1	320,001	325,000	325,000
4	330,001	335,000	1,329,168
6	335,001	340,000	2,022,970
2	340,001	345,000	684,125
4	345,001	350,000	1,400,000
3	350,001	355,000	1,060,061
4	355,001	360,000	1,430,008
2	360,001	365,000	723,347
1	365,001	370,000	365,625
1	370,001	375,000	373,174
4	385,001	390,000	1,555,722
2	390,001	395,000	785,900
7	395,001	400,000	2,800,000
2	400,001	405,000	803,749
2	415,001	420,000	832,076
3	420,001	425,000	1,263,262
1	430,001	435,000	432,984
1	435,001	440,000	436,625
2	440,001	445,000	882,525
7	445,001	450,000	3,150,000
2	455,001	460,000	915,459
1	460,001	465,000	463,000
1	470,001	475,000	472,750
1	475,001	480,000	480,000
1	485,001	490,000	488,100
10	495,001	500,000	5,000,000
1	500,001	505,000	503,300

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

Shareholding			
No. of Shareholders	From	To	Total Shares Held
1	510,001	515,000	511,687
1	525,001	530,000	525,500
2	535,001	540,000	1,075,053
2	540,001	545,000	1,085,633
1	545,001	550,000	550,000
2	555,001	560,000	1,113,807
2	560,001	565,000	1,127,435
1	565,001	570,000	565,500
1	570,001	575,000	575,000
1	575,001	580,000	577,641
1	580,001	585,000	581,000
3	585,001	590,000	1,760,344
1	590,001	595,000	594,300
2	595,001	600,000	1,200,000
1	600,001	605,000	600,625
2	605,001	610,000	1,213,020
1	615,001	620,000	620,000
2	620,001	625,000	1,249,195
1	630,001	635,000	631,687
2	635,001	640,000	1,275,721
4	645,001	650,000	2,596,875
1	660,001	665,000	665,000
1	665,001	670,000	667,660
1	670,001	675,000	675,000
2	680,001	685,000	1,363,937
1	685,001	690,000	688,200
6	695,001	700,000	4,199,000
1	720,001	725,000	724,900
1	745,001	750,000	750,000
1	755,001	760,000	760,000
2	760,001	765,000	1,521,750
2	770,001	775,000	1,545,112
1	775,001	780,000	780,000
1	785,001	790,000	789,000
1	790,001	795,000	793,500
3	795,001	800,000	2,400,000
1	815,001	820,000	820,000
2	840,001	845,000	1,680,048
3	850,001	855,000	2,557,700
1	875,001	880,000	878,393
1	890,001	895,000	894,500
2	895,001	900,000	1,795,351
1	900,001	905,000	900,750
1	930,001	935,000	930,300
1	950,001	955,000	954,450
1	955,001	960,000	955,298

	Shareholding		
No. of Shareholders	From	To	Total Shares Held
9	995,001	1,000,000	9,000,000
2	1,010,001	1,015,000	2,025,112
1	1,075,001	1,080,000	1,076,000
2	1,095,001	1,100,000	2,195,247
1	1,105,001	1,110,000	1,107,569
1	1,110,001	1,115,000	1,114,512
2	1,120,001	1,125,000	2,249,725
1	1,180,001	1,185,000	1,181,250
1	1,195,001	1,200,000	1,200,000
1	1,200,001	1,205,000	1,203,750
1	1,250,001	1,255,000	1,250,212
1	1,295,001	1,300,000	1,300,000
1	1,315,001	1,320,000	1,319,500
2	1,395,001	1,400,000	2,799,250
1	1,400,001	1,405,000	1,400,750
1	1,430,001	1,435,000	1,433,350
2	1,495,001	1,500,000	3,000,000
1	1,505,001	1,510,000	1,506,205
1	1,515,001	1,520,000	1,518,750
1	1,535,001	1,540,000	1,538,856
1	1,585,001	1,590,000	1,585,687
2	1,605,001	1,610,000	3,214,137
1	1,620,001	1,625,000	1,623,483
1	1,630,001	1,635,000	1,631,500
1	1,650,001	1,655,000	1,651,375
1	1,670,001	1,675,000	1,672,300
2	1,685,001	1,690,000	3,377,375
2	1,745,001	1,750,000	3,500,000
1	1,750,001	1,755,000	1,754,040
1	1,765,001	1,770,000	1,767,800
1	1,795,001	1,800,000	1,800,000
1	1,815,001	1,820,000	1,820,000
1	1,820,001	1,825,000	1,825,000
1	1,885,001	1,890,000	1,887,000
2	1,995,001	2,000,000	4,000,000
1	2,000,001	2,005,000	2,001,671
1	2,050,001	2,055,000	2,052,167
1	2,280,001	2,285,000	2,282,500
3	2,295,001	2,300,000	6,896,888
1	2,315,001	2,320,000	2,315,403
1	2,465,001	2,470,000	2,466,000
1	2,520,001	2,525,000	2,524,857
1	2,545,001	2,550,000	2,550,000
1	2,570,001	2,575,000	2,573,500
1	2,755,001	2,760,000	2,758,351
1	2,835,001	2,840,000	2,835,632

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

	Shareholding		
No. of Shareholders	From	To	Total Shares Held
1	2,920,001	2,925,000	2,923,817
2	2,995,001	3,000,000	5,997,500
1	3,020,001	3,025,000	3,025,000
1	3,045,001	3,050,000	3,046,000
1	3,151,001	3,156,000	3,155,000
1	3,235,001	3,240,000	3,238,059
1	3,280,001	3,285,000	3,280,022
1	3,400,001	3,405,000	3,404,504
1	3,635,001	3,640,000	3,637,000
1	3,760,001	3,765,000	3,763,502
1	3,815,001	3,820,000	3,817,195
1	4,255,001	4,260,000	4,256,437
1	4,385,001	4,390,000	4,386,654
1	4,530,001	4,535,000	4,533,021
1	4,605,001	4,610,000	4,605,250
1	4,710,001	4,715,000	4,710,919
1	4,715,001	4,720,000	4,717,195
1	4,745,001	4,750,000	4,745,500
1	4,765,001	4,770,000	4,770,000
1	4,970,001	4,975,000	4,975,000
1	4,995,001	5,000,000	5,000,000
1	5,085,001	5,090,000	5,089,489
1	5,465,001	5,470,000	5,465,322
1	5,495,001	5,500,000	5,500,000
1	5,580,001	5,585,000	5,583,188
1	5,675,001	5,680,000	5,679,183
1	5,695,001	5,700,000	5,700,000
1	5,740,001	5,745,000	5,740,629
1	6,005,001	6,010,000	6,009,589
1	6,495,001	6,500,000	6,500,000
1	7,070,001	7,075,000	7,071,935
1	8,200,001	8,205,000	8,204,240
1	8,450,001	8,455,000	8,454,122
2	8,545,001	8,550,000	17,096,315
1	8,970,001	8,975,000	8,973,100
1	9,000,001	9,005,000	9,004,531
1	10,400,001	10,405,000	10,405,000
1	11,010,001	11,015,000	11,013,750
1	13,735,001	13,740,000	13,737,452
1	21,090,001	21,095,000	21,093,750
1	21,730,001	21,735,000	21,733,307
1	24,840,001	24,845,000	24,841,031
1	34,245,001	34,250,000	34,249,145

Shareholding			
No. of Shareholders	From	To	Total Shares Held
1	46,910,001	46,915,000	46,912,995
1	98,535,001	98,540,000	98,538,514
1	105,465,001	105,470,000	105,468,750
1	556,815,001	556,820,000	556,819,936
1	955,340,001	955,345,000	955,341,902
31,773			2,452,847,220

CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	COMMITTEE OF ADMIN. FAUJI FOUNDATION (CDC)	556,819,936	22.7010
2	FAUJI FOUNDATION	955,341,902	38.9483
3	FAUJI OIL TERMINAL & DISTRIBUTION	21,093,750	0.8600
4	FAUJI FERTILIZER COMPANY LTD (CDC)	105,468,750	4.2998
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE ABL OPTIMAL ASSET ALLOCATION FUND (CDC)	27,500	0.0011
2	CDC - TRUSTEE ABL STOCK FUND (CDC)	1,095,247	0.0447
3	CDC - TRUSTEE AKD INDEX TRAKER FUND (CDC)	355,000	0.0145
4	CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND (CDC)	500,000	0.0204
5	CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND (CDC)	5,500,000	0.2242
6	CDC - TRUSTEE AL HABIB STOCK FUND (CDC)	8,204,240	0.3345
7	CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	3,046,000	0.1242
8	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND (CDC)	10,405,000	0.4242
9	CDC - TRUSTEE ALFALH ASSET ALLOCATION FUND (CDC)	200,000	0.0082
10	CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND (CDC)	127,684	0.0052
11	CDC - TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	312,951	0.0128
12	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND (CDC)	82,024	0.0033
13	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND (CDC)	47,700	0.0019
14	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	2,001,671	0.0816
15	CDC - TRUSTEE ALFALAH GHP STOCK FUND (CDC)	432,984	0.0177
16	CDC - TRUSTEE ALFALAH GHP VALUE FUND (CDC)	57,960	0.0024
17	CDC - TRUSTEE ALFALH MTS FUND - MT (CDC)	19,241	0.0008
18	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND (CDC)	3,155,000	0.1286
19	CDC - TRUSTEE APF-EQUITY SUB FUND (CDC)	442,296	0.0180
20	CDC - TRUSTEE APIF - EQUITY SUB FUND (CDC)	724,900	0.0296
21	CDC - TRUSTEE ATLAS ISLAMIC BUILDING MATERIALS FUND (CDC)	772,800	0.0315
22	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND (CDC)	337,800	0.0138
23	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND (CDC)	4,710,919	0.1921
24	CDC - TRUSTEE ATLAS STOCK MARKET FUND (CDC)	7,071,935	0.2883
25	CDC - TRUSTEE AWT ISLAMIC ASSET ALLOCATION FUND (CDC)	79,800	0.0033
26	CDC - TRUSTEE AWT ISLAMIC STOCK FUND (CDC)	2,524,857	0.1029
27	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND (CDC)	34,900	0.0014
28	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND (CDC)	1,754,040	0.0715
29	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND-II (CDC)	639,846	0.0261
30	CDC - TRUSTEE FIAAF-III-FAYSAL SHARIAH FLEX PLAN-I (CDC)	82,400	0.0034
31	CDC - TRUSTEE FIAAF-III-FAYSAL SHARIAH FLEX PLAN-II (CDC)	42,000	0.0017
32	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND (CDC)	20,000	0.0008
33	CDC - TRUSTEE GOLDEN ARROW STOCK FUND (CDC)	100,000	0.0041

Sr. No.	Name	No. of Shares Held	Percentage
34	CDC - TRUSTEE HBL - STOCK FUND (CDC)	760,000	0.0310
35	CDC - TRUSTEE HBL EQUITY FUND (CDC)	463,000	0.0189
36	CDC - TRUSTEE HBL GROWTH FUND (CDC)	699,000	0.0285
37	CDC - TRUSTEE HBL INVESTMENT FUND (CDC)	565,500	0.0231
38	CDC - TRUSTEE HBL IPF EQUITY SUB FUND (CDC)	243,646	0.0099
39	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND (CDC)	205,500	0.0084
40	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND (CDC)	252,000	0.0103
41	CDC - TRUSTEE HBL MULTI - ASSET FUND (CDC)	27,050	0.0011
42	CDC - TRUSTEE HBL PF EQUITY SUB FUND (CDC)	160,000	0.0065
43	CDC - TRUSTEE JS ISLAMIC FUND (CDC)	337,170	0.0137
44	CDC - TRUSTEE JS LARGE CAP. FUND (CDC)	1,672,300	0.0682
45	CDC - TRUSTEE JS MOMENTUM FACTOR EXCHMAGE TRADED FUND (CDC)	1,538,856	0.0627
46	CDC - TRUSTEE KSE MEEZAN INDEX FUND (CDC)	2,758,351	0.1125
47	CDC - TRUSTEE LAKSON EQUITY FUND (CDC)	1,607,440	0.0655
48	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND (CDC)	160,000	0.0065
49	CDC - TRUSTEE LAKSON TACTICAL FUND (CDC)	581,000	0.0237
50	CDC - TRUSTEE LUCKY ISLAMIC STOCK FUND (CDC)	6,009,589	0.2450
51	CDC - TRUSTEE MAHANA ISLAMIC INDEX EXCHANGE TRADED FUND (CDC)	564,431	0.0230
52	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND (CDC)	145,000	0.0059
53	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND (CDC)	5,465,322	0.2228
54	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND (CDC)	238,000	0.0097
55	CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	422,000	0.0172
56	CDC - TRUSTEE MEEZAN CAPITAL PROTECTED FUND III-MCSP-I (CDC)	43,750	0.0018
57	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	8,546,315	0.3484
58	CDC - TRUSTEE NBP BALANCED FUND (CDC)	42,800	0.0017
59	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND (CDC)	93,900	0.0038
60	CDC - TRUSTEE NBP ISLAMIC STOCK FUND (CDC)	2,923,817	0.1192
61	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT (CDC)	16,790	0.0007
62	CDC - TRUSTEE NBP SAVINGS FUND - MT (CDC)	6,484	0.0003
63	CDC - TRUSTEE NBP STOCK FUND (CDC)	4,745,500	0.1935
64	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND (CDC)	90,000	0.0037
65	CDC - TRUSTEE UBL ASSET ALLOCATION FUND (CDC)	650,000	0.0265
66	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND (CDC)	1,606,697	0.0655
67	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND (CDC)	8,550,000	0.3486
68	CDC - TRUSTEE UNIT TRUST OF PAKISTAN (CDC)	954,450	0.0389
69	CDC - TRUSTEE MEEZAN DEDICATED EQUITY FUND (CDC)	135,000	0.0055
70	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND- EQUITY SUB FUND (CDC)	1,631,500	0.0665
71	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND (CDC)	400,000	0.0163
72	CDC-TRUSTEE HBL ISLAMIC STOCK FUND (CDC)	543,500	0.0222
73	MF FSL - TRUSTEE JS GROWTH FUND (CDC)	2,315,403	0.0944
74	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND (CDC)	1,107,589	0.0452
75	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND (CDC)	37,500	0.0015

CATEGORIES OF SHAREHOLDING

AS AT JUNE 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. QAMAR HARIS MANZOOR - CEO/MD (CDC)	10,125	0.0004
2	MAJ GEN IRFAN ARSHAD	-	0.0000
3	LT GEN ANWAR ALI HYDER, HI(M) (RETD)	1	0.0000
4	SYED BAKHTIYAR KAZMI	1	0.0000
5	MS. MALIHA HUMAYUN BANGASH	1	0.0000
6	MRS. SAIRA NASIR	1	0.0000
7	SYED MUHAMMAD IRFAN AQUEEL	1	0.0000
8	MR. KHURSHID ZAFAR QURESHI	1	0.0000
9	MR. MOHAMMAD MAJID MUNIR	1	0.0000
10	MRS. SHIREEN SHAH AQUEEL W/O SYED M. IRFAN AQUEEL (CDC)	11,250	0.0005
Executives:		–	–
Public Sector Companies & Corporations:		–	–
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		90,040,279	3.6708%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	COMMITTEE OF ADMIN. FAUJI FOUNDATION	1,512,161,838	61.6492

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	Name	SALE	PURCHASE
	NIL		

	No. of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	21,382	0.0009%
2	Associated Companies, undertakings and related		
	parties. (Parent Company)	1,638,724,338	66.8091%
3	NIT and ICP	7,554,350	0.3080%
4	Banks Development Financial Institutions, Non		
	Banking Financial Institutions.	48,358,935	1.9715%
5	Insurance Companies	26,828,153	1.0938%
6	Modarabas and Mutual Funds	114,433,970	4.6654%
7	Shareholders holding 10% or more	1,512,161,838	61.6492%
8	General Public		
	a. Local	318,258,053	12.9750%
	b. Foreign	797,937	0.0325%
9	Others (to be specified)		
	– Investment Companies	619,754	0.0253%
	– Joint Stock Companies	209,436,653	8.5385%
	– Pension Funds	14,644,066	0.5970%
	– Foreign Companies	47,992,099	1.9566%
	– Others	25,177,530	1.0265%
10	List of S. Holders Holding => 10% of Total Capital		
	COMMITTEE OF ADMIN. FAUJI FOUNDATION	1,512,161,838	61.6492
		1,512,161,838	61.6492
11	List of S. Holders Holding => 5% of Total Capital		
	COMMITTEE OF ADMIN. FAUJI FOUNDATION	1,512,161,838	61.6492
		1,512,161,838	61.6492

FINANCIAL CALENDAR 2026/2027

The Company's Financial Year Start From 1st July and End at 30th June Each Year. Tentative Schedule for Announcement of Financial Results in 2026/2027 is as under:-

a.	Annual General Meeting	28 September 2026
b.	1st Quarter ending 30 September 2026	27 October 2026
c.	2nd Quarter ending 31 December 2026	Last week of February 2027
d.	3rd Quarter ending 31 March 2027	Last week of April 2027
e.	Annual Accounts year ending 30 June 2027	First week of August 2027

NOTICE OF 34TH ANNUAL GENERAL MEETING

Notice is hereby given that 34th Annual General Meeting (AGM) of the members of Fauji Cement Company Limited (FCCL) will be held at Jacaranda Club, Club Avenue, Sector E, Phase II, P.O 1531, DHA Islamabad on 28th September 2026 (Monday) at 1500 hours to transact the following business: -

ORDINARY BUSINESS

1. To confirm the minutes of 33rd Annual General Meeting held on 30th September 2025.

2. To receive, consider and adopt Annual Audited Financial Statements of the Company together with the Directors' and Auditors' Reports for the year ended 30th June 2026.

3. To appoint Statutory Auditors of the Company and fix their remuneration for the year ending 30th June 2027.

4. To consider and approve payment of final cash dividend @ 15 % i.e Rs 1.50 per share for the year ended 30th June 2026, as recommended by the Board of Directors.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions to approve the alteration/ substitution of the Articles of Association: -

   "RESOLVED THAT various alterations proposed in the Articles of Association of the Company, as detailed in Annexure to the Special Resolution, are and be hereby approved and adopted as a Special Resolution."

   "FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to give effect to the Special Resolution and file necessary documents with the Company Registration Office, Islamabad."

   Note: Statement of Material Facts covering the above mentioned Special Resolution, as required under Section 134(3) of the Companies Act 2017.

OTHER BUSINESS

6. To transact any other business with permission of the Chairman.

By Order of FCCL Board of Directors

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

Rawalpindi
Dated: 07 September 2026

NOTES

1. In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O. 389(I)/2023 dated 21st March 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web-link and QR enabled code: -

https://fccl.com.pk/eng/financial-reports/	

(If any member wishes to have a printed copy of the said financial statements, the member may write to the Company Secretary for sending a printed copy by mail at member's registered address. It will be supplied free of cost within one week of receipt of the request).

2. **Closure of Share Transfer Books.** The Share Transfer Books of the Company will remain closed from 22nd September 2026 to 28th September 2026 (both days inclusive) for the purpose of attending AGM. Transfers received in order at M/s Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore up to the close of business on 21st September 2026 will be treated in time for purpose of the above entitlement and to attend the Annual General Meeting (AGM).

3. A member entitled to attend and vote at this meeting may appoint another member as his/ her proxy to attend the meeting and vote instead of him / her. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.

4. **For CDC Account Holders/ Corporate Entities.** In addition to the above, the following requirements have to be met: -

    a. The proxy form duly completed and signed as per requirement must be deposited at the registered office of the Company i.e. Fauji Towers, Block-III, 68 Tipu Road, Chaklala, Rawalpindi. CNIC numbers shall be mentioned on the form.

    b. Proxy form can be downloaded from the following link on Company's website https://fccl.com.pk/eng/wp-content/uploads/2026/05/Proxy-Form-2026.pdf

    c. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

    d. The proxy holder shall produce his original CNIC or original passport at the time of meeting.

    e. In case of corporate entity, certified copy of the Board of Directors' resolution/power of attorney with specimen signature shall be submitted.

    f. Members are requested to provide copies of their valid CNICs' and also promptly notify any changes in their addresses.

5. **Online Participation in AGM**

    a. To facilitate and ensure wider participation of the members, the Company will also be providing the online platform/ facility to participate in the AGM in the shape of webinar/ webex/ zoom. The members will be able to login and participate in the AGM proceedings through their smartphones or computer devices after completing all the formalities required for the verification and identification of the members. In this regard, members are required to update their valid e-mail addresses with the Share Registrar, latest by 21st September 2026.

    b. The members who have already updated their valid e-mail addresses with the Company or its Share Registrar and are interested to attend AGM electronically, may send their request along with folio number at secretaryoffice@fccl.com.pk. Such request should be sent from their duly registered valid e-mail address for the registration purposes latest by 27th September 2026.

6. **Procedure for E-Voting**

a. In accordance with the Companies (Postal Ballot) Regulations, 2018, the right to vote through electronic voting facility and voting by post shall be provided to members of the Company for all businesses classified as special business under the Companies Act, 2017, in the manner and subject to the conditions contained in the Regulations.

b. Details of the E-Voting facility will be shared through e-mail with those members of the Company who have valid cell numbers / e-mail addresses (Registered e-mail ID) available in the Register of Members of the Company by the close of business on 21st September 2026. Members who intend to exercise their right to vote through E-Voting shall provide their valid cell numbers and e-mail addresses no later than 21st September 2026.

c. Identity of the members intending to cast vote through E-Voting shall be authenticated through electronic signature or authentication for login.

d. Members shall cast their vote online from 24th September 2026 at 9:00 am till 27th September 2026 before 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a member, he/she shall not be allowed to change it subsequently.

7. **Procedure for Voting Through Postal Ballot**

a. **Members may alternatively opt for voting through Postal Ballot.** For the convenience of the members, Ballot Paper is annexed to this Notice and the same is also available for downloading on the Company's website (www.fccl.com.pk).

b. Members must ensure that a duly filled and signed Ballot Paper along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Fauji Towers, Block-III, 68 Tipu Road, Chaklala, Rawalpindi, or through e-mail at secretaryoffice@fccl.com.pk, one day before the Meeting, that is, on 27th September 2026 before 5:00 p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with the signature on the CNIC.

8. **Deduction of Income Tax from Dividend and Exemption from Deduction**

a. The current prescribed rates for the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 from payment of dividend by the companies are as under: -

(1)	For filers of income tax returns	=	15%
(2)	For non-filers of income tax returns	=	30%

b. The income tax is deducted from the payment of dividend according to the Active Tax-Payer List (ATL) provided on the website of FBR. All those shareholders who are filers of income tax returns are therefore advised to ensure that their names are entered into ATL to enable the Company to withhold income tax from payment of cash dividend @ 15% instead of 30%.

c. Further according to Federal Board of Revenue (FBR), withholding tax will be determined separately on "Filer/Non-Filer" status of Principal shareholders as well as joint shareholder(s) based on their shareholding proportions in case of joint accounts held by the shareholders.

d. In this regard all shareholders who hold shares jointly are requested to provide the shareholding proportions of Principal shareholder and joint shareholder(s) in respect of shares held by them to our Share Registrar in writing as follows: -

Form of Joint Shareholding Proportion						
Folio / CDC Account No.	Total Holding	Principal Shareholder		Joint Shareholder(s)		Signatures
		Name of Principal Shareholder and CNIC No	Shareholding Proportion (No. of Shares)	Name of Joint Shareholder(s) and CNIC No.	Shareholding Proportion (No. of Shares)	

e. The joint accounts information must reach our Share Registrar within 10 days of this notice. In case of non-receipt of information, it will be assumed that the shares are equally held by the principal shareholder and the joint holder(s).

f. The shareholders, who want to avail exemption u/s 150 of the Income Tax Ordinance 2001, must provide valid Tax Exemption Certificate to our Share Registrar before commencement of book closure, otherwise tax will be deducted on dividend as per applicable rates.

9. **Consent for Video Conference Facility.** Pursuant to Section 134(1) (b) of the Companies Act. 2017, Members may avail video conference facility for this Annual General Meeting provided the Company received consent from the members holding aggregate 10% or more shareholding at least 7 days prior to the date of meeting. The requisite form for availing the facility is provided at the website of the company at www.fccl.com.pk.

10. **Prohibition of Distribution of Gifts.** In accordance with S.R.O. 452(1)/2025 dated 17 March 2025, issued by SECP, no Gifts, Tokens, Coupons, Lunches, takeaways or packages shall be distributed to shareholders at or in connection with the AGM.

11. **Unclaimed Dividends and Share Certificates**

a. The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the members to claim their unclaimed dividend and undelivered share certificates in accordance with the law.

b. Members, whose dividends and share certificates are still unclaimed/ undelivered, are hereby once again advised to approach the Company to claim their outstanding dividend amounts and/ or undelivered share certificates.

12. **Deposit of Physical Shares into CDC Account.** As per Section 72 of the Companies Act, 2017, every existing listed Company is required to replace its physical shares with book-entry form in a manner as specified by the Commission. The members having physical shareholding are encouraged to open Investor Account directly with CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

13. **Provision of International Banking Account Number (IBAN Detail).** "Under the provisions of Section 242 of the Companies Act, 2017 and SECP's Circular No 421(I) 2018 dated 19th March 2021, listed Company must pay cash dividends directly into shareholders' designated bank accounts. Shareholders are required to provide their International Bank Account Number (IBAN) details as directed by SECP.

14. **Change of Address.** Members are requested to notify any change in their addresses immediately. For any further assistance, the members may contact the Company or the Share Registrar at the following address:-

Registered Office – FCCL	FCCL Registrar
Company Secretary Fauji Cement Company Limited Fauji Towers, Block -III, 68 Tipu Road Chaklala, Rawalpindi, Pakistan Tel: +92-051-9280081- 83 Website: https://www.fccl.com.pk	M/s Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial Model Town Lahore, Pakistan Tel: +92-042-35916714-19, 35839182 Email: corplink786@gmail.com, Website: https://www.corplink.com.pk

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017
ALTERATION IN THE ARTICLES OF ASSOCIATION

As per instructions of Securities and Exchange Commission of Pakistan (SECP), we are required to give effect to various provisions relating to keeping of shares in "book-entry form" with Central Depository Company of Pakistan Limited (CDC).

In the Article 102 of Association, we also need to replace the existing requirement of maintaining SEAL in Article 102 with new requirement of maintaining Company SEAL as per the Companies Act, 2017 [refer Section 203]. Alterations as detailed in the **Annexure**, are proposed to be placed before the members for consideration/ adoption as the same have been approved by the Board of Directors. Following Special Resolution will be placed at the forthcoming general meeting of the Company for adoption by the members, with or without modification.

RESOLVED THAT various alterations proposed in the Articles of Association of the Company, as detailed in Annexure to the Special Resolution, are and be hereby approved and adopted as a Special Resolution.

FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to give effect to the Special Resolution and file necessary documents with the Company Registration Office, Islamabad.

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

ANNEXURE TO SPECIAL RESOLUTION REGARDING PROPOSED ALTERATIONS IN THE ARTICLES OF ASSOCIATION

RESOLVED THAT following new definitions are added in Article 2(1) of the Articles of Association: -

C1. "book-entry security" means a security which is transferable by book-entry in the Central Depository Register.

C2. "CDC Act" means the Central Depositories Act, 1997.

C3. "CDC" means the Central Depository Company of Pakistan Limited.

C4. "Central Depository Register" means a computerized electronic register maintained by CDC with respect to the Book-Entry Securities of the Company.

C5. "CDC Regulations" means the Central Depository Company of Pakistan Limited Regulations, as amended from time to time.

2(s) The Seal is to be redefined as "the Official Seal of the Company".

FURTHER RESOLVED THAT following additional Articles are added after Article 8 of the Articles of Association: -

NEW ARTICLE 8A (I) TO (VII):-

(i) All new shares of the Company will be issued only in the book-entry form and kept with CDC licensed for this purpose by the Commission.

(ii) While issuing shares in the book entry form, the Company shall ensure compliance with the applicable laws/ regulations of the Commission and that of the CDC.

(iii) The Company shall require every member to whom shares are to be issued in book-entry form, to open an investor account with CDC.

(iv) Shares of the Company shall be registered in the name of CDC and credited into the investor account of the respective member, maintained with CDC. Within fifteen (15) days of the allotment or within such time period as required under the CDC Regulations, whichever is earlier, the Company will allot the shares to its members.

(v) Where CDC is named in the Company's Members Register, it shall be deemed not to be member of the Company.

(vi) The title of the shares, being held in book-entry form, entered in the investor account shall vest in the account holder.

(vii) An investment account holder shall be deemed to be member of the Company and shall be entitled to all the rights, powers, and privileges and to be subject to all the liabilities, duties and obligations of a member.

NEW ARTICLE 8B:

In case shares are held jointly by several persons, such shares shall also be registered in the name of CDC and credited in the joint investor account of the members maintained with CDC.

NEW ARTICLE 8C:

The Company shall require all the members to provide their respective investor Account numbers maintained with CDC, for credit and/or transfer of their shares, as the case may be.

FURTHER RESOLVED THAT following new Articles relating to Transfer and Transmission of Shares are added after Article 13 of the Articles of Association:

NEW ARTICLE 13A:

The purchaser of shares, if he/she/or an entity, it does not have an investor/entity account with CDC, shall be required to open such an account with CDC.

NEW ARTICLE 13B:

For transfer of shares from one investor account to another, requirements of the CDC Act and the CDC Regulations shall be complied with.

NEW ARTICLE 13C:

Subject to the provisions of the CDC Act, transfer of book-entry securities from an account to other account shall be made in such manner as prescribed in the CDC Regulations and shall be effected by making of an appropriate entry in the CDC Register of members of the Company.

NEW ARTICLE 13D:

The transfer of book-entry securities in the manner set out in the CDC Act and CDC Regulations shall be a valid and effective transfer of title to the securities represented by the book-entry securities of the Company.

NEW ARTICLE 119:

DISPUTE RESOLUTION THROUGH AMICABLE NEGOTIATION. Without prejudice to the provisions of the Companies Act, 2017 and any other applicable law, the Company, its directors, members, officers, creditors or any other person having a dispute, claim or controversy arising out of or in connection with the affairs, management, business or governance of the Company should, where practicable, endeavour to resolve such dispute through amicable negotiations conducted in good faith before referring the matter to mediation, arbitration or any other legal proceedings.

Nothing contained in this Article shall preclude any party from exercising any statutory right or seeking any remedy available under the Companies Act, 2017, these Articles or any other applicable law where the circumstances so require.
FURTHER RESOLVED THAT the existing Article 119 relating to "Indemnity" be renumbered as Article 123, without any change in its substantive provisions, and a new Article 119 titled "Dispute Resolution Through Amicable Negotiation" be inserted after Article 118 of the Articles of Association.

FURTHER RESOLVED THAT after Article 18, the title "Transmission of Shares is changed to "Nomination and Transmission of Shares".

FURTHER RESOLVED THAT in Article 39, Information to be furnished to the Stock Exchange "30x days" changed to "60x days".

FURTHER RESOLVED THAT Article 40 "The Company shall furnish to the Stock Exchange a complete list of its Members/ Shareholders as at 31 December in each calendar year, duly affirmed to be correct as and up to that date, within thirty (30) days thereof." is omitted.

FURTHER RESOLVED THAT in Article 83 relating to resolution by circulation for the word "all" the word "majority of" shall be substituted.

FURTHER RESOLVED THAT Article 102 of the Articles of Association pertaining to maintenance of official SEAL is to be substituted as follows:

(i) The Company may have an official seal for use outside Pakistan. The official seal shall add on the face of it, the name of every territory where it is to be used.

(ii) The Company may authorize any person appointed for the purpose in any territory not situated in Pakistan to affix the same to any deed or other document to which company is party in that territory. The Authority of any such agent shall, as between the company and any person dealing with the agent, continue during the period, if any, mentioned in the instrument conferring the authority, or if no period is mentioned therein, then until notice of the revocation or termination of the agent's authority has been given to the person dealing with the agent.

(iii) The person affixing any such official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

(iv) A deed or other document to which a seal is duly affixed shall bind the company.

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

BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting of Fauji Cement Company Limited to be held on Monday, September 28, 2026 at 15:00 hours at Jacaranda Club, Club Avenue, Sector E, Phase II, P.O 1531, DHA Islamabad .

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: secretaryoffice@fccl.com.pk

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (√) mark in the appropriate box below (delete as appropriate);

Special Resolution

Agenda Item 5

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions to approve the alteration/ substitution of the Articles of Association: -

> **"RESOLVED THAT** various alterations proposed in the Articles of Association of the Company, as detailed in Annexure to the Special Resolution, are and be hereby approved and adopted as a Special Resolution."
>
> **"FURTHER RESOLVED THAT** the Company Secretary be and is hereby authorized to give effect to the Special Resolution and file necessary documents with the Company Registration Office, Islamabad."

I/We hereby exercise my / our vote in respect of above mentioned special resolutions through postal ballot by conveying my / our assent or dissent to the said resolutions by placing tick (√) mark in the appropriate box below:-

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions
1	Special Resolution as per Agenda # 5 (as given above)			

____
Signature of shareholder(s) / Proxy Holder Signature / Authorized Signatory
(In case of Corporate entity, please affix company stamp)

Place: ______________
Date: ______________

NOTES:

1. Duly filled postal ballot should be sent to Chairman, Fauji Cement Company Limited Fauji Towers, Block -III, 68 Tipu Road Chaklala, Rawalpindi, Pakistan or through email at secretaryoffice@fccl.com.pk
2. Copy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting till 5.00 p.m. 27 September 2026. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

FORM OF PROXY

34th Annual General Meeting – 28th September 2026

I/we ________________ of _____________being a member(s) of Fauji Cement Company Limited, holding ____________ ordinary shares as per Registered Folio No /CDC A/c. No.______ hereby appoint Mr./Mrs./Miss. ________________of (full address)____________________ or failing him / her Mr./Mrs/Miss ______________(address) __________________ (being member of the Company) as my/our Proxy to attend, act and vote for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on 28th September 2026 (Monday) and/ or any adjournment thereof.

Please affix Rupees fifty revenue Stamp

____
Signature of Shareholders
(The signature should agree with the Specimen registered with the Company)

Signed this ________ day of________2026.

Signature of Proxy ____________

1. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   ____
   CNIC/Passport No: ______________________

2. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   ____
   CNIC/Passport No: ______________________

Notes

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as attending, speaking and voting at the meeting, as are available to a member.

2. Proxy shall authenticate his/her identity by showing his / her Computerized National Identity card (CNIC) or original passport and bring folio number (if members) at the time of attending the meeting.

3. In order to be effective, the instructions/proxy forms must be received at the Company's Registered Office address at FCCL Head Office, Fauji Towers, Block–3, 68 Tipu Road, Chaklala, Rawalpindi not later than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signatures names, address and CNIC numbers given on the form.

4. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.

5. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form.

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2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	80
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	78
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	79
2.08	Board's statement on the internal controls including IT controls of the company.	79
2.09	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	81
2.10	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	81
3.	Risk and Opportunities	
3.01	Key risks and opportunities (internal and external), including sustainability-related risks and opportunities, affecting availability, quality and affordability of Capitals.	84-89
3.02	Company's robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	90
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	90
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	84-89
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	91
4.	Sustainability Reporting and Corporate Social Responsibility	
4.01	Disclosure of the role of the Board to address the company's sustainability risks and opportunities, as required under the recent amendments of the SECP 'Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following: a) Disclosures of company specific sustainability-related risks and opportunities (climate-related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated; b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrices designed by the company to demonstrate the performance and progress of the company. c) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored. d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/)	The company has taken transitional relief as per the SECP directive and required disclosures will be published in stipulated time.

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4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability: • Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.; • Environmental initiatives climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green/sustainable project. • Technological innovation use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs; • Information on consumption and management of materials, energy, water, emissions and waste.	114, 115, 122-123 113, 114,115, 120-121, 124 10,18,19, 23, 72, 74 88,114
4.03	a) Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee. b) Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	52, 109, 110 7,110,124
4.04	Board's statement for the adoption of CSR best practices including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	13, 122, 124
4.05	Highlights of the company's performance, policies, initiatives for CSR.	123,124
5	Governance	
5.01	Board composition: a) Leadership structure of those charged with governance; b) Name of independent directors indicating justification for their independence; c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience; d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.; e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	52-53 43-45, 97 97 36-47 95
5.02	A brief description about role of the Chairman and the CEO.	94
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	95
5.04	Chairman's Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company's objectives; b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year'; c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	6-7, 110
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	111
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	110
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	110
5.08	Details of formal orientation courses for directors.	95

5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	110, 130
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	92-141
5.11	Disclosure about related party transactions: a) Approved policy for related party transactions; b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding; c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement; d) Disclosure of director's interest in related party transactions; e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	95-96, 112
5.12	Disclosure of Board's Policy on the following significant matters: a) Risk Management and internal control policies. b) Disclosure of director's interest in significant contracts and arrangements. c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. e) Security clearance of foreign directors. f) Board meetings held outside Pakistan. g) Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Diversity, Equity & Inclusion (DE&I) policy; and • Employee engagement /feedback. h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions. i) Communication with stakeholders. j) Dividend policy. k) Investors' relationship and grievances. l) Employee's health, safety and protection. m)Whistle blowing policy n) anti-harassment policy to safeguard the rights and well-being of employees. o) Safety of records of the company.	100 96 112 97 94 96 115-117 97 96 135 98 96 99 113 99
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5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	111, 130-131
5.15	Disclosure about: a) Shares held by Sponsors / Directors / Executives; b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	97

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5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	132-134
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	97
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as “financially literate” and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee’s overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee’s overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor’s performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor’s objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee’s views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company’s position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	136-137
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee’s activities / matters that are within the scope of the Audit Committee’s responsibilities.	97
5.21	Board disclosure on Company’s use of Enterprise Resource Planning (ERP) software including: a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system; b) Management support in the effective implementation and continuous updation; c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties.	142-143

5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	135
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	108
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6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance; b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	220-225
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b) Explanation of negative change in the performance as compared to last year.	226-229 228
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	230-244
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	245
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6.06	Disclosure of market share of the company and share price sensitivity analysis.	246-247
6.07	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	248
6.08	Statement of Economic value added (EVA) [EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]	239
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7	Business Model	
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8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	141
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	142
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10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	150
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12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	249

DEFINITIONS & GLOSSARY OF TERMS

DEFINITIONS

Profitability Ratios

Measure how effectively FCCL converts revenue from cement sales into earnings, covering metrics such as the Gross Profit Ratio, EBITDA Margin, Net Profit to Sales, Return on Equity and Return on Capital Employed reported in the Key Ratio Analysis.

Liquidity Ratios

Assess the Company's ability to meet its short-term obligations from readily available resources, including the Current Ratio, Quick / Acid-Test Ratio, Cash to Current Liabilities and Cash Flow Coverage Ratio.

Turnover Ratios

Gauge how efficiently FCCL utilizes its assets and working capital to generate sales, including the Total Assets and Fixed Assets Turnover Ratios and the number of days taken to convert inventory, receivables and payables into cash (the operating cycle).

Investment / Market Ratios

Reflect the return earned by and market's view of FCCL shares including Earnings per Share, Price-Earnings Ratio, Price to Book Ratio, Dividend Yield, Dividend Payout Ratio and Break-up Value per Share.

Capital Structure Ratios

Indicate FCCL's long-term financial stability and the balance between debt and equity funding including the Financial Leverage Ratio, Debt to Equity Ratio, Weighted Average Cost of Debt, Net Assets per Share and Interest Cover Ratio.

Non-Financial Ratios

Track operational performance drivers behind FCCL's financial results, such as plant availability, cement production, production and revenue per employee, staff turnover and spares inventory and maintenance cost as a percentage of assets/operating expenses.

Term	Description
ACL	Askari Cement Limited (amalgamated into FCCL)
ACIR	Assistant Commissioner Inland Revenue
ACPL	Attock Cement Pakistan Limited
ADCIR	Additional Deputy Commissioner Inland Revenue
AGM	Annual General Meeting
AR5 / AR6	IPCC Fifth Assessment Report / Sixth Assessment Report (source of Global Warming Potential values used in GHG accounting)
ATIR	Appellate Tribunal Inland Revenue
ATL	Active Taxpayers List
ATP	Advanced Threat Protection
AWT	Army Welfare Trust
BCR	Best Corporate Report
BCSR	Best Corporate and Sustainability Report
BHU	Basic Health Unit
BMR	Balancing, Modernization and Replacement
BOD	Board of Directors
CA	Chartered Accountant
CCG	Code of Corporate Governance
CCP	Competition Commission of Pakistan

Term	Description
CDC	Central Depository Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
CIR (A)	Commissioner Inland Revenue (Appeals)
CNIC	Computerized National Identity Card
CO2	Carbon Dioxide
COO	Chief Operating Officer
CPEC	China-Pakistan Economic Corridor
CSR	Corporate Social Responsibility
Current Ratio	A liquidity ratio that measures a company's ability to pay short-term and long-term obligations by considering the current total assets of a company relative to that company's current total liabilities.
DCIR	Deputy Commissioner Inland Revenue
DEI	Diversity, Equity and Inclusion
DG Khan	Dera Ghazi Khan (site of FCCL's Greenfield manufacturing plant)
DHA	Defence Housing Authority
DPS	Dividend Per Share
DR	Disaster Recovery (site)
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ECL	Expected Credit Loss
EFP	Employers' Federation of Pakistan
EMS	Environmental Management System
EnMS	Energy Management System
EOBI	Employees' Old-Age Benefits Institution
EOGM	Extra-Ordinary General Meeting
EPA	Environmental Protection Agency
EPC	Engineering, Procurement and Construction
EPP	Endpoint Protection Platform
EPS	Earnings Per Share
EPTP	El Paso Technology Pakistan Limited (Operations and Maintenance Contractor for HCPC)
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
EVA	Economic Value Added
FBR	Federal Board of Revenue
FCA	Fellow Chartered Accountant
FCCL	Fauji Cement Company Limited
FED	Federal Excise Duty
FFBL	Fauji Fertilizer Bin Qasim Limited; an associated company within the Fauji Group
FTTI	Fauji Technical Training Institute

DEFINITIONS & GLOSSARY OF TERMS

Term	Description
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value through Profit or Loss
FY	Financial Year
GDP	Gross Domestic Product
Gearing	The level of a company's debt related to its equity capital. It is a measure of a company's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.
GHG	Green House Gas(es)
Going Concern Assumption	An accounting assumption that an entity will remain in business for the foreseeable future.
GP	Gross Profit
GRI	Global Reporting Initiative
GWP	Global Warming Potential
HA	High Availability (server/system configuration)
HAZID	Hazard Identification
HCPC	Habibullah Coastal Power Company
HI (M)	Hilal-e-Imtiaz (Military)
HOD	Head of Department
HR&R	Human Resource and Remuneration (Committee)
HSE	Health, Safety and Environment
IASB	International Accounting Standards Board
IBAN	International Bank Account Number
ICAP	Institute of Chartered Accountants of Pakistan
ICSP	Institute of Corporate Secretaries of Pakistan
IFAC	International Federation of Accountants
IFC	International Finance Corporation
IFRIC	IFRS Interpretations Committee (Interpretation)
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IMF	International Monetary Fund
IMS	Integrated Management System
Interest Cover	A financial ratio that measures a company's ability to make interest payments on its debt in a timely manner.
IPCC	Intergovernmental Panel on Climate Change
IPS	Intrusion Prevention System
ISO	International Organization for Standardization
JB	Jhang Bahtar (site of FCCL's manufacturing plant)
KAPCO	Kot Addu Power Company Limited
KIBOR	Karachi Inter-Bank Offer Rate, periodically announced by the State Bank of Pakistan
KPI	Key Performance Indicator
KPK	Khyber Pakhtunkhwa
LAC	Low Alkali Cement
LHC	Low Heat of Hydration Cement

Term	Description
LTFF	Long Term Financing Facility (State Bank of Pakistan scheme)
LUMS	Lahore University of Management Sciences
Management Letter	Letter written by auditors to directors of the Company, communicating material issues, concerns and suggestions noted during the audit.
MBA	Master of Business Administration
MD	Managing Director
MIS	Management Information System
ML	Megaliter
MT	Metric Ton
MW	Mega Watt
NAPHDA	Naya Pakistan Housing and Development Authority
NDU	National Defence University
NED University	NED University of Engineering & Technology, Karachi
NEQS	National Environmental Quality Standards
Net Worth	The amount by which assets exceed liabilities (Equity).
NFEHS	National Forum for Environment & Health (Annual CSR Summit)
NOPAT	Net Operating Profit After Tax
NUMS	National University of Medical Sciences
NUST	National University of Sciences and Technology
NUTECH	National University of Technology
NZP	Nizampur (site of FCCL's manufacturing plant)
OCI	Other Comprehensive Income
OHS	Occupational Health and Safety
OHSMS	Occupational Health & Safety Management System
OPC	Ordinary Portland Cement
PACRA	Pakistan Credit Rating Agency
PAT	Profit After Tax
PBT	Profit Before Tax
PCC	Portland Composite Cement (Green Cement)
PEQS	Provincial Environmental Quality Standards
PESSI	Punjab Employees Social Security Institution
PICG	Pakistan Institute of Corporate Governance
PKR	Pakistan Rupee
PP	Polypropylene (Bags)
PPE	Personal Protective Equipment
PRD	Production (Server)
PS	Pakistan Standards
PSDP	Public Sector Development Programme
PSI	Pounds per Square Inch
PSQCA	Pakistan Standards and Quality Control Authority
PSX	Pakistan Stock Exchange
PTA	Purified Terephthalic Acid
QMS	Quality Management System

DEFINITIONS & GLOSSARY OF TERMS

Term	Description
R&D	Research and Development
RO	Reverse Osmosis
ROE	Return On Equity — measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested
RPA	Robotic Process Automation
SAP	Enterprise resource planning software developed by SAP SE, used by FCCL to manage business, operations and reporting (SAP S/4HANA)
SASB	Sustainability Accounting Standards Board
SBP	State Bank of Pakistan
SCM	Supplementary Cementitious Material
SDG	Sustainable Development Goal
SECP	Securities & Exchange Commission of Pakistan
SFA	Singapore FinTech Association
SGS	Société Générale de Surveillance (independent testing, inspection and certification company)
SI (M)	Sitara-e-Imtiaz (Military)
SIF	Serious Injury and Fatality (prevention program)
SIFC	Special Investment Facilitation Council
SME	Small and Medium Enterprise
SMEFD	Small and Medium Enterprises Finance Department (State Bank of Pakistan)
SOP	Standard Operating Procedure
SRC	Sulphate Resistant Cement
SWOT	Strengths, Weaknesses, Opportunities and Threats
TERF	Temporary Economic Refinance Facility (State Bank of Pakistan scheme)
TEVTA	Technical Education and Vocational Training Authority
TPA	Tons Per Annum
TPD	Tons Per Day
TRIFR	Total Recordable Injury Frequency Rate
TSR	Thermal Substitution Rate
TUSDEC	Technology Upgradation and Skill Development Company
UBO	Ultimate Beneficial Owner
UDIN	Unique Document Identification Number
UNCTAD	United Nations Conference on Trade and Development
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
VIS	VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company Limited)
WACC	Weighted Average Cost of Capital
WAN	Wide Area Network
WHR	Waste Heat Recovery
WHRP	Waste Heat Recovery Power (Plant)
WPPF	Workers' Profit Participation Fund
WWF	Workers' Welfare Fund
YOY	Year on Year

بیلٹ پیپر
برائے ووٹنگ بذریعہ ڈاک

بیلٹ پیپر فوجی سیمنٹ کمپنی لمیٹڈ کے سالانہ جنرل اجلاس میں خصوصی قرارداد کے سلسلے میں ووٹ ڈالنے کے لیے ہے جو بروز ... 25 ستمبر 2026 کو سہ پہر 3:00 بجے (پاکستانی معیاری وقت) بمقام [illegible] E-II پوسٹ آفس 1531، [illegible] اسلام آباد میں منعقد ہوگا۔

پُر شدہ اور مکمل بیلٹ پیپر چیئرمین کے مقرر کردہ ای میل پتے secretaryoffice@fccl.com.pk پر بھیجا جا سکتا ہے۔

شیئر ہولڈر/مشترکہ شیئر ہولڈرز کا نام	
رجسٹرڈ پتہ	
فولیو نمبر/CDC شرکاء کا ID اور ذیلی اکاؤنٹ نمبر رکھے گئے حصص کی تعداد	
CNIC/NICOP/پاسپورٹ نمبر (غیر ملکی کی صورت میں) (نقل منسلک کی جائے)	
اضافی معلومات اور منسلکات (باڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)	
مجاز دستخط کنندہ کا نام	
مجاز دستخط کنندہ کا CNIC/NICOP/پاسپورٹ نمبر (غیر ملکی کی صورت میں) ساتھ (نقل منسلک کی جائے)	

میں/ہم ذیل میں دی گئی قرارداد کے سلسلے میں بذریعہ پوسٹل بیلٹ اپنا ووٹ استعمال کرتے ہوئے مناسب خانے میں (✓) نشان لگا کر اپنی منظوری یا عدم منظوری ظاہر کرتا ہوں/کرتے ہیں (جو قابل اطلاق نہ ہو اسے حذف کر دیں)۔

خصوصی قرارداد

ایجنڈا آئٹم 5

کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم کی منظوری کے لیے درج ذیل قراردادوں پر غور کرنا اور اگر مناسب سمجھا جائے تو انہیں ترمیم کے ساتھ یا بغیر ترمیم کے خصوصی قراردادوں کے طور پر منظور کرنا۔

"یہ قرار پایا ہے کہ کمپنی کے Articles of Association میں مجوزہ ترامیم، جو خصوصی قرارداد کے ضمیمہ میں تفصیل سے بیان کی گئی ہیں، کو بطور خصوصی قرارداد منظور اور اختیار کیا جاتا ہے۔"

"مزید یہ قرار دیا جاتا ہے کہ کمپنی سیکرٹری کو اس خصوصی قرارداد پر عمل درآمد کرنے اور ضروری دستاویزات کمپنی رجسٹریشن آفس، اسلام آباد میں جمع کرانے کے لیے مجاز کیا جاتا ہے۔"

میں/ہم مذکورہ بالا خصوصی قرارداد کے سلسلے میں بذریعہ پوسٹل بیلٹ اپنا ووٹ استعمال کرتے ہوئے مناسب خانے میں (✓) نشان لگا کر اپنی منظوری یا عدم منظوری ظاہر کرتا ہوں/کرتے ہیں۔

نمبر شمار	قرارداد کی نوعیت اور تفصیل	ووٹ کے لیے حصص کی تعداد	میں قرارداد سے متفق ہوں (حق میں)	میں قرارداد سے اختلاف کرتا ہوں (خلاف میں)
1	ایجنڈا نمبر 5 کے مطابق خصوصی قرارداد (جیسا کہ اوپر بیان کیا گیا ہے)			

شیئر ہولڈر/پراکسی ہولڈر/مجاز دستخط کنندہ کے دستخط
(کارپوریٹ ادارے کی صورت میں کمپنی کی مہر ضرور لگائیں)

مقام: ____________

تاریخ: ____________

نوٹس:

1. مکمل طور پر پُر کیا گیا پوسٹل بیلٹ پیپر چیئرمین، فوجی سیمنٹ کمپنی لمیٹڈ، فوجی ٹاور، بلاک III، 68-II ... چکلالہ، راولپنڈی، پاکستان کو بھیجا جائے یا secretaryoffice@fccl.com.pk پر ای میل کیا جائے۔
2. CNIC/NICOP/پاسپورٹ نمبر (غیر ملکی کی صورت میں) کی نقل پوسٹل بیلٹ فارم کے ساتھ منسلک کی جائے۔
3. پوسٹل بیلٹ فارم اجلاس کے چیئرمین کو 27 ستمبر 2026 شام 5:00 بجے تک پہنچ جانا چاہیے۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لیے قابل قبول نہیں ہوگا۔
4. پوسٹل بیلٹ پر دستخط CNIC/NICOP/پاسپورٹ (غیر ملکی کی صورت میں) پر موجود دستخط سے مطابقت رکھنے چاہئیں۔
5. نامکمل، بغیر دستخط، غلط، خراب، پھٹا ہوا، مسخ شدہ یا دوبارہ استعمال کیا گیا بیلٹ پیپر مسترد کر دیا جائے گا۔

پراکسی فارم

34واں سالانہ اجلاس عام ـ 28 ستمبر 2026

میں/ہم ــــــــــــــ بحیثیت فوجی سیمنٹ کمپنی لمیٹڈ کے رکن (اراکین) ــــــــــــــ عام حصص بمطابق رجسٹرڈ فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر ــــــــــــــ اپنی جانب سے محترم/محترمہ ــــــــــــــــــــ کو مقرر کرتا/کرتی ہوں۔ ان کا مکمل پتہ ــــــــــــ اور ان کی عدم موجودگی میں محترم/محترمہ ــــــــــــــ کا تقرر کرتا/کرتی ہوں۔ ان کا مکمل پتہ ــــــــــ رجسٹرڈ فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے) ــــــــــــ کو اپنی/ہماری عدم موجودگی میں کمپنی کے 28 ستمبر 2026 بروز پیر ہونے والے سالانہ اجلاس عام میں شرکت کرنے، حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا پراکسی مقرر کرتا ہوں/کرتے ہیں۔

پچاس روپے مالیت کے ریونیو ٹکٹ	ــــــــــــــ دستخط شیئر ہولڈر دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مطابقت ہونا لازمی ہے

آج بروز ــــــــ بتاریخ ــــــــ 2026 کو دستخط کئے گئے

ــــــــــــــ
دستخط پراکسی

گواہان:۔

گواہ نمبر ۔1	گواہ نمبر ۔2
دستخط ــــــــــــــــ	دستخط ــــــــــــــــ
نام ــــــــــــــــ	نام ــــــــــــــــ
پتہ ــــــــــــــــ	پتہ ــــــــــــــــ
شناختی کارڈ / پاسپورٹ نمبر ــــــــــــ	شناختی کارڈ / پاسپورٹ نمبر ــــــــــــ

اطلاع

۱۔ ایک رکن جو اجلاس میں حاضر ہونے اور ووٹ ڈالنے کا اہل ہے اپنی جگہ کسی اور شیئر ہولڈر کو اپنے نمائندے کے طور پر مقرر کرسکتا ہے جو ایسے حقوق جیسے حاضر ہونے، بات کرنے اور اجلاس میں ووٹ ڈالنے کیلئے اہل ہوجائیگا/رگی جیسے حقوق ایک رکن کو دستیاب ہیں۔

۲۔ نمائندہ اجلاس میں حاضری کے وقت اپنی شناخت کا ثبوت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر ظاہر کرے گا/رگی اور فولیو نمبرز (اگر ممبر ہے) بھی ہمراہ لائے گا/رگی۔

۳۔ پراکسی فارم موثر ہونے کی غرض سے فوجی سیمنٹ کمپنی لمیٹڈ، ہیڈ آفس، فوجی ٹاورز، بلاک۔ ۹۸،۳ ٹیپو روڈ، چکلالہ، راولپنڈی، پاکستان پر اچھی طرح دستخط اور مہر اور دو اشخاص کی گواہی مع ان کے دستخط، نام، پتہ اور شناختی کارڈ نمبر جو فارم پر دیا گیا ہے۔ اجلاس کے انعقاد سے زیادہ سے زیادہ 48 گھنٹے قبل موصول ہونا لازمی ہے۔

۴۔ اگر معاملہ افراد کا ہے۔ تو مستفید ہونے والے افراد کے تصدیق شدہ اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ہمراہ بھیجنے ہوں گے۔

۵۔ کارپوریٹ ادارے کی صورت بورڈ آف ڈائریکٹرز کی قرارداد/ اختیار نامہ مع نمونہ دستخط پراکسی (Proxy) فارم کے ساتھ کمپنی کو پیش کیا جائے گا۔

نئی دفعہ 13D

CDC ایکٹ اور CDC ضوابط میں مقرر کردہ طریقے کے مطابق بک انٹری سیکیورٹیز کی منتقلی، کمپنی کی بک انٹری سیکیورٹیز میں ظاہر ہونے والی ملکیت کے حق کی مؤثر اور قانونی منتقلی تصور کی جائے گی۔

نئی دفعہ 119

باہمی رضامندی سے گفت و شنید کے ذریعے تنازعات کا حل۔ کمپنیز ایکٹ 2017 اور کسی بھی دیگر قابلِ اطلاق قانون کی دفعات کو متاثر کیے بغیر، کمپنی، اس کے ڈائریکٹرز، ممبران، عہدے داران، قرض خواہوں یا کسی بھی دوسرے شخص کے درمیان کمپنی کے معاملات، انتظام، کاروبار یا گورننس سے پیدا ہونے والے یا ان سے متعلق کسی بھی تنازع، دعوے یا اختلاف کی صورت میں، جہاں ممکن ہو فریقین نیک نیتی کے ساتھ باہمی رضامندی سے گفت و شنید کے ذریعے تنازع حل کرنے کی کوشش کریں گے، اس سے پہلے کہ معاملہ ثالثی، مصالحت یا کسی دیگر قانونی کارروائی کے لیے پیش کیا جائے۔

اس دفعہ میں موجود کوئی امر کسی فریق کو کمپنیز ایکٹ 2017، کمپنی کے آئین کی دفعات یا کسی دیگر قابلِ اطلاق قانون کے تحت حاصل کسی قانونی حق کو استعمال کرنے یا دستیاب قانونی چارہ جوئی اختیار کرنے سے، اگر حالات اس کے متقاضی ہوں، نہیں روکے گا۔

مزید قرار پایا کہ کمپنی کے آئین میں اس کی موجودہ دفعہ 119 جو "ضمانتِ تلافی" (Indemnity) سے متعلق ہے، اس کی بنیادی دفعات میں کسی تبدیلی کے بغیر، اسے دفعہ 123 کے طور پر نیا نمبر دیا جائے، اور "باہمی رضامندی سے گفت و شنید کے ذریعے تنازعات کا حل" کے عنوان سے نئی دفعہ 119، دفعہ 118 کے بعد شامل کی جائے گی۔

مزید قرار پایا کہ دفعہ 18 کے بعد موجود عنوان "حصص کا انتقال" (Transmission of Shares) تبدیل کرکے "حصص کی نامزدگی اور انتقال" (Nomination and Transmission of Shares) کر دیا جائے۔

مزید قرار پایا کہ دفعہ 39 میں اسٹاک ایکسچینج کو معلومات فراہم کرنے کی مدت "30 دن" سے تبدیل کرکے "60 دن" کر دی جائے۔

مزید قرار پایا کہ دفعہ 40 جس کے تحت "کمپنی پر لازم ہے کہ کیلنڈر کے ہر سال کی 31 دسمبر کو اپنے ممبران / حصص داران کی مکمل فہرست، اس تاریخ تک اس کے درست ہونے کی تصدیق کے ساتھ، 30 دن کے اندر اسٹاک ایکسچینج کو فراہم کرے گی" حذف کر دیا جائے۔

مزید قرار پایا کہ دفعہ 83 میں، جو سرکولیشن کے ذریعے قرارداد کی منظوری سے متعلق ہے، لفظ "تمام" (all) کی جگہ "اکثریت" (majority of) کا لفظ شامل کیا جائے۔ بورڈ کے لیے تیار کیے جانے والے ورکنگ پیپر میں بھی اس ترمیم پر عمل درآمد ہوگا۔

مزید قرار پایا کہ کمپنی کے آئین کی دفعہ 102 میں دفتری مہر (Official Seal) کے استعمال اور تحویل سے متعلق موجودہ عبارت کو درج ذیل عبارت سے تبدیل کیا جائے:

(i) کمپنی پاکستان سے باہر استعمال کے لیے ایک دفتری مہر رکھ سکتی ہے۔ اس دفتری مہر پر اس علاقے کا نام درج ہوگا جہاں اسے استعمال کیا جاتا ہو۔

(ii) کمپنی پاکستان سے باہر واقع کسی بھی علاقے میں اس مقصد کے لیے مقرر کردہ کسی شخص کو اختیار دے سکتی ہے کہ وہ اس دفتری مہر کو کسی ایسی قانونی تحریر یا دیگر دستاویز پر ثبت کرے جس میں کمپنی اس علاقے میں فریق ہو۔ ایسے مجاز نمائندے کا اختیار کمپنی اور اس نمائندے سے معاملہ کرنے والے کسی بھی شخص کے درمیان اس مدت تک برقرار رہے گا جو اختیار دینے والی دستاویز میں درج ہو، اور اگر کوئی مدت درج نہ ہو تو اس وقت تک برقرار رہے گا جب تک نمائندے کے اختیار کی منسوخی یا اختتام کا نوٹس اس سے معاملہ کرنے والے شخص کو نہ دے دیا جائے۔

(iii) ایسی دفتری مہر استعمال کرنے والا شخص اپنے دستخط سے اس قانونی تحریر یا دیگر دستاویز پر، جس پر مہر ثبت کی گئی ہو، مہر ثبت کرنے کی تاریخ اور مقام کی تصدیق کرے گا۔

(iv) جس قانونی تحریر یا دیگر دستاویز پر باقاعدہ طور پر مہر ثبت کی گئی ہو، کمپنی کے لیے اس پر عمل درآمد اور اس کا اطلاق لازم ہوگا۔

بریگیڈیئر محمد آصف نوید عباسی، ستارۂ امتیاز (ملٹری)، (ریٹائرڈ)

کمپنی سیکریٹری

C2۔ ''CDC ایکٹ'' سے مراد سینٹرل ڈپازٹری ایکٹ، 1997 ہے۔

C3۔ ''CDC'' سے مراد سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ ہے۔

C4۔ ''سینٹرل ڈپازٹری رجسٹر'' سے مراد کمپنی کی بُک انٹری سیکیورٹیز کے حوالے سے CDC کے زیر انتظام کمپیوٹرائزڈ الیکٹرانک رجسٹر ہے۔

C5۔ ''CDC ضوابط'' سے مراد سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے ضوابط ہیں مع ان ترامیم کے جو وقتاً فوقتاً کی جائیں۔

2(s) ممبر کی تعریف بدل کر سے ''کمپنی کی دفتری ممبر'' کر دیا جائے۔

مزید قرار پایا کہ کمپنی کے آئین کی دفعہ 8 کے بعد درج ذیل نئی دفعات شامل کی جائیں:

نئی دفعات 8A(i) تا 8A(vii)

(i) کمپنی کے تمام نئے حصص صرف بُک انٹری کی شکل میں جاری کیے جائیں گے اور انہیں CDC کے پاس رکھا جائے گا جو کمیشن کی جانب سے اس مقصد کے لیے لائسنس یافتہ ہے۔

(ii) بُک انٹری کی شکل میں حصص جاری کرتے وقت کمپنی اس امر کو یقینی بنائے گی کہ کمیشن اور CDC کے قابلِ اطلاق قوانین و ضوابط کی پابندی کی جائے۔

(iii) کمپنی اپنے ہر اس ممبر سے جسے بُک انٹری کی شکل میں حصص جاری کیے جاتے ہوں، یہ تقاضا کرے گی کہ وہ CDC کے ساتھ اپنا سرمایہ کار اکاؤنٹ کھولے۔

(iv) کمپنی کے حصص CDC کے نام پر رجسٹر کیے جائیں گے اور متعلقہ ممبر کے CDC کے ساتھ کھولے گئے سرمایہ کار اکاؤنٹ میں جمع کروا دیے جائیں گے۔ حصص کی الاٹمنٹ کے 15 دن کے اندر یا CDC کے ضوابط کے تحت مقررہ مدت کے اندر، ان میں سے جو بھی پہلے ہو، کمپنی اپنے ممبران کو حصص الاٹ کرے گی۔

(v) جہاں کمپنی کے ممبران کے رجسٹر میں CDC کا نام درج ہو وہاں CDC کو کمپنی کا ممبر تصور نہیں کیا جائے گا۔

(vi) بُک انٹری کی شکل میں رکھے گئے حصص کی ملکیت، جو سرمایہ کار اکاؤنٹ میں درج ہو، اس اکاؤنٹ کے حامل شخص کو حاصل ہوگی۔

(vii) سرمایہ کار اکاؤنٹ رکھنے والے شخص کو کمپنی کا ممبر تصور کیا جائے گا اور اسے ممبر کے تمام حقوق، اختیارات اور مراعات حاصل ہوں گی جبکہ وہ ممبر کی تمام ذمہ داریوں، فرائض اور واجبات کا بھی پابند ہوگا۔

نئی دفعہ 8B

اگر حصص متعدد افراد کی مشترکہ ملکیت میں ہوں تو ایسے حصص بھی CDC کے نام پر رجسٹر کیے جائیں گے اور CDC کے ساتھ موجود ممبران کے مشترکہ سرمایہ کار اکاؤنٹ (joint investor account) میں جمع کیے جائیں گے۔

نئی دفعہ 8C

کمپنی تمام ممبران سے ان کے CDC کے ساتھ موجود متعلقہ سرمایہ کار اکاؤنٹ نمبر فراہم کرنے کا تقاضا کرے گی تاکہ حسب ضرورت ان کے حصص ان اکاؤنٹس میں جمع یا منتقل کیے جا سکیں۔

مزید قرار پایا کہ کمپنی کے آئین کی دفعہ 13 کے بعد حصص کی منتقلی اور انتقالِ ملکیت سے متعلق درج ذیل نئی دفعات شامل کی جائیں

نئی دفعہ 13A

حصص کا خریدار، خواہ وہ فرد ہو یا کوئی ادارہ، اگر CDC میں سرمایہ کار/ادارہ جاتی اکاؤنٹ نہیں رکھتا تو اسے CDC میں ایسا اکاؤنٹ کھولنا ہوگا۔

نئی دفعہ 13B

ایک سرمایہ کار اکاؤنٹ سے دوسرے سرمایہ کار اکاؤنٹ میں حصص کی منتقلی کے لیے CDC ایکٹ اور CDC ضوابط کے تقاضوں کی پابندی کی جائے گی۔

نئی دفعہ 13C

CDC ایکٹ کی دفعات کے تحت، بُک انٹری سیکیورٹیز کو ایک اکاؤنٹ سے دوسرے اکاؤنٹ میں CDC ضوابط میں مقرر کیے گئے طریقے کے مطابق منتقل کیا جائے گا اور یہ منتقلی کمپنی کے ممبران کے CDC رجسٹر میں مناسب اندراج کے ذریعے عمل میں لائی جائے گی۔

13۔ انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN) کی تفصیلات کی فراہمی

کمپنیز ایکٹ، 2017 کے سیکشن 242 اور SECP کے سرکلر نمبر 2018(I)421 مورخہ 19 مارچ 2021 کے تحت، کسی لسٹڈ کمپنی کے لیے یہ لازم ہے کہ اپنے شراکت داروں کو نقد منافع جات کی ادائیگی صرف شراکت دار کے مجاز بینک اکاؤنٹ میں براہ راست کرے۔ حصص داران سے گزارش ہے کہ SECP کی ہدایات کے مطابق اپنے انٹرنیشنل بینک اکاؤنٹ (IBAN) کی تفصیلات فراہم کریں۔

14۔ پتے کی تبدیلی:

ممبران سے گزارش ہے کہ ان کے پتے میں کسی طرح کی تبدیلی کی صورت میں فوری طور پر آگاہ کریں۔ مزید معاونت کے حصول کے لیے ممبران کمپنی یا شیئر رجسٹرار سے درج ذیل پتوں پر رابطہ کر سکتے ہیں:

FCCL سے رابطہ	رجسٹرار
کمپنی سیکرٹری فوجی سیمنٹ کمپنی لمیٹڈ فوجی ٹاورز، بلاک III-68، ٹیپو روڈ، چکلالہ، راولپنڈی، پاکستان۔ ٹیلی فون: 83-9280081-051-92+ ویب سائٹ: http://www.fccl.com.pk	میسرز کارپلنک (پرائیویٹ) لمیٹڈ ونگز آرکیڈ، 1-K، کمرشل ماڈل ٹاؤن، لاہور، پاکستان۔ فون: 35916714-19-042-92+، 35839182-042-92 ای میل: corplink786@gmail.com ویب سائٹ: http://www.corplink.com.pk

کمپنیز ایکٹ، 2017 کی دفعہ (3)134 کے تحت اہم حقائق پر مبنی بیان

آئین میں ترمیم

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی ہدایات کے مطابق، ادارے کے لیے لازم ہے کہ سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) کے پاس حصص کو "بک انٹری" کی شکل میں رکھنے سے متعلق مختلف دفعات کو مؤثر بنایا جائے۔

ادارے کے لیے یہ بھی لازم ہے کہ کمپنی کے آئین کی دفعہ 102 میں کمپنی کی مہر کے استعمال اور تحویل سے متعلق موجودہ شرائط کو کمپنیز ایکٹ، 2017 (شق 203 ملاحظہ ہو) کے مطابق مہر کے استعمال اور تحویل کی نئی شرائط سے تبدیل کیا جائے۔ یہ ترامیم، جیسا کہ ضمیمہ میں مفصل طور پر بیان کی گئی ہیں، ممبران کے سامنے غور اور منظوری کے لیے پیش کی جاتی ہیں کیونکہ بورڈ آف ڈائریکٹرز ان کی منظوری دے چکا ہے۔ کمپنی کے آئندہ منعقد ہونے والے اجلاس عام میں درج ذیل خصوصی قرارداد ترمیم کے ساتھ یا بلا ترمیم ممبران کی منظوری کے لیے پیش کی جائے گی۔

"قرار پایا کہ کمپنی کے آئین میں تجویز کردہ مختلف ترامیم کو، جن کی تفصیل خصوصی قرارداد کے ضمیمے میں درج ہے، بطور خصوصی قرارداد منظور اور اختیار کیا جاتا ہے۔"

"مزید قرار پایا کہ کمپنی کے سیکرٹری کو اس خصوصی قرارداد پر عمل درآمد کرنے اور ضروری دستاویزات کمپنی کے رجسٹریشن آفس، اسلام آباد میں جمع کرانے کے لیے مجاز قرار دیا جاتا ہے۔"

بریگیڈیئر کاشف فرید عباسی، ستارۂ امتیاز (ملٹری)، ریٹائرڈ
کمپنی سیکرٹری

کمپنی کے آئین میں مجوزہ ترامیم کی خصوصی قرارداد سے متعلق ضمیمہ

قرار پایا کہ کمپنی کے آئین کی دفعہ (1)2 میں درج ذیل نئی تعریفات شامل کی جائیں:

C1۔ "بک انٹری سیکیورٹی" سے مراد ایسی سیکیورٹی ہے جو سینٹرل ڈپازٹری رجسٹر میں بک انٹری کے ذریعے قابل انتقال ہو۔

ج۔ مزید برآں، فیڈرل بورڈ آف ریونیو (FBR) کی ہدایات کے مطابق بنیادی حصص داران (Principal shareholders) اور مشترکہ حصص داران (Joint shareholders) پر، اگر وہ جوائنٹ اکاؤنٹ رکھتے ہیں، ان کے حصص کے تناسب سے ان کے 'فائلر / نان فائلر' ہونے کی حیثیت سے الگ الگ حساب سے ٹیکس لاگو ہوگا۔

د۔ اس ضمن میں ایسے تمام حصص داران جو مشترکہ حصص رکھتے ہیں، ان سے گزارش ہے کہ اپنے بنیادی حصص داران اور مشترکہ حصص داران کے تناسب (proportions) سے ہمارے شیئر رجسٹرار کو درج ذیل فارمیٹ کے مطابق تحریری طور پر آگاہ کریں:

مشترکہ حصص کے تناسب کا فارم

فولیو / CDC اکاؤنٹ نمبر	شیئرز کی کل تعداد	بنیادی (Principal) شیئر ہولڈر		مشترکہ (Joint) شیئر ہولڈر		دستخط
		بنیادی شیئر ہولڈر کا نام اور شناختی کارڈ نمبر	حصص کا تناسب (حصص کی تعداد)	مشترکہ شیئر ہولڈر کا نام اور شناختی کارڈ نمبر	حصص کا تناسب (حصص کی تعداد)	

ہ۔ مشترکہ اکاؤنٹس کی معلومات ہمارے شیئر رجسٹرار کو اس نوٹس کی اشاعت کے دس دن کے اندر لازماً موصول ہو جانی چاہئیں۔ معلومات کی عدم موصولی کی صورت میں یہ سمجھا جائے گا کہ بنیادی شیئر ہولڈر اور مشترکہ شیئر ہولڈر کے حصص کا تناسب مساوی ہے۔

و۔ ایسے حصص داران جو انکم ٹیکس آرڈیننس، 2001 کی دفعہ 150 کے تحت استثنیٰ حاصل کرنا چاہتے ہیں، لازماً ٹیکس سے استثنیٰ کا اپ ٹو ڈیٹ سرٹیفکیٹ ہمارے شیئر رجسٹرار کو شیئرز کے کھاتے بند ہونے کی تاریخ سے قبل فراہم کریں، بصورت دیگر حصے (dividend) کی ادائیگی پر حسب قابل اطلاق شرح کے مطابق ٹیکس کاٹا جائے گا۔

9۔ ویڈیو کانفرنس کی سہولت کی رضامندی

کمپنیز ایکٹ، 2017 کی دفعہ 134(1)(b) کی رو سے ممبران اس سالانہ اجلاس عام کے لیے ویڈیو کانفرنس کی سہولت سے بھی فائدہ اٹھا سکتے ہیں بشرطیکہ کمپنی کو مجموعی طور پر 10 فیصد یا اس سے زیادہ حصص رکھنے والے ممبران کی طرف سے میٹنگ کی تاریخ سے کم از کم سات دن قبل رضامندی کا فارم موصول ہو۔ اس سہولت کے حصول کے لیے مطلوبہ فارم کمپنی کی ویب سائٹ www.fccl.com.pk پر فراہم کیا گیا ہے۔

10۔ تحائف کی تقسیم پر پابندی

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ SRO 452 (1)/2025 مورخہ 17 مارچ 2025 کے مطابق، سالانہ جنرل میٹنگ (AGM) کے موقع پر یا اس سے متعلق حصص یافتگان میں کسی قسم کے تحائف، یادگاری اشیاء، کوپن، کھانے یا دیگر پیکیجز تقسیم نہیں کیے جائیں گے۔

11۔ غیر دعویٰ شدہ حصے (dividend) اور شیئر سرٹیفکیٹ

الف۔ کمپنیز ایکٹ، 2017 کی دفعہ 244 کے تحت کمپنی پہلے ہی اپنی اس ذمہ داری سے سبکدوش ہو چکی ہے کہ وہ غیر دعویٰ شدہ حصص اور غیر تقسیم شدہ شیئر سرٹیفکیٹس کے لیے قانون کے مطابق ممبران تک رسائی حاصل کر کے انھیں مطلع کرے گی۔

ب۔ ایسے ممبران سے جن کے حصے (dividend) اور شیئر سرٹیفکیٹ تاحال غیر دعویٰ شدہ یا غیر ادا شدہ ہیں، کمپنی ایک مرتبہ پھر گزارش کرتی ہے کہ اپنے واجب الادا حصے اور سرٹیفکیٹ حاصل کرنے کے لیے اپنے کلیم داخل کریں۔

12۔ فزیکل شیئرز کو CDC اکاؤنٹ میں جمع کروانا

کمپنیز ایکٹ، 2017 کی دفعہ 72 کے مطابق، ہر ایک موجودہ لسٹڈ کمپنی کے لیے ضروری ہے کہ وہ اپنے فزیکل شیئرز کو کمیشن کے بتائے گئے طریقے کے مطابق کھاتے کے اندراج کے ایک فارم میں تبدیل کرے۔ ایسے ممبران جن کے پاس فزیکل شیئرز موجود ہیں ان سے گزارش کی جاتی ہے کہ براہ راست CDC کے ساتھ اپنا سرمایہ کاری اکاؤنٹ کھلوائیں تاکہ ان کے فزیکل شیئرز scripless شکل میں تبدیل ہو سکیں۔ اس سے ان کو کئی طرح کی سہولتیں حاصل ہوں گی جن میں شیئرز کو بحفاظت رکھنا اور جب چاہیں انھیں فروخت کرنا بھی شامل ہے، کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ ضوابط کی رو سے فزیکل شیئرز کی خرید و فروخت کی اجازت نہیں ہے۔

ب۔ وہ ممبران جنہوں نے اپنے کارآمد ای میل ایڈریس کمپنی یا اس کے شیئرز رجسٹرار کو ارسال کر دیے ہیں اور وہ AGM کی کارروائی میں آن لائن شرکت میں دلچسپی رکھتے ہیں، اپنے فولیو نمبر کے ساتھ secretaryoffice@fccl.com.pk پر اپنی درخواست ارسال کر سکتے ہیں۔ ایسی درخواستیں اپنے کارآمد اور باقاعدہ رجسٹر شدہ ای میل ایڈریس سے رجسٹریشن کی غرض سے 27 ستمبر 2026 تک بھیج دی جانی چاہئیں۔

II۔ ای۔ووٹنگ کا طریقہ کار

الف۔ کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق، کمپنی ایکٹ 2017 کے تحت "خصوصی امور" کے زمرے میں آنے والے تمام امور کے لیے کمپنی کے ممبران کو الیکٹرانک ووٹنگ کی سہولت اور بذریعہ ڈاک ووٹ دینے کا حق فراہم کیا جائے گا۔ یہ حق مذکورہ ضوابط میں درج طریقہ کار اور شرائط کے مطابق استعمال کیا جا سکے گا۔

ب۔ ای۔ووٹنگ کی سہولت کی تفصیلات ان ممبران کو ای میل کے ذریعے فراہم کی جائیں گی جن کے درست موبائل نمبرز / ای میل ایڈریس (رجسٹرڈ ای میل آئی ڈی) کمپنی کے ممبران کے رجسٹر میں 21 ستمبر 2026 کو کاروباری اوقات کے اختتام تک درج ہو جائیں گے۔ جو ممبران ای ووٹنگ کے ذریعے اپنا حق رائے دہی استعمال کرنا چاہتے ہیں، انھیں اپنے درست موبائل نمبرز اور ای میل پتے 21 ستمبر 2026 تک فراہم کرنا ہوں گے۔

ج۔ ای۔ووٹنگ کے ذریعے ووٹ دینے والے اراکین کی شناخت کی تصدیق الیکٹرانک دستخط یا لاگ ان کے لیے مقررہ تصدیقی طریقہ کار کے ذریعے کی جائے گی۔

د۔ ممبران 24 ستمبر 2026 صبح 9:00 بجے سے 27 ستمبر 2026 شام 5:00 بجے تک آن لائن اپنا ووٹ کا حق استعمال کر سکیں گے۔ ممبران اس دورانیے میں کسی بھی وقت اپنا ووٹ دے سکتے ہیں۔ کسی قرارداد پر ایک مرتبہ ووٹ دینے کے بعد ممبر کو بعد ازاں اپنا ووٹ تبدیل کرنے کی اجازت نہیں ہوگی۔

III۔ بذریعہ ڈاک ووٹ دینے کا طریقہ کار

الف۔ ممبران چاہیں تو متبادل طریقہ کار کے طور پر بذریعہ ڈاک ووٹ (Postal Ballot) دینے کا طریقہ اختیار کر سکتے ہیں۔ ممبران کی سہولت کے لیے بیلٹ پیپر اس نوٹس کے ساتھ منسلک ہے، جبکہ اسے کمپنی کی ویب سائٹ www.fccl.com.pk سے بھی ڈاؤن لوڈ کیا جا سکتا ہے۔

ب۔ ممبران اس امر کو یقینی بنائیں کہ مکمل طور پر پُر کیا گیا اور دستخط شدہ بیلٹ پیپر، کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل کے ساتھ، اجلاس کے چیئرمین تک اجلاس منعقد ہونے سے ایک روز قبل، یعنی 27 ستمبر 2026 کو شام 5:00 بجے سے پہلے، کمپنی کے رجسٹرڈ پتے فوجی ٹاور، بلاک III، 68 ٹیپو روڈ، چکلالہ، راولپنڈی پر بذریعہ ڈاک یا secretaryoffice@fccl.com.pk پر ای میل کے ذریعے پہنچ جانا چاہیے۔ اس تاریخ اور وقت کے بعد موصول ہونے والے پوسٹل بیلٹ کو ووٹنگ کے لیے شمار نہیں کیا جائے گا۔ بیلٹ پیپر پر کیے گئے دستخط شناختی کارڈ پر موجود دستخط سے مطابقت رکھتے ہوں۔

8۔ حصص (Dividend) کی ادائیگی پر انکم ٹیکس کی کٹوتی اور کٹوتی سے استثنیٰ

الف۔ کمپنیوں کی طرف سے حصص (Dividend) کی ادائیگی پر انکم ٹیکس آرڈیننس، 2001 کی دفعہ 150 کے تحت ودہولڈنگ ٹیکس کی کٹوتی کی موجودہ مقرر شدہ شرح درج ذیل ہے:

(1) انکم ٹیکس ریٹرن کے فائلرز کے لیے	=	15 فیصد
(2) انکم ٹیکس ریٹرن کے نان فائلرز کے لیے	=	30 فیصد

ب۔ حصص کی ادائیگی میں سے انکم ٹیکس کی کٹوتی FBR کی ویب سائٹ پر دی گئی فعال ٹیکس دہندگان کی فہرست (ATL) کے مطابق کی جائے گی۔ اس لیے ایسے تمام حصص داران سے جو انکم ٹیکس ریٹرن کے فائلر ہیں، گزارش کی جاتی ہے کہ اس امر کو یقینی بنائیں کہ ان کے ناموں کا اندراج ATL میں موجود ہے تاکہ کمپنی ان کے حصے کی نقد ادائیگی کرتے ہوئے انکم ٹیکس کی مد میں 30 فیصد کی بجائے 15 فیصد کے حساب سے کٹوتی کرے۔

نوٹس

1۔ کمپنیز ایکٹ 2017 کے سیکشن 223 کے تحت اور S.R.O. 389(I)/2023 مؤرخہ 21 مارچ 2023 کے مطابق، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں جنہیں درج ذیل ویب لنک اور کیو آر کوڈ کے ذریعے ڈاؤن لوڈ کیا جا سکتا ہے:

http://fccl.com.pk/eng/financial-reports/

(اگر کوئی ممبر مذکورہ مالیاتی گوشواروں کی پرنٹ شدہ کاپی حاصل کرنے کا خواہاں ہو تو کمپنی سیکرٹری کو تحریری طور پر کہہ سکتا ہے کہ پرنٹ شدہ کاپی بذریعہ ڈاک ممبر کے رجسٹرڈ پتے پر بھیجی جائے۔ یہ کاپی درخواست موصول ہونے کے ایک ہفتے کے اندر بلا معاوضہ ارسال کر دی جائے گی۔)

2۔ شیئرز کی منتقلی کے کھاتہ جات کی بندش

کمپنی کے شیئرز کی منتقلی کے کھاتہ جات 22 ستمبر 2026 سے 28 ستمبر 2026 (بشمول ان دونوں دنوں کے) سالانہ اجلاس عام میں شرکت کی غرض سے بند رہیں گے۔ شیئرز کی منتقلی کی ایسی درخواستیں جو قاعدے کے مطابق ہوں اور ممبرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل ماڈل ٹاؤن، لاہور کو 21 ستمبر 2026 کو دفتری اوقات کے ختم ہونے تک موصول ہو جائیں گی ان کو بروقت گردانتے ہوئے منتقلی یا استحقاق کا حامل سمجھا جائے گا اور وہ سالانہ اجلاس عام (AGM) میں شرکت کے اہل ہوں گے۔

3۔ میٹنگ میں شرکت کرنے اور ووٹ دینے کا استحقاق رکھنے والا ممبر اپنی جگہ کسی دوسرے شخص کو بطور پراکسی میٹنگ میں شرکت کرنے اور اپنی جگہ ووٹ دینے کے لیے مقرر کر سکتا ہے۔ پراکسی کے تقرر کی دستاویز میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانی چاہیے۔

4۔ CDC اکاؤنٹ کے حامل / تجارتی اداروں کے لیے

مندرجہ بالا شق کے علاوہ درج ذیل تقاضے پورے کرنا بھی ضروری ہے:

الف۔ مطلوبہ تقاضوں کے مطابق پراکسی کے تقرر کا باقاعدہ پُر شدہ اور دستخط شدہ فارم کمپنی کے رجسٹرڈ آفس یعنی فوجی ٹاور، بلاک-III، 68 تہمینہ روڈ، چکلالہ، راولپنڈی میں جمع کروایا جانا چاہیے۔ فارم پر شناختی کارڈ نمبروں کا اندراج لازمی ہے۔

ب۔ پراکسی فارم کمپنی کی ویب سائٹ سے ڈاؤن لوڈ کیا جا سکتا ہے جس کا لنک درج ذیل ہے:

https://fccl.com.pk/eng/wp-content/uploads/2026/05/Proxy-Form-2026.pdf

ج۔ شیئرز کے مالک اور پراکسی کے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ فراہم کی جائیں گی۔

د۔ پراکسی کا حامل فرد میٹنگ کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرے گا۔

ہ۔ تجارتی ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامے کی مصدقہ نقل مع نمونے کے دستخط کے جمع کروائی جائے گی۔

و۔ تمام ممبران سے گزارش کی جاتی ہے کہ اپنے کارآمد شناختی کارڈ کی نقول فراہم کریں اور اپنے پتے میں کسی قسم کی تبدیلی کی صورت میں فوری اطلاع دیں۔

5۔ AGM میں آن لائن شرکت

الف۔ ممبران کی بڑی تعداد کی شرکت کو یقینی بنانے اور انہیں سہولت فراہم کرنے کی غرض سے، کمپنی میٹنگ میں آن لائن شرکت کا پلیٹ فارم / سہولت webinar/webex/zoom کی صورت میں بھی مہیا کرے گی۔ ممبران اپنے سمارٹ فون یا کمپیوٹر کے ذریعے اپنی شناخت اور تصدیق کے لوازمات پورے کرنے کے بعد AGM کی کارروائی میں آن لائن شرکت کرنے کے قابل ہو سکیں گے۔ اس ضمن میں ممبران کے لیے ضروری ہے کہ اپنے کارآمد ای میل ایڈریس 21 ستمبر 2026 سے قبل شیئر رجسٹرار کو ارسال کریں۔

اطلاع برائے 34 واں سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ فوجی سیمنٹ کمپنی لمیٹڈ کے ممبران کا 34 واں سالانہ اجلاس عام (AGM) بمقام ہنگور آفیسرز کلب، کلب ایونیو، سیکٹر E، فیز II، پوسٹ آفس 1531، ڈی ایچ اے، اسلام آباد بتاریخ 28 ستمبر 2026 (پیر) بوقت تین بجے سہ پہر منعقد ہوگا جس میں درج ذیل امور طے کیے جائیں گے۔

عمومی امور

1۔ 33 ویں سالانہ اجلاس عام منعقدہ 30 ستمبر 2025 کی کارروائی کی توثیق کرنا۔

2۔ 30 جون 2026 کو ختم ہونے والے مالی سال کے کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس اور ڈائریکٹرز اور آڈیٹرز کی رپورٹ وصول کرنا، اسے زیر غور لانا اور اس کی منظوری دینا۔

3۔ 30 جون 2027 کو ختم ہونے والے مالی سال کے لیے کمپنی کے منظور شدہ آڈیٹرز کا تقرر کرنا اور ان کے معاوضے کا تعین کرنا۔

4۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے 15 فیصد یعنی 1.50 روپے کے حساب سے حتمی نقد حصص فی شیئر کی ادائیگی کو زیر غور لانا اور اس کی منظوری دینا۔

خصوصی امور

5۔ درج ذیل قراردادوں کو زیر غور لانا اور اگر یہ مناسب ہوں تو انہیں ترمیم کے ساتھ یا بلا ترمیم "خصوصی قراردادوں" کے طور پر منظور کرتے ہوئے کمپنی کے آئین میں ترمیم کی منظوری دینا:

"قرار پایا کہ کمپنی کے آئین میں تجویز کردہ مختلف ترامیم کو، جن کی تفصیل خصوصی قرارداد کے ضمیمے میں درج ہے، بطور خصوصی قرارداد منظور اور اختیار کیا جاتا ہے۔"

"مزید قرار پایا کہ کمپنی کے سیکریٹری کو اس خصوصی قرارداد پر عمل درآمد کرنے اور ضروری دستاویزات کمپنی کے رجسٹریشن آفس، اسلام آباد میں جمع کرانے کے لیے مجاز قرار دیا جاتا ہے۔"

نوٹ: مذکورہ بالا خصوصی قرارداد سے متعلق اہم حقائق پر مبنی بیان (Statement of Material Facts) جو کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت لازم ہے، ساتھ منسلک کیا گیا ہے۔

دیگر امور

6۔ چیئرمین کی اجازت سے کسی دیگر معاملے کو زیر غور لانا۔

بورڈ آف ڈائریکٹرز FCCL کی جانب سے

بریگیڈیئر کاشف نوید عباسی، ستارہ امتیاز (ملٹری) (ریٹائرڈ)
کمپنی سیکریٹری

راولپنڈی
مورخہ 07 ستمبر 2026

مستقبل کی پیش گوئیوں کے لیے معلومات اور تخمینوں کے ذرائع

[illegible]

[illegible]

[illegible]

اظہارِ تشکر

[illegible]

[illegible]

FCCL بورڈ کی طرف سے

لیفٹیننٹ جنرل (ر) [illegible]
چیئرمین بورڈ آف ڈائریکٹرز FCCL
راولپنڈی
11 اگست 2026

قمر ہارون منظور
چیف ایگزیکٹو آفیسر / مینیجنگ ڈائریکٹر FCCL
راولپنڈی
11 اگست 2026

مستقبل کا منظر نامہ

آئندہ کی صورت حال

مالی سال 27-2026 کے لیے پاکستان کی معیشت کا منظر نامہ محتاط طور پر مثبت رہنے کی توقع ہے، جسے افراط زر میں کمی اور مالیاتی خسارے میں اصلاحات کے تسلسل سے تقویت مل رہی ہے۔ حقیقی مجموعی ملکی پیداوار میں 4.0 فیصد نمو کی توقع ہے، جبکہ خدمات کا شعبہ معاشی توسیع کے بنیادی محرک کے طور پر اپنا کردار جاری رکھے گا۔ افراط زر 8.2 فیصد سے 8.3 فیصد کے درمیان رہنے کی توقع ہے۔ اگرچہ شرح سود گزشتہ برسوں کے مقابلے میں نمایاں طور پر کم ہے، تاہم ملکی سطح پر توانائی کے نرخوں میں تعدیل، روپے اور عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کے باعث معاشی منظر نامہ بدستور خطرات سے دوچار ہو سکتا ہے۔ مالیاتی محاذ پر، مالی سال 27-2026 کے وفاقی بجٹ میں ملکی خصوصی مراعات اور کاروباری ٹیکس میں کمی کی تبدیلیوں سے توقع ہے کہ بڑے صنعتی شعبوں میں کاروباری حالات میں بہتری آئے گی۔ بالآخر، سال کی کامیاب تکمیل کا انحصار مالیاتی نظم و ضبط برقرار رکھنے، توانائی کے شعبے میں اصلاحات نافذ کرنے اور برآمدات پر مبنی ترقی کے منصوبوں کو برقرار رکھنے پر ہوگا۔

ملکی سیمنٹ مارکیٹ کا منظر نامہ

سیمنٹ کا شعبہ مالی سال 27-2026 میں مضبوط بنیادوں کے ساتھ داخل ہو رہا ہے، جبکہ مقامی مارکیٹ میں فروخت کے حجم میں تقریباً 8 فیصد اضافے کی توقع ہے۔ پالیسی ریٹ میں مسلسل کمی سے کاروباری قرضوں کی لاگت کم ہوئی ہے جس سے معطل شدہ تعمیراتی منصوبوں کی بحالی اور نئے ترقیاتی منصوبوں کے آغاز کی راہ ہموار ہوئی ہے۔ مالی سال 27-2026 کے وفاقی بجٹ میں تعمیراتی شعبے کے لیے خصوصی ریلیف اور کاروباری سپر ٹیکس کی شرح میں کمی متعارف کرائی گئی ہے۔ ہاؤسنگ فنانس کی رسائی ایجنسیوں میں نان بینکنگ فنانس کمپنیوں (NBFCs) کو شامل کیے جانے سے کم اور متوسط آمدنی والے صارفین کے لیے قرضوں تک رسائی میں وسعت آئی ہے، جس سے مقامی سطح پر سیمنٹ کی طلب میں مزید اضافہ متوقع ہے۔

مالی سال 2026 میں فروخت میں 7 فیصد اضافے کے باوجود، شعبے کو آنے والے سال میں متعدد اہم چیلنجز کا سامنا رہے گا۔ ان میں پیداواری صلاحیت کا مسلسل کم استعمال، بین الاقوامی سپلائی چین میں رکاوٹوں کے باعث توانائی اور ایندھن کی زیادہ لاگت، پالیسی ٹیکس کا نفاذ، نیز افغانستان کے ساتھ تجارت میں کمی کے ازالے کے لیے متبادل برآمدی منڈیوں کی فوری ضرورت شامل ہیں۔

گزشتہ سال پیش کیے گئے مستقبل کے منظر نامے کا تجزیہ

گزشتہ سال دی جانے والی معلومات / پیش گوئی	حقیقی نتائج
مالی سال 26-2025 کے لیے منظر نامہ مثبت دکھائی دیتا ہے کیونکہ پاکستان نے اہم معاشی استحکام حاصل کیا ہے۔ معاشی بحالی میں استحکام کی علامات کا کردار رہا ہے۔ اگرچہ نظام میں موجود مسائل برقرار ہیں، ملکی قرضہ، مالیاتی چیلنجز اور مسلسل بیرونی سیاسی غیر یقینی موجود ہیں۔ اہم سنگ میل اور شرح سود میں کمی اور کرنسی کے استحکام نے کاروباری سرگرمیوں، خاص طور پر تعمیرات اور انفراسٹرکچر کے شعبوں میں کسی حد تک بحالی کی امید پیدا کی ہے۔ آئی ایم ایف پروگرام کا تسلسل، بہتر تجارتی توازن اور مالیاتی اصلاحات نے ملکی معیشت کے اشاریوں کو استحکام بخشنے کی توقع ہے۔ تاہم کاروباری اعتماد اب بھی سیاسی تسلسل اور حکومت کی جانب سے ترقیاتی منصوبوں پر عمل درآمد سے جڑا ہوا ہے۔	مالی سال 26-2025 کے لیے پیش کیے گئے اس منظر نامے کے مطابق پاکستان کی معیشت میں نمایاں بہتری آئی اور مجموعی ملکی پیداوار کی شرح نمو تقریباً 3.7 فیصد رہی، جبکہ بڑے پیمانے کی صنعتوں کی پیداوار (LSM) میں 5.1 فیصد اضافہ ہوا۔ مجموعی ملکی پیداوار کے تناسب سے مالیاتی خسارہ کم ہو کر 3.6 فیصد رہا، جبکہ ٹیکس وصولیوں میں 10.1 فیصد اضافے سے تقویت ملی۔ دوران مدت اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ 1.6 فیصد رہا۔ افراط زر میں کمی کے باعث پاکستان معاشی استحکام کو برقرار رکھنے میں کامیاب رہا۔ تاہم مالی سال 26-2025 میں پاکستان کا تجارتی خسارہ بڑھ کر 30.47 ارب امریکی ڈالر ہو گیا۔ برآمدات 7.89 فیصد اضافے کے ساتھ 68.80 ارب امریکی ڈالر تک پہنچ گئیں، جبکہ برآمدات 5.97 فیصد کمی کے ساتھ 30.13 ارب امریکی ڈالر رہیں۔ توانائی کی مستقل درآمدات، صنعتی طلب میں بحالی، افغانستان کے ساتھ تجارتی سرگرمیوں میں تعطل اور مشرق وسطیٰ میں کشیدگی کے باعث مال برداری کے اخراجات میں اضافے نے تجارتی خسارے کو مزید بڑھا دیا۔

حقیقی نتائج	گزشتہ سال دی جانے والی معلومات / پیش گوئی
مالی سال 26-2025 کے لیے کیے گئے اندازے کے مطابق مقامی مارکیٹ میں سیمنٹ کی طلب میں نمایاں 10 فیصد اضافہ ہوا۔ شمالی حصے میں کم ہونے والی کاروباری لاگت سے 16.83 فیصد اضافے کے ساتھ نمایاں کارکردگی دکھائی، جبکہ جنوبی حصے کی کارکردگی کی شرح تقریباً 3.5 فیصد رہی۔ اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں کمی کے باعث کمرشل قرضوں کی لاگت میں کمی، PSDP کے لیے مختص رقم میں اضافہ اور رئیل اسٹیٹ انڈسٹری اور نان بینکنگ فنانس کمپنیوں کو شامل کرتے ہوئے متوسط اور کم آمدنی والے طبقات تک ہاؤسنگ فنانس کی توسیع، مقامی سیمنٹ مارکیٹ کی نمو کے اہم عوامل رہے۔	ملکی مارکیٹ میں سیمنٹ کی طلب کے مستحکم رہنے کی توقع ہے جو مالی سال 25-2024 کی ریکارڈ سطح ہے، جس میں اس میں بہتری کا امکان بھی موجود ہے۔ طلب میں کسی بھی قسم کی بحالی بنیادی طور پر حکومت کی جانب سے PSDP اور پبلک سیکٹر ڈویلپمنٹ پروگرام کے اہداف کے حصول اور نئے ترقیاتی منصوبوں پر عمل درآمد اور تعمیراتی شعبے کو پالیسی کی سطح پر معاونت فراہم کرنے پر منحصر ہے۔
مالی سال 26-2025 کے لیے توقع کیے گئے اندازے کے برخلاف، افغانستان کو برآمدات جو FCCL کے لیے ایک اہم منڈی ہے، بند ہو گئیں اور آمدنی متاثر ہوئی۔ اکتوبر 2025 سے سرحدی بندش کے باعث تنسیخ رہیں۔	تعمیراتی سرگرمیاں، خاص طور پر تعمیراتی سامان اور توانائی کی بلند قیمتوں کی وجہ سے متاثر ہو رہی ہیں۔ تاہم مہنگائی کی شرح اور پالیسی ریٹ میں کمی سے درآمدی بہتری کی امید پیدا ہو رہی ہے۔ برآمدات میں اضافہ، خاص طور پر افغانستان کی جانب جاری رہنے کی توقع ہے، جو کہ خطے میں سیاسی حالات اور تجارتی سرحدی معاملات سے مشروط ہے۔

تحقیق و ترقی (R&D) کے ضمن میں مستقبل کے اقدامات

کمپنی پائیدار ترقی اور پیداواری عمدگی کے فروغ کے لیے تحقیق، جدت اور ڈیجیٹل تبدیلی کو آگے بڑھانے کے عزم پر قائم ہے۔ مالی سال 26-2025 کے دوران حاصل ہونے والی پیش رفت کو آگے بڑھاتے ہوئے FCCL کم کاربن والے سیمنٹ کی مصنوعات کی تیاری، متبادل ایندھن کے استعمال میں اضافے، توانائی کی کارکردگی بہتر بنانے، کلنکر فیکٹر کی بہتری اور مصنوعی ذہانت پر مبنی جدید مینوفیکچرنگ ٹیکنالوجی کے استعمال پر توجہ جاری رکھے گی۔

کمپنی اپنے انٹرپرائز پلیٹ فارم SAP کے مرحلہ وار نفاذ کا عمل بھی جاری رکھے گی، جبکہ پیداواری کارکردگی، حسن انتظام، وسائل کی تقسیم اور بروقت فیصلہ سازی کو بہتر بنانے کے لیے مصنوعی ذہانت، خودکاری اور ڈیٹا اینالیٹکس کے امکانات کا جائزہ لیتی رہے گی۔ اس طرح کمپنی کی طویل المدتی مسابقتی صلاحیت اور پائیداری کے اہداف کو مزید تقویت ملے گی۔

گزشتہ سال اعلان کیے گئے منصوبوں کی موجودہ صورت حال

بورڈ کی پُرحکمت رہنمائی میں انتظامیہ نے مالی سال 26-2025 کے دوران کمپنی کی ڈیجیٹل تبدیلی، پائیداری اور پیداواری عمدگی سے متعلق اقدامات میں پیش رفت جاری رکھی۔ گزشتہ سال کی ڈائریکٹرز کی جائزہ رپورٹ میں ظاہر کیے گئے اہم منصوبوں کی موجودہ صورت حال درج ذیل ہے:

- **کلاؤڈ پر SAP کا نفاذ:** اس برس کے دوران کمپنی میں نصب SAP کے موجودہ نظام سے آن لائن پلیٹ فارم کی جانب مرحلہ وار منتقلی کا عمل جاری ہے۔ اس منصوبے کا آغاز جاری رکھا گیا، جس کا مقصد اپنے کاروبار کے تمام شعبوں میں پیداواری کارکردگی، ڈیٹا کے انضمام، انتظامی معاملات، سائبر خطرات سے نمٹنے کی صلاحیت اور بروقت رپورٹنگ کو بہتر بنانا ہے۔
- **قابل تجدید توانائی اور اپنی بجلی پیدا کرنے کی صلاحیت میں توسیع:** کمپنی نے قابل تجدید توانائی اور اپنی بجلی پیدا کرنے کی صلاحیت میں اضافے کے مواقع کا جائزہ جاری رکھا تاکہ توانائی کی لاگت میں مزید کمی، توانائی کے تحفظ میں بہتری اور کاربن کے اخراج میں کمی کے اہداف کے حصول میں مدد مل سکے۔

چیف ایگزیکٹو / مینجنگ ڈائریکٹر کی جائزہ رپورٹ

محترم حصص یافتگان،

میرے لیے یہ امر باعث مسرت ہے کہ میں مالی سال 2025-26 کے دوران فوجی سیمنٹ کمپنی کی کارکردگی کا جائزہ پیش کر رہا ہوں۔ یہ سال کمپنی کے ترقیاتی سفر میں ایک اہم اور فیصلہ کن سنگ میل کی حیثیت رکھتا ہے۔ ایک ایسے مشکل معاشی ماحول کے باوجود، جس میں تعمیراتی سرگرمیاں سست رہیں، قیمتوں پر مسلسل دباؤ برقرار رہا اور پالیسی کی صورتحال سے غیر یقینی کیفیت پیدا ہوتی رہی، FCCL نے مضبوط حکمت عملی، منتخب کلیدی اقدامات اور پیداواری لاگت کو بہتر بنانے پر مسلسل توجہ کے باعث مضبوط مالیاتی کارکردگی کا مظاہرہ کیا۔

کمپنی کا کاروباری حجم 93,690 ملین روپے رہا، جو گزشتہ سال کے مقابلے میں 5 فیصد زیادہ ہے، جبکہ بعد از ٹیکس منافع (PAT) سال بہ سال 21 فیصد اضافے کے ساتھ 16,183 ملین روپے تک پہنچ گیا ہے۔ 30 جون 2026 کو فی شیئر آمدنی (EPS) 6.60 روپے رہی۔ یہ مسلسل چوتھا سال ہے، جب FCCL نے اپنے بلند ترین سالانہ بعد از ٹیکس منافع کا ریکارڈ قائم کیا ہے جو ہمارے کاروبار کے بنیادی استحکام کا واضح ثبوت ہے۔ منافع میں یہ بہتری پیداواری کارکردگی میں اضافے، اخراجات پر منظم گرفت، مالیاتی اخراجات میں نمایاں کمی اور کمپنی کی مالی پوزیشن کو مزید مستحکم بنانے پر مسلسل توجہ کے نتیجے میں ممکن ہوئی۔ چنانچہ EBITDA بڑھ کر 33,084 ملین روپے ہو گیا، جو بہتر سرمایہ کاری کی کارکردگی اور مضبوط مالیاتی نظم و ضبط کی عکاسی کرتا ہے۔

زیر جائزہ مدت کے دوران بیرونی حالات نہایت مشکل رہے۔ پاکستان اور افغانستان کی سرحد کی بندش اور ایران میں جاری تنازع کے باعث علاقائی سپلائی چین میں پیدا ہونے والی رکاوٹوں نے علاقائی تجارتی سرگرمیوں کو متاثر کیا، جو آمدنی ترسیلات سے متعلق ہونے کے ساتھ ایندھن کی قیمتوں میں اضافے کا باعث بنا۔ ایندھن کی لاگت کو کنٹرول میں رکھنے کی حکمت عملی کے تحت کمپنی نے مقامی کوئلے کے استعمال کو 70 فیصد تک بڑھایا اور متبادل ایندھن کے استعمال کو 4 فیصد تک پہنچایا، جس سے پیداواری لاگت پر پڑنے والے منفی اثرات کو محدود رکھنے میں مدد ملی۔ ان ہی حالات کے باوجود FCCL نے 55 فیصد پیداواری صلاحیت استعمال کی اور 5,700,796 ٹن سیمنٹ فروخت کیا۔ یوں کمپنی نے ریکارڈ منافع حاصل کیا، جو ہمارے پیداواری ماڈل کی مضبوطی اور ہماری ٹیموں کے عزم و حوصلہ کا مظہر ہے۔

زیر جائزہ سال کو FCCL کی تاریخ کے سب سے اہم برسوں میں شمار کیا جائے گا۔ کوٹ ادو پاور کمپنی لمیٹڈ (KAPCO) کے ساتھ شراکت میں FCCL نے اٹک سیمنٹ پاکستان لمیٹڈ (ACPL) میں تقریباً 92 فیصد کنٹرولنگ حصص کے حصول کا عمل مکمل کیا۔ ACPL پاکستان کے قدیم اور منظم سیمنٹ سازوں میں سے ایک ہے۔ اس حصول کے بعد FCCL کے پیداواری اور کاروباری ڈھانچے میں نمایاں وسعت آئی اور علاقائی رسائی میں اضافہ ہوا، جبکہ ایک زیادہ وسیع اور متنوع کاروباری پلیٹ فارم بھی تشکیل پایا۔ مجموعی کاروباری حجم میں اضافے کے علاوہ اس حصول سے پیداواری ہم آہنگی، خریداری کے عمل کے مؤثر ہونے اور لاگت کی بچت کے مثبت نتائج پیدا ہوئے ہیں۔

پیداواری صلاحیت اور لاگت میں کمی اس پورے سال کے دوران ہماری حکمت عملی کے بنیادی عناصر رہے۔ گزشتہ سال پیکجنگ تیار کرنے کے پلانٹ کے حصول کے بعد FCCL نے صنعتی اسٹیٹ میں اپنے پیداواری یونٹ کی توسیع مکمل کی، جس کے نتیجے میں تھیلوں کی پیداواری صلاحیت 200,000 سے بڑھ کر 300,000 تھیلے یومیہ ہو گئی۔ یہ منصوبہ مکمل طور پر FCCL کی اپنی تکنیکی ٹیم نے پایہ تکمیل تک پہنچایا، جو کمپنی کی انجینئرنگ کی اندرونی صلاحیت کا واضح ثبوت ہے۔ اس توسیع کے نتیجے میں کمپنی پیکجنگ کے حوالے سے مکمل طور پر خود کفیل ہو گئی اور پیداواری اخراجات میں کمی ہوئی۔

کمپنی نے KI Quanta کے تعاون سے ABB Ability Expert Optimizer سافٹ ویئر کا نفاذ کر کے ڈیجیٹل تبدیلی کے اپنے ایجنڈے میں بھی پیش رفت کی۔ یہ پیداواری عمل کی اصلاح کا نظام ہے جو مسلسل جاری عمل کے چلنے کے لیے بروقت ڈیٹا کا تجزیہ اور معلومات فراہم کرتا ہے۔ اس سے توانائی کی کارکردگی میں بہتری، ایندھن کے استعمال میں اصلاح، کلنکر کے معیار میں یکسانیت اور مجموعی پلانٹ کی کارکردگی میں اضافے کی توقع ہے۔

پائیدار اور قابل تجدید توانائی کی جانب ہماری منتقلی بھی تیزی سے جاری رہی۔ FCCL نے مزید 2.8 میگاواٹ شمسی توانائی کی پیداواری صلاحیت کا اضافہ کیا، جس کے بعد کمپنی کی مجموعی قابل تجدید توانائی کی صلاحیت 70.3 میگاواٹ ہو گئی، جبکہ مزید 4 میگاواٹ کی تنصیب تکمیل کے مراحل میں ہے۔ مشینری سے حاصل شدہ زائد حرارت سے بجلی پیدا کرنے والے نظام (WHR) کے ساتھ مل کر توانائی کے ان ذرائع نے سال کے دوران ہماری تقریباً 80 فیصد بجلی کی ضروریات پوری کیں۔ اس کے نتیجے میں روایتی توانائی پر انحصار کم ہوا، بجلی کے اخراجات میں کمی آئی اور ماحولیاتی اثرات کم کرنے میں مدد ملی۔

ماحولیاتی ذمہ داری FCCL کی طویل المدتی حکمت عملی کا بنیادی حصہ رہی۔ اس سال کے دوران ہم نے شجرکاری کے اقدامات جاری رکھے، پانی کے تحفظ کے لیے اقدامات کو مزید منظم کیا اور اپنی تمام سرگرمیوں میں وسائل کے مؤثر استعمال کو بہتر بنایا۔ ہم نے اپنی ESG رپورٹنگ کے نظام کو IFRS کے پائیداری سے متعلق معلومات کی فراہمی کے معیارات (IFRS S1 اور IFRS S2) کے ساتھ ہم آہنگ کرنے کا عمل بھی شروع کیا، جس سے شفافیت اور ذمہ دارانہ رپورٹنگ کی مساعی کو مزید تقویت ملی۔

گردونواح کی آبادی کی ترقی بھی ہمارے کاروباری فلسفے کا ایک اہم ستون رہی ہے۔ اپنی کاروباری سماجی ذمہ داری (CSR) کی سرگرمیوں کے ذریعے FCCL نے اپنی پیداواری سرگرمیوں سے متعلقہ علاقوں میں تعلیم، صحت، خواتین کو بااختیار بنانے، ماحولیاتی تحفظ اور دیگر سماجی بہبود کے شعبوں میں معاونت جاری رکھی۔ ہمارا پختہ یقین ہے کہ کاروباری کامیابی کو مقامی طبقات کی ترقی اور بہبود سے الگ نہیں کیا جا سکتا جن کے درمیان ہم کام کرتے ہیں۔

مالی سال 2026-27 کی جانب دیکھتے ہوئے، ACPL کے حصول کے بعد FCCL ایک نمایاں طور پر وسیع پیداواری پلیٹ فارم کے ساتھ نئے مالی سال میں داخل ہو رہی ہے۔ اگرچہ کاروباری ماحول معاشی غیر یقینی کی عالمی صورتحال، مارکیٹ کی حرکیات اور موسمیاتی تبدیلی سے متعلق چیلنجز سے متاثر رہنے کا امکان ہے، تاہم ہمیں یقین ہے کہ FCCL مستقبل کے مواقع سے بھرپور فائدہ اٹھانے کی صلاحیت رکھتی ہے۔ ہماری حکمت عملی کی ترجیحات واضح ہیں: ACPL کے ساتھ پیداواری ہم آہنگی سے بھرپور استفادہ، پیداواری عمدگی کا حصول، ڈیجیٹل تبدیلی اور قابل تجدید توانائی میں مسلسل سرمایہ کاری، مربوط کاروباری انتظام، منظم تقسیم اور مارکیٹ کی توسیع۔ FCCL اپنے حصص داران اور دیگر متعلقین کے لیے پائیدار ترقی اور طویل المدتی کاروباری قدر پیدا کرنے کے عزم پر قائم رہے گی۔

میں چیئرمین اور بورڈ آف ڈائریکٹرز کا دلی طور پر شکر گزار ہوں، جنہوں نے اس تبدیلی آفرین اور کٹھن سال کے دوران اپنی حکمت عملی پر مبنی رہنمائی اور مسلسل اعتماد فراہم کیا۔ میں اپنے ملازمین کی لگن اور محنت کا بھی معترف ہوں۔ ان کی وابستگی، مہارت اور پیشہ ورانہ صلاحیتیں ایک اور بہترین سال میں مضبوط کارکردگی کے حصول میں بنیادی حیثیت رکھتی ہیں۔ اسی طرح میں اپنے صارفین، کاروباری شراکت داروں، سپلائرز، مالیاتی اداروں اور نگران و ضابطہ کار اداروں کا بھی ان کے مسلسل اعتماد اور تعاون پر شکریہ ادا کرتا ہوں۔

FCCL کے سفر میں مالی سال 2025-26 ایک فیصلہ کن سنگ میل کی حیثیت رکھتا ہے۔ ACPL کا کامیاب حصول، پیداواری عمدگی، پائیداری اور مالیاتی نظم و ضبط پر ہماری مسلسل توجہ کے ساتھ مل کر، ہماری مسابقتی پوزیشن کو مزید مستحکم کر چکا ہے اور مستقبل کی ترقی کے لیے ایک مضبوط بنیاد فراہم کرتا ہے۔ حکمت عملی کی واضح سمت، وسیع تر کاروباری پلیٹ فارم اور ادارہ جاتی پائیداری کے لیے غیر متزلزل عزم کے ساتھ ہم مستقبل کی جانب پُر اعتماد انداز میں دیکھ رہے ہیں۔

قمر حارث منظور
چیف ایگزیکٹو آفیسر / مینجنگ ڈائریکٹر، FCCL
11 اگست 2026

چیئرمین کی جائزہ رپورٹ

محترم حصص یافتگان،

بورڈ آف ڈائریکٹرز کی جانب سے مجھے 30 جون 2026 کو اختتام پذیر ہونے والے مالی سال کے دوران کمپنی کی کارکردگی کا جائزہ پیش کرتے ہوئے مسرت ہے۔

مالی سال 26-2025 کو فوجی سیمنٹ کمپنی لمیٹڈ (FCCL) کے ارتقائی سفر میں ایک فیصلہ کن باب کے طور پر یاد رکھا جائے گا۔ معاشی غیر یقینی صورتحال، سیمنٹ کی صنعت میں قیمتوں کے دباؤ اور مارکیٹ کی بدلتی ہوئی حرکیات کے باوجود بورڈ نے FCCL کا انتظامی روڈ میپ، سرمائے کی دانش مندانہ تخصیص اور حکمت عملی پر مبنی فیصلوں کے ذریعے کمپنی کی طویل المدتی مسابقتی حیثیت مضبوط بنانے کے عزم کو برقرار رکھا۔ کمپنی انتظامیہ نے غیر معمولی لچک اور قوت کا مظاہرہ کرتے ہوئے پائیدار ترقی اور حصص داران کے لیے ان کے حصص کی قدر میں طویل المدت اضافے کی کوششیں جاری رکھیں۔

معاشی غیر یقینی، پیداواری لاگت میں اضافے اور صنعت میں مسلسل مسابقتی رجحان سے پیدا شدہ مشکل کاروباری ماحول میں FCCL نے ایک مرتبہ پھر مستحکم اور قابل تحسین مالی کارکردگی کا مظاہرہ کیا ہے۔ کمپنی نے رواں سال 93,690 ملین روپے کا کاروباری حجم اور 16,183 ملین روپے کا مجموعی منافع حاصل کیا، جبکہ گزشتہ سال یہ منافع 13,326 ملین روپے تھا۔ یوں اس میں 21 فیصد اضافہ ہوا۔ یہ نتائج ادارے کے کاروباری ماڈل کی مضبوطی، اس کی انتظامیہ کے موثر عمل درآمد اور بورڈ کی جانب سے حکمت عملی کی کامیابی کے ذریعے ظاہر ہونے کا مظہر ہیں۔

اس سال کی سب سے نمایاں کامیابی اٹک سیمنٹ پاکستان لمیٹڈ (ACPL) میں تقریباً 92 فیصد کنٹرولنگ حصص کا کامیاب حصول تھا، جبکہ کوہاٹ پاور کمپنی لمیٹڈ (KAPCO) کے انضمام کے عمل میں آیا۔ یہ FCCL کی تاریخ میں سب سے بڑی اور دور رس اثرات کی حامل حکمت عملی پر مبنی سرمایہ کاریوں میں سے ایک ہے۔ بورڈ نے اس فیصلے کی اہمیت کے پیش نظر اس کے ہر مرحلے پر کڑی نگرانی کی اور فعال کردار ادا کیا، جس میں حکمت عملی کے جائزے سے لے کر ریگولیٹری تقاضوں اور ضابطے کی منظوریوں تک تمام مراحل شامل تھے، اور اس دوران اعلیٰ ترین انتظامی معیارات کو ملحوظ رکھا گیا۔ بورڈ سمجھتا ہے کہ یہ سرمایہ کاری مستقبل میں نمایاں عملی ہم آہنگی پیدا کرے گی، مارکیٹ میں کمپنی کی پوزیشن مضبوط بنائے گی اور تمام متعلقین کے لیے طویل المدتی قدر پیدا کرے گی۔

بورڈ نے کمپنی کے پیداواری ڈھانچے کو مزید مضبوط بنانے کے لیے مسلسل سرمایہ کاری کی بھی حوصلہ افزائی کی۔ اس برس کے دوران FCCL نے اپنے پلانٹس کی توسیع اور گرین فیلڈ منصوبوں کی حکمت عملی پر عملدرآمد کو کامیابی سے مکمل کیا، جس کے نتیجے میں کمپنی اپنی پیداواری ضروریات پوری کرنے کے حوالے سے مکمل خود کفالت حاصل کرنے میں کامیاب ہوئی۔ یہ سرمایہ کاری پیداواری صلاحیت میں اضافے، لاگت میں مسابقت اور پیداواری کارکردگی پر طویل المدتی توجہ کی عکاس ہے۔

پائیداری FCCL کی طویل المدتی حکمت عملی کا ایک لازمی جزو ہے۔ بورڈ کا پختہ یقین ہے کہ پائیدار کاروباری قدر پیدا کرنا صرف ماحولیاتی ذمہ داری، سماجی ذمہ داری اور مضبوط کارپوریٹ انتظام ہی کے ذریعے ممکن ہے۔ اس برس کے دوران بورڈ نے قابل تجدید توانائی کے استعمال میں اضافے، وسائل کے موثر استعمال اور تمام پیداواری شعبوں میں ماحولیاتی کارکردگی بہتر بنانے کے لیے جاری اقدامات کی نگرانی جاری رکھی۔ کمپنی نے اپنی پائیداری سے متعلق رپورٹنگ کے نظام کو بھی مزید ترقی دی اور IFRS کے پائیداری سے متعلق معلومات کی فراہمی کے معیارات (IFRS S1 اور IFRS S2) کے ساتھ ہم آہنگی کیا ہے۔ جو شفافیت اور جواب دہی کا نظام قائم کرنے کے لیے اس کے عزم کی مزید توثیق ہے۔

بورڈ اس برس کے دوران اپنے ہی کاروباری حسن انتظام کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے کوشاں رہا۔ اپنی مختلف کمیٹیوں کے ذریعے جن میں آڈٹ، افرادی وسائل، معاوضہ جات، ESG اور سرمایہ کاری کی کمیٹیاں شامل ہیں، بورڈ نے مالیاتی رپورٹنگ، خطرات کے انتظام، کمپنی کے داخلی انتظامی معاملات، افرادی قوت، سرمایہ کاری اور پائیداری سے متعلق امور کی موثر نگرانی جاری رکھی۔ ہمارا پختہ یقین ہے کہ مضبوط کاروباری انتظام حصص داران کے مفادات کے تحفظ اور کمپنی کی پائیدار طویل المدتی کامیابی کے لیے بنیادی اہمیت رکھتا ہے۔

آئندہ عرصے میں کاروباری ماحول پر عالمی معیشت کی غیر یقینی صورتحال، موسمیاتی تبدیلی سے متعلق خطرات اور مارکیٹ کے بدلتے ہوئے حالات کے اثرات برقرار رہنے کی توقع ہے۔ تاہم بورڈ FCCL کے طویل المدتی امکانات کے حوالے سے پر امید ہے۔ اداری ترجیحات میں ACPL میں کمپنی کی وسیع سرمایہ کاری کی قدر کو زیادہ سے زیادہ کرنے، پیداواری عمل کی اہم ہم آہنگی سے مکمل استفادہ کرنے اور پیداوار میں عمدگی، قابل تجدید توانائی اور ڈیجیٹل تبدیلی کے شعبوں میں سرمایہ کاری جاری رکھنا بھی شامل رہے گا۔ بورڈ اس امر کو یقینی بنانے کے لیے حکمت عملی کے مطابق معاملات کی نگرانی جاری رکھے گا کہ FCCL اپنی اقتصادی مضبوطی، پیداواری طاقت پر موثر اور تمام متعلقین کے لیے پائیدار طویل المدتی کاروباری قدر پیدا کرنے کے لیے مضبوط بنیادوں پر قائم رہے۔

بورڈ کی جانب سے میں اپنے چیف ایگزیکٹو آفیسر، انتظامی ٹیم اور تمام ملازمین کا صمیم قلب سے شکریہ ادا کرتا ہوں، جن کی پیشہ ورانہ صلاحیت، لگن اور غیر متزلزل عزم ایک اور چیلنجنگ سال کی کامیابی میں بنیادی کردار کا حامل رہا۔ میں کمپنی کے حصص داران کا بھی تہہ دل سے شکر گزار ہوں کہ انہوں نے مسلسل اعتماد اور بھروسہ برقرار رکھا۔ اپنے صارفین، مالیاتی اداروں اور کاروباری شراکت داروں کا ان کے ساتھ دیرینہ تعلقات قائم ہیں۔ اپنے ضابطہ کار اداروں کا جن کی رہنمائی اور تعاون ہمیں حاصل رہا، اور کمپنی کے تمام دیگر متعلقین کا جن کے مسلسل اعتماد نے FCCL کی پائیدار کامیابی میں اہم کردار ادا کیا ہے۔

بورڈ FCCL کو اپنے مستقبل کی جانب لے جانے کے لیے مکمل طور پر پرعزم ہے جو کہ مسلسل ترقی ہی نہیں بلکہ اعلیٰ معیار، انتظام، جدت اور دانشمندانہ قیادت سے متصف ہو۔ واضح حکمت عملی، مستحکم کاروباری بنیادوں اور کاروباری حسن انتظام کے لیے غیر متزلزل عزم کے ساتھ ہمیں یقین ہے کہ FCCL اپنی موجودہ کامیابیوں کو مزید آگے بڑھانے میں کامیاب رہے گی۔

لیفٹیننٹ جنرل انور علی حیدر، ہلال امتیاز (ملٹری)، (ریٹائرڈ)

چیئرمین بورڈ آف ڈائریکٹرز، FCCL

11 اگست 2026

Shareholders' Information

فہرست

شئیر ہولڈرز
انفارمیشن

روایتی تعمیر سے آگے، نئے امکانات کی جستجو
سرسبز پاکستان کے لیے سیمنٹ کی نئی جہت

سرِورق

فوجی سیمنٹ کے نزدیک جدت صرف ہماری تیار کردہ مصنوعات تک محدود نہیں۔ ہمارے لیے جدت کا مطلب مسلسل ایسے بہتر، مؤثر اور ذمہ دارانہ طریقے تلاش کرنا ہے جو ایک مضبوط مستقبل کی بنیاد بن سکیں۔ پاکستان کی ترقی کے سفر میں ہم آپریشنل بہترین کارکردگی، جدید ٹیکنالوجی اور پائیدار طریقۂ کار کو یکجا کرتے ہوئے اپنے صارفین، حصص یافتگان، ملازمین اور معاشرے کے لیے دیرپا قدر پیدا کرنے کے لیے پُرعزم ہیں۔

ہماری ترقی اس یقین سے جڑی ہے کہ معاشی کامیابی اور ماحولیاتی ذمہ داری ایک ساتھ آگے بڑھ سکتی ہیں۔ وسائل کے بہتر استعمال، کارکردگی میں مسلسل بہتری اور ماحولیاتی اثرات میں کمی کے ذریعے ہم ایک زیادہ پائیدار مستقبل کی جانب عملی قدم اٹھا رہے ہیں۔ "روایتی تعمیر سے آگے، نئے امکانات کی جستجو" اسی عزم کی عکاسی کرتی ہے کہ ہم پاکستان کی ترقی کی مضبوط بنیادیں صرف تعمیر نہ کریں، بلکہ انہیں ذمہ داری اور پائیداری کے ساتھ استوار کریں۔

آنے والے کل کے لیے ہماری توجہ اس بات پر ہے کہ چیلنجز کو مواقع میں، نئے خیالات کو عملی جدت میں اور ترقی کو پائیدار اثرات میں تبدیل کیا جائے۔ ہمارا مقصد ایک ایسا مستقبل تشکیل دینا ہے جو کاروبار کو مزید مضبوط، معاشرے کو مزید مستحکم اور پاکستان کو مزید سرسبز بنانے میں اپنا کردار ادا کرے۔

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