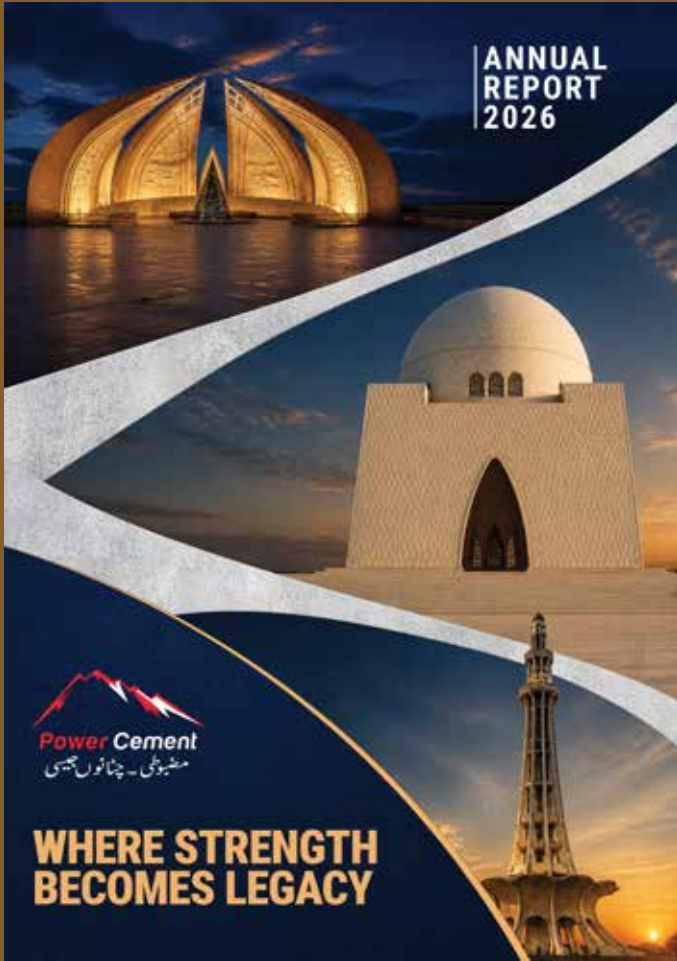


ANNUAL REPORT 2026



**WHERE STRENGTH
BECOMES LEGACY**

COVER STORY



THE ARCHITECTURE OF STRENGTH

Across Pakistan, strength is written into structures that have endured beyond their time.

The **Minar-e-Pakistan**, **Mazar-e-Quaid** and **Pakistan Monument** each embody a distinct dimension of endurance: resolve transformed into form, values preserved with dignity, and unity brought together around a shared national identity.

Together, these landmarks tell a story of ambition shaped into permanence. They remind us that lasting strength does not happen by chance. It is built through vision, disciplined execution, resilience and a commitment to creating value that extends beyond the present.

For **Power Cement Limited**, this enduring architectural legacy reflects a responsibility that goes beyond producing cement. It is about providing the dependable foundations on which Pakistan's infrastructure, communities and aspirations can continue to grow.

Through operational excellence, innovation, responsible resource use and a commitment to sustainable progress, Power Cement continues to strengthen the foundations of a more resilient future.

Because what we build today becomes part of the legacy we leave tomorrow.

ABOUT THE REPORT

Dear Reader,

At **Power Cement Limited**, transparency, accountability and sustainable value creation remain fundamental to the way we conduct our business and engage with our stakeholders. Strong corporate governance, responsible leadership and transparent disclosures are central to our approach.

This Annual Report provides stakeholders with a comprehensive overview of the Company's business, strategy, performance, governance and future outlook. It provides insight into how we deploy our resources, manage risks and opportunities, create value through our business activities and contribute to the communities in which we operate.

The Report has been prepared with reference to the International Integrated Reporting Framework and presents financial and non-financial information in an integrated manner, providing insight into our strategic thinking, business model, governance, performance and prospects within the external environment.

The Report covers the following key areas:

- Organizational Overview and External Environment
- Strategy and Resource Allocation
- Risks and Opportunities
- Sustainability and ESG Disclosures
- Governance
- Analysis of Financial Information
- Business Model
- IT Governance and Cybersecurity
- Future Outlook
- Stakeholder Relationship and Engagement
- Striving for Excellence in Corporate Reporting
- Financial Statements

We continuously review our reporting practices to enhance the quality, relevance and transparency of information provided to stakeholders and to align our disclosures with applicable requirements and evolving best practices.

This Annual Report covers the financial year from **July 1, 2025 to June 30, 2026** and provides an overview of **Power Cement Limited**, including its operations, performance, strategy, governance, sustainability initiatives and financial results.

ANNUAL ACCOUNTS

This Annual Report should be read in conjunction with the Financial Statements for the year ended June 30, 2026, to obtain a complete understanding of the Company's financial position and performance.

FUTURE OUTLOOK

The Company's outlook, strategic priorities and expectations regarding future developments are discussed in the Future Outlook section of this Annual Report. These considerations reflect management's current assessment of the business environment, opportunities, challenges and strategic priorities.

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report relating to the Company's future plans, strategy, prospects and expectations may constitute forward-looking statements. These statements are based on management's current views, estimates, assumptions and projections and are subject to various risks and uncertainties that may cause actual results to differ materially from those expressed or implied.

The Company does not undertake any obligation to publicly update or revise such statements as a result of new information, future events or developments, except where required by applicable laws and regulations.

We thank our stakeholders for their continued interest in Power Cement Limited and invite you to explore our Annual Report 2026.

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RESILIENCE SHAPED BY TERRAIN, CLIMATE AND TIME

The northern fort rises from a demanding landscape with strength shaped by altitude, material and time. It reflects Power Cement's ability to adapt to changing conditions while building dependable foundations for communities, infrastructure and national progress.

BALTIT FORT - HUNZA, GILGIT-BALTISTAN

CHAPTER - 1

ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

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COMPANY PROFILE

Power Cement Limited is strategically located at Motorway M9, Nooriabad, Sindh, providing an advantageous location for its cement manufacturing operations. Formerly known as Al-Abbas Cement Industries Limited, the Company was acquired in 2010 by the Arif Habib Group, a prominent financial and industrial conglomerate.

The Company is engaged in the manufacturing, sale and marketing of high-quality cement and has established a strong market presence in the southern region of Pakistan. In addition to catering to the domestic market, Power Cement has developed a growing international footprint, exporting clinker and cement to various destinations across the Middle East, Sri Lanka, East and West Africa, the United Kingdom and the United States.

Power Cement operates manufacturing facilities with a nameplate clinker production capacity of 10,700 tons per day (TPD), equivalent to an annual capacity of 3.21 million tons. The Company also has an annual cement production capacity of 3.37 million tons, equivalent to 11,235 TPD, providing a strong platform to serve both domestic and international markets.

As part of its strategic growth and commitment to technological advancement, the Company has invested in a state-of-the-art production plant supplied by FLSmidth, a renowned European cement equipment manufacturer. The advanced facility incorporates modern technology and reflects Power Cement's commitment to operational excellence, efficiency and globally recognized manufacturing standards.

Energy efficiency and sustainability remain integral to the Company's long-term strategy. Power Cement has a 7 MW Solar Power Plant on a rental basis and an 11.5 MW Waste Heat Recovery System. During FY 2026, the Company further strengthened its energy portfolio by commissioning a 7.5 MW Wind Power Project on a rental basis. These initiatives have enhanced the Company's energy security, reduced reliance on conventional grid electricity and supported its efforts to optimize energy costs and improve operational efficiency.

With the addition of the Wind Power Project, the Company's total installed capacity from its solar and wind projects stands at 14.5 MW, while its overall energy initiatives, including the Waste Heat Recovery System, represent a combined capacity of 26 MW. These investments demonstrate the Company's continued commitment to energy optimization, reduction of its carbon footprint and responsible environmental stewardship.

As one of Pakistan's prominent cement producers in the southern region, Power Cement Limited continues to pursue operational excellence, technological innovation, energy efficiency and sustainable growth. The Company remains focused on strengthening its market position, enhancing competitiveness and creating sustainable long-term value for its customers, shareholders, employees and the communities it serves.

VISION AND MISSION

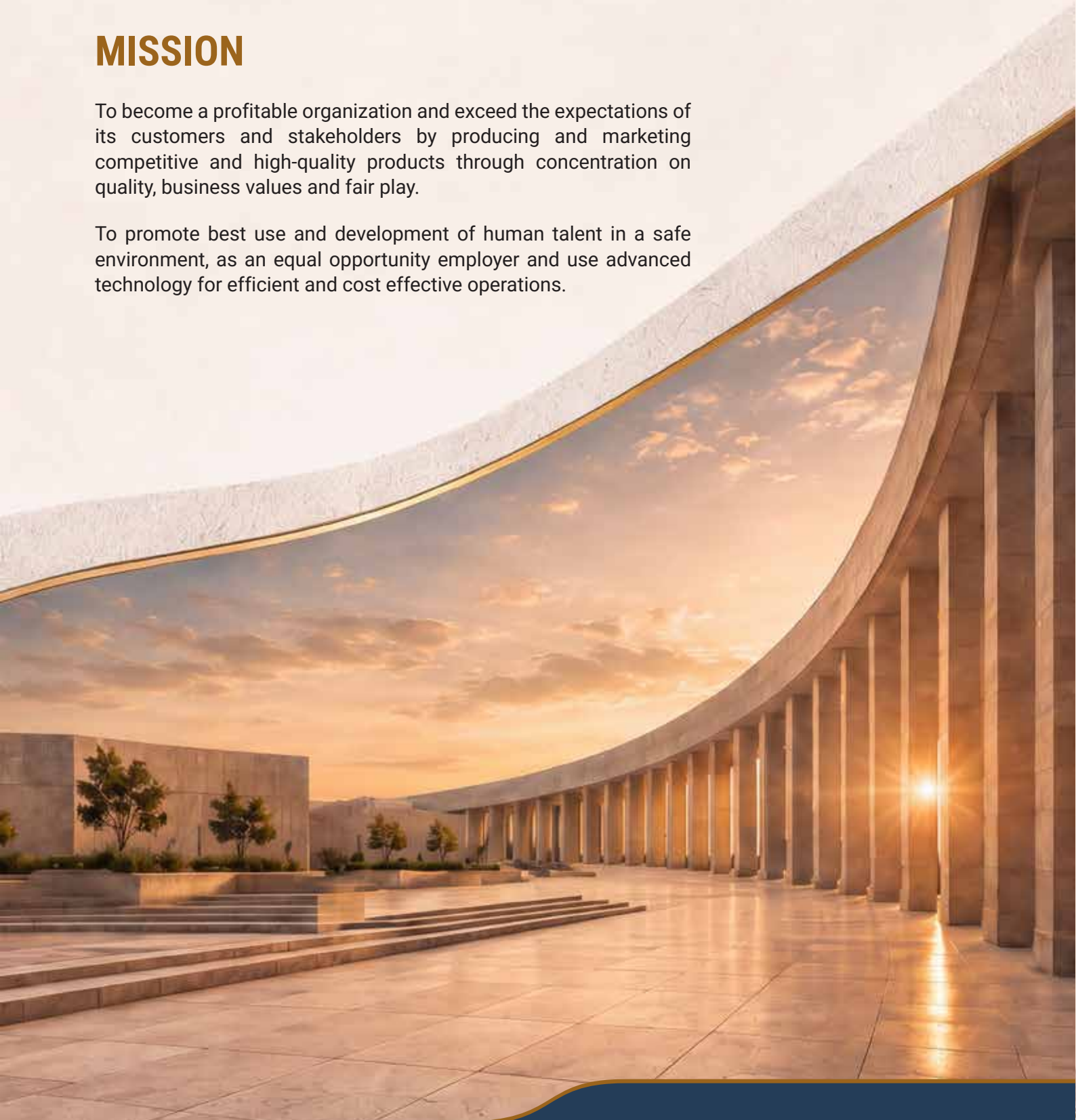
VISION

Power Cement Limited aims to be recognized nationally and internationally as a successful cement producer with a strong, satisfied customer base.

MISSION

To become a profitable organization and exceed the expectations of its customers and stakeholders by producing and marketing competitive and high-quality products through concentration on quality, business values and fair play.

To promote best use and development of human talent in a safe environment, as an equal opportunity employer and use advanced technology for efficient and cost effective operations.



CODE OF BUSINESS CONDUCT

The ensuing set of principles establishes the ethical framework by which all Directors and personnel of Power Cement Limited are obliged to abide in their daily endeavors and uphold in the execution of the Company's operations. While the Company is committed to ensure comprehensive awareness of these principles among its employees, it remains the responsibility of each individual to enact the Company's policies. Violation of this code will be regarded as misconduct. The code underscores the imperative of maintaining high standards of honesty and integrity, pivotal for the prosperity of any business entity.

ETHICAL PRINCIPLES

CONFLICTS OF INTEREST

Directors and employees are expected to refrain from engaging in any activities that lead to conflicts between their personal and the Company's interests. This encompasses affiliations with organizations supplying goods or services to the Company or purchasing its products. Should such a relationship exist, it must be immediately disclosed to the management.

THIRD PARTIES ENGAGEMENTS

Interactions with third parties, including government officials, suppliers, buyers, agents, and consultants, safeguard the Company's integrity and reputation. Directors and employees are prohibited from accepting favors, gifts or kickbacks from any entity involved in transactions with the Company.

CONFIDENTIALITY

Confidential information pertaining to the Company is not to be divulged to unauthorized parties. When communicating publicly on matters concerning Company affairs, individuals should only do so if they are certain that their expressions align with the Company's views and objectives and if it is the Company's intention for those views to be publicly shared.

FAIR & ETHICAL CONDUCT

All employees shoulder the responsibility of fostering positive public relations, particularly within the community. Active involvement in religious, charitable, educational, and civic activities is encouraged, provided it does not create obligations that impede commitment to the Company's best interests.

HEALTH AND SAFETY

The Company remains fully committed to the well-being of its employees and environmental preservation. Improving Health, Safety, and Environment (HSE) performance is a core objective, focused on minimizing hazards, preventing pollution, and raising awareness. Employees are required to operate Company facilities and processes in alignment with this commitment.

COMMITMENT AND TEAMWORK

Dedication and teamwork are fundamental components for effective and efficient company operations. All employees must be treated with equal respect and behaviors such as workplace harassment and derogatory remarks based on race or ethnicity are strictly prohibited.



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Conflicts of Interest

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**Third Parties
Engagements**

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**Commitment and
Teamwork**

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Confidentiality

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Health and Safety

04

Fair & Ethical Conduct

STRATEGIC PILLARS

Power Cement Limited embarked on a transformative journey by redefining its strategic pillars and core values, laying a strong foundation for sustainable growth, innovation, and enhanced stakeholder confidence.

R-IMPACT – Our Strategic Pillars

R-IMPACT reflects the way we deliver excellence. Our seven strategic pillars — Reliability, Innovation, Focus, People, Automation, Commitment to Safety, and Transformation — serve as the guiding framework for achieving long-term success. These pillars align our operations, foster innovation, and strengthen competitiveness while reinforcing our commitment to sustainability.

R

Reliability

Delivering consistent quality and performance.

I

Innovation

Driving progress through new ideas and advanced solutions.

M

Market

Strengthening our presence and customer relationships.

P

People

Empowering employees through inclusivity and development.

A

Automation

Leveraging technology to improve efficiency and competitiveness.

C

Commitment

Ensuring a safe and secure workplace.

T

Transformation

Adapting to change and leading with resilience.



RISE – OUR CORE VALUES

At Power Cement, sustainability begins with our values. RISE – Respect, Integrity, Sustainability, and Efficiency. It is more than a framework; it is the foundation of our culture and the compass that guides our actions.

R

Respect

Fostering a workplace where diverse perspectives, strengths, and cultures are valued, ensuring collective success.

I

Integrity

Upholding honesty, ethical behavior, and adherence to organizational principles in every action.

S

Sustainability

Meeting today's social, business, and environmental needs without compromising future generations.

E

Efficiency

Maintaining agile policies and practices, while consistently ensuring safety, quality, and operational excellence.

These values are embedded in every decision, from boardroom strategies to day-to-day plant operations. By living RISE, our people ensure that Power Cement remains a Company driven by purpose, resilience, and responsibility.



PRINCIPAL BUSINESS ACTIVITIES

Power Cement Limited, a prominent player in the cement industry is part of the Arif Habib Group, a renowned conglomerate in Pakistan. We have strategically positioned ourselves to meet the growing demand for this essential construction material, with an annual cement production capacity of 3.37 million tons.

Our state-of-the-art production facility is strategically located in Nooriabad, Sindh, to efficiently serve the diverse cement needs of the southern region of the country. This facility enables us to efficiently serve both local and export markets, ensuring a consistent supply of high-quality cement. Power Cement Limited's steadfast commitment to excellence and innovation in cement production solidifies our position as a prominent industry player, contributing to the growth and development of Pakistan's dynamic construction landscape.

LOCAL AND INTERNATIONAL MARKETS

Power Cement Limited serves both local and international markets, offering a diverse range of cement grades, including 32.5 N, 42.5 N, and 52.5 N, along with flexible packaging solutions to meet varying customer requirements. The Company's advanced production capabilities, supported by sophisticated quality control, testing, and material analysis systems, enable it to maintain consistent and reliable product quality across its markets.

The Company's distribution network effectively covers key markets across Karachi, Sindh, and Balochistan. Power Cement has established itself as a preferred supplier for major development projects, working with prominent developers such as EMAAR, HMR, Saima, Creek Developers, Crete businesses such as Magnacrete & Envicrete. Additionally, the Company serves various government entities, including NESCOM and the Pakistan Atomic Energy Commission.

Internationally, the Company exports high-quality clinker and cement manufactured in accordance with internationally recognized standards, including EN 197-1 and ASTM C150 and also manufactures low-alkali and low-chrome cement to meet the specific requirements and technical specifications of export customers and as per market dynamics to establish major customers across key global markets, including the USA, UK, West Africa, East Africa, Indian Ocean Islands, South Asia and the Middle East.

The Company has developed a strong and consistent international presence through regular exports to reputed customers across and offers its products in a wide range of packing and shipment formats, including 25 kg, 40 kg and 50 kg bags, 1 MT and 1.5 MT Jumbo Bags, Sling Bags, shrink-wrapped pallets. The Company also has the capability to load clinker in containers, providing flexibility to meet diverse customer and logistical requirements.

The Company is registered with and approved by internationally recognized bodies and complies with market-specific standards, including CE, SLSI, and TxDOT in the USA, further demonstrating its commitment to quality, regulatory compliance, and adherence to international market requirements.

PCL remains committed to sustainable manufacturing practices, recognizing that environmental stewardship is increasingly important to customers and stakeholders in both domestic and international markets. Power Cement has progressively expanded the use of alternative and renewable energy sources, including agricultural biomass fuels such as rice husk, mustard straw, sunflower residue, and cow dung, together with Waste Heat Recovery (WHR), captive solar power, and captive wind power. These initiatives have significantly reduced reliance on conventional fossil fuels and currently enable more than 50% of the plant's electricity requirement to be met through renewable and recovered energy sources, while also supporting the Company's decarbonization objectives and long-term energy resilience.

Power Cement Limited maintains internationally recognized management systems, including ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), and ISO 45001:2018 (Occupational Health and Safety). The Company continues to strengthen its management systems in line with evolving international standards, regulatory requirements, and industry best practices.

COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

ERP Governance & Implementation Committee

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

Environmental, Social and Governance Committee

Mr. Khalilullah Shaikh	Chairperson
Mr. Khursheed Anwer Jamal	Member
Ms. Zainab Kashif	Member

Chief Financial Officer

Naveed Afzal

Company Secretary

Mr. Salman Gogan

External Auditors

A. F. Ferguson & Co. Chartered Accountants

Cost Auditors

UHY Hassan Naeem & Co. Chartered Accountants

Legal Advisor

Barrister Asad Iftikhar

Share Registrar

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

Bankers / Lenders of the Company

Local Banks / DFIs

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

Foreign Banks / DFIs

DEG - Deutsche Investitionsund
Entwicklungsgesellschaft mbH - Germany

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

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

Registered Office

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

Factory

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

Website www.powercement.com.pk

Contact Number 021-32468231-2

Fax Number 021-32463209

PRODUCTS

ORDINARY PORTLAND CEMENT

Power's Ordinary Portland Cement is recommended for projects especially where strength and quality is a high priority. It can be used in concrete, mortars and blocks etc. Power's Ordinary Portland Cement has a strong compatibility with admixture/ retarder etc.

Brands

- POWER-53 • BLACK BULL-53 • BLACK HAWK • POWER OPC

SULPHATE RESISTANT CEMENT

Power's Sulphate Resistant Cement is highly recommended in the coastal areas and in corrosive soil conditions due to its greater resistance to chemical attack from sulphates and dissolved salts in the waterlogged areas.

Brand

- POWER SRC-53

POWER BLOCK CEMENT

Power's Block Cement is a specially designed OPC Brand, catering to the needs of local block and precast segment. This brand has been introduced exclusively for block & precast slab manufacturers after years of research.

Brand

- POWER BLOCK

COMPOSITE CEMENT

Environmentally Friendly Cement containing 70% of clinker

Brand

- Qila Composite



GEOGRAPHICAL LOCATION



Geographically, the Company operates in the South Zone. The Company's Head Office is located in Karachi, while its Factory is located in Nooriabad, District Jamshoro.

SUCCESS JOURNEY

1981

Incorporated in Pakistan as Essa Cement Industries Limited

1987

Listed on Karachi Stock Exchange (Now Pakistan Stock Exchange Limited)

1989

Commencement of production with a capacity of 500 TPD

2017

Mega expansion of an additional production line (FLSmidth) 7,700 TPD was announced

2016

Successful Implementation of Microsoft Dynamics Enterprise Resource Planning (ERP)

2013

Change of name to Power Cement Limited

2020

CoD of Cement Production and Dispatch Plant

2021

CoD of Clinker Production Plant and 11.5 MW of Waste Heat Recovery System

2022

7 MW of Solar Power Project

1999

Capacity enhancement from 500 TPD to 1,500 TPD

2005

Acquisition of the Company by Al-Abbas Group and change of name to Al-Abbas Cement Industries Limited

2010

Acquisition of the Company by Arif Habib Group

2008

Capacity enhancement from 1,500 TPD to 3,000 TPD

2024

SmartHCM Go-Live

2026

7.5 MW of Wind Power Project Commissioned in May 2026

OWNERSHIP STRUCTURE

As at reporting date, Power Cement Limited shares are majorly held by below mentioned shareholders for which detailed disclosure has been annexed with the Report.

Name of Shareholder	Shareholding %
Mr. Muhammad Arif Habib	22.92
Arif Habib Corporation Limited	26.70
Syed Salman Rashid	5.54

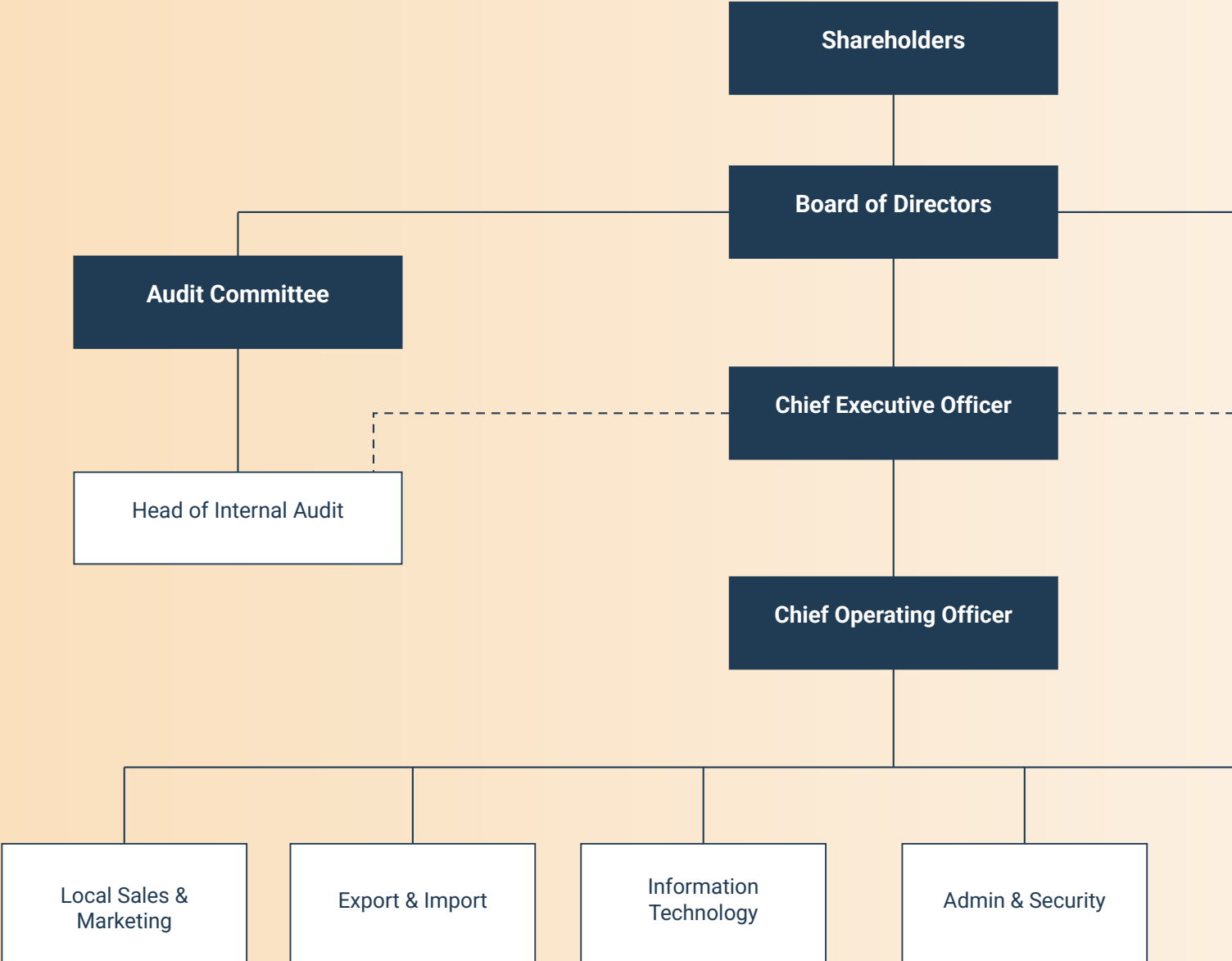
LIST OF ASSOCIATED COMPANIES

S. No.	Company	Basis of Relationship	Common Directors
1	Aisha Steel Mills Limited	Common Directorship	Mr. Nasim Beg, Mr. Abdus Samad, Mr. Muhammad Arif Habib and Mr. Muhammad Kashif
2	Alfalah Asset Management Limited	Common Directorship	Mr. Khalilullah Shaikh
3	All Pakistan Cement Manufacturers Association	Common Directorship	Mr. Muhammad Kashif
4	Alternates (Private) Limited	Common Directorship	Mr. Muhammad Kashif
5	Arif Habib Consultancy (Private) Limited	Common Directorship	Mr. Nasim Beg and Mr. Muhammad Arif Habib
6	Arif Habib Development and Engineering Consultants (Private) Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Muhammad Kashif and Mr. Abdus Samad
7	Arif Habib Dolmen REIT Management Limited	Common Directorship	Mr. Abdus Samad and Mr. Muhammad Arif Habib
8	Arif Habib Equity (Private) Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Muhammad Kashif and Mr. Abdus Samad
9	Arif Habib Foundation	Common Directorship	Mr. Muhammad Arif Habib, Mr. Muhammad Kashif and Mr. Abdus Samad
10	BankIslami Pakistan Limited	Common Directorship	Mr. Khalilullah Shaikh
11	BioMasdar (Pakistan) Limited	Common Directorship	Syed Salman Rashid and Mr. Muhammad Kashif
12	Black Gold Power Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Muhammad Kashif and Mr. Abdus Samad
13	Dow University of Health Sciences	Common Directorship	Mr. Khalilullah Shaikh
14	Easy E-Tameer (Private) Limited	Common Directorship	Mr. Muhammad Kashif
15	Essa Textile and Commodities (Private) Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Muhammad Kashif and Mr. Abdus Samad
16	Fatima Capital Limited	Common Directorship	Mr. Muhammad Kashif
17	Fatima Cement Limited	Common Directorship	Mr. Muhammad Arif Habib and Mr. Muhammad Kashif
18	Fatima Fertilizer Company Limited	Common Directorship	Mr. Muhammad Arif Habib and Mr. Muhammad Kashif
19	Fatima Mining Limited	Common Directorship	Mr. Muhammad Kashif
20	Fatima Packaging Limited	Common Directorship	Mr. Muhammad Kashif
21	Fatima Petroleum Company Limited	Common Directorship	Mr. Muhammad Kashif
22	Fatimafert Limited	Common Directorship	Mr. Muhammad Arif Habib and Mr. Muhammad Kashif
23	Green Store (Private) Limited	Common Directorship	Mr. Muhammad Kashif
24	Habib Shipping Company Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Abdus Samad and Mr. Muhammad Kashif
25	Habib Sugar Mills Limited	Common Directorship	Mr. Khursheed A. Jamal

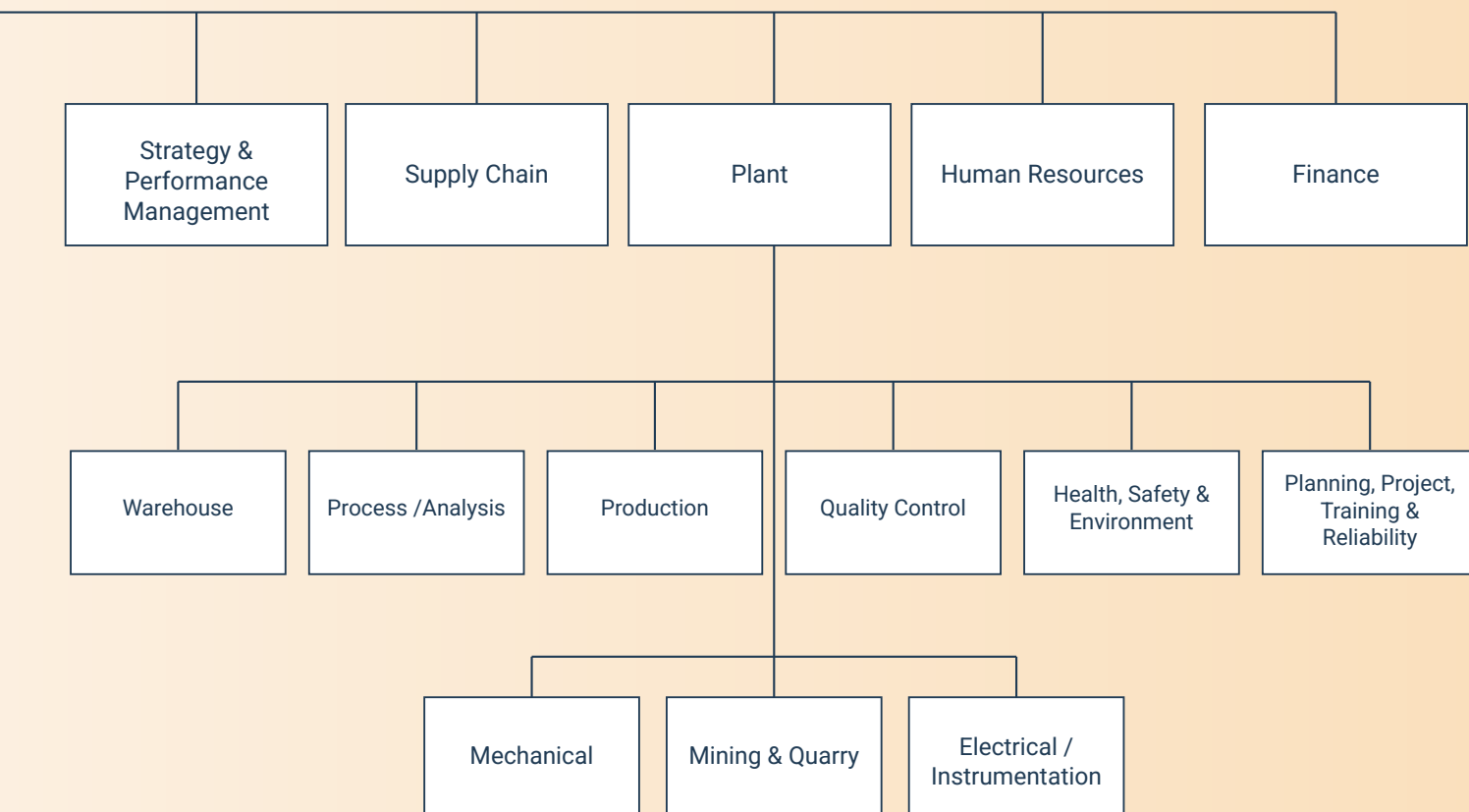
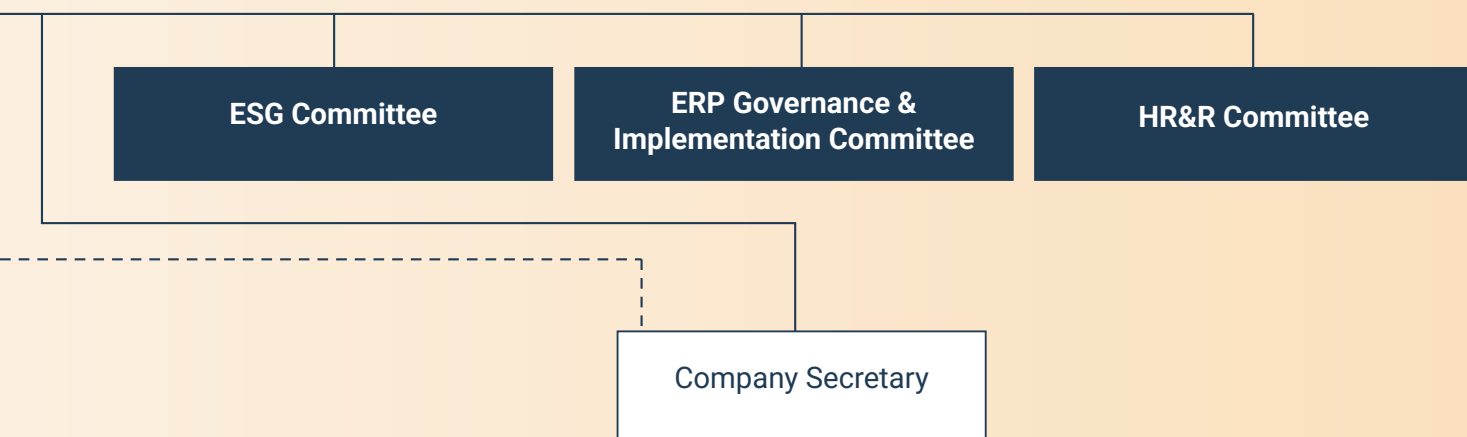
S. No.	Company	Basis of Relationship	Common Directors
26	Habib University Foundation	Common Directorship	Mr. Muhammad Arif Habib
27	International Builders and Developers (Pvt.) Limited	Common Directorship	Mr. Muhammad Arif Habib
28	Javedan Corporation Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Muhammad Kashif and Mr. Abdus Samad
29	Karachi Education Initiative	Common Directorship	Mr. Muhammad Arif Habib
30	Memon Education Board	Common Directorship	Mr. Muhammad Arif Habib
31	Memon Education Monetary Fund	Common Directorship	Mr. Muhammad Arif Habib
32	Memon Health and Education Foundation	Common Directorship	Mr. Muhammad Arif Habib and Mr. Abdus Samad
33	Muhammad Arif Habib Corporation Limited	Common Directorship	Mr. Nasim Beg, Mr. Abdus Samad, Mr. Muhammad Arif Habib and Mr. Muhammad Kashif
34	Naya Nazimabad Foundation	Common Directorship	Mr. Muhammad Arif Habib and Mr. Abdus Samad
35	Naya Nazimabad IT Park Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Abdus Samad and Mr. Muhammad Kashif
36	NCEL Building Management Limited	Common Directorship	Mr. Muhammad Arif Habib
37	NN Maintenance Company (Pvt.) Limited	Common Directorship	Mr. Abdus Samad
38	Nooriabad Spinning Mills (Private) Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad
39	Pakarab Energy Limited	Common Directorship	Mr. Muhammad Arif Habib
40	Pakarab Fertilizers Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Abdus Samad and Mr. Muhammad Kashif
41	Pakistan Centre for Philanthropy	Common Directorship	Mr. Muhammad Arif Habib
42	Pakistan Engineering Company Limited	Common Directorship	Mr. Muhammad Arif Habib
43	Pakistan International Airlines Corporation Limited	Common Directorship	Mr. Muhammad Arif Habib
44	Pakistan Opportunities Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Abdus Samad and Mr. Muhammad Kashif
45	Parkview Corporation (Private) Limited	Common Directorship	Mr. Abdus Samad
46	PIA Equity Limited	Common Directorship	Mr. Muhammad Arif Habib
47	Prime Agtech Solutions (Private) Limited	Common Directorship	Mr. Muhammad Kashif
48	Rotocast Engineering Company (Pvt.) Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad
49	Sachal Energy Development (Private) Limited	Common Directorship	Mr. Muhammad Arif Habib, Mr. Abdus Samad and Mr. Muhammad Kashif
50	Safe Mix Concrete Limited	Common Directorship	Mr. Muhammad Kashif and Mr. Abdus Samad
51	Sapphire Bay Development Company Limited	Common Directorship	Mr. Muhammad Arif Habib and Mr. Abdus Samad
52	Siddiqsons Energy Limited	Common Directorship	Mr. Muhammad Kashif
53	Sukh Chayn Gardens (Pvt.) Limited	Common Directorship	Mr. Abdus Samad
54	The Pakistan Business Council	Common Directorship	Mr. Muhammad Arif Habib
55	Transmovers (Private) Limited	Common Directorship	Mr. Muhammad Kashif

All companies are operated by their management under the oversight of respective Board of Directors. Transactions are entered into normal course of business at arm's length. All transactions are placed for approval of board of directors of respective companies.

ORGANOGRAM



—— Reporting line
- - - - Administrative line



DIRECTORS' PROFILE

Mr. Muhammad Arif Habib

Chairman & Non-Executive Director

Mr. Arif Habib is the Chief Executive of Arif Habib Corporation Limited, the holding company of Arif Habib Group. He is also the Chairman of the Group Companies namely Fatima Fertilizer Company Limited, Power Cement Limited, Aisha Steel Mills Limited, Javedan Corporation Limited (the owner of Naya Nazimabad), Sachal Energy Development (Pvt) Limited and Arif Habib Dolmen REIT Management Limited.

Mr. Arif Habib remained the elected President / Chairman of Pakistan Stock Exchange for six times and was a Founding Member and Chairman of the Central Depository Company of Pakistan Limited. He has served as a Member of the Privatization Commission, Board of Investment, Tariff Reforms Commission and Securities & Exchange Ordinance Review Committee.

He has been a member of the Prime Minister's Economic Advisory Council (EAC) and the Think-Tank constituted by the Prime Minister on COVID-19 related economic issues. He has also remained a member of the Prime Minister's Task Force on attracting Foreign Direct Investment (FDI) and a member of The Advisory Committee of Planning Commission.

Mr. Arif Habib is actively involved in welfare activities. He remains one of the directors of Pakistan Centre for Philanthropy (PCP), Habib University Foundation, Karachi Education Initiative (KSBL), Arif Habib Foundation and Naya Nazimabad Foundation as well as a trustee of Memon Health & Education Foundation (MMI).

Corporate Responsibilities As Chairman

Arif Habib Corporation Limited
Aisha Steel Mills Limited
Arif Habib Development and Engineering Consultants (Private) Limited
Arif Habib Dolmen REIT Management Limited
Arif Habib Foundation
Black Gold Power Limited
Essa Textile and Commodities (Private) Limited
Fatima Fertilizer Company Limited
Fatimafert Limited
Habib Shipping Company Limited
Javedan Corporation Limited
Naya Nazimabad Foundation
Sachal Energy Development (Private) Limited
Sapphire Bay Development Company Limited

As Honorary Trustee/Director

Habib University Foundation
Karachi Education Initiative
Memon Education Monetary Fund
Memon Educational Board
Memon Health and Education Foundation
Pakistan Centre for Philanthropy

Other Directorships

Arif Habib Consultancy (Private) Limited
Arif Habib Equity (Private) Limited
Fatima Cement Limited
International Builders and Developers (Private) Limited
Naya Nazimabad IT Park Limited
NCEL Building Management Limited
Pakarab Energy Limited
Pakarab Fertilizers Limited
Pakistan Business Council
Pakistan Engineering Company Limited
Pakistan International Airlines Corporation Limited
Pakistan Opportunities Limited
PIA Equity Limited

Mr. Nasim Beg

Non-Executive Director

Mr. Nasim Beg is the Chief Executive Officer of Arif Habib Consultancy (Pvt.) Limited. He qualified as a Chartered Accountant in 1970 and over the decades has had experience in manufacturing, as well as in financial services, both within and outside the country. He joined the Group in the year 2000 to conceive and set up an Asset Management Company, namely Arif Habib Investments, which became the market leader, it was later converted into a joint venture with MCB and subsequently sold to MCB.

Mr. Beg has also held senior level responsibilities in the automobile industry. During his tenure at the Allied Engineering Group, he set up a green field project for the manufacture of sophisticated indigenous components for the automotive industry under transfer of technology licenses with Japanese and European manufacturers.

His initiation into the financial services business was with the Abu Dhabi Investment Company, UAE, where he was part of the team that set up the company in 1977. He was the founding Chairman of the Institute of Financial Markets of Pakistan, which was sponsored by the Securities & Exchange Commission of Pakistan (SECP). He has served on several committees set up by the SECP for developing the Capital Markets, including the one that authored the Voluntary Pension System. He has also held the Chairmanship of the Mutual Funds Association of Pakistan. In addition, he has also been a member of the Prime Minister's Economic Advisory Council (EAC).

Other Directorships

Aisha Steel Mills Limited
Arif Habib Consultancy (Private) Limited (Chief Executive)
Arif Habib Corporation Limited

Mr. Muhammad Kashif

Chief Executive Officer

Mr. Muhammad Kashif is the Chief Executive of Power Cement Limited. As a member of the Institute of Chartered Accountants of Pakistan (ICAP), he completed his articleship from A. F. Ferguson & Co. (a member firm of PricewaterhouseCoopers) gaining invaluable insight across sectors, catering to clients across the financial, manufacturing and services industries.

He began his career at Arif Habib Corporation Limited, gaining valuable experience, and has since served for over a decade as an Executive Director in the Group's cement and fertilizer companies.

This exposure not only enriched his understanding of diverse corporate dynamics but also enabled him to refine his strategic decision-making capabilities.

Kashif is deeply committed to enhancing the country's energy landscape. He remains engaged with experts to establish renewable energy as a viable and readily available solution, benefiting not only industries but also the public at large. His focus also extends to advancing sustainability across industrial operations, with particular emphasis on green energy and alternative fuels to reduce environmental impact, support responsible long-term growth and contribute to a more sustainable future.

Other Directorships

Aisha Steel Mills Limited
Alternates (Private) Limited
Arif Habib Corporation Limited
Arif Habib Development and Engineering Consultants (Private) Limited
Arif Habib Equity (Private) Limited
Arif Habib Foundation
BioMasdar (Pakistan) Limited
Black Gold Power Limited
Easy E-Tameer (Private) Limited
Essa Textile and Commodities (Private) Limited
Fatima Capital Limited
Fatima Cement Limited
Fatima Fertilizer Company Limited
Fatima Mining Limited
Fatima Packaging Limited

Fatima Petroleum Company Limited
Fatimafert Limited
Green Store (Private) Limited
Habib Shipping Company Limited
Javedan Corporation Limited
Naya Nazimabad IT Park Limited
Nooriabad Spinning Mills (Private) Limited
Pakarab Fertilizers Limited
Pakistan Opportunities Limited
Prime AGTech Solutions (Private) Limited
Rotocast Engineering Company (Private) Limited
Sachal Energy Development (Private) Limited
Safe Mix Concrete Limited
Siddiqsons Energy Limited
TransMovers (Private) Limited
All Pakistan Cement Manufacturers Association

Mr. Abdus Samad

Non-Executive Director

Mr. Abdus Samad holds a Master's degree in Business Administration. He is the Chief Executive of Javedan Corporation Limited and Safe Mix Concrete Limited. Mr. Samad has more than 15 years of experience, including 9 years in the financial services industry in various senior management roles.

He began his career with Arif Habib Corporation Limited (the holding company of Arif Habib Group) and has served the company in various executive positions including Executive Sales and Business Promotions, Company Secretary and Head of Marketing.

In 2004, Mr. Samad joined Arif Habib Limited, later leading the company as its Chairman and Chief Executive. He played a key role in shaping the strategic direction of the company where he specialized in capital market operations and corporate finance. Several noteworthy Initial Public Offerings (IPOs) and successful private placements took place under his stewardship, showcasing his exceptional financial acumen and deep market insight.

Mr. Samad transitioned to Javedan Corporation Limited in 2011, as the driving force behind the transformation of a dilapidated cement plant into a vibrant living community, Naya Nazimabad. Mr. Abdus Samad Habib has been pivotal in advancing positive societal change and providing the city's middle class with an elevated standard of living.

In 2019, Mr. Abdus Samad took on the role of CEO at Safe Mix Concrete Limited. Guided by his strategic acumen, Safe Mix Concrete has undergone a remarkable transformation from a loss-making entity to a profitable enterprise.

Other Directorships

Aisha Steel Mills Limited
Arif Habib Corporation Limited
Arif Habib Development and Engineering Consultants (Private) Limited
Arif Habib Dolmen REIT Management Limited / (Dolmen City REIT)
Arif Habib Equity (Private) Limited
Black Gold Power Limited
Essa Textile and Commodities (Private) Limited
Habib Shipping Company Limited
Javedan Corporation Limited
Naya Nazimabad IT Park Limited

NN Maintenance Company (Private) Limited
Nooriabad Spinning Mills (Private) Limited
Pakarab Fertilizers Limited
Pakistan Opportunities Limited
Parkview Corporation (Private) Limited
Rotocast Engineering Company (Private) Limited
Safe Mix Concrete Limited
Sachal Energy Development (Private) Limited
Sapphire Bay Development Company Limited
Sukh Chayn Gardens (Private) Limited

As Honorary Trustee/Director in NPOs:

Arif Habib Foundation
Memon Health and Education Foundation
Naya Nazimabad Foundation

Mr. Khursheed Anwer Jamal

Independent Director

Mr. Khursheed Anwer Jamal is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) since 1990. Mr. Khursheed brings more than 35 years of experience and has held various corporate and management positions as Chief Accountant, Manager Taxation, Manager Internal Audit, Company Secretary, Director Finance, Chief Operating Officer and Chief Executive Officer.

Mr. Khursheed was associated with Ghulam Faruque Group (Cherat Cement, Cherat Electric and Cherat Packaging), Dewan Mushtaq and Yousuf Group [Dewan Cement (Pakland Cement), Dewan Sugar, and other group companies] and Al-Abbas Group (Al-Abbas Sugar, Al-Abbas Cement and other Group companies).

He is also a certified director from ICAP and is currently associated with Habib Sugar Mills Limited.

Other Directorships

Habib Sugar Mills Limited (Chief Executive)

Syed Salman Rashid

Non-Executive Director

Syed Salman Rashid holds a bachelor's degree from Karachi University and is a certified director from Pakistan Institute of Corporate Governance. He has served with EFU Group for over 30 years and presently serves as a Deputy Managing Director of EFU General Insurance Limited looking after the largest Marketing and Sales Division of the Company. Parallel to his professional services, he is also serving on the Board of BioMasdar (Pakistan) Limited and Power Cement Limited.

Other Directorships

BioMasdar (Pakistan) Limited

Ms. Zainab Kashif

Non-Executive Director

Ms. Zainab Kashif holds a Bachelor's degree in Commerce. She is a proud mother and an active homemaker. She is gearing up in her family business.

Mr. Khalilullah Shaikh

Independent Director

Mr. Khalilullah Shaikh is a Fellow Chartered Accountant and a globally recognized business and finance leader. He qualified from the Institute of Chartered Accountants of Pakistan (ICAP), setting a record by winning five gold medals in a single sitting. He has attended various local and international professional development programmes, including the International Leadership Development Program at NUS, Singapore.

He began his career at A. F. Ferguson & Co. (PwC, Pakistan) in Assurance and Business Advisory Services, before moving into senior finance and operational leadership roles, first as Head of Treasury & MIS at Shell, and subsequently at K-Electric Limited as Head of Supply Chain, Chief Audit Executive, and Director Finance. He later served as Chief Financial Officer of Pakistan International Airlines, the country's national flag carrier.

Mr. Shaikh has held distinguished positions within the accountancy profession, serving as an elected Council member of ICAP for eight years, including as its youngest-ever President (2019–20). He has represented Pakistan and the region on international bodies, including as a Board member of the South Asian Federation of Accountants (SAFA) and as a member of the Professional Accountants in Business Committee of the International Federation of Accountants (IFAC). He currently serves on the Board of IFAC and chairs its Governance Committee, contributing to the accountancy profession globally.

He serves as an Independent Director at Alfalah Asset Management Limited, BankIslami Pakistan Limited, and Dow University of Health Sciences, and previously served as Independent Director at JS Bank Limited. He has also served as Chair of the ICAP–IBA Research Unit.

A committed advocate for human capital development, Mr. Shaikh conducts weekend lectures for CA and ACCA professionals on Strategic Financial Management and Sustainability Reporting. His alumni network includes over 2,500 Chartered Accountants worldwide. He serves as faculty for ICAP's Directors' Training Program and is a regular speaker at conferences and seminars in Pakistan and abroad.

Other Directorships

Alfalah Asset Management Limited
BankIslami Pakistan Limited
Dow University of Health Sciences



STRENGTHS

- Strong backing and credibility as part of the Arif Habib Group.
- Modern European FLSmidth production technology, supporting efficient operations and consistent product quality.
- Strategic location with close proximity to seaports, supporting efficient access to export markets.
- Strong brand presence in the South Zone, supported by an established dealer and distribution network.
- Diversified energy portfolio comprising WHRS, solar and wind power, reducing dependence on the national grid and conventional energy sources.
- Established alternative fuel programme with thermal substitution of up to 25%, reducing reliance on imported coal.
- Strong operational performance, with clinker production increasing by 13.38% and capacity utilization improving to 75% in FY2026.
- Long-standing relationships with key customers, suppliers and business partners, supporting continuity of supply and demand.



WEAKNESSES

- Dependence on third-party transporters due to the absence of an in-house logistics fleet, which may affect delivery costs and service efficiency.
- Despite improved financial leverage, the Company remains exposed to financing costs and interest-rate movements.
- Geographical concentration in the South Zone, limiting diversification and increasing exposure to the regional demand conditions.
- Dependence on energy-intensive manufacturing making production costs sensitive to changes in fuel and electricity prices.



OPPORTUNITIES

- Government spending and initiatives in housing, infrastructure and development projects may support domestic cement demand.
- Growing export opportunities, particularly in international markets such as the UK and USA, can support market diversification and foreign exchange earnings.
- Further expansion of renewable energy and alternative fuels can reduce energy costs and environmental impact.
- Decline in interest rates can provide opportunities to reduce finance costs and strengthen financial performance.
- Increasing demand for environmentally responsible cement production provides an opportunity to strengthen the Company's competitive position through its renewable energy and alternative fuel initiatives.
- Pakistan's relatively low per capita cement consumption compared with regional markets provides long-term growth potential.
- Further operational efficiency and technology initiatives can improve productivity, reliability and cost competitiveness.



THREATS

- Intense competition within the cement industry may exert pressure on selling prices, margins and market share.
- Currency depreciation and macroeconomic volatility can increase the cost of imported coal, equipment and other inputs.
- Changes in taxes, duties, royalties and other government levies may increase the cost of cement production and distribution.
- Higher interest rates or renewed monetary tightening could increase financing costs.
- Higher environmental and carbon-related compliance requirements may increase operating and capital costs.
- Higher transportation and logistics costs may affect margins and export competitiveness.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

The Company's competitive landscape and market positioning are assessed below using Porter's Five Forces framework:

01 Threat of New Entrants

The cement industry is highly capital intensive, requiring significant investment in plant, technology, infrastructure and distribution networks. Regulatory approvals, access to limestone and other raw materials, and established market relationships further increase barriers to entry. Accordingly, the threat of new entrants remains relatively low.

02 Threat of Substitutes

Cement remains a fundamental construction material with no commercially viable direct substitute at scale. While the Company continues to monitor developments in alternative construction technologies, the threat of substitution remains low.

03 Power of Customers

The Company serves customers primarily through its established dealer and distribution network, as well as direct sales to projects. Customer preferences are driven by product quality, competitive pricing, reliable availability and timely delivery. The Company maintains strong customer relationships through consistent product quality, reliable supply and an established brand presence in the South Zone.

04 Power of Suppliers

Supplier power is influenced by fluctuations in the prices of coal, fuel, electricity and other key inputs, as well as foreign exchange movements. The Company mitigates these risks through competitive procurement, established supplier relationships, multiple sourcing arrangements and active price negotiations. Access to captive limestone quarries further supports supply security.

05 Competitive Rivalry

Pakistan's cement industry remains highly competitive, with manufacturers competing on price, product quality, distribution reach, customer relationships and operational efficiency. The Company seeks to strengthen its competitive position through efficient production, cost optimization, reliable customer service and expanding export opportunities. Its modern production facilities, strategic location, alternative fuel initiatives and renewable energy portfolio provide additional advantages in enhancing operational efficiency and competitiveness.

THE ENVIRONMENT WE OPERATE IN

Legislative and Regulatory Environment

Power Cement Limited operates in a highly regulated environment and is subject to a comprehensive framework of corporate, taxation, environmental, labour, mining and capital market laws and regulations. Compliance with applicable legal and regulatory requirements is integral to the Company's operations and governance framework.

The principal laws and regulations applicable to the Company's operations include:

- Companies Act, 2017
- Sales Tax Act, 1990
- Federal Excise Act, 2005
- Income Tax Ordinance, 2001
- Sindh Sales Tax on Services Act, 2011
- Competition Act, 2010
- Applicable labour and employment laws
- Applicable federal and provincial environmental laws and regulations
- Provincial mining laws and regulations
- Central Depository Company Act and applicable regulations
- Pakistan Stock Exchange Regulations
- Listed Companies (Code of Corporate Governance) Regulations, 2019

Compliance

The Company maintains appropriate processes and controls to monitor compliance with applicable laws and regulatory requirements and remains committed to conducting its business in accordance with principles of transparency, accountability and responsible corporate governance.

Political Environment

The cement industry is closely linked with construction, housing and infrastructure development and is therefore influenced by the prevailing political and economic environment. Political stability, government policies, fiscal measures and development priorities can affect construction activity, investor confidence, energy costs and the overall demand for cement.

The challenges faced by the Company during FY2026 arising from the political environment and global developments, together with their implications for the business, have been discussed in detail in the Directors' Report.

Effect of Seasonality on Business

Cement demand is generally higher during the summer months due to increased construction activity. Demand typically moderates during the monsoon and winter months, as well as around major festive holidays when construction activity tends to slow down.

Despite these seasonal fluctuations in demand, the production cycle remains largely unaffected, enabling stable operations and a consistent supply of cement to the market throughout the year.

SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR AND AFTER THE REPORTING PERIOD

Significant events and developments during the year ended June 30, 2026 have been appropriately covered in the relevant sections of this Annual Report, including the Directors' Report, which provides an overview of the Company's financial and operational performance and key developments during the year.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

GENERAL REVIEW OF PERFORMANCE

Significant improvements from prior years

Key developments and their impact during the year included:

Improving Macroeconomic Environment

Pakistan's economy continued its recovery during FY-2026, with GDP growth increasing to 3.70% from 3.18% in the previous year. While inflationary pressures re-emerged during the year, with headline inflation rose sharply from 3.2% in June 2025 to 11.1% in June 2026 YoY while average CPI inflation increased to 7.05% from 4.49%, the overall economic environment showed signs of gradual stabilization. These developments, together with improving activity across key sectors, provided a relatively supportive backdrop for business operations.

Cement Sector Recovery

The cement industry showed encouraging signs of recovery during FY-2026, with total industry dispatches increasing by 7.30% to 50.56 million tons. Domestic dispatches increased by 9.61%, while export dispatches declined marginally by 2.19%.

In the South Zone, where the Company operates, domestic dispatches increased by 3.36%, while exports recorded a strong growth of 9.36%, reflecting continued opportunities in international markets. The Company remains hopeful that the recovery in cement demand will continue during FY-2027, supported by improved construction activity and timely execution of development projects.

Strong Financial Performance

Your Company delivered a significantly improved financial performance during FY-2026. Net sales revenue increased by 15.10% to PKR 33.98 billion, while gross profit increased by 43.90% to PKR 12.09 billion while operating profit rose by 60.91% to PKR 7.43 billion. EBITDA increased by 52.64% to PKR 8.41 billion, reflecting improved operational efficiencies, cost management and better market realization.

Overall, Power Cement Limited demonstrated strong operational and financial resilience during FY-2026, supported by higher production, improved capacity utilization, increased dispatches, stronger export performance, lower finance costs and continued investment in energy efficiency. These achievements reinforce the Company's strategic focus on cost competitiveness, operational excellence, sustainable growth and long-term value creation for its stakeholders.

Reduced Finance Cost and Higher Profitability

Net finance cost declined by approximately 39.81% to PKR 1.83 billion from PKR 3.04 billion in FY-2025, supported by lower policy rates, continued financial support from sponsors and partial repayment of borrowings. Consequently, profit before tax increased to PKR 5.60 billion, compared with PKR 1.57 billion in FY-2025, while profit after tax increased significantly to PKR 3.78 billion from PKR 815 million. Earnings per share improved to PKR 2.86, compared with PKR 0.44 in the previous year.

Improved Operational Performance

The Company achieved a record number of production days during the year, reflecting the reliability of its manufacturing operations and improved operational efficiency. Clinker production increased by 13.38% to 2.42 million tons, while capacity utilization improved to 75% from 67%. Total dispatches increased by 7.49% to 2.56 million tons, supported particularly by a 31.21% increase in clinker exports.

Renewable Energy and Energy Efficiency

The Company further strengthened its energy strategy through the commissioning of the 7.5 MW Wind Power Project during FY-2026. The project has reduced the Company's dependence on the national grid by approximately 10%, while supporting energy cost management and optimization of the overall energy mix. Together with the existing 11.5 MW Waste Heat Recovery System and 7 MW Solar Power Plant, the Company's renewable and alternative energy initiatives continue to support cost efficiency and its commitment to reducing its carbon footprint. The Company also continued its use of alternative fuels, including sugar mud-press and rice husk, to improve energy efficiency and reduce reliance on conventional fuels.

LEGITIMATE NEEDS AND INTERESTS OF STAKEHOLDERS AND INDUSTRY TRENDS

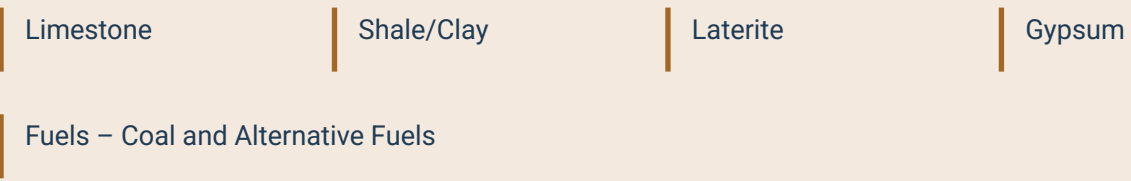
The Company recognizes the importance of understanding and responding to the legitimate needs and interests of its key stakeholders while keeping pace with evolving industry trends.

Shareholders	Shareholders seek sustainable financial performance, long-term value creation, transparency and sound corporate governance. The Company remains focused on profitability, operational efficiency, prudent financial management and sustainable growth.
Customers	Customers expect consistent quality, competitive pricing, reliable supply and timely delivery. The Company maintains stringent quality standards and efficient distribution, while its focus on alternative fuels and renewable energy supports growing expectations for sustainable production.
Employees	Employees value a safe workplace, fair compensation, job security and opportunities for career and skills development. The Company supports these needs through training, safety programmes and employee development initiatives.
Suppliers	Suppliers seek timely payments, transparent dealings and stable long-term relationships. The Company works with reliable and approved suppliers to ensure consistent availability of raw materials, fuels and other essential inputs.
Regulatory authorities	Regulatory authorities expect compliance with applicable laws, timely payment of taxes and adherence to environmental, health and safety requirements. The Company maintains appropriate compliance and governance frameworks to meet these obligations.
Communities	Communities expect responsible environmental practices and meaningful contributions to local socioeconomic development. The Company continues to support community welfare initiatives and responsible resource utilization in its operating areas.
Investors, analysts and media	Investors, analysts and media seek timely and accurate information regarding the Company's performance, strategy and outlook. The Company maintains transparent communication through statutory disclosures, financial reporting and investor engagement.

Key industry trends include greater emphasis on energy efficiency, alternative fuels, renewable energy, digitalization, operational optimization and environmental sustainability. The Company continues to monitor these developments and align its priorities to strengthen competitiveness and create sustainable value.

POSITION WITHIN THE VALUE CHAIN

The principal activity of the Company is the manufacturing and sale of cement. Cement is produced by blending various raw materials into a fine raw mix, which is then heated at very high temperatures in a kiln and subsequently ground to produce cement. The key materials and fuels used in the production process include:



Upstream

On the upstream side, the Company ensures reliable access to essential raw materials. Shale/Clay and limestone are extracted from Company-operated quarries under leases from the Minerals Department, with applicable monthly royalties and excise duties paid accordingly. Additional inputs, such as gypsum and laterite, are sourced from approved vendors. All mining, grinding, crushing, and blending operations are carried out under the supervision of highly qualified specialists, ensuring consistency and maintaining product quality.

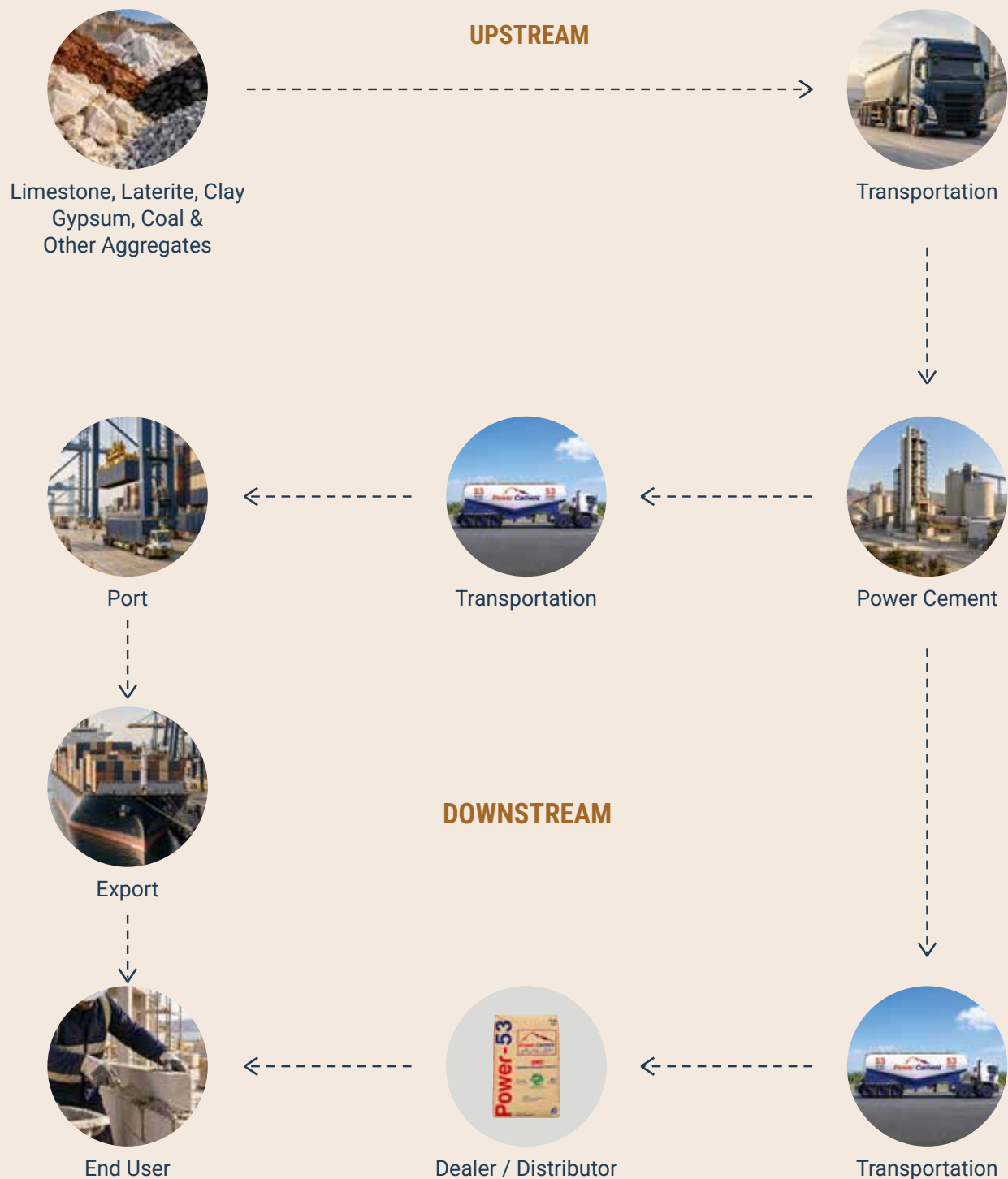
Downstream

On the downstream side, Power Cement focuses on strong customer connectivity and an efficient market presence. The Company implements targeted marketing strategies to enhance brand recognition, strengthen customer loyalty, and capitalize on emerging market opportunities. Dealer engagement programmes are conducted regularly to reinforce business partnerships, expand market outreach, and promote the Company's diversified product portfolio.

Our Position

Value chain analysis is conducted regularly to identify key competencies and opportunities for value creation for both the Company and its stakeholders. Through this process, Power Cement identifies its core strengths and the stakeholders contributing to value creation across the upstream and downstream segments. This approach enables the Company to focus on activities that enhance operational efficiency, strengthen stakeholder relationships, and support sustainable value creation.

Upstream	Company Activities	Downstream
Extraction of limestone and shale/clay	• Production • Marketing and sales	• Transporters • Dealers / Wholesaler • Projects • Communities • Export



EXTERNAL ENVIRONMENT | PESTEL

POLITICAL

KEY DRIVERS / DEVELOPMENTS

- Policy and regulatory changes affecting energy pricing, taxation, trade and foreign exchange
- Changes in government policies and infrastructure priorities
- Regulatory developments affecting the cement sector

IMPACT ON INDUSTRY & PCL

Changes in energy prices, taxation and trade policies can influence production costs, margins and export competitiveness.

Government infrastructure and development priorities can influence construction activity and cement demand.

Policy uncertainty may also affect business planning, investment decisions and cost assumptions.

ORGANIZATIONAL RESPONSE

- Continuous monitoring of policy and regulatory developments and assessment of their potential business impact.
- Engagement with relevant industry forums and stakeholders
- Maintaining strong compliance, cost discipline and operational flexibility to enhance resilience.

ECONOMIC

KEY DRIVERS / DEVELOPMENTS

- Improvement in Pakistan's economic activity during FY2026
- The industry's overall dispatches increased by 7.30%, with domestic dispatches increased by 9.61% and export dispatches declined by 2.19%
- South Zone domestic dispatches increased by 3.36%, while exports dispatches increased by 9.36%
- Continuing sensitivity to energy prices, exchange rates, interest rates and domestic demand

IMPACT ON INDUSTRY & PCL

Improving economic conditions and cement demand supported industry recovery during FY 2026. Lower financing costs and improved operating efficiency contributed to a significant improvement in PCL's profitability. The industry's performance remains sensitive to domestic economic activity, energy costs, exchange-rate movements and the relative attractiveness of domestic and export markets.

ORGANIZATIONAL RESPONSE

- Focus on cost optimization and operational efficiency
- Expansion of export opportunities
- Disciplined financial management
- Optimization of energy consumption and fuel mix
- Continued focus on margin improvement and strengthening financial resilience

SOCIAL

KEY DRIVERS / DEVELOPMENTS

- Urbanization and long-term housing and infrastructure requirements
- Consumer purchasing power and construction activity
- Increasing stakeholder expectations regarding health, safety and community development

IMPACT ON INDUSTRY & PCL

Long-term urbanization, housing and infrastructure requirements support the underlying demand outlook for cement. In the near term, consumer purchasing power and construction activity can influence demand. Expectations relating to workplace safety, employee development and community contribution continue to increase and are important to maintaining stakeholder confidence and a responsible operating environment.

ORGANIZATIONAL RESPONSE

- Continued focus on workplace health and safety
- Employee training, awareness and capability development.
- Community engagement and welfare initiatives
- Continuous improvement in safety standards and stakeholder relationships

EXTERNAL ENVIRONMENT | PESTEL

TECHNOLOGICAL

KEY DRIVERS / DEVELOPMENTS

- Increasing adoption of automation and digitalization in cement manufacturing
- Advances in process optimization and enhanced quality control
- Digital systems, cybersecurity and business continuity
- Increasing importance of data-driven decision-making and predictive maintenance
- Rapid technological advancement and risk of technology obsolescence

IMPACT ON INDUSTRY & PCL

Technological advancement provides opportunities to improve productivity, product quality, operational reliability, energy efficiency and cost competitiveness. Automation, data analytics and predictive maintenance can support improved asset performance and decision-making. At the same time, failure to adopt or modernize relevant technologies may result in operational inefficiencies and technological obsolescence, while increased digitalization heightens the importance of cybersecurity and business continuity

ORGANIZATIONAL RESPONSE

- Utilization of modern manufacturing and process-control technologies
- Continued digitalization of business processes
- Strengthening of IT infrastructure, cybersecurity and business continuity measures.
- Focus on improving production efficiency and asset reliability

ENVIRONMENTAL

KEY DRIVERS / DEVELOPMENTS

- Increasing focus on climate change, GHG emissions and carbon reduction
- Greater environmental expectations from regulators, customers and financiers
- Increasing importance of energy efficiency and alternative fuels
- Expansion of renewable energy
- Growing focus on lower-carbon production and resource efficiency

IMPACT ON INDUSTRY & PCL

Environmental requirements continue to influence the cement industry's operating model and cost structure. Increasing expectations around carbon reduction and environmental performance may require continued investment in technology, energy efficiency and emissions management. Energy efficiency, alternative fuels and renewable energy also provide opportunities to reduce conventional fuel and grid dependence while lowering the Company's environmental footprint.

ORGANIZATIONAL RESPONSE

- Continued use and expansion of alternative fuels
- Continued investment in renewable energy and energy efficiency initiatives.
- 7.5 MW wind power project commissioned during FY-2026 complementing existing 11.5 MW WHRS and 7 MW solar capacity
- Renewable and waste-energy-based power portfolio increased to 26 MW
- Continued focus on reducing grid dependence, energy costs and environmental footprint
- Strengthening GHG emissions monitoring and evaluation of lower-carbon production opportunities.

LEGAL

KEY DRIVERS / DEVELOPMENTS

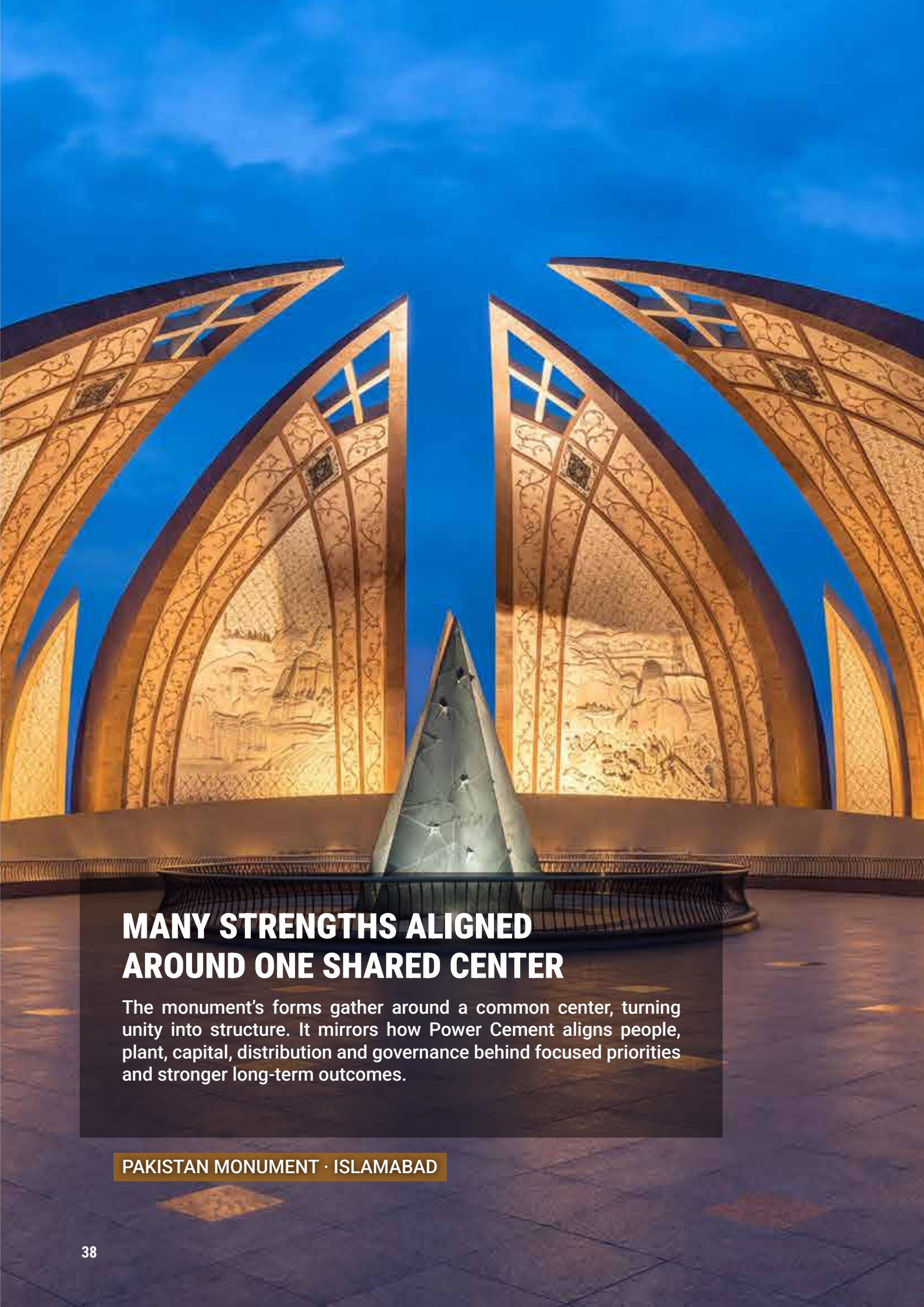
- Extensive regulatory requirements covering corporate governance, taxation, labour, environment, mining, health & safety and capital markets
- Continuing evolution of legal and regulatory requirements
- Increasing compliance and disclosure expectations for listed companies

IMPACT ON INDUSTRY & PCL

Non-compliance may result in financial penalties, reputational damage and operational disruption. Effective compliance and governance strengthen stakeholder confidence and support sustainable operations.

ORGANIZATIONAL RESPONSE

- Dedicated compliance processes and oversight
- Compliance with Companies Act, 2017, SECP and PSX requirements and other applicable laws and regulations
- Robust governance and internal control framework
- Continuous monitoring of regulatory developments and compliance obligations

The image shows the Pakistan Monument in Islamabad at dusk. The monument features five large, curved arches that resemble sails, each illuminated from within, casting a warm golden glow. In the center, a tall, slender, metallic spire rises from a circular base. The sky is a deep blue with some light clouds. The foreground is a paved plaza with some square tiles.

MANY STRENGTHS ALIGNED AROUND ONE SHARED CENTER

The monument's forms gather around a common center, turning unity into structure. It mirrors how Power Cement aligns people, plant, capital, distribution and governance behind focused priorities and stronger long-term outcomes.

PAKISTAN MONUMENT · ISLAMABAD

CHAPTER - 2

STRATEGY AND RESOURCE ALLOCATION

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STRATEGIC OBJECTIVES

Power Cement Limited (“PCL”) remains focused on sustainable growth through cost competitiveness, operational reliability, energy efficiency, product quality, market development and responsible operations. The Company continues to optimize resources, improve productivity and strengthen its competitive position to create sustainable long-term value for its stakeholders.

PCL’s energy strategy focuses on reducing fuel and power costs and reliance on external energy sources through captive and renewable power generation, increased use of alternative fuels and greater utilization of locally sourced coal. During FY 2025–26, the commissioning of the 7.5 MW wind power installation further strengthened the Company’s renewable and waste-energy-based generation portfolio to 26 MW, with more than 50% of its power requirements now being met through clean and green energy sources.

The Company continues to pursue initiatives aimed at improving production efficiency and reducing its environmental footprint, including lowering the clinker factor through composite cement, developing lower-carbon cement solutions, expanding alternative fuel capabilities and improving water resource efficiency.

Digitalization, automation and technology remain key enablers of PCL’s strategy. The Company continues to enhance its ERP, cybersecurity, digital systems, analytics and automated processes, while developing in-house capabilities in artificial intelligence and predictive technologies to improve operational reliability, efficiency and decision-making.

PCL’s strategic objectives are aligned with its Vision, Mission and corporate objectives, with progress monitored through relevant financial, operational, environmental and safety KPIs. The Company will continue to evaluate opportunities that strengthen operational performance, energy resilience, sustainability, innovation and market competitiveness.

Short-Term Objectives

- Optimize production capacity, plant availability and operational efficiency.
- Optimize the fuel and power mix to reduce energy costs and reliance on purchased power.
- Increase the utilization of alternative and locally sourced fuels to reduce dependence on imported coal.
- Improve resource utilization and specific energy consumption across operations.
- Maintain product quality while enhancing customer satisfaction and market competitiveness.

Medium-Term Objectives

- Further strengthen renewable energy-based power generation.
- Expand alternative fuel preparation and handling infrastructure to support higher thermal substitution.
- Reduce the clinker factor and advance lower-carbon cement solutions.
- Accelerate digitalization, automation and data-driven decision-making across business and operational processes.
- Strengthen ERP, IT and cybersecurity capabilities to improve efficiency, resilience and business continuity.

OBJECTIVES AND PERFORMANCE MEASURES

Long-Term Objectives

- Achieve sustained reductions in energy consumption, carbon emissions and reliance on fossil fuels.
- Develop and adopt lower-carbon cement solutions while enhancing overall resource efficiency.
- Strengthen PCL's domestic and international market position through innovation, operational excellence and competitive cost structures.
- Integrate sustainability, climate considerations and responsible resource management into long-term business strategies and capital allocation.
- Strengthen organizational development and talent management to enhance organizational effectiveness and long-term performance.

Linkage with Our Vision and Mission

Power Cement Limited aligns its strategic objectives with its vision, mission and core values to drive sustainable growth, operational excellence and long-term stakeholder value.

The Company's strategic priorities focus on market growth, operational efficiency, cost optimization, financial strengthening, sustainability, innovation, people development and governance. These priorities translate the Company's vision and mission into focused actions aimed at strengthening competitiveness and delivering value to customers and stakeholders.

PCL's commitment to customer focus, ethics, integrity, corporate responsibility and teamwork provides the foundation for its strategic decision-making and responsible business practices.

This alignment enables PCL to pursue sustainable performance, strengthen its market position and create long-term value for its stakeholders.

Key Performance Indicators

Optimize production capacity and operational efficiency

Capacity utilization, plant availability, production efficiency, specific energy consumption

Optimize fuel and power mix

Energy cost per ton, specific fuel consumption, renewable/clean energy contribution, alternative fuel substitution

Strengthen market position

Market share, domestic and export volumes, customer satisfaction

Maintain product quality

Product quality parameters, customer complaints, compliance with applicable standards

Reduce environmental impact

Clinker factor, GHG emissions, alternative fuel substitution, water consumption

Accelerate digitalization and technology

ERP/digital adoption, cybersecurity indicators, automation and AI initiatives

Strengthen human capital

Employee engagement, training and development, talent retention, safety performance

Strengthen financial performance

Revenue growth, gross profit margin, operating margin, PAT, EPS, ROCE

Future Relevance

These KPIs will remain relevant for monitoring the achievement of the Company's strategic objectives.

RESOURCE ALLOCATION

PCL allocates and manages its resources across six capitals - financial, human, manufactured, intellectual, social & relationship, and natural capital to support the implementation of its short-, medium and long-term strategic objectives. Resource allocation is guided by the Company's focus on cost competitiveness, operational reliability, energy resilience, digitalization, sustainability, product quality and long-term value creation.

Capital allocation decisions are aligned with strategic priorities and monitored through relevant financial, operational, environmental, safety and other performance indicators.

Financial Capital

PCL manages its financial resources through prudent liquidity management, disciplined capital expenditure planning, treasury operations and cost optimization. The Company utilizes internally generated cash flows, shareholders' equity, sponsor support and Islamic financing facilities to meet its operational and strategic requirements.

Financial resources are prioritized towards initiatives that enhance operational efficiency, reduce energy costs, strengthen energy resilience, improve plant reliability and support sustainable growth, while maintaining focus on working capital and financing cost management.

Manufactured Capital

PCL's manufactured capital comprises its manufacturing facilities, plants, machinery, infrastructure, logistics and energy generation assets. Resources are allocated towards improving plant availability, production efficiency, reliability, product quality and specific energy consumption.

The Company's energy portfolio includes the Waste Heat Recovery System, solar and wind power installations, collectively contributing 26 MW of renewable/ waste energy generation capacity. Investments also support alternative fuel utilization, energy efficiency and reduced reliance on external power sources.

Human Capital

Human capital remains central to PCL's strategy. The Company invests in attracting, developing and retaining skilled professionals, technical personnel and future talent required to support its operational and strategic priorities.

Employee development focuses on technical and professional training, leadership development, performance management, digital capabilities, artificial intelligence readiness, succession planning and employee engagement to strengthen organizational capabilities and long-term performance.

Intellectual Capital

PCL allocates resources towards strengthening its business processes, enterprise systems, digital infrastructure, operational know-how and innovation.

Digitalization, automation, ERP enhancement, cybersecurity, data analytics and artificial intelligence capabilities remain important areas of investment to improve decision-making, operational reliability and efficiency. Resources are also directed towards product development, lower-carbon cement solutions and continuous improvement initiatives.

Social & Relationship Capital

The Company recognizes the importance of strong relationships with employees, customers, suppliers, financial institutions, regulators, shareholders and other stakeholders in achieving its strategic objectives.

Resources are allocated towards stakeholder engagement, customer satisfaction, responsible supply-chain relationships, regulatory compliance, corporate governance, workplace safety and community engagement to support business continuity and sustainable growth.

Natural Capital

PCL manages natural resources with a focus on efficiency, responsible utilization and minimizing environmental impact. Resources are directed towards improving raw material and energy efficiency, optimizing water use and increasing the utilization of alternative and locally sourced fuels.

The Company's long-term strategy includes reducing reliance on fossil fuels, lowering the clinker factor, advancing composite and lower-carbon cement solutions and reducing carbon emissions. Investments in renewable energy, waste heat recovery, alternative fuels and resource-efficiency initiatives support the integration of sustainability into its long-term business strategy.

MARKET DEVELOPMENT

Power Cement Limited ("PCL") continues to strengthen its market position through a focused strategy covering market development, product development and service enhancement. The strategy is aimed at expanding market reach, responding to evolving customer requirements, improving product competitiveness and creating sustainable long-term value.

Market Development

PCL seeks to strengthen its position in existing markets while expanding into new domestic and international markets. The Company focuses on market intelligence, customer requirements, competitive positioning and an effective distribution network to identify growth opportunities and enhance market share.

Product Development

PCL maintains a diversified cement portfolio focused on quality, performance and consistency. The Company continues to explore composite and lower-carbon cement solutions, supported by process optimization, resource efficiency and efforts to reduce the clinker factor and environmental footprint.

Service Development

PCL focuses on customer satisfaction through reliable product availability, timely deliveries, responsive engagement and an effective dealer and distribution network. Digitalization and technology-enabled processes further support service efficiency and responsiveness.

Through these strategies, PCL aims to strengthen its competitive position, expand its domestic and international market presence, enhance customer satisfaction and support sustainable long-term growth.

EXTERNAL FACTORS AND OUR STRATEGY

Technological Changes

Power Cement Limited invests in technology where it delivers a measurable reduction in cost or a measurable improvement in reliability. The plant operates on modern European process technology, supporting efficient operations and consistent product quality.

During the year the Company's technology investment was directed at digital systems and operational information. PCL progressed enhancement of its enterprise resource planning platform to improve the flow of operational and financial information, deployed a digital human capital management system, continued investment in its information technology infrastructure, strengthened its cybersecurity governance framework, and built internal analytical capability for structured management reporting. The Company also advanced initiatives to move documentation, reporting and approvals to digital channels, reducing paper consumption across the organization.

Innovation Initiatives

During the year the Company reduced the clinker factor in its composite cement, lowering both the carbon intensity and the cost of each ton produced, while advancing its alternative fuel programme and increasing use of locally sourced coal to reduce dependence on imported fuel, reducing the pressure on national spending on imports.

The Company is also transitioning from manual processes to automated systems, replacing routine manual work with software-based workflows, and is moving to a paperless working environment.

Sustainability Initiatives and Sustainability Challenges

Sustainability is central to Power Cement Limited's corporate responsibility agenda, not separate from it. The actions that reduce the Company's environmental footprint, are lower fuel consumption, lower purchased power and greater use of substitute materials. This alignment determines how the Company prioritizes its sustainability investment.

During the year the Company commissioned on-site wind generation at Nooriabad, taking its renewable and waste-energy-based power portfolio to 26 MW and further displacing purchased grid electricity. The Company continued to expand alternative fuel use in the kiln in place of imported coal, increased its use of locally sourced coal to reduce reliance on imported fuel and exposure to international price movements, and continued to reduce clinker factor through composite cement production. Governance of these efforts was strengthened through the establishment of an ESG Committee reporting to the Board, supported by the development of climate-related policies. The Company also commenced measurements of its Scope 1 and Scope 2 greenhouse gas emissions.

SIGNIFICANT PLANS AND FINANCIAL RESILIENCE

Energy and Sustainability Projects

During the year, the Company commissioned a 7.5 MW wind power installation at the Nooriabad site, increasing its renewable and waste-energy-based generation capacity to 26 MW, including existing solar and waste heat recovery facilities. The Company also progressed water recovery and treatment infrastructure and alternative fuel preparation and handling facilities to improve resource efficiency and increase thermal substitution.

Operational Efficiency and Capacity Enhancement

The Company invested in dedicated Sulphate Resistant Cement storage to enhance production flexibility and product availability. It continues to evaluate projects focused on renewable energy, alternative fuels and operational efficiency.

Corporate Restructuring

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

Business Expansion and Major Capital Expenditure

The Company continues to evaluate opportunities that support operational efficiency, sustainability, cost optimization and long-term business growth. Significant projects will be undertaken subject to appropriate evaluation and requisite Board approval.

Discontinuance of Operations

The Company has no plans for discontinuance of any of its operations in the foreseeable future.

Liquidity Management

The Company maintains a structured liquidity management approach to meet its working capital and debt servicing requirements. Working capital needs are primarily supported through internally generated funds from local and export sales, supplemented by short-term financing facilities, where required.

Cash flows, receivables and working capital requirements are closely monitored, with emphasis on timely collections, efficient inventory management and optimal utilization of available financing facilities.

The Sponsors' financial support to the Company stands at Rs. 11.750 billion on soft terms. This continued support has strengthened the Company's financial position and liquidity, providing greater flexibility to meet its financial obligations and pursue strategic initiatives. The Company remains focused on enhancing cash generation, reducing financial leverage and maintaining adequate liquidity to support sustainable operations.

Information of Debt Repayments

During the year under review, the Company continued to meet its financial obligations in accordance with the agreed repayment schedules. The Company remains committed to prudent financial management and timely servicing of its debt obligations.



MASS, RESILIENCE AND CONFIDENCE UNDER PRESSURE

Derawar Fort stands with commanding permanence against a testing environment. Its repeated bastions suggest preparedness, resilience and strength at scale qualities that guide Power Cement in managing uncertainty while advancing opportunity.

DERAWAR FORT · CHOLISTAN

CHAPTER - 3

RISKS AND OPPORTUNITIES

Page No.

48	Key Risks and Opportunities
48	Risk Assessment
50	Risk Management and Value Creation from Opportunities
51	Risk Governance
51	Disclosure of Supply Chain Disruption Risks and Mitigation Strategy

KEY RISKS AND OPPORTUNITIES

The Company actively identifies and manages risks that may influence the achievement of its corporate goals and objectives, while simultaneously capitalizing on emerging opportunities.

Outlined below are the major risks that could affect our business operations, along with the corresponding mitigation strategies. For each risk, the sources, likelihood of occurrence, and potential impact have also been highlighted.

STRATEGIC RISKS

Excess Supply & Price Pressure

RISK

The risk arises due to industry's capacity expansion and economic factors, potentially leading to excess supply and stagnant or decreasing selling prices. This could cause a drop in market share, reduced sales, and squeezed profit margins, affecting the Company's ability to pass on input cost increases.

Area of impact: Financial Capital

MITIGATION STRATEGY

The Company leverages advanced European technology to reduce costs and uphold brand perception, while focusing on high-quality products to exceed market standards and boost project and green cement sales, positioning the Company as a prominent domestic and international brand.

Source: External Likelihood: Possible

Market Competition & Brand Positioning

RISK

Intense competition from existing and new players may erode market share, affect customer loyalty, and put pressure on retention prices. Failure to differentiate and strengthen the brand could weaken Power Cement's long-term positioning.

Area of impact: Market Capital & Customer Capital

MITIGATION STRATEGY

Enhance brand visibility through targeted marketing campaigns, improved packaging, and timely delivery. Strengthen the distribution network, ensure superior service, and focus on high-quality cement solutions to appeal to evolving customer demands.

Source: External Likelihood: Possible

OPERATIONAL RISKS

Production Efficiencies & Plant Reliability

RISK

Breakdowns, inefficiencies, or delays in plant operations can disrupt production, increase maintenance costs, and reduce profitability.

Area of impact: Financial Capital

MITIGATION STRATEGY

Implement preventive maintenance schedules, maintain adequate spare parts inventory, and upgrade to state-of-the-art technology.

Source: Internal Likelihood: Possible

Employees' Health & Safety

RISK

Unsafe working conditions may lead to accidents, injuries, or fatalities, resulting in reputational damage, legal liabilities, and productivity loss.

Area of impact: Human Capital

MITIGATION STRATEGY

Strict enforcement of safety protocols, regular training, health awareness sessions, and compliance with national and international safety standards (ISO, SEQS). Promote a safety-first culture.

Source: Internal Likelihood: Low

KEY RISKS AND OPPORTUNITIES

OPERATIONAL RISKS

Talent Retention & Succession Planning

RISK

Loss of key professionals and lack of succession planning may lead to operational inefficiencies, knowledge gaps, and weakened performance.

Area of impact: Human Capital

MITIGATION STRATEGY

Implement structured training and development programmes, offer competitive compensation, ensure transparent evaluation, and prepare succession pipelines for leadership positions.

Source: Internal Likelihood: Medium

Disaster Recovery & Cybersecurity

RISK

Increasing reliance on digital platforms and ERP systems exposes the Company to risks of cyberattacks, data breaches, or IT system failures, leading to operational disruption and reputational harm.

Area of impact: All Capital

MITIGATION STRATEGY

Invest in IT security infrastructure, conduct periodic penetration testing, establish disaster recovery sites, and enforce strict data protection policies with regular employee awareness programmes.

Source: External Likelihood: High

FINANCIAL RISKS

Rising Fuel, Power & Input Costs

RISK

Volatility in global coal, oil, and raw material prices increases operational costs, impacting profitability.

Area of impact: Financial Capital

MITIGATION STRATEGY

Expand renewable energy projects, including solar, wind, and WHRS; explore local sourcing opportunities; and implement energy optimization initiatives, such as the use of alternative fuels.

Source: External Likelihood: Possible

Exchange & Interest Rate Risk

RISK

Exchange rate volatility impacts imported raw material costs and loan repayments, while an increase in interest rates would increase financing costs.

Area of impact: Financial Capital

MITIGATION STRATEGY

Use hedging instruments, maintain a balanced debt profile, and focus on export sales to create natural hedges.

Source: External Likelihood: Possible

Credit & Liquidity Risk

RISK

Delayed customer payments or excessive credit exposure may weaken liquidity and affect operations.

Area of impact: Financial Capital

MITIGATION STRATEGY

Regular monitoring of receivables aging, strict credit control policies, and maintaining adequate working capital lines.

Source: Internal/External Likelihood: Possible

KEY RISKS AND OPPORTUNITIES

COMPLIANCE AND LEGAL RISKS

Regulatory Compliance

RISK

Non-compliance with SECP, SBP, PSX, CDC, tax regulations, corporate governance codes, or other applicable laws may lead to penalties, litigation, and reputational damage.

MITIGATION STRATEGY

Strong compliance framework, continuous monitoring, internal audit checks, and employee training on legal and regulatory updates.

Area of impact: Social Capital

Source: Internal Likelihood: Low

Law & Order & Political Instability

RISK

Political uncertainty, law and order situations, or policy changes can disrupt supply chains, increase costs, and affect market demand.

MITIGATION STRATEGY

Strengthen market share by deepening relationships with regional stakeholders, enhancing distribution efficiency, and implementing contingency plans to manage region-specific risks.

Area of impact: Financial & Manufactured Capital

Source: External Likelihood: Low

ENVIRONMENTAL AND SUSTAINABILITY RISKS

Environmental Hazards & Emissions

RISK

Non-compliance with environmental standards or excessive emissions could result in regulatory penalties, reputational damage, and operational shutdowns.

MITIGATION STRATEGY

Full compliance with SEQS, continuous monitoring, adoption of green technologies, and investment in emission control systems.

Area of impact: Natural Capital

Source: Internal Likelihood: Low

Climate Change & Resource Scarcity

RISK

Climate change impacts and scarcity of natural resources (limestone, water, coal) pose risks to long-term sustainability and cost management.

MITIGATION STRATEGY

Adopt renewable energy projects, ensure water conservation, diversify resource base, and explore alternative fuels/raw materials.

Area of impact: Natural & Financial Capital

Source: External Likelihood: Possible

OPPORTUNITIES

Technological Advancement and Production Efficiencies

DESCRIPTION

The installation of a state-of-the-art production line and Waste Heat Recovery System has substantially increased production capacity and operational efficiency. This positions the Company as a domestic quality leader while providing a strong competitive advantage in export markets.

IMPACT

Lower production costs and improved profit margins enhance competitiveness, enabling the Company to maintain high-quality standards while offering competitive pricing. This strengthens its market position both locally and internationally.

Environmental and Sustainable Practices

DESCRIPTION

The Company's initiatives relating to electricity through Solar and Wind power projects under the ERA model, including the use of alternative fuels, energy-efficient practices, CO₂ emission reduction, and water conservation, reflect its commitment to global sustainability standards.

IMPACT

These initiatives reinforce the Company's image as an environmentally responsible organization, attracting eco-conscious customers and investors. They also open avenues for sustainability-driven incentives, partnerships, and long-term cost savings.

RISK GOVERNANCE & FRAMEWORK

RISK TOLERANCE AND GOVERNANCE

Power Cement Limited regards risk management as a cornerstone of sound governance and sustainable performance. Management acknowledges that prudent risk-taking is vital for growth and innovation, while ensuring alignment with strategic objectives, financial stability, and stakeholder protection.

RISK MANAGEMENT FRAMEWORK & METHODOLOGY

PCL has adopted a comprehensive Risk Management Framework to identify, assess, mitigate, and monitor risks across strategic, operational, financial, compliance, and environmental dimensions. Regular assessments ensure clear accountability and effective mitigation actions.

The framework embeds risk considerations into corporate planning and decision-making, with oversight reinforced through the Audit Committee. Risks are prioritized by impact and likelihood, with tailored responses developed accordingly. Engagement across management levels ensures timely identification of emerging risks and continuous monitoring.

ASSESSMENT OF PRINCIPAL RISKS

PCL has conducted a robust assessment of the principal risks that may affect its business model, financial performance, and long-term sustainability. Mitigation measures are outlined in the Risks and Opportunities section of this Report. Management is satisfied with the adequacy of the Company's risk management practices, which safeguard assets, reputation, and stakeholder value.

COMMITMENT TO CONTINUOUS IMPROVEMENT

PCL's approach continues to evolve by incorporating lessons from market dynamics, regulatory changes, and stakeholder feedback. By embedding risk awareness in operations and fostering accountability, the Company strengthens resilience and ensures sustainable value creation.

DISCLOSURE OF SUPPLY CHAIN DISRUPTION RISKS AND MITIGATION STRATEGY IN THE FACE OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INCIDENTS

PCL recognizes the growing importance of environmental, social, and governance (ESG) factors in the global business landscape and their potential impact on supply chains. To address these challenges, the Company proactively identifies and mitigates supply chain disruption risks linked to ESG incidents and engages in close collaboration with internal stakeholders, suppliers, and industry partners to gain insights into emerging risks, supported by real-time monitoring systems.

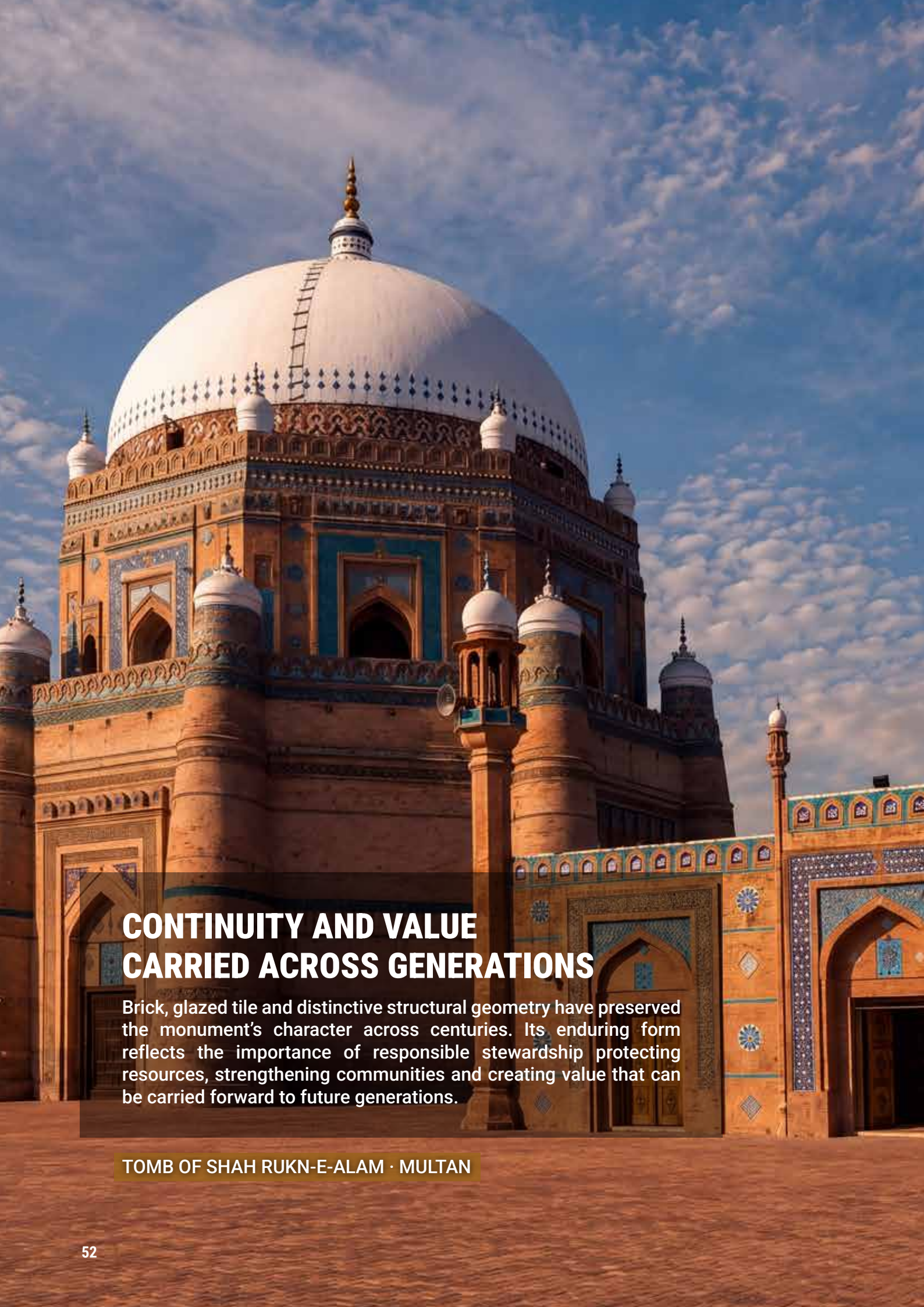
Our mitigation strategy is multifaceted and includes the following key components:

Supplier Engagement: We actively engage with suppliers to promote responsible sourcing, ethical labor standards, and sustainable production methods, ensuring alignment with our ESG values.

Supplier Diversification: To reduce dependency on any single source, we diversify our supplier base, mitigating the potential impact of regional disruptions.

Supply Chain Resilience: We invest in enhancing the resilience of our supply chain by incorporating redundancy and exploring alternative sourcing options.

By identifying, monitoring, and addressing these risks, Power Cement Limited is committed to ensuring the long-term sustainability of its operations and contributing to a more resilient and socially responsible business ecosystem.



CONTINUITY AND VALUE CARRIED ACROSS GENERATIONS

Brick, glazed tile and distinctive structural geometry have preserved the monument's character across centuries. Its enduring form reflects the importance of responsible stewardship protecting resources, strengthening communities and creating value that can be carried forward to future generations.

TOMB OF SHAH RUKN-E-ALAM · MULTAN

CHAPTER - 4

SUSTAINABILITY AND ESG DISCLOSURES

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SUSTAINABILITY AND ESG DISCLOSURES

Board Oversight of Sustainability Risks and Opportunities

Governance

The Board of Directors is responsible for overseeing the Company's sustainability and climate-related matters. During the year, the Board of Directors constituted the Environmental, Social and Governance (ESG) Committee, comprising two Independent Directors and one female Non-Executive Director. The Committee supports the Board in discharging its oversight responsibilities for sustainability and ESG matters under the applicable corporate-governance framework.

Environmental, Social and Governance (ESG) Committee

The ESG Committee held its first meeting on 27 August 2026, at which it reviewed the Company's sustainability priorities, renewable energy and alternative fuel initiatives, emissions measurement, Climate Policy and proposed ESG Policy framework.

The ESG Committee oversees the Company's ESG strategy and governance, material ESG and climate-related risks and opportunities, business resilience, climate transition and decarbonisation, ESG targets and performance, and sustainability reporting and disclosures. It also oversees material ESG incidents, compliance matters, corrective actions, and sustainability-related communications. The Committee reports its activities and recommendations to the Board.

Composition of the ESG Committee:

3

Committee members

2

Independent Directors

1

Female Non-Executive Director

Name of Member	Designation
Mr. Khalilullah Shaikh	Chairman
Mr. Khursheed Anwer Jamal	Member
Ms. Zainab Kashif	Member

TERMS OF REFERENCE – ESG COMMITTEE

The Board shall provide the ESG Committee with adequate resources and authority to enable it to discharge its responsibilities effectively. The Committee’s Terms of Reference shall include the following:

- Oversee ESG strategy, governance, resources, accountability, and long-term roadmap.
- Oversee identification, assessment, and integration of material ESG and climate risks and opportunities.
- Oversee the impact of ESG and climate matters on strategy, financial outlook, major decisions, and resilience.
- Oversee climate transition, decarbonization, emissions, energy, renewables, and climate adaptation.
- Oversee ESG targets and performance metrics for consistency, accuracy, compliance, and effective monitoring.
- Oversee ESG reporting and disclosures, ensuring compliance, data integrity, controls, assurance, and alignment with financial reporting.
- Oversee material ESG incidents, compliance matters, corrective actions, and the integrity of sustainability-related communications.

Management Responsibility

Operational responsibility for sustainability rests with senior management under the leadership of the CEO. Management is responsible for identifying material ESG matters and assessing their impact on the business, developing and implementing related strategies and policies, monitoring performance against defined targets, building internal capability through ongoing training on sustainability and climate-related matters, and reporting progress to the ESG Committee and the Board.

Sustainability Strategy and Priorities

PCL integrates sustainability into its operational and commercial decision-making, recognizing the energy and carbon intensity of cement manufacturing. The Company’s sustainability approach is guided by its key priorities:

Energy transition

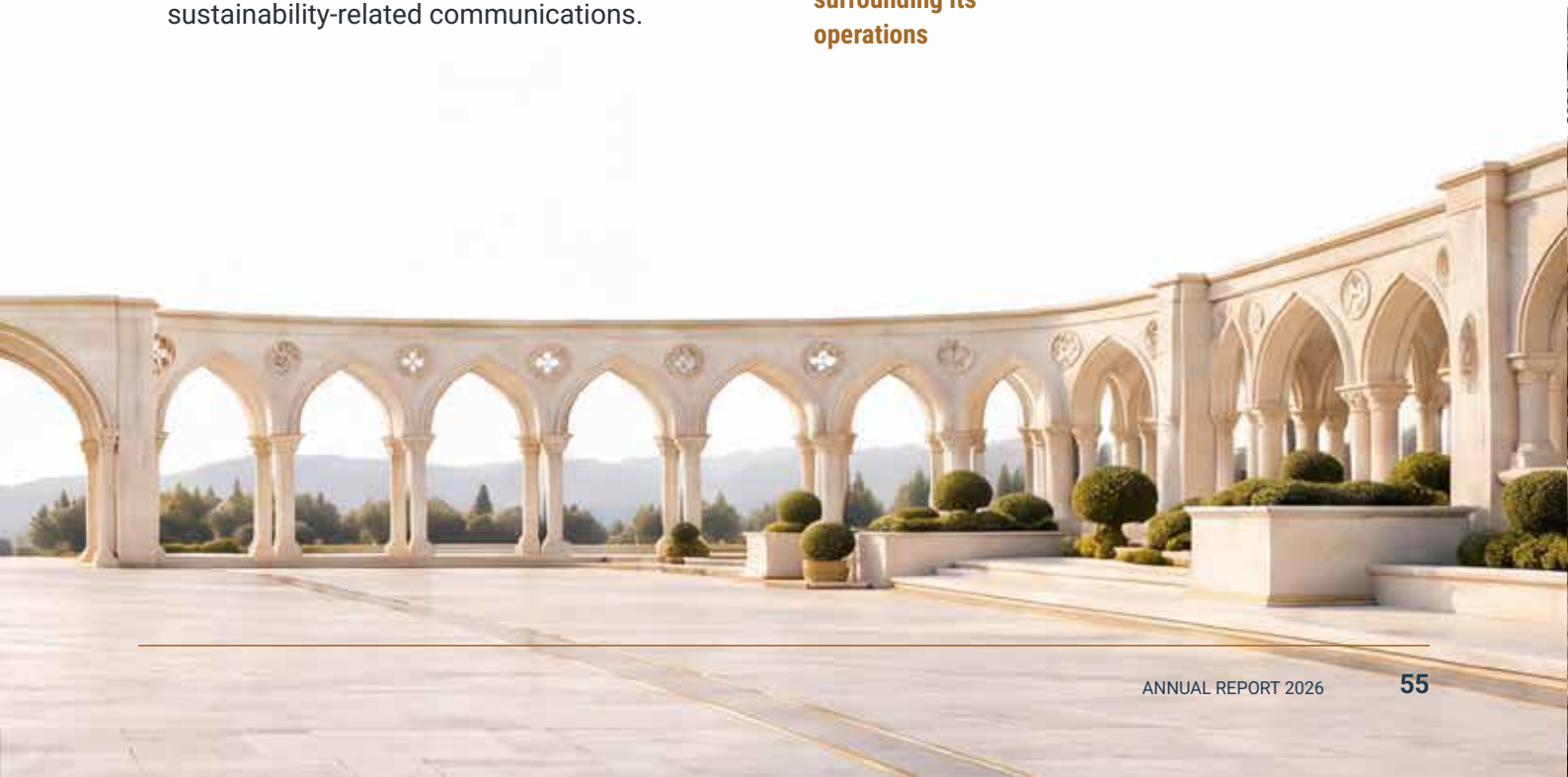
Fossil-fuel substitution

Resource efficiency

Responsible water use

Wellbeing of communities surrounding its operations

Lower-carbon cement



CLIMATE-RELATED RISKS AND OPPORTUNITIES

As a cement manufacturer, PCL's operations are exposed to both transition risks and physical risks associated with climate change.

Transition risks: may arise from evolving environmental and emissions-related regulations, changing energy policies, increasing stakeholder expectations regarding carbon emissions, developments in lower-carbon technologies and changing market requirements. Such developments may affect the Company's operating costs, capital requirements, competitiveness and long-term investment decisions.

Physical climate risks: may include extreme heat, changes in water availability and extreme precipitation or flooding. Depending on their severity and location, such events may affect plant operations, quarrying activities, the availability of resources, supply arrangements and the movement of materials and finished products.

PCL's approach is intended to strengthen operational resilience, improve resource and energy efficiency and support the Company's ability to respond to changing environmental and market conditions.



ENERGY TRANSITION

Strategy

The Company has developed a captive generation portfolio comprising waste heat recovery, solar and wind generation. Renewable and recovered-energy sources accounted for approximately 51% of the Company's electricity consumption during FY2026, compared with 40% in FY2025.

These sources reduce reliance on grid electricity, associated emissions and exposure to grid tariff volatility.

51%

Renewable and recovered-energy share of electricity consumption, FY2026

40%

Renewable and recovered-energy share of electricity consumption, FY2025

26 MW

Combined installed capacity of solar, wind and waste heat recovery

During FY2026, PCL commissioned a 7.5 MW wind power project, complementing its existing 11.5 MW Waste Heat Recovery System (WHRS) and 7 MW solar capacity. The combined installed capacity of solar, wind and waste heat recovery reached approximately 26 MW. The Company continues to explore opportunities to further expand renewable and recovered-energy capacity.

7.5 MW

Wind power project

11.5 MW

Waste Heat Recovery System (WHRS)

7 MW

Solar capacity



ALTERNATIVE AND LOCAL FUELS

PCL continues to strengthen its use of alternative and locally sourced fuels as part of its efforts to improve resource efficiency, reduce reliance on conventional fossil fuels and lower the environmental impact of its manufacturing operations.

100,000+ tons

Alternative fuels utilized in kiln operations since December 2023

34,560 tons

Estimated CO₂ emissions avoided during the reporting period

Since December 2023, the Company has utilized more than 100,000 tons of alternative fuels in its kiln operations, substituting conventional fossil fuel consumption. During the reporting period, the use of alternative fuels contributed to an estimated 34,560 tons of CO₂ emissions avoided. The Company continues to evaluate suitable agricultural and other locally available waste materials for potential use as alternative fuels, considering their availability, technical suitability and environmental benefits.

PCL has also continued to increase the utilisation of locally sourced coal within its fuel mix. Greater use of domestic fuel resources supports fuel supply resilience and import substitution, reducing dependence on imported fuel and associated logistics.

The Company's decarbonisation efforts are supported by its Climate Policy, which provides a framework for addressing emissions reduction, energy transition and climate-related considerations across its operations. PCL also continues to engage with international institutions and development finance institutions (DFIs) to exchange knowledge, explore opportunities and strengthen its approach to sustainable manufacturing.

PCL will continue to assess opportunities to expand the responsible use of alternative fuels, agricultural and other suitable waste resources, and local energy sources, while pursuing practical measures to improve energy efficiency and reduce the carbon intensity of its operations.

RISK MANAGEMENT

Relevant sustainability and climate-related considerations are considered within the Company's broader risk management and business-planning processes.

The Company manages climate-related considerations through energy efficiency measures, diversification of its energy mix, renewable and waste-energy-based power generation, utilisation of alternative fuels, resource efficiency, emissions monitoring and operational improvements. Physical climate risks are managed through water management practices, emergency preparedness, operational risk controls and supply-chain planning.

Metrics and Performance

During the year, PCL quantified its Scope 1 and Scope 2 greenhouse gas (GHG) emissions, establishing a baseline for ongoing emissions monitoring and future target setting.

The Company monitors key environmental and energy performance indicators, including thermal substitution rate, GHG emissions, energy consumption, fuel mix, specific heat consumption and specific power consumption.

Thermal substitution rate

GHG emissions

Energy consumption

Fuel mix

Specific heat consumption

Specific power consumption

Particulate matter (PM), oxides of nitrogen (NOx) and sulphur dioxide (SO₂) are monitored in accordance with applicable SEQS and other relevant environmental requirements. During the year, monitored emissions remained within applicable regulatory limits.

PM

NOx

SO₂

Particulate matter

Oxides of nitrogen

Sulphur dioxide

PCL continues to strengthen its ESG performance, target-setting and reporting framework to support consistent measurement, monitoring and reporting of sustainability performance.



DIVERSITY, EQUITY AND INCLUSION

PCL is committed to maintaining a respectful, inclusive and equitable workplace. The Company's DE&I and anti-harassment practices are aimed at safeguarding employee rights and wellbeing, promoting equal opportunity and fostering a professional work environment. Related initiatives and performance are reviewed as part of the Company's broader people and sustainability agenda.

CORPORATE SOCIAL RESPONSIBILITY

As a group company of Arif Habib Group, Power Cement Limited aligns its sustainability vision with the Group's commitment to responsible business, economic development, social well-being and environmental stewardship. PCL seeks to embed responsible practices across its operations and stakeholder relationships. The Company focuses on equal opportunity and diversity, employee development and training, occupational health and safety, product quality, customer relations and responsible supply-chain practices.

Arif Habib Group seeks to contribute to the communities in which it operates through initiatives focused on education, health, community development, culture and diversity, and environmental protection. Through these efforts, the Company aims to maximize its positive impact, minimize adverse impacts and create long-term value for its stakeholders while supporting sustainable industrial and economic development in Pakistan.

REDUCE, REUSE & RECYCLE (3R) INITIATIVES

PCL continues to implement the principles of Reduce, Reuse and Recycle across relevant operations as part of its environmental management and resource conservation efforts.

Reduce

Reuse

Recycle

These initiatives support the Company's broader environmental objectives relating to resource conservation, pollution control and sustainable operations.



HEALTH, SAFETY & ENVIRONMENT (HSE)

PCL remains committed to maintaining high standards of health, safety and environmental management across its operations. During FY2026, the Company continued to strengthen its HSE framework through enhanced risk controls, employee and contractor engagement, emergency preparedness, environmental monitoring and continuous improvement initiatives.

Health & Safety

During FY2026, the Company undertook several HSE initiatives aimed at strengthening workplace safety, enhancing fire protection systems, improving risk management, promoting employee engagement, ensuring regulatory compliance and advancing environmental sustainability.

5 million

Safe man-hours achieved without any Lost Time Injury (LTI)

Zero

Fatalities, LTIs and Lost Time Injury Frequency Rate (LTIFR)

80%

Closure of observations from the External HSE Maturity Audit

Key initiatives included the installation of a fire sprinkler system at the Alternative Fuel (AF) Feeding System, a fire monitor at the AF Storage Area, an automatic fire extinguisher at the AF Feeding Area, and fire balls and automatic fire extinguishers at the Main Store. The Company also implemented Team-Based Process Hazard Analysis (PHA), rehabilitated and commissioned the Sulfuric Acid Automatic Dosing System at the Waste Heat Recovery (WHR) Plant, and achieved 80% closure of observations identified during the External HSE Maturity Audit.

The Company strengthened its HSE framework through the implementation of the Emergency Response Plan, Contractor HSE Management, Revised Permit to Work, Root Cause Analysis, Drinking Water Management and Fire Alarm procedures.

Safety awareness and employee engagement were further enhanced through monthly HSE meetings, the Monthly Executive HSE Forum, internal and external HSE training programmes, toolbox talks and safety campaigns. External training included IOSH Managing Safely for employees, driving safety awareness sessions in collaboration with the M-9 Motorway Police, and First Aid & CPR training conducted by Rescue 1122.



The Company implemented various workplace health, safety and employee protection measures, including medical examinations, silicosis screening for Mining and QC personnel, workplace dust and noise monitoring, drinking water testing, provision and monitoring of PPE, Work Permit and LOTOTO controls, risk assessments for critical activities, safety inspections, hazard reporting, emergency drills, visitor and contractor safety induction, Visible Felt Leadership (VFL), near-miss reporting and safety engagement programmes. Third-party inspections, lessons-learned processes and strengthened Root Cause Analysis capability further supported preventive safety management.

During FY2026, PCL achieved five million safe man-hours without any Lost Time Injury (LTI), with zero fatalities, zero LTIs and a zero Lost Time Injury Frequency Rate (LTIFR). The Company also received the 15th Fire Safety Award 2025 from the National Forum for Environment and Health. PCL's ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 certifications remain valid until October, 2028.

IOSH Managing Safely	15th Fire Safety Award 2025	ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015
External training for employees	National Forum for Environment & Health	Certifications valid until October, 2028

ENVIRONMENTAL MANAGEMENT

During FY2026, the Company continued to implement environmental initiatives focused on pollution control, conservation of natural resources and climate change mitigation. These included continuous monitoring and control of stack emissions, water conservation and reuse, Alternative Fuel utilisation, plantation and green belt development, Waste Heat Recovery (WHR) utilisation and renewable energy initiatives.

- Stack emissions monitoring & control
- Alternative fuel utilisation
- Waste Heat Recovery (WHR) utilisation
- Water conservation & reuse
- Plantation & green belt development
- Renewable energy initiatives

The Company completed the installation and commissioning of the Wind Power Project to promote renewable energy utilisation, reduce greenhouse gas emissions and support its environmental sustainability and climate change mitigation objectives.



A photograph of Frere Hall in Karachi, a large, ornate, light-brown stone building with multiple levels of arched windows and decorative stonework. A tall, slender spire rises from the right side of the building. The sky is a clear, pale blue with some light clouds. In the foreground, a palm tree is visible on the left, and a low wall runs across the bottom. A semi-transparent dark box is overlaid on the lower left portion of the image, containing text.

CIVIC PRESENCE, ACCOUNTABILITY AND TRUST

Frere Hall's public character and disciplined stonework give governance a visible, accountable form. The image reflects Power Cement's commitment to transparency, ethical conduct and trust built through responsible decisions.

FRERE HALL · KARACHI

CHAPTER - 5

GOVERNANCE

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CHAIRMAN'S REVIEW REPORT

On the overall performance of the Board under section 192 of the Companies Act, 2017

Dear Shareholders,

I am pleased to present this review of the overall performance of the Board of Directors (the "Board") for the financial year ended June 30, 2026.

Board Performance and Effectiveness

The Board discharged its responsibilities in accordance with the Companies Act, 2017 (the "Act"), the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Code") and other applicable legal and regulatory requirements. The Board's annual evaluation was completed during the year. Based on that evaluation, I am satisfied that the Board continued to perform effectively and that its composition, deliberations and oversight remained appropriate for the Company's objectives and circumstances.

Composition, expertise and diversity: The Board comprises members with appropriate qualifications, experience and professional expertise. Their collective perspectives supported balanced deliberations, sound judgement and effective oversight of the Company's affairs.

Strategy and performance oversight: The Board reviewed the Company's strategic direction, budgets, business plans and financial and operational performance. It provided guidance to management on strengthening the financial position, improving operational efficiency, managing costs and pursuing sustainable growth.

Board processes and information: Board meetings were held regularly with comprehensive agendas and timely supporting information. This enabled the Board to consider matters placed before it with due care, including significant business matters and issues arising from the internal and external audit processes.

Committees and governance: The Audit Committee and the Human Resources and Remuneration Committee continued to operate in accordance with their approved terms of reference. The Board maintained oversight of governance, compliance, risk management and the Company's system of internal controls, with emphasis on accountability, transparency and ethical conduct.

Sustainability and ESG Oversight

The Board continued to oversee environmental, social and governance matters, corporate social responsibility, health and safety and other sustainability-related initiatives as part of the Company's broader business strategy. During the year, the Company further strengthened its ESG governance framework through the establishment of an ESG Committee of the Board. The Board will continue to encourage responsible operations, sound governance and initiatives that support long-term value creation for shareholders and other stakeholders.

Internal Control System

The Board acknowledges its responsibility for maintaining an effective system of internal controls designed to safeguard the Company's assets, support the reliability of financial reporting, promote operational efficiency and ensure compliance with applicable laws and regulations.

The internal control framework comprises appropriate policies and procedures, segregation of duties, authorization controls, risk management processes, internal audit mechanisms and oversight by the Board and its Committees. The Audit Committee reviews the effectiveness of the internal control environment, significant observations reported by the internal and external auditors, and the corrective actions taken by management.

The Board reviewed the structure, processes and outcomes of the internal control system during the year and is satisfied with its adequacy and effectiveness in the context of the Company's operations. The Board remains committed to the continuous strengthening of governance, controls and risk oversight.

On behalf of the Board, I thank our shareholders, customers, lenders, business partners and employees for their continued support and contribution.



Muhammad Arif Habib
Chairman

August 28, 2026

DIRECTORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2026

The Board of Directors of Power Cement Limited presents this report together with the annual audited financial statements of the Company for the year ended June 30, 2026.

Pakistan's Economy

Pakistan's economy continued its recovery during FY-2026, recording GDP growth of 3.70%. The improvement was supported by continued macroeconomic stabilization and better performance across key sectors.

Despite stronger economic growth, inflationary pressures re-emerged during the year. Headline inflation rose sharply from 3.2% in June 2025 to 11.1% year-on-year in June 2026, while average inflation increased to 7.05% during FY-2026, compared with 4.49% in the previous year. Inflationary pressures intensified towards the end of the year, primarily driven by higher global commodity and petroleum prices amid the conflict in the Middle East, which increased input and transportation costs across the economy.

During FY-2026, the State Bank of Pakistan reduced the policy rate to 10.50% in December 2025 and subsequently increased it to 11.50% in April 2026 in response to external pressures and heightened economic uncertainty. Inflation may remain elevated in the near term before gradually moderating, subject to geopolitical developments, global energy prices, adjustments in electricity and gas tariffs, fiscal conditions and domestic food-price pressures.

Cement Sector

Pakistan's cement industry recorded an improvement during FY-2026, with total dispatches increasing by 7.30% to 50.56 million tons from 47.12 million tons in FY-2025. Domestic dispatches rose by 9.61% to 41.55 million tons, while export dispatches declined by 2.19% to 9.01 million tons.

In the North Zone, domestic dispatches increased by 10.93% to 34.75 million tons from 31.33 million tons in FY-2025. Export dispatches, however, declined by 53.85% to 0.78 million tons.

In the South Zone, where Power Cement Limited operates, domestic dispatches increased by 3.36% to 6.80 million tons from 6.58 million tons in FY-2025. Export dispatches grew by 9.36% to 8.23 million tons from 7.53 million tons. Consequently, total dispatches from the South Zone increased by 6.56% to 15.03 million tons.

Overall industry growth was therefore driven by stronger domestic dispatches, while the increase in South Zone exports partially offset the decline in exports from the North Zone.

Financial Performance

A comparison of the Company's key financial indicators for the year ended June 30, 2026 with those of the preceding year is set out below:

Particulars	FY-2026	FY-2025
	PKR in '000'	
Sales Revenue – Net	33,978,969	29,520,136
Gross Profit	12,085,963	8,398,898
Operating Profit	7,428,003	4,616,219
EBITDA	8,416,396	5,513,693
Finance Cost – Net	1,832,039	3,043,906
Profit Before Tax	5,595,964	1,572,313
Profit After Tax	3,784,470	814,996
Earnings Per Share (in Rupees)	2.86	0.44

The Company delivered a strong financial performance during FY-2026, with net sales revenue increasing by 15.10% to PKR 33.98 billion, compared with PKR 29.52 billion in FY-2025. The growth was supported by improved market conditions and better price realization across both domestic and export markets.

Gross profit increased by 43.90% to PKR 12.09 billion from PKR 8.40 billion, driven by operational efficiencies, prudent cost management, an optimized fuel and power mix, and continued utilization of alternative fuels. Operating profit increased by 60.91% to PKR 7.43 billion from PKR 4.62 billion, while EBITDA increased by 52.64% to PKR 8.41 billion from PKR 5.51 billion, reflecting stronger margins and continued cost optimization.

Net finance cost declined by 39.81% to PKR 1.83 billion from PKR 3.04 billion in FY-2025, primarily due to lower policy rates, sponsor support of PKR 11.75 billion, and partial repayment of borrowings.

Consequently, profit before tax increased to PKR 5.60 billion, compared with PKR 1.57 billion in FY-2025, while profit after tax increased to PKR 3.78 billion from PKR 815 million. Earnings per share improved to PKR 2.86, compared with PKR 0.44 in the previous year.

The Company's strong performance reflects improved operational efficiency, higher clinker production, growth in domestic and export dispatches, effective cost management and a significant reduction in finance costs.

7.5 MW Wind Power Project

During the year, the 7.5 MW wind power project commenced operations, marking a significant milestone in the Company's energy-efficiency and sustainability initiatives. The project is expected to reduce dependence on the national grid by approximately 10%, improve the Company's energy mix and reduce exposure to grid electricity costs.

Production and Sales Performance

Production	FY-2026	FY-2025	Variance	
			Tons	%
Clinker	2,420,556	2,134,913	285,643	13.38
Cement	1,602,073	1,601,983	90	-

Dispatches	FY-2026	FY-2025	Variance	
			Tons	%
Cement/Clinker	1,360,679	1,337,248	23,431	1.75
Clinker (Export)	896,510	683,288	213,222	31.21
Cement (Export)	306,435	364,414	(57,979)	(15.91)
Total Dispatches	2,563,624	2,384,950	178,674	7.49

Clinker production increased by 13.38% to 2.42 million tons from 2.13 million tons in FY-2025. Capacity utilization improved to 75% from 67%, reflecting more efficient use of the Company's production facilities.

Cement production remained stable at 1.60 million tons, in line with market demand.

Total cement and clinker dispatches increased by 7.49% to 2.56 million tons from 2.38 million tons in FY-2025. The increase was driven primarily by 31.21% growth in clinker exports, which reached 896,510 tons.

Domestic cement and clinker dispatches increased by 1.75% to 1,360,679 tons, while cement exports declined to 306,435 tons from 364,414 tons in FY-2025. The increase in clinker exports more than offset the decline in cement exports, resulting in overall growth in dispatch volumes.

Higher clinker production, capacity utilization and total dispatches demonstrate the Company's ability to optimize its product mix in response to market conditions. The record number of production days achieved during the year also reflects the reliability of its operations.

Outlook

The Government has set a GDP growth target of 4.0% for FY-2027. Economic activity is expected to continue improving, supported by external-sector indicators, greater exchange-rate stability and strengthening foreign-exchange reserves, although inflationary pressures may persist in the near term.

Cement demand is expected to benefit from a gradual recovery in construction activity, infrastructure development, housing initiatives and improved financing conditions. Timely utilization of PSDP allocations will be important in translating planned development expenditure into construction activity. Nevertheless, international commodity prices and geopolitical developments may continue to affect energy costs and market conditions.

The Company will continue to focus on operational efficiency, energy management and disciplined cost control. The 7.5 MW wind power project is expected to support these priorities through reduced reliance on grid electricity and improved management of energy costs. The Company will also pursue export-market opportunities to improve margins and strengthen business resilience.

Dividend

The Company has consistently pursued a strategy of strengthening its financial position through debt reduction, successfully lowering total borrowings from Rs. 27.3 billion in June 2021 to Rs. 16.3 billion as at June 30, 2026. Considering the accumulated losses of the Company to the tune of Rs. 1.55 billion, its prevailing debt level and the continued focus on further deleveraging, the Board of Directors has decided not to recommend any cash dividend for the year ended June 30, 2026.

Credit Rating

On 16 January 2026, JCR-VIS Credit Rating Company Limited assigned the Company a long-term rating of 'A-' (Single A Minus) and a short-term rating of 'A2' (Single A Two).

Contribution to National Exchequer

The Company contributed PKR 8.27 billion to the national exchequer in the form of income tax, sales tax, excise duty and other government levies.

Composition of Board of Directors

Total Number of Directors	8
Men	7
Women	1

The composition of the Board of Directors is as follows:

Composition of Directors	Name of Directors
Non-Executive Directors	1. Mr. Muhammad Arif Habib 2. Mr. Nasim Beg 3. Mr. Abdus Samad 4. Syed Salman Rashid 5. Ms. Zainab Kashif
Independent Directors	6. Mr. Khursheed Anwer Jamal 7. Mr. Khalilullah Shaikh
Executive Director	8. Mr. Muhammad Kashif

Meetings of Board of Directors

During the year under review, five meetings of the Board of Directors (Board) were held. The attendance of each Director was as follows:

Name of Director	Designation	Meetings attended
Mr. Muhammad Arif Habib	Chairman	5/5
Mr. Nasim Beg	Non-Executive Director	4/5
Mr. Muhammad Kashif	Chief Executive Officer	5/5
Syed Salman Rashid	Non-Executive Director	5/5
Mr. Abdus Samad	Non-Executive Director	5/5
Mr. Khursheed Anwer Jamal	Independent Director	4/5
Mr. Khalilullah Shaikh	Independent Director	4/5
Ms. Zainab Kashif	Non-Executive Director	5/5

Leaves of absence were granted to Directors who were unable to attend meetings.

Board Committees' Meetings

Audit Committee

The Board of Directors has established an Audit Committee comprising three non-executive directors, with an Independent Director serving as Chairman. Its composition is in line with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (as amended).

During the year under review, four meetings of the Audit Committee were held. The attendance of each member was as follows:

Name of Member	Designation	Meetings attended
Mr. Khursheed Anwer Jamal	Chairman	4/4
Syed Salman Rashid	Member	4/4
Mr. Abdus Samad	Member	2/4

Human Resources & Remuneration Committee

The Board of Directors has established a Human Resources and Remuneration Committee (HR&RC) comprising three members, two of whom are non-executive directors. Its composition is in line with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (as amended).

During the year under review, one meeting of the HR&RC was held. The attendance of each member was as follows:

Name of Member	Designation	Meetings attended
Mr. Khursheed Anwer Jamal	Chairman	1/1
Syed Salman Rashid	Member	1/1
Mr. Muhammad Kashif	Member	1/1

ERP Governance & Implementation Committee

During the year, the Board of Directors constituted the ERP Governance and Implementation Committee, comprising three members. The Committee oversees the governance and implementation of the Company's Enterprise Resource Planning (ERP) system, reviews its effectiveness and evaluates emerging technologies and software solutions that support the Company's operational and strategic objectives.

During the year under review, one meeting of the Committee was held. The attendance of each member was as follows:

Name of Member	Designation	Meetings attended
Mr. Khalilullah Shaikh	Chairman	1/1
Mr. Khursheed Anwer Jamal	Member	1/1
Mr. Muhammad Kashif	Member	1/1

Environmental, Social and Governance (ESG) Committee

During the year, the Board of Directors constituted the Environmental, Social and Governance (ESG) Committee, comprising two Independent Directors and one female Non-Executive Director. The Committee supports the Board in discharging its oversight responsibilities for sustainability and ESG matters under the applicable corporate-governance framework.

The Committee oversees the Company's ESG framework, including sustainability-related risks and opportunities, Diversity, Equity and Inclusion (DE&I) practices, compliance with applicable sustainability laws and reporting requirements, and the quality of the Company's sustainability disclosures.

Name of Member	Designation
Mr. Khalilullah Shaikh	Chairman
Mr. Khursheed Anwer Jamal	Member
Ms. Zainab Kashif	Member

Risk Management & Strategy for Mitigating Risks

The Board of Directors has identified potential risks, assessed their impact on the Company and formulated mitigation strategies. These strategies have been implemented throughout the Company.

The principal risks and challenges faced by the Company are as follows:

- A high level of leverage, placing downward pressure on profitability;
- An inability to pass sharp increases in the cost of doing business, particularly coal and electricity costs, on to customers because of competitive pricing;
- Exposure to exchange-rate and interest-rate risks;
- Excess supply arising from capacity expansions and new plants; and
- The loss of skilled personnel due to increased employee turnover.

These risks are discussed further in the relevant sections of the Annual Report.

Code of Corporate Governance

The Directors review the Company's strategic direction and business plans regularly. The Audit Committee oversees compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (as amended). The Company takes all necessary steps to maintain good corporate governance in accordance with the applicable requirements.

As part of this compliance, the Directors confirm that:

- The financial statements prepared by management present fairly the Company's state of affairs, results of operations, cash flows and changes in equity.
- Proper books of account have been maintained by the Company.
- The Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before their approval by the Board.
- Appropriate accounting policies have been applied consistently in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- The system of internal control is sound in design and has been implemented and monitored effectively.
- There are no doubts about the Company's ability to continue as a going concern. The Company is paying its debts when due and has not defaulted on repayments to banks.
- There has been no material departure from the best practices of corporate governance detailed in the listing regulations.
- The Company operates a funded gratuity scheme for its employees, as disclosed in the relevant note to the financial statements.
- The statement of the pattern of shareholding in the prescribed format, disclosing the aggregate number of shares, forms part of this Annual Report.
- Key operating and financial data for the last six years are contained in the 'Analysis of Financial Information' section of this Annual Report.

Evaluation Criteria for the Board

A comprehensive mechanism is in place for evaluating the performance of the Board of Directors in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The mechanism evaluates the performance of the Board of Directors on the following parameters:

- Oversight and Effectiveness of the Board
- Composition and Committees of the Board
- Board Meetings and Proceedings
- Board and Management Relations
- Managing Relationship and Leadership
- Directors' Acquaintance with Corporate Laws and Regulations
- Corporate Governance

Evaluation of the Board

The overall performance of the Board, assessed against the criteria outlined above, was satisfactory for the year. A separate report by the Chairman on the Board's performance, as required under section 192 of the Companies Act, 2017, is annexed to this Annual Report.

Directors' Remuneration Policy

Independent Directors are paid a fee for attending meetings of the Board or its committees, as approved at the Annual General Meeting held on October 28, 2019. The remuneration of the Chief Executive and Directors is disclosed in the notes to the financial statements for the year ended 30 June 2026.

Adequacy of Internal Financial Controls

The Board of Directors recognizes its responsibility for the internal-control environment and has established a system of internal financial controls to support efficient operations, safeguard the Company's assets, ensure compliance with applicable laws and regulations, and provide reliable financial reporting. The Company's independent Internal Audit function regularly appraises and monitors these controls.

The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring their effectiveness.

Pattern of Shareholding

The Company's ordinary and preference shares are listed on the Pakistan Stock Exchange. As at 30 June 2026, the Company had 1,291,733,004 (2025: 1,290,523,671) ordinary shares and 73,346,381 (2025: 74,253,381) preference shares. During the year, shareholders converted 907,000 preference shares into 1,209,333 ordinary shares. The detailed pattern of shareholding accompanies this Report.

Trading in Company's Share by Directors and Executives

A statement of transactions in the Company's shares carried out by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit, and their spouses and minor children is annexed to this Report.

All such persons are required to notify the Company Secretary promptly in writing of any trade in the Company's shares, whether undertaken by themselves or by their spouses or minor children, and to provide a written record of the transaction, including the price, number of shares and CDC statement, within the period prescribed by applicable regulations.

Impact of Company's Business on the Environment

The Company's FLSmidth plant is equipped with an online quality-control system and a pollution-control baghouse system based on European Eco E3 filtration technology. Third-party monitoring during FY-2026 indicated that particulate matter, nitrogen oxides and sulphur dioxide emissions from the main stack remained within the applicable Sindh Environmental Quality Standards (SEQS) thresholds used by the Company.

The plant uses a Waste Heat Recovery System (WHRS), a 7 MW solar facility and a 7.5 MW wind power project to meet part of its electricity requirements and reduce reliance on grid electricity. The Company also uses alternative fuels to reduce its dependence on conventional fuels.

A dedicated HSE function oversees environmental compliance and monitors key environmental parameters. During FY-2026, the Company continued its Reduce, Reuse and Recycle (3R) practices, including water conservation and reuse, monitoring and control of stack emissions, and increased use of alternative fuels. Plantation and green-belt development activities were also undertaken to support environmental improvement and carbon sequestration.

Comprehensive de-dusting measures, including baghouses, dust-collection cyclones, electrostatic precipitators and dust-suppression systems, are in place to control respirable suspended particulate matter (RSPM) and fugitive road dust. Together with the efficient operation of pollution-control systems, these measures help minimize emissions.

The Company maintains an Integrated Management System covering occupational health, safety, environmental and quality management. The related certifications are set out in the Certifications section of this Report.

ESG and Sustainability

The Board remains committed to integrating environmental, social and governance (ESG) considerations into the Company's long-term strategy and decision-making. During FY-2026, it strengthened the ESG governance framework by establishing an ESG Committee that oversees ESG-related policies and initiatives and reports to the Board.

The Company considers sustainability-related risks within its broader risk-management and operational-resilience framework.

Diversity, Equity and Inclusion (DE&I)

The Company is committed to an inclusive workplace and equal opportunities. During the year, it continued to support fair and inclusive recruitment practices and promote awareness of diversity, equity and inclusion among employees.

Certifications

The Company is committed to providing a safe working environment for its employees and other stakeholders. Its ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 certifications reflect its continuing implementation of health, safety, environmental and quality-management practices.

Appointment of External Auditors

The auditors, M/s A. F. Ferguson & Co., Chartered Accountants, will retire and, being eligible, offer themselves for reappointment. On the recommendation of the Audit Committee, the Board of Directors has recommended their appointment as auditors for the year ending 30 June 2027, subject to the approval of members at the forthcoming Annual General Meeting.

Acknowledgement

The Board of Directors sincerely thanks the Company's employees, customers, suppliers, shareholders, bankers and business partners for their steadfast support. Their dedication, loyalty and confidence have contributed to the Company's progress and resilience.

For and on behalf of the Board



Muhammad Kashif

Chief Executive Officer



Muhammad Arif Habib

Chairman

August 28, 2026
Karachi

REPORT OF THE AUDIT COMMITTEE

Composition of the Audit Committee

The Audit Committee comprises three Non-Executive Directors, including one Independent Director who serves as the Chairman. All members are seasoned professionals with extensive economic, financial, and business acumen, having held senior roles at Boards and management levels across diverse sectors. The Chairman of the Audit Committee is financially literate in accordance with the applicable regulatory requirements.

The Head of Internal Audit serves as the Secretary to the Committee. The Chief Financial Officer and Chief Executive Officer attend meetings by invitation, while External Auditors participate as required.

Financial Reporting and Disclosure Oversight

The Audit Committee has conducted its annual review of the Company's financial statements for the fiscal year 2026 and hereby reports the following:

The financial statements for the year ended June 30, 2026, have been prepared on a going concern basis in accordance with the Companies Act, 2017 and International Financial Reporting Standards (IFRS) as applicable in Pakistan.

The statements fairly present the Company's financial position, results of operations, profits, cash flows, and changes in equity. Appropriate accounting policies have been consistently applied, with any changes duly disclosed.

The CEO and CFO have endorsed the financial statements, and the Directors' Report has been signed by the Chairman and CEO, confirming their responsibility for fair presentation, regulatory compliance, and internal control systems.

Accounting estimates are based on prudent judgement, and proper records have been maintained as per the Act. The financial statements comply with the requirements of Fourth Schedule, and external reporting aligns with management processes to serve shareholder needs.

The Committee reviewed all related party transactions, recommended them for approval of the shareholders in the Annual General Meeting after ratification from the Board.

The Company's risk management framework leverages top management expertise to identify and address potential operational risks proactively.

The Key Audit Matters identified by the External Auditors were presented to and duly reviewed by the Audit Committee. The Committee discussed the nature of these matters with management and the External Auditors and considered the related accounting treatments, judgments and disclosures as part of its review of the financial statements.

Internal Audit

The internal control system is continuously evaluated for effectiveness.

Internal Audit findings are reviewed, with corrective actions implemented or reported to the Board as necessary.

Channels for confidential reporting of concerns are established, and remedial measures are applied as required.

The Committee evaluated the performance and effectiveness of the Internal Audit function and the Head of Internal Audit, including the adequacy of the internal audit plan, coverage of key risk areas, quality of reporting and follow-up of audit observations. The performance of the Internal Audit function was considered satisfactory.

The Head of Internal Audit maintains direct access to the Audit Committee Chair.

Confidential Reporting / Whistleblowing

The Committee reviewed the arrangements available to staff and management for confidential reporting of concerns regarding actual or potential improprieties in financial and other matters. No whistle-blowing incidents were reported to the Audit Committee during the year.

External Auditors

The Audit Committee assessed the effectiveness of the external audit process through its interaction with the External Auditors, review of the audit plan, audit findings and management responses, and consideration of the auditors' independence and objectivity. Based on its assessment, the Committee was satisfied with the effectiveness of the external audit process and recommended the reappointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as External Auditors for the ensuing year.

During the year, the External Auditors also provided tax consultancy services to the Company. The Committee reviewed the nature and scope of such services and considered the safeguards in place to ensure that the provision of non-audit services did not compromise the auditors' objectivity and independence.

Annual Report 2026

The Audit Committee reviewed the Annual Report 2026 and, based on its review, is satisfied that the Report presents a fair, balanced and understandable assessment of the Company's position and performance, business model and strategy, and contains the information necessary to enable shareholders to assess the Company's overall position and performance.

The Audit Committee

The Audit Committee conducted a self-evaluation of its performance for the year ended June 30, 2026, against its approved Terms of Reference and responsibilities. Based on the results of the evaluation, the Committee's performance was considered satisfactory, and the Committee was assessed to have effectively discharged its responsibilities during the year.



Khursheed Anwer Jamal
Chairman Audit Committee

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF POWER CEMENT 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 Power Cement Limited 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
Karachi

Dated: September 24, 2026

UDIN: CR202610059A7W1jlrPz

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STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

FOR THE YEAR ENDED 30 JUNE 2026

Power Cement Limited ("the Company") has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner.

1. The total number of Directors of the Company are 8 as per the following:

Male	7
Female	1

2. The composition of Board is as follows:

Categories	Names of Directors
Non-Executive Directors	Mr. Muhammad Arif Habib Mr. Nasim Beg Mr. Abdus Samad Syed Salman Rashid
Independent Directors*	Mr. Khursheed Anwer Jamal Mr. Khalilullah Shaikh
Non-Executive Director - Female	Ms. Zainab Kashif
Executive Director	Mr. Muhammad Kashif

*Best practices in Corporate Governance imply that not only the individual directors be qualified and independent but collectively they should possess diversified skills, governance experience and industry related expertise. The current composition of the Board of Directors adequately meets the requirements; therefore, the fraction 0.33 contained in one third of 7 elected directors or 0.67 contained in one third of 8 directors (including the Chief Executive Officer) was not rounded up.

- The Directors have confirmed that none of them is serving as a Director on more than seven (7) listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
- Majority of the Directors have complied with the requirements of the Directors' Training programme.
- The Board has approved the 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 formulated the following committees comprising of the given below:

a. Audit Committee		
(1)	Mr. Khursheed Anwer Jamal	Chairman
(2)	Syed Salman Rashid	Member
(3)	Mr. Abdus Samad	Member

b. HR and Remuneration Committee		
(1)	Mr. Khursheed Anwer Jamal	Chairman
(2)	Syed Salman Rashid	Member
(3)	Mr. Muhammad Kashif	Member

c. ERP Governance & Implementation Committee		
(1)	Mr. Khalilullah Shaikh	Chairman
(2)	Mr. Khursheed Anwer Jamal	Member
(3)	Mr. Muhammad Kashif	Member

d. Environmental, Social and Governance Committee		
(1)	Mr. Khalilullah Shaikh	Chairman
(2)	Mr. Khursheed Anwer Jamal	Member
(3)	Ms. Zainab Kashif	Member

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee	Quarterly
b) HR and Remuneration Committee	Yearly
c) ERP Governance & Implementation Committee	Yearly
d) Environmental, Social and Governance Committee	Yearly

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan and are registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Chief Internal Auditor, Company Secretary or Director of the Company.

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

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

19. Explanation for non-compliance with requirements, other than of regulations 3, 6, 7, 8, 27,32, 33 and 36 are below;

S. No.	Non-Mandatory Requirement	Explanation	Reg. No.
1	Directors Training The Code encourages the companies that all the Directors have obtained DTP certification by June 30, 2022.	The Board of Directors of the Company comprises eight members. Two directors are exempt from this requirement on account of their qualifications and experience. Five directors have successfully obtained the DTP certification, while the remaining one director is expected to obtain their certification in due course.	19(1)
2	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board has not constituted separate Nomination Committee and the functions required to be performed by Nomination Committee are currently being dealt with by Human Resource and Remuneration Committee.	29(1)
3	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted separate Risk Management Committee and the functions required to be performed by the Risk Management Committee are currently being dealt with by the Audit Committee and the Board.	30(1)
4	The Company may post on its website key elements of its significant policies including but not limited to the following: i. Communication and disclosure policy; ii. Code of conduct; iii. Risk management policy; iv. Internal control policy; v. Whistle blowing policy; vi. Corporate social responsibility / sustainability / environmental, social and governance related policy; vii. Policies for promoting DE&I and protection against harassment at the workplace.	As the regulation provides concession with respect to disclosure of key elements of significant policies on the website, only those policies which were considered necessary, have been posted.	35(1)

For & on behalf of Board of Directors



Muhammad Kashif
Chief Executive Officer



Muhammad Arif Habib
Chairman

August 28, 2026
Karachi

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting (AGM) of Power Cement Limited ("the Company") will be held at PSX Auditorium, 3rd Floor, Admin Block, Stock Exchange Building, Stock Exchange Road, Karachi and virtually through video-link facility, on Tuesday, October 20, 2026 at 11:30 am to transact the following businesses.

Ordinary Business:

1. To confirm the minutes of 34th Annual General Meeting of the Company held on October 14, 2025.
2. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditors' reports thereon.

As required under section 223(7) of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)/2023 dated 21 March 2023 issued by the Securities and Exchange Commission of Pakistan (SECP), the annual report of the Company for the financial year ended 30 June 2026 has been uploaded on the Company's website which can be downloaded accessing the following link and QR Code:

<https://powercement.com.pk/financial-reports/>



3. To appoint and fix remuneration of the Auditors for the year ending June 30, 2027. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, shall retire and being eligible, offered themselves for re-appointment.

Special Business:

4. To consider and if deemed fit, ratify and approve, the following resolutions, as special resolutions, with respect to related party transactions/ arrangements conducted/ to be conducted, in terms of Sections 207 and/ or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification:

RESOLVED THAT the transactions carried out by the Company with different Related Parties, during the year ended June 30, 2026, as disclosed in note 39 to the financial statements of the Company for the year ended June 30, 2026, and specified in the Statement of Material Information as per Section 134(3), be and are hereby ratified, confirmed and approved.

FURTHER RESOLVED THAT the Company be and is hereby authorized to enter into arrangements or carry out transactions from time to time, with different related parties to the extent deemed fit and approved or ratified by the Board of Directors, during the financial year ending June 30, 2027. The transactions may include sale and purchase of goods and inventories, rendering of services, payment of fees, reimbursement of expenses, receipt or repayment of loan and Musharakah contributions and markup/ profit thereon, sale or purchase of investment properties. As some of the directors are interested in some of the related party transactions on account of common directorships, therefore, the members hereby authorize the Board of Directors of the Company to approve, confirm and ratify all related party transactions.

FURTHER RESOLVED THAT the related party transactions, for the period ending June 30, 2027, shall be deemed to have been approved by the members, and shall also subsequently be placed before the members in the next AGM for ratification and confirmation.

Any Other Business:

5. To consider any other business with the permission of the Chair.

A Statement under Section 134(3) and 166(3) of the Companies Act, 2017 pertaining to the material facts is given along with this notice.

By Order of the Board



Salman Gogan
Company Secretary

September 29, 2026
Karachi

Notes:

1. Closure of Share Transfer Books:

The Share transfer books of the Company shall remain closed from October 13, 2026 to October 20, 2026 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi up to the close of business on October 12, 2026 shall be treated in time for the purpose of AGM.

2. Participation in the AGM Proceeding via Video Link Facility:

The Company also facilitates participation of its shareholders through a video link facility in pursuance to Circulars notified by the Securities and Exchange Commission of Pakistan (SECP). The members/ proxies interested to participate in the AGM through this facility are requested to share below information at corporate@powercement.com.pk with subject "Registration for 35th AGM of Power Cement Limited" along with valid copy of CNIC (both sides) or passport –

Shareholder Name	Folio/ CDC Number	CNIC Number	Cell Number	Registered Email Address

Video-link and login credentials will be shared with the members/ proxies whose email containing all the above particulars are received at least 48 hours before the time of AGM.

3. Appointment of Proxies and Attending AGM:

- A member entitled to attend and vote at the meeting may appoint another member as his/ her proxy who shall have such rights as respect to attending, speaking and voting at the meeting as are available to a member.
- A blank instrument of proxy (in English and Urdu) is attached in the Annual Report. The form of proxy is also available at the Company's website <https://powercement.com.pk/notices/>
- In order to be effective, the proxy forms must be received at registered office of the Company at Ground Floor, Arif Habib Centre, 23, M.T. Khan Road, Karachi not later than 48 hours before the meeting.
- Central Depository Company (CDC) account holders are also required to follow the guidelines as laid down in Circular No.1 dated 26 January 2000 issued by the SECP.
- 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.

4. Change in Members Addresses:

Members having physical shareholding are requested to notify any change in their address/ contact details immediately to the Share Registrar M/s. CDC Share Registrar Services Limited. Whereas, CDC account holders are requested to contact their respective CDC participant/ Investor Account Service Provider.

5. Circulation of Audited Financial Statements Through e-mail:

The shareholders in 25th AGM on October 15, 2016 have already granted approval to transmit annual reports in the soft form via CD/DVD/USB/email instead of transmitting the annual audited accounts in printed form pursuant to SRO 787(1)/2014 dated September 08, 2014 and SRO 470(1)/2016 dated May 31, 2016. Therefore, the Company has circulated the annual reports to the shareholders through email at their registered emails as also allowed under Section 223(6) of the Companies Act, 2017. However, the shareholders who wish to receive the hardcopy of the financial statements are requested to send a request using the "Standard Request Form" (also available on the Company's website: www.powercement.com.pk) at the Company's registered address.

6. Submission of CNIC / NTN (Mandatory):

Individual members who have not yet submitted photocopy of their valid CNIC to the Company/ Share Registrar, are once again requested to send their CNIC (copy) at the earliest directly to the Company's Share Registrar, M/s. CDC Share Registrar Services Limited. Corporate Entities are requested to provide their National Tax Number (NTN). Folio Numbers must be shared with the copy of CNIC/ NTN details.

7. Availability of Financial Statements and Reports on Website:

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2026, are available on the Company's website: <https://powercement.com.pk/financial-reports/>

8. Consent for Video Conference Facility:

In compliance with Section 134(1)(b) of the Companies Act, 2017 members of the Company may attend and participate in the AGM through video conference facility if member(s) residing in a city other than Karachi, collectively holding 10% or more shareholding, demand in writing, to participate in the AGM through video conference at least ten (10) days prior to the date of the AGM.

To avail such facility, members are requested to submit the following form with the requisite information at the Registered Office of the Company –

I/We _____ of _____ being member(s) of Power Cement Limited, holder of _____ ordinary/preference shares(s) as per Registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____.	
_____ Name and Signature(s)	_____ Date

The Company will intimate members regarding venue of video conference facility at least five (05) days before the date of the AGM along with complete information necessary to enable them to access such facility.

9. Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), as amended through SRO 2192(I)/2022 dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), the SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the above businesses in its forthcoming AGM to be held on 20th day of October 2026 at 11:30 am in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, ballot paper is available on the Company's website at www.powercement.com.pk for the download.

A. Procedure for E-Voting:

- Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company before the close of business on October 12, 2026.
- The web address, login details, and password, will be communicated to the members via email. The security codes will be communicated to the members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

- iii. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- iv. E-Voting lines will start from October 14, 2026, and shall close on October 19, 2026 at 5:00 p.m.
- v. Members can cast their votes any time during this period. Once a vote on a resolution has been cast by a Member, he / she shall not be allowed to change it subsequently.

B. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address at Ground Floor, Arif Habib Centre, 23, M.T. Khan Road, Karachi or email at corporate@powercement.com.pk no later than one day before the AGM on October 19, 2026, during working hours. The signature on the ballot paper shall match the signature on CNIC. For the convenience of the shareholders, ballot paper is available for download on the Company's website at www.powercement.com.pk.

Special Note for Conversion of Physical Shares into the Book-Entry Form:

In compliance with section 72 of the Companies Act, 2017 and SECP's letter No. CDC/ED/Misc.2016-639-640 dated March 26, 2021, listed companies are required to replace existing physical shares issued by them into Book-Entry Form. In view of the above requirement, shareholders of the Company having physical shares are requested to convert their shares from physical into Book-Entry Form as soon as possible.

Conversion of physical shares into Book-Entry Form would facilitate the shareholders in many ways i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate risk of loss & damage, easy and safe transfer with lesser formalities as compared to physical shares. The shareholders of the Company may contact Share Registrar of the Company for assistance in conversion of physical shares into Book-Entry Form.

For any query/problem/information, members may contact the Company's Share Registrar at the following address:

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S
Main Shahrah-e-Faisal, Karachi

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

Agenda Item no. 4

The Company routinely enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which some of the Directors are interested, would require members' approval under Sections 207 and/ or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company carries out transactions and enters into arrangements with its related parties primarily on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions / arrangements entered into with related parties are reviewed by the Board Audit Committee, which is chaired by an independent director of the Company. Upon the recommendation of the Board Audit Committee, such arrangements / transactions are placed before the Board of Directors for approval.

The nature of the Company's relationship with related parties is disclosed in Note 39 to the financial statements for the year ended June 30, 2026. The Directors are interested in the resolution only to the extent of their common directorships and shareholdings in such related parties. To ensure transparency, members' approval was obtained at the 34th AGM, whereby the Board of Directors was authorized to approve related party transactions undertaken by the Company from time to time (on a case-to-case basis) during the financial year ended June 30, 2026. These transactions are now being presented before the members at the AGM for ratification/ confirmation.

Furthermore, the Company will enter into arrangements or carry out transactions from time to time, with different related parties to the extent deemed fit and approved or ratified by the Board of Directors, during the financial year ending June 30, 2027. The transactions may include sale and purchase of goods and inventories, rendering of services, payment of fees, reimbursement of expenses, receipt or repayment of loan and Musharakah contributions, sale or purchase of investment properties. As some of the Directors are interested in some of the related party transactions on account of common Directorships, therefore, an approval from members is being sought to authorize the Company to conduct such related party transactions and enter into an arrangement with related parties and further to authorize and grant power to the Board of Directors to approve the related party transactions to be conducted by the Company for the year ending June 30, 2027.

RELATED PARTY TRANSACTIONS

FOR THE YEAR ENDED JUNE 30, 2026

Name of the Related Party	Nature of Transaction	2026 Rupees in '000
Aisha Steel Mills Limited	Sharing of expense	422
Aisha Steel Mills Limited	Payments made	429
Aisha Steel Mills Limited	Sale of goods	402
Aisha Steel Mills Limited	Payments received	824
Arif Habib Equity (Private) Limited	Contribution received	892,000
Arif Habib Equity (Private) Limited	Contribution repaid	900,000
Arif Habib Equity (Private) Limited	Loan repaid	308,760
Arif Habib Equity (Private) Limited	Mark-up accrued	37,828
Arif Habib Equity (Private) Limited	Mark-up paid	69,424
Arif Habib Corporation Limited	Guarantee commission accrued	636
Arif Habib Corporation Limited	Guarantee commission paid	848
Arif Habib Development and Engineering Consultants (Private) Limited	Sharing of expense	210
Arif Habib Development and Engineering Consultants (Private) Limited	Payments received	210
All Pakistan Cement Manufacturing Association	Membership fee	2,000
All Pakistan Cement Manufacturing Association	Payments made	2,000
BankIslami Pakistan Limited	Mark-up paid	8,126
BankIslami Pakistan Limited	Mark-up accrued	6,757
BankIslami Pakistan Limited	Loan repaid	197
BankIslami Pakistan Limited	Bank charges paid	139
BankIslami Pakistan Limited	Short-term financing repaid	250,000
Biomasdar (Pakistan) Limited	Payments received	10
Fatima Packaging Limited	Purchase of goods	1,060,525
Fatima Packaging Limited	Payments made	1,336,206
Globe Residency REIT	Sale of goods	82,633
Globe Residency REIT	Payments received	82,798
Habib Sugar Mills Limited	Sale of goods	27,647
Habib Sugar Mills Limited	Payments received	27,775
Javedan Corporation Limited	Sale of goods	17,640
Javedan Corporation Limited	Payments received	19,086
Javedan Corporation Limited	Services received	697
Javedan Corporation Limited	Payments made	408
Mr. Muhammad Arif Habib	Contribution repaid	2,176,000
Mr. Muhammad Arif Habib	Mark-up paid	50,000

Name of the Related Party	Nature of Transaction	2026 Rupees in '000
Mr. Abdus Samad	Sale of goods	1,075
Mr. Abdus Samad	Payments received	1,075
Ms. Sharmin Shahid	Sale of goods	1,732
Ms. Sharmin Shahid	Payments received	1,732
Naya Nazimabad Apartment REIT	Sale of goods	5,262
Naya Nazimabad Apartment REIT	Payments received	2,045
Rahat Residency REIT	Sale of goods	18,461
Rahat Residency REIT	Payments received	16,740
Rotocast Engineering Company (Private) Limited	Contribution received	300,000
Rotocast Engineering Company (Private) Limited	Contribution repaid	1,366,000
Rotocast Engineering Company (Private) Limited	Services received	103,415
Rotocast Engineering Company (Private) Limited	Lease rental	34,814
Rotocast Engineering Company (Private) Limited	Payments made	114,082
Safe Mix Concrete Limited	Sale of goods	758,868
Safe Mix Concrete Limited	Payments received	653,323
Signature Residency REIT	Sale of goods	16,550
Signature Residency REIT	Payments received	8,146
Staff retirement benefit fund	Provision for gratuity expense	121,171
Staff retirement benefit fund	Gratuity paid	69,041
All members of Company's Management Team and Directors	Remuneration and other benefits	575,162
All members of Company's Management Team and Directors	Retirement benefits	74,750
All members of Company's Management Team and Directors	Directors' fees	575
All members of Company's Management Team and Directors	Advances disbursed to employees	82,546
All members of Company's Management Team and Directors	Advances repaid by employees	75,188

GOVERNANCE

Board Composition

Leadership Structure of Those Charged With Governance

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

Terms of Reference of the Audit Committee

The Audit Committee shall, inter alia, recommend to the Board of Directors the appointment of external auditors, their removal, audit fees and the provision by the external auditors of any service to the Company in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the Audit Committee in all these matters and where it acts otherwise, it shall record the reasons thereof.

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

- a) determination of appropriate measures to safeguard the Company's assets;
- b) review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with listing regulations and other statutory and regulatory requirements; and
 - related party transactions.
- c) review of preliminary announcements of results prior to publication;
- d) facilitating the external audit and discussion with external auditors on 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 and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) consideration of major findings of internal investigations of activities characterized by 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) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- m) consideration of any other issue or matter as may be assigned by the Board of Directors.

Terms of Reference of Human Resources and Remuneration (HR&R) Committee

The purpose of the Human Resources & Remuneration Committee (the “HR&R Committee”) is to assist the Board of Directors (the “Board”) of Power Cement Limited (the “Company”) in fulfilling its oversight responsibilities in the field of human resources and their compensation. The Committee’s primary focus is with respect to the development, succession planning and compensation of senior executives.

The terms of reference of Human Resources and Remuneration Committee shall include the following:

- i. Recommending Human Resource Management Policies to the Board.
- ii. Recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit.
- iii. Consideration of any other issue or matter as may be assigned by the Board of Directors.

Terms of Reference – ESG Committee

The Board shall provide the ESG Committee with adequate resources and authority to enable it to discharge its responsibilities effectively. The Committee’s Terms of Reference shall include the following:

- ESG Strategy & Governance: Oversee ESG strategy, governance, resources, accountability, and long-term roadmap.
- ESG Risks & Opportunities: Oversee identification, assessment, and integration of material ESG and climate risks and opportunities.
- Strategy & Resilience: Oversee the impact of ESG and climate matters on strategy, financial outlook, major decisions, and resilience.
- Climate & Decarbonization: Oversee climate transition, decarbonization, emissions, energy, renewables, and climate adaptation.
- ESG Metrics & Targets: Oversee ESG targets and performance metrics for consistency, accuracy, compliance, and effective monitoring.
- ESG Reporting & Disclosure: Oversee ESG reporting and disclosures, ensuring compliance, data integrity, controls, assurance, and alignment with financial reporting.
- Incidents & Communications: Oversee material ESG incidents, compliance matters, corrective actions, and the integrity of sustainability-related communications.

Role of Chairman

- To provide leadership to the Board of Directors of the Company.
- To ensure that the Board plays an effective role in setting up the Company’s corporate strategy, business direction and Key Performance Indicators (KPIs).
- To promote and oversee the highest standards of corporate governance within the Board and the Company.
- To review performance of the Board.
- To manage and solve conflict, if any, amongst the Board members and to ensure freedom of opinion in the Board.

Role of Chief Executive Officer

- To execute and implement the strategies, policies and business plans approved by the Board.
- To achieve the performance targets set by the Board.
- To maintain an effective communication with the Chairman and the Board and to bring all important matters to their attention.
- To ensure that all strategic and operational risks are effectively managed to an acceptable level and that adequate system of internal controls is in place for all major operational and financial areas.
- To encourage and inculcate a culture of highest moral, ethical and professional values in all business dealings of the Company.

Board's Function and Decision Making

The Board has been effective in managing the affairs of the Company, fulfilling its duties in accordance with the Companies Act, 2017 ("the Act") and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code"). The Board has meticulously ensured the compliance with the relevant laws regarding its composition, procedures, and the conduct of its meetings.

The Board of Directors plays a crucial role in steering the Company's strategic direction. Leveraging their extensive expertise, the Board oversees key decisions, including approval of annual budget, investment management, capital issuance, and key appointments, ensuring alignment with long-term goals.

The Board also ensures rigorous oversight of the Company's operations by approving financial statements, reviewing audit findings, and upholding governance standards through formal business policies. Supported by an independent Internal Audit Department reporting to the Audit Committee, the Board maintains strict compliance and transparency, driving sustainable growth and value for all stakeholders.

Board Statement on Internal Controls

The Board of Directors acknowledges its responsibility for maintaining an effective system of internal controls, including financial, operational, compliance and IT controls, to safeguard the Company's assets, ensure reliable financial reporting and support compliance with applicable laws and regulations.

The Audit Committee, supported by the Internal Audit function, regularly reviews the adequacy and effectiveness of the internal control framework. The Company also maintains appropriate IT controls covering information security, cybersecurity, data protection and system reliability to mitigate emerging risks and support continuous improvement.

During the year, the Board of Directors constituted an ERP Governance and Implementation Committee, comprising three members, to oversee the governance and implementation of the Company's Enterprise Resource Planning (ERP) system. The Committee also reviews the effectiveness of the ERP system and evaluates emerging technologies and software solutions in support of the Company's operational and strategic objectives.

Matters Delegated to the Management

The management team at Power Cement Limited is tasked with executing the strategies approved by the Board of Directors. They manage day-to-day operations, ensuring alignment with the Company's objectives while maintaining ethical standards. This delegation of authority allows management to respond swiftly to market trends, assess financial data, and implement strategies effectively.

Under the Board's oversight, management prepares accurate financial statements in compliance with applicable statutory and accounting standards coupled with ensuring exceptional standards of transparency. By entrusting key decision-making to the management, PCL fosters agility and efficiency, enabling the Company to adapt to market changes and capitalize on opportunities.

Implementation of Governance Practices Exceeding Legal Requirements

At Power Cement Limited, management is steadfast in its commitment to adhere with the best governance practices within the Company's operating framework. While we consider compliance with all legal requirements as the baseline, we strive to exceed these standards. Our aim is to implement governance rules and practices that are not only aligned with global standards but also in the best interests of our shareholders, employees, the environment, and the community we serve. This approach underscores our dedication to ethical and responsible corporate governance.

The following additional governance practices implemented by the management include:

- Best Corporate Reporting practices recommended jointly by ICAP / ICMAP by transmitting additional corporate and financial information to stakeholders to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies.
- Implementation of aggressive Health, Safety and Environment Strategies to ensure safety of employees and equipment.

Commitment to Ethics and Compliance

The Board of Directors at PCL is fully committed to upholding the highest standards of ethics and compliance throughout the Company. We believe that a strong ethical foundation is essential for building trust with our stakeholders and ensuring the long-term success of the organization. The Board actively promotes a culture of integrity, transparency and accountability, ensuring that all business practices and decisions are conducted in strict accordance with all applicable statutes and Company's code of conduct. Through rigorous oversight and continuous improvement of compliance programmes, the Board reaffirms its dedication to maintaining a corporate environment where ethical behavior is the cornerstone of all operations.

Evaluation Criteria for the Board and Committees of the Board

A comprehensive mechanism is put in place for undertaking an evaluation of the performance of the Board and Committees of the Board in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The mechanism evaluates the performance of the Board of Directors on the following parameters:

- Oversight and Effectiveness of the Board
- Composition and Committees of the Board
- Board Meetings and Proceedings
- Board and Management Relations
- Corporate Governance
- Managing Relationship and Leadership
- Directors' Acquaintance with Corporate Laws and Regulations

Evaluation of the Board and Committees of the Board

The overall performance of the Board, assessed against the criteria outlined above, was satisfactory for the year. A separate report by the Chairman on the Board's performance, as required under section 192 of the Companies Act, 2017 is also annexed to this Annual Report.

CEO Performance Review

The Board of Directors evaluated the CEO's performance against defined KPIs and commends his effective leadership during a challenging year marked by economic pressures. He remained focused on achieving corporate objectives, ensured alignment with strategic goals, and provided the Board with regular progress updates. The Board appreciates his commitment, resilience, and results-driven approach, which have supported stability and positioned Power Cement Limited for sustainable growth.

Directors' Training Program and Orientation

The following Directors are certified:

• Mr. Muhammad Kashif	Chief Executive Officer
• Mr. Khursheed Anwer Jamal	Independent Director
• Mr. Abdus Samad	Non-Executive Director
• Syed Salman Rashid	Non-Executive Director
• Mr. Khalilullah Shaikh	Independent Director

Besides, the following directors are exempted from the directors' training programme certification based on relevant experience as mentioned in the Code.

• Mr. Muhammad Arif Habib	Chairman / Non-Executive Director
• Mr. Nasim Beg	Non-Executive Director

Mr. Khursheed Anwer Jamal and Mr. Khalilullah Shaikh - being the Independent Directors meet the criteria for independence as per Section 166 of the Companies Act, 2017.

External Oversight of Functions

The Company obtains external assurance from:

- Statutory Audit of Financial Statements from a reputable Chartered Accountants firm, M/s. A. F. Ferguson & Co., Chartered Accountants
- Cost Audit from M/s. UHY Hassan Naeem & Co., Chartered Accountants
- QMS Audit to ensure compliance with ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 by SGS
- Environment Monitoring Report to ensure compliance with ISO 14001

Policy for Related Party Transactions

The Company is committed to ensuring that all transactions with related parties are conducted in a fair, transparent and arm's length manner, on normal commercial terms and conditions.

- All related party transactions arising in the normal course of business are carried out without bias.
- Transactions where the majority of Directors have an interest are referred to the shareholders for approval in a General Meeting.
- In accordance with the CCG and applicable laws, a comprehensive list of all related party transactions is submitted to the Audit Committee on quarterly basis for review.
- The Committee reviews and recommends actions to the Board, which then approves the transactions.
- The Company maintains an updated list of all related parties, and discloses their names, relationships, and percentage holdings in the Financial Statements.

Conflict of Interest

Power Cement Limited is committed to maintaining the highest standards of ethical governance and transparency. This policy aims to identify, manage, and prevent actual, potential, and perceived conflicts of interest that may arise among directors or employees.

Policy Statement:

- All Directors and employees are bound to avoid conflicts of interest and disclose any material transactions that may pose a conflict.
- The Company maintains a Conflict of Interest Policy and ensures compliance through education, communication, and enforcement.

Procedures:

- i. Identify areas of risk and develop strategies to mitigate them.
- ii. Educate all employees about the conflict of interest policy.
- iii. Communicate with stakeholders to provide a platform for proper disclosure.
- iv. Enforce the policy and ensure compliance.
- v. Remind Directors of the insider trading laws & regulations.
- vi. Require Directors to provide complete details of material transactions that may pose a conflict of interest for prior Board approval.
- vii. Ensure interested Directors do not participate in discussions or vote on matters involving conflict.
- viii. Conduct transactions with related parties on an arm's length basis and disclose all details in the financial statements.

By implementing this policy, Power Cement Limited demonstrates its commitment to transparency, ethical governance, and responsible decision-making.

Directors' Interest

The Company's policy requires that all directors disclose their interests and ensure that any transactions with related parties are conducted on an arm's length basis and are subject to approval by the Board at the general meeting, as the case may be. This ensures that all transactions are fair, transparent, and in the best interest of the Company and its stakeholders.

Policy of Remuneration to Non-Executive Directors

The main features of the policy are as follows:

- The Company shall not pay remuneration to its Non-Executive Directors including Independent Directors except for meeting fee for attending Board and its Committee meetings.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending Board and its Committees meetings.
- The Directors' Remuneration Policy is approved by the members in the general meeting of the Company.
- Details of the remuneration paid to Executive and Non-Executive Directors during the year are given in note 39.3 to the financial statements.

Retention of Board Fee by the Executive Director Against Services Rendered As Non-Executive Director In Other Companies

The Executive Directors are authorized to retain the Board fee they earn in exchange for their services as Non-Executive Director in other companies.

Security Clearance of Foreign Directors

Currently, the Board of Power Cement Limited has no foreign representation and comprises entirely Pakistani Directors.

Board Meetings held outside Pakistan

Throughout the year, Power Cement Limited did not convene any Board meeting outside the borders of Pakistan.

Communication with Stakeholders

At Power Cement, we are committed to building strong relationships with our stakeholders through effective communication and engagement. We believe in providing opportunities for stakeholders to contribute to management decision-making and ensuring transparent disclosure of material information.

We engage with stakeholders through various channels, including:

- Annual Reports
- Corporate briefing sessions with investors and research analysts
- Website updates
- Employee communication through newsletters, surveys, town halls, portals, and electronic bulletin boards.

Our goal is to understand stakeholders' needs and concerns, tailor our strategies to suit business decisions, and communicate regularly based on corporate and business requirements, contractual obligations, or as needed. By fostering open dialogue and collaboration, we aim to create value for our stakeholders and drive long-term success for Power Cement.

Investors' Grievance Policy

The shareholders have been facilitated and encouraged to file their grievances with the Company in an effective manner. All queries including grievances and information requests lodged by shareholders and potential investors are handled in a timely manner. The 'Investors' Relations' section is also maintained on the Company's website:

<https://powercement.com.pk/investor-correspondence/>

Whistle Blowing Policy

The Company has developed a policy where any of the stakeholders (i.e. employees, customers, suppliers, contractors, or shareholders) can contribute towards our aim to be vigilant about, and responsive to the following misdemeanors undertaken by any person associated with Company, either directly or indirectly:

- Any fraudulent act;
- Waste of resources;
- Misuse of authority; or
- Sabotage of machinery or equipment

The salient features of the policy are as follows:

- i. A whistle-blower who raises a concern as per the policy, is provided with due protection in respect of performance of his duties and receipt of justified consideration under employment or contractual arrangement. No harassment or pressures towards the whistle-blower are tolerated and the Company takes appropriate actions to protect all such individuals.
- ii. The Company ensures that the information shared and the identity of the whistle-blower remain confidential until such time as the person needs to come forward as a witness.
- iii. All concerns are reported in writing to ensure a clear understanding of the issues being raised. The background, the nature of concern, relevant dates and timings, evidence/proof where possible, the reasons for the concern and the names of individuals against whom the concern is being reported are documented therein.
- iv. Each concern communicated is assessed for its validation and initial inquiries are made to determine whether an investigation is appropriate. At the end of the investigation, a written report that provides the findings, basis of findings and a conclusion is submitted to the Chief Executive Officer.

Chairman's Significant Commitments

Throughout the year, the Chairman has been actively engaged in the conduct of the Board and the Shareholders' meetings. The Chairman played a pivotal role in ensuring the effective conduct of Board meetings and Shareholders meeting, coupled with facilitating informed decision-making processes.

Details of the Chairman's external engagements, beyond Power Cement Limited, can be found in the Directors' profile section of this report, providing comprehensive insight into his multifaceted responsibilities and contributions.

Policy for Safeguarding of Records

Power Cement Limited places paramount importance on the safety and security of its records. Physical documents are scanned and meticulously preserved in specifically designated storerooms at both our Head Office and Site locations. Access to these storage areas is exclusively granted to authorized personnel responsible for the records' secure upkeep and maintenance.

Additionally, an independent archiving company has been entrusted with the task of diligently maintaining the Company's records in a secure location for the past six years.

Compliance with the Best Practices of Code of Corporate Governance

The Board of Directors is pleased to confirm that Power Cement Limited has fully complied with the Code of Corporate Governance, applicable regulations of the Pakistan Stock Exchange Limited, and the applicable financial reporting framework. This is supported by the Audit Committee's report and the Auditors' unmodified reports on the Financial Statements and the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, reflecting the Company's commitment to maintaining strong standards of corporate governance and transparency.

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

Details of shares held by sponsors and distribution of shareholders are given in the Shareholders' category and Pattern of Shareholding sections of this Report.

Details of Board Meetings and Attendance

Details of the Board meetings and directors' attendance are disclosed in the Directors' Report and Statement of Compliance. Attendance details of the Board Committees are also provided in the Directors' Report and Statement of Compliance.

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

During FY 2026, Power Cement Limited held one Annual General Meeting, which was also attended by the Chairman of the Board Audit Committee who was also available to address any questions related to the committee's activities.

Gender Pay Gap Statement

The Company currently has all-male employees; hence no gender pay gap exists.

Disclosure of Beneficial Ownership

The Ultimate Beneficial Owner of the Company (natural person) is set out below:

The Ultimate Beneficial Owner (UBO) of the Company, being a natural person, is Mr. Muhammad Arif Habib, who directly holds 22.92% of the Company's shares as of June 30, 2026, in addition to his indirect interest through various companies within the Arif Habib Group.

External Search Consultancy for Appointment of any Director

No external search consultancy was enlisted for the selection and appointment of Director to the Board.

Presence of Executive Director on Board of other Companies

In addition to being the Chief Executive of the Company, Mr. Muhammad Kashif holds directorships in other companies, which are listed in the Directors' Profile Section of the Report.

HUMAN RESOURCES & ORGANIZATIONAL DEVELOPMENT

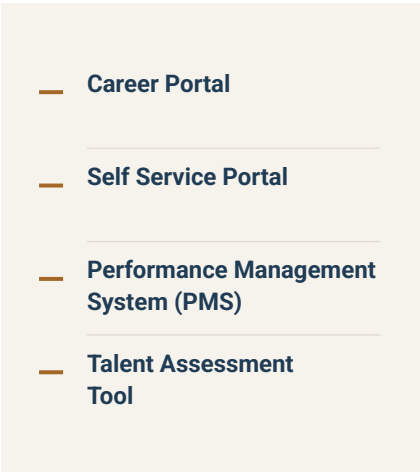
Strengthening Our People and Culture

During FY 2025–26, Power Cement Limited continued to strengthen its human capital agenda with a focus on building a high-performing, engaged and future-ready workforce. Key priorities included organizational culture, digital HR, emerging talent, learning and development, performance management, employee well-being and recognition. HR initiatives combined people-focused programmes with technology-enabled processes and capability development to enhance employee experience, engagement and alignment with the Company’s strategic direction.

Digital HR Transformation

PCL advanced its digital HR transformation through launch of its Online Career Portal, digital Performance Management System (PMS) and the Company’s first in-house Talent Assessment tool. Various HR processes are now automated including payroll, transport requisitions, mobile-set and allowance requests, loan against gratuity requests and tax credit/adjustment requests, reducing manual intervention and strengthening process consistency and data integrity.

The Talent Assessment tool enhanced recruitment and assessment through a structured platform for evaluating prospective talent, particularly under the BUNYAD Graduate Trainee Program, supporting data-driven decision-making and process standardization.

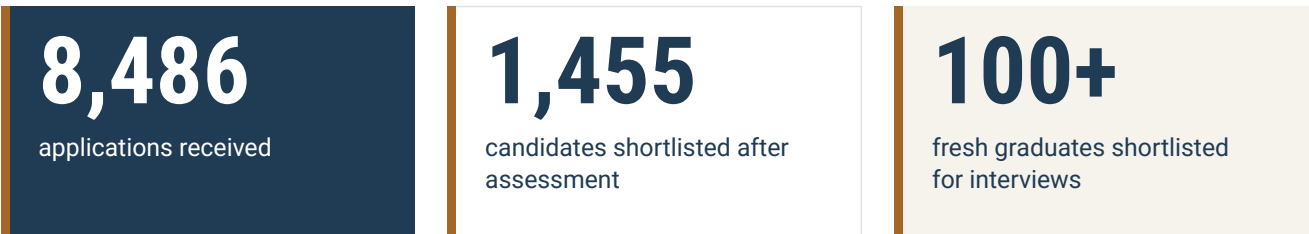


AI Readiness and Future of Work

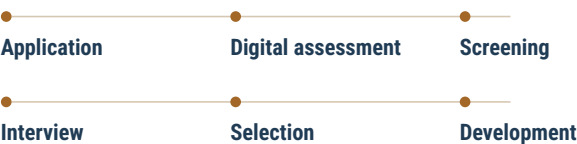
Recognizing the growing role of Artificial Intelligence (“AI”) and emerging technologies, PCL initiated AI awareness and learning initiatives during FY 2025–26. Employees were introduced to Artificial Intelligence, Generative AI and practical workplace applications aimed at improving productivity and ways of working. These initiatives supported readiness for an increasingly technology-enabled workplace, with further AI capability development planned for FY 2026–27.

Emerging Talent – BUNYAD Graduate Trainee Program

Developing a sustainable pipeline of young professionals remained a key priority. The BUNYAD Graduate Trainee Program attracted 8,486 applications, with 1,455 candidates shortlisted following assessment and 100+ fresh graduates shortlisted for interviews.

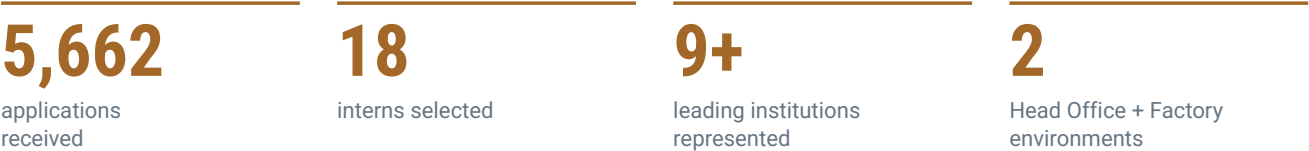


The structured recruitment process covered application, digital assessment, screening, interview, selection and development across key disciplines, including Mechanical, Electrical & Instrumentation, Production, Quality Control, HSE, Mining, Reliability and Projects, providing selected graduates with structured development opportunities and exposure to PCL’s operations.



RISE Summer Internship Program

PCL continued its engagement with universities through the RISE Summer Internship Program 2026, which received 5,662 applications and selected 18 interns from leading educational institutions. The programme provided practical exposure across Head Office and Factory functions, including Finance, Internal Audit, Supply Chain, Sales & Marketing, Strategy & Operations Excellence, Reliability, Mechanical, Electrical & Instrumentation and Production, strengthening PCL’s emerging talent pipeline.



Learning & Development

PCL continued to invest in employee learning and capability development, with initiatives focused on safety, digital capabilities, AI awareness and evolving workplace requirements. The Company conducted the IOSH Managing Safely programme, a three-day training initiative accredited by the Institution of Occupational Safety and Health (IOSH-UK), strengthening employees’ understanding of workplace safety responsibilities and practices. AI and digital learning initiatives further supported an adaptable and learning-oriented workforce.

Performance Management

During FY 2025–26, PCL implemented a centralized digital Performance Management System (PMS) for employees. The system provides a structured and transparent approach to performance evaluation while improving alignment between individual objectives and organizational priorities.

For FY 2026–27, HR facilitated SMART goal-setting to establish Specific, Measurable, Achievable, Relevant and Time-bound objectives, supporting greater accountability, clarity and alignment with business outcomes.

Rewards, Recognition and Employee Contribution

PCL continued to recognize employee contributions through structured reward initiatives, including targeted compensation adjustments for consistently high-performing employees and employees serving in critical roles. WPPF and applicable Clause 13 benefits were also provided in accordance with defined criteria and statutory requirements.

The R-IMPACT Excellence Awards were awarded to employees during the year, recognizing their contributions across Reliability, Innovation, Market, People, Automation, Commitment to Safety and Transformation and reinforcing a culture of ownership and innovation.

STRATEGIC PILLARS	STRATEGIC PILLARS	STRATEGIC PILLARS	STRATEGIC PILLARS	STRATEGIC PILLARS	STRATEGIC PILLARS	STRATEGIC PILLARS
R	I	M	P	A	C	T
Reliability	Innovation	Market	People	Automation	Commitment	Transformation
Manufacture and deliver quality solutions, consistently through steady operations.	To develop solutions and make a material difference to PLANET and PEOPLE.	Achieve market leadership through quality solutions and customer satisfaction around the world.	To attract, retain and develop talent capable of delivering high performance in present and future.	Utilize technologies and systems to streamline operations, enhance data accuracy and improve decision-making.	Ensuring safety in all operations, assuring the health and well-being of our workforce and stakeholders.	Continuously improve our work and processes for enhanced efficiency and reduced cost.

Employee Well-being

Employee wellbeing remained an integral part of PCL's people agenda. Through Sehat Kahani, employees have access to a digital healthcare platform that provides 24/7 consultations, enabling convenient and timely access to medical advice whenever needed. Awareness sessions were conducted to familiarize employees with the platform and encourage greater use of accessible digital healthcare services. Preventive healthcare initiatives also included Hepatitis B & C screening for 48 drivers and canteen/kitchen staff.

PCL also strengthened employee medical benefits through the renewal of its Jubilee Insurance arrangement, including enhanced room and maternity limits, further improving healthcare coverage for employees and their families.

Employee Engagement and Communication

PCL strengthened employee engagement through HR Connect sessions and factory town halls, providing platforms for employees and leadership to discuss organizational priorities, operational developments and key initiatives. Employee feedback mechanisms further supported open communication and helped identify areas for improvement, while the RISE awareness initiative reinforced the Company's values and cultural priorities.

People Supporting Operational Excellence

Employees remained central to PCL's operational performance, with the Company achieving 315 operational days during FY 2025–26, representing the highest-ever recorded plant operational availability. This milestone reflects the collective efforts of employees across operational, technical, maintenance, support and corporate functions and highlights the importance of a skilled, engaged and safety-conscious workforce in sustaining operational excellence.

Diversity, Equity and Inclusion (DE&I) Policy

PCL is committed to fostering a diverse, equitable and inclusive workplace where all employees are treated fairly, respectfully and without discrimination, irrespective of gender, age, marital status, family situation, race, ethnicity, religion, disability or other personal characteristics.

The Company promotes equal opportunity across recruitment, selection, promotion and professional development, while encouraging employee participation and respect for diverse perspectives. PCL recognizes that people from different backgrounds and experiences bring valuable ideas, perspectives and capabilities that strengthen collaboration, innovation and organizational growth.

The Company strives to maintain a workplace where individual differences are valued, employees are able to contribute their best, and discrimination and harassment are actively addressed. Through this commitment, PCL aims to foster a culture of inclusion, mutual respect, equal opportunity and continuous progress.

Anti-Harassment Policy

Power Cement Limited is committed to providing a safe and respectful working environment and prohibits all forms of physical or verbal harassment, discrimination, bullying and unprofessional conduct. Employees may raise concerns through the established grievance procedures, with reported matters addressed fairly and confidentially. The Company also protects employees who report concerns in good faith from retaliation or victimization.

Social and Environmental Responsibility Policy

At Power Cement Limited, we recognize the link between financial performance and corporate social and environmental responsibility. We are committed to embracing robust environmental and social strategies to build a resilient brand, safeguard our reputation, and ensure long-term success.

We strive to conduct our operations in an ethical, sustainable, and socially responsible manner, minimizing our environmental footprint while making a positive impact on society. We affirm our dedication to environmental stewardship, social responsibility, and ethical business practices, aiming to create a better future for all while driving long-term growth and success.

Social Responsibility

- Implementation of Employee Code of Conduct that fits with local customs and regulations.
- A culture of ethics and behavior that improves values such as integrity and transparency.
- Promoting the culture of work facilitation and knowledge transfer.
- Carrying out corporate philanthropy actions
- Maintaining collaborative relations with society through a good harmony and effective communication.

Environmental Responsibility

- Ensure our products, operations comply with applicable environmental legislation and regulations.
- Maintain and continuously improve our environmental management systems to conform to applicable ISO Standards, specific market requirements, and local regulations.
- Operate in a manner that is committed to continuous improvement in environmental sustainability through conservation of resources, prevention of pollution, and promotion of environmental responsibility amongst our employees.

Dividend

The Company has consistently pursued a strategy of strengthening its financial position through debt reduction, successfully lowering total borrowings from Rs. 27.3 billion in June 2021 to Rs. 16.3 billion as at June 30, 2026. Considering the accumulated losses of the Company to the tune of Rs. 1.55 billion, its prevailing debt level and the continued focus on further deleveraging, the Board of Directors has decided not to recommend any cash dividend for the year ended June 30, 2026.

Enterprise Resource Planning (ERP) and Integrated Business Systems

The Company operates an integrated ERP environment designed to support and streamline its core business functions through centralized systems and controlled processes. The ERP environment integrates key functions including Finance, Procurement, Supply Chain, Inventory, Production, and Weighbridge Operations, enabling efficient information flow, process integration, improved operational control, and enhanced management visibility.

The ERP environment is also integrated with the Weighbridge System, enabling the automated capture and integration of vehicle weighing information into relevant business processes. This integration supports accurate recording of vehicle movements, material receipts and dispatches, weight measurements, and related transactions, thereby reducing manual intervention and improving data accuracy, traceability, and operational efficiency.

For Human Resources, the Company operates a comprehensive Hire-to-Retire solution through SmartHCM, covering key employee lifecycle processes from recruitment and onboarding through to employee separation. The system supports HR operations through Employee Self-Service (ESS) functionality, enabling employees to access relevant HR services and information directly. SmartHCM is also supported through a mobile application, providing employees and management with convenient access to applicable HR services and approvals.

Management Support and Continuous Improvement

Management remains committed to the effective implementation, maintenance and continuous enhancement of the Company's ERP and related business systems. System functionality and business processes are periodically reviewed to identify opportunities for automation, process improvement, enhanced reporting and strengthening of internal controls.

System enhancements, configuration changes and new functionalities are implemented through defined review and approval processes, considering business requirements, operational needs and applicable control requirements.

User Training

PCL provides appropriate training and guidance to users based on their roles and responsibilities. Training is conducted for new users and whenever significant system functionalities, processes or applications are introduced or enhanced. User support and guidance are also provided to promote effective system utilization and adherence to defined business processes.

ERP Risks and Control Management

PCL identifies and manages risks associated with its ERP and integrated business systems through established IT and internal control procedures. Key risk areas include data integrity, unauthorized access, incorrect processing, configuration changes and dependency on system availability.

Appropriate preventive and detective controls are implemented to mitigate these risks. System changes and enhancements are subject to defined authorization, testing and implementation procedures to minimize operational and control risks.

System Security, Sensitive Data and Segregation of Duties

PCL has established controls to protect its ERP environment and sensitive business information. User access is granted based on defined roles, responsibilities and business requirements, with access to critical functions and sensitive information restricted to authorized personnel.

Segregation of duties is maintained across key business processes to reduce the risk of unauthorized transactions, errors and potential conflicts of interest. User roles and access rights are reviewed periodically, and access is updated or revoked where there is a change in an employee's role, responsibilities or employment status.

PCL continues to strengthen its system controls, security measures and access management practices to support the confidentiality, integrity and availability of business and employee information.

CERTIFICATIONS AND AWARDS

15th

Fire Safety Award 2025

National Forum for Environment and Health

Power Cement Limited was honoured with the Fire Safety Award 2025, recognizing the Company's continued commitment to strengthening fire prevention, emergency preparedness, and workplace safety practices.



23rd

Environment Excellence Award 2026

A Proud Milestone in Our Environmental Journey

Power Cement Limited was honoured with the 23rd Annual Environment Excellence Award 2026 by the National Forum for Environment & Health, recognizing the Company's commitment to environmental responsibility, sustainability, and responsible operations.



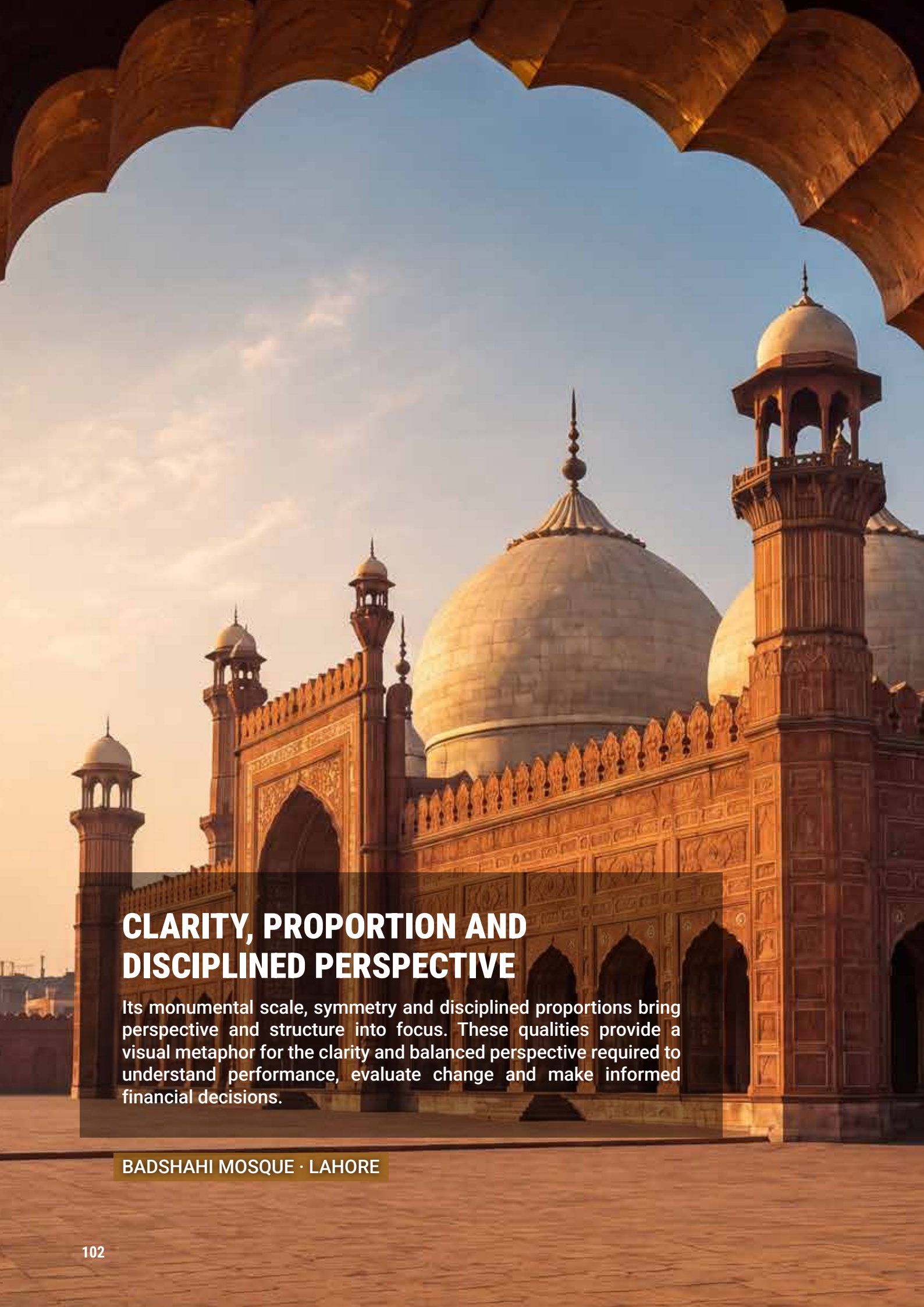
ENVIRONMENTAL AND OCCUPATIONAL SAFETY CERTIFICATIONS

ISO 14001:2015

ISO 45001:2018

ISO 9001:2015

During FY2026, PCL achieved five million safe man-hours without any Lost Time Injury (LTI), with zero fatalities, zero LTIs and a zero Lost Time Injury Frequency Rate (LTIFR). The Company also received the 15th Fire Safety Award 2025 from the National Forum for Environment and Health and 23rd Environment Excellence Award 2026 by the National Forum for Environment & Health. PCL's ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 certifications remain valid until October, 2028.



CLARITY, PROPORTION AND DISCIPLINED PERSPECTIVE

Its monumental scale, symmetry and disciplined proportions bring perspective and structure into focus. These qualities provide a visual metaphor for the clarity and balanced perspective required to understand performance, evaluate change and make informed financial decisions.

BADSHAHI MOSQUE · LAHORE

CHAPTER - 6

ANALYSIS OF FINANCIAL INFORMATION

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KEY PERFORMANCE HIGHLIGHTS

FOR THE YEAR ENDED JUNE 30, 2026

Rupees in '000



SIX YEARS AT A GLANCE

KEY FINANCIAL RATIOS

		Unit of measurement	2026	2025	2024	2023	2022	2021
Profitability Ratios								
Gross profit to sales	%		35.57	28.45	21.85	23.95	14.19	21.73
Operating profit to sales	%		21.86	15.64	9.75	12.90	7.45	13.56
Profit / (loss) before tax to sales	%		16.47	5.33	(6.17)	(0.28)	(7.61)	(4.72)
Net profit / (loss) after tax to sales	%		11.14	2.76	(8.70)	0.58	(2.54)	2.52
EBITDA to sales	%		24.77	18.68	12.80	16.29	12.19	20.59
Operating leverage	%		63.06	(101.95)	(32.90)	21.22	(19.06)	28.86
Return on equity	%		15.76	3.46	(13.92)	0.96	(2.57)	3.34
Return on capital employed	%		22.76	12.62	8.68	10.50	3.68	6.58
Shareholders' fund	Rs. in million		24,015	23,529	19,419	17,568	17,283	10,745
Liquidity Ratios								
Current ratio	Times		0.80	1.00	0.79	0.76	0.69	0.43
Quick / Acid test ratio	Times		0.23	0.47	0.36	0.44	0.39	0.25
Cash ratio	Times		0.04	0.11	0.01	(0.28)	(0.01)	(0.02)
Cash flow from operation to sales	Times		0.13	0.05	(0.12)	0.03	(0.03)	(0.11)
Cash flow to capital expenditures	Times		13.35	6.16	(9.82)	4.34	(2.83)	(24.67)
Cash flow coverage ratio	Times		0.27	0.08	(0.17)	0.03	(0.02)	(0.06)
Investment Valuation Ratios								
Earnings / (loss) per share	Rs.		2.86	0.44	(2.88)	(0.19)	(0.62)	0.17
Price / earnings ratio (after tax)	Times		8.05	30.86	(1.91)	(21.58)	(8.63)	55.76
Price to book ratio	Times		2.56	2.17	0.94	0.54	0.72	1.24
Market price per share	Rs.		23.03	13.58	5.50	4.10	5.32	9.61
Year high close	Rs.		24.26	15.55	6.43	5.46	9.93	11.80
Year low close	Rs.		13.40	4.65	3.49	3.84	5.17	6.26
Breakup value per share	Rs.		8.98	6.25	5.85	8.01	7.79	8.21
Activity / Turnover Ratios								
Inventory turnover	Times		8.89	10.36	10.53	11.12	11.95	11.80
Inventory holding period	Days		41	35	35	33	31	31
Debtor turnover	Times		80.68	92.47	108.86	113.55	68.76	40.89
No. of days in receivables	Days		5	4	3	3	5	9
Creditor turnover	Times		9.08	11.38	10.05	9.60	5.72	2.48
No. of days in payable	Days		40	32	36	38	64	147
Operating cycle	Days		6	7	2	(2)	(28)	(107)
Total assets turnover	Times		0.71	0.62	0.65	0.61	0.38	0.31
Fixed assets turnover	Times		1.02	0.87	0.90	0.82	0.49	0.39
Capital Structure Ratios								
Debt to equity ratio (book value)	Times		39 : 61	40 : 60	51 : 49	53 : 47	55 : 45	72 : 28
Interest coverage ratio	Times		3.96	1.50	0.61	0.97	0.49	0.74
Financial leverage ratio	Times		0.97	1.03	1.46	1.76	1.69	3.23
Net assets per share	Rupees		8.98	6.25	5.85	8.01	7.79	8.21
Non Financial Ratios								
Capacity utilization	%		75.41	66.51	71.19	71.59	58.05	72.71
Cement production per employee	MT		3,075	3,135	3,453	3,812	3,187	3,701
Revenue per employee	Rs. in million		65.22	57.77	63.42	57.31	34.99	29.08
Staff turnover ratio	%		9.88	12.19	17.09	18.22	9.00	10.11
Spares inventory as % of assets cost	%		8.26	7.64	8.31	4.86	4.38	3.44

SIX YEARS AT A GLANCE

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial Position (Rupees in '000)	2026	2025	2024	2023	2022	2021
Assets						
Non-current assets						
Property, plant and equipment	33,059,611	33,682,318	34,309,305	34,853,984	35,647,052	36,270,530
Right of use assets	115,375	83,465	-	12,362	24,725	37,086
Intangible assets	-	-	-	-	423	2,958
Long-term investment	-	21,589	20,094	26,873	25,578	24,873
Long term deposits	62,069	62,069	56,069	63,359	74,359	42,338
Deferred tax assets	2,277,467	2,751,777	3,186,709	3,649,907	3,138,307	2,104,838
Current assets	11,885,723	11,078,791	10,205,599	9,924,138	7,538,288	7,009,055
Total Assets	47,400,245	47,680,009	47,777,776	48,530,623	46,448,732	45,491,678
Equity & Liabilities						
Shareholders' Equity	24,014,746	23,529,257	19,419,121	17,568,027	17,283,455	10,744,915
Long-term liabilities						
Long-term financing - secured	8,027,725	12,601,197	14,877,802	17,328,806	17,510,223	18,403,048
Long term trade payables	-	-	356,493	470,634	522,828	-
Long-term lease liability	89,873	83,394	-	-	17,327	31,675
Deferred grant income	-	-	-	-	-	1,997
Staff retirement benefits	500,950	356,996	302,396	170,307	136,270	108,965
Current liabilities	14,766,951	11,109,165	12,821,964	12,992,849	10,978,629	16,201,078
Total Funds Invested	47,400,245	47,680,009	47,777,776	48,530,623	46,448,732	45,491,678
Financial Performance (Rupees in '000)	2026	2025	2024	2023	2022	2021
Revenue from contracts with customers	33,978,969	29,520,136	31,077,214	28,939,096	17,494,878	14,220,613
Gross profit	12,085,963	8,398,898	6,790,401	6,932,216	2,482,131	3,089,637
Operating profit	7,428,003	4,616,219	3,028,707	3,732,098	1,304,202	1,928,231
Profit / (loss) before taxation	5,595,964	1,572,313	(1,918,919)	(80,911)	(1,330,626)	(671,208)
Profit / (loss) after taxation	3,784,470	814,996	(2,703,284)	168,993	(443,946)	358,359
Total comprehensive income / (loss)	3,735,489	810,136	(2,848,906)	284,572	(461,460)	353,751
Earnings / (loss) per share (Rs/share)	2.86	0.44	(2.88)	(0.19)	(0.62)	0.17
Cash Flow Summary (Rupees in '000)	2026	2025	2024	2023	2022	2021
Net cash generated from / (used in) operating activities	4,481,602	1,539,793	(3,808,360)	758,576	(503,905)	(1,507,764)
Net cash used in investing activities	(297,948)	(211,950)	(361,721)	(158,163)	(170,845)	(50,215)
Net cash (used in) / generated from financing activities	(4,834,255)	(229,536)	8,105,283	(4,170,365)	787,419	1,630,909
Net (decrease) / increase in cash and cash equivalent	(650,601)	1,098,307	3,935,202	(3,569,952)	112,669	72,930
Cash and cash equivalent at the beginning of the year	1,235,232	136,925	(3,798,277)	(228,325)	(340,994)	(413,924)
Cash and cash equivalent at end of the year	584,631	1,235,232	136,925	(3,798,277)	(228,325)	(340,994)
Operational Performance (in Tons)	2026	2025	2024	2023	2022	2021
Clinker production	2,420,556	2,134,913	2,285,325	2,297,890	1,863,323	2,333,980
Cement production	1,602,073	1,601,983	1,691,795	1,924,996	1,593,324	1,809,737
Capacity utilization (%)	75.41%	66.51%	71.19%	71.59%	58.05%	72.71%
Local dispatches	1,360,679	1,337,248	1,327,656	1,576,278	1,627,272	1,633,074
Export dispatches	1,202,945	1,047,702	1,201,497	825,161	495,678	750,419

SIX YEARS AT A GLANCE

VERTICAL AND HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

Description (Rupees in '000)	2026	2025	2024	2023	2022	2021
Share capital & reserves	24,014,746	23,529,257	19,419,121	17,568,027	17,283,455	10,744,915
Non current liabilities	8,618,548	13,041,587	15,536,691	17,969,747	18,186,648	18,545,685
Current liabilities	14,766,951	11,109,165	12,821,964	12,992,849	10,978,629	16,201,078
Total equity & liabilities	47,400,245	47,680,009	47,777,776	48,530,623	46,448,732	45,491,678
Non current assets	35,514,522	36,601,218	37,572,177	38,606,485	38,910,444	38,482,623
Current assets	11,885,723	11,078,791	10,205,599	9,924,138	7,538,288	7,009,055
Total assets	47,400,245	47,680,009	47,777,776	48,530,623	46,448,732	45,491,678

Vertical analysis - %	2026	2025	2024	2023	2022	2021
Share capital & reserves	51	49	41	36	37	24
Non current liabilities	18	28	32	37	39	41
Current liabilities	31	23	27	27	24	35
Total equity & liabilities	100	100	100	100	100	100
Non current assets	75	77	79	80	84	85
Current assets	25	23	21	20	16	15
Total assets	100	100	100	100	100	100

Horizontal analysis - cumulative %	2026	2025	2024	2023	2022	2021
Share capital & reserves	123	119	81	64	61	100
Non current liabilities	(54)	(30)	(16)	(3)	(2)	100
Current liabilities	(9)	(31)	(21)	(20)	(32)	100
Total equity & liabilities	4	5	5	7	2	100
Non current assets	(8)	(5)	(2)	-	1	100
Current assets	70	58	46	42	8	100
Total assets	4	5	5	7	2	100

Horizontal analysis - year on year %	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
Share capital & reserves	2	21	11	2	61	27
Non current liabilities	(34)	(16)	(14)	(1)	(2)	6
Current liabilities	33	(13)	(1)	18	(32)	(17)
Total equity & liabilities	(1)	-	(2)	4	2	-
Non current assets	(3)	(3)	(3)	(1)	1	-
Current assets	7	9	3	32	8	(2)
Total assets	(1)	-	(2)	4	2	-

* Financial year 2021 has been considered as the base year for the above analysis and is indexed at 100%.

SIX YEARS AT A GLANCE

VERTICAL AND HORIZONTAL ANALYSIS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Description (Rupees in '000)	2026	2025	2024	2023	2022	2021
Revenue from contracts with customers	33,978,969	29,520,136	31,077,214	28,939,096	17,494,878	14,220,613
Cost of sales	(21,893,006)	(21,121,238)	(24,286,813)	(22,006,880)	(15,012,747)	(11,130,976)
Gross profit	12,085,963	8,398,898	6,790,401	6,932,216	2,482,131	3,089,637
Selling and distribution expenses	(3,645,068)	(3,012,206)	(3,175,039)	(1,960,273)	(965,724)	(1,195,573)
Administrative expenses	(700,667)	(529,165)	(442,075)	(367,107)	(286,584)	(254,537)
Other (expenses) / income - net	(312,225)	(241,308)	(144,580)	(872,738)	74,379	288,704
Operating profit	7,428,003	4,616,219	3,028,707	3,732,098	1,304,202	1,928,231
Finance cost - net	(1,832,039)	(3,043,906)	(4,947,626)	(3,813,009)	(2,634,828)	(2,599,439)
Profit / (loss) before taxation	5,595,964	1,572,313	(1,918,919)	(80,911)	(1,330,626)	(671,208)
Taxation	(1,811,494)	(757,317)	(784,365)	249,904	886,680	1,029,567
Profit / (loss) after taxation	3,784,470	814,996	(2,703,284)	168,993	(443,946)	358,359
Other comprehensive (loss) / income	(48,981)	(4,860)	(145,622)	115,579	(17,514)	(4,608)
Total comprehensive income / (loss)	3,735,489	810,136	(2,848,906)	284,572	(461,460)	353,751

Vertical analysis - %	2026	2025	2024	2023	2022	2021
Revenue from contracts with customers	100	100	100	100	100	100
Cost of sales	(64)	(72)	(78)	(76)	(86)	(78)
Gross profit	36	28	22	24	14	22
Selling and distribution expenses	(11)	(9)	(11)	(7)	(6)	(8)
Administrative expenses	(2)	(2)	(1)	(1)	(2)	(2)
Other (expenses) / income - net	(1)	(1)	-	(3)	1	2
Operating profit	22	16	10	13	7	14
Finance cost - net	(6)	(11)	(16)	(13)	(15)	(19)
Profit / (loss) before taxation	16	5	(6)	-	(8)	(5)
Taxation	(5)	(2)	(3)	1	5	8
Profit / (loss) after taxation	11	3	(9)	1	(3)	3
Other comprehensive (loss) / income	-	-	-	-	-	-
Total comprehensive income / (loss)	11	3	(9)	1	(3)	3

Horizontal analysis - cumulative %	2026	2025	2024	2023	2022	2021
Revenue from contracts with customers	139	108	119	104	23	100
Cost of sales	97	90	118	98	35	100
Gross profit	291	172	120	124	(20)	100
Selling and distribution expenses	205	152	166	64	(19)	100
Administrative expenses	175	108	74	44	13	100
Other (expenses) / income - net	208	184	150	402	74	100
Operating profit	285	139	57	94	(32)	100
Finance cost - net	(30)	17	90	47	1	100
Profit / (loss) before taxation	934	334	(186)	88	(98)	100
Taxation	276	174	176	76	(14)	100
Profit / (loss) after taxation	956	127	(854)	(53)	(224)	100
Other comprehensive (loss) / income	963	5	3,060	(2,608)	280	100
Total comprehensive income / (loss)	956	129	(905)	(20)	(230)	100

Horizontal analysis - year on year %	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
Revenue from contracts with customers	15	(5)	7	65	23	246
Cost of sales	4	(13)	10	47	35	163
Gross profit	44	24	(2)	179	(20)	2,760
Selling and distribution expenses	21	(5)	62	103	(19)	180
Administrative expenses	32	20	20	28	13	34
Other (expenses) / income - net	29	67	(83)	(1,273)	(74)	(213)
Operating profit	61	52	(19)	186	(32)	295
Finance cost - net	(40)	(38)	30	45	1	(13)
Profit / (loss) before taxation	256	182	(2,272)	(94)	98	(83)
Taxation	139	(3)	(414)	(72)	(14)	198
Profit / (loss) after taxation	364	130	(1,700)	138	(224)	110
Other comprehensive (loss) / income	908	(97)	(226)	(760)	280	(201)
Total comprehensive income / (loss)	361	128	(1,101)	162	(230)	110

* Financial year 2021 has been considered as the base year for the above analysis and is indexed at 100%.

SIX YEARS AT A GLANCE

COMMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

Revenue surged by 139%, from Rs. 14,221 million in 2021 to Rs. 33,979 million in 2026, primarily driven by higher local cement prices and improved export price realization. In comparison, dispatches increased by only 8%, from 2.38 million tons to 2.56 million tons, indicating that the substantial growth in revenue was largely attributable to increased selling price. The increase in revenue also reflects the Company's ability to maintain price realization amid changing market conditions and support overall topline growth.

Cost of Sales

The Company experienced a significant increase in total costs, with cost of sales rising by 97%, from Rs. 11,131 million in 2021 to Rs. 21,893 million in 2026. This increase was primarily attributable to higher costs of raw materials, packing materials, fuel and electricity. However, the impact of these cost pressures was partially mitigated through effective cost control measures, increased use of alternative fuels and greater reliance on renewable energy sources, supporting operational efficiency and helping contain the overall increase in production costs.

Gross Profit

The Company's gross profit increased significantly by 291%, from Rs. 3,090 million in 2021 to Rs. 12,086 million in 2026. The gross profit margin improved substantially from 21.73% to 35.57%, reflecting improved profitability and operational efficiency. The growth in gross profit is consistent with the fluctuations in revenue and costs over the years while the improvement in gross profit margin was primarily driven by higher cement prices and sales volumes, effective cost control measures, increased use of alternative fuels and the adoption of fuel-efficient production strategies.

Net Profit / Loss

The Company recorded a significant improvement in its financial performance, with net profit increasing substantially from Rs. 358 million in 2021 to Rs. 3,784 million in 2026.

The improvement was primarily driven by a substantial increase in gross profit margin, supported by effective production cost controls, significant savings from the use of alternative fuels and renewable energy, and a notable reduction in finance costs.

These factors collectively strengthened the Company's profitability and resulted in a marked improvement in net earnings during 2026.

STATEMENT OF FINANCIAL POSITION

Share Capital & Reserves

The Company's share capital and reserves increased by 123%, mainly due to a contribution of Rs. 11,750 million from associated undertakings. The increase was further supported by the reduction in accumulated losses, resulting in a significant strengthening of the Company's equity position.

Liabilities

The Company's non-current liabilities decreased significantly by 54% between 2021 and 2026, primarily attributed to the repayment of local currency and foreign currency long-term financing and trade payables.

The Company's current liabilities fell by 9% between 2021 and 2026. This decline was driven primarily by effective working-capital management, as short-term financing decreased over the six-year period.

Assets

The Company's non-current assets fell by about 8% from Rs.38,483 million in 2021 to Rs.35,515 million in 2026, mainly due to depreciation, particularly on plant and machinery.

The Company's current assets rose by 70% from Rs.7,009 million in 2021 to Rs.11,886 million in 2026, primarily driven by the increase in stock levels of Inventory and stores, spares and loose tools. Moreover, short term investments and cash and bank balances have also increased substantially.

STATEMENT OF CASH FLOWS

The Company's cash flow position improved significantly over the six-year period, supported by stronger operating performance and improved profitability. The increase in working capital requirements, primarily attributable to higher levels of inventory and stores, spares and loose tools maintained in line with operational requirements, partially offset the improvement in cash flow.

As economic conditions stabilized and KIBOR declined significantly, finance costs moderated, with finance cost paid decreasing from Rs. 3,144 million in 2021 to Rs. 1,966 million in 2026, providing further support to operating cash flows. However, significant repayment of contribution from associated undertakings resulted in a net cash outflow of Rs. 4,834 million from financing activities.

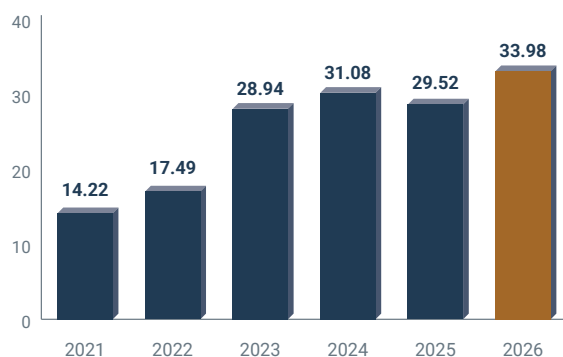
Despite these outflows, the Company maintained year-end cash and cash equivalents of Rs. 585 million, reflecting its ability to generate sufficient operating cash flows to maintain liquidity while meeting its operational and financing obligations.

SIX YEARS AT A GLANCE

GRAPHICAL PRESENTATION

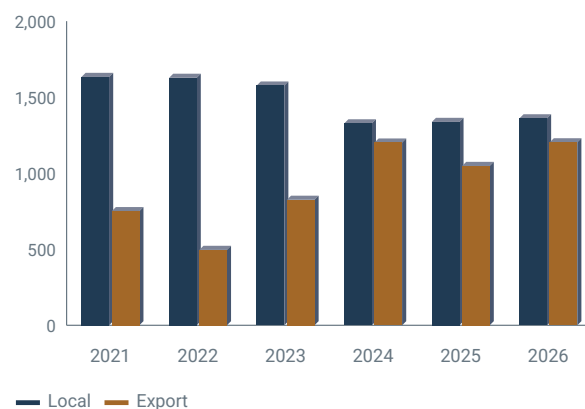
Revenue

Rupees in billion



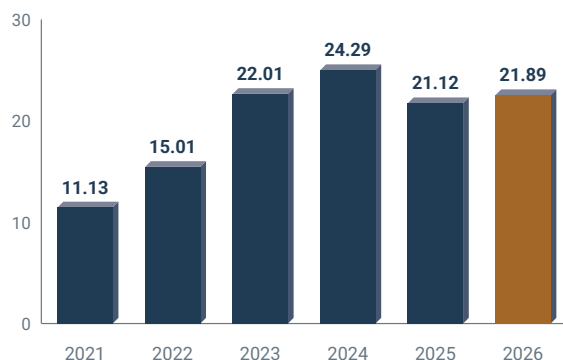
Sales

Volumes in Thousand Tons



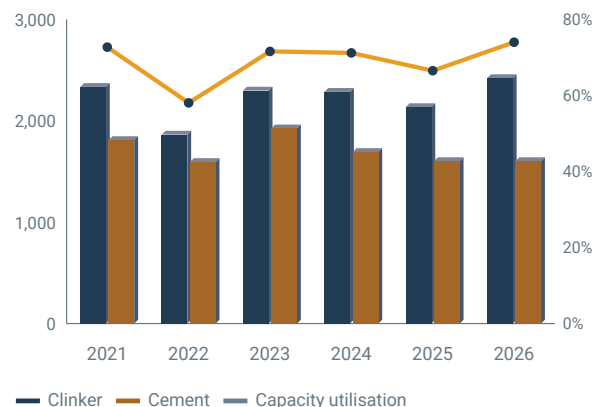
Cost of sales

Rupees in billion



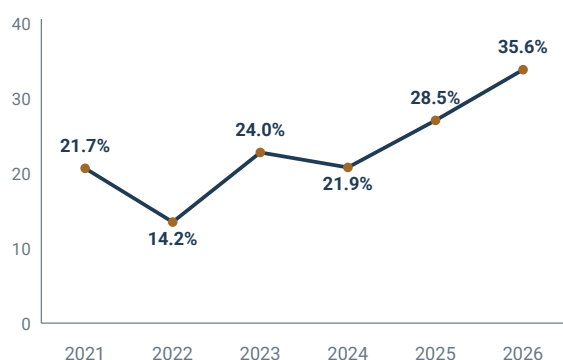
Production

Volumes in Thousand Tons



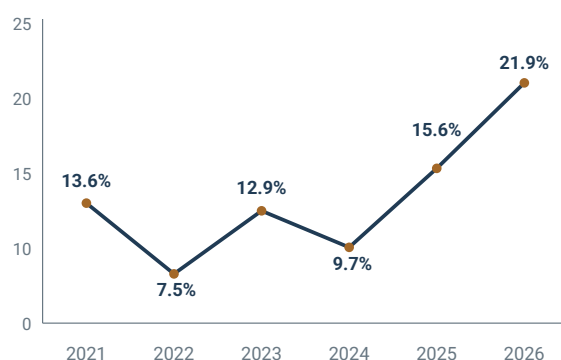
Gross margin (%)

Percentage



Operating margin (%)

Percentage

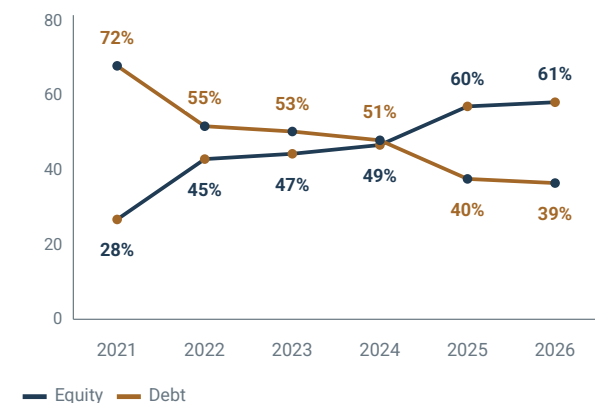


SIX YEARS AT A GLANCE

GRAPHICAL PRESENTATION

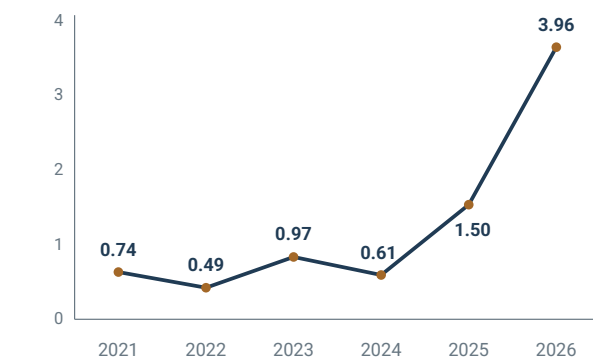
Debt to equity ratio

Percentage



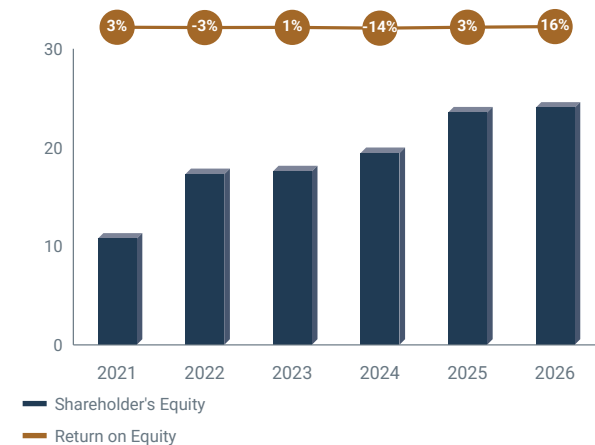
Interest coverage ratio

Times



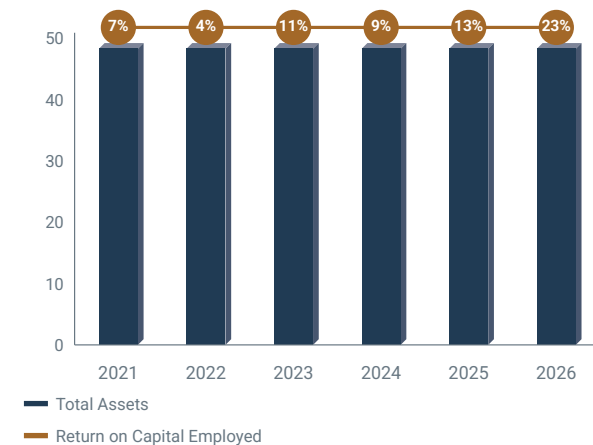
Return on equity

PKR in billions



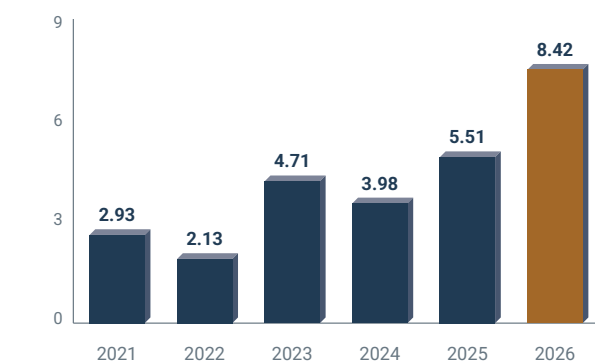
Return on capital employed

PKR in billions



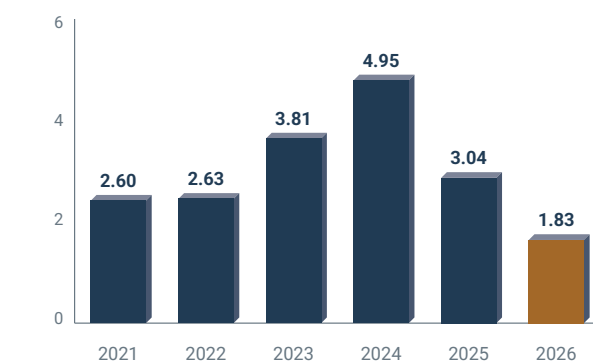
EBITDA

Rupees in billion



Finance cost

Rupees in billion

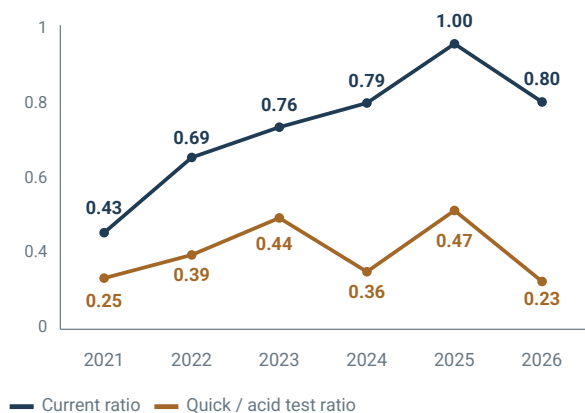


SIX YEARS AT A GLANCE

GRAPHICAL PRESENTATION

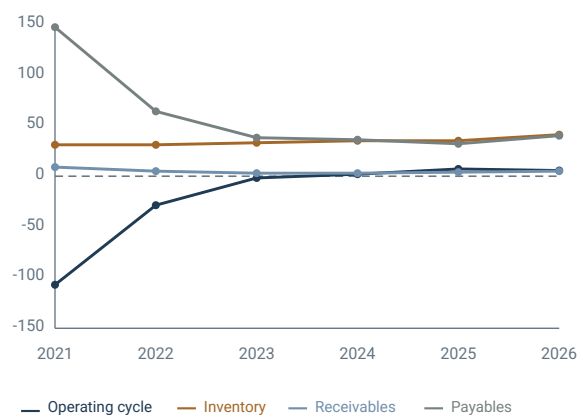
Liquidity ratios

Times



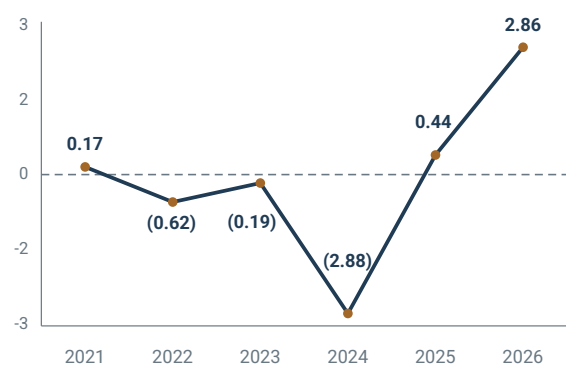
Operating cycle

Days



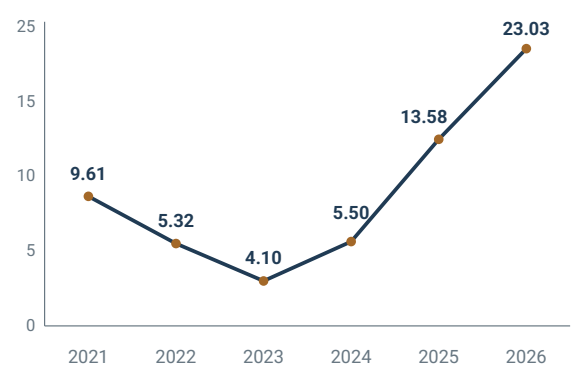
Earnings per share

Rs/share



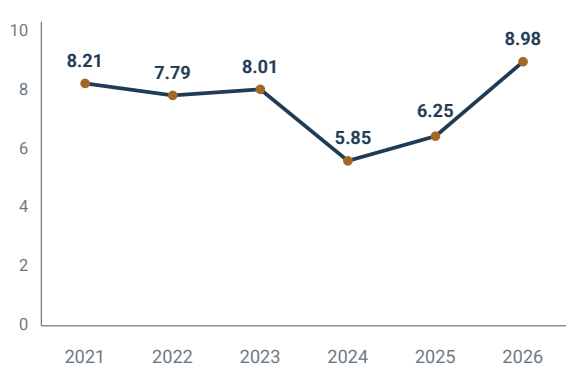
Market value per share

Rs/share



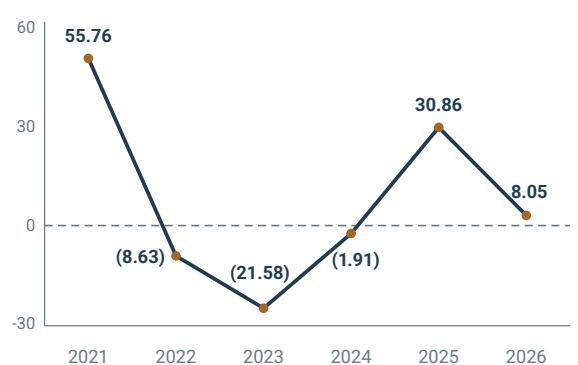
Breakup value per share

Rs/share



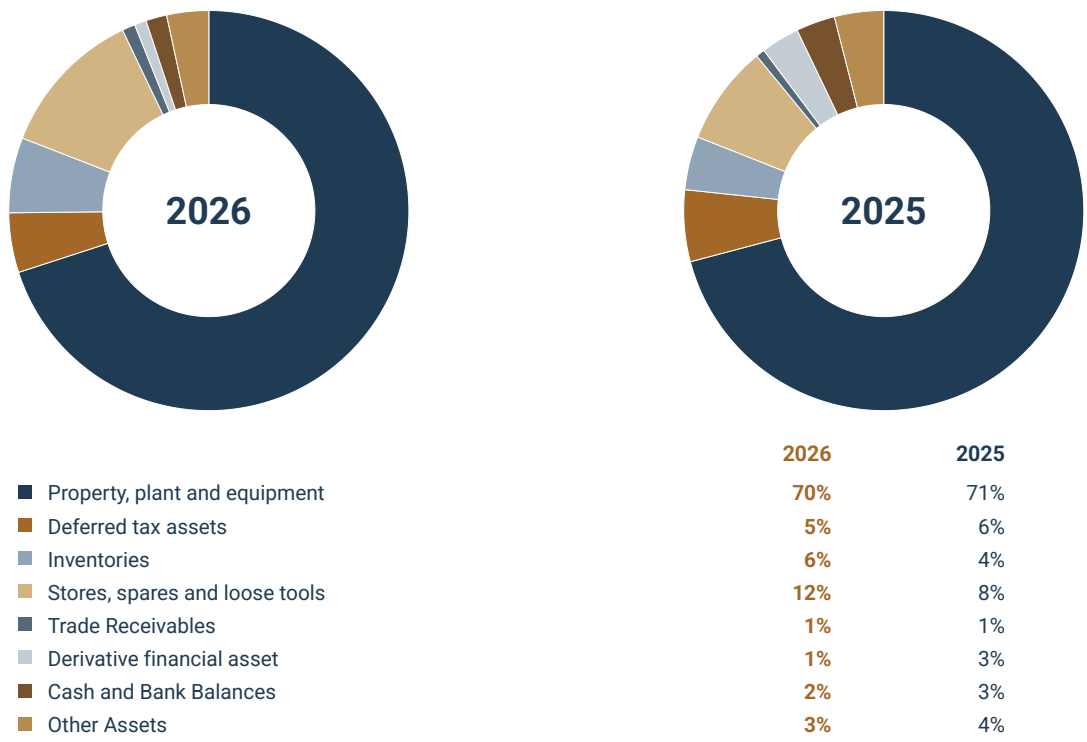
Price / earnings ratio

Times

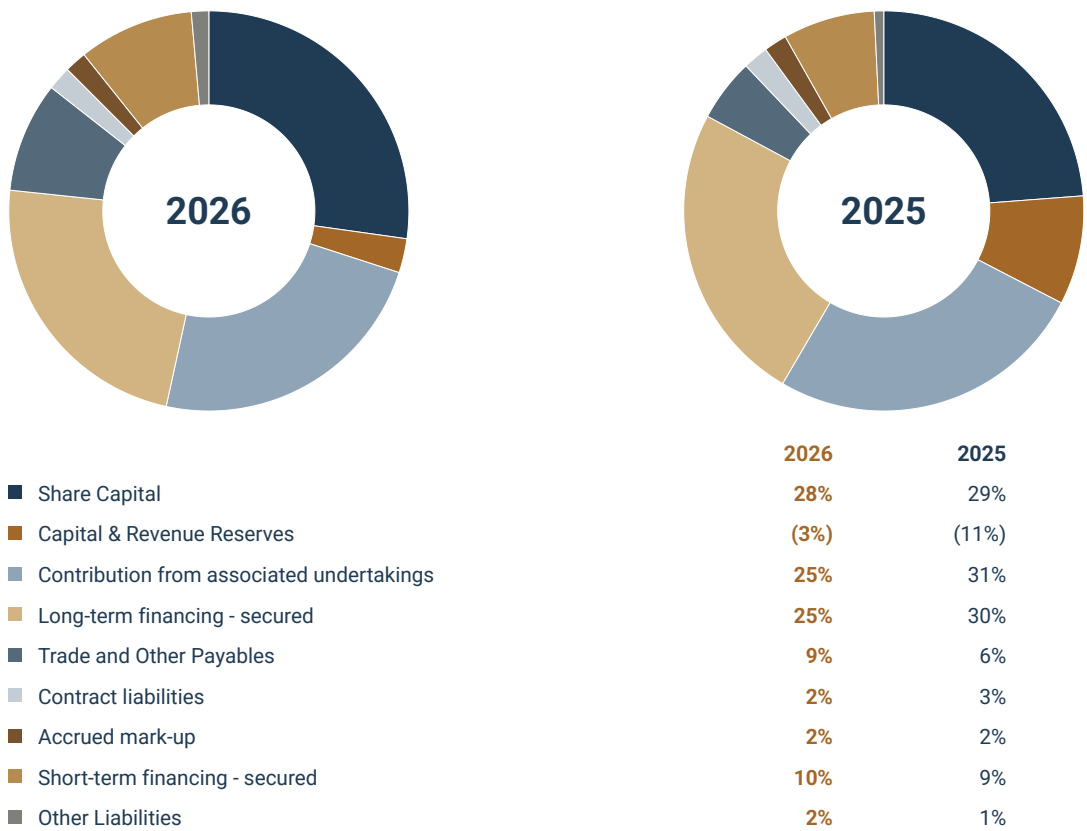


COMPOSITION OF BALANCE SHEET

ASSETS



EQUITIES & LIABILITIES



QUARTERLY PERFORMANCE

FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Production Volumes: -----in Tons-----					
Clinker Production	506,574	619,352	602,801	691,829	2,420,556
Cement Production	417,286	467,340	379,541	337,906	1,602,073
Capacity Utilization (%)	63.12%	77.18%	75.12%	86.21%	75.41%
Sales Volumes:					
Clinker Dispatches - Local	31,998	9,002	14,498	18,994	74,492
Cement Dispatches - Local	327,596	337,023	322,726	298,842	1,286,187
Clinker Dispatches - Export	197,048	110,360	322,810	266,292	896,510
Cement Dispatches - Export	41,291	173,416	54,943	36,785	306,435
	597,933	629,801	714,977	620,913	2,563,624
Financial performance -----Rupees in '000-----					
Revenue from contracts with customers	7,814,354	8,645,780	9,169,036	8,349,799	33,978,969
Cost of sales	(5,105,208)	(5,373,293)	(6,104,097)	(5,310,408)	(21,893,006)
Gross profit	2,709,146	3,272,487	3,064,939	3,039,391	12,085,963
Selling and distribution expenses	(666,519)	(959,432)	(1,041,139)	(977,978)	(3,645,068)
Administrative expenses	(156,377)	(227,201)	(122,005)	(195,084)	(700,667)
Other (expenses) / income - net	(128,130)	(110,804)	(111,594)	40,778	(309,750)
Impairment (loss) / reversal on financial assets	-	(5,984)	-	3,509	(2,475)
	(951,026)	(1,303,421)	(1,274,738)	(1,128,775)	(4,657,960)
Profit from operations	1,758,120	1,969,066	1,790,201	1,910,616	7,428,003
Finance income	10,227	7,097	20,544	5,238	43,106
Finance cost	(514,928)	(481,580)	(451,143)	(427,494)	(1,875,145)
Finance cost - net	(504,701)	(474,483)	(430,599)	(422,256)	(1,832,039)
Profit before taxation	1,253,419	1,494,583	1,359,602	1,488,360	5,595,964
Taxation	(449,060)	(637,535)	(488,557)	(236,342)	(1,811,494)
Profit after taxation	804,359	857,048	871,045	1,252,018	3,784,470
Earnings per share (Rs/share)	0.60	0.65	0.66	0.95	2.86

RESULTS REPORTED IN INTERIM AND ANNUAL FINANCIAL STATEMENTS

Rupees in '000	3 months	6 months	9 months	Year ended
Revenue from contracts with customers	7,814,354	16,460,134	25,629,170	33,978,969
Gross profit	2,709,146	5,981,633	9,046,572	12,085,963
Profit from operations	1,758,120	3,727,186	5,517,387	7,428,003
Profit before taxation	1,253,419	2,748,002	4,107,604	5,595,964
Profit after taxation	804,359	1,661,407	2,532,452	3,784,470
Earnings per share (Rs/share)	0.60	1.25	1.91	2.86
Margins	3 months	6 months	9 months	Year ended
Gross profit (%)	34.67	36.34	35.30	35.57
Profit from operations (%)	22.50	22.64	21.53	21.86
Profit before taxation (%)	16.04	16.69	16.03	16.47
Profit after taxation (%)	10.29	10.09	9.88	11.14

QUARTERLY PERFORMANCE ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2026

Quarter # 1:

The Company started the year with moderate performance, with total dispatches of 598 thousand tons and capacity utilization of 63.12%. Revenue stood at Rs 7.8 billion, while gross profit margin was 34.7%. Finance cost remained significant at Rs 515 million, resulting in a profit after tax of Rs 804 million and EPS of Rs 0.60.

Although 1st Quarter represented the weakest quarter of the year, it marked the beginning of a strong turnaround, with the Company's performance improving gradually in the subsequent quarters.

Quarter # 2:

The Company's performance improved in the second quarter, with total dispatches increasing to 630 thousand tons and capacity utilization improving to 77.18%. Gross profit margin increased to 37.9%, supported by improved operational performance.

The Company posted a profit after tax of Rs 857 million with EPS of Rs 0.65.

Quarter # 3:

The Company continued its growth momentum in the third quarter, with dispatches reaching 715 thousand tons, the highest during the year, mainly driven by a significant increase in export clinker dispatches.

However, gross profit margin declined to 33.4%, while the Company recorded a profit after tax of Rs. 871 million with EPS of Rs. 0.66.

Quarter # 4:

The Company closed the year on a strong note, with dispatches of 621 thousand tons and capacity utilization of 86.21%. Gross profit margin improved to 36.4%, despite lower dispatches compared with the previous quarter. Finance cost further reduced to Rs 427 million, the lowest during the year, while lower taxation further supported profitability. Consequently, the Company posted a profit after tax of Rs 1.25 billion, with EPS of Rs 0.95.

Annual Result:

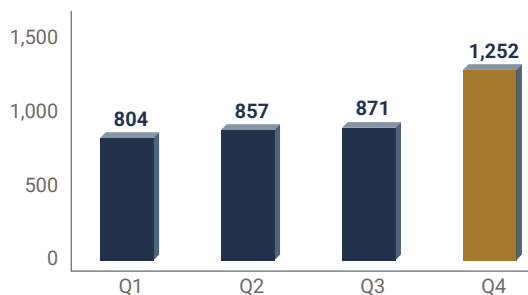
The Company delivered a strong financial and operational performance during the year, with net sales revenue of PKR 33.98 billion and total dispatches of 2.56 million tons. The growth was supported by improved market conditions and better price realization across both domestic and export markets.

Clinker production increased by 13.38% to 2.42 million tons, with capacity utilization improving to 75.41%, reflecting more efficient use of the Company's production facilities.

The Company's strong performance reflects improved operational efficiency, higher clinker production, growth in domestic and export dispatches, effective cost management and a significant reduction in finance costs. As a result, the Company achieved a profit after tax of PKR 3.78 billion, resulting in annual EPS of Rs. 2.86.

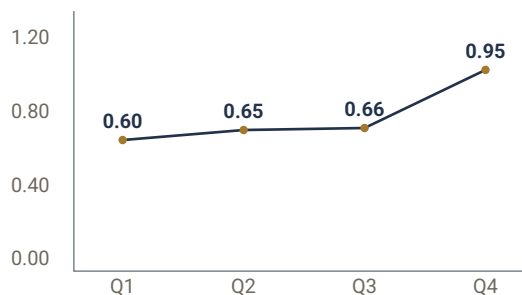
Profit after taxation

Rupees in million



Earnings per share

Rupees

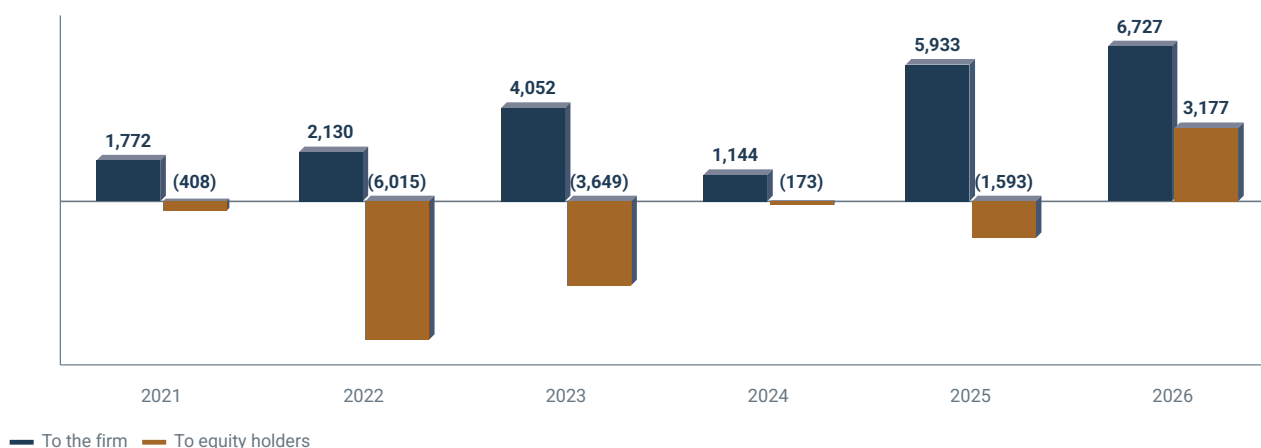


FREE CASH FLOWS

Description (Rupees in '000)	2026	2025	2024	2023	2022	2021
Profit /(loss) before taxation	5,595,964	1,572,313	(1,918,919)	(80,911)	(1,330,626)	(671,208)
Adjustment for non-cash items	2,965,268	4,120,011	6,115,306	5,681,184	3,413,705	3,329,067
Changes in working capital	(1,497,549)	492,151	(2,663,569)	(1,372,555)	236,904	(820,610)
Cash generated from operations	7,063,683	6,184,475	1,532,818	4,227,718	2,319,983	1,837,249
Capital expenditure	(336,399)	(251,364)	(389,274)	(175,998)	(189,772)	(65,452)
Free cash flows to the firm	6,727,284	5,933,111	1,143,544	4,051,720	2,130,211	1,771,797
Net borrowing (repaid) / received	(1,584,255)	(3,529,536)	3,405,283	(4,170,365)	(5,532,581)	964,388
Interest payments	(1,965,765)	(3,996,842)	(4,721,818)	(3,530,151)	(2,612,170)	(3,144,326)
Free cash flows to the equity holders	3,177,264	(1,593,267)	(172,991)	(3,648,796)	(6,014,540)	(408,141)

Free cash flows

Rupees in million



COMMENTS ON FREE CASH FLOW TO THE FIRM

Free cash flow represents the cash a company generates after meeting the capital expenditure required to maintain or expand its asset base and is an important measure of financial performance and liquidity.

The Company's Free Cash Flow to the Firm (FCFF) increased by 13% in 2026 compared with the previous year, primarily supported by the Company's improved financial performance. Profit before tax increased significantly to Rs. 5.60 billion in 2026 from Rs. 1.57 billion in 2025, reflecting stronger profitability and enhanced cash-generating capacity.

COMMENTS ON FREE CASH FLOW TO THE EQUITY HOLDERS

Free Cash Flow to Equity (FCFE) represents the cash available to the Company's equity holders after meeting its operating, investing and financing requirements.

The Company's FCFE increased significantly by 299% in 2026 compared with the previous year, primarily supported by improved financial performance. The Company effectively manages its working capital facilities, having repaid a significant portion of its short-term financing in prior years and thereby maintaining borrowings at an optimum level. In addition, the decline in KIBOR resulted in lower finance costs and related cash outflows, further strengthening the cash available to equity holders.

STATEMENT OF CASH FLOWS - DIRECT METHOD

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	33,602,949	30,016,643
Cash paid to suppliers and employees	(26,539,266)	(23,832,168)
Cash generated from operations	7,063,683	6,184,475
Income tax paid	(535,725)	(585,855)
Leave encashment paid	(11,550)	(9,911)
Gratuity paid	(69,041)	(46,074)
Deposits received / (paid)	-	(6,000)
Finance cost paid	(1,965,765)	(3,996,842)
Net cash generated from operating activities	4,481,602	1,539,793
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure - operations	(336,399)	(251,364)
Finance income received	37,677	37,956
Proceeds from sale of property, plant and equipment	774	1,458
Net cash used in investing activities	(297,948)	(211,950)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term financing	(1,958,093)	(1,553,777)
Proceeds from / (repayment of) short-term financing	408,652	(1,948,391)
(Repayment to) / contribution from associated undertakings - net	(3,250,000)	3,300,000
Lease rentals paid	(34,814)	(27,368)
Net cash used in financing activities	(4,834,255)	(229,536)
Net (decrease) / increase in cash and cash equivalents	(650,601)	1,098,307
Cash and cash equivalents at the beginning of the year	1,235,232	136,925
Cash and cash equivalents at end of the year	584,631	1,235,232

LOCAL VERSUS IMPORTED COMPONENTS

COMPOSITION AND SENSITIVITY ANALYSIS

Composition	2026		2025	
	Rupees in '000	%	Rupees in '000	%
Local Components				
Raw materials	3,184,705	16.13	2,698,800	14.64
Packing materials	976,774	4.95	1,076,358	5.84
Fuels	1,037,245	5.25	1,131,570	6.14
Power	3,987,423	20.20	3,919,479	21.26
Stores, spare parts and loose tools	253,507	1.28	349,184	1.89
Imported Components				
Fuels	9,711,214	49.19	8,466,328	45.93
Stores, spare parts and loose tools	591,515	3.00	792,451	4.30
Total	19,742,383	100.00	18,434,170	100.00

The Company uses a combination of local and imported coal, along with other fuels, in the production of cement. Imported coal represents the largest component of the Company's fuel consumption cost.

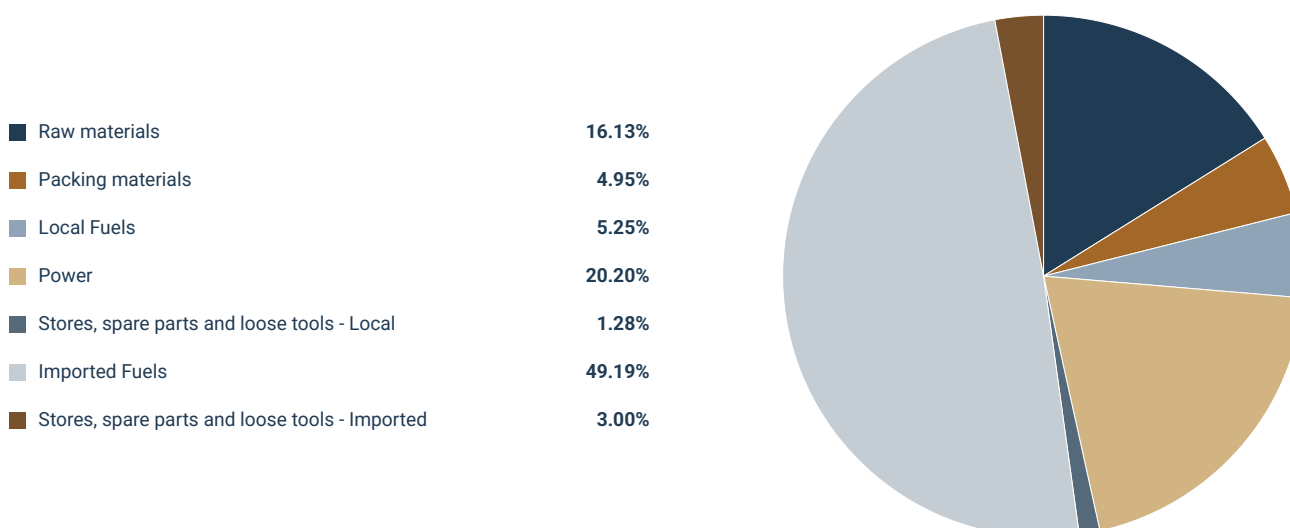
SENSITIVITY ANALYSIS

If the US Dollar (US\$) to Pakistani Rupee (PKR) exchange rate had fluctuated by 1%, the corresponding impact on the cost of production arising from the above imported components would have been as follows:

Description	2026	2025
Average USD Rate	280.12	279.58
Increase of 1% in exchange rate (Rs. In '000)	103,027	92,588
Decrease of 1% in exchange rate (Rs. In '000)	(103,027)	(92,588)

The Company has moderate exposure to foreign currency fluctuations. Management actively monitors exchange rate movements and strategically plans the procurement of coal and store items to mitigate the potential impact of currency fluctuations on the Company's financial performance.

Composition (%) - 2026

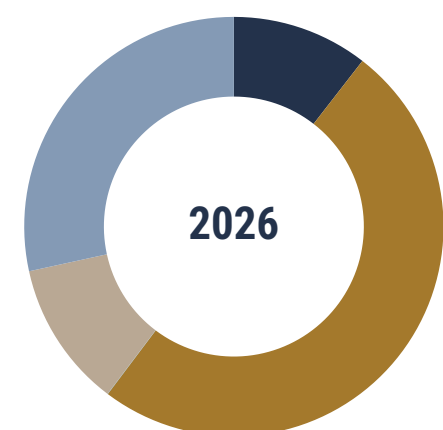


STATEMENT OF VALUE ADDITION & DISTRIBUTION OF WEALTH

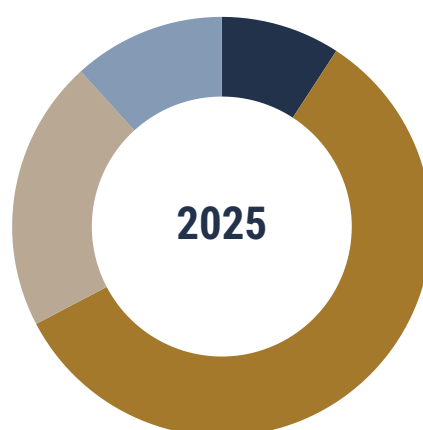
FOR THE YEAR ENDED JUNE 30, 2026

Description	2026		2025	
	Rupees in '000	%	Rupees in '000	%
Wealth Created				
Gross Revenue	45,144,995	272.33	40,024,259	275.32
Less: Operating & other general expenses	(28,567,814)	(172.33)	(25,486,898)	(175.32)
Total Wealth generated during the year	16,577,181	100.00	14,537,361	100.00
Distribution of Wealth				
To employees and workers (including WPPF/WWF)				
Salaries, wages and other benefits	1,746,087	10.53	1,337,066	9.20
To Government				
Income tax, sales tax, excise duty and others	8,270,535	49.89	8,447,974	58.10
To Society				
Donation towards education, health and environment	4,638	0.03	805	0.01
To Financiers				
To Finance providers as Finance charges	1,832,039	11.05	3,043,906	20.94
To Company				
Depreciation, amortization & retained profit	4,723,882	28.50	1,707,610	11.75
Total Wealth distributed during the year	16,577,181	100.00	14,537,361	100.00

WEALTH DISTRIBUTION



■ Employees and workers	10.53%
■ Government	49.89%
■ Society	0.03%
■ Financiers	11.05%
■ Company	28.50%



■ Employees and workers	9.20%
■ Government	58.10%
■ Society	0.01%
■ Financiers	20.94%
■ Company	11.75%

DUPONT ANALYSIS

Year	Net profit margin (Net profit / revenue)	Asset turnover (Revenue / total assets)	Return on assets (Net profit / total assets)	Equity Multiplier (Total assets / total equity)	Return on equity (Net profit / total equity)
	%	Times	%	Ratio	%
	A	B	C = A × B	D	E = C × D
2026	11.14	0.71	7.98	1.97	15.76
2025	2.76	0.62	1.71	2.03	3.46
2024	(8.70)	0.65	(5.66)	2.46	(13.92)
2023	0.58	0.61	0.35	2.76	0.96
2022	(2.54)	0.38	(0.96)	2.69	(2.57)
2021	2.52	0.31	0.79	4.23	3.34

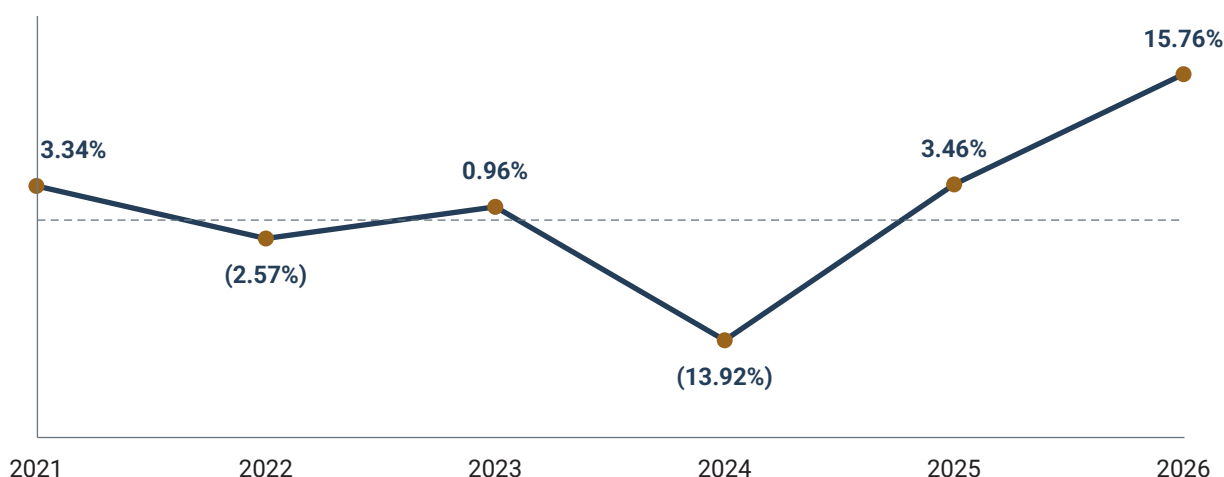
COMMENTS ON DUPONT ANALYSIS

DuPont analysis is a valuable tool for investors, providing insight into a company's financial performance and growth potential. By breaking down Return on Equity (ROE) into profit margin, asset turnover, and financial leverage, investors can identify areas of strength and weakness. This analysis helps investors evaluate management's effectiveness, assess risk, and make informed decisions about investment.

The main highlights of DuPont analysis for the company in 2026 are as follows:

1. Net Profit Margins: The Company saw a significant turnaround with profit margins rising from 2.76% (2025) to 11.14% (2026), mainly due to lower finance costs and higher gross margins.
2. Asset Turnover Ratio: Asset turnover increased due to higher price and volumes.
3. Return on Assets: The Return on Assets has improved substantially, driven by the increase in profit margins.
4. Equity Multiplier: The equity multiplier has decreased slightly, primarily due to an increase in retained earnings, which strengthened the Company's equity base.
5. Return on Equity: Return on Equity surged due to a net profit of PKR 3.78 billion in the current year.

RETURN ON EQUITY



DUPONT CHART



SHARE PRICE SENSITIVITY ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2026

The company's share price is sensitive to various internal and external factors that may influence investor perceptions, market demand, and overall share price movements.

Internal factors include the Company's financial and operational performance, revenue growth, profitability, earnings per share (EPS), dividend distribution, cash flow generation, capital structure, and overall financial position. Changes in these factors may affect investors' assessment of the Company's future prospects and its valuation in the stock market.

External factors also play a significant role in determining share price movements. These include prevailing economic conditions, interest rate fluctuations, inflation, foreign exchange movements, changes in government policies, taxation measures, and developments within the cement industry.

The share price of the Company is also open to the volatility of investor sentiments or confidence in the stock market and macroeconomic conditions. In a strong stock market, investor confidence and share prices tend to rise and in a weak market, both tend to fall. The stock market's strength is closely associated with economic conditions.

As detailed in Note 34 of the annual audited financial statements, the sensitivity analysis quantifies and demonstrates that even moderate fluctuations in the interest rates and foreign exchange rates can materially affect the Company's Profit After Tax (PAT) and earnings per share (EPS) and, consequently, its share price.

The Ordinary shares (POWER) and Preference shares (POWERPS) of Power Cement Limited are traded on Pakistan Stock Exchange (PSX). The free float of Company's ordinary and preference shares is 35%. The market price of Ordinary share and preference share gained approximately 70% and 68% respectively, whereas PSX's KSE 100 index gained 44% and moved from 125,627 points to 180,302 points. The market capitalization of Power Cement Limited as on 30 June 2026 stood at PKR 31.86 billion with a market price Rs. 23.03.

Date	Ordinary Shares (POWER)		Preference Shares (POWERPS)		Total market capitalization
	Share price	Market cap.	Share price	Market cap.	
30-Jun-2026	23.03	29,748,611,082	28.76	2,109,441,918	31,858,053,000
30-Jun-2025	13.58	17,525,311,452	17.17	1,274,930,552	18,800,242,004

The upward trend of share price affirms investors' confidence in operational efficiencies of the Company. These expectations were validated by the Company's quarter-on-quarter improvement in profitability, driven by declining finance costs and increased selling prices.

The share price of Power Cement Limited's ordinary shares peaked at Rs. 24.26, while the lowest share price during the period was Rs. 13.40. Meanwhile, the share price of Power Cement Limited's preference shares peaked at Rs. 32.32, compared to a low of Rs. 16.01.

The Company remains focused on strengthening its operational and financial performance, maintaining financial discipline, and pursuing sustainable growth, while recognizing that share prices remain subject to prevailing economic conditions, investor sentiment, and other factors.

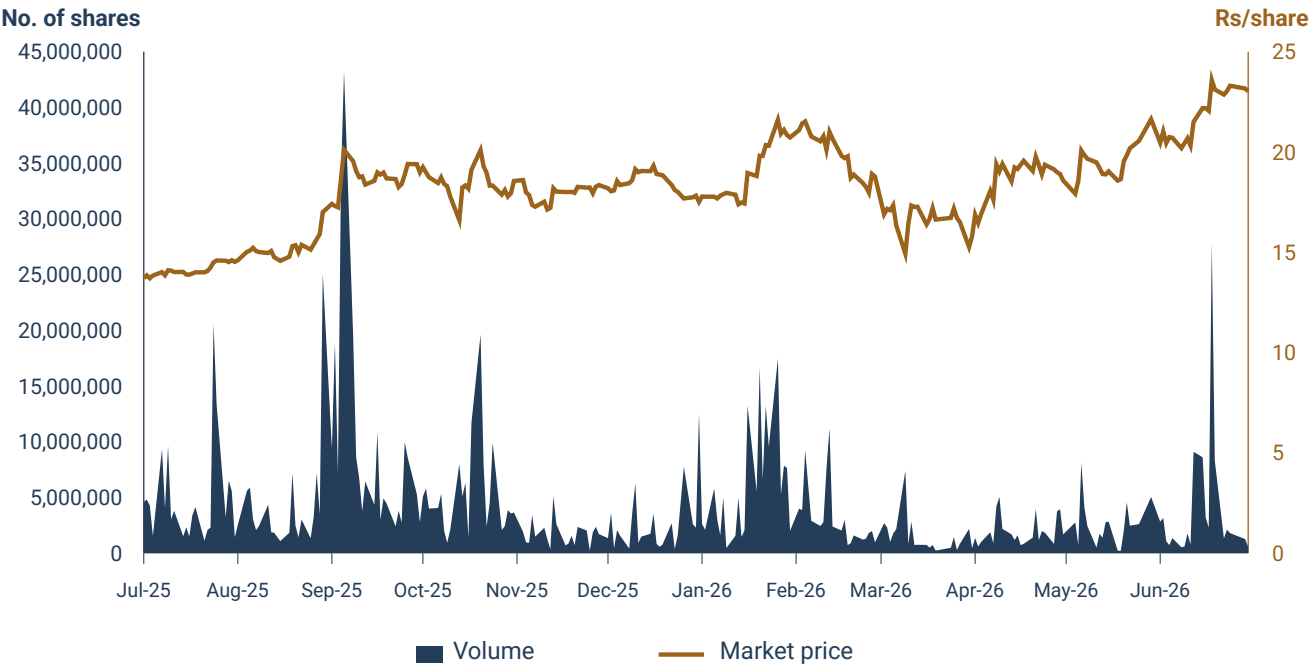
SHARE PRICE SENSITIVITY ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2026

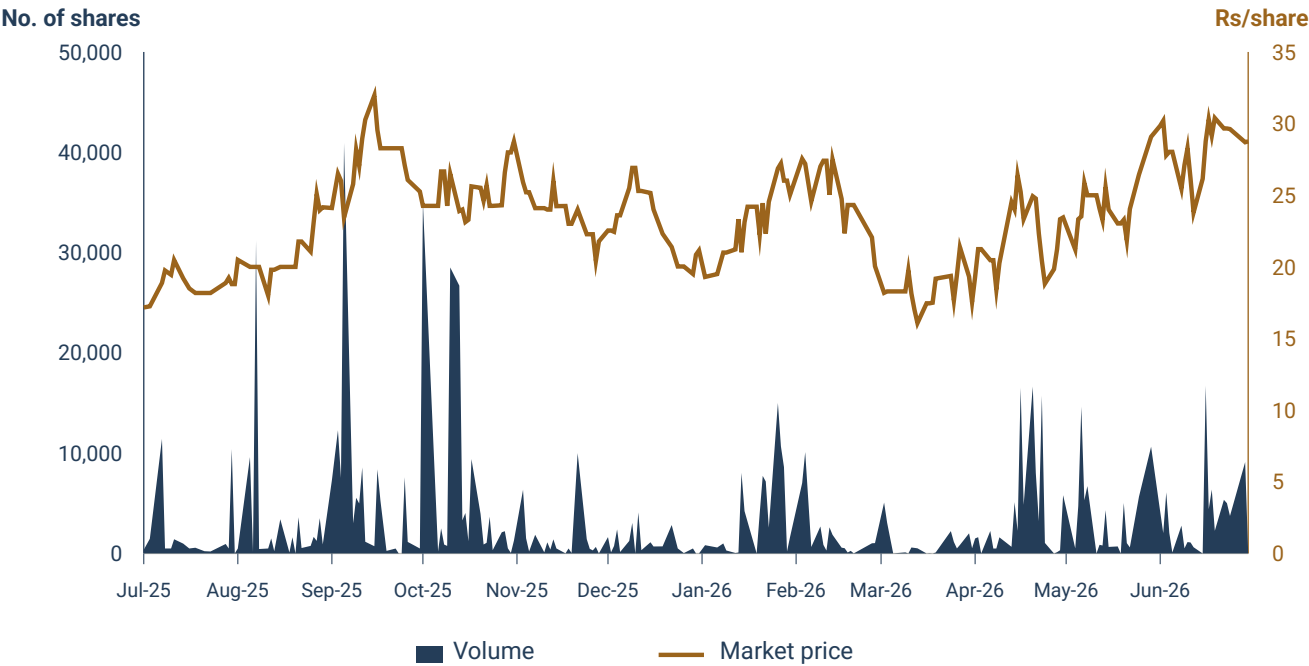
The table and graphs below outline the prices and volumes of the Company's ordinary and preference shares:

Year	Ordinary Shares (POWER)			Preference Shares (POWERPS)		
	High	Low	Volume	High	Low	Volume
2026	24.26	13.40	1,032,288,810	32.32	16.01	730,149
2025	15.55	4.65	2,371,828,054	21.95	9.37	1,926,307

POWER



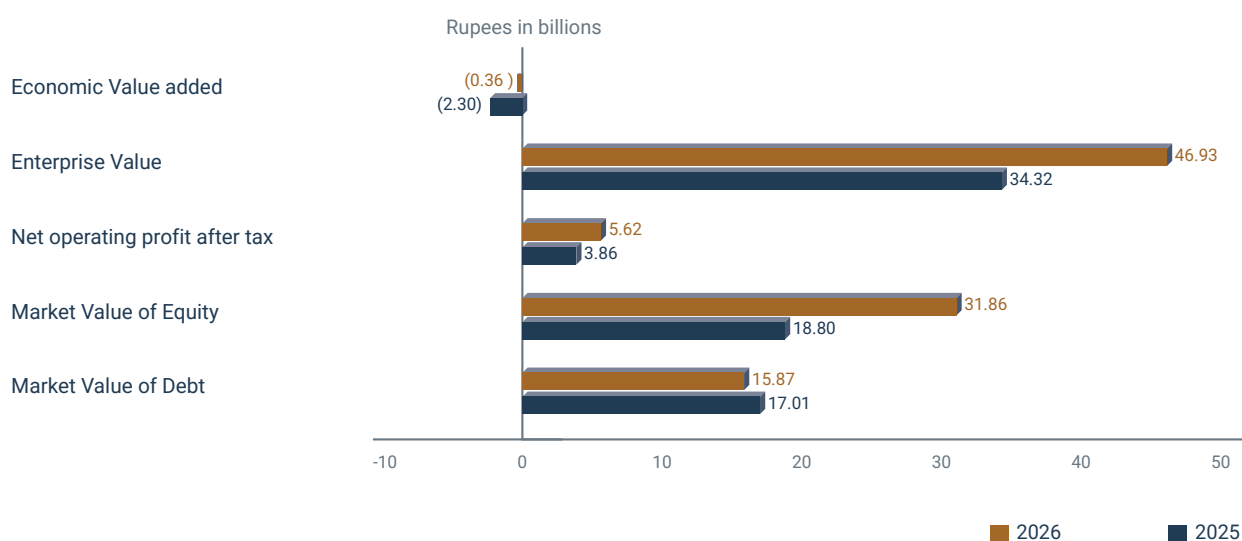
POWERPS



STATEMENT OF ECONOMIC VALUE ADDED

	2026	2025
	(Rupees in '000)	
Cost of capital		
Cost of Equity	18.58%	19.20%
Cost of Debt	11.06%	13.59%
Market Value of Equity	31,858,053	18,800,242
Market Value of Debt	15,869,829	17,011,607
Weighted average cost of capital (WACC)	16.08%	16.53%
Average capital employed	37,200,427	37,244,856
Economic Value added		
NOPAT (Net operating profit after tax)	5,616,509	3,858,902
Less: Cost of capital	(5,981,084)	(6,158,332)
	(364,575)	(2,299,430)
Enterprise Value		
Market Value of Equity	31,858,053	18,800,242
Add: Debt	15,869,829	17,011,607
Less: Cash & Bank balance	(798,626)	(1,496,175)
	46,929,256	34,315,674
Return Ratios		
NOPAT / Average capital employed	15.10%	10.36%
EVA / Average capital employed	(0.98%)	(6.17%)
Enterprise value / Average capital employed	1.26 times	0.92 times

GRAPHICAL PRESENTATION OF ECONOMIC VALUE ADDED



EXPLANATION OF NEGATIVE CHANGES IN PERFORMANCE OVER THE PERIOD

There were no negative changes in the key indicators and performance measures during FY-2026 compared with the previous year.

CORPORATE CALENDAR FOR THE FINANCIAL YEAR 2025-26



On September 01, 2025

The Board of Directors approved the annual audited financial statements of the Company for the year ended June 30, 2025 and the Directors' Report thereon.



On October 14, 2025

The 34th Annual General Meeting (AGM) of the Company was held. The shareholders approved the annual audited accounts for the year ended June 30, 2025.



On October 20, 2025

The Board of Directors approved the condensed interim financial statements for the first quarter ended September 30, 2025 along with the Directors' Report thereon.



On February 11, 2026

The Board of Directors approved the condensed interim financial statements for the half year ended December 31, 2025 along with the Directors' Report thereon.



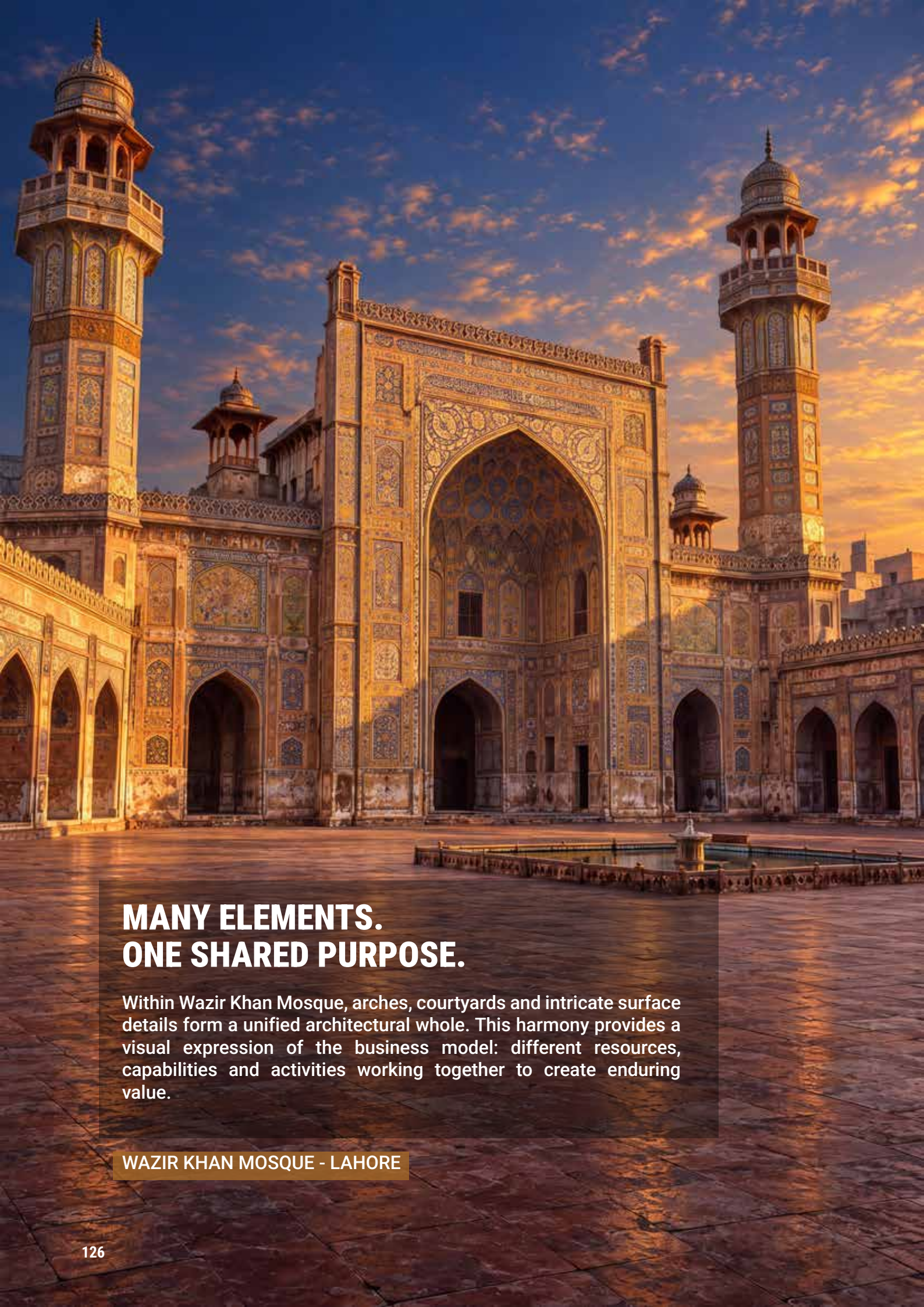
On April 24, 2026

The Board of Directors approved the condensed interim financial statements for the third quarter ended March 31, 2026 along with the Directors' Report thereon.



On June 16, 2026

The Company conducted a mandatory Corporate Briefing Session (CBS) to inform the stakeholders about its performance and future plans.



MANY ELEMENTS. ONE SHARED PURPOSE.

Within Wazir Khan Mosque, arches, courtyards and intricate surface details form a unified architectural whole. This harmony provides a visual expression of the business model: different resources, capabilities and activities working together to create enduring value.

WAZIR KHAN MOSQUE - LAHORE

CHAPTER - 7

BUSINESS MODEL

Page No.

128	Value Creation and Understanding of our Business Model
129	Explanation of any Material Changes in the Entity's Business Model
130	Business Model

VALUE CREATION AND UNDERSTANDING OF OUR BUSINESS MODEL

Every element of PCL's business model contributes to its long-term success and value creation. The Company relies on a combination of financial, human, manufactured, intellectual, social and relationship, and natural capital to support its operations and strategic objectives.

THE CAPITALS WE DRAW ON



Financial Capital

Our business activities are supported by financial resources, including shareholders' equity, internally generated cash flows, sponsor support and financing facilities, which enable us to fund operations, manage financial obligations and pursue strategic initiatives.



Manufactured Capital

Our manufacturing infrastructure comprises modern cement production facilities, machinery and supporting infrastructure at Nooriabad, together with the Waste Heat Recovery System and solar and wind power installations. These assets support operational reliability, energy efficiency and cost competitiveness.



Intellectual Capital

Our intellectual capital includes business processes, operational know-how, enterprise systems, digital infrastructure, ERP systems and internal procedures. These capabilities support operational efficiency, effective decision-making, internal controls, innovation and business resilience.



Human Capital

Our people bring the skills, technical expertise and capabilities required across all aspects of our business. Their knowledge, experience and innovative thinking support operational efficiency, customer relationships, continuous improvement and long-term value creation.



Social and Relationship Capital

Our reputation and the trust of our stakeholders support our social license to operate. We maintain relationships with investors, employees, customers, suppliers, business partners, communities, financial institutions, government and regulators, which contribute to sustainable business operations and long-term growth.



Natural Capital

Cement and clinker production require natural resources, including limestone, clay, gypsum, coal and water. We seek to source and utilize these resources responsibly and efficiently while pursuing initiatives to improve energy efficiency, increase the use of alternative fuels and reduce our environmental footprint.

VALUE THROUGH OUR OPERATIONS

By effectively utilizing its resources and capabilities, Power Cement Limited creates sustainable value for its stakeholders in the following manner:

VALUE FOR OUR STAKEHOLDERS

Employees

Provision of a safe and conducive working environment, professional development and career growth opportunities.

Shareholders

Sustainable value creation through improved operational performance, cost competitiveness and long-term growth.

Government and Society

Contribution to the national exchequer, employment generation and broader economic development.

Financial Institutions

Maintaining strong and transparent relationships to support access to financing and long-term financial sustainability.

Customers

Delivery of high-quality products, reliable supply and enhanced customer satisfaction.

Communities

Contribution towards community development and social welfare initiatives, including health, education and other areas of need.

Suppliers and Service Providers

Development of long-term and mutually beneficial business relationships.

Environment

Reduced environmental impact through renewable energy, waste heat recovery, alternative fuels, resource efficiency and lower-carbon initiatives.

The Company's resources and capabilities are deployed in an integrated manner to support sustainable growth, strengthen stakeholder relationships and create long-term value for all stakeholders.

Explanation of any Material Changes in the Entity's Business Model

There were no material changes in the Company's business model during the year under review.

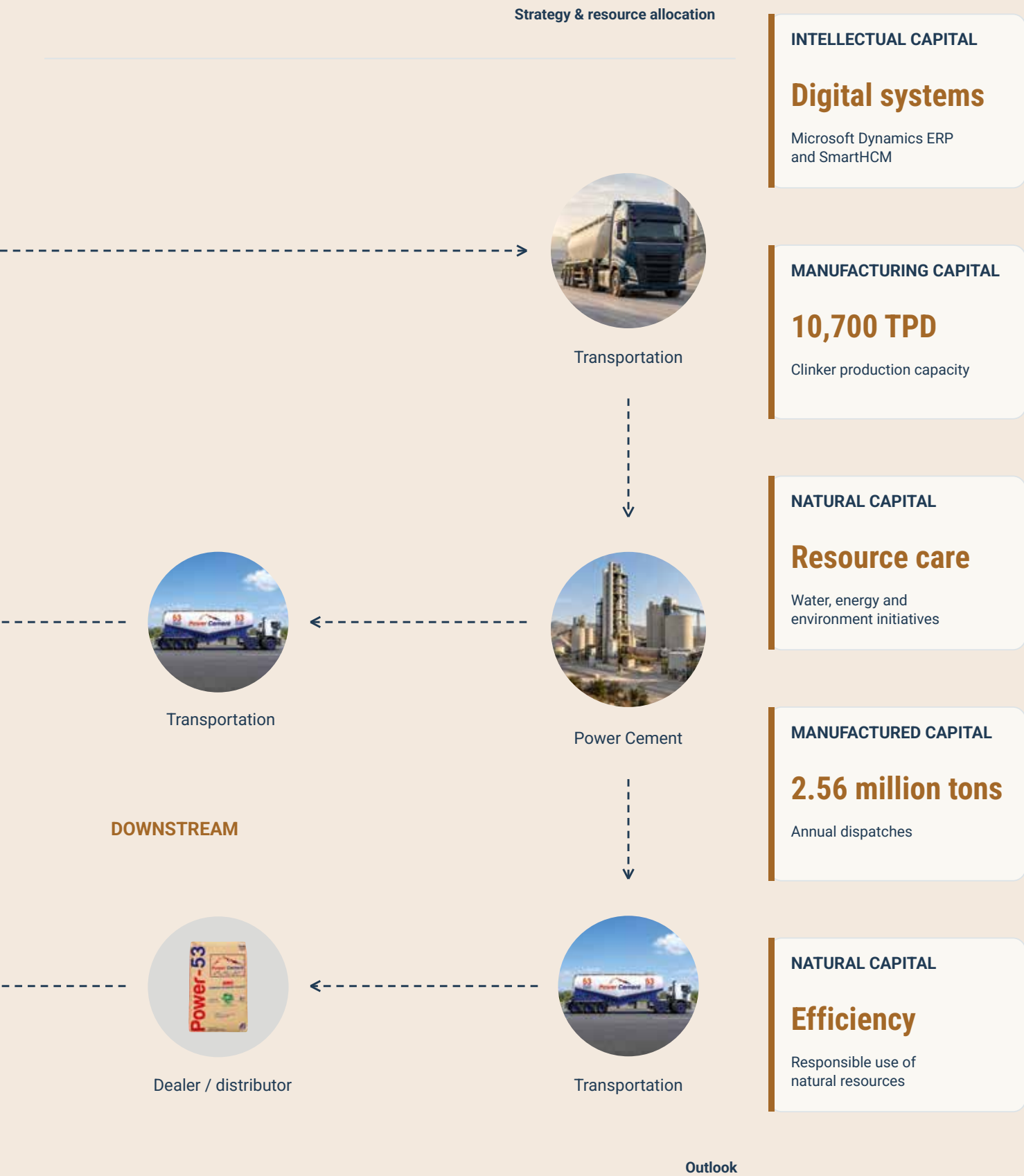
BUSINESS MODEL

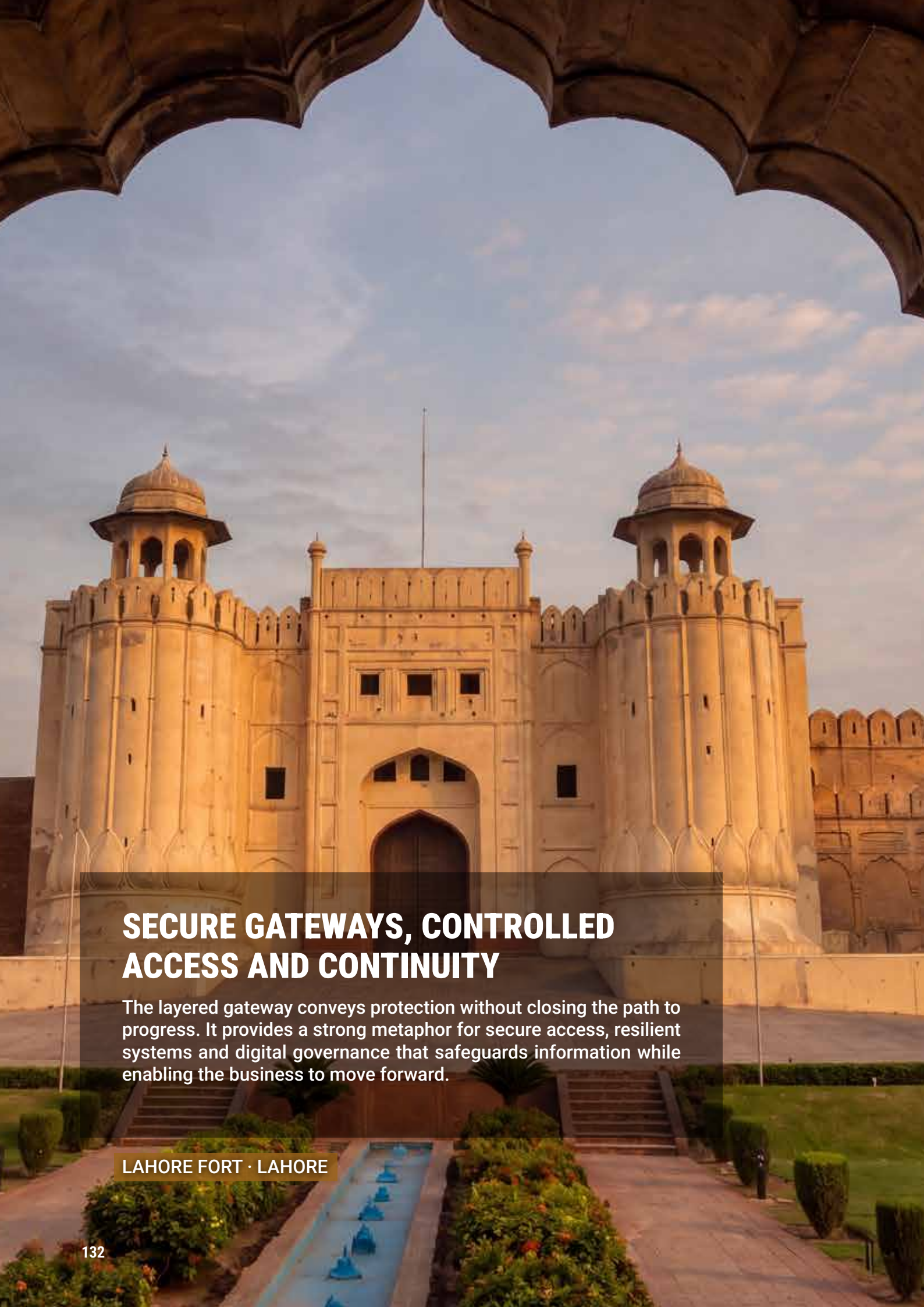
OUR CAPITALS AND VALUE-CREATION PROCESS



CREATING SHARED VALUE

FROM OPERATIONS TO SUSTAINABLE OUTCOMES





SECURE GATEWAYS, CONTROLLED ACCESS AND CONTINUITY

The layered gateway conveys protection without closing the path to progress. It provides a strong metaphor for secure access, resilient systems and digital governance that safeguards information while enabling the business to move forward.

LAHORE FORT · LAHORE

CHAPTER - 8

IT GOVERNANCE AND CYBERSECURITY

Page No.

134	IT Governance
135	Cybersecurity
136	Cybersecurity Governance and Awareness
137	Digital Transformation
138	Digital Infrastructure & Connectivity Enhancements
138	Contingency and Disaster Recovery Plan
139	Cybersecurity Education & Training

IT GOVERNANCE & CYBERSECURITY

Power Cement Limited achieved major milestones in strengthening its digital backbone, driving resilience, efficiency, and sustainable growth:

IT Governance

The Board oversees IT governance, cybersecurity, technology risks and internal controls through the designated Board-level oversight mechanism. The ERP Governance and Implementation Committee oversees key IT and cybersecurity matters, with material risks and incidents escalated to the Board as appropriate. PCL's Cybersecurity Governance Framework supports security oversight, risk management, compliance and accountability.

Governance Reinforced

Robust IT Governance Framework with clear policies, monitoring, and accountability, ensuring full alignment of technology with business goals.

Cybersecurity Elevated

Deployment of Extended Detection & Response (XDR), secure email gateways, and deep security protocols delivering multi-layered protection against evolving threats.

Resilience Secured

Fully operational Disaster Recovery site and High Availability architecture ensuring uninterrupted operations and business continuity.

Communication Secured

On-premises Email Exchange platform implemented, enhancing data privacy, regulatory compliance, and enterprise-wide control.

Infrastructure Modernized

Comprehensive network and hardware upgrade enabling faster, more stable, and scalable operations across all sites.

ERP Advanced

Automation in plant maintenance, production, and budgeting workflows, unlocking predictive insights, cross-functional efficiency, and stronger governance.

Together, these achievements reflect PCL's commitment to building a secure, agile, and future-ready digital enterprise a cornerstone of long-term value creation.



CYBERSECURITY



Monitoring

During the year, PCL continued to strengthen its cybersecurity capabilities as a key component of its broader risk management and digital resilience agenda. A 24/7 Security Operations Centre (SOC) was established to provide continuous monitoring of the organisation's technology environment, enabling advanced threat detection, timely incident response, and proactive management of emerging cyber risks. The SOC has enhanced the organisation's ability to identify and respond to security events while providing greater visibility across the enterprise environment.



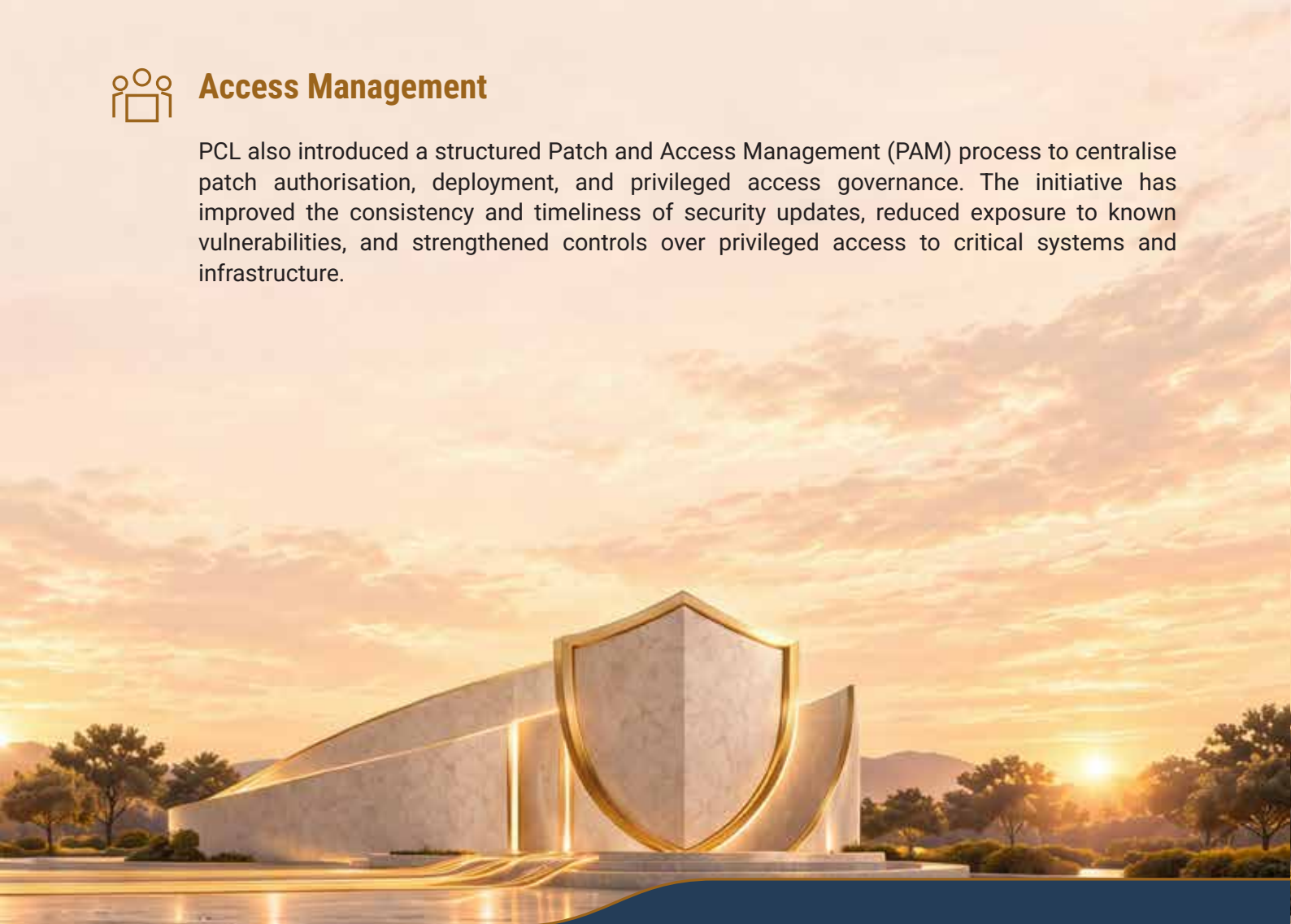
Network Security

As part of strengthening perimeter and network security, Palo Alto Next-Generation Firewalls (NGFWs) were deployed at both the Head Office and Factory. The solution provides advanced security capabilities, including application-aware traffic control, intrusion prevention, malware protection, and improved network visibility. This has strengthened protection against evolving external threats while enabling more effective monitoring and control of enterprise network traffic.



Access Management

PCL also introduced a structured Patch and Access Management (PAM) process to centralise patch authorisation, deployment, and privileged access governance. The initiative has improved the consistency and timeliness of security updates, reduced exposure to known vulnerabilities, and strengthened controls over privileged access to critical systems and infrastructure.



Layered Security Architecture

Further strengthening the organisation's defence-in-depth approach, network segmentation and Zero Trust Access (ZTA) principles were implemented to limit unnecessary connectivity, reduce the potential for lateral movement, and provide stronger controls around access to critical IT assets. These measures support a more resilient and layered security architecture aligned with evolving cybersecurity best practices.

CYBERSECURITY GOVERNANCE AND AWARENESS

Recognising that effective cybersecurity requires strong governance as well as technology, PCL established a comprehensive Cybersecurity Governance Framework to provide a structured approach to security oversight, risk management, compliance, and accountability. Organisation-wide security awareness initiatives were also undertaken to reinforce responsible technology usage and strengthen employees' understanding of cyber risks.



Security oversight



Risk management



Compliance



Accountability

Together, these initiatives have contributed to building a stronger security-first culture across business functions, improving cyber resilience and supporting the organisation's commitment to protecting critical information, systems, and business operations.

DIGITAL TRANSFORMATION

PCL continued to advance its digital transformation agenda by strengthening its Enterprise Resource Planning (ERP) platform as a strategic digital backbone for business operations. During the year, the focus remained on increasing automation, improving system integration, strengthening process controls, and enabling more timely and reliable information for operational and management decision-making.

A significant milestone was the successful implementation of the Weighbridge Automation Project, which integrated Automatic Number Plate Recognition (ANPR), vehicle sensors, automated weighing, and ERP transactions into a connected process. The solution has reduced manual intervention while improving weighing accuracy, transaction traceability, turnaround time, and real-time visibility of vehicle movements and related transactions.

In parallel, enhancements were made across Plant Maintenance, Production, cross-functional workflows, and budgeting controls. These improvements are supporting better asset utilisation, streamlined processes, stronger financial governance, and more effective management decision-making. The increased integration between operational and financial processes has also improved the availability and consistency of information across functions.

System-level and process-level controls were further strengthened to enhance data integrity, compliance, audit readiness, and risk management. Collectively, these initiatives have continued to transform PCL's ERP ecosystem from a transactional platform into an increasingly integrated and digitally enabled business platform.

Through these investments in automation, integration, cybersecurity, and governance, PCL is building a more connected and resilient operating environment one that supports operational excellence, stronger governance, informed decision-making, and sustainable business growth.



DIGITAL INFRASTRUCTURE & RESILIENCE

Digital Infrastructure & Connectivity Enhancements

Enterprise-Grade Wi-Fi 6 Deployment: Power Cement has strengthened wireless connectivity through the deployment of enterprise-grade Wi-Fi 6 infrastructure, providing improved coverage, performance, reliability, and capacity.

Network Infrastructure Upgrade: The wireless network is also being expanded across operational areas to support IoT devices and future digital initiatives, while infrastructure has been further enhanced to ensure reliable communication.

Contingency and Disaster Recovery Plan

Power Cement Limited has an approved Disaster Recovery (DR) and Business Continuity Plan to ensure continuity of critical IT services in the event of IT infrastructure failures, system disruptions, or cybersecurity incidents. The plan defines the arrangements and procedures for recovery of critical business applications, IT infrastructure, data and communication services, with the objective of minimizing business disruption and restoring essential services within defined recovery timelines.

The Company maintains a Disaster Recovery Site and has implemented appropriate IT resilience and backup mechanisms to support recovery of critical systems. The DR framework is periodically reviewed and tested through DR drills/exercises to validate the effectiveness of recovery procedures and readiness of relevant stakeholders.



CYBERSECURITY EDUCATION & TRAINING

Power Cement Limited recognizes employee awareness and technical competency as important components of its cybersecurity risk management framework. The Company has undertaken specialized cybersecurity education and technical training initiatives for its IT personnel to strengthen the organization's capability to prevent, identify, respond to and mitigate cybersecurity threats.



Security Operations (SecOps)

As part of these initiatives, IT personnel have undergone specialized Security Operations (SecOps) training and certification, covering areas such as security monitoring, threat detection, incident investigation and response, and cybersecurity operations.

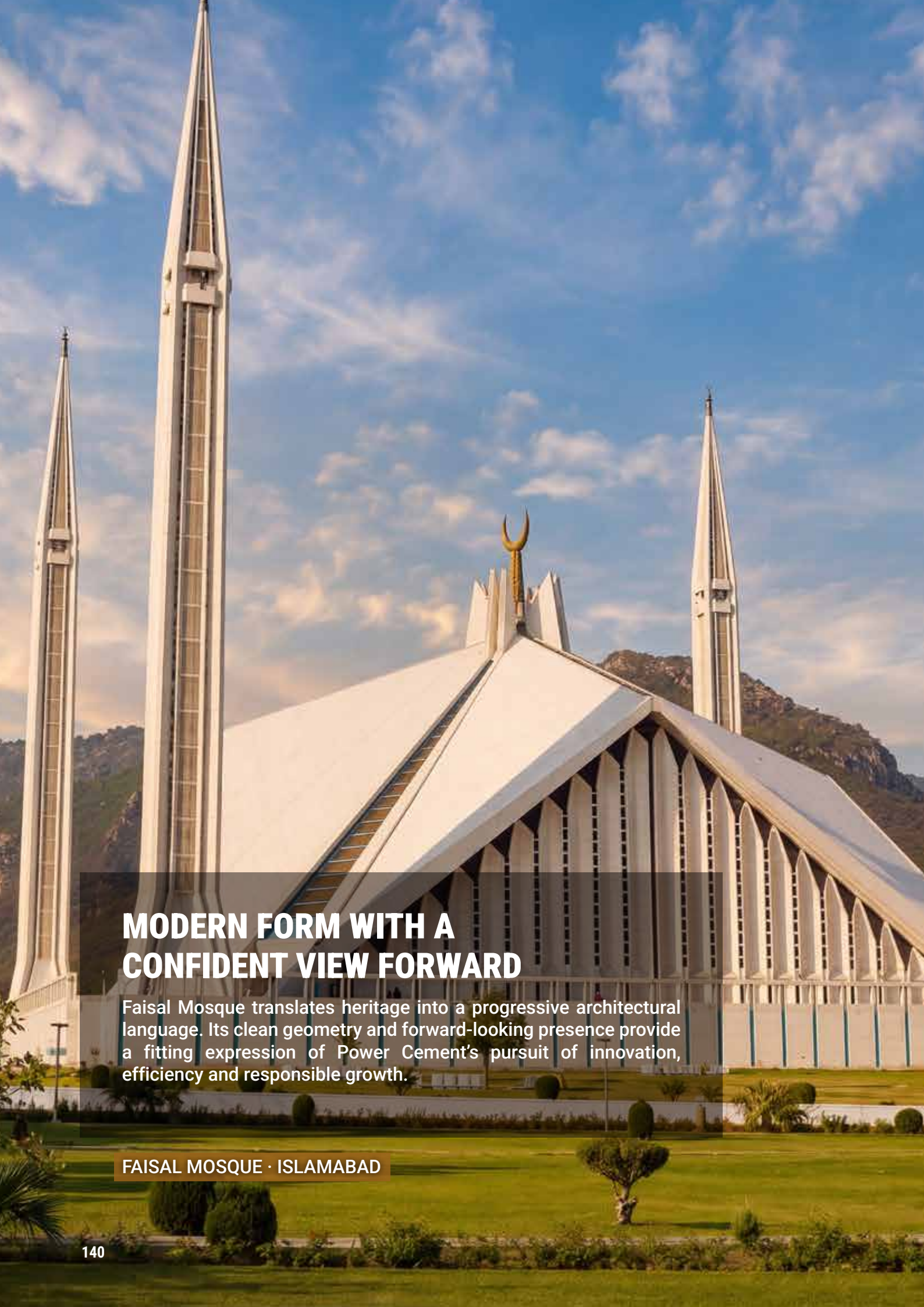


Next-Generation Firewall

In addition, the IT team has received Palo Alto Networks Next-Generation Firewall (NGFW) training, focused on the administration, security configuration, monitoring, threat prevention and incident-handling capabilities of the Company's firewall infrastructure. This training has enhanced the technical team's ability to effectively manage the Company's network security controls and respond to evolving cybersecurity threats.

These training initiatives help strengthen the Company's internal cybersecurity capabilities, security awareness, incident response readiness and overall cyber risk management posture.



A photograph of the Faisal Mosque in Islamabad, Pakistan. The mosque features a large, white, triangular roof with a golden crescent and star on top. Three tall, slender minarets rise from the corners of the building. The sky is blue with scattered white clouds. In the foreground, there is a green lawn with some small trees and shrubs. The mosque is set against a backdrop of hills.

MODERN FORM WITH A CONFIDENT VIEW FORWARD

Faisal Mosque translates heritage into a progressive architectural language. Its clean geometry and forward-looking presence provide a fitting expression of Power Cement's pursuit of innovation, efficiency and responsible growth.

FAISAL MOSQUE · ISLAMABAD

CHAPTER - 9

FUTURE OUTLOOK

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142	Economic Outlook
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144	Artificial Intelligence, Digital Transformation and Industry 4.0
145	Forward-Looking Assumptions and Information Sources
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ECONOMIC OUTLOOK

Pakistan's economic outlook for FY2026–27 remains cautiously positive, supported by improving economic activity, greater exchange-rate stability and strengthening foreign exchange reserves. The Government has set a GDP growth target of 4.0% for FY2026–27. While economic conditions are expected to improve gradually, inflationary pressures, energy costs, international commodity prices and geopolitical developments may continue to influence business conditions.

The timely utilization of public development expenditure, recovery in private investment and improved financing conditions are expected to support economic activity and construction demand. However, the pace of recovery remains subject to fiscal and monetary conditions, input cost pressures and developments in domestic and international markets.

CEMENT SECTOR OUTLOOK

The cement sector is expected to benefit from a gradual recovery in construction activity, infrastructure development and housing initiatives, supported by improved financing conditions. Export-market development will remain important amid competitive and regional market dynamics.

The Company will focus on operational efficiency, energy security, cost management and resource optimization. The 7.5 MW wind power project will support further optimization of the captive generation portfolio, while the alternative fuel programme will be expanded through greater fuel flexibility and dedicated infrastructure.

The Company will continue to pursue lower-carbon cement, resource efficiency, digital transformation and automation, while exploring renewable energy and export-market opportunities to strengthen competitiveness and resilience.

The outlook remains subject to changes in cement demand, pricing, energy and input costs, interest rates, taxation, exchange rates, regulatory requirements, climate-related factors and geopolitical developments.

ONGOING STRATEGIC PROJECTS AND FUTURE PRIORITIES

The Company's captive generation portfolio of approximately 26 MW is operational following commissioning of the wind installation during the year, while further renewable capacity is under evaluation. The alternative fuel programme continues to expand, with dedicated fuel preparation and handling infrastructure under development to support higher rates of thermal substitution.

Work also continues on lower-carbon cement formulations, water recovery and treatment capability, and enhancement of the enterprise resource planning platform. These initiatives are expected to support operational efficiency, energy security, resource conservation and cost optimization over the medium to long term.

PROGRESS AGAINST PREVIOUS YEAR'S OUTLOOK

The key initiatives identified in the previous year's Forward-Looking Statement progressed substantially during FY2026:

FY2025 Forward-Looking Initiative	FY2026 Status
Alternative Fuel Programme	The Company sustained alternative fuel utilization and continued to expand fuel flexibility. Dedicated fuel preparation and handling infrastructure is under development to support higher thermal substitution rates.
Wind Energy Project	The 7.5 MW wind power project was commissioned during FY2026, as targeted, contributing to reduced dependence on grid electricity and supporting the Company's energy transition objectives.
Export Business	Export operations continued to develop, with clinker exports increasing during the year and the Company maintaining focus on established and potential international markets.
Operational Efficiency and Cost Optimization	The Company continued initiatives focused on energy efficiency, fuel-mix optimization, resource utilization and reduction of operating costs.
Interest Rate / Finance Cost	Finance costs declined during FY2026, supported by lower borrowing levels and improved financial efficiency.
Resilience to Market Conditions	The Company continued to focus on operational flexibility, cost management and energy security amid changes in demand, input costs and broader economic conditions.

Overall, the Company's FY2026 performance and progress on strategic initiatives were substantially aligned with the key operational priorities outlined in the previous year's Forward-Looking Statement.

FUTURE RESEARCH AND DEVELOPMENT INITIATIVES

The Company's applied research and development activities remain focused on enhancing fuel flexibility, exploring alternative fuel sources, and improving energy efficiency to optimize production costs and promote sustainable manufacturing practices.

Key areas of ongoing research include:

- characterization and utilization of additional alternative fuel streams, including refuse-derived and solid recovered fuels;
- development of lower-carbon cement formulations, including limestone calcined clay cement (LC3), in collaboration with academic institutions;
- evaluation of supplementary cementitious materials as partial clinker substitutes;
- optimization of kiln stability and clinker quality at progressively higher thermal substitution rates; and
- further development of water recovery and reuse capabilities.

These initiatives are expected to strengthen long-term competitiveness, enhance access to green financing, and support continued access to export markets.

ARTIFICIAL INTELLIGENCE, DIGITAL TRANSFORMATION AND INDUSTRY 4.0

The Company established a dedicated automation function during the year to embed automation and analytical capabilities across operational and business processes. Structured artificial intelligence training was also provided to strengthen internal capabilities.

During FY2026, progress included a digital human capital management system, a digital application for community health service administration, enhanced IT and cybersecurity infrastructure, internally developed analytical models and structured management reporting, and the progressive migration of documentation, reporting and approvals to digital channels.

Looking ahead, the Company is progressing an advanced process control solution incorporating AI-based predictive capabilities, targeted for implementation in the coming financial year. The solution is expected to enable real-time prediction of key process and quality parameters, supporting improved quality consistency and energy efficiency.

The Company is also progressing predictive maintenance through condition-monitoring instrumentation on critical equipment, further enhancing its ERP platform and automating management reporting. AI and automation initiatives will continue to be evaluated based on their potential to improve reliability, cost efficiency, operational control and decision-making over the long term.

FORWARD-LOOKING ASSUMPTIONS AND INFORMATION SOURCES

The Company's forward-looking statements are based on management's assessment of prevailing market conditions, industry trends, operating performance, approved business plans, project implementation status and information available at the date of this Report. Projections and plans remain subject to uncertainties, including changes in demand, selling prices, input and energy costs, foreign exchange rates, regulatory requirements, taxation, financing conditions, technology adoption and broader economic conditions.

Unless otherwise stated, the estimates and forward-looking statements have been developed by management based on internally available information, operating assumptions and business plans. No external consultant was specifically engaged for preparation of the Company's forward-looking projections.

FORWARD LOOKING STATEMENT

The Company aims to achieve a 20% coal substitution rate through the use of biomass fuels and generate approximately 100 million units of electricity from its renewable energy and waste heat recovery projects, further enhancing energy efficiency and cost competitiveness.

Going forward, the Company will strengthen its presence in established markets while selectively expanding into new geographies, supported by operational excellence, cost optimization, and sustainable growth.

These initiatives are expected to strengthen the Company's resilience, enhance profitability, and support long-term value creation for shareholders.

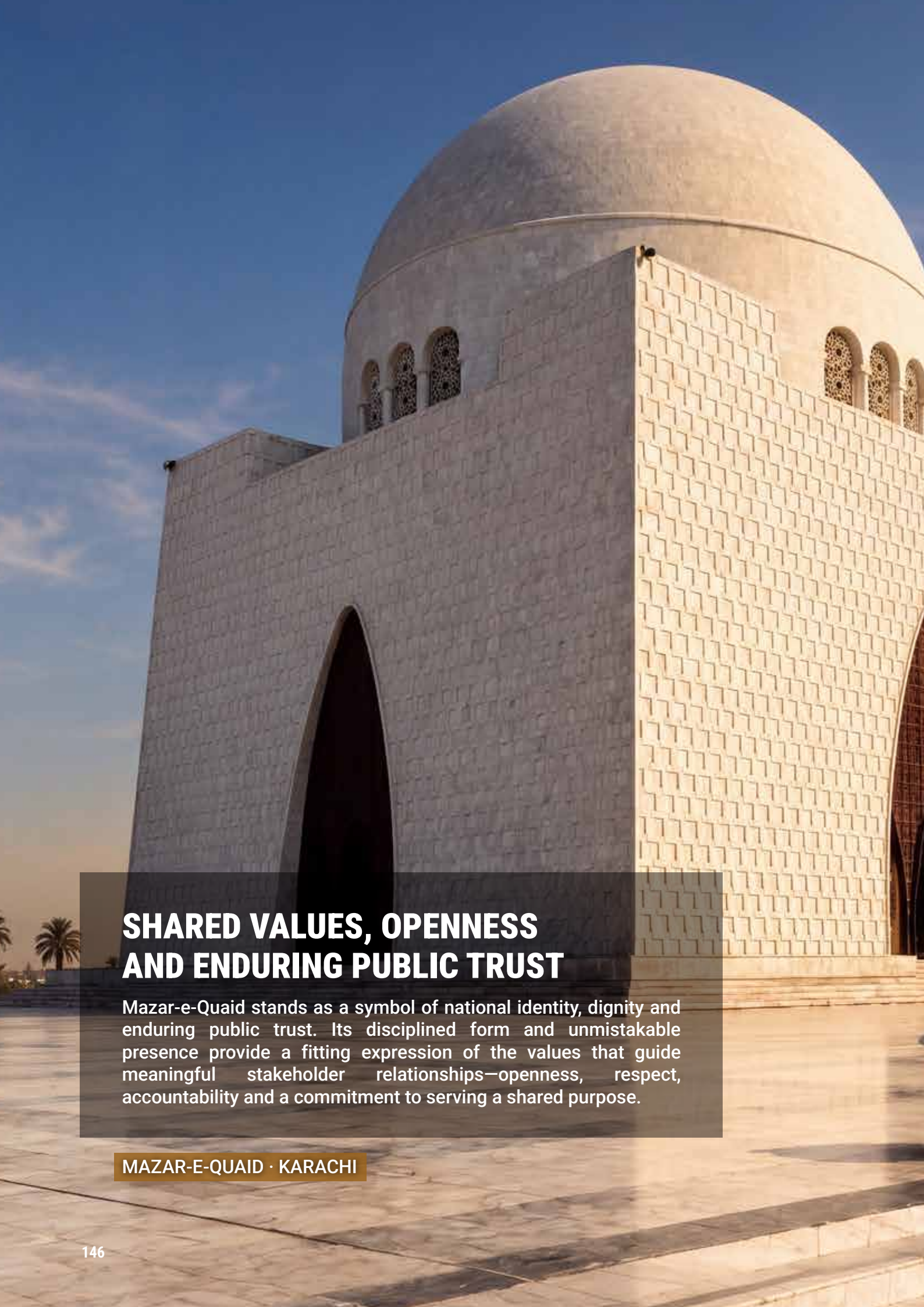
FORWARD-LOOKING TARGETS

**COAL SUBSTITUTION
TARGET**
20%

**UNITS GENERATION
FROM WIND POWER
PROJECT**
21 MILLION

**UNITS GENERATION
FROM SOLAR POWER
PROJECT**
11 MILLION

**UNITS GENERATION
FROM WHRS**
68 MILLION

A photograph of the Mazar-e-Quaid in Karachi, Pakistan. The building is a large, white, domed structure with a square base. The base is decorated with a repeating geometric pattern of small squares. There are arched windows with intricate lattice work on the upper level. The building is set against a clear blue sky with a few wispy clouds. The foreground shows a paved area with some steps leading up to the building.

SHARED VALUES, OPENNESS AND ENDURING PUBLIC TRUST

Mazar-e-Quaid stands as a symbol of national identity, dignity and enduring public trust. Its disciplined form and unmistakable presence provide a fitting expression of the values that guide meaningful stakeholder relationships—openness, respect, accountability and a commitment to serving a shared purpose.

MAZAR-E-QUAID · KARACHI

CHAPTER - 10

STAKEHOLDER RELATIONSHIP AND ENGAGEMENT

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151	Understanding Stakeholders' Views through Corporate Briefing Sessions
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151	Redressal of Investors' Complaints
151	Whistle Blowing Mechanism

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

At PCL, we recognize that constructive and transparent engagement with stakeholders is fundamental to responsible business practices, sustainable growth and long-term value creation. The Company maintains open, fair and continuous relationships with its stakeholders, while taking into account their legitimate interests, rights, needs and expectations.

Stakeholders' Engagement Policy

PCL's stakeholder engagement approach is guided by the principles of transparency, openness, responsiveness and timely communication. The Company:

- provides accurate, relevant and timely information to stakeholders;
- listens to and responds to stakeholders' views, concerns and feedback;
- engages stakeholders through appropriate forums and communication channels;
- maintains fair and transparent dealings with stakeholders;
- continuously improves its engagement practices based on feedback and emerging stakeholder expectations; and
- complies with applicable legal, regulatory and governance requirements in all stakeholder interactions.

Identification of Stakeholders

The Company identifies stakeholders as individuals, groups and institutions whose interests are affected, or may reasonably be affected, by its operations, business activities and decisions. Stakeholders are considered and prioritized based on their interest, influence, responsibility and relevance to the Company's operations and value creation.

PCL's key stakeholders comprise:

External Stakeholders	Internal Stakeholders
Customers and Suppliers	Employees
Shareholders and Investors	Board of Directors
Financial Institutions	Management
Regulators and Government Authorities	
Local Communities	
Analysts and Media	

STAKEHOLDERS' ENGAGEMENT PROCESS

This engagement framework reflects PCL's ongoing commitment to building collaborative, transparent and sustainable relationships with its stakeholders, supporting long-term value creation, resilience and responsible growth.

Stakeholders	Power Cement's Commitment	Impact on Performance and Value Creation
Shareholders / Investors / Analysts	We value the trust placed in us and maintain transparency through Annual General Meetings, analyst briefings, corporate disclosures and ongoing communication.	Transparent and timely communication strengthens investor confidence, accountability and long-term stakeholder trust.
Customers & Suppliers	We deliver competitive, high-quality products to our customers and maintain strong, long-term relationships with distributors, dealers and suppliers.	Customer loyalty and resilient supply chains support operational continuity, business growth and sustainable performance.
Banks and Lenders	We maintain active relationships with financial institutions for short-term and long-term financing to support business continuity and growth.	Strong banking relationships facilitate reliable access to financing and efficient financial services, supporting financial resilience and growth.
Media	We engage with the media through appropriate communication platforms to share relevant corporate information and enhance public awareness of the Company.	Effective media engagement enhances visibility, strengthens corporate reputation and supports stakeholder confidence.
Regulators	We comply with applicable laws and regulations, ensure timely statutory submissions and maintain transparent regulatory communication.	Regulatory compliance promotes integrity, accountability and business continuity while mitigating legal and regulatory risks.
Employees	We prioritize employee well-being through training, development and health and safety initiatives, enabling our people to contribute effectively to the Company's objectives.	Engaged and capable human capital strengthens productivity, organizational resilience and the execution of strategic priorities.
Community	Through our Waste Heat Recovery, Solar Power and Wind Power projects, together with CSR initiatives, we contribute to environmental protection, cleaner energy generation and local community development.	These initiatives support environmental sustainability, strengthen community relationships and contribute to the Company's long-term social and environmental value.

ENCOURAGEMENT OF MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

Power Cement Limited is committed to ensuring fair and equitable treatment of all shareholders, including minority shareholders, and facilitating their effective participation in General Meetings. The Company recognizes shareholders as important providers of financial capital and encourages their active participation in discussions and decision-making concerning the Company.

To facilitate broader participation, PCL provides the following avenues:

Timely Notices and Information: Notices of General Meetings, together with the Annual Report and proxy forms, are dispatched to shareholders at least 21 days prior to the meeting, in accordance with applicable requirements. The notices are also published through the PSX portal, the Company's website and English and Urdu newspapers having nationwide circulation.

Participation through Video Conferencing: Where applicable and in accordance with SECP requirements, video conferencing facilities are made available to facilitate remote participation by shareholders who are unable to attend physically.

Proxy Representation: Shareholders unable to attend General Meetings personally may appoint a proxy in accordance with applicable laws and the Company's Articles of Association. Proxy forms are provided to facilitate such representation.

Participation and Expression of Views: Shareholders, including minority shareholders, are provided an opportunity to attend, speak, vote and raise questions or concerns on matters placed before the meeting. Their views and suggestions are duly considered and matters requiring action are addressed through the appropriate governance channels.

Through these measures, PCL promotes inclusive shareholder participation, transparency and two-way communication, thereby strengthening shareholder confidence and supporting effective corporate governance.

INVESTOR RELATIONS SECTION ON COMPANY'S WEBSITE

Power Cement Limited maintains a dedicated Investor Relations section on its website to ensure transparent, timely and compliant communication with shareholders, investors and other stakeholders.

The section provides access to Annual and Quarterly Reports, financial results, financial highlights, corporate information, shareholding pattern and other relevant regulatory information, including a link to the SECP Service Desk. It also facilitates the submission of investor grievances and queries.

The Company regularly updates the section to support transparency, informed investment decisions and investor confidence.

UNDERSTANDING STAKEHOLDERS' VIEWS THROUGH CORPORATE BRIEFING SESSIONS

The Board facilitates engagement with shareholders and investors through Corporate Briefing Sessions, providing a platform to understand their views, concerns and queries regarding the Company's performance and outlook. Management presents key financial and operational developments and communicates stakeholder feedback to the Board through established governance channels.

During the year, Power Cement Limited conducted its Corporate Briefing Session on June 16, 2026, via video link, attended by analysts and shareholders. The CEO, COO and CFO presented the Company's financial performance, followed by an interactive Q&A session addressing participants' queries on the Company's performance and outlook.

ISSUES RAISED IN LAST GENERAL MEETING

The shareholders posed questions and sought clarifications on the agenda items, all of which were addressed to their satisfaction. No significant issues or concerns were raised during the meetings.

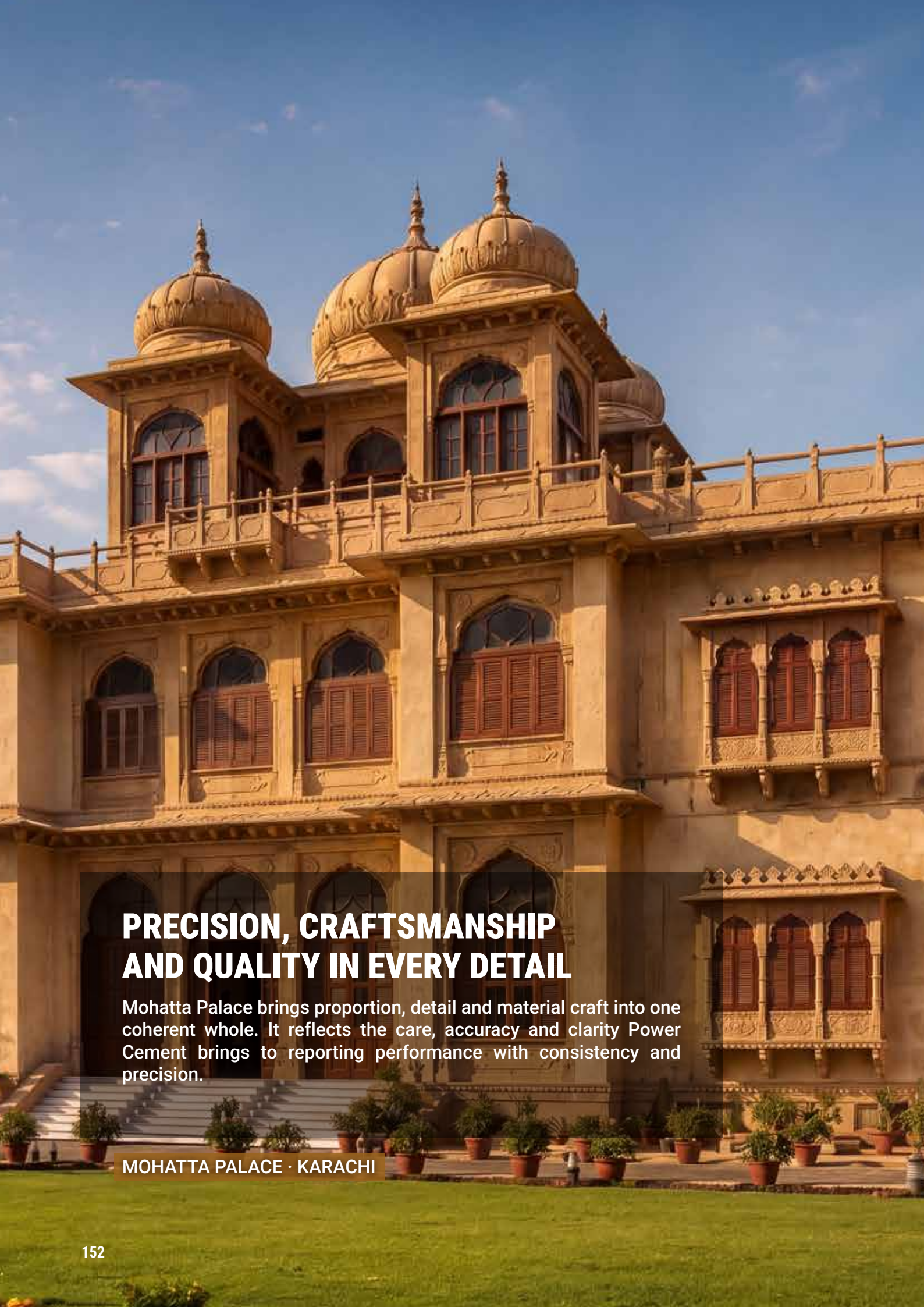
REDRESSAL OF INVESTORS' COMPLAINTS

Power Cement Limited places a high priority on maintaining transparent and effective channels of communication with our valued shareholders. We are pleased to report that during the year under review, no complaints were lodged by any shareholder of the Company. This absence of complaints reflects our continuous efforts to ensure that our shareholders' concerns and inquiries are promptly addressed, promoting trust and confidence in our Company's operations. We remain committed to upholding these standards of excellence in shareholder engagement.

WHISTLE BLOWING MECHANISM

Power Cement Limited maintains a confidential whistle-blowing mechanism enabling employees and other stakeholders to report suspected misconduct, fraud, regulatory breaches or other concerns through designated channels. Reported concerns are reviewed and investigated in accordance with established procedures, with appropriate confidentiality and protection against retaliation maintained for good-faith reporting.

The mechanism is overseen through the Company's governance framework, with material matters escalated to the appropriate management and Board-level oversight forums. During the year, no whistle-blowing incidents were reported.

A photograph of the Mohatta Palace in Karachi, a large, ornate building with multiple domes and arched windows. The building is constructed from light-colored stone or plaster and features intricate carvings and balconies. The sky is a clear, bright blue. In the foreground, there is a green lawn and several potted plants.

PRECISION, CRAFTSMANSHIP AND QUALITY IN EVERY DETAIL

Mohatta Palace brings proportion, detail and material craft into one coherent whole. It reflects the care, accuracy and clarity Power Cement brings to reporting performance with consistency and precision.

MOHATTA PALACE · KARACHI

CHAPTER - 11

STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

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154	Board's Responsibility on Compliance with Financial Accounting and Reporting Standards
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STATEMENT OF ADOPTION AND ADHERENCE WITH THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

BOARD'S RESPONSIBILITY ON COMPLIANCE WITH FINANCIAL ACCOUNTING AND REPORTING STANDARDS

The Board and management of Power Cement Limited acknowledge their responsibility for the preparation and presentation of financial statements. The Directors confirm that:

- The financial statements have been prepared which fairly represent the state of affairs of the Company, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained.
- Accounting policies have been consistently applied, and estimates are based on prudent business judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed, with any departures adequately disclosed.
- The internal control system is sound, effectively implemented, and monitored.
- There are no significant doubts regarding the Company's ability to continue as a going concern.
- There is no material departure from corporate governance best practices as per regulations.

Commitment to Stakeholders

Building trust with our stakeholders is central to our ongoing success. Power Cement Limited is committed to enhancing transparency and providing relevant information that enables informed decision-making. We have expanded our reporting to include management insights, governance disclosures, performance analysis, forward-looking perspectives, and financial statement notes, ensuring a holistic view of our operations.

ADOPTION OF INTEGRATED REPORTING FRAMEWORK

Power Cement Limited has adopted the International Integrated Reporting Framework, aligning our reporting practices with its fundamental concepts, content elements, and guiding principles. This approach enables a comprehensive view of our business integrating financial, environmental, social, and governance aspects to reflect how we create value for the Company and its stakeholders.

The Board and management remain dedicated to continuously improving the quality, accessibility, and relevance of our reporting, taking stakeholder feedback into account, and reinforcing our commitment to transparency, accountability, and sustainable value creation.

CORPORATE CALENDAR FOR UPCOMING EVENTS



BOARD MEETINGS



TENTATIVE DATES

1st Quarter

September 30, 2026

3rd week of October 2026

Half Year

December 31, 2026

2nd week of February 2027

3rd Quarter

March 31, 2027

3rd week of April 2027

Annual

June 30, 2027

4th week of August 2027

A tall, slender, white tower with a flared base, set against a clear blue sky with light clouds. The tower has a series of vertical supports and a small dome at the top. It is surrounded by a green lawn and some trees in the background.

PERFORMANCE MADE VISIBLE THROUGH CLARITY AND PERMANENCE

Minar-e-Pakistan transforms national resolve into a clear and enduring form. Its strong foundation and upward structure provide a fitting visual language for the statements that present Power Cement's financial position, performance and accountability.

MINAR-E-PAKISTAN - LAHORE - PUNJAB

CHAPTER - 12

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the members of Power Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Power Cement Limited (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss and other 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 and other 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 the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007

Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
--------	-------------------	---

(i) **Revenue from contracts with Customers**

(Refer notes 2.19 & 26 to the financial statements)

The Company recognises revenue from the sale of cement to domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.

Our audit procedures amongst others included the following:

- performed verification of sales on sample basis with underlying documentation including sales orders, sales invoices and delivery challans;
- performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period;
- verified that sales prices are negotiated and approved by appropriate authority on a sample basis; and
- ensured that presentation and disclosures related to revenue are being addressed appropriately.

S. No.	Key audit matters	How the matters were addressed in our audit
(ii)	Inventories <i>(Refer notes 2.8 & 7 to the financial statements)</i> Inventories include: - raw materials comprising limestone, shale, gypsum, iron ore; and - work-in-progress mainly comprising clinker and raw meal. The above inventory items are valued at lower of cost and net realisable value. The inventory quantities are determined through a complex process involving various estimates. Due to the significance of inventory balances and related estimations involved, this is considered as a key audit matter.	The Company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures amongst others included the following: - assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield; - attended the physical count of the inventories and observed the said parameters. A representative of the Company and an external surveyor were also present; - checked the background and experience of the surveyor to ensure his competence and capability; - involved an independent auditor's expert having expertise in the measurement and technical assessment for determination of quantities for certain inventory items; - obtained and reviewed the inventory count report prepared by the management's external surveyor and the report prepared by the auditor's expert and assessed their accuracy; and - ensured that presentation and disclosures related to inventory are being addressed appropriately.

S. No.	Key audit matters	How the matters were addressed in our audit
--------	-------------------	---

(iii) **Deferred tax**

(Refer notes 2.12 & 5 to the financial statements)

The Company has booked net deferred tax asset of Rs. 2.28 billion as at June 30, 2026 that mainly includes carry forward losses.

Under International Accounting Standard 12 "Income Taxes", the Company is required to review recoverability of the deferred tax assets recognised in the statement of financial position at each reporting period.

Recognition of deferred tax asset is dependent on management's estimate of availability of sufficient future taxable profits against which carried forward losses and tax credits can be utilised. The future taxable profits are based on approved management's projections. This estimation involves a degree of uncertainty and requires judgement in relation to the future cash flows and also involves assessment of timing of reversals of un-used tax losses and tax credits.

Valuation of deferred tax asset is considered a key audit matter because the amounts involved are material, the complexities of the calculation of future taxable profits and the inherent uncertainty involved in forecasting taxable profits available in future periods.

Our audit procedures included the following:

- considered the expected timing of utilisation of the Deferred Tax Assets (DTA) keeping in view the relevant provision of Income Tax Ordinance 2001 that apply to the utilisation of tax losses;
- determined the extent to which sufficient probable taxable profits would arise in the period within which the related losses would be available for utilisation;
- considered whether the tax balances were calculated using appropriate and substantively enacted tax laws and rates;
- obtained financial projections from the Company's management;
- evaluated the financial projections and assessed the likelihood of the Company generating sufficient future taxable profits; and
- ensured that presentation and disclosures related to deferred tax are being addressed appropriately.

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

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



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 24, 2026

UDIN: AR202610059hbMTBu19K

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

NOTE	2026	2025
	(Rupees in '000)	

ASSETS

Non-current assets

Property, plant and equipment	3	33,059,611	33,682,318
Right-of-use asset	4	115,375	83,465
Long-term investment		-	21,589
Deferred tax asset	5	2,277,467	2,751,777
Long-term deposits	6	62,069	62,069
		35,514,522	36,601,218

Current assets

Inventories	7	2,871,847	2,056,194
Stores, spares and loose tools	8	5,667,849	3,828,520
Trade receivables - considered good	9	498,783	343,571
Advances and other receivables - unsecured, considered good	10	773,063	576,269
Taxation - payments less provision		-	659,995
Derivative financial asset	11	453,969	1,474,289
Trade deposits and short-term prepayments		171,935	157,242
Tax due from Government - sales tax		353,999	346,079
Short-term investments	12	295,652	140,457
Cash and bank balances	13	798,626	1,496,175
		11,885,723	11,078,791

TOTAL ASSETS

47,400,245 **47,680,009**

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

NOTE	2026	2025
	(Rupees in '000)	
14	12,917,330 733,464 13,650,794	12,905,237 742,534 13,647,771
15	739,493	739,493
14.4	(570,797)	(567,774)
	(1,554,744)	(5,290,233)
	(1,386,048)	(5,118,514)
16	11,750,000	15,000,000
	24,014,746	23,529,257
17	8,027,725	12,601,197
18	-	-
19	89,873	83,394
20	500,950	356,996
	8,618,548	13,041,587
21	4,472,206	2,941,877
22	963,471	1,184,279
	126	126
	113,135	-
23	890,286	1,085,284
24	4,672,880	4,311,176
19	31,654	12,900
17	3,623,193	1,573,523
	14,766,951	11,109,165
	23,385,499	24,150,752
25	47,400,245	47,680,009

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
		(Rupees in '000)	
Revenue from contracts with customers	26	33,978,969	29,520,136
Cost of sales	27	(21,893,006)	(21,121,238)
Gross profit		12,085,963	8,398,898
Selling and distribution expenses	28	(3,645,068)	(3,012,206)
Administrative expenses	29	(700,667)	(529,165)
Other (expenses) / income - net	30	(309,750)	(202,080)
Impairment loss on financial assets	9.3	(2,475)	(39,228)
Profit from operations		7,428,003	4,616,219
Finance income		43,106	34,667
Finance cost		(1,875,145)	(3,078,573)
Finance income / (cost) - net	31	(1,832,039)	(3,043,906)
Profit before taxation		5,595,964	1,572,313
Taxation	32	(1,811,494)	(757,317)
Profit after taxation		3,784,470	814,996
Other comprehensive loss:			
Items that are or may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		1,020,320	712,604
Adjustment for amounts transferred to profit or loss		(1,020,320)	(712,604)
		-	-
Actuarial loss on remeasurement of defined benefit obligations		(77,748)	(7,968)
Related deferred tax		28,767	3,108
		(48,981)	(4,860)
Other comprehensive loss for the year - net of tax		(48,981)	(4,860)
Total comprehensive income for the year		3,735,489	810,136
Rupees			
Earnings per share	33		
-Basic		2.86	0.44
-Diluted		2.72	0.44

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

	Share Capital Issued, subscribed and paid up capital	Difference on conversion of cumulative preference shares into ordinary shares (note 14.4)	Capital reserve Share premium	Revenue reserve Accumulated loss	Contribution from associated undertakings (note 16)	Total Equity
	(Rupees in '000)					
Balance as at July 1, 2024	13,201,175	(121,178)	739,493	(6,100,369)	11,700,000	19,419,121
Contribution received - net	-	-	-	-	3,300,000	3,300,000
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs. 10 each during the year	446,596	(446,596)	-	-	-	-
	446,596	(446,596)	-	-	3,300,000	3,300,000
Total comprehensive income for the year						
Profit for the year	-	-	-	814,996	-	814,996
Other comprehensive loss	-	-	-	(4,860)	-	(4,860)
	-	-	-	810,136	-	810,136
Balance as at June 30, 2025	13,647,771	(567,774)	739,493	(5,290,233)	15,000,000	23,529,257
Contribution repaid - net	-	-	-	-	(3,250,000)	(3,250,000)
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs. 10 each during the year	3,023	(3,023)	-	-	-	-
	3,023	(3,023)	-	-	(3,250,000)	(3,250,000)
Total comprehensive income for the year						
Profit for the year	-	-	-	3,784,470	-	3,784,470
Other comprehensive loss	-	-	-	(48,981)	-	(48,981)
	-	-	-	3,735,489	-	3,735,489
Balance as at June 30, 2026	13,650,794	(570,797)	739,493	(1,554,744)	11,750,000	24,014,746

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

NOTE	2026	2025
	(Rupees in '000)	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	36	7,063,683	6,184,475
Gratuity paid	20.7	(69,041)	(46,074)
Leave encashment paid		(11,550)	(9,911)
Income tax paid		(535,725)	(585,855)
Deposits paid		-	(6,000)
Finance cost paid - Islamic		(1,957,184)	(3,916,904)
Finance cost paid - Conventional		(8,581)	(79,938)
		(2,582,081)	(4,644,682)
Net cash generated from operating activities		4,481,602	1,539,793

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure - operations		(336,399)	(251,364)
Finance income received		37,677	37,956
Proceeds from sale of property, plant and equipment		774	1,458
Net cash used in investing activities		(297,948)	(211,950)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long-term financing		(1,958,093)	(1,553,777)
Lease rental paid	19	(34,814)	(27,368)
Proceeds from / (repayment of) short-term financing		408,652	(1,948,391)
(Repayment to) / contribution from associated undertakings - net	16.2	(3,250,000)	3,300,000
Net cash used in financing activities		(4,834,255)	(229,536)
Net (decrease) / increase in cash and cash equivalents		(650,601)	1,098,307
Cash and cash equivalents at the beginning of the year		1,235,232	136,925
Cash and cash equivalents at the end of the year	37	584,631	1,235,232

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1 THE COMPANY AND ITS OPERATIONS

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

2 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

2.1.1 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:

- IFRS Accounting Standards 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, directives and notifications 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.

2.1.2 Accounting convention

These financial statements have been prepared under the historical cost convention, as modified by re-measurement of certain financial assets and financial liabilities (including derivative financial instruments) at fair value and recognition of certain staff retirement and other service benefits at present value.

2.1.3 Critical accounting estimates & judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

(i) Income tax payable / refundable

In making the estimates for income taxes payable by the Company, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past.

(ii) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in the notes to these financial statements for valuation of present value of defined benefit obligation.

(iii) Inventories

Estimates made with respect to provision for slow moving, damaged and obsolete items and their net realisable value are disclosed in note 2.8 to these financial statements.

Further, the Company's certain inventory items [i.e. raw materials (limestone and gypsum), work-in-process, semi-finished goods (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these inventory items is not practicable, the management assess the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values. In making this estimate the Company involves external surveyor for determining the existence of inventory.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

iv) Property, plant and equipment

The useful lives, residual values and depreciation methods are reviewed on a regular basis. The effect of any changes in estimates is accounted for on a prospective basis.

v) Contingencies and provisions

Recognition and disclosure of provisions and contingent liabilities requires management of the Company to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, for recognition and measurement of any provision and disclosure in these financial statements.

vi) Derivative financial instruments and hedge accounting

Estimates made with respect to derivative financial instruments and hedge accounting are disclosed in note 2.17 to these financial statements.

vii) Deferred taxation

Deferred taxation is recognised taking into account availability of taxable profits. The management uses assumptions about future best estimates of the availability of future taxable profits based on available information.

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the financial statements.

There have been no critical judgements made by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements except as stated above.

2.1.4 Changes in accounting standards, interpretations and pronouncements

a) Amendments to approved accounting standards that are effective

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

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's accounting periods beginning on or after July 1, 2026 but are not considered to be relevant or will not have any significant effect on the Company's operations and therefore not detailed in these financial statements, except for the following:

i) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective from annual reporting periods beginning on or after January 1, 2026):

These amendments :

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environmental, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

ii) IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective from annual reporting periods beginning on or after January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company's management at present is in process of assessing the full impact of this new standard and is expecting to complete the assessment in due course.

2.2 Foreign currencies

Transactions in foreign currencies are recorded in Pak Rupee at the exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupee using the exchange rates prevailing at the statement of financial position date. Exchange gain / (loss) are taken to the statement of profit or loss.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees.

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

These are stated at cost less accumulated depreciation and impairment losses, if any, except for leasehold land, which is stated at cost less impairment, if any.

Cost of leasehold land is not amortised since the lease is renewable at a nominal price at the option of the lessee.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised.

Maintenance and normal repairs are charged to the statement of profit or loss and other comprehensive income as and when incurred.

Company accounts for impairment, where indication exist, by reducing its carrying value to the estimated recoverable amount.

Depreciation on plant and machinery is charged using units of production method. The units of production method results in depreciation charge based on the actual use or output.

Depreciation other than plant and machinery is charged, on a systematic basis over the useful life of the assets, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the Company, at the rates specified in note 3.1. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month prior to disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceed and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

Capital work-in-progress (CWIP)

Capital work-in-progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to operating assets as and when assets are available for use.

Advances made to vendors for projects under construction are also classified and accounted for under capital work-in-progress.

Capitalisable stores and spares

Stores, spare parts, and stand-by equipments that an entity expects to use for more than one year are classified as property, plant and equipment under the category of capitalisable stores and spares and are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

2.5 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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 include fixed payments, variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, 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. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2.5.1 Ijarah

In ijarah transactions, significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 – 'Ijarah' requires the recognition of 'ujrah payments' (lease rentals) against ijarah financing as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the ijarah term.

2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cashflows, cash and cash equivalents comprise of cash and cheques in hand and in transit, balances with banks in current, saving and deposit accounts and short-term running finance under mark-up arrangements. The statement of cash flows is prepared using the indirect method.

2.7 Dividends and appropriations

Dividends and reserve appropriations are recognised in the period in which these are declared / approved.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value except for goods-in-transit which are stated at cost. Raw and packing materials, work-in-process and finished goods are valued at the weighted average cost. Cost of work-in-process and finished stocks comprise of direct costs and appropriate portion of production overheads.

Stores, spares and loose tools are valued at weighted average cost less provision for slow moving and obsolete stores, spares and loose tools. Provision for slow moving and obsolete items is charged to the statement of profit or loss and other comprehensive income. Value of items is reviewed at each statement of financial position date to record provision for any slow moving and obsolete items. Items in transit are stated at cost.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessarily to be incurred in order to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

2.9 Trade receivables, advances and other receivables

Trade receivables, advances and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value.

They are subsequently measured at amortised cost using effective interest rate method less loss allowance. Refer note 2.16 for a description of the Company's impairment policies.

2.10 Borrowings and their cost

Borrowings are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalised as part of the cost of that asset. Borrowings are classified as current liabilities unless, at the end of the reporting period, the company has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification at the reporting date.

2.11 Trade and other payables

Trade and other payables are carried at their amortised cost, which is approximately fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

2.12 Taxation

a) Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

b) Levy

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21 / IAS 37.

c) Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

2.13 Staff retirement benefits

2.13.1 Defined benefit plan

The Company operates an approved funded gratuity scheme (defined benefit plan) for all its employees who have completed the qualifying period under the scheme. Contribution is made to the fund in accordance with actuarial recommendations. The latest actuarial valuation of the scheme has been carried out as at June 30, 2026 using the Projected Unit Credit method. The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in statement of profit or loss and other comprehensive income.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the scheme.

2.13.2 Leave encashment

Leave encashment is payable to the employees on separation from the Company services with a maximum entitlement of 45 days. The provision to cover the obligation is made using the last drawn salary of the employees and accumulated leaves balance at the reporting date.

The Company accounts for the liability in respect of leave encashment in the year in which these are earned. The liability is recorded on an undiscounted basis, as the impact of discounting is deemed immaterial. Additionally, no actuarial valuation of leave encashment expense will be carried out, as management believes the financial impact will be immaterial.

2.14 Provisions

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

2.15 Contingencies

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.

2.16 Financial instruments

Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at amortised cost or fair value as the case may be.

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

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

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss (“FVTPL”),
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value plus or minus transaction cost, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial assets

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- employee receivables; and
- other short-term receivables.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

A default on a financial asset is considered when the counterparty fails to make contractual payments within 90 days of when they fall due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in statement of profit or loss and other comprehensive income. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

2.17 Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments to hedge its interest rate risk and foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge are taken to profit or loss.

The fair value of derivative financial instruments is determined by reference to market values for similar instruments or by using discounted cash flow method.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company intends to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedge risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair values or cash flows and are assessed on an ongoing basis to determine that these actually have been highly effective throughout the financial reporting periods for which such were designated.

Derivative financial instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative financial instrument is separated into a current portion and non current portion only if a reliable allocation can be made.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Fair value hedges

Fair value hedge is a hedge of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

The change in the fair value of a hedging derivative is recognised in statement of profit or loss and other comprehensive income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in statement of profit or loss and other comprehensive income. When the hedged item is derecognised, the unamortised fair value is recognised immediately in statement of profit or loss and other comprehensive income.

Cash flow hedges

Cash flow hedge is a hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. Where the hedged item is the cost of a non financial asset or non financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non financial asset or liability. If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

2.18 Offsetting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Revenue recognition

Revenue is recognised at a point in time when control of the goods is transferred i.e. when the goods are dispatched to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Revenue is recognised as follows:

- Local sale of goods is recognised on dispatch of goods to customers from the production facility.
- Revenue from export sales is recognised on the basis of terms of sale with the customer.

Revenue is measured at fair value of consideration received or receivable, excluding discounts, commission, rebates and government levies.

Income from sale of scrap is recorded on dispatch of scrap to the customers.

Profit on bank deposits is recorded on effective interest basis.

Gain / (loss) on sale of fixed assets is recorded when control is transferred to the transferee.

No element of financing is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with the market practice.

2.20 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

2.21 Segment reporting

Segment results that are reported to the Company's Chief Executive Officer (CEO), the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, comprise mainly corporate assets, head office, expenses and tax assets and liabilities. Management has determined that the Company has a single reportable segment and therefore it has only presented entity wise disclosures.

3 PROPERTY, PLANT AND EQUIPMENT

	NOTE	2026	2025
		(Rupees in '000)	
Operating assets	3.1	32,340,145	32,960,889
Capital work-in-progress	3.4	4,925	108,077
Capitalisable stores and spares	3.5	714,541	613,352
		33,059,611	33,682,318

3.1 Operating assets

Year ended June 30, 2026

	Leasehold land	Factory building on leasehold land	Non factory building on leasehold land	Leasehold improvements	Plant and machinery	Factory and laboratory equipment	Quarry equipment	Office equipment	Computer and peripherals	Furniture and fixtures	Vehicles	Total
Opening net book value	200,515	275,097	899,333	10,037	31,423,577	61,949	748	21,246	13,682	41,785	12,920	32,960,889
Additions / transfer (at cost)	-	167,687	-	87,501	29,038	825	-	6,901	18,877	716	26,817	338,362
Disposals at NBV	-	-	-	-	-	(1)	-	-	-	-	(375)	(376)
Depreciation charge – note 3.2	-	(18,630)	(89,855)	(2,564)	(819,835)	(6,248)	(112)	(2,540)	(8,916)	(4,218)	(5,812)	(958,730)
Closing net book value	200,515	424,154	809,478	94,974	30,632,780	56,525	636	25,607	23,643	38,283	33,550	32,340,145

Gross carrying value basis at June 30, 2026

Cost	200,515	909,424	1,531,949	120,800	36,857,708	129,110	12,887	51,688	77,468	77,360	80,060	40,048,969
Accumulated depreciation	-	(485,270)	(722,471)	(25,826)	(6,224,928)	(72,585)	(12,251)	(26,081)	(53,825)	(39,077)	(46,510)	(7,708,824)
Net book value	200,515	424,154	809,478	94,974	30,632,780	56,525	636	25,607	23,643	38,283	33,550	32,340,145

Year ended June 30, 2025

Opening net book value	200,515	289,123	984,577	11,144	32,103,705	68,861	880	21,773	11,925	23,214	17,129	33,732,846
Additions / transfer (at cost)	-	-	14,019	-	60,346	-	-	1,779	7,023	22,540	687	106,394
Disposals at NBV	-	-	-	-	-	-	-	(36)	-	-	(1,708)	(1,744)
Depreciation charge – note 3.2	-	(14,026)	(99,263)	(1,107)	(740,474)	(6,912)	(132)	(2,270)	(5,266)	(3,969)	(3,188)	(876,607)
Closing net book value	200,515	275,097	899,333	10,037	31,423,577	61,949	748	21,246	13,682	41,785	12,920	32,960,889

Gross carrying value basis at June 30, 2025

Cost	200,515	741,737	1,531,949	33,299	36,828,670	128,288	12,887	44,787	58,591	76,644	53,852	39,711,219
Accumulated depreciation	-	(466,640)	(632,616)	(23,262)	(5,405,093)	(66,339)	(12,139)	(23,541)	(44,909)	(34,859)	(40,932)	(6,750,330)
Net book value	200,515	275,097	899,333	10,037	31,423,577	61,949	748	21,246	13,682	41,785	12,920	32,960,889

Rate of depreciation	-	5%	10%	10%	Units of production	10%	15%	10%	33%	10%	20%	
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
		(Rupees in '000)	
3.2	Depreciation charge for the year has been allocated as follows:		
Cost of sales	27	948,675	871,460
Selling and distribution expenses	28	310	303
Administrative expenses	29	9,745	4,844
		958,730	876,607

3.3 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Usage of Immovable Property	Location	Total Area (acres)
Manufacturing plant	Deh Kalo Kohar, Nooriabad Industrial Estate, District Jamshoro (Sindh)	485

3.4 Capital work-in-progress

	2026			
	Cost as at 1 July 2025	Additions	Transferred to operating assets	Cost as at 30 June 2026
	(Rupees in '000)			
Civil works	108,077	80,366	(183,518)	4,925

	2025			
	Cost as at 1 July 2024	Additions	Transferred to operating assets	Cost as at 30 June 2025
	(Rupees in '000)			
Civil works	45,739	94,570	(32,232)	108,077

	NOTE	2026	2025
		(Rupees in '000)	
3.5	Capitalisable stores and spares		
Balance at beginning of the year		613,352	530,720
Additions during the year		288,612	361,427
Transferred to operating assets and spares		(187,423)	(278,795)
Balance at end of the year		714,541	613,352

4 RIGHT-OF-USE ASSET

Balance at beginning of the year		83,465	-
Additions		-	104,332
Modification		61,573	-
Depreciation expense	29	(29,663)	(20,867)
Balance at end of the year		115,375	83,465

4.1 This right-of-use asset is booked on rented office premises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

5 DEFERRED TAX ASSET

	Accelerated tax depreciation	Right-of-use assets	Provision for stores, spares and loose tools	Long-term lease liability	Unwinding of transaction cost	Deferred exchange gain	Minimum tax	Alternate Corporate Tax	Carry forward tax losses	Gain on restructuring of local long-term syndicate financing	Loss allowance on trade receivables	Cashflow hedge	Staff retirement benefits	Provision for inventory write-down	Gain on modification of long-term trade payables	Total
	(Rupees in '000)															
July 01, 2025	(5,570,293)	(32,551)	7,406	37,555	(14,876)	-	-	-	8,207,962	(36,065)	36,045	(16,268)	139,229	-	(6,367)	2,751,777
(Charge) / credit to profit or loss for the year	(377,930)	(10,137)	(380)	7,410	2,742	-	-	522,272	(755,426)	11,718	(933)	14,902	17,356	58,962	6,367	(503,077)
Credit to other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	28,767	-	-	28,767
June 30, 2026	(5,948,223)	(42,688)	7,026	44,965	(12,134)	-	-	522,272	7,452,536	(24,347)	35,112	(1,366)	185,352	58,962	-	2,277,467
July 01, 2024	(6,655,396)	-	7,406	-	(15,412)	(525)	494,807	-	9,287,986	(45,880)	28,355	(9,617)	117,934	-	(22,949)	3,186,709
(Charge) / credit to profit or loss for the year	1,085,103	(32,551)	-	37,555	536	525	(494,807)	-	(1,080,024)	9,815	7,690	(6,651)	18,187	-	16,582	(438,040)
Credit to other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	3,108	-	-	3,108
June 30, 2025	(5,570,293)	(32,551)	7,406	37,555	(14,876)	-	-	-	8,207,962	(36,065)	36,045	(16,268)	139,229	-	(6,367)	2,751,777

- 5.1** The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.
- 5.2** The deferred tax asset on unabsorbed depreciation and carry forward tax losses will be recoverable based on the estimated future taxable income and approved business plans and budgets.
- 5.3** As per Finance Act, 2026, companies operating in certain sectors, including cement, having taxable income above Rs. 500 million are liable to pay super tax at 8% for tax year 2027 and onwards. Consequently, the Company has recorded deferred tax at the applicable rates.
- 5.4** Deferred tax asset has been recognised in full as per future financial projections of the Company.

6 LONG-TERM DEPOSITS

	NOTE	2026	2025
		(Rupees in '000)	
Burj Solar Energy (Private) Limited	6.1	33,402	33,402
Hyderabad Electric Supply Company		19,167	19,167
First Habib Modaraba		6,000	6,000
First Credit and Investment Bank		1,500	1,500
Mines and Mineral Development Department		2,000	2,000
Government of Sindh		62,069	62,069

- 6.1** This represents security deposit against solar equipment rental agreement for a period of twenty years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
		(Rupees in '000)	
7 INVENTORIES			
Raw material		361,414	288,155
Packing material		284,248	271,884
Semi-finished goods	7.1	2,118,821	1,299,827
Work-in-process		17,308	20,826
Finished goods	7.2	249,414	175,502
		3,031,205	2,056,194
Less: provision for inventory write-down		(159,358)	-
		2,871,847	2,056,194

7.1 This includes clinker held at port for export amounting to Rs. 211.50 million (2025: Rs. 480.39 million).

7.2 This includes cement held at port for export amounting to Rs. 1.80 million (2025: Rs. 22.22 million).

	NOTE	2026	2025
		(Rupees in '000)	
8 STORES, SPARES AND LOOSE TOOLS			
Stores		835,178	881,397
Coal & other fuels	8.1	3,084,285	1,415,741
Spares		1,756,700	1,540,988
Loose tools		10,677	9,385
		5,686,840	3,847,511
Less: Provision for net realisable value written down		(18,991)	(18,991)
		5,667,849	3,828,520

8.1 This includes coal-in-transit amounting to Rs. 1,422.85 million (June 30, 2025: Rs. 453.13 million).

	NOTE	2026	2025
		(Rupees in '000)	
9 TRADE RECEIVABLES - CONSIDERED GOOD			
Secured		96,653	15,250
Due from related parties - unsecured	9.1 & 9.2	202,777	85,640
Due from other parties - unsecured		263,251	304,104
		562,681	404,994
Less: Loss allowance on trade receivables	9.3	(63,898)	(61,423)
		498,783	343,571

9.1 The related parties from whom the receivables are due are as under:

Safe Mix Concrete Limited	154,708	49,163
Globe Residency REIT	16,180	16,345
Javedan Corporation Limited	12,171	13,617
Rahat Residency REIT	6,198	4,477
Signature Residency REIT	10,303	1,900
Habib Sugar Mills Limited	-	128
Biomasdar (Pakistan) Limited	-	10
Naya Nazimabad Apartment REIT	3,217	-
	202,777	85,640

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

9.2 The balances due from related parties are mark-up free. The aging analysis of these balances is as follows:

	2026	2025
	(Rupees in '000)	
1-30 days	44,776	30,554
31-60 days	93,312	35,933
61-365 days	64,689	19,153
	202,777	85,640

9.2.1 Maximum aggregate due from the related parties at any time during the year calculated by reference to month-end balances is Rs. 227.16 million (2025: Rs. 117.29 million).

	2026	2025
	(Rupees in '000)	
Balance at beginning of the year	61,423	72,706
Impairment loss for the year	2,475	8,228
Bad debts written off	-	(19,511)
Balance at end of the year	63,898	61,423

9.3 Loss allowance on trade receivables

Balance at beginning of the year	61,423	72,706
Impairment loss for the year	2,475	8,228
Bad debts written off	-	(19,511)
Balance at end of the year	63,898	61,423

10 ADVANCES AND OTHER RECEIVABLES - UNSECURED, CONSIDERED GOOD

To employees	10.1 & 10.2	65,965	60,817
To contractors and suppliers	10.2	360,814	278,249
Excise duty receivable	10.3	182,604	182,604
Advance Federal Excise Duty		135,458	-
Rebate receivable		4,118	6,973
Others		55,104	78,626
		804,063	607,269
Less: Loss allowance on other receivables		(31,000)	(31,000)
		773,063	576,269

10.1 These include personal and car loan advances to executives amounting to Rs. 62.14 million (2025: Rs. 54.79 million). Maximum amount outstanding against advances to employees during the year was Rs. 68.10 million (2025: Rs. 64.87 million). The amount is secured against retirement benefit entitlement of the employees.

	2026	2025
	(Rupees in '000)	
Movement in advances to executives during the year:		
Balance at beginning of the year	54,787	41,934
Disbursed during the year	82,546	66,743
Repayments during the year	(75,188)	(53,890)
Balance at end of the year	62,145	54,787

10.2 These advances to employees and contractors / suppliers are non-interest bearing.

10.3 From the year 1993-94 to 1998-99, excise duty was levied and recovered from the Company being wrongly worked out on retail price based on misinterpretation of sub section 2 of section 4 of the Central Excise Act, 1944 by Central Board of Revenue. Such erroneous basis of working of Central Excise Duty (CED) has been held, being without lawful authority, by the Honourable Supreme Court of Pakistan as per its judgment dated February 15, 2007. Accordingly, the Company filed an application to the Collector of Federal Excise and Sales Tax to refund the excess excise duty amounting to Rs. 182.6 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The refund was however, rejected by Collector of Appeals vide order in appeal number 01 of 2009 dated March 19, 2009 and Additional Collector, Customs, Sales tax and Federal excise vide its order in original number 02 of 2009 dated January 24, 2009 primarily based on the fact that the Company has failed to discharge the burden of proof to the effect that incidence of duty had not been passed on to the customers of the Company. Accordingly, the Company filed an appeal before the learned Appellate Tribunal Inland Revenue (ATIR) regarding CED which, vide its order dated May 23, 2012 held that the requisite documents proving the fact that the incidence of duty had not been passed to the customers of the Company has been submitted by the Company and therefore the Company has discharged its onus. Based on the foregoing the original order number 01 of 2009 dated March 19, 2009 and order number 02 of 2009 dated January 24, 2009 were set aside by ATIR and appeal was allowed. Based on the decision by ATIR and the tax advisor's opinion that the refund claim is allowed to the Company, the Company recorded the refund claim receivable with a corresponding credit to the profit or loss account. The matter has been challenged by the tax department in the High Court of Sindh vide its reference application 252/2012 in September 2012 on the grounds that the Company has failed to discharge the burden of proof to the effect that incidence of duty has not been passed on to the customers of the Company. The hearing of the case is pending since September 2012. The management, based on its legal advisor's opinion, is confident of a favourable outcome and has therefore considered the balance recoverable. The Company is pursuing the matter for the settlement of the said refund claim.

	2026	2025
	(Rupees in '000)	
11 DERIVATIVE FINANCIAL ASSET		
Balance at beginning of the year	1,474,289	2,186,893
Loss arising during the year	(1,020,320)	(712,604)
Balance at end of the year	453,969	1,474,289

- 11.1** The Company has entered into multiple cross currency swap arrangements with commercial banks in connection with foreign currency borrowings as disclosed in note 17.3. Pursuant to the agreements, the Company's foreign currency borrowings up to USD 2.21 million (2025: USD 6.62 million) and EUR 0.95 million (2025: EUR 2.84 million) were converted into hedged Pakistan Rupee amount and the interest rate accruing thereon is payable to the hedging bank at 6 months KIBOR + spread ranging from positive 415 to 549 basis points.
- 11.2** The above hedge of exposures arising due to variability in cash flows owing to currency risks have been designated as cash flow hedges. Subsequent to the year end, the outstanding derivative financial asset has been fully settled.

	NOTE	2026	2025
		(Rupees in '000)	
12 SHORT-TERM INVESTMENTS			
At Amortised Cost			
Term deposit receipts	12.1	267,757	135,757
Defence savings certificates	12.2	23,195	-
Treasury bill	12.3	4,700	4,700
		295,652	140,457

- 12.1** These term deposit receipts placed with local banks and carry profit at declared rates of 4.66% - 10.00% (2025: 4.71% - 10.00%) per annum.
- 12.2** These Defence Savings Certificates (DSCs) are for a period of 10 years having maturity in November 2026. These carry mark-up at effective interest rate of 7.44% per annum. These DSCs are pledged with the Nazir of High Court of Sindh.
- 12.3** This represents treasury bill having maturity up to 12 months carried at amortised cost. The yield on this investment is 11.15% per annum (June 30, 2025: 13.2%), maturing in October 2026.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
		(Rupees in '000)	
13 CASH AND BANK BALANCES			
Cash at bank			
Conventional			
- In current accounts		3,752	5,170
Islamic			
- In current accounts		557,968	219,979
- In savings accounts	13.1	236,649	170,513
		794,617	390,492
Cash in hand		257	513
Term deposit receipts		-	1,100,000
		798,626	1,496,175

13.1 These accounts are maintained with Islamic banks and carry profit at declared rates ranging from 6.58% - 10.47% (2025: 7.46% - 9.92%) per annum.

14 SHARE CAPITAL

14.1 Authorised share capital

2026	2025	2026	2025
(Number of Shares)		(Rupees in '000)	
1,390,000,000	1,390,000,000	13,900,000	13,900,000
Ordinary and Cumulative Preference Shares of Rs. 10 each			

14.2 Issued, subscribed and paid-up share capital

14.2.1 Ordinary Shares

2026	2025	2026	2025
(Number of Shares)		(Rupees in '000)	
Fully paid Ordinary Shares of Rs. 10 each issued:			
1,051,234,846	1,051,234,846	10,512,348	10,512,348
840,000	840,000	8,400	8,400
11,339,588	11,339,588	113,396	113,396
228,318,570	227,109,237	2,283,186	2,271,093
1,291,733,004	1,290,523,671	12,917,330	12,905,237

14.2.2 Cumulative preference shares

2026	2025	2026	2025
(Number of Shares)		(Rupees in '000)	
Fully paid Cumulative Preference Shares of Rs. 10 each			
244,585,320	244,585,320	2,445,853	2,445,853
(171,238,939)	(170,331,939)	(1,712,389)	(1,703,319)
73,346,381	74,253,381	733,464	742,534

14.3 The shareholders of the Company in their extraordinary general meeting held on June 20, 2020 approved the issue of 23% right shares in terms of Cumulative Preference Shares at par value of Rs. 10 each. 244,585,320 Cumulative Preference Shares have been issued in the ratio of 23 Cumulative Preference Shares for every 100 Ordinary Shares held by the existing shareholders.

The terms and conditions of such Right Issue are as follows:

- the rate of preferential dividend shall be six months KIBOR plus 1.5% per annum. The entitlement of dividend shall not lapse if no dividend is paid during that year and shall be carried forward to subsequent years;
- the preference shareholders will have the right to vote;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- Preference Shares will be convertible at the option of the preference shareholders into Ordinary Shares of the Company. The conversion option can be exercised upon the expiry of 12 months from the issue date by giving a thirty days notice in advance to the issuer. However, the accumulation of preference dividends will cease at the time of filing of conversion notice with the Company's Registrar;
- conversion ratio is to be determined by dividing the aggregate face value of Preference Shares plus the outstanding balance of any accumulated / accrued Preferred Dividend (if not paid till conversion) by Rs. 7.5;
- the Preference Shares are non-redeemable and convertible into Ordinary Shares of the Company;
- there will be no change / revision in the rate of preferred dividend in case of accumulation;
- there is no upper limit of maximum accumulations of preferred dividend;
- preferential cash dividends shall be in priority over any dividend to ordinary shareholders and holders of any subsequent issues / series of preference shares;
- in case of liquidation the preference shareholders shall be entitled to preferred liquidation rights prior to ordinary shareholders; and
- the preference shareholders shall not be entitled to bonus or rights shares, in case the Company / Directors decide to increase the capital of the Company by issue of further shares except for the adjustment in conversion ratio provided hereinabove referred terms and conditions.

If cash dividend is not paid in any year, due to loss or inadequate profits, then such unpaid cash dividend will accumulate and will be paid in the subsequent year(s) before any dividend is paid to the Ordinary Shareholders subject to approval of the Board of Directors. As at June 30, 2026 the undeclared dividend on Cumulative Preference Shares amounted to Rs.1,668.51 million (2025: Rs. 1,574.67 million).

- 14.4** Under the terms and conditions of conversion of such right issue 171,238,939 preference shares of Rs. 10 each were converted into 228,318,570 ordinary shares of Rs. 10 each upto 30 June 2026, resulting in a difference on conversion of cumulative preference shares into ordinary shares amounting to Rs. 570.80 million. The unpaid cumulative dividend on such preference shares amounting to Rs. 1,006.40 million will be distributed in subsequent year(s) out of the available profits subject to the approval of the Board of Directors. During the year, 907,000 preference shares were converted into 1,209,333 ordinary shares.
- 14.5** 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.
- 14.6** Shares held by the associated undertakings as at the statement of financial position date were 476,298,645 (2025: 361,767,247) and Mr. Muhammad Arif Habib is the ultimate beneficial owner of the Company on the basis of effective shareholding.

15 SHARE PREMIUM

This reserve can be utilized by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

	NOTE	2026	2025
		(Rupees in '000)	
16 CONTRIBUTION FROM ASSOCIATED UNDERTAKINGS			
Contribution from associated undertaking - unsecured	16.1	10,253,300	11,327,300
Contribution from sponsor - unsecured	16.1	1,496,700	3,672,700
		11,750,000	15,000,000

- 16.1** This represents Musharakah arrangement with Mr. Arif Habib (Sponsor), Arif Habib Equity (Private) Limited (Associated Undertaking) and Rotocast Engineering Company (Private) Limited (Associated Undertaking) (together termed as 'Investors'). The investment has been made on the following terms and conditions:

- The repayment of the principal contribution amount shall be at the sole and absolute discretion of the Company (taking into consideration the availability of its cash flows).
- The Musharakah arrangement shall carry a target profit at the rate of 3 months KIBOR + 1.75% per annum. However, the payment of the profit shall also be at the sole and absolute discretion of the Company. Further, dividends to the ordinary shareholders will only be declared after the payments of profit to the Investors.
- In case of Musharakah loss, the loss shall be shared between the parties in consultation with Shariah Advisor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Pursuant to the requirements of IAS 32- 'financial instruments presentation' and the terms of the arrangement, the Long-Term Musharakah arrangement is classified as equity in these financial statements. The unpaid profit as at June 30, 2026 in respect of the above mentioned arrangement amounts to Rs. 7,967.36 million (2025: Rs. 6,191.51 million).

NOTE	2026	2025
	(Rupees in '000)	

16.2 Movement during the year:

Balance at beginning of the year	15,000,000	11,700,000
Contributions received during the year	1,192,000	11,918,600
Repayments made during the year	(4,442,000)	(8,618,600)
Balance at end of the year	11,750,000	15,000,000

17 LONG-TERM FINANCING - SECURED

Local currency loan

Syndicated loan	17.1 & 17.2	10,736,665	11,300,165
Term loan		-	50,000
		10,736,665	11,350,165
Current maturity		(2,708,940)	(645,520)
		8,027,725	10,704,645

Foreign currency loan

Syndicated loan	17.3	914,253	2,824,555
Current maturity		(914,253)	(928,003)
		-	1,896,552
		8,027,725	12,601,197

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

17.1.1 In 2023, lenders of the Company have revised the terms of the existing STFF to include, inter alia, the following:

- Downward revision of profit rate from 1.5% to 0.5% per annum for a period of three years from July 2023 to July 2026;
- The term has been extended by two years, previously scheduled to be repaid by January 2028 whereas now it is scheduled to be paid by January 2030; and
- Principal repayments have been revised in the following manner:
 - From July 2023 to January 2025: Rs. 4,429.64 million principal repayments have been reduced to Rs. 442.96 million.
 - From July 2025 to January 2026: Rs. 2,214.82 million principal repayments have been reduced to Rs. 553.70 million.
 - From July 2026 to January 2030: the remaining principal amounting to Rs. 10,077.43 million, it has been agreed to be paid eight equal biannual installments of Rs. 1,259.68 million.

The restructuring of the liability had resulted in a gain of Rs. 139.02 million which had been recorded as other income in the respective year, however, it did not result in the derecognition of the original liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

17.2 This also includes loan of Rs. 1,000 million structured as Diminishing Musharakah for the purpose of operational support, project cost overruns and service of deferred payables of Company's clinker plant. The security includes first pari passu charge over fixed and current assets amounting to Rs. 1,333 million along with other collaterals and personal guarantees of the Company's related party.

In 2023, lenders of the Company have revised the terms of the existing Diminishing Musharakah to include, inter alia, the following:

- i) Downward revision of profit rate from 1.5% to 0.5% per annum for a period of three years starting from July 2023 to July 2026;
- ii) The term has been extended by two years, previously scheduled to be repaid by January 2028 whereas now it is scheduled to be paid by January 2030; and
- iii) Principal repayments have been revised in the following manner:
 - From July 2023 to January 2025: Rs. 333.33 million principal repayments have been reduced to Rs. 33.33 million.
 - From July 2025 to January 2026: Rs. 166.67 million principal repayments have been reduced to Rs. 41.67 million.
 - From July 2026 to January 2030: the remaining principal amounting to Rs. 758.33 million, it has been agreed to pay eight equal biannual installments of Rs. 94.79 million.

17.3 This represents 3 foreign multilateral institutions / DFIs under long-term syndicate finance facility of equivalent drawdowns of EUR 11.357 million, USD 11.357 million, USD 15.143 million disbursed by Deutsche Investitions-und Entwicklungsgesellschaft mbH (DEG) through Arif Habib Equity (Private) Limited (AHEPL), OPEC Fund for International Development (OFID) and Islamic Corporation for the Development of the Private Sector (ICD) respectively for the expansion project of Line III. The facility of EUR 11.357 million carries mark-up at the rate of 6 months EURIBOR plus 4.75% (2025: 6 months EURIBOR plus 4.75%) and the facilities of USD 11.357 million and USD 15.143 million carry mark-up at the rate of Term SOFR plus 4.75% (2025: Term SOFR plus 4.75%) per annum calculated on daily product basis with mark-up and principal repayment falling due on semi-annual basis. Subsequent to the year end, the foreign currency loan has been fully settled.

The Company has executed cross currency swaps with Habib Bank Limited at the exchange rate of PKR 139.5 and PKR 141.4 per USD and Faysal Bank Limited through AHEPL at the exchange rate of PKR 162 and PKR 164.5 per EURO to hedge the Company's foreign currency payment obligation. This facility carries markup ranging between 6 months KIBOR plus 4.15% to 6 months KIBOR plus 5.49% (2025: 6 months KIBOR plus 4.15% to 6 months KIBOR plus 5.49%) with mark-up and principal repayment falling due on semi-annual basis with commercial Banks for cross currency swap. The facility is secured through first pari passu charge over current and fixed assets of the Company along with additional collaterals. The above hedge of exposures arising due to variability in cash flows owing to interest / currency risks were designated as cash flow hedges by the management of the Company.

17.4 The Company is required to comply with financial covenants which includes debt service coverage ratio (min. 1.20x), current ratio (min. 1.00x), interest coverage ratio (min. 2.00x), debt to EBITDA ratio (max. 2.5x), project related debt to equity ratio (max. 65:35) and debt to equity ratio (max. 70:30). The Company has a waiver from complying with these financial covenants as at June 30, 2026. The next evaluation of the financial covenants will be carried out based on the annual audited financial statements for the year ending June 30, 2027.

18 LONG-TERM TRADE PAYABLES

	2026	2025
	(Rupees in '000)	
Local currency payables	-	330,424
Less: Current maturity	-	(330,424)
	-	-
Foreign currency payables	-	26,582
Less: Current maturity	-	(26,582)
	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(Rupees in '000)	
19 LONG-TERM LEASE LIABILITY		
Balance at beginning of the year	96,294	-
Addition	-	104,332
Modification	44,191	-
Mark-up on lease liability	15,856	19,330
Payment	(34,814)	(27,368)
Balance at end of the year	121,527	96,294
Less: Current maturity shown under current liability	(31,654)	(12,900)
	89,873	83,394

19.1 The maturity analysis of lease liabilities is as follows:

	Future minimum lease payments	Interest	Present value of future minimum lease payments
	(Rupees in '000)		
Less than one year	43,005	11,351	31,654
Later than one year but not later than five years	99,342	9,469	89,873
	142,347	20,820	121,527

	NOTE	2026	2025
		(Rupees in '000)	
20 STAFF RETIREMENT BENEFITS			
Leave encashment payable		89,805	75,729
Provision for gratuity	20.5	411,145	281,267
		500,950	356,996
20.1 Number of employees covered under staff gratuity scheme		500	489

20.2 As stated in note 2.13, the Company operates approved funded gratuity scheme for all management and non management employees. The scheme defines an amount of gratuity benefit that an employee will receive on retirement subject to minimum service under the scheme. Actuarial valuation of this plan is carried out every year and the latest actuarial valuation was carried out as at June 30, 2026.

20.3 Plan assets held in trust are governed by local regulations which mainly include The Sindh Trusts Act, 2020; Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deed. Responsibility for governance of the Plan, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

20.4 The latest actuarial valuation of the Plan as at June 30, 2026 was carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

	NOTE	2026	2025
		(Rupees in '000)	
20.5 Balance sheet reconciliation as at June 30			
Present value of defined benefit obligations	20.6	495,180	357,571
Fair value of plan assets	20.7	(84,035)	(76,304)
Deficit		411,145	281,267
20.6 Movement in the defined benefit obligation			
Present value of defined benefit obligation at beginning of the year		357,571	297,913
Current service cost for the year		79,842	53,174
Interest cost for the year		41,793	41,492
Benefits paid during the year		(46,460)	(32,841)
Loan adjustment during the year		(19,554)	-
Remeasurements:			
Experience adjustments		81,988	(2,167)
Present value of defined benefit obligation as at June 30		495,180	357,571

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(Rupees in '000)	
20.7 Movement in fair value of plan assets		
Fair value of plan assets at beginning of the year	76,304	62,936
Contribution during the year	69,041	46,074
Loan adjustment during the year	(19,554)	-
Expected return on plan assets	464	10,269
Benefits paid during the year	(46,460)	(32,841)
Actuarial gain/(loss) on plan assets	4,240	(10,134)
Fair value of plan assets as at June 30	84,035	76,304
20.8 Expenses recognised in the statement of profit or loss and other comprehensive income		
Current service cost	79,842	53,174
Interest cost	41,793	41,492
Return on plan assets	(464)	(10,269)
	121,171	84,397
20.9 Remeasurements recognised in other comprehensive income		
Experience adjustments	81,988	(2,167)
Actuarial gain/(loss) on plan assets	(4,240)	10,134
Total remeasurements chargeable in other comprehensive income	77,748	7,967
20.10 Net recognised liability		
Balance at beginning of the year	281,267	234,977
Charge for the year	121,171	84,397
Remeasurements chargeable in other comprehensive income	77,748	7,967
Contribution during the year	(69,041)	(46,074)
Balance at end of the year	411,145	281,267
20.11 Composition of plan assets		
	2026	2025
	Amount (Rupees in '000)	Amount (Rupees in '000)
Cash and / or deposits	10,155	3,710
Loan to members	73,880	72,594
	84,035	76,304
	Percentage	Percentage
	12.08%	4.86%
	87.92%	95.14%
	100.00%	100.00%

20.12 Significant actuarial assumptions

Financial assumptions

Discount rate	11.75%	12.50%
Expected rate of eligible salary increase in future years	11.75%	11.50%

Demographic assumptions

Mortality rate	SLIC 2001-2005	SLIC 2001-2005
Withdrawal rate	Moderate	Moderate
Retirement assumption	Age 60	Age 60

20.13 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields at the balance sheet date on high quality corporate bonds. A decrease in market yields on high quality corporate bonds will increase plan liabilities.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary to meet its obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Investment risks - The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

20.14 Sensitivity analysis for the year ended June 30, 2026

	2026	
	PV of defined benefit obligation (Rupees in '000)	Rate effect
Discount rate effect		
Original liability	495,180	11.75%
1% increase	459,484	12.75%
1% decrease	536,272	10.75%
Salary increase rate effect		
Original liability	495,180	11.75%
1% increase	538,458	12.75%
1% decrease	456,982	10.75%
Withdrawal rate effect		
Original liability	495,180	
10% increase	495,870	
10% decrease	494,438	
Mortality rate effect		
Original liability	495,180	
+1 year	495,112	
-1 year	495,247	

20.15 If longevity increases by 1 year, the resultant increase in obligation is insignificant.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the previous year.

20.16 Maturity profile

The average duration of defined benefit obligation is 7.75 years.

20.17 As per actuarial advice, the Company is expected to recognise a service cost of Rs. 134.7 million in 2027 (2026: Rs. 97.32 million).

20.18 The weighted average service duration of employees is 5.7 years (2025: 5.71 years).

20.19 Expected maturity analysis of undiscounted retirement benefit payments is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	(Rupees in '000)				
Retirement benefit payments	93,657	42,512	132,301	189,228	457,698

20.20 Analysis of present value of defined benefits obligations and fair value of plan assets

	2025-26	2024-25	2023-24	2022-23	2021-22
	(Rupees in '000)				
Present value of defined obligations	495,180	357,571	297,913	211,492	189,543
Fair value of plan assets	(84,035)	(76,304)	(62,936)	(41,185)	(53,273)
Deficit	411,145	281,267	234,977	170,307	136,270

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

20.21 Experience adjustments

	2025-26	2024-25	2023-24	2022-23	2021-22
			(Rupees in '000)		
Experience adjustment	81,988	(2,167)	19,699	(16,620)	17,784

NOTE

2026

2025

(Rupees in '000)

21 TRADE AND OTHER PAYABLES

Trade creditors	21.1	1,374,623	1,542,581
Bills payable		1,431,735	472,901
Accrued liabilities		879,238	457,070
Withholding tax payable		160,316	152,874
Sindh Workers' Welfare Fund payable	21.2	113,775	59,532
Sindh Workers' Profit Participation Fund payable	21.3	204,054	85,755
Provision for Infrastructure Cess	21.4	206,000	-
Royalty payable on raw material	21.5	74,446	78,461
Federal excise duty payable		-	70,001
Salaries, wages and other benefits payable		25,171	16,388
Excise duty payable on raw material		1,808	1,606
Loan from previous sponsors		735	735
Others		305	3,973
		4,472,206	2,941,877

21.1 Creditors include Rs. 206.90 million (2025: Rs. 458.79 million) in respect of amounts due to related parties.

NOTE

2026

2025

(Rupees in '000)

21.2 The movement in Sindh Workers' Welfare Fund payable is as follows:

Balance at beginning of the year		59,532	5,012
Charge for the year	30	113,775	54,520
Reversal for the year		(21,025)	-
Payments made during the year		(38,507)	-
Balance at end of the year		113,775	59,532

21.3 The movement in Sindh Workers' Profit Participation Fund payable is as follows:

Balance at beginning of the year		85,755	-
Charge for the year	30	204,054	85,755
Interest on funds utilized	31	4,789	-
Payments made during the year		(90,544)	-
Balance at end of the year		204,054	85,755

21.4 The Company has been subject to Sindh Infrastructure Development Cess in respect of imported goods and has, from time to time, made payments and contested the levy through legal proceedings, in line with the relevant court orders and applicable legislation. The matter remains pending adjudication before the Honourable Supreme Court of Pakistan. During the year, pursuant to the 27th Constitutional Amendment, the matter was transferred from the Supreme Court of Pakistan to the Federal Constitutional Court (FCC).

Bank guarantees amounting to Rs. 206 million (2025: Rs. 106 million) have been furnished to the Excise and Taxation Department pursuant to the court orders. However, a provision to the extent of amount utilised from the limit of guarantee has also been provided for by the Company.

21.5 This represents royalty payable to the Mines & Mineral Development Department, Government of Sindh, having registered office at ST-19/1, Block 6, Gulshan-e-Iqbal, Karachi.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

22 CONTRACT LIABILITIES

Advance received from customers is recognised as revenue when the performance obligation in accordance with the policy as described in note 2.19 is satisfied.

NOTE	2026	2025
	(Rupees in '000)	
Balance at beginning of the year	1,184,279	639,097
Advance received during the year	32,939,455	32,759,195
Revenue recognised during the year	(33,086,730)	(32,133,786)
Transferred to sales tax refund due from government	(73,533)	(80,227)
Balance at end of the year	963,471	1,184,279

23 ACCRUED MARK-UP

On long-term financing	568,739	738,883
On loan from related parties	242,722	292,722
On short-term financing	78,825	53,679
	890,286	1,085,284

24 SHORT-TERM FINANCING - SECURED

Conventional

Running finance	24.2	213,995	260,943
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Islamic

Istisna / Running Musharakah	24.3		
Maturity within three months		658,885	1,000,233
Maturity after three months		2,350,000	2,350,000
Islamic Export Refinance Facility (IERF)	24.4	1,450,000	700,000
		4,458,885	4,050,233
		4,672,880	4,311,176

24.1 The short-term financing facilities available to the Company aggregate to Rs. 8,050 million (2025: Rs. 7,550 million) repayable with a maximum tenure of 180 days from the date of disbursement. These facilities have been obtained on annually renewable basis. As at the reporting date, unavailed amount under these facilities amounts to Rs. 3,377 million (2025: Rs. 3,239 million). These are secured by first pari passu charge against current and fixed assets of the Company.

24.2 This represents short-term running finance facility from a commercial bank amounting to Rs. 213.99 million (2025: Rs. 260.94 million). This carries mark up at the rate of 1 month KIBOR plus 1.5% (2025: 1 month KIBOR plus 1.5%) per annum calculated on daily product basis. The facility is annually renewable and mark-up on the facility is payable on quarterly basis. The facility is secured by first pari passu charge against current and fixed assets of the Company amounting to Rs. 400 million.

24.3 These Istisna and Running Musharakah facilities carry applicable profit at the rates ranging from KIBOR plus 0.1% to KIBOR plus 2% (2025: KIBOR plus 0.1% to KIBOR plus 3%).

24.4 The IERF facilities availed carry profit at the rate of 4.5% to 8% per annum or KIBOR minus 6%. (2025: 8% to 19% per annum or KIBOR minus 3%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

25 CONTINGENCIES AND COMMITMENTS

Contingencies

- 25.1** The Competition Commission of Pakistan (CCP) passed a single order on August 27, 2009 against all the cement manufacturers of the country on the alleged ground of formation of cartel for marketing arrangement and imposed a penalty at the rate of 7.5% of total turnover of each company consisting of both local and export sales. The amount of penalty imposed on the Company is Rs. 87 million. The Company challenged the constitutionality of the Competition Law before the Honorable Lahore High Court and also the show cause notice and subsequent order issued by the CCP. The Lahore High Court on October 26, 2020, however, dismissed the petitions of the cement manufacturers and declared the Competition Law to be intra vires. Nevertheless, the Honorable Court struck down the constitution of the Competition Appellate Tribunal (CAT). The Company has filed an appeal before the Honorable Supreme Court of Pakistan to challenge the said decision. Meanwhile, the Government has also filed an appeal to challenge the judgment of the Honorable Lahore High Court. The Company has filed appeals against the CCP order before CAT, which are also pending.

Based on advice of the Company's legal advisor, the management is confident of a positive outcome and hence no provision has been recorded in these financial statements.

- 25.2** In 2013, the Company reversed a liability amounting to Rs. 115.93 million in respect of previous sponsors loan on the basis of arbitration award in favour of the Company.

In 2005, the management of the Company was taken over by purchasing the controlling shareholding. One of the conditions of takeover of the management from the previous sponsors was that the amount payable in respect of this loan was required to be adjusted in respect of any differences in the value of assets and / or unrecorded liabilities. However, due to dispute regarding existence of certain assets and / or unrecorded liabilities, the final amount of the previous sponsor's loan remained undetermined and unsettled and the matter was referred for arbitration as per the Share Purchase Agreement between the management and the previous sponsors. The amount outstanding as at June 30, 2012 amounted to Rs. 115.93 million i.e. Rs. 234.08 million net off with unavailable stores and spares of Rs. 118.15 million.

In 2013, the arbitrator decided in favour of the Company vide order dated August 6, 2012 and determined an amount of Rs. 0.74 million to be paid by the Company. The award has been sent to Sindh High Court for making the award a rule of Court. Pursuant to the Sindh Civil Courts (Amendment) Act, 2025, the aforementioned suit pending before the Sindh High Court has been transferred before the Senior Civil Judge/Assistant Sessions Judge X, Karachi (East) bearing Suit No. 6901/2025. The management, based on its lawyers' advice is of the opinion that despite objection filed by the previous sponsors against the arbitration award, the Company has strong grounds considering the fact that the Arbitration Award has been announced in Company's favour and the arbitration award will be made a rule of Court. Accordingly, the management had reversed the liability in 2013 with a corresponding credit in the profit or loss account. However, as previous sponsors have filed objections to the award, the matter has been disclosed as a contingent liability in these financial statements. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

25.3 SALES TAX MATTERS

The Deputy Commissioner Inland Revenue (DCIR) passed two orders raising sales tax demands of Rs. 14.68 million and Rs. 301.47 million in respect of alleged failure by certain local coal suppliers with their sales tax obligations. The Company contested both orders on the grounds that it had fully discharged its obligations under the applicable tax laws and should not be held liable for any default by the suppliers.

The Company filed appeals before the Appellate Tribunal Inland Revenue (ATIR), which annulled the demand of Rs. 14.68 million. The tax department subsequently challenged the ATIR's decision before the Sindh High Court (SHC). The SHC, vide its order dated 21 May 2026, dismissed the department's appeal, thereby affirming the ATIR's decision in favour of the Company.

The appeal relating to the remaining demand of Rs. 301.47 million is pending adjudication before the ATIR. Based on legal advice and the favourable outcome in the related matter, the management believes that the case is likely to be decided in favour of the Company. Accordingly, no provision has been recognised in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
		(Rupees in '000)	
25.4 Commitments			
Commitments against open letter of credit for:			
- Coal	25.4.1	-	1,331,625
- Stores and spares	25.4.2	671,988	307,788
Commitments against letter of guarantees	25.4.3	10,393,573	10,765,593
Commitments against ljarah rentals	25.4.4	8,536,368	159,737
Total commitments		19,601,929	12,564,743

25.4.1 The amount utilised in respect of these facilities is Rs. 7,389 million (2025: Rs. 7,568 million).

25.4.2 The amount utilised in respect of these facilities is Rs. 628 million (2025: Rs. 653 million).

25.4.3 This includes Corporate Guarantee of Rs. 9,508 million (as approved by the Company's shareholders vide special resolution passed on June 23, 2018) issued to DEG (a Foreign Currency Long-Term Financier) being part of the Company's long-term financing on behalf of the Arif Habib Equity (Private) Limited - a related party, being part of Company's long-term financing as disclosed in note 17.

	2026	2025
	(Rupees in '000)	
25.4.4 Commitments against ljarah rentals		
Total of future ljarah payments under the agreement are as follows:		
Not later than one year	518,379	65,499
Later than one year but not later than five years	1,957,540	94,238
Later than five years	6,060,449	-
	8,536,368	159,737

This includes commitments against ljarah rentals relating to a 7.5MW wind power project established on the Company's premises under an arrangement with Burj Clean Energy Modaraba (BCEM). The committed amount represents future ljarah rentals payable by the Company to BCEM for the use of this facility upon commencement of operations.

	NOTE	2026	2025
		(Rupees in '000)	
26 REVENUE FROM CONTRACTS WITH CUSTOMERS			
Local sales		32,149,004	29,864,029
Sales tax		(5,378,919)	(5,009,141)
Federal excise duty		(5,442,714)	(5,348,862)
Commission		(49,752)	(45,510)
Net local sales		21,277,619	19,460,516
Exports	26.2	12,995,991	10,160,230
Freight		(294,641)	(100,610)
Net export sales		12,701,350	10,059,620
		33,978,969	29,520,136

26.1 The Company sells cement and clinker to dealers and other organisations / institutions. Out of these, two (2025: two) of the Company's customers constitute towards 27.99% (2025: 26.28%) of the net revenue during the year amounting to Rs. 9.51 billion (2025: Rs. 7.75 billion).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
(Rupees in '000)			
26.2	Exports comprise of sales made in following continents:		
Africa		11,015,022	9,513,071
Asia		1,980,969	647,159
		12,995,991	10,160,230
27	COST OF SALES		
Salaries, wages and other benefits including retirement benefits	27.1	1,006,513	846,462
Raw materials consumed		3,184,705	2,698,800
Packing materials consumed		976,774	1,076,358
Stores, spares and loose tools		845,022	1,141,635
Provision for inventory write-down		159,358	-
Fuel and power		14,735,882	13,517,377
Depreciation	3.2	948,675	871,460
Repairs and maintenance		351,779	294,916
Earth moving machinery		244,835	195,389
Insurance		122,673	139,398
Vehicle hire, running and maintenance		149,538	122,518
Security charges		37,785	29,885
Travelling and conveyance		5,946	4,373
Other production overheads		12,909	9,606
		22,782,394	20,948,177
Work-in-process and semi-finished goods			
Opening		1,320,653	1,312,867
Closing		(2,136,129)	(1,320,653)
		(815,476)	(7,786)
Cost of goods manufactured		21,966,918	20,940,391
Finished goods			
Opening		175,502	308,170
Purchases		-	48,179
Closing		(249,414)	(175,502)
		(73,912)	180,847
		21,893,006	21,121,238

27.1 These include Rs. 84.37 million (2025: Rs. 60.25 million) against staff retirement benefits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
		(Rupees in '000)	
28 SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits including retirement benefits	28.1	132,534	110,916
Export expenses		3,119,972	2,534,267
Advertisement and sales promotion		233,861	196,360
Transportation expense		119,106	130,922
Marking fee		19,819	18,961
Vehicle running and maintenance		13,768	14,077
Travelling and conveyance		5,446	5,978
Depreciation	3.2	310	303
Others		252	422
		3,645,068	3,012,206

28.1 These include Rs. 20.81 million (2025: Rs. 14.17 million) against staff retirement benefits.

	NOTE	2026	2025
		(Rupees in '000)	
29 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits including retirement benefits	29.1	310,236	239,413
ljarah payments		59,840	59,396
Legal and professional charges		57,965	52,481
Fees and subscription		72,682	46,746
Repairs and maintenance		37,796	27,580
Depreciation	3.2 & 29.2	39,408	25,711
Entertainment		21,679	15,355
Vehicle running and maintenance		23,264	23,812
Postage and telephone		6,503	8,908
Auditor's remuneration	29.3	12,716	6,095
Travelling and conveyance		10,536	4,907
Printing and stationery		9,974	4,623
Rent, rates and taxes		4,319	2,906
Insurance		2,248	2,149
Charity and donations	29.4	4,638	805
Others		26,863	8,278
		700,667	529,165

29.1 These include Rs. 41.62 million (2025: Rs. 28.20 million) against staff retirement benefits.

29.2 This includes depreciation charged on right-of-use asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

29.3 Auditor's remuneration

	2026	2025
	(Rupees in '000)	
Audit fee	3,700	3,200
Half yearly review fee	900	800
Out of pocket expenses	1,124	795
	5,724	4,795
Fee for review of compliance with Code of Corporate Governance	350	300
Taxation services	6,192	-
Certifications for regulatory purposes	450	1,000
	12,716	6,095

29.4 This includes donations made to Baitussalam Welfare Trust amounting to Rs. 3 million.

30 OTHER (EXPENSES) / INCOME - NET

	NOTE	2026	2025
		(Rupees in '000)	
Sindh Workers' Profit Participation Fund		(204,054)	(85,755)
Exchange loss - net	30.1 & 30.2	(31,902)	(71,224)
Sindh Workers' Welfare Fund		(92,750)	(54,520)
Environmental incentive income		-	13,965
Gain / (loss) on scrap sales		1,177	(4,415)
Gain / (loss) on disposal of fixed assets		398	(285)
Insurance claim		-	154
Gain on modification of lease		17,381	-
		(309,750)	(202,080)

30.1 This includes the difference between the exchange rate on the date of shipment of goods and payment of foreign currency purchase price of the goods or receipts against exports. However, outstanding liability against purchase or receivable against exports is remeasured at the rate prevailing on the date of statement of financial position and the difference is also recorded in exchange gain or loss.

30.2 This includes gain amounting to Rs. 942.95 million (2025: Rs. 857.71 million) on principal repayment of foreign currency loan realised during the year.

31 FINANCE INCOME / (COST) - NET

Finance income:

Income from PLS Savings account and term deposit- Islamic
Income from defence savings certificates

Finance cost:

Finance cost on short-term financing - Islamic
Finance cost on short-term financing - Conventional
Mark-up on long-term trade payables
Unwinding of restructuring cost
Finance cost on long-term financing - Islamic
Finance cost on long-term financing - Conventional
Finance cost on Sindh Workers' Profit Participation Fund
Mark-up on lease liability
Bank charges and commission

	2026	2025
	(Rupees in '000)	
	37,677	31,512
	5,429	3,155
	43,106	34,667
	(391,101)	(615,449)
	(4,668)	(26,698)
	(27,036)	(52,201)
	(32,019)	(26,542)
	(1,372,066)	(2,284,700)
	(2,932)	(28,066)
	(4,789)	-
	(15,856)	(19,330)
	(24,678)	(25,587)
	(1,875,145)	(3,078,573)
	(1,832,039)	(3,043,906)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
		(Rupees in '000)	
32 TAXATION			
Current - for the year	32.3	1,364,217	266,590
- prior year		(55,800)	52,687
Deferred		503,077	438,040
		1,811,494	757,317

32.1 Relationship between income tax and accounting profit

Profit before taxation	5,595,964	1,572,313
Tax at the applicable rate of 29% (2025: 29%)	1,622,830	455,971
Effect of minimum tax u/s 154	129,960	-
Effect of Alternative Corporate Tax	(429,042)	-
Prior year tax (income) / charge	(55,800)	52,687
Effect of super tax	413,126	266,589
Effect of rate differential	123,106	-
Others	7,314	(17,930)
	1,811,494	757,317

32.2 The tax returns have been filed up to tax year 2025 (corresponding to financial year ended June 30, 2025) which are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

32.3 The Company computes current tax expense based on the generally accepted interpretation of the tax laws to ensure that sufficient provision for purpose of taxation is available. According to management, the tax provision made in these financial statements is sufficient.

33 EARNINGS PER SHARE

33.1 Basic

	2026	2025
Profit after taxation attributable to ordinary shareholders (rupees in thousands)	3,784,470	814,996
Adjustment for cumulative preference shares' dividend (rupees in thousands)	(93,845)	(296,694)
Profit after taxation for calculation of basic earnings per share (rupees in thousands)	3,690,625	518,302
Ordinary shares at July 1 (shares in thousands)	1,290,524	1,111,885
Effect of conversion of cumulative preference shares (shares in thousands)	821	65,798
Weighted average number of ordinary shares outstanding at June 30 (shares in thousands)	1,291,345	1,177,683
Earnings per share in rupees - basic	2.86	0.44

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

33.2 Diluted

	2026	2025
Profit after taxation attributable to ordinary shareholders (rupees in thousands)	3,784,470	814,996
Weighted average number of ordinary shares outstanding at year end (shares in thousands)	1,291,345	1,177,683
Effect of conversion of cumulative preference shares (shares in thousands)	97,795	99,005
Weighted average number of potential ordinary shares outstanding at year end (shares in thousands)	1,389,140	1,276,688
Earnings per share in rupees - diluted	2.72	0.44

33.3 In accordance with IAS 33 Earnings Per Share, potential ordinary shares are considered anti-dilutive when their conversion would increase earnings per share or decrease loss per share.

In such circumstances, the potential ordinary shares are excluded from the calculation of diluted earnings per share, resulting in diluted earnings per share being equal to basic earnings per share. The dilutive effect of potential ordinary shares is included in the computation of diluted earnings per share only when such effect reduces earnings per share or increases loss per share.

Accordingly, diluted earnings per share may not be directly comparable between periods where potential ordinary shares are anti-dilutive and periods where they are dilutive. Dividend on cumulative preference shares has not been considered in determining the weighted average number of potential ordinary shares.

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

Financial risk management

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Risk management framework

The Board meets frequently throughout the year 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 standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

34.1 Financial assets and liabilities by category and their respective maturities

	2026			2025		
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total
(Rupees in '000)						
Financial assets						
At amortised cost						
Long term investments	-	-	-	-	21,589	21,589
Long term deposits	-	62,069	62,069	-	62,069	62,069
Trade receivables	498,783	-	498,783	343,571	-	343,571
Advances and other receivables	59,222	-	59,222	85,599	-	85,599
Trade deposits	4,375	-	4,375	58,916	-	58,916
Short-term investments	295,652	-	295,652	140,457	-	140,457
Cash and bank balances	798,626	-	798,626	1,496,175	-	1,496,175
At fair value through profit or loss						
Derivative financial asset	453,969	-	453,969	1,474,289	-	1,474,289
	2,110,627	62,069	2,172,696	3,599,007	83,658	3,682,665
Financial liabilities						
At amortised cost						
Long-term financing	-	8,027,725	8,027,725	-	12,601,197	12,601,197
Current portion of long term financing	3,623,193	-	3,623,193	1,573,523	-	1,573,523
Trade and other payables	3,686,331	-	3,686,331	2,116,281	-	2,116,281
Long-term trade payables	-	-	-	357,006	-	357,006
Unclaimed Dividend	126	-	126	126	-	126
Accrued mark-up	890,286	-	890,286	1,085,284	-	1,085,284
Long-term lease liability	-	89,873	89,873	-	83,394	83,394
Current portion of Lease liability	31,654	-	31,654	12,900	-	12,900
Short-term financing	4,672,880	-	4,672,880	4,311,176	-	4,311,176
	12,904,470	8,117,598	21,022,068	9,456,296	12,684,591	22,140,887
On statement of financial position date gap	(10,793,843)	(8,055,529)	(18,849,372)	(5,857,289)	(12,600,933)	(18,458,222)
Net financial (liabilities) / asset						
Interest bearing	(8,685,712)	(8,027,725)	(16,713,437)	(5,571,913)	(12,579,608)	(18,151,521)
Non-interest bearing	(2,108,131)	(27,804)	(2,135,935)	(285,376)	(21,325)	(306,701)
	(10,793,843)	(8,055,529)	(18,849,372)	(5,857,289)	(12,600,933)	(18,458,222)

34.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security / advance payments, wherever considered necessary).

The maximum exposure to credit risk at the reporting date is:

	2026	2025
(Rupees in '000)		
Long-term deposits	62,069	62,069
Trade receivables	498,783	343,571
Advances and other receivables	59,222	85,599
Trade deposits	4,375	58,916
Short term investments	267,757	135,757
Bank balances	798,369	1,495,662
	1,690,575	2,181,574

NOTES TO THE FINANCIAL STATEMENTS

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Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of Banks with which balances are held or credit lines available:

Bank	Rating Agency	Short-term rating	Long-term rating
Allied Bank Limited	PACRA	A1+	AAA
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A1	AA-
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Bank Al-Habib Limited	PACRA	A1+	AAA
BankIslami Pakistan Limited	PACRA	A1	AA-
The Bank of Khyber	PACRA	A1	A+
The Bank of Punjab	PACRA	A1+	AA+
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	JCR-VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA
National Bank of Pakistan	PACRA	A1+	AAA
Samba Bank Limited	PACRA	A1	AA
Bank Makramah Limited	JCR-VIS	A2	A-
Soneri Bank Limited	PACRA	A1+	AA-
Sindh Bank	JCR-VIS	A1+	AA
United Bank Limited	JCR-VIS	A1+	AAA
Meezan Bank Limited	JCR-VIS	A1+	AAA

34.2.1 The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

	2026	2025
	(Rupees in '000)	
Domestic	466,028	389,744
Exports	96,653	15,250
	562,681	404,994

34.2.2 The maximum exposure to credit risk for trade receivable at the reporting date by the type of customers is as follows:

	2026	2025
	(Rupees in '000)	
Dealers / distributors	30,061	35,283
End-user customers / exports	532,620	369,711
	562,681	404,994

34.2.3 Expected Credit Loss (ECL)

The aging of trade receivables at the reporting date was:

	2026		2025	
	Gross receivables	ECL (Rupees in '000)	Gross receivables	ECL
1-30 days	282,621	236	208,328	2,264
31-60 days	146,936	928	80,472	606
61-365 days	77,917	7,527	59,859	2,218
Over 365 days	55,207	55,207	56,335	56,335
	562,681	63,898	404,994	61,423

34.2.4 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

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34.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfil its financial obligations. The following are the contractual maturities of financial liabilities, including interest payment:

	2026					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long-term financing - secured	11,650,918	(11,749,518)	(2,268,709)	(1,354,456)	(8,126,353)	-
Long-term trade payables	-	-	-	-	-	-
Trade and other payables	4,472,206	(4,472,206)	(4,472,206)	-	-	-
Accrued mark-up	890,286	(890,286)	(890,286)	-	-	-
Short-term financing - secured	4,672,880	(4,672,880)	(4,672,880)	-	-	-
Lease liabilities	121,527	(142,347)	(20,479)	(22,526)	(99,342)	-
Unclaimed dividend	126	(126)	(126)	-	-	-
	21,807,943	(21,927,363)	(12,324,686)	(1,376,982)	(8,225,695)	-
	2025					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long-term financing - secured	14,174,720	(14,305,330)	(1,289,277)	(1,239,278)	(11,776,775)	-
Long-term trade payables	357,006	(384,057)	(96,376)	(287,681)	-	-
Trade and other payables	3,769,150	(3,769,150)	(3,769,150)	-	-	-
Accrued mark-up	1,085,284	(1,085,284)	(1,085,284)	-	-	-
Short-term financing - secured	4,311,176	(4,311,176)	(4,311,176)	-	-	-
Lease liabilities	96,294	(139,718)	(14,336)	(15,769)	(109,613)	-
Unclaimed dividend	126	(126)	(126)	-	-	-
	23,793,756	(23,994,841)	(10,565,725)	(1,542,728)	(11,886,388)	-

34.3.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

34.4 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 a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk. The Company is exposed to currency risk and interest rate risk only.

a) Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Exposure to currency risk

The Company is exposed to currency risk on export sales and import purchases in a currency other than Rupees. Further, the Company has availed foreign currency loans which also exposes it to the currency risk. However, the Company has hedged its foreign currency exposure by entering into cross currency swap.

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The Company's exposure to foreign currency risk is as follows:

	2026			2025		
	Rupees in '000	US Dollars in '000	EUR in '000	Rupees in '000	US Dollars in '000	EUR in '000
Bills payable in USD	(1,423,812)	(5,115)	-	(458,597)	(1,616)	-
Bills payable in EUR	(7,923)	-	(25)	(14,304)	-	(43)
Long-term trade payables	-	-	-	(28,376)	(100)	-
Trade receivables	96,653	348	-	15,250	54	-
Foreign currency loan						
- denominated in EUR	(299,809)	-	(946)	(944,157)	-	(2,838)
- denominated in USD	(614,444)	(2,208)	-	(1,879,281)	(6,623)	-
Gross exposure	(2,249,335)	(6,975)	(971)	(3,309,465)	(8,285)	(2,881)
Hedging arrangement	914,253	2,208	946	2,823,438	6,623	2,838
Net exposure	(1,335,082)	(4,767)	(25)	(486,027)	(1,662)	(43)

	Average rates		Reporting date rate	
	2026	2025	2026	2025
	Rupees		Rupees	
US Dollars	280.12	279.58	278.16	283.76
EURO	326.00	305.21	316.92	332.66

Sensitivity analysis

A ten percent strengthening or weakening of the Rupee against USD and EUR as at the year end would have increased or decreased the equity and profit or loss by an amount shown in the table below. This analysis assumes that all other variables, in particular the interest rates, remain constant. The analysis was performed on the same basis for 2025.

	2026	2025
	(Rupees in '000)	
Effect on profit or loss on 10% weakening of Rupee	(133,508)	(48,603)
Effect on profit or loss on 10% strengthening of Rupee	133,508	48,603

The sensitivity of foreign exchange rates looks at the outstanding foreign exchange balances of the Company only as at the balance sheet date and assumes this is the position for a full twelve-month period. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentages per annum.

b) Interest rate risk

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. The interest rate exposure arises from long-term loan, bank balances, lease liability and short-term running finance. Other risk management procedures are same as those mentioned in the credit risk management.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were as follows:

	2026	2025
	(Rupees in '000)	
Fixed rate instruments		
Financial assets		
Term deposits	267,757	1,235,757
Variable rate instruments		
Financial assets		
Bank balances	236,649	170,513
Financial liabilities		
Short-term financing	4,672,880	4,311,176
Long-term financing	11,650,918	14,174,720
	16,323,798	18,485,896

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have net decreased / increased the profit or loss of the Company for the year ended June 30, 2026 by Rs. 160.87 million (2025: Rs. 183.15 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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FOR THE YEAR ENDED JUNE 30, 2026

c) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At present, the Company is not exposed to any other price risk.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	2026			
	Short-term borrowings used for cash management purpose	Long-term borrowings	Loan from related party	Total
	(Rupees in '000)			
Balance as at 1 July 2025	4,364,855	14,913,602	292,722	19,571,179
Changes from financing cash flows				
Repayment of long term loan	-	(1,573,523)	-	(1,573,523)
Other changes – interest cost				
Interest expense	395,769	1,374,998	-	1,770,767
Interest paid - note 34.4.1	(370,623)	(1,545,142)	(50,000)	(1,965,765)
Unwinding of restructuring cost	-	32,019	-	32,019
Exchange gain on hedged loan	-	(982,297)	-	(982,297)
Changes in short-term financing	361,704	-	-	361,704
Total loan related other changes	386,850	(1,120,422)	(50,000)	(783,572)
Balance as at 30 June 2026	4,751,705	12,219,657	242,722	17,214,084

	2025			
	Short-term borrowings used for cash management purpose	Long-term borrowings	Loan from related party	Total
	(Rupees in '000)			
Balance as at 1 July 2024	6,682,396	17,605,514	292,722	24,580,632
Changes from financing cash flows				
Repayment of long term loan	-	(1,389,912)	-	(1,389,912)
Other changes – interest cost				
Interest expense	642,147	2,312,766	-	2,954,913
Interest paid - note 34.4.1	(1,001,797)	(2,995,045)	-	(3,996,842)
Unwinding of restructuring cost	-	26,542	-	26,542
Exchange gain on hedged loan	-	(646,263)	-	(646,263)
Changes in short-term financing	(1,957,891)	-	-	(1,957,891)
Total loan related other changes	(2,317,541)	(1,302,000)	-	(3,619,541)
Balance as at 30 June 2025	4,364,855	14,913,602	292,722	19,571,179

34.4.1 This includes profit paid under Islamic mode of financing amounting to Rs. 1.96 billion (2025: Rs. 3.92 billion).

34.5 Hedging activities and derivatives

The Company uses derivatives to hedge exposure from some of its foreign currency transactions. These include cross currency swaps which are designated as cash flow hedge and qualify for hedge accounting (note 2.17).

Cash flow hedges

During the year, the Company had held cross currency swap with commercial banks, designated as cash flow hedge of expected future principal repayments of loan from foreign lenders. The cross currency swap were being used to hedge the currency risk in respect of long-term financing as stated in note 17.3 to these financial statements.

The critical terms of the cross currency swap contracts have been negotiated to match the terms of the aforementioned financial liability (note 11). Therefore, an economic relationship exists.

Hedge ratio is based on hedging instrument with the same notional amount in foreign currency terms as the underlying exposure results in hedge ratio of 1:1 or 100%.

The following potential sources of ineffectiveness are identified:

- the fair value of the hedging instrument on the hedge relationship designation date (if not zero);
- changes in the contractual terms or timing of the payments on the hedged item; and
- A change in the credit risk of the Company or the counter party to the cross currency swap.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

34.6 Capital risk management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distribution to ordinary shareholders.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not required to maintain any regulatory capital.

The debt to capital ratio at June 30 was as follows:

	2026	2025
	(Rupees in '000)	
Total borrowings - note 17 & 24	16,323,798	18,485,896
Cash and bank - note 13	(798,626)	(1,496,175)
Net debt	15,525,172	16,989,721
Equity	24,014,746	23,529,257
Total capital	39,539,918	40,518,978
Debt to capital ratio	39:61	42:58

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2026, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced, except for derivatives which are carried at level 2 of fair value hierarchy.

The Company classifies 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).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation technique used is as follows:

Level 2: 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).

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2026:

	2026			
Financial assets	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Derivative financial asset	-	453,969	-	453,969

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

36 CASH GENERATED FROM OPERATIONS

	2026	2025
	(Rupees in '000)	
Profit before taxation	5,595,964	1,572,313
Adjustment for:		
Depreciation on property, plant and equipment	958,730	876,607
Depreciation on right-of-use asset	29,663	20,867
Finance cost on short-term financing - Islamic	391,101	615,449
Finance cost on short-term financing - Conventional	4,668	26,698
Mark up on lease liability	15,856	19,330
Finance cost on Sindh Workers' Profit Participation Fund	4,789	-
Gain on modification of lease	(17,381)	-
Finance cost on long-term financing - Islamic	1,372,066	2,284,700
Finance cost on long-term financing - Conventional	2,932	28,066
Mark-up on long-term trade payables	27,036	52,201
Unwinding of restructuring cost	32,019	26,542
Exchange loss - net	38,021	62,087
(Gain) / loss on disposal of fixed assets	(398)	285
Finance income	(43,106)	(34,667)
Impairment loss on financial assets	2,475	39,228
Provision for leave encashment expense	25,626	18,221
Provision for gratuity expense	121,171	84,397
	2,965,268	4,120,011
Operating profit before working capital changes	8,561,232	5,692,324
Change in working capital		
(Increase) / decrease in current assets		
Inventories	(815,653)	(36,304)
Stores, spares and loose tools	(1,839,329)	(296,037)
Trade receivables	(157,687)	(56,903)
Short-term investments	(132,000)	(5,084)
Advances and other receivables	(204,714)	164,492
Trade deposits and short-term prepayments	(14,693)	(39,804)
	(3,164,076)	(269,640)
Increase / (decrease) in current liabilities		
Trade and other payables	1,887,335	216,609
Contract liabilities	(220,808)	545,182
	1,666,527	761,791
Cash generated from operations	7,063,683	6,184,475

37 CASH AND CASH EQUIVALENTS

Cash and bank balances	798,626	1,496,175
Short-term financing		
Running finance	(213,995)	(260,943)
	584,631	1,235,232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026	2025
38 ANNUAL PRODUCTION CAPACITY			(Metric tons)
Production capacity			
- Clinker		3,210,000	3,210,000
- Cement		3,370,500	3,370,500
Actual production			
- Clinker	38.1	2,420,556	2,134,913
- Cement	38.2	1,602,073	1,601,983

38.1 Clinker production capacity utilisation is 75.41% (2025: 66.51%) of total installed capacity.

38.2 Cement production capacity utilisation is 47.53% (2025: 47.53%) of total installed capacity. Actual production is less than the installed capacity in response to market demand.

39 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of associated undertakings, other related group companies and persons, major shareholders, directors of the Company, staff retirement benefit fund and key management personnel. The Company carries out transactions with various related parties in the normal course of business and all the transactions with related parties have been carried out in accordance with agreed terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Amounts due to related parties are shown under respective note to the financial statement. Details of transactions / balances with related parties other than those disclosed elsewhere in the financial statements are as follows:

NAME OF THE RELATED PARTY	RELATIONSHIP	TRANSACTIONS DURING THE YEAR AND YEAR END BALANCES	2026	2025
			----- (Rupees in '000) -----	
Aisha Steel Mills Limited	Associated company by virtue of common directorship	Sharing of expense	422	3,929
		Payments made	429	4,500
		Sale of goods	402	377
		Payments received	824	377
		Amount payable	-	429
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	Contribution outstanding	10,253,300	10,261,300
		Contribution received	892,000	6,968,600
		Contribution repaid	900,000	-
		Loan repaid	308,760	308,760
		Mark-up accrued	37,828	166,061
		Mark-up paid	69,424	180,316
		Loan payable (including mark-up)	163,889	504,245
Arif Habib Corporation Limited	Associated company by virtue of common directorship	Guarantee commission accrued	636	849
		Guarantee commission paid	848	848
		Guarantee commission payable	-	212
		Financing received	-	2,375,000
		Financing repaid	-	2,375,000
		Mark-up paid	-	1,446
		Mark-up accrued	-	1,446
Arif Habib Development And Engineering Consultants (Private) Limited	Associated company by virtue of common directorship	Sharing of expense	210	-
		Payments received	210	-
All Pakistan Cement Manufacturers Association	Associated company by virtue of common directorship	Membership fee	2,000	1,500
		Payments made	2,000	1,500
BankIslami Pakistan Limited	Associated company by virtue of common directorship	Mark-up paid	8,126	12,706
		Mark-up accrued	6,757	13,915
		Long term loan repaid	197	108
		Short term financing received	-	500,000
		Short term financing repaid	250,000	250,000
		Bank charges paid	139	75
		Payable against long term loan	394	591
		Mark-up payable	11	1,380
		Bank balance	7,622	21,366
		Payable against short term financing	-	250,000
		Term deposit receipts	3,083	3,083

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

NAME OF THE RELATED PARTY	RELATIONSHIP	TRANSACTIONS DURING THE YEAR AND YEAR END BALANCES	2026	2025
			------(Rupees in '000)-----	
Biomasdar (Pakistan) Limited	Associated company by virtue of common directorship	Sale of goods	-	18,414
		Payments received	10	18,404
		Receivable from customer	-	10
Fatima Packaging Limited	Associated company by virtue of common directorship	Purchase of goods	1,060,525	1,013,205
		Payments made	1,336,206	892,799
		Amount payable	182,467	458,148
Fatima Fertilizer Company Limited	Associated company by virtue of common directorship	Purchase of goods	-	168
Green Store (Private) Limited	Associated company by virtue of common directorship	Purchase of goods	-	2,787
		Payment made	-	2,787
Globe Residency REIT	Associated company by virtue of common directorship	Sale of goods	82,633	64,955
		Payments received	82,798	60,810
		Receivable from customer	16,180	16,345
Habib Sugar Mills Limited	Associated company by virtue of common directorship	Sale of goods	27,647	30,294
		Payments received	27,775	30,166
		Receivable from customer	-	128
Javedan Corporation Limited	Associated company by virtue of common directorship	Sale of goods	17,640	16,145
		Payments received	19,086	35,496
		Receivable from customer	12,171	13,617
		Services received	697	180
		Payments made	408	180
		Amount payable	289	-
Mr. Muhammad Arif Habib	Substantial shareholder / Director	Contribution outstanding	1,496,700	3,672,700
		Contribution received	-	4,950,000
		Contribution repaid	2,176,000	8,618,600
		Mark-up paid	50,000	-
		Mark-up payable	242,722	292,722
Mr. Abdus Samad	Director	Sale of goods	1,075	-
		Payments received	1,075	-
Ms. Sharmin Shahid	Director's relative	Sale of goods	1,732	-
		Payments received	1,732	-
Memon Health & Education Foundation	Associated company by virtue of common directorship	Sale of goods	-	611
		Payments received	-	611
		Advance from customer	192	192
Naya Nazimabad Apartment REIT	Associated company by virtue of common directorship	Sale of goods	5,262	-
		Payments received	2,045	-
		Receivable from customer	3,217	-
Rahat Residency REIT	Associated company by virtue of common directorship	Sale of goods	18,461	12,116
		Payments received	16,740	8,283
		Receivable from customer	6,198	4,477
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	Contribution received	300,000	-
		Contribution repaid	1,366,000	-
		Contribution outstanding	-	1,066,000
		Services received	103,415	27,640
		Lease Rental	34,814	27,368
		Payments made	114,082	59,370
Safe Mix Concrete Limited	Associated company by virtue of common directorship	Amount payable	24,147	-
		Sale of goods	758,868	609,902
		Payments received	653,323	570,312
Signature Residency REIT	Associated company by virtue of common directorship	Receivable from customer	154,708	49,163
		Sale of goods	16,550	4,856
		Payments received	8,146	6,386
Staff retirement benefit fund	Other related party	Receivable from customer	10,303	1,900
		Provision for gratuity expense	121,171	84,397
		Gratuity paid	69,041	46,074
All members of Company's Management Team and Directors	Key management	Payable to gratuity fund	411,145	281,267
		Remuneration and other benefits	575,162	478,710
		Retirement benefits	74,750	48,188
		Directors' fees	575	600
		Advances disbursed to employees	82,546	66,743
		Advances repaid by employees	75,188	53,890
		Advances to employees	62,145	54,787

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

39.1 Following are the related parties with whom the Company had entered into transactions during the year or have arrangements / agreement in place:

S.No.	Name of Related Party	Relationship	Direct Shareholding %
1	Aisha Steel Mills Limited	Associated Company (Common directorship)	Nil
2	Arif Habib Equity (Private) Limited	Associated Company (Common directorship)	Nil
3	Arif Habib Corporation Limited	Associated Company (Common directorship)	26.70%
4	Arif Habib Development and Engineering Consultants (Private) Limited	Associated Company (Common directorship)	Nil
5	All Pakistan Cement Manufacturing Association	Associated Company (Common directorship)	Nil
6	Biomasdar (Pakistan) Limited	Associated Company (Common directorship)	Nil
7	Fatima Packaging Limited	Associated Company (Common directorship)	Nil
8	Fatima Fertilizer Company Limited	Associated Company (Common directorship)	Nil
9	Green store (Private) Limited	Associated Company (Common directorship)	Nil
10	Globe Residency REIT	Associated Company (Common directorship)	Nil
11	Habib Sugar Mills Ltd	Associated Company (Common directorship)	0.01%
12	Javedan Corporation Limited	Associated Company (Common directorship)	Nil
13	BankIslami Pakistan Limited	Associated Company (Common directorship)	Nil
14	Mr. Muhammad Arif Habib	Substantial Shareholder / Director	22.92%
15	Mr. Abdus Samad	Director	Nil
16	Ms. Sharmin Shahid	Director's relative	Nil
17	Memon Health & Education Foundation	Associated Company (Common directorship)	Nil
18	Naya Nazimabad Apartment REIT	Associated Company (Common directorship)	Nil
19	Rahat Residency REIT	Associated Company (Common directorship)	Nil
20	Rotocast Engineering Company (Pvt) Ltd.	Associated Company (Common directorship)	Nil
21	Safe Mix Concrete Limited	Associated Company (Common directorship)	Nil
22	Signature Residency REIT	Associated Company (Common directorship)	Nil
23	Staff retirement benefit fund	Other Related Party	Nil

39.2 Outstanding balances with related parties have been separately disclosed in trade receivables, other receivables and trade and other payables respectively. These are settled in ordinary course of business.

39.3 Remuneration of Chief Executive, Directors and Executives

	Chief Executive		Directors		Executives	
	2026	2025	2026	2025	2026	2025
(Rupees in '000)						
Managerial remuneration	27,637	30,915	-	-	547,525	447,795
Retirement benefits	3,392	2,256	-	-	71,358	45,932
Directors' fees	-	-	575	600	-	-
	31,029	33,171	575	600	618,883	493,727
Number of persons	1	1	7	7	119	100

The Executives are provided with free use of company maintained car and are also provided with medical facilities in accordance with their entitlements.

Executive means an employee of a listed company other than the chief executive and directors whose basic salary exceeds Rs. 1.2 million in a financial year.

39.4 Directors' fee paid to 2 (2025: 3) non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 0.57 million (2025: Rs. 0.6 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

40 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2026	2025
Number of employees as at June 30		
- factory	433	419
- office	88	92
	521	511
Average number of employees during the year		
- factory	428	408
- office	89	89
	517	497

NOTE	2026	2025
	(Rupees in '000)	

41 SHARIAH COMPLIANCE STATUS DISCLOSURE

Disclosures in relation to the statement of financial position - Liability

1.	Short term financing as per Islamic mode	24	4,458,885	4,050,233
2.	Long term financing as per Islamic mode	17	11,650,021	14,123,773
3.	Accrued mark-up on conventional loans	23	244,238	295,205

Disclosures in relation to the statement of financial position - Assets

1.	Bank balances that are Shariah compliant	13	794,617	390,492
2.	TDRs that are Shariah compliant	12 & 13	267,757	1,235,757
3.	Other Shariah compliant investments		-	-

Disclosures in relation to the statement of profit or loss and other comprehensive income

1.	Revenue earned from Shariah-compliant business segment	26	33,978,969	29,520,136
2.	Break-up of late payments or liquidated damages		-	-
3.	Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah compliant associates		-	-
4.	Profit earned from Shariah compliant bank balances and TDRs	31	37,677	31,512
5.	Exchange loss on actual currency	30	6,119	9,137
6.	Exchange loss on conventional derivative financial instruments	11	1,020,320	712,604
7.	Interest earned on any conventional loan or advance		-	-
8.	Profit on Islamic mode of financing	31	1,763,167	2,900,149
9.	Break-up of other income			
	Shariah compliant Income			
	Environmental incentive income		-	13,965
	Gain / (loss) on scrap sales		1,177	(4,415)
	Gain / (loss) on disposal of fixed assets		398	(285)
	Non-Shariah compliant Income			
	Income on insurance claim		-	154
	Gain on Modification of Lease		17,381	-

Relationship with Shariah-compliant financial institutions

Islamic banks

The Company has facilities with Islamic banks for Istisna loan, letter of credit, running Musharakah, Murabaha and Islamic export refinance facility amounting to Rs. 3,675 million, Rs. 1,780 million, Rs. 2,200 million, Rs. 200 million and Rs. 1,875 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Takaful operators

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

42 DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on August 28, 2026.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2026

Ordinary Shares

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage (%)
Directors, Chief Executive and their spouse(s) and minor children			
Mr. Muhammad Arif Habib	2	312,856,652	24.22
Mr. Nasim Beg	1	6,849	0
Mr. Muhammad Kashif	1	2,623,082	0.20
Mr. Abdus Samad	1	2,621	0
Syed Salman Rashid	2	75,582,119	5.85
Mr. Khursheed Anwer Jamal	1	50,000	0
Mr. Khalilullah Shaikh	1	100	0
Ms. Zainab Kashif	1	8	0
	10	391,121,431	30.27
Associated Companies, Undertakings and Related Parties	6	453,127,531	35.08
Banks Development Financial Institutions, Non-Banking Financial Institutions	5	1,272,257	0.10
Modarabas and Mutual Funds	10	20,299,550	1.57
General Public			
Local	8,193	300,508,092	23.27
Foreign	1,046	2,998,694	0.23
	9,239	303,506,786	23.50
Foreign Companies	17	4,554,047	0.35
Others	80	117,851,402	9.12
Total	9,367	1,291,733,004	100

Shareholders holding 10% or more

Name	No. of Shares	Percentage (%)
Mr. Muhammad Arif Habib	312,856,652	24.22
Arif Habib Corporation Limited	341,240,666	26.42

Details of purchase/sale of Shares by Directors, Executives and their Spouse(s)/minor children during FY 2025-26

Name	Date of Transaction	Nature	No. of Shares	Avg. Rate Per Share Rs.
Ms. Anna Samad (Spouse of Mr. Abdus Samad)	August 29, 2025	Sell	25,000	16.25
Mr. Khursheed Anwer Jamal	September 09, 2025	Sell	10,001	19.17
Mr. Khursheed Anwer Jamal	September 10, 2025	Sell	10,000	18.61
Mr. Khursheed Anwer Jamal	September 16, 2025	Sell	15,351	18.98
Arif Habib Corporation Limited	April 07, 2026	Buy	15,460,440	23.91
Arif Habib Corporation Limited	May 21, 2026	Buy	14,214,347	20.14
Arif Habib Corporation Limited	May 29, 2026	Buy	611,762	20.99

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

Ordinary Shares

No. of Shares Held	Shareholding		Total Shares Held
	From	To	
2,192	1	100	66,392
1,718	101	500	595,427
1,181	501	1,000	1,066,890
2,241	1,001	5,000	6,274,859
771	5,001	10,000	6,242,664
289	10,001	15,000	3,719,126
193	15,001	20,000	3,545,760
104	20,001	25,000	2,423,742
89	25,001	30,000	2,510,941
50	30,001	35,000	1,656,790
44	35,001	40,000	1,727,503
27	40,001	45,000	1,178,764
77	45,001	50,000	3,821,611
37	50,001	55,000	1,959,414
18	55,001	60,000	1,058,641
16	60,001	65,000	1,012,296
19	65,001	70,000	1,296,501
12	70,001	75,000	885,525
12	75,001	80,000	939,460
10	80,001	85,000	832,206
10	85,001	90,000	886,548
4	90,001	95,000	370,500
51	95,001	100,000	5,086,609
5	100,001	105,000	512,319
3	105,001	110,000	328,882
1	110,001	115,000	110,380
5	115,001	120,000	596,443
7	120,001	125,000	867,300
1	125,001	130,000	128,000
2	130,001	135,000	261,188
4	135,001	140,000	554,412
1	140,001	145,000	144,000
7	145,001	150,000	1,050,000
1	150,001	155,000	153,000
1	155,001	160,000	160,000
5	160,001	165,000	814,064
4	165,001	170,000	678,000
4	170,001	175,000	699,469
3	175,001	180,000	538,144
1	185,001	190,000	190,000
4	190,001	195,000	773,516
13	195,001	200,000	2,592,128
4	200,001	205,000	812,549
3	205,001	210,000	629,741
2	210,001	215,000	422,450
2	215,001	220,000	440,000

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

Ordinary Shares

No. of Shares Held	Shareholding		Total Shares Held
	From	To	
1	220,001	225,000	225,000
2	225,001	230,000	460,000
1	230,001	235,000	235,000
1	235,001	240,000	240,000
4	245,001	250,000	1,000,000
1	250,001	255,000	255,000
2	260,001	265,000	524,354
1	265,001	270,000	268,198
1	280,001	285,000	284,625
2	290,001	295,000	585,500
7	295,001	300,000	2,095,510
1	300,001	305,000	305,000
1	305,001	310,000	309,500
2	315,001	320,000	640,000
1	330,001	335,000	332,500
2	380,001	385,000	764,540
1	390,001	395,000	395,000
3	395,001	400,000	1,200,000
1	405,001	410,000	410,000
1	415,001	420,000	418,000
1	435,001	440,000	440,000
1	445,001	450,000	450,000
1	450,001	455,000	453,490
1	455,001	460,000	459,000
1	465,001	470,000	467,000
2	475,001	480,000	952,587
1	490,001	495,000	491,000
2	495,001	500,000	1,000,000
2	595,001	600,000	1,200,000
1	600,001	605,000	605,000
1	610,001	615,000	615,000
1	615,001	620,000	620,000
1	645,001	650,000	650,000
1	660,001	665,000	665,000
2	670,001	675,000	1,346,985
1	745,001	750,000	750,000
1	795,001	800,000	800,000
1	830,001	835,000	832,751
2	845,001	850,000	1,699,069
1	855,001	860,000	855,500
1	865,001	870,000	866,958
1	945,001	950,000	950,000
4	995,001	1,000,000	4,000,000
1	1,135,001	1,140,000	1,137,500
2	1,245,001	1,250,000	2,500,000

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

Ordinary Shares

No. of Shares Held	Shareholding		Total Shares Held
	From	To	
1	1,345,001	1,350,000	1,350,000
1	1,365,001	1,370,000	1,365,500
1	1,380,001	1,385,000	1,385,000
1	1,385,001	1,390,000	1,388,800
1	1,495,001	1,500,000	1,500,000
2	1,645,001	1,650,000	3,300,000
1	1,655,001	1,660,000	1,656,500
1	1,690,001	1,695,000	1,692,961
1	1,845,001	1,850,000	1,850,000
1	1,860,001	1,865,000	1,864,432
2	1,995,001	2,000,000	4,000,000
1	2,000,001	2,005,000	2,001,358
1	2,185,001	2,190,000	2,185,625
1	2,320,001	2,325,000	2,321,606
1	2,355,001	2,360,000	2,355,529
1	2,430,001	2,435,000	2,432,500
1	2,485,001	2,490,000	2,488,061
1	2,495,001	2,500,000	2,500,000
1	2,550,001	2,555,000	2,554,000
2	2,620,001	2,625,000	5,247,521
2	2,995,001	3,000,000	6,000,000
1	3,190,001	3,195,000	3,192,676
1	3,205,001	3,210,000	3,207,411
1	3,225,001	3,230,000	3,228,412
1	3,295,001	3,300,000	3,300,000
1	4,165,001	4,170,000	4,166,285
1	4,730,001	4,735,000	4,734,413
1	5,495,001	5,500,000	5,500,000
1	5,785,001	5,790,000	5,786,500
1	7,370,001	7,375,000	7,370,788
1	9,095,001	9,100,000	9,100,000
1	10,965,001	10,970,000	10,968,380
1	11,995,001	12,000,000	12,000,000
1	15,195,001	15,200,000	15,198,201
1	16,915,001	16,920,000	16,920,000
1	19,995,001	20,000,000	20,000,000
1	30,285,001	30,290,000	30,286,549
1	44,695,001	44,700,000	44,700,000
1	46,665,001	46,670,000	46,666,666
1	55,130,001	55,135,000	55,131,918
1	58,660,001	58,665,000	58,662,119
1	91,230,001	91,235,000	91,231,407
1	111,460,001	111,465,000	111,462,396
1	268,155,001	268,160,000	268,156,652
1	310,950,001	310,955,000	310,954,117
9,367	Total		1,291,733,004

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2026

Preference Shares

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage (%)
Directors, Chief Executive and their spouse(s) and minor children			
Mr. Muhammad Kashif	2	17,299,139	23.59
Mr. Abdus Samad	1	602	0.00
	3	17,299,741	23.59
Associated Companies, Undertakings and Related Parties	1	23,171,114	31.59
General Public			
Local	263	26,789,309	36.52
Foreign	10	1,882,498	2.57
	273	28,671,807	39.09
Others	7	4,203,719	5.73
Total	284	73,346,381	100.00

Shareholders holding 10% or more

Name	No. of Shares	Percentage (%)
Mr. Muhammad Kashif	17,299,139	23.59
Arif Habib Corporation Limited	23,171,114	31.59
Mr. Fawad Yusuf	11,998,574	16.36

Details of purchase/sale of Shares by Directors, Executives and their Spouse(s)/minor children during FY 2025-26

Name	Date of Transaction	Nature	No. of Shares	Avg. Rate Per Share Rs.
Mr. Muhammad Arif Habib	June 30, 2025	Sell	16,695,831	17.17
Mr. Muhammad Kashif	June 30, 2025	Buy	16,695,831	17.17

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

Preference Shares

No. of Shares Held	Shareholding		Total Shares Held
	From	To	
68	1	100	1,552
80	101	500	23,198
23	501	1,000	17,400
59	1,001	5,000	135,676
16	5,001	10,000	109,505
7	10,001	15,000	78,164
1	15,001	20,000	18,400
4	20,001	25,000	92,632
3	30,001	35,000	95,648
1	35,001	40,000	37,894
2	40,001	45,000	85,150
1	60,001	65,000	63,500
1	95,001	100,000	100,000
1	190,001	195,000	190,901
1	195,001	200,000	195,831
1	435,001	440,000	438,500
1	455,001	460,000	460,000
1	570,001	575,000	572,254
1	580,001	585,000	583,300
1	600,001	605,000	603,308
1	700,001	705,000	702,995
1	730,001	735,000	732,232
1	995,001	1,000,000	1,000,000
1	1,360,001	1,365,000	1,360,470
1	1,875,001	1,880,000	1,880,000
1	2,185,001	2,190,000	2,190,000
1	4,095,001	4,100,000	4,095,665
1	5,615,001	5,620,000	5,616,687
1	11,995,001	12,000,000	11,998,574
1	16,695,001	16,700,000	16,695,831
1	23,170,001	23,175,000	23,171,114
284	Total		73,346,381

کمپنیز ایکٹ، 2017 کی دفعہ (3) 134 کے تحت اہم حقائق کا بیان

ایجنڈا آئٹم نمبر 4

کمپنی معمول کے مطابق اپنے متعلقہ فریقوں (Related Parties) کے ساتھ انتظامات کرتی ہے اور لین دین انجام دیتی ہے، جو اس کی پالیسیوں اور قابل اطلاق قوانین و ضوابط کے مطابق ہوتے ہیں۔ بعض متعلقہ فریقوں کے لین دین، جن میں چند ڈائریکٹرز کی دلچسپی ہے، ممبران کی منظوری کے متقاضی ہیں جیسا کہ کمپنیز ایکٹ، 2017 کی دفعات 207 اور 208 (جہاں قابل اطلاق ہوں) اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ریگولیشن 15 کے ساتھ پڑھے جانے پر واضح ہوتا ہے۔

کمپنی اپنے متعلقہ فریقوں کے ساتھ لین دین اور معاہدے بنیادی طور پر شفافیت کی بنیاد پر کرتی ہے، جیسا کہ "متعلقہ فریقوں کے ساتھ لین دین" کے حوالے سے منظور شدہ پالیسی کے مطابق کاروبار کے معمول کے دوران کیا جاتا ہے۔ تمام متعلقہ فریقوں کے ساتھ کیے گئے لین دین / معاہدے بورڈ آڈٹ کمیٹی کی سفارش کے تابع ہیں، جس کی سربراہی کمپنی کے ایک غیر جانبدار ڈائریکٹر کے پاس ہے۔ بورڈ آڈٹ کمیٹی کی سفارش پر یہ معاہدے / لین دین بورڈ آف ڈائریکٹرز کے سامنے منظوری کے لیے پیش کیے جاتے ہیں۔

ان متعلقہ فریقوں کے ساتھ تعلق کی نوعیت بھی کمپنی کے مالیاتی گوشواروں برائے مالی سال اختتامیہ 30 جون 2026 کے نوٹ 39 میں ظاہر کر دی گئی ہے۔ ڈائریکٹرز اس قرارداد میں صرف اسی حد تک دلچسپی رکھتے ہیں جس قدر ان کے مشترکہ ڈائریکٹر شپ یا شیئر ہولڈنگز ان متعلقہ فریقوں میں ہیں۔ شفافیت کو یقینی بنانے کے لیے، کمپنی کے چوتیسویں سالانہ اجلاس عام میں ممبران کی منظوری حاصل کی گئی، جس کے تحت بورڈ آف ڈائریکٹرز کو اختیار دیا گیا ہے کہ وہ کمپنی کی جانب سے وقتاً فوقتاً ہر معاملے کی بنیاد پر (مالی سال اختتامیہ 30 جون 2026 کے دوران کئے گئے متعلقہ فریقوں کے ساتھ لین دین کی منظوری دے سکے۔ متعلقہ فریقوں کے ساتھ لین دین اب سالانہ اجلاس عام میں، ممبران کی توثیق اور منظوری کے لیے پیش کی جا رہی ہیں۔

مزید برآں، کمپنی وقتاً فوقتاً مختلف متعلقہ فریقوں کے ساتھ مناسب سمجھی جانے والی حد تک انتظامات کرے گی یا لین دین انجام دے گی جو بورڈ آف ڈائریکٹرز کی جانب سے منظور یا توثیق شدہ ہو، مالی سال اختتامیہ 30 جون 2027 کے دوران۔ ان لین دین میں اشیاء اور انویسٹری کی خرید و فروخت، خدمات کی فراہمی، فیس کی ادائیگی، اخراجات کی واپسی، قرض یا مشارکہ کی وصولی یا ادائیگی، سرمایہ کاری کی جائیدادوں کی خرید و فروخت شامل ہو سکتی ہیں۔ چونکہ بعض ڈائریکٹرز کو مشترکہ ڈائریکٹر شپ کی وجہ سے کچھ متعلقہ فریقوں کے لین دین میں دلچسپی ہوگی، اس لیے ممبران سے منظوری طلب کی جا رہی ہے تاکہ کمپنی کو اختیار دیا جاسکے کہ وہ متعلقہ پارٹیوں کے ساتھ ایسے لین دین اور معاہدے کرے، اور مزید یہ کہ بورڈ آف ڈائریکٹرز کو اختیار و اجازت دی جائے کہ وہ مالی سال اختتامیہ 30 جون 2027 کے لیے کمپنی کی جانب سے کیے جانے والے متعلقہ فریقوں کے لین دین کو منظور کر سکیں۔

فنزیکل حصص کو بک انٹری فارم میں تبدیل کرنے سے متعلق خصوصی نوٹ:

کمپنیز ایکٹ، 2017ء کی دفعہ 72 اور ایس ای سی پی کے خط نمبر CDC/ED/Misc.2016-639-640 مورخہ 26 مارچ 2021 کی تعمیل میں، لسٹڈ کمپنیوں کے لیے ضروری ہے کہ وہ اپنے جاری کردہ موجودہ فنزیکل حصص کو بک انٹری فارم میں تبدیل کریں۔ مندرجہ بالا تقاضے کے پیش نظر، کمپنی کے وہ حصص یافتگان جن کے پاس فنزیکل حصص موجود ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنے حصص کو فنزیکل صورت سے بک انٹری فارم میں جلد از جلد تبدیل کرائیں۔

فنزیکل حصص کو بک انٹری فارم میں تبدیل کرنے سے حصص یافتگان کو بہت سے طریقوں سے سہولت حاصل ہوگی، مثلاً: حصص کی محفوظ تحویل، حصص کی فوری فروخت اور خریداری کے لیے فوری طور پر دستیاب مارکیٹ، حصص کے گم ہونے اور نقصان پہنچنے کے خطرے کا خاتمہ، فنزیکل حصص کے مقابلے میں کم رسمی کارروائیوں کے ساتھ حصص کی آسان اور محفوظ منتقلی۔ کمپنی کے حصص یافتگان فنزیکل حصص کو بک انٹری فارم میں تبدیل کرنے کے سلسلے میں معاونت کے لیے کمپنی کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

کسی بھی سوال / مسئلے / معلومات کے لیے شیئر ہولڈرز کمپنی کے شیئر رجسٹرار سے درج ذیل پتے پر رابطہ کر سکتے ہیں:

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ

سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس

مین شاہراہ فیصل، کراچی۔

9۔ خصوصی کاروباری قراردادوں پر ووٹنگ:

شیر ہولڈرز کو بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنی (پوسٹل بیلٹ) ریگولیشنز 2018 ("ضوابط") کے تحت، جن میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ SRO 2192(1)/2022 مورخہ 5 دسمبر 2022 کے ذریعے ترمیم کی گئی ہے، ایس ای سی پی نے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ شیر ہولڈرز کو خصوصی امور کے طور پر درجہ بند تمام امور پر الیکٹرانک ووٹنگ کی سہولت اور ڈاک کے ذریعے ووٹ دینے کا حق فراہم کریں۔

اسی کے مطابق، کمپنی کے شیر ہولڈرز کو مذکورہ بالا کاروباری امور کے سلسلے میں، کمپنی کی آئندہ سالانہ عام اجلاس جو کہ 20 اکتوبر 2026ء کو صبح 11:30 بجے منعقد کیا جائے گا، الیکٹرانک ووٹنگ کی سہولت یا ڈاک کے ذریعے ووٹ دینے اور اپنا حق رائے دہی استعمال کرنے کی اجازت ہوگی، جو مذکورہ بالا ضوابط میں درج تقاضوں کے مطابق اور ان میں بیان کردہ شرائط سے مشروط ہوگی۔

شیر ہولڈرز کی سہولت کے لیے کمپنی کی ویب سائٹ: www.powercement.com.pk پر ڈاؤن لوڈ کرنے کے لیے دستیاب ہے۔

الف۔ ای ووٹنگ کا طریقہ کار:

- i۔ ای ووٹنگ کی سہولت کی تفصیلات ان شیر ہولڈرز کو ای میل کے ذریعے فراہم کی جائیں گی جن کے کارآمد کمپیوٹر انڈرڈ قومی شناختی کارڈ نمبر، موبائل نمبر اور ای میل کے پتے کمپنی کے شیر ہولڈرز کے رجسٹر میں 12 اکتوبر 2026 کو کاروباری اوقات کے اختتام سے پہلے دستیاب ہوں گے۔
- ii۔ ویب ایڈریس، لاگ ان کی تفصیلات اور پاس ورڈ شیر ہولڈرز کو ای میل کے ذریعے فراہم کیے جائیں گے۔ سیکیورٹی کوڈز شیر ہولڈرز کو سی ڈی سی شیر رجسٹر ارسر و سز لمیٹڈ کے ویب پورٹل، جو کہ ای ووٹنگ کی سہولت فراہم کرنے والا ادارہ ہے، سے بذریعہ ایس ایم ایس بھیجے جائیں گے۔
- iii۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے کے خواہش مند شیر ہولڈرز کی شناخت کی تصدیق الیکٹرانک دستخط یا لاگ ان کے لیے تصدیقی عمل کے ذریعے کی جائے گی۔
- iv۔ ای ووٹنگ کی لائنیں 14 اکتوبر 2026 سے شروع ہوں گی اور 19 اکتوبر 2026 کو شام 5:00 بجے بند ہو جائیں گی۔
- v۔ شیر ہولڈرز اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک مرتبہ کسی شیر ہولڈر کی جانب سے کسی قرارداد کے حق میں یا اس کے خلاف ووٹ ڈال دیے جانے کے بعد، اسے بعد میں اپنا ووٹ تبدیل کرنے کی اجازت نہیں ہوگی۔

ب۔ بذریعہ ڈاک بیلٹ کے ذریعے ووٹنگ کا طریقہ کار:

شیر ہولڈرز اس بات کو یقینی بنائیں کہ مکمل طور پر پُر اور دستخط شدہ بیلٹ پیپر، کمپیوٹر انڈرڈ قومی شناختی کارڈ کی نقل کے ساتھ، اجلاس کے چیئرمین تک ڈاک کے ذریعے کمپنی کے رجسٹرڈ دفتر کے پتے: گراؤنڈ فلور، عارف حبیب سینٹر، 23 ایم ٹی خان روڈ، کراچی یا بذریعہ ای میل: corporate@powercement.com.pk 19 اکتوبر 2026 کو سالانہ عام اجلاس سے ایک دن پہلے، دفتری اوقات کے دوران ہر صورت پہنچ جانا چاہیے۔ بیلٹ پیپر پر موجود دستخط کمپیوٹر انڈرڈ قومی شناختی کارڈ پر موجود دستخط سے مطابقت رکھنا لازم ہے۔

حصص یافتگان کی سہولت کے لیے بیلٹ پیپر کمپنی کی ویب سائٹ: www.powercement.com.pk پر بھی دستیاب ہے۔

5- آڈٹ شدہ مالیاتی گوشواروں کی بذریعہ ای میل ترسیل:

15 اکتوبر 2016 کو منعقدہ 25 ویں سالانہ اجلاس عام میں حصص داروں نے منظوری دی تھی کہ سالانہ آڈٹ شدہ اکاؤنٹس کو پرنٹ شدہ شکل میں بھیجنے کے بجائے CD/DVD/USB ای میل کے ذریعے سافٹ فارم میں بھیجا جائے، جیسا کہ SRO787(1)/2014 مجریہ 8 ستمبر 2014 اور SRO470(1)/2016 مجریہ 31 مئی 2016 میں بیان کیا گیا ہے۔ لہذا کمپنی نے مالیاتی رپورٹس شیئر ہولڈرز کو ان کے رجسٹرڈ ای میل ایڈریس پر ارسال کر دی ہیں، جیسا کہ کمپنیز ایکٹ 2017 کی دفعہ (6) 223 کے تحت اجازت دی گئی ہے۔ تاہم، جو شیئر ہولڈرز مالیاتی گوشواروں کی پرنٹ شدہ کاپی حاصل کرنا چاہتے ہیں، وہ "اسٹینڈرڈ ریکویسٹ فارم" (کمپنی کی ویب سائٹ پر دستیاب) کے ذریعے کمپنی کے رجسٹرڈ پتے پر درخواست بھیج سکتے ہیں۔

6- کمپیوٹرائزڈ قومی شناختی کارڈ/این ٹی این (جمع کروانا لازمی ہے)

وہ انفرادی ممبران جنہوں نے ابھی تک کمپنی یا شیئر رجسٹرار کو اپنا درست CNIC جمع نہیں کروایا، ان سے درخواست ہے کہ جلد از جلد CNIC کی کاپی براہ راست CDC شیئر رجسٹرار سروسز لمیٹڈ کو ارسال کریں۔ کارپوریٹ ادارے اپنا نیشنل ٹیکس نمبر (NTN) فراہم کریں۔ CNIC/NTN کی تفصیلات کے ساتھ اپنا فوٹیو نمبر بھی فراہم کریں۔

7- ویب سائٹ پر مالیاتی گوشواروں اور رپورٹس کی دستیابی:

کمپنیز ایکٹ، 2017ء کی دفعہ (7) 223 کی دفعات کے مطابق، کمپنی کے مالی سال اختتامیہ 30 جون 2026 کے آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ پر دستیاب ہیں: <https://powercement.com.pk/financial-reports/>۔

8- ویڈیو کانفرنس کی سہولت کے لیے رضامندی:

کمپنیز ایکٹ، 2017ء کی دفعہ (b) (1) 134 کی تعمیل میں، کمپنی کے شیئر ہولڈرز ویڈیو کانفرنس کی سہولت کے ذریعے سالانہ عام اجلاس میں شرکت اور کارروائی میں حصہ لے سکتے ہیں، بشرطیکہ کراچی کے علاوہ کسی دوسرے شہر میں رہنے والے شیئر ہولڈرز یا شیئر ہولڈرز، جو مجموعی طور پر کمپنی کے 10 فیصد یا اس سے زیادہ حصص رکھتے ہوں، تحریری طور پر یہ مطالبہ کریں کہ وہ ویڈیو کانفرنس کے ذریعے سالانہ عام اجلاس میں شرکت کرنا چاہتے ہیں۔ یہ تحریری مطالبہ سالانہ عام اجلاس کی تاریخ سے کم از کم دس (10) دن پہلے کیا جانا ضروری ہے۔

اس سہولت سے فائدہ اٹھانے کے لیے شیئر ہولڈرز سے درخواست ہے کہ مطلوبہ معلومات کے ساتھ درج ذیل فارم کمپنی کے رجسٹرڈ دفتر میں جمع کرائیں۔

میں/ہم	ولد/بنت	پاور سیمنٹ لمیٹڈ کے شیئر ہولڈر/شیئر
ہولڈرز ہونے کی حیثیت سے، رجسٹرڈ فوٹیو/سی ڈی سی اکاؤنٹ نمبر	کے	
تحت	عام/ترجیحی حصص کا/کے حامل، بذریعہ ہذا	مقام
پر ویڈیو کانفرنس کی سہولت حاصل کرنے کا/کے اختیار حاصل کرنے کے خواہاں ہیں۔		
نام و دستخط	تاریخ	

کمپنی شیئر ہولڈرز کو سالانہ عام اجلاس کی تاریخ سے کم از کم پانچ (05) دن پہلے ویڈیو کانفرنس کی سہولت کے مقام کے بارے میں مطلع کرے گی، اور انہیں اس سہولت تک رسائی حاصل کرنے کے قابل بنانے کے لیے تمام ضروری معلومات بھی فراہم کرے گی۔

2- ویڈیولنک کی سہولت کے ذریعے سالانہ عام اجلاس کی کارروائی میں شرکت:

کمپنی اپنے شیئرز ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ سرکلرز کے مطابق ویڈیولنک سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کی سہولت فراہم کرتی ہے۔ وہ ممبران/پراکسی جو اس سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کے خواہشمند ہیں، ان سے درخواست ہے کہ درج ذیل معلومات corporate@powercement.com.pk پر "Registration for 35th AGM of Power Cement Limited" کے عنوان کے ساتھ ارسال کریں، ساتھ ہی CNIC (دونوں اطراف) یا پاسپورٹ کی کارآمد نقل بھی منسلک کریں۔

حصص یافتہ کا نام	فلو/سی ڈی سی نمبر	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	موبائل فون نمبر	رجسٹرڈ شدہ ای میل پتہ

ویڈیولنک اور لاگ ان کی تفصیلات ان شیئرز ہولڈرز/پراکسی ہولڈرز کے ساتھ شیئر کی جانیں گی جن کی ای میل، جس میں اوپر بیان کردہ تمام مطلوبہ تفصیلات شامل ہوں، سالانہ عام اجلاس کے وقت سے کم از کم 48 گھنٹے قبل موصول ہو جائے گی۔

3- پراکسی کی تقرری اور سالانہ عام اجلاس میں شرکت:

- اجلاس میں شرکت اور ووٹ دینے کا اہل کوئی بھی شیئر ہولڈر، کسی دوسرے شیئر ہولڈر کو اپنا پراکسی مقرر کر سکتا ہے، جسے اجلاس میں شرکت کرنے، اظہار خیال کرنے اور ووٹ دینے کے حوالے سے وہی حقوق حاصل ہوں گے جو کسی شیئر ہولڈر کو دستیاب ہوتے ہیں۔
- پراکسی فارم کا ایک خالی نمونہ انگریزی اور اردو دونوں زبانوں میں سالانہ رپورٹ کے ساتھ منسلک ہے۔ پراکسی فارم کمپنی کی ویب سائٹ پر بھی دستیاب ہے: <https://powercement.com.pk/notices>
- پراکسی فارم کو مؤثر بنانے کے لیے ضروری ہے کہ یہ کمپنی کے رجسٹرڈ دفتر، مقام گراؤنڈ فلور، عارف حبیب سینٹر، 23، ایم۔ ٹی۔ خان روڈ، کراچی میں اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہو جائے۔
- سنٹرل ڈپازٹری کمپنی کے اکاؤنٹ ہولڈرز کے لیے بھی ضروری ہے کہ وہ ایس ای سی پی کی جانب سے جاری کردہ سرکلر نمبر 1، مورخہ 26 جنوری 2000 میں درج رہنما اصولوں پر عمل کریں۔
- کسی کارپوریٹ ادارے کی جانب سے پراکسی مقرر کیے جانے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل پراکسی فارم کے ساتھ جمع کروانا ضروری ہوگا۔

4- شیئر ہولڈرز کے پتوں میں تبدیلی:

وہ شیئر ہولڈرز جن کے پاس فزیکل حصص موجود ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنے پتے/رابطے کی تفصیلات میں کسی بھی تبدیلی سے متعلق فوری طور پر شیئرز رجسٹرار، میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ کو مطلع کریں۔ جبکہ سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست ہے کہ وہ اپنے متعلقہ سی ڈی سی شراکت دار/انویسٹر اکاؤنٹ سروس فراہم کار سے رابطہ کریں۔

یہ قرارداد منظور کی جاتی ہے کہ کمپنی کو اختیار دیا جاتا ہے کہ وہ 30 جون 2027 کو ختم مالی سال کے دوران مختلف متعلقہ فریقوں کے ساتھ، وقتاً فوقتاً، ایسے معاہدے کرے یا لین دین کرے جیسا کہ بورڈ آف ڈائریکٹرز کی جانب سے موزوں اور منظور شدہ ہو یا توثیق شدہ ہو۔ ان لین دین میں اشیاء اور ذخائر کی خرید و فروخت، خدمات کی فراہمی، فیس کی ادائیگی، اخراجات کی واپسی، قرض اور مشارکہ کی رقم کی وصولی یا ادائیگی، سرمایہ کاری کی جائیدادوں اور خرید و فروخت شامل ہو سکتی ہے۔ چونکہ چند ڈائریکٹرز کا بعض متعلقہ فریقوں کے ساتھ مشترکہ ڈائریکٹر شپ کی بنیاد پر مفاد ہو سکتا ہے، اس لیے شیئرز ہولڈرز بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کو ان تمام متعلقہ فریقوں کے لین دین کی منظوری، تصدیق اور توثیق کا اختیار دیتے ہیں۔

یہ قرارداد منظور کی جاتی ہے کہ متعلقہ فریقوں کے ساتھ کیے جانے والے لین دین، جو کہ 30 جون 2027 کو ختم مالی سال کے دوران کیے جائیں گے، وہ شیئرز ہولڈرز کی جانب سے منظور شدہ تصور کیے جائیں گے، اور بعد ازاں آئندہ سالانہ عمومی اجلاس میں شیئرز ہولڈرز کے سامنے توثیق اور تصدیق کے لیے پیش کیے جائیں گے۔"

دیگر امور:

5- چیئرمین کی اجازت سے کسی بھی دیگر امور کو زیر غور لانا۔

کمپنیز ایکٹ 2017 کی دفعات (3) 134 اور (3) 166 کے تحت اہم حقائق سے متعلق ایک بیان نوٹس ہذا کے ساتھ منسلک کیا گیا ہے۔

بحکم بورڈ



سلمان گوگن
کمپنی سیکریٹری

29 ستمبر 2026
کراچی

نوٹس:

1- حصص کی منتقلی کے کھاتوں کی بندش:

کمپنی کی حصص کی منتقلی کے کھاتے 13 اکتوبر 2026 سے 20 اکتوبر 2026 تک بند رہیں گی (بشمول ایام مذکورہ)۔ کمپنی کے شیئرز رجسٹرار، میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کے دفتر میں 12 اکتوبر 2026 کو کاروباری اوقات کے اختتام تک موصول ہونے والی منتقلیاں سالانہ عام اجلاس میں شرکت کے مقصد کے لیے بروقت تصور کی جائیں گی۔

اطلاع برائے پینتیسواں سالانہ عام اجلاس

بذریعہ ہذا مطلع کیا جاتا ہے کہ پاور سیمنٹ لمیٹڈ ("کمپنی") کا 35 واں سالانہ عام اجلاس بروز منگل، 20 اکتوبر 2026ء، صبح 11:30 بجے، پاکستان اسٹاک ایکسچینج، آڈیٹوریم، تیسری منزل، ایڈمن بلاک، اسٹاک ایکسچینج بلڈنگ، اسٹاک ایکسچینج روڈ، کراچی میں منعقد ہوگا، نیز اس اجلاس میں بذریعہ ویڈیولنک بھی شرکت کی جاسکتی ہے، اجلاس ہذا میں درج ذیل امور انجام دیے جائیں گے۔

عمومی امور:

- 1- کمپنی کے 34 ویں سالانہ عام اجلاس منعقدہ 14 اکتوبر 2025 کی کارروائی کی توثیق کرنا۔
- 2- مالی سال اختتامیہ 30 جون 2026 کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے معہ ڈائریکٹر رپورٹ اور آڈیٹر رپورٹ وصول کرنا، ان پر غور کرنا اور انہیں منظور کرنا۔
- کمپنیز ایکٹ، 2017 کی دفعہ (7) 223 کے تحت مطلوبہ تقاضے کے مطابق، اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے 21 مارچ 2023 کو جاری کردہ S.R.O.389(I)/2023 کے مطابق، کمپنی کی مالی سال اختتامیہ 30 جون 2026 کی سالانہ رپورٹ کمپنی کی ویب سائٹ پر اپ لوڈ کر دی گئی ہے، جس تک درج ذیل لنک اور کیو آر کوڈ کے ذریعے رسائی حاصل کر کے ڈاؤن لوڈ کیا جاسکتا ہے:

<https://powercement.com.pk/financial-reports/>



- 3- مالی سال اختتامیہ 30 جون 2027 کے لیے آڈیٹر کی تقرری اور ان کے معاوضے کا تعین کرنا۔ موجودہ آڈیٹر، میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، اپنی مدت مکمل ہونے پر سبکدوش ہونے جارہے ہیں اور چونکہ وہ دوبارہ تقرری کے لیے اہل ہیں، اس لیے انہوں نے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔

خصوصی امور:

- 4- اس بات پر غور کرنا اور اگر مناسب سمجھا جائے تو، درج ذیل قراردادوں کو، جیسا کہ مناسب ہو، ترمیم کے ساتھ یا بغیر ترمیم کے، کمپنیز ایکٹ 2017 کی دفعات 207 اور/یا 208 (جہاں قابل اطلاق ہو) کے تحت، متعلقہ فریقوں کے ساتھ کیے گئے/کیے جانے والے لین دین/معاہدات کے حوالے سے، خصوصی قراردادوں کے طور پر منظور اور توثیق کرنا:

"یہ قرارداد منظور کی جاتی ہے کہ کمپنی کی جانب سے مختلف متعلقہ فریقوں کے ساتھ کیے گئے وہ تمام لین دین، جو مالی سال اختتامیہ 30 جون 2026 کے دوران کیے گئے، جیسا کہ کمپنی کے مالیاتی گوشواروں کے نوٹ نمبر 39 میں ظاہر کیا گیا ہے، اور سیکشن (3) 134 کے تحت بیان کردہ "اسٹیٹمنٹ آف میٹیریل انفارمیشن" میں درج ہے، ان کی توثیق، تصدیق اور منظوری دی جاتی ہے۔

ای ایس جی اور پائیداری

بورڈ کمپنی کی طویل مدتی حکمت عملی اور فیصلہ سازی میں ماحولیاتی، سماجی اور گورننس (ESG) کے عوامل کو شامل کرنے کے لیے بدستور پُر عزم ہے۔ مالی سال 2026 کے دوران بورڈ نے ایک ای ایس جی کمیٹی قائم کر کے ای ایس جی گورننس کے فریم ورک کو مزید مضبوط کیا، جو ای ایس جی سے متعلق پالیسیوں اور اقدامات کی نگرانی کرتی ہے اور بورڈ کو رپورٹ پیش کرے گی۔

کمپنی پائیداری سے متعلق خطرات کو اپنے وسیع تر رسک مینجمنٹ اور آپریشنل استحکام کے فریم ورک کا حصہ سمجھتی ہے۔

تنوع، مساوات اور شمولیت

کمپنی ایک جامع اور سب کو شامل کرنے والے ماحول کار اور مساوی مواقع فراہم کرنے کے لیے پُر عزم ہے۔ سال کے دوران کمپنی نے منصفانہ اور جامع بھرتی کے طریقہ کار کی حمایت جاری رکھی اور ملازمین میں تنوع، مساوات اور شمولیت کے بارے میں آگاہی کو فروغ دیا۔

اسناد

کمپنی اپنے ملازمین اور دیگر متعلقہ فریقین کے لیے ایک محفوظ کام کا ماحول فراہم کرنے کے لیے پُر عزم ہے۔ کمپنی کے ISO 14001:2015, ISO 9001:2015 اور 45001:2018 سرٹیفیکیشنز صحت، حفاظت، ماحولیات اور معیار کے انتظام کے طریقہ کار پر مسلسل عمل درآمد کی عکاسی کرتے ہیں۔

کمپنی کے بیرونی آڈیٹرز کی تقرری

آڈیٹرز، میسرز ایف فرگوسن اینڈ کمپنی (M/s. A. F. Ferguson & Co)، اپنی مدت مکمل ہونے پر سبکدوش ہونے جارہے ہیں اور اہل ہونے کی بنیاد پر دوبارہ تقرری کے لیے اپنی خدمات پیش کر رہے ہیں۔ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے مالی سال اختتامیہ 30 جون 2027 کے لیے انہیں آڈیٹرز مقرر کرنے کی سفارش کی ہے، بشرطیکہ آئندہ سالانہ عام اجلاس میں شیئر ہولڈرز اس کی منظوری دیں۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز کمپنی کے ملازمین، صارفین، سپلائرز، حصص یافتگان، بینکاروں اور کاروباری شراکت داروں کا ان کی مستقل حمایت پر تہہ دل سے شکریہ ادا کرتے ہیں۔ ان کی لگن، وفاداری اور اعتماد نے کمپنی کی ترقی اور استحکام میں اہم کردار ادا کیا ہے۔

برائے و منجانب بورڈ



محمد کاشف

چیف ایگزیکٹو آفیسر



محمد عارف حبیب

چیئر مین

28 اگست 2026
کراچی

بورڈ کی آڈٹ کمیٹی کو بیرونی اور اندرونی آڈیٹرز کی جانب سے اندرونی مالیاتی نگرانی کے نظام کے بارے میں رپورٹس موصول ہوتی ہیں اور وہ نگرانی کے اس عمل کی موثریت کے عمل کا جائزہ لیتی ہے۔

ترتیب حصص داری

کمپنی کے عام اور ترجیحی حصص پاکستان اسٹاک ایکسچینج میں درج ہیں۔ 30 جون 2026 تک کمپنی کے پاس 1,291,733,004 عام حصص (2025 کے مطابق: 1,290,523,671) اور 73,346,381 ترجیحی حصص (2025 کے مطابق: 74,253,381) تھے۔ سال کے دوران، حصص یافتگان نے 907,000 ترجیحی حصص کو 1,209,333 عام حصص میں تبدیل کیا۔ حصص رکھنے کے طریقہ کار کی مکمل تفصیل اس رپورٹ کے ساتھ منسلک ہے۔

کمپنی کے حصص میں ڈائریکٹرز اور ایگزیکٹوز کی خرید و فروخت

کمپنی کے حصص میں ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری، سربراہ اندرونی آڈٹ، اور ان کے شریک حیات اور نابالغ بچوں کی جانب سے کیے جانے والے لین دین کی تفصیل اس رپورٹ کے ساتھ منسلک ہے۔

ایسے تمام افراد کے لیے لازم ہے کہ وہ کمپنی کے حصص میں کسی بھی قسم کی خرید و فروخت، خواہ وہ خود کریں یا ان کے شریک حیات یا نابالغ بچے کریں، کے بارے میں کمپنی سیکریٹری کو فوری طور پر تحریری طور پر مطلع کریں، اور قابل اطلاق ضوابط میں مقرر کردہ مدت کے اندر لین دین کا تحریری ریکارڈ فراہم کریں، جس میں قیمت، حصص کی تعداد اور سی ڈی سی اسٹیٹمنٹ شامل ہو۔

کمپنی کے کاروبار کے ماحول پر اثرات

کمپنی کا ایف ایل اسمتھ (FLSmidth) پلانٹ ایک آن لائن کوالٹی کنٹرول سسٹم اور یورپی ایکوای تھری فلٹریشن ٹیکنالوجی پر مبنی آلودگی کنٹرول بیگ ہاؤس سسٹم سے لیس ہے۔ مالی سال 2026 کے دوران تیسرے فریق کی جانب سے کی جانے والی نگرانی سے ظاہر ہوا کہ مرکزی چھنی سے خارج ہونے والے معلق ذرات، نائٹروجن آکسائیڈز اور سلفر ڈائی آکسائیڈ کی مقدار کمپنی کے زیر استعمال قابل اطلاق سندھ ماحولیاتی معیار (SEQS) کی مقررہ حدود کے اندر رہی۔

پلانٹ اپنی بجلی کی ضروریات کا ایک حصہ پورا کرنے اور گرڈ سے حاصل ہونے والی بجلی پر انحصار کم کرنے کے لیے 11.5MW ویسٹ ہیٹ ریکوری سسٹم (WHRS)، 7 میگا واٹ کاسولر پلانٹ اور 7.5 میگا واٹ کاونڈ پاور منصوبہ استعمال کرتا ہے۔ کمپنی روایتی ایندھن پر انحصار کم کرنے کے لیے متبادل ایندھن بھی استعمال کرتی ہے۔

ایک مخصوص ایچ ایس ای (صحت، حفاظت اور ماحولیات) شعبہ ماحولیاتی قوانین اور ضوابط کی تعمیل کی نگرانی کرتا ہے اور ماحول سے متعلق اہم اشاریوں کی نگرانی کرتا ہے۔ مالی سال 2026 کے دوران کمپنی نے Reduce, Reuse and Recycle (3R) یعنی "کم کرو، دوبارہ استعمال کرو اور دوبارہ استعمال کے قابل بناؤ" کے طریقہ کار کو جاری رکھا، جس میں پانی کا تحفظ اور دوبارہ استعمال، چھنی سے خارج ہونے والے دھوئیں اور گیسوں کی نگرانی اور کنٹرول، اور متبادل ایندھن کے استعمال میں اضافہ شامل ہے۔ ماحول کو بہتر بنانے اور کاربن کے جذب میں معاونت کے لیے شجرکاری اور گرین بیلٹ میں اضافے کی سرگرمیاں بھی سرانجام دی گئیں۔

سانس کے ذریعے جسم میں داخل ہونے والے معلق ذرات (RSPM) اور سڑکوں سے اٹھنے والی منتشر گرد و غبار کو کنٹرول کرنے کے لیے جامع گرد و غبار ختم کرنے کے اقدامات نافذ ہیں، جن میں بیگ ہاؤسز، ڈسٹ کلیکشن سائیکلونز، الیکٹرواسٹیک پریسیپیٹیشنز اور گرد و غبار دبانے کے نظام شامل ہیں۔ آلودگی کنٹرول کے نظاموں کے موثر آپریشن کے ساتھ یہ اقدامات اخراج کو کم سے کم رکھنے میں معاون ہیں۔

کمپنی ایک مربوط مینجمنٹ سسٹم برقرار رکھے ہوئے ہے، جو پیشہ ورانہ صحت، حفاظت، ماحولیات اور معیار کے انتظام کا احاطہ کرتا ہے۔ متعلقہ سرٹیفیکیشنز اس رپورٹ کے سرٹیفیکیشنز کے حصے میں درج ہیں۔

☆ کمپنی کی حیثیت کو ایک جاری کاروبار (going concern) کے طور پر برقرار رکھنے پر کوئی شکوک نہیں پائے جاتے۔ کمپنی اپنے واجب الادا قرضے مقررہ وقت پر ادا کر رہی ہے اور بینکوں کو قرضوں کی ادائیگی میں کسی قسم کی نادہندگی کا سامنا نہیں ہے۔

☆ لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی اہم انحراف نہیں ہوا۔

☆ کمپنی اپنے ملازمین کے لیے فنڈڈ گریجویٹ اسکیم چلاتی ہے، جس کی تفصیلات مالیاتی گوشواروں کے متعلقہ نوٹ میں ظاہر کی گئی ہیں۔

☆ مقررہ فارمیٹ میں حصص رکھنے کے طریقہ کار یعنی ترتیب حصص داری کا بیان، جس میں حصص کی مجموعی تعداد ظاہر کی گئی ہے اور اسے سالانہ رپورٹ کا حصہ بنایا گیا ہے۔

☆ گزشتہ چھ سالوں کے اہم آپریشنل اور مالیاتی اعداد و شمار اس سالانہ رپورٹ کے مالیاتی معلومات کا تجزیہ کے حصے میں موجود ہیں۔

بورڈ کے لیے جائزے کے معیارات

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (ترمیم شدہ) کے مطابق بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ لینے کے لیے ایک جامع طریقہ کار موجود ہے۔

اس طریقہ کار کے تحت بورڈ آف ڈائریکٹرز کی کارکردگی کا درج ذیل پیمانوں پر جائزہ لیا جاتا ہے:

☆ بورڈ کی جانب سے نگرانی اور اس کا مؤثر ہونا

☆ بورڈ کی تشکیل اور اس کی کمیٹیاں

☆ بورڈ کے اجلاس اور کارروائی

☆ بورڈ اور انتظامیہ کے باہمی تعلقات

☆ تعلقات اور قیادت کا انتظام

☆ ڈائریکٹرز کی کارپوریٹ قوانین اور ضوابط سے واقفیت

☆ کارپوریٹ گورننس

بورڈ کی کارکردگی کا جائزہ

مندرجہ بالا معیارات کی بنیاد پر بورڈ کی مجموعی کارکردگی کا جائزہ لیا گیا، جو زیر نظر مالی سال کے لیے تسلی بخش رہی۔ بورڈ کی کارکردگی کے بارے میں چیئرمین کی ایک علیحدہ رپورٹ، جو کہ کمپنیز ایکٹ 2017 کی دفعہ 192 کے تحت ضروری ہے، اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

کمپنی کے ڈائریکٹرز کی معاوضہ پالیسی

غیر جانبدار ڈائریکٹرز کو بورڈ یا اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے فیس ادا کی جاتی ہے، جس کی منظوری 28 اکتوبر 2019 کو منعقد ہونے والے سالانہ عام اجلاس میں دی گئی تھی۔ چیف ایگزیکٹو اور ڈائریکٹرز کے معاوضے کی تفصیلات مالی سال اختتامیہ 30 جون 2026 کے مالیاتی گوشواروں کے نوٹس میں ظاہر کی گئی ہیں۔

اندرونی مالیاتی نگرانی کی کفایت

بورڈ آف ڈائریکٹرز اندرونی نگرانی کے ماحول کی اپنی ذمہ داری سے بخوبی آگاہ ہے اور اس نے مؤثر آپریشنز کی معاونت، کمپنی کے اثاثوں کے تحفظ، قابل اطلاق قوانین اور ضوابط کی تعمیل کو یقینی بنانے، اور قابل اعتماد مالیاتی رپورٹنگ فراہم کرنے کے لیے اندرونی مالیاتی نگرانی کا ایک نظام قائم کیا ہے۔ کمپنی کا آزاد اندرونی آڈٹ کا شعبہ باقاعدگی سے ان نگرانیوں کا جائزہ لیتا اور ان پر گہری نظر رکھتا ہے۔

کمپنی کمپنی کے ماحولیاتی، سماجی اور گورننس فریم ورک کی نگرانی، جس میں پائیداری سے متعلق خطرات اور مواقع، تنوع، مساوات اور شمولیت کے طریقہ کار، قابل اطلاق پائیداری کے قوانین اور رپورٹنگ کے تقاضوں کی تعمیل، اور کمپنی کی پائیداری سے متعلق معلومات کے انکشافات کے معیار کی نگرانی کرے گی۔

ممبران کے نام	عہدہ
جناب خلیل اللہ شیخ	چیئرمین
جناب خورشید انور جمال	ممبر
محترمہ زینب کاشف	ممبر

خطرات کا انتظام اور خطرات کو کم کرنے کی حکمت عملی

بورڈ آف ڈائریکٹرز نے ممکنہ خطرات کی نشاندہی کی ہے، کمپنی پر ان کے اثرات کا جائزہ لیا ہے اور خطرات کو کم کرنے کے لیے حکمت عملیاں مرتب کی ہیں۔ ان حکمت عملیوں کو پوری کمپنی میں نافذ کیا گیا ہے۔

کمپنی کو درپیش بنیادی خطرات اور مسائل درج ذیل ہیں:

i۔ قرضوں کا بلند حجم، جس کے نتیجے میں منافع پر منفی دباؤ پڑتا ہے؛

ii۔ مسابقتی قیمتوں کے باعث کاروبار کرنے کی لاگت، بالخصوص کونسلے اور بجلی کی لاگت میں ہونے والے اچانک اضافے کو صارفین تک منتقل کرنے میں ناکامی؛

iii۔ شرح مبادلہ اور شرح سود سے متعلق خطرات کا سامنا؛

iv۔ پیداواری صلاحیت میں توسیع اور نئے پلانٹس کے قیام کے نتیجے میں اضافی رسد؛ اور

v۔ ملازمین کی جانب سے ملازمت تبدیل کرنے کی بلند شرح کے باعث ماہر اور ہنرمند افراد سے محرومی۔

ان خطرات پر سالانہ رپورٹ کے متعلقہ حصوں میں مزید تفصیل بیان کی گئی ہے۔

کارپوریٹ گورننس کا ضابطہ

ڈائریکٹرز کمپنی کی اسٹریٹجک سمت اور کاروباری منصوبوں کا باقاعدگی سے جائزہ لیتے ہیں۔ آڈٹ کمیٹی لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (ترمیم شدہ) کی تعمیل کی نگرانی کرتی ہے۔ کمپنی قابل اطلاق تقاضوں کے مطابق اچھی کارپوریٹ گورننس برقرار رکھنے کے لیے تمام ضروری اقدامات کرتی ہے۔ اس تعمیل کے ایک حصے کے طور پر، ڈائریکٹرز تصدیق کرتے ہیں کہ:

☆ کمیٹی کی انتظامیہ کی جانب سے تیار شدہ مالی گوشوارے کمپنی کے مالی حالات، کاروباری افعال کے نتائج، نقد رقوم کی ترسیل اور ایکویٹی میں تبدیلیوں کو درست طور پر ظاہر کرتے ہیں۔

☆ کمپنی نے محاسبی کے مناسب اور درست کھاتے مرتب کر رکھے ہیں۔

☆ چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے بورڈ کی منظوری سے قبل مالیاتی گوشواروں کی باقاعدہ طور پر توثیق کی۔

☆ مالیاتی گوشوارے تیار کرتے وقت مناسب محاسبی پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے، اور محاسبی کے تخمینے معقول اور محتاط فیصلے کی بنیاد پر کیے گئے ہیں۔

☆ مالیاتی گوشوارے تیار کرتے وقت پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) پر عمل کیا گیا ہے۔

☆ اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا جاتا ہے۔

زیر جائزہ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر رکن کی حاضری درج ذیل رہی:

ممبران کے نام	عہدہ	اجلاسوں میں حاضری
جناب خورشید انور جمال	چیئر مین	4/4
سید سلمان رشید	ممبر	4/4
جناب عبدالصمد	ممبر	2/4

انسانی وسائل اور معاوضہ (HR&RC) کمیٹی

بورڈ آف ڈائریکٹرز نے انسانی وسائل اور معاوضے کی کمیٹی (HR&RC) قائم کی ہے، جو تین اراکین پر مشتمل ہے، جن میں سے دو غیر انتظامی ڈائریکٹر ہیں۔ اس کی تشکیل لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (ترمیم شدہ) کے مطابق کی گئی ہے۔

زیر جائزہ سال کے دوران انسانی وسائل اور معاوضے کی کمیٹی کا ایک اجلاس منعقد ہوا۔ ہر رکن کی حاضری درج ذیل رہی:

ممبران کے نام	عہدہ	اجلاسوں میں حاضری
جناب خورشید انور جمال	چیئر مین	1/1
سید سلمان رشید	ممبر	1/1
جناب محمد کاشف	ممبر	1/1

ای آر پی (ERP) گورننس اور نفاذ کی کمیٹی

سال کے دوران، بورڈ آف ڈائریکٹرز نے ای آر پی گورننس اور نفاذ کی کمیٹی تشکیل دی، جو تین اراکین پر مشتمل ہے۔ یہ کمیٹی کمپنی کے انٹرپرائز ریسورس پلاننگ (ERP) نظام کی گورننس اور نفاذ کی نگرانی، اس کے موثر ہونے کا جائزہ اور ایسی ابھرتی ہوئی ٹیکنالوجیز اور سافٹ ویئر حل کا جائزہ لیتی ہے جو کمپنی کے آپریشنل اور اسٹریٹجک مقاصد کی معاونت کرتے ہیں۔

زیر جائزہ سال کے دوران کمیٹی کا ایک اجلاس منعقد ہوا۔ ہر رکن کی حاضری درج ذیل رہی:

ممبران کے نام	عہدہ	اجلاسوں میں حاضری
جناب خلیل اللہ شیخ	چیئر مین	1/1
جناب خورشید انور جمال	ممبر	1/1
جناب محمد کاشف	ممبر	1/1

ماحولیاتی، سماجی اور گورننس (ESG) کمیٹی

سال کے دوران، بورڈ آف ڈائریکٹرز نے ماحولیاتی، سماجی اور گورننس (ESG) کمیٹی تشکیل دی، جو دو غیر جانبدار ڈائریکٹرز اور ایک خاتون غیر انتظامی ڈائریکٹر پر مشتمل ہے۔ یہ کمیٹی قابل اطلاق کارپوریٹ گورننس کے فریم ورک کے تحت پائیداری اور ماحولیات، سماجی ماحول اور گورننس سے متعلق امور کے لیے اپنی نگرانی کی ذمہ داریاں ادا کرنے میں بورڈ کی معاونت کرے گی۔

بورڈ آف ڈائریکٹرز کا امتزاج مندرجہ ذیل ہے:

ڈائریکٹرز کے نام	ڈائریکٹرز کا امتزاج
1. جناب محمد عارف حبیب 2. جناب نسیم بیگ 3. جناب عبدالصمد 4. سید سلمان رشید 5. محترمہ زینب کاشف	الف) غیر انتظامی ڈائریکٹرز
6. جناب خورشید انور جمال 7. جناب خلیل اللہ شیخ	ب) غیر جانبدار ڈائریکٹرز
8. جناب محمد کاشف	ج) انتظامی ڈائریکٹر

بورڈ آف ڈائریکٹرز کے اجلاس

زیر جائزہ مالی سال کے دوران بورڈ آف ڈائریکٹرز (بورڈ) کے پانچ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	عہدہ	اجلاسوں میں حاضری
جناب محمد عارف حبیب	چیئر مین	5/5
جناب نسیم بیگ	غیر انتظامی ڈائریکٹر	4/5
جناب محمد کاشف	چیف ایگزیکٹو آفیسر	5/5
سید سلمان رشید	غیر انتظامی ڈائریکٹر	5/5
جناب عبدالصمد	غیر انتظامی ڈائریکٹر	5/5
جناب خورشید انور جمال	غیر جانبدار ڈائریکٹر	4/5
جناب خلیل اللہ شیخ	غیر جانبدار ڈائریکٹر	4/5
محترمہ زینب کاشف	غیر انتظامی ڈائریکٹر	5/5

جو ڈائریکٹرز اجلاسوں میں شرکت کرنے سے قاصر رہے، انہیں غیر حاضری کی منظوری دی گئی تھی۔

بورڈ کی کمیٹیوں کے اجلاس

آڈٹ (Audit) کمیٹی

بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی قائم کی ہے جو تین غیر انتظامی ڈائریکٹرز پر مشتمل ہے، جبکہ ایک غیر جانبدار ڈائریکٹر اس کمیٹی کے چیئر مین کی حیثیت سے خدمات انجام دے رہے ہیں۔ آڈٹ کمیٹی کی تشکیل لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (ترمیم شدہ) کے مطابق ہے۔

مستقبل پر نظر

حکومت نے مالی سال 2027 کے لیے مجموعی ملکی پیداوار میں %4.0 شرح نمو کا ہدف مقرر کیا ہے۔ توقع ہے کہ معاشی سرگرمیوں میں بہتری کا سلسلہ جاری رہے گا، جس کے باعث بیرونی شعبے کے اشاریوں، شرح مبادلہ میں زیادہ استحکام اور زر مبادلہ کے ذخائر میں بہتری سے مدد ملے گی، اگرچہ قلیل مدت میں مہنگائی کا دباؤ برقرار رہ سکتا ہے۔

توقع ہے کہ تعمیریاتی سرگرمیوں میں بتدریج بحالی، بنیادی ڈھانچے کی ترقی، رہائشی منصوبوں اور مالی اعانت کی بہتر شرائط سے سینٹ کی طلب کو فائدہ پہنچے گا۔ پی ایس ڈی پی (PSDP) کے لیے مختص رقوم کا بروقت استعمال منصوبہ بندی ترقیاتی اخراجات کو تعمیریاتی سرگرمیوں میں تبدیل کرنے کے لیے اہم ہوگا۔ تاہم، بین الاقوامی اجناس کی قیمتیں اور جغرافیائی سیاسی حالات توانائی کے اخراجات اور مارکیٹ کے حالات کو مسلسل متاثر کر سکتے ہیں۔

کمپنی آپریشنل کارکردگی، توانائی کے انتظام اور اخراجات پر منظم اور محتاط کنٹرول پر اپنی توجہ جاری رکھے گی۔ توقع ہے کہ 7.5 میگاواٹ کا ونڈ پاور منصوبہ قومی گرڈ سے حاصل ہونے والی بجلی پر انحصار کم کرنے اور توانائی کے اخراجات کے بہتر انتظام کے ذریعے ان ترچجات میں معاون ثابت ہوگا۔ کمپنی منافع کے مارجن کو بہتر بنانے اور کاروباری استحکام کو مضبوط کرنے کے لیے برآمدی مارکیٹ کے مواقع سے بھی فائدہ اٹھانے کی کوشش جاری رکھے گی۔

ڈیویڈنڈ

کمپنی نے قرضوں میں کمی کے ذریعے اپنی مالی حیثیت کو مضبوط بنانے کی حکمت عملی مستقل طور پر اختیار کی ہے، جس کے نتیجے میں جون 2021 میں کل قرضہ جات 27.3 ارب روپے سے کامیابی کے ساتھ کم ہو کر اس رپورٹ کی تاریخ تک 16.3 ارب روپے رہ گئے ہیں۔ کمپنی کے 1.55 ارب روپے کے جمع شدہ نقصانات، اس کی موجودہ قرضوں کی سطح اور مزید قرضوں میں کمی پر مسلسل توجہ کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے مالی سال اختتامیہ 30 جون 2026 کے لیے کسی بھی نقد ڈیویڈنڈ کی سفارش نہ کرنے کا فیصلہ کیا ہے۔

کریڈٹ ریٹنگ

16 جنوری 2026 کو وی آئی ایس - جے سی آر (JCR - VIS) کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کو طویل مدتی ریٹنگ - A"" (سنگل اے مائنس) اور قلیل مدتی ریٹنگ - A2"" (سنگل اے ٹو) تفویض کی ہے۔

قومی خزانے میں ادائیگی

کمپنی نے مالی سال کے دوران انکم ٹیکس، سیلز ٹیکس، ایکسائز ڈیوٹی اور دیگر سرکاری محصولات کی مد میں قومی خزانے میں 8.27 ارب روپے جمع کروائے ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل

ڈائریکٹرز کی کل تعداد	
مرد	7
خاتون	1

7.5 میگاواٹ کا ونڈپاور منصوبہ

مالی سال کے دوران 7.5 میگاواٹ کے ونڈپاور منصوبے نے پیداوار شروع کر دی ہے، جو کمپنی کی توانائی کی کارکردگی اور پائیداری سے متعلق اقدامات میں ایک اہم سنگ میل ہے۔ توقع ہے کہ اس منصوبے سے قومی گرڈ پر انحصار میں تقریباً 10% کمی آئے گی، کمپنی کے توانائی کے امتزاج میں بہتری آئے گی، اور گرڈ سے حاصل ہونے والی بجلی کی لاگت سے متعلق اخراجات کے اثرات میں کمی واقع ہوگی۔

پیداوار اور فروخت کی کارکردگی

پیداوار	مالی سال 2026	مالی سال 2025	فرق	
	ٹنوں میں	ٹنوں میں	%	
کلنکر	2,420,556	2,134,913	285,643	13.38
سیمنٹ	1,602,073	1,601,983	90	-

فروخت	مالی سال 2026	مالی سال 2025	فرق	
	ٹنوں میں	ٹنوں میں	%	
سیمنٹ/کلنکر	1,360,679	1,337,248	23,431	1.75
کلنکر (برآمدات)	896,510	683,288	213,222	31.21
سیمنٹ (برآمدات)	306,435	364,414	(57,979)	(15.91)
مجموعی فروخت	2,563,624	2,384,950	178,674	7.49

کلنکر کی پیداوار میں 13.38% اضافہ ہوا اور یہ مالی سال 2025 کے 2.13 ملین ٹن سے بڑھ کر 2.42 ملین ٹن ہو گئی۔ پیداواری صلاحیت کے استعمال کی شرح بھی 67% سے بہتر ہو کر 75% ہو گئی، جو کمپنی کی پیداواری سہولیات کے زیادہ موثر استعمال کی عکاسی کرتی ہے۔ سیمنٹ کی پیداوار مارکیٹ کی طلب کے مطابق 1.60 ملین ٹن کی سطح پر مستحکم رہی۔

سیمنٹ اور کلنکر کی مجموعی فروخت میں 7.49% اضافہ ہوا اور یہ مالی سال 2025 کے 2.38 ملین ٹن سے بڑھ کر 2.56 ملین ٹن ہو گئیں۔ اس اضافے کی بنیادی وجہ کلنکر کی برآمدات میں 31.21% اضافہ تھا، جو بڑھ کر 896,510 ٹن ہو گئیں۔

مقامی سیمنٹ اور کلنکر کی فروخت میں 1.75% اضافہ ہوا اور یہ بڑھ کر 1,360,679 ٹن ہو گئیں، جبکہ سیمنٹ کی برآمدات مالی سال 2025 کے 364,414 ٹن کے مقابلے میں کم ہو کر 306,435 ٹن رہ گئیں۔ کلنکر کی برآمدات میں اضافے نے سیمنٹ کی برآمدات میں ہونے والی کمی کو بڑی حد تک طرح سے پورا کر دیا، جس کے نتیجے میں مجموعی فروخت کے حجم میں اضافہ ہوا۔

کلنکر کی زیادہ پیداوار، پیداواری صلاحیت کے استعمال کی بہتر شرح اور مجموعی فروخت میں اضافہ اس بات کو ظاہر کرتا ہے کہ کمپنی مارکیٹ کے حالات کے مطابق اپنی مصنوعات کے امتزاج کو بہتر بنانے کی صلاحیت رکھتی ہے۔ سال کے دوران حاصل کیے گئے پیداواری دنوں کی ریکارڈ تعداد بھی کمپنی کے آپریشنز کی قابل اعتماد کارکردگی کی عکاسی کرتی ہے۔

30 جون 2026 کو ختم ہونے والے مالی سال کے لیے آپ کی کمپنی کی مالیاتی کارکردگی کا تقابلی موازنہ حسب ذیل ہے:

تفصیلات	مالی سال 2026	مالی سال 2025
روپے ہزاروں میں		
فروخت-صافی	33,978,969	29,520,136
خام منافع	12,085,963	8,398,898
کاروباری منافع	7,428,003	4,616,219
تمویلی لاگت، ٹیکس و لیوی، گراؤٹ اور اخراجات منہا کرنے سے پہلے کی آمدن (EBITDA)	8,416,396	5,513,693
تمویلی لاگت-صافی	1,832,039	3,043,906
منافع قبل از ٹیکس	5,595,964	1,572,313
منافع بعد از ٹیکس	3,784,470	814,996
آمدن فی حصص (روپے میں)	2.86	0.44

کمپنی نے مالی سال 2026 کے دوران بہترین مالی کارکردگی کا مظاہرہ کیا، جس کے تحت صافی فروخت کی آمدنی میں %15.10 اضافہ ہوا اور یہ مالی سال 2025 کے 29.52 ارب روپے کے مقابلے میں بڑھ کر 33.98 ارب روپے ہو گئی۔ اس اضافے کو مارکیٹ کے بہتر حالات اور مقامی و برآمدی دونوں مارکیٹوں میں قیمتوں کے بہتر حصول سے تقویت ملی۔

خام منافع میں %43.90 اضافہ ہوا اور یہ 8.40 ارب روپے سے بڑھ کر 12.09 ارب روپے ہو گیا۔ یہ اضافہ آپریشنل کارکردگی میں بہتری، محتاط لاگت کے انتظام، ایندھن اور بجلی کے بہتر اور مؤثر امتزاج، اور متبادل ایندھن کے مسلسل استعمال کی وجہ سے ہوا۔ کاروباری منافع میں %60.91 اضافہ ہوا اور یہ 4.62 ارب روپے سے بڑھ کر 7.43 ارب روپے ہو گیا، جبکہ تمویلی لاگت، ٹیکس و لیوی، گراؤٹ اور اخراجات منہا کرنے سے پہلے کی آمدن (EBITDA) میں %52.64 اضافہ ہوا اور یہ 5.51 ارب روپے سے بڑھ کر 8.41 ارب روپے ہو گیا، جو بہترین مارجن اور لاگت کو مسلسل بہتر بنانے کی عکاسی کرتا ہے۔

خالص تمویلی لاگت میں %39.81 کمی ہوئی اور یہ مالی سال 2025 کے 3.04 ارب روپے سے کم ہو کر 1.83 ارب روپے رہ گئی۔ اس کی بنیادی وجوہات میں پالیسی ریٹس میں کمی، اسپانسرز کی جانب سے 11.75 ارب روپے کی معاونت، اور قرضوں کی جزوی ادائیگی شامل ہیں۔

نتیجتاً، قبل از ٹیکس منافع بڑھ کر 5.60 ارب روپے ہو گیا، جبکہ مالی سال 2025 میں یہ 1.57 ارب روپے تھا۔ اسی طرح، بعد از ٹیکس منافع 815 ملین روپے سے بڑھ کر 3.78 ارب روپے ہو گیا۔ نتیجتاً، فی حصص آمدنی بھی بہتر ہو کر 2.86 روپے ہو گئی، جبکہ گزشتہ سال یہ 44 پیسے تھی۔

کمپنی کی شاندار کارکردگی آپریشنل کارکردگی میں بہتری، کلنکر کی زیادہ پیداوار، مقامی اور برآمدی فروخت میں اضافے، مؤثر لاگت کے انتظام، اور مالیاتی اخراجات میں نمایاں کمی جیسے اہم عوامل کی عکاسی کرتی ہے۔

ڈائریکٹر رپورٹ

پاور سیمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے مالی سال اختتامیہ 30 جون 2026 کے لیے کمپنی کی رپورٹ سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ پیش کی جا رہی ہے۔

پاکستان کی معیشت

مالی سال 2026 کے دوران پاکستان کی معیشت نے اپنی بحالی کا عمل جاری رکھا اور مجموعی ملکی پیداوار (GDP) میں 3.70% کی شرح سے اضافہ ریکارڈ کیا گیا۔ اس بہتری کو مسلسل کئی معاشی استحکام اور اہم شعبوں میں بہتر کارکردگی سے تقویت حاصل ہوئی۔

مضبوط معاشی نمو کے باوجود سال کے دوران مہنگائی کے دباؤ کو دوبارہ محسوس کیا گیا۔ مجموعی مہنگائی جون 2025 میں 3.2% سے تیزی سے بڑھ کر جون 2026 میں سال بہ سال کی بنیاد پر 11.1% رہی، جبکہ مالی سال 2026 کے دوران اوسط مہنگائی بڑھ کر 7.05% ہو گئی، جو گزشتہ سال 4.49% تھی۔ سال کے اختتام کی جانب مہنگائی کے دباؤ میں مزید شدت آئی، جس کی بنیادی وجہ مشرق وسطیٰ میں تنازع کے باعث عالمی اجناس اور پٹرولیم کی قیمتوں میں اضافہ تھا، جس کے نتیجے میں معیشت بھر میں پیداواری اشیاء اور نقل و حمل کے اخراجات میں اضافہ ہوا۔

مالی سال 2026 کے دوران اسٹیٹ بینک آف پاکستان نے دسمبر 2025 میں پالیسی ریٹ کم کر کے 10.50% کر دیا، اور اس کے بعد بیرونی دباؤ اور معاشی غیر یقینی صورتحال میں اضافے کے رد عمل میں اپریل 2026 میں اسے بڑھا کر 11.50% کر دیا۔ قلیل مدت میں مہنگائی بلند سطح پر برقرار رہ سکتی ہے، جس کے بعد بتدریج اس میں کمی متوقع ہے۔ تاہم، یہ صورتحال جغرافیائی سیاسی حالات، عالمی توانائی کی قیمتوں، بجلی اور گیس کے نرخوں میں رد و بدل، مالیاتی حالات اور ملک میں غذائی اشیاء کی قیمتوں کے دباؤ سے مشروط ہوگی۔

سیمنٹ کی صنعت

مالی سال 2026 کے دوران پاکستان کی سیمنٹ کی صنعت کی کارکردگی میں بہتری ریکارڈ کی گئی، جس کے تحت مجموعی فروخت 7.30% اضافے کے ساتھ مالی سال 2025 کے 47.12 ملین ٹن سے بڑھ کر 50.56 ملین ٹن ہو گئیں۔ مقامی فروخت میں 9.61% اضافہ ہوا اور یہ 41.55 ملین ٹن ہو گئیں، جبکہ برآمدی فروخت میں 2.19% کمی ہوئی اور یہ 9.01 ملین ٹن رہ گئیں۔

شمالی زون میں مقامی فروخت مالی سال 2025 کے 31.33 ملین ٹن سے 10.93% اضافے کے ساتھ 34.75 ملین ٹن ہو گئیں۔ تاہم، برآمدی فروخت میں 53.85% کمی ہوئی اور یہ 0.78 ملین ٹن رہ گئیں۔

جنوبی زون میں، جہاں پاور سیمنٹ لمیٹڈ کام کرتی ہے، مقامی فروخت میں 3.36% اضافہ ہوا اور یہ مالی سال 2025 کے 6.58 ملین ٹن سے بڑھ کر 6.80 ملین ٹن ہو گئیں۔ برآمدی فروخت میں 9.36% اضافہ ہوا اور یہ 7.53 ملین ٹن سے بڑھ کر 8.23 ملین ٹن ہو گئیں۔ نتیجتاً، جنوبی زون سے مجموعی فروخت میں 6.56% اضافہ ہوا اور یہ 15.03 ملین ٹن ہو گئیں۔

چنانچہ، مجموعی طور پر صنعت کی ترقی مضبوط مقامی ترسیلات کی وجہ سے ہوئی، جبکہ جنوبی زون کی برآمدات میں اضافے نے شمالی زون کی برآمدات میں ہونے والی کمی کے اثرات کو جزوی طور پر کم کیا۔

PROXY FORM

35th Annual General Meeting

The Company Secretary
Power Cement Limited
Arif Habib Centre
23, M.T. Khan Road
Karachi

I/We _____ S/o, W/o _____,
being member(s) of Power Cement Limited, holding _____ shares as
Registered Folio No. / CDC Account No. _____ hereby appoint
_____ S/o, W/o _____ (being member of the Company) as
my/our Proxy to attend, act vote for me/us and on my/our behalf at the 35th Annual General Meeting of the
Company to be held on October 20, 2026 and/or any adjournment thereof.

Signed this ____ day of _____ 2026.

Signature on
Revenue Stamp

Signature of Shareholder

Witnesses:

Name: _____	Name: _____
Address: _____	Address: _____
CNIC No.: _____	CNIC No.: _____
Signature: _____	Signature: _____

NOTES

1. A member entitled to attend, act and vote at the AGM may appoint another member as his/her proxy who shall have such rights as respects to attending, speaking and voting at the meeting as are available to a member.
2. In order to be effective, the Proxy Form must be received at the registered office of the Company (either hard copy or scanned), not later than 48 hours before the AGM duly signed and stamped and witnessed by two persons with their signatures, name, address and CNIC number given on the form.
3. 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 (either hard copy or scanned).
4. In 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 (either hard copy or scanned).

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The Company Secretary
Power Cement Limited
Arif Habib Centre
23, M.T. Khan Road
Karachi

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پراکسی فارم

بینٹسیواں سالانہ اجلاس عام

کمپنی سیکریٹری

پاور سیمنٹ لمیٹڈ

عارف حبیب سینٹر

23، ایم۔ٹی۔خان روڈ

کراچی

میں/ہم _____ ولد/زوجہ _____،

بحیثیت شیئر ہولڈر/شیئر ہولڈرز پاور سیمنٹ لمیٹڈ، رجسٹرڈ فلیو نمبر/سی ڈی سی اکاؤنٹ نمبر _____ کے مطابق

حصص کا مالک/مالکان ہوں/ہیں، اس کے ذریعے _____ ولد/زوجہ _____ (جو کمپنی کا شیئر ہولڈر ہے)

کو میرا/ہمارا پراکسی مقرر کرتا ہوں/کرتے ہیں تاکہ وہ میرے/ہمارے لیے، اور میری/ہماری طرف سے پاور سیمنٹ لمیٹڈ کے بینٹسیویں سالانہ اجلاس عام، جو 20 اکتوبر 2026 کو منعقد ہوگا، اور/یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے، عمل کرے اور ووٹ دے۔

بروز _____ مؤرخہ _____ 2026 کو دستخط کیا۔

ریونیو اسٹامپ پر دستخط

شیئر ہولڈر کے دستخط

گواہان:

نام: _____	نام: _____
پتہ: _____	پتہ: _____
شناختی کارڈ نمبر: _____	شناختی کارڈ نمبر: _____
دستخط: _____	دستخط: _____

نوٹس:

- ایسا کوئی بھی شیئر ہولڈر جو سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ہے، کسی دوسرے شیئر ہولڈر کو اپنا پراکسی مقرر کر سکتا ہے، جو اجلاس میں شرکت کرنے، اظہار رائے کرنے اور ووٹ دینے کے وہی حقوق رکھے گا جو ایک شیئر ہولڈر کو حاصل ہیں۔
- پراکسی فارم مؤثر ہونے کے لیے کمپنی کے رجسٹرڈ دفتر میں (چاہے کاغذی صورت میں یا اسکین شدہ صورت میں) اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہونا چاہیے، جو باقاعدہ دستخط شدہ، اسٹامپ شدہ اور دوا افراد کی تصدیق کے ساتھ ہو جن کے نام، پتے، شناختی کارڈ نمبر اور دستخط فارم پر درج ہوں۔
- انفرادی حصص یافتگان کی صورت میں، مستفید مالکان اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم (چاہے کاغذی یا اسکین شدہ) کے ساتھ فراہم کی جائیں گی۔
- کسی کارپوریٹ ادارے کی طرف سے پراکسی کی صورت میں، ڈائریکٹرز کے بورڈ کی قرارداد/وکالت نامہ اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم (چاہے کاغذی یا اسکین شدہ) کے ساتھ جمع کرائی جائے گی۔

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کمپنی سیکرٹری
پاور سیمنٹ لمیٹڈ
عارف حبیب سینٹر
23 ایم ٹی خان روڈ
کراچی

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