

FIRST QUARTERLY REPORT
SEPTEMBER 30, 2026



Power Cement

مضبوطی۔ چٹانوں جیسی

**WHERE STRENGTH
BECOMES LEGACY**

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COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

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

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

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021-32468231-2

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021-32463209

DIRECTORS' REVIEW

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

The Board of Directors of your Company present herewith their review on the financial and operational performance of the Company for the first quarter ended September 30, 2026.

Economic Overview

Pakistan's economy continued its gradual recovery during the first quarter of FY 2026-27, supported by improved macroeconomic stability and strengthening activity across key sectors. However, inflationary pressures resurfaced, driven by higher global commodity and petroleum prices amid geopolitical tensions in the Middle East. Rising energy and transportation costs, together with domestic utility tariffs, fiscal conditions, and food-price pressures, continued to influence the overall cost environment.

Industry Overview

Pakistan's cement industry showed signs of recovery during the first quarter of FY 2026-27, with overall dispatches registering growth of 3.90%. Domestic dispatches increased by 7.82%, supported by revival in private sector construction activity, driven by lower borrowing costs and government home financing schemes. However, export dispatches declined by 11.32% during the period.

In the North Zone, domestic dispatches increased by 6.80%, while no export dispatches were recorded during the period. The South Zone, where your Company operates, demonstrated comparatively stronger performance, with domestic dispatches increasing by 12.90% and export dispatches rising by 19.15%. Consequently, total dispatches from the South Zone grew by 16.24%, highlighting the strategic advantage of the region's proximity to major ports and export markets.

Production & Sales Performance

The production and sales statistics for the first quarter ended September 30, 2026 compared with the corresponding period last year are as follows:

Production	September 30, 2026	September 30, 2025	Variance
(In Tons)			
Clinker production	603,188	506,574	19.07%
Cement production	362,719	417,286	(13.08%)

Sales	September 30, 2026	September 30, 2025	Variance
(In Tons)			
Clinker & cement dispatches (local)	379,014	359,594	5.40%
Clinker dispatches (export)	411,275	197,048	108.72%
Cement dispatches (export)	715	41,291	(98.27%)
Total	791,004	597,933	32.29%

Financial Performance

An analysis of the key financial results of your Company for the first quarter ended September 30, 2026 is as under:

Particulars	September 30, 2026	September 30, 2025
(Rupees in '000)		
Revenue	10,647,844	7,814,354
Gross profit	3,575,653	2,709,146
EBITDA	2,322,078	1,972,923
Operating profit	2,075,895	1,758,120
Finance cost - net	410,448	504,701
Profit before taxation	1,665,447	1,253,419
Profit after taxation	1,050,541	804,359
EPS - basic (in rupees)	0.80	0.60

During the first quarter ended September 30, 2026, your Company continued to demonstrate improved financial performance compared with the corresponding period last year, supported by higher sales, operational efficiency and a reduction in net finance costs.

Revenue increased by 36.26% to Rs. 10.65 billion from Rs. 7.81 billion in the corresponding period last year. This growth contributed to an increase in gross profit to Rs. 3.58 billion from Rs. 2.71 billion.

EBITDA increased by 17.70% to Rs. 2.32 billion from Rs. 1.97 billion, while operating profit grew by 18.07% to Rs. 2.08 billion from Rs. 1.76 billion, demonstrating continued strength in the Company's core operations. Net finance costs declined by 18.68% to Rs. 410 million from Rs. 505 million in the corresponding period last year, supported by lower borrowing levels, reduced interest rates and prudent financial management.

Consequently, profit before taxation increased by 32.87% to Rs. 1.67 billion from Rs. 1.25 billion, while profit after taxation increased by 30.61% to Rs. 1.05 billion from Rs. 804 million in the same period last year. Basic earnings per share (EPS) improved to Rs. 0.80 from Rs. 0.60, reflecting the Company's continued improvement in profitability and financial performance.

Outlook

Economic activity is expected to strengthen further in FY 2026-27, supported by recovery in agriculture and manufacturing, greater exchange-rate stability, and strengthening foreign exchange reserves. The Government has set a GDP growth target of 4.0% for FY 2026-27. However, elevated global oil and commodity prices, inflationary pressures, and geopolitical developments remain key risks to the outlook.

Cement demand is expected to benefit from a recovery in construction activity, infrastructure development, housing initiatives, and improved financing conditions. Timely utilisation of PSDP allocations will also be important in supporting construction activity.

The Company will continue to focus on operational efficiency, energy optimization, disciplined cost management, and expansion of export markets to sustain margins, and strengthen business resilience.

Acknowledgement

The Directors place on record their sincere appreciation for the dedication, hard work, and continued commitment of the Company's employees at all levels. The Board also expresses its gratitude to the shareholders, customers, business partners, and all other stakeholders for their continued trust, confidence, and support.

For and on behalf of the Board of Directors



Muhammad Kashif
Chief Executive Officer



Muhammad Arif Habib
Chairman

October 21, 2026
Karachi

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2026

		(Unaudited)	(Audited)
	NOTE	September 30, 2026	June 30, 2026
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	32,882,783	33,059,611
Right-of-use asset		105,761	115,375
Deferred tax asset		2,053,286	2,277,467
Long-term deposits		62,069	62,069
		35,103,899	35,514,522
Current assets			
Inventories	6	1,961,154	2,871,847
Stores, spares and loose tools	7	6,247,905	5,667,849
Trade receivables - considered good	8	531,063	498,783
Advances and other receivables		602,775	773,063
Derivative financial asset		-	453,969
Trade deposits and short-term prepayments		148,882	171,935
Tax due from Government - sales tax		50,576	353,999
Short-term investments		296,087	295,652
Cash and bank balances	9	1,012,197	798,626
		10,850,639	11,885,723
TOTAL ASSETS		45,954,538	47,400,245

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2026

		(Unaudited) September 30, 2026	(Audited) June 30, 2026
	NOTE	(Rupees in '000)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
	10		
Ordinary shares		12,929,567	12,917,330
Cumulative preference shares		724,285	733,464
		13,653,852	13,650,794
Reserves			
Capital reserve			
Share premium		739,493	739,493
Difference on conversion of cumulative preference shares into ordinary shares		(573,855)	(570,797)
Revenue reserve			
Accumulated loss		(504,203)	(1,554,744)
		(338,565)	(1,386,048)
Contribution from associated undertakings		11,350,000	11,750,000
TOTAL EQUITY		24,665,287	24,014,746
LIABILITIES			
Non-current liabilities			
Long-term financing - secured		6,682,427	8,027,725
Long-term lease liability		71,675	89,873
Staff retirement benefits		522,650	500,950
		7,276,752	8,618,548
Current liabilities			
Trade and other payables		5,075,858	4,472,206
Contract liabilities		1,571,622	963,471
Unclaimed dividend		126	126
Taxation - provision less payments		326,453	113,135
Accrued mark-up		559,202	890,286
Short-term financing - secured		3,727,518	4,672,880
Current portion of long-term lease liability		42,780	31,654
Current portion of long-term financing		2,708,940	3,623,193
		14,012,499	14,766,951
TOTAL LIABILITIES		21,289,251	23,385,499
Contingencies and commitments	11		
TOTAL EQUITY AND LIABILITIES		45,954,538	47,400,245

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

		(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
		(Rupees in '000)	
Revenue from contracts with customers	12	10,647,844	7,814,354
Cost of sales		(7,072,191)	(5,105,208)
Gross profit		3,575,653	2,709,146
Selling and distribution expenses	13	(1,276,431)	(666,519)
Administrative expenses		(189,523)	(156,377)
Other expenses		(33,804)	(128,130)
		(1,499,758)	(951,026)
Profit from operations		2,075,895	1,758,120
Finance income		6,282	10,227
Finance cost		(416,730)	(514,928)
Finance income / (cost) - net		(410,448)	(504,701)
Profit before taxation		1,665,447	1,253,419
Taxation		(614,906)	(449,060)
Profit after taxation		1,050,541	804,359
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		(453,969)	(519,864)
Adjustment for amounts transferred to profit or loss		453,969	519,864
		-	-
Related deferred tax		-	-
Hedging reserve		-	-
Total comprehensive income for the period		1,050,541	804,359
Earnings per share			
		Rupee	
Basic	14.1	0.80	0.60
Diluted	14.2	0.76	0.58

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

	Share capital Issued, subscribed and paid-up capital	Difference on conversion of cumulative preference shares into ordinary shares	Capital reserve Share premium	Revenue reserve Accumulated loss	Contribution from associated undertakings	Total equity
(Rupees in '000)						
Balance as at July 1, 2025	13,647,771	(567,774)	739,493	(5,290,233)	15,000,000	23,529,257
Contribution repaid - net	-	-	-	-	(400,000)	(400,000)
Cumulative preference shares of Rs.10 each converted into 1.333 ordinary shares of Rs.10 each during the period	3,023	(3,023)	-	-	-	-
	3,023	(3,023)	-	-	(400,000)	(400,000)
Total comprehensive income for the period						
Profit for the period	-	-	-	804,359	-	804,359
Balance as at September 30, 2025	13,650,794	(570,797)	739,493	(4,485,874)	14,600,000	23,933,616

Balance as at July 1, 2026	13,650,794	(570,797)	739,493	(1,554,744)	11,750,000	24,014,746
Contribution repaid - net	-	-	-	-	(400,000)	(400,000)
Cumulative preference shares of Rs.10 each converted into 1.333 ordinary shares of Rs. 10 each during the period	3,058	(3,058)	-	-	-	-
	3,058	(3,058)	-	-	(400,000)	(400,000)
Total comprehensive income for the period						
Profit for the period	-	-	-	1,050,541	-	1,050,541
Balance as at September 30, 2026	13,653,852	(573,855)	739,493	(504,203)	11,350,000	24,665,287

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

		(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	4,365,112	2,021,181
Gratuity paid		(14,153)	(15,559)
Leave encashment paid		(2,096)	(1,992)
Income tax and levy paid		(177,407)	(73,554)
Finance cost paid - Islamic		(732,406)	(887,485)
Finance cost paid - Conventional		(1,520)	(2,162)
		(927,582)	(980,752)
Net cash generated from operating activities		3,437,530	1,040,429
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - operations		(60,097)	(86,276)
Proceeds from sale of property, plant and equipment		4,345	-
Finance income received		5,849	9,522
Net cash used in investing activities		(49,903)	(76,754)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		(1,818,455)	(829,762)
Repayment of contribution from associated undertakings - net		(400,000)	(400,000)
Repayment of short-term financing		(731,367)	(500,233)
Lease rentals paid		(10,239)	(14,336)
Net cash used in financing activities		(2,960,061)	(1,744,331)
Net increase / (decrease) in cash and cash equivalents		427,566	(780,656)
Cash and cash equivalents at beginning of the period		584,631	1,235,232
Cash and cash equivalents at end of the period	16	1,012,197	454,576

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 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 the 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 Area, District Jamshoro (Sindh).

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives and notifications issued under the Companies Act, 2017.

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

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2026.

2.2 Functional and presentation currency

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

2.3 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2026. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's accounting periods beginning on or after July 1, 2027. These include IFRS 18, Presentation and Disclosure in Financial Statements, which introduces new requirements primarily relating to the presentation and disclosure of the statement of profit or loss and is effective for annual reporting periods beginning on or after January 1, 2027. The Company's management is currently in the process of assessing the full impact of the new standard and expects to complete the assessment in due course.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2026.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by management in the preparation of these condensed interim financial statements are consistent with those applied in preparing the annual audited financial statements as at and for the year ended June 30, 2026.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2026.

5 PROPERTY, PLANT AND EQUIPMENT

NOTE	(Unaudited)	(Audited)
	September 30, 2026	June 30, 2026
	(Rupees in '000)	
Operating assets	32,133,842	32,340,145
Capitalisable stores and spares	744,016	714,541
Capital work-in-progress	4,925	4,925
	32,882,783	33,059,611

5.1 Operating assets

Opening net book value	32,340,145	32,960,889
Additions during the period / year - at cost		
Plant and machinery	-	29,038
Leasehold improvements	-	87,501
Factory building on leasehold land	-	167,687
Factory and laboratory equipment	13,779	825
Computers and peripherals	5,074	18,877
Office equipment	-	6,901
Quarry equipment	11,000	-
Furniture and fixtures	-	716
Vehicles	768	26,817
	30,621	338,362
Disposals during the period / year - net book value	(356)	(376)
Depreciation for the period / year	(236,568)	(958,730)
	(236,924)	(959,106)
Closing net book value	32,133,842	32,340,145

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

		(Unaudited)	(Audited)
		September 30, 2026	June 30, 2026
		(Rupees in '000)	
6	INVENTORIES		
	Raw material	438,846	361,414
	Packing material	293,138	284,248
	Semi-finished goods	1,143,579	2,118,821
	Work-in-process	28,037	17,308
	Finished goods	216,912	249,414
		2,120,512	3,031,205
	Less: Provision for inventory write-down	(159,358)	(159,358)
		1,961,154	2,871,847

6.1 This includes clinker held at port for export amounting to Rs. 512.48 million (June 30, 2026: Rs. 211.50 million).

6.2 This includes cement held at port for export amounting to Rs. 0.66 million (June 30, 2026: Rs. 1.80 million).

		(Unaudited)	(Audited)
NOTE		September 30, 2026	June 30, 2026
		(Rupees in '000)	
7	STORES, SPARES AND LOOSE TOOLS		
	Stores	1,003,390	835,178
	Coal and other fuels	3,382,787	3,084,285
	Spares	1,868,530	1,756,700
	Loose tools	12,189	10,677
		6,266,896	5,686,840
	Less: Provision for net realisable value written down	(18,991)	(18,991)
		6,247,905	5,667,849

7.1 This includes coal-in-transit amounting to Rs. 791.81 million (June 30, 2026: Rs. 1,422.85 million).

		(Unaudited)	(Audited)
NOTE		September 30, 2026	June 30, 2026
		(Rupees in '000)	
8	TRADE RECEIVABLES - CONSIDERED GOOD		
	Secured	36,033	96,653
	Due from related parties - unsecured	248,461	202,777
	Due from other parties - unsecured	310,467	263,251
		594,961	562,681
	Less: Loss allowance on trade receivables	(63,898)	(63,898)
		531,063	498,783

9 CASH AND BANK BALANCES			
Cash at bank			
Conventional			
- In current accounts		6,139	3,752
Islamic			
- In current accounts		584,495	557,968
- In savings accounts	9.1	420,654	236,649
		1,005,149	794,617
Cash in hand		909	257
		1,012,197	798,626

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

9.1 These accounts are maintained with Islamic banks and carry declared profit rates ranging from 6.74% to 9.92% (June 30, 2026: 6.58% to 10.47%) per annum.

10 SHARE CAPITAL

10.1 Authorised share capital

(Unaudited) September 30, 2026	(Audited) June 30, 2026		(Unaudited) September 30, 2026	(Audited) June 30, 2026	
(Number of shares)			(Rupees in '000)		
1,390,000,000	1,390,000,000	Ordinary and cumulative preference shares of Rs. 10 each	13,900,000	13,900,000	

10.2 Issued, subscribed and paid-up capital

10.2.1 Ordinary shares

(Unaudited) September 30, 2026	(Audited) June 30, 2026		(Unaudited) September 30, 2026	(Audited) June 30, 2026	
(Number of shares)			(Rupees in '000)		
		Fully paid ordinary shares of Rs. 10 each issued			
1,051,234,846	1,051,234,846	For cash	10,512,348	10,512,348	
840,000	840,000	For consideration other than cash	8,400	8,400	
11,339,588	11,339,588	Bonus shares	113,396	113,396	
229,542,349	228,318,570	Converted from preference shares	2,295,423	2,283,186	
1,292,956,783	1,291,733,004		12,929,567	12,917,330	

10.2.2 Cumulative preference shares

(Unaudited) September 30, 2026	(Audited) June 30, 2026		(Unaudited) September 30, 2026	(Audited) June 30, 2026	
(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	
(172,156,774)	(171,238,939)	Converted to ordinary shares	(1,721,568)	(1,712,389)	
72,428,546	73,346,381		724,285	733,464	

10.3 Cumulative preference dividend

If a cash dividend is not paid in any year due to losses or inadequate profits, the unpaid dividend accumulates and is paid in subsequent year(s) before any dividend is paid to ordinary shareholders, subject to the approval of the Board of Directors. As at September 30, 2026, the undeclared dividend on cumulative preference shares amounted to Rs. 1,691.95 million (June 30, 2026: Rs. 1,668.51 million).

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no change in the status of the contingencies as disclosed in note 25 to the annual audited financial statements for the year ended June 30, 2026.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

11.2 Commitments

Commitments against open letters of credit for:

- Coal

- Stores and spares

Commitments against letters of guarantee

Commitments against Ijarah rentals

Total commitments

(Unaudited)	(Audited)
September 30, 2026	June 30, 2026
(Rupees in '000)	
421,824	-
638,656	671,988
885,880	10,393,573
8,455,342	8,536,368
10,401,702	19,601,929

12 REVENUE FROM CONTRACTS WITH CUSTOMERS

Local sales

Sales tax

Federal excise duty

Commission

Net local sales

Exports

Freight

Net exports

(Unaudited)	(Unaudited)
September 30, 2026	September 30, 2025
(Rupees in '000)	
9,502,220	8,238,927
(1,629,422)	(1,373,543)
(1,516,056)	(1,438,377)
(22,130)	(12,148)
6,334,612	5,414,859
4,318,500	2,422,024
(5,268)	(22,529)
4,313,232	2,399,495
10,647,844	7,814,354

13 SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses include Rs. 1,086.37 million (September 30, 2025: Rs. 553.93 million) incurred in respect of export sales.

14 EARNINGS PER SHARE

14.1 Basic

Profit after taxation attributable to ordinary shareholders
(rupees in thousands)

Adjustment for cumulative preference shares' dividend
(rupees in thousands)

**Profit after taxation for calculation of basic earnings per share
(rupees in thousands)**

**Weighted average number of ordinary shares outstanding during
the period (shares in thousands)**

Basic earnings per share (in rupee)

(Unaudited)	(Unaudited)
September 30, 2026	September 30, 2025
1,050,541	804,359
(23,437)	(24,995)
1,027,104	779,364
1,291,919	1,290,576
0.80	0.60

14.2 Diluted

**Profit after taxation attributable to ordinary shareholders
(rupees in thousands)**

**Weighted average number of ordinary shares outstanding during
the period (shares in thousands)**

Effect of conversion of cumulative preference shares
(shares in thousands)

**Weighted average number of potential ordinary shares
outstanding during the period (shares in thousands)**

Diluted earnings per share (in rupee)

1,050,541	804,359
1,291,919	1,290,576
96,571	97,795
1,388,490	1,388,371
0.76	0.58

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

NOTE	(Unaudited)	
	September 30, 2026	September 30, 2025
	(Rupees in '000)	
15 CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,665,447	1,253,419
Adjustments for:		
Depreciation on property, plant and equipment	236,568	209,587
Depreciation on right-of-use asset	9,614	5,217
Finance cost on short-term financing - Islamic	88,159	101,492
Finance cost on short-term financing - Conventional	1,148	1,102
Finance cost on long-term financing - Islamic	313,509	381,590
Finance cost on long-term financing - Conventional	26	1,624
Unwinding of restructuring cost	9,181	7,160
Mark-up on long-term trade payables	-	11,119
Mark-up on lease liability	3,167	4,537
Exchange loss - net	3,691	27,922
Gain on disposal of property, plant and equipment	(3,989)	-
Finance income	(6,282)	(10,227)
Provision for gratuity expense	31,543	25,579
Provision for leave encashment expense	6,406	5,271
	692,741	771,973
Operating profit before working capital changes	2,358,188	2,025,392
Change in working capital		
(Increase) / decrease in current assets		
Inventories	910,693	180,066
Stores, spares and loose tools	(580,056)	(418,356)
Trade receivables	(32,280)	(5,921)
Short-term investments	-	(100,000)
Advances and other receivables	473,711	(45,710)
Trade deposits and short-term prepayments	23,053	66,861
	795,121	(323,060)
Increase / (decrease) in current liabilities		
Trade and other payables	603,652	612,400
Contract liabilities	608,151	(293,551)
	1,211,803	318,849
Net cash generated from operations	4,365,112	2,021,181
16 CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,012,197	647,640
Short-term financing - running finance	-	(193,064)
	1,012,197	454,576

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Transactions with related parties during the period are as follows:

Name of the related party	Relationship	Transactions during the period	(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
			(Rupees in '000)	
Aisha Steel Mills Limited	Associated company by virtue of common directorship	Sharing of expense	-	422
		Payments made	-	429
		Purchase of goods	352	-
		Payments received	-	422
Arif Habib Equity (Private) Limited	Associated company by virtue of common directorship	Contribution received	-	892,000
		Contribution repaid	-	100,000
		Loan repaid	154,380	154,380
		Mark-up accrued	2,621	9,650
		Mark-up paid	12,130	39,858
Arif Habib Corporation Limited	Associated company by virtue of common directorship	Guarantee commission accrued	-	212
		Guarantee commission paid	-	212
BankIslami Pakistan Limited	Associated company by virtue of common directorship	Mark-up paid	25	8,093
		Mark-up accrued	22	6,741
		Long-term loan repaid	99	99
		Short-term financing repaid	-	250,000
		Finance income	70	70
		Bank charges paid	174	50
Biomasdar (Pakistan) Limited	Associated company by virtue of common directorship	Payments received	-	10
Fatima Packaging Limited	Associated company by virtue of common directorship	Purchase of goods	261,011	198,034
		Payments made	229,530	266,987
Globe Residency REIT	Associated undertaking by virtue of common directorship	Sale of goods	35,340	19,182
		Payments received	25,092	15,933
Habib Sugar Mills Limited	Associated company by virtue of common directorship	Sale of goods	3,044	9,906
		Payments received	3,044	10,034

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

Transactions with related parties during the period are as follows:

Name of the related party	Relationship	Transactions during the period	(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
			(Rupees in '000)	
Javedan Corporation Limited	Associated company by virtue of common directorship	Sale of goods	5,416	3,054
		Payments received	6,458	68
		Services received	320	408
		Payments made	609	-
Mr. Muhammad Arif Habib	Substantial shareholder / Director	Contribution repaid	400,000	892,000
Naya Nazimabad Apartment REIT	Associated undertaking by virtue of common directorship	Sale of goods	14,015	-
		Payments received	5,366	-
Rahat Residency REIT	Associated undertaking by virtue of common directorship	Sale of goods	2,425	4,038
		Payments received	3,477	2,500
Rotocast Engineering Company (Private) Limited	Associated company by virtue of common directorship	Services received	9,939	7,776
		Lease rentals	10,239	14,336
		Payments made	30,335	12,147
		Contribution repaid	-	300,000
Safe Mix Concrete Limited	Associated company by virtue of common directorship	Sale of goods	226,528	227,882
		Payments received	200,909	203,715
Signature Residency REIT	Associated undertaking by virtue of common directorship	Sale of goods	7,553	3,029
		Payments received	4,291	1,000
Staff retirement benefit fund	Staff benefit plan	Provision for gratuity expense	31,543	25,579
		Gratuity paid	14,153	15,559
All members of Company's management team and the Directors	Key management personnel	Remuneration and other benefits	201,211	150,162
		Retirement benefits	21,772	14,709
		Directors' fees	300	125
		Advances disbursed to employees	25,813	12,512
		Advances repaid by employees	8,722	16,671

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

Balances with related parties are as follows:

	(Unaudited) September 30, 2026	(Audited) June 30, 2026
	(Rupees in '000)	
Aisha Steel Mills Limited		
Amount payable	352	-
Arif Habib Equity (Private) Limited		
Contribution outstanding	10,253,300	10,253,300
Loan payable (including mark-up)	-	163,889
BankIslami Pakistan Limited		
Payable against long-term loan	295	394
Mark-up payable	8	11
Bank balance	8,728	7,622
Term deposit receipts	3,083	3,083
Fatima Packaging Limited		
Amount payable	213,948	182,467
Globe Residency REIT		
Receivable from customer	26,428	16,180
Javedan Corporation Limited		
Receivable from customer	11,129	12,171
Amount payable	-	289
Mr. Muhammad Arif Habib		
Contribution outstanding	1,096,700	1,496,700
Mark-up payable	242,722	242,722
Memon Health & Education Foundation		
Advance from customer	192	192
Naya Nazimabad Apartment REIT		
Receivable from customer	11,866	3,217
Rahat Residency REIT		
Receivable from customer	5,146	6,198
Rotocast Engineering Company (Private) Limited		
Amount payable	13,990	24,147
Safe Mix Concrete Limited		
Receivable from customer	180,327	154,708
Signature Residency REIT		
Receivable from customer	13,565	10,303
Staff retirement benefit fund		
Payable to gratuity fund	428,535	411,145
Key management personnel		
Advances to employees	79,236	62,145

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on October 21, 2026 by the Board of Directors.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



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