



**Cherat Cement
Company Limited**
A Ghulam Faruque Group Company

Ingredients of Success



Annual Report

2025

Ingredients of Success

Like cement that gains strength through the right mix, our growth is built on the values we uphold. Trust, dedication, innovation, and responsibility combine to create a strong foundation for progress, one that drives sustainable success and ensures shared prosperity.



About the Report

We are pleased to present the Annual Report of Cherat Cement Company Limited (the Company) for the year ended June 30, 2025. The Company was incorporated in Pakistan as a public company limited by shares in the year 1981. The Company is listed on Pakistan Stock Exchange Limited. Its main business activity is manufacturing, marketing and sale of cement.

An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects towards the external environment and the creation of value. Since, the Company has been adopting the International Integrated Reporting Framework, therefore, the Report has also been prepared in accordance with such framework and Global Reporting Initiative (GRI) in order to provide the stakeholders a transparent reflection of value creation ability, contributions and quality information of the Company. We consistently evaluate our processes and approach in order to meet the best practices to sustainable value creation. The principal objective of the Report is adherence with the principles of inclusivity, materiality, responsiveness and evaluation against the elements of IR. The material presented in this report is such a way that it enables the stake holders to understand the financial and non-financial content. The Company also considered the importance of this Report in terms of information presented, its connectivity and the demonstrations provided herewith.

This Report is structured in such a way that the shareholders of the Company can get a deep insight of the affairs of the Company as well as the financial and non-financial business information. We always believe on the transparency in disclosure and practices of the Company. Further, this Report also covers the substantial aspects of the Company's Business and underlined the risk management framework, governance and its corporate structure, performance, disclosures on IT governance & Cybersecurity, Sustainability Report & disclosures related to corporate social responsibility, business model, future outlook, chairman's review and directors' report, audit committee report and the Statement of Compliance with the Code of Corporate Governance, compliances in accordance with the Companies Act, 2017 and corporate governance regulation and recognized governance practices.

This Report also covers the Company's aim of aligning its business processes and activities with the United Nations Sustainability Development Goals (SDGs) including Sustainability & Climate related risk and opportunities and highlights its contributions towards it. In this Report, the Company also entailed its corporate social responsibility, ESG and its efforts and commitments towards it.

The Report also includes audited financial statements of the Company along with the Auditor's Report thereon in compliance with International Financial Reporting Standards. This Report also includes the compliance provisions and directives of the Companies Act, 2017, Code of Corporate Governance Regulations, 2019, Auditor's Review Report in compliance of Code of Corporate Governance, applicable regulations.

This Annual Report is available online at <https://gfg.com.pk/cccl/financial-information/>

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Vision

Building a better Future

Mission Statement

We aim to build a better future by

Become the leading cement company

Achieve Excellence through Innovation

Uphold the trust of our customers

Help Build a Greener Future

Unlock the Potential of our people

Continue to care for our communities

Optimize our Investment portfolio

Ingredients of Success
for
**Becoming
the leading
Cement
Company**



Limestone

Limestone is the key ingredient in cement production, providing the calcium that gives cement its binding strength.



Ingredients of Success
for
**Achieving
Excellence**
through
Innovation



Laterite

Laterite enriches cement manufacturing process. With its high iron and alumina content, it fine-tunes the raw mix and strengthens the foundation of every structure.



Ingredients of Success
for
**Upholding the
Trust of
our Customers**



Gypsum

Gypsum is the finishing touch in cement manufacturing. Added during grinding, it controls setting time, ensuring workability and strength.

Ingredients of Success
for
Building
a
Greener
Future



Slate

Slate serves as a valuable raw material in cement manufacturing. Its high silica and alumina content contributes to a well-balanced raw mix enabling the production of strong and durable Cement.





Coal

Coal is a key source of energy in cement manufacturing. It fuels the high-temperature kilns where raw mix forms into clinker, powering the process that forms the foundation for durable cement.

Ingredients of Success
for
**Unlocking the
Potential
of our People**

ASHREI TECH | NASTP
ACADEMY



Ingredients of Success
for
**Continuing to
Care** for our
Communities



Clay

Clay is the backbone of the raw mix in cement manufacturing. Supplying silica, alumina, and iron, it brings balance to the process and strength to every structure.



Ingredients of Success
for
Optimizing
Our
Investment
Portfolio



Bauxite

Bauxite enriches Cement with the alumina, balancing the raw mix and enhance the formation of key Clinker compounds. Its addition strengthens the mix, improves setting and supports the durability.

Our Values

RESPECT

is our way of life



OWNERSHIP

is our way to success



QUALITY

is our legacy



FAIRNESS

is our way of work



Culture

Organizational culture in the Company is a manifestation of shared values and beliefs, which we practice every day to move towards a better and more successful organization. These shared values have a strong influence on the respective teams and help them in a win win outcome for both the employee and the organization. Our values provide the foundation of our culture and bind us into a world class team yearning to outperform the competition.

Ethics

Our Code of Conduct reflects our commitment to meet the expectations of our stakeholders and contains the fundamental principles and rules concerning ethical business conduct. Cherat Cement Company Limited (CCCL) is committed to conducting its business with honesty and integrity and we expect all our employees to maintain high standards in accordance with this Code.

CCCL Code of Conduct forms an integral part of the terms of employment of all employees. The Company insists on full compliance and does not tolerate any misconduct. Unlawful behaviour is

not tolerated under any circumstances. A breach of the CCCL's Code of Conduct can lead to disciplinary action upto and including termination of employment.

It is the obligation of every employee to be responsible, honest, trustworthy, conscientious, and dedicated to the highest standards of ethical business practices. The employees have a legal, moral and ethical responsibility to report to their Line Managers or Compliance Committee, any known or suspected violations of law, regulations and / or corporate policies.

Code of Conduct

This Code of Conduct of the Company is based on the principles of, including but not limited to, Personal Conduct, Conduct in business dealing, Integrity & Honesty.

Scope

This Code of Conduct is applicable to Directors, Senior Management and all regular and direct contract staff in the Company and its locations.

Compliance with the Law and Reporting of Violations

We firmly believe in good corporate governance and in providing advice concerning compliance with the Code of Conduct. All employees are encouraged to report any suspected violation of this Code of Conduct to their Line Managers (Functional Heads) who will report to the Chief Executive / Chief Operating Officer and/or as provided under the Whistle Blowing Policy of the Company.

The observance of the laws and regulations of the legal systems in which we operate, along with policies of the Company, is mandatory for all employees in all their dealings, be it with customers, suppliers, competitors, other employees, government bodies or others.

Competition and Anti-trust Law

We obligate employees to strict compliance with Competition and Anti-trust Laws wherever the Company operates.

Bribery and Corruption

We are committed to conducting our business in an open, honest and ethical manner in all the jurisdictions in which we operate and will not allow its employees to engage in any form of bribery or corruption in order to secure any kind of business advantage.

Money Laundering

It is our policy to refrain from conducting business with persons or entities who are involved in criminal or illegal activities. All employees have to adhere to applicable anti-money laundering laws and regulations.

Product Quality

We develop and manufacture high-quality products that meet all regulatory requirements and pursue quality beyond compliance in both our products and processes. We focus on regularly updating ourselves with technological advancements to produce under the highest standards and maintain all relevant technical and professional standards.

Books, Records and Financial Reporting

The accuracy and completeness of our books, records and financial reporting is of critical importance for the Company. We fulfill all applicable legal obligations with regard to public filings and reporting.

Ensure Confidentiality

It is our policy that no employee entrusted with confidential information about the Company, its suppliers, customers or other business partners may disclose such information to any third party or use such information for his or her personal benefit while employed with the Company or thereafter, unless prior written approval is obtained from a duly authorized person, unless it is public knowledge at the time of disclosure or the disclosure is required by law.

Protection and Information Security

We have a policy that sets out rules on data protection and the legal conditions that must be satisfied in relation to the obtaining, handling, processing, storage, transportation and destruction of personal information. We comply with all applicable laws & regulations regarding the collection, processing and use of personal data. Any illegal collection, processing or use of personal data of our employees, suppliers, customers and third parties are strictly prohibited. All personal data must be safeguarded with appropriate care and protected against unauthorized access by third parties at all times.

Handling and Safeguarding of the Company's Property

Employees must handle the Company's assets, property, proprietary information and intellectual rights for business purposes and not for personal benefits or gains and to make utmost efforts for the protection and efficient use of the Company's assets.

Equal Treatment and Fair Working Conditions

We are committed to promoting equality of opportunity for all staff and job applicants. We aim to create a working environment in which all individuals are able to make best use of their skills and abilities, free from discrimination or harassment, and in which all decisions or promotions are objectively based on merit. We do not tolerate any form of discrimination, harassment or bullying in the workplace.

Social and Corporate Governance

We are committed to maintaining ethical leadership, advocating best practices, establishing comprehensive policies, implementing robust

internal controls and engaging with shareholders and other stakeholders in a transparent and a fair manner. We encourage employees to participate in philanthropic activities, including contributing to charities of their choice.

Personal Conduct and Legal Duties

We encourage employees to improve competence and skills in their respective roles through continuing professional education, exercising due diligence, objectivity and sound judgment while performing their duties.

We also encourage employees to exhibit a high standard of personal conduct both inside and outside the Company.

Insider Trading

The employees of the Company may not partake in practices like insider trading, concealment of facts, misusing of privileged information and must ensure compliance with all relevant laws and Company policies.

Diversity and Inclusion

We are committed to promoting a diverse and inclusive staff composition and providing equal opportunities to all employees for employment in the Company irrespective of their culture, race, gender, caste, and religion. We do not tolerate intimidation and harassment in the workplace.

External Activities and Public Comments

We do not permit employees to undertake external activities during the working hours or at the expense of their duties and commitments to the Company.

Health, Safety and Environmental Protection

We are committed to complying with environmental laws and will strive to use eco-friendly technologies and practices to minimize our environmental footprint wherever reasonably possible. This includes making efficient use of natural resources and aiming to minimize the environmental impact of our activities and products.

We focus on all aspects of occupational health, safety and environmental protection. We identify and manage health, safety and environmental risks in our activities and over the entire value chain of our products and services.

We focus on customer satisfaction, employee well-being, ethical business conduct, community engagement and collaboration with government and regulatory authorities.

Avoiding Conflicts of Interest

Employees may not engage in any activities, on or off the job that conflict with the Company's business interests, nor they may use their position with the Company for their personal gain or for the improper benefit of others. As a policy, conflicts of interest must be reported to Management.



Company Information

Board of Directors

Mr. Omar Faruque	Chairman
Mr. Azam Faruque	Chief Executive
Mr. Akbarali Pesnani	Director
Mr. Arif Faruque	Director
Mr. Ariful Islam	Director
Mr. Abrar Hasan	Director
Mrs. Zeeba Ansar	Director
Mr. Yasir Masood	Director

Audit Committee

Mr. Ariful Islam	Chairman
Mr. Akbarali Pesnani	Member
Mr. Arif Faruque	Member

Human Resource &

Remuneration Committee

Mr. Abrar Hasan	Chairman
Mr. Azam Faruque	Member
Mr. Omar Faruque	Member

Director & Chief Operating Officer

Mr. Yasir Masood

Chief Financial Officer

Mr. Ijaz Ahmed

Company Secretary

Mr. Asim H. Akhund

Head of Internal Audit

Mr. Aamir Saleem

External Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Cost Auditors

UHY Hassan Naeem & Co.
Chartered Accountants

Shariah Advisor

Alhamd Shariah Advisory Services (Pvt.) Limited

Legal Advisor

K.M.S. Law Associates

Bankers

Allied Bank Limited
Bank Al Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Non-Banking Financial Institution

Pakistan Kuwait Investment Co. (Pvt) Limited

Islamic Bankers

Bank Alfalah Limited
Bank-Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
The Bank of Khyber

Credit Rating

Long-term rating: A+
Short-term rating: A1
Outlook: Stable
by The Pakistan Credit Rating
Agency Limited (PACRA)

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahrah-e-Faisal
Karachi-74400
Tel: 0800-23275
UAN: 111-111-500
Email: info@cdcsrsl.com

Contact Information

UAN: 111-000-009
Email: info@gfg.com.pk
Web: www.gfg.com.pk

Registered Office / Factory

Village Lakrai, P.O. Box 28,
Nowshera
Tel: +9291 5270531-4
Fax: +9291 5270536

Head Office

Modern Motors House,
Beaumont Road
Karachi-75530
Tel: +9221 35683566-7, 35689538
Fax: +9221 35683425

Sales Offices

Peshawar
1st Floor, Betani Arcade,
University Road
Tel: +9291 5842285, 5842272
Fax: +9291 5840447

Lahore
3, Sunder Das Road
Tel: +9242 36286249-50, 36308259
Fax: +9242 36286204

Islamabad
1st Floor, Razia Sharif Plaza
Jinnah Avenue, Blue Area
Tel: +9251 2344531-33
Fax: +9251 2344534, 2344550

Nature of Business

Cherat Cement Company Limited is a Ghulam Faruque Group (GFG) Company, having its principle business activity of manufacturing, marketing, and sale of Cement. The Company is a pioneer in Pakistan's Cement industry and commands a leading market position in its region, placing an unwavering emphasis on quality.

Cherat's main product is ordinary Portland Cement, branded as Cherat, with introduction of composite Cement named as Khyber.

Local and International Market

The Company's manufacturing plant is strategically located in Village Lakrai, District Nowshera, Khyber Pakhtunkhwa (KPK) Province, catering primarily to the local market of KPK, FATA, Azad Kashmir and Punjab. Moreover, the Company actively export its product to the Afghanistan market as well.

Our Products



Our Certifications





GHULAM FARUQUE GROUP

Group Structure

Since its inception, the Ghulam Faruque Group has continuously strengthened and diversified its lines of operations. Faruque (Private) Ltd is the Parent Company; details and brief profile of other leading group companies / ventures are as follows:

Faruque (Private) Limited Parent Company

Established in 1964 as a Parent Company of the Group, it primarily serves as an investment arm of the Group.



Mirpurkhas Sugar Mills Limited

Manufacturer and seller of Sugar and corrugated Paper

Mirpurkhas Sugar Mills Limited, established in 1964 and listed on the Pakistan Stock Exchange (PSX), was initially engaged in the manufacturing and sale of sugar. In line with its diversification strategy, the Company expanded into the Paper and Board business, which successfully commenced commercial production in May 2023. The Company now operates through its Sugar and Paper & Board Divisions, supplying products to various industries across Pakistan.

Sugar Division: The Sugar Division is located in Mirpurkhas, about 230 km from Karachi, with a crushing capacity of 12,500 tons per day. It is recognized as one of the most efficient sugar mills in Pakistan. In addition, the Company manages 351 acres of experimental farms dedicated to developing higher-yield sugarcane varieties, supporting sustainable growth in the sector.

Paper and Board Division: To further diversify its operations, the Company has established a Paper and Board Division at its existing site, with an installed capacity of 250 tons per day. The division successfully commenced commercial production in May 2023. Through this initiative, the Company aims to become a leading supplier of high-quality liner board and medium paper to the packaging industry in Pakistan. With this addition, MSM now operates the largest brown paper production facility in the region, and among the largest in the country.



Cherat Packaging Limited

Manufacturer of Polypropylene Bags, Flexible Packaging Products and Carrier/SOS Bags.

Established in 1991, it is one of the largest producer and supplier of polypropylene (PP) bags to the cement industry in Pakistan. CPL also produces and provides bags to other industries such as sugar, rice and flour etc. It also produces flexible packing material through its state-of-the-art facilities. CPL is listed on Pakistan Stock Exchange. The Company has a production capacity of 260 million PP bags and 19.8 million kgs flexible packaging products per annum. The Company has successfully installed Carrier/SOS bags project having capacity of 260 million units per annum in April 2025. This will enable CPL to meet the demand of its prospective customers in an effective manner and optimize the utilization of its available resources.

CPL caters to the domestic as well as export markets and is also a recipient of the prestigious Pakistan Stock Exchange "Top Companies" Award and Management Association of Pakistan's Corporate Excellence Award in addition to Best Corporate Reporting Awards (BCRA) several times.

ZENSOFT

Zensoft (Private) Limited

Information Systems Services Provider Specializing in Business Software Solutions It was established in 1998 and is engaged in development of computer softwares. The Company specializes in providing high quality business solutions.



GREAVES

Greaves Pakistan (Private) Limited

Providing Specialized Engineering Sales and Services

It was established in 1859 to provide specialized engineering equipment sales and services. However in 1964, the Group acquired a controlling interest in the shares of the Company and by 1981 Greaves became a wholly owned subsidiary of Faruque (Private) Limited. Greaves has the following divisions namely i) Power Generation, ii) CNG Equipment, iii) Industrial Machinery, iv) Solar Energy, v) LED, vi) Elevator, vii) Earth Moving & Construction Machinery, viii) Air Compressor ix) Fuel Dispenser and x) UPS.

Greaves Airconditioning (Private) Limited

Equipment Suppliers and HVAC Solution Provider

Greaves Airconditioning (Private) Limited is (HVAC Equipment Supplier and HVAC Solution Provider) commenced operations in 1975, this is the one of the largest HVAC Companies in Pakistan which is providing the complete one window HVAC solution to its customers including supply, installation and maintenance of complete HVAC products range. Greaves Airconditioning is the authorized distributor of Johnson Controls International (York) products in Pakistan.

Greaves Engineering Services (Private) Limited

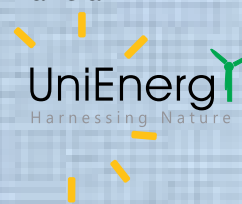
HVAC Contractors

Established in 2003, its principal activity is to provide services associated with airconditioning, installation and maintenance of central and packaged units.

Greaves CNG (Private) Limited

Retail Sales of CNG to end consumers

Greaves CNG was established in 2001 with a prime motive to install CNG facilities at the retail outlets of Petroleum Companies. It is a preferred third party investor for all major petroleum companies in Pakistan.



UniEnergy Limited

Joint Venture for Renewable Wind Energy.



Unicol Limited

Joint Venture Distillery Producing Ethanol, Sugar and Liquid Carbon Dioxide (CO2)

Unicol was incorporated in 2003 as a Public Unlisted Company and is a joint venture with equal shareholdings among Faran Sugar Mills Limited, Mehran Sugar Mills Limited, and Mirpurkhas Sugar Mills Limited, each listed on the Pakistan Stock Exchange. The Company is engaged in the production and sale of industrial ethanol, sugar, and liquid carbon dioxide (LCO₂). Unicol has an installed ethanol production capacity of 56,000 MT per annum, a sugar division with a cane crushing capacity of 8,000 TCD, and an LCO₂ production capacity of 18,000 MT per annum. The Company exports its entire ethanol output to various regions worldwide, while sugar and LCO₂ are sold locally. Unicol is also the proud recipient of the FPCCI Best Export Performance Award for 2022-23.

Journey of Success

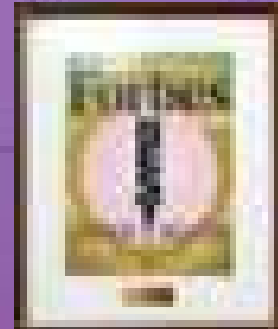


Hall of Fame

These achievements show that the Company is a responsible corporate entity and believes in transparency in the process of data gathering and timely dissemination of factual information to our valuable stakeholders.

Forbes: Asia's Best Under a Billion Company

In 2006, Cherat Cement Company Limited was recognized by Forbes Asia Magazine as one of Asia's 200 "Best Under a Billion". The award recognizes 200 Asia-Pacific public companies with less than \$1 billion in revenue and consistent top-and bottom-line growth.



Pakistan Stock Exchange Top Companies Award

The Company's outstanding performance was also recognized by the Pakistan Stock Exchange and the Company was awarded the Top Companies Award for the financial years 2023, 2022, 2020 and 2014.



Corporate Excellence Award by MAP

The Corporate Excellence Awards, established by the Management Association of Pakistan (MAP), aim to recognize companies demonstrating outstanding performance and progressive management practices. Cherat Cement Company Limited, through its commitment to transparent reporting, information symmetry, and best management practices, has consistently distinguished itself. In recognition, the Company received the Corporate Excellence Award in the 'Cement' category for three consecutive years 2021, 2022, and 2023.



Best Corporate and Sustainability Report Award by ICAP & ICMAP

The Company has consistently been recognized for excellence, winning the Best Corporate and Sustainability Report Award in the Cement sector for three consecutive years (2020, 2021, and 2022). The award is jointly organized by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan. The Company also secured first place in 2016 and 2017, second place in 2014, 2015, 2019, and 2023, and third place in 2018.

South Asian Federation of Accountants (SAFA) Award

The SAFA Committee for Improvement in Transparency, Accountability & Governance (ITAG) annually presents the SAFA Best Presented Annual Report Awards, adjudged on the basis of nominations from South Asian countries and evaluated under predefined SAFA criteria. Recognized as the region's most prestigious accolade in financial reporting, these awards highlight excellence in transparency, accountability, and governance. At the SAFA BPA 2023 Awards, held in Sri Lanka in November 2024, the Company received the Joint Bronze Award for its commitment to enhanced reporting practices. In previous years, Cherat Cement earned the Silver Award in 2022, Joint Second Runner-up in 2019, and Certificates of Merit in 2017 and 2014.



Business Excellence Award

The Company was awarded with Business Excellence Award in Financial year 2022 presented by the President of Sarhad Chamber of Commerce and Industry for being the winner for its exports to Afghanistan since 2003.



Fire & Safety Award by NFEH, FPIP & IFE

Cherat Cement Company Limited was recognized with the prestigious Annual Fire Safety Award on November 02, 2023, organized by National Forum for Environment & Health (NFEH) in collaboration with the Fire Protection Industry of Pakistan (FPIP) & The Institution of Fire Engineers (IFE).



Competitive Landscape and Market Positioning



Cherat Cement Company Limited (CCCL) boasts an expansive distribution network that serves customers through its active market place. This extensive web of cement dealers not only enhances logistical and working capital efficiencies but also ensures prompt delivery of products to end consumers.

The Company's primary focus remains on implementing business strategies tailored for the local market, ensuring sustainability and augmenting market share. By harnessing its resources and efforts, the Company strives to tap into new markets and regions, aiming to enhance its accessibility "through cross borders" construction industry and effectively meet the needs of customers in both local and international arenas.

With a cutting-edge production facility in place, CCCL has consistently advanced its market share within the cement industry it operates in. During the year, Company has successfully moved towards local coal with the blend of imported coal with an objective of cost optimization. Additionally, the Company exercised cost control over power cost by optimizing a combination of waste heat recovery, self-generation, national grid sourcing, with efficient utilization.

The competitive landscape and market positioning is explained below:

Supplier Power

Our relationship with suppliers is defined by transparency, unwavering continuity, and the creation of shared value. The trajectory of our persistent growth can be traced back to our strategic partnerships with esteemed and dependable suppliers who stand as our trusted collaborators in the industry. We have diligently established a diverse array of supply sources for pivotal components and materials, safeguarding against any disruptions. Over the course of the over the course of many years the Company has been the beneficiary of a seamless inflow of vital input materials crucial to the production process. It is our robust and symbiotic bond with suppliers, coupled with our sterling reputation within the cement sector, that serves as the cornerstone of our effective management of supplier dynamics.

Buyer Power

Guided by a commitment to prioritize our customers, a fundamental core value, we employ forward-thinking strategies to secure the loyalty of both our customers and stakeholders. We adeptly adapt to evolving expectations showcasing our business's nimbleness. Our attentiveness to our customers



requisites remains unwavering, as we continually innovate to provide top-notch cement that precisely aligns with their needs. Placing customers at the epicenter of our choices empowers us to effectively cater to their influence.

Competitive Rivalry

The cement sector experiences fierce competition, a factor that has historically proven advantageous for both the industry and its clients. All participants diligently strive to augment their market presence. The expansion of the industry frequently aligns with economic progress and construction undertakings, giving rise to predictable cycles of demand. Cherat Cement stands out with its proficient production capabilities, well structured distribution networks and formidable brand reputation, affording it a competitive edge. Cement manufacturers located in the northern regions of Pakistan enjoy the added benefit of exporting their products to Afghanistan.

Threat of New Entry

The likelihood of a new participant entering the market is minimal. The cement sector usually demands substantial financial outlay for constructing manufacturing plants, acquiring necessary permissions, and forming efficient distribution systems. This considerable initial investment functions as a formidable obstacle deterring potential entrants from joining the market. Furthermore, the well-established cement companies frequently enjoy advantages stemming from economies of scale and robust distribution networks. These factors create challenges for new entrants, impeding their ability to match cost competitiveness and infiltrate established distribution avenues. Hence, the potential for new players to enter the cement industry remains relatively limited.

Threat of Substitution

Due to the unique nature of the product, the market faces no risk from substitute products.

Geographical Presence

Main Distributions | Local



- Abbotabad
- Arifwala
- Attock
- Bagh
- Bahawalnagar
- Bahawalpur
- Bajaur
- Bannu
- Bhakkar
- Bhimber
- Bunair
- Chakwal
- Chaman
- Charsadda
- Chilas
- Chitral
- Dera Allah Yaar
- Dera Ghazi Khan
- Dera Ismail Khan
- Dir
- Faisalabad
- Gambat
- Gilgit
- Gujranwala
- Gujrat
- Hafizabad
- Hunza
- Hyderabad
- Islamabad
- Jhang
- Jhelum

- Karachi
- Karak
- Kasur
- Khairpur
- Khyber
- Khuchlak
- Khushab
- Kohat
- Kotli
- Kurram
- Khuzdar
- Lahore
- Larkana
- Layyah
- Lodhran
- Malakand
- Mansehra
- Mardan
- Mianwali
- Mirpur
- Mirpurkhas
- Mohmand
- Multan
- Muzaffarabad
- Muzaffargarh
- Muslim Bagh
- Nankana
- Narowal
- Nawabshah
- Nowshera
- Oghi

- Okara
- Orakzai
- Pabbi
- Parachinar
- Peshawar
- Quetta
- Rahim Yar Khan
- Rajanpur
- Ranipur
- Rawalakot
- Rawalpindi
- Sahiwal
- Sakrand
- Sanghar
- Sargodha
- Shangla
- Sheikhpura
- Shikarpur
- Sialkot
- Sibbi
- Skardu
- Sukkur
- Swabi
- Swat
- Talagang
- Tank
- Topi
- Vehari
- Waziristan

Main Distributions | Export

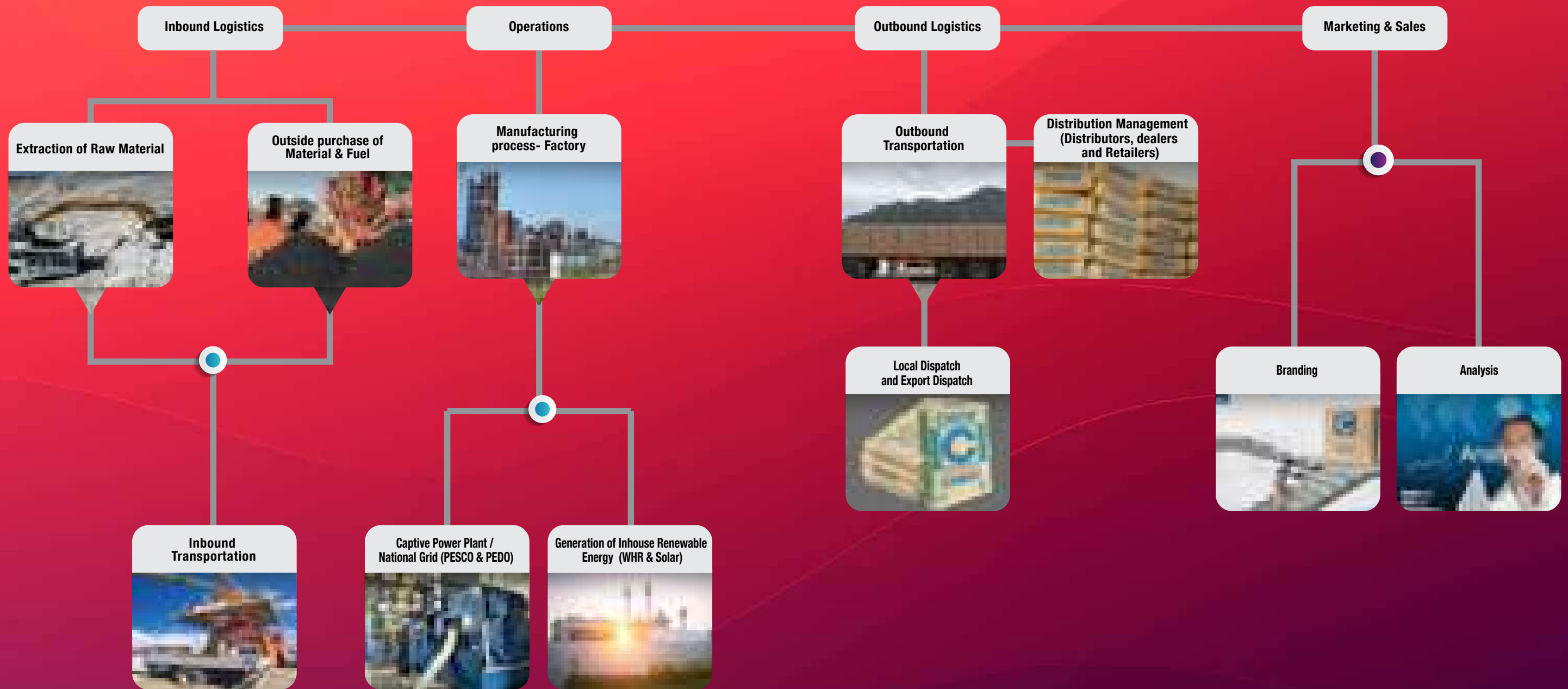


• Kabul

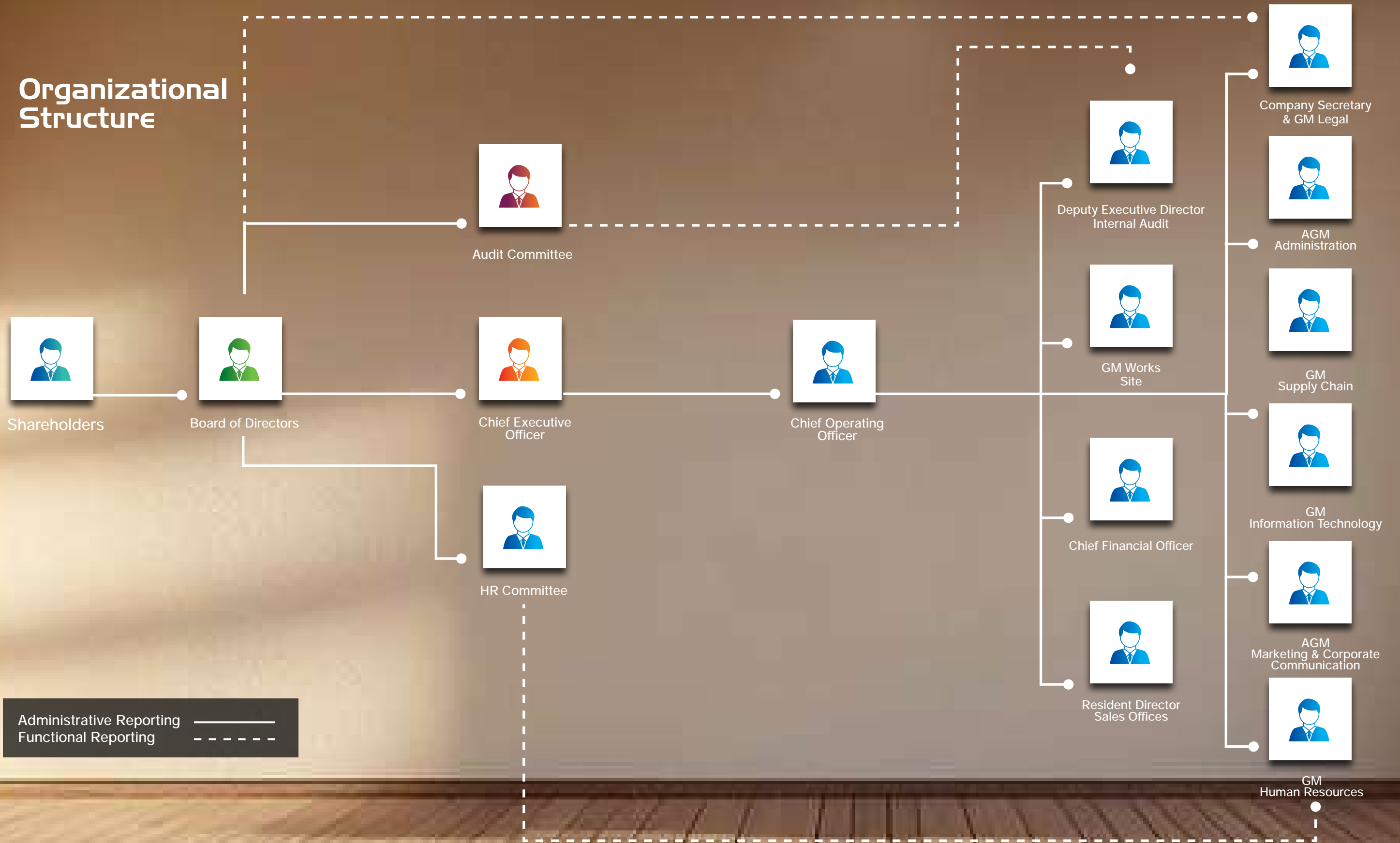
• Jalalabad

• Khost

Position within the Value Chain

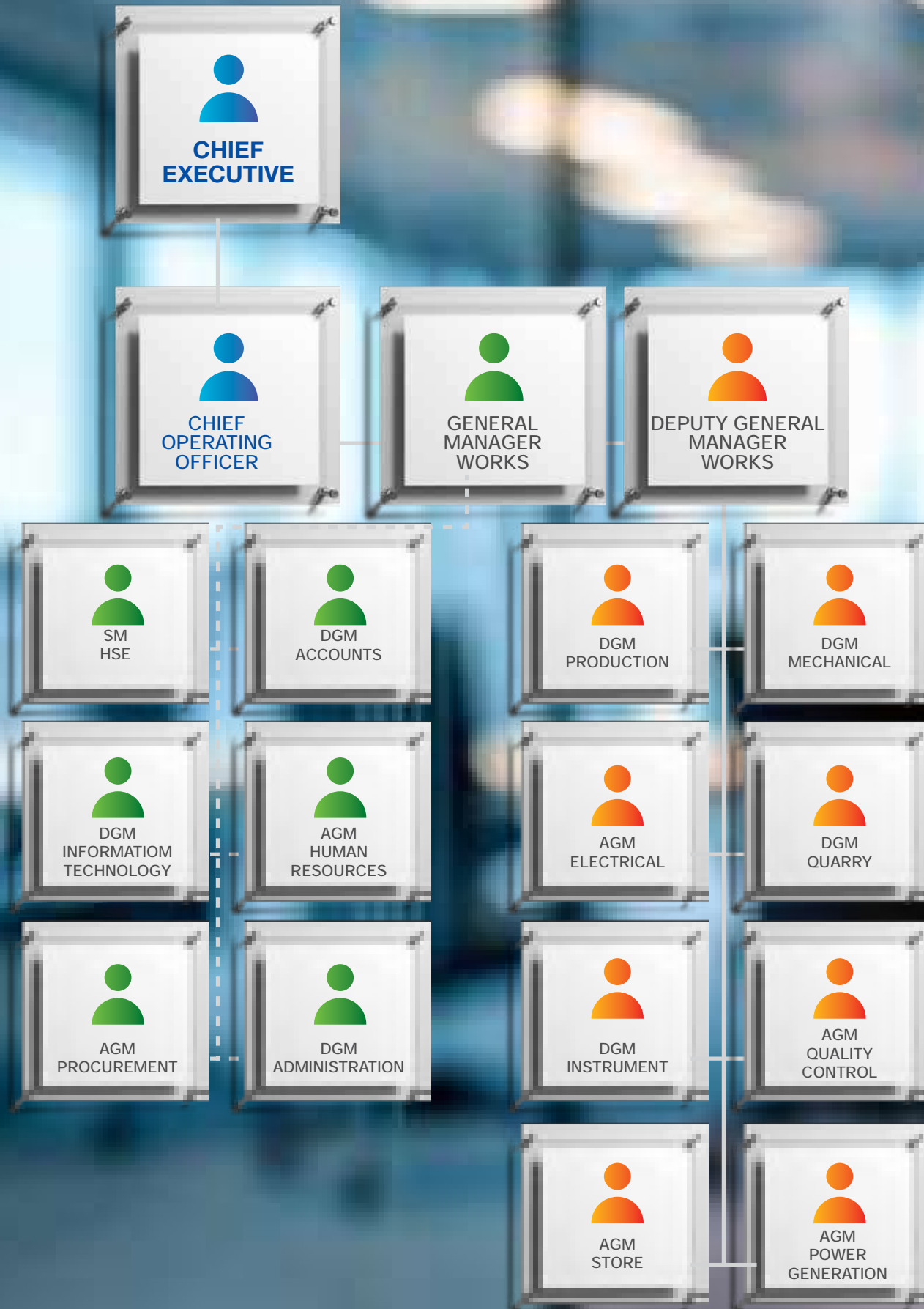


Organizational Structure



Administrative Reporting ———
 Functional Reporting - - - - -







Factory Site Organizational Structure



Sales Offices Organizational Structure



Factors Affecting the External Environment and the Organization's Response

	 POLITICAL	 ECONOMIC	 SOCIAL	 TECHNOLOGICAL	 LEGAL	 ENVIRONMENTAL
FACTORS	<p>Political factors influence how much a government can impact the economy or a specific industry. Political instability can destabilize the business environment.</p>	<p>Economic factors pertain to the country's financial condition. A robust economy stimulates business growth, while a weak economy can hinder it.</p>	<p>A company's social responsibility cannot be overlooked. It must contribute to the improvement of the society in which it operates, addressing issues such as health, education, women empowerment and other important societal challenges.</p>	<p>Technology plays a pivotal role in organizational success, and the growing use of AI to enhance efficiency and decision-making has become critical for maintaining competitiveness and sustainability.</p>	<p>Companies are obligated to comply with applicable laws and regulations, and every responsible organization is expected to adhere to all requirements set forth by the Government.</p>	<p>Nearly every manufacturing company leaves an environmental footprint, with key concerns including climate change, global warming, recycling, water scarcity, and the increasing frequency of natural disasters driven by shifting climatic conditions.</p>
SIGNIFICANT CHANGE FROM LAST YEAR	<ul style="list-style-type: none"> Political uncertainties. Abrupt changes in Government policies can adversely affect business and financial projections. Global political scenario 	<ul style="list-style-type: none"> Reduced Government's spending Lower economic growth Higher Inflation High Electricity, fuel & Power costs 	<ul style="list-style-type: none"> Focusing CSR activities such as Investment in education, health women empowerment, clean water and society Efforts for environment conservation Continuous improvement in HSE department 	<ul style="list-style-type: none"> Technology innovation Ensures that processes comply with the applicable regulatory requirements. Continuous development of Information Technology infrastructure, AI capabilities, and security measures. 	<ul style="list-style-type: none"> Companies Act, 2017 Income Tax Ordinance Sales Tax Act Shariah Compliant Company of Pakistan SECP Acts, Rules and Regulations Code of Corporate Governance IFRS Amendments Labour and Environmental Laws & regulations. 	<ul style="list-style-type: none"> Environmental Footprint, Recycling, Climatic Conditions Global warming Renewable energy including solar and hydel power
ORGANIZATIONAL RESPONSE	<p>The management of Cherat Cement Company Limited consistently monitors and evaluates political developments, with particular focus on changes in duty structures, taxation, and other financial levies. This proactive approach enables the Company to anticipate potential risks and implement timely measures to safeguard its operations and financial performance</p>	<p>The Company remains focused on enhancing efficiencies in its manufacturing processes and energy mix to mitigate rising production costs. Regular cost optimization initiatives are undertaken to manage both production and non-production fixed expenses. With its strong national presence, international reach, and diversified business portfolio, the Company is well-positioned to withstand economic disruptions in specific regions or sectors. Furthermore, the State Bank of Pakistan has reduced the key policy rate to 11% in an effort to curb inflation and stimulate economic growth amid signs of easing price pressures.</p>	<p>Corporate Social Responsibility (CSR) is a core aspect of the Company's ethics and policy, pursued with dedication. We lead in voluntary CSR efforts, guided by SECP's CSR guidelines and the Companies Act of 2017. Our initiatives focus on education, health, water, and women empowerment, including donations to top NGOs and running a model school and a health unit in collaboration with local organizations. We support women's development projects, provide transportation for students, install tube wells for drinking water, conserve animal species, and distribute rations. All CSR activities, including financial allocations and strategic decisions, are overseen and approved by the Board.</p>	<p>The Company is actively expanding its AI applications and strengthening internal capabilities to enhance efficiency and decision-making. In parallel, continuous investments are being made in modernizing IT infrastructure and security systems. Company upgraded its SAP platform and implemented SAP SuccessFactors to improve business processes and human capital management. The IT environment has been further fortified through deployment of Sophos Endpoint Protection, combining anti-malware, web and application control, device control, and Barracuda Email Security Gateway. To support seamless communication, the Company also utilizes Voice over Internet Protocol (VoIP) technology.</p>	<p>The Company has a dedicated team of professionals committed to ensuring full compliance with all regulatory requirements. To benchmark itself against the best in corporate Pakistan, the Company participates in various award programs, such as the PSX Top 25 Awards, MAP Corporate Excellence Awards, and Best Corporate Report Awards etc.</p>	<p>The Company complies with ISO 14001 and NEQ Standards and has installed WHR plants to protect the environment. The plant uses Electrostatic Precipitators and bag filters to control dust and gas emissions, reducing the impact of global warming. Large-scale tree plantations have been conducted to further improve the environment. Additionally, the Company receives clean hydro energy from Pakhtunkhwa Energy Development Organization (PEDO) and has installed a solar power project at its Nowshera plant, contributing to environmental sustainability and cost savings.</p>

Seasonality of Business:
Cement demand is normally on higher side during summer.

Description of Performance of Activities, Product and Services

The performance of various activities and cement products within a cement company in Pakistan is shaped by a complex interaction of market dynamics, economic conditions, and strategic initiatives. Below is a detailed overview of the performance of the company's cement products and activities:

Sales Volume and Revenue:

During the year end June 2025, Local revenue decreased by 2% compared to corresponding period mainly due to decrease in local volume by 10%. However, increase in retention price by 9% has somehow offset the impact. Export revenue did not change notably due to the decrease in quantity by 3% along with an increase in retention price by 3%. Moreover, exports to Afghanistan disrupted during the third quarter which resumed in the later part of the fiscal year. Locally, the cement price went up by Rs. 1,400 per ton, as an adjustment to input costs, while the export price increased by Rs. 323 per ton, resulting an average price increase of Rs. 1,188 per ton.

Market Demand:

Cement demand remained under pressure due to weak private sector activity, driven by economic uncertainty, lower government spending, and sluggish real estate development. On the export side, logistical constraints remained a challenge especially in exports to Afghanistan, though certain markets witnessed notable recoveries. Additionally, rising energy tariffs and higher regulatory levies further restrained the market demand.

Operational Efficiency:

The Company marked another significant step towards sustainable operations by commissioning an additional 9 MW solar power project at its Nowshera site, raising our total solar capacity to 23 MW. This achievement underscores our commitment to clean energy and advancing our strategy to reduce reliance on fossil fuels and the national grid, while promoting a greener, more sustainable future. The company also plans to introduce Electric Vehicle dumpers for material transportation to reduce fuel expenses.

Profit Margins: Profitability improved as the company successfully raised prices in a timely manner and efficiently managed high input costs, such as fuel and power, while optimizing the use of renewable energy.

Quality and Innovation: With a market share of around 6.4%, Cherat is the preferred choice in many markets due to its superior quality. The recently developed composite cement has gained market share both locally and in export markets, thanks to its environmental benefits that meet market demands and regulatory standards.

Customer Feedback and Satisfaction: We regularly assess customer feedback on various cement products to gauge satisfaction, identify areas for improvement, and understand the reasons behind customer preferences or complaints. Notably, no complaints were filed this year, reflecting our commitment to quality.

Environmental Impact and Sustainability: We are actively addressing the environmental impact of our cement production by enhancing sustainability through reduced carbon footprints, the use of recycled materials, and alternative production methods. These efforts positively influence market perception and regulatory compliance.

Market Positioning: Cherat has strengthened its brand recognition and reputation in both existing and new markets through corporate social responsibility initiatives, sustainability efforts, and engagement in community development projects.

Challenges and Opportunities: The company faced significant challenges due to macroeconomic factors such as rising fuel prices & utility cost, government fiscal limitations in spending on PSDP, and higher taxation which led to a general slowdown in the construction sector. In response of which the Company has improved sales mix, utilization of local coal as kiln fuel, efficient use of Waste Heat Recovery Systems, Generators, solar energy with an objective of maximum cost optimization.

SWOT Analysis



STRENGTHS

- The company utilizes modern and efficient state-of-art machinery and equipment, which includes Cement manufacturing lines, Waste heat recovery system on kiln and captive power plant & Solar power plant
- The manufacturing site is closer to the Afghanistan border, which makes exports viable and coal cheaper due to low freight cost.
- The company employs a skilled workforce having low employee turnover, which makes the production flow more efficient.
- Company along with its group companies is well diversified in various sectors, i.e. packaging, sugar, ethanol, air conditioning and generators, thus making a strong and well-established portfolio of the group.
- Our long standing and strong relationship and trust levels with customers, vendors and transporters are reflected in the form of better sales and strong operating performance throughout the years.
- The company has successfully implemented SAP S/4 HANA, SAP Success Factor & SAP on-boarding and recruitment modules in order to maintain effective controls in system.



WEAKNESSES

- The company has not fully explored the global export market yet. However, with the announcement of new Greenfield production line (Line-A), The company plans to target new markets to achieve its optimum level.
- Due to the plant location, the Company is unable to tapped the bigger domestic markets. Moreover, the location also makes uncompetitive for exports by Sea.
- The sector operates in high tax impact which has a direct relationship with demand.
- High transportation cost due to remote location as transportation of imported input needs to be transport to factory premises. In this regard, the Company intend to implement effective procurement strategy to mitigate the impact.



OPPORTUNITIES

- Significant growth opportunities in the domestic market due to positive demographic trends like growing population, increasing urbanization, rising income levels and Pakistan's low per Capita cement consumption as compared to its neighboring countries.
- Cost economization through innovation, new products and process efficiencies.
- Government's initiatives of increasing spending on account of PSDP and infrastructure project including highway, dams and affordable Housing scheme is a key potential for the Company's future orders.
- The company is pursuing strategic acquisitions to strengthen its market position and expand its operational footprint.



THREATS

- Growing pressure on prices due to rising input costs on account of increase in gas, coal and utility cost coupled with the devaluation of PKR currency puts pressure on the growth of local sales volumes in the short-term. However, growing export demand on the back of favorable market dynamics and PKR devaluation is expected to substitute such a slow-down in the growth of local sales with growing export volumes, there by mitigating such risk.
- Recent difficulties for the cement business in Pakistan include a drop in demand due to rise in cement prices, political instability and cut in PSDP may affect the Company.
- Announcement of new production lines by competitors, can affect our market share. However, our high-quality cement and strong reputation in the north zone can reduce the threat.
- Recent change in tax regime for exports may exert pressure on competitiveness in export market. Furthermore, government enactment of multiple levies, taxes for dealer and retailer may also impact the local sales volume.

Legitimate needs, Interest of Key Stakeholders, Industry Trends

Shareholders

- Fair return on investment
- Access to accurate and timely information
- Long-term wealth creation through business sustainability

Employees

- Fair compensation and benefits
- Career growth and skill development opportunities
- Job satisfaction and personal growth

Suppliers

- Timely payments for goods and services
- Stable and long-term business relationships

Customers

- High-quality products that deliver value for money
- Reliable and timely delivery

Government and Regulators

- Payment of taxes in line with applicable laws
- Full compliance with legal and regulatory requirements

Nearby Communities

- Environmental protection and responsible use of natural resources
- Contribution to local socioeconomic development

Analysts and Media

- Timely and accurate information about the Company's performance

The Legislative and Regulatory Environment in Which the Company Operates

The legislative and regulatory environment in which Cherat Cement Company Limited operates is shaped by a combination of national laws, industry-specific regulations, and standards enforced by both federal and provincial authorities. Key elements include:

- 1. Corporate Governance and Compliance:** Cement companies in Pakistan must comply with corporate laws such as the Companies Act, 2017, which governs company incorporation, financial reporting, auditing standards, and corporate governance practices. They are also subject to the Securities and Exchange Commission of Pakistan (SECP) regulations, which ensure transparency and protect investors' interests.
- 2. Environmental Regulations:** Cement companies face stringent environmental regulations enforced by the Pakistan Environmental Protection Agency (Pak-EPA) and provincial environmental protection departments. These regulations focus on limiting air pollution, managing waste, conserving energy, and ensuring sustainable resource usage. Companies must obtain environmental clearances and comply with standards such as the National Environmental Quality Standards (NEQS).
- 3. Taxation and Fiscal Policies:** The Federal Board of Revenue (FBR) oversees taxation, including corporate income tax, sales tax, and duties. The government may offer incentives, rebates, or impose additional levies depending on fiscal policies. Cement companies also deal with import duties on raw materials and machinery, which can affect their operational costs.
- 4. Labour Laws:** Cement companies must adhere to Pakistan's Labour laws, which cover worker rights, wages, health and safety standards, working hours, and conditions. The main statutes include the Employment of Labour (Standing Orders) Act, 1968, and the Factories Act, 1934. These regulations ensure that companies provide safe working conditions and fair wages to their employees.

This regulatory framework is designed to balance corporate profitability with environmental sustainability, consumer protection, and Labour rights.

Calendar of Notable Events July 2024 - June 2025

1st

August-24

Mango Party

13th

August-24

Independence Day
Celebration

16th

October-24

43rd Annual General Meeting

21st

October-24

Secured the 2nd position at the Best Corporate Report Awards 2023, Jointly organized by ICMAP and ICAP

22nd

October-24

Final Cash Dividend of 40% Credited Electronically to Shareholders

23rd

October-24

Winners of The 39th Corporate Excellence Awards 2023 in Cement Sector

23rd

October-24

Breast Cancer Awareness Day

4th

November-24

Corporate Briefing Session

11th

November-24

Won the SAFA Award in the Best Presented Annual Report Awards 2023 in the 'Infrastructure & Construction sector' category

15th

November-24

PSX announced Top 25 Companies Award for the FY 2023

4th

January-25

GFG Cricket & Family Gala

30th

January-25

Annual Dealer & Retailers Convention, Islamabad

7th

March-25

Interim Cash Dividend of 15% credited electronically to shareholders

14th

March-25

International Women's day

7th

April-25

World Health Day

3rd

April-25

Commissioning of 6.065 MW Solar Power Plant at factory site, Nowshera

1st

May-25

Labour Day Celebration

5th

June-25

World Environment Day

11th

June-25

Commissioning of 2.935 MW Solar Power Plant at factory site, Nowshera

28th

June-25

Tree Plantation Drive





Strategy and Resource Allocation

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Strategic Objectives and Strategies in Place

The Company has optimized its business processes, by exploring new markets, adopting cost effecting energy alternatives, plant modernization and customer satisfaction and market penetration. We strive to continuously improve efficiency and to bring down our energy consumption and costs by optimally utilizing all available resources. Further, the Company is focused on driving innovation, improving operational efficiencies and maximizing shareholder's wealth.

Cherat Cement has a dynamic business environment and designed strategic objectives being developed and implemented professionally. Everyone in the Company has a role in delivering set strategic priorities. There is no significant change in the corporate strategic objectives of the Company, however, certain new strategic initiatives related to the strategic objectives have been included in corporate strategic Plan. Over the years, the Company has revalidated it's vision and mission statements, tailoring them to meet modern evolving business environment and ensuring the long-term sustainability.

For the value creation for its stakeholders, the Company primarily focuses on the strategic objectives and set priorities which develop with the aims of sustainable development, growing local and international markets and cost efficiencies. The Company has constantly been striving for improving efficiency through continuous innovations, process modernization, optimizing its capacity utilization and better use of available resources. To help achieve these goals, the management carefully sets up strategies and plans.

The Company also aims to create long-term sustainability through grooming its human capital through a congenial work environment and motivation to result high standards output and being remain complied with national and international standards on quality and integrity. Systems are designed to ensure fairness at every level with defined objectives aligning with the vision and mission statement of the Company.

Short, Medium & Long-Term Objectives

Following are the main strategic objectives of the Company:

Short-Term Objectives:

- Optimum utilization of capacity and production facilities
- Marketing and sales of its products to achieve optimum sales mix
- Optimization of operational efficiencies by adopting optimal fuel and power mix
- Effective and efficient use of available resources to reduce combustion and energy cost

Medium-Term Objectives:

- Optimize the management processes
- Adoption of latest technologies and modernization of production process
- Formulation of market-specific business strategies aimed at preserving and expanding our market share
- Ongoing evaluation and upgradation of IT infrastructure for identifying gaps and areas of improvement

Long-Term Objectives:

- Adoption of green technology and increase power share from renewable energy and WHR
- Increase in local and international market share
- Social and environmental considerations in all aspects of business strategies, policies and practices
- Organizational development and talent management to enhance effectiveness and performance

Management Strategies and Resource Allocation Plans



We strive to be at the forefront of sustainable performance. Our mission involves a continuous drive to enhance the effectiveness of our operations, with a focus on prioritizing customer-centric decisions through strategic cost and investment management. Additionally, we adeptly handle capital allocation and expenditure. To realize our strategic objectives, the Company strategically deploys its available resources. Our model for value generation is geared towards delivering optimal value to all stakeholders, employing a range of methods and formats.

Stakeholders' Values

To achieve our long-term sustainable objectives, the management is strategically striving to enhance the stakeholders' value and greater customer satisfaction. The stakeholders' value is maximized through returns on investments, revenue maximization and cost control measures.

Financial Capital

The Company maintains cordial relationship with all the reputable banks and financial institutions of the Country. The Company has access to sufficient unused short-term financing facilities. Moreover, the Company has obtained finance for Balancing, Modernization and Replacement (BMR) of Line-1 under SBP's Temporary Economic Refinance Facility (TERF) and 14 MW & 9 MW Solar Power Plant under

SBP's Islamic & Conventional Financing Facility for Renewable Energy (IFRE/RE) at subsidized rates.

Human Capital

Developing our employees is a top priority for the company. Human capital is a crucial asset and significantly contributes to our success. Our Core Values, Code of Conduct, and HR policies provide a framework that guides our organization. We place a high emphasis on Human Resource Management, with a comprehensive HR department established and overseen by the HR & RC of the Board of Directors.

HR Excellence

We have implemented approved HR policies, integrating all HR functions to evaluate employee performance based on SMART goals. Additionally, we conduct effective Training Needs Assessments (TNA) and arrange both in-house and external training for all management levels. Eligible employees are also recognized with Service Awards for their performance and length of service. Our management aims to acknowledge and reward employee contributions to the business. Furthermore, we have a robust succession planning system in place, ensuring the availability of a high-quality workforce that is essential for meeting day-to-day, tactical, and long-term strategic goals.

Manufactured Capital

Throughout the years, the Company has undertaken numerous initiatives to conserve energy. This began with the conversion of all our power generation units from furnace oil to natural gas, a strategic move that not only reduced the Company's carbon footprint but also lowered the cost of energy production. Additionally, we made significant strides in reducing CO2 emissions by implementing Waste Heat Recovery (WHR) systems. These systems capture excess heat, previously released into the atmosphere, from production lines and power generators to generate electricity. The Company has further shifted towards renewable energy and local coal, in order to achieve cost efficiency for combustion cost.

Intellectual Capital

We take pride in being pioneers in Pakistan's Cement industry for establishing the world's largest ERP, 'SAP' in place. The use of SAP helps management to implement better internal controls and in best business practices. The Company is keen to update itself by keeping an eye on latest technological advancements. As a result, the Company has successfully upgraded from its existing SAP ECC system to SAP S/4 HANA. The company has established a comprehensive training initiative encompassing all management levels

including introduction of SAP Success Factor and SAP on-boarding and recruitment modules.

Social and Relationship Capital

Another prime objective of the Company's management is the greater customer satisfaction for which management takes every step to ensure high quality customer care and standard of product quality. For this purposes the Company has obtained certification of Quality Management System (QMS) systems ISO 9001: 2015 and Management System ISO 14001: 2015. Being a responsible corporate citizen, the Company is committed to continuous improvements in safety, health and environment protection measures. The Company has earned great respect and appreciation through continuous and generous donations to social and charitable causes including health, education and social sectors.

Natural Capital

The Company has the benefit of lease of limestone mountain chains near plant location which has enough reserves for an extensive number of years. The Company remains committed to responsible and conscientious utilization of its natural capital, and will persist in its endeavors for sustainable operations.

Competitive Edge

Ideal Location

Our Plant is located very close to the Afghan border which reduces freight cost of our exports and also lowers the cost of imported coal from Afghanistan. Furthermore, raw materials i.e. Limestone are easily accessible at our site, which minimizes our costs, thereby giving us a competitive edge. Due to its location, the Company can access to cheap local darra coal on low freight cost.

Energy Efficient

The Company utilizes modern state-of-the-art technology and machineries including energy efficient cement mill, Waste Heat Recovery on gensets and Captive power plant which are pivotal in achieving Company's strategic objectives and in utilization its resources in a cost-efficient manner. Furthermore, the Company also installed Solar power panels at its Site to enable effective cost savings. Being one of the first in the industry, the Company has initiated to utilize the Electric Dumper for material transportation in order to support the environmental sustainability and long-term operational efficiency.

Cost Minimisation

Despite others benefiting from the higher installed capacities and thus having better utilization of fixed costs, the Company has managed to achieve progress towards cost leadership in the domestic market by capitalizing on technological advancements that have led to enhanced production efficiencies and reduced costs. This has been facilitated by the implementation of the latest cost-efficient plant.

Diversified Business

The Company alongwith its group companies is widely diversified in various businesses, including Packaging, Sugar, Ethanol, Airconditioning, Engineering and Generators. Thus making a strong diverse business portfolio, thereby enabling the Company to make best use of resources within the group, providing healthy returns to the parent company and being able to face off business risks with diversified group.

Supply Chain Management

Boasting a remarkable network of business partners across diverse sectors, our seamlessly integrated supply chain management stands as a pivotal driver of our competitive edge. Moreover, a tight coordinated logistics system not only fortifies the Company's overall capabilities but also presents a significant cost advantage in this fiercely competitive industry. Additionally, our integrated sales approach ensures the swift delivery of top-notch Cement, enhances further our market position. Moreover, a collaborative and mutually beneficial relationship between the Company and its vendors is a key to a resilient and efficient supply chain.

Early Adoption of SAP and AI

CCCL is the pioneer in adopting the SAP system in the cement industry, positioning itself at the forefront of digital transformation with integrated processes and strong controls across all locations. The Company continuously reviews and enhances its systems with support from external consultants to ensure optimal SAP functionality and maximum user benefit. Customized reports are regularly generated to meet departmental needs, reflecting effective use of technology. To stay ahead, the Company has upgraded from ECC 6.0 to the S/4 HANA database and implemented the HR SuccessFactors module. Alongside SAP, CCCL is also exploring opportunities to embed Artificial Intelligence in its manufacturing processes, further strengthening efficiency, accuracy, and innovation.

Value Created by the Business Using These Resources and Capabilities

By using these resources and capabilities, Cherat Cement creates value for its stakeholders in the following manner

Values



EMPLOYEES
Provision of safe and conducive working environment



CUSTOMERS
Provision of high quality cement



SUPPLIERS AND SERVICE PROVIDERS
Building long-term relationship



FINANCIAL INSTITUTIONS
Maintain cordial relations to secure finance



SHAREHOLDERS
Maximization of Wealth



COMMUNITIES
Investment in Health, Education and Social Welfare



GOVERNMENT
Contribution to National Exchequer and generating economic value for the society

Company's Strategy on Market Product and Service Development

Cherat Cement Company Limited (CCCL) employs an array of strategies focused on market development, product development, and service development to maintain competitiveness, stimulate growth, and respond effectively to market demands.

Market Development Strategies

Geographic Expansion: CCCL is actively seeking opportunities to penetrate emerging regional and international markets especially Afghanistan, characterized by increased demand for cement. This demand is primarily driven by infrastructure development, urbanization, and construction activities. The company may consider establishing new production facilities or acquiring existing entities to facilitate this expansion.

Targeting New Customer Segments: The organization is formulating targeted marketing strategies aimed at diverse customer groups, including large construction firms, ready-mix concrete producers, and concrete block manufacturers. This approach may involve the development of specialized products or the provision of bulk cement options.

Brand Positioning and Awareness: In an effort to enhance brand recognition and reputation in both established and new markets, CCCL is focused on enhancing advertising efforts, engaging in corporate social responsibility initiatives, and participating in community development projects.

The company has specifically established the separate Marketing and communication department for the strong brand and position. Qualified individuals have

been appointed who excel in their respective domains, which would be a positive brand image in the near future.

Product Development Strategies

Innovative and Sustainable Cement Products: The company is committed to developing new types of cement that are specifically designed to meet particular needs. This includes the production of low-carbon or environmentally friendly cement and specialty cement tailored for specific applications, such as composite cement.

Enhancing Product Quality: CCCL is investing in research and development (R&D) initiatives to improve the quality of cement, enhance its durability, minimize environmental impact, and reduce production costs.

Service Development Strategies

Digital Solutions and Customer Portals: The company is in the process of developing digital platforms that facilitate online payments, account management, and access to product information for its customers.

Logistics Management: CCCL is establishing robust mechanisms to ensure efficient customer deliveries by managing logistics effectively and maintaining accurate records of transportation.

Through the implementation of these strategic initiatives, CCCL aims to fortify its market position, drive sustainable growth, and adapt to the evolving demands of the market, all while delivering high-quality products and services to its client.

Linkage of Strategic Objectives with the Company's Overall Vision, Mission and Objectives

The strategic objectives of the company are closely aligned with its overall mission and vision of "Building a Better Future." The vision emphasizes a commitment to innovation, community care, leadership, sustainability, and excellence. To achieve this, the company has set specific strategic objectives, here's how they connect:

Mission:

The mission defines the fundamental purpose of the company. Strategic objectives are specific, measurable goals that guide the company in fulfilling its mission. By aligning with the mission, these objectives help ensure that the company's actions and decisions consistently support its core purpose.

Vision:

The vision i.e. Building a Better Future describes the future state that the company aspires to achieve. Strategic objectives serve as milestones that outline

the steps needed to reach this envisioned future. By linking to the vision, strategic objectives provide a roadmap that translates the company's long-term aspirations into actionable plans.

Overall Objectives:

The overall objectives are broad goals that the company aims to achieve. Strategic objectives break these down into more specific, time-bound targets that can be pursued and measured. This connection helps ensure that all organizational efforts are directed toward the same overarching goals, promoting synergy and focused effort across departments.

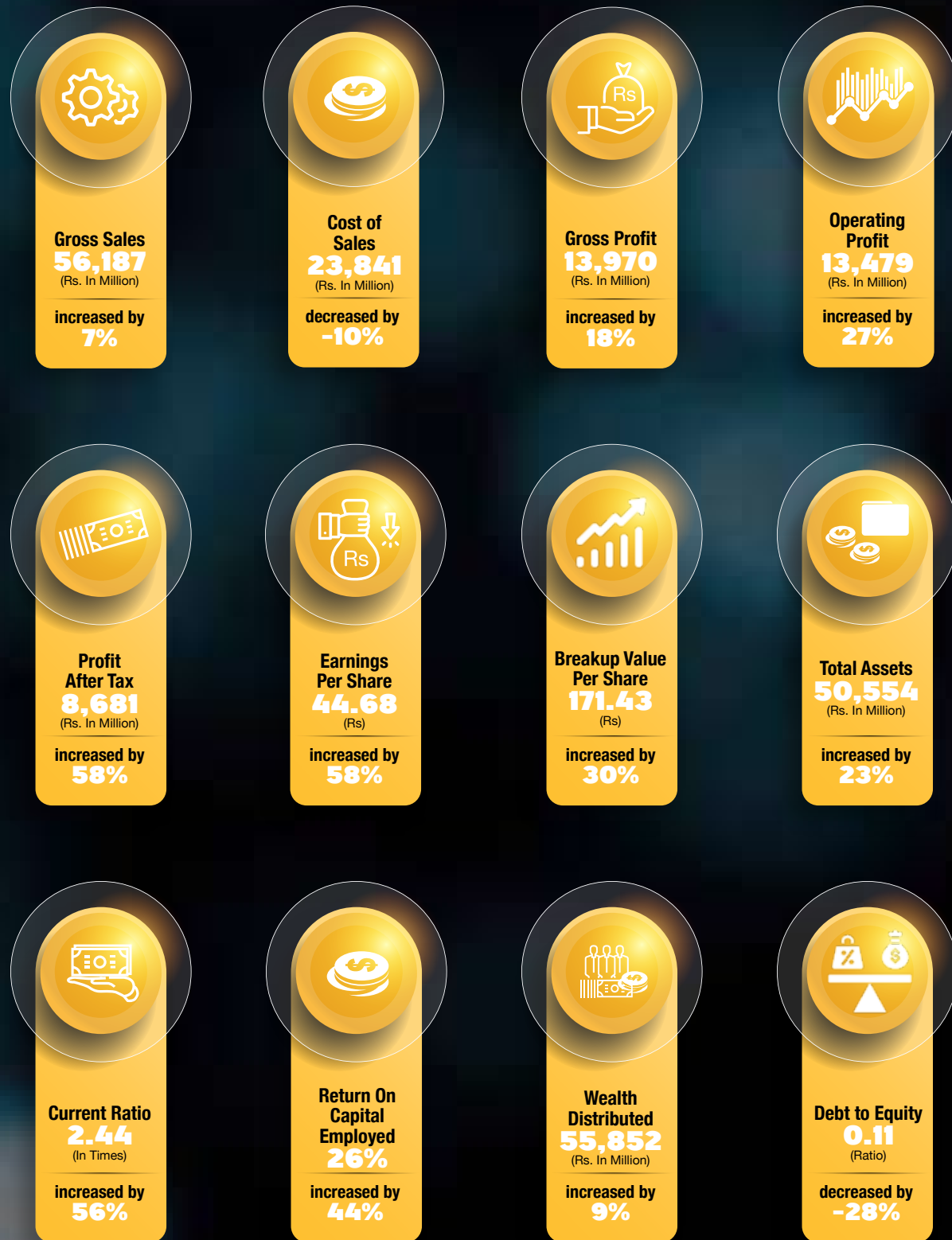
Together, these strategic objectives guide the company in achieving its mission and realizing its vision, ensuring sustainable growth, operational excellence, and a positive impact on society and the environment toward long-term success.

Effect of Technological Changes, Sustainability and Reporting Challenges, Innovations and Resources on Company Strategy

The Company's management is confident in its strategic approach and resource allocation plan for progressive success within the industry. However, there are still several factors that might affect the plan either directly or indirectly. Following are some factors and their possible effect on the strategic approach and resource allocation plan.

Factors	Effect on Strategic Approach	Effect on Resource Allocation Plan
Technological Changes	The change in technology and innovation opens the door to progress. To stay competitive, the company must integrate these technologies into its strategic planning. This could mean shifting focus towards more technology-driven operations, investing in modernizing existing plants, or developing new, state-of-the-art facilities. The strategy would likely emphasize digital transformation to optimize production processes and reduce costs.	The company allocates financial resources towards purchasing new equipment, upgrading existing systems, and training employees to operate advanced machinery. Additionally, a portion of the budget is also dedicated to research and development (R&D) to stay ahead in technological advancements. The Company incurred various projects for cost saving optimization.
Sustainability and Reporting Challenges	Environmental challenges such as climatic changes, shortage of resources and the loss of ecosystem is inevitable, however, through implementation of a potential sustainable strategy we can ensure the safety of the environment and alternative renewable use of natural resources.	Meeting ESG goals often requires significant resource allocation towards sustainable practices. Where by the Company invest in cleaner technologies, waste management systems, renewable energy sources. Financial resources also incurred for training staff on ESG compliance and enhancing community and stakeholder engagement.
Initiatives in Promoting and Enabling Innovation	Promoting innovation becomes a strategic priority, as it allows the company to differentiate itself from competitors, improve operational efficiency, and respond to market changes more effectively. The strategy would focus on creating an ecosystem that supports R&D, cross-functional collaboration, and partnerships with technology providers.	To support innovation, the company allocates resources towards R&D activities, potentially establishing dedicated innovation teams. Budget allocation would also be directed towards acquiring new technologies, software, and tools that facilitate innovation.
Resource Shortage	To mitigate the risks associated with resource shortages, the company's strategy may focus on diversifying suppliers, exploring alternative raw materials, and investing in recycling technologies. The strategy could also include developing strategic partnerships or vertical integration to secure a stable supply of critical resources.	To address resource shortages, the Company invest in inventory management systems, expanding storage capacities, or developing alternative material sourcing strategies. Financial resources also be allocated to R&D for discovering alternative materials or more efficient production processes that use fewer resources.

Key Performance Indicators



Methods and Assumptions in Compiling Indicators

A Key Performance Indicator (KPI) is a measurable metric that reflects how well a company is achieving its core business objectives. Organizations use KPIs at various levels to evaluate progress toward their goals. Higher-level KPIs often focus on overall business performance, while lower-level KPIs might target specific departmental processes such as sales, marketing, human resources, or support. Cherat Cement Company Limited has identified and refined KPIs crucial to its operations. In selecting these KPIs, the company carefully examined different indicators, their meanings, and their effectiveness in clearly and accurately representing the company's performance.

For financial indicators, the Company analyzes net sales, gross profit, profit after tax, EPS, return on capital employed, Break value on a regular basis to gauge its performance. The comparison of profit after tax to sales depicts how much the Company is able to retain the distributable profit for the provider of equity in comparison to its sales.



Significant Plans and Decisions

Following are some of significant events held during the year:

Solar Power Generation

During the year, the Company has successfully commissioned a 9 MW solar power plant in addition to existing 14MW at the manufacturing site. This initiative marks a significant step toward enhancing energy sustainability by increasing reliance on renewable sources. The solar installation has contributed to reducing dependence on the national grid and captive generation, resulting in improved energy efficiency and lower operational costs.

Different Projects for Cost Saving

The company is actively looking to invest in various projects which will have impacts on cost savings and decrease on dependence on imported fuel. The company has also successfully implemented conveyor belt system or transportation of raw material which would significantly reduce our transportation cost. The Company also initiated utilisation of high Sulphur coal with chemical in order to reduce the dependence of imported coal.

Introduce Electric Dumper:

The Company has placed its first order for an Electric Vehicle Dumper to replace conventional heavy vehicles for quarry material transportation. This transition will ensure efficient and reliable movement of raw materials while supporting environmental sustainability and long-term operational efficiency.

Business Rationale for Major Capital Expenditure

The Board of Directors of the Company continuously evaluate and analyze new business opportunities and projects and pursue them aggressively. The Board is authorized to incur capital expenditure in line with the business requirements of the Company. The Board of Directors wishes to assure stakeholders that the Company has no plans to undertake any corporate restructuring initiatives or Discontinuance of operation at this time.

Growth

Cherat Cement is always in a continuous phase of growth, and it grew multifold over the years, especially during the last decade when it installed World's largest ERP i.e. SAP. During the years, the Company has also invested in state-of-the-art machinery like Solar Power Project, Waste Heat Recovery plants, Refused Derived fuel, and Wartsila Generators. Furthermore, the Company also invested substantially in upgradation of Line-I.

Current Year Project

In continuation with the past year's growth, the commissioning of 9MW Solar power project in line with the cost controlling measures. This is not only helping in lowering our power cost but also save the negative impact of environmental impacts due to fossil fuels.

Future Project

Keeping in view of macro-economic changes and emerging of ESG concept in upcoming years, the Company aims to invest in different cost-efficient techniques, which will substitute imported coal in line with optimization of shareholder's wealth. Moreover, the Company is in the coordination with local authorities to proceed with the RDF project. Moreover, the Company also intent to explore utilization of EV Dumper for future transportation.

Board Statement on the Internal Controls including IT Controls

The Board of Directors acknowledges its overall responsibility for ensuring that the Company maintains an effective system of internal controls, including financial, operational, compliance, and IT controls. These systems are designed to provide reasonable assurance regarding the integrity of financial reporting, safeguarding CCCL's assets, compliance with applicable laws, and efficient business operations

The Internal Audit function, reporting to the Audit Committee, regularly reviews the adequacy and effectiveness of internal controls. In addition, robust IT controls have been implemented to ensure data security, cybersecurity resilience, and reliability of information systems.

Liquidity and Financial Capital Structure

Liquidity and Financial Capital Structure

The Company adopts a deliberate and forward-looking approach in structuring its capital, ensuring it remains well-positioned to seize emerging opportunities while staying agile in the face of rapidly changing economic conditions. Its financing strategy is carefully designed to balance growth ambitions with financial prudence, maintaining a structure that supports both stability and expansion. Long-term debt is dedicated solely to financing capital expenditures, whereas short-term borrowings are utilized to meet working capital needs, maintaining a balanced debt-to-equity ratio throughout the year. Strong sales growth has further reinforced the Company's liquidity, while healthy cash flows and prudent liquidity management have resulted in a current ratio of 2.44 demonstrating solid financial health and the capacity to meet short-term obligations. Surplus liquidity is strategically invested in short-term mutual funds to generate income while ensuring liquidity is preserved. At the same time, the Company's long-term strategy focuses on process optimization and diversification to enhance efficiency and drive sustainable growth.

Board Strategy to Overcome Liquidity Problems, Repayment of Debts and Operational Losses

The board provides strategic guideline to the management from time to time on growth and expansion aimed at enhancing shareholders value. In line with this, various projects are under consideration focusing on plant efficiency and diversification. The Company maintains a prudent liquidity management policy, financing capital expenditures through long-term funding arrangements preferability subsidized financing and temporary excess cash generation is invested in avenues to generate maximum value. To meet its working capital requirements, the Company has secured short-term financing facilities with all the reputable banks and financial institutions of the Country. This diversified mix reflects the Company's commitment to both financial flexibility and alignment with Shariah-compliant solutions. However, due to sufficient internal liquidity, the utilization of these facilities remained minimal during the year. Also, cash flows are monitored on a daily basis, with management ensuring efficient utilization of the Export Refinance Facility (ERF) to support ongoing operations.

Financing Arrangements

The Company's strong financial position and prudent financial management practices have enabled it to build and sustain long-standing relationships with leading banks and financial institutions across Pakistan. During the year, the Company primarily relied on the Export Refinance Facility (ERF) in the form of short-term borrowings to meet its working capital requirements. In addition, the Company maintains substantial unutilized short-term borrowing limits—across both conventional and Islamic modes of financing providing ample liquidity headroom to address any immediate or seasonal working capital needs.



Risks and Opportunities

We view challenges as stepping stones to growth, embracing calculated risks to unlock lasting opportunities for our stakeholders

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Key Risks and Opportunities affecting Capitals

Following are the key risks and opportunities (internal and external), including sustainability related risks and opportunities, affecting availability, quality and affordability of Capitals.

Form of Capital	Key Risks (Internal & External)	Key Opportunities (Internal & External)	Time Horizon
Financial Capital	Rising energy tariffs, high inflation, FX volatility affecting imported coal, and additional regulatory levies	Identification of alternate sources of coal, energy cost savings through renewables/WHR (Waste Heat Recovery), Cost optimization projects	Short to medium term
Manufactured Capital	Dependence on aging kilns/equipment, high maintenance costs, and supply chain disruptions for spare parts/raw materials	Upgrading plants with energy efficient machinery, automation, alternative fuels, and resilient logistics networks	Medium to long term
Human Capital	Shortage of skilled labour in sustainability/digital operations, workforce safety risks at plant operations, and high turnover	Training on modern manufacturing and ESG standards, automation reducing safety risks, and employee engagement programs	Short to Medium Term
Intellectual Capital	Limited use of advanced analytics for production efficiency, cybersecurity vulnerabilities, and lack of R&D for sustainable cement	Innovation in clinker/cement processes, AI-driven process optimization, and adoption of digital twins for plant operations	Medium to long term
Social & Relationship Capital	Community opposition to quarrying, dust/noise pollution complaints, and reputational risks from emissions	Proactive community engagement, CSR in health/education, transparent sustainability disclosures, and supplier/customer collaborations for green solutions	Ongoing
Natural capital	Depletion of limestone reserves, water scarcity, CO ₂ emissions from clinker production, and waste management challenges	Alternative raw materials (fly ash, rice husk), water recycling/reuse, renewable energy adoption, and carbon footprint/storage initiatives	Medium to long term

Company's robust assessment of the principal risks and uncertainties

As outlined in the Directors' Report, the Board of Directors of the Company sets the overall corporate strategy and business objectives, while the Audit Committee is responsible for overseeing the internal control framework. Reports from both Internal and External Auditors are presented to the Audit Committee for detailed review, and following thorough deliberations and recommendations for improvements, these are submitted to the Board of Directors.

In line with this governance structure, the Company carries out a robust assessment of the principal risks and uncertainties that could threaten its business model, future performance, solvency, or liquidity. These risks include, but are not limited to, operational risks, IT and cybersecurity risks, regulatory and legal compliance risks, political and macroeconomic risks, strategic execution risks, and credit and financial market risks. The Board, supported by its committees, ensures that appropriate risk management processes are in place to identify, evaluate, and mitigate these risks, thereby safeguarding the Company's long-term resilience and stakeholder value.

The following presents an assessment of the major principal risks and uncertainties that could threaten our business model, future performance, and solvency or liquidity, together with their areas of impact, sources, and the mitigating strategies adopted to manage these risks:

Assessment of Risk	Risk	Area of impact	Source of Risk	Mitigating strategy
Operational Risk	Disruptions in plant operations, equipment breakdown, high energy consumption, or raw material shortages	Production efficiency, cost of sales, product availability	Aging machinery, dependence on imported coal/energy, supply chain disruptions, unplanned shutdowns	Regular preventive maintenance, investment in modern energy-efficient equipment, alternative fuels, multiple sourcing of raw materials
IT Risk	Cybersecurity breaches, SAP/dashboard failures, or data loss	Business continuity, financial reporting accuracy, stakeholder confidence	Increasing digitalization, weak cybersecurity controls, system downtime	Strengthening IT security framework, disaster recovery planning, continuous monitoring, and staff awareness trainings
Regulatory Risk	Changes in Corporate laws, taxation, accounting standards, emission standards, export and other regulations	Compliance costs, profitability, license to operate	Evolving government policies, environmental regulations, and fiscal measures	Proactive regulatory monitoring, engagement with industry associations, timely compliance investments (e.g., dust filters, WHR, renewables)
Legal Risk	Litigation related to contracts, land acquisition, labour, or environmental claims	Financial exposure, reputation, project delays	Contract disputes, employee claims, environmental non-compliance	Strong legal review of contracts, insurance coverage, dedicated legal team, compliance with labour and environmental standards
Political Risk	Political instability, policy changes, trade restrictions, or law & order issues	Market access, exports, supply chain continuity	Government change, geopolitical tensions, regional instability	Geographic diversification of markets, maintaining stakeholder relations, contingency planning
Strategic Risk	Failure to adapt to market demand shifts, inability to invest in sustainability/innovation, or poor execution of expansion	Long-term growth, competitiveness, stakeholder value	Market volatility, delayed projects, under investment in low-carbon solutions	Regular strategy reviews, investment steps, capacity expansion aligned with demand, adoption of new technologies
Credit Risk	Customer defaults, delayed receivables, or restricted access to financing	Liquidity, cash flow, financial stability	Weak credit worthiness of buyers, high interest rates, banking sector stress	Credit checks, diversification of customer base, prudent working capital management, maintaining strong banking relationships

Apart from the above-mentioned major principal risks and uncertainties organization typically face few additional risks which are as under:

Assessment of Risk	Risk	Area of impact	Source of Risk	Mitigating strategy
Environmental & Climate Risk	Rising pressure to reduce carbon footprint, water scarcity, and climate change impacts	Sustainability compliance, production continuity, stakeholder trust	High CO ₂ emissions from clinker process, water-intensive operations, extreme weather	Investment in renewable energy, carbon capture and storage (CCS), water recycling, alignment with global ESG standards
Market/Demand Risk	Decline in cement demand due to slowdown in construction, real estate, or infrastructure projects	Sales revenue, capacity utilization, profitability	Economic downturns, reduced government spending, high inflation	Market diversification (exports), product innovation, close monitoring of demand cycles
Health & Safety Risk	Accidents at plant or transport operations	Employee wellbeing, operational continuity, regulatory compliance	High-risk working conditions, inadequate safety practices	Strict enforcement of HSE standards, training programs, safety audits, investment in protective technology
Supply Chain Risk	Disruptions in import of coal, spare parts, or transport bottlenecks	Production continuity, cost management	Global commodity shortages, logistics disruptions, port congestion	Building local supplier networks, maintaining buffer inventory, diversifying energy sources (local coal, alternative fuels)
Reputation & ESG Risk	Failure to meet sustainability commitments, poor disclosures, or negative community impact	Investor confidence, social license to operate, brand value	Stakeholder activism, community opposition, weak ESG performance	Transparent reporting, strong CSR, third-party ESG audits, active community engagement

Risk Management Framework Addressing Principal Risks Methodology, Risk Appetite and Risk Reporting

Cherat Cement Company Limited (CCCL) has established a comprehensive framework to address key risks, methodologies, risk appetite, and reporting. This framework is designed to strengthen our risk management practices, improve strategic decision-making, and ensure the sustainable growth of the organization while safeguarding shareholder value.

1. Identification of Key Risks

Our framework begins with the identification of key risks. We conduct a comprehensive assessment of various risks that could impact the organization, including financial, operational, strategic, compliance, reputational, and technological risks. These risks are categorized and prioritized based on their potential impact and likelihood.

2. Methodology for Risk Assessment

We have established a rigorous methodology for risk assessment, combining both qualitative and quantitative analyses. This methodology employs tools such as risk matrices, risk heat maps, and scenario analysis to evaluate and prioritize risks. We are committed to regularly reviewing and updating this methodology to maintain its relevance and effectiveness.

3. Risk Appetite and Tolerance

CCCL has clearly defined its risk appetite and tolerance levels. Our risk appetite reflects the level of risk we are prepared to accept in pursuit of our strategic objectives, while our risk tolerance establishes specific thresholds for acceptable risk levels. These parameters are aligned with our strategic goals and stakeholder expectations.

4. Risk Mitigation and Control Measures

We have developed and implemented targeted risk mitigation and control measures for each identified risk. These measures are designed to minimize both the likelihood and impact of adverse events. Clear ownership and accountability have been assigned to each risk mitigation measure to ensure effective execution.

5. Risk Monitoring and Reporting

Our framework includes a comprehensive system for risk monitoring and reporting. Key Risk Indicators (KRIs) have been established to provide early warning signals of potential risks. We regularly monitor changes in risk profiles and assess the effectiveness of risk mitigation measures. Reporting structures are in place to communicate risk information to relevant stakeholders, promoting transparency and informed decision-making.

6. Risk Governance and Framework Oversight

Our risk management policies and procedures are thoroughly documented and consistently applied across the organization. The framework undergoes regular reviews and updates to adapt to evolving business conditions and emerging risks.

7. Integration with Strategic Planning

Risk management is embedded in our strategic planning process, ensuring that risk considerations are a fundamental part of decision-making. Our risk management objectives are aligned with our strategic goals to strengthen overall resilience.

8. Training and Communication

We offer training and awareness programs to ensure all employees understand their roles and responsibilities in risk management. Open communication channels are established to promote the reporting of risks and near misses, fostering a culture of risk awareness and accountability.

9. Testing and Simulation

We regularly conduct stress tests, scenario analyses, and simulations to evaluate our capacity to withstand various risk scenarios. The outcomes of these tests are used to refine our risk mitigation strategies and enhance organizational preparedness.

10. Continuous Improvement:

We are committed to continuous improvement by regularly reviewing and assessing the effectiveness of our risk management framework. Stakeholder feedback is actively sought to implement necessary enhancements, ensuring our framework remains adaptable to evolving circumstances.

In conclusion, CCCL is committed to a proactive and comprehensive approach to risk management. This framework will help us navigate the complex risk landscape while enabling us to capitalize on strategic opportunities. We believe that by implementing and continually refining this framework, we will strengthen our resilience, safeguard shareholder value, and achieve sustainable growth.

Mitigation Measures, Strategic Objectives, and KPIs

A brief but comprehensive overview of the specific steps a cement manufacturing company could undertake to effectively mitigate key risks and capitalize on key opportunities, while also delving into the associated components:

Key Risk Mitigation:

(i) Market Demand Volatility

Strategic Objective	Strategies	Plans/ Policies	Targets	KPIs
Diversify product portfolio and markets	Explore new customer segments and expand geographical reach	Develop flexible production schedules, align inventory levels	Increase sales to new markets by a certain percentage	Monitor market share in new segments, track sales growth in new markets

(ii) Raw Material Availability

Strategic Objective	Strategies	Plans/ Policies	Targets	KPIs
Ensure a stable supply of raw materials.	Forge long-term supplier partnerships and invest in alternative materials.	Maintain buffer stock of critical raw materials.	Reduce dependence on a specific material source by a certain percentage	Inventory turnover rate of raw materials. Metrics gauging the reliability of suppliers

Key Opportunity Leveraging:

(i) Infrastructure Development Boom

Strategic Objective	Strategies	Plans/ Policies	Targets	KPIs
Capitalize on increased construction demand	Ramp up production capacity, optimize supply chain	Fast-track permit processes for expansion projects	Increase annual production output by a specific volume	Production capacity utilization. Project completion timelines

(ii) Sustainability Emphasis

Strategic Objective	Strategies	Plans/ Policies	Targets	KPIs
Become a sustainable industry leader	Invest in eco-friendly technologies, promote circular economy	Establish carbon reduction targets, adopt waste recycling practices	Decrease carbon emissions per ton of cement produced	Carbon footprint per unit of cement, percentage of recycled materials used

Above steps involve aligning strategic objectives, developing actionable strategies, formulating plans and policies, setting measurable targets, and monitoring progress using Key Performance Indicators (KPIs). By addressing risks and seizing opportunities, the company enhances its ability to manage challenges and create value in the competitive cement manufacturing industry.

Supply Chain Resilience and Environmental, Social and Governance (ESG) Related Risks and Company's Strategy for Monitoring and Mitigating These Risks

The company recognizes the potential risk of supply chain disruptions due to environmental, social, or governance incidents, which could adversely affect our operations and interrupt the supply of essential goods and services. To mitigate these risks, we have implemented a comprehensive strategy focused on monitoring and managing potential disruptions.

Particulars	Environmental	Social	Governance
Risk	In a period marked by the evident effects of climate change, we understand the threats it can pose. Climate change can lead to extreme weather, resource scarcity, and disrupted logistics. These may impact the availability of raw materials and transportation infrastructure, accordingly, disrupting our supply chain. Further, shortages of critical resources including energy can disrupt the supply chain by increasing costs and reducing availability.	Labor strikes, worker exploitation or human rights abuses in the supply chain can result in production delays. Further, if our operations or suppliers are involved in conflicts with local communities it may lead to protests or legal actions.	Governance incidents, such as regulatory non-compliance by our suppliers can result in legal actions, fines, or sanctions. These legal repercussions can cause disruption as resources and attention are diverted to address legal issues. Further, governance incidents involving unethical behaviour by suppliers can strain our relationships with them, potentially resulting in the termination of contracts and disrupting the supply chain.
Monitoring the risk and mitigating Strategy	<p>- We aim to diversify supplier base to reduce the concentration risk in areas prone to environmental hazards.</p> <p>-We promote the use of green energy, such as solar and Waste Heat Recovery plants to reduce our carbon footprint and lower costs.</p> <p>Also, we maintain and update contingency plans for supply chain disruptions to address emerging risks.</p>	<p>-We prioritize suppliers who uphold fair Labour practices and human rights standards while engaging with local communities to build positive relationships and minimize conflicts.</p> <p>-We maintain and regularly update contingency plans for supply chain disruptions to address emerging risks.</p>	<p>-We evaluate suppliers' governance frameworks to ensure transparency and ethics, preferring those with strong corporate governance to mitigate risks related to fraud, corruption, and compliance breaches.</p> <p>- We keep and regularly update contingency plans for supply chain disruptions to address emerging risks.</p>

The Company remains steadfast in its commitment to addressing ESG-related supply chain disruption risks. We proactively review and enhance our supply chain monitoring and mitigation strategies in response to emerging risks, industry best practices, and stakeholder feedback. By addressing environmental, social, and governance risks, we are dedicated to maintaining a resilient supply chain capable of withstanding potential disruptions. This commitment supports our long-term success and ensures that our supply chain remains robust and adaptable.

Chapter 4

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**Sustainability
Reporting &
Corporate Social
Responsibility (CSR)**



Sustainability Reporting & Corporate Social Responsibility (CSR)

ENVIRONMENTAL, SOCIAL, GOVERNANCE & SUSTAINABILITY

Environmental, Social, and Governance (ESG) principles are integral to how companies are evaluated for their resilience, credibility, and long term value creation. ESG provides a unified framework to assess sustainability performance across three essential dimensions: Environmental Stewardship, Social Responsibility & Governance Practices. When integrated effectively, ESG ensures that a business reduces its adverse footprint, operates with integrity, and creates long term value that serves both present stakeholders and future generations. This approach reflects the growing alignment of corporate practices with international expectations for sustainable development.

Cherat Cement Company Limited operates with sustainability and responsibility at the core of its business model. The Company reduces its environmental footprint through low carbon technologies, renewable energy expansion, and resource efficient production. Social responsibility is embedded in operations, with contribution in education, healthcare, women's empowerment, and disaster relief initiatives. Governance practices are anchored in transparency, accountability, and stakeholder trust, ensuring long term resilience and value creation. By integrating ESG principles into every decision, Cherat Cement continues to set benchmarks in sustainable industrial practices while contributing meaningfully to society and the economy.





ESG Key Highlights

CHERAT CEMENT ALIGNMENT WITH UNITED NATION SUSTAINABLE DEVELOPMENT GOALS

Cherat Cement has developed a strategic plan to guide its journey toward sustainability. During the year, business practices continued to be aligned with the global development agenda, contributing to the achievement of the United Nations Sustainable Development Goals (SDGs). Integration of the SDGs into core operations has encouraged the Company to view sustainability not only as a responsibility but also as a business response to societal challenges. This approach enables long term economic growth, addresses social needs, and empowers communities.

Out of the 17 global goals, 14 have been identified as most relevant to business operations. Action plans have been developed to embed sustainable development principles into strategy and execution. The following section highlights the Company's initiatives and progress in advancing the UN SDGs through its operations



	SDG and its aim to achieve	Alignment with Cherat Cement Actions
	SDG 1 – No Poverty (End poverty in all its forms everywhere)	Support through community development & vocational training programs
	SDG 3 – Good Health & Well being (Ensure healthy lives and promote well being for all)	Donations to various healthcare charitable organization, Support local healthcare facilities, dialysis centers, women’s gynecology ward.
	SDG 4 – Quality Education (Ensure inclusive and equitable quality education)	Partnerships with the Citizens Foundation, providing education support through scholarships to general masses
	SDG 5 – Gender Equality (Achieve gender equality and empower all women and girls)	Women Development Center, girls education initiatives, gender pay equity policy, diversity and equality programs. Women representation on board level as well as in management staff.
	SDG 6 – Clean Water & Sanitation (Ensure availability and sustainable management of water and sanitation for all)	Installation of Tube wells to ensure provision of clean water to local community & wastewater recycling for WHR. Also set targets for efficient water use to minimize pressure on the country’s depleting freshwater resources
	SDG 7 – Affordable & Clean Energy (Ensure access to affordable, reliable, sustainable and modern energy)	Installation of solar power projects & WHR systems, replacement of motor with VFDs & installation of LEDs at factory premises and other workplaces. Also plans to save excess energy from renewable sources.
	SDG 8 – Decent Work & Economic Growth (Promote sustainable economic growth, full and productive employment and decent work)	DEI workplace policies, skill development programs, committed to ensuring a safe and healthy workplace by strictly adhering to HSE standards and continuously improving safety and environmental practices.

	SDG 9 – Industry, Innovation & Infrastructure (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation)	Investment in WHR & Alternative fuels, belt conveyor systems, pollution control technologies, Electric Dumpers for material transportation.
	SDG 10 – Reduced Inequalities (Reduce inequality)	Inclusive hiring practices, equal opportunities regardless of gender/ religion, support for marginalized groups.
	SDG 11 – Sustainable Communities (Make human settlements inclusive, safe, resilient and sustainable)	Supports in Flood relief work (Cement donations for reconstruction, evacuation), plantation drives for improving air quality, supports community for construction of mosques, graveyard boundary wall.
	SDG 12 – Responsible Consumption & Production (Ensure sustainable consumption and production patterns)	Ensure to Follow policies to minimize its environmental footprint by managing waste responsibly, conserving energy and water, and promoting renewable and recyclable resources
	SDG 13 – Climate Action (Take urgent action to combat climate change and its impacts)	Tree plantation drives in factory premises and surroundings & CO ₂ reduction via WHR & solar. substitution of clinker with low carbons emission materials
	SDG 15 – Life on Land (Protect, restore and promote sustainable use of terrestrial ecosystems)	Biodiversity and ecological restoration programs, plantation drives, Ecosystem rehabilitation.

Statement on Strategic Objectives and Stakeholder Value

The Board of Cherat Cement is pleased to present Cherat Cement's strategic objectives concerning our Environmental, Social, and Governance (ESG) commitments and their anticipated impact on stakeholders. Our strategy is meticulously designed to integrate sustainability into every facet of our operations, reflecting our dedication to responsible business practices and long term value creation. Strategic objectives of sustainability and its impact on stakeholder are brief as follows:

Strategic Objective	Impact on Shareholders & Stakeholders
Promoting Eco Friendly Practices	<ul style="list-style-type: none"> Enhances brand reputation as a responsible and sustainable corporate entity. Reduces regulatory risk and compliance costs through proactive environmental measures.
Encouraging Social Accountability	<ul style="list-style-type: none"> Strengthens trust with local communities through health, education, and development initiatives. Supports long term business continuity by maintaining a strong social license to operate.
Promoting Sound Governance Practices	<ul style="list-style-type: none"> Builds resilience in decision making through structured oversight and ethical conduct. Minimizes business risks by ensuring compliance with laws and regulations.
Reducing Carbon Footprint	<ul style="list-style-type: none"> Lowers energy costs through renewable energy and efficiency initiatives, improving profitability. Strengthens stakeholder perception as an industry ambassador in sustainability practices.
Promoting Diversity in Workforce	<ul style="list-style-type: none"> Builds stronger connections with communities by reflecting inclusivity in hiring. Improves employee engagement, satisfaction, and career development opportunities



Sustainability Governance at Board Level:

The Board of Directors has not formed a separate sustainability committee. Instead, overall responsibility for sustainability lies with the Board, which oversees strategic direction and monitors sustainability related risks and opportunities. These considerations, including climate related impacts, are integrated into strategic planning, risk management, and performance monitoring. To strengthen its oversight, the Board has undertaken various sessions and understanding on sustainability risks and opportunities in line with global standards.

The Board acknowledges the importance of transparent ESG reporting and is committed to enhancing disclosures in line with emerging best practices. In this regard, the Company supports the SECP's ESG Disclosure Guidelines for listed companies and is progressively aligning its reporting framework with these recommendations to provide stakeholders with clear, consistent, and comparable information.

Management's Role

Operational responsibility for sustainability rests with management under the leadership of senior management. The management team identifies material ESG risks and opportunities, develops related strategies and policies, and tracks performance against defined targets. To strengthen accountability, the Company plans to align executive performance metrics with sustainability goals, linking ESG priorities to compensation frameworks. Management is also building its capacity through ongoing training on sustainability and climate related risks, supporting informed decision making in line with international best practices.

Key Sustainability Related Risk & Opportunities

Cement manufacturing is highly resource and energy intensive, which exposes the Company to significant sustainability risk including climate related risks. At the same time, it creates opportunities to invest in cleaner technologies, diversify energy sources, and introduce sustainable products that meet the changing expectations of stakeholder. Brief description on the ESG sustainability related risk and opportunities are as follows:



E – ENVIRONMENT

Environmental Risks & Opportunities

Description	Risk	Opportunities
Noise Pollution	Production process and machinery generate high noise levels, impacting employees, communities and wildlife.	Deploying advanced noise reduction technologies which can improve relations with communities and provide better work place for employees & support operations in noise sensitive business areas.
Air Pollution – Carbon Emissions	Cement production emits pollutants like particulate matter, Carbon Dioxide, Nitrogen Oxide, and Sulphur dioxide, which affect air quality and community health.	Investing in advanced emission controls and filtration technologies, positions CCCL as an industry ambassador in environmental stewardship.
Water Scarcity	Limited water availability can increase operational costs, particularly for Waste Heat Recovery System and cooling towers.	Recycling water used in cooling hot gases for WHR conserves resources, reduces costs, and strengthens operational resilience. Investing in rainwater harvesting or alternative water sources strengthens resilience and community goodwill.
Dust Pollution	Dust from cement production and transportation can affect air quality and harm vegetation and local ecosystems.	The Company can improve air quality, protect local ecosystems, and strengthen community relations. These measures also support compliance with environmental standards and enhance the Company's reputation for responsible operations





S - SOCIAL

Social Risks & Opportunities

Description	Risk	Opportunities
Employee Well being	Inadequate attention to employee well being can result in short term increased costs from workplace accidents and legal liabilities. Failure for such event may also reduce productivity and employee retention.	By investing in wellness programs, mental health support, and safe working conditions, the company can boost employee morale, reduce turnover rates, and enhance overall productivity.
Community Relations	Poor community relations can cause short term operational disruptions and increased costs from local opposition, which can damage the company's reputation and operational stability.	Strong community relations improve reputation, foster local support, reduce resistance to operations, and may create favorable regulatory conditions.





G - GOVERNANCE

Governance Risks & Opportunities

Description	Risk	Opportunities
Regulatory & Compliance Risk	Continuous changes in regulations may require frequent operational adjustments, resulting in increased legal and compliance costs	Embracing regulatory changes provides an opportunity to streamline processes, enhance compliance mechanisms, and improve efficiency.
Transparency & Reporting Risk	Lack of comprehensive and accurate disclosures on environmental impact, financial results, and operational practices can lead to regulatory penalties, legal liabilities, reputational damage	Strong disclosures enhance stakeholder trust, reduce regulatory risks, and position the company as transparent and reliable. This boosts investor confidence, builds stronger relationships, and reinforces corporate credibility.

Climate Related Risks and Opportunities

Cement production relies heavily on energy and natural resources, which makes the industry sensitive to climate related challenges, particularly those linked to fossil fuel use.

Physical Risks

The Company may be affected by the increasing frequency of extreme weather events such as storms, flooding, water shortages, and heat waves. These can damage facilities, disrupt supply chains, or temporarily halt operations.

Transition Risks

The shift toward a low carbon economy brings additional risks. Stricter environmental regulations, higher compliance requirements, and the need to invest in cleaner technologies may raise operating costs in short term but are necessary to remain competitive and sustainable.

Opportunities

These same challenges also create opportunities. By adopting advanced technologies and improving energy efficiency, the Company can strengthen its position as a responsible manufacturer and contribute to global sustainability goals. Following are the ongoing initiatives from CCCL:

- Expansion of renewable and green energy projects;
- Continuous reduction of carbon emissions through process optimization;
- Large scale tree plantation programs;
- Efforts to protect biodiversity in areas surrounding operations;
- Water conservation and recycling measures.





Short, Medium, and Long-Term Sustainability Impacts



Short Term Impact

In the short term, financial performance may be influenced by higher operational costs linked to compliance requirements, emission controls, dust and noise mitigation and workplace safety measures. Health related costs and the risk of regulatory fines can also affect margins. At the same time, early investment in sustainability reduces the likelihood of penalties, enhances operational continuity, and builds resilience by safeguarding employee well being and ensuring community support.

Medium Term Impact

Over the medium term, rising energy costs and the potential introduction of carbon pricing may increase production expenses. However, these investments deliver real benefits, renewable energy adoption and efficiency initiatives help stabilize energy costs, while proactive community engagement lowers reputational risks, secures the Company's social license to operate, and creates long term value through stronger stakeholder relationships.

Long Term Impact

In the long run, sustainability related expenditures will grow as the Company invests in cleaner technologies, regulatory compliance, and community development programs. Failure to address these issues could result in reputational damage, market share loss, and erosion of stakeholder trust.

COMPREHENSIVE GOVERNANCE & STRATEGY FOR SUSTAINABLE DEVELOPMENT AND RISK MANAGEMENT

Cherat Cement’s approach to sustainability is anchored on a four pillar governance and strategy model:

- i. Governance
- ii. Strategy
- iii. Risk Management
- iv. Metrics/Targets



Core Pillars	Overview	Metrics	Targets
Governance	Develop structured policies and processes to oversee compliance with regulatory requirements related to sustainability and ESG practices.	<p>Sustainability goals to be defined, monitored, and integrated in operations</p> <p>Comprehensive and transparent reporting of all related Risk & Opportunities</p>	<ul style="list-style-type: none"> • A strong Code of Conduct guideline and ethical practices which addresses anti corruption matters across operations. • The Board includes both male and female representation, reflecting the Company’s commitment to diversity. • Independent directors are part of the Board structure, ensuring objective oversight and balanced decision making.

Strategy	Focus on minimizing environmental impact by optimizing resource use, enhancing energy practices, and reducing emissions.	<p>Frequency of sustainability initiatives to be overlooked, including:</p> <p>Energy efficiency goals, Water conservation efforts,</p> <p>Waste management practices, and</p> <p>Sustainable sourcing strategies</p>	<ul style="list-style-type: none"> • Cement plants generate emissions, but conservation measures significantly reduce their impact. • Power needs are met through a balanced mix of captive, waste heat recovery, and renewable sources, lowering reliance on fossil fuels. • Recycling practices are in place to conserve freshwater and promote its sustainable use.
Risk Management	A comprehensive risk management framework to identify, assess, and address sustainability related risks, including those associated with supply chain disruptions, and evolving regulations.	<p>Monitor number of identified risks addressed</p> <p>Check incident response times</p> <p>Continuously assess Sustainability risk</p>	<ul style="list-style-type: none"> • Engaged with regulators, investors, and communities to anticipate regulatory shifts and address stakeholder concerns before they escalate into risks. • Use digital monitoring tools for emissions, energy efficiency, and supply chain tracking to strengthen risk detection and response. • Provide employee training on sustainability risk awareness, compliance requirements, and emergency response protocols.

Environmental Initiatives – From Grey To Green Cementing A Sustainable Tomorrow

From investing in alternative fuels and renewable energy sources to optimizing production processes for greater efficiency, Cherat Cement is dedicated to mitigating its environmental impact while maintaining high quality cement production.

To reduce the emission of carbon dioxide, currently we are in practice of the following:

- Using Solar generation plant (23 MW) which replaces conventional fuels, which comprises for approx. 15% of our power needs.
- Utilization of waste heat recovery systems on kiln and captive power which contributes approx. 38% of our power needs.
- Use of Limestone as supplementary material, which reduces the usage of clinker, causing lesser carbon emissions
- Continuously expanding our plantation activities in the factory premises.





Renewable Energy Solar Power project

Cherat Cement has made significant commitment in reducing its carbon intensity through investments in renewable and clean technology. Our monumental shift towards renewable energy includes the installation of earlier 14 MW solar power system. The initiative is further expanded by an additional 9 MW during the year, bringing the total capacity to 23 MW. This initiative significantly replaces captive and grid power sources, which is often generated from fossil fuels, thereby drastically reducing emissions and enhancing energy reliability.



Waste Heat Recovery WHR

The Waste Heat Recovery system (WHR) unit having capacity of 21MW is also the Company's initiative towards renewable energy. This energy is derived from the heat released during the cooling process of clinker in the cooler section. By harnessing this waste heat and converting it into usable electrical power, the WHR unit not only enhances the efficiency of our operations but also reduces our reliance on conventional energy sources, thereby promoting sustainability and environmental responsibility in our manufacturing processes.

Belt Conveyor System for material Transportation

The Company has invested in eco friendly solutions by introducing belt conveyors for transporting clinker, gypsum and other additives instead of using heavy machinery. This shift reduces the environmental footprint of heavy equipment while enhancing efficiency and safety. By adopting this approach, Cherat Cement not only streamlines its operations but also cuts dust emissions and lowers infrastructure damage, reflecting its commitment to sustainability, innovation, and operational excellence.



Pollution Control Technology:

To improve air quality, CCCL has installed Electrostatic Precipitators (ESPs), bag filters, and modern dust suppression systems at its production sites. These measures not only meet environmental standards but also reflect the Company's commitment to cleaner operations and efforts to make clear the environment for the surroundings.

Noise Pollution Control:

CCL cement plant is designed with noise control measures, and sound levels are regularly monitored to ensure they stay within acceptable limits, reducing the impact on employees and the surrounding community.

Effluent Water Quality

Wastewater from operations is treated and regularly monitored to ensure compliance with regulatory standards. The company also promotes water conservation by recycling and reusing treated water in its processes, which helps reduce freshwater consumption and supports long term sustainability.



Khyber Cement: Sustainable Choice, Lower Emissions:

The launch of Khyber Cement, which has reduced the consumption of clinker, a major contributor to carbon emissions in cement production, further demonstrates Cherat Cement's commitment to decarbonization while catering to market demand for sustainable construction materials.



Alternative Fuels and Waste Management:

Cherat Cement is reducing reliance on fossil fuels by introducing alternative energy sources. The company plans to use Municipal Solid Waste processed into Refuse Derived Fuel (RDF), which supports waste management by diverting trash from landfills.



Biodiversity and Ecosystem Restoration

Cherat Cement continues to expand its tree plantation initiatives to naturally absorb carbon emissions and improve air quality. During the last two years, CCCL has planted approx. 15,000 trees planted which contributes as long term carbon sinks, supporting biodiversity, and strengthening the Company's commitment to environmental sustainability.



ENVIRONMENTAL INITIATIVES – ANCHORED IN THE 3RS: REDUCE, REUSE, RECYCLE

At Cherat Cement, our environmental strategy is deeply rooted in mitigating climate change and adhering to the principles of the 3Rs: Reduce, Reuse, and Recycle. These principles guide our efforts to minimize pollution, conserve resources, and combat environmental degradation.

Reduce	Reuse	Recycle
Our goal of minimizing Environmental footprint, is achieved through implementing energy efficient technologies such as Waste Heat Recovery System (replacing the need of conventional fuel) and Electrostatic Precipitators (reducing pollution in air)	By substituting traditional fossil fuel with Refused Derived Fuel, we intend to recycle waste materials, which reduces waste, eventually leading to less reliance on non renewable resources.	These include recycling and repurposing for various waste materials, such as used oils, furnace oil sludge, waste from quality control, empty drums, and paper bags. We have a dedicated nursery for seasonal plants and a zoo to enhance local biodiversity and maintain environmental health.



TECHNOLOGICAL INNOVATIONS CONTRIBUTING TOWARDS SUSTAINABILITY

At Cherat Cement, technological innovation continues to be central to advancing our sustainability agenda. By embedding energy efficient processes and eco friendly solutions across operations not only strengthen the operational efficiency but also reinforce our mission to promote environmental stewardship and responsible industrial growth. Following are the major instances to second our statement:



• Captive Power Plants

Company uses dual fuel captive power plants predominantly use natural gas, which significantly reduces the furnace oil consumption. This cleaner energy mix cuts CO₂ emissions and ensures compliance with evolving environmental regulations while providing energy security for operations.

• Energy Conservation Initiatives

Continuous progress has been made through energy conservation campaigns, including the installation of LED's lights and employee training programs focused on energy efficiency. These efforts have reduced electricity usage across facilities, resulting in lower operational costs and a smaller environmental footprint.



• Transition to Electric Dumpers for Material Transport

Cherat Cement intends to use electric dumpers to replace conventional heavy vehicles for material transportation. These dumpers reduce fuel consumption, lower emissions, and minimize operating costs while ensuring efficient and reliable movement of raw materials. This shift supports both environmental sustainability and long term operational efficiency.

• Energy Conservation Measures:

Cherat Cement's has installed and utilize variable frequency drives (VFDs) at various parts of the plant to conserve energy. These strategic investments across the plant significantly reduce electricity consumption, demonstrating a commitment to continuous improvement and cost effective sustainability.



• SpectraFlow online analyzer:

This advanced technology provides real time, continuous chemical analysis during movement of raw materials and Cement. This allows for precise process control, optimal raw meal blending, and consistent high quality cement production, which in turn reduces waste, energy use, and fuel consumption.

• **Process Optimization:** The implementation of PID Control Loops across various processes ensures operations run at their most efficient set points, automatically minimizing energy and fuel usage.

CERTIFICATIONS AND INTERNATIONAL STANDARDS ADOPTED BY CHERAT CEMENT

Cherat Cement's production facility adheres to stringent industry standards and safety requirements. We are certified under:

- ISO 9001:2015 QMS (Quality Management System)
- ISO 14001:2015 EMS (Environmental Management System)



Additionally, CCCL comply fully with National Environmental Quality Standards (NEQS) and conduct regular testing through EPA approved laboratories to ensure ongoing regulatory compliance. We also actively engage with the KP Environmental Protection Agency to ensure that we remain aligned with evolving standards and best practices.

HEALTH, SAFETY & ENVIRONMENT (HSE)

Health, Safety, and Environment (HSE) are integral to Cherat Cement's operations. We have implemented a comprehensive HSE framework to ensure employee well being, environmental protection, and ethical conduct. Our HSE department, which reports directly to the Management, is dedicated to maintaining safe, hygienic, and sustainable workplaces.

- **Uncompromising Safety Culture:** Company is dedicated to providing a safe, healthy, and secure workplace for every employee, contractors. Our goal is zero harm, achieved through proactive hazard prevention and continuous risk management.
- **Environmental Stewardship:** CCCL plant operates with respect and care for the environment. Our focus is on minimizing our ecological footprint through pollution prevention, reducing waste, conserving natural resources, and investing in advanced technologies.
- **Operational Integrity & Compliance:** Our integrated management systems, certified to ISO 45001 and ISO 14001, ensure that the CCCL not only meet but exceed national and international regulatory standards and maintain a systematic approach to monitor, evaluate, and improve our HSE performance on frequent basis.
- **Continuous Improvement:** Through targeted training, technological innovation, and a culture of accountability, CCCL empower employees to be leaders in HSE. We are committed to the ongoing enhancement of our systems and processes to achieve best in class performance.
- **Stakeholder Transparency:** CCCL believes in open communication about our HSE performance, challenges, and achievements, reinforcing our commitment to sustainable development and creating long term value for our stakeholders.

In November 2023, Cherat Cement was awarded with the Annual Fire Safety Award, presented by the National Forum for Environment & Health (NFEH) in collaboration with the Fire Protection Industry of Pakistan (FPIP) and the Institute of Fire Engineers (IFE). This recognition reaffirms our unwavering commitment to prioritizing workplace safety and integrating best in class fire prevention measures across our facilities.



CHERAT CEMENT'S COMMITMENT TO SAFETY IN ACTION



EFFICIENT CONSUMPTION & MANAGEMENT OF RESOURCES

Cherat Cement is committed to responsible consumption and production by adopting ecofriendly practices that minimize our environmental impact and promote resource efficiency through reducing, reusing, and recycling. Through rigorous quality management, including raw material analysis, precise production, and comprehensive control, the company ensures product standards.

Sustainable Raw Material Sourcing	The Company sources key raw materials such as limestone, laterite, gypsum, and additives from both extraction and outside sources. To minimize resource depletion, efforts are underway to substitute limestone with supplementary materials i.e. and calcined clays, which reduce the carbon footprint.
Energy Efficiency Driving Competitiveness	Energy remains the most significant input in cement production. A diversified energy mix has been developed, combining fossil fuels, alternative fuels, Waste Heat Recovery (WHR), and solar power. Renewable and captive sources contributed a substantial portion of the Company's energy requirement, reducing dependence on the national grid and lowering production costs.
Turning Wastewater into a Resource	Cherat Cement has implemented an innovative water recycling initiative to enhance its sustainability and energy efficiency. the Company recycled around 800–925 m ³ of water per day during the current financial year which was reused in turbines for energy generation.
Recycling and Repurposing Waste	Cherat Cement demonstrates its commitment to sustainability by recycling and repurposing a wide range of waste materials. These include solid waste, used oils and lubricants, furnace oil sludge, paper and brick waste, quality control by products, empty drums and containers, as well as grinding media and other miscellaneous waste.



Diversity, Equity & Inclusion (DEI)

Cherat Cement embeds Diversity, Equity, and Inclusion (DEI) into its corporate culture as a core enabler of sustainable growth and organizational excellence. The Company's DEI Policy applies to all employees, officers, and directors, and governs recruitment, promotions, training, compensation, and workplace practices. This ensures fairness at every stage of the employee lifecycle and underscores our commitment to creating a workplace that is respectful, inclusive, and performance driven. By integrating DEI principles into daily operations, Cherat Cement strengthens employee trust, enhances productivity, and builds long term resilience.

In addition to policy commitments, DEI is treated as a shared responsibility across the organization. Leaders and employees alike are expected to embody the principles of respect, equity, and participation in their daily interactions. This collective approach reinforces a culture where individuals feel valued, have equal access to opportunities, and can contribute fully to both the Company's success and the well being of the communities we serve.

Strategic Priorities

- Workforce Diversity: Encourage balanced representation across genders, backgrounds, and communities.
- Equal Pay and Fair Practices: Maintain strict pay equity, where compensation is determined solely by role, responsibility, and performance and not gender or personal identity
- Inclusive Work Culture: Promote respectful communication and, participation for all employees.





Corporate Social Responsibility (CSR) Highlights

Corporate Social Responsibility (CSR) remains a core pillar of Cherat Cement's values and long-term strategy. We continue to embed CSR practices into our daily operations, reinforcing the principle that business success and social progress are interdependent. Our philosophy is clear:

“Profitability and societal impact must go hand in hand to ensure enduring success.”

Our CSR strategy aims to improve the quality of life in surrounding communities by enhancing living standards and promoting sustainability. Through targeted initiatives, we support marginalized and underprivileged groups, transforming their quality of life in areas near our plant operations. This reinforces our belief that profitability and societal impact should be interconnected for long term success.

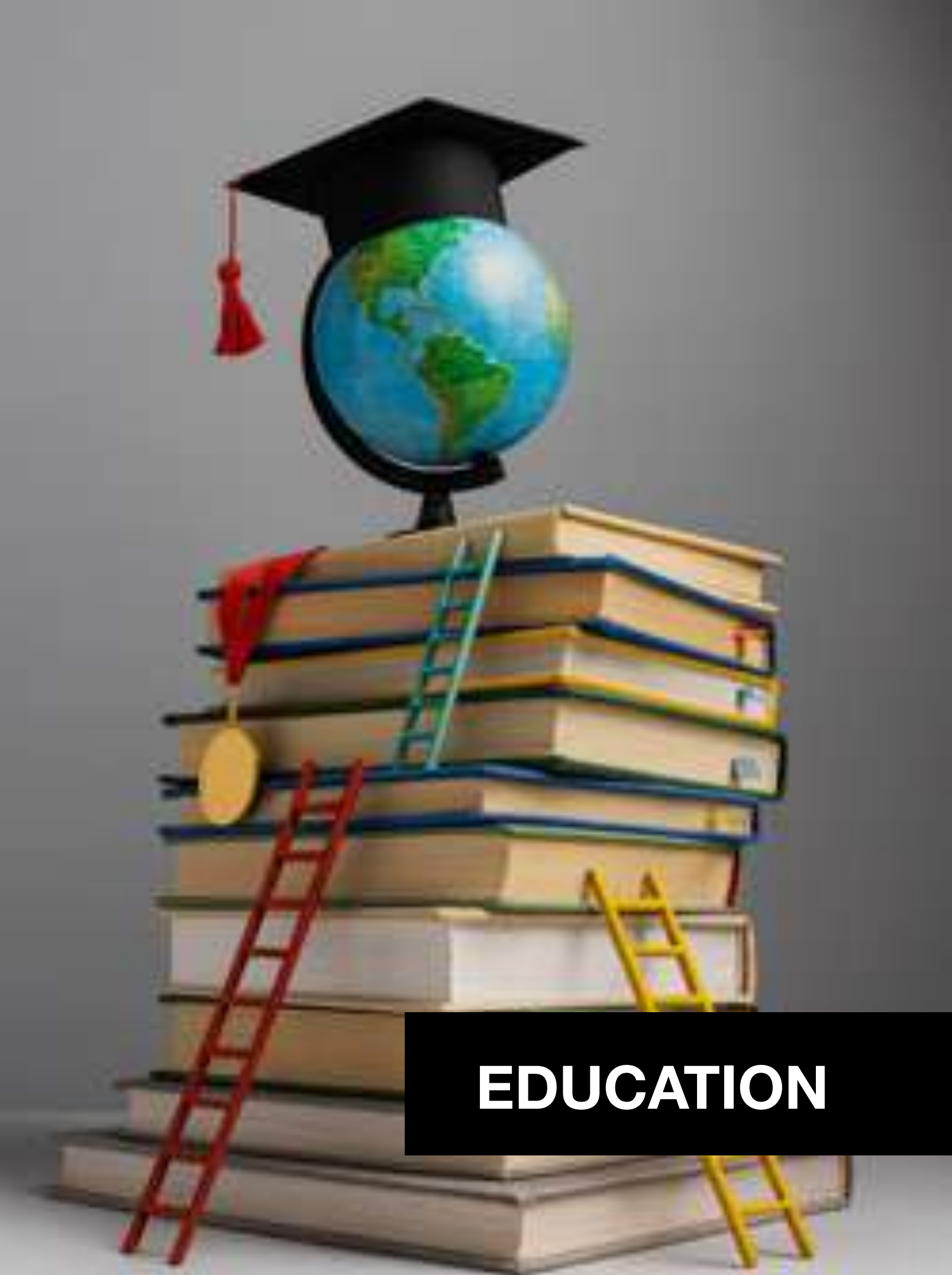
Board Commitment to Promote CSR and Best Practices

The Board of Cherat Cement is committed to integrate Corporate Social Responsibility (CSR) into the Company's core business strategy rather than treating it as a standalone initiative. We strive to ensure that these practices are effectively aligned with our business strategies.

“Our commitment to CSR reflects our core values of integrity, transparency, and accountability. These values guide our decision-making processes and influence how we conduct business. Through the adoption of CSR best practices, we strive to create lasting value for our business, society, and the environment. We recognize that our success is closely linked with the well-being of our stakeholders, and we are dedicated to continuous improvement in our CSR initiatives for a sustainable and equitable future.”

In alignment with the SECP's 2013 guidelines and the Companies Act of 2017, we have established a comprehensive sustainability and CSR policy. This policy formalizes our commitment and ensures that CSR activities are systematically pursued. The Board oversees and approves all CSR initiatives, ensuring they effectively address community needs and foster sustainable development. We are committed to adopting and continually improving CSR best practices through regular evaluations. Management directs and executes CSR initiatives, monitors progress, sets priorities, and plan future projects.

Our CSR strategy focuses on enhancing the quality of life in surrounding communities, supporting marginalized groups, and promoting sustainability. We believe that aligning profitability with societal impact is essential for achieving long term success and fostering positive change in the communities we serve.



Highlights of CSR Activities Throughout the Years

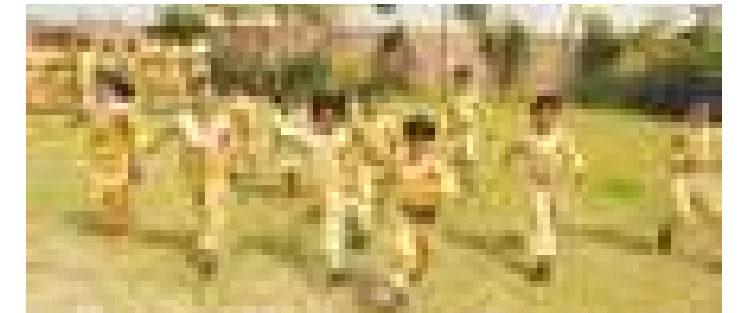
1. EDUCATION (Aligned with SDG 4 – Ensure inclusive and equitable quality education)

Providing quality education is essential for improving lives and building a prosperous society. Our organization recognizes that education not only helps reduce poverty and crime but also creates opportunities for higher incomes and better living standards. We are committed and continue to invest in education as a key aspect of our corporate social responsibility, supporting numerous educational institutions through donations. This focus on educational empowerment is central to our long-term growth strategy and social investment efforts. The company has extended its support through donations to numerous educational institutions, which includes:



The Citizens Foundation

The Company operates a model school in Shaidu village, Nowshera, in partnership with “The Citizens Foundation”. This initiative aims to provide high-quality education and ensuring continued access to quality education for underserved communities.



Institute of Behavioral Psychology

With the aim of realm special education, the Company has provided financial support to the Institute of Behavioral Psychology School in Karachi. This institution aids children and adolescents facing educational and developmental challenges by addressing their needs in education, psychology, vocational training, and therapy.



CALPAK Education Services

The Company has also facilitated support to girl’s rights, and women’s empowerment through education and advocacy to “CALPAK Education Services” to stimulate economic growth in these underserved communities and empowers the entire community and the generations to come.

Ghulam Ishaq Khan Institute of Engineering Sciences and Technology

The Company extended sponsorships to deserving students at Ghulam Ishaq Khan Institute of Engineering Sciences and Technology, enabling them to access quality education and pursue their long-term career aspirations. This support reflects the Company's commitment to empowering youth through education and contributing to the development of future professionals in engineering and technology



Agha Khan Medical College

The Company also offered funding to Agha Khan Medical College to support quality education as its consistent practice.

Transport for School / Collage of Local Community

Cherat Cement understands that transport barriers prevent students in rural communities from continuing their education. To overcome this, the Company provides reliable transport facilities for Local Village (Sheikhei, Spin Kana, Jabba & Lakarai) students to Peshawar and Bannu, ensuring safe and comfortable travel. This initiative encourages higher enrollment and gives young children in remote areas a fair chance to pursue their education without the burden of long commutes.



Anjuman Kashana-e-Atfal-o-Naunihal

The Company was honored to support Anjuman Kashana-e-Atfal-o-Naunihal, a distinguished trust dedicated to the welfare and education of young children. Our contribution is vital in nurturing and guiding the next generation. Our commitment also underscores our belief in empowering future leaders and fostering community development.

Noor Foundation

The Company is proud to support an organization dedicated to end poverty and building a community that values the dignity of every individual. Our contribution also supports their vision of a future where both children and adults can thrive. We remain committed to initiatives that bring meaningful and positive change to society.

Ghulam Faruque Welfare Trust

The Company always assists educational needs, and vocational training within or outside Pakistan by donating to the Ghulam Faruque Welfare Trust to support the needy, irrespective of any province religion, caste or creed.





HEALTHCARE

2. HEALTHCARE PROJECTS (Aligned with SDG 3 – Good Health & Wellbeing)

Cherat Cement remains committed to advancing community health and well-being by operating dedicated medical facilities near its plant and providing sustained support to leading national healthcare institutions, expanding access to quality healthcare for underserved communities.



Women Gynae & General OPD for Local Village

The Company operates a basic health unit adjacent to the factory in partnership with the local NGO, Health, Education & Development Society (HEADS). The unit includes a gynecology ward to address women's specific healthcare needs, with staff wages funded by the Company.

Located within the FMD building, the ward reflects our commitment to improving women's health and supporting community wellbeing. The facility provides comprehensive healthcare services to the local community, including separate consultation areas for men and women, maternity care, basic laboratory tests, ultrasound services, and fully equipped emergency support. A 24/7 ambulance service is also available to respond to urgent medical needs.



Medical Dispensary for Local residing and Surrounding Communities

Cherat Cement operates a free medical dispensary near the factory location in collaboration with HEADS, ensuring access to essential healthcare for the local community. The Company funds the wages of dedicated medical staff, enabling them to provide free medicines and vital healthcare services to residents in the surrounding areas.

The Kidney Center

The Company recognizes the specific challenges associated with kidney disease and has responded by making donations to “The Kidney Centre’s Postgraduate Training Institute”, supporting the well-being of society.



Patients’ Aid Foundation

The Company has generously donated to Patients’ Aid Foundation in order to facilitate and cater to the needs of cardio vascular and pediatrics patients and grant them access to quality healthcare.

SHINE Humanity

The Company is deeply committed to address healthcare needs and delivering compassionate, sustainable preventive and primary care to underserved communities. By donating to ‘SHINE Humanity’, we are resolutely strengthening and enhancing the primary healthcare system to make a profound and lasting impact.



Layton Rahmatulla Benevolent Trust (LRBT)

Our donation to Layton Rahmatulla Benevolent Trust (LRBT) significantly supports their mission to provide Eye care to those in need. This contribution helps fund critical vision-saving treatments. We are proud to support LRBT’s efforts in improving vision health and making a positive impact on countless lives.



Nowshera Dialysis Center

Nowshera Dialysis Centre is providing free dialysis to needy people. The Company became a part of this good cause in the form of donations to the center. Our donation also forms a major portion for Surgical Parts and medicines supply to the Dispensary.

Shaukat Khanum Memorial Trust

Shaukat Khanum Memorial Trust believes that healthcare is a fundamental human right and gives new hope for cancer patient to save their lives. The Company appreciates the efforts of Shaukat Khanum Memorial Trust, and contribute to their cause by handsome donations.





COMMUNITY DEVELOPMENT

3. COMMUNITY DEVELOPMENT & SUPPORT

Cherat Cement believes that uplifting communities requires investment beyond core business. Our community development initiatives focus on improving quality of life, empowering women, supporting employees, and strengthening local infrastructure.

Women Development Center

Company implemented various skill development and vocational training programs through Women Development Center. These initiatives were launched as a pilot project and following their successful completion, the Company plans to scale them up for broader implementation by constructing a purpose-built building in the upcoming financial year. Furthermore, the Company has also planned to study vocational training needs of men, thereby broadening the scope of its community development efforts. Women's Vocational Center facilities include:

- Trained Staff
- Transport facility
- All Material & Equipment for students without any Charges



Tubewells in nearby Village

The installation of tubewells in nearby villages ensures a reliable and safe source of drinking water, significantly improving the health and well-being of local residents. Additionally, during the year, three more solar powered tube wells were installed in Lakarai village. These facilities ensure a sustainable, reliable supply of drinking water, reduce dependency on manual water sources, and demonstrate the Company's investment in renewable, community-centered infrastructure.



Construction of Water Tank with pipeline rectification

During the year, Cherat Cement also construct Water tank in sheikhei and also make rectification work for distribution pipeline completed during the year. This initiative has significantly improved access to clean water, directly benefiting local households and reducing health risks.

Provision of Rations during Ramadan

Providing rations during holy month of Ramadan is a vital way to support those in need by ensuring they have access to essential food items throughout the holy month. Our contribution helps families observe the fast with dignity and ease, reflecting our commitment to compassion and community welfare.



Support for Protectors

Providing financial assistance to local law enforcement responsible units is crucial for enhancing their capacity to maintain safety and order within the community. This support helps ensure they have the necessary resources and equipment to effectively perform their duties.

Extension and Fabrication of Mosque

This initiative represents a valuable investment in providing a spiritual and communal space for factory staff and workers. The contribution will support the enhancement of the mosque, enabling more people to come together for worship, reflection, and community bonding.

Extra Care for Low Earning Employees

This assistance alleviates financial stress and helps to ensure a joyous and memorable celebration for the basic events in the families (basic dowry / marriage expenses).



Boundary Wall at Jabba Graveyard

Cherat Cement also construct Stone Masonry & Stone Pitching Work at Jabba Graveyard to provide a safe and dignified space for the local community.

4. FLOOD RELIEF ASSISTANCE

In response to the recent floods, Cherat Cement mobilized resources to provide immediate relief, distributing food, medicines, and other essential supplies to affected families to address urgent survival needs and offer a sense of security.

To support long-term recovery, the Company also supplied cement bags to flood-hit regions, enabling the reconstruction of homes, schools, and community infrastructure. Through these contributions, Cherat Cement is directly helping communities rebuild stronger and more resilient for the future.





TREE PLANTATION

5. TREE PLANTATION ACTIVITIES

Environmental preservation remains a vital component of Cherat Cement's CSR agenda. Through large-scale tree plantation drives, the Company actively contributes to afforestation, biodiversity enhancement, and climate resilience.

These programs are carried out at and around our production facilities, creating natural green buffers that improve air quality, reduce dust pollution, and provide long-term ecological benefits for surrounding communities.



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Notice of Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of Cherat Cement Company Limited will be held on Thursday, October 9, 2025 at 11:00 a.m. at the Registered Office of the Company at Factory premises, Village Lakrai, Nowshera, Khyber Pakhtunkhwa, as well as through video link conferencing facility to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2025 with the Directors' and the Auditors' Reports thereon.
2. To consider and approve the payment of final cash dividend @ 40% (Rs. 4.00/- per share). This is in addition to an interim cash dividend @15% (Rs.1.50 per share) already paid to the shareholders for the financial year ended June 30, 2025 as recommended by the Board of Directors.
3. To appoint Auditors Grant Thornton Anjum Rahman - Chartered Accountants for the year 2025/26 and to fix their remuneration.
4. To transact any other business with the permission of the chair.

SPECIAL BUSINESS

5. To consider and approve the following resolution as Special Resolution:
 - a) *"RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 39 of the Financial Statements during the year ended June 30, 2025, be and are hereby ratified and approved."*
 - b) *"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to enter and approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending June 30, 2026."*

The statement under section 134 of the Companies Act, 2017, pertaining to the above-mentioned Special Business, is attached with the notice.

By Order of the Board of Directors

Asim H. Akhund
Company Secretary

Karachi: August 21, 2025

The Annual Audited Financial Statements of the Company together with the report and documents required under Companies Act, 2017, have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

Weblink	QR Code
https://gfg.com.pk/cccl/financial-information/	

NOTES:

1. The register of members of the Company will be closed from Thursday, October 2, 2025, to Thursday, October 9, 2025 (both days inclusive) and no transfers will be registered during that time. Shares received in order at the Office of the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 at the close of business on Wednesday, October 1, 2025, will be treated in time for the above entitlement.
2. A member of the Company eligible to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote in his/her stead. Proxies to be effective must be in writing and must be received by at the Company's Head Office 48 hours before the meeting.
3. The AGM proceedings will also be held via video through ZOOM application (a video link conferencing facility). Shareholders interested to participate in the meeting are requested to email required information with subject "Registration for Cherat Cement Company Limited AGM" along with a valid copy of both sides of Computerized National Identity Card (CNIC) at cdcsr@cdcsrsl.com. Shareholders are advised to mention their full details in the following manner:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	Email ID	Mobile Phone No.
	Cherat Cement Company Ltd.				

4. Video link details and login credentials will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.
5. Members will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.
6. Members of the Company whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original Computerized National Identity Card along with their account number in CDS and participant's ID number for verification.
7. Members of physical shares are requested to notify any change in their addresses to the Company's Share Registrar. Whereas, shareholders of CDC Accounts are requested to immediately notify any change in their addresses to their respective CDC Participant / Broker / CDC Investor Account Services.
8. According to Section 119 of the Companies Act, 2017, and Regulation 47 of the Companies Regulations, 2024, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile / telephone numbers, occupation, etc. to CDC Share Registrar Services Limited immediately to avoid any non-compliance of law or any inconvenience in future.
9. Members of physical shares who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) are requested to send the same to the Share Registrar of the Company.
10. As per Section 72 of the Companies Act, 2017, every listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP. Shareholders having physical shareholding are accordingly required to open their account with investors account services of CDC or sub account with any of the brokers and convert their physical shares in book entry form. This will facilitate the shareholder in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.
11. Shareholders are hereby reminded that Section 242 of the Companies Act, 2017, provides that in case of a listed company, any cash dividend declared by the company must be paid electronically directly into the bank accounts of the shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in E-Dividend Mandate Form available on the Company's website i.e. www.gfg.com.pk and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. CDC Share Registrar Services Limited in case of physical shares. In case shares are held in CDC, then E-Dividend Mandate Form must be submitted directly to shareholder's broker/participant/CDC investor account services. In case of non-submission of IBAN, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividend, tax/zakat deduction and net amount of

dividend will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC's eServices Portal at <https://eservices.cdaccess.com.pk>.

12. In compliance of Section 244 of the Companies Act, 2017, once the Company has completed stipulated formalities, any unclaimed dividend and /or shares that have remained outstanding for a period of three years from the date of becoming due and payable or more shall be credited to the Federal Government (in case of dividend) or delivered to the SECP (in case of physical shares). Shareholders who by any reason could not collect their remaining unclaimed dividend/shares are advised to contact the Share Registrar of the Company to collect/inquire about their unclaimed dividend or shares, if any.
13. The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018, Securities & Exchange Commission of Pakistan 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, the shareholders of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its AGM to be held on Thursday, October 9, 2025 at 11.00 a.m., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the shareholders, ballot paper is annexed to this notice and the same is also available on the Company's website at www.gfg.com.pk for the purpose of being downloaded.

Procedure for E-Voting:

14. Details of the e-voting facility will be shared through an email with those shareholders of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company by the close of business on October 1, 2025.

The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

Identity of the shareholders intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.

E-Voting lines will start from October 4, 2025, 09:00 a.m. and shall close on October 8, 2025 at 5:00 p.m. Shareholders can cast their votes any time during this period. Once the vote on a resolution is casted, he / she shall not be allowed to change it, subsequently.

Procedure for Voting Through Postal Ballot:

The shareholders shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman through post on the Company's address, 3rd Floor Modern Motors House, Beaumont Road, Karachi or email at agmcccl@gfg.com.pk one day before the AGM i.e. on October 8, 2025, during working hours. The signature on the ballot paper shall match the signature on the CNIC.

15. In pursuance of directive issued by the Securities & Exchange Commission of Pakistan, no gifts will be distributed at the meeting.
16. Shareholders have option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Shareholders of the Company are requested to give their consent to our Share Registrar to update the record if they wish to receive Annual Audited Financial Statements and Notice of General Meeting through email. However, if shareholders, in addition, request for hard copy of Audited Financial Statements, the same shall be provided free of cost within seven (7) days of receipt of such written request.
17. All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR website and, if required, take necessary actions for inclusion of their name in the ATL. In case a person's name does not appear in the ATL the applicable tax rate will be increased by the hundred percent.
18. In case of joint account, please intimate proportion of shareholding of each account holder along with their individual status on the ATL.
19. Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participant, whereas corporate physical shareholders should sent a copy of their NTN certificate to the CDC Share Registrar Services Limited. The Shareholders while sending NTN or NTN Certificate, as the case may be, must quote the Company name and their respective folio number.

20. Withholding tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to CDC Share Registrar Services Limited by the first day of Book Closure.
21. To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit Zakat Declaration (Form CZ-50) or its attested photocopy to CDC Share Registrar Services Limited, in order to avoid deduction of Zakat on all future dividends, at the earliest.

Statement Under Section 134 of the Companies Act, 2017

Related Party Transactions

The statement sets out material facts concerning "Special Business" to be transacted at the Annual General Meeting of the Company to be held on Thursday, October 9, 2025. The approval of the Members of the Company will be sought for:

During the financial year ended June 30, 2025, the Company carried out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulation. Related party transactions require shareholders' approval under sections 207 and 208 of the Companies Act, 2017. Such transactions are being placed before the shareholders for their approval through special resolution proposed to be passed in the Annual General Meeting.

The shareholders are requested to ratify the transactions which have been disclosed in Note no. 39 of the Financial Statements for the year ended June 30, 2025 and further to authorize the Board of Directors to conduct transactions with related parties or associated companies for the year ending June 30, 2026.

Party wise breakup of transactions as disclosed in Note no. 39 of the Financial Statements for the year ended June 30, 2025 is given below:

Name of Related Party	Nature of Transaction	Amount (Rs. in '000)
Cherat Packaging Limited	Purchase of Packing Material	2,236,671
Cherat Packaging Limited	Dividend Paid	29,302
Cherat Packaging Limited	Dividend Received	16,229
Cherat Packaging Limited	Sale of Goods	4,744
Cherat Packaging Limited	Purchase of Goods	244
Directors, CEO & their spouse	Dividend Paid	38,235
Employees Provident & Gratuity Fund	Contribution to Fund	220,499
Employees Provident & Gratuity Fund	Dividend Paid	20,618
Faruque (Private) Limited	Dividend Paid	231,530
Faruque (Private) Limited	Purchase of Raw Material	354,894
Faruque (Private) Limited	Payment of Royalty	719,742
Faruque (Private) Limited	Payment of Excise Duty	8,459
Greaves Airconditioning (Private) Limited	Purchase of Fixed Assets	3,080
Greaves Airconditioning (Private) Limited	Services Received	226
Greaves Airconditioning (Private) Limited	Purchase of Goods	205
Greaves Pakistan (Private) Limited	Dividend Paid	13,305
Greaves Pakistan (Private) Limited	Purchase of Fixed Assets	399,081
Greaves Pakistan (Private) Limited	Serviced Received	87
Greaves Pakistan (Private) Limited	Purchase of Goods	1,087
Jubilee General Insurance Company Limited	Insurance Premium	112,704
Jubilee General Insurance Company Limited	Dividend Paid	589
Key Management Personnel	Remuneration	1,398,767
Mirpurkhas Sugar Mills Limited	Dividend Paid	15,110
Pakistan Cables Limited	Purchase of Goods	22,303
Zensoft (Private) Limited	Software Consultancy Charges Paid	46,438
Zensoft (Private) Limited	Dividend Paid	54

The Directors are interested only to the extent of their shareholding and / or common directorship in such related parties. The name of common Directors are mentioned in the aforesaid Note no. 39 of the Financial Statements.



Cherat Cement Company Limited

A Ghulam Faruque Group Company

POSTAL BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on Thursday, October 9, 2025, at 11:00 a.m. at the Registered Office of the Company at Factory premises, Village Lakrai, Nowshera, Khyber Pakhtunkhwa
UAN: +92 21 111-000-009 Website: www.gfg.com.pk

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and Federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution for Agenda Item No. 5

- a) **"RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 39 of the Financial Statements during the year ended June 30, 2025, be and are hereby ratified and approved."**
- b) **"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to enter and approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending June 30, 2026."**

INSTRUCTION FOR POLL

- Please indicate your vote by ticking (✓) the relevant box.
 - In case if both the boxes are marked as (✓), your poll shall be treated as "Rejected".
- I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution For Agenda Item No. 5		

- Dully filled ballot paper should be sent to the Chairman at 3rd Floor, Modern Motors House, Beaumont Road, Karachi or email at agmcccl@gfg.com.pk
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before Wednesday, October 8, 2025. Any postal ballot received after this date, will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC/ Passport (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
- Ballot Paper form has also been placed on the website of the Company at: www.gfg.com.pk Members may download the ballot paper from the website.

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Date: _____



Directors' Profiles

MR. OMAR FARUQUE - Chairman Non Executive Director

Mr. Omar Faruque studied from the City of London, Polytechnic London, and got a Honours degree in B.A. Finance. Currently, he is the Chief Executive of Zensoft (Pvt.) Limited and a Director of Greaves CNG (Pvt.) Limited. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

MR. AZAM FARUQUE - Chief Executive Executive Director

Mr. Azam Faruque is the Chief Executive of Cherat Cement Co. Ltd. He is an Electrical Engineering and Computer Science graduate from Princeton University, USA. He completed his MBA with high honors from the University of Chicago, Booth School of Business. Apart from the time he has spent in the cement industry, he has also served as a member on the Boards of State Bank of Pakistan, National Bank of Pakistan, and Oil and Gas Development Corporation Ltd. He was a Member of the Board of Governors of GIK Institute, Member of the National Commission of Science & Technology and also a Member of the National Committee of the Aga Khan Foundation. Mr. Azam Faruque has served on the Board of the Privatization Commission of the Government of Pakistan, Atlas Asset Management Ltd., International Industries Ltd., Atlas Battery Ltd., Indus Motor Company Ltd. Habib University Foundation, and was the Chairman KPK Oil & Gas Development Company Ltd.

At present, he is a member of the Board of Directors of Faruque (Pvt.) Ltd., Greaves Pakistan (Pvt.) Ltd., Unicol Ltd., Atlas Honda Ltd. and The Pakistan Business Council. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

MR. AKBARALI PESNANI - Director
Non Executive Director

Mr. Akbar Ali Pesnani is an MBA and a fellow member of both the Institute of Chartered Accountants and Institute of Cost and Management Accountants of Pakistan. He was the Chairman of Gwadar Port and Gwadar Port Implementation Authority from 2004 to 2006, and has served on the Boards of, Mirpurkhas Sugar Mills, Clariant Pakistan Ltd and Agha Steel Limited. Mr. Pesnani has been associated with the Aga Khan Development Network (AKDN) at senior levels for over 49 years. Mr. Pesnani has also served as a Diplomatic Representative for AKDN in Tajikistan for 7 years and as an Envoy of His Highness the Aga Khan, in Afghanistan for about 2 years.

Presently, he is the Chairman of Cherat Packaging Limited, Jubilee General Insurance Company Limited and the Aga Khan Cultural Service Pakistan. He is also a Director on the Board of Pakistan Cables Limited. His association with the Ghulam Faruque Group dates back almost 44 years.

MR. ARIF FARUQUE - Director
Non Executive Director

Mr. Arif Faruque is a Swiss - qualified Attorney-at-Law and also holds Masters degrees in both Law and Business Administration from the United States of America. He recently completed the Owner President Management Program at Harvard Business School. He is the Chief Executive of Faruque (Pvt.) Ltd. He is on the Board of Directors of Mirpurkhas Sugar Mills Ltd. and Cherat Packaging Ltd. Besides the above, he is also a member of the Board of Governors of Lahore University of Management Sciences (LUMS).

MR. ARIFUL ISLAM - Director
Independent Director

Mr. Ariful Islam is a senior banker with over 39 years of experience with various banks in Bahrain and Pakistan. He is a qualified Chartered Accountant and was admitted to the Institute of Chartered Accountants in England and Wales in 1983. He is also a Fellow member of the Institute of Chartered Accountants of Pakistan. He worked with Peat, Marwick, Mitchell & Co. (now KPMG) at their main London Office before starting his banking career with Faysal Islamic Bank of Bahrain. He joined Meezan Bank in April 1999 as the Bank's first Chief Operating Officer and subsequently became Deputy CEO of the Bank in May 2013.

Mr. Islam recently retired Meezan Bank, after serving more than 25 years with the Bank. During his tenure, his contribution has helped develop and transform Meezan Bank into the country's premier Islamic bank and one of the most profitable banks in Pakistan. He has also served as the Chairman of the Board at Pakistan's leading Assets Management Company, Al Meezan Investment Management Limited for 17 years. Mr. Islam is currently on the Board of Honda Atlas Cars (Pakistan) Limited, Lucky Core Industries Limited, Raqami Islamic Digital Bank Limited, Cherat Cement Company Limited, Lucky Land Landmark (Pvt.) Limited and Trukr (Pvt.) Limited. He is also an active contributor to and supporter of various educational, health and community development programs in the country.

MR. ABRAR HASAN - Director
Independent Director

Mr. Abrar Hasan serves as the Chief Executive Officer and as a Director on Board of National Foods since 2000. National Foods is the leading multi-category food company in Pakistan producing over 250 different products, marketed both in Pakistan and exported to 40 countries worldwide. Under his leadership, the company has delivered steady sales growth year on year and tremendous success. Mr. Hasan is providing direction and leadership to the company by setting a clear vision for future growth and has actively pursued new market opportunities and delivered successful strategies to drive the company's vision, focusing on continuous innovation, highest standards of quality and superior consumer value.

He graduated with a BS in Industrial Management and a minor in Industrial Engineering from Purdue University, Indiana, USA. He was elected on the Board of Cherat Cement Company Ltd. as an independent director on October 16, 2018. Mr. Abrar Hasan is also the Chairman of Board for Naymat Collateral Management Company, which is Pakistan's first Collateral Management Company, that facilitates and empowers farmers by making formal credit accessible to them through financial institutions. Besides this, he is also a Director of Associated Textile Consultants Holdings (Pvt.) Ltd., Pakistan Business Council. He is a Certified Director from the Pakistan Institute of Corporate Governance.

MRS. ZEEBA ANSAR - Female Director
Independent Director

Mrs. Zeeba Ansar has over 27 years of private and corporate banking experience. She did her Bachelors in Economics and Statistics from the University of Punjab and then completed her MBA in Marketing and Finance from the Institute of Business Administration. In her career as a banker she has worked with Deutsche Bank AG as Manager Corporate Banking Department and Faysal Bank as Senior Vice President and Corporate Head-South. She then joined UBL as Executive Vice President and Regional Corporate Head-South and retained the position for 10 years. Her most recent professional engagement was with NIB Bank as Group Head-Corporate and Investment Banking where she worked till 2017.

She is currently serving as Director in Gul Ahmed Textile Mills Limited, Samba Bank Limited and Lucky Investments Limited. She is also a 'Certified Director' from the Pakistan Institute of Corporate Governance.

MR. YASIR MASOOD - Director
Executive Director

Mr. Yasir Masood is a fellow member of the Institute of Chartered Accountants of Pakistan. He is a Certified Internal Auditor (CIA) and qualified Certified Information Systems Auditor (CISA). He is also a certified Director from Pakistan Institute of Corporate Governance. He is serving as the Director and Chief Operating Officer of Cherat Cement Company Ltd., and also serving on the Boards of Greaves Airconditioning (Pvt.) Ltd., Greaves CNG (Pvt.) Ltd., and Greaves Engineering Services (Pvt.) Ltd.

Mr. Yasir is also serving as Chief Financial Officer of Faruque (Pvt.) Ltd. He has been working and contributing in various committees of different Business forums. He is currently serving as Industry Expert and member of Arbitration panel of Pakistan Stock Exchange Limited (PSX).



Chairman's Review

During the year under review, Pakistan's economy experienced subdued growth. The services sector remained the primary contributor, while the industrial sector continued to face challenges. Macroeconomic stability was improved with fiscal consolidation due to improved external account position. Encouragingly, the reduction in policy rates by the State Bank of Pakistan during the year helped in restoring investor confidence upto some extent. The cement sector reflected broader economic trends. Local demand remained under pressure. Export markets witnessed encouraging signs although Afghanistan market which is relevant in our case, remained affected due to border closures for few months. Rising energy costs, with high levies and taxes, added pressure to operating margins.

Total sales volume of the Company declined by 9% as against of last year. Domestic and export sales declined by 10% and 3% respectively. Despite lower volumes, the Company delivered its highest ever profit after tax of Rs. 8,681 million for the year ended June 30, 2025, as compared to Rs. 5,500 million last year, driven by improved operational efficiencies, effective cost management and an optimized sales mix. To mitigate escalating power costs and strengthen energy security, the Company commissioned an additional 9 MW of solar based generation capacity during the year. The company continues to strengthen its competitive edge because of its constant commitment to operational excellence, careful cash flow management, and cost leadership. In order to achieve long-term, sustainable growth, we have made diversity, innovation, and cost optimization our top strategic priorities.

The Board of Directors remained actively engaged in shaping long-term strategy and overseeing risk management. A strategy session was held to review market dynamics, diversification opportunities, and sustainability initiatives. The Board also conducted its annual self-evaluation in accordance with the Code of Corporate Governance, reaffirming its commitment to high governance standards, transparency, and accountability. Prudent cash flow management, operational excellence, and cost leadership remain central to our strategy, enabling us to retain a competitive edge in a challenging market.

During the year, we advanced our renewable energy initiatives, alternate fuel utilization, and strengthened dust emission controls. Large-scale tree plantation campaigns were undertaken to improve air quality and restore ecological balance.

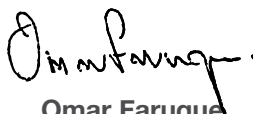
Our social responsibility programs focused on education, healthcare, and community development, building trust with stakeholders and enhancing social impact. The Company has also progressed to its ESG journey by curtailing carbon emissions and improving sustainability reporting in line with the best global practices.

Our economic stabilization measures will lead to gradual recovery, however, challenges such as low domestic demand, high energy costs, and regulatory levies pressures will persist in the short term. We are optimistic about capturing growth opportunities as domestic demand recovers and Afghan export grows.

I extend my sincere appreciation to our employees for their dedication, to our customers and suppliers for their loyalty, and to our bankers, shareholders, and regulatory authorities for their continued trust and support. I also thank my fellow Board members for their valuable guidance and oversight.

With our resilient business model, committed workforce, and forward-looking strategy, your Company is well positioned to create sustainable value for all stakeholders in the years ahead.

August 21, 2025


Omar Faruque
 Chairman



Directors' Report to the Members

For the year ended June 30, 2025

The Board of Directors is pleased to present this report, accompanied by the audited financial statements of the Company for the year ended June 30, 2025.

Overview:

The Pakistani economy posted a mixed performance in FY 2025, with GDP growth estimated at about 2.4%, driven mainly by the services sector and a modest recovery in agriculture. While some macroeconomic stability was achieved through fiscal reforms and an improved external account position, tight monetary policy and inefficiencies in the energy sector continued to pose significant headwinds to industrial activity. The cement sector was challenged by poor private sector demand attributable to uncertainty of economic recovery, high financing costs, reduced spending by the government, and slow real estate activity. On the export front, logistical constraints remained a challenge especially in exports to Afghanistan, although select markets experienced healthy recoveries. High energy tariffs and increased regulatory levies also exerted pressure on the industry.

To address rising fuel and power costs, the Company enhanced its solar-based power generation capacity by approximately 9 MW. Despite external challenges, the Company remains committed to operational excellence, cash flow discipline, and cost efficiency. Strategic priorities include diversification, innovation, and market optimization to drive sustainable growth. With a resilient business model and forward-looking strategy, the Company is well-positioned to navigate uncertainty and capture new opportunities.

During FY 2025, domestic cement demand declined by 5%. However, total exports rose by 30%, driven by a 33% increase in sea exports and a 15% rise in exports to Afghanistan. Consequently, overall cement sales volumes recorded marginal growth of 0.5%, despite subdued domestic demand.

Production and Sales Review:

Comparative production and sales dispatches of the Company are as follows:

Description	2025 (in tons)	2024 (in tons)
Clinker production	2,134,893	2,354,836
Cement production	2,386,193	2,616,907
Domestic sales	1,995,003	2,221,187
Export sales	395,161	405,700
Total sales	2,390,164	2,626,887

On an aggregate basis, the overall sales volume of the Company decreased by 9%, in which local and export sales declined by 10% and 3% respectively as compared to last year.

Financial Performance & Business Overview:

Overall sales revenue declined by 2% compared to last year, primarily due to lower local and export dispatches. However, price adjustments necessitated by higher input costs, offset the impact of reduced volumes. The cost of sales fell by 10%, largely reflecting lower production volumes, though fuel and power costs remained on an upward trend due to higher gas tariffs and the imposition of levies on oil. The commissioning of an additional 9MW solar power plant, efficient coal procurement along with the execution of various efficiency projects, contributed significantly to operational performance and overall results. Furthermore, other income has increased substantially to Rs. 1,588 million supported by improved liquidity. Moreover, the Company has made early and scheduled repayments of long-term loans during last year which led to decrease in finance cost by 57%. In addition, the Company recognized a tax credit of Rs. 721 million pursuant to the Honorable Supreme Court's order relating to Section 65B of the Income Tax Ordinance, 2001.

Based on the above, the Company has managed profit after tax of Rs. 8,681 million for the year ended June 30, 2025 as compared to Rs. 5,500 million for the last year.

A comparison of the key financial results of the Company for the year ended June 30, 2025, is as follows:

Description	2025 (Rs in million)	2024 (Rs in million)
Sales (net)	37,811	38,434
Gross Profit	13,970	11,841
Admin, Distribution & Other Expenses	2,079	1,725
Finance Cost	592	1,381
Other Income	1,588	493
Profit before Taxation	12,887	9,228
Taxation	4,206	3,728
Profit after Taxation	8,681	5,500

Earnings per share:

Earnings per share for the year ended was Rs.44.68 in comparison to Rs. 28.31 as compared to last year.

Dividend Payout:

The Company remains committed to a consistent and balanced approach in profit distribution. Dividend decisions are made after careful evaluation of several factors, including the Company's financial performance, future business requirements, growth opportunities, and planned expansion initiatives. The Board of Directors is pleased to recommend a final cash dividend of Rs. 4.00 per share i.e.40% for the year ended June 30, 2025. This is in addition to an interim cash dividend of Rs. 1.5 per share i.e. 15% announced during the year.

Development and Initiatives:

During the year, the Company has successfully completed and commissioned an additional 9MW solar power project at its factory site. This initiative reaffirms our commitment to adopting clean energy and also demonstrates our strategic goal of using more renewable energy sources to lessen our dependency on fossil fuel and the national grid.

Furthermore, the Company is actively exploring alternative energy solutions to support its sustainability objectives and reduce reliance on conventional fuels. Efforts are underway to bring more efficiency in combustion and power generation processes.

In addition to the above, the Company is considering the acquisition of equity stakes in two multinational companies. We made required disclosures in the PSX for these transactions. The due diligence process has been completed. The Company will provide updates on the progress in accordance with applicable laws and regulations.

Status of Strategic Investment - UniEnergy Limited:

UniEnergy – a joint venture wind power project, has been granted Letter of Intent and formally allotted land for setting up the project at Jhimpir, district Thatta. The JV partners have made an initial equity investment in the Company to meet the ongoing financial requirements for the project. In this regard, Cherat Cement has made an equity investment of Rs. 7.69 million following the approval of the shareholders. The Company has, so far, not yet commenced the operations as the management is evaluating the renewables energy policy of the government.

Contribution to National Exchequer:

The Company has contributed around Rs. 20 billion to the government treasury in the form of income tax, sales tax, royalty and other government levies during the year.

Debt Repayment & Capital Structure:

The Company consistently settles its financial obligations on time and has no history of default on either long- or short-term debt. Supported by healthy cash flows, the Company has also made early repayments of high-cost long-term loans in previous year. As a result, the debt-to-equity ratio has improved compared to last year and stands at 11:89 as of year-end.

Strategic Objectives on ESG:

The Board remains committed to building a responsible, sustainable, and ethically governed business. Social responsibility, environmental protection, and sound corporate governance are at the core of our strategic priorities. We are making concerted efforts to preserve biodiversity, conserve natural resources, and lessen our carbon footprint.

Simultaneously, we place strong emphasis on fostering diversity, promoting employee well-being, and engaging meaningfully with the communities we operate in. Transparency, moral behavior, and effective risk management techniques serve as our compass. As part of our long-term commitment to generating sustainable value for all stakeholders, the Board fully supports these values, which are fundamental to our operations. To reinforce this commitment, the Board has also approved a comprehensive policy framework covering these areas.

Sustainability-Related Risks:

The Company is committed to addressing the sustainability-related risks through a comprehensive focus on environmental, social, and governance (ESG) factors. By integrating responsible operational practices, investing in renewable energy, and promoting green initiatives. The Company aims to contribute meaningfully to a more sustainable future.

In line with the Company's long-term strategy, specific and quantifiable ESG goals have been set, with a particular emphasis on sustainability, operational resilience, and community impact. To encourage cleaner cement production and responsible resource use, large investments have been made in environmentally friendly technologies like waste heat recovery systems, alternative fuels, and renewable energy sources. The company is certain that these sustainability initiatives will increase long-term value by promoting customer trust, bolstering growth, and gaining a competitive edge in a changing market and regulatory environment.

Diversity, Equity, and Inclusion (DE&I):

The Company remains committed to fostering a culture of diversity, equity, and inclusion (DE&I) across its workforce and the communities it serves. DE&I is a core priority and forms an essential part of the Company's sustainable and ethical business practices.

To improve gender and ethnic diversity at all organizational levels, a systematic DE&I strategy with quantifiable and explicit goals is being developed. The use of balanced interview panels and diverse job platforms are examples of inclusive recruitment practices that have been implemented. The company regularly holds training sessions for staff members on subjects like unconscious bias, cultural sensitivity, and inclusive leadership in an effort to further promote an inclusive workplace culture.

Health, Safety and Environment:

CCCL is deeply committed to maintaining the highest standards of health, safety, and environmental protection across all its operations. The Company has implemented a robust HSE framework to ensure a safe working environment for employees, contractors, and stakeholders, while minimizing its environmental footprint.



Key initiatives include:

- i **Employee Safety:** A dedicated HSE department oversees the implementation of safety protocols, including regular fire and safety training for staff. The Company adheres to stringent safety measures to prevent workplace accidents and promote employee well-being.
- ii **Community Health:** The Company operates a basic health unit near its factory, providing medical services to local communities, including specialized care for women through a gynecology ward.
- iii **Environmental Conservation:** The Company utilizes Waste Heat Recovery (WHR) systems to generate electricity from exhaust heat, reducing reliance on non-renewable energy sources. Additionally, solar power projects have been expanded to promote green and clean energy initiatives.
- iv **Pollution Control:** Advanced technologies such as Electrostatic Precipitators and bag filters are employed to control dust and gas emissions, ensuring compliance with environmental regulations.
- v **Tree Plantation Drives:** Regular afforestation efforts around plant facilities contribute to carbon sequestration and ecological balance.

Corporate Social Responsibility:

The Company continues to place strong emphasis on education, healthcare, women's empowerment, and community development as part of its Corporate Social Responsibility (CSR) efforts. During the year, the Company has continued to support The Citizens Foundation (TCF) School in Shaidu village, Nowshera, ensuring continued access to quality education for underserved communities.

The Company has also launched pilot skill development and vocational training programs through the Women Development Center, aimed at equipping women with both education and practical skills. Following the positive response and successful completion of these pilot programs, the Company is in the process of establishing a purpose-built facility to expand the initiative. Parallel efforts are underway to assess the vocational training needs of men, further broadening the impact of our community upliftment programs.

In the area of healthcare, the Company operates a basic health unit adjacent to the factory in collaboration with a local NGO HEADS. The unit includes a gynecologist to address the specific health needs of women in the area.

Additionally, the Company continues to provide school transport services for local students and supply clean drinking water to nearby villages through tube wells. Our ongoing animal conservation program also reflects the Company's commitment to environmental and ecological responsibility.



Principle Risks and Uncertainty

Risk Assessment

The Board holds overall responsibility for overseeing the Company's risk management framework, while senior management is tasked with implementing effective controls and responding proactively to emerging risks. Risks are reviewed regularly to ensure business continuity and alignment with the Company's strategic objectives. The organization remains exposed to various external factors, including market volatility, economic fluctuations, and regulatory changes. In response, Management continuously refines strategies to adapt to evolving industry trends and support capacity expansion, with a strong focus on maintaining the Company's market position amid external challenges.

Risk Management

Operational risks are mitigated through established controls around material sourcing, process reliability, and efficient logistics. In-house power generation facilities at plants help to reduce reliance on external sources and safeguard against power disruptions. The Company also prioritizes cybersecurity and has implemented clear segregation of duties to prevent operational interruptions. Financial risks, such as exchange rate fluctuations, interest rate movements, and commodity price volatility, are actively managed through well-defined and regularly reviewed financial policies. Additionally, a compliance culture guarantees that every operation stays completely in line with relevant laws, rules, and industry best practices.

Corporate Governance:

The Company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A Statement of Compliance is provided under the relevant section of the report.

Statement on Corporate and Financial Reporting Framework:

- The financial statements prepared by the management of the Company present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards as applicable in Pakistan and the Companies Act, 2017 have been followed in preparation of financial statements and any discrepancy therefrom has been adequately disclosed and explained
- Chief Executive, Director and Chief Financial Officer duly endorsed the financial statements before approval of the Board.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no non-compliance from the best practices of Corporate Governance.
- Key operating and financial data for the last six (6) years in summarized form is annexed.
- There is nothing outstanding against the Company on account of taxes, duties, levies and charges except for those which occur in normal course of business.
- Statement of shares held by associated undertakings and related persons have also been disclosed separately.
- The Company maintains Provident and Gratuity Fund accounts for its employees. Stated below are the values of the investments of the funds as on June 30, 2025.

Provident Fund	Rs. 2,211 million
Gratuity Fund	Rs. 1,696 million

Board of Directors:

In line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company ensures representation of Independent and Non-Executive Directors, as well as Gender Diversity, on its Board.

Total number of Directors on the board is 8 and its composition is as follows:

- Male Directors 7
- Female Director 1

Particulars	No.	Name of Directors
Independent Directors	3	Mr. Abrar Hasan Mrs. Zeeba Ansar Mr. Ariful Islam*
Non-Executive Directors	3	Mr. Omar Faruque Mr. Akbarali Pesnani Mr. Arif Faruque
Executive Directors	2	Mr. Azam Faruque Mr. Yasir Masood
Female Director	1	Mrs. Zeeba Ansar

During the year, five meetings of the Board of Directors were held. The attendance record of each director is as follows:

Name of Director	Meetings Attended
Mr. Omar Faruque	5
Mr. Azam Faruque	5
Mr. Akbarali pesnani	5
Mr. Arif Faruque	5
Mr. Abrar Hasan**	2
Mr. Asif Qadir*	1
Mrs. Zeeba Ansar	5
Mr. Ariful Islam*	2
Mr. Yasir Masood	5

During the year, four meetings of the Audit Committee were held. The attendance record of each director is as follows:

Name of Director	Meetings Attended
Mr. Ariful Islam	2
Mr. Akbarali Pesnani	4
Mr. Arif Faruque	4

During the year, one meeting of the Human Resource and Remuneration Committee was held. The attendance record of each director is as follows:

Name of Director	Meeting Attended
Mr. Abrar Hasan	1
Mr. Azam Faruque	1
Mr. Omar Faruque	1

*Mr. Asif Qadir retired as Directors during the year and in his place, Mr. Ariful Islam was elected as Directors.

Following the retirement of Mr. Asif Qadir, Mr. Ariful Islam was appointed as a member of the Audit Committee.

**A leave of absence was granted to the Directors who could not attend the meeting due to their preoccupation.

Performance Evaluation of the Board and Committee:

The Company carries out an annual evaluation of the Board of Directors and its committees as part of the Code of Corporate Governance. Priorities include fostering diversity, upholding integrity and active participation, regularly reviewing management targets, providing strategic guidance, identifying performance improvements, assessing risks, reviewing succession plans, enhancing health and safety practices, and safeguarding against litigation and reputational risks.

A strict level of confidentiality is exercised by the Company Secretary upon receipt of completed questionnaires. To ensure transparency of the process, the Company has engaged M/s. Grant Thornton Anjum Rahman, Chartered Accountants to compile results and prepare a report for the Board of Directors. The contents of the report are evaluated and areas that require improvement are identified.

Adequacy of Internal Financial Controls:

The efficient framework of internal financial controls has been put in place by the Board of Directors to guarantee the smooth and effective execution of operations, protection of company assets, adherence to relevant laws and rules, and dependable financial reporting. The independent Internal Audit function consistently evaluates and oversees the execution of these financial controls, while the Audit Committee assesses the efficiency of the internal controls structure and financial statements on a quarterly basis.

Directors' Remuneration:

Through the Articles of the Company, the Board is authorized to fix remuneration of Non-Executive and Independent Directors from time to time. In this regard, the Board of Directors has developed a Remuneration policy for Non-executive and independent directors of the Company.

The details of Directors' remuneration are disclosed in Note 38 of the Financial Statements for the year ended June 30, 2025.

Directors' Training:

The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the relevant laws, including the Companies Act, 2017, and Regulations of PSX Rulebook.

Appointment of Auditors:

The present External Auditors, M/s. Grant Thornton Anjum Rahman - Chartered Accountants, have completed the annual audit for the year ended June 30, 2025, and issued a clean audit report. The auditors will retire on the conclusion of the Annual General Meeting of the Company and, being eligible, have offered themselves for reappointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending on June 30, 2026.

Pattern of Shareholding:

The pattern of shareholding of the Company for the year ended June 30, 2025 as required in Section 227(2)(f) of the Companies Act, 2017 is annexed to this annual report.

Related Parties Transactions:

All transactions with related parties have been executed at arm's length and have been properly disclosed in the financial statements of the Company.

Subsequent events:

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

No Change in the Nature of Business:

No significant changes have occurred during the financial year concerning the nature of the business of the Company.

Future Prospects:

The outlook for FY 2026 remains cautiously optimistic. With inflation sharply lower and interest rates entering an easing cycle, further monetary relaxation is expected to support investment and consumption. The government is likely to continue structural reforms, including privatization of state-owned enterprises and energy sector tariff adjustments, to meet fiscal and IMF program targets. While short-term inflationary pressures may arise from subsidy rationalization and a drive for broader tax base, the medium-term outlook is underpinned by macroeconomic stabilization, strong remittance inflows, and potential strategic investments, particularly from the Middle East. These factors are expected to support exchange rate stability and lift economic growth modestly above FY 2025 levels.

For the cement industry, growth prospects remain tied to infrastructure projects under the PSDP, housing initiatives, and regional export opportunities. The FY 2026 federal budget has introduced measures to stimulate construction and housing, including tax credits on small residential loans, which should directly boost cement demand.

Exports of clinker and cement have recently picked up both from sea and also from Afghanistan. In FY 2025, exports to Afghanistan remained affected due to closure of main borders for few months. However, currently all the borders are open and there is good demand. While the demand for cement in Afghanistan remains strong, our exports are affected from time to time due to administrative and political issues.

The Company's management remains proactive in monitoring market conditions and implementing cost control initiatives to mitigate the impact of rising input costs. We also urge the Government to reduce the excessive tax burden on the cement industry and to take steps that will help revive growth in this vital sector. The management will continue its efforts for diversification and expansion of existing business.

Acknowledgment:

We would like to thank all the financial institutions having a business relationship with us, our dealers, customers and suppliers for their continued support, cooperation and trust they have reposed to us. We would also like to share our deepest appreciation for all our staff for their dedication, loyalty and hard work.

On behalf of the Board of Directors


Omar Faruque
Chairman

Karachi: August 21, 2025


Azam Faruque
Chief Executive

Annual Evaluation of Board, Chief Executive Officer (CEO), Committees and Individual Members

Board evaluation mechanisms facilitate the Board of Directors in evaluating and assessing its performance and ability to provide strategic leadership and oversight to the senior management of the Company. Accordingly appropriate procedures have been developed based on emerging and leading practices to assist in the assessment of the Board, its committees and the individual directors themselves.

Questionnaires have been developed based on relevant criteria such as effectiveness, accountability, planning, leadership and strategy formulation by the Board and also its committees. Directors are also asked to fill out a self-evaluation questionnaire that focuses on their participation and satisfaction with the different proceedings of the Board and their individual role as a member.

In addition, a separate evaluation questionnaire for Chief Executive has also been developed for his performance. The performance evaluation of the CEO is carried out by all the Directors.

These questionnaires are circulated annually and are filled out by the Directors anonymously. The collected answers are then compiled by an independent chartered accountant firm.

The Company has engaged M/s. Grant Thornton Anjum Rahman, Chartered Accountants to ensure transparency in the process.

Directors' Orientation and Training

All the Directors of the Company are well experienced and have diverse backgrounds. At the time of the induction of any new director, he or she is given proper orientation about the operations of the Company and his or her fiduciary responsibilities. The Company had also arranged an in-house Directors' training programme to apprise the directors of their authorities and responsibilities. Seven Directors of the Company namely Mr. Azam Faruque, Mr. Omar Faruque, Mr. Abrar Hasan, Mr. Akbarali Pesnani, Mrs. Zeeba Ansar, Mr. Ariful Islam and Mr. Yasir Masood are also certified under the Board Development Series Programme offered by the Pakistan Institute of Corporate Governance (PICG).

Our all directors and executives are either exempt or have attended / completed Certified Directors Training Program from the reputable recognized local and international institutions.

External Oversight of Functions and Measures Taken to Enhance The Credibility of Internal Controls and Systems

Cherat Cement ensures efficiency, effectiveness, accuracy and the credibility of all its functions through regular monitoring, making benchmarks and assessing the targets and goals of their respective functions. Following are the summary of the measures taken to attain the benchmarks through oversight:

- All processes and functions of the Company are subject to review by the Internal Audit function;
- The Manufacturing processes are reviewed on the basis and guidelines of industry best practices, industry norms, and standards setting authorities;
- The Information Systems and network security are periodically reviewed by Information Systems auditors. Cybersecurity audit was conducted by an external consultant.
- Surveys conducted by third parties or otherwise to ensure the credibility and control hallmarks.

Decisions and Matters taken by the Board and Delegated to Management for Execution

The Board of Directors exercise all powers on behalf of the Company and fulfill their duties and responsibilities in accordance with the applicable laws. The primary responsibility of the Directors is to ensure that the key management is achieving the objects of the Company as delegated to them in such manner as to benefit the Company and its shareholders.

Management is primarily responsible for implementing the strategies as approved by the Board of Directors. It is the responsibility of management to conduct the routine business operations of the Company, including but not limited to short term investments, sale/purchase contracts, implementation of policies, treasury, taxation, litigations, and stock management etc., in an effective and ethical manner in accordance with the strategies and goals as approved by the Board and to identify and administer the key risks and opportunities that could impact the Company in the ordinary course of execution of its business.

Management is also concerned in keeping the Board members updated regarding any changes in the operating environment. It is also the responsibility of management, with the oversight of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with applicable accounting standards and legal requirements.

Understanding Shareholders View

The Company's shareholders comprise of investors including mutual funds, investment companies, brokerage houses, insurance companies, foreign shareholders, pension funds, individuals, professionals, high profile individuals to housewives. The Company regularly interacts with all categories of shareholders, through Annual General Meeting, Extraordinary General Meeting, regular corporate / investor briefings etc. The Company has also been arranging annual corporate briefing sessions regularly. The Chief Operating Officer, Chief Financial Officer and the Company Secretary remain available to respond to any shareholder / investor's query. The non-executive Members of the Board are also kept informed about the views of the major shareholders about the Company.

Governance of Risk and Internal Control

The Company has various policies in connection with Governance of Risk and Internal Control that have been approved by the Board of Directors and covered in Director's Report and other different policies and disclosures. These include but are not limited to Health Safety Environment (HSE) policy, Information Technology (IT) Governance policy, Information System Security policy, Environmental, Social and Governance Policy, Disaster Recovery policy etc. The implementation of such policies is in accordance with law to assure smooth operations of the business at all levels.



Governance Practices Exceeding Legal Requirements

The Company has always believed in going the extra mile and staying ahead of the curve. In line with this strategy, not only have we complied with all mandatory legal compliances under the Code of Corporate Governance, the Companies Act 2017 and other applicable rules, regulations and standards, we have also carried out the following activities in addition to the legal requirements;

- a. Implementations of HSE: The Company has developed and implemented aggressive HSE strategies at its Plants to ensure the proper safety of its people and equipment.
- b. Dissemination of the information: The Company has always ensured that all material information is communicated to the PSX, the SECP and the Company's shareholders as soon as it becomes available. At all times we have ensured that such information is sent out much before the deadlines are set out in the laws.
- c. Integrated Reporting Framework: The management reports various other essential information in this annual report, which is not required by law.



Executive Director(s) serving as Non-Executive and Independent Director in other Companies / Body Corporate

Our Chief Executive Mr. Azam Faruque, and Director and Chief Operating Officer Mr. Yasir Masood are also serving as a Non-Executive and Independent Directors in other companies body corporate, details of which are available in the Directors' Profiles section.

There is no restriction/bar in the law to earn the remuneration as non-executive directors in other companies.

Independent Directors

The Company has ensured that the composition of its Board of Directors is compliant with all prevailing legal and governance requirements with respect to independent directors. All independent Directors have submitted along with their consent to act as Director, the declaration as required under the Code of Corporate Governance and Companies Act, 2017, to the Company that they meet the criteria of independent director.

Female Director

Mrs. Zeeba Ansar was elected as an Independent female Director on the Board and the requirement for a female director on the board of a listed company has been complied.

Board Meetings Held Outside Pakistan

During the year, 5 meetings of the Board of Directors were held. As recommended by SECP Guidelines and to keep the costs in control, the management has conducted all meetings in Pakistan.

External Search Consultancy

To ensure good corporate governance the Company undertakes a formal process of external consultancy for the performance evaluation of the Board.

Related Parties

As required under the fourth schedule of the Companies Act, 2017, detailed disclosures regarding related party transactions they have been presented in note 39 to the financial statements presented in this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards. Approval of the transactions from the shareholders will be obtained at the Annual General Meeting.

Statement of Management's Responsibility towards Preparation and Presentation of Financial Statements and Directors' Compliance Statements

The Company, its Board of Directors and the management have always been keen to follow the standards set down by governing institutions. In light of the same strict compliance with all standards set out by ICAP, the Companies Act, and the International Accounting Reporting Standards have been adhered to, and otherwise good and responsible reporting has been our general practice.

Disclosure of Directors' Interest

Details of all related party transactions based on common directorship is placed before the Board and subsequently placed before the shareholders in the Annual General meeting for their approval. The said disclosure mentioned in the notice of AGM as well as in the relevant note of the financial statements. The percentage of shareholding is also mentioned in the pattern of shareholding. All directors disclose their interest in all contract or arrangements with other companies like Other Directorship.

IT Governance Policy

The Company has a well-conceived and implemented Information Technology (IT) Governance Policy which seeks to ensure that IT is aligned with Cherat's organizational goals and strategies and delivers value to the organization. The policy is designed to promote effective, efficient, timely, and informed decision-making concerning Cherat's IT investments and operations. Specifically the policy aims to establish the IT governance structure and its associated procedures, roles, and responsibilities, as a critical component of the overall IT Management (ITM) Framework, which guides the management, implementation, and monitoring of IT investments for Cherat.

The Company's IT Governance Policy is mainly charged with:

- Establishing a shared vision of how information technology can add value to the organization;
- Establishing information technology goals, and the strategies for achieving those goals;
- Establishing principles and guidelines for making information technology decisions and managing initiatives;
- Overseeing the management of institutional information technology initiatives;
- Establishing and communicating organizational information technology priorities;
- Determining information technology priorities in resource allocation;
- Establishing, amending and retiring, as necessary, organizational information technology and other technology related policies, and
- Determining the distribution of responsibilities between the IT Department and end users.



Information System Security Policy

Objective

The objective of Information Security is to ensure continuity of business of the company and to minimize business damage by preventing and limiting the impact of security incidents.

Policy

1. The purpose of the Policy is to protect Company information assets from all threats, whether internal or external, deliberate or accidental. These assets relate to information stored and processed electronically.
2. It is the Policy of the Company to ensure that:
 - a. Information will be protected against unauthorized access.
 - b. Confidentiality of information will be assured by protection from unauthorized disclosure or intelligible interruption.
 - c. Integrity of information (its accuracy and completeness) will be maintained by protecting against unauthorized modification.
 - d. Regulatory and legislative requirements will be met, including record keeping, according to Information Security Management System standard.
 - e. Disaster Recovery Plans will be produced, maintained and tested, to ensure that information and vital services are available to Company when needed.
3. Standards will be produced to support the policy. These standards will include regulations, guidelines and procedures covering matters such as (not limited to) data security, backup, virus control and passwords.
4. Business requirements for the available of information and information system will be met.
5. The role and responsibility for managing information security will be assigned to a designated Information Security Officer/Internal Audit.
6. The information Security Officer/Internal Audit will be responsible for maintaining the Policy and providing advice and guidance on its implementation.
7. All managers are responsible for implementing the Policy within their business areas, and for adherence by their staff.
8. It is responsibility of each employee to adhere to the Policy.
- f. Information on security matters will be made available to all staff.
- g. All breaches of information security, actual or suspected, will be reported to and investigated by the Information Security Officer / Internal Audit.



Environmental, Social and Governance Policy

Introduction

Cherat Cement Company Limited is committed to integrating Environmental, Social, and Governance (ESG) considerations into its business strategies and operations; it has been taking numerous initiatives at both the plants, regional offices and head office. It recognizes that responsible management of these factors is essential for the long-term success of the company and for creating sustainable value for all its stakeholders.

Purpose

The purpose of this statement is to outline and map our continuing commitments towards sustainability, social responsibility, and good governance. It provides a framework for incorporating ESG considerations into our decision-making processes, risk management, and reporting.

This policy supersedes the previously approved Social and Environmental Responsibility Policy of the Company as it extensively addresses the Environment, Social & Governance guidelines.

Scope

This statement applies to all employees, officers, and directors of Cherat Cement Company Limited. We also expect our business partners, suppliers, and contractors to adhere to similar principles.

1. Environmental Responsibility

Our commitment towards minimizing our environmental footprint and promoting environmental stewardship includes:

- a. Climate Change: Assessing and mitigating the risks and opportunities associated with climate change.
- b. Energy and Emissions: Reducing greenhouse gas emissions through energy efficiency, renewable energy, and other measures.
- c. Sustainable Resource Management: Efficiently using natural resources and reducing waste.
- d. Pollution Prevention: Preventing pollution and minimizing environmental impacts from our operations.
- e. Biodiversity and Land Use: Protecting biodiversity and responsibly managing land use.



2. Social Responsibility

Our commitment towards making a positive impact on society by promoting social equity, diversity, and community well-being includes:

- a. Diversity and Inclusion: Fostering a diverse and inclusive workplace where all employees are treated with respect and have equal opportunities.
- b. Employee Well-being: Ensuring a safe, healthy, and supportive work environment for our employees.
- c. Community Engagement: Actively engaging with and supporting the communities where we operate.

3. Governance

Our commitment towards maintaining strong governance practices that promote transparency, accountability, and ethical behavior includes:

- a. Risk Management: Integrating ESC risks into our risk management framework.
- b. Board Oversight: Ensuring effective oversight of ESG matters by our Board of Directors.
- c. Reporting: Providing transparent and accurate reporting on our ESC performance.
- d. Compliance: Adhering to all applicable laws, regulations, and industry standards.
- e. Ethical Business Practices: Conducting our business with the highest ethical standards and integrity.

Human Resource Policy

At Cherat Cement Company Limited we attribute our continued success to our people. Our employees are our enduring advantage and it is our ability to create high performance teams in a culture of inclusiveness, professionalism and excellence that drives our growth. To maintain our HR competitiveness, we remain focused on areas of talent management, learning & development; succession planning, and the development of a robust Management Trainee Program.

Attracting the Best Talent

To support the Company's objective of acquiring the best talent, we have recalibrated our Trainee Engineer Program as "Future Leaders Program" to make it dynamic in its offerings to students allowing them to challenge their potential. By providing graduating students with an exhilarating route to enter our Graduate Trainee Engineering programs, we undertook several campus recruitment drives at leading Engineering educational institutions with an aim to find the best talent that would build the Company-wide pipeline of emerging leaders and also to be part of our enterprising organizational culture.

Industrial Relations

We maintain excellent relations with our employees and labour. There is a formal labour union in place which represents all classes of workers and independently takes care of all labour related issues. The Company takes every reasonable step for swift and amicable resolution of all their issues.

Core Values

Values are what support the vision, shape the culture and reflect what an organization values. They are the essence of the organization's identity the principles, beliefs or philosophy of values. Our Core Values (Respect, Fairness, Quality, Ownership) are embedded in our recruitment process, performance appraisals and recognition initiatives.

Preparation of Succession Plan

At Cherat Cement Company Limited (CCCL), preparing a robust Succession Plan is integral to ensuring sustained leadership and business continuity. We view succession planning not as a reactive measure but as a forward-thinking strategy that identifies and develops individuals who can fill key positions in the future. This process starts by recognizing critical roles across the company that are pivotal to our business operations and long-term growth.

We conduct a comprehensive Talent Assessment to evaluate potential successors within the organization. This assessment takes into account not only the employee's current performance but also their competencies, leadership potential, and alignment with CCCL's core values. A Gap Analysis is then performed to understand the areas where development is needed, enabling us to customize learning and development programs that focus on bridging these gaps.



At CCCL, our succession planning is not limited to top leadership roles. We believe in building a talent pipeline for all critical talent of the organization. By investing in continuous learning, leadership development, and on-the-job coaching, we ensure that high-potential employees are ready for future leadership roles. This ongoing process enables us to nurture a workforce that is capable, agile, and ready to take on future challenges.

Merit-Based Recruitment

At CCCL, we are committed to a Merit-Based Recruitment process that ensures fairness, transparency, and the hiring of the most qualified candidates. Our approach is driven by a strict adherence to equal opportunity principles, ensuring that every candidate is evaluated solely on their skills, knowledge, experience, and alignment with our organizational values.



To streamline and enhance the recruitment process, CPL leverages advanced technological tools like SAP SuccessFactors Recruitment Management (RCM). Through Recruitment Management, we efficiently manage job requisitions, job postings, candidate applications, and the selection process, ensuring a smooth and transparent hiring journey. The system allows us to track candidates progress, conduct interviews, and make data-driven decisions on selecting the best talent. SF RCM is also integrated with our onboarding processes, making transitions in to the company seamless for both employees and HR.

The Onboarding process at CCCL is designed to welcome new hires and integrate them into our organizational culture effectively. Through the structured programs, we provide them with the resources, training, and support they need to succeed.

By adopting merit-based recruitment practices and integrating the latest HR technologies, CCCL ensures that we consistently attract and retain top talent, contributing to the company's growth and operational excellence.

Performance-Based Appraisal

At Cherat Cement Company Limited, our Performance-Based Appraisal system is a key driver of employee engagement, development, motivation and organizational success. We believe that performance should be the foundation for both individual and organizational growth, which is why we place such a strong emphasis on recognizing and rewarding employees based on their achievements and contributions.

CCCL utilizes SAP SuccessFactors Performance Management and Goals Management (PMGM) to standardize and automate our performance management processes. SF PMGM allows us to set clear and measurable goals for employees at the beginning of each performance cycle, aligning their objectives with the broader business goals of the organization. Throughout the year, managers can track progress, provide candid and regular feedback hence fostering a culture of continuous improvement.

At the end of the performance cycle, employees are appraised based on their achievements against their set goals, and their competencies in relation to CCCL's core values. SF PMGM provides comprehensive insights, ensuring that our appraisals are fair, transparent, and cover both qualitative and quantitative data. High-performing employees are recognized and rewarded, while development plans are created for those needing additional support, ensuring that every individual has the opportunity to grow and excel.

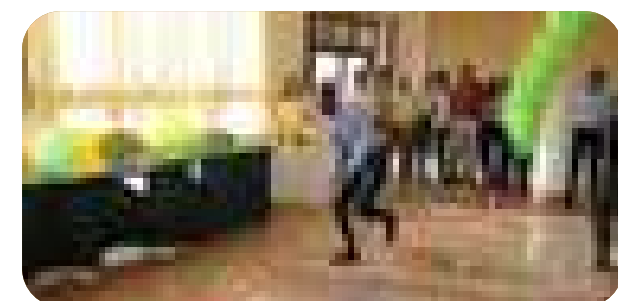
Our performance-based appraisal system not only helps us recognize and reward top talent but also motivates employees to reach their full potential, driving CPL's continued success.

Promotion, Reward, and Motivation

At CCCL, we understand that recognizing and rewarding employee contributions is fundamental to maintaining a motivated, engaged and high-performing workforce. Our Promotion, Reward, and Motivation strategy is built on principles of fairness, transparency, and alignment of individual performance with organizational performance. We firmly believe that career advancement should be based on merit, and as such, promotions at CPL are awarded to employees who consistently demonstrate strong performance, leadership qualities, and alignment with our core values.

In addition to promotions, CCCL offers a variety of reward programs to celebrate exceptional achievements. These rewards can take the form of bonuses, public recognition, or special awards for outstanding contributions. Our rewards system is designed to create a culture of appreciation, where employees feel valued for their hard work and dedication.

Motivation is fostered not just through financial rewards but also by creating an environment where employees are given opportunities for growth and development. By providing challenging projects, leadership opportunities, and continuous feedback, we ensure that every employee at CCCL feels empowered and motivated to contribute towards the company's success.



Training and Development

At Cherat Cement Company Limited, we view Training and Development as key to both organizational success and employee satisfaction. Our philosophy is that continuous learning and development are essential to maintaining a workforce that is skilled, innovative, and prepared for future challenges.

CCCL offers a range of training programs tailored to meet the diverse needs of our employees. These include technical training for operational staff, leadership development programs for emerging leaders, and skills enhancement workshops for all employees. We also offer e-learning opportunities that enable employees to learn at their own pace, ensuring that they can continuously improve and stay updated with industry trends.

Additionally, CCCL promotes mentorship and coaching, where senior employees mentor junior staff, sharing their expertise and guiding them in their career development. This not only helps with knowledge transfer but also fosters a collaborative and supportive work environment. Our comprehensive approach to training and development ensures that CCCL remains a learning organization, where employees are equipped with the skills and knowledge to drive our company forward.

Gender and Race Diversity

Our company is committed to fostering an inclusive and equitable workplace where all employees are treated with equality, fairness and respect. Employee's compensation is determined solely based on the seniority, experience, roles, responsibilities, and performance, regardless of gender.

We continually strive to maintain that there should be no gender pay gap within our organization, ensuring that every team member is valued and rewarded equitably for their contributions.

Employee Engagement and Feedback

At Cherat Cement Company Limited, Employee Engagement is a top priority, as we believe that an engaged workforce is a productive workforce. We strive to create an environment where employees feel connected to the Company's mission, empowered in their roles, and motivated to contribute to the company's success.

Our approach to employee engagement involves regular communication, feedback mechanisms, and involvement in decision-making processes. CCCL regularly conducts pulse surveys to gather feedback on various aspects of the workplace, from job satisfaction to leadership effectiveness. This feedback is carefully analyzed and used to make improvements in policies, practices, and the work environment.

In addition to surveys, we encourage open channels of communication between employees and management. Whether through one-on-one meetings, town halls, or suggestion boxes, we value employee input and believe in taking action on their feedback. This two-way communication fosters a culture of trust, transparency, and collaboration.

By prioritizing employee engagement and feedback, CCCL ensures that we maintain a motivated and committed workforce which is driving the company's overall success and growth.



HR Transformation Journey at Ghulam Faruque Group (Sap Successfactors Implementation)

The goal of HR Digital Transformation with SAP SuccessFactors is to enhance the employee experience and boost efficiency and competitiveness by optimizing people, data, and processes in a digital environment. We are pleased to announce that the Recruitment, Onboarding, and Offboarding modules have successfully gone live and been implemented at Cherat Cement.

Attracting and onboarding the right talent is crucial for a business's continued growth and success. By implementing SAP SuccessFactors Recruiting, Cherat Cement Company Ltd has equipped to draw in and engage top talent, choose the best candidates according to their needs, and assess business outcomes. This system will focus primarily on streamlining the hiring process and ensuring the selection of the most qualified candidates.

The SAP SuccessFactors 'Onboarding' module will enable us to effectively manage a range of programs and employee transitions, including Pre Day-One, Onboarding, Crossboarding, Offboarding, and rehire, all through a single solution.



Safety of Records Policy

The Company is effectively implementing the policy to ensure the safety of records. All records must be retained for as long as they are required to meet legal, administrative, operational, and other requirements of the Company. The main purposes of the Company policy are:

- To ensure that the Company's records are created, managed, retained, and disposed off in an effective and efficient manner;
- To facilitate the efficient management of the Company's records through the development of a coordinated Records Management Program;
- To ensure preservation of the Company's records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required and disposed off in accordance with the record retention policy and retention schedules; and
- Records and information are owned by the Company, not by the individual or team



Conflict of Interest Policy

A Conflicts of Interest Policy has been developed by the Company to provide a framework for all directors of the Company ("Directors") to disclose actual, potential or perceived conflicts of interest.

The policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by the Company.

The policy is applicable to Directors as the Company strongly believes that a Director owes certain fiduciary duties, including the duties of loyalty, diligence and confidentiality to the Company which requires that the Directors act in good faith on behalf of the Company and to exercise his or her powers for stakeholders' interests and not for their own or others interest.

Management of Conflict of Interest

The Company stands fully committed to the transparent disclosures, management and monitoring of actual potential or perceived conflicts of interest. All Directors under the policy are obligated and have a duty to avoid actual, potential or perceived conflicts of interest.

Any Director with personal interest, relationship or responsibility which conflicts with the interest of the Company or its shareholders shall excuse himself or herself from any discussions on the matter that would give rise to the conflict of interest and, if necessary, from the Board meeting, or applicable part thereof.

Whistle Blower Policy

Objective

The objective of this policy is to provide a platform and mechanism for directors, employees and suppliers to properly address bonafide concerns within the organization without fear of reprisal.

It encourages directors, employees and suppliers about their duty to report any suspected activity that violates any law applicable to the Company, its Core Values or Code of Conduct.

This policy is intended to assist only those individuals who believe they have discovered malpractice or impropriety. It is not designed to question financial or business decisions taken by the organization nor should it be used to reconsider any matters which have been investigated under the harassment, grievance or disciplinary policies and procedures.

Policy Statement

Cherat Cement Company Limited is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, Cherat Cement Company Limited has developed a Whistle Blowing Policy to lodge complaint or to bring in the knowledge of the competent authority any unfair treatment, fraudulent, immoral, unethical or malicious activities or discrimination or some other type of adverse occurrence that violates a law, regulation, policy, morals and/or ethics and especially those matters that jeopardize the credibility and reputation of the company. The whistle can be blown by any director, employee or supplier without fear of punishment/unfair treatment.

Scope/Applicability

This policy is applicable to directors, all permanent and third party employees and suppliers of Cherat Cement Company Limited.

The whistleblower may report or raise any concern which he/ she believes is unethical or contradictory to the code of conduct of the organization, which may include the following acts:

- Fraud
- Financial malpractice
- Failure to comply with applicable legal

requirements or company policy;

- Improper conduct or unethical behavior, including breach of the company's code of conduct, business integrity or ethics;
- Attempts to conceal any material facts or misrepresentation;
- Negligence causing substantial and specific danger to employees' health, safety or environment;
- Any unlawful act whether criminal/civil;
- Colluding with third parties/associates to exploit or cause harm to the company;
- Manipulation of company data/ records;
- Unauthorized use, employees' system password acquisition, access or disclosure of confidential/proprietary information;
- Abuse of authority; and
- Misappropriation or unauthorized use of company funds/assets

All complainants are protected from victimization, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and not maliciously or for personal gain. All disclosures are required to be made in writing. Disclosures made anonymously will not be entertained.

Disclosures made will be investigated fully including interviews with all the witnesses and other parties involved. All whistle blowing disclosures made are treated as confidential and the identity of the whistleblower is protected at all stages in any internal matter or investigation.

Disciplinary action (up to and including dismissal) may be taken against the wrongdoer depending on the results of the investigation.

During the year no whistle blowing incidence was reported under the mentioned procedure.



Insider Trading Policy

The Company has taken definitive steps in ensuring that all employees, officers, members of the Board and all such relevant persons follow strict guidelines while trading in the shares of the Company. The Insider Trading Policy codifies the Company's standards on trading and enables the trading of securities of the Company or other publicly-traded companies while in possession of material non-public information.

The General Guidelines within the Policy State that:

1. No trading in the securities of the Company is permitted for directors and all employees who are "Executives" as defined in the relevant laws within the Closed Periods announced by the Company.
2. No insider may purchase or sell any Company's security while in possession of material non public information about the Company, its customers, suppliers, consultants or other companies with which the Company has contractual relationships or may be negotiating transactions.
3. No insider who knows any material non-public information about the Company may communicate that information to any other person, including family and friends.
4. In addition, no insider may purchase or sell any security of any other involvement with the Company in the way of conducting official business. No insider who knows of any such material non-public information may communicate that information to any other person, including family and friends.

The Company's Responsibility to Disclose Inside Information

The Company's responsibility, in the case of inside information made known to a third party, shall be to ensure that on in such cases the knowledge is given full public disclosure or if such information still needs to be kept non-public then the Company must ensure that the third party, is placed under legal obligation to maintain confidentiality.

Anti-Harassment Policy and Procedure

Objective

The objective of this policy is to create a safe and dignified working environment for men and women workers that is free of sexual harassment, abuse and intimidation and with a view to enable higher productivity and a better quality of life at work.

The policy provides a guideline for behavior of all employees, including management to ensure a work environment free of sexual or any other harassment and intimidation to safeguard rights and well being of employees.

SCOPE

This is applicable to all employees of the company.

Responsibilities of the Management

Management is responsible to follow this policy and code in letter and spirit to ensure that each complaint of sexual harassment is addressed responsibly. The management will be impartial in the process and will facilitate a just and fair inquiry without retaliation. The management will not victimize the complainant or the witnesses in the case.

Related Party Transactions Policy

Preamble

The Board of Directors (the “Board”) of Cherat Cement Company Limited (the “Company”) has adopted this policy pursuant to the provisions of Section 208 of the Companies Act 2017 read with Regulation No. 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 issued by the Securities & Exchange Commission of Pakistan.

Scope of the Policy

This Policy applies to transactions between the Company and one or more of its related parties. It provides a framework for governance and reporting of related party transactions. It is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its related parties. Amendments, from time to time, to the Policy, if any, shall be considered and approved by the Board.

The policy covers all related party transactions of Cherat Cement Company Limited as defined under Section 208 of the Companies Act 2017. The policy is applicable on all individuals responsible to initiating, authorize, record and report related party transactions.

The Policy is applicable to all related party transactions irrespective of their value and size. This Policy is intended to work in conjunction with regulatory provisions and other Company policies.

Definitions

(i) Arm’s length transaction means a transaction which is subject to such terms and conditions and is carried out in a way, as if:

- a) the parties to the transaction were unrelated in any way;
- b) the parties were free from any undue influence, control or pressure;
- c) through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound business judgment as to what was in its interests; and
- d) each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

(ii) Office of profit

means any office:

- a) where such office is held by a director, if the director holding it receives from the Company thing by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.
- b) where such office is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation or otherwise.

(iii) Related party includes:

- a) a director or his relative;
- b) a key managerial personnel or his relative; a key managerial person shall mean the following;
 - the Chief Executive Officer of the Company;
 - the Company Secretary of the Company;
 - the whole time Directors on the Board of the Company; and
 - the Chief Financial Officer of the Company.
- c) a firm, in which a director, manager or his relative is a partner;
- d) a private company in which a director or manager is a member or director;

- e) a public company in which a director or manager is a director or holds along with his relatives, any shares of its paid up share capital;
- f) any body corporate whose chief executive or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- g) any person on whose advice, directions or instructions a director or manager is accustomed to act;
- h) any company which is:
 - a holding, subsidiary or an associated company of such company; or
 - a subsidiary of a holding company to which it is also a subsidiary
- i) such other person as may be specified;
- j) Relative means spouse, siblings and lineal ascendants and descendants of a person.

Provided that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity.

*All other terms will be construed as per the Companies Act 2017 and all other relevant laws.

Types of Related Party Transactions

Any contract or arrangement with respect to the following, but not limited to:

- (i) sale, purchase or supply of any goods or materials;
- (ii) selling or otherwise disposing of, or buying, property of any kind;
- (iii) leasing of property of any kind;
- (iv) availing or rendering of any services;
- (v) appointment of any agent for purchase or sale of goods, materials, services or property; and
- (vi) such related party’s appointment to any office or place associated company, provided:
 - a) where majority of the directors are interested in any of the above transactions, the matter shall be placed before the general meeting for approval as special resolution;
 - b) also that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business on an arm’s length basis.

Disclosure and Approval of Related Party Transactions

The board shall approve related party transactions that require its approval and the following minimum information shall be circulated and disclosed to the directors along with agenda for board’s meeting called for approval of related party transactions:

- i. name of related party;
- ii. names of the interested or concerned persons or directors;
- iii. nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party;
- iv. detail, description, terms and conditions of transactions;
- v. amount of transactions;
- vi. timeframe or duration of the transactions or contracts or arrangements;
- vii. pricing policy;
- viii. recommendations of the Audit Committee, where applicable; and
- ix. any other relevant and material information that is necessary for the board to make a well informed decision regarding the approval of related party transactions.

Identification of Related Party Transaction

Every Director will be responsible for providing a notice containing the following information to the Board of Directors on an annual basis:

- i. a firm, in which the director, manager or his relative is a partner;
- ii. a private company in which the director or manager is a member or director;
- iii. a public company in which the director or manager is a director or holds along with his relatives, any shares of its paid up share capital;
- iv. any body corporate whose chief executive or manager is accustomed to act in accordance with the advice, directions or instructions of the director or manager;
- v. any person on whose advice, directions or instructions the director or manager is accustomed to act.

Terms of the policy

The terms of reference for the Policy are as follows;

- i. The management shall obtain approval of the policy by the Board of Directors (“Board”);
- ii. The management may enter into any contract or arrangement with a related party only in accordance with the policy approved by the Board, subject to such conditions as may be specified;
- iii. The management shall obtain approval of the Board for contracts that are not on arm’s length basis or not in the ordinary course of business;
- iv. The management shall present all related party transactions to the Audit Committee for their recommendation to the Board for approval;
- v. Every contract or arrangement entered into with a related party shall be referred to in the Board’s report to the shareholders along with justifications;
- vi. Management shall maintain records of the transactions undertaken with related parties;
- vii. If a director or any other employee enters into any contract or arrangement with a related party without obtaining the consent of the Board or approval by a special resolution in the general meeting, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 90 days from the date of the contract, such contract or arrangement shall be voidable at the discretion of the Board;

Maintenance of Record

The Company shall maintain one or more registers with regards to transactions undertaken with related parties and contracts or arrangements in which directors are interested, in the manner prescribed, and shall enter therein the particulars of:

- i. contracts or arrangements, in which any director is, directly or indirectly, concerned or interested; and
- ii. contracts or arrangements with a related party with respect to transactions to which section 208 of the Companies Act, applies.

Pricing Methodology

Any related party transactions carried out on arm’s length basis shall use one of the following pricing methodologies:

- i. Comparable Uncontrolled Price method;
- ii. Resale Price method;
- iii. Cost Plus method; and
- iv. Profit Split method

Scope of Limitation

In the event of any conflict between the provisions of this Policy and the Companies Act, 2017 or any other statutory enactments, rules, the provisions of the Companies Act, 2017 or statutory enactments, rules shall prevail over this policy.

Business Continuity and Disaster Recovery Policy

The Board of Directors has approved and continuously reviews the IT Policy and Business Continuity Plan of the Company. The management has arranged offsite data storage facilities. All the key records are being maintained at different locations. Employees are aware of the steps required to be taken in case of any emergency.

Business Continuity and Disaster Recovery Plan

Introduction

The concept of Business Continuity Planning has become a major business management requirement over the past few years.

Business Continuity Planning is a process used to develop a practical plan for how a business can recover or partially restore critical business activities within a predetermined timeframe after a crisis or disaster. The resulting plan is called a Business Continuity Plan.

Business Continuity Plan

Manufacturing Facilities

The Company’s manufacturing facility is in Nowshera, Khyber Pakhtunkhwa and is a state of the art construction with its structure being earthquake proof. The building is fire resilient and fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Despite all these arrangements, insurance coverage is made at the maximum level. Therefore, in case of any natural disaster, the Company would be able to recover its financial loss through insurance coverage. Hence, partial loss would not affect the Company’s operations. Moreover, other locations of the Ghulam Faruque Group are available as alternate locations therefore; interruptions, if any, can be managed.

Identification of Potential Issues and the Plan Update

Potential issues are identified and updated from time to time to have an up to the mark solution for the anticipated problems. For the purposes of such identification, independent studies are conducted and drills are carried out. Based on the results obtained from these studies and drills, plans are updated.

Disaster Recovery Plan and IT Infrastructure

The Company utilizes cloud solutions provided by SAP for both its production and disaster recovery sites. This setup ensures uninterrupted IT functions even if there is infrastructural damage at one site. For data not related to SAP, the company’s production site is co-located, with a disaster recovery site at the Karachi head office. This setup ensures that the company can continue its operations smoothly in the event of a disaster. The company operates multiple locations across Pakistan, allowing seamless continuation of operations from any of these sites. The Company’s manufacturing facility is in Nowshera, Khyber Pakhtunkhwa and is a state-of-the-art construction with its structure being earthquake proof. The building is fire resilient and fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Hence, partial loss would not affect the Company’s operations. Moreover, other locations of the Ghulam Faruque Group are available as alternate locations therefore; interruptions, if any, can be managed.

Marketing and Other Staff

The Company’s senior management, as a part of the Ghulam Faruque Group, is present across Pakistan and not restricted to one location. In case of any mishap, operations can be taken over and continued from any other location.

Policy on Non-Executive and Independent Directors' Remuneration

Preamble

The Board of Directors (the "Board") of Cherat Cement Company Limited (the "Company") has adopted this Policy upon the implementation of Section 170 of the Companies Act, 2017 read with Regulation No. 17 of the Code of Corporate Governance.

Amendments, from time to time, to the policy, if any, shall be considered by the Board in light of changes in applicable laws and/or such external circumstances that directly apply to the scope of this policy.

Scope and Applicability

The policy shall apply to all Non-Executive and Independent Directors who attend Board meetings, Audit Committee meetings, Human Resources and Remuneration Committee meetings and any other meetings called by the Board.

Terms of the Policy

Through the Articles of the Company, the Board is authorized to fix remuneration of Non-Executive and Independent Directors from time to time. The fee for the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company shall be as determined by the Board of Directors from time to time.

Investor's Grievance Policy

The Company has an Investors' Grievance Policy in place. Any complaint or observation received either directly by the Corporate Department or during General Meetings are addressed by the Company Secretary. The Shareholders are given the information as desired by them as per the law well in time. All the written complaints are replied to in writing. Our share registrar is CDC Share Registrar Services Limited (CDCSRSL) which is leading name in the field. The Company has many old and loyal shareholders, which shows the trust of the shareholders in the management of the Company.

Policy on Gender Pay-Gap

Background

As per SECP's Circular No. 10 of 2024 dated April 17, 2024, the Board is directed to include a statement in the Annual Report on gender pay gap and make it available on company's website.

Policy Statement

Our company is committed to fostering an inclusive and equitable workplace where all employees are treated with equality, fairness and respect. Employee's compensation is determined solely based on the seniority, experience, roles, responsibilities, and performance, regardless of gender.

We continually strive to maintain that there should be no gender pay gap within our organization, ensuring that every team member is valued and rewarded equitably for their contributions.

1. Mean Gender pay gap

Male Rs. per month	Female Rs. per month	Variance
163,308	162,769	0.33%

2. Median Gender pay gap

Male Rs. per month	Female Rs. per month	Variance
84,203	104,317	-23.89%

* The variance is due to lower number of female employees (10 out of 948) owing to remote site location.

Diversity, Equality & Inclusion Policy

Introduction

Cherat Cement Company Limited is committed to fostering, cultivating and preserving a culture of diversity, equality and inclusion. Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but also our reputation and the company's achievements as well.

Purpose

Definitions:

- **Diversity:** Embracing and valuing the diverse backgrounds, experiences, and perspectives of our employees. We believe that diversity enhances our creativity, innovation, and decision-making.
- **Equality:** Ensuring equal opportunities for all employees in recruitment, development, and advancement. We are dedicated to eliminating barriers and biases that may hinder the full participation of any individual.
- **Inclusion:** Creating a supportive and respectful environment where every employee feels included and can thrive. We promote a culture of open dialogue and collaboration, where differences are celebrated and everyone's contributions are recognized.

We aim to foster a diverse, equitable and inclusive workplace where our employees feel valued, respected, and empowered to contribute their unique perspectives and talents irrespective of their age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, socio-economic status, veteran status, and other characteristics that make our employees unique.

All employees of Cherat Cement Company Limited have a responsibility to treat others with dignity and respect at all times. Any employee found to have exhibited any inappropriate conduct or behavior against others may be subject to disciplinary action.

Cherat Cement Company Limited's diversity, equality and inclusion initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programmes; layoffs; terminations; and the ongoing development of a work environment that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to a greater understanding and respect for diversity.

This policy supersedes the previously approved Diversity Policy of the Company as it distinctively addresses equality and inclusion in addition to diversity aspects.

Scope

This policy applies to all employees, officers, and directors of the Company and it covers recruitment, promotions, training, compensation, and daily operations to ensure a diverse, equal, and inclusive workplace.



Dividend Policy

1. Introduction

This policy outlines Cherat Cement Company Limited's approach to declaring and distributing dividends, balancing shareholder returns with company growth needs.

2. Objectives

- Provide consistent shareholder returns.
- Maintain financial flexibility for growth.
- Balance shareholder rewards with retained earnings for future growth.

3. Dividend Declaration

Dividends are declared at the Board's discretion, considering:

- Profitability and financial condition.
- Cash flow and capital needs.
- Legal and regulatory requirements.
- Contractual obligations.

4. Types of Dividends

Dividends may be:

- Cash Dividends: Regular cash payments.
- Stock Dividends: Additional shares.

5. Payment Frequency

Dividends are typically paid quarterly, bi-annually or annually as appropriate.

6. Retained Earnings

Earnings are retained to:

- Fund growth and capital expenditures.
- Maintain financial stability.
- Comply with legal requirements.

ERP Upgradation to Meet Modern Business Essentials

Cherat Cement always make sure to match the pace of technological advancement. It can be seen in its production facilities and implementation of world renowned ERP, SAP. The SAP was implemented in the year 2009. It was upgraded and reconfigured from time to time as per the changing needs of the Company. The Company had taken this inevitable decision after viewing the promising potential of SAP S/4 HANA, the converted its existing system to SAP S/4 HANA. In this connection, the Company has engaged a renowned SAP consultant for the project. It is the first such upgradation project on cloud in Pakistan. The major benefits of this conversion are detailed below:

- **Simplification:** Simplicity is one of the key features of SAP S/4 HANA application. It brings about great simplification to the management and administration of the IT landscape. It allows the centralizing of hardware and network resources, and serves as the digital core for business processes.
- **Efficient Decision Making:** It brings together all the analytical and transactional capabilities of a variety of systems at locations. This enhances the decision making process immensely. It also enables to provide better service for customer-centric applications.
- **Innovation:** The company wants to stay ahead of the curve and make decisions that are future ready. SAP S/4 HANA sets the stage for innovation as the technology is evolving rapidly, which means merely 'keeping up' doesn't connect it anymore.



Report of the Audit Committee

Audit Committee

Mr. Ariful Islam - Chairman
Mr. Arif Faruque - Member
Mr. Akbarali Pesnani - Member

The Audit Committee of the Company comprises three (03) members, all of whom are Non-Executive Directors, including one Independent Director. The Chairman of the Committee is an Independent Director. The Audit Committee met at least once in a every quarter. Four meetings of the Audit Committee were held during the year 2024-2025.

Chief Executive Officer, Chief Financial Officer and Head of Internal Audit attend Audit Committee meetings by invitation. The Audit Committee also separately meets the external auditors at least once in a year without the presence of the Management. The Company Secretary acted as Secretary to the Committee. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1. The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the auditors of the Company.
2. The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors. Further, the financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017, and applicable International Accounting Standards and International Financial Reporting Standards notified by SECP.
3. The Audit Committee has reviewed and approved all related party transactions.
4. The Audit Committee takes into account any feedback from the Board of Directors and incorporates for improvement.

INTERNAL AUDIT AND RISK MANAGEMENT

1. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed, Internal Audit department. The Audit Committee reviewed the resources and performance of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function. Head of Internal Audit Department and audit team has direct access to the Audit Committee.
2. An Internal Audit Risk Assessment document is submitted to the Audit Committee and based on that an Audit Plan is prepared to mitigate risks involved in the Company's operations. Audit

Committee regularly monitors the execution of Audit Plan. Further, on the basis of this plan, audits are conducted and reports are submitted. The Committee on the basis of said reports reviews adequacy of controls and compliance shortcomings in areas audited and discuss corrective actions in the light of management responses. Regular follow ups of these reports are also taken. This ensures the continual evaluation of controls and improved compliance. Minutes of Audit Committee meetings are timely circulated to the Board of Directors.


3. For continuous improvement of internal controls, the Committee also discussed the internal controls and the management letter with the external auditors.

EXTERNAL AUDIT

1. The external auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants were allowed direct access to the Audit Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits and any matters that the external auditors highlighted were freely discussed with them and resolved on time.
2. The Audit Committee has reviewed and discussed with the external auditors and management; all the Key Audit Matters and other issues identified during the external audit along with the methods used to address the same.
3. Being eligible for reappointment, the Audit Committee has recommended, M/s. Grant Thornton Anjum Rahman, Chartered Accountants as External Auditor of the Company for the year ending June 30, 2026 as it is one of the reputable audit firms and has thorough knowledge of the Company's business and industry.
4. The Company conducted annual performance evaluation of Board, Chief Executive Officer and Committees through an independent review by M/s. Grant Thornton Anjum Rahman, Chartered Accountants to ensure transparency in the process. Evaluation confirmed that Audit Committee has effectively discharged its responsibilities in accordance with its terms of reference.
5. The Company obtains taxation related services from M/s. EY Ford Rhodes, Chartered Accountants as it is one of the reputed firms in provision of said services.

By Order of the Audit Committee

August 19, 2025


Ariful Islam
Chairman

Statement of Compliance

With Listed Companies (Code of Corporate Governance) Regulations, 2019 For the Year Ended June 30, 2025

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

1. The total number of Directors are 8 (eight) as per the following:
 - a) Male: 7
 - b) Female: 1
2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Abrar Hasan Mrs. Zeeba Ansar Mr. Ariful Islam
Non - Executive Directors	Mr. Omar Faruque Mr. Arif Faruque Mr. Akbarali Pesnani
Executive Directors	Mr. Azam Faruque Mr. Yasir Masood
Female Director	Mrs. Zeeba Ansar

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/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;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;
9. Following Directors and Executives are either exempt or have attended Directors' Training program till 30 June 2025:

Name of Directors & Executives	
Mr. Omar Faruque	Chairman
Mr. Azam Faruque	Chief Executive
Mr. Akbar Ali Pesnani	Director
Mr. Arif Faruque	Director
Mr. Abrar Hasan	Director
Mr. Yasir Masood	Director & Chief Operating Officer
Mrs. Zeeba Ansar	Director
Mr. Ariful Islam	Director

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee	
Mr. Ariful Islam	Chairman
Mr. Akbarali Pesnani	Member
Mr. Arif Faruque	Member
b) Human Resource (HR) and Remuneration Committee	
Mr. Abrar Hasan	Chairman
Mr. Azam Faruque	Member
Mr. Omar Faruque	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee 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
15. The Board has set up an effective internal audit function supervised by a head of internal audit who 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 Program of the Institute of Chartered Accountants of Pakistan and registered with 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, head of internal audit, 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, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

On behalf of the Board of Directors

OMAR FARUQUE
CHAIRMAN

Karachi: 21 August 2025

AZAM FARUQUE
CHIEF EXECUTIVE



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Cherat Cement Company Limited
Review Report on the Statement of Compliance Contained in Listed Companies
(Code Of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Cherat Cement Company Limited (the Company) for the year ended 30 June 2025 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 30 June 2025.

Chartered Accountants

Karachi
Date: 26 August 2025
UDIN: CR2025100933NQJ7jVuD



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Annual Shari'ah Review Report

For the Year ended on June 2025

We have conducted the *Shari'ah* review of **Cherat Cement Co. Limited** (the company) for the year ended on 30th June 2025 in accordance with the provisions of *Shariah Governance Regulations, 2023*.

Our Opinion:

- The trading and manufacturing transactions and relevant procedures reviewed by the Shariah advisor during the year were in line with the principles of Shariah. Review of relevant documents is in process. We recommend a few suggestions in documents, and we are hopeful that the company will implement our recommendations;
- The business affairs have been carried out in accordance with rules and principles of Shariah;
- Further, the Shariah non-compliant income earned by the Company during the year has been identified and it is recommended that the said amount be transferred to charity account in accordance with the provisions of Shariah Governance Regulations, 2023.

The company has obtained loans under conventional financing modes. We recommend that the company seek to convert these conventional financing facilities to Islamic modes of financing. Furthermore, the company has some non-compliant investments in conventional mutual funds. To comply with Clause 4 of the Shariah Governance Regulation 2023, we recommend the company to dispose off these investments as soon as possible.

Conclusion:

Based on the Review of Company's operations, transactions, related documentation, and management's representation, in our opinion, the affairs of CHCC have been carried out in accordance with the rules and principles of Shariah, and therefore, we are of the view that Cherat Cement Co. Limited is a Shariah Compliant Company.

In the end, we pray to Allah Almighty to grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to Cherat Cement Co. Limited.

Mufti Ibrahim Essa
Chief Executive Officer

Dated: 5th Aug 2025



Mufti Uzair Bilwani
Head-Research & Development

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Role and Responsibilities of Chairman and Chief Executive Officer

Being a corporate governance compliant company, Cherat Cement Company Limited designates separate persons for the position of the Chairman of the Board of Directors and the office of the Chief Executive Officer with clear division of roles and responsibility.

Pursuant to the provisions of Section 192(2) of the Companies Act 2017, the Board of Directors of Cherat Cement Company Limited has outlined the roles and responsibilities of the Chairman as well as the Chief Executive Officer (CEO) of the Company, which are detailed here in below;

Role of Chairman

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of the Company. The Chairman is accountable to the Board. The Chairman acts as the communicator for Board decisions where appropriate.

More specifically, the duties and responsibilities of the Chairman are as follows:

- acting as a liaison between management and the Board, through the CEO;
- keeping abreast generally of the activities of the Company and its management;
- ensuring that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgements and make informed decisions;
- preparing the review report (to be included with the annual financial statements) on the overall performance of the Board of Directors and effectiveness of the role played by the Board of Directors in achieving the Company's objectives;
- developing and setting the agendas for meetings of the Board;
- acting as Chair at meetings of the Board;
- ensuring that the minutes of Board meetings are appropriately recorded and reviewing and signing minutes of Board meetings;
- presiding over the Board meetings and ensuring that all relevant information has been made available to the Board;

- confirming the quorum of the meeting;
- ensuring that the agenda, notice of meeting alongwith all relevant material were circulated within stipulated time;
- ensuring that the minutes of the Board meetings are kept in accordance with applicable laws;
- ensuring that the appropriate recording and circulation of the minutes of the Board meeting to the Directors and officers entitled to attend the Board meetings;
- safeguarding shareholders' interest in the Company;
- issuing the letter to the directors at the commencement of each three year term of the Directors setting out their role, obligations, powers and responsibilities;
- ensuring that the Board is playing an effective role in fulfilling its responsibilities;
- determining the date, time and location of the annual or extraordinary general meetings of share holders and to develop the agenda for the meeting;
- presiding as chairman at every General Meeting of the Company;
- recommending to the Board, after consultation with the Directors and management, the appointment of members of the Committees of the Board;
- assessing and making recommendations to the Board annually regarding the effectiveness of the Board.

Role of Chief Executive Officer

The CEO is, subject to control and directions of the Board, entrusted with the powers of management of affairs of the Company. In such capacity the CEO's role and responsibilities include:

- planning, formulating and implementing strategic policies;
- ensuring the achievement of productivity and profitability targets and efficient Company operations;

- ensuring that necessary coordination exists between various departments of the Company to achieve smooth and effective operations;
- maintaining an ongoing dialogue with the Directors in regard to changes in and implementation of Company's policies and the performance and development of the Company's business;
- ensuring that the Company's interests and assets are properly protected and maintained and all the required Government obligations are complied with in a timely manner;
- maintaining a close liaison with them Government, customers, suppliers and sales offices;
- chalking out human resource policies for achieving high professional standards, overall progress betterment of the Company as a whole;
- ensuring that proper succession planning for all levels of hierarchy exists in the Company and the same is constantly updated;
- ensuring proper functioning of the Management Committees of the Company of which he is the chairman;
- preparing and presenting personally to the Board of Directors following reports/details:
 - annual business plan, cash flow projections and long-term plans.
 - budgets including capital, manpower and overhead budgets along with variance analysis.
 - quarterly operating results of the Company in terms of its operating divisions and segments.
- promulgation or amendment of the law, rules or regulations, accounting standards and such other matters as may affect the Company.
- reviewing performance against budgets / targets, revenue and capital expenditure, profits, other administration, commercial, personal and other matters of importance to the Company.
- ensuring that open and progressive atmosphere is created among employees giving them a sense of participation and providing them with an opportunity to give their best.

Salient Features of Terms of Reference of the Audit Committee and the Human Resource & Remuneration Committee

The Board is assisted by two Committees, namely the Audit Committee and the Human Resource & Remuneration Committee, to support its decision making in their respective domains:

Audit Committee

Mr. Ariful Islam	Chairman
Mr. Akbarali Pesnani	Member
Mr. Arif Faruque	Member

The Audit Committee comprises of three Non-Executive Directors one of whom is Independent. The Chairman of the Committee is an Independent Director.

Meetings of the Audit Committee are held at least once every quarter. The Committee reviews the annual financial statements in the presence of external auditors. The recommendations of the Audit Committee are then submitted for approval of financial results of the Company by the Board. During the year 2024-25, the Audit Committee held Four [4] meetings. The minutes of the meetings of the Audit Committee are provided to all the members, Directors and the Chief Financial Officer. The Head of Internal Auditor attends the Audit Committee meetings regularly and meets the Audit Committee without the presence of the Management, at least once a year, to point out various risks, their intensity and suggestions for mitigating risks and improvement areas. The business risks identified are then referred to the respective departments and mitigating actions are then implemented.

Terms of Reference of Audit Committee

The Code of Corporate Governance mandates that the Board of Directors of the Company shall determine the Terms of Reference of the Audit Committee.

In light of the mandate the Board of Directors of Cherat Cement Company Limited has drafted and approved the following terms of Reference for its Audit Committee. This is a non-exhaustive list and only outlines the most important guidelines for the

Committee. Amendments to these shall be made from time to time in line with change in laws, and internal and external relevant factors.

The Committee shall;

- determine appropriate measures to safeguard the company's assets;
- review annual and interim 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;
 - going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with these regulations and other statutory and regulatory requirements; and
 - all related party transactions.
- review preliminary announcements of results prior to external communication and publication;
- facilitate the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- review management letter issued by external auditors and management's response thereto;
- ensure coordination between the internal and external auditors of the company;
- review the scope and extent of internal audit, audit plan, reporting framework and procedures and ensure that the internal audit function has

adequate resources and is appropriately placed within the company;

- h) consider major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertain 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 the company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k) institute special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the Chief Executive Officer and consider remittance of any matter to the external auditors or to any other external body;
- l) determine compliance with relevant statutory requirements;
- m) monitor compliance with these regulations and identify significant violations thereof;
- n) review arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) consider any other issue or matter as may be assigned by the Board of Directors.

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Abrar Hasan	Chairman
Mr. Azam Faruque	Member
Mr. Omar Faruque	Member

The Human Resource & Remuneration Committee (HR & RC) comprises of three members. The Chairman is an Independent Director whereas the other two members are the Chief Executive Officer and a Non-Executive Director. Meetings are conducted at least annually or at such other frequency as the Chairman may determine. The minutes of the meetings of the HR & RC meeting are provided to all members and Directors. The Committee held one [1] meetings during the year.

Terms of Reference of the Human Resource and Remuneration Committee

The Code of Corporate Governance mandates that the Board of Directors of the Company shall determine the Terms of Reference of the Human Resource and Remuneration Committee.

In light of the mandate the Board of Directors of Cherat Cement Company Limited has drafted and approved the following terms of Reference for its HR&R Committee. This is a non-exhaustive list and only outlines the most important guidelines for the Committee. Amendments to these shall be made from time to time in line with change in laws, and internal and external relevant factors.

The Committee shall;

- i) recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the Chief Executive Officer level;
- ii) undertake annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultants and if so appointed, a statement to that effect shall be made in the directors' report disclosing name,

qualifications and major terms of appointment;

- iii) recommend human resource management policies to the Board;
- iv) recommend to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- v) carry out consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer;
- vi) where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company; and

vii) carry out all actions in addition to those stated above, in order to ensure that the Company's risks are mitigated and growth in the right direction is taking place.

Records: All documentation related to the holding, proceedings and recommendations of the HR & R Committee shall be ensured by and stored with the Secretary (HR & RC).

Strategy and Performance

The Board reviews the implementation of organization's strategic & financial plans, Board meeting agendas and supporting documents provide sufficient information and time to explore & resolve key issues. Board members demonstrate preparation for meetings through active participation in decision making.

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Analysis of the Financial and Non-Financial Performance

Financial Indicators:

Actual Results:

Pakistan has achieved GDP growth at 2.4% in the fiscal year 2025, while the cement industry witnessed a growth of 0.5% during the year. The local cement industry declined by 5%. However, the export of cement grew by 29.6% during the financial year 2025. In line with this, Cement dispatches of the Company decreased by 9% whereas sales revenue decreased by 1.62% due to decreases in demand, but to some extent supported by the favorable sales price variance, i.e, 8.1%. Our local cement price increased significantly by Rs. 1,400 per ton, whereas the export price increased by Rs. 323 per ton. Hence, our average sales price increased by Rs. 1,188 per ton due to higher input costs. Additionally, the Cost of sales decreases by Rs. 149 per ton due to operational efficiencies. In line with this, our Gross profit increased significantly from Rs. 4,507 per ton to Rs. 5,845 per ton (increased by Rs. 1,338 per ton). Finance costs decreased from Rs. 1,381 million to Rs. 592 million as compared to the corresponding year. During the year, the Company posted an after-tax profit of Rs. 8,681 million as compared to after tax profit of Rs. 5,500 million in the corresponding year.

The summarized operating performance of the Company for the current year, as compared to last year, is as follows:

	2025	2024
	(Rupees in million)	
Net sales	37,811	38,434
Cost of sales	23,841	26,593
Gross profit	13,970	11,841
Expenses and taxes	5,289	6,341
Net profit	8,681	5,500

In quantitative terms, total dispatches showed a decline from 2,626,887 to 2,390,164 tons (i.e., by 236,723 tons), which is 9%. Further, cement export decreases by 2.6%.

	2025	2024
	(in tons)	
Domestic sales	1,995,003	2,221,187
Export sales	395,161	405,700
Total sales	2,390,164	2,626,887

Budgeted Results:

After incorporating all factors i.e., updating budget assumptions, reviewing bottlenecks, available funding, obtaining department budgets, obtaining capital budget requests, manufacturing capacities etc. the budget for 2024-25 has been made. This year, the Company has set sales volume, which was challenged considering the slowdown in the economy due to inflation and lower allocation of PSDP. The company met all its targets except for a few.

	2025 Actual	2025 Budget
	(in tons)	
Total sales volume	2,390,164	2,850,000

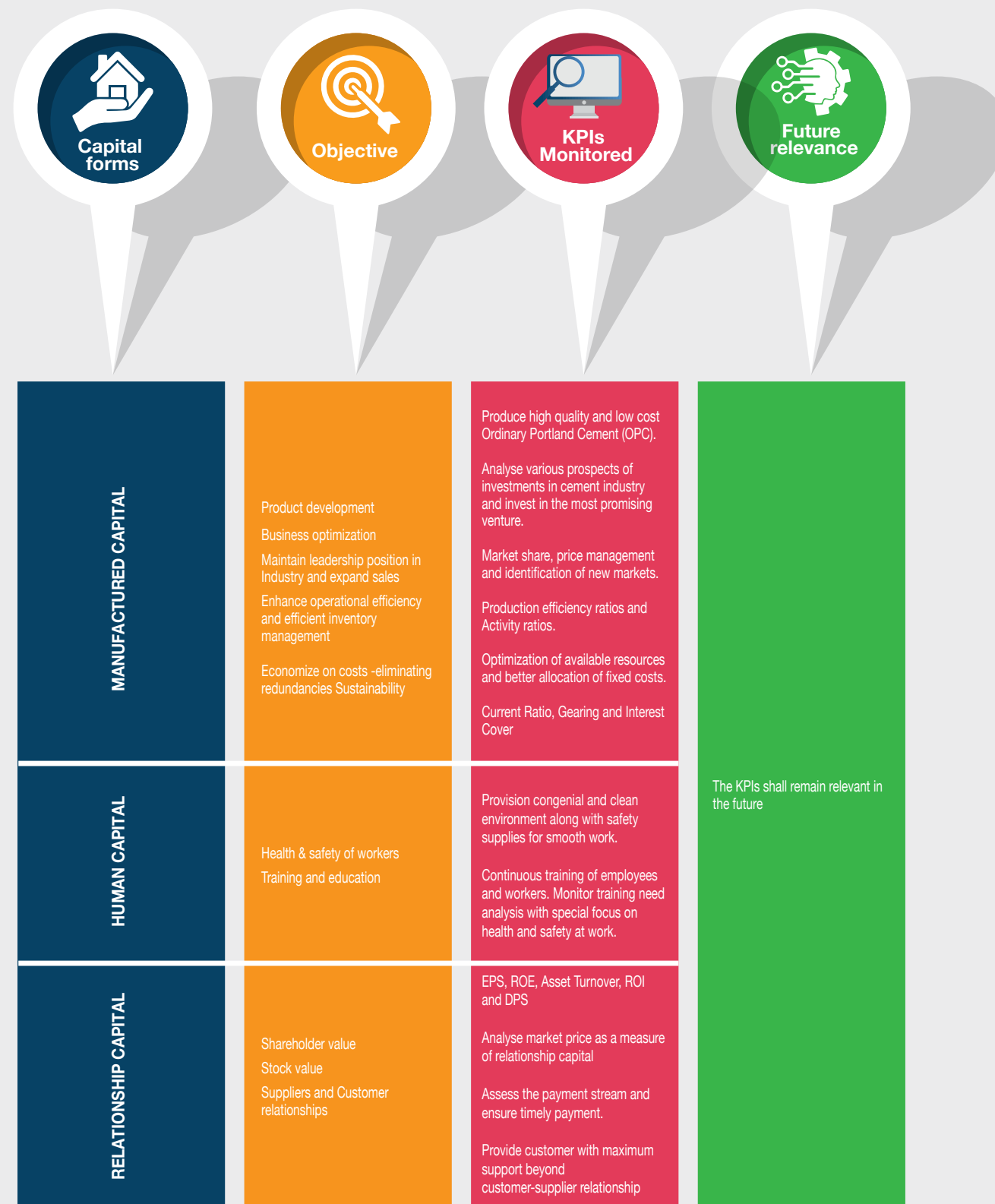
Actual vs budget figures under respective heads are as follows:

	2025 Actual	2025 Budget
	(Rupees in million)	
Net sales	37,811	42,735
Cost of sales	23,841	31,311
Gross profit	13,970	11,424
Expenses and taxes	5,289	5,693
Net profit	8,681	5,731

The Company has a healthy dividend payout history. The Board of Directors has recommended a dividend of Rs. 4.00 per share, which will be approved by shareholders at the AGM.

The Company has duly paid taxes, duties, and other levies on a timely basis without any overdue or outstanding of such payments and complied with applicable laws and regulations

Non-Financial Indicators



Analysis of Financial Ratios

For the year ended June 30, 2025

	2025	2024	2023	2022	2021	2020
Gross Profit Ratio (percentage)	36.95	30.81	27.11	27.90	26.69	2.26
Net Profit to Sales (percentage)	22.96	14.31	11.78	13.89	12.72	(11.08)
EBITDA Margin to Sales (percentage)	40.42	32.37	28.91	30.61	29.93	9.14
Operating Leverage Ratio	(16.69)	5.53	0.74	1.45	(65.16)	(14.08)
Return on Equity (average in percentage)	29.50	23.69	23.06	28.84	27.11	(17.36)
Return on Capital Employed (percentage)	23.38	18.58	14.14	14.26	11.07	(6.90)
Shareholders' Funds (percentage)	65.89	62.25	53.12	44.86	39.74	30.54
Return on Shareholders' Funds (percentage)	26.06	21.53	21.09	25.71	23.62	(18.86)
Total Shareholder Return	81.33	40.20	34.11	(45.86)	106.07	181.56
Liquidity Ratios:						
Current Ratio	2.44	1.56	1.21	1.06	1.08	1.14
Quick / Acid Test Ratio	2.25	1.32	0.93	0.97	0.88	0.92
Cash to Current Liabilities	0.08	0.06	0.02	0.11	0.02	0.01
Cash flow from Operations to Sales	0.32	0.34	0.26	0.19	0.27	0.21
Cash flow capital expenditure	8.23	7.44	3.52	1.72	3.58	11.23
Cash flow coverage ratio	3.12	3.23	0.96	0.44	0.45	0.20
Investment / Market Ratios:						
Earning per Share (After Tax) - Basic & Diluted	44.68	28.31	22.67	22.93	16.50	(9.74)
Price Earnings Ratio	6.50	5.76	5.31	4.06	10.75	(8.95)
Price to Book Ratio	1.69	1.24	1.12	1.04	2.54	1.68
Dividend Yield Ratio	0.02	0.03	0.04	0.03	0.01	-
Dividend Payout Ratio	0.12	0.19	0.20	0.13	0.14	-
Dividend Cover Ratio	8.12	5.15	5.04	7.64	7.33	-
Cash Dividend per Share	5.50	5.50	4.50	3.00	2.25	-
Stock Dividend per Share (percentage)	-	-	-	-	-	-
Market Value per Share						
- Closing	290.30	163.13	120.28	93.04	177.38	87.17
- High	308.31	169.25	130.51	181.06	192.32	95.91
- Low	158.53	122.77	76.32	89.96	91.88	24.63
Break-up Value per Share	171.43	131.46	107.46	89.12	69.94	51.74
Break-up Value per Share including Investment in Related Party at Market Value	174.25	134.30	109.56	91.60	73.34	53.76
Capital Structure Ratios:						
Financial Leverage Ratio	0.20	0.23	0.57	0.99	1.26	1.99
Weighted Average Cost of Debt	0.11	0.15	0.14	0.08	0.08	0.13
Debts to Equity Ratio (percentage)	11.46	15.90	49.17	80.41	113.14	172.90
Interest Cover Ratio (Times)	22.78	7.68	4.80	6.03	3.85	(0.08)
Net Asset Per share	171.43	131.46	107.46	89.12	69.94	51.74
Activity / Turnover Ratios:						
Total Assets Turnover Ratio	0.75	0.94	0.95	0.83	0.74	0.52
Fixed Asset Turnover Ratio	1.32	1.33	1.29	1.16	0.98	0.67
Inventory Turnover (Days)	26	28	21	15	19	24
Debtor Turnover (Days)	15	19	13	10	12	10
Creditor Turnover (Days)	15	11	9	11	14	17
Operating Cycle	26	36	25	14	17	16
Employee Productivity ratios						
Production per Employee	2,525	2,676	2,821	3,501	4,105	3,480
Revenue per Employee (Rs. In thousand)	39,304	38,434	36,833	32,250	26,203	17,655
Staff turnover ratio (percentage)	3.78	7.05	4.47	2.69	3.09	4.84
Non-Financial Ratios						
% of Plant Availability (percentage)	78.08	83.56	82.19	80.82	78.08	79.45
Customer Satisfaction Index (percentage)	99.80	99.90	99.60	98.80	99.50	99.20
Customer Retention Ratio (percentage)	99.50	99.40	98.70	99.45	99.06	98.02
Others						
Spares Inventory as % of Assets Cost	6.13	9.22	9.04	7.22	5.89	5.70
Maintenance Cost as % of Operating Expenses	5.43	6.28	3.06	4.35	3.95	2.44

Comments on Financial Ratios



PROFITABILITY RATIOS:

The Company's profitability ratios have shown notable improvement, largely supported by an optimized sales mix, higher retention prices, and effective cost management, one-off tax income was recognized under Section 65B as prior-year tax benefit, following a favorable decision by the Supreme Court of Pakistan and lastly, improved liquidity position further supported an increase in finance income during the year. The company maintained stable financial ratios through strategic pricing and cost-control measures. We continued efforts such as process streamlining, supply chain optimization, and the utilization of local coal for kiln fuel, along with solar power generation, which have delivered substantial cost efficiencies. These initiatives have resulted to an improvement in return on equity compared to prior years, demonstrating resilient growth, strong operational performance, and prudent decision-making.



LIQUIDITY RATIOS:

The Company's robust liquidity ratios highlight its sound financial management, ensuring the capacity to meet short-term commitments while maintaining long-term stability. This strength is reinforced by effective working capital management and the strategic of investment funds, whether toward high-yield investment returns or the payment of high-cost liabilities—demonstrating a proactive financial planning approach. During the current year, liquidity has improved further through the timely repayment of long-term loans, reflecting the company's prudent and disciplined financial practices.



INVESTMENT / MARKET RATIOS:

The Company's persistent commitment to delivering shareholder value has resulted in improved investment and market ratios, despite a challenging business environment. Through strategic allocation of resources, earnings per share have risen compared to prior years, while consistent dividend distributions have reinforced investor trust. By efficiently deploying capital, assets, and human resources into high-return initiatives, the company continues to enhance its financial performance and secure long-term growth.



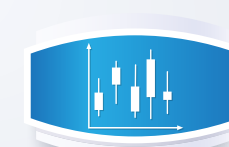
CAPITAL STRUCTURE RATIOS:

By leveraging subsidized financing options, the company has significantly reduced its financing costs, achieving a lower weighted average cost of capital than market rates. This demonstrates the company's financial acumen and highlights the positive impact of lower financing costs on profitability and stability. The company has maintained a balanced capital structure through the effective use of subsidized long-term and short-term debt provided by the State Bank of Pakistan. As a result, financing expenses have been minimized, leading to an improved debt-to-equity ratio and interest coverage ratio. These positive outcomes are a direct result of increased earnings and responsible debt management.



EMPLOYEE PRODUCTIVITY RATIOS:

A supportive work environment fosters employee satisfaction and motivation, which in turn drives higher productivity and financial performance. The company's strong revenue per employee of Rs. 39.3 million reflects the success of this approach. By prioritizing employee well-being, the company has maintained a stable workforce and delivered outstanding results. This is further evidenced by the low turnover rate of 3.78%, reinforcing both productivity and revenue growth.



NON-FINANCIAL RATIOS:

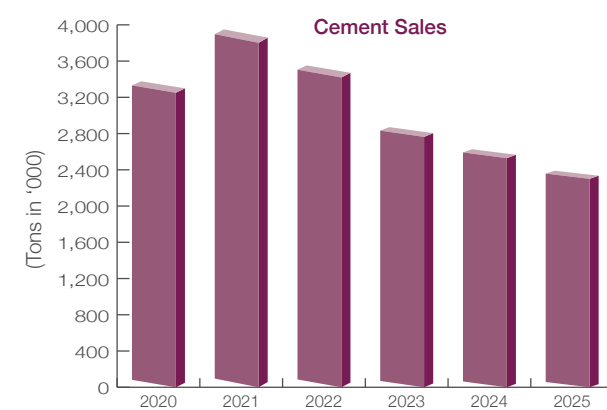
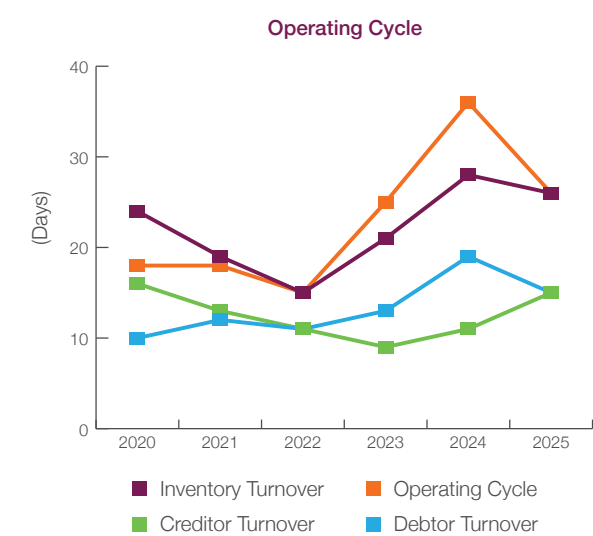
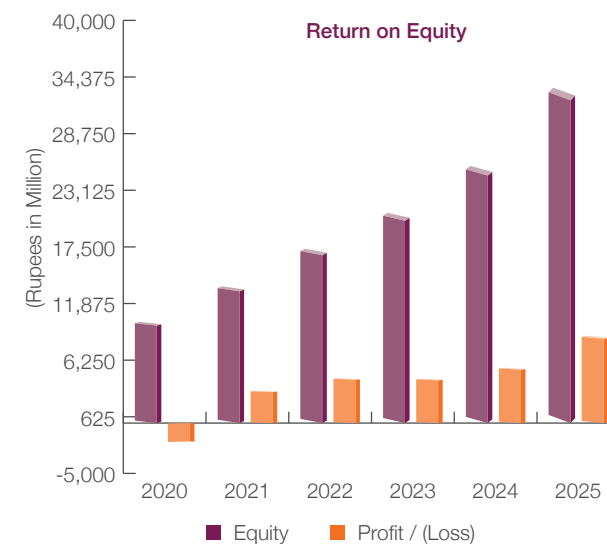
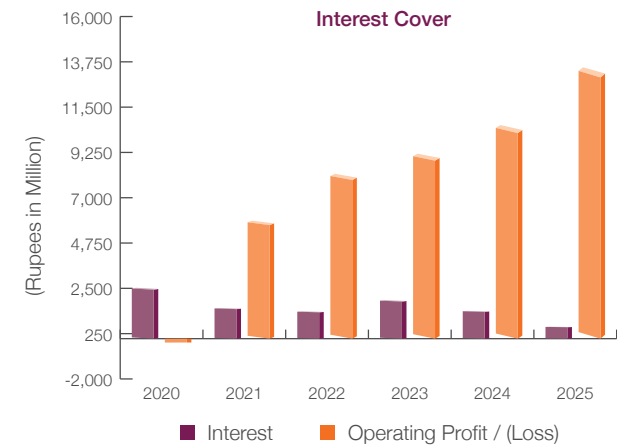
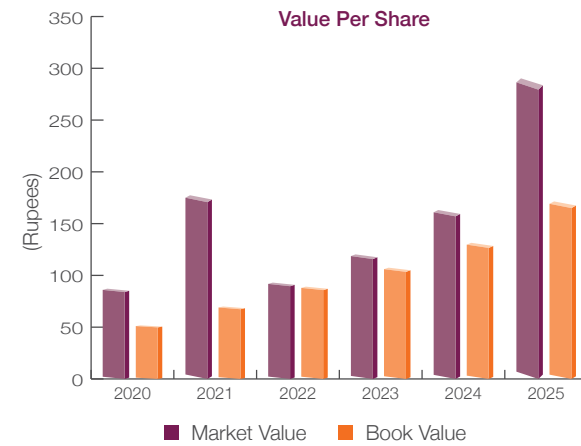
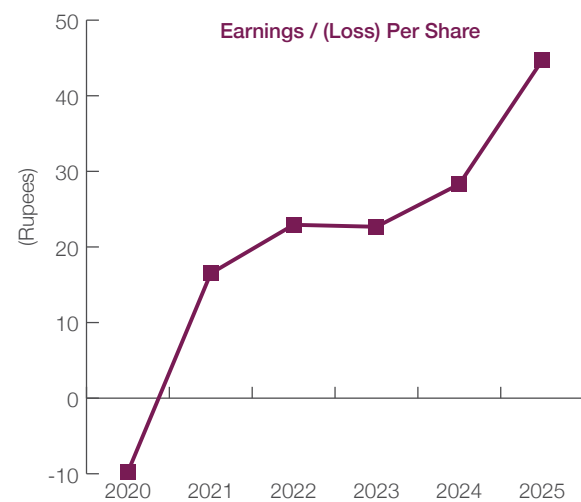
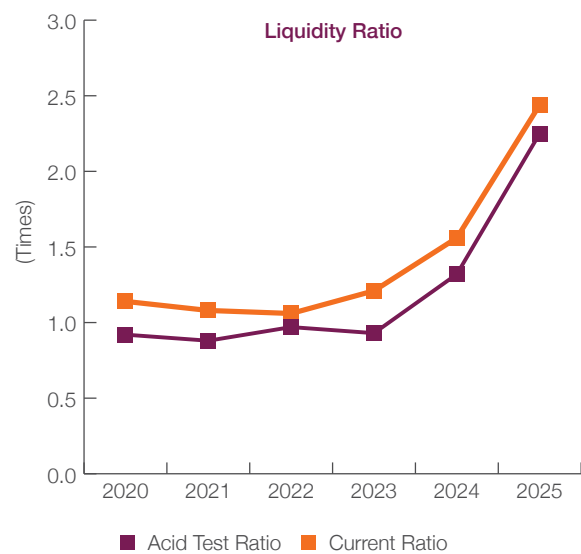
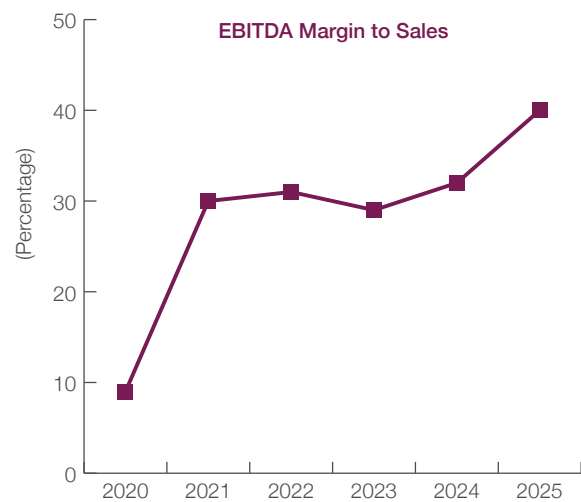
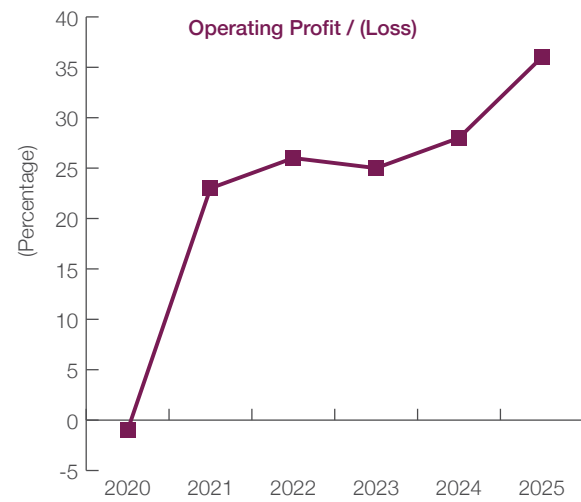
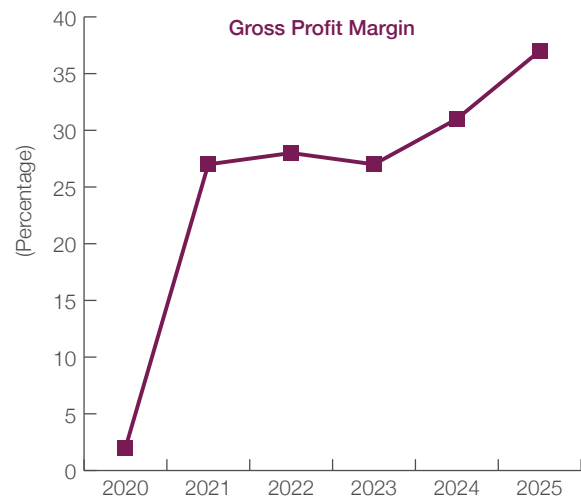
Our non-financial ratios provide valuable insights into the efficiency of plant operations and the company's capacity to meet market demand, reinforcing our commitment to operational excellence and customer satisfaction. The continuous and sustained reception of our new brand KHYBER reflects our success in delivering high-quality products, fostering customer loyalty, and promoting an environmentally sustainable approach. Together, these indicators highlight our dedication to meeting customer expectations and nurturing long-term relationships.



OTHERS:

The Company has systematically implemented Balancing, Modernization, and Replacement (BMR) upgrades to enhance its existing plants with cutting-edge technology. Furthermore, the Company is continuously shifting towards renewable energy amid rising power costs. The efficient maintenance practices applied to its cement plants have resulted in a reduction in its maintenance expenses.

Graphical Presentation of Analysis of Financial Statements



Economic Value Added

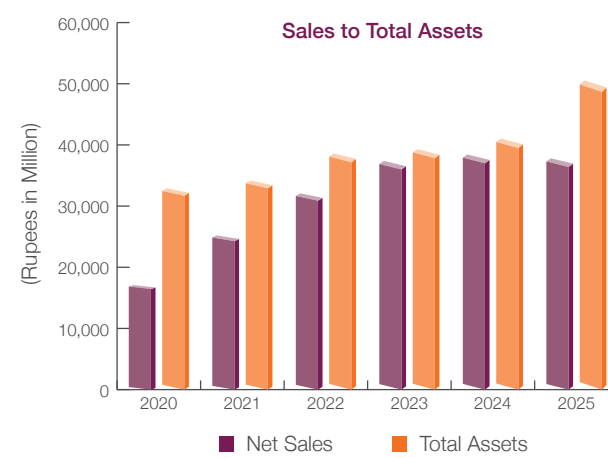
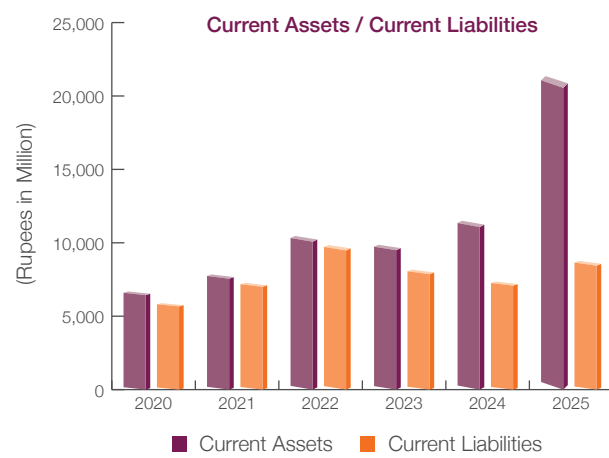
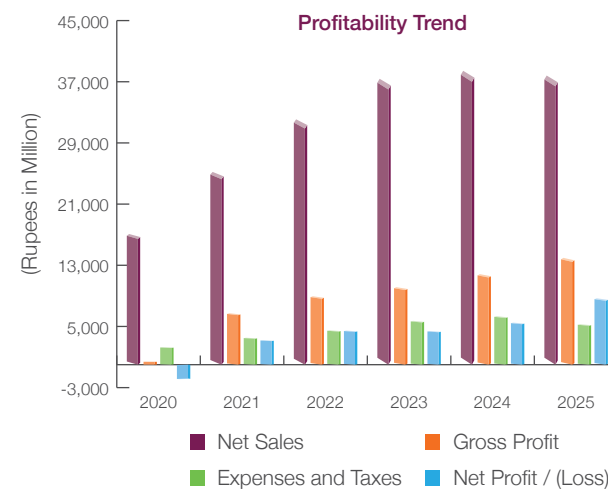
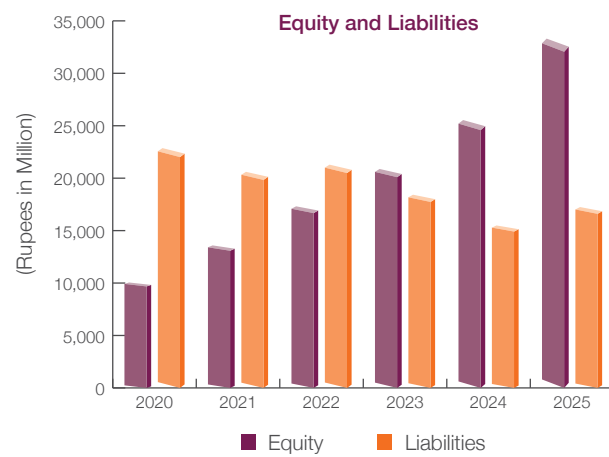
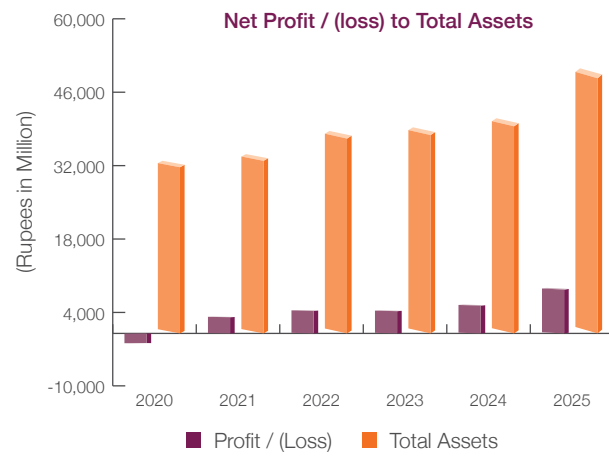
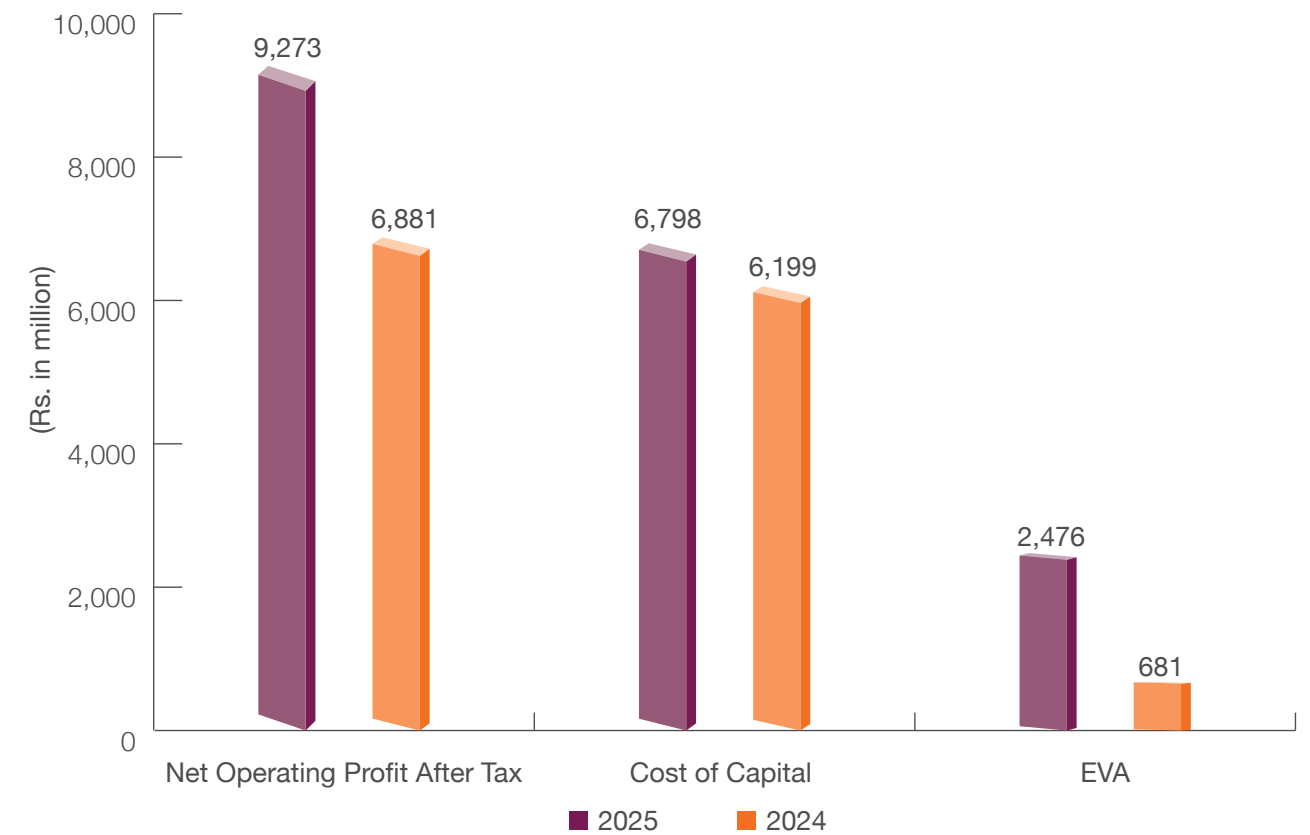
Net Operating Profit After Tax (NOPAT)
 Cost of Capital
 Economic Value Added

	2025	2024
	-----Rs. in 000-----	
Net Operating Profit After Tax (NOPAT)	9,273,131	6,880,833
Cost of Capital	(6,797,586)	(6,199,436)
Economic Value Added	2,475,545	681,397

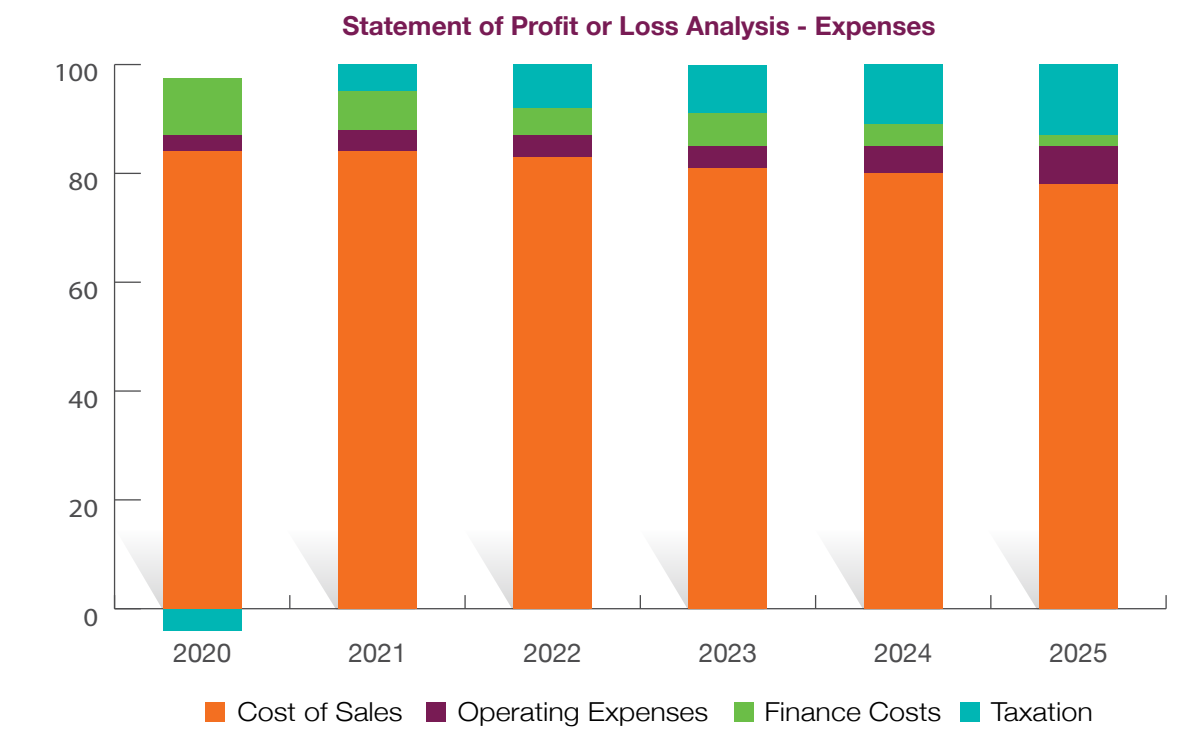
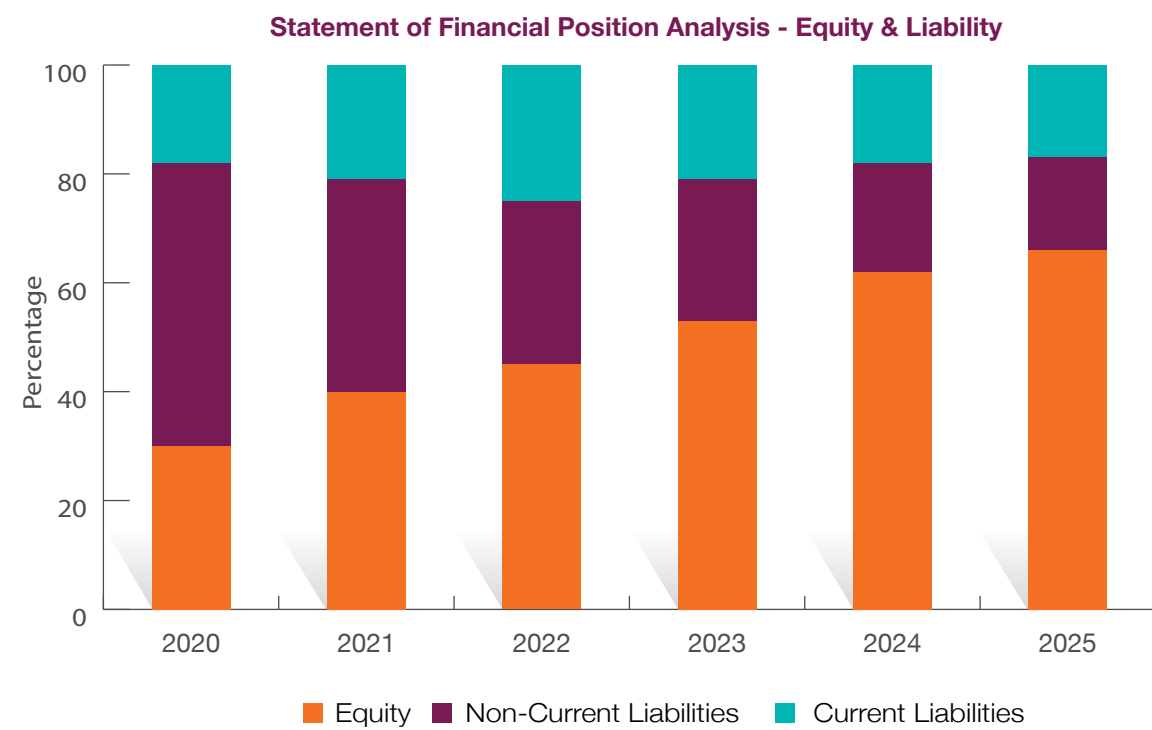
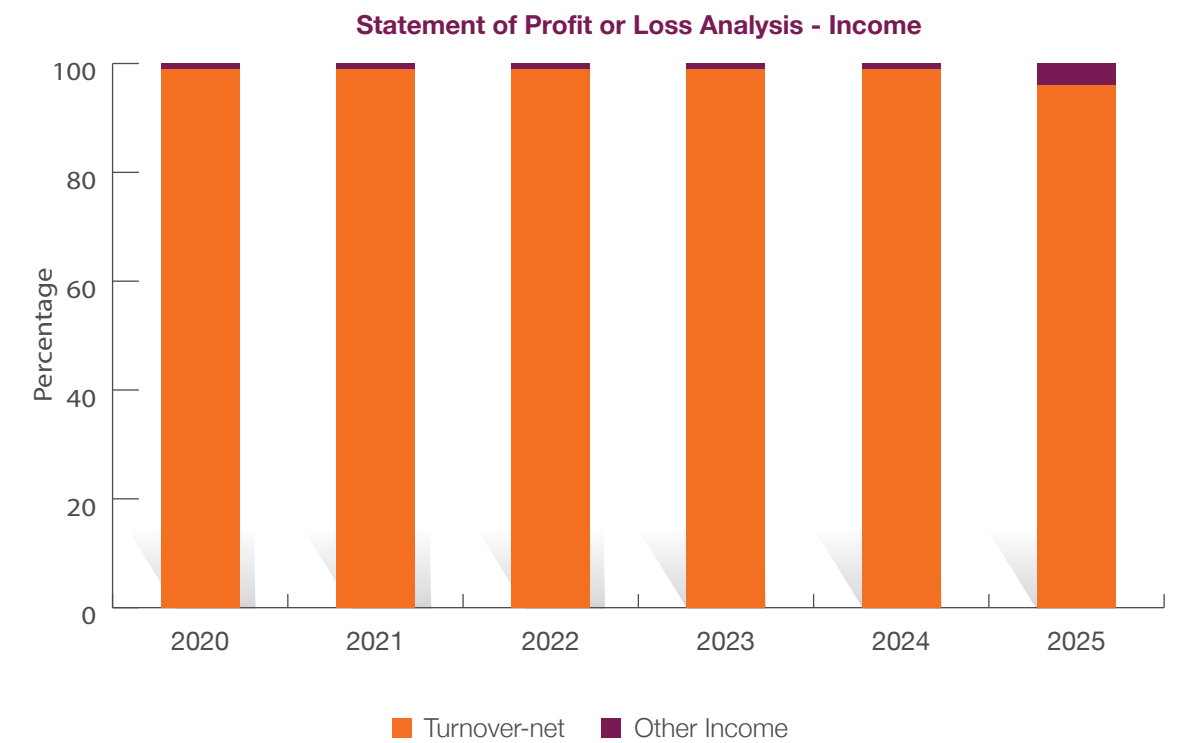
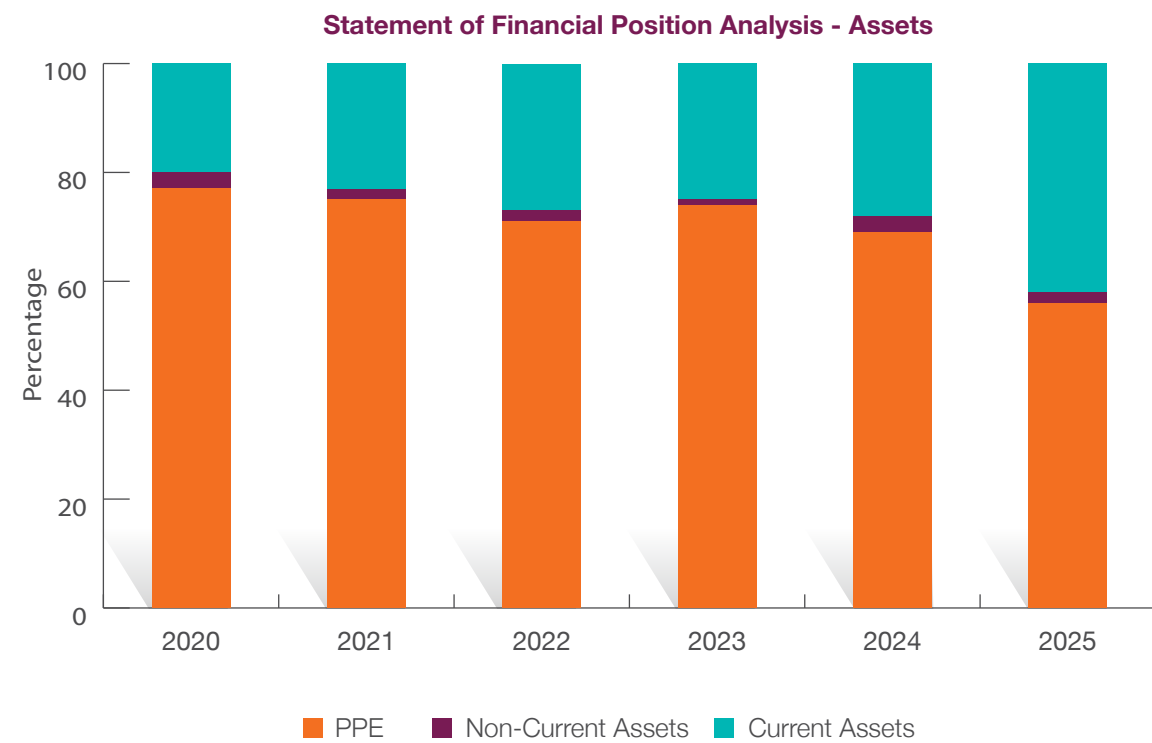
Comments on Economic Value Added

Economic Value Added (EVA) serves as a key measure of the company's performance and management effectiveness. The company has been able to maintain its performance by efficiently control the cost and increase in the revenue, resulting in the creation of wealth and returns for its shareholders. The cost of capital (%) decreased in line with the decreased in KIBOR. However the EVA has significantly increased due to improved NOPAT.

Graphical Presentation of Economic Value Added



Graphical Presentation of Statement of Financial Position & Statement of Profit or Loss



Horizontal Analysis - Six Years

	2025 (Rupees in Million)		2024 (Rupees in Million)	
	25 Vs. 24 %		24 Vs. 23 %	
Statement of Financial Position				
Assets				
Non-Current Assets	29,199	(1)	29,533	0
Current Assets	21,355	86	11,501	17
Total Assets	50,554	23	41,034	4
Equity & Liabilities				
Shareholders' equity	33,308	30	25,543	22
Non-Current Liabilities	8,477	4	8,133	(21)
Current Liabilities	8,769	19	7,358	(10)
Equity & Liabilities	50,554	23	41,034	4
Statement of Profit or Loss				
Turnover - net	37,811	(2)	38,434	3
Gross Profit	13,970	18	11,840	17
Operating Profit / (Loss)	13,479	27	10,609	15
Profit / (Loss) Before Tax	12,887	40	9,228	27
Profit / (Loss) After Tax	8,681	58	5,500	25

Comments on Horizontal Analysis

Statement of Financial Position

The Company has undergone expansion in its non-current assets, primarily attributed to the enhancement of production facilities and investments in upgrading Line-I and Solar Power Projects during the years. In FY 2025, major capitalization includes installation and commissioning of 9MW Solar Power Project in addition to existing 14 MW situated at factory location.

The Company has been carefully managing its current assets and current liabilities, which has kept the liquidity position resilient in terms of provision of adequate working capital for facilitating operational excellence. In FY 2025 current ratio witnessed significant growth as a result of an increase in short-term investments due to enhanced liquidity position.

Over the past five years, the Company's equity base has strengthened significantly, largely driven by increased post-tax profits resulting from improved retention pricing and lower input costs due to operational efficiencies. The only exception was FY 2020, when financial losses were incurred due to the adverse economic effects of pandemic.

	2023 (Rupees in Million)		2022 (Rupees in Million)		2021 (Rupees in Million)		2020 (Rupees in Million)	
	23 Vs. 22 %		22 Vs. 21 %		21 Vs. 20 %		20 Vs. 19 %	
Statement of Financial Position								
Assets								
Non-Current Assets	29,437	5	28,140	7	26,348	1	26,237	(3)
Current Assets	9,865	(6)	10,465	33	7,846	17	6,685	(17)
Total Assets	39,302	2	38,605	13	34,194	4	32,922	(7)
Equity & Liabilities								
Shareholders' equity	20,879	21	17,317	27	13,590	35	10,054	(14)
Non-Current Liabilities	10,254	(10)	11,441	(14)	13,331	(21)	16,980	(2)
Current Liabilities	8,169	(17)	9,847	35	7,273	24	5,888	(5)
Equity & Liabilities	39,302	2	38,605	13	34,194	4	32,922	(7)
Statement of Profit or Loss								
Turnover - net	37,386	17	32,085	27	25,207	47	17,090	8
Gross Profit	10,137	13	8,951	33	6,728	1,643	386	(87)
Operating Profit / (Loss)	9,186	12	8,188	40	5,861	(3,090)	(196)	(109)
Profit / (Loss) Before Tax	7,272	6	6,829	57	4,337	(259)	(2,723)	(360)
Profit / (Loss) After Tax	4,404	(1)	4,456	39	3,205	(269)	(1,893)	(207)

Statement of Profit or Loss

During the years, the Company has recorded significant gross turnover growth, mainly driven by rise in local cement prices due to increasing input costs and export earnings due to increased export prices and devaluation of the Pakistani Rupee. However, compared to the prior year, turnover in FY 2025 decreased slightly, which was due to lower cement dispatches attributed to declining local demand.

During the years FY 2019 to FY 2025, the Company witnessed considerable improvement in gross profitability due to increased sales prices and effective cost management initiatives. On the other hand, both gross and operating profitability compressed during FY 2020, due to lower cement retention prices, higher production costs, and negative effects of the COVID-19 pandemic.

The Company posted significant net profit growth in FY 2025, driven by increased sales prices and effective cost control measures.

Vertical Analysis - Six Years

	2025 (Rupees in Million)		2024 (Rupees in Million)		2023 (Rupees in Million)		2022 (Rupees in Million)		2021 (Rupees in Million)		2020 (Rupees in Million)	
		%		%		%		%		%		%
Statement of Financial Position												
Assets												
Non-Current Assets	29,199	58	29,533	72	29,437	75	28,140	73	26,348	77	26,237	80
Current Assets	21,355	42	11,501	28	9,865	25	10,465	27	7,846	23	6,685	20
Total Assets	50,554	100	41,034	100	39,302	100	38,605	100	34,194	100	32,922	100
Equity & Liability												
Shareholders Equity	33,308	66	25,543	62	20,879	53	17,317	45	13,590	40	10,054	30
Non-Current Liabilities	8,477	17	8,133	20	10,254	26	11,441	29	13,331	39	16,980	52
Current Liabilities	8,769	17	7,358	18	8,169	21	9,847	26	7,273	21	5,888	18
Equity & Liability	50,554	100	41,034	100	39,302	100	38,605	100	34,194	100	32,922	100
Statement of Profit or Loss												
Turnover - net	37,811	100	38,434	100	37,386	100	32,085	100	25,207	100	17,090	100
Gross Profit	13,970	37	11,840	31	10,137	27	8,951	28	6,728	27	386	2
Operating Profit / (Loss)	13,479	36	10,609	28	9,186	25	8,188	26	5,861	23	(196)	(1)
Profit / (Loss) Before Tax	12,887	34	9,228	24	7,272	19	6,829	21	4,337	17	(2,723)	(16)
Profit / (Loss) After Tax	8,681	23	5,500	14	4,404	12	4,456	14	3,205	13	(1,893)	(11)

Comments on Vertical Analysis

Statement of Financial Position

As a capital-intensive industry, the Company maintains a substantial proportion of non-current assets, driven by expansion and upgradation of Solar Power projects & BMR for Line-I.

Over the years, the ratio of current asset to current liability has been consistent and healthy, reflecting the prudent management by the Company of its financial and operational obligations while, at the same time, balancing growth and long-term stability. During, FY2025, current assets of the Company have increased significantly due to rise in short-term investments owing to improved liquidity position.

The Company's shareholders' equity has continued to be firmer, underpinned by higher profitability with the exception of FY2020. This consistent increase reflects the strong financial position of the Company and its capability to transform earnings into long-term shareholder wealth. Additionally, non-current liabilities have been decreasing due to scheduled principal repayments of long term loans.

Statement of Profit or Loss

The Company has achieved consistent revenue growth over the years, driven mainly by improved cement prices due to higher input costs as well as increased export volume. Except for the year FY 2025, which witnessed a slight decline in turnover due to lower cement dispatches as a result of decline in overall cement demand.

During FY 2020, the Company faced challenges with lower gross and operating profits, primarily due to lower dispatches due to Pandemic impact and rising production costs that were not fully absorbed by sales prices. Despite of these challenges, the Company recorded a strong turnaround in profits from FY 2021 to FY 2025. This was driven by increased local cement prices, robust market demand, significant cost efficiencies derived through improved operations, and improvement in export volumes.

Statement of Summary of Cash Flows - Six Years

	2025	2024	2023	2022	2021	2020
Summary of Cash Flows						
			(Rupees in million)			
Net cash generated from operating activities	11,911	13,101	9,901	6,106	6,886	3,522
Net cash used in investing activities	(1,229)	(1,797)	(2,706)	(3,506)	(1,872)	(294)
Net cash (used in) / generated from financing activities	(2,007)	(8,828)	(6,598)	(3,008)	(3,989)	(2,981)
Change in cash and cash equivalents	8,675	2,476	596	(408)	1,025	247
Cash and cash equivalents - at year end	9,738	1,063	(1,413)	(2,009)	(1,604)	(2,629)

Comments on Statement of Cash Flows

The Company has consistently demonstrated strong cash generation from operations throughout the years, driven by higher revenues and efficient working capital. However, in FY 2025, there has been a marginal decline in cash flows from operations in comparison to previous year, which is primarily attributable to changes in working capital.

Over the years, the Company has invested in the BMR of Line-I, Solar Power Projects and the acquisition of land and mining leases at D.I. Khan, which supports its strategic goal of becoming a leading player in the cement industry through expansion initiatives.

Onwards FY 2020, the Company has secured long-term financing to fund the BMR of Line-I and the installation of Solar panels. Despite the positive cash flows from operating activities, significant outflows have been directed towards loan repayments and substantial finance costs associated with these facilities.

Overall, the Company has successfully managed its cash position by FY 2025 through better financial resource management and a steady non-current asset investment plan. This accomplishment shows how the company can adjust to difficult economic times and demonstrates its resilience and intelligent financial strategy. Additionally, the Company has managed to pay off its long-term debt associated with expansion projects by FY 2024, there fore the increased profit has led to significant increase in cash and equivalents as at year end (FY 2025).

Free Cash Flow

	2025	2024	2023	2022	2021	2020
Rs. in 000						
Profit / (loss) before taxation	12,886,861	9,228,080	7,272,029	6,828,725	4,337,218	(2,722,727)
Adjustment for non-cash items						
Depreciation	1,738,630	1,763,274	1,618,654	1,630,968	1,680,349	1,765,687
Amortisation	67,538	67,486	2,739	2,509	2,594	3,756
Gain on disposal of operating property, plant and equipment	(157,078)	(17,847)	(5,452)	(7,646)	(5,065)	(2,719)
Finance costs	591,775	1,381,082	1,914,170	1,358,874	1,524,177	2,526,997
Interest income on financial asset	(6,606)	(7,709)	(8,716)	(9,629)	(9,280)	(11,184)
Reversal of Impairment loss	-	-	-	(76,000)	-	-
Exchange (gain) / loss	(1,170)	(119)	(112)	(27)	5,925	(2,296)
Share of (profit) / loss from joint venture	329	(264)	(7,060)	(26)	(31)	(80)
Dividend income	(16,229)	(10,820)	(8,119)	(26,352)	(34,833)	(7,097)
	2,217,189	3,175,083	3,506,104	2,872,671	3,163,836	4,273,064
Working capital changes	(3,193,499)	698,251	(877,265)	(3,595,161)	(614,924)	1,971,479
Net cash generated from operating activities	11,910,551	13,101,414	9,900,868	6,106,235	6,886,130	3,521,816
Capital expenditure	(1,447,147)	(1,778,356)	(2,813,956)	(3,551,131)	(1,924,518)	(313,679)
Free cash flows to the firm	10,463,404	11,323,059	7,086,912	2,555,104	4,961,612	3,208,137
Net borrowing (repaid) / raised	579,982	(6,188,246)	(3,679,899)	(1,467,907)	(2,944,396)	(570,049)
Interest payment	(693,852)	(1,738,588)	(2,060,275)	(1,295,126)	(1,771,487)	(2,476,255)
Free Cash Flows to Equity holders	10,349,534	3,396,225	1,346,738	(207,929)	245,729	161,833

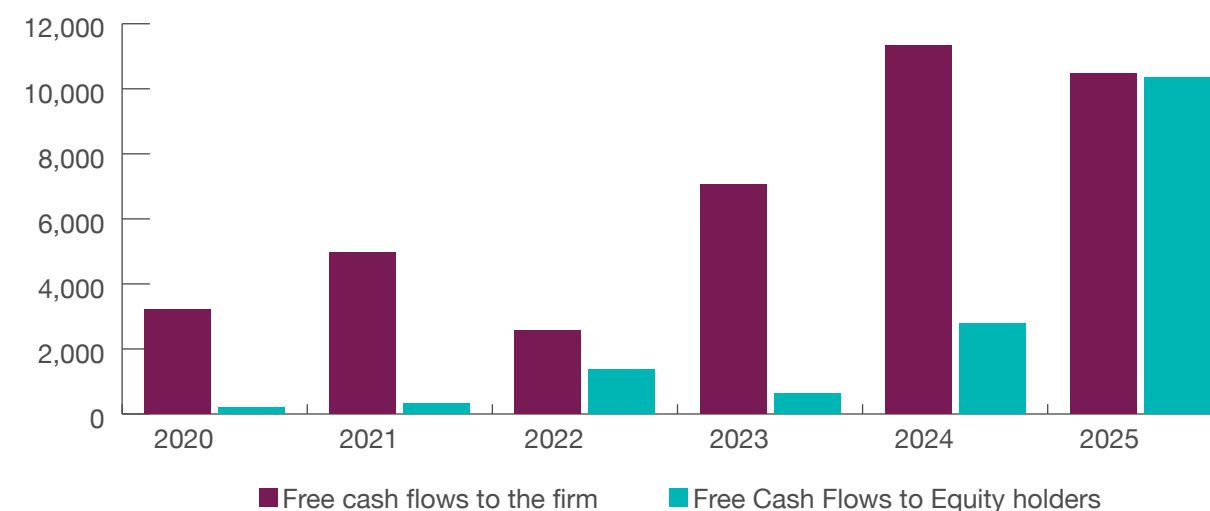
Comments on Free Cash Flow to the Firm

Free Cash Flow to the Firm (FCFF) illustrates how much cash is generated by the operations of a company and cash that is available to be distributed. The availability of cash covers operational and day to day expenses. It is a good sign that business operations are being managed properly when there are positive FCFF. The company is more profitable compared to previous year which translates to better overall performance. However, FCFF has edged down slightly, mainly because more cash has been tied up in working capital to support operations.

Comments on Free Cash Flow to the Equity Holders

Free Cash Flow to Equity holders (FCFE) represents the amount of cash available to the company's equity investors. With the company's growth, FCFE has increased significantly during the year as no repayment of commercial loans was required. These loans had already been paid in previous year which also leads to decrease in the interest payments.

Graphical Presentation of Free Cash Flow to the Firm and Equity Holder



Statement of Cash Flows - Direct Method

	2025	2024
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	54,571,104	50,345,461
Cash paid to suppliers and employees	(23,517,202)	(23,958,055)
Cash generated from operations	31,053,902	26,387,406
Income tax and final taxes paid	(2,580,239)	(895,906)
Indirect Taxes	(16,452,335)	(12,318,207)
Long-term loans and deposits - net	11,223	20,321
Gratuity paid	(122,000)	(92,200)
Net cash generated from operating activities	11,910,551	13,101,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,447,147)	(1,778,356)
Proceeds from disposals of operating property, plant and equipment	202,091	35,259
Dividend received	16,229	10,820
Long-term investment made	-	(64,957)
Net cash used in investing activities	(1,228,827)	(1,797,234)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financings - net	(245,302)	(6,203,698)
Lease rentals paid	(15,642)	(20,455)
Dividend paid	(1,051,803)	(865,336)
Finance costs paid	(693,852)	(1,738,588)
Net cash used in financing activities	(2,006,599)	(8,828,077)
Net increase in cash and cash equivalents	8,675,125	2,476,104
Cash and cash equivalents as at the beginning of the year	1,062,872	(1,413,232)
Cash and cash equivalents as at the end of the year	9,737,997	1,062,872

Key Financial Information - Six Years

	2025	2024	2023	2022	2021	2020
	(Tons in '000')					
Clinker Production	2,135	2,355	2,644	3,109	3,573	2,988
Cement Production	2,386	2,617	2,883	3,525	3,965	3,382
Cement Dispatches	2,390	2,627	2,871	3,552	3,950	3,377
Summary of Statement of Financial Position						
	2025	2024	2023	2022	2021	2020
	(Rupees in Million)					
Assets						
Non-Current Assets	29,199	29,533	29,437	28,140	26,348	26,237
Current Assets	21,355	11,501	9,865	10,465	7,846	6,685
Total Assets	50,554	41,034	39,302	38,605	34,194	32,922
Equity & Liabilities						
Shareholders' Equity	33,308	25,543	20,879	17,316	13,590	10,054
Non-Current Liabilities	8,477	8,133	10,254	11,442	13,331	16,980
Current Liabilities	8,769	7,358	8,169	9,847	7,273	5,888
Equity & Liabilities	50,554	41,034	39,302	38,605	34,194	32,922
Summary of Statement of profit or loss						
	2025	2024	2023	2022	2021	2020
	(Rupees in Million)					
Turnover & Profit / (Loss)						
Turnover - net	37,811	38,434	37,386	32,085	25,207	17,090
Gross Profit	13,970	11,840	10,137	8,951	6,728	386
Operating Profit / (Loss)	13,479	10,609	9,186	8,188	5,861	(196)
Profit / (Loss) Before Taxation	12,887	9,228	7,272	6,829	4,337	(2,723)
Profit / (Loss) After Taxation	8,681	5,500	4,404	4,456	3,205	(1,893)
Earnings / (Loss) Per Share (Rs.)	44.68	28.31	22.67	22.93	16.50	(9.74)

DuPont Analysis

Year	Net Profit Margin (Net profit / Sales)	Asset Turnover (Sales / Total Assets)	Financial Leverage (Total Assets / Total Equity)	ROE
	A (%)	B (Times)	C (Ratio)	A X B X C
2020	-11.08%	0.52	3.27	-18.83%
2021	12.71%	0.74	2.52	23.58%
2022	13.89%	0.83	2.23	25.73%
2023	11.78%	0.95	1.88	21.09%
2024	14.31%	0.94	1.61	21.53%
2025	22.96%	0.75	1.52	26.06%

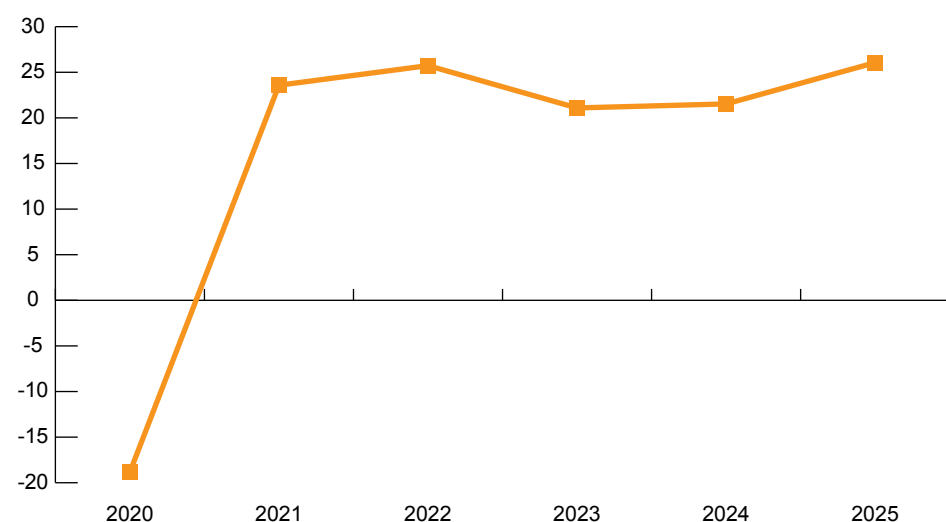
Comments on Dupont Analysis

The main highlights of DuPont analysis for the company in 2025 are as follows:

- Net Margin Improvement:** The net margin rose to 22.96% from 14.31% last year consider the following factors;
 - Efficient utilization of fuel and power mix which lead to significant saving in cost;
 - Company increases the capacity in the renewable energy, specifically in the solar system;
 - Schedule and early repayment of the commercial loan last year to the banks leads to the saving in the finance cost.
 - improved liquidity led to increase in the finance income.
- Asset Turnover Ratio:** The asset turnover ratio has been decline from 0.94 to 0.75, which is due to the factor of the decline in the cement dispatch during the financial year under consideration.
- Financial Leverage Ratio:** The financial leverage ratio continuously showed a decline trend reflecting the company strong operation and cashflows. The company has sufficient excess cashflow from operation and no major repayment of loan was required during the year

Conclusion:

In 2025, the company's ROE demonstrates a well-balanced mix of profitability, efficiency, leverage and high liquidity available to the company despite of challenges from higher tax rates and input costs. Further, the company has demonstrated resilience and effectiveness in maintaining and managing its financial metrics, resulting in a robust ROE performance for 2025.



DuPont CHART

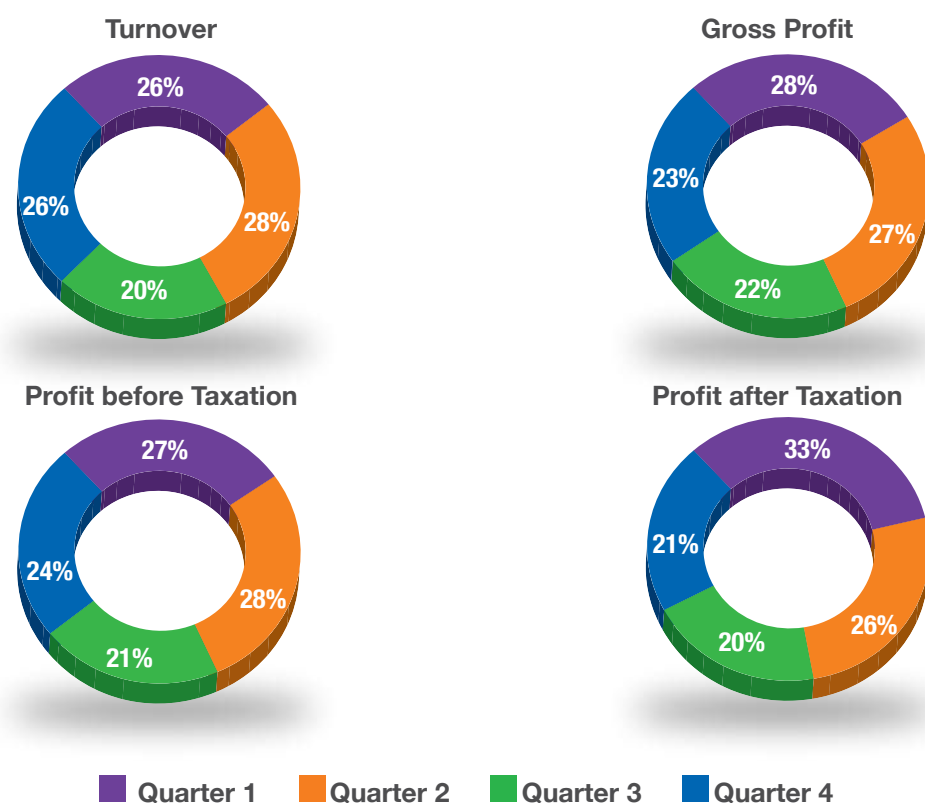


Quarterly Performance Analysis

For the Year ended June 30, 2025

	1st Quarter Sep 30, 2024 Rs. In '000	2nd Quarter Dec 31, 2024 Rs. In '000	3rd Quarter Mar 31, 2025 Rs. In '000	4th Quarter Jun 30, 2025 Rs. In '000	Year ended Jun 30, 2025 Rs. In '000
Turnover – net	9,659,012	10,642,984	7,769,323	9,739,487	37,810,806
Cost of sales	(5,792,199)	(6,814,773)	(4,665,137)	(6,569,072)	(23,841,181)
Gross profit	3,866,813	3,828,211	3,104,186	3,170,415	13,969,625
Distribution costs	(207,870)	(200,908)	(204,757)	(240,742)	(854,277)
Administrative expenses	(148,889)	(144,370)	(145,952)	(157,227)	(596,438)
Other expenses	(180,192)	(179,737)	(144,149)	(124,639)	(628,717)
	(536,951)	(525,015)	(494,858)	(522,608)	(2,079,432)
Other income	348,418	522,625	267,203	450,197	1,588,443
Operating profit	3,678,280	3,825,821	2,876,531	3,098,004	13,478,636
Finance costs	(155,209)	(227,066)	(123,744)	(85,756)	(591,775)
Profit before taxation	3,523,071	3,598,755	2,752,787	3,012,248	12,886,861
Taxation	(645,211)	(1,328,121)	(1,067,844)	(1,164,329)	(4,205,505)
Profit after taxation	2,877,860	2,270,634	1,684,943	1,847,919	8,681,356

Graphical Presentation of Quarterly Performance Analysis & Comments



Quarter 1

Sales: The revenue for the first quarter increased mainly due to increase in average retention price.

Cost of Sales: The cost of sales declined in the first quarter mainly due to lower production in line with dispatch quantity. However, saving on account of reduced fuel cost has improved the gross margins.

Operating Profit: The operating profit has increased primarily due to increased in gross margins and increase in other income.

Finance cost: Finance cost declined during the quarter mainly due to declining markup rates and lower debts as compared to last quarter.

Net Profit: Net profit increased due to improved operating profit and decrease in tax expense on account of 65B tax credit.

Quarter 2

Sales: The revenue for the quarter increased primarily due to higher dispatches number and increased in average retention price.

Cost of Sales: The cost of sales increased due to increased quantity of cement production and increased in store consumption on account of planned shutdown.

Operating Profit: The operating profit increased primarily due to increase in other income.

Net Profit: The net profit declined during the quarter due to higher taxation expense.

Quarter 3

Sales: The revenue declined as cement dispatches fell significantly compared to last quarter primarily due to off season.

Cost of Sales: The cost of sales declined in third quarter in line with the reduced quantity of cement dispatches.

Operating Profit: The operating profit declined in third quarter due to reduced revenue and decrease in other income resulting from lower available funds for investment.

Net Profit: The decrease in net profit aligns with the reduction in operating profit.

Quarter 4

Sales: The revenue increased primarily due to higher dispatches including export numbers and an increase in average retention price during the quarter.

Cost of Sales: The cost of sales increased due to increase quantity of cement production and increase in fuel and store consumption.

Operating Profit: The operating profit increased primarily due to improved gross profit margins and higher other income.

Net Profit: Net profit increased mainly due to higher operating profit and lower finance cost.

Change in Indicators and Performance Measures

Cherat Cement Company Limited has established key indicators, which pertain to its key performing areas. Such indicators are subject to change with the Internal and external environment associated with the organization. Cherat Cement Company Limited has identified KPI's that are critical to its business. While identifying KPI's, the Company analysed various indicators, their interpretations and accordingly their extent to which they may correctly and clearly communicate the Company's performance. Some important indicators are as under:

Market Share:

Market share is a critical key indicator for scaling market competitiveness with respect to size and capacity of the Company. Cherat is a premium brand of Ordinary Portland Cement in Pakistan and Afghanistan. Our main markets in Pakistan are KPK, FATA, Azad Kashmir and Punjab and small market in Sindh. As per the basic data available on the financial statement we understand that our market share is around 7% because of our superior quality. Cherat is the first choice of customers in most of the markets.

Financial Leverage:

The Company maintains a dynamic process for assessing its financial leverage, ensuring alignment with its capital structure policies. It actively seeks to capitalize on cost-effective opportunities through negotiations with financial institutions. After the recent expansion projects and the installation of solar panels and Wartsila gensets, the Company's financial leverage increased significantly in few years back. However, in the current year, the

long-term debt-to-equity ratio improved to 11%, representing a 5% decrease from the previous year. This improvement was primarily due to repayment of long-term loans ahead of schedule in previous year. Leverage is neither inherently good nor bad. Its resultant effect is based on the investment options selected by the company to amplify its shareholders' return on investment by investing in projects whose returns exceed the cost of debts uses it. Nonetheless, uncontrolled debt levels can lead to credit downgrades or worse. On the other hand, too few debts can also raise questions on the Company's ability to capitalize the opportunities. However, it is linked to the capital structure policy of the company. Currently, the Company's current debt level is lower as compare to previous year which is in line with future opportunities available to the Company.

Variable Cost per unit:

The Company has installed green energy projects, such as Solar and WHRs, effective fuel buying and optimum power mix contribute to controlled variable cost. Through these initiatives, the Company has successfully lowered its variable costs.

Fixed Cost per unit:

Higher production capacity enables economies of scale, thereby reducing the per-unit cost of production. With the commissioning of Line-III, our fixed cost per unit initially declined. However, during the year, lower dispatch volumes led to an increase in fixed cost per unit. The Company remains focused on driving efficiencies and is actively implementing cost optimization initiatives to reduce its fixed cost per unit going forward.

Explanation of Negative Changes in Performance over the Period

Pakistan's economy showed encouraging signs of recovery in FY-25, with real GDP increased by 2.4%. This recovery reflects the effects of strong macroeconomic management, restored investor confidence, and continued support under the IMF's Extended Fund Facility. This stabilization was achieved due to disciplined fiscal consolidation and the lagged impact of earlier tight monetary policy. During the year, local dispatches of the Company decreased by 10.2% and export sales to Afghanistan decreased by 2.6%. On an aggregate basis, the cement dispatches of the Company reduced by 9% from last year. There has been a 1.62% decrease in the sales revenue over the preceding year. This was mainly due to the decrease in the overall demand, but to extent supported by the upward adjustment in cement prices. During the year, the cost of sales decreased by 10% mainly due to the efficient utilization of the fuel and power mix and also the installation and increase in

the capacity of the renewable energy, specifically the Solar System, which further strengthens the position of the company towards the reduction in the fuel and power cost. However, the Company mitigated the total impact of these costs through operational efficiencies. There was a decrease in finance cost as compared to last year, mainly due to early repayment of commercial loans, and the improved liquidity led to an increase in the finance income. Despite these challenges, the Company posted the after-tax profit of Rs. 8,681 million for the year ended June 30, 2025.

The detailed explanation pertaining to the negative changes in performance against prior year is provided in the relevant sections of the analysis of Financial Statements and the vertical and horizontal analysis of Statement of Financial Position, Statement of Profit or Loss, Quarterly Performance and Statement of Cash Flows.

Debt Repayment

The Company has a proven history of timely debt repayments and has, at times, opted for early settlement of obligations to strengthen its capital structure and lower financing costs. During the year, it made scheduled repayments of Rs. 285 million under the TERF and IFRE/RE facilities. Despite the prevailing economic challenges, the Company generated strong cash flows, underscoring its solid financial health and capacity to meet obligations while maintaining financial flexibility.

Segmental View of Business Performance

The activities of the Company are organized into one operating segment based on its manufacturing, marketing and sale of cement. However, the Company has been maintaining its books of accounts line wise. Analysis of local and export sales is given in the Director's Report.

Market Share Disclosure

Market share is a significant indicator of a company's competitive position, particularly in relation to its size and capacity. Cherat Cement is recognized as a premium brand of Ordinary Portland Cement in both Pakistan and Afghanistan.

In accordance with our dedication to transparency and our commitment to stakeholders, we are pleased to provide an overview of the market share of Cherat Cement Company Limited. This information is intended to offer a comprehensive understanding of our competitive standing and performance in comparison to industry peers.

Cherat Cement Company Limited currently holds an estimated market share of 7% within the northern zone and an overall market share of 5.5% in the cement industry, which can be attributed to our emphasis on superior quality. These market share figures are based on data disclosed by cement companies in their financial reports. It is important to note that variations may occur due to market fluctuations, changes in competitive landscapes, and shifts in consumer preferences, which together reflect our competitive presence in the cement industry.

Looking ahead, we express optimism regarding our potential for further market share expansion. Our strategic initiatives will focus on market development and product innovation, both of which are designed to enhance our market position and facilitate sustainable growth. We believe these concerted efforts will not only strengthen our competitive edge but also create long-term value for our stakeholders.



Share Price Sensitivity Analysis

Share prices in the Pakistan stock market move due to various internal and external factors such as the Company's performance, general market sentiments, economic events, interest rates, exchange rate, commodity prices etc. Being a responsible and law-compliant Company, Cherat Cement circulates price-sensitive information to the Pakistan Stock Exchange (PSX) promptly according to the requirements of the PSX Rulebook. During the current year, Cherat's share price peaked at Rs 308 while the lowest recorded price was Rs 158.53 with a closing price of Rs. 290.3 at the end of the year.

Selling Price:

The profitability in the cement industry is highly sensitive to the selling prices of cement bag which eventually has a strong effect on the share price of the company.

Company's performance:

The Company reported an operating profit for the year of PKR 13,479 million that shows 27% increase from last year. However, the overall sales volume of the Company decreased by 9%, in which local and export sales declined by 10% and 3% respectively as compared to last year Domestic demand remained challenged due to poor private sector demand attributable to uncertainty of economic recovery, moderate financing costs, reduced spending by the government, and slow real estate activity. The financial performance improved massively due to improved EX-factory price and cost efficiencies, which improved the operating results of the Company to an unsurpassed level despite constant cost pressures and an uncertain economic environment.

Energy Costs:

The Company's operations are energy sensitive and the energy cost constitutes a sizable proportion of the overall manufacturing costs, therefore any increase in coal and power prices impacts product pricing directly. During the year 2025, the commissioning of an additional 9MW Solar Power Plant, efficient coal procurement along with the execution of various efficiency projects and optimum used of coal mix have contributed significantly to operational performance which led to increase the Company's profitability.

Government Policies and Regulations:

The policies adopted and regulations promulgated by the Government have a direct association with share prices. Any policy that will result in increased demand, improved tax rates, reduced production costs, and a better economic environment may positively influence the share price. Whereas the policies that create hindrances for the cement industry and for the overall business environment will adversely impact the share price. We have observed that during the year government has reduced KIBOR significantly, no significant devaluation in PKR and the overall reserve of State Bank of Pakistan has improved.

Law and Order:

Political stability and controlled law & order situation is a pre-requisite for any economic development. This in turn reposes investor confidence in the soils of Pakistan, making our corporates a potential investment opportunity. However, any act of terrorism or political instability can negatively affect the equity market and share prices of traded stocks.

Exchange Rate

Changes in exchange rates can greatly influence a company's share price, particularly for those with considerable international exposure. Fluctuations in exchange rates can alter the value of foreign earnings and shape investor sentiment, further affecting stock prices. Therefore, exchange rate movements can directly and substantially impact a company's financial performance and valuation.

Economic Conditions:

The Company's performance has a direct relationship with economic conditions so as the share price. The factors that contribute to economic conditions include the discount rate, currency devaluation, and inflation. Based on different assessment parameters, the State Bank of Pakistan can change the monetary policy rate. Any volatility in the interest rates might impact the revenue and profitability of the Company. During the year 2025, the interest rates observed decline as SBP reduced KIBOR from 22% to 11%, affecting the Company's profitability and eventually affecting the share price positively. CHCC imports and exports are subject to foreign exchange volatility. Higher inflation has an impact on the demand for commodities and consequently adverse impact on the performance of the Company. However, all these factors will improve the performance of the Company if contributes positively to the economic conditions.

Investor Sentiments:

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, the investors' confidence is growing and so as the share prices. Whereas in a weak stock market investors' sentiments are negative so do the share prices. The stock market's strength is closely associated with economic conditions.

Sensitivity Analysis of Change in Market Capitalization

Share Price as of 30.06.2025 Rs. 290.3

Market Capitalization as of 30.06.2025 Rs. 56,403,849,531

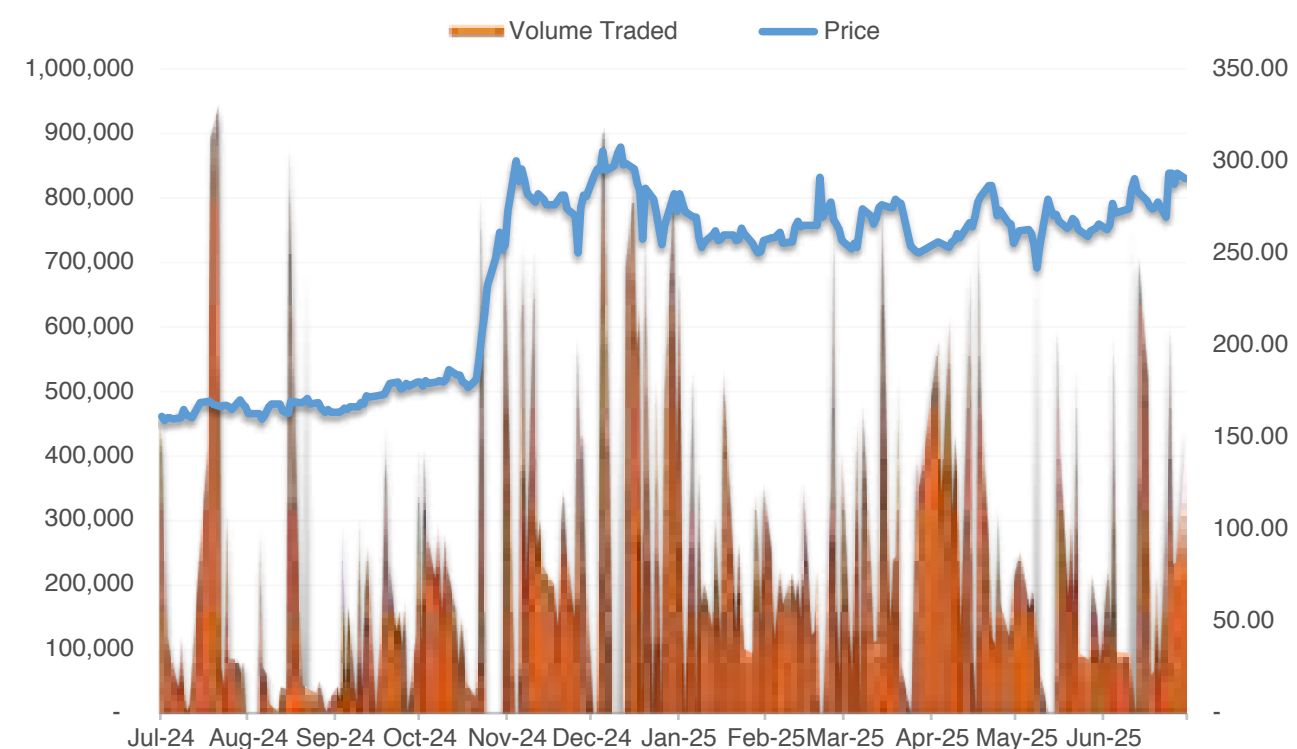
Change in Share Price by Change in Market Capitalization

+10% Rs. 5,640,384,953

- 10% Rs. (5,640,384,953)

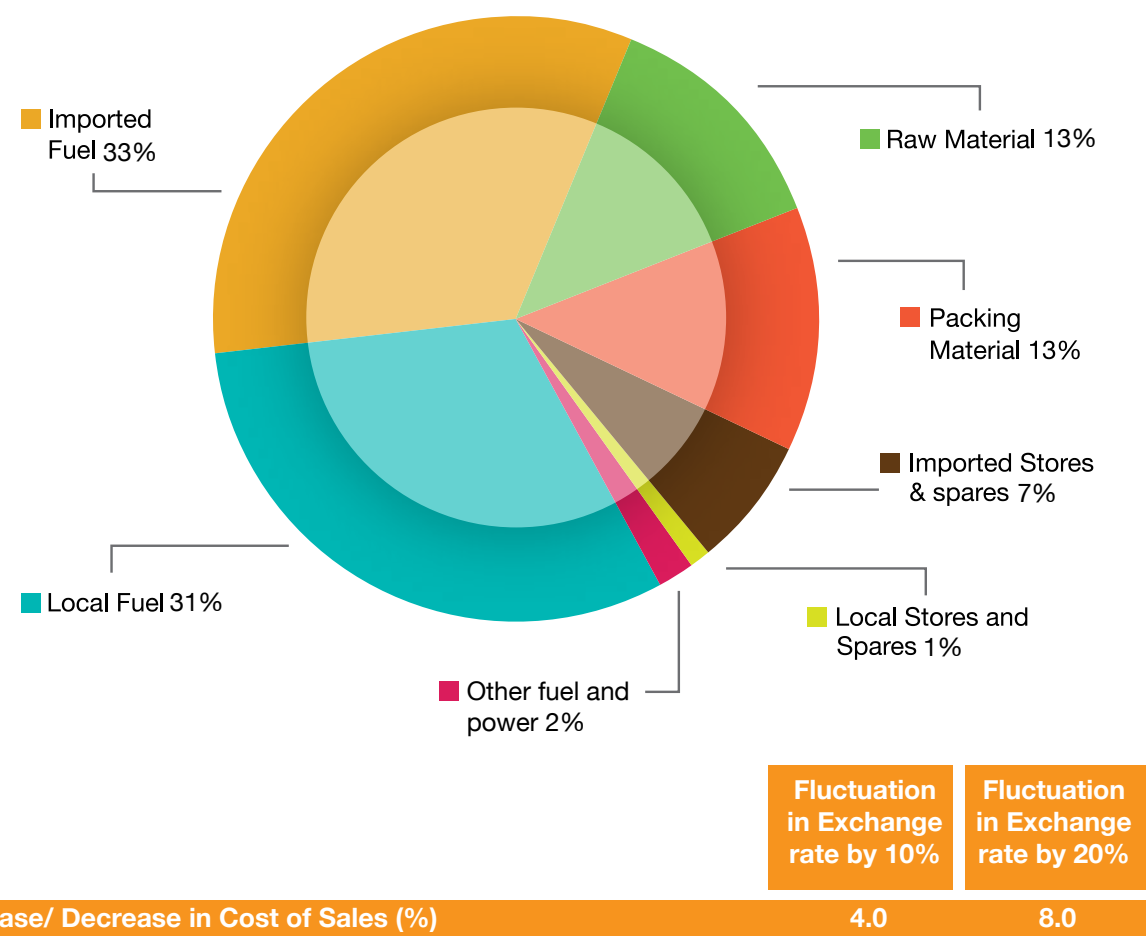
Share Prices - Trend v/s Volume Traded

Source: Pakistan



Composition of Local & Imported Material and Sensitivity Analysis Due to Foreign Currency Fluctuations.

The Company produces cement using mix of local and imported inputs.



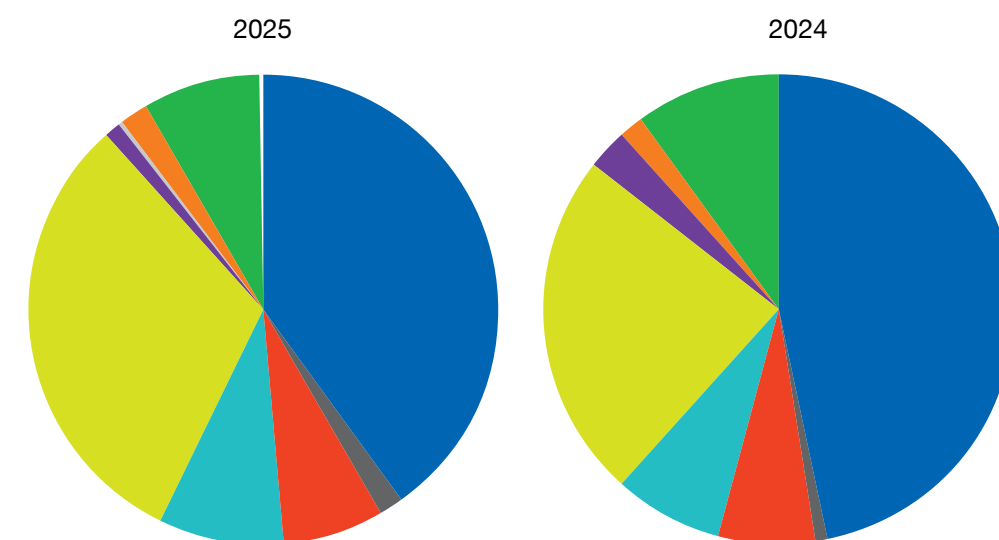
Cherat Cement uses a combination of local and imported coal for the production of cement. The largest cost component is consumption of local Coal.

The cost of Sales of the Company will increase/decrease by 4% and 8% in case of foreign currency fluctuation by 10% and 20% respectively.

The company's sensitivity to foreign currency movement is moderate. To reduce the impact of currency, management proactively manages the procurement of coal & store items while keeping an eye on the exchange rate.

Statement of Value Addition and Distribution of Wealth

	2025		2024	
	(Rupees in '000)	%	(Rupees in '000)	%
Wealth Generated				
Turnover (including sales tax & FED)	54,263,141	97.16	50,751,954	99.04
Other operating income	1,588,443	2.84	493,426	0.96
	55,851,584	100.00	51,245,380	100.00
Distribution of Wealth				
Cost of sales (excluding employees' remuneration)	21,035,680	37.66	24,103,424	47.04
Selling & Administrative expenses (excluding employees' remuneration)	854,102	1.53	716,356	1.40
Employees' as remuneration	3,773,450	6.76	3,316,057	6.47
Government as direct taxes (including workers' welfare fund)	4,406,388	7.89	3,868,696	7.55
Government as Indirect taxes & FED	16,452,335	29.46	12,318,207	24.04
Providers of finance as financial charges	591,775	1.06	1,381,082	2.70
Society as donations	56,498	0.10	41,807	0.08
Shareholders as dividend	1,068,623	1.91	874,328	1.71
Retained / (absorbed) within the business	7,612,733	13.63	4,625,423	9.03
	55,851,584	100.00	51,245,380	100.00



	2025	2024
Cost of sales (excluding employees' remuneration)	37.66	47.04
Selling & Administrative expenses ((excluding employees' remuneration)	1.53	1.40
Employees' as remuneration	6.76	6.47
Government as direct taxes (including workers' welfare fund)	7.89	7.55
Government as Indirect taxes & FED	29.46	24.04
Providers of finance as financial charges	1.06	2.70
Society as donations	0.10	0.08
Shareholders as dividend	1.91	1.71
Retained / (absorbed) within the business	13.63	9.03

BUSINESS MODEL CANVAS



Business Model

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Chapter 7

Creating Value Through our Business Model

Our business model is designed to create long term value for all stakeholders by transforming inputs into outputs and outcomes that support our strategic objectives. Cost efficiency, process innovation, and the optimal use of resources are central to this approach. We also explore opportunities in new markets to expand our customer base and enhance operational efficiency.

Every element of our model contributes uniquely to our success and sustainability:

Financial Capital
Shareholders' equity and reinvested cash fund our operations and growth.

Human Capital
Our people bring the skills, expertise, and innovative thinking needed to strengthen community and customer relationships and improve efficiency.

Manufactured Capital
The Production facilities is equipped with advanced technologies such as Cement Mill, WHR, Solar.

Social Capital
Trust and reputation underpin our social license to operate, supported by strong relationships with investors, communities, employees, customers, suppliers, partners, government, and regulators.

Intellectual Capital
Our ERP and business process management system, SAP S/4 HANA, along with best-in-class systems and procedures, drive efficiency and control.

Natural Capital
We responsibly source and efficiently utilize essential raw materials such as coal, limestone, gypsum for cement and clinker production.

The Company's business model remained unchanged during the year; however, efforts are underway to optimize costs through improved process efficiency



Our Business Model

INPUTS → PROCESS → OUTPUTS → OUTCOMES





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The Board Responsibility Statement on the IT Systems / Controls and AI Strategy of the Company

The Board of Directors of Cherat Cement Company Limited recognizes the importance of safeguarding IT systems, maintaining effective internal controls, and managing cybersecurity risks in compliance with legal and regulatory requirements on data privacy and information security.

Oversight of IT governance, cybersecurity, and the adoption of emerging technologies such as Artificial Intelligence (AI) has been delegated to the Group IT Steering Committee. The Committee works closely with management to evaluate risks, ensure regulatory compliance, oversee breach response, and guide the responsible integration of AI and other digital initiatives in line with the Company's long-term strategy. The Group IT Steering Committee is committed to the following:

Cyber Risk Evaluation and Management

Understanding Cherat Cement Company Limited's cyber risk environment through ongoing assessments of potential threats, vulnerabilities, and impacts on operations, assets, reputation, and stakeholders. The IT Steering Committee oversees a comprehensive cyber risk management framework, including asset identification, threat assessment, safeguard implementation, and regular strategy updates.

AI Strategy and Digital Transformation

The Committee oversees digital transformation initiatives, including Joule AI with SAP S/4 HANA and SAP SuccessFactors, to enhance automation, data-driven decision-making, and workforce management. These initiatives are monitored to ensure alignment with ethical, legal, and regulatory requirements, while addressing risks related to data privacy and system integrity.

Legal and Regulatory Compliance

Ensuring Cherat Cement Company Limited's adherence to all applicable laws and regulations related to data protection, privacy, information security, and cybersecurity. Committee works closely with management to align the company's practices with the evolving legal and regulatory landscape.

Oversight of Cybersecurity Policies and Procedures

Overseeing the development, implementation, and monitoring of robust cybersecurity policies and procedures tailored to Cherat Cement Company Limited's specific risk profile. These policies cover data protection, access controls, incident response, employee training, and ongoing risk assessments.

Breach Response and Communication

Actively overseeing the response strategy in the event of a breach, ensuring swift action, containment, and communication with stakeholders, including customers, shareholders, regulatory authorities, and law enforcement as necessary.



Continual Improvement and Reporting

Promoting continuous improvement in cybersecurity practices through regular reviews of cyber risk management efforts, incident response plans, and breach communication protocols. Providing regular updates to shareholders and stakeholders about Cherat Cement Company Limited's cyber risk posture and actions taken.



IT Governance Policy

Cherat Cement Company Limited's IT Governance Policy ensures that IT is used effectively and efficiently to support the company's objectives. This policy is designed to maximize IT value by balancing benefit realization with risk management and resource optimization.

The framework establishes principles and objectives for initiating, implementing, maintaining, monitoring, and enhancing IT governance controls within the organization. It specifies IT governance control requirements applicable to Cherat Cement Company Limited's information assets. Additionally, the framework provides guidance on IT governance requirements for Cherat Cement Company Limited, including its staff, third parties, and customers. The Company's IT Governance Policy is mainly charged with;

- Ensuring IT strategies support Cherat Cement Company Limited's business goals, enhancing operational efficiency and competitiveness.
- Managing IT resources—hardware, software, personnel, and budgets—to maximize productivity and reduce costs.
- Identifying and mitigating IT-related risks such as cybersecurity threats and data breaches to protect critical operations.
- Ensuring IT practices adhere to industry regulations, legal requirements, and internal policies. This involves staying up-to-date with regulatory requirements, conducting regular annual SAP third-party audits, and implementing controls to ensure compliance.
- Regularly assessing IT performance, including system uptime, data integrity, and service delivery.
- Facilitating the adoption of new technologies and innovations to drive growth and efficiency.
- **Policy Implementation:**
 - o Establishing principles for initiating, implementing, maintaining, monitoring, and enhancing IT governance controls.
 - o Providing guidance on IT governance requirements for staff, third parties, and customers.



IT Security Policy

The IT Security Policy aims to ensure business continuity and minimize damage by preventing and limiting the impact of security incidents.

Policy

The purpose of the Policy is to protect Company information assets from all types of threats including cybersecurity threats, whether internal or external, deliberate or accidental. These assets relate to information stored and processed electronically. IT Security policy ensures that:

- Safeguarding information from unauthorized access.
- Preventing unauthorized disclosure or interruption.
- Protecting against unauthorized modification to maintain information accuracy and completeness.
- Meeting regulatory and legislative requirements, including record-keeping standards.
- Producing, maintaining, and testing Disaster Recovery Plans to ensure availability of information and services.
- Making information on security matters available to all staff.
- Reporting and investigating all breaches of information security, actual or suspected.

Standards

To support this Policy, the Company follows recognized security standards, frameworks, and best practices. These include regulations, guidelines and procedures covering matters such as (not limited to) cybersecurity threats, data security, backup, endpoints control and password protection;

- Meeting business requirements for information availability and system functionality.
- Assigning responsibility for information security to a designated officer.

- Ensuring all managers implement the policy within their areas and ensure adherence by their staff.
- Requiring each employee to adhere to the policy.

Industry Specific Requirements for Cybersecurity and Strategy

The Cherat Cement Company Limited's IT team has implemented advanced security measures, including next-generation edge network firewalls, a cloud-based web application firewall and endpoint Extended Detection and Response (XDR) solution, an email security gateway, and comprehensive user access policies and procedures aligned with industry best practices. To further strengthen cybersecurity, additional capabilities have been integrated for proactive risk exposure management, enabling enhanced threat detection, faster response, improved data visibility, and actionable insights through advanced analytics and threat intelligence. These measures ensure a resilient security posture against evolving cyber risks.

Board's Risk Oversight Function for Cybersecurity

The Board of Directors of the Cherat Cement Company Limited has delegated oversight of cybersecurity risk management to the Group IT Steering Committee. This delegation ensures alignment with management on the appropriate risk appetite related to cybersecurity, recognizing it as an enterprise-wide issue affecting all divisions and functions.

Formation of Group IT Steering Committee

- Group IT Steering Committee, composed of directors from each company including Cherat Cement Company Limited. This committee plays a pivotal role in promoting broader accountability for cybersecurity risks at the management level. Its responsibilities include discussing strategic initiatives, prioritizing risks, and reviewing IT security policies and recommendations from third-party audits.
- The IT Steering Committee has actively endorsed and directed the IT teams to implement a variety of cybersecurity controls aimed at mitigating the risks associated with cyberattacks.

Management Engagement

- Ensuring that cybersecurity is understood and managed across all divisions, with clear communication about controls, employee training, and incident response protocols.

Control and Procedures for Cybersecurity Early Warning System and Associated Risks

As networks and systems continuously evolve due to emerging threats, organizational growth, and new regulatory or business requirements, traditional analysis tools primarily focus on recording and identifying threats through logging, analysis, and reporting over time.

The IT Steering Committee regularly reviews security policies, controls, and third-party audit findings. In response, the IT team has deployed a variety of security solutions and monitoring tools.

Current Measures:

- Security system including network monitoring, next-generation firewalls, web application firewalls, email security gateways, and endpoint extended detection and response (XDR) solutions and newly integrated cyber risk exposure management capabilities.
- A centralized firewall log management and analytics platform that centralizes configurations, events, and alerts, offering advanced threat visualization and actionable insights.

Implementation of Recommendations:

- Third-Party Audits ensure that recommendations from independent security assessments are implemented promptly to address identified vulnerabilities and strengthen overall resilience..

Comprehensive Security Assessment of Technology Environment

Information Security Policies and assessment of IT objects serve as the backbone of any mature information security program. IT steering committee has implemented information security policies that support its organizations' business objectives while also adhering to industry standards and regulations.

The IT Steering Committee supports and participates in comprehensive security assessments, including Vulnerability Assessment and Penetration Testing (VAPT).



Assessment Process

- **VAPT Approach:** The IT Steering Committee has instructed the IT teams to conduct Vulnerability Assessment and Penetration Testing (VAPT) of IT assets by a third-party company every two years. As part of this exercise, cybersecurity risk assessments of critical assets will also be performed to provide deeper insight into potential threats and prioritize remediation efforts. This process offers a detailed view of vulnerabilities affecting applications and infrastructure, enabling the IT security team to focus on mitigating high-risk exposures.
- **Review and Implementation:** VAPT reports are reviewed by the IT Steering Committee, leading to the implementation of recommended patches and revalidation by third-party providers.

Contingency and Disaster Recovery Plan

The Board of Directors of the Cherat Cement Company Limited has approved and continually reviews the company's IT Policy and Business Continuity Plan. Management has arranged for offsite data storage facilities, and key records are maintained at multiple locations. Employees are trained on the procedures to follow in case of an emergency. Business Continuity Planning has become a crucial aspect of our management strategy in recent years.

Business Continuity Plan

Business Continuity Planning is a process used to develop a practical plan for how a business can recover or partially restore critical business activities within a predetermined timeframe after a crisis or disaster.

Disaster Recovery Plan and IT Infrastructure

The Company has established a resilient IT infrastructure supported by a comprehensive Disaster

Recovery (DR) framework to ensure continuity of business operations under all circumstances. Core business functions are operated on RISE with SAP, hosted in the cloud with both Primary and Disaster Recovery Virtual Private Cloud (VPC) environments. In case the Primary VPC is unavailable, operations can be switched to the DR VPC, ensuring that SAP services and business processes continue without disruption.

For non-SAP related applications and data, the Company maintains a co-located production site with a Disaster Recovery site at the Karachi Head Office. This arrangement provides system redundancy and enables seamless transition of operations, thereby minimizing downtime and safeguarding critical information assets.

Furthermore, the Company's multi-location presence across Pakistan, supported by a secure remote VPN setup, strengthens operational flexibility and accessibility. This ensures that business processes can continue smoothly from alternate sites or remote locations whenever required. This integrated approach—combining RISE with SAP, co-located infrastructure, secure VPN access, and geographic diversification ensures high levels of resilience, security, and uninterrupted support for the Company's production and business operations.

The Company's manufacturing facility is in Nowshera, Khyber Pakhtunkhwa and is a state-of-the-art construction with its structure being earthquake proof. The building is fire resilient and fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Hence, partial loss would not affect the Company's operations. Moreover, other locations of the Ghulam Faruque Group are available as alternate locations therefore; interruptions, if any, can be managed.

Cyber Insurance

Cybersecurity insurance is an evolving field, with organizations securing such coverage often seen as early adopters. Due to the dynamic nature of cyber risks, cybersecurity policies frequently change, and underwriters have limited historical data to develop risk models for coverage, rates, and premiums.

Cherat Cement Company Limited has an IT equipment insurance policy in place that provides coverage for various technology-related risks. In addition to this insurance, we have implemented a comprehensive Disaster Recovery (DR) and Business Continuity (BC) plan. This plan is designed to address potential incidents such as theft, disasters, and cyberattacks by ensuring that resources are available to restore both data and hardware.

Our IT equipment insurance, combined with our proactive DR and BC strategies, ensures that we are well-prepared to manage and recover from potential disruptions. This integrated approach supports our ability to maintain business operations and swiftly address any IT-related challenges that may arise.

Advancement in Digital Transformation

Cherat Cement Company Limited is actively leveraging Industry 4.0 technologies to strengthen transparency, governance, and value creation through enhanced business process management and reporting. The IT Steering Committee, under the guidance of the Board of Directors, has prioritized the adoption of enterprise cloud solutions, advanced analytics, and automation to modernize operations and decision-making across the organization.

As part of this transformation, the Company has transitioned its on-premises ERP environment to a cloud-based platform through the RISE with SAP program, which includes SAP S/4HANA Cloud ERP, infrastructure, migration tools, and services. This shift enables greater operational efficiency, scalability, and agility in business processes. Additionally, SAP



SuccessFactors has been deployed to provide cloud-based human capital management on a Software as a Service (SaaS) model.

To further enhance data-driven decision-making, SAP Analytics Cloud (SAC) has been implemented, offering seamless integration of data sources, interactive dashboards, and advanced planning capabilities. This unified analytics environment empowers professionals at all levels—from analysts to executives with real time insights to support informed strategic and operational decisions.

Recognizing that digital transformation requires a secure foundation, the Company has also strengthened its cybersecurity posture by introducing advanced controls such as cloud-based Extended Detection and Response (XDR) solutions and Cyber Risk Exposure Management. These measures act as critical enablers of Industry 4.0 adoption, ensuring that new digital platforms and interconnected systems remain resilient against evolving cyber threats.

Disclosure about Education and Training Efforts to Mitigate Cybersecurity Risks

Cherat Cement Company Limited prioritizes cybersecurity education and training to mitigate risks through:

- **Employee Training**
Regular cybersecurity training sessions are provided to all employees. These sessions cover best practices, threat awareness, and safe online behavior to empower our workforce to identify and respond to potential risks.
- **Specialized Workshops**
We conduct specialized workshops for IT personnel and other relevant teams. These workshops delve into more advanced topics such as network security, data encryption, and incident response.
- **Security Policies Communication**
We ensure that all employees are well-informed about our cybersecurity policies and procedures. This communication helps create a shared understanding of security measures across the organization.
- **Simulated Phishing Exercises**
To enhance vigilance, we conduct simulated phishing exercises. These exercises test employees' ability to recognize phishing attempts and reinforce the importance of cautious email interactions.
- **Regular Updates**
Our team continually provides updates on emerging threats and evolving best practices. This keeps employees informed about the ever-changing cybersecurity landscape.
- **Collaboration with Experts**
We collaborate with external experts and consultants to provide specialized insights. This external perspective enriches our training efforts and helps us stay ahead of emerging threats.
- **Reporting Channels**
We emphasize the importance of reporting any security concerns promptly. Our transparent reporting channels ensure that potential threats are addressed swiftly.
- **Continuous Improvement**
Our education and training efforts are regularly evaluated and refined to align with new threats and technologies. This ensures that our workforce is well-equipped to mitigate evolving cybersecurity risks.

Through these education and training initiatives, we foster a culture of cybersecurity awareness and responsibility across our organization, reducing vulnerabilities and enhancing our overall cybersecurity posture.



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Future Outlook

During the year, Pakistan's economy showed clear signs of recovery and macroeconomic stabilization. Growth momentum improved, supported by prudent fiscal management, a favorable external environment, and a sharp decline in inflation. These developments enabled the State Bank of Pakistan to begin a monetary easing cycle, reducing the policy rate from a peak of 22% to 11%, which lowered borrowing costs and lifted overall sentiment in the financial markets.

On the fiscal side, the government reduced the budget deficit and achieved a primary surplus, reflecting a strong commitment to fiscal discipline. The external sector also strengthened, supported by higher remittance inflows and a shift from a current account deficit to a surplus. Meanwhile, higher remittances and a shift from current account deficit to surplus supported the external position. The Pakistan Stock Exchange responded with strong gains, reflecting growing investor optimism. Despite global uncertainties and modest inflows of foreign investment, the year ended on a much stronger footing, setting the stage for sustainable growth in the years ahead.

The cement sector faced a difficult operating environment, constrained by external pressures, elevated energy tariffs, and rising regulatory levies. Reduced government infrastructure spending further dampened domestic construction activity. With high input costs stalling private sector projects, the industry shifted its focus to export markets. Exports improved capacity utilization, which had been at historic lows, and encouraged players to increase efforts to secure market access abroad wherever viable.

Forward Looking Statement

Looking ahead, volatility is expected to persist. Inflationary pressures, interest rate movements, and political uncertainty may continue to affect domestic cement demand. Government programs such as PSDP, CPEC, and housing schemes are likely to support a gradual recovery in local demand over the medium term, while population growth and urbanization remain long-term drivers of cement consumption. Exports are expected to remain strong. However, Afghan export will be conditional with cross border relations. The company plans to leverage its strategic location and brand strength to capture market share over the long term.

CCCL is well-positioned to manage short-term challenges through cost leadership, operational excellence, and strategic diversification. Medium- to long-term growth will be driven by sustainability initiatives and deeper market penetration. The company remains committed to creating value for all stakeholders while maintaining strong governance and risk management frameworks.

Status of Forward-Looking Disclosures Made in the Previous Year

In FY2025, CCCL not only met but exceeded several of the objectives outlined in our previous outlook. We achieved production and revenue targets despite economic headwinds. Through disciplined cost control, efficient operations, and a balanced sales mix, the Company delivered the highest earnings per share and strongest gross margins among major industry players.

The company recognizes the challenges of the past year, when local cement demand remained below expectations due to cuts in PSDP spending and overall slowdown in construction activity. High input costs due to rise in gas and power tariffs remain key challenge for the industry. In response to this, the Company has managed to offset the negative sales growth impact by optimizing sales mix. In order to curb the rising coal prices of imported coal, the Company has shifted its focus towards cheaper local coal as kiln fuel. Additionally, the Company also increased the solar power generation to improve the power mix towards renewable energy, helping to offset the impact of rising power tariffs. As reported last year, due to healthy cashflows, the Company has also made repayments for expensive loans and also invested the surplus in short-term investments.

Status of ongoing projects

The company has demonstrated strong alignment with its forward-looking statements from the previous year, successfully executing key strategic initiatives while navigating a challenging economic landscape.

During the year, the Company has successfully completed and commissioned a 9MW solar power project at its factory site, adding to the existing 14MW capacity. This initiative aligns with our sustainability vision and reinforces our commitment to clean energy adoption. It also reflects our strategic focus on reducing reliance on the national grid and power generation through fossil fuel directly supporting goals of cost optimization and operational efficiency. A battery energy storage system is also being assessed to capture excess renewable energy and enhance overall energy efficiency.

In addition to the above, the Company is actively exploring alternative energy solutions for kiln fuel to support its sustainability objectives and reduce reliance on conventional fuels. Efforts are underway to utilize processed waste as a substitute fuel in kiln operations, in which collaboration with local authorities are underway. Additionally, a pilot project is planned to explore the use of organic biomass as an alternative fuel source, with the potential for broader application in the future based on its outcomes. Furthermore, efforts are underway for transportation of material through conveyor belts instead of vehicle transportation to save cost and environmental impacts.

Financial Projections

Financial projections based on management's best judgment and estimates for the next financial year are as follows:

Operating Profit (Rs in million)	13,418
Profit After Tax (Rs in million)	7,958
EPS (Rs.)	40.96

While these projections reflect management's best judgment, they are naturally subject to risks from energy prices, exchange rate movements, policy changes, and global demand. Our strategy remains to stay agile, strengthen our cost structure, and build resilience across operations. Though the cement industry outlook remains positive, we will continue to adapt our strategies to mitigate risks and capitalize on emerging opportunities.

Sources of Information used for Projections of Future Revenue

The Company's strategies and business objectives are closely aligned with its corporate vision by considering historical trends, anticipated market changes, economic outlooks, and other relevant factors. Projections are informed by external sources such as government regulatory and taxation authorities, market analysts, and forecasts of interest rates and foreign currency exchange rates. Industry reports, competitor actions, market trends, as well as both micro and macroeconomic indicators, including supply and demand conditions, are also vital in shaping projections.

Internally, data from various departments, including sales, finance, production & IT are used to refine the forecasts. This internal information is cross-referenced with external data to ensure accuracy before it is included in formal planning.

Forward-Look: Technology and AI Adoption

CCCL's future technology adoption plans are a central part of its long-term digital transformation strategy. The company has established a strong technological base by upgrading to SAP S/4 HANA and implementing SAP SuccessFactors for HR. This enterprise-wide ERP system provides the data backbone needed to enable future AI and machine learning applications.

In the years ahead, AI will help us optimize energy use, predict maintenance needs, and improve supply chain efficiency. These technologies will not only enhance decision making but also support our long-term sustainability goals by lowering emissions and reducing costs.

Future Research & Development Initiatives

The Company recognizes that the future competitiveness of Pakistan's cement industry depends on energy efficiency, cost optimization, and alignment with global sustainability standards. Looking ahead, our research and development (R&D) strategy will focus on technologies and processes that reduce reliance on imported coal, lower production costs, and cut carbon emissions.

The Company plans to invest in process improvements aimed at reducing energy consumption through the adoption of modernize technologies in equipment and greater use of alternative fuels such as biomass and refuse-derived fuel (RDF). These initiatives are expected to generate immediate cost savings and enhance resilience against volatility in coal prices.

In the long term, the Company is committed to developing sustainable cement products and environmentally friendly binders. Research and development will focus on innovative materials and technologies that lower emissions. These efforts will contribute to national climate goals and ensure readiness for changing global regulatory requirements.

By pursuing these R&D initiatives, the Company aims to reduce its energy intensity in line with international benchmarks, lower its CO2 emissions footprint, and position itself as a leader in sustainable cement manufacturing. These forward-looking efforts are expected to safeguard long-term competitiveness, attract green financing opportunities, and ensure continued access to export markets in an increasingly carbon-conscious global economy.

Future Outlook

As FY2026 begins, Pakistan's economy appears better positioned than in previous years, with improved external balances, lower inflation, and stronger investor confidence. If this momentum continues, it will create opportunities for sectors such as cement.

For the industry, exports remain the brightest spot, with international demand and favorable costs offering strong growth potential. Domestic demand recovery, however, will depend on infrastructure spending, monetary easing, and political stability. Alongside these developments, reconstruction in recent flood affected regions remains an important factor, shaping overall construction activity as the same will impact the local demand for cement.

At CCCL, we are preparing for both challenges and opportunities. By adopting an optimal fuel mix, expanding renewable energy, and investing in efficiency, we aim to safeguard shareholder value, maintain financial strength, and continue building a resilient, forward-looking organization.





Stakeholders' Relationship and Engagement

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Chapter 10

Stakeholders' Relationship and Engagement

Our stakeholders extend valuable contribution towards our growth and existence. Procedure for stakeholders' engagement includes effective communication, goodharmony and compliance with laws & regulations. We cannot truly execute our purpose without input from our stakeholders.



SHAREHOLDERS

Safeguarding our shareholders' interest is our prime responsibility. Our shareholders' interest revolves around good returns, profitability, growth and regulatory compliances. We respond to our shareholders' expectations through improvement in business mechanics, effective governance and corporate reporting framework. Annual General Meetings and statutory reporting are the most effective means of our engagement with our shareholders. Support of shareholders is critical in achieving the Company objectives. All grievance of the shareholders may be addressed in smooth manner and resolve the issue at the time of General Meetings or wherever received in other mode.



MINORITY SHAREHOLDERS

The management of the Company firmly believes in encouraging and ensuring the equitable treatment of all shareholders including minority shareholders to attend, speak and vote at the Annual General Meeting and appoint another member as his / her proxy instead. The Notice of the AGM is published in Urdu and English language in one issue of a daily newspaper of respective language having a nationwide circulation. Such notice is also placed on the Company's website.



DEALERS, CUSTOMERS AND TRANSPORTERS

Sustaining and developing long-term relationships with our dealers, customers and transporters forms the key of our business' success. Their expectations are focused on product quality, pricing and service delivery. Our sales and marketing teams remain in close contact to this segment of our stakeholders to resolve issues on a priority basis. We continue to engage with our dealers, customers and transporters through meetings and market visits and communications. We derive success from the brand loyalty of Cherat and the cooperation from our transporters.



SUPPLIERS AND VENDORS

Efficient supplier network is a key for effective working capital management. To achieve this objective, we conduct market surveys to strengthen our bond with our suppliers and vendors. Our supply chain management team is in continuous contact with suppliers and vendors through meetings and correspondence to resolve all queries for on time deliveries. Cooperation of our suppliers gives us an extra edge over our competitors.



BANKS AND OTHER LENDERS

We value our relationship with our financial partners and lenders. Financial risk management and business sustainability are few of the interests of this segment of stakeholders. Periodic briefings, Quarterly financial reporting, Head Office and Site visits are the main means for our engagement with this category of stakeholders. Bank and other institutes help us in obtaining loans at attractive rates and advise on strategic issues whenever needed.



GOVERNMENT AND REGULATORY BODIES

Our commitment to compliance with laws and regulations is evident from our Corporate and Legal team's continued efforts for efficient and effective legal and regulatory obedience. The engagement includes submission of periodic reports, responding to enquiries and meetings as and when required. Active engagement with regulators improves level of compliance.



EMPLOYEES

Our company has extensive employee engagement schemes in place. The employees' issues revolve around work life balance, training and development and rewards. We have educational loan schemes, in-house and outside training programs and long-term employment reward schemes in place to value our employees as Human Capital. Employee meetings are on regular intervals in form of Annual get-

togethers, celebrating sports day and team building activities. Employees engagement improves the level of dedication and hard work.



MEDIA

Ads and campaigns are launched in media based on marketing requirements. Interaction with media improves the Company's brand image.



INVESTORS SECTION

To keep transparency in the relationship between the Company and its shareholders, the website of Cherat Cement (<https://gfg.com.pk/cccl/>) contains all the major financial information needed for investors' decision making in a separate tab of "Investor Relations".



AGM PROCEEDINGS

The last Annual General Meeting (AGM) of the Company was held at the registered office on Wednesday, October 16, 2024, at 12:30 p.m. The meeting was duly organized in a well-structured and professional manner, ensuring that all necessary arrangements and formalities were properly managed. It was attended by the shareholders, who actively participated in the proceedings, reflecting their keen interest and engagement in the company's affairs.

The shareholders approved the financial statements and also authorized the appointment of M/s. Grant Thornton Anjum Rahman Chartered Accountants, as the external auditors of the Company, along with the declaration of a cash dividend.



INSTITUTIONAL INVESTORS AND ANALYSTS' BRIEFING

Institutional investors regularly obtain general business briefings and financial reports from management. Formal meetings are also arranged whenever needed. Without compromising the confidentiality, business analysts are provided with information and briefings as and when they require. The strong connection with institutional investors and analysts facilitates in avoiding any misconception / rumors in the market.



LOCAL COMMUNITY

The Company actively participates in various social work initiatives as part of its corporate social responsibility. Being a conscientious member of the corporate community, the Company contributes to various social and charitable causes, including health, education, and social sectors. In the past, the Company has worked for the rehabilitation of flood affectees and internally displaced persons (IDPs). Cherat Cement Company Limited has collaborated with many reputable organizations and NGOs. The Company has always stood by the people of Pakistan in their hour of need and shall continue to do so. Furthermore, the Company takes care of people living in its vicinity through regular donations for the development of household, education, and medical facilities. The management encourages hiring a workforce from the local community, and the employment of less privileged and special persons is also considered in this regard.



MATTERS RAISED IN THE LAST AGM

Our esteemed shareholders attended the AGM and expressed their appreciation to the management for successfully achieving the business objectives. The Annual General Meeting provides ample opportunity to interact with the shareholders of the Company. The AGM of the Company was conducted in person and virtually through video link on Wednesday , October 16, 2024 and the queries of shareholders were properly addressed in the required manner. The Company has performed quite well and is continuously striving to further improve its clientele and generate better profits.

Analyst Briefing

Cherat Cement Company Limited, in line with PSX listing regulations, holds annual corporate and analyst briefings to update stakeholders on its financial performance, business outlook, and operations. The Company also maintains close engagement with institutional investors and analysts, providing regular updates and industry insights.



The Company conducted a corporate briefing session in which the Chief Operating Officer, Chief Financial Officer, and senior management team presented a detailed overview of its operational and financial performance for the year 2024. The management shared a comprehensive summary of the Company's progress, emphasizing its growth, expansions, opportunities, and challenges in the cement sector. The session also included an interactive Question & Answer segment, reflecting the Company's commitment to transparency and its ongoing pursuit of strategic goals and achievements.



Striving for Excellence in Corporate Reporting

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Statement of Unreserved Compliance of International Financial Reporting Standards (IFRS) Issued by International Accounting Standards Board (IASB)

Cherat Cement Company Limited remains fully committed to presenting its financial position with accuracy, transparency, and verifiability. This is reflected in its unreserved compliance with International Financial Reporting Standards (IFRS) including compliance requirement under fourth Schedule of Companies Act. In this regard, the audited financial statements for the year ended June 30, 2025, have been prepared in line with IFRS as adopted in Pakistan. Details on the application and adoption status of these standards are provided in Notes 2.1 and 2.4 to the annexed financial statements. This commitment highlights management's dedication to financial integrity, ensuring consistent transparency and strengthening stakeholder confidence in our disclosures.

Glossary of Terms

Activity / Turnover Ratios: Activity ratios measure the efficiency of the company in using its resources / assets. These ratios indicate the efficiency with which the assets of the company are managed/utilized. Borrowing Cost: Finance costs that are directly attributable to the construction/acquisition of a qualifying asset and included in the cost of such asset.

BCRA: Best Corporate Report Awards CCG:
Code of Corporate Governance

Capital Structure Ratios:
The capital structure ratios measure how a company finances its overall operations and growth by using different sources of funds. Captive Power Plant: An electricity generation facility used and managed by an industrial or commercial energy user for their own energy consumption.

Consortium Financing:
Is a solution usually entails several banks or financial institutions joining hands to finance large projects through a common appraisal, common documentation and joint supervision.

Corporate Social Responsibility (CSR):
A self-regulating business model that helps a company be socially accountable - to itself, its stakeholders, and the public. Diminishing Musharakah: Refers to joint ownership of asset by financier and borrower. The share of financier in the asset is divided into number of units and borrower will purchase those units periodically, thus increasing his own share till complete ownership.

Dividend Cover Ratio:
It measures the number of times that a company could pay dividends to its shareholders.

Dividend Mandate:
An authorization by a shareholder to the company, to pay his or her dividends directly into a bank account.

EBITDA:
Earnings Before Interest, Taxes, Depreciation and Amortization.

HR & RC:
Human Resource and Remuneration Committee. HSE: Health, Safety and Environment Government Grants: are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Human Capital:
Intangible collective resources, like knowledge, talents, skills, abilities, experience, intelligence, training, judgment, and wisdom possessed by individuals and groups within an organization. It is a form of wealth available to organizations to accomplish its goals.

IAS: International Accounting Standards.

IASB: International Accounting Standards Board.

IFRIC: International Financial Reporting Issues Committee.

IFRS: International Financial Reporting Standard. Interest Cover Ratio: It measures how many times a company can cover its current interest payment with its available earnings.

Investment / Market Ratios:
Investor ratios are used to measure the ability of a business to earn an adequate return for the owners of the business. ISO 9001:2015: A standard that specifies requirements for a quality management system (QMS). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.

ISO 14001:2015: A standard for the management of environmental matters that is widely used in various parts of the world.

Joint Venture (JV):
A business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task.

KIBOR:
Karachi Inter Bank Offer Rate.

Liquidity Ratios:
A liquidity ratio is a financial ratio that indicates whether a company's current assets will be sufficient to meet the company's obligations when they become due.

Long-Term Debt-to-Equity Ratio:
The ratio found by dividing long-term debt by the equity (all assets minus debts) held in stock (This is a measure of financial risk). Manufactured Capital: It is the collection of physical, material and technological objects that are available to a company for use in the production process.

Market Ratio:
It helps to determine the market value of a company relative to its actual worth. Operating Cycle: The average time between purchasing or acquiring inventory and receiving cash proceeds from its sale.

Price-Earnings Ratio (P/E):
The ratio found by dividing market price per share by earnings per share (This ratio indicates what investors think of the firm's earnings' growth and risk prospects).

Profitability Ratios:
The Profitability Ratios measure the overall performance of the company in terms of the total revenue generated from its operations.

Relationship Capital:
It is the company's relationships with customers, partners, suppliers, shareholders. It is an important business asset.

ROUA:
Right-of-use-asset Running Musharakah: is Shariah compliant alternative of Running Finance Facility available in conventional banking system.

Security:
A pledge made to secure the performance of a contract or the fulfillment of an obligation.

Shariah-Compliant Finance / Banking: Facility which meets all of the requirements of Shariah law and the principles articulated for "Islamic Finance".

Solar Power: is the conversion of energy from sunlight into electricity, either directly using photovoltaics, indirectly using concentrated solar power, or a combination.

Spread: Rate charged by the bank over KIBOR.

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4	Specific disclosures required for shariah compliant companies / companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	306
5	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53(I)/2022 dated January 12, 2022)	N/A
6	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	294
7	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A

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Independent Auditor's Report

To the members of Cherat Cement Company Limited

Report on the Audit of financial statements

Opinion

We have audited the annexed financial statements of Cherat Cement Company Limited (the Company), which comprise the statement of financial position as at 30 June 2025, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof confirm 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 30 June 2025 and of the profit, total comprehensive income, 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. Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
First year audit	
We have been engaged to perform the audit of the Company for the first time i.e., for the year ended 30 June 2025. Initial audit engagements involve a number of considerations not associated with recurring audits. Additional planning activities and considerations necessary to establish an appropriate audit strategy and audit plan include gaining an initial understanding of the Company and its business, obtaining sufficient audit evidence regarding the opening balances including the selection and application of accounting principles and communicating with the previous auditors.	We performed various procedures to obtain sufficient appropriate audit evidence regarding opening balances including the following: <ul style="list-style-type: none"> - reviewed the predecessor auditor's work papers and made additional inquiries from predecessor auditors about matters that may affect our audit in the current year. - evaluated the key accounting matters from prior years. - evaluated whether accounting policies reflected in the opening balances have been consistently applied in the current year's financial statements and adequately presented and disclosed in accordance with the applicable financial reporting framework.
Inventory valuation	
As disclosed in note 9 and 10 to the financial statements stock in trade & stores, spare parts and loose tools amounted to Rs. 5,535.254 million and Rs. 1,655.211 million respectively which constitutes approximately 14% of the total assets of the company. These are valued at lower of cost or Net Realisable Value (NRV). Given the significance of stock in trade & stores, spare parts and loose tools to the Company's total assets and the level of judgement and estimates involved, we have identified it as a key audit matter.	Our procedures, amongst others, included the following: <ul style="list-style-type: none"> - obtained an understanding of controls over purchases and valuation of stock-in-trade & stores, spares and loose tools and tested, on a sample basis, their design, implementation and operating effectiveness. - performed observation of inventory counts and physical inspection of the stock held at the premises of the Company. - assessed net realizable value by comparing management's estimation of future selling prices for the products with the selling process achieved subsequent to the reporting period. - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

Revenue recognition	
<p>As disclosed in note 27 to the financial statements the Company generates revenue from local and export sale of cement.</p> <p>We identified revenue recognition and its reporting in the financial statements as a key audit matter primarily due it being a key performance indicator, inherent risk of material misstatement and the amount of audit efforts in relation to this area.</p>	<p>Our procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> - obtained an understanding of the Company's processes in place for revenue recognition and tested key controls. - performed analytical review procedures and other test of details over revenue including cut-off procedures to check that revenue has been recognized in the appropriate accounting period. - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

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 of the Company 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 the 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 controls that we identify during our audit.

We also provide to 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 year 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the Company for the year ended 30 June 2024 were audited by EY Ford Rhodes who expressed an unmodified opinion on those statements dated 6 September 2024.

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

Chartered Accountants

Place: Karachi

Date: 11 September 2025

UDIN: AR2025100934rIAHionV

Statement of Financial Position

AS AT 30 JUNE 2025

Note	2025	2024
	----- (Rupees in '000) -----	
ASSETS		
NON-CURRENT ASSETS		
	Fixed assets	
5	28,072,338	28,332,117
6	531,033	595,196
	28,603,371	28,927,313
	Long-term investments	550,412
7	547,876	
	Long-term loans	49,932
8	39,829	
	Long-term deposits	4,931
	7,942	
	29,199,018	29,532,588
CURRENT ASSETS		
9	5,535,254	5,253,535
10	1,655,211	1,790,431
11	1,257,631	1,373,131
12	342,546	107,495
	Trade deposits and short-term prepayments	12,227
	Other receivables	12,778
13	79,232	
14	11,795,250	2,522,353
15	672,667	429,514
	21,354,533	11,501,464
	50,553,551	41,034,052
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
16	1,942,950	1,942,950
17	31,364,779	23,599,979
	33,307,729	25,542,929
NON-CURRENT LIABILITIES		
18	2,528,191	2,714,802
19	22,197	25,334
20	29,985	32,460
21	937,757	1,173,478
22	4,958,473	4,187,445
	8,476,603	8,133,519
CURRENT LIABILITIES		
23	3,069,893	3,653,411
	Contract liabilities	128,911
24	170,517	
	Accrued mark-up	105,799
25	71,826	
	Short-term borrowings	1,888,995
18	2,729,921	
	Current maturity of long-term financing	108,966
19	184,925	
	Current maturity of lease liabilities	13,852
21	13,335	
	Current maturity of Government grant	64,372
	Taxation-net	1,282,175
	Unclaimed dividend	76,439
	Unpaid dividend	34,684
	42,783	
	8,769,219	7,357,604
	50,553,551	41,034,052
TOTAL EQUITY AND LIABILITIES		
CONTINGENCIES AND COMMITMENTS		
26		

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Profit or Loss

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Turnover – net	27	37,810,806	38,433,747
Cost of sales	28	(23,841,181)	(26,593,361)
Gross profit		13,969,625	11,840,386
Distribution costs	29	(854,277)	(760,578)
Administrative expenses	30	(596,438)	(500,441)
Other expenses	31	(628,717)	(463,631)
		(2,079,432)	(1,724,650)
Other income	32	1,588,443	493,426
Operating profit		13,478,636	10,609,162
Finance costs	33	(591,775)	(1,381,082)
Profit before income tax and final taxes		12,886,861	9,228,080
Final taxes		(2,434)	(97,390)
Profit before income tax		12,884,427	9,130,690
Income tax			
Current		(4,280,383)	(2,329,018)
Prior		749,337	30,387
Deferred		(672,025)	(1,332,308)
	34	(4,203,071)	(3,630,939)
Profit after tax		8,681,356	5,499,751
Earnings per share - basic and diluted	35	Rs. 44.68	Rs. 28.31

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2025

	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Profit after tax	8,681,356	5,499,751
Other comprehensive income / (loss)		
Items that will not be reclassified subsequently to statement of profit or loss		
Unrealized (loss) / gain on remeasurement of investments at fair value through other comprehensive income - net of deferred tax	(2,433)	74,185
Actuarial gain / (loss) on defined benefit plan - net of deferred tax	154,500	(35,697)
	152,067	38,488
Total comprehensive income for the year	8,833,423	5,538,239

The annexed notes from 1 to 46 form an integral part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before income tax and final taxes

Adjustments for:

Depreciation on operating property, plant and equipment	5.1.3	1,721,246	1,744,287
Depreciation on right-of-use assets	5.3.1	17,384	18,987
Amortisation	6.1	67,538	67,486
Gain on disposals of operating property, plant and equipment	5.1.4	(157,078)	(17,847)
Interest income on loan to SNGPL	32	(6,606)	(7,709)
Provision for gratuity		124,006	95,310
Amortisation of government grant	21	(134,650)	(35,907)
Finance costs		726,425	1,416,989
Exchange gain	32	(1,170)	(119)
Share of loss / (profit) from joint ventures	31	329	(264)
Dividend income	32	(16,229)	(10,820)

Note
----- (Rupees in '000) -----

2025 2024

Working capital changes

Stores, spare parts and loose tools	(281,719)	966,233
Stock-in-trade	135,220	489,343
Trade debts	115,500	(469,891)
Loans and advances	(235,051)	(34,800)
Trade deposits and short-term prepayments	(4,515)	(6,960)
Other receivables	(66,454)	(6,582)
Trade and other payables	(331,076)	712,865
Contract liabilities	41,606	(79,482)

Cash generated from operations

Income tax and final taxes paid	(2,580,239)	(895,906)
Gratuity paid	(122,000)	(92,200)
Long-term loans and deposits - net	11,223	20,321

Net cash generated from operating activities

14,601,567 14,069,199
11,910,551 13,101,414

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(1,447,147)	(1,760,806)
Additions to right-of-use assets	-	(17,550)
Proceeds from disposals of operating property, plant and equipment	202,091	35,259
Dividend received	16,229	10,820
Long-term investment made	-	(64,957)

Net cash used in investing activities

(1,228,827) (1,797,234)

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing - net	(245,302)	(6,203,698)
Lease rentals paid	(15,642)	(20,455)
Dividend paid	(1,051,803)	(865,336)
Finance costs paid	(693,852)	(1,738,588)

Net cash used in financing activities

(2,006,599) (8,828,077)

Net increase in cash and cash equivalents

8,675,125 2,476,104

Cash and cash equivalents as at the beginning of the year

1,062,872 (1,413,232)

Cash and cash equivalents as at the end of the year

9,737,997 1,062,872

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2025

Issued, subscribed and paid-up capital	Reserves						Total Reserves	Total
	Capital Reserves		Revenue Reserves					
	Share premium	Other	General reserve	Unappropriated profit	Actuarial gain / (loss) on defined benefit plan	Unrealised gain on fair value through other comprehensive income		

----- (Rupees in '000) -----

Balance as at 01 July 2023	1,942,950	1,047,658	50,900	420,000	17,292,598	(37,227)	162,139	18,936,068	20,879,018
Final cash dividend for the year ended 30 June 2023 @ Rs. 3.00/- per share	-	-	-	-	(582,885)	-	-	(582,885)	(582,885)
Interim cash dividend for the year ended 30 June 2024 @ Rs. 1.50/- per share	-	-	-	-	(291,443)	-	-	(291,443)	(291,443)
Profit after tax	-	-	-	-	5,499,751	-	-	5,499,751	5,499,751
Other comprehensive (loss) / income	-	-	-	-	-	(35,697)	74,185	38,488	38,488
Total comprehensive (loss) / income	-	-	-	-	5,499,751	(35,697)	74,185	5,538,239	5,538,239
Balance as at 30 June 2024	1,942,950	1,047,658	50,900	420,000	21,918,021	(72,924)	236,324	23,599,979	25,542,929
Balance as at 01 July 2024	1,942,950	1,047,658	50,900	420,000	21,918,021	(72,924)	236,324	23,599,979	25,542,929
Final cash dividend for the year ended 30 June 2024 @ Rs. 4.00/- per share	-	-	-	-	(777,180)	-	-	(777,180)	(777,180)
Interim cash dividend for the year ended 30 June 2025 @ Rs. 1.50/- per share	-	-	-	-	(291,443)	-	-	(291,443)	(291,443)
Profit after tax	-	-	-	-	8,681,356	-	-	8,681,356	8,681,356
Other comprehensive income / (loss)	-	-	-	-	-	154,500	(2,433)	152,067	152,067
Total comprehensive income / (loss)	-	-	-	-	8,681,356	154,500	(2,433)	8,833,423	8,833,423
Balance as at 30 June 2025	1,942,950	1,047,658	50,900	420,000	29,530,754	81,576	233,891	31,364,779	33,307,729

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Cherat Cement Company Limited (the Company) was incorporated in Pakistan as a public company limited by shares in the year 1981 under the repealed Companies Act, 1913 (now Companies Act, 2017). The Company got listed on Pakistan Stock Exchange in 1993. Its main business activity is manufacturing, marketing and sale of cement. The geographical location and addresses of the Company's business units / immovable assets are as under:

Business Unit	Address
Head Office	Modern Motors House, Beaumont Road, Karachi
Registered Office / Factory	Village Lakrai, P.O Box 28, District Nowshera
Sales Office Peshawar	First Floor, Betani Arcade, University Road, Peshawar
Sales Office Lahore	3, Sunder Das Road, Lahore
Sales Office Islamabad	First Floor, Razia Sharif Plaza, Jinnah Avenue, Blue Area, Islamabad
Land	Mouza Saiduwali, Tehsil Paharpur, District, D.I. Khan

- 1.2 Summary of significant transactions and events that have affected Company's financial position and performance during the year are as follows:

- 1.2.1 During the year the Company successfully completed and commissioned a 9MW solar plant project at the factory location, in addition to the existing 14MW, in line with our vision of sustainability and promoting the adoption of clean, green energy projects.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Act differ from the Accounting standards, the provisions of and directives issued under the Act have been followed.

2.2 Accounting convention

These financial statements have been prepared on the basis of historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.4 New standards and amendments to approved accounting standards

2.4.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on 01 July 2024, but are considered either to be not relevant or to not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.4.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on or after 01 July 2025. However, the Company expects that these standards will not have any material impact on the future financial statements of the Company.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities and assets, at the end of the reporting period. However, uncertainty about these estimates and judgments could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates judgments, estimates and assumptions which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognised prospectively.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

3.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. Any change in the estimates in future might affect the carrying amount of respective item of operating property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

3.2 Taxation

Current / levies

In applying the estimate for income tax payable, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instances where the Company's view differ from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingency.

Deferred

Deferred tax is provided in full using the liability method on temporary differences arising at the statement of financial position between the tax bases of the assets, the liabilities and their carrying amounts.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences including unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available against which these can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the statement of financial position date.

3.3 Stock-in-trade, stores, spare parts and loose tools

The Company reviews the Net Realizable Value (NRV) of stock-in-trade and stores, spare parts and loose tools to assess any diminution in the respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

3.4 Staff retirement benefits

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations and fair value of plan assets. Any change in these assumptions in future years might affect gains and losses in those years. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted by the Company in the preparation of these financial statements are as follows:

4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any, except for land and capital work-in-progress which are stated at cost less impairment, if any. Capital work-in-progress consists of expenditure incurred and advances made in the course of an assets construction and installation. Depreciation is charged to statement of profit or loss applying the reducing balance method except for computers, which are depreciated using the straight-line method. Depreciation is charged from the month in which an asset is available for use, while no depreciation is charged in the month in which an asset is disposed off.

Maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gains or losses on disposal of operating property, plant and equipment, if any, are recognised in the statement of profit or loss.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease i.e., the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

These are depreciated on a straight-line basis over the lower of the lease term or the useful life of the assets, as follows:

Sales offices - 1 to 4 years
Head office - 5 to 8 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of an asset.

4.2 Intangible assets

These assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on a straight-line method when assets are available for use. Amortisation is charged from the month in which addition / capitalisation occurs while no amortisation is charged in the month in which an asset is disposed off.

4.3 Stores, spare parts and loose tools

These are valued at lower of weighted average cost or NRV except items-in-transit which are stated at invoice value plus other charges incurred thereon up to the date of statement of financial position.

Provision / write-off, if required, is made for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

4.4 Stock-in-trade

These are valued at lower of average cost or NRV, except items in-transit, if any, are valued at cost comprising invoice values plus other charges incurred thereon up to the statement of financial position date. Cost signifies in relation to:

Raw and packing material	- Purchase cost on average basis
Finished goods and work-in-process	- Cost of direct material, labour and proportion of manufacturing overheads

Work-in-process is valued at average cost of raw material including a proportion of manufacturing overheads.

Provision, if required is made for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

4.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for other entity.

4.5.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

At amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

At fair value through other comprehensive income (FVTOCI) - equity instruments

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

At fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in statement of profit or loss.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when;

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- i) the Company has transferred substantially all the risks and rewards of the asset, or
- ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

d) Impairment

The Company measures expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. As per IFRS 9 the simplified approach, a provision matrix is applied on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, the company assess no impact of ECL in these financial statements.

4.5.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

At amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

At fair value through profit or loss (FVTPL)

The Company has not designated any financial liability as at FVTPL.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on

substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

4.6 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company applies the short-term lease recognition exemption towards short-term leases (i.e. those lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on such leases are recognised as expense on straight line basis over the lease term.

4.7 Government grant

These are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to expense, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed out. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related loan life.

4.8 Trade and other payables

These are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.9 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

4.10 Contingent liabilities

These are 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 obligation cannot be measured with sufficient reliability.

4.11 Impairment of non financial asset

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of statement of financial position to ascertain whether there is any implication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the statement of profit or loss. The recoverable amount is higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

4.12 Foreign currency transactions and translations

Transactions in foreign currencies are translated into Pak Rupees at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of statement of financial position are translated into Pak Rupees at the foreign exchange rate prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Derivative financial instruments are translated at the fair market rates as at the reporting date.

4.13 Revenue from contract with customers

Sale of goods

Revenue from sale of goods is recognised when or as control of goods have been transferred to a customer either over time or at a point in time, when the performance obligations are met. It is recorded at net of trade discounts, commission and rebates. Revenue is measured at fair value of the consideration received or to be received.

Other income

- Profit on bank accounts is recognised on accrual basis using an effective interest rate method.
- Dividend income is recognised when the right to receive such payment is established.
- Scrap sales and miscellaneous income are recognised on receipt basis.
- Other revenues are accounted when performance obligations are met.

4.14 Staff retirement benefits

Gratuity Fund

The Company operates an approved defined benefit gratuity fund scheme for all eligible employees who have completed the minimum qualifying period of service. The scheme is administered by the trustees nominated under the trust deed. The contributions to the scheme are made in accordance with actuarial valuation using Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the other comprehensive income. All the past service costs are recognised at the earlier of when the amendments or curtailment occurs and when the Company has recognised related restructuring or terminations benefits. The latest actuarial valuation was carried out as at 30 June 2025.

Provident Fund

The Company operates an approved defined contributory provident fund scheme for all permanent employees who have completed the minimum qualifying period of service. Equal monthly contributions are made by the Company and the employees to the Fund at the rate of 8.33 percent of basic salary.

4.15 Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.16 Taxation

Current

The charge for current taxation is based on taxable income at the current rates in accordance with Income Tax Ordinance, 2001 (the Ordinance).

Final tax

As computation of final taxes under provisions of the Ordinance is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37 and not income tax in the statement of profit or loss.

Deferred

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date.

4.17 Sales tax

Revenues, expenses and assets are recognised, net off amount of sales tax except:

- Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authorities, in these case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivables or payables that are stated with the amount of sales tax; and
- The net amount of sales tax recoverable from, or payable to, the taxation authorities is included as part of receivables or payables in the statement of financial position.

4.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is

determined by 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.

4.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognized in the financial statements in the period in which such transfers are made.

	Note	2025	2024
----- (Rupees in '000) -----			
5 PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	5.1	26,446,190	25,974,002
Capital work-in-progress	5.2	1,588,053	2,311,885
Right-of-use assets	5.3	38,095	46,230
		<u>28,072,338</u>	<u>28,332,117</u>

5.1 Operating property, plant and equipment

Description	2025								Net book value as at June 30, 2025	Depreciation rate % per annum
	COST			ACCUMULATED DEPRECIATION						
	As at 01 July 2024	Additions / (disposals)	As at June 30, 2025	As at 01 July 2024	Disposals	Charge for the year	As at June 30, 2025			
----- (Rupees in '000) -----										
Freehold land	946,084	105,296	1,051,380	-	-	-	-	1,051,380	-	
Leasehold land	7,065	-	7,065	-	-	-	-	7,065	-	
Building on leasehold land	6,374,893	175,543	6,550,436	2,466,329	-	298,276	2,764,605	3,785,831	7.5	
Plant and machinery	28,909,656	1,565,297 (168,764)	30,306,189	10,229,443	(143,684)	1,070,246	11,156,005	19,150,184	5-7.5	
Power and other installations	3,231,195	14,054 (90)	3,245,159	1,674,461	(59)	156,359	1,830,761	1,414,398	10	
Furniture and fittings	113,825	21,419 (60)	135,184	50,117	(45)	7,678	57,750	77,434	10	
Quarry, factory and laboratory equipment	996,434	90,801 (21,439)	1,065,796	725,365	(19,931)	47,054	752,488	313,308	15	
Motor vehicles	742,161	198,977 (63,906)	877,232	322,638	(46,901)	105,815	381,552	495,680	20	
Office equipment	132,087	29,191 (511)	160,767	49,670	(309)	9,868	59,229	101,538	10-15	
Computers	205,366	37,869 (6,520)	236,715	166,741	(5,348)	25,950	187,343	49,372	33.33	
	41,658,766	2,238,447 (261,290)	43,635,923	15,684,764	(216,277)	1,721,246	17,189,733	26,446,190		

Description	2024								
	COST			ACCUMULATED DEPRECIATION				Net book value as at June 30, 2024	Depreciation Rate % per annum
	As at 01 July 2023	Additions / (disposals)	As at June 30, 2024	As at 01 July 2023	Disposals	Charge for the Year	As at June 30, 2024		
(Rupees in `000)									
Freehold land	946,084	-	946,084	-	-	-	-	946,084	-
Leasehold land	7,065	-	7,065	-	-	-	-	7,065	-
Building on leasehold land	5,985,432	389,461	6,374,893	2,169,601	-	296,728	2,466,329	3,908,564	7.5
Plant and machinery	28,387,933	521,723	28,909,656	9,123,594	-	1,105,849	10,229,443	18,680,213	5-7.5
Power and other installations	3,229,187	2,083 (75)	3,231,195	1,501,603	-	172,898	1,674,461	1,556,734	10
Furniture and fittings	101,181	12,644	113,825	44,118	-	5,999	50,117	63,708	10
Quarry, factory and laboratory equipment	973,551	22,883	996,434	679,626	-	45,739	725,365	271,069	15
Motor vehicles	635,295	158,863 (51,997)	742,161	266,096	-	91,983	322,638	419,523	20
Office equipment	95,771	36,501 (185)	132,087	42,509	-	7,264	49,670	82,417	10-15
Computers	184,623	24,606 (3,863)	205,366	152,038	-	17,827	166,741	38,625	33.33
	40,546,122	1,168,764 (56,120)	41,658,766	13,979,185	-	1,744,287	15,684,764	25,974,002	

5.1.1 Significant operating property, plant and equipment of cement production lines and power generation units, other than disclosed in note 1.1 inter alia includes the following:

Crusher
Raw mill / press
Coal mill
Preheater
Kiln
Cooler
Cement mill / press
Packing plant
Boilers
Waste heat recovery plant
Generators (Wartsila and Caterpillar)
Solar panels
Turbine

	2025	2024
	(Rupees in `000)	
Net book value at the beginning of the year	25,974,002	26,566,937
Additions during the year - at cost	2,238,447	1,168,764
Depreciation charged for the year	(1,721,246)	(1,744,287)
Disposals during the year - at net book value	(45,013)	(17,412)
Net book value at the end of the year	26,446,190	25,974,002

5.1.3 The depreciation for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in `000)	
Cost of sales	28	1,654,408	1,685,152
Distribution costs	29	33,641	31,522
Administrative expenses	30	33,197	27,613
		<u>1,721,246</u>	<u>1,744,287</u>

5.1.4 Disposal of operating property, plant and equipment:

Description	Cost	Net Book Value	Sale Proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers and relationship
(Rupees in `000)						
Motors vehicles						
Toyota Corolla Altis, Reg. No. BMN-147	2,279	568	568	-	Employee car scheme	Syed Mohsin Ali - Employee
Toyota Corolla GLI AT, Reg No. AKJ-397	2,154	559	559	-	Employee car scheme	Mr. Fakhar Abbas - Employee
Toyota Corolla GLI AT, Reg No. BD-9669	2,184	569	569	-	Employee car scheme	Mr. Sameen Jan - Employee
Toyota Fortuner, Reg. No. BH-0569	6,107	1,745	1,745	-	Employee car scheme	Mr. Aamir Saleem - Employee
Toyota Corolla GLI AT, Reg No. ALS-388	2,256	577	577	-	Employee car scheme	Mr. Nadeem A Khan - Employee
Toyota Corolla GLI AT, Reg No. BNM-711	2,154	530	539	9	Employee car scheme	Mr. Wasique Shafat - Employee
Plant and machinery						
Wartsila Generator 1	78,153	9,259	83,253	73,994	Tender	Gentech Energy Services (Pvt.) Limited
Wartsila Generator 2	77,127	7,742	83,253	75,511	Tender	Gentech Energy Services (Pvt.) Limited
Wartsila Turbo Charger	13,484	8,079	13,484	5,405	Insurance Claim	EFU General Insurance Limited
Quarry, factory and laboratory equipment						
Hino Dumper - ZM702	8,474	1,431	1,104	(327)	Tender	Zeb Marketing Services
Items having net book value less than Rs. 500,000 each	66,918	13,954	16,440	2,486		
	<u>261,290</u>	<u>45,013</u>	<u>202,091</u>	<u>157,078</u>		
2025	56,120	17,412	35,259	17,847		

5.1.5 Details of immovable property in the name of the Company:

Location	Usage	Area
Village Lakrai, P.O Box 28, District Nowshera.	Manufacturing plant	360 acres
Mouza Saiduwali, Tehsil Paharpur, District, D.I. Khan.	For planned expansion of manufacturing plant	586 acres

5.1.6 Fair value of property, plant and equipment

The market value of property, plant and equipment based on an independent valuer's report as of March 2025 updated by adding subsequent additions at cost, amounts to Rs. 76,496 million (2024: Rs. 54,812 million). However, the same has not been incorporated in these financial statements.

5.2 Capital work-in-progress

Description	Freehold land	Building on leasehold land	Plant and machinery	Power and other installations	Furniture and fittings	Quarry, factory and lab equipment	Motor vehicles	Office equipment	Computers	Intangible assets	Total
(Rupees in '000)											
Balance as at 30 June 2023	56,456	147,438	1,391,881	12,087	6,604	68,851	850	5,982	213	630,000	2,320,362
Capital expenditure incurred / advances made during the year	24,729	300,504	1,194,297	3,052	6,040	30,294	172,919	30,719	25,107	5,155	1,792,816
Transferred to operating property, plant and equipment / intangible assets	-	(389,461)	(521,723)	(2,083)	(12,644)	(22,883)	(158,863)	(36,501)	(24,606)	(632,529)	(1,801,293)
Balance as at 30 June 2024	81,185	58,481	2,064,455	13,056	-	76,262	14,906	200	714	2,626	2,311,885
Capital expenditure incurred / advances made during the year	24,111	170,280	839,187	25,513	22,243	174,120	193,013	31,618	37,156	749	1,517,990
Transferred to operating property, plant and equipment / intangible assets	(105,296)	(175,542)	(1,565,297)	(14,054)	(21,419)	(90,801)	(198,977)	(29,191)	(37,870)	(3,375)	(2,241,822)
Balance as at 30 June 2025	-	53,219	1,338,345	24,515	824	159,581	8,942	2,627	-	-	1,588,053

5.2.1 During the year, borrowing costs have been capitalised amounting to Rs. 70.84 million (2024: Rs. 32.01 million) using capitalization rate of 11.71% (2024: 8.09%) on account of long-term financing obtained specifically for this purpose fully disclosed in note 18.

5.3 Right-of-use assets

	Note	2025	2024
(Rupees in '000)			
As at 01 July		46,230	47,667
Additions during the year		15,173	17,550
Reassessment during the year		(5,924)	-
Depreciation charged for the year	5.3.1	(17,384)	(18,987)
As at 30 June		38,095	46,230

5.3.1 The depreciation charged for the year has been allocated as follows:

Distribution costs	29	13,523	15,676
Administrative expenses	30	3,861	3,311
		17,384	18,987

5.3.2 The depreciation charge for the year on right-of-use assets pertains to rental payments on account of head office and sales offices.

6 INTANGIBLE ASSETS

Description	COST			ACCUMULATED AMORTISATION			Net book value as at June 30	Amortisation rate % per annum
	As at July 01	Additions / (disposals)	As at June 30	As at July 01	Charge for the Year	As at June 30		
(Rupees in '000)								
2025								
Computer software	71,194	3,375	74,569	42,998	4,538	47,536	27,033	10
NOCs and Feasibility studies	630,000	-	630,000	63,000	63,000	126,000	504,000	10
	701,194	3,375	704,569	105,998	67,538	173,536	531,033	
2024								
Computer software	68,665	2,529	71,194	38,512	4,486	42,998	28,196	10
NOCs and Feasibility studies	-	630,000	630,000	-	63,000	63,000	567,000	10
	68,665	632,529	701,194	38,512	67,486	105,998	595,196	

6.1 The amortisation charged for the year has been allocated as follows:

	Note	2025	2024
(Rupees in '000)			
Cost of sales	28	64,055	64,178
Distribution costs	29	48	42
Administrative expenses	30	3,435	3,266
		67,538	67,486

7 LONG-TERM INVESTMENTS

Related parties

At FVTOCI	7.1	539,859	542,066
Joint venture - UniEnergy Limited			
768,999 shares			
% of shareholding 7.69%		8,017	8,346
		547,876	542,066

7.1 At FVTOCI

Cherat Packaging Limited			
3,605,524 shares			
% of shareholding 7.35%		421,422	425,714
Mirpurkhas Sugar Mills Limited			
3,594,435 shares			
% of shareholding 5.40%		118,437	116,352
		539,859	542,066

8 LONG-TERM LOANS – considered good

Employees		1,711	1,307
Current maturity	12	(428)	(327)
		1,283	980
Loan to SNGPL	8.1	48,951	58,365
Current maturity	12	(10,405)	(9,413)
		38,546	48,952
		39,829	49,932

8.1 The Company has an outstanding long-term loan amounting to Rs. 60.04 million (2024: Rs. 75.05 million) to Sui Northern Gas Pipelines Limited (SNGPL) against allocation of gas for cement plant. It carries mark-up at the rate of 1.5% and is repayable in 10 equal annual installments. The Company recognised the long-term loan as a financial asset at amortised cost. The effective interest rate was calculated at 13%.

		2025	2024
9 STORES, SPARE PARTS AND LOOSE TOOLS	Note ----- (Rupees in '000) -----		
Stores		2,240,389	1,977,111
Spare parts		3,098,458	2,986,149
Loose tools		<u>10,343</u>	<u>11,486</u>
		5,349,190	4,974,746
In transit		<u>186,064</u>	<u>278,789</u>
		5,535,254	5,253,535
10 STOCK-IN-TRADE			
Raw and packing material	28	365,636	461,711
Work-in-process	28	921,310	919,377
Finished goods	28	<u>368,265</u>	<u>409,343</u>
		1,655,211	1,790,431
11 TRADE DEBTS – considered good, secured			
Neither past due nor impaired	11.1	<u>1,257,631</u>	<u>1,373,131</u>
11.1	These are secured by way of post-dated cheques and promissory notes and do not include any receivables in respect of export sales.		
12 LOANS AND ADVANCES – considered good	Note ----- (Rupees in '000) -----		
Advances to suppliers		326,989	92,772
Advances to employees		4,724	4,983
Current portion of long-term loans to employees		428	327
Current portion of loan to SNGPL		<u>10,405</u>	<u>9,413</u>
		342,546	107,495
13 OTHER RECEIVABLES - considered good			
Duty drawback		15,539	7,564
Gratuity fund	13.1	58,750	-
Insurance claims		1,231	1,972
Others		<u>3,712</u>	<u>3,242</u>
		79,232	12,778
13.1 Gratuity fund			
13.1.1 Amounts recognized in the statement of financial position			
Present value of defined benefit obligations		(1,637,054)	(1,285,890)
Fair value of plan assets		<u>1,695,804</u>	<u>1,093,368</u>
Asset / (liability) recognised in the statement of financial position		58,750	(192,522)
13.1.2 Movement in net asset / (liability) recognised in the statement of financial position			
Balance at the beginning of the year		(192,522)	(130,892)
Recognized in statement of profit or loss		(124,006)	(95,310)
Recognized in other comprehensive income		253,278	(58,520)
Contribution to the fund		<u>122,000</u>	<u>92,200</u>
Balance at the end of the year		58,750	(192,522)

13.1.3 Movement in the present value of defined benefit obligation

	2025	2024
Balance at the beginning of the year	(1,285,890)	(996,840)
Current service cost	(105,128)	(81,979)
Interest cost	(182,329)	(154,178)
Benefits paid during the year	92,452	90,594
Actuarial loss	<u>(156,159)</u>	<u>(143,487)</u>
Balance at the end of the year	(1,637,054)	(1,285,890)

13.1.4 Movement in the fair value of plan assets

	2025	2024
Balance at the beginning of the year	1,093,368	865,948
Expected return	163,451	140,847
Contributions	122,000	92,200
Benefits paid during the year	(92,452)	(90,594)
Actuarial gain	<u>409,437</u>	<u>84,967</u>
Balance at the end of the year	1,695,804	1,093,368

13.1.5 Amounts recognized in the statement of profit or loss

	2025	2024
Current service cost	105,128	81,979
Interest cost	182,329	154,178
Expected return on plan assets	<u>(163,451)</u>	<u>(140,847)</u>
Expense recognized	124,006	95,310

13.1.6 Amounts recognized in other comprehensive income

	2025	2024
Actuarial loss on defined benefit obligations	(156,159)	(143,487)
Actuarial gain on plan assets	<u>409,437</u>	<u>84,967</u>
	253,278	(58,520)

13.1.7 Principal actuarial assumptions

	2025	2024
	----- (Percentage %) -----	
Expected rate of increase in salary level – long term	13.75	14.75
Valuation discount rate – long-term Government bonds	11.75	14.75
Rate of return on plan assets	11.75	14.75
Mortality rates	SLIC	SLIC
	2001-2005	2001-2005

13.1.8 Expected gratuity expense to the plan for the year ending June 30, 2026 is Rs. 113.293 million.

13.1.9 The weighted average duration of defined benefit obligation is 4.07 years (2024: 3.59 years).

13.1.10 Comparisons for past years As at 30 June	2025	2024	2023	2022	2021
	----- (Rupees in `000) -----				
Present value of defined benefit obligations	(1,637,054)	(1,285,890)	(996,840)	(865,736)	(754,859)
Fair value of plan assets	1,695,804	1,093,368	865,948	702,848	939,244
Surplus / (deficit)	<u>58,750</u>	<u>(192,522)</u>	<u>(130,892)</u>	<u>(162,888)</u>	<u>184,385</u>
Experience adjustment on plan liabilities	(156,159)	(143,487)	(34,382)	(2,198)	17,235
Experience adjustment on plan assets	409,437	84,967	68,450	(342,442)	304,481
	<u>253,278</u>	<u>(58,520)</u>	<u>34,068</u>	<u>(344,640)</u>	<u>321,716</u>

13.1.11 Sensitivity analysis

	Discount Rate		Salary Increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	----- (Rupees in `000) -----			
Present value of defined benefit obligations	1,574,082	1,707,341	1,712,881	1,567,675

13.1.12 Composition of plan assets

	2025	2024
	----- (Rupees in `000) -----	
Defence Savings Certificates/ PIBs / T-bills	229,036	222,969
Mutual funds / Shares / TFCs	1,462,573	850,175
Bank balances	4,195	20,224
	<u>1,695,804</u>	<u>1,093,368</u>

13.1.13 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the Company, at the beginning of the year, for returns over the entire life of related obligation. The return on plan assets was assumed to be equal to the discount rate. Actual return on plan assets during the year amounts to Rs. 572.89 million (2024: Actual return Rs. 225.82 million).

14 SHORT-TERM INVESTMENTS

	2025	2024
	----- (Rupees in `000) -----	
At FVTPL - at mutual fund	8,425,527	1,666,953
Conventional	3,369,723	795,305
Shariah compliant	<u>11,795,250</u>	<u>2,462,258</u>
At amortised cost	-	60,095
Conventional	<u>11,795,250</u>	<u>2,522,353</u>

15 CASH AND BANK BALANCES

Cash in hand	3,753	4,313
Bank balances		
Islamic banks		
Current accounts	356,009	134,918
Saving accounts	116,710	130,628
	472,719	265,546
Conventional banks		
Current accounts	180,765	136,938
Saving accounts	15,430	22,717
	196,195	159,655
	<u>672,667</u>	<u>429,514</u>

15.1 These carry profit rates ranging from 8% to 19% (2024: 11% to 20.5%) per annum.

16 SHARE CAPITAL

16.1 Authorised capital

	2025	2024
	----- (Rupees in `000) -----	
----- Number of shares -----	225,000,000	225,000,000
Ordinary shares of Rs. 10/- each	<u>2,250,000</u>	<u>2,250,000</u>

16.2 Issued, subscribed and paid-up capital

	2025	2024
	----- (Rupees in `000) -----	
Fully paid ordinary shares of Rs. 10/- each	91,335,845	91,335,845
- Issued for cash	97,899,193	97,899,193
- Issued as bonus shares		
- Issued for consideration other than cash on amalgamation	5,060,000	5,060,000
	<u>194,295,038</u>	<u>194,295,038</u>
	913,358	913,358
	978,992	978,992
	50,600	50,600
	<u>1,942,950</u>	<u>1,942,950</u>

16.3 Voting rights, board selection and block voting are in proportion to the shareholding.

17 RESERVES

	2025	2024
	----- (Rupees in `000) -----	
Capital reserves		
Share premium	1,047,658	1,047,658
Others	50,900	50,900
	<u>1,098,558</u>	<u>1,098,558</u>
Revenue reserves		
General reserve	420,000	420,000
Unappropriated profit	29,530,754	21,918,021
Actuarial gain / (loss) on defined benefit obligation	81,576	(72,924)
Unrealized gain on investments at FVTOCI	233,891	236,324
	<u>30,266,221</u>	<u>22,501,421</u>
	<u>31,364,779</u>	<u>23,599,979</u>

17.1 This reserve was created due to amalgamation of Cherat Electric Limited with the Company.

18 LONG-TERM FINANCING – secured

	2025	2024
	----- (Rupees in `000) -----	
Islamic banks		
Finance Facility for Renewable Energy	1,079,865	1,039,327
Conventional banks		
Temporary Economic Refinance Facility	1,288,059	1,444,589
Finance Scheme for Renewable Energy	145,192	139,852
Term Finance Facility	200,000	200,000
	2,713,116	2,823,768
Current maturity	(184,925)	(108,966)
	<u>2,528,191</u>	<u>2,714,802</u>

- 18.1** Represent three long-term facilities obtained from two Islamic banks under State Bank of Pakistan's (SBP) Islamic Financing Facility for Renewable Energy (IFRE) to setup 13.05 MW and 9 MW Solar Power Projects. These carry a flat SBP's profit rate of 3% plus banks' spreads of 1.75% to 3% per annum and are recognised at the present value using the effective interest rates applicable at the dates of the drawdown. The differential of present value and the drawn amounts has been recognised as government grant (as mentioned in note 21) and is being amortised.
- 18.1.1** The first financing is repayable in 20 equal semi-annual installments commencing after 30 months from the date of first drawdown i.e. March 2023. It is secured against first pari-passu hypothecation charge of Rs. 1,607 million on all present and future plant and machinery of the Company.
- 18.1.2** The second financing is repayable in 20 equal semi-annual installments commencing after 30 months from the date of first drawdown i.e. December 2026. It is secured against first pari-passu hypothecation charge of Rs. 260 million on all present and future plant and machinery of the Company.
- 18.1.3** The third financing is repayable in 20 equal quarterly-annual installments commencing after 27 months from the date of first drawdown i.e. September 2026. It is secured against first pari-passu hypothecation charge of Rs. 280 million on all present and future plant and machinery of the Company.
- 18.2** Represent long-term financing facilities obtained from three conventional banks under SBP's Temporary Economic Refinance Facility (TERF) for Balancing, Modernization, and Replacement (BMR). These carry flat markup rates of SBP's 1% plus banks' spreads of 0.7% to 1.50% and are recognized at the present value using the effective interest rates applicable at the dates of the drawdown. The differential of present value and the drawn amounts has been recognized as government grant (as mentioned in note 21) and is being amortised.
- 18.2.1** The first financing is repayable in 16 equal semi-annual installments commencing after 30 months from the date of the first drawdown i.e. November 2023 and is secured against hypothecation charge of Rs. 1,334 million over fixed assets (excluding land and buildings).
- 18.2.2** The second financing is repayable in 32 equal quarterly installments commencing after 27 months from the date of first drawdown i.e. September 2023 and is secured against hypothecation charge of Rs. 1,334 million on plant and machinery of the Company.
- 18.2.3** The third financing is repayable in 16 equal semi-annual installments commencing after 30 months from the date of first drawdown i.e. May 2024 and is secured against hypothecation charge of 733 million on plant and machinery of the Company.
- 18.3** Represent two long-term financing facilities obtained from conventional banks under the SBP's Finance Scheme for Renewable Energy to setup 0.517 MW and 9 MW Solar Power Project. These carry flat mark-up at the rate of 2% to 3% per annum plus banks' spreads of 3% per annum and are recognized at the present value using the effective interest rates applicable at the dates of the drawdown. The differential of present value and the drawn amounts has been recognised as government grant (as mentioned in note 21) and is being amortised.
- 18.3.1** The first financing is repayable in 19 equal quarterly installments commencing after 6 months from the date of first drawdown i.e. October 2024. It is secured against first pari-passu hypothecation charge of Rs. 66.67 million on all fixed assets of the Company.
- 18.3.2** The second financing is repayable in 40 equal quarterly installments commencing after 27 months from the date of first drawdown i.e. September 2026. It is secured against pari-passu hypothecation charge of Rs. 267 million on all present and future fixed assets (plant and machinery) of the Company.
- 18.4** Represents a long-term financing obtained from a conventional bank. It carries mark-up at the rate of 3 month's KIBOR + 4.5% per annum. The financing is repayable in 40 equal quarterly installments commencing after 27 months from first drawdown i.e. September 2026. The financing is secured against pari-passu hypothecation charge of Rs. 267 million on all present and future fixed assets (plant and machinery) of the Company.

19 LEASE LIABILITIES

The Company has lease contracts for rental of head office and sales offices used in its operations. These leases generally have lease terms between 1 to 8 years. In general, the Company is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options subject to the mutual consent of the Company and the Lessors. The Company is bound by certain covenants, which includes but are not limited to payment of certain taxes and to exercise reasonable care.

Note	2025 ----- (Rupees in '000) -----	2024 -----
As at 01 July	39,186	52,763
Additions during the year	15,173	-
Reassessment during the year	(5,924)	-
Charge for the year	2,739	6,878
Payments	(15,642)	(20,455)
As at 30 June	35,532	39,186
Current maturity	(13,335)	(13,852)
	22,197	25,334

20 LONG-TERM SECURITY DEPOSITS

Represent amount received from the dealers and contractors of the Company, which are utilised for the purpose of the business in accordance with the related agreements.

	2025 ----- (Rupees in '000) -----	2024 -----
Balance at the beginning of the year	1,237,850	947,150
Recognised during the year	-	326,607
Amortised during the year	(134,650)	(35,907)
Balance at the end of the year	1,103,200	1,237,850
Current maturity	(165,443)	(64,372)
	937,757	1,173,478

The Government grant has been recorded as per the provisions of IAS-20 'Accounting for Government Grants and Disclosure of Government Assistance' due to the difference between the coupon and effective interest rates of the aforementioned financial liabilities. The amortization of the Government grant has been revised prospectively as per applicable accounting standard.

22 DEFERRED TAXATION

Temporary taxable differences

	2025 ----- (Rupees in '000) -----	2024 -----
Accelerated tax depreciation and amortisation	4,923,321	4,251,297
Provision	32,054	-
Others	3,098	2,872
	4,958,473	4,254,169
Temporary deductible differences	-	(66,724)
Provision	4,958,473	4,187,445

22.1 Charge for the year

	2025	2024
Recognised in profit or loss	672,025	1,332,308
Recognised in other comprehensive income	99,003	19,950
	771,028	1,352,258

	Note	2025 ----- (Rupees in '000) -----	2024
23 TRADE AND OTHER PAYABLES			
Creditors		987,037	979,870
Bills payable		2,339	3,662
Accrued liabilities		485,393	408,929
Provision for Gas Infrastructure Development Cess (GIDC)	23.1	190,708	170,228
Provision for infrastructure Development Cess (IDC)	23.2	353,123	311,064
Provident fund	23.3	-	-
Gratuity fund		-	192,522
Retention money		21,286	78,952
Workers' Profits Participation Fund	23.4	362,842	275,155
Workers' Welfare Fund	23.5	202,393	140,397
Excise duty, sales tax and royalty payable		1,138	677,526
Others		463,634	415,106
		3,069,893	3,653,411

23.1 During the year ended 30 June 2021, the Supreme Court of Pakistan (SCP), upheld the validity of the GIDC Act, 2015, by dismissing all earlier petitions. The Company filed a writ petition before the Peshawar High Court (PHC), based on the argument that the Company had not transferred the burden to its end consumer. However, PHC deemed the petition non-maintainable and directed the Company to approach the appropriate forum. Accordingly, the Company filed a writ petition at Civil Court Peshawar (CCP) which allowed a stay order restraining SNGPL from collection of GIDC and any adverse action against the Company, the matter is still pending for adjudication. However, as a matter of prudence, the Company has recorded GIDC in these Financial Statements.

23.2 During the year ended 30 June 2017, Sindh High Court (SHC) upheld the infrastructure levy under Sindh Finance Act, 2017 on import of goods valid by declaring it within competence of provincial legislature order. Against the decision of SHC, Company filed Civil Petition before Supreme Court of Pakistan (SCP) to challenge the said order of SHC. SCP's has suspended the order of SHC till further notice and asked the Company to furnish 100% bank guarantee in respect of all future consignments. The amount of guarantee issued up to 30 June 2025 is Rs. 310 million. However, as a matter of prudence, the Company has recorded the amount in these Financial Statements.

	2025 (Unaudited) ----- (Rupees in '000) -----	2024 (Audited)
23.3 Provident fund		
Size of the trust	2,211,179	1,814,916
Cost of investments	1,850,755	1,448,078
Fair value of investments	2,211,179	1,814,916
	----- (Percentage) -----	
Percentage of cost to investments made	83.70	79.79

Major categories of investment of provident fund are as follows:

	2025		2024	
	Investment (Rupees in '000)	Investment as size of the fund %	Investment (Rupees in '000)	Investment as size of the fund %
Government securities	232,314	13	232,314	16
Mutual Funds	1,523,112	82	1,069,700	75
Listed shares	63,998	3	67,748	5
Bank balances	7,236	0	47,762	3
Others	24,095	1	30,554	2
	1,850,755	100	1,448,078	100

23.3.1 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the regulations formulated for this purpose.

	Note	2025 ----- (Rupees in '000) -----	2024
23.4 Workers' Profit Participation Fund			
Opening balance		275,155	226,741
Interest thereon		2,633	1,196
		277,788	227,937
Payment made during the year		(277,788)	(227,937)
		-	-
Charge for the year	31	362,842	275,155
Closing balance		362,842	275,155

	Note	2025	2024
23.5 Workers' Welfare Fund			
Opening balance		140,397	76,460
Payment made during the year		(138,887)	(76,430)
		1,510	30
Charge for the year	31	200,883	140,367
Closing balance		202,393	140,397

	2025	2024
24 ACCRUED MARK-UP		
Islamic banks		
Long-term financing	28,148	2,299
Short-term borrowings	16,934	49,842
	45,082	52,141
Conventional banks		
Long-term financing	14,433	14,624
Short-term borrowings	12,311	39,034
	26,744	53,658
	71,826	105,799

	Note	2025	2024
25 SHORT-TERM BORROWINGS – secured			
Islamic banks			
Short-term running finance	25.1	189,683	1,045
Export refinance facility	25.1	1,093,250	915,000
		1,282,933	916,045
Conventional banks			
Short-term running finance	25.2	284,038	-
Export refinance facility	25.2	1,162,950	972,950
		1,446,988	972,950
		2,729,921	1,888,995

25.1 Represent facilities obtained from various Islamic banks amounting to Rs. 4,900 million (2024: Rs. 4,500 million) out of which Rs. 3,618 million (2024: Rs. 3,584 million) remain unutilized at the year end. These facilities carry profit ranging 1 month KIBOR + 0.40% to 0.60% per annum and 3 months KIBOR + 0.25% to 0.75% per annum. These facilities are secured against joint pari-passu hypothecation charge over stocks and book debts for Rs. 5,602 million and ranking hypothecation charge over stocks and book debts of Rs. 934 million (2024: Rs. 400 million) respectively. This also includes Export Refinance Facility (ERF) amounting to Rs. 1,093 million from two Islamic banks. These carry mark-up at the range 8% to 19% per annum (2024: 14% to 19% per annum) during the year.

25.2 Represent facilities obtained from various conventional banks amounting to Rs. 6,450 million (2024: Rs. 6,150 million) out of which Rs. 5,003 million (2024: Rs. 5,177 million) remains unutilized at the year end. These facilities carry mark-up ranging from 1 month KIBOR + 0.40% to 0.75% per annum and 3 months KIBOR + 0.50% to 0.65% per annum. These facilities are secured against joint pari-passu hypothecation charge over stocks and book debts for Rs. 7,938 million and ranking hypothecation charge over stocks and book debts of Rs. 667 million (2024: Rs. 334 million). This also includes, Export Refinance Facility (ERF) amounting to Rs. 1,163 million (2024: Rs. 973 million) from three Conventional banks. These carry mark-up at the range 8% to 19% per annum (2024: 14% to 19% per annum) during the year.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 The Competition Commission of Pakistan (CCP) passed an order in 2009 imposing a penalty of Rs. 6,312 million on the cement industry including a penalty of Rs. 226 million on the Company on the alleged grounds of increase in prices of cement across the country. This was challenged in the Lahore High Court where the judgement was made against the Company. Subsequently, the Company filed a Civil Petition in the SCP. In the above judgement, few points were decided in favour of the Company against which the CCP has also filed an appeal in the SCP. Additionally, the Company has challenged the constitution of the Tribunal before the SHC. A stay has been granted in favor of the company. During the year, SHC vacated the stay order, following which proceedings before the Competition Appellate Tribunal commenced. The Company, in view of legal advice, expects a favourable outcome, accordingly, no provision has been made in these financial statements.

26.1.2 During the period from 1994 to 1999, excise duty was wrongly collected from the Company by the Federal Board of Revenue (FBR) based on retail price inclusive of excise duty which has resulted in a refund claim of Rs. 882 million. The Company challenged this matter in the Peshawar High Court (PHC). The PHC and subsequently the Honourable Supreme Court of Pakistan (SCP) have ruled in its favor of the Company. While refund verification the Collector of Excise and Sales Tax - Peshawar issued a show cause notice to the Company raising objection that the burden of this levy has been passed on to the end customers. The Company challenged this objection in the PHC which directed to appoint an independent firm of Chartered Accountants for verification of this refund claim. However, the Regional Tax Office (RTO) Peshawar carried out the verification of this refund claim based on the terms of reference advised by the Federal Tax Ombudsman (FTO). RTO Peshawar finalized the report which was not in line with the parameters given by the FTO, therefore, the FTO made a ruling for verification of the adverse observations of the RTO Peshawar through an independent firm of Chartered Accountants. FBR challenged the FTO's ruling before the President of Pakistan, filed a writ and review petition before the PHC, and also appealed to the SCP. All forums decided the matter in favor of the Company, with a minor modification by the President of Pakistan—subsequently endorsed by the SCP—that the refund verification be conducted by two reputed audit firms. The Company is in process for the appointment of audit firm in consultation with FBR. Keeping in view the inherent uncertainties involved in such matters, the management as a matter of prudence, has not recognised this amount as refund in these annual financial statements.

26.1.3 During the year ended 30 June 2013, the SHC decided the case in favor of the Company against special excise duty levied by the FBR for the period from July 2007 to June 2011 which resulted in a refund claim of Rs. 100.08 million. However, FBR challenged this decision in the SCP and SCP has ruled on a similar case against the decision of SHC. The management as a matter of prudence, has not recognised the above listed refunds.

26.2 Commitments

	2025	2024
	----- (Rupees in '000) -----	
- Letters of credit – conventional and islamic banks	179,806	106,260
- Letters of guarantee – conventional and islamic banks	1,309,540	1,209,995
- Capital commitments	198,418	305,000

27 TURNOVER - net

Local sales – gross	50,682,386	47,058,175
Rebates and discounts	(1,308,477)	(1,194,685)
Sales tax	(8,472,324)	(7,875,833)
Federal excise duty	(7,980,011)	(4,442,374)
Local sales – net	32,921,574	33,545,283
Export sales – gross	5,505,415	5,257,110
Rebates, discounts and commission	(616,183)	(368,646)
Export sales – net	4,889,232	4,888,464
	37,810,806	38,433,747

27.1 Revenue recognised during the year from contract liabilities at the beginning of the year amounted to Rs. 98.44 million (2024: Rs. 151.76 million).

27.2 Revenue earned by the Company is Shariah Compliant.

28 COST OF SALES

	Note	2025	2024
		----- (Rupees in '000) -----	
Raw and packing material consumed			
Opening stock		461,711	779,965
Purchases		3,767,947	4,161,256
		4,229,658	4,941,221
Closing stock	10	(365,636)	(461,711)
		3,864,022	4,479,510
Duty drawback on exports		(12,697)	(10,271)
		3,851,325	4,469,239
Manufacturing overheads			
Salaries, wages and benefits	28.1 & 28.2	2,805,501	2,489,937
Stores and spare parts consumed		1,141,132	1,486,438
Fuel and power		12,605,417	14,819,322
Rent, rates and taxes	28.3	811,398	538,892
Insurance		203,168	192,881
Vehicle running expenses		319,241	316,139
Travelling and conveyance		61,233	60,813
Printing and stationery		6,780	6,632
Legal and professional charges		20,788	14,734
Repairs and maintenance		202,380	225,331
Depreciation	5.1.3	1,654,408	1,685,152
Amortisation	6.1	64,055	64,178
Communication		7,272	6,996
Others		47,938	45,588
		23,802,036	26,422,272
Work-in-process			
Opening		919,377	929,815
Closing	10	(921,310)	(919,377)
Cost of goods manufactured		23,800,103	26,432,710
Finished goods			
Opening		409,343	569,994
Closing	10	(368,265)	(409,343)
		23,841,181	26,593,361

28.1 Include amounts in respect of provident fund and gratuity fund amounting to Rs. 71.06 million and Rs. 81.66 million respectively (2024: Rs. 61.74 million and Rs. 70.12 million respectively).

28.2 Includes amount of Rs. 16.30 million (2024: Rs. 14.42 million) in respect of staff recruitment, selection, hiring, rewarding, utilizing, human safety, training and development of the human assets by the Human Resources department of the Company.

28.3 Include royalty and excise duty paid / provided amounting to Rs. 719.74 million and Rs 8.46 million respectively (2024: Rs. 407.97 million and Rs. 9.6 million respectively) to Government of Khyber Pakhtunkhwa on behalf of related party (Faruque Private Limited) on account of extraction of raw materials, directly consumed by the Company. The mining leases for raw materials are owned by Faruque (Private) Limited.

29	DISTRIBUTION COSTS	Note	2025	2024
			----- (Rupees in '000) -----	
	Salaries and benefits	29.1	590,796	521,944
	Export expenses		5,982	3,585
	Travelling and conveyance		21,774	15,619
	Staff training expenses		1,289	942
	Vehicle running expenses		42,228	45,986
	Communication		10,655	10,694
	Printing and stationery		2,212	2,662
	Rent, rates and taxes		12,153	6,095
	Utilities		15,872	17,128
	Repairs and maintenance		17,974	22,700
	Insurance		5,112	6,324
	Advertisement		64,943	49,370
	Entertainment		3,157	3,093
	Depreciation	5.1.3	33,641	31,522
	Depreciation on right-of-use assets	5.3.1	13,523	15,676
	Amortisation	6.1	48	42
	License and subscription		5,745	1,844
	Others		7,173	5,352
			<u>854,277</u>	<u>760,578</u>

29.1 Include amounts expenditure in respect of provident fund and gratuity fund amounting to Rs. 13.84 million and Rs. 22.58 million, respectively (2024: Rs. 12.68 million and Rs. 14.68 million, respectively).

30	ADMINISTRATIVE EXPENSES	Note	2025	2024
			----- (Rupees in '000) -----	
	Salaries and benefits	30.1	377,153	304,176
	Travelling and conveyance		8,829	7,718
	Staff training expenses		3,312	1,505
	Vehicle running expenses		29,173	31,220
	Communication		8,129	8,692
	Printing and stationery		9,245	8,970
	Rent, rates and taxes		12,076	9,489
	Utilities		8,188	7,054
	Repairs and maintenance		10,720	14,616
	Legal and professional charges		49,601	39,446
	Insurance		10,650	9,048
	License and subscription		9,755	8,099
	Advertisement		3,532	4,909
	Depreciation	5.1.3	33,197	27,613
	Depreciation on right-of-use assets	5.3.1	3,861	3,311
	Amortisation	6.1	3,435	3,266
	Entertainment		7,780	5,328
	Others		7,802	5,981
			<u>596,438</u>	<u>500,441</u>

30.1 Include amounts in respect of provident fund and gratuity fund amounting to Rs. 13.59 million and Rs. 19.77 million respectively (2024: Rs. 12.12 million and Rs. 10.51 million respectively).

31	OTHER EXPENSES	Note	2025	2024
			----- (Rupees in '000) -----	
	Workers' Profits Participation Fund	23.4	362,842	275,155
	Workers' Welfare Fund	23.5	200,883	140,367
	Donations	31.1	56,498	41,807
	Auditor's remuneration	31.2	3,916	3,836
	Tax and other corporate services		4,249	2,466
	Share of loss from Joint venture		329	-
			<u>628,717</u>	<u>463,631</u>

31.1 Donations

The Citizens Foundation	12,000	-
Noor Foundation	1,200	1,200
Others	43,298	40,607
	<u>56,498</u>	<u>41,807</u>

31.1.1 Recipients of donations do not include any donee in which any director or his / her spouse had any interest except for donation paid to Ghulam Faruque Trust amounting to Rs. 0.12 million during the year. Following directors of the Company are also trustees of the said trust:

- Mr. Omar Faruque
- Mr. Azam Faruque

31.2	Auditor's remuneration	Note	2025	2024
			----- (Rupees in '000) -----	
	Audit fee		2,412	2,412
	Half-yearly review and COCG certification		988	1,020
	Out of pocket expenses		516	404
			<u>3,916</u>	<u>3,836</u>

32 OTHER INCOME

Income from financial assets

Profit on bank accounts - conventional	36,206	75,070
Profit on bank accounts - shariah compliant	2,232	2,870
Gain on redemption of short-term investments at FVTPL - conventional	907,447	142,083
Gain on redemption of short-term investments at FVTPL - shariah compliant	266,870	170,466
Dividend income - shariah compliant	16,229	10,820
Interest income on loan to SNGPL - conventional	6,606	7,709
	<u>1,235,590</u>	<u>409,018</u>

Income from non-financial assets

Gain on disposal of property, plant and equipment - shariah compliant	5.1.4	157,078	17,847
Scrap sales - shariah compliant		192,464	63,398
Exchange gain - shariah compliant		1,170	119
Share of profit from joint venture - shariah complaint	7	-	264
Others - shariah compliant		2,141	2,780
		<u>352,853</u>	<u>84,408</u>
		<u>1,588,443</u>	<u>493,426</u>

32.1 Represents dividend income from Cherat Packaging Limited, a related party.

33	FINANCE COSTS	Note	2025	2024
			----- (Rupees in '000) -----	
Islamic banks				
	Mark-up on long-term financing	33.1	42,229	923,853
	Mark-up on short-term borrowings		288,192	152,127
	Bank charges and commission		1,900	15,867
			<u>332,321</u>	<u>1,091,847</u>
Conventional banks				
	Mark-up on long-term financing	33.1	94,219	129,213
	Mark-up on short-term borrowings		131,353	117,161
	Bank charges and commission		28,510	34,787
			<u>254,082</u>	<u>281,161</u>
	Mark-up on lease liabilities	19	2,739	6,878
	Interest on workers' profits participation fund		2,633	1,196
			<u>591,775</u>	<u>1,381,082</u>

33.1 It represents the effect of amortisation of Government grant amounting to Rs. 134.65 million (2024: Rs. 35.91 million)

34 INCOME TAX

Provision for current tax during the year is based on normal tax regime at the current rates of taxation. The provision for the prior year ended June 30, 2024 was based on normal tax regime.

34.1	Reconciliation between tax expense and accounting profit	2025	2024
		----- (Rupees in '000) -----	
	Profit before income tax and final taxes	<u>12,886,861</u>	<u>9,228,080</u>
	Tax at applicable rate	<u>3,737,190</u>	<u>2,676,143</u>
Tax effects of:			
	Tax effect of income taxable at lower rates	(46,973)	(391,866)
	Super tax	1,110,816	736,991
	Tax effect of dividend income from related party	(2,272)	-
	Tax effect of change in ratio due to finishing FTR regime	-	595,181
	Change in prior years' tax	(749,337)	(30,387)
	Others	153,647	44,877
		<u>4,203,071</u>	<u>3,630,939</u>
	Effective %	33%	39%

34.2 As per Finance Act, 2019, the Government has reduced tax credit under section 65B of ITO, 2001 from 10% to 5% retrospectively for the tax year 2019 and abolished the same for subsequent years. However, the management challenged this amendment and got stay from the PHC. During the year ended 2022, the case has been decided against the Company by PHC. However, review petition has been filed and the PHC has decided the case in favor of the Company vide order dated September 07, 2023. However, the department has filed CPLA against the judgement of PHC before the Honourable Supreme Court of Pakistan. During the year, the SCP vide order dated September 24, 2024, allowed the Company to claim a 10% tax credit for plant and machinery purchased and installed on or before June 30, 2019. After reviewing the legal and accounting requirements, the Company has recognised Rs. 721 million being 5% balance tax credit under section 65B as prior year tax income in these financial statements.

34.3 The Company has challenged the levy of super tax under section 4C of the Ordinance for tax years 2022, 2023 and 2024 amounting to Rs. 374 million, 470 million and 680 million respectively in PHC and an interim stay has been granted. During the year, the Constitutional Bench of the Supreme Court of Pakistan issued an order directing that appeals for tax years 2022 and 2023 relating to super tax be transferred from PHC to SCP. The matter is currently sub judice. However, keeping in view the inherent

uncertainties involved in such matters, the management, as a matter of prudence, has maintained a provision for these amounts in these financial statements.

35	EARNINGS PER SHARE	2025	2024
		----- (Rupees in '000) -----	
	Net profit for the year (Rupees in '000)	<u>8,681,356</u>	<u>5,499,751</u>
	Weighted average number of ordinary shares in issue	<u>194,295,038</u>	<u>194,295,038</u>
	Earnings per share - basic and diluted	<u>Rs. 44.68</u>	<u>Rs. 28.31</u>

35.1 No shares were issued during the year, therefore, calculation of weighted average number of ordinary shares has not been presented.

35.2 There is no dilutive effect on basic earnings per share of the Company.

36	CASH AND CASH EQUIVALENTS	Note	2025	2024
			----- (Rupees in '000) -----	
	Cash and bank balances	15	672,667	429,514
	Short-term borrowings	25	(2,729,921)	(1,888,995)
	Short-term investments	14	<u>11,795,250</u>	<u>2,522,353</u>
			<u>9,737,997</u>	<u>1,062,872</u>

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks (i.e. market risk including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's senior management oversees the management of these risks and provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk, use of financial derivatives, financial instruments and investment of excess liquidity. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors review and agree policies for managing each of these risks which are summarized below:

37.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk, such as equity risk.

37.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises from long-term and short-term borrowings obtained with floating rates. All the borrowings of the Company are obtained in the functional currency. The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Company's profit before tax:

Increase / decrease in basis points **Effect on profit before income and final tax**

(Rupees in `000)

2025		
KIBOR	+ / - 100	<u>54,430</u>
2024		
KIBOR	+ / - 100	<u>47,128</u>

37.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency).

2025 **2024**
 ----- (Amount in `000) -----

Bills payable - US Dollars	<u>8</u>	<u>13</u>
----------------------------	----------	-----------

The following exchange rates have been applied at reporting dates: ----- (Rupees) -----

Exchange Rate - US Dollars	<u>284.10</u>	<u>278.80</u>
----------------------------	---------------	---------------

The management keeps on evaluating different options available for hedging purposes. The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's equity.

Change in rate (%) (Rupees in `000)

30 June 2025 - US Dollars	+ / - 10	<u>234</u>
30 June 2024 - US Dollars	+ / - 10	<u>366</u>

37.1.3 Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

At the date of statement of financial position, the exposure to listed equity securities is Rs. 540 million. An increase / decrease of 10% in the share price of these securities would have an impact of approximately Rs. 54 million on the statement of other comprehensive income.

Long-term investments	Credit rating	2025	2024
		----- (Rupees in `000) -----	
Cherat Packaging Limited	A	<u>421,422</u>	425,714
Mirpurkhas Sugar Mills Limited	A-	<u>118,437</u>	116,352
		<u>539,859</u>	<u>542,066</u>

37.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date with no defaults in the past year is:

	Note	2025	2024
		----- (Rupees in `000) -----	
Long-term loans	8	<u>50,662</u>	59,672
Deposits		<u>7,982</u>	4,981
Trade debts	11	<u>1,257,631</u>	1,373,131
Other receivables	13	<u>4,943</u>	5,214
Bank balances	15	<u>668,914</u>	425,201
		<u>1,990,132</u>	<u>1,868,199</u>

37.2.1 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	2025	2024
		----- (Rupees in `000) -----
Bank balances		
Credit ratings		
A1+	<u>662,728</u>	423,658
A1	<u>6,186</u>	1,543
Short-term investments - Mutual funds		
Credit ratings		
AM1	<u>10,824,854</u>	975,102
AM2+	<u>-</u>	463,450
AM2++	<u>970,396</u>	1,023,706
		<u>11,795,250</u>

37.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments.

	2025					2024				
	INTEREST / MARKUP / PROFIT BEARING			NON-INTEREST BEARING	TOTAL	INTEREST / MARKUP / PROFIT BEARING			NON-INTEREST BEARING	TOTAL
	Less than one year	One to ten years	Total			Less than one year	One to ten years	Total		
	----- (Rupees in '000) -----									
Long-term financing	350,368	3,465,948	3,816,316	-	3,816,316	173,338	3,888,280	4,061,618	-	4,061,618
Lease liabilities	13,335	22,197	35,532	-	35,532	13,852	25,334	39,186	-	39,186
Long-term security deposits	-	-	-	29,985	29,985	-	-	-	32,460	32,460
Trade and other payables	-	-	-	1,961,199	1,961,199	-	-	-	2,079,039	2,079,039
Accrued mark-up	-	-	-	71,826	71,826	-	-	-	105,799	105,799
Short-term borrowings	2,729,921	-	2,729,921	-	2,729,921	1,888,995	-	1,888,995	-	1,888,995
Unclaimed dividend	-	-	-	85,160	85,160	-	-	-	76,439	76,439
Unpaid dividend	-	-	-	42,783	42,783	-	-	-	34,684	34,684
	3,093,624	3,488,145	6,581,769	2,190,953	8,772,722	2,076,185	3,913,614	5,989,799	2,328,421	8,318,220

Effective interest / yield rates for the financial liabilities are mentioned in the respective notes.

37.4 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholders value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and cash equivalents.

The gearing ratios as at 30 June 2025 and 2024 are as follows:

	2025	2024
	----- (Rupees in '000) -----	
Long-term financing	3,816,316	4,061,618
Accrued mark-up	71,826	105,799
Short-term borrowings	2,729,921	1,888,995
Total debt	6,618,063	6,056,412
Cash and bank balances	(672,667)	(429,514)
Net debt	5,945,396	5,626,898
Share capital	1,942,950	1,942,950
Reserves	31,364,779	23,599,979
Total capital	33,307,729	25,542,929
Capital and net debt	39,253,125	31,169,827
Gearing ratio	15.15%	18.05%

The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

37.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate fair values.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below categorised fair value measurement of financial instruments by the level in the fair value hierarchy into which the fair value measurement is categorized:

		2025					
		Carrying amount			Fair value		
		FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
		----- (Rupees in '000) -----					
Note							
	7	-	539,859	539,859	539,859	-	-
	14	11,795,250	-	11,795,250	11,795,250	-	-
		11,795,250	539,859	12,335,109	12,335,109	-	-
		----- (Rupees in '000) -----					
		2024					
		Carrying amount			Fair value		
		FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
		----- (Rupees in '000) -----					
	7	-	542,066	542,066	542,066	-	-
	14	2,462,258	-	2,462,258	2,462,258	-	-
		2,462,258	542,066	3,004,324	3,004,324	-	-

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

37.5.1 Financial instruments which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date.

37.6 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2025				Total
	Long-term financing	Lease liabilities	Government grant	Unclaimed and unpaid dividend	
----- (Rupees in '000) -----					
Balance as at 01 July 2024	2,823,768	39,186	1,237,850	111,123	4,211,927
Changes from financing cash flows					
Drawdowns	-	-	-	-	-
Repayments	(110,652)	-	-	-	(110,652)
Repayment of lease liabilities - net	-	(15,642)	-	-	(15,642)
Dividend paid	-	-	-	(1,051,803)	(1,051,803)
	(110,652)	(15,642)	-	(1,051,803)	(1,178,097)
Other changes					
Dividend declared	-	-	-	1,068,623	1,068,623
Interest and reamasurement on lease liabilities	-	11,988	-	-	-
Amortisation of Government grants	-	-	(134,650)	-	(134,650)
	-	11,988	(134,650)	1,068,623	933,973
Balance as at 30 June 2025	2,713,116	35,532	1,103,200	127,943	3,979,791

	2024				Total
	Long-term financing	Lease liabilities	Government grant	Unclaimed and unpaid dividend	
----- (Rupees in '000) -----					
Balance as at 01 July 2023	9,318,166	52,763	947,150	102,131	10,420,210
Changes from financing cash flows					
Drawdowns	615,728	-	326,607	-	942,335
Repayments	(7,110,126)	-	-	-	(7,110,126)
Repayment of lease liabilities - net	-	(20,455)	-	-	(20,455)
Dividend paid	-	-	-	(865,336)	(865,336)
	(6,494,398)	(20,455)	326,607	(865,336)	(7,053,582)
Other changes					
Dividend declared	-	-	-	874,328	874,328
Interest expense on lease liabilities	-	6,878	-	-	6,878
Amortisation of Government grants	-	-	(35,907)	-	(35,907)
	-	6,878	(35,907)	874,328	845,299
Balance as at 30 June 2024	2,823,768	39,186	1,237,850	111,123	4,211,927

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025			2024		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
----- (Rupees in '000) -----						
Managerial remuneration	57,317	26,800	618,725	49,034	20,436	503,122
Bonus	28,409	11,421	280,529	24,267	9,720	228,227
Housing allowance	1,452	7,994	174,505	1,452	8,748	180,708
Retirement benefits	9,470	3,806	89,743	8,089	3,240	72,044
Utilities	2,703	2,282	48,384	2,064	1,942	39,003
Leave fare assistance	4,735	1,620	28,872	4,044	1,379	28,364
	104,086	53,923	1,240,758	88,950	45,465	1,051,468
Number	1	1	171	1	1	140

38.1 The Chief Executive and an executive have been provided with furnished accommodation. Further, the Chief Executive, Director and certain executives are provided with the use of company maintained cars, telephone facility, utilities and some other facilities, which are reimbursed at actual to the extent of their entitlements.

38.2 The aggregate amount charged in the financial statements for meeting fee to 6 non-executive directors amounted to Rs. 3.60 million (2024: Rs. 4.60 million).

39 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of companies with common directorship, retirement funds and key management personnel. The Company enters into transactions with related parties on agreed terms as approved by the Board of Directors. Transactions with related parties other than those disclosed elsewhere in the financial statements, are as follows:

Relationship	Nature of transactions	2025	2024
		---- (Rupees in '000) ----	
Associated companies (Common directorship)	Purchases	2,615,404	2,744,724
	Sales	4,744	56
	Purchase of fixed assets	402,161	896,255
	Royalty and excise duty	728,201	417,571
	Services received	313	2,790
	IT support charges	46,438	30,011
	Dividend received	16,229	10,820
	Dividend paid	269,272	224,731
	Insurance premium paid	112,704	97,297
Directors and their spouse(s)	Dividend paid	38,235	32,220
Retirement benefit fund	Contribution to staff provident and gratuity funds	220,499	178,741
	Dividend paid	20,618	12,038

In addition, certain actual administrative expenses are being shared amongst the group companies.

39.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

Name of Related Party	Relationship	Aggregate % of Shareholding
Faruque (Private) Limited	Common directorship	21.67
Cherat Packaging Limited	Common directorship	2.74
Greaves Pakistan (Private) Limited	Common directorship	1.25
Mirpurkhas Sugar Mills Limited	Common directorship	1.41
Zensoft (Private) Limited	Common directorship	0.01
UniEnergy Limited	Common directorship	Nil
Greaves Airconditioning (Private) Limited	Common directorship	Nil
Jubilee General Insurance Company Limited	Common directorship	0.06
Pakistan Cables Limited	Common directorship	Nil
Cherat Cement Company Limited – Employees' Provident Fund	Retirement benefit fund	0.27
Cherat Cement Company Limited – Employees' Gratuity Fund	Retirement benefit fund	1.66

Name of Related Party	Relationship	Aggregate % of Shareholding
Mr. Omar Faruque	Director	1.0904
Mrs. Shamain Akbar Faruque	Spouse of director	0.2038
Mr. Azam Faruque	Director	1.4184
Mrs. Samia Faruque	Spouse of director	0.0298
Mr. Akbarali Pesnani	Director	0.0470
Mrs. Sakina Pesnani	Spouse of director	0.0348
Mr. Arif Dino Faruque	Director	0.7284
Mr. Ariful Islam	Director	0.0396
Mr. Abrar Hasan	Director	0.0003
Mrs. Zeeba Ansar	Director	0.0001
Mr. Yasir Masood	Director	0.0006

39.1.1 None of the key management personnel had any arrangements with the Company other than the employment contract.

40 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2025		2024	
	Total	Factory	Total	Factory
Total number of employees	945	796	978	826
Average number of employees during the year	962	811	1,000	846

41 PRODUCTION CAPACITY

	2025	2024
	(Tons)	(Tons)
Annual installed capacity – Clinker	4,320,000	4,320,000
Annual installed capacity – Cement	4,536,000	4,536,000
Actual production – Clinker	2,134,893	2,354,836
Actual production – Cement	2,386,193	2,616,907

Plant operational capacity utilisation is in line with industry demand.

42 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment. Total sales of the Company comprise of cement.

Sales relating to customers in Pakistan were 87% during the year ended 30 June 2025 (2024: 87%). All non-current assets of the Company at the end of the current and preceding year were located in Pakistan.

Sales to twenty major customers of the Company are around 45% of the Company's total sales during the year (2024: 47%).

43 NON ADJUSTING EVENT AFTER REPORTING DATE

Subsequent to year ended 30 June 2025, the Board of Directors in its meeting held on 21 August 2025 has proposed final cash dividend @ 4.00 per share amounting to Rs. 777.18 million (2024: Rs. 4.00 per share amounting to Rs. 777.18 million) for approval of the members at the Annual General Meeting. This is in addition to the interim cash dividend @ Rs. 1.50/- per share amounting to Rs. 291.44 million (2024: Rs. 1.50 per share amounting to Rs. 291.44 million) approved by the Board of Directors for the year ended 30 June 2025.

44 DATE OF AUTHORISATION

These financial statements were authorised for issue on 21 August 2025 by the Board of Directors of the Company.

45 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

	Note	2025 ----- (Rupees in '000) -----	2024
Bank balances - shariah compliant	15	472,719	265,546
Long-term financing as per Islamic mode	18	1,079,865	1,039,327
Accrued markup on Islamic mode	24	45,082	52,141
Accrued markup on conventional	24	26,744	53,658
Short-term borrowings as per Islamic mode	25	1,282,933	916,045
Revenue earned from shariah compliant business	27	37,810,806	38,433,747
Profit earned from shariah compliant bank deposits	32	2,232	2,870
Profit earned from conventional loan or advances	32	36,206	75,070
Dividend from mutual funds and other investments - shariah compliant	32	266,870	170,466
Dividend earned from shariah compliant long-term investment	32	16,229	10,820
Dividend from mutual funds and other investments - conventional	32	907,447	142,083
Finance costs on Islamic mode of long-term financing	33	332,321	1,091,847
Finance costs on conventional mode of financings	33	254,082	281,161

The Company has relationship with Meezan Bank Limited, Bank Alfalah Limited, Faysal Bank Limited, MCB Islamic Bank Limited, Dubai Islamic Bank Pakistan Limited and Bank of Khyber Limited.

46 GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Pattern of Shareholding

AS OF JUNE 30, 2025

No of Shareholders	Shareholdings' Slab	Total Shares Held	
1520	1	to 100	51,230
1096	101	to 500	294,947
815	501	to 1000	554,103
1025	1001	to 5000	2,267,740
367	5001	to 10000	2,540,027
162	10001	to 15000	1,914,923
66	15001	to 20000	1,132,181
52	20001	to 25000	1,160,971
57	25001	to 30000	1,547,216
20	30001	to 35000	636,189
22	35001	to 40000	822,338
20	40001	to 45000	860,941
19	45001	to 50000	911,257
20	50001	to 55000	1,064,597
10	55001	to 60000	576,212
6	60001	to 65000	379,936
4	65001	to 70000	268,560
5	70001	to 75000	359,973
4	75001	to 80000	306,133
4	80001	to 85000	333,775
5	85001	to 90000	440,694
4	90001	to 95000	369,140
4	95001	to 100000	399,842
3	100001	to 105000	310,900
5	105001	to 110000	542,397
3	110001	to 115000	335,858
2	115001	to 120000	236,886
2	120001	to 125000	246,000
2	125001	to 130000	255,811
1	130001	to 135000	131,722
2	135001	to 140000	276,199
1	140001	to 145000	142,670
2	145001	to 150000	300,000
1	160001	to 165000	162,599
1	165001	to 170000	169,437
1	170001	to 175000	175,000
3	175001	to 180000	535,600
1	180001	to 185000	184,000
1	190001	to 195000	192,500
3	195001	to 200000	599,831
1	200001	to 205000	202,888
1	210001	to 215000	212,371
1	220001	to 225000	220,945
1	225001	to 230000	228,451
1	230001	to 235000	231,937
2	235001	to 240000	473,776
1	240001	to 245000	240,794
1	255001	to 260000	258,061
1	260001	to 265000	263,699
2	270001	to 275000	549,615
1	290001	to 295000	295,000
1	295001	to 300000	296,750
2	320001	to 325000	646,022
1	330001	to 335000	334,970
2	335001	to 340000	677,203
1	345001	to 350000	347,845
1	350001	to 355000	351,198

Pattern of Shareholding AS OF JUNE 30, 2025

No of Shareholders	Shareholdings' Slab		Total Shares Held
1	355001	to 360000	357,946
1	365001	to 370000	369,993
1	385001	to 390000	388,923
1	395001	to 400000	396,000
1	400001	to 405000	404,972
1	440001	to 445000	441,000
1	450001	to 455000	450,147
1	460001	to 465000	461,984
1	465001	to 470000	467,975
1	495001	to 500000	500,000
1	510001	to 515000	512,000
2	520001	to 525000	1,049,421
1	560001	to 565000	562,579
1	565001	to 570000	569,583
1	595001	to 600000	596,160
3	645001	to 650000	1,939,936
1	655001	to 660000	660,000
1	675001	to 680000	678,957
1	745001	to 750000	747,285
1	790001	to 795000	791,111
1	795001	to 800000	798,362
1	825001	to 830000	825,848
2	880001	to 885000	1,763,041
1	885001	to 890000	885,877
1	910001	to 915000	910,698
1	950001	to 955000	953,335
1	965001	to 970000	969,968
1	1050001	to 1055000	1,051,249
1	1070001	to 1075000	1,071,939
1	1180001	to 1185000	1,183,257
1	1325001	to 1330000	1,329,079
1	1365001	to 1370000	1,365,710
1	1410001	to 1415000	1,411,082
1	1690001	to 1695000	1,694,491
1	1770001	to 1775000	1,770,788
1	1915001	to 1920000	1,917,420
1	2040001	to 2045000	2,043,079
1	2185001	to 2190000	2,189,500
1	2220001	to 2225000	2,222,641
1	2395001	to 2400000	2,397,025
1	2415001	to 2420000	2,419,002
1	2560001	to 2565000	2,564,337
1	2745001	to 2750000	2,747,277
1	2755001	to 2760000	2,755,940
1	2890001	to 2895000	2,892,992
1	3145001	to 3150000	3,147,497
1	3220001	to 3225000	3,220,783
1	3535001	to 3540000	3,535,580
1	3945001	to 3950000	3,948,115
1	4110001	to 4115000	4,111,699
1	4115001	to 4120000	4,118,576
1	4665001	to 4670000	4,667,698
1	4830001	to 4835000	4,833,092
1	5875001	to 5880000	5,876,940
1	6995001	to 7000000	7,000,000
1	8795001	to 8800000	8,800,000
1	14635001	to 14640000	14,636,936
1	42095001	to 42100000	42,096,353
5424			194,295,038

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
MR. OMAR FARUQUE	1	2,118,633	1.09
MRS. SHAMAIN AKBAR FARUQUE W/O. MR. OMAR FARUQUE	1	396,000	0.20
MR. AZAM FARUQUE	1	2,755,940	1.42
MRS. SAMIA FARUQUE W/O. MR. AZAM FARUQUE	1	57,981	0.03
MR. AKBARALI PESNANI	1	91,300	0.05
MRS. SAKINA PESNANI W/O. MR. AKBARALI PESNANI	1	67,600	0.03
MR. ARIF DINO FARUQUE	1	1,415,194	0.73
MR. ABRAR HASAN	1	550	0.00
MRS. ZEEBA ANSAR	1	110	0.00
MR. ARIFUL ISLAM	1	77,000	0.04
MR. YASIR MASOOD	1	1,100	0.00
Associated Companies, undertakings and related parties			
FARUQUE (PRIVATE) LIMITED	1	42,096,353	21.67
CHERAT PACKAGING LIMITED	1	5,327,698	2.74
MIRPURKHAS SUGAR MILLS LIMITED	1	2,747,277	1.41
GREAVES PAKISTAN (PRIVATE) LIMITED	1	2,419,002	1.25
ZENSOFT (PRIVATE) LIMITED	1	9,750	0.01
JUBILEE GENERAL INSURANCE COMPANY LIMITED	1	107,000	0.06
NIT & ICP	2	53,148	0.03
Banks Development Financial Institutions, Non Banking Financial Institutions	15	13,851,867	7.13
Insurance Companies	14	11,256,927	5.79
Modarabas and Mutual Funds	53	21,636,388	11.13
General Public			
a. Local	4,987	55,874,796	28.76
b. Foreign	200	1,964,604	1.01
Foreign Companies	23	3,107,470	1.60
Others	113	26,861,350	13.82
Total	5,424	194,295,038	100.00

Shareholders holding 10% or more	Shares Held	Percentage
FARUQUE (PRIVATE) LIMITED	42,096,353	21.67



چیراٹ سیمنٹ کمپنی لمیٹڈ

غلام فاروق گروپ کمپنی

پوسٹل بیٹ پیپر

جمرات، 9 اکتوبر، 2025 صبح 11:00 بجے کمپنی کے رجسٹرڈ آفس، واقع فیکٹری، ولج لکائی، نوشہرہ، خیبر پختونخوا، میں منعقد ہونے والے سالانہ اجلاس عام میں خصوصی برٹس کے لیے ڈاک کے ذریعے ووٹ ڈالنے کے لیے:

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رجسٹرڈ ایڈریس	
موجودہ ٹینٹرز کی تعداد	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) کا کاپی منسلک کریں	
اضافی معلومات اور انکوائریز (کارپوریٹ ہاڈی، کارپوریشن، اور وفاقی حکومت کا نمائندہ ہونے کی صورت میں)	
مجاز دستخط کنندہ کا نام	
مجاز دستخط کنندہ کا کمپیوٹرائزڈ قومی شناختی کارڈ نمبر / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (کاپی منسلک کریں)	
لیجنڈا کے آئٹم نمبر 5 کے لیے قرارداد	
(a) قرار دیا جاتا ہے کہ 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے گئے لین دین، جسے فنانسئل اسٹیٹمنٹس کے نوٹ 39 میں ظاہر کیا گیا ہے، کی توثیق کی جاتی ہے اور منظوری دی جاتی ہے	
(b) مزید قرار دیا جاتا ہے کہ کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے جانے والے تمام لین دین کی منظوری دینے کے مجاز ہیں۔	

ہدایات برائے پول

- برائے مہربانی اپنے ووٹ کا اظہار متعلقہ باکس کے آگے تک (✓) کے نشان سے کریں
 - اگر دونوں باکس کے آگے تک (✓) نشان مارک کیا جاتا ہے تو آپ کا ووٹ منسوخ تصور کیا جائے گا
- میں / ہم مندرجہ بالا قرارداد کے حوالے سے اپنا ووٹ بیٹ کے ذریعے استعمال کرتے ہوئے قرارداد پر اپنی رضامندی یا اختلاف کا اظہار کرتے ہوئے نیچے مناسب باکس میں تک (✓) کا نشان لگاتے ہیں۔

قرارداد	میں / ہم قرارداد سے متفق ہیں (حق میں ووٹ)	میں / ہم قرارداد سے اتفاق نہیں کرتے (مخالفت میں ووٹ)
لیجنڈا کے آئٹم نمبر 5 کے لیے قرارداد		

- باقاعدہ طور پر پُر شدہ بیٹ پیپر جینریشن کو تھرڈ فلور، ماڈرن موٹرز ہاؤس، بومنٹ روڈ، کراچی پر ارسال کیا جائے یا agmcccl@gfg.com.pk پر ای میل کیا جائے
- شناختی کارڈ / پاسپورٹ کی کاپی (غیر ملکی کی صورت میں) پوسٹل بیٹ فارم کے ساتھ منسلک کی جائے
- بیٹ پیپر، بدھ، 8 اکتوبر، 2025 تک کاروباری اوقات میں جینریشن تک پہنچنا چاہیے۔ اس تاریخ کے بعد موصول ہونے والے کسی بھی پوسٹل بیٹ پر ووٹنگ کے لئے غور نہیں کیا جائے گا۔
- بیٹ پیپر پر دستخط شناختی کارڈ / پاسپورٹ (غیر ملکی کی صورت میں) پر موجود دستخط کے مطابق ہونے چاہئیں
- ایسے پول پیپر جو نامکمل، غیر دستخط شدہ، غلط، مسخ شدہ، پھٹے ہوئے، یا جن میں اور رائٹنگ ہوائیں مسزود کردیا جائے گا۔
- کارپوریٹ ہاڈی، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں بیٹ پیپر فارم کے ساتھ کسی مجاز شخص کے شناختی کارڈ کی کاپی، بورڈ ریزولوشن کی تصدیق شدہ کاپی / پاور آف اٹارنی / اتھارٹی لیزر وٹھیرہ منسلک ہونا ضروری ہے، جس کا اطلاق کمپنیز ایکٹ 2017ء کے سیکشن (س) 138 یا 139 کے مطابق ہوتا ہے
- بیٹ پیپر فارم بھی کمپنی کی ویب سائٹ www.gfg.com.pk پر دستیاب ہیں۔ ممبران ویب سائٹ سے بیٹ پیپر ڈاؤن لوڈ کر سکتے ہیں۔

تاریخ

ٹینٹر ہولڈر / پراکسی ہولڈر کے دستخط / مجاز دستخط کنندہ
(کارپوریٹ برٹس کی صورت میں برائے مہربانی کمپنی کی مہر ثبت کریں)

30 جون، 2025 کو ختم ہونے والے مالی سال کی فنانسئل اسٹیٹمنٹس کے نوٹ نمبر 39 میں ظاہر کردہ ٹرانزیکشنز کی پارٹیز کے لحاظ سے تفصیلات درج ذیل ہیں:

متعلقہ پارٹی کا نام	ٹرانزیکشن کی نوعیت	رقم (000 روپے میں)
چیراٹ پیکنگ لمیٹڈ	پیکنگ میٹریل کی خریداری	2,236,671
چیراٹ پیکنگ لمیٹڈ	ڈیوڈنڈ کی ادائیگی	29,302
چیراٹ پیکنگ لمیٹڈ	ڈیوڈنڈ کی وصولی	16,229
چیراٹ پیکنگ لمیٹڈ	اشیا کی فروخت	4,744
چیراٹ پیکنگ لمیٹڈ	اشیا کی خرید	244
ڈائریکٹرز، سی ای او، اور ان کے شریک حیات	ڈیوڈنڈ کی ادائیگی	38,235
ملازمین کی طرف سے فراہمی اور گریجویٹ فنڈ	فنڈ میں کنٹری بیوشن	220,499
ملازمین کی طرف سے فراہمی اور گریجویٹ فنڈ	ڈیوڈنڈ کی ادائیگی	20,618
فاروق (پرائیویٹ) لمیٹڈ	ڈیوڈنڈ کی ادائیگی	231,530
فاروق (پرائیویٹ) لمیٹڈ	خام مال کی خریداری	354,894
فاروق (پرائیویٹ) لمیٹڈ	رائٹی کی ادائیگی	719,742
فاروق (پرائیویٹ) لمیٹڈ	ایکسٹرنل ڈیوٹی کی ادائیگی	8,459
گریوز ایئر کنڈیشننگ (پرائیویٹ) لمیٹڈ	فیکٹوری اثاثہ جات کی خریداری	3,080
گریوز ایئر کنڈیشننگ (پرائیویٹ) لمیٹڈ	خدمات کی وصولی	226
گریوز ایئر کنڈیشننگ (پرائیویٹ) لمیٹڈ	اشیا کی خریداری	205
گریوز پاکستان (پرائیویٹ) لمیٹڈ	ڈیوڈنڈ کی ادائیگی	13,305
گریوز پاکستان (پرائیویٹ) لمیٹڈ	فیکٹوری اثاثہ جات کی خریداری	399,081
گریوز پاکستان (پرائیویٹ) لمیٹڈ	خدمات کی وصولی	87
گریوز پاکستان (پرائیویٹ) لمیٹڈ	اشیا کی خریداری	1,087
جوہلی جزل انشورنس کمپنی لمیٹڈ	انشورنس پرییمیم	112,704
جوہلی جزل انشورنس کمپنی لمیٹڈ	ڈیوڈنڈ کی ادائیگی	589
مینیجمنٹ کی اہم شخصیات	مشاہرہ	1,398,767
میرپور خاص شوگر ملز لمیٹڈ	ڈیوڈنڈ کی ادائیگی	15,110
پاکستان کیبلز لمیٹڈ	اشیا کی خریداری	22,303
زین سوفٹ (پرائیویٹ) لمیٹڈ	سوفٹ ویئر کنسلٹنسی چارجز کی ادائیگی	46,438
زین سوفٹ (پرائیویٹ) لمیٹڈ	ڈیوڈنڈ کی ادائیگی	54

ڈائریکٹرز صرف اپنی ٹینٹر ہولڈنگ اور / یا ایسی متعلقہ پارٹیز میں مشترکہ ڈائریکٹر شپ کی حد تک اس میں دلچسپی رکھتے ہیں۔ مشترکہ ڈائریکٹرز کے ناموں کا تذکرہ فنانسئل اسٹیٹمنٹس کے مذکورہ نوٹ نمبر 39 میں کیا گیا ہے

کرنے کے لئے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ یعنی www.gfg.com.pk پر دستیاب ای-ڈیوڈنڈ مینڈیٹ فارم پر کریں اور فزیکل شیئرز کی صورت میں اسے شناختی کارڈ کی کاپی کے ہمراہ باقاعدہ دستخط شدہ، کمپنی کے رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو ارسال کریں۔ اگر شیئرز سی ڈی سی کے پاس ہیں، تو، ای ڈیوڈنڈ مینڈیٹ فارم براہ راست شیئر ہولڈر کے بروکر / شرکت کنندہ / سی ڈی سی انویسٹر اکاؤنٹ سروسز میں جمع کرانا ہوگا۔ آئی بی اے این جمع نہ کرانے کی صورت میں کمپنی (ڈیوڈنڈ کی تقسیم) ریگولیشنز، 2017 کے تحت ڈیوڈنڈ کی ادائیگی روک دے گی۔ مزید برآں مجموعی منافع، ٹیکس / زکوٰۃ کوٹنی اور منافع کی خالص رقم کے بارے میں معلومات سینٹرل کیش ڈیوڈنڈ رجسٹر (سی ڈی سی آر) کے ذریعے فراہم کی جائیں گی لہذا شیئر ہولڈرز کو اپنے آپ کو سی ڈی سی، ای سروسز پورٹل <http://eservices.cdcaccess.com> پر رجسٹر کرانا چاہیے۔

12. کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت ایک بار جب کمپنی مقررہ رسمی کارروائیاں مکمل کر لے تو کوئی بھی غیر کلیم شدہ ڈیوڈنڈ اور/یا شیئرز جو واجب الادا ہونے یا اس سے زائد کی تاریخ سے تین سال کی مدت تک آؤٹ اسٹینڈنگ رہے ہوں گے انہیں وفاقی حکومت (ڈیوڈنڈ ہونے کی صورت میں) یا ایس ای سی پی (فزیکل شیئرز ہونے کی صورت میں) میں جمع کرایا جائے گا۔ وہ شیئر ہولڈرز جو کسی بھی وجہ سے اپنے بقیہ غیر کلیم شدہ ڈیوڈنڈ / شیئرز حاصل نہیں کر سکتے ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر کلیم شدہ ڈیوڈنڈ یا شیئرز کے حصول / معلومات کے لیے کمپنی کے شیئر رجسٹرار سے رابطہ کریں

13. ممبرز کو مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ خصوصی کاروبار کے طور پر طے کردہ تمام کاروباروں پر اراکین کو الیکٹرانک ووٹنگ کی سہولت اور ڈاک کے ذریعے ووٹنگ کا حق فراہم کریں۔ اس کے مطابق کمپنی کے شیئر ہولڈرز کو، متذکرہ بالا ریگولیشنز میں بیان کردہ شرائط اور ضرورت کے مطابق، جمعرات، 9 اکتوبر، 2025 کو صبح 11 بجے منعقد ہونے والی اسے جی ایم میں الیکٹرانک ووٹنگ کی سہولت یا ڈاک کے ذریعے ووٹنگ کا حق استعمال کرنے کی اجازت ہوگی۔ شیئر ہولڈرز کی سہولت کے لیے بیلٹ پیپر اس نوٹس کے ساتھ منسلک کیا گیا ہے، جبکہ یہ ڈاؤن لوڈ کرنے کے لیے کمپنی کی ویب سائٹ www.gfg.com.pk پر بھی دستیاب ہے۔

ای-ووٹنگ کا طریقہ کار

14. ای ووٹنگ کی سہولت کی تفصیلات ان شیئر ہولڈرز سے بذریعہ ای میل شیئر کی جائیں گی جن کے موٹور کمپیوٹرائزڈ سی ڈی سی قومی شناختی کارڈ نمبرز، سیل نمبرز، اور ای میل ایڈریسز کمپنی کے شیئر رجسٹرار کے پاس یکم اکتوبر 2025 کو کاروباری وقت کے اختتام تک موجود ہوں۔ ویب ایڈریس، لاگ ان کی تفصیلات، ممبران کو ای میل کے ذریعے فراہم کر دی جائے گی۔ ممبران کو سیکورٹی کوڈز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (ای-ووٹنگ سروس پرووائڈر ہونے کے ناطے) کی ویب پورٹل سے ایس ایم ایس کے ذریعے فراہم کیے جائیں گے۔ ایسے شیئر ہولڈرز جو ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھتے ہیں، ان کی شناخت الیکٹرانک دستخط یا لاگ ان کی تصدیق کے ذریعے کی جائے گی۔ ای ووٹنگ لائنیز 4 اکتوبر 2025 کو صبح 9 بجے سے شروع ہوں گی اور 8 اکتوبر 2025 کو شام 5 بجے بند ہوں گی۔ شیئر ہولڈرز اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار جب کسی قرارداد پر ووٹ ڈال دیا گیا تو اسے بعد میں تبدیل کرنے کی اجازت نہیں دی جائے گی۔

پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار

شیئر ہولڈرز اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی کے ساتھ باقاعدہ طور پر شدہ اور دستخط شدہ بیلٹ چیئر مین کو ڈاک کے ذریعے کمپنی کے ایڈریس تھرڈ فلور، ماڈرن موٹرز ہاؤس، بیو مونت روڈ، کراچی پر 8 اکتوبر 2025 تک کام کے اوقات کے دوران، یا بذریعہ ای میل agmcccl@gfg.com.pk شام 5 بجے تک موصول ہو جائے۔ بیلٹ پیپر پر کیے گئے دستخط شناختی کارڈ پر موجود دستخط کے مطابق ہونے چاہئیں۔

15. سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ہدایت نامے کے مطابق، اجلاس میں کوئی تحائف تقسیم نہیں کیے جائیں گے۔

16. شیئر ہولڈرز کے پاس ای میل کے ذریعے سالانہ آڈٹ شدہ فنانسئل اسٹیٹمنٹس اور جزل میٹنگ کا نوٹس حاصل کرنے کا اختیار ہے۔ کمپنی کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ اگر وہ ای میل کے ذریعے سالانہ آڈٹ شدہ فنانسئل اسٹیٹمنٹس اور جزل میٹنگ کا نوٹس حاصل کرنا چاہتے ہیں تو ریکارڈ کو اپ ڈیٹ کرنے کے لئے ہمارے شیئر رجسٹرار کو اپنی رضامندی ظاہر کریں۔ تاہم، اگر شیئر ہولڈرز، اس کے علاوہ، آڈٹ شدہ فنانسئل اسٹیٹمنٹس کی ہارڈ کاپی کی درخواست کرتے ہیں تو، انہیں تحریری درخواست کی وصولی کے سات (7) دنوں کے اندر اسے مفت فراہم کر دی جائیں گی

17. تمام شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ ایف بی آر کی ویب سائٹ پر دستیاب ایکٹو ٹیکس دہندگان کی فہرست (اے ٹی ایل) پر اپنا اسٹیٹس چیک کریں اور اگر ضروری ہو تو اسے ٹی ایل میں اپنا نام شامل کرنے کے لئے ضروری اقدامات کریں۔ اگر کسی شخص کا نام اے ٹی ایل میں نہیں آتا ہے تو قابل اطلاق ٹیکس کی شرح میں سو فیصد اضافہ ہو جائے گا۔

18. جوائنٹ اکاؤنٹ کی صورت میں، ہر اکاؤنٹ ہولڈر کی شیئر ہولڈنگ کے تناسب بمطابق ان کے انفرادی اے ٹی ایل اسٹیٹس کے حوالے سے آگاہ کریں

19. سی ڈی سی اکاؤنٹس رکھنے والے کارپوریٹ شیئر ہولڈرز کو اپنے متعلقہ شرکت کنندہ کے ساتھ اپنے نیشنل ٹیکس نمبر (این ٹی این) کو اپ ڈیٹ کرنا ضروری ہے، جبکہ کارپوریٹ فزیکل شیئر ہولڈرز کو اپنے این ٹی این سرٹیفکیٹ کی ایک کاپی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو ارسال کرنا ہوگی۔ شیئر ہولڈرز کو این ٹی این یا این ٹی این سرٹیفکیٹ ارسال کرتے وقت، جیسا بھی معاملہ ہو، کمپنی کا نام اور ان کے متعلقہ فوئیو نمبر کا حوالہ لازمی دینا ہوگا۔

20. ڈیوڈنڈ آمدنی پر وہ ہولڈنگ ٹیکس سے استثنیٰ کی اجازت صرف اسی صورت میں دی جائے گی جب موٹور ٹیکس استثنیٰ سرٹیفکیٹ کی کاپی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو بک بند ہونے کے پہلے دن تک دستیاب ہو۔

21. زکوٰۃ کی لازمی کوٹنی سے استثنیٰ کلیم کرنے کے لیے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ زکوٰۃ ڈیکلریشن (فارم سی زیڈ - 50) یا اس کی تصدیق شدہ فوٹو کاپی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو جلد از جلد جمع کرائیں تاکہ مستقبل کے تمام ڈیوڈنڈز پر زکوٰۃ کی کوٹنی سے بچا جاسکے۔

کمپنیز ایکٹ 2017 کے سیکشن 134 کے تحت اسٹیٹمنٹ

متعلقہ پارٹی ٹرانزیکشنز

اسٹیٹمنٹ میں جمعرات 9 اکتوبر 2025 کو ہونے والی کمپنی کے سالانہ اجلاس عام میں ”خصوصی کاروبار“ سے متعلق مادی حقائق بیان کیے گئے ہیں۔ کمپنی کے ممبران سے درج ذیل کے حوالے سے منظوری حاصل کی جائے گی:

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران کمپنی نے اپنی منسلک کمپنیز اور متعلقہ پارٹیز کے ساتھ اپنی پالیسیوں اور قابل اطلاق قوانین و ضوابط کے مطابق ٹرانزیکشنز انجام دیں۔ متعلقہ پارٹی ٹرانزیکشنز کو کمپنیز ایکٹ 2017 کی دفعہ 207 اور 208 کے تحت شیئر ہولڈرز کی منظوری درکار ہے۔ اس طرح کی ٹرانزیکشنز کو سالانہ اجلاس عام میں منظوری کے لیے تجویز کردہ خصوصی قرارداد کے ذریعے شیئر ہولڈرز کی منظوری کے لیے ان کے سامنے رکھا جا رہا ہے۔

شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ 30 جون 2025 کو ختم ہونے والے مالی سال کی فنانسئل اسٹیٹمنٹس کے نوٹ نمبر 39 میں ظاہر کردہ ٹرانزیکشنز کی توثیق کریں اور بورڈ آف ڈائریکٹرز کو 30 جون 2026 کو ختم ہونے والے سال کے لئے متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ ٹرانزیکشنز کرنے کا اختیار دیں۔

اطلاع برائے سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ چیراٹ سینٹ کمپنی لمیٹڈ کا 44 واں سالانہ اجلاس عام جمعرات 9 اکتوبر 2025 کو صبح 11 بجے کمپنی کے رجسٹرڈ آفس، ولج لکڑی، نوشہرہ، خیبر پختونخوا، ٹیکسٹائل کے مقام پر اور ساتھ ہی ویڈیو لنک کانفرنسنگ کی سہولت کے ذریعے درج ذیل کاروباری امور کی انجام دہی کے لیے منعقد کیا جائے گا

عمومی برنس

- 30 جون 2025 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ اکاؤنٹس کی وصولی اور ان پر ڈائریکٹرز اور آڈیٹرز رپورٹس کے ساتھ غور و خاص اور منظوری
- 40 فیصد (4.00 روپے فی حصص) کی شرح سے فائنل کیش ڈیویڈنڈ کی ادائیگی پر غور اور اس کی منظوری۔ یہ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے شیئرز ہولڈرز کو پہلے ہی ادا کی جانے والی 15 فیصد (1.50 روپے فی شیئر) کی شرح سے تقسیم کیے گئے عبوری کیش ڈیویڈنڈ کے علاوہ ہے
- سال 2025-26 کے لیے گرانٹ تھورنٹن انجمن رحمن چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹر تقرری اور ان کے معاوضہ کا تعین
- چیئرمین کی اجازت سے کسی بھی دوسرے برنس پر کارروائی

خصوصی برنس

- درج ذیل قرارداد پر بطور خصوصی قرارداد غور و خاص اور اس کی منظوری
 - قرار دیا جاتا ہے کہ 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے گئے لین دین جسے فائنل اسٹیٹمنٹس کے نوٹ 39 میں ظاہر کیا گیا ہے، کی توثیق کی جاتی ہے اور منظوری دی جاتی ہے
 - مزید قرار دیا جاتا ہے کہ کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے جانے والے تمام لین دین کی منظوری دینے کے مجاز ہیں۔
- مذکورہ اسٹیٹمنٹ برنس سے متعلق کمپنی ایکٹ 2017 کی دفعہ 134 کے تحت اسٹیٹمنٹ نوٹس کے ساتھ منسلک ہے۔

بحکم بورڈ آف ڈائریکٹرز

عاصم حمید آخوند
کمپنی سیکرٹری

کراچی: 21 اگست، 2025

کمپنی کی آڈٹ شدہ فائنل اسٹیٹمنٹس، کمپنی ایکٹ 2017 کے تحت درکار رپورٹ اور دستاویزات کے ساتھ کمپنی کی ویب سائٹ پر اپ لوڈ کر دی گئی ہیں جنہیں مندرجہ ذیل لنک اور / یا کیو آر اینبلڈ کوڈ سے ڈاؤن لوڈ کیا جاسکتا ہے

کیو آر کوڈ	ویب لنک
	https://gfg.com.pk/cccl/financial-information/

نوٹس

- کمپنی کے ممبران کا رجسٹر جمعرات، 2 اکتوبر، 2025 سے جمعرات، 9 اکتوبر، 2025 (بشمول دونوں دن) تک بند رہے گا اور اس دوران کوئی ٹرانسفر رجسٹر نہیں کیا جائے گا۔ کمپنی کے شیئرز رجسٹرار کے دفتر سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ (سی ڈی سی ایس آر ایس ایل)، سی ڈی سی ہاؤس، 99-بی، بلاک 'بی'، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی 74400-7 میں بدھ، یکم اکتوبر، 2025 کو کاروبار کے اختتام تک موصول ہونے والے شیئرز کو بروقت تصور کیا جائے گا۔
- کمپنی کا کوئی ممبر جو سالانہ اجلاس عام میں شرکت، اظہار خیال اور ووٹ دینے کا اہل ہے وہ کسی دوسرے رکن کو اپنی جگہ شرکت، اظہار خیال اور ووٹ دینے کے لئے اپنے پراکسی کے طور پر مقرر کر سکتا ہے۔ پراکسی کے مؤثر ہونے کے لئے تحریری ہونا ضروری ہے اور میٹنگ سے 48 گھنٹے پہلے لازمی طور پر کمپنی کے ہیڈ آفس میں وصول کیا جانا چاہئے۔
- اے جی ایم کی کارروائی زوم ایپلی کیشن (ویڈیو لنک کانفرنسنگ کی سہولت) کے ذریعے ویڈیو کے ذریعے بھی انجام دی جائے گی۔ اجلاس میں شرکت کے خواہشمند شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ مطلوبہ معلومات کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کے دونوں اطراف کی موئٹر کاپی کے ساتھ cdcsr@cdcsrsl.com پر ای میل کریں جس کا عنوان "رجسٹریشن فار چیراٹ سینٹ کمپنی لمیٹڈ اے جی ایم" ہو۔ شیئرز ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی تمام تر تفصیلات درج ذیل طریقے سے بیان کریں

شیئرز ہولڈرز پراکسی کا مکمل نام	کمپنی	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	فولیو/سی ڈی سی اکاؤنٹ نمبر	ای میل ایڈریس	موبائل فون نمبر
	چراٹ سینٹ کمپنی لمیٹڈ				

- ویڈیو لنک کی تفصیلات اور لاگ ان کریڈنٹیلز ممبرز کو ان کے فراہم کردہ ای میل ایڈریسز پر ارسال کی جائیں گی تاکہ وہ مقررہ تاریخ اور وقت پر اجلاس میں شرکت کر سکیں۔
- ممبران کی شناخت اور تصدیق کے لئے درکار تمام رسمی کارروائیوں کو مکمل کرنے کے بعد اپنی ڈیوائسز کے ذریعے لاگ ان کر سکیں گے اور اے جی ایم کی کارروائی میں حصہ لے سکیں گے۔ ویڈیو لنک اور لاگ ان کریڈنٹیلز صرف ان ممبرز کے ساتھ شیئرز کی جائیں گی جن کی ای میلز، جن میں تمام مطلوبہ تفصیلات شامل ہیں، اے جی ایم کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہو چکی ہوں۔
- کمپنی کے ممبران جن کے شیئرز سینٹرل ڈپازٹری سسٹم (سی ڈی ایس) کے ساتھ ان کے اکاؤنٹ / ذیلی اکاؤنٹ میں رجسٹرڈ ہیں ان سے درخواست کی جاتی ہے کہ وہ تصدیق کے لئے سی ڈی ایس میں اپنے اکاؤنٹ نمبر اور شرکت کنندہ کے شناختی نمبر کے ساتھ اصل کمپیوٹرائزڈ قومی شناختی کارڈ ہمراہ لائیں۔
- فزیکل شیئرز کے حامل ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں کسی بھی تبدیلی کے حوالے سے کمپنی کے شیئرز رجسٹرار کو مطلع کریں۔ جبکہ، سی ڈی سی اکاؤنٹس کے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کے حوالے سے فوری طور پر اپنے متعلقہ سی ڈی سی شراکت دار / بروکر / سی ڈی سی انویسٹر اکاؤنٹ سروسز کو مطلع کریں۔
- کمپنی ایکٹ 2017 کے سیکشن 119 اور کمپنیز ریگولیشنز 2024 کے ریگولیشن 47 کے مطابق تمام فزیکل شیئرز ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسے شناختی کارڈ نمبر، ایڈریس، ای میل ایڈریس، رابطہ موبائل / ٹیلی فون نمبر، پیشہ وغیرہ فوری طور پر سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ کو فراہم کریں تاکہ قانون کی عدم تعمیل یا مستقبل میں کسی قسم کی زحمت سے بچا جاسکے۔
- فزیکل شیئرز کے حامل ممبران جنہوں نے ابھی تک اپنے موئٹر کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی فوٹو کاپی جمع نہیں کرائی ہے، ان سے درخواست کی جاتی ہے کہ وہ اسے کمپنی کے شیئرز رجسٹرار کو ارسال کریں۔
- کمپنی ایکٹ 2017 کے سیکشن 72 کے مطابق ہر موجودہ لسٹڈ کمپنی کو اپنے فزیکل شیئرز بک انٹری فارم ایس ای سی پی کی طرف سے بیان کردہ طریقے اور نوٹیفکیشنز تاریخ سے، تبدیل کرنا ہوں گے۔ اسی طرح فزیکل شیئرز ہولڈنگ رکھنے والے شیئرز ہولڈرز کو اس کے مطابق سی ڈی سی انویسٹر اکاؤنٹ سروسز کے ساتھ اپنا اکاؤنٹ کھولنے یا کسی بھی بروکر کے ساتھ ذیلی اکاؤنٹ کھولنے اور اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا ہوگا۔ اس سے شیئرز ہولڈرز کو کئی طریقوں سے سہولت حاصل ہوگی، بشمول سبف کسٹڈی اور شیئرز کی فروخت، جس وقت وہ چاہیں، کیونکہ پاکستان اسٹاک ایکچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی ٹریڈنگ کی اجازت نہیں ہے۔
- شیئرز ہولڈرز کو یاد دہانی کرائی جاتی ہے کہ کمپنی ایکٹ 2017 کی دفعہ 242 کے مطابق لسٹڈ کمپنی کے معاملے میں کمپنی کی جانب سے اعلان کردہ کسی بھی کیش ڈیویڈنڈ کو براہ راست شیئرز ہولڈرز کے بینک اکاؤنٹس میں الیکٹرانک طور پر ادا کیا جانا چاہیے۔ اپنے بینک اکاؤنٹ میں براہ راست ڈیویڈنڈ وصول

آڈیٹرز کا تقرر

موجودہ ایکسٹرنل آڈیٹرز، میسرز گرانت تھارنٹن انجم رحمن، چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2025ء کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کیا ہے اور ایک کلیئر آڈٹ رپورٹ جاری کی ہے۔ آڈیٹرز کمپنی کی سالانہ عام اجلاس کے اختتام پر رسکڈوش ہو جائیں گے اور انہوں نے اہل ہونے کے ناطے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی کی سفارش پر، بورڈ نے ان کی تقرری کو 30 جون 2026ء کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کے طور پر تجویز کیا ہے۔

پیژن آف شیئر ہولڈنگ

30 جون 2025ء کو ختم ہونے والے سال کے لیے، کمپنیز ایکٹ 2017 کی دفعہ 227(2) کے تحت درکار، کمپنی کا پیژن آف شیئر ہولڈنگ، اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

متعلقہ پارٹیز ٹرانزیکشنز

متعلقہ پارٹیز کے ساتھ تمام ٹرانزیکشنز کسی جانبداری کے شفاف انداز سے کیے گئے ہیں اور کمپنی کی فائنانشل اسٹیٹمنٹس میں درست طور پر ظاہر کیے گئے ہیں۔

بعد ازاں واقعات

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان ایسی کوئی اہم تبدیلیاں یا کمٹمنٹس نہیں ہوئیں جو کمپنی کی مالی حیثیت پر اثر انداز ہوں

بزنس کی نوعیت میں کوئی تبدیلی نہیں

کمپنی کے بزنس کی نوعیت کے حوالے سے اس مالی سال کے دوران کوئی اہم تبدیلی رونما نہیں ہوئی

مستقبل کا منظر نامہ

آئندہ مالی سال 2026 کے لیے صورتحال محتاط انداز میں بہتر امکانات کی عکاس ہے۔ مہنگائی میں نمایاں کمی اور شرح سود میں نرمی کے رجحان کے ساتھ توقع ہے کہ سرمایہ کاری اور کنزرویشن کی سپورٹ کے لیے مزید مالیاتی سہولت فراہم کی جائے گی۔ امکان ہے کہ حکومت اسٹریٹجک اصلاحات جاری رکھے گی، بشمول سرکاری اداروں کی نجکاری اور توانائی کے شعبے میں ٹیرف ایڈجسٹمنٹس، تاکہ مالی اور آئی ایم ایف پروگرام کے اہداف حاصل کیے جاسکیں۔ اگرچہ سبسڈی میں کمی اور ٹیکس نیٹ کے دائرہ کار کو وسیع کرنے کی کوششوں کے باعث قلیل مدتی افراط زر کے دباؤ پیدا ہو سکتے ہیں، لیکن وسط مدتی منظر نامہ میکرو اکنامک استحکام، ترسیلات زر کے ان فلو میں تیزی، اور مکنہ اسٹریٹجک انویسٹمنٹس، بالخصوص مشرق وسطیٰ کی طرف سے، پر مبنی ہے۔ توقع ہے کہ یہ عوامل شرح مبادلہ کے استحکام کے لیے معاون ثابت ہوں گے اور معاشی گروتھ 2025 کی سطح سے کچھ اوپر رہے گی۔

سیمینٹ انڈسٹری کے لیے ترقی کے امکانات پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) کے تحت انفراسٹرکچر منصوبوں، ہاؤسنگ اسکیموں اور ریجنل ایکسپورٹ کے مواقع سے وابستہ ہیں۔ مالی سال 2026 کے وفاقی بجٹ میں تعمیرات اور ہاؤسنگ کے فروغ کے لیے اقدامات متعارف کرائے گئے ہیں، جن میں چھوٹے رہائشی قرضوں پر ٹیکس کریڈٹ بھی شامل ہے، جو براہ راست سیمینٹ کی طلب میں اضافہ کرے گا۔

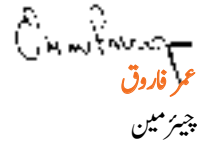
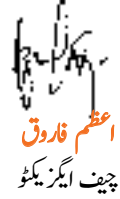
کلنر اور سیمینٹ کی درآمدات حال ہی میں سمندر کے راستے اور افغانستان دونوں جانب سے بہتر ہوئی ہیں۔ مالی سال 2025 میں افغانستان کو برآمدات چند ماہ کے لیے مرکزی سرحدوں کی بندش کے باعث متاثر رہیں۔ تاہم، اس وقت تمام سرحدیں کھلی ہیں اور طلب بھی بہتر ہے۔ اگرچہ افغانستان میں سیمینٹ کی مانگ بہت زیادہ ہے، لیکن انتظامی اور سیاسی معاملات کے باعث ہماری برآمدات وقتاً فوقتاً متاثر ہوتی رہتی ہیں۔

کمپنی کی انتظامیہ مارکیٹ کے حالات پر گہری نظر رکھنے میں متحرک رہتی ہے اور بڑھتی ہوئی ان پٹ لاگت کے اثرات کو کم کرنے کے لیے لاگت پر قابو پانے کی مختلف اقدامات اٹھا رہی ہے۔ ہم حکومت سے بھی درخواست کرتے ہیں کہ وہ سیمینٹ صنعت پر حد سے زیادہ ٹیکس بوجھ کو کم کرے اور ایسے اقدامات کرے جو اس اہم شعبے میں ترقی کے احیاء میں مددگار ثابت ہوں۔ مینجمنٹ کاروبار میں تنوع لانے اور موجودہ کاروبار کے توسیعی منصوبوں کے حوالے سے اپنی کوششوں کے سلسلے کو جاری رکھے گی۔

سائنس

ہم ان تمام مالیاتی اداروں کا شکریہ ادا کرنا چاہتے ہیں جن کے ساتھ ہمارے کاروباری روابط استوار ہیں، اسی طرح اپنے ڈیلرز، صارفین اور سپلائرز کے بھی شکر گزار ہیں جنہوں نے ہمیں مسلسل تعاون اور اعتماد دیا۔ ہم اپنے تمام عملے کی بھی دل کی گہرائیوں سے قدر کرتے ہیں جنہوں نے لگن، وفاداری اور محنت سے اپنا کردار ادا کیا۔

مخانب بورڈ آف ڈائریکٹرز



کراچی: 21 اگست، 2025

ڈائریکٹر کا نام	میں شرکت کی تعداد
جناب عارف الاسلام	2
جناب اکبر علی پسنانی	4
جناب عارف فاروق	4

اس سال کے دوران ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کی ایک مینٹلز کا انعقاد ہوا۔ ان میں ہر ڈائریکٹر کی شرکت کے حوالے سے تفصیلات درج ذیل ہیں

ڈائریکٹر کا نام	میں شرکت کی تعداد
جناب ابرار حسن	1
جناب اعظم فاروق	1
جناب عمر فاروق	1

* جناب آصف قادر اس سال ڈائریکٹر کے طور پر ریٹائر ہو گئے اور ان کی جگہ جناب عارف الاسلام ڈائریکٹر کا انتخاب عمل میں آیا

* آصف قادر کی ریٹائرمنٹ کے بعد، جناب عارف الاسلام کو آڈٹ کمیٹی کا رکن مقرر کیا گیا۔

** جو ڈائریکٹرز اپنی مصروفیات کے باعث اجلاس میں شریک نہ ہو سکے، انہیں رخصت کی اجازت دی گئی۔

بورڈ اور بورڈ کمیٹیز کی کارکردگی کا جائزہ

کمیٹی کوڈ آف کارپوریٹ گورننس کے تحت بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کا سالانہ جائزہ لیتی ہے۔ اس جائزہ میں اہم ترجیحات میں تنوع کو فروغ دینا، دیانت داری اور فعال شمولیت کو برقرار رکھنا، مینجمنٹ کے اہداف کا باقاعدہ جائزہ لینا، اسٹریٹجک رہنمائی فراہم کرنا، کارکردگی میں بہتری کے پہلوؤں کی نشاندہی کرنا، خطرات کا اندازہ لگانا، جانشینی کے منصوبوں کا جائزہ لینا، صحت و سلامتی کے طریقہ کار کو بہتر بنانا، اور قانونی چارہ جوئی و سماج کے خطرات کے حوالے سے تحفظ شامل ہیں۔

کمیٹی سیکریٹری کو مکمل شدہ سوالنامے موصول ہونے پر سخت رازداری کو یقینی بنایا جاتا ہے۔ عمل کی شفافیت کو برقرار رکھنے کے لیے، کمیٹی نے گرانٹ تھارنٹن انجم رحمن، چارٹرڈ اکاؤنٹنٹس کی خدمات حاصل کی ہیں تاکہ نتائج کو مرتب کیا جاسکے اور بورڈ آف ڈائریکٹرز کے لیے رپورٹ تیار کی جاسکے۔ اس رپورٹ کے مندرجات کا جائزہ لیا جاتا ہے اور ان شعبوں کی نشاندہی کی جاتی ہے جہاں بہتری کی ضرورت ہو۔

اندرونی مالیاتی کنٹرولز کی مناسبت

بورڈ آف ڈائریکٹرز نے اندرونی مالیاتی کنٹرولز کا ایک موثر فریم ورک وضع کیا ہے تاکہ آپریشنز کی ہموار اور موثر بحال، کمیٹی انڈیپنڈنٹ انٹرنل آڈٹ کا شعبہ ان مالیاتی کنٹرولز کے نفاذ کا تسلسل کے ساتھ جائزہ لیتا اور اس کی نگرانی کرتا ہے، جبکہ آڈٹ کمیٹی سہ ماہی بنیادوں پر اندرونی کنٹرولز اسٹریکچر کی کارکردگی اور فائنل

اسٹیٹمنٹس کا جائزہ لیتی ہے۔

ڈائریکٹرز کا مشاہرہ

کمیٹی کے آرٹیکلز کے تحت بورڈ آف ڈائریکٹرز وقتاً فوقتاً نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کا معاوضہ طے کرنے کا مجاز ہوتا ہے۔ اس سلسلے میں بورڈ آف ڈائریکٹرز نے کمیٹی کے نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے لیے معاوضے کی پالیسی تیار کی ہے۔ ڈائریکٹرز کے معاوضے کی تفصیلات 30 جون 2025 کو ختم ہونے والے مالی سال کی فائنل اسٹیٹمنٹس کے نوٹ 38 میں ظاہر کی گئی ہیں۔

ڈائریکٹرز کی ٹریننگ

کمیٹی کے ڈائریکٹرز اپنی ذمہ داریوں کی ادائیگی کے حوالے سے مناسب طور پر تربیت یافتہ ہیں اور وہ متعلقہ قوانین کے تحت اپنے اختیارات اور ذمہ داریوں، بشمول کمپنیز ایکٹ 2017 اور پی ایس ایکس رول بک کے ضوابط سے بخوبی آگاہ ہیں

• گذشتہ چھ سال کا اہم آپرینٹنگ اور فائنل ڈیٹا، خلاصے کی صورت میں ساتھ منسلک ہے۔

• آپ کی کمیٹی پر ٹیکسز، ڈیویڈنڈ اور چارجز کی مدد میں کوئی رقم واجب الادا نہیں ہے، سوائے ان کے جو کاروبار کے معمول کے دوران وقوع پذیر ہوتے ہیں

• ایسوسی ایٹڈ انڈر ٹیکنگ اور متعلقہ افراد کی طرف سے اسٹیٹمنٹ آف شیئرز بھی علیحدہ سے پیش کیا گیا ہے

• کمیٹی اپنے ملازمین کے لیے پراویڈنٹ اور گریجویٹ فنڈ اکاؤنٹس رکھتی ہے۔ 30 جون 2025 تک ان فنڈز کی سرمایہ کاری کی قدر کے حوالے سے تفصیلات درج ذیل ہیں

0	پراویڈنٹ فنڈ	2,211 ملین روپے
0	گریجویٹ فنڈ	1,696 ملین روپے

بورڈ آف ڈائریکٹرز

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شرائط کے مطابق، کمیٹی اپنے بورڈ میں آزاد اور نان ایگزیکٹو ڈائریکٹرز کے ساتھ ساتھ صنفی تنوع (Gender Diversity) کی نمائندگی بھی یقینی بناتی ہے۔

بورڈ آف ڈائریکٹرز کے کل اراکین کی تعداد 8 ہے اور اس کی ساخت درج ذیل ہے:

7	مرد ڈائریکٹرز
1	خاتون ڈائریکٹر

تفصیلات	تعداد	ڈائریکٹرز کے نام
انڈیپنڈنٹ ڈائریکٹرز	3	جناب ابرار حسن محترمہ زہبا انصار جناب عارف الاسلام
نان ایگزیکٹو ڈائریکٹرز	3	جناب عمر فاروق جناب اکبر علی پسنانی جناب عارف فاروق
ایگزیکٹو ڈائریکٹرز	2	جناب اعظم فاروق جناب یاسر مسعود
خاتون ڈائریکٹر	1	محترمہ زہبا انصار

اس سال کے دوران بورڈ آف ڈائریکٹرز کی 5 مینٹلز کا انعقاد ہوا۔ ان میں ہر ڈائریکٹر کی شرکت کے حوالے سے تفصیلات درج ذیل ہیں

ڈائریکٹر کا نام	میں شرکت کی تعداد
جناب عمر فاروق	5
جناب اعظم فاروق	5
جناب اکبر علی پسنانی	5
جناب عارف فاروق	5
جناب ابرار حسن	2
جناب آصف قادر*	1
محترمہ زہبا انصار	5
جناب عارف الاسلام*	2
جناب یاسر مسعود	5

اس سال کے دوران آڈٹ کمیٹی کی 4 مینٹلز کا انعقاد ہوا۔ ان میں ہر ڈائریکٹر کی شرکت کے حوالے سے تفصیلات درج ذیل ہیں

ریکوری سسٹمز، متبادل ایندھن، اور قابل تجدید توانائی کے ذرائع میں بڑی سرمایہ کاری کی گئی ہے۔ کمپنی کو یقین ہے کہ پائیداری کے حوالے سے یہ اقدامات طویل مدتی قدر میں اضافہ کریں گے، صارفین کا اعتماد بڑھائیں گے، ترقی کی راہ ہموار کریں گے، اور بدلتی ہوئی مارکیٹ اور ریگولیٹری ماحول میں مسابقتی برتری حاصل کرنے میں مددگار ثابت ہوں گے۔

تنوع، مساوات اور شمولیت (ڈی ای اینڈ آئی)

کمپنی اپنی ورک فورس اور ان کیونٹیز میں جہاں یہ خدمات فراہم کرتی ہے، تنوع، مساوات، اور شمولیت (DE&I) کے کلچر کو فروغ دینے کے لیے پرعزم ہے۔ DE&I کمپنی کی اہم ترجیح ہے، اور کمپنی کے پائیدار اور اخلاقی کاروباری طریقہ کار کا اہم جزو ہے۔ تمام آرگنائزیشنل سطحوں پر جنس اور نسلی تنوع کو بہتر بنانے کے لیے ایک منظم DE&I حکمت عملی تیار کی جا رہی ہے، جس میں قابل پیمائش اور واضح اہداف شامل ہیں۔ متوازن انٹرویو پینلز اور متنوع جاب پلیٹ فارمز کا استعمال، اس طرح کے ریکروٹمنٹ پراسس کی مثال ہیں، جو نافذ کیے جا چکے ہیں۔ کمپنی اپنے عملے کے لیے باقاعدگی سے تربیتی سیشنز منعقد کرتی ہے جن میں غیر شعوری تعصب، ثقافتی حساسیت، اور انکلو سو لیڈرشپ جیسے موضوعات شامل ہیں، تاکہ ایک انکلو سو ورک پلیس کلچر کو فروغ دیا جاسکے۔

صحت، حفاظت اور ماحول

CCCL اپنی تمام سرگرمیوں میں صحت، حفاظت اور ماحولیاتی تحفظ کے اعلیٰ ترین معیار کو برقرار رکھنے کے لیے پرعزم ہے۔ اس مقصد کے تحت، کمپنی نے ایک جامع HSE فریم ورک وضع کیا ہے تاکہ ملازمین، کنٹریکٹرز اور اسٹیک ہولڈرز کے لیے کام کا محفوظ ترین ماحول فراہم کیا جاسکے، اور ساتھ ہی ماحولیاتی اثرات کو کم سے کم رکھا جاسکے

اہم اقدامات درج ذیل ہیں

- **ملازمین کی حفاظت:** ایک مخصوص HSE ڈپارٹمنٹ حفاظتی پروٹوکولز کے نفاذ کی نگرانی کرتا ہے، جس میں عملے کے لیے باقاعدہ فائر اور سیفٹی ٹریننگ شامل ہے۔ کمپنی سخت حفاظتی اقدامات پر عمل کرتی ہے تاکہ کام کی جگہ پر حادثات کو روکا جاسکے اور ملازمین کی فلاح و بہبود کو فروغ دیا جاسکے۔
- **کیونٹی ہیلتھ:** کمپنی اپنی فیکٹری کے قریب ایک بنیادی صحت یونٹ آپریٹ کرتی ہے جو مقامی کمیونٹی کو طبی سہولیات فراہم کرتا ہے، جن میں خواتین کے لیے گائناکولوجی وارڈ کے ذریعے خصوصی نگہداشت شامل ہے۔
- **ماحولیاتی تحفظ:** کمپنی ویسٹ ہیٹ ریکوری (WHR) سسٹمز کو استعمال کرتے ہوئے ایگزاسٹ ہیٹ سے بجلی پیدا کرتی ہے، جس سے غیر تجدیدی توانائی پر انحصار کم ہوتا ہے۔ مزید برآں، کمپنی کی طرف سے سولر پاور منصوبوں کو وسعت دی گئی ہے تاکہ سبز اور صاف توانائی کے اقدامات کو فروغ دیا جاسکے۔
- **آلودگی پر قابو:** ایڈوانسڈ ٹیکنالوجیز جیسے الیکٹرو اسٹانک پریسیسیٹیوٹرز اور بیگ فلٹرز کا استعمال کیا جاتا ہے تاکہ دھول اور گیسوں کے اخراج پر قابو پایا جاسکے اور ماحولیاتی ضوابط پر عمل درآمد یقینی بنایا جاسکے۔
- **شجر کاری مہمات:** پلانٹ کے اطراف میں باقاعدہ شجر کاری کی جاتی ہے تاکہ کاربن کے اثرات کا خاتمہ ہو اور ماحولیاتی توازن کو فروغ دیا جاسکے۔

کارپوریٹ سلبی ذمہ داری

کمپنی اپنی کارپوریٹ سوشل ریسپانسبلٹی (CSR) کی سرگرمیوں کے تحت تعلیم، صحت، خواتین کو بااختیار بنانے اور کیونٹی ڈویلپمنٹ پر خصوصی توجہ دیتی ہے۔ رواں سال کے دوران بھی کمپنی نے نوشہرہ کے گاؤں شاہدو میں دی سٹیزنز فاؤنڈیشن (TCF) اسکول کی معاونت جاری رکھی، تاکہ پسماندہ کیونٹیز کے لیے معیاری تعلیم تک مسلسل رسائی یقینی بنائی جاسکے۔

کمپنی نے ویمن ڈویلپمنٹ سینٹر کے ذریعے پائلٹ اسکول ڈویلپمنٹ اور ووکیشنل ٹریننگ پروگرامز کا بھی آغاز کیا ہے، جن کا مقصد خواتین کو تعلیم کے ساتھ ساتھ عملی مہارتوں سے آراستہ کرنا ہے۔ ان پائلٹ پروگرامز کی کامیاب تکمیل اور لوگوں کی طرف سے مثبت رد عمل کے بعد، کمپنی اس منصوبے کو وسعت دینے کے لیے اسی مقصد کے لیے ایک مخصوص بلڈنگ قائم کرنے کے مراحل میں ہے۔ اس کے ساتھ ساتھ مردوں کی ووکیشنل ٹریننگ کی ضروریات کا بھی جائزہ لیا جا رہا ہے تاکہ کیونٹی کی ترقی کے ان پروگرامز کا دائرہ مزید وسیع کیا جاسکے

صحت کے شعبے میں، کمپنی ایک مقامی این جی او HEADS کے اشتراک سے فیکٹری کے قریب ایک بنیادی ہیلتھ یونٹ آپریٹ کرتی ہے۔ اس یونٹ میں علاقے کی خواتین کی مخصوص صحت کی ضروریات کو پورا کرنے کے لیے ایک ماہر امراض نسواں (گائناکالوجسٹ) بھی موجود ہے۔

اس کے علاوہ، کمپنی مقامی طلبہ کے لیے اسکول ٹرانسپورٹ سروسز فراہم کرتی ہے اور قریبی دیہات کو ٹیوب ویلز کے ذریعے صاف پینے کا پانی مہیا کرتی ہے جانوروں کے تحفظ کے لیے کمپنی کا جاری پروگرام بھی ماحولیاتی اور لیگولوجیکل ذمہ داری کے حوالے سے اس کے عزم کی عکاسی کرتا ہے۔

بنیادی خدشات اور غیر یقینی صورتحال

خطرات کا جائزہ

بورڈ، کمپنی کے رسک مینجمنٹ فریم ورک کی نگرانی کی مجموعی ذمہ داری رکھتا ہے، جبکہ سینئر مینجمنٹ پر موثر کنٹرولز کے نفاذ اور ابھرتے ہوئے خطرات کا بروقت جواب دینے کی ذمہ داری عائد ہوتی ہے۔ خطرات کا باقاعدگی سے جائزہ لیا جاتا ہے تاکہ کاروبار کے تسلسل کو یقینی بنایا جاسکے اور کمپنی کے اسٹریٹجک مقاصد کے ساتھ ہم آہنگی قائم رہے۔ آرگنائزیشن کو مختلف بیرونی عوامل، جیسا کہ مارکیٹ میں اتار چڑھاؤ، معاشی تغیرات اور ریگولیٹری تبدیلیوں کے اثرات کا سامنا رہتا ہے۔ اس کے جواب میں، مینجمنٹ صنعت کے بدلتے ہوئے رجحانات کے مطابق اپنی حکمت عملیوں کو مسلسل بہتر بناتی ہے اور صلاحیت میں اضافے کے لیے کوشاں رہتی ہے، تاکہ بیرونی چیلنجز کے باوجود کمپنی کی مارکیٹ پوزیشن کو برقرار رکھا جاسکے۔

رسک مینجمنٹ

آپریٹنگ خطرات کو کم کرنے کے لیے کمپنی نے میٹیریل سورسنگ، قابل بھروسہ طریقہ کار اور موثر لاجسٹکس کے حوالے سے مستحکم کنٹرولز قائم کیے ہیں۔ پلائٹس پر اپنی بجلی پیدا کرنے کی سہولتوں کی سہولتوں پر انحصار کو کم کرنے اور بجلی کی بندش سے محفوظ رکھنے میں مدد دیتی ہیں۔ کمپنی سائبر سیکیورٹی کو بھی اولین ترجیح دیتی ہے اور آپریٹنگ میں رکاوٹ سے بچنے کے لیے واضح طور پر ذمہ داریاں تفویض کی گئی ہیں

مالیاتی خدشات جیسا کہ زرمبادلہ کی شرح میں اتار چڑھاؤ، شرح سود میں تبدیلیاں، اور کموڈٹی قیمتوں کی غیر یقینی صورتحال کو واضح اور باقاعدگی سے نظر ثانی شدہ مالی پالیسیوں کے ذریعے فعال انداز میں منظم کیا جاتا ہے۔ اس کے علاوہ، ایک مضبوط کپلائنس کلچر اس بات کی ضمانت دیتا ہے کہ کمپنی کی ہر سرگرمی متعلقہ قوانین، ضوابط اور انڈسٹری میں مروجہ بہترین پریکٹسز کے عین مطابق ہو

کارپوریٹ گورننس

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تمام ضروریات پر مکمل عمل درآمد کیا ہے۔ اس رپورٹ کے متعلقہ حصے میں اسٹیٹمنٹ آف کپلائنس فراہم کی گئی ہے۔

کارپوریٹ اور فنانسئل رپورٹنگ فریم ورک پر اسٹیٹمنٹ

- کمپنی کی مینجمنٹ کی طرف سے تیار کی گئی فنانسئل اسٹیٹمنٹس اس کے مالی معاملات، آپریٹنگ کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلی کو شفاف انداز سے پیش کرتی ہیں
- کمپنی کی باقاعدہ بکس آف اکاؤنٹ تیار کی گئی ہیں
- فنانسئل اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیز کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے حوالے سے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں
- فنانسئل اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو اور کمپنیز ایکٹ 2017 کے مطابق بین الاقوامی فنانسئل رپورٹنگ اسٹینڈرز کا اطلاق کیا گیا ہے، اور اس سے انحراف کو واضح طور پر عیاں کیا گیا ہے اور اسکی وضاحت کی گئی ہے۔
- چیف ایگزیکٹو، ڈائریکٹر اور چیف فنانسئل آفیسر بورڈ کی منظوری سے قبل باقاعدہ طور پر اس کی توثیق کی
- داخلی کنٹرول کا نظام اپنے ہیئت میں مضبوط ہے اور اس کا اطلاق موثر انداز سے کیا گیا ہے، اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کے گورننگ کنٹرن کے طور پر اپنا کام جاری رکھنے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- کارپوریٹ گورننس کی بہترین پریکٹسز سے کسی قسم کا انحراف نہیں کیا گیا ہے۔

مجموعی طور پر کمپنی کی سیلز کے حجم میں 9% کمی واقع ہوئی، جس میں مقامی فروخت اور ایکسپورٹس میں گزشتہ سال کے مقابلے میں بالترتیب 10% اور 3% کمی دیکھی گئی۔

مالیاتی کارکردگی اور کاروباری جائزہ

مجموعی طور پر سیلز ریونیو میں گزشتہ سال کے مقابلے میں 2% کمی واقع ہوئی، جس کی بنیادی وجہ مقامی اور ایکسپورٹ پراڈکٹس کی کم تر ترسیلات تھیں۔ تاہم، بڑھتی ہوئی خام مال کی لاگت کے باعث کیے گئے قیمت کے ایڈجسٹمنٹس نے کم ہونے والے حجم کے اثرات کو زائل کر دیا۔ سیلز کی لاگت میں 10% کمی واقع ہوئی، جو بنیادی طور پر کم پیداواری حجم کی عکاسی کرتی ہے، اگرچہ زیادہ گیس ٹیرف اور آئل پر لیویز کے اطلاق کی بنا پر ایندھن اور پاور کی لاگت میں اضافے کا رجحان دیکھنے میں آیا۔ 9 میگاواٹ کے اضافی سولر پاور پلانٹ لگانے، موثر کونسلے کی خریداری اور افادیت بڑھانے والے مختلف منصوبوں کے نفاذ نے آپریشنل کارکردگی اور مجموعی نتائج میں اہم کردار ادا کیا۔ مزید برآں، دیگر آمدنی 1,588 ملین روپے تک نمایاں اضافہ ہوا، جو بہتر لیکویڈیٹی کی بدولت ممکن ہوا۔ مزید یہ کہ، کمپنی نے گزشتہ سال طویل مدتی قرضوں کی قبل از وقت اور شیڈول کے مطابق ادائیگیاں کیں، جس سے مالیاتی اخراجات میں 57% کمی واقع ہوئی۔ اس کے علاوہ، کمپنی نے انکم ٹیکس آرڈیننس، 2001 کے سیکشن 65B سے متعلق معزز سپریم کورٹ کے حکم کے تحت 721 ملین روپے کا ٹیکس کریڈٹ بھی حاصل کیا۔

مندرجہ بالا کے تناظر میں، کمپنی نے 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے بعد از ٹیکس 8,681 ملین روپے کا منافع حاصل کیا، جبکہ گزشتہ سال یہ رقم 5,500 ملین روپے تھی

30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنی کے اہم مالیاتی نتائج کا موازنہ درج ذیل ہے:

تفصیلات	2025 (ملین روپے میں)	2024 (ملین روپے میں)
خالص سیلز	37,811	38,434
مجموعی منافع	13,970	11,841
ایڈمن، ڈسٹری بیوشن اور دیگر اخراجات	2,079	1,725
فائنانشل لاگت	592	1,381
دیگر آمدن	1,588	493
قبل از ٹیکس منافع	12,887	9,228
ٹیکس	4,206	3,728
بعد از ٹیکس منافع	8,681	5,500

فی ٹیئر منافع

مالی سال کے اختتام پر فی ٹیئر آمدنی 44.68 روپے رہی، جبکہ گزشتہ سال یہ 28.31 روپے تھی۔

ڈیویڈنڈ کی ادائیگی

کمپنی کی ہمیشہ سے کوشش رہی ہے کہ منافع کی تقسیم کے اپنے طریقہ کار میں مستقل مزاجی کو برقرار رکھا جائے۔ منافع کی ادائیگی کے حوالے سے فیصلہ مختلف عوامل کو مد نظر رکھتے ہوئے کیا جاتا ہے، جن میں کمپنی کی مالیاتی کارکردگی، کاروباری ضروریات، ترقی کے امکانات اور توسیعی منصوبے شامل ہیں۔ 30 جون 2025 کو ختم ہونے والے سال کے لیے بورڈ آف ڈائریکٹرز فی ٹیئر 4 روپے یعنی 40% کے فائنل کیش ڈیویڈنڈ تجویز کرتے ہوئے خوشی محسوس کر رہا ہے۔ یہ اس عبوری کیش ڈیویڈنڈ کے علاوہ ہے جو کمپنی پہلے ہی فی ٹیئر 1.5 روپے، یعنی 15% کی صورت میں ادا کر چکی ہے۔

ڈیویڈنڈ اور اقدامات:

اس سال کے دوران کمپنی نے اپنے ٹیکسٹری سائٹ پر اضافی 9 میگاواٹ کے سولر پاور پروجیکٹ کی تنصیب کو مکمل کیا اور باقاعدہ فعال کر دیا۔ یہ اقدام کمپنی کے صاف توانائی اپنانے کے عزم کا اعادہ کرتا ہے اور اس بات کو بھی ظاہر کرتا ہے کہ کمپنی کی حکمت عملی کے اہداف میں زیادہ سے زیادہ قابل تجدید توانائی کے ذرائع استعمال شامل ہے تاکہ فوسل فیول اور قومی گرڈ پر اپنے انحصار کم کیا جائے۔

مزید برآں، کمپنی اپنی پائیداری کے اہداف کی معاونت کے لیے متبادل توانائی پر مبنی ذرائع کی تلاش میں سرگرم ہے تاکہ رواہتی ایندھن پر انحصار کم کیا جاسکے۔ اس کے ساتھ ساتھ احتراق پذیری اور بجلی کی پیداوار کے عمل میں مزید بہتری لانے کے لیے کوششیں جاری ہیں۔

اس کے علاوہ، کمپنی دو ملٹی نیشنل کمپنیوں میں لیکویٹی اسٹیکس حاصل کرنے پر غور کر رہی ہے۔ ہماری طرف سے ان ٹرانزیکشنز کے حوالے سے درکار ڈسکلوژرز پاکستان اسٹاک ایکسچینج میں کیے جا چکے ہیں۔ مکمل تحقیق اور جانچ پڑتال کا عمل مکمل ہو چکا ہے۔ متعلقہ قوانین اور ضوابط کے مطابق کمپنی پیش رفت کے بارے میں اپ ڈیٹس فراہم کرتی رہے گی۔

اسٹریٹجک سرمایہ کاری کا اسٹریٹجی - یونی ایزی لیونڈ

جوائنٹ وینچر ونڈ پاور پراجیکٹ یونی ایزی کو لیٹر آف انٹنٹ دیا گیا ہے اور ضلع ٹھٹھہ کے علاقے جھمپیر میں منصوبے کے قیام کے لیے باضابطہ طور پر زمین الاٹ کی گئی ہے۔ بے وی پلانٹرز نے منصوبے کے لئے جاری مالی ضروریات کو پورا کرنے کے لئے کمپنی میں ابتدائی لیکویٹی کے لیے سرمایہ کاری کی ہے۔ اس سلسلے میں پیراٹ سیمینٹ نے شیئر ہولڈرز کی منظوری کے بعد 7.69 ملین روپے کی لیکویٹی سرمایہ کاری کی ہے۔ کمپنی نے ابھی تک اپنے آپریٹرز کا آغاز نہیں کیا ہے کیونکہ انتظامیہ ابھی حکومت کی قابل تجدید توانائی کی پالیسی کا جائزہ لے رہی ہے

قومی خزانے میں حصہ

کمپنی نے اس سال کے دوران انکم ٹیکس، سیلز ٹیکس، رائلٹی اور دیگر گورنمنٹ لیویز کی مد میں تقریباً 20 ارب روپے قومی خزانے میں جمع کروائے۔

قرض کی ادائیگی اور کیپیٹل اسٹریٹجی

کمپنی مسلسل اپنے مالیاتی ذمہ داریوں کو وقت پر ادا کرتی ہے اور نہ تو طویل مدتی اور نہ ہی قلیل مدتی قرضوں میں کسی بھی طرح کے ڈیفالٹ کی تاریخ رکھتی ہے۔ مضبوط کیش فلو کی معاونت سے، کمپنی نے بلند شرح والے طویل مدتی قرضوں کی قبل از وقت ادائیگیوں کو بھی ممکن بنایا۔ نتیجتاً، قرض سے لیکویٹی کا تناسب گزشتہ سال کے مقابلے میں بہتر ہوا اور سال کے اختتام پر یہ تناسب 11:89 رہا۔

ای ایس جی کے اسٹریٹجک مقاصد

بورڈ ایک پائیدار اور اخلاقی اصولوں پر وضع کردہ کاروبار کو فروغ دینے کے لئے پرعزم ہے۔ سماجی ذمہ داری، ماحولیاتی تحفظ اور مضبوط کارپوریٹ گورننس ہمارے اسٹریٹجک اہداف کی اساس ہیں۔ ہم بھرپور کوششیں کر رہے ہیں کہ حیاتیاتی تنوع کو برقرار رکھا جائے، قدرتی وسائل کا تحفظ کیا جائے، اور اپنے کاربن فٹ پرنٹ کو کم کیا جائے۔ اس کے ساتھ ساتھ، ہم تنوع کو فروغ دینے، ملازمین کی فلاح و بہبود کو یقینی بنانے، اور ان کیونٹیز کے ساتھ بامعنی روابط استوار کرنے پر بھی زور دیتے ہیں جہاں ہم اپنے کام سرانجام دے رہے ہیں۔ شفافیت، اخلاقی رویہ، اور رسک مینجمنٹ کے موثر طریقے ہمارے رہنما اصول کے طور پر کام کرتے ہیں۔ تمام اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے کا طویل مدتی عزم لیے، بورڈ مکمل طور پر ان اقدامات کی حمایت کرتا ہے، جو ہماری آپریشنل سرگرمیوں کے لیے کلیدی حیثیت کے حامل ہیں۔ اس عزم کو مزید مستحکم کرنے کے لیے، بورڈ نے ایک جامع پالیسی فریم ورک بھی منظور کیا ہے جو ان شعبوں کا احاطہ کرتا ہے۔

پائیداری سے متعلق خدشات:

کمپنی ماحولیاتی، سماجی اور گورننس سے متعلق عوامل (ESG) پر توجہ مرکوز کرتے ہوئے، پائیداری سے متعلق خدشات کا مؤثر طور پر مقابلہ کرنے کے لیے پرعزم ہے۔ ذمہ دارانہ آپریشنل طریقہ کار کو شامل کرتے ہوئے، قابل تجدید توانائی میں سرمایہ کاری اور گرین اقدامات کو فروغ دیتے ہوئے کمپنی زیادہ پائیدار مستقبل میں بامعنی طور پر اپنا کردار ادا کرنے کے لیے پرعزم ہے۔

کمپنی کی طویل مدتی حکمت عملی کے مطابق، مخصوص اور قابل پیمائش ESG اہداف طے کیے گئے ہیں، جن میں پائیداری، آپریشنل ثابت قدمی، اور کیونٹی پر اثر پر خاص زور دیا گیا ہے۔ صاف ستھری سیمینٹ کی پیداوار اور وسائل کے ذمہ دارانہ استعمال کی حوصلہ افزائی کے لیے، ماحول دوست ٹیکنالوجیز جیسے ویسٹ ہیٹ



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