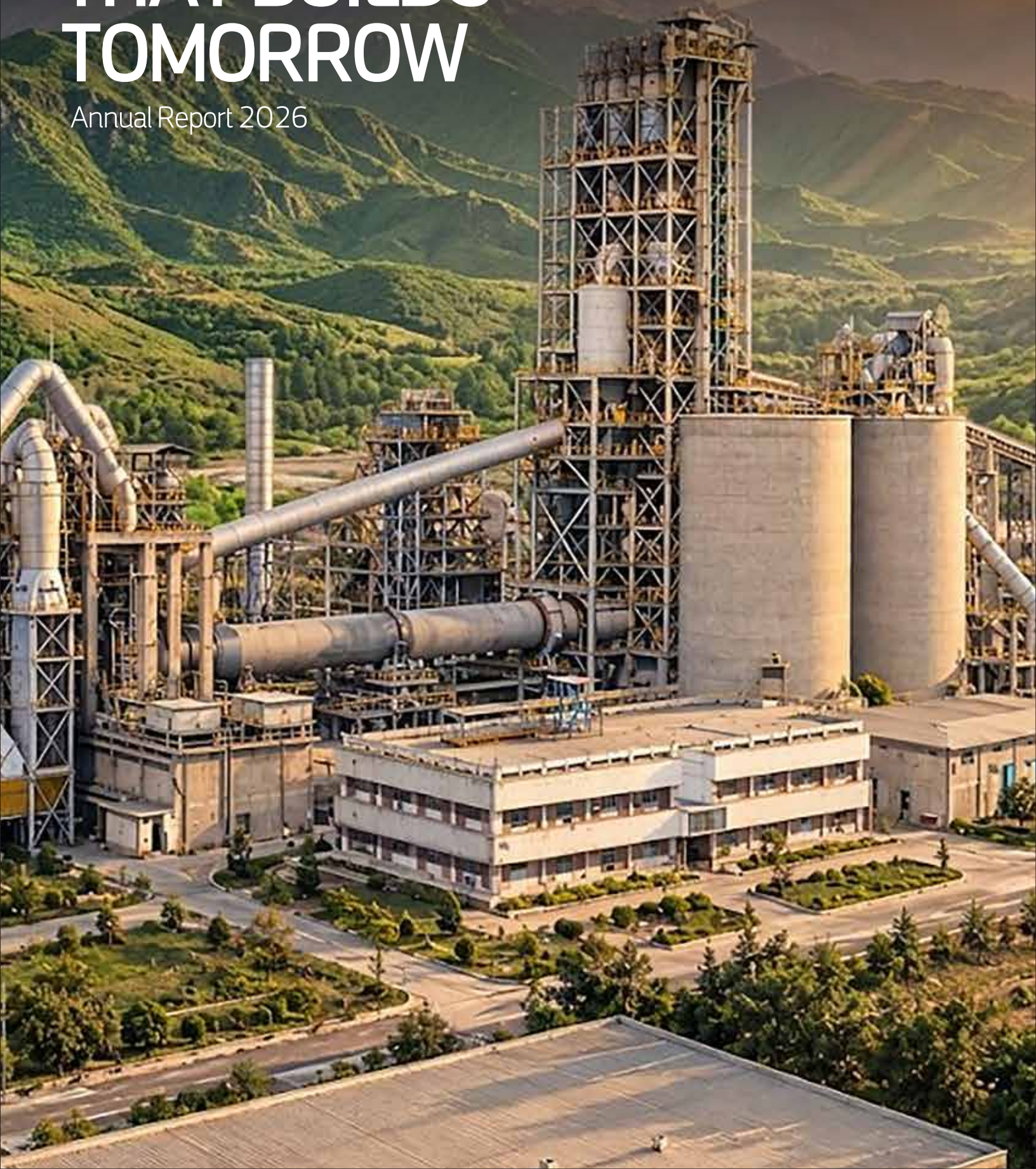


RESILIENCE THAT BUILDS TOMORROW

Annual Report 2026



Cover Story

We invest in sustainable practices, and efficient solutions that not only meet the demands of today but anticipate the needs of tomorrow.

A photograph of a modern, white, two-story building with a blue sky in the background. The building has large windows with red frames. The text "FECTO CEMENT LIMITED" is written in large, blue, sans-serif capital letters across the upper part of the building's facade. In the foreground, there are green bushes and trees.

**RESILIENCE
THAT
BUILDS
TOMORROW**



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Jamil Ahmed Khan – Chairman
Mr. Mohammed Yasin Fecto – Chief Executive
Mr. Ahmed Mujtaba Memon
Mr. Safdar Abbas Morawala
Mr. Juwad Saboor
Mr. Rohail Ajmal
Ms. Lubna Yasin Fecto

CHIEF FINANCIAL OFFICER

Mr. Abdul Wahab, FCA

COMPANY SECRETARY

Mr. Tariq Iqbal Bawani, FCCA

LEGAL ADVISOR

Abid & Khan Advocates and Legal Advisor
House # 303-D, Street # 29
Sector F-11/2
Islamabad

REGISTERED OFFICE

Plot # 60-C, Khayaban-e-Shahbaz,
Phase VI, Defence Housing Authority,
Karachi-75500, Pakistan
Phone Nos. (+ 9221) 35248921-24.
Fax: (+ 9221) 35248925

MARKETING OFFICE

339, Main Peshawar Road
Chairing Cross Service Road
Westridge-1
Rawalpindi
Phone Nos. (+ 9251) 5467111-13

AUDIT COMMITTEE

Mr. Ahmed Mujtaba Memon, Chairman
Mr. Rohail Ajmal
Mr. Safdar Abbas Morawala

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Safdar Abbas Morawala, Chairman
Mr. Rohail Ajmal
Mr. Juwad Saboor

AUDITORS

BDO Ebrahim & Co.
Chartered Accountants

SHARE REGISTRAR

F. D. Registrar Services (Pvt) Ltd.
1705, 17th Floor, Saima Trade Tower-A
I. I. Chundrigar Road
Karachi-74000
Phone Nos. (+ 9221) 32271905-6

FACTORY

Sangjani, Islamabad
Phone Nos. (+ 9251) 2296065-88

BANKERS

Askari Bank Limited
United Bank Limited
National Bank of Pakistan
Allied Bank Limited
MCB Bank Limited
The Bank of Khyber

WEBSITE

www.fectogroup.com

VISION

To compete in tough and competitive market, focusing on “Satisfaction” of customers, and stakeholders with challenging spirit and flexibility, striving hard to make profit, creating value for our customers, and to continue as a successful Company.

MISSION

To manage and operate the company in a manner that allows growth and profitability without high risk for stakeholders and the company by offering quality product to our customers, while striving to improve our product to meet our customers needs.

Corporate Strategy

Our Corporate Strategy and objectives for the future are to find new and improved means of cost reduction, fuel economy and to acquire advanced manufacturing capabilities to support our product development efforts and product line expansion and stand ready to leverage our debts and be responsive to the changing economic scenario. We believe in harnessing the inherent strengths of available human resource and materials to the utmost and a commitment for building a solid foundation poised for sustainable growth for the long-term benefit of our shareholders and our employees.



CHAIRMAN PROFILE

Jamil Ahmed Khan

Chairman – Board of Directors

Mr. Jamil A. Khan is a seasoned banking professional with extensive experience spanning corporate and retail banking, consumer banking, treasury operations, compliance, internal controls, risk management and human resource management. He has held senior leadership positions with leading financial institutions, including Habib Bank Limited (HBL), Citibank and Silkbank Limited.

He served as the inaugural Chief Executive Officer of Habib Allied International Bank (HAIB), UK, where he was responsible for overall management, strategic planning, regulatory compliance, commercial banking, treasury and international banking operations. During his career with HBL, he held various senior executive positions across Retail Banking, Global Operations, Administration & Services, Human Resources and other functional areas. His earlier career with Citibank included assignments in Corporate and Consumer Banking, covering credit, accounts, internal controls, compliance and operations.

Mr. Khan has extensive experience in developing and implementing business strategies, strengthening internal controls, managing operational and business risks, restructuring and rightsizing operations, and leading large-scale banking teams and branch networks. He has also served on the boards of various companies and institutions in Pakistan and overseas.

He holds a Master's degree in Economics from the University of Punjab and a Law degree from the University of Karachi. He has also completed various professional and management development programmes in Pakistan and overseas, including a Certified Directorship Course from the Institute of Chartered Accountants of Pakistan. Mr. Khan has been serving as a Director of Fecto Cement Limited since 28 August 2017.

Drawing on his extensive experience in strategic management, governance, risk management and business operations, Mr. Khan contributes valuable perspectives to Fecto's strategic decision-making, governance framework and oversight, supporting the company in strengthening operational effectiveness and pursuing sustainable business growth.



CEO's PROFILE

MR. MOHAMMED YASIN FECTO

Chief Executive Officer

Mr. Mohammed Yasin Fecto is an accomplished industrialist and business leader with extensive experience in the cement and manufacturing sectors. He holds a Master of Business Administration (MBA) from Quaid-e-Azam University and has been associated with Fecto Cement and the wider Fecto Group for several decades.

Mr. Yasin Fecto joined the leadership of Fecto Cement in the early 1990s and was appointed Chief Executive Officer of Fecto Cement Limited in 1993. Since assuming the position, he has played a key role in shaping the Company's strategic direction and overseeing the development and modernisation of its cement manufacturing operations.

Under his leadership, the Company's cement manufacturing capacity has increased from an initial capacity of 1,000 tons per day to approximately 3,000 tons per day. He has also been instrumental in implementing a number of significant operational and energy-efficiency initiatives, including the conversion of the plant from furnace oil to coal, commissioning of a 6 MW Waste Heat Recovery Power Plant and installation of a 5 MW Solar Power Plant.

His leadership has also extended to initiatives supporting manufacturing integration and operational efficiency, including the establishment of polypropylene bag manufacturing capabilities within the Group. His professional exposure includes evaluation of modern cement manufacturing technologies and exploration of business opportunities and strategic initiatives across related industrial sectors.

With a strong understanding of the cement industry, manufacturing operations and evolving market dynamics, Mr. Yasin Fecto continues to provide strategic leadership to the Company, with emphasis on operational efficiency, prudent resource utilisation, energy optimisation, market development and sustainable long-term growth.

His leadership philosophy is centred on continuous improvement, operational discipline and responsible business management, with a focus on strengthening Fecto Cement's competitiveness and creating sustainable value for its shareholders and other stakeholders.

A photograph of a modern conference room. A long, polished wooden table is set with several glass cups of water and folders. Two black leather chairs are visible on the left side of the table. In the background, a wall features the text 'SAFE | SUSTAINABLE' in a sans-serif font. The lighting is warm and focused on the table.

DIRECTORS PROFILE

INABLE | STRONGER TOGETHER



Ms. Lubna Yasin Fecto

Non Executive Director

Ms. Lubna Yasin Fecto is a dedicated homemaker, educationist, and social contributor with an academic background in Home Economics and Fine Arts. She completed her B.Sc. from the College of Home Economics and earned a four-year professional degree from the Karachi School of Art in 1989.

She actively contributes to social development and serves as a Board Member of Rehnuma Trust, an educational institution focused on providing quality education to underprivileged children. Her involvement reflects her commitment to community development and educational empowerment.

As Director of Fecto Cement Limited, Ms. Lubna Yasin Fecto brings a people-centered and value-driven approach, guided by sincerity, integrity, compassion, and responsible leadership. She is committed to supporting the Group's long-term growth, governance, and corporate stewardship.

MR. AHMED MUJTABA MEMON

Independent Director

Mr. Ahmed Mujtaba Memon is a seasoned finance, trade, and governance professional with over 36 years of experience in public-sector governance, financial management, trade policy, and regulatory affairs. He has held senior positions in the Government of Pakistan, including the Privatisation Division, Ministry of Commerce, Finance Division, and Federal Board of Revenue.

He has contributed to major national policy initiatives and served on the Boards and committees of prominent organisations including PTCL, State Life, SSGC, K-Electric, NTC, IESCO, and NESPAK, with expertise in finance, audit, investment, and governance.

Mr. Memon holds an MBA in Finance from IBA Karachi and a Master's in Economics from the University of Sindh. He joined Fecto Cement Limited as an Independent Director in January 2026 and serves as Chairman of the Audit Committee.

Mr. Juwad Saboor

Executive Director

Mr. Juwad Saboor is an accomplished engineering professional with a Bachelor's degree in Electronics Engineering from NED University of Engineering and Technology. He has over 44 years of professional experience, including 37 years of extensive experience in cement manufacturing, plant operations, and project management.

He began his career with the R&D Division of PIA's Precision Engineering Complex and later worked with the family-owned cement consultancy, Cem En Con. He subsequently served as General Manager at Bestway Cement, Hattar, where he managed production operations and contributed to the implementation of a Waste Heat Recovery Power project.

Mr. Saboor has been associated with Fecto Cement Limited since 1987 and has successfully led the commissioning of a greenfield cement project and

various plant improvement initiatives, including WHRP and solar power projects. He currently serves as Director Plant, with extensive expertise in cement operations, engineering management, project execution, and energy efficiency.

Mr Rohail Ajmal

Non Executive Director

Mr. Rohail Ajmal is a senior finance and operations professional with over 33 years of experience in finance, accounting, auditing, treasury, compliance, human resources, procurement, corporate affairs, and business operations. He has held several senior leadership positions at Saudi Pak Industrial and Agricultural Investment Company Limited.

His expertise includes financial management, internal audit, compliance, corporate governance, internal controls, and operational management. He has also served on the boards and committees of various publicly listed companies, contributing to finance, governance, risk oversight, and strategic decision-making.

Mr. Rohail is a Certified Internal Auditor (CIA) from The Institute of Internal Auditors, USA, and a Certified Director from the Institute of Chartered Accountants of Pakistan. He is also a Fellow Member of a professional accounting body.

MR. SAFDAR ABBAS MORAWALA

Independent Director

Mr. Safdar Abbas Morawala is an experienced entrepreneur, industrialist and technical and vocational education specialist with extensive experience in business, industrial development, technical education and social initiatives. He has been associated with the business and industrial sector for over two decades and is the Proprietor of Morawala Engineering Co., a fabrication and contracting business. He has also been associated with various commercial ventures, including SAM Water and SM Zee Global.

He has also played an active role in the development of technical and vocational education and in promoting collaboration between industry, academic and research institutions. His engagements have included various leadership and advisory positions with FPCCI, NAVTTC, STEVTA, the Sindh Board of Technical Education and other organisations. He has served as Chairman of FPCCI Standing Committees on Science, Technology and TVET and has participated in initiatives aimed at strengthening technical education, skills development and industry-oriented training.

Mr. Morawala holds Bachelor's degrees in Commerce and Law and a Master's degree in Mind Sciences. He has also undertaken various professional and specialised courses, including training in NLP and hypnotherapy.

Mr. Morawala has a long-standing association with Fecto Cement Limited, having previously served as a Director of the Company from 2000 to 2020, before being reappointed as Independent Director this year. His experience in industrial and commercial activities provides him with a strong understanding of business operations and the industrial environment in which the Company operates.

Company Profile

PECTO CEMENT LIMITED

Established in 1981, Fecto Cement Limited is a public listed company engaged principally in the manufacturing and sale of Ordinary Portland Cement. The Company is listed on the Pakistan Stock Exchange and operates its cement manufacturing facility at Sangjani, Islamabad, serving customers in the domestic market.

With a longstanding presence in Pakistan's cement industry, Fecto Cement has developed its operations with a focus on product quality, operational efficiency, cost management and customer service. The Company continues to focus on strengthening its manufacturing capabilities and improving operational performance in response to changing market dynamics.

Our Manufacturing Operations

Fecto Cement's principal manufacturing facility is located at Sangjani Village, Islamabad, strategically positioned to serve markets in the northern region of Pakistan. The Company's manufacturing operations are supported by an integrated production infrastructure and a dedicated workforce focused on maintaining consistent product quality and efficient production.

MANUFACTURING	QUALITY & RELIABILITY	OPERATIONAL EXCELLENCE
Integrated cement manufacturing operations at Sangjani, Islamabad, supported by plant, machinery and operational infrastructure.	Focus on consistent product quality, dependable supply and customer service across target domestic markets.	Continuous focus on productivity, process optimisation, energy efficiency and cost competitiveness.

Our Products

Fecto Cement principally manufactures Ordinary Portland Cement (OPC), which is supplied to customers for a wide range of construction and infrastructure applications.

The Company's products serve the requirements of construction contractors, dealers and other customers across its target domestic markets.

Our Market Presence

Fecto Cement Ltd primarily serves the domestic cement market, with its manufacturing location providing access to markets in the northern region of Pakistan.

The Company remains focused on strengthening its market presence through:

- consistent product quality;
- reliable customer service;
- efficient distribution;
- operational responsiveness;
- cost competitiveness; and
- continuous improvement in manufacturing processes.



Operational Excellence

Fecto Cement continues to emphasise operational excellence and process optimisation as key components of its business strategy.

During FY-2026, the Company remained focused on improving manufacturing efficiency, managing energy and production costs, optimising resources and strengthening operational controls. These initiatives are intended to support sustainable margins and enhance the Company's ability to respond to competitive and economic pressures.

Energy and Resource Efficiency

As a cement manufacturer, Fecto Cement recognises the importance of efficient utilisation of energy, raw materials and other production resources.

The Company continues to assess opportunities for improving energy efficiency, reducing avoidable consumption and optimising production processes. These efforts support both operational performance and the Company's broader commitment to responsible manufacturing.

People and Capabilities

The Company's people are central to the effective operation of its manufacturing and corporate functions. Fecto Cement seeks to maintain a workforce with appropriate technical, professional and functional capabilities and supports continued development through training, learning and practical experience.

The Company also promotes a culture of accountability, teamwork, safety, compliance and continuous improvement across its operations.

Financial and Business Performance

Fecto Cement continued to operate in a challenging and competitive cement industry environment during FY-2026. Despite cost pressures and market challenges, the Company recorded sales of Rs. 12.495 billion, compared with Rs. 11.097 billion in FY2025. Profit after taxation increased to Rs. 663.362 million, compared with Rs. 608.692 million in the preceding year, while earnings per share increased to Rs. 13.22 from Rs. 12.14.

Sales	Profit after Tax	EPS
Rs. 12.495 bn	Rs. 663.362mn	Rs. 13.22

The Company's focus remains on strengthening operational efficiency, managing costs, improving productivity and creating sustainable value for shareholders and other stakeholders.

How Fecto Creates Value

Our business model is built around efficient manufacturing, capable people, responsible resource utilisation and long-term stakeholder value.

MANUFACTURED CAPITAL	Plant, machinery, buildings and supporting infrastructure enabling reliable cement production.
HUMAN CAPITAL	Experienced technical, operational, finance and corporate teams supporting safe, efficient and accountable operations.
INTELLECTUAL CAPITAL	Manufacturing know-how, established processes, systems, controls and industry experience supporting continuous improvement.
SOCIAL & CUSTOMER CAPITAL	Relationships with customers, dealers, suppliers, employees, regulators and other stakeholders built on reliability and responsible conduct.
NATURAL & RESOURCE CAPITAL	Limestone, energy, fuel, water and other resources used responsibly, with continued attention to efficiency and operational optimisation.

Looking Ahead

Going forward, Fecto Cement will continue to focus on operational excellence, process optimisation, energy efficiency, cost management and prudent resource utilisation. The Company will remain responsive to developments in the cement industry and the wider economy while pursuing opportunities to strengthen its competitiveness and long-term sustainability.

Fecto Cement remains committed to quality, responsible business practices, good corporate governance and sustainable value creation, with a continued focus on serving its customers and contributing to Pakistan's infrastructure and economic development



NATURE OF BUSINESS

Fecto Cement Limited is a listed company engaged principally in the manufacturing and sale of Portland cement, serving the construction and infrastructure sectors. The Company's manufacturing facility is strategically located at Sangjani Village, Islamabad, enabling it to serve markets across the northern region of Pakistan. The Company has built its business around a strong commitment to product quality, operational efficiency and customer satisfaction, with a focus on creating sustainable value for its stakeholders

Products

Fecto Cement's principal product is Portland Cement, manufactured to meet the applicable quality and regulatory requirements.

Local and Regional Markets

The Company primarily caters to the domestic market, with a focus on markets in the northern regions of Pakistan. Its strategic manufacturing facility provides access to key construction and infrastructure markets and supports efficient distribution of its products





GEOGRAPHICAL LOCATION



BUSINESS OVERVIEW

Principal Activity

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

Local Market

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

Customer category

Dealers

The Company has a wide network of dealers across Pakistan. The main portion of local dispatches is made through that dealers' network

Institutions

Dispatches to government institutions and other projects



Head Office:

Plot # 60-C, Khayaban
-e-Shahbaz
Phase-VI, Defense
Housing Authority
Karachi



Marketing Office:

339, Main Peshawar Road
Chairing Cross Service
Road Westridge-I,
Rawalpindi



Factory:

Sangjani, Islamabad



FECTO 's

Journey over the years

2006

PLANT UP-GRADATION

Upgraded production level from 2,000 tons to 2,600 tons per day.

2007

NEW PULVERIZED COAL MILL

Commissioned a new 2,600 tpd pulverized coal mill, enhancing fuel efficiency and plant performance.

1990

COMMERCIAL PRODUCTION

Commenced commercial production at cement plant.



2025

PLC System under process

Upgraded, completed, improved process, visualization, efficiency and calculation accuracy.



2024

Classifier / Separator Project

Completed project for Classifier/ Separator System to improve particle size distribution and increase efficiency.



2023

INCREASED CAPACITY TO 3,000 TONS/DAY

Completed 3MT activation on Clinker Cooler, Coal Injection system, Rotary Kiln and Preheater.



2021

SOLAR POWER PLANT

Successfully installed 30 MW of Solar Power Plant.

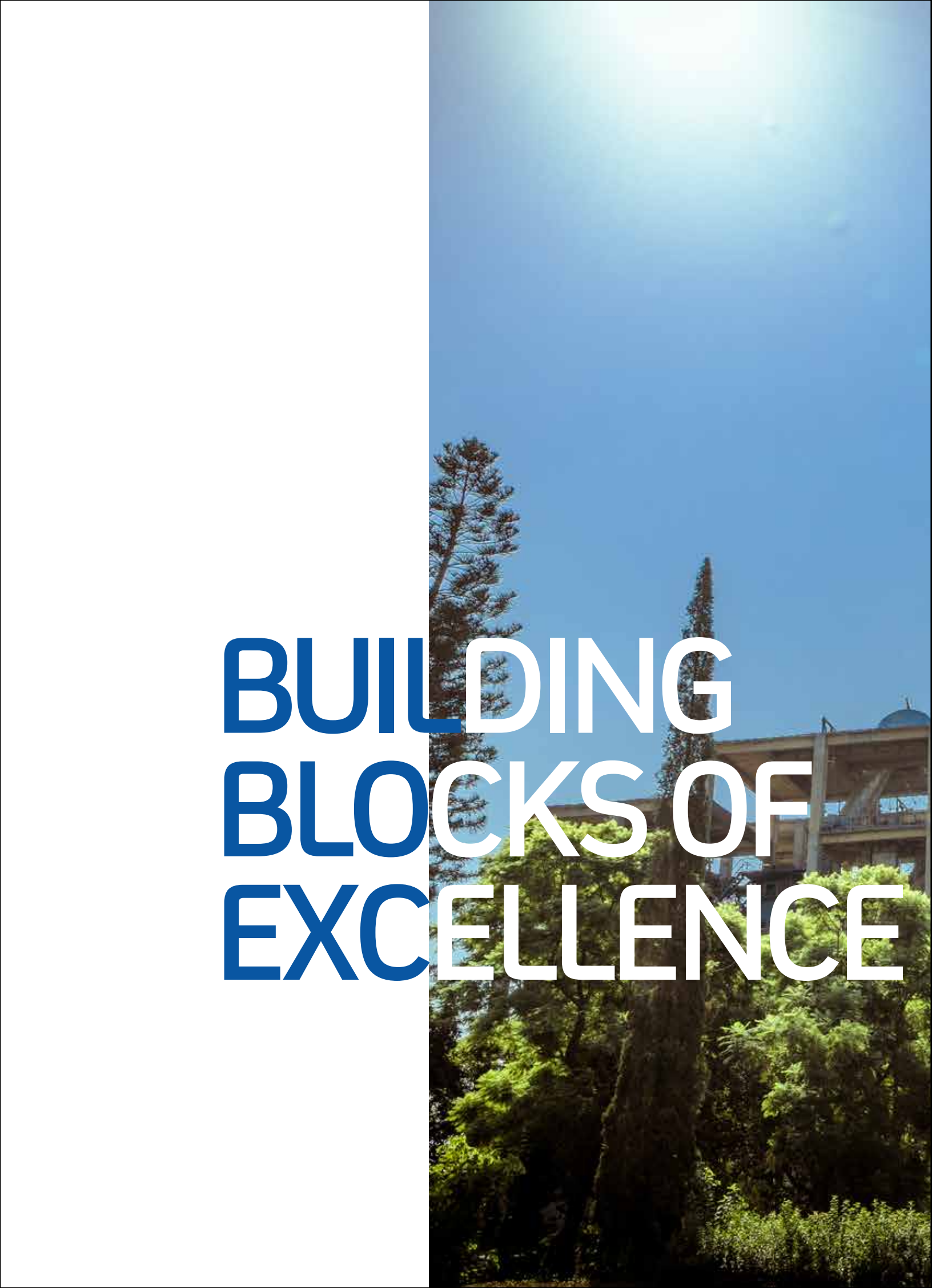


2010

WASTE HEAT RECOVERY POWER PLANT

The first phase was successfully commissioned, generating 6 MW of power.





BUILDING **BLOCKS OF** **EXCELLENCE**

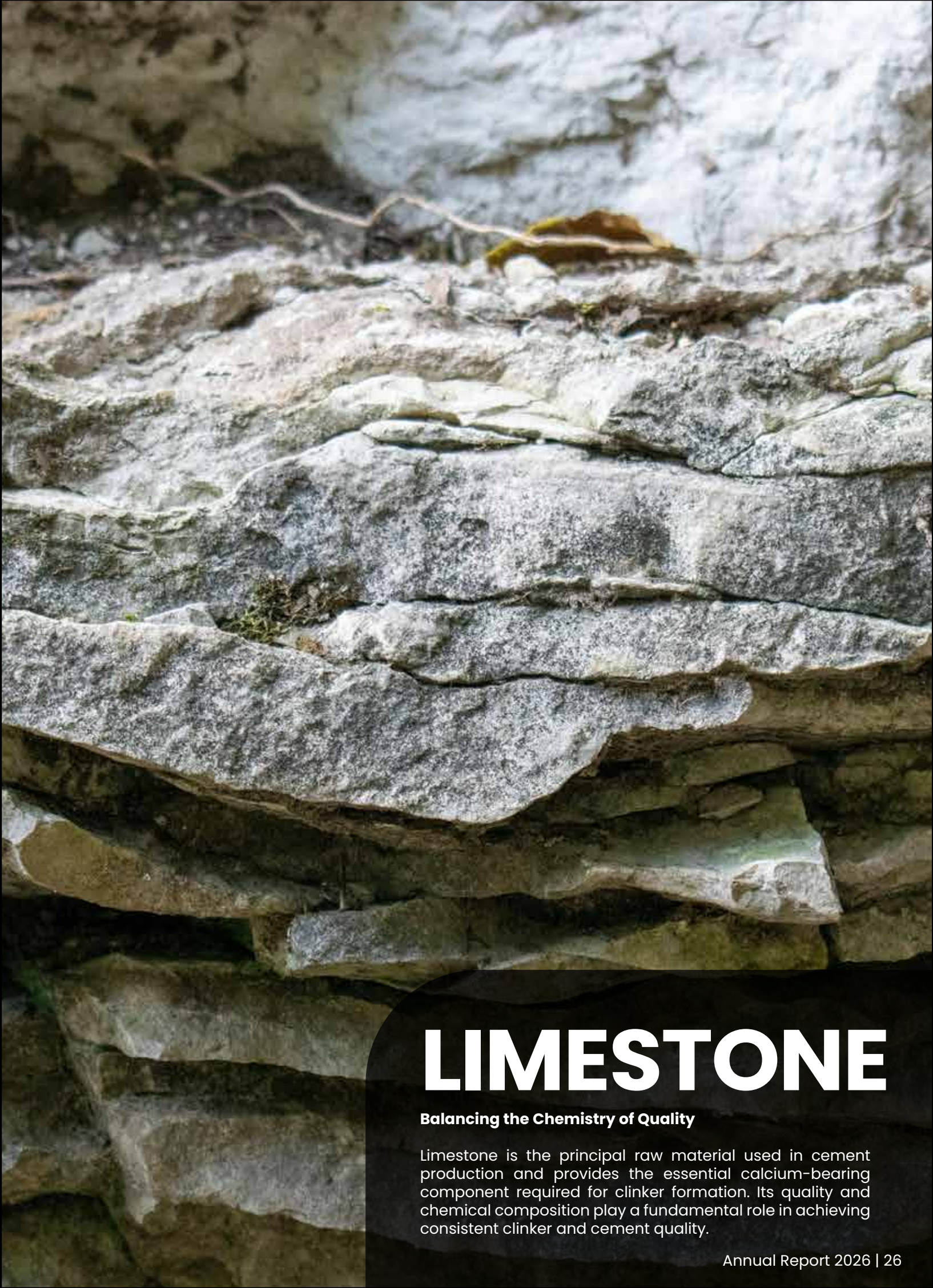




LATERITE

Foundation of Strength

An essential corrective raw material that contributes iron and alumina to the cement raw mix, helping maintain the desired chemical composition for consistent clinker quality.



LIMESTONE

Balancing the Chemistry of Quality

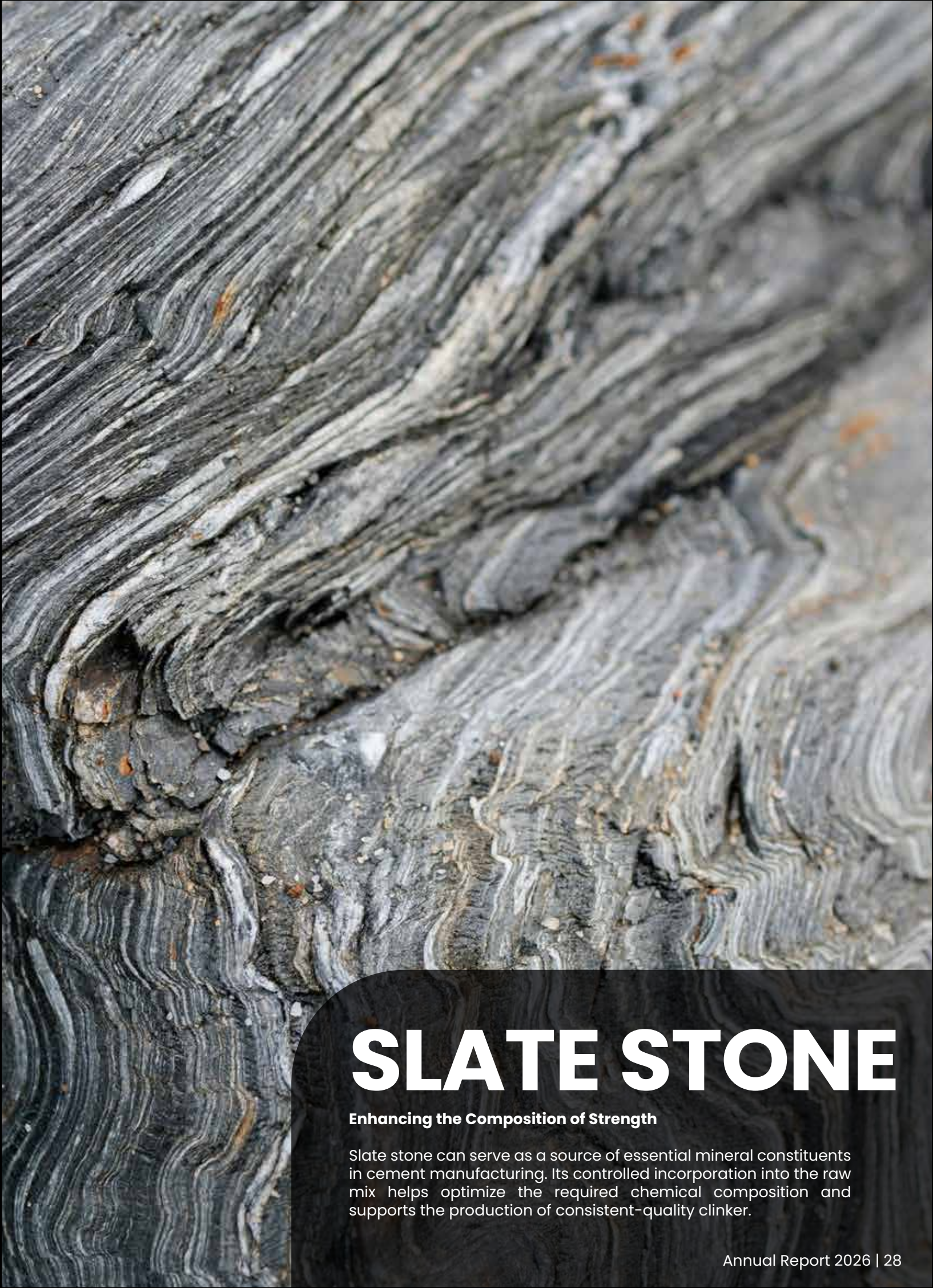
Limestone is the principal raw material used in cement production and provides the essential calcium-bearing component required for clinker formation. Its quality and chemical composition play a fundamental role in achieving consistent clinker and cement quality.



GYPSUM

Shaping Performance and Consistency

Gypsum is added during the final grinding stage of cement manufacturing to regulate the setting time of cement. Its appropriate proportion helps ensure the desired workability and performance characteristics of the finished product.



SLATE STONE

Enhancing the Composition of Strength

Slate stone can serve as a source of essential mineral constituents in cement manufacturing. Its controlled incorporation into the raw mix helps optimize the required chemical composition and supports the production of consistent-quality clinker.



FLY ASH

Transforming Resources into Value

Fly ash is a finely divided mineral material that can be incorporated into cement as a supplementary cementitious material. Its utilization can contribute to resource optimization and, where technically appropriate, reduce the clinker requirement while maintaining the desired performance characteristics of cement.

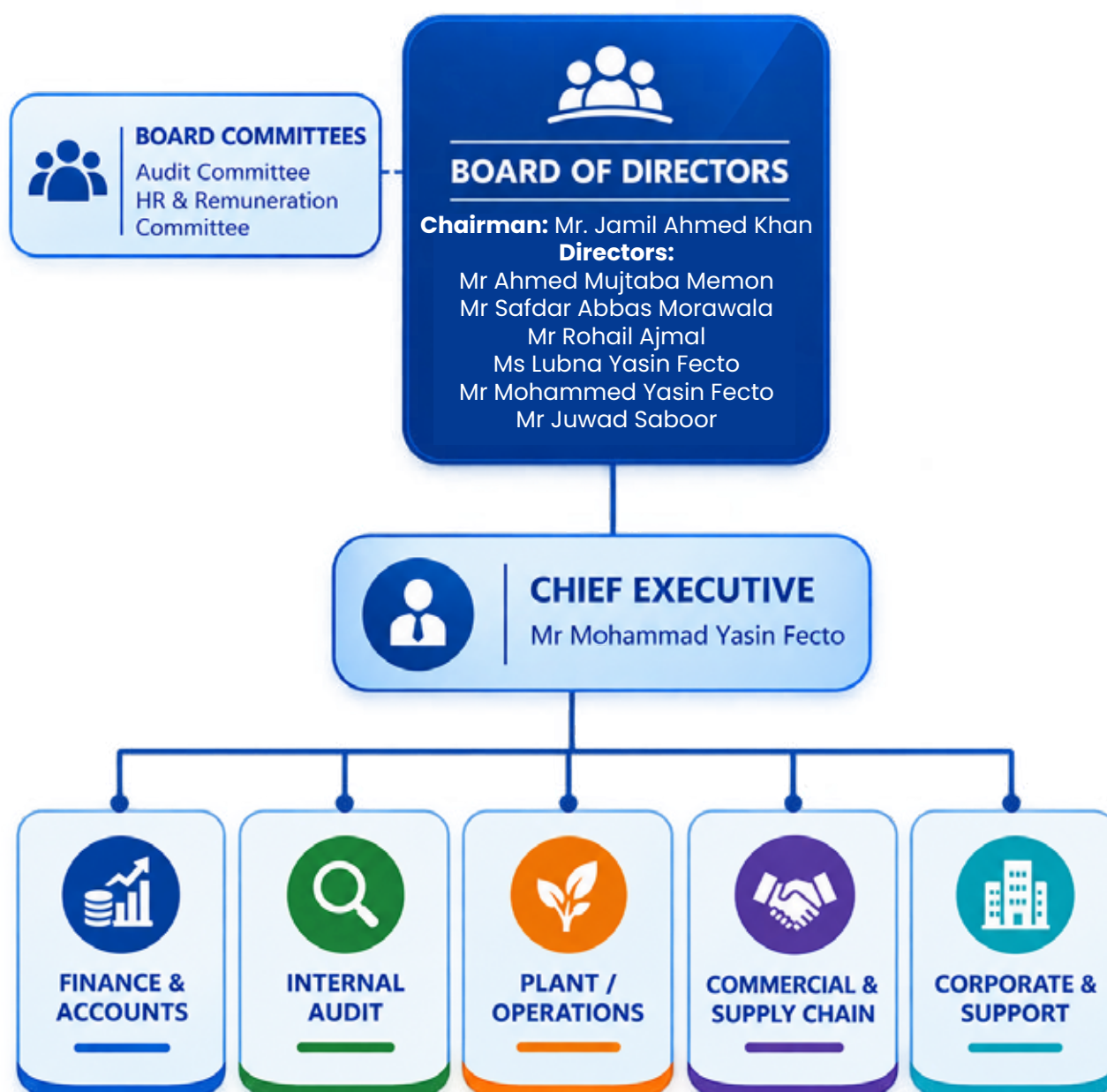


COAL

Powering Strength from Within

Coal serves as an important fuel in the cement manufacturing process, providing the thermal energy required for clinker formation. Efficient fuel utilization and effective management of thermal energy are essential to maintaining operational efficiency and supporting responsible resource consumption.

ORGANOGRAM



GOVERNANCE & OVERSIGHT	CORE BUSINESS OPERATIONS	COMMERCIAL & CORPORATE SUPPORT
Board-led governance and committee oversight Strategic direction • Compliance • Risk oversight	Cement manufacturing and plant operations Production • Maintenance • Quality • Energy efficiency	Market-facing and enabling functions Sales • Supply chain • Finance • HR • IT • Corporate affairs



Key Performance Indicators (KPIs)

The Company monitors a comprehensive set of Key Performance Indicators (KPIs) to assess progress against its strategic objectives, evaluate operational and financial performance, and measure the effective utilization of its financial, manufactured, human, natural and social capital. These indicators enable management to monitor performance, identify areas for improvement and support sustainable value creation for all stakeholders.

 Strategic Objective	 Area of Impact / Capital	 Key Performance Indicators
 01 Strengthen Market Position	 Financial & Manufactured Capital	• Total cement dispatches • Local dispatches • Export dispatches • Market share • Growth in sales volume
 02 Enhance Revenue Generation	 Financial Capital	• Net sales revenue • Revenue growth • Average retention price per ton • Local sales contribution • Export sales contribution
 03 Improve Manufacturing Efficiency	 Manufactured Capital	• Clinker production • Cement production • Capacity utilization • Production efficiency • Cost per ton
 04 Optimize Cost Structure	 Financial & Manufactured Capital	• Cost of sales per ton • Energy cost per ton • Variable manufacturing cost per ton • Cost reduction initiatives
 05 Enhance Profitability	 Financial Capital	• Gross profit • Gross profit margin • Operating profit/EBIT • Operating margin • Profit after tax • Net profit margin • Earnings per share
 06 Strengthen Financial Resilience	 Financial Capital	• Operating cash flows • Finance cost • Debt/equity ratio • Current ratio • Return on equity
 07 Expand Export Footprint	 Financial Capital	• Export dispatches • Export sales • Export contribution to total dispatches • Number of export markets
 08 Improve Energy Efficiency	 Natural & Manufactured Capital	• Energy consumption per ton of cement • Fuel consumption per ton of clinker • Alternative fuel utilization • Energy efficiency initiatives

 Strategic Objective	 Area of Impact / Capital	 Key Performance Indicators
 09 Develop Human Capital	 Human Capital	• Number of employees • Training hours • Training hours per employee • Employee turnover • Health & safety performance
 10 Strengthen Occupational Safety	 Human Capital	• Lost-time injury frequency rate • Total recordable incidents • Fatalities • Safety training hours • Near-miss reporting
 11 Build Stakeholder Relationships	 Social & Relationship Capital	• Taxes and duties contributed • CSR/community investment • Community initiatives • Stakeholder engagement
 12 Strengthen Governance & Compliance	 Organizational / Intellectual Capital	• Board and committee attendance • Compliance with applicable laws and regulations • Internal audit observations • Ethics and whistleblowing cases
 13 Drive Operational & Digital Improvement	 Intellectual Capital	• Process improvement initiatives • Digitalization initiatives • ERP/system utilization • Automation initiatives
 14 Create Sustainable Long-Term Value	 All Capitals	• Economic value generated and distributed • Return on invested capital • Sustainability targets achieved • Progress against strategic objectives
 15 Reduce Environmental Footprint	 Natural Capital	• Emissions: Reduction in specific emissions • Water consumption per ton • Waste recycling rate • Energy consumption per ton • Biodiversity and ecosystem protection

KPI Measurement Framework

The Company will present selected KPIs using a consistent year-on-year format:

FY2026 | FY2025 | Change (%) | Strategic relevance

Where appropriate, KPIs will also be presented against defined targets or industry benchmarks to provide stakeholders with a meaningful assessment of the Company's performance.

Financial KPIs

- Net Sales: Rs 12.495 billion
- Gross Profit: Rs 1.305 billion
- Gross Profit Margin: 10.44%
- Profit After Tax: Rs 663.362 million
- Net Profit Margin: 5.31%
- Earnings per Share: Rs 13.22
- Sales Growth: 12.60%
- EPS Growth: 8.98%

Operational KPIs

- Cement production
- Clinker production
- Total dispatches
- Local dispatches
- Export dispatches
- Capacity utilization
- Average retention price per ton
- Manufacturing cost per ton
- Energy consumption per ton

Sustainability KPIs

- CO₂ emissions per ton of cement
- Energy consumption per ton
- Water consumption per ton
- Alternative/renewable energy utilization
- Waste recycled/recovered
- Environmental compliance
- Health and safety performance

Human Capital KPIs

- Total employees
- Employee turnover
- Training hours
- Training hours per employee
- Safety training hours
- Lost-time injuries
- Total recordable incidents
- Employee engagement initiatives

Social & Relationship Capital KPIs

- Contribution to national exchequer
- Community investment
- CSR initiatives
- Number of beneficiaries
- Local community development initiatives

The Company will continue to refine its KPI framework to ensure that the indicators remain aligned with its strategic priorities, stakeholder expectations and evolving sustainability reporting requirements.

SWOT Analysis



PESTEL Analysis

FACTORS



POLITICAL

Political uncertainty and evolving government policies may affect business activities, investment decisions, market demand, and long-term planning.



ECONOMICAL

Changes in energy prices, inflation, interest rates, government and private-sector spending, and overall economic conditions can have a significant impact on business operations and investment decisions.



SOCIAL

A company has a responsibility to contribute to the well-being and development of the communities in which it operates by supporting areas such as healthcare, education, infrastructure, and other key social needs.

ORGANIZATIONAL RESPONSE

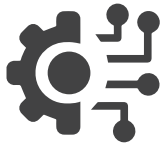
The management of the Company remains vigilant regarding changes in the political, regulatory, and fiscal environment that may affect its business operations and financial performance.

Developments relating to government policies, taxation, duties, levies, trade regulations, and other measures are regularly assessed to identify potential risks and their implications for the Company. Based on these assessments, the

Company takes appropriate and timely measures to respond to emerging challenges, maintain operational continuity, and manage the potential impact of changes in the external environment on its business.

The Company continues to enhance operational efficiency by optimizing its manufacturing processes and energy mix to address the impact of rising production and energy costs. In view of the increase in energy prices, the Company is implementing various measures to improve energy efficiency, optimize consumption, and minimize the adverse impact of higher energy costs on its overall cost structure. In parallel, ongoing cost optimization initiatives are undertaken to effectively manage both production and non-production fixed expenses while maintaining operational efficiency.

The Company remains committed to supporting the development and well-being of communities in and around its areas of operation. Significant resources are allocated towards ESG initiatives, with particular emphasis on healthcare, education, environmental sustainability, and other community development programs.



TECHNOLOGICAL

The effective adoption of modern technology plays an important role in organizational success by improving operational efficiency and providing accurate and detailed information to support better decision-making.

The Company continues to enhance its technological capabilities by adopting automation, digital solutions, and data-driven processes across its operations. The Company regularly assesses emerging technologies and relevant industry practices to streamline processes, enhance productivity, strengthen operational resilience, and support informed decision-making. These initiatives enable the Company to respond effectively to changing technological trends and evolving business requirements while maintaining operational efficiency and competitiveness.



LEGAL

The regulatory environment and applicable laws can significantly affect an organization's operations, compliance requirements, and products.

The Company is committed to maintaining compliance with all applicable laws, regulations, and statutory requirements. Dedicated and experienced professionals across the organization regularly monitor compliance matters and ensure that business activities are conducted in accordance with the relevant legal and regulatory frameworks.



ENVIRONMENTAL

Rising environmental concerns, evolving regulations, and limited availability of natural resources are increasingly influencing business operations and practices.

The Company remains committed to the responsible management of natural resources and minimizing its environmental footprint while complying with applicable environmental requirements. Initiatives focused on water conservation, emissions reduction, biodiversity protection, energy efficiency, and the adoption of renewable energy solutions are undertaken to promote sustainable operations and support the long-term preservation of natural capital.

GOVERNANCE





Corporate Governance Framework

Fecto Cement Limited is committed to maintaining high standards of corporate governance, transparency, accountability and responsible decision-making. The Company's corporate governance framework is designed to establish an effective system of oversight, clear accountability and appropriate delegation of authority, while supporting sustainable value creation for shareholders and other stakeholders.

The framework is founded on the principles of effective Board leadership, sound internal controls, prudent risk management, ethical business conduct, regulatory compliance and transparent communication with stakeholders.

Board Leadership and Oversight

The Board of Directors provides overall leadership and governance oversight of the Company and is responsible for guiding the Company's strategic direction, approving key policies and business plans, monitoring financial and operational performance and ensuring that appropriate systems of risk management and internal control are maintained.

The Board regularly reviews the Company's performance against approved objectives and considers significant business, financial, operational and regulatory matters. The Board also oversees management's implementation of approved strategies and ensures that the affairs of the Company are conducted in accordance with applicable laws, regulations and recognised principles of good corporate governance.

Strategic Direction and Decision-Making

The Board provides strategic guidance with a focus on the Company's long-term sustainability, operational efficiency, financial performance and competitiveness. Key matters requiring Board consideration are presented by management for deliberation and approval in accordance with the applicable legal and regulatory framework and the Company's delegated authority structure.

Management is responsible for translating the strategies and objectives approved by the Board into operational plans and ensuring their effective implementation.

Delegation to Management

The Chief Executive Officer and senior management are responsible for the day-to-day management of the Company's affairs within the authority delegated by the Board.

Management is responsible for:

- implementation of Board-approved strategies and business plans;
- achievement of approved operational and financial targets;
- management of operational, financial and other business risks;
- ensuring compliance with applicable laws, regulations and internal policies;
- maintaining effective internal controls and reporting systems; and
- providing timely and accurate information to the Board and its Committees.

This separation between Board oversight and management execution enables the Company to maintain clear accountability while ensuring effective decision-making

Transparency and Stakeholder Accountability

The Company recognises that effective corporate governance requires transparent and timely communication with shareholders and other stakeholders.

Accordingly, Fecto Cement endeavours to ensure appropriate disclosure of material financial, operational and governance information in accordance with applicable laws, regulations and the requirements of the Pakistan Stock Exchange.

Board's Annual Evaluation of Performance

As required by the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Fecto Cement reviews its own performance annually undertakes a formal process of self-evaluation of performance of the Board and its committees. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. For the Purpose of Board evaluation, a comprehensive criteria has been developed. The performance of the Board of Fecto Cement is evaluated annually along the following parameters, both at individual and team levels.

Evaluation Criteria for the Board

1. Board Composition: Effectiveness in bringing in a mix of gender, talents, skills and philosophical perspectives. Integrity, credibility, trustworthiness and active participation of members.
2. Leadership and Planning: The Board spends sufficient time on strategy formulation. Its ability to provide guidance and direction to the Company, review adequacy of resources and follow-up and review of annual targets set by the management.
3. Board Effectiveness: All Board members understand and fulfill their responsibilities and comply with all relevant laws. Significant issues are placed in front of the Board for consideration.
4. Board Accountability: The Board reviews potential risks, adequacy of internal controls and the risk management procedure.
5. Strategy and Performance: The Board devotes appropriate time to review the implementation of Company's strategic and financial plans.
6. Organization: The Board meetings are structured to make effective use of the member's time and skills. Board members receive appropriate supporting materials for timely decision-making.
7. Ethics and Compliance: The Board ensures that professional standards and

corporate values are put in place that promote integrity for the Board, Senior Management and employees in the form of the Company's Code of Conduct. It is notified of material communications received from governmental or regulatory agencies related to areas of any non-compliance.

8. Risk Management: The Board has a sound process for identifying and regularly reviewing the Company's principal risks, and makes necessary adjustments in light of changes to the internal and external environment. The overall performance of the Board measured on the basis of above mentioned.

Communication with Stakeholders

Fecto Cement Limited recognizes effective stakeholder engagement as an important element of responsible corporate governance and sustainable value creation. The Company maintains constructive and transparent relationships with its key stakeholders and seeks to understand their expectations, concerns and areas of interest through appropriate channels of communication.

The Company's key stakeholders include shareholders and investors, customers, employees, suppliers and contractors, financial institutions, regulators, government authorities and the communities in which it operates. Fecto Cement engages with these stakeholders through a range of channels, including the Annual Report, financial statements, corporate website, statutory and regulatory disclosures, corporate briefing sessions, investor and analyst interactions, meetings, correspondence and internal employee communication.

The Company is committed to providing timely, accurate and transparent information in accordance with applicable laws, regulations and corporate governance requirements. Financial and other material information is communicated through the appropriate regulatory and corporate reporting channels, while the Annual Report and corporate website provide stakeholders with comprehensive information regarding the Company's financial performance, strategy, governance, business operations and future outlook.

Employee communication is facilitated through internal communication channels, including in-house communications and other appropriate forums, to promote awareness, engagement and alignment with the Company's objectives, policies and values.

The frequency and nature of stakeholder engagement are determined by the requirements of the applicable regulatory framework, the nature of the stakeholder relationship, contractual or statutory obligations, business requirements and matters arising during the year.

Policy for Governance of Risk and Internal Controls

Fecto Cement Limited recognizes effective risk management and internal controls as essential components of sound corporate governance and the achievement of its long-term strategic and business objectives. The Company's risk management framework is designed to identify, assess, manage and monitor material risks that may affect its operations, financial performance, reputation and ability to create sustainable value for stakeholders.

Risk assessment is undertaken on a regular basis to develop a comprehensive understanding of the Company's principal and emerging risks, assess their potential impact and likelihood, establish appropriate ownership and determine suitable measures for their management and mitigation. Identified risks are assigned to the relevant management functions to ensure accountability for implementing and monitoring appropriate risk responses.

The Company's principal risks and material matters are considered as part of its business planning and decision-making processes and are monitored through the Company's governance and management structures. The Board of Directors, supported by the relevant Board committees and management, provides oversight of the Company's risk management and internal control framework.

Key risk categories include strategic, commercial, operational, financial, regulatory and compliance risks, as well as other risks arising from the Company's business environment. Risks are assessed with reference to their potential impact and

likelihood of occurrence, enabling management to prioritize areas requiring appropriate attention and resources.

Where material risks are identified, appropriate mitigation measures, controls and action plans are developed and implemented. These measures are monitored periodically to assess their effectiveness and to identify changes in the Company's risk profile. The risk management framework is reviewed and strengthened, where necessary, in response to changes in the regulatory environment, business conditions, operational activities and emerging risks.

Fecto Cement remains committed to maintaining an effective system of internal controls that supports operational efficiency, safeguarding of assets, reliability of financial and non-financial reporting, compliance with applicable laws and regulations, and responsible decision-making. Through continuous monitoring and improvement, the Company seeks to strengthen its resilience and support the achievement of its strategic objectives.

Social and Environmental Responsibility

Fecto Cement Limited recognizes that responsible business practices and sustainable development are integral to creating long-term value for its stakeholders. The Company is committed to conducting its business in an ethical, responsible and environmentally conscious manner while contributing positively to the communities in which it operates.

Fecto Cement seeks to incorporate social and environmental considerations into its business strategies, policies, practices and operational decisions. The Company places particular emphasis on responsible resource utilization, environmental stewardship, occupational health and safety, employee well-being, community development and compliance with applicable environmental and social requirements.

The Company recognizes its responsibility to minimize the environmental impact of its operations and continually seeks opportunities to improve resource and energy efficiency, manage emissions and waste responsibly, conserve natural resources and promote environmentally responsible practices across its operations.

Fecto Cement also believes that its role extends beyond its manufacturing activities. The Company supports initiatives aimed at contributing to the well-being and development of its employees and surrounding communities, while promoting an inclusive and respectful working environment that recognizes diversity, equal opportunity and dignity for all.

Through responsible business conduct and engagement with its stakeholders, Fecto Cement seeks to contribute to sustainable economic and social development. The Company remains committed to progressively strengthening its social and environmental practices and integrating sustainability considerations into its decision-making processes, in line with applicable laws, regulatory requirements and evolving stakeholder expectations.

Health and Safety Responsibility

Fecto Cement Limited places the highest priority on the health, safety and well-being of its employees, contractors, visitors and other stakeholders associated with its operations. The Company is committed to providing a safe and healthy working environment and to conducting its operations in accordance with applicable health and safety laws, regulations, standards and established best practices.

The Company believes that effective health and safety management is a shared responsibility across all levels of the organization. Accordingly, Fecto Cement promotes a proactive safety culture through systematic hazard identification, risk assessment, job safety analysis and implementation of appropriate preventive and control measures, particularly for critical and non-routine activities.

Fecto Cement provides appropriate health and safety training, induction programmes, safety talks and awareness sessions to employees and relevant contractors to strengthen their understanding of workplace hazards, safe working practices and emergency response procedures. The Company also emphasizes the appropriate use of personal protective equipment and adherence to established safety procedures and work instructions.

Regular inspections, monitoring and audits are undertaken to assess compliance with health and safety requirements, identify potential risks and opportunities for improvement, and strengthen the effectiveness of the Company's safety management practices. Incidents and near-miss events are monitored and investigated, where applicable, to identify underlying causes and implement corrective and preventive measures.

Fecto Cement remains committed to continuously improving its health and safety performance and to maintaining a workplace where risks are proactively managed, injuries and occupational hazards are prevented, and every individual is encouraged to take personal responsibility for safety. The Company's objective is to foster a strong safety culture and protect the well-being of its workforce and all stakeholders throughout its operations.

Company's Approach to Managing and Reporting Policies

Fecto Cement Limited recognizes that well-defined policies and procedures provide an important foundation for effective governance, responsible business conduct, operational discipline and regulatory compliance. The Company follows a structured approach to the development, implementation, communication, monitoring and periodic review of its policies and procedures.

The Company's policies are developed with due consideration to applicable laws and regulatory requirements, the nature and requirements of its operations, recognized industry practices and the interests of relevant stakeholders. The Board of Directors and management provide appropriate oversight to ensure that policies remain aligned with the Company's strategic objectives, governance framework and business requirements.

Fecto Cement communicates relevant policies and procedures to employees and other concerned stakeholders through appropriate internal and external channels. Where required, awareness sessions, training and other communication initiatives are undertaken to promote understanding of applicable policies and to support effective implementation and compliance.

The Company's policies and procedures provide guidance to employees, management and other relevant parties regarding their respective responsibilities and expected standards of conduct. They also provide an appropriate framework for the Company's internal processes and external reporting, including matters relating to corporate governance, procurement, health and safety, environmental management, human resources, risk management, compliance and other operational activities.

Policies and procedures are reviewed periodically, and where necessary, updated to reflect changes in applicable laws and regulations, business and operational requirements, emerging risks, stakeholder expectations and relevant industry practices. This approach enables Fecto Cement to strengthen its governance framework, promote accountability and support continuous improvement across its operations.

Whistle Blowing Mechanism

In line with its commitment to maintaining high standards of integrity, transparency and ethical conduct, Fecto Cement Limited has established a Whistle Blowing Mechanism to provide a fair, transparent, confidential and appropriate channel for raising concerns regarding actual or suspected fraud, potential misconduct, unethical practices, financial improprieties and non-compliance with the Company's policies, Code of Conduct, applicable laws and regulatory requirements.

The mechanism enables Directors, employees, officers and contract staff of the Company to report, in good faith, any actual or suspected inappropriate activity through the designated reporting channels. The Company also encourages its suppliers, customers, service providers and other external stakeholders to raise genuine concerns where they identify any activity or conduct that may adversely affect the interests of the Company or its stakeholders.

For the purpose of the Policy, an inappropriate event may include (but not limited to) any act, omission, behaviour or incident involving fraud, corruption, theft, bribery, misappropriation of assets, accounting or auditing or internal control irregularities, any misconduct, violation of Company policies or

the Code of Conduct, regulatory non-compliance, financial or operational irregularities, or any other matter that may compromise the interests of the Company, its shareholders, employees, customers or other stakeholders.

The Whistle Blowing Policy is designed to promote a culture of accountability and responsible reporting. It requires whistle blowers to exercise due care, diligence and good faith when raising concerns and provides safeguards to ensure confidentiality and protection against retaliation, victimization or any adverse action for making a genuine report.

Concerns may be reported through the following Channels:

- Dedicated Whistle-blower Email: [whistleblowing@fectogroup.com]
- Postal Submission: Marked "Private and Confidential – For Audit Committee" and addressed to the Chairman, Audit Committee, Fecto Cement Limited.
- In-Person Reporting: Directly to the Head of Internal Audit or the Chairman of the Audit Committee

Concerns received under the Whistle Blowing Mechanism are initially received and logged by the head of internal audit along with a preliminary review giving due regard to confidentiality and independence. All findings are submitted to the Audit Committee and Matters requiring further investigation are referred to the relevant authority within the Company, including the appropriate Board Committee, where considered necessary. The mechanism also provides an avenue for matters to be escalated to the appropriate level of governance in accordance with the Policy.

Fecto Cement Limited encourages all persons falling within the scope of its Whistle Blowing Policy to come forward and report genuine concerns without fear of reprisal or repercussions. The Company remains committed to ensuring that all such concerns are handled responsibly, confidentially and in accordance with the principles of fairness, integrity and good corporate governance. Audit Committee oversees the implementation of this.

Environmental Sustainability

Fecto Cement Limited recognizes its responsibility towards protecting the environment and is committed to minimizing the environmental impact arising from its manufacturing and other operational activities. The Company strives to conduct its operations in an environmentally responsible manner while maintaining compliance with applicable environmental laws, regulations and standards.

Fecto Cement is committed to the following:

- **Compliance with Environmental Requirements:** Comply with applicable environmental legislation, regulatory requirements and standards, including the National Environmental Quality Standards (NEQS), as applicable to the Company's operations.
- **Control of Emissions:** Monitor and control emissions generated from the Company's manufacturing operations, including particulate matter and other relevant emissions, with the objective of maintaining them within applicable regulatory limits and minimizing their impact on the surrounding environment.
- **Responsible Waste Management:** Identify, segregate, handle and dispose of waste generated from operations in a responsible manner, with the objective of minimizing potential adverse impacts on land, air and water.
- **Energy Efficiency:** Promote efficient utilization of energy and continuously explore opportunities to reduce energy consumption through process optimization, operational improvements and adoption of energy-efficient practices and technologies.
- **Water Conservation:** Encourage responsible consumption of water and undertake measures to improve water-use efficiency and minimize unnecessary consumption across the Company's operations.
- **Resource Optimization:** Promote efficient utilization of raw materials and other resources, while encouraging the reuse and recycling of materials wherever technically and operationally practicable.

Beyond regulatory compliance, Fecto Cement Limited remains committed to continuously improving its environmental performance through:

- Adoption of environmentally responsible and energy-efficient technologies;
- Optimization of manufacturing processes to improve energy efficiency and resource utilization;
- Effective emissions monitoring and control;
- Responsible waste management and resource recovery practices;
- Conservation of water and other natural resources; and
- Continuous assessment of opportunities to reduce the Company's carbon footprint and environmental impact.

Through these initiatives, Fecto Cement Limited seeks to balance operational efficiency and business growth with its responsibility towards environmental protection and sustainable development.

Diversity, Inclusion and Equal Opportunity

Fecto Cement Limited is committed to providing equal opportunities for employment, career development and professional growth based on merit, qualifications, capabilities, experience and performance. The Company strives to maintain a workplace characterized by mutual respect, dignity, fairness and equal treatment for all employees, in accordance with applicable labour laws and regulatory requirements.

The Company defines diversity broadly to include, without limitation:

- Gender;
- Professional and educational background;
- Regional and geographic origin;
- Age and career stage;
- Ethnicity, religion, and cultural background;
- Disability status, where applicable

The Company believes that a workforce and leadership drawn from varied professional, educational, and regional backgrounds strengthens decision-making, innovation, and long-term organizational resilience

Guiding Principles

- **Merit first:** recruitment, promotion, and remuneration decisions are made on the basis of qualifications, performance, and capability.

- **Compliance-led commitment:** The Company commits to complying with statutory and corporate governance requirements relating to diversity, including board-composition rules under the Companies Act, 2017, the Code of Corporate Governance, and the Pakistan Stock Exchange Rule Book, as and when such requirements are made mandatory or are amended, rather than pre-committing to targets the Company has not been asked to meet.
- **Equal opportunity:** The Company provides equal opportunity in recruitment, training, promotion, and remuneration, without regard to the characteristics listed above, except where a characteristic is a genuine and lawful occupational requirement.
- **Non-discrimination:** The Company does not tolerate discrimination on any of the grounds listed above.

Transparency and continuous improvement: The Company periodically reviews its diversity profile at Board and workforce level and report progress to the Board.

The Company's practical steps toward DE&I include:

- Hiring employees from diverse professional, educational, and regional backgrounds;
- Maintaining female representation on the Board of Directors, in compliance with applicable law;
- A merit-based culture in which promotions, responsibilities, and leadership roles are assigned on the basis of performance and capability

Oversight of DE&I matters currently sits with the Board Audit Committee (BAC), consistent with its updated Terms of Reference, based on regular updates from management. Rather than setting fixed numerical diversity targets at this stage, the Company commits to:

- Establishing measurable DE&I disclosure metrics aligned with Appendix A of the SECP ESG Disclosure Guidelines, ahead of the Company's applicable mandatory reporting date;
- Reporting DE&I progress to the Board on at least an annual basis;

The Company remains focused on strengthening its organizational capabilities through employee development, knowledge enhancement and opportunities for professional growth. Continuous improvement in the skills and capabilities of its workforce remains an important element in supporting operational efficiency, improving business performance and maintaining the Company's competitiveness in a dynamic industry environment.

The Company continues to foster a professional workplace where employees are provided opportunities to contribute and develop based on their capabilities and performance, without discrimination on the basis of gender or other characteristics protected under applicable laws. Through these practices, Fecto Cement aims to promote a culture of fairness, inclusion, accountability and continuous professional development across the organization.

Report Of The Audit Committee

Audit committee

Mr Ahmed Mujtaba Memon – Chairman

Mr Rohail Ajmal – Member

Mr Safdar Abbas Morawala – Member

The Audit Committee of the Company comprises three (03) members, all of whom are Non-Executive Directors, including two Independent Directors. 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 2025-2026.

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 CFO. 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.
5. The Company conducted the annual performance evaluation of the Board, Chief Executive Officer and its Committees through an internal evaluation process, based on structured evaluation forms and feedback received from the Directors, to assess the effectiveness and performance of the respective governing bodies. The evaluation confirmed that the Audit Committee has effectively discharged its responsibilities in accordance with its Terms of Reference.
6. The Company manages its taxation-related matters and compliance requirements through its in-house Tax Department, which is responsible for tax planning, compliance, filings, correspondence with the tax authorities and other taxation-related matters in accordance with applicable laws and regulations.

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. BDO Ebrahim & Co., 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. BDO Ebrahim & Co., Chartered Accountants as External Auditor of the Company for the year ending June 30, 2027 as it is one of the reputable audit firms and has thorough knowledge of the Company's business and industry.

By Order of the Audit Committee

Code of Conduct

This Code sets out the principles and guidelines applicable to all stakeholders and is binding on all Board members, members of senior management, and employees of the Company.

1. Compliance with Applicable Laws

Employees are expected to comply with all applicable laws, regulations, and provisions of this Code. Any actual or suspected violation of the law or non-compliance with this Code in any area of operations should be promptly reported to the employee's supervisor.

2. Confidentiality

Employees are expected to safeguard all non-public information obtained in the course of their employment, including information relating to the Company, its customers, suppliers, and business associates. Such information must not be shared with unauthorized parties or utilized for personal gain, either during employment or following its termination. Disclosure or use is permitted only with appropriate written authorization, where the information is already publicly available, or where such disclosure is legally required.

3. Honesty and Integrity

Integrity and ethical conduct are fundamental to the way we conduct our business. We are committed to dealing with all stakeholders in a fair, honest and transparent manner, thereby fostering confidence and mutual trust. Employees are entrusted with the reputation and interests of the Company and are therefore expected to demonstrate sound judgment, honesty and the highest standards of professional conduct in all business activities.

4. Competition and Anti-trust Law

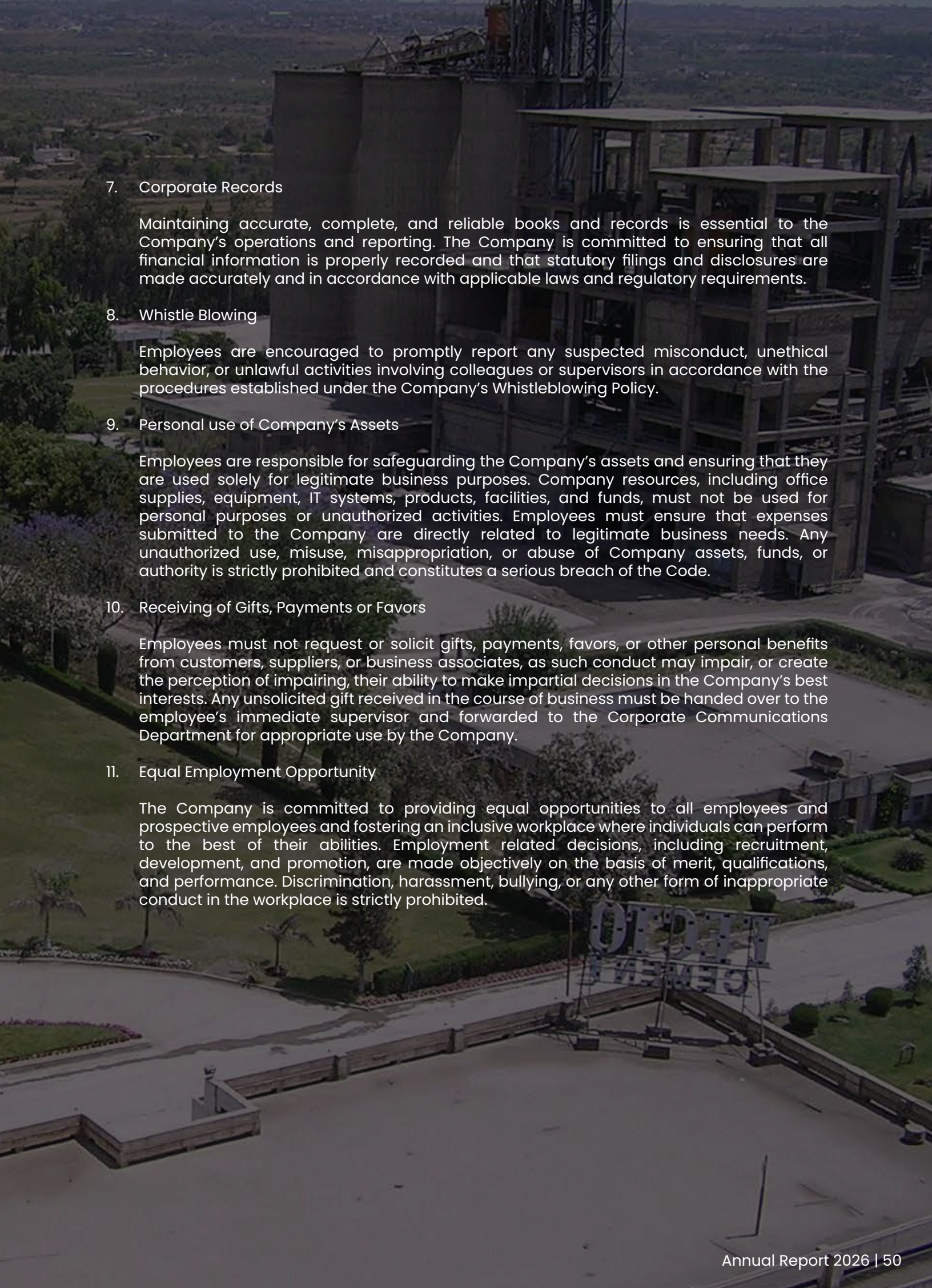
Employees are required to comply fully with all applicable competition and antitrust laws and regulations in every jurisdiction where the Company conducts its operations.

5. Insider Trading

Employees of the Company must not engage in practices such as insider trading, concealment of material facts, or misuse of privileged information, and are required to comply with all applicable laws and Company policies.

6. Conflict of Interest

Employees are expected to conduct themselves ethically and responsibly, refrain from insider trading, withholding material information, or misusing confidential or privileged information, and adhere to all applicable laws, regulations, and Company policies.



7. Corporate Records

Maintaining accurate, complete, and reliable books and records is essential to the Company's operations and reporting. The Company is committed to ensuring that all financial information is properly recorded and that statutory filings and disclosures are made accurately and in accordance with applicable laws and regulatory requirements.

8. Whistle Blowing

Employees are encouraged to promptly report any suspected misconduct, unethical behavior, or unlawful activities involving colleagues or supervisors in accordance with the procedures established under the Company's Whistleblowing Policy.

9. Personal use of Company's Assets

Employees are responsible for safeguarding the Company's assets and ensuring that they are used solely for legitimate business purposes. Company resources, including office supplies, equipment, IT systems, products, facilities, and funds, must not be used for personal purposes or unauthorized activities. Employees must ensure that expenses submitted to the Company are directly related to legitimate business needs. Any unauthorized use, misuse, misappropriation, or abuse of Company assets, funds, or authority is strictly prohibited and constitutes a serious breach of the Code.

10. Receiving of Gifts, Payments or Favors

Employees must not request or solicit gifts, payments, favors, or other personal benefits from customers, suppliers, or business associates, as such conduct may impair, or create the perception of impairing, their ability to make impartial decisions in the Company's best interests. Any unsolicited gift received in the course of business must be handed over to the employee's immediate supervisor and forwarded to the Corporate Communications Department for appropriate use by the Company.

11. Equal Employment Opportunity

The Company is committed to providing equal opportunities to all employees and prospective employees and fostering an inclusive workplace where individuals can perform to the best of their abilities. Employment related decisions, including recruitment, development, and promotion, are made objectively on the basis of merit, qualifications, and performance. Discrimination, harassment, bullying, or any other form of inappropriate conduct in the workplace is strictly prohibited.

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

AUDIT COMMITTEE

Mr Ahmed Mujtaba Memon
Mr Rohail Ajmal
Mr Safdar Abbas Morawala

Chairman
 Member
 Member

The Audit Committee of the Company comprises three (3) members, all of whom are Non-Executive Directors, including two Independent Directors. 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 2025-26, 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 Fecto Cement 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;

(a) Financial Reporting

- Review quarterly, half-yearly, and annual financial statements before approval by the Board, focusing on:
- Major judgmental areas.
- Significant adjustments resulting from the audit.
- Any changes in accounting policies and practices.
- Compliance with IFRS and local laws including Listed Companies (COCG) Regulations.
- Going concern assumption.
- All related party transactions.
- Ensure fair and transparent financial disclosures.
- Review preliminary announcements of results prior to external publication.

b) Internal Control, Risk Management & Safeguarding of Assets

- Evaluate the adequacy and effectiveness of internal control systems.
- Review risk management policies and procedures.
- Monitor and review all material controls (financial, operational, compliance).
- Ensure that risk mitigation measures are robust and integrity of financial information is maintained.
- Monitor control weaknesses and ensure timely corrective actions.
- Determine and review appropriate measures to safeguard the Company's assets.
- Review the Company's statement on internal control systems prior to endorsement by the Board.
- Ensure that appropriate and transparent disclosures are made in the Directors' report regarding the company's risk framework and internal control systems.

c) Internal Audit

- Approve internal audit charter, scope, and plan.
- Review audit reports and follow-up on recommendations.
- Ensure the internal audit function is adequately resourced and independent.
- Recommend appointment, removal, and performance evaluation of the Head of Internal Audit.
- Meet the Head of Internal Audit in the absence of management at least once a year to discuss significant observations, control weaknesses, or concerns.
- Consider major findings of internal investigations, including fraud or abuse of power, and management's response.

d) External Audit

- Recommend appointment, reappointment, and removal of external auditors.
- Review audit scope, plan, and management letter.
- Evaluate performance, independence, and audit fees.
- Discuss major audit findings and ensure resolution of issues.
- Approve or pre-approve any non-audit services by external auditors.
- Meet the external auditors in the absence of management at least once a year to discuss major observations or matters they wish to highlight.

e) Whistle-blower Mechanism and Ethics

- Review the adequacy of the Whistle-blower Policy.
- Ensure mechanisms exist for the receipt, retention, and investigation of complaints regarding:
 - * Accounting
 - * Internal controls
 - * Auditing matters
- Provide a forum for employees to report in confidence concerns about improprieties, ensuring protection against retaliation.

f) Compliance and Governance

- Review legal and regulatory compliance reports.
- Monitor compliance with the Code of

Corporate Governance and applicable stock exchange regulations.

- Review arrangements for compliance with relevant statutory requirements, including taxation, labour, and environmental laws.

g) Related Party Transactions

- Review and recommend related party transactions for Board approval.
- Ensure arm's length pricing and appropriate disclosures.

h) Sustainability, ESG, and Diversity, Equity & Inclusion (DE&I) Oversight

- Support the Board in governance and oversight of sustainability risks and opportunities, including environmental, social, and governance (ESG) considerations, by embedding these in the Company's long-term strategy.
- Monitor sustainability-related risks and opportunities, including climate-related risks, and assess their financial and operational impacts.
- Ensure that policies to promote diversity, equity, and inclusion (DE&I) are in place to encourage gender equality and participation of women on the Board, in management, and across the workforce.
- Periodically review and monitor the Company's sustainability and DE&I strategies, priorities, and performance against targets.
- Oversee compliance with relevant sustainability-related laws, regulations, and SECP's ESG Disclosure Guidelines.
- Ensure adequate disclosures in the Directors' Report on:
 - Sustainability-related risks and opportunities, and how they are managed or mitigated.
 - Measures taken to promote DE&I across the Company.
 - Brief the Board, at least once annually, on how sustainability principles are being embedding into the Company's strategy and operations to enhance long-term corporate value.

i) Other Responsibilities

- Ensure coordination between internal and external auditors.

- Institute special projects, value-for-money studies, or investigations on any matter specified by the Board.
- Consider any other issue or matter assigned by the Board.

j) Reporting

- The Committee shall brief the Board during Board meetings following each Committee meeting, highlighting significant matters discussed, key observations, and any recommendations requiring Board

- attention.
- The Chairman of the Audit Committee or any member designated by the Committee shall communicate outcomes of the meetings directly to the Board during Board proceedings.
- The Committee shall periodically reflect on its own performance and share observations with the Board.

All significant matters discussed and key outcomes shall be reflected in Board minutes or as part of the Chairman's communication, ensuring proper record and transparency

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr Safdar Abbas Morawala
Mr Rohail Ajmal
Mr Juwad Saboor

Chairman
Member
Member

including recruitment, development, training, diversity, retention, and disciplinary processes.

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 Fecto Cement 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;

a. Remuneration Policy

- Recommend to the Board for approval a policy framework for determining the remuneration of directors (both executive and non-executive) and members of senior management.
- The definition of "senior management" shall include the first layer of management i.e. from the designation of "Deputy General Manager" reporting directly to the CEO.

b. HR Policies

- Recommend to the Board the human resource management policies

c. Appointments and Evaluations

- Recommend to the Board the selection, evaluation, development, and compensation (including retirement benefits) of:
 - * Chief Operating Officer
 - * Chief Financial Officer
 - * Company Secretary
 - * Head of Internal Audit

d. Recommendations on Key Management Personnel

- Review and approve recommendations of the CEO regarding selection, evaluation, development, and compensation for key management positions reporting directly to the CEO or COO.

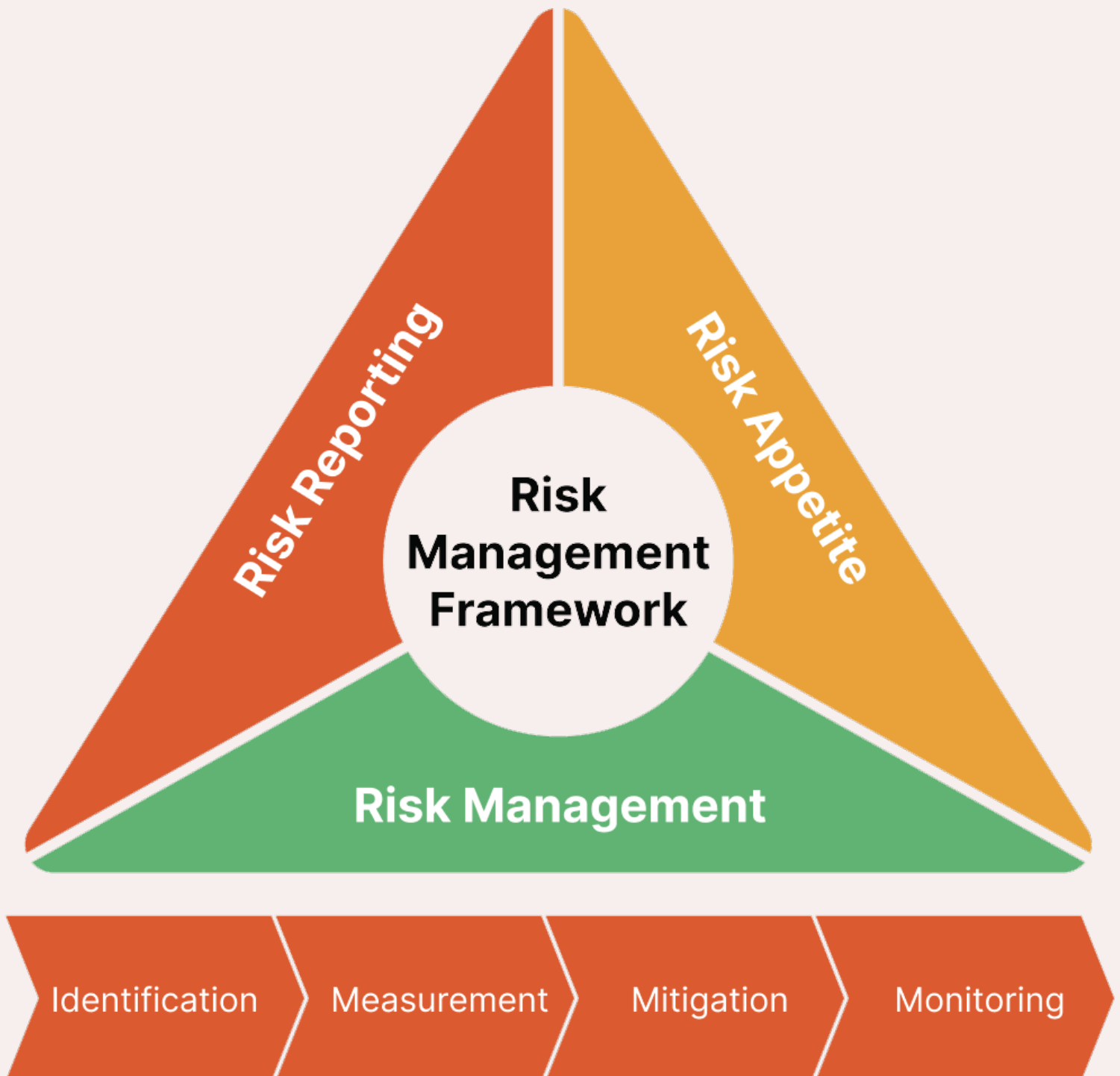
e. Nomination & Board Structure Responsibilities (Nominating Committee, regulation 29 duties)

- Consider and make recommendations to the Board in respect of the Board's committees and the chairmanship of the committees.
- Keep under review the structure, size, diversity, and composition of the Board, and make recommendations for changes as and when necessary.

- Review the skills, knowledge, experience, and independence of directors and recommend suitable candidates for appointment, re-election, or removal in line with the Company's needs and succession planning.
- Oversee succession planning for the Board, CEO, and senior management to ensure leadership continuity.
- Periodically review the effectiveness of the nomination process and make recommendations to strengthen governance.

f. Reporting

The Committee shall report its proceedings, decisions, and recommendations to the Board of Directors and ensure that all regulatory and corporate governance requirements are complied with.



Risk Management Framework

The Company has established a structured risk management framework to identify, assess, mitigate, monitor and report risks that may affect its business model, financial performance, operational continuity and long-term sustainability. The framework supports informed decision-making, strengthens resilience and helps protect shareholder value.

The Company's principal risks include strategic, operational, financial, compliance and legal, IT and cybersecurity, health and safety, and credit risks. In addition, the Company monitors input cost and supply chain, regulatory and policy, climate change and environmental, market and demand, liquidity, and talent and succession risks.

1. Identification and Assessment of Principal Risks

The Company periodically identifies and assesses risks arising from both internal operations and the external business environment. Risks are evaluated based on their potential impact on financial performance, profitability, production continuity, liquidity, compliance, reputation and stakeholder confidence.

The assessment considers factors such as macroeconomic volatility, geopolitical developments, industry dynamics, supply chain disruptions, regulatory changes, technology risks, environmental considerations and market conditions.

2. Risk Assessment Methodology

The Company applies a structured methodology to assess and prioritize identified risks. Both qualitative and quantitative considerations are used, where appropriate, to evaluate the likelihood and potential impact of individual risks.

Risk assessments are supported by appropriate tools and management information, including risk matrices, scenario analysis, trend monitoring and key risk indicators. The risk profile is reviewed periodically to ensure that emerging risks and changes in existing risks are appropriately considered.

3. Risk Appetite and Tolerance

The Company's risk appetite reflects the level and nature of risk that it is prepared to accept in pursuit of its strategic and operational objectives. Risk tolerance levels

provide appropriate boundaries within which risks are managed and escalated.

Risk appetite and tolerance are considered in key areas including financial stability, liquidity, operational continuity, regulatory compliance, health and safety, cybersecurity, capital expenditure and strategic initiatives. These parameters are reviewed in light of changes in the Company's business environment and strategic priorities.

4. Risk Mitigation and Internal Controls

Management develops and implements appropriate mitigation measures and controls for identified risks. Responsibility for managing risks is assigned to relevant functions and management personnel to promote clear ownership and accountability.

Mitigation measures include cost optimisation, preventive maintenance, diversification of suppliers and energy sources, prudent working capital management, regulatory monitoring, cybersecurity controls, disaster recovery planning, HSE programmes and employee training.

5. Risk Monitoring and Reporting

The Company maintains mechanisms for ongoing monitoring of its risk profile. Key Risk Indicators (KRIs), management reports, operational performance indicators and other relevant information are used to identify changes in risk exposure and emerging risks.

Material risk developments are communicated through appropriate management and governance channels to facilitate timely escalation, corrective action and informed decision-making.

6. Risk Governance and Oversight

The Company's risk management framework is supported by established policies, procedures, internal controls and defined responsibilities. Management periodically reviews the effectiveness of risk mitigation measures and the overall risk profile.

The framework is updated, where necessary, to reflect changes in the Company's operations, regulatory environment, market conditions and emerging risks.

7. Integration with Strategic and Business Planning

Risk management is integrated into the Company's strategic and business planning processes. Key risks and opportunities are considered when evaluating business plans, budgets, capital investments, financing requirements, operational initiatives and other significant decisions.

This approach enables the Company to balance growth objectives with financial, operational and sustainability considerations.

8. Risk Awareness, Training and Communication

The Company promotes a culture of risk awareness and accountability across the organisation. Relevant employees are provided with appropriate guidance and training regarding risk identification, control responsibilities, health and safety, cybersecurity and compliance.

Effective communication channels support the timely identification and escalation of risk events, control weaknesses and potential business disruptions.

9. Scenario Analysis and Business Resilience

Where appropriate, the Company conducts scenario analysis and stress assessments to evaluate the potential impact of adverse developments, including economic volatility, supply chain disruptions, energy constraints, changes in input costs, liquidity pressures and market demand fluctuations.

The outcomes of these assessments support the development and refinement of mitigation measures and business continuity arrangements.

10. Continuous Improvement

The Company is committed to continuously strengthening its risk management framework. Risk management practices, controls and mitigation strategies are periodically reviewed to assess their effectiveness and identify areas for improvement.

Emerging risks, changes in the external environment and lessons learned from risk events are incorporated into the Company's risk management processes to enhance resilience and preparedness.

Conclusion

The Company's risk management framework provides a structured approach for identifying and managing the principal risks that may affect its performance, operations and long-term sustainability. Through defined risk ownership, appropriate mitigation measures, ongoing monitoring and effective reporting, the Company seeks to maintain an appropriate balance between risk and opportunity while supporting sustainable growth and protecting shareholder value.

Independent Auditor's Review Report To The Members Of Fecto Cement Limited

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FECTO CEMENT LIMITED 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 Fecto Cement Limited (the Company) for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

Further, we highlight below instances of non-compliance with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019 as reflected in the note/paragraph reference where these are stated in the Statement of Compliance:

Ref No.	Listed Companies (Code of Corporate Governance) Regulations, 2019	Description
19	10A	The Board is required for governance and oversight of various risks and opportunities relating to sustainability, climate and to place and oversee policies to promote diversity, equity and inclusion (DE&I) to promote gender equality and women participation and constitute sustainability board committee. However, the Company has not established the required policies resulting a non-compliance with the requirement.
19	29 & 30	The Board may constitute a separate Nomination Committee and a Risk Management Committee which is responsible for making recommendations regarding the Board's committees, reviewing the structure, size and composition of the Board and to monitor, mitigate and disclose the controls in place by the Company. However, the Company has not constituted such committees resulting a non-compliance with the requirements.
19	35	The Company may post key elements of its significant policies and brief synopses of the terms of reference of the Board's committees on its website. However, the Company has not disclosed the required significant policies and committee terms of reference on its website.

BDO Ebrahim & Co.

KARACHI
DATED: September 03, 2026
UDIN: CR202610166Ws9ntBI31

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Tariq Feroz Khan

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

M/s. Fecto Cement Limited ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, ('the Regulations') in the following manner:

1. The total number of Directors are 7 as per the following:

Male	6
Female	1

2. The Composition of board is as follows:

Independent Directors	Mr. Ahmed Mujtaba Memon Mr. Safdar Abbas Morawala
Non-Executive Directors	Mr. Rohail Ajmal Mr. Jamil Ahmed Khan Ms. Lubna Yasin Fecto (Female)
Executive Directors	Mr. Mohammed Yasin Fecto Mr. Juwad Saboor

3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) 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 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 Companies Act, 2017 and these Regulations;
7. The meetings of the Board were presided over by the Chairman, and in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act, 2017 and these Regulations;

9. Up to the date of reporting period (i.e. June 30, 2026), following Directors have attended Directors training program:

- (i) Mr. Jamil Ahmed Khan
- (ii) Mr. Ahmed Mujtaba Memon
- (iii) Mr. Rohail Ajmal
- (iv) Mr. Safdar Abbas Morawala

One Director, Mr. Mohammed Yasin Fecto, meets the prescribed criteria for exemption from the Directors' Training Program in accordance with the applicable provisions of the Code of Corporate Governance.

The other Directors, Mr. Juwad Saboor and Ms. Lubna Yasin Fecto, have considerable experience and expertise in their respective fields and possess a sound understanding of the Company's affairs and governance requirements. In view of their existing experience and knowledge, they have not considered it necessary to undertake the Directors' Training Program at this stage, as the applicable Regulations do not prescribe such training as a mandatory requirement for Directors in their circumstances.

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. All members of the Audit Committee are Non-Executive Directors while Human Resource and Remuneration Committee has majority of Non-Executive Directors and both Committees have at least one member as independent Director and Chairman of the committees is the Independent Director;

AUDIT COMMITTEE		
(i)	Mr. Ahmed Mujtaba Memon	Chairman
(ii)	Mr. Rohail Ajmal	Member
(iii)	Mr. Safdar Abbas Morawala	Member

HR and REMUNERATION COMMITTEE		
(i)	Mr. Safdar Abbas Morawala	Chairman
(ii)	Mr. Rohail Ajmal	Member
(iii)	Mr. Juwad Saboor	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:
- i. Audit Committee Quarterly
 - ii. HR and Remuneration Committee Annual
15. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are 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 (ICAP) 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 ICAP and that they and their partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or a 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 Companies Act 2017, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; Explanation as required under the regulations in mentioned below:

Company, currently has two independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent Director.

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

Regulation	Non-Mandatory / Encouraged Provision	Explanation / Remarks
Regulation 10A, 29 & 30	The Board is encouraged to constitute a separate Sustainability, Nomination and Risk Management Committees.	The Board has preferred to discharge these responsibilities through its existing committee structure, which it considers best suited to the Company's current scale and operations. Sustainability oversight and risk management matters are addressed through the Audit Committee, as part of its Terms of Reference and in conjunction with relevant management functions monitoring significant business, financial, operational, and other risks faced by the Company. Nomination and succession-related matters are addressed through the Human Resource and Remuneration Committee and the Company's existing Board governance structure. This approach allows these matters to be considered with the benefit of the same severity, independence, and oversight applied by the Board's existing committees, while avoiding duplication of structure. The Board regularly reviews the adequacy of this arrangement and will constitute dedicated committees as the Company's operations evolve or as it otherwise considers appropriate to further strengthen governance practices.

Regulation	Non-Mandatory / Encouraged Provision	Explanation / Remarks
Regulation 10A	The board ensures that policies to promote diversity, equity and inclusion (DE&I) are in place to encourage gender mainstreaming, gender equality and the participation of women on the board, management and workforce of the company. The board ensures that the company's sustainability and DE&I related strategies, priorities and targets as well as performance against these targets are periodically reviewed and monitored.	The Board of Directors have delegated regular oversight of the sustainability considerations to the audit committee which discharges these responsibilities as part of its terms of reference and also promotes diversity, equity and inclusion (DE&I) in its decision-making framework. While a formalized policy and governance structure for sustainability and DE&I has not yet been fully implemented, board is actively working on drafting and introducing such policies and structures, together with defined targets for DE&I and sustainability strategies and appropriate reporting mechanisms.
Regulation 35	The Board is encouraged to post on the Company's website key elements of significant policies and a brief synopsis of the terms of reference of the Board's committees.	Although key elements of the company's significant policies, brief synopsis of terms of reference of the Board's committees are well circulated among relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.
Regulation 19(3)	The Board is encouraged to arrange training for at least one Head of Department each year.	The Company acknowledges the encouragement under the Regulations to arrange training for one Head of Department each year however since All Heads of Departments possess considerable experience and expertise in their respective functional areas, together with a sound understanding of the Company's affairs and applicable governance requirements and the Company also supports their continued professional development through relevant training opportunities, seminars and workshops to keep them abreast of evolving regulatory and industry practices therefore a separate enrollment of departmental heads in formal Director's training program has not been considered.

On behalf of the Board of Directors

JAMIL AHMED KHAN
Chairman of the Board of Directors
Karachi: July 31, 2026

Chairman's Review Report

on the Board's Overall Performance under Section 192(4) of the Companies Act, 2017

ECONOMIC ENVIRONMENT

During FY 2025–26, Pakistan's economy continued to demonstrate greater macroeconomic stability, supported by sustained policy reforms and strengthened external sector fundamentals. Real GDP growth strengthened to approximately 3.70% (FY25: 3.18%), though this remained below the Government's original target, reflecting both resilience and continuing structural challenges.

Average inflation rose to approximately 7.1% during the year, compared to 4.6% in the previous financial year, driven primarily by higher food and energy prices though it remained well below the exceptionally elevated levels recorded in earlier years. The State Bank of Pakistan maintained a broadly stable monetary policy stance, marginally increasing the policy rate from 11% to 11.5% to balance this modest inflationary uptick against the need to sustain growth. Improved external sector fundamentals and continued progress under the IMF-supported reform programme contributed to a more supportive operating environment for the corporate sector.

The improving economic fundamentals provide a solid foundation for a broader-based recovery, despite the gradual and subdued recovery in construction and infrastructure activity. We remain optimistic that sustained policy continuity will support stronger growth in the construction sector in the years ahead, notwithstanding continued volatility in global commodity and energy prices.

INDUSTRY PERFORMANCE

The cement industry delivered a resilient performance in FY26. Domestic dispatches increased by 9.51% to 41.511 million tons, while exports declined by a minimal margin of 2.19% to 9.008 million tons. Overall industry dispatches increased by 7.22% to 50.519 million tons, though capacity utilization remained subdued at approximately 50–60%, reflecting persistent excess capacity in the sector. While the recovery in dispatch volumes reflects improving domestic demand, the industry faced significant cost pressure during the year, with coal prices rising sharply amid global geopolitical tensions and the disruption of Afghan coal supply following the Pakistan–Afghanistan border closure, a factor that weighed particularly heavily on North Zone producers' margins and export volumes.

COMPANY PERFORMANCE

Your Company recorded total dispatches of 851,466 tons, an increase of 19.31% compared to FY25. Local sales in PKR terms increased by 14.83%, while export sales fell sharply by 85.24% following the closure of the Company's principal export market. Average retention price declined by 5.63% amid intensified local competition, and gross profit margin declined to 10.44% (FY25: 16.52%), primarily reflecting the sharp rise in coal costs during the year. Net profit nonetheless increased by 8.98% to PKR 663.362 million (FY25: PKR 608.692 million), supported by a reduction in finance cost, higher other income, and a swing to profit from the Company's associate, resulting in an EPS of PKR 13.22 compared to PKR 12.14 last year.

BOARD'S OVERALL PERFORMANCE

The Board of Directors (the "Board") of Fecto Cement Limited (the "Company") complies with all requirements set out in the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "COCG, 2019"), and the Rule Book of the Pakistan Stock Exchange (the "Rule Book") with respect to the composition, procedures, and meetings of the Board of Directors and its Committees. In line with the COCG, 2019, the Company conducts an annual evaluation of the Board's performance to ensure its effectiveness in achieving the Company's objectives. The purpose of this evaluation is also to identify areas requiring improvement, with appropriate action plans developed to address them.

For the purpose of Board evaluation, a comprehensive set of criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended June 30, 2026, and I report that the overall performance of the Board, measured on the basis of approved criteria, was satisfactory. This assessment is based on the following key components:

- 1. Diversity and Mix:** The Board maintained a balanced composition of independent, non-executive, and executive directors, with female representation on the Board. Members contributed diverse experience and professional expertise, enabling effective deliberation on strategic and operational matters. Independent and non-executive directors actively participated in Board and Committee discussions, ensuring objectivity and independence of judgment.
- 2. Engagement in Strategic Planning:** The Board remained actively engaged in providing strategic direction to the Company. It reviewed and endorsed long-term goals and objectives, monitored progress on cost optimization initiatives, renewable energy projects, and operational efficiency improvements, and ensured that management's annual plans were aligned with the vision and mission of the Company.
- 3. Diligence:** Board members diligently performed their fiduciary duties by thoroughly reviewing and approving business strategies, budgets, financial statements, and corporate policies. The Board discharged its responsibilities through timely meetings supported by comprehensive agendas and relevant documentation, enabling informed decision-making.
- 4. Monitoring of Business Activities:** The Board remained regularly apprised of the Company's operational and financial performance through management presentations, reports from internal and external auditors, and independent assessments. This enabled the Board to provide appropriate guidance, ensure effective oversight of key business activities, and support internal efficiency initiatives.
- 5. Governance and Control Environment:** The Board continued to set the tone-at-the-top by promoting transparency, accountability, and ethical conduct. It ensured compliance with applicable laws, regulations, and best practices of corporate governance, while strengthening the internal control framework and risk oversight processes to safeguard the interests of shareholders and stakeholders.



JAMIL AHMED KHAN

Chairman of the Board of Directors

Karachi: August 17, 2026

Directors' Report To The Members

FOR THE YEAR ENDED JUNE 30, 2026

Dear Members

The Directors of your Company are pleased to present before you the Annual Report of your Company along with the Audited Financial Statements for the year ended June 30, 2026.

This report has been prepared in accordance with Section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 ('COCG, 2019') and will be submitted to the shareholders at the Forty fifth (45th) Annual General Meeting ('AGM') of the Company to be held on October 26, 2026.

Economic Overview

During FY 2025–26, Pakistan's economy restored macroeconomic stability with consolidated recovery, strengthened confidence, underpinned by sustainable, inclusive and private sector led growth in a demanding environment. The economy posted a Gross Domestic Product ('GDP') growth of approximately 3.70%, slightly above last year's 3.18%, albeit below original targets reflecting both resilience and persistent economic challenges.

External Sector & Current Account:

During FY 2025–26, Pakistan has current account deficit, totalling USD 0.139 billion, from current account surplus of USD 1.838 billion in previous year. This decrease is due to rise in cost of imports, increase in international oil prices due to geopolitical tensions and a modest 0.2% growth in exports against a faster pace of import growth, however the negative effect of this was offset by the increase in inflow of foreign exchange reserves to around USD 22.04 billion from USD 19.27 billion a year earlier, enhancing external buffers.

Inflation and Monetary Policy:

Following a sharp moderation from the historic peak of nearly 38% in mid-2023 to an average of 23.4% in FY 2023–24 and 4.6% in FY 2024–25, inflation remained broadly contained during FY 2025–26 despite a modest rebound. Average CPI inflation increased to approximately 7.1%, primarily driven by higher food and energy prices, but remained well below the exceptionally high inflation recorded in previous years, reflecting continued macroeconomic stabilisation and prudent policy measures.

The monetary policy stance also played a crucial role in reinforcing macroeconomic stability. During the year, the State Bank of Pakistan ('SBP') maintained a broadly stable and cautious monetary policy, marginally increasing the policy rate from 11% to 11.5% to balance a modest inflationary uptick against the need to sustain economic growth. This measured stance helped preserve investor confidence, in turn supporting continued economic activity. The relatively stable interest rate environment, following the sharp monetary easing of the preceding two years, combined with exchange rate stability and a build-up in foreign exchange reserves, contributed to improved macroeconomic stability.

Economic Outlook & Structural Reforms:

During FY 2025–26, Pakistan continued to strengthen macroeconomic stability under its International Monetary Fund ('IMF') supported reform programme. In May 2026, the IMF Executive Board completed the third review of the Extended Fund Facility ('EFF') and the second review of the Resilience and Sustainability Facility ('RSF'), taking cumulative programme disbursements to approximately USD 4.8 billion, with the country's primary surplus for FY 2025–26 tracking well ahead of the IMF's original 1.6% target.

Continued implementation of fiscal consolidation measures, tax administration reforms, prudent monetary policies, and energy sector reforms contributed to improved investor confidence and external sector stability. Reform efforts centred on the FBR's transformation plan, tariff rationalisation toward cost-recovery pricing, and continued progress on the privatisation of power distribution companies to address the sector's circular debt.

The Government remained committed to broadening the tax base, enhancing revenue mobilisation, rationalising energy tariffs, and advancing reforms in state-owned enterprises to support sustainable economic growth. In parallel, implementation of the Uraan Pakistan Economic Transformation Plan (2024–29) gained momentum through initiatives aimed at promoting industrial development, digital transformation, infrastructure investment, export competitiveness, and human capital development. Development financing from multilateral institutions, including the World Bank and the Asian Development Bank, continued to support reforms in energy, climate resilience, social protection, and public sector governance.

Despite these positive developments, external sector vulnerabilities remained, with continued reliance on bilateral and multilateral financing to meet external financing requirements. Looking ahead, the IMF has set a higher primary surplus target of 2.0% of GDP for FY27, keeping fiscal policy tight even as growth recovers, with global energy price volatility remaining a key risk to the outlook.

Implications for Fecto Cement Limited:

The improving macroeconomic environment during FY 2025–26, marked by easing inflation, lower policy rates, relative exchange rate stability, and a stronger external sector position, created a more conducive operating environment for the cement industry. These developments supported a gradual recovery in construction activity and domestic cement demand. However, the industry continued to face challenges arising from elevated energy and distribution costs, persistent pricing pressures, and intense market competition, which continued to weigh profitability.

These cost pressures were further compounded by heightened geopolitical tensions during the year, which contributed to a sharp rise in key input prices, international coal prices increased by approximately 20% to 25%, while prices of polypropylene ('PP'), the principal raw material used in cement packing bags, surged by 50% to 80%, adding further strain to industry-wide margins.

In addition, following the closure of the Pakistan-Afghanistan border after the first quarter of FY 2025–26 amid bilateral tensions, the Company's export market was effectively hampered. The border closure similarly disrupted the broader North Zone cement industry, as Afghanistan served not only as a direct export destination for several North-based manufacturers but also as the principal transit route for onward exports to Central Asian markets. This disruption is reflected in the decline in export dispatches from the North Zone during the year, as highlighted under Industry Performance below.

Against this backdrop, the Company remained committed to operational excellence through enhanced production efficiency, optimized fuel and energy utilization, disciplined cost management, and prudent financial stewardship. The Company also continued to strengthen its operational resilience and market competitiveness, positioning itself to benefit from the ongoing recovery in the construction sector while delivering sustainable long-term value to its shareholders and other stakeholders.

Industry Performance

Despite these positive macro indicators, the overall performance of the cement industry remained mixed. Domestic cement dispatches for the FY 2025–26 increased by 9.51%, increasing to 41.511 million tons from 37.906 million tons last year, reflecting a slight acceleration across both the North and South Zones.

Domestic cement demand recovered gradually during FY 2025–26, supported by easing inflation, lower financing costs, and improving macroeconomic stability. The recovery was driven by a gradual revival in private construction activity, improving investor sentiment, and increased execution of public sector infrastructure projects. The private sector remained the primary driver of demand, supported by renewed residential and commercial construction following improved financing conditions and greater market confidence. At the same time, public sector demand strengthened due to higher development spending and the accelerated implementation of infrastructure projects under the Public Sector Development Programme ('PSDP'), although fiscal constraints continued to limit the pace of execution. Despite these encouraging developments, elevated construction costs, cautious private investment, and intense price competition within the industry continued to temper the pace of recovery. Consequently, while domestic cement dispatches increased during the year compared to FY 2024–25, overall demand remained below its long-term potential.

Conversely, export volumes recorded a minimal decline of 2.19%, decreasing to 9.008 million tons from 9.210 million tons during last year. South-based manufacturers capitalized effectively on international demand, with export dispatches comprising 54.85% of total dispatches of the South Zone, compared to 53.36% last year. In sharp contrast, the North Zone's export orientation collapsed to just 2.19% of total dispatches from 5.10% a year earlier, more than halving, reflecting the effective closure of the region's principal export corridor following the Pakistan-Afghanistan border closure.

Capacity utilization across the sector remained well below optimal level, averaging between 50% and 60%, reflecting persistent excess capacity particularly in the North.

Total industry dispatches during the year stood at 50.519 million tons as compare to 47.116 million tons reflecting a 7.22% year-on-year increase, primarily due to strong growth in local despatches.

In the North Zone, total dispatches for the year were 35.513 million tons as compare to 33.013 million tons, showing a marginal increase of 7.57% compared to last year. Domestic sales in the North increased by 10.88% to 34.736 million tons from 31.328 million tons, while exports decreased significantly by 53.85% to 0.777 million tons from 1.684 million ton, mainly due to the heightened geopolitical tensions between Pakistan and Afghanistan which hampered the main export market of North based cement players.

The South Zone registered steady growth, with total dispatches rising by 6.40% increasing to 15.006 million tons from 14.104 million tons as compare last year. This was driven by a 9.36% increase in export dispatches to 8.231 million tons from 7.526 million tons, while domestic sales experienced a slight increase by 3.00% to 6.775 million tons from 6.577 million tons.

PRODUCTION AND SALES VOLUME PERFORMANCE OF THE COMPANY

Production and sales volume performance of your Company for the year ended June 30, 2026 as compared to last year is presented below:

Particulars	FY 2026	FY 2025	Growth / (Decline) %
Clinker Production (Tons)	818,730	612,026	33.77%
Cement Production (Tons)	850,557	713,739	19.17%
Local Dispatches (Tons)	848,191	690,987	22.75%
Export Dispatches (Tons)	3,275	22,657	(85.55%)
Total Dispatches (Tons)	851,466	713,644	19.31%
Capacity Utilization	85.06%	71.37%	19.17%
Market share	1.69%	1.51%	11.28%
Market share from North region	2.40%	2.16%	10.91%

During FY 2026, the Company's operational performance reflected a positive trend in production and dispatches. Cement production stood at 850,557 tons, increasing by 19.17% compared to 713,739 tons in FY 2025. Clinker production significantly increasing by 33.77%, reaching 818,730 tons against 612,026 tons in the preceding year.

On the sales front, total cement dispatches were recorded at 851,466 tons, an increase of 19.31% from 713,644 tons last year. Local dispatches increased by 22.75% to 848,191 tons (FY 2025: 690,987 tons), reflecting robust domestic demand conditions in the domestic market. Conversely, export dispatches posted a Steep decline of 85.55%, decreasing to 3,275 tons from 22,657 tons in FY 2025.

As a result, the Company's overall capacity utilization, based on installed cement production capacity of approximately 1.0 million tons per annum, increased to 85.06% compared to 71.37% in the prior year. Correspondingly, the Company's market share increased to 1.69% from 1.51%, whereas a slight increase in the market share in the North region was also witnessed reaching to 2.40% from 2.16%.

FINANCIAL PERFORMANCE OF THE COMPANY

The Financial performance of your Company for the year ended June 30, 2026 as compared to last year is presented below:

Particulars	FY 2026	FY 2025	Growth / (Decline) %
	Rs. '000		
Local Sales	12,458,748	10,849,405	14.83%
Export Sales	36,522	247,519	(85.24%)
Total Sales	12,495,270	11,096,924	12.60%
Cost of sales	11,190,361	9,263,606	20.80%
Gross Profit	1,304,909	1,833,318	(28.82%)
Gross Profit as % of Sales	10.44%	16.52%	(36.79%)
Operating Profit	474,680	1,006,762	(52.85%)
Net Profit	663,362	608,692	8.98%
Earnings per Share (EPS)	13.22	12.14	8.98%

Sales Revenue:

During the year, the Company achieved a 12.60% increase in overall sales revenue compared to FY 2025, driven primarily by a 19.31% increase in dispatch volumes, which generated a positive quantity variance of PKR 354.058 million on gross profit. Local sales revenue grew by 14.83%, while export sales revenue declined sharply by 85.24%, reflecting the continued impact of the Pakistan-Afghanistan border closure on the export operations of North-based cement manufacturers, as discussed above.

The average retention price declined by PKR 875 per ton, from PKR 15,550 to PKR 14,675, a decrease of 5.63%, resulting in a negative price variance of PKR 744.740 million on gross profit. This decline was largely attributable to intensified local price competition in the North Zone, as producers redirected volumes previously destined for export toward the domestic market following the border closure.

Consequently, the contribution of export volumes to total dispatches fell sharply to 0.38% during the year, down from 3.17% in the previous year, underscoring the continued pressure on the Company's export segment following the loss of its principal export market.

Cost of Sales:

The Company's cost of sales increased by 20.80% compared to last year, primarily on account of higher dispatch volumes. On a per-ton basis, the cost of cement sold increased by PKR 161, from PKR 12,981 to PKR 13,142, an increase of 1.25%, resulting in a negative price variance of PKR 137.086 million.

This increase was primarily driven by coal, the Company's largest input cost. The Coal prices rose by approximately 20% to 25% during the year, reflecting both broader geopolitical tensions in the Middle East and the disruption to Afghan coal supply following the Pakistan-Afghanistan border closure, which forced a shift toward imported coal. Combined with a 31.60% increase in coal consumption volume, in line with higher clinker production, total coal charges rose by 48.77%, from PKR 3.929 billion to PKR 5.846 billion. As a result, coal's share of total cost of sales increased to 52.24% from 42.41%, with the coal cost per ton of clinker rising to PKR 7,140 from PKR 6,420. Through cost optimisation measures and improved kiln efficiency, the Company was able to partially offset this impact, achieving an estimated PKR 100 million in savings through better coal consumption efficiency per ton of clinker produced.

Despite these mitigation efforts, the combined impact of negative price variances in both sales and cost of sales resulted in a 28.82% decline in gross profit, from PKR 1.833 billion to PKR 1.305 billion, with the gross profit margin declining significantly to 10.44% from 16.52% in the previous year.

Net Profit Analysis:

The Company's net profit increased by 8.98%, rising by PKR 54.67 million to PKR 663.362 million from PKR 608.692 million last year. Consequently, the net profit margin saw a marginal decline to 5.31% from 5.49% last year. The increase in net profit was primarily driven by:

- A 37.36% reduction in finance cost, following a more than 18% decrease in debt liabilities;
- A significant 155.48% increase in other income, mainly attributable to the sale of investment property during the year; and
- A share of profit from associate of PKR 41.04 million, compared to a loss of PKR 60.96 million last year.

These favourable movements were partially offset by higher administrative and distribution expenses, which rose by 16.47% to PKR 666.424 million from PKR 572.164 million, largely due to inflationary pressures. The current year's income tax expense decreased by 42.44%, broadly in line with the 52.85% decline in operating profit for the year.

Earnings per share (EPS):

The Earnings per Share (EPS) of the Company for the year ended June 30, 2026, stood at PKR 13.22, reflecting a marginal improvement compared to PKR 12.14 reported in the previous year.

Financial Management:

The Company's balance sheet as at June 30, 2026, reflects a sound financial position, with total assets amounting to PKR 9.516 billion, up from PKR 7.967 billion last year. The current ratio stood at 1.69 (2025: 1.77) and the quick ratio at 0.40 (2025: 0.39). The quick ratio reflects the Company's inventory-intensive working capital structure, typical of the cement manufacturing sector, with liquidity supported by continued access to short-term financing facilities to meet operational requirements as they fall due.

Cash flow Management:

The Company follows a structured cash flow management framework that continuously projects and monitors cash inflows and outflows, ensuring adequate liquidity to support capital expenditure, strategic investments, modernisation initiatives, working capital requirements, and contingencies, in line with the evolving business and macroeconomic environment.

Major cash allocations during the year under review included:

- Capital expenditure of approximately PKR 155.749 million;
- Income tax payments of PKR 284.827 million; and
- Repayment of long-term debt and finance cost amounting to PKR 258.594 million.

Capital Structure and reserves:

The Company remains primarily equity-financed, while continuing to prudently utilise financing facilities obtained in prior years to support its long-term requirements. A key strength of the Company lies in its consistent ability to generate internal accruals through retained earnings, enabling management to fund growth initiatives, pursue cost-efficiency measures, and reinforce stakeholder confidence in the Company's long-term direction.

As a result of improved profitability, the Company's reserves increased by 13.93%, reaching PKR 4.612 billion as at June 30, 2026, from PKR 4.048 billion last year. This growth reflects the Company's continued focus on cost optimisation and sustainable value creation for shareholders.

Credit Rating:

The Company continues to maintain its "investment grade" credit rating assigned by The Pakistan Credit Rating Agency Limited ('PACRA'). Per its latest review dated February 20, 2026, PACRA reaffirmed Fecto Cement Limited's ratings as follows:

- Long-Term Rating: A-
- Short-Term Rating: A2
- Outlook: Stable

The reaffirmation reflects the Company's sustained operational performance, efficient utilisation of its manufacturing facility, and moderately leveraged capital structure, supported by its captive energy sources and continued focus on cost optimisation and plant efficiency. The ratings also recognise the Company's operational resilience in a challenging macroeconomic and industry environment, where overall cement demand has remained under pressure.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG), SUSTAINABILITY, DIVERSITY AND CORPORATE RESPONSIBILITY

The Company remains committed to embedding sustainability, environmental stewardship, social responsibility, and strong governance practices into its long-term strategy and day-to-day operations. Guided by the principles of the Code of Corporate Governance ('COCG'), 2019, and in line with emerging global best practices, the Board of Directors provides oversight of sustainability-related risks and opportunities, including environmental performance, social impact, and diversity, equity and inclusion ('DE&I').

During the year, the Company continued to strengthen its sustainability framework through targeted initiatives in renewable energy, environmental protection, health and safety, and corporate social responsibility, alongside conscious efforts to foster inclusivity and diversity within the workforce and leadership. These initiatives are aimed not only at ensuring regulatory compliance, but also at creating long-term stakeholder value, enhancing resilience against climate and operational risks, and promoting equitable growth. The Company remains committed to setting measurable targets for DE&I and sustainability, and to progressively aligning its disclosures with recognised international standards.

Renewable Energy Initiatives of Fecto Cement:

Energy conservation and the integration of sustainable green energy solutions remain a strategic priority for the Company. Approximately 45% of the Company's power requirement for self-consumption is currently met through renewable sources, comprising a 5 MW solar portfolio and a 6 MW Waste Heat Recovery Power Plant ('WHRPP') system installed at the plant. These investments reinforce the Company's commitment to carbon neutrality while translating into meaningful cost efficiencies and long-term operational resilience.

Contribution to National Exchequer:

During the year under review, your Company contributed approximately PKR 7,238 million to the national exchequer in the form of sales tax, federal excise duty, and income tax, and generated foreign exchange inflows of approximately USD 0.13 million through cement exports, a decline reflecting the suspension of the Company's export operations during the year following the Pakistan-Afghanistan border closure, as discussed elsewhere in this report. In its capacity as a withholding agent, the Company also facilitated the collection and deposit of income tax and sales tax on behalf of the revenue authorities from its vendors and employees, supporting both national and provincial fiscal revenues.

Environmental Compliance and Sustainability Initiatives:

Environmental stewardship and regulatory compliance remain central to the Company's operations. Regular environmental testing is conducted to ensure that the plant consistently operates within the limits set by the National Environmental Quality Standards ('NEQS'). The plant is equipped with modern emission control technology, including efficient dust collection systems, to reduce particulate matter emissions in line with national and international benchmarks, supported by preventive maintenance programmes that further enhance compliance and minimise environmental impact.

The Company has also undertaken extensive tree plantation and green belt development within and around its plant facilities, reinforcing its eco-friendly practices and contributing to a healthier ecosystem for surrounding communities. Through these efforts, the Company continues to align its operations with global best practices in sustainability and environmental responsibility.

Health and Safety:

Health and safety remain an integral priority across the Company's operations, underpinned by a commitment to providing a secure workplace for employees, contractors, and other stakeholders in full compliance with applicable regulations and best practices. The Company regularly conducts job safety analyses, risk assessments, and hazard identification exercises for critical and non-routine tasks, supported by ongoing safety talks, training sessions, and awareness programmes designed to embed health, safety, and environmental responsibility as a shared duty across the workforce.

During the year, the Company maintained a strong safety record with no major injuries or accidents reported, reflecting the effectiveness of its safety monitoring, periodic audits, and preventive initiatives, and reaffirming its commitment to maintaining a workplace free of fatalities and major injuries.

Corporate Social Responsibility:

As a responsible corporate citizen, the Company remains committed to the welfare of its employees, neighbouring communities, and society at large, delivered through a range of initiatives supporting education, community development, and social welfare, including:

- Education: Construction, renovation, provision of water supply, and ongoing maintenance of girls' and a boys' school in a nearby village to promote access to quality education.
- Community Infrastructure: Participation with the local administration in the cleaning of Khanpur Dam canal, by providing cement and manpower support.
- Clean Water Supply: Provision of safe drinking water to nearby villages through the construction of a reservoir, installation of an electric pump, and laying of a dedicated pipeline network.
- Manpower support: Providing employment and training opportunities to residents of nearby village by giving employment and training at the factory premise.

- **Donation:** Donation of 74 kanals of land, purchased at PKR 1,500,000/- per kanal for the construction of a link road connecting nearby village with G.T road.
- **Renovation:** Renovating and supplying essentials to the nearby masjid in the nearby village.
- **Green belt innovation:** Planting approximately 50,000 saplings in the Margalla hills.
- **Environmental Awareness:** Participation in environment-related programs organized by the Pakistan Environmental Protection Agency (PAK-EPA), including distribution of environmental awareness souvenirs such as water bottles, mugs, and bags branded with the Company's name.
- **Environmental Stewardship:** Participation, both individually and in groups, in cleanliness activities at Rawal Lake, including the collection and removal of waste and debris.
- **Health and Welfare Support:** Donation of PKR 19.3 million during the year towards health, social welfare, and education initiatives.

Through these efforts, the Company continues to contribute meaningfully to the quality of life of communities around its operations and to sustainable social development in Pakistan

Sustainability Risks & Mitigation:

The Company recognizes that sustainability-related risks, particularly those linked to climate change, energy availability, and regulatory requirements, can significantly impact long-term operations and competitiveness. Key risks include rising energy costs, carbon emission regulations, environmental compliance obligations, and the potential impact of climate variability on raw material supply chains.

To mitigate these risks, Fecto Cement has invested in renewable energy solutions, including solar and waste heat recovery systems, which currently meet a significant portion of the Company's power requirements. Continuous monitoring of emissions, adoption of energy-efficient technologies, and preventive maintenance practices further ensure compliance with environmental standards and reduction of the Company's carbon footprint.

The Board of Directors regularly reviews these risks as part of its governance responsibilities and remains committed to integrating sustainability considerations into the Company's long-term strategy. Going forward, the Company aims to establish formal sustainability targets covering renewable energy share, energy efficiency, and carbon intensity reduction, with progress to be periodically monitored and disclosed in line with emerging regulatory and global best practices.

Diversity, Equity & Inclusion (DE&I):

The Board strongly believes that diversity, equity, and inclusion are essential for fostering innovation, strengthening governance, and enhancing organizational performance. The Board audit committee now actively oversees the sustainability and DE&I matters directly after receiving regular updates from the management as decided and updated in the terms of reference of the Board audit committee. While a formal DE&I policy and structure is under development, the Company has already taken practical steps to promote inclusivity, including:

- Hiring employees from diverse professional, educational, and regional backgrounds, ensuring a balanced mix of skills and experiences within the workforce.
- Maintaining female representation on the Board of Directors, in compliance with applicable laws.
- Encouraging a culture of merit-based opportunities, where promotions, responsibilities, and leadership roles are assigned on the basis of performance and capabilities rather than gender or background.

Going forward, the Board is working towards developing a formal DE&I framework that will include clear targets for gender representation, workforce diversity, and inclusivity initiatives, together with periodic monitoring and disclosure of progress.

CODE OF CORPORATE GOVERNANCE

The Directors of your Company are aware of their responsibilities under COCG, 2019 and the Rule book of Pakistan Stock Exchange. Your Company has taken all necessary steps to ensure good corporate governance and full compliance with the Code and we confirm the following:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
2. Proper books of account of the Company have been maintained in accordance with requirements of law;
3. Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before the approval of the Board;
4. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
5. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained;
6. The system of internal control is sound in design and has been effectively implemented and monitored;
7. There are no significant doubts about the company's ability to continue as a going concern;
8. Statement of the pattern of shareholding has been included as part of this Annual Report with shares held by associated undertakings and related persons disclosed separately;
9. There is no outstanding statutory payment due on account of taxes, levies and charges except those of normal and routine nature and as disclosed in attached financial statements.
10. The Company confirms that there has been no material departure from the best practices of corporate governance as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

*Key operating and financial highlights for six years are annexed to this annual report.

Composition of the Board:

The diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders and it consists of:

Total number of Directors			
a)	Male		6
b)	Female		1

Composition			Names of Directors
a)	Independent Directors	2	Mr. Ahmed Mujtaba Memon Mr. Safdar Abbas Morawala
b)	Non - Executive Director	3	Mr. Jamil Ahmed Khan Mr. Rohail Ajmal Ms. Lubna Yasin Fecto (Female)
c)	Executive Director	2	Mr. Mohammed Yasin Fecto Mr. Juwad Saboor

Meetings of the Board:

During the year, four (4) meetings of the Board of Directors were held in compliance with the requirements of the Companies Act, 2017 and the COCG, 2019. The attendance of each Director is presented below:

S. No:	Name of Directors		No. of meetings attended
1	Mr. Jamil Ahmed Khan (Chairman)	Non-Executive Director	4 / 4
2	Mr. Mohammed Yasin Fecto (CEO)	Executive Director	4 / 4
3	Mr. Juwad Saboor	Executive Director	3 / 4
4	Mr. Ahmed Mujtaba Memon	Independent Director	2 / 2
5	Mr. Safdar Abbas Morawala	Independent Director	2 / 2
6	Mr. Rohail Ajmal	Non-Executive Director	4 / 4
7	Ms. Lubna Yasin Fecto	Non-Executive Director	4 / 4
8	Mr. Mohammad Anwar Habib	Independent Director	0 / 2*
9	Mr. Aamir Ghani	Independent Director	1 / 2*

* During the year Mr. Ahmed Mujtaba Memon and Mr. Safdar Abbas Morawala were appointed as Independent Directors on the Board in place of Mr. Aamir Ghani and Mr. Mohammad Anwar Habib following their formal resignations on 14th January 2026.

The leave of absence was granted to the Directors who could not attend the meetings due to their preoccupation or health reasons.

Committees of the Board:

1) Audit Committee:

The Board of Directors of your Company has constituted an Audit Committee in compliance with the requirements of Regulation 27 of the COCG, 2019. The Terms of Reference of the Committee have been duly approved and communicated to its members by the Board.

During the year, four (4) meetings of the Audit Committee were held. The attendance of the members is given below:

S. No:	Name of Directors		No. of meetings attended
1	Mr. Ahmed Mujtaba Memon (Chairman)	Independent Director	2 / 2
2	Mr. Rohail Ajmal	Non-Executive Director	4 / 4
3	Mr. Safdar Abbas Morawala	Independent Director	2 / 2
4	Mr. Mohammad Anwar Habib	Independent Director	0 / 2*
5	Mr. Aamir Ghani	Independent Director	2 / 2*

* During the year Mr. Ahmed Mujtaba Memon and Mr. Safdar Abbas Morawala were appointed as Members of Audit Committee in place of Mr. Aamir Ghani and Mr. Mohammad Anwar Habib following their formal resignations on 14th January 2026.

2) Human Resource and Remuneration Committee:

In compliance with the requirements of Regulation 28 of the COCG, 2019, the Board of Directors has constituted a Human Resource & Remuneration Committee. The Terms of Reference of the Committee were duly approved and communicated to the members by the Board.

During the year, one (1) meeting of the Committee was held, which was attended by all members except Mr. Aamir Ghani.

Evaluation criteria for the Board:

In compliance with the requirements of the COCG, 2019 the Company has developed a comprehensive framework to evaluate the performance of the Board of Directors. The evaluation criteria cover areas such as:

- Ability to provide effective guidance on the Company's vision, long-term strategy, and key operational priorities.
- Commitment to maintaining the highest standards of corporate governance, transparency, and regulatory compliance.
- Oversight of financial reporting, audit processes, risk management, and safeguarding the Company's assets.
- Active participation in Board and Committee meetings, constructive debate, and timely decision-making in the best interest of stakeholders.
- Ability to identify and evaluate major risks affecting the business, including market, operational, financial, and reputational exposures.
- Oversight of succession plans for key management positions and contribution to developing leadership talent.
- Safeguarding shareholder interests and balancing the expectations of employees, customers, regulators, and the broader community.
- Contribution towards improving policies and practices relating to health, safety, environment, energy efficiency, and social responsibility.
- Upholding ethical standards, integrity, independence of judgment, and accountability in discharging fiduciary duties

Performance evaluation of the Board:

The Board of Directors carried out its annual self-evaluation for the year under review. The results of the evaluation indicated that the Board has been effective in fulfilling its responsibilities by providing strategic direction, ensuring regulatory compliance, and safeguarding the interest of all stakeholders. The Directors demonstrated active participation in Board deliberations and contributed constructively in setting the Company's vision, approving strategic initiatives, and monitoring financial and operational performance. The Board remains committed to further strengthening its governance processes and enhancing its effectiveness through continuous learning, periodic reviews, and adoption of global best practices. A separate report by the Chairman on Board's overall performance, as required under section 192 of the Companies Act 2017, as attached to this Annual Report.

CEO Performance Review:

The Board of Directors maintains a robust and structured process for evaluating the CEO's performance, anchored in a comprehensive framework of financial, operational and strategic KPIs established at the beginning of the year. For the year under review, the Board has thoroughly assessed the CEO's leadership and execution against these benchmarks and expresses its strong appreciation for his continued commitment, resilience, and results driven approach. The board remains fully confident in his ability to steer your Company effectively in a challenging business environment. In addition to overseeing overall performance, the CEO is instrumental in implementing the Board's corporate strategy, setting clear objectives for the senior management team, and ensuring their alignment with the Company's long-term vision. Regular performance updates are provided to the Board, ensuring accountability and strategic cohesion across the organization

Directors' Remuneration:

The Board of Directors has approved a Remuneration Policy for Directors and Members of Senior Management, the key features of which are as follows:

- Non-executive Directors are not paid any remuneration other than a meeting fee for attending meetings of the Board and its Committees. In line with this policy, Directors are entitled to a fee of PKR 15,000 for each meeting of the Board or its sub-committees attended.
- The level of meeting fees is determined and approved by the Board of Directors, ensuring fairness, transparency, and alignment with market practices.
- Directors are entitled to reimbursement of reasonable expenses incurred in connection with attending meetings of the Board, its Committees, and/or General Meetings of the Company. Such expenses may include travel, boarding, lodging, and other incidental costs.
- The remuneration of the Chief Executive Officer (CEO) is reviewed and approved by the Board of Directors in their meetings, in line with applicable laws, regulations, and the Company's governance framework.
- The details of remuneration paid to the Chief Executive Officer and Non-Executive Directors during the year are disclosed in Note 42 to the financial statements.

This policy ensures that Directors and the CEO are compensated fairly for the time and effort required in discharging their fiduciary responsibilities, while remaining fully compliant with the provisions of the Companies Act, 2017 and the COCG, 2019.

Vision, Mission, and overall corporate strategy approval by the Board:

The Board of Directors has carefully reviewed and approved the vision, mission, and overall corporate strategy of your Company, which reflect the founding ideology of Fecto Cement Limited. These guiding principles set the direction of our long-term strategy and shape the future journey of the Company. The vision and mission are deeply embedded across all levels of the organization, ensuring that every function and decision is aligned with our purpose. They serve as the cornerstone for our day-to-day operations and as the key criterion for strategic decision-making, driving sustainable growth and value creation for all stakeholders.

Training of the Board:

Your Company takes a keen interest in the professional development of its Board members and regularly updates its Board members with any changes in corporate laws or Code of corporate governance. It ensures that all the Directors of the Board comply with the requirements of Directors Training Certification.

Qualification of CFO and Head of Internal Audit:

The Chief Financial Officer and Head of Internal Audit possess the requisite qualifications and experience as prescribed in the COCG, 2019.

Related Party Transactions:

All related party transactions carried out during the year were conducted at arm's length terms, ensuring fairness and transparency in line with the provisions of the Companies Act, 2017 and the COCG, 2019.

These transactions were reviewed by the Audit Committee and subsequently duly approved by the Board of Directors, in accordance with the Company's internal policies and applicable regulatory requirements.

The detailed disclosure of related party transactions, along with their respective balances, is provided in Note 43 to the financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Effective risk management and a sound internal control framework are integral to Fecto Cement Limited's governance structure and are essential for achieving sustainable business growth. The Board of Directors has the overall responsibility of overseeing the Company's risk management and internal control processes, while Senior Management is responsible for implementation, monitoring, and continuous assessment of controls to safeguard assets, ensure business continuity, and protect stakeholder interests.

The Company follows a structured approach to risk identification and mitigation, supported by a system of internal financial controls designed to ensure effective operations, compliance with applicable laws and regulations, safeguarding of assets, and reliable financial reporting. The independent Internal Audit function regularly evaluates the adequacy and effectiveness of internal controls, while the Audit Committee reviews their implementation and reports its findings to the Board on a quarterly basis.

Key risk areas relevant to the Company include:

- **Strategic Risks**
 - o Economic volatility, high inflation, and exchange rate fluctuations.
 - o Rising cost of key inputs such as coal, power, PP packing material, and other fuels, driven in part by global geopolitical tensions and supply chain disruptions.
 - o Intense competition and cyclical nature of the cement industry.
 - o Policy and regulatory changes impacting demand, pricing, or taxation.
 - o Climate change and environmental regulations influencing industry dynamics.
- **Operational Risks**
 - o Disruptions in production or supply chain due to raw material availability.
 - o Reliance on energy cost stability and uninterrupted power supply.
 - o Plant maintenance and asset reliability risks.
 - o Cybersecurity, ERP system continuity, and information security.
 - o Occupational health, safety, and environmental compliance.
 - o Talent retention and succession planning for critical roles.
- **Financial Risks**
 - o Foreign exchange and interest rate volatility.
 - o Liquidity and working capital management challenges.
 - o Credit risk relating to receivables and counterparties.
 - o Dependence on domestic demand and fluctuations in export markets.
- **Compliance and Legal Risks**
 - o Adherence to laws, regulations, and corporate governance standards.
 - o Litigation, contractual disputes, and potential reputational risks.
 - o Regulatory compliance related to taxation, environment, and labour laws.

STATEMENT OF UNRESERVED COMPLIANCE WITH IFRS ISSUED BY IASB

The Board of Directors of your Company has reviewed the Financial Reporting process. The Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting standards consist of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and the provisions of and directives issued under the Act.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company in accordance with Section 227 (2) (f) of the Companies Act, 2017 as at June 30, 2026, is annexed to this report.

AUDITORS

The financial statements of the Company for the year ended June 30, 2026, were audited by BDO Ebrahim & Co., Chartered Accountants.

Present Auditors M/s. BDO Ebrahim & Co. Chartered Accountants, retire and being eligible, have offered them for re-appointment. The Audit Committee of the Board has also recommended their appointment as Statutory Auditors of the Company for the year ending June 30, 2027 and Board would also like to endorse the recommendations of the Audit Committee.

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.

DIVIDEND APPROPRIATION

Your Company remains committed to creating long-term value for its shareholders through prudent financial management and a focus on sustainable growth. Over the years, careful deployment of resources, emphasis on cost efficiencies, and strategic investments have enabled the Company to strengthen its financial position and enhance returns to its stakeholders.

In line with this commitment, and keeping in view the current financial performance and future investment priorities, the Board of Directors has recommended a final cash dividend of 40% (i.e. PKR 4/- per share) for the year ended June 30, 2026, subject to the approval of shareholders at the forthcoming AGM scheduled to be held on October 26, 2026.

FUTURE OUTLOOK

As we move into FY 2026–27, Pakistan's macroeconomic environment reflects cautious optimism, underpinned by easing inflation, stable exchange rates, and a current account that has remained broadly balanced despite a modest FY26 deficit, with foreign exchange reserves continuing to strengthen, and inflation has moderated to low single digits, creating room for further monetary easing by the SBP. These developments, coupled with the government's reform agenda under the IMF EFF, are expected to provide greater macroeconomic stability, reduce borrowing costs, and stimulate private sector activity. However, challenges persist in the form of a low tax-to-GDP ratio, fiscal constraints, political volatility, and uncertainties in the global geopolitical and trade environment, all of which may affect demand and business sentiment going forward. In particular, continued geopolitical tensions may sustain volatility in international coal and PP packing material prices, key cost drivers for the cement industry, posing an ongoing risk to input costs and margins in the year ahead.

For the cement industry, the outlook remains positive, with early signs of recovery in both domestic and export markets. Domestic cement dispatches in July 2026 rose by over 6% compared to same period last year, reflecting a significant revival in private construction and public infrastructure spending. While the macroeconomic environment has become more supportive, the pace of recovery in construction activity is expected to remain gradual. Lower interest rates, easing inflation, and the Government's continued focus on infrastructure and housing are expected to support cement demand in the medium term. Nevertheless, the industry is likely to remain challenged by energy cost volatility, competitive pricing, and current geopolitical tensions. The Company will continue to prioritize operational excellence, prudent cost management, and strategic initiatives to strengthen profitability and enhance shareholder value.

In this evolving landscape, Fecto Cement Limited remains strategically positioned to leverage opportunities and mitigate risks. The Company continues to focus on operational efficiencies,

cost optimization, and disciplined financial management to protect margins in a competitive environment. Energy management, including efficient coal usage and alternate energy initiatives, will remain a priority to counter rising fuel costs. Export markets, and particularly regional demand centres, will continue to be developed as a strategic avenue to improve plant utilization and enhance revenue diversification, subject to a revival in trade and normalization of the geopolitical environment, including at the Pakistan-Afghanistan border. With a strong emphasis on product quality, customer service, and prudent financial stewardship, the Company is confident in its ability to sustain profitability, deliver value to stakeholders, and contribute positively to Pakistan's industrial growth.

ACKNOWLEDGMENT

The Board of Directors would like to place on record its sincere appreciation for the continued support and trust of all stakeholders. We extend our gratitude to our employees for their dedication and hard work, our customers and suppliers for their loyalty, our shareholders for their confidence, our financial institutions for their trust, and the regulators for their valuable guidance and support.

The confidence and goodwill of all stakeholders have played a pivotal role in enabling Fecto Cement Limited to sustain, grow, and deliver value over the years.

We pray to Almighty Allah for the continued success of the Company and the prosperity of all our stakeholders and the country at large.

On behalf of the Board



CHIEF EXECUTIVE

Mohammed Yasin Fecto

Karachi: August 17, 2026



DIRECTOR

Safdar Abbas Morawala

تمام متعلقہ شراکت داروں کے اعتماد اور نیک خواہشات نے فیکٹو سیمنٹ لمیٹڈ کو گزشتہ برسوں کے دوران اپنی کاروباری سرگرمیوں کو مستحکم رکھنے، ترقی کرنے اور قدر میں اضافہ کرنے کے قابل بنانے میں کلیدی کردار ادا کیا ہے۔

ہم اللہ تعالیٰ کے حضور دعا گو ہیں کہ وہ کمپنی کو مسلسل کامیابی عطا فرمائے، ہمارے تمام متعلقہ شراکت داروں اور ملک و قوم کو خوشحالی نصیب کرے۔

بورڈ کی جانب سے

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 17 اگست 2026

کر سکتے ہیں۔ بالخصوص، مسلسل جغرافیائی و سیاسی کشیدگی کے باعث بین الاقوامی کونسل اور پی پی (PP) پیکنگ میٹریل کی قیمتوں میں اتار چڑھاؤ برقرار رہنے کا امکان ہے، جو سیمنٹ کی صنعت کے لیے لاگت کے اہم عوامل ہیں اور آنے والے سال میں پیداواری لاگت اور منافع کے مارجن کے لیے مسلسل خطرہ بن سکتے ہیں۔

سیمنٹ کی صنعت کے لیے مستقبل کا منظر نامہ مجموعی طور پر مثبت ہے، جبکہ مقامی اور برآمدی دونوں مارکیٹوں میں بحالی کے ابتدائی آثار نمایاں ہو رہے ہیں۔ جولائی 2026 میں مقامی سیمنٹ کی ترسیلات گزشتہ سال کی اسی مدت کے مقابلے میں 6 فیصد سے زائد بڑھیں، جو نجی شعبے کی تعمیراتی سرگرمیوں اور سرکاری بنیادی ڈھانچے کے اخراجات میں نمایاں بحالی کی عکاسی کرتی ہیں۔ اگرچہ مجموعی معاشی ماحول اب زیادہ معاون ہو گیا ہے، تاہم تعمیراتی سرگرمیوں میں بحالی کی رفتار بتدریج رہنے کی توقع ہے۔ کم شرح سود، افراط زر میں کمی اور بنیادی ڈھانچے اور رہائش کے شعبوں پر حکومت کی مسلسل توجہ سے درمیانی مدت میں سیمنٹ کی طلب کو معاونت ملنے کی توقع ہے۔ اس کے باوجود، صنعت کو توانائی کی لاگت میں اتار چڑھاؤ، مسابقتی قیمتوں کے دباؤ اور موجودہ جغرافیائی و سیاسی کشیدگی جیسے چیلنجز کا سامنا بدستور رہنے کا امکان ہے۔ کمپنی منافع کو مضبوط بنانے اور حصص یافتگان کے لیے قدر میں اضافے کے لیے آپریشنل عہدگی محتاط لاگت مینجمنٹ اور اسٹریٹجک اقدامات کو ترجیح دیتی رہے گی۔

اس بدلتے ہوئے منظر نامے میں فیکٹو سیمنٹ لمیٹڈ مواقع سے فائدہ اٹھانے اور خطرات کو کم کرنے کے لیے اسٹریٹجک طور پر اپنی پوزیشن برقرار رکھے ہوئے ہے۔ کمپنی مسابقتی ماحول میں منافع کے مارجن کے تحفظ کے لیے عملی کارکردگی میں بہتری، لاگت کو بہتر بنانے اور منظم مالیاتی انتظام پر مسلسل توجہ مرکوز رکھے گی۔ توانائی کا انتظام، جس میں کونسلے کا مؤثر استعمال اور متبادل توانائی کے اقدامات شامل ہیں، ایندھن کی بڑھتی ہوئی لاگت کے اثرات کو کم کرنے کے لیے بدستور ترجیح رہے گا۔ برآمدی مارکیٹوں، بالخصوص علاقائی طلب کے مراکز، کو پلانٹ کی صلاحیت کے بہتر استعمال اور آمدنی کے ذرائع میں تنوع پیدا کرنے کے لیے ایک اسٹریٹجک ذریعہ کے طور پر مزید ترقی دی جاتی رہے گی، تاہم یہ تجارت کی بحالی اور جغرافیائی و سیاسی صورتحال میں معمول پر آنے، بشمول پاکستان اور افغانستان کی سرحد پر حالات کی بہتری، سے مشروط ہوگا۔ مصنوعات کے معیار، صارفین کی خدمت اور محتاط مالی نظم و نسق پر مضبوط توجہ کے ساتھ کمپنی کو یقین ہے کہ وہ منافع کو برقرار رکھنے، متعلقہ شراکت داروں کے لیے قدر پیدا کرنے اور پاکستان کی صنعتی ترقی میں مثبت کردار ادا کرنے کی اپنی صلاحیت کو برقرار رکھے گی۔

اظہارِ تشکر:

بورڈ آف ڈائریکٹرز تمام متعلقہ شراکت داروں کی جانب سے کمپنی کے لیے مسلسل تعاون اور اعتماد پر تہہ دل سے اپنی قدردانی کا اظہار کرتا ہے۔ ہم اپنے ملازمین کی لگن اور محنت، اپنے صارفین اور سپلائرز کی وفاداری، اپنے حصص یافتگان کے اعتماد، اپنے مالیاتی اداروں کے بھروسے، اور ریگولیٹری اداروں کی جانب سے فراہم کردہ قیمتی رہنمائی اور معاونت کے لیے ان کے تہہ دل سے شکریہ ادا کرتے ہیں۔

آڈیٹرز:

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے مالی بیانات کا آڈٹ میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس نے کیا۔

موجودہ آڈیٹرز میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس اپنی مدت پوری ہونے پر ریٹائر ہو رہے ہیں اور دوبارہ تقرری کے لیے اہل ہونے کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ بورڈ کی آڈٹ کمیٹی نے بھی 30 جون 2027 کو ختم ہونے والے سال کے لیے انہیں کمپنی کے قانونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے، اور بورڈ بھی آڈٹ کمیٹی کی اس سفارش کی توثیق کرنا چاہتا ہے۔

بعد از واقعات:

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کوئی ایسی اہم تبدیلی یا ذمہ داری رونما نہیں ہوئی جو کمپنی کی مالی حیثیت کو متاثر کرتی ہو۔

ڈویڈنڈ کی تقسیم:

آپ کی کمپنی محتاط مالیاتی انتظام اور پائیدار ترقی پر توجہ کے ذریعے اپنے حصص یافتگان کے لیے طویل مدتی قدر پیدا کرنے کے عزم پر قائم ہے۔ گزشتہ برسوں کے دوران وسائل کے محتاط استعمال، اخراجات میں کفایت پر توجہ اور اسٹریٹجک سرمایہ کاری کے نتیجے میں کمپنی اپنی مالی پوزیشن کو مضبوط بنانے اور اپنے متعلقہ شراکت داروں کے لیے منافع میں بہتری لانے میں کامیاب رہی ہے۔

اسی عزم کے تحت، اور کمپنی کی موجودہ مالی کارکردگی اور مستقبل کی سرمایہ کاری کی ترجیحات کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے 40 فیصد (یعنی 4 روپے فی حصص) حتمی نقد ڈویڈنڈ کی سفارش کی ہے، جو 26 اکتوبر 2026 کو منعقد ہونے والے آئندہ سالانہ جنرل اجلاس (AGM) میں حصص یافتگان کی منظوری سے مشروط ہے۔

مستقبل کی حکمت عملی:

مالی سال 2026-27 میں داخل ہوتے ہوئے پاکستان کا مجموعی معاشی ماحول محتاط امید افزائی کی عکاسی کر رہا ہے۔ اس کی بنیاد افراط زر میں کمی، شرح مبادلہ میں استحکام اور جاری کھاتے کی مجموعی طور پر متوازن صورتحال پر ہے، اگرچہ مالی سال 2025-26 میں معمولی خسارہ ریکارڈ ہوا۔ اس کے ساتھ ساتھ زر مبادلہ کے ذخائر میں مسلسل بہتری آرہی ہے، جبکہ افراط زر کی شرح کم ہو کر ایک ہندسے کی نچلی سطح پر آگئی ہے، جس سے اسٹیٹ بینک آف پاکستان (SBP) کے لیے مزید زری نرمی کی گنجائش پیدا ہوئی ہے۔ ان پیش رفتوں کے ساتھ ساتھ آئی ایم ایف کے ایکسپنڈنڈ فنڈ فیسلٹی (EFF) کے تحت حکومت کے اصلاحاتی ایجنڈے سے مجموعی معاشی استحکام میں مزید بہتری، قرض لینے کی لاگت میں کمی اور نجی شعبے کی سرگرمیوں میں اضافے کی توقع ہے۔ تاہم، ٹیکس اور جی ڈی پی کے کم تناسب، مالیاتی پابندیوں، سیاسی اتار چڑھاؤ اور عالمی سطح پر جغرافیائی و سیاسی اور تجارتی ماحول میں غیر یقینی صورتحال کی صورت میں چیلنجز بدستور موجود ہیں، جو مستقبل میں طلب اور کاروباری اعتماد کو متاثر

- ☆ توانائی کی لاگت میں استحکام اور بجلی کی بلا تعطل فراہمی پر انحصار۔
- ☆ پلانٹ کی دیکھ بھال اور اثاثوں کی قابل اعتماد کارکردگی سے متعلق خطرات۔
- ☆ سائبر سیکیورٹی، ERP سسٹم کے تسلسل اور معلومات کے تحفظ سے متعلق خطرات۔
- ☆ پیشہ ورانہ صحت، حفاظت اور ماحولیاتی ضوابط کی تعمیل۔
- ☆ باصلاحیت افرادی قوت کو برقرار رکھنے اور اہم عہدوں کے لیے جانشینی کی منصوبہ بندی سے متعلق خطرات۔

مالیاتی خطرات:

- ☆ شرح مبادلہ اور شرح سود میں اتار چڑھاؤ۔
- ☆ لیکویڈیٹی اور ورکنگ کیپٹل کے انتظام سے متعلق چیلنجز۔
- ☆ قابل وصول رقوم اور کاروباری فریقوں سے متعلق کریڈٹ رسک۔
- ☆ ملکی طلب پر انحصار اور برآمدی منڈیوں میں اتار چڑھاؤ۔

تعمیلی اور قانونی خطرات:

- ☆ قوانین، ضوابط اور کارپوریٹ گورننس کے معیارات کی پابندی۔
- ☆ قانونی چارہ جوئی، معاہداتی تنازعات اور ممکنہ ساکھ سے متعلق خطرات۔
- ☆ ٹیکس، ماحولیات اور محنت سے متعلق قوانین کی تعمیل سے وابستہ ضوابطی تقاضے۔

IASB کی جانب سے جاری کردہ IFRS کے ساتھ غیر مشروط تعمیل کا بیان:

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے مالیاتی رپورٹنگ کے عمل کا جائزہ لیا ہے۔ مالی بیانات پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق تیار کیے گئے ہیں۔ منظور شدہ اکاؤنٹنگ معیارات میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRSs) شامل ہیں، جو انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کی جانب سے جاری کیے گئے ہیں اور کمپنیز ایکٹ 2017 کے تحت واضح کیے گئے ہیں، جبکہ کمپنیز ایکٹ 2017 کی دفعات اور اس کے تحت جاری کردہ ہدایات پر بھی عمل کیا گیا ہے۔

شیئر ہولڈنگ کا نمونہ:

کمپنیز ایکٹ 2017 کی دفعہ (f)(2) 227 کے مطابق 30 جون 2026 کو کمپنی میں شیئر ہولڈنگ کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

آڈٹ کمیٹی نے ان لین دین کا جائزہ لیا اور بعد ازاں کمپنی کی داخلی پالیسیوں اور قابل اطلاق ضوابط کے تقاضوں کے مطابق انہیں بورڈ آف ڈائریکٹرز نے باقاعدہ طور پر منظور کیا۔

متعلقہ فریقین کے ساتھ لین دین اور ان کے متعلقہ بقایا جات کی تفصیلی وضاحت مالی بیانات کے نوٹ 43 میں فراہم کی گئی ہے۔

خطرات کی انتظامیہ اور داخلی کنٹرول کا فریم ورک:

مؤثر خطرات کی انتظامیہ اور مضبوط داخلی کنٹرول کا فریم ورک فیکٹوری سینٹ لمیٹڈ کے انتظامی ڈھانچے کا لازمی حصہ ہیں اور پائیدار کاروباری ترقی کے حصول کے لیے نہایت اہم ہیں۔ بورڈ آف ڈائریکٹرز کمپنی کے خطرات کی انتظامیہ اور داخلی کنٹرول کے عمل کی مجموعی نگرانی کا ذمہ دار ہے، جبکہ سینئر مینجمنٹ اثاثوں کے تحفظ، کاروباری تسلسل کو یقینی بنانے اور متعلقہ شراکت داروں کے مفادات کے تحفظ کے لیے کنٹرولز کے نفاذ، نگرانی اور مسلسل جائزے کی ذمہ دار ہے۔

کمپنی خطرات کی نشاندہی اور ان کے تدارک کے لیے ایک منظم طریقہ کار پر عمل کرتی ہے، جسے داخلی مالیاتی کنٹرولز کے ایک ایسے نظام کی معاونت حاصل ہے جو مؤثر آپریشنز، قابل اطلاق قوانین و ضوابط کی تعمیل، اثاثوں کے تحفظ اور قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنانے کے لیے وضع کیا گیا ہے۔ آزاد انٹرل آڈٹ کا شعبہ باقاعدگی سے داخلی کنٹرولز کی مناسبت اور مؤثریت کا جائزہ لیتا ہے، جبکہ آڈٹ کمیٹی ان کنٹرولز کے نفاذ کا جائزہ لے کر سہ ماہی بنیادوں پر اپنی رپورٹ اور نتائج بورڈ آف ڈائریکٹرز کو پیش کرتی ہے۔

کمپنی سے متعلق اہم خطرات کے شعبوں میں درج ذیل شامل ہیں:

اسٹریٹجک خطرات:

- ☆ معاشی اتار چڑھاؤ، بلند افراط زر اور شرح مبادلہ میں اتار چڑھاؤ۔
- ☆ اہم پیداواری اشیاء، مثلاً کونلہ، بجلی، پی پی (PP) پیکنگ میٹریل اور دیگر ایندھن کی بڑھتی ہوئی لاگت، جس میں عالمی جغرافیائی و سیاسی کشیدگی اور سپلائی چین میں رکاوٹوں کا بھی کردار ہے۔
- ☆ سیمنٹ کی صنعت میں شدید مسابقت اور اس کی سائیکل کی نوعیت۔
- ☆ پالیسی اور ضوابط میں ایسی تبدیلیاں جو طلب، قیمتوں یا ٹیکسوں پر اثر انداز ہو سکتی ہیں۔
- ☆ موسمیاتی تبدیلی اور ماحولیاتی ضوابط، جو صنعت کی مجموعی صورتحال اور حرکیات پر اثر انداز ہوتے ہیں۔

آپریشنل خطرات:

- ☆ خام مال کی دستیابی میں مسائل کے باعث پیداوار یا سپلائی چین میں رکاوٹیں۔

اطلاق قوانین، ضوابط اور کمپنی کے انتظامی فریم ورک کے مطابق ہوتا ہے۔

☆ سال کے دوران چیف ایگزیکٹو آفیسر اور نان ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے معاوضے کی تفصیلات مالیاتی گوشواروں کے نوٹ 42 میں فراہم کی گئی ہیں۔

یہ پالیسی اس امر کو یقینی بناتی ہے کہ ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کو اپنی امانت دارانہ ذمہ داریاں ادا کرنے کے لیے صرف کیے جانے والے وقت اور کوشش کے عوض منصفانہ معاوضہ دیا جائے، جبکہ کمپنیز ایکٹ 2017 اور COCG 2019 کی دفعات کی مکمل پابندی بھی برقرار رہے۔

بورڈ کی جانب سے نظریہ، مشن اور مجموعی کارپوریٹ حکمت عملی کی منظوری:

بورڈ آف ڈائریکٹرز نے آپ کی کمپنی کے نظریہ، مشن اور مجموعی کارپوریٹ حکمت عملی کا بغور جائزہ لے کر اسے منظور کیا ہے، جو فیکٹو سیمنٹ لمیٹڈ کے بنیادی اور ابتدائی نظریے کی عکاسی کرتے ہیں۔ یہ رہنما اصول کمپنی کی طویل مدتی حکمت عملی کی سمت متعین کرتے اور اس کے مستقبل کے سفر کی تشکیل کرتے ہیں۔ وژن اور مشن کو ادارے کی تمام سطحوں پر مؤثر طور پر نافذ کیا گیا ہے، تاکہ ہر شعبے کی سرگرمیاں اور ہر فیصلہ کمپنی کے بنیادی مقصد سے ہم آہنگ رہے۔ یہ اصول کمپنی کے روزمرہ آپریشنز کی بنیاد اور اسٹریٹجک فیصلوں کے لیے بنیادی معیار کا کردار ادا کرتے ہیں، اور تمام متعلقہ شراکت داروں کے لیے پائیدار ترقی اور قدر میں اضافے کے حصول میں رہنمائی فراہم کرتے ہیں۔

بورڈ کی تربیت:

آپ کی کمپنی اپنے بورڈ کے اراکین کی پیشہ ورانہ ترقی کو خصوصی اہمیت دیتی ہے اور کارپوریٹ قوانین یا کارپوریٹ گورننس کے ضابطے میں ہونے والی تبدیلیوں سے بورڈ کے اراکین کو باقاعدگی سے آگاہ کرتی ہے۔ کمپنی اس امر کو یقینی بناتی ہے کہ بورڈ کے تمام ڈائریکٹرز ڈائریکٹرز ٹریننگ سرٹیفیکیشن سے متعلق تقاضوں کی تکمیل کریں۔

چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ کی اہلیت:

چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ کے پاس COCG 2019 کے تحت مقرر کردہ مطلوبہ تعلیمی قابلیت اور متعلقہ تجربہ موجود ہے۔

متعلقہ فریقین کے ساتھ لین دین:

سال کے دوران متعلقہ فریقین کے ساتھ کیے گئے تمام لین دین آزاد فریقین کی بنیاد پر انجام دیے گئے، تاکہ کمپنیز ایکٹ 2017 اور COCG 2019 کی دفعات کے مطابق لین دین میں شفافیت اور منصفانہ طرز عمل کو یقینی بنایا جاسکے۔

بورڈ کی کارکردگی کا جائزہ:

بورڈ آف ڈائریکٹرز نے زیرِ جائزہ سال کے لیے اپنی سالانہ خود تہیجی جائزہ مکمل کیا۔ جائزے کے نتائج سے ظاہر ہوا کہ بورڈ نے اسٹریٹجک رہنمائی فراہم کرنے، ضوابط کی تعمیل یقینی بنانے اور تمام متعلقہ شراکت داروں کے مفادات کے تحفظ کے ذریعے اپنی ذمہ داریاں مؤثر انداز میں ادا کیں۔ ڈائریکٹرز نے بورڈ کے غور و خوض میں فعال شرکت کی اور کمپنی کے نظریہ کے تعین، حکمت عملی کے اقدامات کی منظوری اور مالیاتی و عملی کارکردگی کی نگرانی میں تعمیری کردار ادا کیا۔ بورڈ مسلسل سیکھے، وقتاً فوقتاً جائزوں اور عالمی بہترین طریقہ کار اپنانے کے ذریعے اپنے انتظامی طریقہ کار کو مزید مضبوط بنانے اور اپنی مؤثریت میں اضافہ کرنے کے لیے پُر عزم ہے۔ کمپنیز ایکٹ 2017 کی دفعہ 192 کے تحت مطلوبہ بورڈ کی مجموعی کارکردگی سے متعلق چیئرمین کی علیحدہ رپورٹ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ:

بورڈ آف ڈائریکٹرز چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ لینے کے لیے ایک مضبوط اور منظم طریقہ کار پر عمل کرتا ہے، جس کی بنیاد مالیاتی، آپریشنل اور اسٹریٹجک کارکردگی کے جامع اشاریوں (KPIs) پر مشتمل ایک فریم ورک ہے، جو سال کے آغاز میں مقرر کیا جاتا ہے۔ زیرِ جائزہ سال کے لیے بورڈ نے ان مقررہ اشاریوں کی بنیاد پر چیف ایگزیکٹو آفیسر کی قیادت اور کارکردگی کا جامع جائزہ لیا اور ان کے مسلسل عزم، ثابت قدمی اور نتائج پر مرکوز طرزِ عمل کو سراہا۔ بورڈ کو مشکل کاروباری ماحول میں کمپنی کی مؤثر قیادت کرنے کی ان کی صلاحیت پر مکمل اعتماد ہے۔ مجموعی کارکردگی کی نگرانی کے علاوہ، چیف ایگزیکٹو آفیسر بورڈ کی کارپوریٹ حکمت عملی پر عمل درآمد، سینئر مینجمنٹ ٹیم کے لیے واضح اہداف مقرر کرنے اور ان اہداف کو کمپنی کے طویل مدتی نظریہ سے ہم آہنگ رکھنے میں بھی اہم کردار ادا کرتے ہیں۔ بورڈ کو کارکردگی سے متعلق باقاعدگی سے پیش رفت سے آگاہ کیا جاتا ہے، جس سے ادارے بھر میں جواب دہی اور اسٹریٹجک ہم آہنگی کو یقینی بنانے میں مدد ملتی ہے۔

ڈائریکٹرز کے معاوضے:

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز اور سینئر مینجمنٹ کے اراکین کے لیے معاوضے کی پالیسی منظور کی ہے، جس کی اہم خصوصیات درج ذیل ہیں:

- ☆ نان ایگزیکٹو ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے میٹنگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کیا جاتا۔ اس پالیسی کے مطابق، ہر ڈائریکٹر کو بورڈ یا اس کی ذیلی کمیٹی کے ہر اجلاس میں شرکت کے عوض 15,000 روپے فیس ادا کی جاتی ہے۔
- ☆ میٹنگ فیس کی شرح بورڈ آف ڈائریکٹرز کی جانب سے طے اور منظور کی جاتی ہے، تاکہ اس میں انصاف، شفافیت اور مارکیٹ کے رائج طریقہ کار سے ہم آہنگی کو یقینی بنایا جاسکے۔
- ☆ ڈائریکٹرز بورڈ، اس کی کمیٹیوں اور/یا کمپنی کے جنرل اجلاسوں میں شرکت کے سلسلے میں ہونے والے مناسب اخراجات کی واپسی کے حقدار ہیں۔ ان اخراجات میں سفری اخراجات، قیام و طعام اور دیگر ضمنی اخراجات شامل ہو سکتے ہیں۔
- ☆ چیف ایگزیکٹو آفیسر (CEO) کے معاوضے کا جائزہ بورڈ آف ڈائریکٹرز اپنے اجلاسوں میں لیتا اور اسے منظور کرتا ہے، جو قابل

*۱۸ سال کے دوران جناب عامر غنی اور جناب محمد انور حبیب نے 14 جنوری 2026 کو باقاعدہ طور پر اپنے استعفیے پیش کیے تھے، ان کی جگہ بورڈ میں جناب احمد مجتبیٰ میمن اور جناب صفدر عباس موراوہ کی بطور آزاد ڈائریکٹر تقرری کی گئی۔

(2) ہیومن ریسورس اور معاوضہ کمیٹی:

COCG 2019 کے ریگولیشن 28 کے تقاضوں کی تعمیل میں، بورڈ آف ڈائریکٹرز نے ہیومن ریسورس اور ریویژن کمیٹی تشکیل دی ہے۔ کمیٹی کے ڈائریکٹر آف ریفرنس بورڈ کی جانب سے باقاعدہ طور پر منظور کیے گئے اور کمیٹی کے اراکین کو فراہم کر دیے گئے ہیں۔

سال کے دوران کمیٹی کا ایک (1) اجلاس منعقد ہوا، جس میں جناب عامر غنی کے علاوہ تمام اراکین نے شرکت کی۔

بورڈ کی کارکردگی کے جائزے کا معیار:

COCG 2019 کے تقاضوں کی تعمیل میں کمپنی نے بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ لینے کے لیے ایک جامع فریم ورک تیار کیا ہے۔ اس جائزے کے معیارات میں درج ذیل امور شامل ہیں:

- ☆ کمپنی کے نظریہ، طویل مدتی حکمت عملی اور اہم عملی ترجیحات کے حوالے سے مؤثر رہنمائی فراہم کرنے کی صلاحیت۔
- ☆ کارپوریٹ گورننس، شفافیت اور ضوابط کی تعمیل کے اعلیٰ ترین معیارات برقرار رکھنے کا عزم۔
- ☆ مالیاتی رپورٹنگ، آڈٹ کے عمل، رسک مینجمنٹ اور کمپنی کے اثاثوں کے تحفظ کی مؤثر نگرانی۔
- ☆ بورڈ اور کمیٹیوں کے اجلاسوں میں فعال شرکت، تعمیری بحث و مباحثے میں حصہ لینا اور متعلقہ شراکت داروں کے بہترین مفاد میں بروقت فیصلے کرنا۔
- ☆ کاروبار کو متاثر کرنے والے بڑے خطرات کی نشاندہی اور جائزہ لینے کی صلاحیت، جن میں مارکیٹ، آپریشنل، مالیاتی اور ساکھ سے متعلق خطرات شامل ہیں۔
- ☆ اہم انتظامی عہدوں کے لیے جانشینی کے منصوبوں کی نگرانی اور مستقبل کی قیادت کے لیے باصلاحیت افراد کی تیاری میں کردار ادا کرنا۔
- ☆ حصص یافتگان کے مفادات کا تحفظ اور ملازمین، صارفین، ریگولیٹری اداروں اور وسیع تر معاشرے کی توقعات کے درمیان توازن برقرار رکھنا۔
- ☆ صحت، حفاظت، ماحولیات، توانائی کی کارکردگی اور سماجی ذمہ داری سے متعلق پالیسیوں اور طریقہ کار کو بہتر بنانے میں مؤثر کردار ادا کرنا۔
- ☆ امانت دارانہ ذمہ داریوں کی انجام دہی میں اخلاقی اصولوں، دیانت داری، آزادانہ رائے اور جواب دہی کے اعلیٰ معیارات کو برقرار رکھنا۔

2	جناب محمد یاسین فیکٹو (چیف ایگزیکٹو آفیسر)	ایگزیکٹو ڈائریکٹر	4/4
3	جناب جواد صبور	ایگزیکٹو ڈائریکٹر	3/4
4	جناب احمد مجتبیٰ میمن	آزاد ڈائریکٹر	2/2
5	جناب صفدر عباس مورا والا	آزاد ڈائریکٹر	2/2
6	جناب روہیل اجمل	نان ایگزیکٹو ڈائریکٹر	4/4
7	محترمہ لبنی یاسین فیکٹو	نان ایگزیکٹو ڈائریکٹر	4/4
8	جناب محمد انور حبیب	آزاد ڈائریکٹر	0/2*
9	جناب عامر غنی	آزاد ڈائریکٹر	1/2*

* سال کے دوران جناب عامر غنی اور جناب محمد انور حبیب نے 14 جنوری 2026 کو باقاعدہ طور پر اپنے استعفیٰ پیش کیے تھے، ان کی جگہ بورڈ میں جناب احمد مجتبیٰ میمن اور جناب صفدر عباس مورا والا کی بطور آزاد ڈائریکٹر تقرری کی گئی۔

جوڈائریکٹرز اپنی دیگر مصروفیات یا صحت سے متعلق وجوہات کے باعث اجلاسوں میں شرکت نہیں کر سکے، انہیں رخصت کی اجازت دی گئی۔

بورڈ کی کمیٹیاں:

(1) آڈٹ کمیٹی:

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے COCG 2019 کے ریگولیشن 27 کے تقاضوں کے مطابق آڈٹ کمیٹی تشکیل دی ہے۔ کمیٹی کے ٹرمز آف ریفرنس بورڈ کی جانب سے باقاعدہ طور پر منظور کیے گئے اور کمیٹی کے اراکین کو فراہم کر دیے گئے ہیں۔

سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ اراکین کی اجلاسوں میں شرکت کی تفصیل ذیل میں دی گئی ہے:

نمبر شمار	ڈائریکٹرز کے نام	اجلاس میں حاضری کی تعداد
1	جناب احمد مجتبیٰ میمن (چیئر مین)	آزاد ڈائریکٹر
2	جناب روہیل اجمل	نان ایگزیکٹو ڈائریکٹر
3	جناب صفدر عباس مورا والا	آزاد ڈائریکٹر
4	جناب محمد انور حبیب	آزاد ڈائریکٹر
5	جناب عامر غنی	آزاد ڈائریکٹر

- ۱۰۔ کمپنی اس امر کی تصدیق کرتی ہے کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی اہم انحراف نہیں ہوا۔
- ☆ گذشتہ چھ سال کے اہم عملی اور مالیاتی اعشاریے اس سالانہ رپورٹ کے ساتھ منسلک ہیں۔

بورڈ کی تشکیل:

بورڈ کے اراکین کے متنوع صنفی پس منظر، علم، مہارت اور تجربات کا امتزاج بورڈ کی مؤثر کارکردگی کو مزید بہتر بناتا ہے۔ ہمارے بورڈ کی تشکیل حصص یافتگان کے تمام طبقات کے مفادات کی نمائندگی کرتی ہے، جس میں درج ذیل شامل ہیں:

ڈائریکٹرز کی کل تعداد:

(a)	مرد	6
(b)	خواتین	1

تشکیل			ڈائریکٹرز کے نام
(a)	آزاد ڈائریکٹرز	2	جناب احمد مجتبیٰ میمن جناب صفدر عباس مورا والا
(b)	نان ایگزیکٹو ڈائریکٹر	3	جناب جمیل احمد خان جناب روہیل اجمل محترمہ لبنی یاسین فیکٹو (خاتون)
(c)	ایگزیکٹو ڈائریکٹر	2	جناب محمد یاسین فیکٹو جناب جواد صبور

بورڈ کے اجلاس:

سال کے دوران کمپنیز ایکٹ 2017 اور کارپوریٹ گورننس کے ضابطہ 2019 (COCG) کے تقاضوں کے مطابق بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے۔ اجلاسوں میں ہر ڈائریکٹر کی شرکت کی تفصیل ذیل میں پیش کی گئی ہے:

نمبر شمار	ڈائریکٹرز کے نام	اجلاس میں حاضری کی تعداد
1	جناب جمیل احمد خان (چیرمین)	4/4
	نان ایگزیکٹو ڈائریکٹر	

- ☆ بورڈ آف ڈائریکٹرز میں خواتین کی نمائندگی برقرار رکھنا، جو قابل اطلاق قوانین کے تقاضوں کے مطابق ہے۔
- ☆ میرٹ کی بنیاد پر مواقع فراہم کرنے کے کلچر کو فروغ دینا، جہاں ترقی، ذمہ داریوں اور قائدانہ عہدوں کی تفویض جنس یا پس منظر کے بجائے کارکردگی اور صلاحیتوں کی بنیاد پر کی جائے۔

مستقبل کے حوالے سے بورڈ ایک باضابطہ DE&I فریم ورک تیار کرنے کی جانب پیش رفت کر رہا ہے، جس میں صنفی نمائندگی، افرادی قوت میں تنوع اور شمولیت سے متعلق اقدامات کے واضح اہداف شامل ہوں گے، جبکہ پیش رفت کی باقاعدگی سے نگرانی اور اس کی رپورٹنگ بھی کی جائے گی۔

کارپوریٹ گورننس کا ضابطہ:

آپ کی کمپنی کے ڈائریکٹرز کارپوریٹ گورننس کے ضابطہ 2019 (COCG) اور پاکستان اسٹاک ایکسچینج کی رول بک کے تحت اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔ آپ کی کمپنی نے اچھی کارپوریٹ گورننس اور ضابطے کی مکمل تعمیل کو یقینی بنانے کے لیے تمام ضروری اقدامات کیے ہیں، اور ہم درج ذیل کی تصدیق کرتے ہیں:

- ۱۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالی بیانات کمپنی کی مالی حالت، کاروباری نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کی منصفانہ عکاسی کرتے ہیں؛
- ۲۔ کمپنی کے کھاتوں کی کتابیں قانونی تقاضوں کے مطابق مناسب انداز میں برقرار رکھی گئی ہیں؛
- ۳۔ چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے بورڈ کی منظوری سے قبل مالی بیانات کی باقاعدہ توثیق کی؛
- ۴۔ مالی بیانات تیار کرتے وقت مناسب اکاؤنٹنگ پالیسیوں کا مستقل طور پر اطلاق کیا گیا ہے، جبکہ اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے کی بنیاد پر کیے گئے ہیں؛
- ۵۔ مالی بیانات تیار کرتے وقت پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) پر عمل کیا گیا ہے، اور ان معیارات سے کسی بھی انحراف کی صورت میں اس کی مناسب وضاحت کی گئی ہے؛
- ۶۔ داخلی کنٹرول کا نظام مؤثر بنیادوں پر وضع کیا گیا ہے اور اسے مؤثر طور پر نافذ اور مانٹر کیا گیا ہے؛
- ۷۔ کمپنی کے کاروبار کو جاری رکھنے کی صلاحیت کے حوالے سے کوئی ایسا اہم خدشہ موجود نہیں جو کمپنی کے بطور جاری کاروباری ادارہ برقرار رہنے پر سنجیدہ سوال اٹھاتا ہو؛
- ۸۔ حصص کی ملکیت کے انداز سے متعلق بیان اس سالانہ رپورٹ کا حصہ بنایا گیا ہے، جس میں متعلقہ اداروں اور متعلقہ افراد کے پاس موجود حصص کو الگ سے ظاہر کیا گیا ہے؛
- ۹۔ ٹیکسوں، لیویز اور دیگر واجبات کی مد میں کوئی قابل ادائیگی قانونی رقم بقایا نہیں، سوائے معمول کی نوعیت کی ان ادائیگیوں کے جو زیر عمل ہیں اور منسلک مالی بیانات میں ظاہر کی گئی ہیں۔

ان اقدامات کے ذریعے کمپنی اپنے آپریشنز کے ارد گرد آباد کمیونٹیز کے معیار زندگی کو بہتر بنانے اور پاکستان میں پائیدار سماجی ترقی کے فروغ میں با معنی کردار ادا کرنے کا سلسلہ جاری رکھے ہوئے ہے۔

استحکام سے متعلق خطرات اور تدار کی اقدامات:

کمپنی اس امر کو تسلیم کرتی ہے کہ استحکام سے متعلق خطرات، بالخصوص موسمیاتی تبدیلی، توانائی کی دستیابی اور ضوابط سے متعلق تقاضوں سے وابستہ خطرات، طویل مدتی آپریشنز اور مسابقتی حیثیت کو نمایاں طور پر متاثر کر سکتے ہیں۔ اہم خطرات میں توانائی کی بڑھتی ہوئی لاگت، کاربن کے اخراج سے متعلق ضوابط، ماحولیاتی تقاضوں کی تعمیل کی ذمہ داریاں اور موسمیاتی تغیرات کے باعث خام مال کی سپلائی چین پر ممکنہ اثرات شامل ہیں۔

ان خطرات کو کم کرنے کے لیے فیکٹوری سیمنٹ نے قابل تجدید توانائی کے حل، بشمول شمسی توانائی اور ویسٹ ہیٹ ریکوری سسٹمز، میں سرمایہ کاری کی ہے، جو اس وقت کمپنی کی بجلی کی ضروریات کا ایک نمایاں حصہ پورا کر رہے ہیں۔ اخراج کی مسلسل نگرانی، توانائی کی بچت کرنے والی ٹیکنالوجیز کا استعمال اور احتیاطی دیکھ بھال کے مؤثر طریقہ کار ماحولیاتی معیارات کی تعمیل کو یقینی بنانے اور کمپنی کے کاربن فٹ پرنٹ میں کمی لانے میں مزید معاون ہیں۔

بورڈ آف ڈائریکٹرز اپنی انتظامی ذمہ داریوں کے تحت ان خطرات کا باقاعدگی سے جائزہ لیتا ہے اور کمپنی کی طویل مدتی حکمت عملی میں استحکام سے متعلق عوامل کو شامل کرنے کے لیے پُر عزم ہے۔ مستقبل میں کمپنی قابل تجدید توانائی کے حصے، توانائی کی کارکردگی اور کاربن کے اخراج کی شدت میں کمی سے متعلق باقاعدہ پائیداری کے اہداف مقرر کرنے کا ارادہ رکھتی ہے، جن پر پیش رفت کی باقاعدگی سے نگرانی کی جائے گی اور ابھرتے ہوئے ضوابط اور عالمی بہترین طریقہ کار کے مطابق اس کی رپورٹنگ اور انکشاف کیا جائے گا۔

تنوع، مساوات اور شمولیت (DE&I):

بورڈ کا پختہ یقین ہے کہ تنوع، مساوات اور شمولیت جدت کو فروغ دینے، انتظامی نظام کو مضبوط بنانے اور ادارے کی مجموعی کارکردگی بہتر کرنے کے لیے نہایت اہم ہیں۔ بورڈ کی آڈٹ کمیٹی اب استحکام اور DE&I سے متعلق امور کی براہ راست نگرانی کرتی ہے، جس کے لیے انتظامیہ کی جانب سے باقاعدگی سے پیش رفت سے آگاہ کیا جاتا ہے، جیسا کہ بورڈ کی آڈٹ کمیٹی کے ٹرمز آف ریفرنس میں طے اور حالیہ طور پر شامل کیا گیا ہے۔ اگرچہ DE&I سے متعلق باضابطہ پالیسی اور مربوط ڈھانچہ تیار کیا جا رہا ہے، تاہم کمپنی نے شمولیت کو فروغ دینے کے لیے پہلے ہی عملی اقدامات شروع کر دیے ہیں، جن میں درج ذیل شامل ہیں:

☆ مختلف پیشہ ورانہ، تعلیمی اور علاقائی پس منظر رکھنے والے ملازمین کی بھرتی، تاکہ افرادی قوت میں مہارتوں اور تجربات کا متوازن امتزاج یقینی بنایا جاسکے۔

سال کے دوران کمپنی نے صحت و حفاظت کے حوالے سے ایک مضبوط ریکارڈ برقرار رکھا اور کسی بڑے حادثے یا سنگین چوٹ کی اطلاع نہیں ملی۔ یہ کامیابی کمپنی کے مؤثر حفاظتی نگرانی کے نظام، باقاعدہ آڈٹس اور احتیاطی اقدامات کی موثریت کی عکاسی کرتی ہے اور زیر و لاں ورک ڈے انجری کے ماحول کو یقینی بنانے کے کمپنی کے عزم کی مزید توثیق کرتی ہے۔

کارپوریٹ سماجی ذمہ داری:

ایک ذمہ دار کارپوریٹ شہری کی حیثیت سے کمپنی اپنے ملازمین، قرب و جوار کی آبادیوں اور معاشرے کی مجموعی فلاح و بہبود کے لیے پُر عزم ہے۔ اس مقصد کے لیے کمپنی تعلیم، کمیونٹی کی ترقی اور سماجی بہبود کے شعبوں میں مختلف اقدامات کرتی ہے، جن میں درج ذیل شامل ہیں:

- ☆ تعلیم: قریبی گاؤں میں لڑکیوں اور لڑکوں کے لیے ایک ایک اسکول کی تعمیر و تزئین و آرائش، پانی کی فراہمی اور مسلسل دیکھ بھال کے ذریعے معیاری تعلیم تک رسائی کو فروغ دینا۔
- ☆ کمیونٹی انفراسٹرکچر: مقامی انتظامیہ کے ساتھ مل کر خانپور ڈیم کینال کی صفائی میں شرکت، جس کے لیے سیمنٹ اور افرادی قوت فراہم کی گئی۔
- ☆ صاف پانی کی فراہمی: قریبی دیہات میں صاف پینے کے پانی کی فراہمی کے لیے پانی کے ذخیرے کی تعمیر، الیکٹرک پمپ کی تنصیب اور مخصوص پائپ لائن نیٹ ورک بچھانے کے اقدامات۔
- ☆ افرادی قوت کی معاونت: قریبی گاؤں کے رہائشیوں کو فیکٹری میں روزگار اور تربیت کے مواقع فراہم کرنا۔
- ☆ عطیہ: قریبی گاؤں کو جی ٹی روڈ سے ملانے والی رابطہ سڑک کی تعمیر کے لیے 74 کنال اراضی عطیہ کی گئی، جو 15 لاکھ روپے فی کنال کے حساب سے خریدی گئی تھی۔
- ☆ تزئین و آرائش: قریبی گاؤں کی مسجد کی تزئین و آرائش اور ضروری اشیاء کی فراہمی۔
- ☆ شجرکاری کے اقدامات: مارگلہ کی پہاڑیوں میں تقریباً 50,000 پودے لگانا۔
- ☆ ماحولیاتی آگاہی: پاکستان انوائرنمنٹل پروٹیکشن ایجنسی (PAK-EPA) کی جانب سے منعقد کیے جانے والے ماحولیاتی پروگرامز میں شرکت، جن میں کمپنی کے نام سے برانڈ شدہ پانی کی بوتلیں مگ اور بیگز جیسے ماحولیاتی آگاہی کے تحائف تقسیم کرنا بھی شامل ہے۔
- ☆ ماحولیاتی ذمہ داری: انفرادی اور اجتماعی طور پر راول جھیل میں صفائی کی سرگرمیوں میں حصہ لینا، جس میں کچرے اور دیگر فضلے کو جمع کر کے وہاں سے منتقل کرنا شامل ہے۔
- ☆ صحت اور فلاح و بہبود کے لیے معاونت: سال کے دوران صحت، سماجی بہبود اور تعلیمی اقدامات کے لیے 19.3 ملین روپے عطیہ کیے گئے۔

قومی خزانے میں حصہ:

زیرِ جائزہ سال کے دوران آپ کی کمپنی نے سیلز ٹیکس، فیڈرل ایکسائز ڈیوٹی اور انکم ٹیکس کی مد میں تقریباً 7,238 ملین روپے قومی خزانے میں جمع کرائے، جبکہ سیمنٹ کی برآمدات کے ذریعے تقریباً 0.13 ملین امریکی ڈالر کا زر مبادلہ بھی حاصل کیا۔ زر مبادلہ کی آمد میں یہ کمی پاکستان اور افغانستان کے درمیان سرحد کی بندش کے بعد سال کے دوران کمپنی کی برآمدی سرگرمیاں معطل رہنے کی عکاسی کرتی ہے، جس کا ذکر اس رپورٹ کے دیگر حصوں میں بھی کیا گیا ہے۔ وہولڈنگ ایجنٹ کی حیثیت سے کمپنی نے اپنے وینڈرز اور ملازمین کی جانب سے انکم ٹیکس اور سیلز ٹیکس کی وصولی اور متعلقہ ریونیو حکام کے پاس جمع کرانے میں بھی سہولت فراہم کی، جس سے قومی اور صوبائی سطح پر محصولات کی وصولی میں معاونت حاصل ہوئی۔

ماحولیاتی تعمیل اور استحکام کے اقدامات:

ماحولیاتی ذمہ داری اور متعلقہ ضوابط کی پابندی کمپنی کے آپریشنز کا بنیادی حصہ ہیں۔ اس بات کو یقینی بنانے کے لیے کہ پلانٹ مسلسل نیشنل انوائسٹمنٹ کوالٹی اسٹینڈرڈز (NEQS) میں مقرر کردہ حدود کے اندر کام کرتا رہے، باقاعدگی سے ماحولیاتی جانچ کی جاتی ہے۔ پلانٹ میں اخراج پر قابو پانے کے لیے جدید ٹیکنالوجی، بشمول موثر ڈسٹ کلکیشن سسٹمز، نصب ہیں، جو قومی اور بین الاقوامی معیارات کے مطابق ذرات کے اخراج کو کم کرنے میں مدد دیتے ہیں۔ اس کے ساتھ ساتھ احتیاطی دیکھ بھال کے پروگرام بھی جاری ہیں، جو ماحولیاتی ضوابط کی مزید موثر تعمیل اور ماحول پر پڑنے والے اثرات میں کمی کو یقینی بنانے میں معاون ہیں۔

کمپنی نے اپنے پلانٹ کی تنصیبات کے اندر اور اطراف میں بڑے پیمانے پر شجرکاری اور سبزہ زاروں کی بحالی و توسیع کے اقدامات بھی کیے ہیں، جس سے اس کے ماحول دوست طریقہ کار کو مزید تقویت ملتی ہے اور ارد گرد کی آبادیوں کے لیے صحت مند ماحولیاتی نظام کے قیام میں معاونت حاصل ہوتی ہے۔ ان اقدامات کے ذریعے کمپنی اپنی آپریشنز کو پائیداری اور ماحولیاتی ذمہ داری کے حوالے سے عالمی بہترین طریقہ کار سے ہم آہنگ رکھنے کے لیے مسلسل کوشاں ہے۔

صحت اور حفاظت:

صحت اور حفاظت کمپنی کے تمام آپریشنز میں بنیادی ترجیحات میں شامل ہیں۔ کمپنی اپنے ملازمین، کنٹریکٹرز اور دیگر متعلقہ شراکت داروں کے لیے ایک محفوظ اور صحت مند کام کا ماحول فراہم کرنے کے لیے پُر عزم ہے اور اس مقصد کے لیے قابل اطلاق قوانین، ضوابط اور بہترین طریقہ کار پر مکمل عمل درآمد کو یقینی بنایا جاتا ہے۔ کمپنی اہم اور معمول سے ہٹ کر انجام دیے جانے والے کاموں کے لیے باقاعدگی سے جاب سیفٹی اینالیزس، خطرات کا جائزہ اور ممکنہ خطرات کی نشاندہی کرتی ہے۔ اس کے ساتھ ساتھ مسلسل حفاظتی گفتگو، تربیتی نشستوں اور آگاہی پروگرامز کا انعقاد بھی کیا جاتا ہے، تاکہ افرادی قوت کے تمام ارکان میں صحت، حفاظت اور ماحولیاتی ذمہ داری کو مشترکہ ذمہ داری کے طور پر فروغ دیا جاسکے۔

☆	طویل مدتی درجہ بندی:	A-
☆	قلیل مدتی درجہ بندی:	A2
☆	آؤٹ لک:	مستحکم

درجہ بندی کی توثیق کمپنی کی مسلسل عملی کارکردگی، پیداواری سہولت کے مؤثر استعمال اور معتدل لیوریج پر مبنی سرمایہ جاتی ڈھانچے کی عکاسی کرتی ہے، جسے کمپنی کے اپنے توانائی کے ذرائع، لاگت کو بہتر بنانے اور پلانٹ کی کارکردگی میں بہتری پر مسلسل توجہ سے مزید تقویت حاصل ہے۔ یہ درجہ بندی مشکل مجموعی معاشی اور صنعتی ماحول میں کمپنی کی عملی لچک کو بھی تسلیم کرتی ہیں، جہاں مجموعی طور پر سیمنٹ کی طلب دباؤ کا شکار رہی ہے۔

ماحولیاتی، سماجی و انتظامی امور (ESG)، پائیداری، تنوع اور کارپوریٹ سماجی ذمہ داری: کمپنی اپنی طویل مدتی حکمت عملی اور روزمرہ عملیات میں پائیداری، ماحولیاتی ذمہ داری، سماجی ذمہ داری اور مضبوط انتظامی اصولوں کو شامل کرنے کے لیے پُر عزم ہے۔ کارپوریٹ گورننس کے کوڈ 2019 (COCG) کے اصولوں کی رہنمائی اور عالمی سطح پر ابھرتے ہوئے بہترین طریقہ کار سے ہم آہنگ رہتے ہوئے، بورڈ آف ڈائریکٹرز پائیداری سے متعلق خطرات اور مواقع کی نگرانی کرتا ہے، جن میں ماحولیاتی کارکردگی، سماجی اثرات اور تنوع، مساوات اور شمولیت (DE&I) شامل ہیں۔

سال کے دوران کمپنی نے قابل تجدید توانائی، ماحولیاتی تحفظ، صحت و حفاظت اور کارپوریٹ سماجی ذمہ داری کے شعبوں میں ہدفی اقدامات کے ذریعے اپنے پائیداری کے فریم ورک کو مزید مضبوط کیا، جبکہ افرادی قوت اور قیادت میں شمولیت اور تنوع کے فروغ کے لیے بھی شعوری اور مسلسل کوششیں کی گئیں۔ ان اقدامات کا مقصد نہ صرف ضوابط کی تعمیل کو یقینی بنانا ہے بلکہ متعلقہ شراکت داروں کے لیے طویل مدتی قدر پیدا کرنا، موسمیاتی اور عملی خطرات کے مقابلے میں لچک کو مضبوط بنانا اور مساوی ترقی کو فروغ دینا بھی ہے۔ کمپنی DE&I اور پائیداری کے لیے قابل پیمائش اہداف مقرر کرنے اور اپنی انکشافات کو بتدریج تسلیم شدہ بین الاقوامی معیارات سے ہم آہنگ کرنے کے لیے پُر عزم ہے۔

فیکو سیمنٹ کے قابل تجدید توانائی کے اقدامات:

توانائی کے تحفظ اور پائیدار سبز توانائی کے حل کو اپنانا کمپنی کی حکمت عملی کی ترجیحات میں بدستور شامل ہے۔ اس وقت کمپنی کی اپنی کھپت کے لیے بجلی کی تقریباً 45 فیصد ضرورت قابل تجدید ذرائع سے پوری ہو رہی ہے، جس میں پلانٹ پر نصب 5 میگا واٹ شمسی توانائی کا نظام اور 6 میگا واٹ ویسٹ ہیٹ ریکوری پاور پلانٹ (WHRPP) شامل ہیں۔ ان سرمایہ کاریوں سے کمپنی کے کاربن نیوٹرل ہونے کے عزم کو مزید تقویت ملتی ہے، جبکہ اس کے نتیجے میں لاگت میں خاطر خواہ بچت اور طویل مدتی عملی لچک بھی حاصل ہو رہی ہے۔

ان اقدامات کے ذریعے کمپنی اپنے آپریشنز کے ارد گرد آباد کمیونٹیز کے معیار زندگی کو بہتر بنانے اور پاکستان میں پائیدار سماجی ترقی کے فروغ میں با معنی کردار ادا کرنے کا سلسلہ جاری رکھے ہوئے ہے۔

استحکام سے متعلق خطرات اور تدار کی اقدامات:

کمپنی اس امر کو تسلیم کرتی ہے کہ استحکام سے متعلق خطرات، بالخصوص موسمیاتی تبدیلی، توانائی کی دستیابی اور ضوابط سے متعلق تقاضوں سے وابستہ خطرات، طویل مدتی آپریشنز اور مسابقتی حیثیت کو نمایاں طور پر متاثر کر سکتے ہیں۔ اہم خطرات میں توانائی کی بڑھتی ہوئی لاگت، کاربن کے اخراج سے متعلق ضوابط، ماحولیاتی تقاضوں کی تعمیل کی ذمہ داریاں اور موسمیاتی تغیرات کے باعث خام مال کی سپلائی چین پر ممکنہ اثرات شامل ہیں۔

ان خطرات کو کم کرنے کے لیے فیکٹو سیمنٹ نے قابل تجدید توانائی کے حل، بشمول شمسی توانائی اور ویسٹ ہیٹ ریکوری سسٹمز، میں سرمایہ کاری کی ہے، جو اس وقت کمپنی کی بجلی کی ضروریات کا ایک نمایاں حصہ پورا کر رہے ہیں۔ اخراج کی مسلسل نگرانی، توانائی کی بچت کرنے والی ٹیکنالوجیز کا استعمال اور احتیاطی دیکھ بھال کے مؤثر طریقہ کار ماحولیاتی معیارات کی تعمیل کو یقینی بنانے اور کمپنی کے کاربن فٹ پرنٹ میں کمی لانے میں مزید معاون ہیں۔

بورڈ آف ڈائریکٹرز اپنی انتظامی ذمہ داریوں کے تحت ان خطرات کا باقاعدگی سے جائزہ لیتا ہے اور کمپنی کی طویل مدتی حکمت عملی میں استحکام سے متعلق عوامل کو شامل کرنے کے لیے پُر عزم ہے۔ مستقبل میں کمپنی قابل تجدید توانائی کے حصے، توانائی کی کارکردگی اور کاربن کے اخراج کی شدت میں کمی سے متعلق باقاعدہ پائیداری کے اہداف مقرر کرنے کا ارادہ رکھتی ہے، جن پر پیش رفت کی باقاعدگی سے نگرانی کی جائے گی اور ابھرتے ہوئے ضوابط اور عالمی بہترین طریقہ کار کے مطابق اس کی رپورٹنگ اور انکشاف کیا جائے گا۔

تنوع، مساوات اور شمولیت (DE&I):

بورڈ کا پختہ یقین ہے کہ تنوع، مساوات اور شمولیت جدت کو فروغ دینے، انتظامی نظام کو مضبوط بنانے اور ادارے کی مجموعی کارکردگی بہتر کرنے کے لیے نہایت اہم ہیں۔ بورڈ کی آڈٹ کمیٹی اب استحکام اور DE&I سے متعلق امور کی براہ راست نگرانی کرتی ہے، جس کے لیے انتظامیہ کی جانب سے باقاعدگی سے پیش رفت سے آگاہ کیا جاتا ہے، جیسا کہ بورڈ کی آڈٹ کمیٹی کے ٹرمز آف ریفرنس میں طے اور حالیہ طور پر شامل کیا گیا ہے۔ اگرچہ DE&I سے متعلق باضابطہ پالیسی اور مربوط ڈھانچہ تیار کیا جا رہا ہے، تاہم کمپنی نے شمولیت کو فروغ دینے کے لیے پہلے ہی عملی اقدامات شروع کر دیے ہیں، جن میں درج ذیل شامل ہیں:

☆ مختلف پیشہ ورانہ، تعلیمی اور علاقائی پس منظر رکھنے والے ملازمین کی بھرتی، تاکہ افرادی قوت میں مہارتوں اور تجربات کا متوازن امتزاج یقینی بنایا جاسکے۔

ان تدارکی اقدامات کے باوجود، فروخت اور فروخت کی لاگت دونوں میں قیمت کے منفی فرق کے مجموعی اثر کے باعث مجموعی منافع میں 28.82 فیصد کمی ہوئی اور یہ 1.833 ارب روپے سے کم ہو کر 1.305 ارب روپے رہ گیا، جبکہ مجموعی منافع کا مارجن بھی گزشتہ سال کے 16.52 فیصد کے مقابلے میں نمایاں کمی کے ساتھ 10.44 فیصد رہ گیا۔

خالص منافع کا تجزیہ:

کمپنی کے خالص منافع میں 8.98 فیصد اضافہ ہوا اور یہ گزشتہ سال کے 608.692 ملین روپے کے مقابلے میں 54.67 ملین روپے بڑھ کر 663.362 ملین روپے ہو گیا۔ تاہم، خالص منافع کا مارجن معمولی کمی کے ساتھ گزشتہ سال کے 5.49 فیصد سے کم ہو کر 5.31 فیصد رہ گیا۔ خالص منافع میں اضافے کی بنیادی وجوہات درج ذیل رہیں:

- ☆ مالیاتی اخراجات میں 37.36 فیصد کمی، جس کی بنیادی وجہ قرضوں کی واجبات میں 18 فیصد سے زائد کمی تھی؛
- ☆ دیگر آمدنی میں نمایاں 155.48 فیصد اضافہ، جس کی بنیادی وجہ سال کے دوران سرمایہ کاری کے لیے رکھی گئی جائیداد کی فروخت سے حاصل ہونے والی آمدنی تھی؛ اور
- ☆ ملحقہ کمپنی سے 41.04 ملین روپے کا منافع، جبکہ گزشتہ سال اس مد میں 60.96 ملین روپے کا خسارہ ہوا تھا۔

ان مثبت عوامل کا اثر انتظامی اور تقسیمی اخراجات میں اضافے سے جزوی طور پر کم ہوا، جو 16.47 فیصد بڑھ کر گزشتہ سال کے 572.164 ملین روپے کے مقابلے میں 666.424 ملین روپے ہو گئے۔ اس اضافے کی بنیادی وجہ افراط زر کے باعث پیدا ہونے والے لاگتی دباؤ تھے۔ رواں سال آمدنی پرنٹیکس کے اخراجات میں 42.44 فیصد کمی ہوئی، جو مجموعی طور پر سال کے دوران آپریٹنگ منافع میں 52.85 فیصد کمی کے مطابق رہی۔

فی حصص آمدنی (EPS):

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی فی حصص آمدنی (EPS) 13.22 روپے رہی، جو گزشتہ سال کی 12.14 روپے کے مقابلے میں معمولی بہتری کو ظاہر کرتی ہے۔

مالیاتی انتظام:

30 جون 2026 کو کمپنی کی بیلنس شیٹ اس کی مستحکم مالی پوزیشن کی عکاسی کرتی ہے۔ کمپنی کے کل اثاثے 9.516 ارب روپے رہے، جو گزشتہ سال کے 7.967 ارب روپے کے مقابلے میں زیادہ ہیں۔ موجودہ تناسب 1.69 رہا، جبکہ 2025 میں یہ 1.77 تھا، اور فوری تناسب 0.40 رہا، جبکہ 2025 میں یہ 0.39 تھا۔ فوری تناسب کمپنی کے ورکنگ کیپٹل کے ایسے ڈھانچے کی عکاسی کرتا ہے جس میں انویسٹری کا نمائیاں حصہ شامل ہے، جو سیمنٹ مینوفیکچرنگ کے شعبے میں معمول کی بات ہے۔ کمپنی کی نقدی اور قلیل مدتی ادائیگیوں کی صلاحیت کو آپریٹنگ

فروخت سے حاصل ہونے والی آمدنی:

سال کے دوران کمپنی کی مجموعی فروخت سے حاصل ہونے والی آمدنی میں مالی سال 2025 کے مقابلے میں 12.60 فیصد اضافہ ہوا۔ اس اضافے کی بنیادی وجہ ترسیلات کے حجم میں 19.31 فیصد اضافہ تھا، جس کے نتیجے میں مجموعی منافع پر مقدار کے فرق کی مد میں 354.058 ملین روپے کا مثبت اثر پڑا۔ مقامی فروخت سے حاصل ہونے والی آمدنی میں 14.83 فیصد اضافہ ہوا، جبکہ برآمدی فروخت سے حاصل ہونے والی آمدنی میں 85.24 فیصد کی نمایاں کمی ہوئی۔ یہ کمی پاکستان اور افغانستان کے درمیان سرحد کی بندش کے مسلسل اثرات کی عکاسی کرتی ہے، جس سے شمالی علاقوں میں قائم سینٹ مینوفیکچررز کی برآمدی سرگرمیاں متاثر ہوئیں، جیسا کہ اوپر بیان کیا گیا ہے۔

اوسط ریٹینشن قیمت 875 روپے فی ٹن کم ہو کر 15,550 روپے سے 14,675 روپے رہ گئی، جو 5.63 فیصد کی کمی ہے۔ اس کے نتیجے میں مجموعی منافع پر قیمت کے فرق کی مد میں 744.740 ملین روپے کا منفی اثر پڑا۔ اس کمی کی بڑی وجہ شمالی خطے میں مقامی مارکیٹ میں قیمتوں کے حوالے سے بڑھتا ہوا مسابقتی دباؤ تھا، کیونکہ سرحد کی بندش کے بعد پروڈیوسرز نے برآمد کے لیے مختص سینٹ کی مقدار کو مقامی مارکیٹ کی جانب منتقل کر دیا۔

نتیجتاً، مجموعی ترسیلات میں برآمدی حجم کا حصہ سال کے دوران نمایاں طور پر کم ہو کر 0.38 فیصد رہ گیا، جو گزشتہ سال 3.17 فیصد تھا۔ یہ کمی کمپنی کے برآمدی شعبے پر مسلسل دباؤ کی واضح عکاسی کرتی ہے، جس کی بنیادی وجہ اس کی اہم برآمدی مارکیٹ سے محرومی ہے۔

فروخت کی لاگت:

کمپنی کی فروخت کی لاگت میں گزشتہ سال کے مقابلے میں 20.80 فیصد اضافہ ہوا، جس کی بنیادی وجہ سینٹ کی ترسیلات کے حجم میں اضافہ تھا۔ فی ٹن کی بنیاد پر فروخت شدہ سینٹ کی لاگت 161 روپے بڑھ کر 12,981 روپے سے 13,142 روپے فی ٹن ہو گئی، جو 1.25 فیصد اضافہ ہے۔ اس کے نتیجے میں قیمت کے فرق کی مد میں 137.086 ملین روپے کا منفی اثر پڑا۔

اس اضافے کی بنیادی وجہ کوئلہ تھا، جو کمپنی کی پیداواری لاگت میں سب سے بڑا جزو ہے۔ سال کے دوران کوئلے کی قیمتوں میں تقریباً 20 فیصد سے 25 فیصد اضافہ ہوا، جس کی وجہ مشرق وسطیٰ میں بڑھتی ہوئی جغرافیائی و سیاسی کشیدگی کے ساتھ ساتھ پاکستان اور افغانستان کے درمیان سرحد کی بندش کے بعد افغان کوئلے کی فراہمی میں پیدا ہونے والی رکاوٹ تھی، جس کے باعث کمپنی کو درآمدی کوئلے کی جانب منتقل ہونا پڑا۔ کلنکر کی پیداوار میں اضافے کے مطابق کوئلے کی کھپت کے حجم میں 31.60 فیصد اضافے کے ساتھ، کوئلے کے مجموعی اخراجات 48.77 فیصد بڑھ کر 3.929 ارب روپے سے 5.846 ارب روپے ہو گئے۔ نتیجتاً، فروخت کی کل لاگت میں کوئلے کا حصہ 42.41 فیصد سے بڑھ کر 52.24 فیصد ہو گیا، جبکہ فی ٹن کلنکر کوئلے کی لاگت 6,420 روپے سے بڑھ کر 7,140 روپے ہو گئی۔ تاہم، اخراجات کو بہتر بنانے کے اقدامات اور کلنکر کی پیداواری کارکردگی میں بہتری کے ذریعے کمپنی اس اضافی لاگت کے اثر کو جزوی طور پر کم کرنے میں کامیاب رہی اور فی ٹن کلنکر کی پیداوار میں کوئلے کے بہتر استعمال کی بدولت اندازاً 100 ملین روپے کی بچت حاصل کی۔

مالی سال 2026 کے دوران کمپنی کی عملی کارکردگی میں پیداوار اور ترسیلات کے حوالے سے مثبت رجحان دیکھا گیا۔ سیمنٹ کی پیداوار 850,557 ٹن رہی، جو مالی سال 2025 کی 713,739 ٹن کے مقابلے میں 19.17 فیصد زیادہ ہے۔ اسی طرح کلنکر کی پیداوار میں نمایاں 33.77 فیصد اضافہ ہوا اور یہ گزشتہ سال کی 612,026 ٹن کے مقابلے میں بڑھ کر 818,730 ٹن ہو گئی۔

فروخت کے حوالے سے سیمنٹ کی مجموعی ترسیلات 851,466 ٹن ریکارڈ کی گئیں، جو گزشتہ سال کی 713,644 ٹن کے مقابلے میں 19.31 فیصد زیادہ ہیں۔ مقامی ترسیلات میں 22.75 فیصد اضافہ ہوا اور یہ بڑھ کر 848,191 ٹن ہو گئیں، جبکہ مالی سال 2025 میں یہ 690,987 ٹن تھیں۔ یہ اضافہ مقامی مارکیٹ میں سیمنٹ کی مضبوط طلب کی عکاسی کرتا ہے۔ اس کے برعکس، برآمدی ترسیلات میں 85.55 فیصد کی نمایاں کمی ہوئی اور یہ مالی سال 2025 کی 22,657 ٹن کے مقابلے میں کم ہو کر صرف 3,275 ٹن رہ گئیں۔

نتیجتاً، تقریباً 1.0 ملین ٹن سالانہ نصب شدہ سیمنٹ پیداواری صلاحیت کی بنیاد پر کمپنی کی مجموعی صلاحیت کے استعمال کی شرح گزشتہ سال کی 71.37 فیصد کے مقابلے میں بڑھ کر 85.06 فیصد ہو گئی۔ اسی طرح کمپنی کا مارکیٹ شیئر 1.51 فیصد سے بڑھ کر 1.69 فیصد ہو گیا، جبکہ شمالی خطے میں بھی کمپنی کے مارکیٹ شیئر میں معمولی اضافہ دیکھا گیا، جو 2.16 فیصد سے بڑھ کر 2.40 فیصد ہو گیا۔

کمپنی کی مالی کارکردگی:

30 جون 2026 کو ختم ہونے والے سال کے دوران آپ کی کمپنی کی مالی کارکردگی کا گزشتہ سال کے مقابلے میں تقابلی جائزہ ذیل میں پیش کیا گیا ہے:

تفصیلات	جون 2026	جون 2025	اضافہ/کمی (فیصد)
مقامی فروخت	12,458,748	10,849,405	14.83%
برآمدی فروخت	36,522	247,519	(85.24%)
مجموعی فروخت	12,495,270	11,096,924	12.60%
فروخت کی لاگت	11,190,361	9,263,606	20.80%
مجموعی منافع	1,304,909	1,833,318	(28.82%)
مجموعی منافع بطور فیصد فروخت	10.44%	16.52%	(36.79%)
عملی منافع	474,680	1,006,762	(52.85%)
خالص منافع	663,362	608,692	8.98%
فی حصص آمدنی	13.22	12.14	8.98%

سال کے دوران صنعت کی مجموعی سیمنٹ ترسیلات 50.519 ملین ٹن رہیں، جبکہ گزشتہ سال یہ 47.116 ملین ٹن تھیں، اس طرح سال بہ سال 7.22 فیصد اضافہ ریکارڈ کیا گیا، جس کی بنیادی وجہ مقامی ترسیلات میں نمایاں اضافہ تھا۔

شمالی خطے میں سال کے دوران مجموعی ترسیلات 35.513 ملین ٹن رہیں، جبکہ گزشتہ سال یہ 33.013 ملین ٹن تھیں، یوں گزشتہ سال کے مقابلے میں 7.57 فیصد اضافہ ہوا۔ شمالی خطے میں مقامی فروخت 10.88 فیصد اضافے کے ساتھ 31.328 ملین ٹن سے بڑھ کر 34.736 ملین ٹن ہو گئی، جبکہ برآمدات میں نمایاں 53.85 فیصد کمی ہوئی اور یہ 1.684 ملین ٹن سے کم ہو کر 0.777 ملین ٹن رہ گئیں۔ اس کمی کی بنیادی وجہ پاکستان اور افغانستان کے درمیان بڑھتی ہوئی جغرافیائی و سیاسی کشیدگی تھی، جس نے شمالی علاقوں میں قائم سیمنٹ مینوفیکچررز کی اہم برآمدی مارکیٹ تک رسائی کو بری طرح متاثر کیا۔

جنوبی خطے نے بھی مسلسل ترقی کا مظاہرہ کیا، جہاں مجموعی ترسیلات میں 6.40 فیصد اضافہ ہوا اور یہ گزشتہ سال کی 14.104 ملین ٹن کے مقابلے میں بڑھ کر 15.006 ملین ٹن ہو گئیں۔ اس اضافے کی بنیادی وجہ برآمدی ترسیلات میں 9.36 فیصد اضافہ تھا، جو گزشتہ سال کی 7.526 ملین ٹن کے مقابلے میں بڑھ کر 8.231 ملین ٹن ہو گئیں، جبکہ مقامی فروخت میں بھی معمولی 3.00 فیصد اضافہ ہوا اور یہ 6.577 ملین ٹن سے بڑھ کر 6.775 ملین ٹن ہو گئی۔

کمپنی کی پیداواری اور فروخت کے حجم کی کارکردگی:

30 جون 2026 کو ختم ہونے والے سال کے دوران آپ کی کمپنی کی پیداواری اور فروخت کے حجم کی کارکردگی کا گزشتہ سال کے مقابلے میں تقابلی جائزہ ذیل میں پیش کیا گیا ہے:

تفصیلات	جون 2026	جون 2025	اضافہ/کمی (فیصد)
کل کنکر پیداوار (ٹن)	818,730	612,026	33.77%
سیمنٹ پیداوار (ٹن)	850,557	713,739	19.17%
مقامی ترسیلات (ٹن)	848,191	690,987	22.75%
برآمدی ترسیلات (ٹن)	3,275	22,657	(85.55%)
مجموعی ترسیلات (ٹن)	851,466	713,644	19.31%
صلاحیت کے استعمال کا تناسب	85.06%	71.37%	19.17%
مارکیٹ شیئر	1.69%	1.51%	11.28%
شمالی خطے سے مارکیٹ شیئر	2.40%	2.16%	10.91%

اس پس منظر میں، کمپنی نے پیداواری کارکردگی میں بہتری، ایندھن اور توانائی کے مؤثر استعمال، اخراجات کے منظم انتظام اور محتاط مالی نظم و نسق کے ذریعے آپریشنل عہدگی کے عزم کو برقرار رکھا۔ کمپنی نے اپنی آپریشنل صلاحیت اور مارکیٹ میں مسابقتی حیثیت کو مزید مستحکم کرنے کا سلسلہ بھی جاری رکھا، تاکہ تعمیراتی شعبے میں جاری بحالی سے فائدہ اٹھایا جاسکے اور ساتھ ہی اپنے حصص یافتگان اور دیگر متعلقہ شراکت داروں کے لیے طویل مدتی اور پائیدار قدر پیدا کی جاسکے۔

صنعتی کارکردگی:

ان مثبت معاشی اشاریوں کے باوجود، سیمنٹ کی صنعت کی مجموعی کارکردگی ملی جلی رہی۔ مالی سال 2025-26 کے دوران مقامی سیمنٹ کی ترسیلات میں 9.51 فیصد اضافہ ہوا اور یہ گزشتہ سال کے 37.906 ملین ٹن کے مقابلے میں بڑھ کر 41.511 ملین ٹن ہو گئیں، جو شمالی اور جنوبی دونوں خطوں میں مقامی طلب میں معمولی تیزی کی عکاسی کرتی ہے۔

مالی سال 2025-26 کے دوران مقامی سیمنٹ کی طلب میں بتدریج بحالی ہوئی، جسے افراط زر میں کمی، فنانشنگ کی لاگت میں کمی اور مجموعی معاشی استحکام میں بہتری سے تقویت ملی۔ اس بحالی میں نجی شعبے کی تعمیراتی سرگرمیوں میں بتدریج بحالی، سرمایہ کاروں کے اعتماد میں بہتری اور سرکاری شعبے کے بنیادی ڈھانچے کے منصوبوں پر عمل درآمد میں اضافے نے اہم کردار ادا کیا۔ نجی شعبہ طلب میں اضافے کا بنیادی محرک رہا، جہاں فنانشنگ کے حالات میں بہتری اور مارکیٹ میں اعتماد بڑھنے کے بعد رہائشی اور تجارتی تعمیرات میں دوبارہ تیزی آئی۔ اسی دوران، ترقیاتی اخراجات میں اضافے اور پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) کے تحت بنیادی ڈھانچے کے منصوبوں پر عمل درآمد میں تیزی کے باعث سرکاری شعبے کی طلب میں بھی بہتری آئی، تاہم مالیاتی پابندیوں کے باعث منصوبوں پر عمل درآمد کی رفتار بدستور محدود رہی۔ ان حوصلہ افزا پیش رفتوں کے باوجود تعمیراتی لاگت میں اضافہ، نجی سرمایہ کاری میں محتاط رویہ اور صنعت میں قیمتوں کے حوالے سے شدید مسابقت نے بحالی کی رفتار کو محدود رکھا۔ چنانچہ مالی سال 2024-25 کے مقابلے میں سال کے دوران مقامی سیمنٹ کی ترسیلات میں اضافہ ہونے کے باوجود مجموعی طلب اپنی طویل مدتی استعداد سے کم رہی۔

اس کے برعکس، برآمدی حجم میں معمولی 2.19 فیصد کمی ہوئی اور یہ گزشتہ سال کے 9.210 ملین ٹن کے مقابلے میں کم ہو کر 9.008 ملین ٹن رہ گیا۔ جنوبی خطے کے مینوفیکچررز نے عالمی مارکیٹ میں موجود طلب سے مؤثر طور پر فائدہ اٹھایا، جہاں جنوبی خطے کی مجموعی ترسیلات میں برآمدی ترسیلات کا حصہ 54.85 فیصد رہا، جبکہ گزشتہ سال یہ شرح 53.36 فیصد تھی۔ اس کے برعکس، شمالی خطے کی برآمدی سرگرمیوں میں نمایاں کمی آئی اور مجموعی ترسیلات میں اس کا حصہ گزشتہ سال کے 5.10 فیصد کے مقابلے میں کم ہو کر محض 2.19 فیصد رہ گیا، جو نصف سے بھی زیادہ کمی ہے۔ یہ صورتحال پاکستان اور افغانستان کے درمیان سرحد کی بندش کے بعد خطے کے اہم برآمدی راستے کی مؤثر بندش کی عکاسی کرتی ہے۔

صنعت بھر میں پیداواری صلاحیت کا استعمال بھی مطلوبہ سطح سے نمایاں طور پر کم رہا اور اوسطاً 50 فیصد سے 60 فیصد کے درمیان رہا، جو بالخصوص شمالی خطے میں مسلسل اضافی پیداواری صلاحیت کی نشاندہی کرتا ہے۔

حکومت ٹیکس کے دائرہ کار کو وسیع کرنے، محصولات میں اضافے، توانائی کے نرخوں کو معقول بنانے اور سرکاری ملکیتی اداروں میں اصلاحات کے عمل کو آگے بڑھانے کے لیے پُر عزم رہی، تاکہ پائیدار معاشی نمو کو فروغ دیا جاسکے۔ اسی دوران، اٹلان پاکستان اکنامک ٹرانسفارمیشن پلان (2024-29) پر عمل درآمد میں بھی رفتار آئی، جس کے تحت صنعتی ترقی، ڈیجیٹل تبدیلی، بنیادی ڈھانچے میں سرمایہ کاری، برآمدی مسابقت اور انسانی سرمائے کی ترقی کے فروغ کے لیے مختلف اقدامات کیے گئے۔ عالمی بینک اور ایشیائی ترقیاتی بینک سمیت کثیرالجہتی مالیاتی اداروں کی جانب سے ترقیاتی مالی معاونت کے ذریعے توانائی، موسمیاتی تبدیلیوں کے مقابل چلک، سماجی تحفظ اور سرکاری شعبے کے نظم و نسق میں اصلاحات کے عمل کو مسلسل معاونت فراہم کی گئی۔

ان مثبت پیش رفتوں کے باوجود بیرونی شعبے کو درپیش خطرات بدستور موجود رہے، کیونکہ بیرونی مالی ضروریات پوری کرنے کے لیے دو طرفہ اور کثیرالجہتی مالی معاونت پر انحصار برقرار رہا۔ مستقبل کے حوالے سے آئی ایم ایف نے مالی سال 2026-27 کے لیے جی ڈی پی کے 2.0 فیصد کے بلند تر پرائمری سرپلس کا ہدف مقرر کیا ہے، جس کے باعث معاشی نمو میں بحالی کے باوجود مالیاتی پالیسی میں سختی برقرار رہنے کی توقع ہے، جبکہ عالمی سطح پر توانائی کی قیمتوں میں اتار چڑھاؤ معاشی منظر نامے کے لیے ایک اہم خطرہ بدستور موجود ہے۔

فیکٹو سیمنٹ لمیٹڈ پر اثرات:

مالی سال 2025-26 کے دوران مجموعی معاشی صورتحال میں بہتری، جس میں افراط زر میں کمی، پالیسی ریٹس میں کمی، شرح مبادلہ میں نسبتاً استحکام اور بیرونی شعبے کی بہتر پوزیشن نمایاں رہی، نے سیمنٹ کی صنعت کے لیے کاروباری حالات کو سازگار بنانے میں مدد دی۔ ان پیش رفتوں کے نتیجے میں تعمیراتی سرگرمیوں اور مقامی سیمنٹ کی طلب میں بتدریج بحالی دیکھنے میں آئی۔ تاہم، صنعت کو توانائی اور ترسیل کی بلند لاگت، قیمتوں پر مسلسل دباؤ اور مارکیٹ میں شدید مسابقت جیسی مشکلات کا سامنا بدستور رہا، جس کے باعث منافع پر دباؤ برقرار رہا۔

سال کے دوران جغرافیائی و سیاسی کشیدگی میں اضافے نے ان لاگتی دباؤ کو مزید بڑھا دیا، جس کے نتیجے میں اہم خام مال کی قیمتوں میں نمایاں اضافہ ہوا۔ بین الاقوامی کونسل کی قیمتوں میں تقریباً 20 فیصد سے 25 فیصد اضافہ ہوا، جبکہ پولي پروپیلین (PP)، جو سیمنٹ کی پیکنگ کے تھیلوں میں استعمال ہونے والا بنیادی خام مال ہے، کی قیمتوں میں 50 فیصد سے 80 فیصد تک غیر معمولی اضافہ ہوا، جس سے پوری صنعت کے منافع کے مارجن پر مزید دباؤ پڑا۔

مزید برآں، مالی سال 2025-26 کی پہلی سہ ماہی کے اختتام کے بعد دو طرفہ کشیدگی کے باعث پاکستان اور افغانستان کے درمیان سرحد کی بندش نے کمپنی کی برآمدی مارکیٹ کو شدید متاثر کیا۔ سرحد کی بندش سے شمالی زون کی مجموعی سیمنٹ صنعت بھی متاثر ہوئی، کیونکہ افغانستان نہ صرف شمالی علاقوں میں قائم متعدد مینوفیکچررز کے لیے براہ راست برآمدی مارکیٹ تھا بلکہ وسطی ایشیائی مارکیٹوں تک برآمدات کی ترسیل کے لیے ایک اہم اور بنیادی راستہ بھی تھا۔ اس رکاوٹ کے اثرات سال کے دوران شمالی زون سے سیمنٹ کی برآمدی ترسیلات میں کمی کی صورت میں نمایاں ہوئے، جس کی مزید تفصیل ذیل میں صنعتی کارکردگی کے تحت بیان کی گئی ہے۔

افراط زر اور مانیٹری پالیسی:

سال 2023 کے وسط میں تقریباً 38 فیصد کی تاریخی بلند ترین سطح سے نمایاں کمی کے بعد افراط زر کی اوسط شرح مالی سال 2023-24 میں 23.4 فیصد اور مالی سال 2024-25 میں 4.6 فیصد رہی۔ مالی سال 2025-26 کے دوران معمولی اضافے کے باوجود افراط زر مجموعی طور پر قابو میں رہا۔ اوسط کنزیومر پرائس انڈیکس (CPI) پر مبنی افراط زر بڑھ کر تقریباً 7.1 فیصد ہو گیا، جس کی بنیادی وجوہات خوراک اور توانائی کی قیمتوں میں اضافہ تھیں۔ تاہم، یہ شرح گزشتہ برسوں میں ریکارڈ کی جانے والی غیر معمولی بلند افراط زر کے مقابلے میں بدستور نمایاں طور پر کم رہی، جو مسلسل معاشی استحکام اور محتاط پالیسی اقدامات کے مؤثر ہونے کی عکاسی کرتی ہے۔

مانیٹری پالیسی کے موقف نے بھی معاشی استحکام کو مزید مضبوط بنانے میں اہم کردار ادا کیا۔ سال کے دوران اسٹیٹ بینک آف پاکستان (SBP) نے عمومی طور پر مستحکم اور محتاط زرعی پالیسی برقرار رکھی اور افراط زر میں معمولی اضافے کے رجحان کو متوازن رکھنے کے ساتھ ساتھ معاشی نمو کو برقرار رکھنے کی ضرورت کے پیش نظر پالیسی ریٹ میں معمولی اضافہ کرتے ہوئے اسے 11 فیصد سے بڑھا کر 11.5 فیصد کر دیا۔ اس متوازن پالیسی موقف سے سرمایہ کاروں کے اعتماد کو برقرار رکھنے میں مدد ملی، جس کے نتیجے میں معاشی سرگرمیوں کا تسلسل بھی قائم رہا۔ گزشتہ دو برسوں میں مانیٹری پالیسی میں نمایاں نرمی کے بعد شرح سود کا نسبتاً مستحکم ماحول، شرح مبادلہ میں استحکام اور زر مبادلہ کے ذخائر میں اضافے کے ساتھ مل کر مجموعی معاشی استحکام میں مزید بہتری کا باعث بنا۔

معاشی آؤٹ لک اور ساختی اصلاحات:

مالی سال 2025-26 کے دوران پاکستان نے انٹرنیشنل مانیٹری فنڈ (IMF) کے تعاون سے جاری اصلاحاتی پروگرام کے تحت مجموعی معاشی استحکام کو مزید مضبوط بنانے کا سلسلہ جاری رکھا۔ مئی 2026 میں آئی ایم ایف کے ایگزیکٹو بورڈ نے ایکسٹینڈڈ فنڈ فیسلٹی (EFF) کے تحت تیسرے جائزے اور ریپبلینس اینڈ سسٹین ایبلٹی فیسلٹی (RSF) کے تحت دوسرے جائزے کی تکمیل کی، جس کے نتیجے میں پروگرام کے تحت مجموعی رقوم کی فراہمی تقریباً 4.8 ارب امریکی ڈالر تک پہنچ گئی۔ مالی سال 2025-26 کے لیے ملک کا پرائمری سرپلس بھی آئی ایم ایف کے مقرر کردہ 1.6 فیصد کے ابتدائی ہدف کے مقابلے میں نمایاں طور پر بہتر رہا۔

مالیاتی استحکام کے اقدامات، ٹیکس انتظامیہ میں اصلاحات، محتاط زرعی پالیسی اور توانائی کے شعبے میں اصلاحات پر مسلسل عمل درآمد نے سرمایہ کاروں کے اعتماد اور بیرونی شعبے کے استحکام میں بہتری لانے میں اہم کردار ادا کیا۔ اصلاحاتی اقدامات میں ایف بی آر کے تبدیلی کے منصوبے، لاگت کی وصولی کے اصول کے مطابق ٹیرف کو معقول بنانے، اور بجلی کی تقسیم کار کمپنیوں کی نجکاری کے عمل میں پیش رفت پر توجہ مرکوز رکھی گئی، جس کا مقصد توانائی کے شعبے کے گردش قرضے کے مسئلے سے نمٹنا ہے۔

فیکو سیمنٹ لمیٹڈ
ڈائریکٹرز کی رپورٹ برائے اراکین
برائے ختمہ سال 30 جون 2026ء

محترم اراکین
آپ کی کمپنی کے ڈائریکٹرز کمپنی کی سالانہ رپورٹ، بمعہ آڈٹ شدہ مالی بیانات برائے سال ختمہ 30 جون 2026ء پیش کرتے ہوئے
پُر مسرت ہیں۔

یہ رپورٹ کمپنیز ایکٹ 2017 کی دفعہ 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 ('COCG, 2019') کے
تقاضوں کے مطابق تیار کی گئی ہے۔ یہ رپورٹ کمپنی کے پینتالیسویں (45 ویں) سالانہ عام اجلاس (AGM) منعقدہ 26 اکتوبر 2026 کو
حصص یافتگان کے سامنے پیش کی جائے گی۔

معاشی جائزہ
مالی سال 2025-26 کے دوران پاکستان کی معیشت میں مجموعی معاشی استحکام آیا اور معاشی بحالی کے عمل کو تقویت ملی۔ مشکل ماحول کے
باوجود معاشی اعتماد میں بہتری آئی، جبکہ پائیدار، جامع اور نجی شعبے کی قیادت میں ترقی کے لیے بنیاد مضبوط ہوئی۔ ملکی معیشت نے مجموعی ملکی
پیداوار (GDP) میں تقریباً 3.70 فیصد کی شرح نمو حاصل کی، جو گزشتہ سال کی 3.18 فیصد شرح نمو سے قدرے زیادہ ہے، تاہم یہ ابتدائی
طور پر مقرر کیے گئے اہداف سے کم رہی۔ یہ کارکردگی ایک جانب معیشت کی چلک کو ظاہر کرتی ہے، جبکہ دوسری جانب اسے درپیش مسلسل معاشی
مشکلات کی بھی عکاسی کرتی ہے۔

بیرونی شعبہ اور جاری کھاتہ:
مالی سال 2025-26 کے دوران پاکستان کے جاری کھاتے میں 0.139 ارب امریکی ڈالر کا خسارہ ریکارڈ کیا گیا، جبکہ گزشتہ سال 1.838
ارب امریکی ڈالر کا جاری کھاتے کا سرپلس حاصل ہوا تھا۔ اس کمی کی بنیادی وجوہات میں درآمدات کی لاگت میں اضافہ، جغرافیائی و سیاسی
کشیدگی کے باعث عالمی سطح پر تیل کی قیمتوں میں اضافہ، اور برآمدات میں معمولی 0.2 فیصد اضافہ شامل ہیں، جبکہ اس کے مقابلے میں
درآمدات میں زیادہ تیزی سے اضافہ ہوا۔ تاہم، اس منفی اثر کو زرمبادلہ کے ذخائر میں اضافے نے بڑی حد تک متوازن کر دیا، جو گزشتہ سال کے
19.27 ارب امریکی ڈالر کے مقابلے میں بڑھ کر تقریباً 22.04 ارب امریکی ڈالر ہو گئے، جس سے بیرونی شعبے کے مالی تحفظ میں مزید بہتری
آئی۔



SUSTAINABILITY FRAMEWORK



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About This Sustainability Framework

Anchored to Pakistan's own disclosure framework, not borrowed from someone else's.

This Sustainability Framework has been prepared with reference to the Environmental, Social and Governance (ESG) Disclosure Guidelines issued by the Securities and Exchange Commission of Pakistan (SECP), covering the period from 1 July 2025 to 30 June 2026. It represents Fecto Cement's first structured attempt at bringing its environmental, social, and governance information together into one organised account, ahead of mandatory IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) reporting, applicable to the Company from FY2027.

Under the phased implementation timeline set by the Securities and Exchange Commission of Pakistan, Fecto Cement falls within Phase II, for which mandatory IFRS S1 and IFRS S2 reporting takes effect for annual reporting periods beginning on or after 1 July 2026 (FY2027 for the Company). This Sustainability Framework, covering FY2026, has accordingly been prepared voluntarily, ahead of that mandatory requirement.

The scope of this Framework covers Fecto Cement Limited's manufacturing operations at its Sangjani plant, Islamabad, the Company's sole production facility. Reporting boundaries, methodologies, and disclosure completeness will continue to be strengthened in future reporting cycles, consistent with the Company's broader ESG roadmap described throughout this section.



Building Strength, Responsibly

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

For Fecto Cement Limited, building strength means more than sustaining production and market position. It translates to improving operational efficiency, managing our environmental and social impacts, ensuring the safety of the people who work at our plant, and preserving the trust of our shareholders, communities, regulators, and business partners.

During FY2026, Fecto continued to strengthen the systems and capabilities supporting this responsibility. The Board welcomed two new Independent Directors, who now chair both the Audit Committee and the Human Resource & Remuneration Committee, extended its long-standing investment in renewable and waste-heat power, calculated its first carbon footprint estimate, and continued independent environmental monitoring of air, noise, and water quality that has run without interruption for well over a decade. Community investment continued around our Sangjani plant, spanning education, clean water access, and local infrastructure.

Our progress was not uniform across every area. This exercise also brought into focus the need for a completed and independently verified greenhouse gas inventory, a more structured and formally surveyed materiality assessment, closer attention to workforce diversity, and broader environmental and social screening of our supply chain. We have disclosed these gaps directly, to provide a balanced account of where we stand and the work still ahead of us.

This section reflects Fecto's first attempt at bringing its environmental, social, and governance information together into one organized, structured account, ahead of mandatory IFRS S1/S2 reporting from FY2027. It is a starting point, not a finished sustainability report, and it is presented that way deliberately. By strengthening our operational foundations and reporting honestly on both our progress and the work still required, Fecto seeks to build a more resilient business and earn lasting stakeholder trust.



Chairman's Perspective on Sustainability and Financial Performance

Dear Shareholders and Stakeholders,

I am pleased to share how our commitment to sustainable practices is deeply intertwined with our financial performance this year. In an environment where environmental, social, and governance considerations are increasingly material to how our business is judged, our approach to sustainability is not an ethical add-on, it is a strategic response to real operating pressure, and FY2026 demonstrated that plainly.

Operational Efficiency and Cost Savings

Our long-standing investment in renewable and waste-heat power, now ~44.5% of total consumption, built over fifteen years rather than assembled for this report, directly reduced our exposure to this year's coal price shock, where per-ton costs rose by 20% to 25%. These efficiencies translate into real, measurable savings rather than abstract goodwill, and they are precisely what allowed us to absorb a cost environment that would have compressed margins even further without them.

Risk Mitigation and Resilience

By formally tracking ESG, climate, and DE&I exposures within our Board-approved Enterprise Risk Framework, each with a named owner and action plan, not a general statement of concern, we mitigate the risk of regulatory non-compliance and reputational harm before it materializes. This forward-looking discipline strengthens our resilience and safeguards business continuity in an increasingly unpredictable cost and regulatory environment.

Reputation and Stakeholder Trust

Our Waste Heat Recovery Power Plant has carried United Nations Clean Development Mechanism registration since 2014, independently verified, not self-reported, and our plant carries a documented anti-pollution engineering heritage dating to its original 1988 commissioning. Continuous, independent third-party environmental monitoring has run for well over a decade. These are not new claims assembled for this report; they are a reputation built over time.

Access to Capital and Investor Confidence

As lenders and rating agencies increasingly weigh governance and sustainability performance in their assessments, our progress this year, PACRA's reaffirmation of our A-/A2 rating in February 2026, our reserves growing 13.93% to PKR 4,612 million, and a Board-recommended dividend of 40% (PKR 4/share), double the prior year, together present a Company that is financially sound and increasingly transparent.

Employee Engagement and Productivity

Our commitment to a safe working environment, reflected in zero major injuries recorded this year, drives the discipline our plant floor operated with through a genuinely difficult cost year. We are equally direct about where our workforce development has further to go, particularly on gender diversity, addressed candidly elsewhere in this section.

Regulatory Agility and Competitive Advantage

By identifying our Phase II classification under SECP's IFRS S1/S2 timeline early, and building a scoped Readiness Roadmap ahead of the FY2027 mandatory date, we are positioning the Company to meet a compressed compliance timeline from a position of preparation rather than reaction.

In conclusion, our sustainability practices are not adjuncts to our business strategy, they are enablers of our financial results. By keeping our core values aligned with sound business decisions, we ensure that our profitability sits alongside the well-being of our people, our communities, and the long-term resilience of this Company.

Thank you for your continued confidence and support.

Jamil Ahmed Khan Chairman

SUSTAINABILITY HIGHLIGHTS FY 2026

CO₂

850,557 MT

(FY2025: 713,739 MT)

Cement Production



818,730 MT

(FY2025: 612,026 MT)

Clinker Production



44.5%

(FY2025: 42.6%)

**Renewable/
Waste-Heat Power**



103.1M KWH

(FY2025: 86.9M KWh)

**Total Energy
Consumption**



145.81 kg

(FY2025: 147.50 kg)

**Coal per ton Clinker
(lower = more efficient)**



851,466 MT

(FY2025: 713,644 MT)

Total Dispatches



~765,300 MT

(first year measured)

**CO₂e – Carbon
Footprint Estimate**



0

(FY2025: 0)

Major Injuries, FY2026



100%

(FY2025: 100%)

**Gender Pay Gap
(SECP Circular 10/2024)**



1,068 Hours

**Employee Training
Hours or Sessions**



Rs. 20,480,597

**Total CSR / Community
Investment (PKR)**



415 ML

**Water Consumption
(million liters)**



14,995 tCO₂
e/year

(UN CDM-verified,
Project No. 9522)

**WHRPP Emission
Reduction**



14 of 17

(3 valued priorities
or future adoption)

**SDGs Integrated into
Operations**



934

(Sangjani plant,
FY2026 year-end)

Total Workforce

Adopting the Sustainable Development Goals

Being a socially responsible company, Fecto Cement has embedded sustainability into its operations. While we support all seventeen Sustainable Development Goals, we have prioritized our actions where, within our operational footprint and capacity, we can create the most direct and meaningful impact, around our Sangjani plant and the communities closest to it.

SDGs

SUSTAINABLE DEVELOPMENT GOALS



United Nations Sustainable Development Goals

2030 as Our Road Map Towards a Sustainable Society

The UN Sustainable Development Goals have been adopted by Fecto Cement as a framework for its journey towards sustainability. We align our practices to meet the Global Goals by 2030, viewing sustainable development not as a separate initiative but as a business response to the challenges we face as a company and as a member of the communities in which we operate.

Of the seventeen Goals, we have embedded fourteen into our business operations and ongoing activities. We value each of these Goals and the difference they represent, and we will continue to look for genuine, meaningful ways to adopt them more fully as our capacity allows. The following pages set out our contribution against each Goal.



Environment, Social and Governance (ESG) at Fecto Cement

ESG is a system for measuring the sustainability of a company across three specific categories: environmental, social, and governance. It has developed into a broad framework addressing environmental and social impact alongside how governance structures enhance stakeholder well-being. We believe stakeholder value is built on a long-term basis by embedding sound ESG practices into how we operate, not as a separate initiative, but as part of ordinary business decision-making.

Statement on Strategic Objectives on ESG

As stewards of Fecto Cement, the Board remains committed to fostering a sustainable and responsible business. With the recognition that environmental, social, and governance considerations are vital components of our corporate strategy, the Company is progressively integrating ESG principles across its operations, aligning with our core values and the expectations of our stakeholders. Our strategic objectives encompass:

Environmental Responsibility: The Company seeks to reduce its environmental footprint through practices intended to conserve resources, lower emissions, and support biodiversity.

Social Well-being: The Company seeks to invest in the health, safety, and development of its employees and the communities in which it operates.

Effective Governance: The Company maintains a governance framework that emphasises transparency, accountability, and ethical conduct across the organisation.

Robust Reporting: our ESG and sustainability reporting is intended to provide a clear view of progress, challenges, and opportunities, enabling stakeholders to assess performance for themselves.

The Board believes that these strategic objectives support the Company's resilience, reputation, and long-term value creation.

ESG Governance

Fecto continued to strengthen the governance arrangements through which it oversees and manages its environmental, social, and economic impacts. The current structure assigns oversight responsibility to the Board of Directors, delegated through the Audit Committee, whose Terms of Reference explicitly assign it responsibility for monitoring sustainability-related risks and opportunities, ensuring DE&I policies are in place, and overseeing compliance with SECP's ESG Disclosure Guidelines. The Board has assessed this arrangement as proportionate to the Company's current scale, and reviews it regularly.



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Our Approach

Cement manufacturing relies on mineral resources and energy-intensive production processes, resulting in greenhouse gas and air emissions, water and raw-material consumption, waste generation, and impacts on land. Managing these impacts is an important part of Fecto's operational and regulatory responsibilities, and one the Company has approached through direct, plant-level controls rather than a separate corporate sustainability function.

Fecto manages environmental matters through site-level controls and monitoring arrangements at its single manufacturing facility in Sangjani, Islamabad. Plant management is responsible for implementing applicable requirements day to day, with significant matters reviewed by senior management and escalated to the Board Audit Committee, whose Terms of Reference explicitly cover sustainability and climate-related risk oversight, DE&I policy assurance, and compliance with SECP's ESG Disclosure Guidelines.

Environmental performance is monitored through three complementary channels: continuous online monitoring of dust emissions at the plant, reported monthly to the Pakistan Environmental Protection Agency (PAK-EPA); periodic independent third-party testing of ambient air, noise, and water quality, carried out by an accredited laboratory; and the Company's own Enterprise Risk Framework, which formally tracks climate, energy, and environmental compliance risk alongside financial and operational risk, each with a named owner and stated action plan.

This structure is not new for FY2026, the Company's online dust-emission monitoring and monthly PAK-EPA reporting has run without interruption since at least 2013, and independent environmental monitoring of the plant traces back further still, consistent with the facility's original design as Pakistan's first anti-pollution cement manufacturing unit when it was commissioned in 1988.

The following pages present Fecto's approach, actions, and performance relating to climate change and energy, air emissions and noise, water, biodiversity, circularity and waste, and product innovation. Topic-specific measures are discussed only where they go beyond the common approach described above.

Climate Change & Energy

MATERIAL TOPIC: GHG and Air Emissions, Energy
MOST RELEVANT SDGs:



Nearly half our power doesn't touch the grid.

Cement manufacturing is inherently energy- and carbon-intensive: heating limestone to clinker temperature both consumes large amounts of fuel and releases CO₂ through the calcination reaction itself, independent of the energy source used. Managing this exposure, through cleaner power, more efficient fuel use, and eventually lower-carbon process routes, is the single largest lever the Company has over its environmental footprint, and the one most directly tied to cost, given how exposed cement margins are to coal and grid-power price volatility. The Company's own Enterprise Risk Framework names both climate change and regulatory tightening (R20) and coal price volatility and supply interruption (R11) as principal strategic risks, each formally assessed and assigned an owner.

Fecto's response has been built over more than a decade rather than assembled for this report. In July 2010, the Company commissioned a 6MW Waste Heat Recovery Power Plant (WHRPP) that captures high-temperature exhaust gases from the clinkerization process, gases that would otherwise be vented to atmosphere, and converts that recovered heat into electricity, reducing exhaust temperature to 80-100°C in the process. This was followed by a captive solar installation. Together, the two now meet approximately 44.5% of the Company's total power requirement: WAPDA grid 55.5%, WHRPP 37.8%, and solar 6.7%. A further 5MW solar expansion is currently in process, which would raise on-site solar capacity and push the renewable and waste-heat share of total power higher still.

44.5%
of total power from
Solar + WHRPP

14,995 tCO₂e
/year
Emission Reduction
through WHRPP

The WHRPP itself carries a distinction not widely held among Pakistani industrial facilities: United Nations Clean Development Mechanism registration, as Project No. 9522, approved 17 July 2014 and independently validated to VVS 7.0 standard, confirming 14,995 tons of CO₂e in verified emission reductions per year, a figure distinct from, and additional to, the Company's total footprint estimate below.

This year, the Company calculated a comprehensive carbon footprint estimate: approximately 765,300 tons of CO₂e, or approximately 0.90 tCO₂e per ton of cement produced, comprising calcination (approximately 56% of the total), coal combustion (approximately 40%), and grid electricity (approximately 3%). This is presented deliberately as a preliminary management estimate, built from the Company's own production data using standard international emission factors.

Kiln fuel efficiency, is 145.81 kg of coal per ton of clinker for FY2026, a modest improvement on the prior year's 147.50 kg, even as the cost per ton of coal rose 20% to 25% on regional supply disruption following the Pakistan-Afghanistan border closure. That combination, efficiency holding steady while unit cost rose sharply, indicates the year's cost pressure was a market phenomenon rather than an operational one, a distinction the Company considers important to state plainly rather than let the two effects blur together.

Air Emissions & Noise

MATERIAL TOPIC: Air Quality, Dust Emissions and Noise

MOST RELEVANT SDGs:



Independent monitors, not our own numbers.

Fecto's plant is equipped with dust collection and emission-control systems, with online NEQS emissions-monitoring equipment reporting monthly to the Pakistan Environmental Protection Agency. Independent ambient air and noise monitoring is separately carried out by ESPAK, a PAK-EPA and Punjab EPD certified laboratory, over 24-hour continuous sampling periods at two locations across the facility.

Ten parameters; eight air quality parameters and two noise parameters (day and night), were tested at each of the two locations, for a total of twenty parameter-readings. Every parameter tested near the Green Area was within NEQS limits, without exception. Near the Packing Plant, the Company's principal source of particulate and noise emissions, three of the ten parameters exceeded limits. This exceedance is treated as a clear, bounded priority rather than a broad compliance concern. A separate six-point occupational noise survey, benchmarked against OSHA limits, found every work area, including the Packing Plant itself, well within the 85 dB(A) threshold, indicating no occupational exposure concern for personnel working in that area.

Our Commitment

Fecto Cement is committed to bringing every parameter at the Packing Plant within NEQS limits, and is treating this as an active priority rather than a standing disclosure. Corrective measures, including a review of dust-suppression and containment systems at the packing line and an assessment of equipment scheduling to address the night-time noise reading, are underway, with a follow-up independent monitoring cycle scheduled to verify improvement. The Company will continue reporting these results transparently, exceedance or not, until every parameter at every monitored location is consistently within the required limits

14.33

mg/Nm³ average
dust emission — continuous
online monitoring
vs. 300 mg/Nm³ limit

This continuous online dust-emission monitoring, reported monthly to PAK-EPA, has run without interruption since at least 2013, an established practice. The August 2024 average of 14.33 mg/Nm³ sits at roughly 5% of the regulatory limit, measured at the stack rather than in ambient air, and is a separate and complementary data set to the ESPAK ambient readings above.

Water Management

MATERIAL TOPIC: Water Management
MOST RELEVANT SDGs:



Continuously monitored, continuously improved.

Process water: for cooling, dust suppression, and general plant use, is drawn from local sources, and the Company recognizes water as a resource requiring responsible stewardship, particularly given the shared use of water sources with the communities surrounding the Sangjani plant.

Independent water-quality testing was conducted during the year against the National Standards for Drinking Water Quality (NSDWQ) 2010, at four sample points across the facility and its community-connected supply. Drinking water from the two sample points within the factory premise were both 100% compliant, with all 31 parameters within prescribed limits. Of the two remaining points, drinking water from the open storage tank had 29 of 31 parameters within limit, while drinking water from the Margalla pump house had 28 of 31 within limit. All chemical parameters; pH, total dissolved solids, hardness, and the full metals panel, were within limit at every sample point. The Company is committed, in the interest of overall environmental good and sound corporate social responsibility, to bring all parameters at all sample points fully within prescribed limits.

Beyond monitoring, the Company's community water investment includes a dedicated pipeline network, an electric pump, and a reservoir connected to the Khanpur Dam canal, providing safe drinking water access to villages neighbouring the plant.

Biodiversity

MATERIAL TOPIC: Biodiversity
MOST RELEVANT SDGs:



Protecting the land, we operate on, and the land around it.

Unlike many cement producers, Fecto no longer operates its own limestone quarry, the Company's limestone is purchased from third-party sources rather than extracted directly, meaning the land-disturbance, habitat, and ecosystem impacts typically associated with active quarrying do not arise from Fecto's own operations. This materially reduces the Company's direct biodiversity footprint relative to fully integrated quarry-to-clinker producers.

The Company's biodiversity-related environmental footprint is accordingly concentrated at the plant site itself and its immediate surroundings, on the edge of the Margalla Hills, dust, noise, and land use associated with manufacturing rather than raw-material extraction, and is managed through the operational controls, dust suppression measures, and active green-belt development described throughout this section, including under Air Emissions and Climate Change & Energy.

The Company undertook a significant green-belt expansion during the year, planting a total of 944 saplings across its plantation initiatives in and around the Margalla hills and within the plant premises, a meaningful, large-scale contribution to afforestation and ecological resilience in a sensitive, environmentally significant area immediately surrounding the plant. This sits alongside the Company's ongoing green-belt tree plantation, sustained year after year.

Beyond its own site boundary, the Company extends this commitment into the wider landscape around Sangjani. Employees participate, both individually and in organized groups, in cleanliness activities at Rawal Lake, including the collection and removal of waste and debris from the lake and its surrounding area. The Company also takes part in environment-related programmes organized by the Pakistan Environmental Protection Agency (PAK-EPA), including public environmental awareness initiatives, engagement that reflects a broader view of biodiversity stewardship as a shared responsibility with the communities and natural spaces around the plant, not a matter confined to the factory fence line.

Taken together, these activities represent genuine, sustained action rather than a symbolic gesture: a plantation drive of this scale is a substantial undertaking by any standard, and its setting, in and around the Margalla Hills, a nationally significant and environmentally sensitive landscape, reflects the Company's specific geographic responsibility.

The Company shall continue these biodiversity initiatives going forward, and will look to further strengthen its goals and objectives in this area over time, building on an already substantial foundation of real, ongoing action.

944

Saplings planted
by Fecto

35%

Green belt area
as a % of total
factory premises
(237.64 acres)

8%

fruit orchard
and ornamental
trees

Circularity & Waste

MATERIAL TOPIC: Circularity & Waste
MOST RELEVANT SDGs:



Making more from less, and wasting less.

Cement manufacturing is material-intensive by nature, drawing on limestone and other mineral inputs and generating waste through production, maintenance, and supporting plant activities. Fecto's approach centres on using materials efficiently, substituting suitable secondary inputs for virgin material where feasible, and managing the waste that is generated responsibly and in line with applicable regulatory requirements.

Materials and Resource Efficiency

Limestone remains the Company's primary raw material input, supported by production controls and quality testing at every stage of the manufacturing process. Where technically feasible, Fecto uses supplementary cementitious materials to partially substitute clinker in its cement products. These are industrial by-products recovered from other production processes, and their use creates a productive application for material that would otherwise require disposal, while reducing the raw material and energy intensity associated with producing an equivalent quantity of clinker. The proportion used in any given product is governed by product specifications, material availability, and the quality standards Fecto's cement must meet.

Raw and Recycled Input Materials Used (metric tons)

Description	FY2026
Slag	834
Fly Ash	3,451

Waste Management

Waste generated at the Sangjani plant, from manufacturing, maintenance, packaging, and administrative activities, is segregated at source and managed according to its characteristics and applicable environmental requirements. The Company follows the established waste hierarchy, prioritising prevention and reduction, followed by reuse, recycling, and recovery, with disposal reserved for waste that cannot be recovered through any of these routes.

Product Innovation

MATERIAL TOPIC: Product Innovation

MOST RELEVANT SDGs:



Innovation measured in strength, not slogan.

Product design and performance shape how cement is manufactured and used across different construction applications. Changes to cement composition can affect raw-material use, clinker requirements, manufacturing performance, product durability, and the associated environmental footprint. Fecto treats product innovation as integral to maintaining quality, meeting evolving customer and market requirements, and improving resource efficiency across its manufacturing process.

Product Development and Improvement

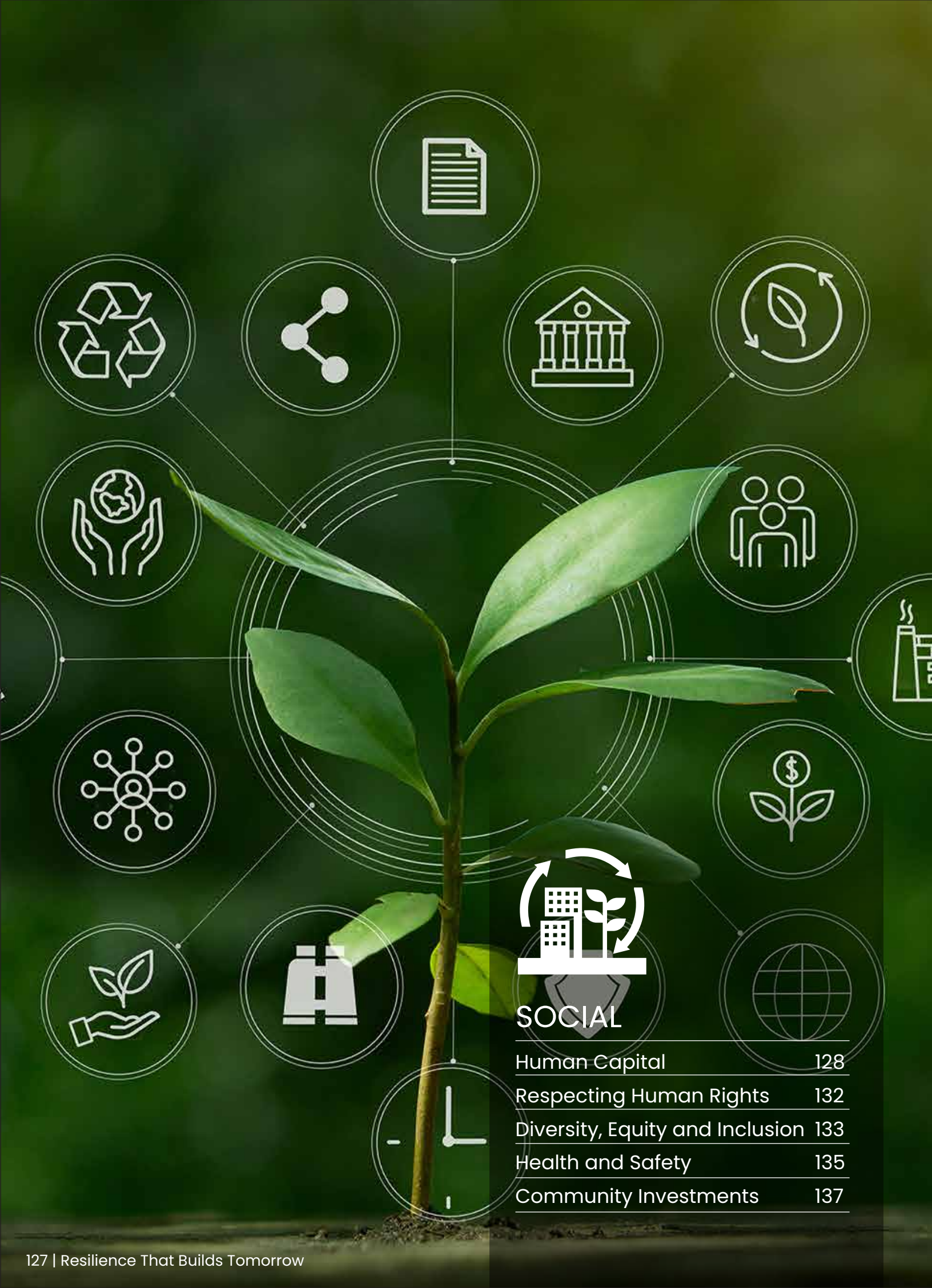
Fecto operates its own in-house laboratory, which continuously monitors and evaluates the quality of its Ordinary Portland Cement (OPC) against applicable national standards, and looks for ways to enhance product quality on an ongoing basis rather than as a periodic exercise. Potential changes to cement formulations are assessed through laboratory testing and production trials before being considered for introduction at commercial scale, with product specifications evaluated against national standards, intended engineering applications, and manufacturing requirements.

Beyond its core OPC line, Fecto's technical team also evaluates opportunities to formulate different types of cement for plausible market penetration strategy going forward. This reflects a deliberate effort to diversify the Company's product offering in response to demand from different segments of the construction sector, without compromising the consistency and durability expected of Fecto's cement.

Where technically suitable, supplementary cementitious materials, including slag and fly ash, are used to partially substitute clinker in applicable formulations, subject to material availability, product specifications, and quality standards. The quantities of these materials consumed during the year are set out under Materials and Waste.

Quality Assurance

Fecto's laboratory and quality-control processes are applied to raw materials, intermediate products, and finished cement, verifying compliance with relevant product specifications and identifying variations that require corrective action. This quality management approach is maintained in line with the Company's ISO 9001 certification, underscoring the consistency of the standards applied across the plant's operations.



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Human Capital

MATERIAL TOPIC: Employment, Training, Education and Non-discrimination
MOST RELEVANT SDGs:



A workforce built to match the pace of a growing plant.

Fecto's ability to operate its manufacturing facilities and support business growth depends on maintaining a workforce with the necessary technical, operational and professional capabilities. The Company's employment practices affect its people through remuneration and benefits, job continuity, access to learning and career-development opportunities, and workplace relationships. Fecto manages these impacts through its Human Resource policies, Code of Conduct, employment procedures, and applicable labour regulations.

The Human Resources function works with functional leaders across the Company to determine workforce requirements, recruit employees, manage performance, and administer employee benefits. Employee perspectives are obtained through regular engagement with staff and functional leadership, and matters raised are considered in the ongoing review of employment practices and workforce priorities. Further information on workplace rights, equal opportunity, and occupational health and safety is provided in the Human Rights, Diversity, Equity and Inclusion, and Occupational Health and Safety sections of this report.

Recruitment, promotion, and remuneration practices are merit-based, with the Human Resource & Remuneration Committee, chaired by an Independent Director since January 2026, overseeing HR policy at Board level. The Committee's Terms of Reference explicitly cover recruitment, development, training, diversity, retention, and disciplinary processes. The Board itself conducts a structured annual self-evaluation covering strategic direction, regulatory compliance, financial oversight, risk management, and stakeholder engagement, a governance discipline that extends the Company's human-capital philosophy to its own leadership, not only its workforce.

Workforce Profile

Employees by Employment Contract

Employment Contract	FY2024	FY2025	FY2026
Permanent	328	337	333
Contract / Non-employee	546	546	601
Total	874	883	934

Employees by Location

Location	FY2024	FY2025	FY2026
Head Office, Karachi	54	52	51
Marketing Office, Rawalpindi	21	21	21
SITE, Islamabad	799	810	862
Total	874	883	934

Talent Acquisition and Retention

Fecto's recruitment practices align with its workforce planning and structured employment procedures. Candidate selection is merit-based, evaluating core qualifications, professional experience, capabilities, and the specific requirements of each role. Suitable internal candidates are also considered for open positions ahead of external hiring, supporting career progression and the retention of institutional knowledge built up within the Company over time. New joiners are taken through a structured induction process covering the Company's policies, Code of Conduct, and role-specific requirements, to support a smooth transition into their function.

During FY2026, Fecto hired 53 employees and recorded 31 employee departures, reflecting a new-hire rate of 5.67% and a turnover rate of 3.32% during the reporting period. Hiring during the year was primarily driven by replacement recruitment, filling vacancies arising from natural attrition rather than headcount expansion.

Hiring by Age Group

	FY2024	FY2025	FY2026
Under 30	16	20	21
30 – 50	31	29	31
Over 50	2	2	1
Total	49	51	53

Hiring by Location

	FY2024	FY2025	FY2026
Head Office, Karachi	6	6	4
Marketing Office, Rawalpindi	1	1	2
SITE, Islamabad	42	44	47
Total	49	51	53

Attrition by Age Group

	FY2024	FY2025	FY2026
Under 30	9	18	5
30 – 50	19	18	16
Over 50	14	18	13
Total	42	54	34

Attrition by Location

	FY2024	FY2025	FY2026
Head Office, Karachi	5	8	5
Marketing Office, Rawalpindi	1	1	2
SITE, Islamabad	36	45	27
Total	42	54	34

Employee Benefits and Well-being

Fecto provides eligible employees with a benefits package designed to support their financial security and wellbeing, administered in accordance with applicable laws, employment terms, and Company policies. This includes:

- Medical coverage, extending to employees' dependents
- Life insurance, also extending to employees' dependents
- Retirement benefits, comprising Provident Fund contributions and encashment of the employee's pending annual leave balance
- Paid leave in accordance with applicable labour law and Company policy, with any unused leave balance paid out upon separation
- Subsidized meals at the factory
- A loan facility, available to employees in accordance with Company policy

Beyond these standard entitlements, Fecto extends discretionary, need-based support to employees facing significant personal expenses, including marriage, education, and medical costs exceeding the limits of standard coverage, reflecting the Company's broader commitment to the wellbeing of its people beyond its formally approved benefit limits.

The Company also organizes sports and recreational events, along with employee picnics, providing employees an opportunity to unwind and build camaraderie outside their regular work routine.

Employee Engagement

Fecto maintains channels through which employees can raise concerns, share feedback, and stay informed of matters affecting their work. Formally, employees may raise concerns through the Company's recently adopted Whistleblowing Policy. For day-to-day feedback and matters not requiring a formal channel, employees engage directly with management, an informal but well-established practice at Fecto, reflecting the accessibility of leadership across the Company's operations.

Learning and Development

Fecto provides learning and development programmes aimed at strengthening the technical, managerial, and professional capabilities required across its manufacturing operations and corporate functions. Training needs are identified through operational priorities, compliance requirements, and performance reviews, with training delivered through a mix of in-house and external programmes as appropriate to the subject matter.

During FY2026, 11 training programmes were delivered, covering relevant areas like technical and operational skills specific to cement manufacturing, health and safety, environmental management, finance and taxation, compliance and regulatory training, leadership and supervisory development, and functional/administrative skills.

Performance appraisals are also used to identify individual development needs and inform training planning for the following year. All permanent employees received a performance appraisal during the year.

Industry-Academia Collaboration:

Fecto Cement's engagement with the talent pipeline extends beyond its own workforce, into the universities, professional bodies, and institutions that supply it. The Company provides Supervised Industrial Training (SIT) placements to university students across various departments at the plant. During FY2026, approximately five interns per month completed a minimum four-week industrial training placement, sustaining a structured internship programme throughout the year.

Fecto Cement is also recognised by the Association of Chartered Certified Accountants (ACCA) as a Platinum Approved Employer, its highest employer-recognition category, reflecting the structured practical experience and professional development the Company provides to its finance and audit trainees. Trainees engaged under this programme are given hands-on exposure across the Company's finance, audit and taxation functions, developed and matured into skilled finance professionals over the course of their training. The Company continues to hire, train, and retain finance trainees on an ongoing basis, sustaining this pipeline as a continuing feature of its talent development approach.

The Company's General Manager (Plant) has been serving as a member of the Industrial Advisory Board (IAB) for the BSc Mechanical Engineering Technology (MET) programme since 2022. The IAB was formulated by the Department of Mechanical Engineering Technology at the National Skills University (NSU), Islamabad, as required by the National Technology Council (NTC). The MET programme aims to produce qualified technologists and skilled manpower through collaboration between government, industry, and other stakeholders, and Fecto's participation on the Board reflects its continued engagement in shaping the technical talent pipeline it draws on.

Together, these engagements; hosting students on-site through SIT, developing finance professionals through its ACCA-recognised trainee programme, and helping shape the curriculum that produces them through the IAB, reflect a sustained, two-way relationship between Fecto and the academic and professional institutions supplying its future workforce.

HR Transformation

During the year, Fecto continued to strengthen its human resource governance and internal controls, reflecting the Company's ongoing commitment to aligning its workforce practices with sound corporate governance standards as it grows. As part of this effort, the Company has recently adopted a Diversity, Equity and Inclusion Policy, an Anti-Harassment Policy, and a Whistleblowing Policy, reinforcing a workplace framework built on fair treatment, protection from harassment, and safe channels for raising concerns.



Respecting Human Rights

MATERIAL TOPIC: Human Rights, Freedom of Association



Fair treatment isn't a policy statement — it's how the Fecto runs every day.

Fecto's employment and contracting practices affect the rights and working conditions of its employees and of workers associated with its operations. Relevant matters include non-discrimination, freedom of association, fair working conditions, and the prevention of child, forced, and compulsory labour. Fecto manages these matters through its Code of Conduct, Human Resource policies, employment procedures, and applicable labour laws, with the Human Resource and Administration Department involved in employment practices, contractual controls, and the review of any concerns raised

Child, Forced and Compulsory Labour

Fecto prohibits child, forced, and compulsory labour within its operations. During the year, no confirmed incidents of child, forced, or compulsory labour were identified in Fecto's direct operations. Contracts with suppliers, contractors, and service providers require compliance with applicable laws. Fecto did not conduct independent social or human rights screening of its supply chain during FY2026. The Company's supplier screening is presently limited to regulatory compliance, supplemented by reliance on publicly available information and news coverage relating to suppliers, rather than a structured human rights assessment. Fecto is firmly committed to strengthening this approach going forward, by developing a more structured process for assessing human rights risks within its supply chain.

Grievance Mechanisms

Employees can raise concerns relating to ethical conduct, workplace behaviour, and labour practices through Fecto's Whistleblowing Policy, which allows concerns to be reported anonymously, provided sufficient supporting detail is given, with matters referred to the responsible function for review according to their nature. Day-to-day matters not requiring a formal channel are raised directly with management, an informal but well-established practice at Fecto.

Inclusion of Differently Abled Persons

As part of its commitment to an inclusive workplace, Fecto supports the employment of differently abled persons across the Company. During FY2026, Fecto employed eight (8) differently abled individuals, out of a total of 934 across the Company, providing them equal access to meaningful employment and the same opportunities for growth and development available to all employees.

Diversity, Equity and Inclusion

MATERIAL TOPIC: Diversity, Equity & Inclusion

MOST RELEVANT SDGs:



Fecto's employment practices directly influence equitable access to career opportunities, professional development, and advancement across the Company. Prioritising diversity, equity, inclusion, and non-discrimination remains a core part of Fecto's approach to workforce management, and is managed through the Company's recently adopted Diversity, Equity and Inclusion Policy, alongside its Human Resource policies, Code of Conduct, and related employment procedures.

The DE&I Policy applies to Fecto employees and sets out expectations relating to equal opportunity, inclusion, and respectful workplace conduct, with responsibility for its implementation resting with the Human Resource and Administration Department. Recruitment, performance, and development decisions are guided by position requirements, qualifications, experience, and capability, not by background or personal characteristics unrelated to the role. Further detail on recruitment and career development is provided in the Human Capital section of this report.

Concerns relating to discrimination, harassment, or unfair treatment are addressed through the mechanisms described in the Respecting Human Rights section, including Fecto's Whistleblowing Policy and its Anti-Harassment Policy. No incidents of discrimination were reported during FY2026.

Board and Governance–Body Diversity

The Board frames diversity broadly, encompassing professional, educational, and regional background alongside gender representation in hiring, and on that broader basis, meaningful progress has been made in the composition of the Board and management team over the past year.

On the specific dimension of gender, one of seven Board seats (14.3%) is held by a woman, Ms. Lubna Yasin Fecto, a Non-Executive Director. Two of seven directors (28.6%) are Independent Directors, both appointed in January 2026, and both now chair Board committees, Audit and Human Resource & Remuneration respectively, resolving the independent-chairmanship gap disclosed in the prior year's Statement of Compliance.

Gender Pay Gap Disclosure

Fecto's operating workforce currently includes no female employees, reflected in a mean and median Gender Pay Gap of 100% under SECP Circular 10 of 2024. This figure follows directly from the absence of a female comparator group in operating roles; it is not evidence of a pay differential between comparable roles. The Company is tracking workforce gender composition as a distinct metric, separate from this statutory disclosure, as it builds out its broader DE&I data.

Policy Governance

The DE&I Policy and the Anti-Harassment Policy, the latter prepared under the Protection Against Harassment of Women at the Workplace Act, 2010, as amended in 2022, which broadened both the "employee" and "complainant" definitions under the Act, were recently approved by the Board, subsequent to Balance sheet date, with governance oversight sitting with the Audit Committee under its Terms of Reference.

Age Diversity

Fecto monitors the age composition of its workforce as part of its broader approach to workforce planning, set out below.

Employees by Age Group

	FY2024	FY2025	FY2026
Under 30	106	123	136
30 – 50	468	462	520
Over 50	300	298	278
Total	874	883	934

Inclusion of Differently Abled Persons

Fecto's commitment to an inclusive workplace, including the employment of differently abled persons, is set out in the Respecting Human Rights section of this report.

Workforce Equity Initiatives

During the year, Fecto invested in its employees' professional growth through a range of seminars and structured learning activities. This included health and safety training sessions to reinforce a safe working environment, skill-specific sessions tailored to employees' respective functions, and attendance at external conferences and forums relevant to employees' fields, allowing staff to stay current with industry developments and bring external best practice back into the Company.

Health and Safety

MOST RELEVANT SDGs:



Fecto's manufacturing, maintenance, and logistics activities expose employees and contractors to occupational health and safety risks, including those associated with mobile equipment, work at height, lifting operations, dust, noise, and other operational hazards typical of a cement manufacturing environment. Fecto maintained a strong safety record through FY2026, sustained through periodic safety audits, hazard identification exercises, risk assessments, and regular training sessions delivered across employees, contractors, and other stakeholders working on-site at the Sangjani plant. Occupational health and safety at the Sangjani plant is managed and monitored under the oversight of a designated Safety Officer, responsible for the day-to-day implementation of the Company's safety practices on-site. Periodic firefighting drills and safety awareness sessions are conducted for employees to reinforce emergency preparedness and safe working practices. The Safety Officer further ensures that appropriate safety equipment is provided to, and correctly used by, employees during the course of their work at the plant.

0

major injuries
recorded, FY2026

During the year, the Company recorded zero fatalities and zero high-consequence injuries. A number of lost-time injuries did occur, as set out in the Safety Performance table below, and this safety performance is tracked as a core operational metric, reviewed alongside the Company's occupational health, safety, and environmental compliance risk, which is formally named in the Enterprise Risk Framework, with plant management designated as the risk owner.

Workplace lighting, monitored independently across six work areas including the Mechanical Workshop, Packing Plant, and Offices, met or substantially exceeded recommended illumination levels under EN 12464-1:2011 at every location tested, a straightforward, favourable data point that supports the broader safety record above.

Hazard Identification and Risk Management

Hazard management at the plant is overseen by a dedicated Safety department, which periodically conducts fire safety drills for employees and ensures compliance with on-site safety measures, including the use of safety helmets, safety shoes, masks, and goggles. For high-risk activities, the Company operates a Permit-to-Work (PTW) system, implemented through a mandatory Isolation/De-isolation Form that must be completed and approved before work commences at the plant.

Contractor Safety Management

Fecto manages contractor safety according to the nature of the work being performed. Contractors are vetted before being engaged, receive site-specific safety induction prior to starting work, and are supervised and monitored against safety requirements throughout the contract period, with the extent of oversight scaled to the risk profile of the activity involved.

Worker Participation and Safety Communication

Employees and contractors at Fecto can raise safety concerns, report hazards, or contribute to safety improvements through a combination of formal and informal channels. Formal channels include periodic safety meetings, management walkdowns, and the option to raise a concern in writing; day-to-day matters are also raised informally through direct communication with supervisors and management, an established and well-understood practice at the plant.

Training and Competence

Fecto delivers occupational health and safety training to employees and contractors, covering general safety requirements and operational risks relevant to a cement manufacturing environment. Training formats vary according to the nature of the work involved, and include site induction, refresher training, toolbox talks, emergency drills, fire safety training, PPE use, and job-specific instruction for higher-risk activities, with the applicable combination determined by each role’s specific exposure and responsibilities.

Occupational Health and Worker Well-being

Fecto maintains on-site medical facilities and first-aid provision, along with emergency-response arrangements, at the Sangjani plant to support the health and safety of employees and contractors working on-site.

Safety Performance

Fecto monitors key occupational health and safety indicators to evaluate the effectiveness of its safety controls and identify opportunities for improvement, summarised below.

Work-Related Injuries

Indicator	FY2024	FY2025	FY2026
Fatalities (work-related)	0	0	0
High-consequence injuries (excl. fatalities)	0	0	0
Lost time injuries	13	5	16

Community Investments

MATERIAL TOPIC: Community Investment

MOST RELEVANT SDGs



Fecto's operations touch the communities surrounding the Sangjani plant in ways that extend well beyond employment and local procurement. Industrial activity, land use, and the use of shared resources also mean that the Company carries a responsibility toward the communities living alongside its operations, and Fecto approaches this as an ongoing commitment rather than an occasional gesture.

Fecto's community investment is guided by its management-approved Corporate Social Responsibility guidelines, informed by the Securities and Exchange Commission of Pakistan's CSR Guidelines, 2013. Initiatives are identified through direct engagement with the communities surrounding the plant, ensuring that support is directed toward genuine, locally identified needs rather than a generic or one-size-fits-all programme.

Supporting Community Infrastructure

As a matter of longstanding practice, Fecto provides cement free of cost for community-driven construction projects in the vicinity of its operations, including the construction and upkeep of schools and mosques. This support reflects the Company's recognition that the institutions communities rely on most, places of worship, places of learning, are also the ones best placed to benefit directly from Fecto's own core product, and represents a tangible, direct form of community investment distinct from cash-based giving.

Education, Health, and Essential Services

Beyond its support for community infrastructure, Fecto contributes to education and healthcare in the vicinity of its operations by donating, renovating, constructing, and developing schools and healthcare facilities, extending access to learning and essential medical services for surrounding communities.

Fecto is committed to continuing and, where possible, deepening this engagement with its surrounding communities, recognising that the Company's long-term resilience is closely tied to the wellbeing and trust of the communities in which it operates.

A detailed account of Fecto's CSR initiatives, including expenditure and beneficiary reach, is provided in the CSR section of this report.



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Our Governance

Fecto's corporate governance framework establishes a clear structure of roles, responsibilities, and decision-making authority, supporting oversight, accountability, and the long-term stewardship of the Company. As a listed entity, Fecto complies with the Companies Act, 2017; the Listed Companies (Code of Corporate Governance) Regulations, 2019; Pakistan Stock Exchange requirements; and other applicable legal and regulatory standards.

The Board of Directors is Fecto's highest governance body, responsible for strategic direction, oversight of management, financial reporting, internal controls, and regulatory compliance. Executive Management is responsible for implementing the Board's decisions and managing the Company's day-to-day operations. The Chairman is a Non-Executive Director and does not hold an executive management position within the Company. The Chief Executive Officer, an Executive Director, is responsible for executing the Company's strategy and managing its operations.

Board Composition

As of 30 June 2026, Fecto's Board comprised seven directors: two Executive Directors (the Chief Executive and the Director Plant), three Non-Executive Directors including the Chairman, and two Independent Directors. The Board includes one woman, Ms. Lubna Yasin Fecto, a Non-Executive Director. Collectively, the Board brings a wide range of professional experience to its oversight role, spanning cement plant operations and engineering, corporate finance and banking, public-sector financial and trade policy, audit and corporate governance, and business leadership, reflecting a deliberate balance between deep institutional knowledge of the Company's operations and independent, externally grounded perspective.

Directors are elected by shareholders at the Annual General Meeting, with the present Board elected at the AGM held in 2024 for a three-year term. During the year, two Independent Directors stepped down and were replaced, with effect from January 14, 2026, by two newly appointed Independent Directors, restoring full independent representation on the Board and its committees. Consistent with the Board's practice, incoming directors are considered with reference to the competencies, professional experience, and independence the Board requires, as well as applicable fit and proper eligibility requirements under the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Board Committees

The two Independent Directors, appointed January 14, 2026, now chair both the Audit Committee and the Human Resource & Remuneration Committee, resolving the independent-chairmanship gap disclosed in the prior year's Statement of Compliance, and reflecting a Board transition completed within the same financial year it was flagged, not deferred to a future cycle.

No separate Nomination Committee, Risk Management Committee, or Sustainability Committee has been constituted. The Board has formally assessed and disclosed this as a considered choice proportionate to the Company's current scale, per the Statement of Compliance; the corresponding Regulation 29 nominating duties and sustainability oversight responsibilities are instead written directly into the Audit Committee's and HR&R Committee's own Terms of Reference.

The Board Audit Committee's Terms of Reference explicitly assign it Sustainability, ESG, and DE&I oversight, in addition to its standard financial reporting, internal control, and risk management responsibilities, including monitoring climate-related risks and opportunities, ensuring DE&I policies are in place, and overseeing compliance with SECP's ESG Disclosure Guidelines.

Remuneration Governance

Fecto's remuneration governance distinguishes between Executive Directors and senior management on one hand, and Non-Executive and Independent Directors on the other. For the Chief Executive and other Executive Directors, remuneration comprises a fixed component, allowances, and benefits, together with a performance-linked variable component, reviewed annually with reference to individual and Company performance. Senior management remuneration follows the same principle: a fixed component and allowances, supplemented by performance-linked incentives, with performance assessed annually by the Chief Executive against defined financial and non-financial metrics. In both cases, the Human Resource & Remuneration Committee reviews and recommends the remuneration framework, with final approval resting with the Board.

Non-Executive and Independent Directors do not receive any salary, benefits, or performance-linked remuneration, in order to preserve their independence. They are entitled only to fees for attending Board and Committee meetings, in accordance with an approved policy, together with reimbursement of reasonable travel and related expenses incurred in connection with Company business. The applicable meeting fees are disclosed in the Directors' Report. Any departure from the approved remuneration policy requires specific Board approval, with reasons recorded. Aggregate remuneration paid to directors and senior management is disclosed in the audited financial statements in accordance with the Companies Act, 2017, and the Company's compliance with the remuneration provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 is confirmed in the Statement of Compliance.

Performance Evaluation

The Board conducts a structured annual self-evaluation and a separate CEO performance evaluation, anchored to KPIs set at the beginning of each year, both formal, recurring governance processes rather than one-off exercises. The evaluation covers the Board as a whole, including its strategic direction, oversight, risk management, and composition; individual directors, including attendance, engagement, and contribution; and the Board's committees, including fulfilment of their respective Terms of Reference. The most recent evaluation resulted in a sharper Board focus on risk management, the Company's sustainability framework, and director independence, together with the formalisation of a number of governance processes into written policies.

Conflicts of Interest

Fecto requires directors and senior management to avoid, disclose, and appropriately manage actual, potential, or perceived conflicts of interest. These requirements are established through the Company's Code of Conduct and applicable corporate governance procedures. Directors are required to disclose relevant interests and abstain from discussions and decisions where a conflict exists.

Communication of Critical Concerns

Fecto maintains defined channels through which significant governance, financial, compliance, or ethical concerns can be escalated to the Board. Concerns are escalated through management and through the Company's external auditors, as well as through the Audit Committee and the Human Resource & Remuneration Committee, which are themselves kept informed by the Internal Audit function and the Administration and Human Resource functions respectively, ensuring that matters identified at an operational level have a clear path to Board-level attention.

Ethics and Compliance

MATERIAL TOPIC: Anti-Corruption and Ethical Conduct

MOST RELEVANT SDGs:



Ethical conduct and disciplined compliance underpin Fecto's relationships with its employees, customers, business partners, and regulators. Misconduct, non-compliance, and corruption present a direct threat to operational stability, financial soundness, and stakeholder trust, and Fecto manages these risks through a framework anchored in its Code of Conduct, its Whistle Blowing Policy, defined internal controls, and the oversight of its Internal Audit function.

Governance and Oversight

The Audit Committee oversees ethical conduct, internal controls, and significant compliance matters on behalf of the Board. Executive Management and the relevant business functions are responsible for implementing applicable policies and controls in their day-to-day operations, while Internal Audit independently reviews selected processes in accordance with an approved, risk-based annual audit plan. Audit findings and the corresponding management actions are communicated through established governance channels and tracked through to resolution.

Anti-Corruption

Fecto strictly prohibits bribery, corruption, fraud, and all other forms of unethical conduct, and expects the same standard from its directors, employees, and business partners. Corruption-related risk is managed as an integral part of the Company's broader risk management framework, with particular attention to the areas of greatest exposure, including procurement, payments, and third-party vendor interactions. During FY2026, no incidents of corruption were reported, and consequently no related legal actions, regulatory sanctions, or contract or employee terminations arose.

Newly appointed directors and employees are briefed on the Company's Code of Conduct and its anti-corruption expectations as part of their induction. Day-to-day accountability for anti-corruption practice sits with department heads and line managers, who are responsible for ensuring these expectations are upheld within their respective functions.

Legal and Regulatory Compliance

Compliance with applicable laws and regulations is managed by the Company Secretary, supported by the Tax Department on tax-related matters and by external legal advisors where a matter involves litigation or a legal case. Significant compliance matters are escalated through established management and Board-level channels.

Government Relations and Fiscal Contribution

Fecto contributes to public finances through income tax, duties, levies, and other statutory payments associated with its operations. The Company approaches taxation as part of responsible financial management, meeting its obligations through accurate reporting, timely payment, and compliance with applicable laws and regulations in Pakistan.

The Finance Department manages Fecto's tax affairs under the leadership of the Chief Financial Officer, supported by established review and approval controls over the preparation of tax filings, the assessment of tax positions, and the monitoring of regulatory developments. Material tax exposures are considered through the Company's financial governance and risk-management processes and, where appropriate, reported to senior management and the Audit Committee. External professional advice is obtained where the nature or complexity of a matter requires specialist input.

Fecto maintains professional engagement with the Federal Board of Revenue and other relevant authorities in connection with tax filings, assessments, audits, and regulatory inquiries. Material tax-related questions from investors and other stakeholders are addressed through the Company's established reporting and communication channels; Fecto does not maintain a separate stakeholder-engagement policy specific to taxation, as tax matters are managed through its broader governance, compliance, and stakeholder-communication processes.

Taxes and other payments made to the Government during the year are set out in the "Contribution to the National Exchequer" section of the Directors' Report, and further information on current and deferred tax, tax contingencies, and related matters is provided in the notes 29.2, 37 & 38 to the audited financial statements.

Supply Chain Management

MATERIAL TOPIC: Supply Chain Management



Fecto's supply chain underpins the continuity, quality, and efficiency of its manufacturing operations. The Company works with both local and international suppliers, contractors, and service providers for fuels, raw materials, packaging, machinery, spare parts, logistics, and specialised operational services. The scale and diversity of these relationships expose Fecto to commercial, operational, regulatory, and reputational risks, which the Company manages through structured procurement oversight rather than an incidental, transaction-by-transaction approach.

Procurement Governance

Vendor registration, qualification, and supplier-performance review are managed by the Head of Procurement, responsible for onboarding new vendors, assessing their compliance standing, and monitoring their performance against Fecto's commercial and operational requirements on an ongoing basis.

New vendors are screened before onboarding, and this screening extends beyond basic regulatory compliance: it includes verifying a prospective supplier's registration status with the applicable tax authorities, and, where a vendor has an existing relationship with Fecto, assessing its past performance track record with the Company. Formal environmental, social, and human-rights screening criteria have not yet been developed; as noted elsewhere in this report, strengthening supplier due diligence along these dimensions is an area Fecto is committed to building out going forward.

Supplier Expectations

Fecto does not currently maintain a standalone, signed Supplier Code of Conduct. This does not leave supplier conduct ungoverned: vendors are bound by the terms of their procurement documentation and contractual arrangements with the Company, and are expected to meet Fecto's requirements on quality, delivery performance, pricing, and health and safety as a condition of doing business. The Company will formalise a dedicated Supplier Code of Conduct as and when the scale and complexity of its supplier base makes this necessary, rather than treating it as an immediate priority ahead of that need.

Risk Governance

Procurement bias and vendor evaluation practices are tracked as a named principal risk in the Company's Board-approved Enterprise Risk Framework, with strengthening vendor-evaluation procedures identified as a specific action item and the Head of Procurement designated as the risk owner. A related risk, excessive purchase prices arising from weak procurement controls, is separately tracked and currently rated Low residual risk, with mature control maturity.

Supplier Base

Fecto tracks the composition of its supplier base and its procurement spend as part of its ongoing supply chain oversight, summarised below.

Supplier Base Overview

	FY2024		FY2025		FY2026	
	Local	International	Local	International	Local	International
New Suppliers Registered	213	11	273	15	265	17
% Procurement Spend	96%	4%	97%	3%	82%	18%
% Active Suppliers	46%	12%	43%	15%	32%	45%

Digitalization and Cybersecurity

MATERIAL TOPIC: Digitalisation and Cybersecurity



Digital technologies support Fecto's operational efficiency, record accuracy, and decision-making, while introducing risks such as system disruption, unauthorised access, and data loss. IT and cybersecurity risk is managed operationally by the Head of IT, with oversight ultimately resting with the Audit Committee as part of the Company's Board-approved Enterprise Risk Framework.

The ERP Platform

FY2025 marked the Company's first financial close on its new ERP platform, a genuine digital-transformation milestone that now underpins the Company's production, inventory, and financial reporting processes at the Sangjani plant. The Company's Enterprise Risk Framework separately tracks ERP and access-control risk, the risk of system failure or unauthorised access, currently rated Effective control response with Mature control maturity, and cybersecurity risk specifically, currently rated Low residual risk with Effective, Mature controls in place.

The Company continues to invest in the ERP platform itself, developing new modules and reporting capability to reduce manual work and strengthen management visibility. During the year, two new modules were developed and seven major reports were built into the system in response to user requirements and management assessment, extending the platform's role in the Company's day-to-day production, inventory, and financial reporting.

Security Controls and Business Continuity

Fecto's IT environment is protected through a combination of firewalls, endpoint protection and antivirus software, and a password and access-control policy governing system access. Data held within individual systems is treated as confidential and is accessible only with the relevant system owner's permission. Daily backups are taken and retained both physically and on cloud storage maintained specifically for this purpose, supporting a disaster-recovery arrangement for the Company's critical systems and data.

Regulatory Digitalisation

During the year, the Company also completed two further digital-transformation milestones mandated by the Federal Board of Revenue: full implementation of the FBR Track and Trace System across production, and migration to Digital Invoicing, under which sales invoices are now generated and transmitted directly to the FBR's e-invoicing portal in real time. Both systems were rolled out successfully during the year and are now part of the Company's routine production and sales-reporting workflow, alongside the ERP platform referred to above.

Together, these three systems, ERP, Track and Trace, and Digital Invoicing, represent a coordinated move toward a more digitally verifiable production and tax-reporting environment, strengthening the reliability of the Company's records and its transparency with regulators, ahead of the broader IFRS S1/S2 readiness work described elsewhere in this section.

Data Privacy and Incidents

Data confidentiality is maintained at the level of individual systems, with access restricted to authorised users and released only with the relevant system owner's permission. No confirmed cybersecurity incidents and no substantiated data-privacy complaints were recorded during FY2026.



Cyber Security

Corporate Social Responsibility

As a responsible corporate citizen, Fecto Cement invests directly in the communities around its Sangjani plant, focusing on education, clean water, community infrastructure, and environmental welfare, in proportion to what a single-site operation can meaningfully sustain. The pages that follow set out what this looks like in practice, initiative by initiative, rather than as a single consolidated claim.



Our Corporate Social Responsibility Initiatives

Fecto Cement believes that a company's long-term success and the wellbeing of the communities around it are mutually reinforcing, not competing priorities. This belief sits behind the Company's Statement for Adoption of Best Practices for CSR, endorsed by the Board, and behind the specific initiatives described on the following pages.

Given the Company's single-site operation at Sangjani, Fecto's CSR approach is deliberately direct rather than dispersed: investment is concentrated in the villages and communities closest to the plant, where the Company can see its impact clearly and respond to needs as they arise, rather than spread thinly across a broad, indirect giving programme.

This concentration is a deliberate choice rather than a limitation. Because Fecto operates from a single site, it is able to build a sustained, multi-year relationship with a defined set of neighbouring communities, rather than a series of one-off contributions across a wide and shifting footprint. Over time, this has allowed individual initiatives, described on the following pages, to build on one another: a school renovated one year, a water connection extended the next, a road committed to the year after, each responding to a need identified through the same ongoing relationship rather than through a fresh assessment each time.

Oversight of the Company's CSR activity sits within its broader governance structure: the Board has endorsed the Company's Statement for Adoption of Best Practices for CSR, and, consistent with the Audit Committee's Terms of Reference described on page [51] of this annual report, sustainability and community-facing matters fall within the Committee's oversight remit alongside its standard financial and risk responsibilities.

Our Approach to Community Engagement

Fecto's community investment is guided by its management-approved Corporate Social Responsibility guidelines, informed by the Securities and Exchange Commission of Pakistan's CSR Guidelines, 2013. Initiatives are identified through direct engagement with the communities surrounding the plant, ensuring that support is directed toward genuine, locally identified needs.

This engagement-led approach is why Fecto's CSR initiatives span education, clean water, infrastructure, and environmental welfare: each initiative described in this section responds to a need the Company identified directly through its proximity to, and ongoing relationship with, the communities around Sangjani.

This is reflected in the shape of the programme itself. Where a community's most pressing need was reliable drinking water, Fecto's response was a pipeline and reservoir; where the constraint was physical access to markets and services beyond the village, the response was a connecting road; where the need was a functioning, safe school building, the response was renovation and construction works. None of these initiatives was selected from a fixed menu of standard CSR categories; each traces back to a specific, locally identified gap the Company was positioned to close.

As the Company's sustainability disclosure matures, described further on the closing page of this section, Fecto intends to formalise this engagement process further, including clearer documentation of how needs are identified, prioritised, and tracked from request through to completion.

Education

MOST RELEVANT SDGs:



As part of its contribution toward Quality Education, Fecto Cement has carried out renovation and improvement work, at two schools in a village neighbouring the Sangjani plant, which includes boundary wall construction, installing and upgrading doors, windows, washrooms along with sewerage lines, improving the overall condition and safety of an existing facilities relied upon by children.

Access to a safe, functioning school is often the difference between a village where children are educated locally and one where families must choose between forgoing schooling and sending children further afield, at a cost many households in the area cannot sustain. By investing in the physical condition of the school closest to its own operations, Fecto is addressing a constraint that affects the same communities it draws its workforce and its neighbours from.

Alongside this, the Company continues to provide employment and training opportunities for residents of neighbouring communities, extending Fecto's education-related commitment beyond the classroom into practical skill and livelihood development. For many residents, employment at the plant represents the first formal-sector, on-the-job training and skill development available to them locally, complementing the Company's investment in the school itself.

The Company also provides Supervised Industrial Training (SIT) placements to university students across various departments at the plant. During FY2026, approximately five interns per month completed a minimum four-week industrial training placement, sustaining a structured internship programme throughout the year.



Clean Water Infrastructure

MOST RELEVANT SDGs:



Fecto Cement has invested in a dedicated pipeline network, an electric pump, and a reservoir connected to the Khanpur Dam canal, providing safe drinking water access to villages neighbouring the Sangjani plant. This infrastructure serves the same water system addressed in the Company's Water Management disclosures elsewhere in this report; the corrective action described there for the flagged sample points is directly relevant to the community supply described here, not a separate concern.

Prior to this investment, several of these communities had limited access to reliable drinking water infrastructure of their own, relying instead on informal or inconsistent sources. By drawing on the Khanpur Dam canal, the same source the plant itself depends on, and extending it through a dedicated pipeline, pump, and reservoir, Fecto has effectively shared the reliability of its own water supply with its immediate neighbours, rather than treating plant-level and community-level water security as separate concerns.

This link is also why the Company treats the two disclosures as connected rather than separate: the corrective work described in the Water Management page of this report, bringing the two flagged sample points within prescribed limits, benefits the same community-facing supply described here, and the Company's stated commitment to closing that gap applies equally to both.



Community Infrastructure

MOST RELEVANT SDGs:



To improve access between a neighbouring village and the G.T. Road, Fecto Cement purchased 74 kanals of land and committed PKR 1,500,000 per kanal toward the construction of a connecting link road, addressing a practical infrastructure gap that had affected the community's access to markets, healthcare, and education facilities beyond the village itself.

A village's connection to the wider road network shapes almost everything else it can access: how quickly a resident can reach a hospital in an emergency, whether farmers and traders can move goods to market cost-effectively, and whether children can reach schools and colleges beyond the village's own boundaries. By committing the land and funding needed to establish this link directly, rather than petitioning for it through other channels, Fecto has taken direct responsibility for closing a gap that would otherwise have continued to constrain the community's access to essential services for the foreseeable future.



In-Kind Community Support

MOST RELEVANT SDGs:



As a matter of longstanding practice, Fecto provides cement free of cost for community-driven construction projects in the vicinity of its operations, including the construction and upkeep of schools and mosques. This reflects the Company's recognition that the institutions communities rely on most, places of worship and places of learning, are also the ones best placed to benefit directly from Fecto's own core product, and represents a tangible, direct form of community investment distinct from cash-based giving.

This support is provided on an ongoing, as-needed basis, in response to specific community-led construction or repair projects, rather than as a single one-time donation. Because the contribution takes the form of the Company's own product rather than cash, it also carries a direct, visible link between Fecto's operations and the physical structures the community uses every day, whether that is a mosque wall, a classroom, or a boundary wall around a school, reinforcing the Company's identity as a manufacturer whose output serves its neighbours directly, not only its commercial customers.



Health and Essential Services

MOST RELEVANT SDGs:



Beyond its support for community infrastructure, Fecto contributes to health and essential services in the vicinity of its operations by donating, renovating, constructing, and developing schools and healthcare facilities, extending access to learning and essential medical services for surrounding communities.

For communities in the vicinity of a single-site industrial operation like Sangjani, access to essential health services is frequently more constrained than access to education, given the additional infrastructure, staffing, and ongoing running costs a functioning health facility requires relative to a school building. Fecto recognises this as an area of continued focus, and intends to build out a more clearly defined health-related commitment as its broader CSR programme matures.

Workplace Health and Safety

This same commitment to wellbeing extends inside the plant gates. Fecto maintained a strong safety record through FY2026, with zero major injuries recorded, supported by periodic safety audits, hazard identification exercises, risk assessments, and regular training delivered across employees, contractors, and other stakeholders at the Sangjani plant. This safety performance extends to the Company's community-facing investments described elsewhere in this section, including its clean water infrastructure, which reflects the same underlying commitment to the wellbeing of the people connected to Fecto's operations, whether inside the plant or in the surrounding villages.

A full account of Fecto's occupational health and safety management, including hazard management, contractor safety, training, worker well-being, and the Company's safety-performance indicators, is provided in the Occupational Health and Safety section of this report.



Environmental Stewardship and Welfare

MOST RELEVANT SDGs:



Fecto Cement made a donation to the Pakistan Environmental Protection Agency (PAK-EPA), supporting environmental awareness programmes, and participated in cleanliness activities at Rawal Lake, both individually and in organised groups, including the collection and removal of waste and debris.

Within the plant premises, the Company continues green-belt tree plantation as part of its environmental welfare programme, contributing to on-site environmental quality and reflecting the same commitment to environmental stewardship described in greater technical detail in the Environment section of this report. Employee participation in cleanliness activities at Rawal Lake, a site of shared recreational and environmental value well beyond the immediate vicinity of the plant, reflects a broader sense of environmental responsibility that Fecto extends past its own operational footprint, rather than confining its environmental commitments strictly to compliance at Sangjani.

Separately, the Company undertook renovation of, and supplied essentials to, a Masjid in the nearby Margalla hills village, reflecting the Company's broader commitment to the social welfare of communities around its operations, not only their economic and educational needs. Taken together, these initiatives, a regulatory-facing donation, an environmental clean-up activity, on-site tree plantation, and support for a place of worship, are individually modest, but consistently sustained rather than undertaken as isolated, one-off gestures.



Looking Ahead

Community investment isn't a one-year commitment.

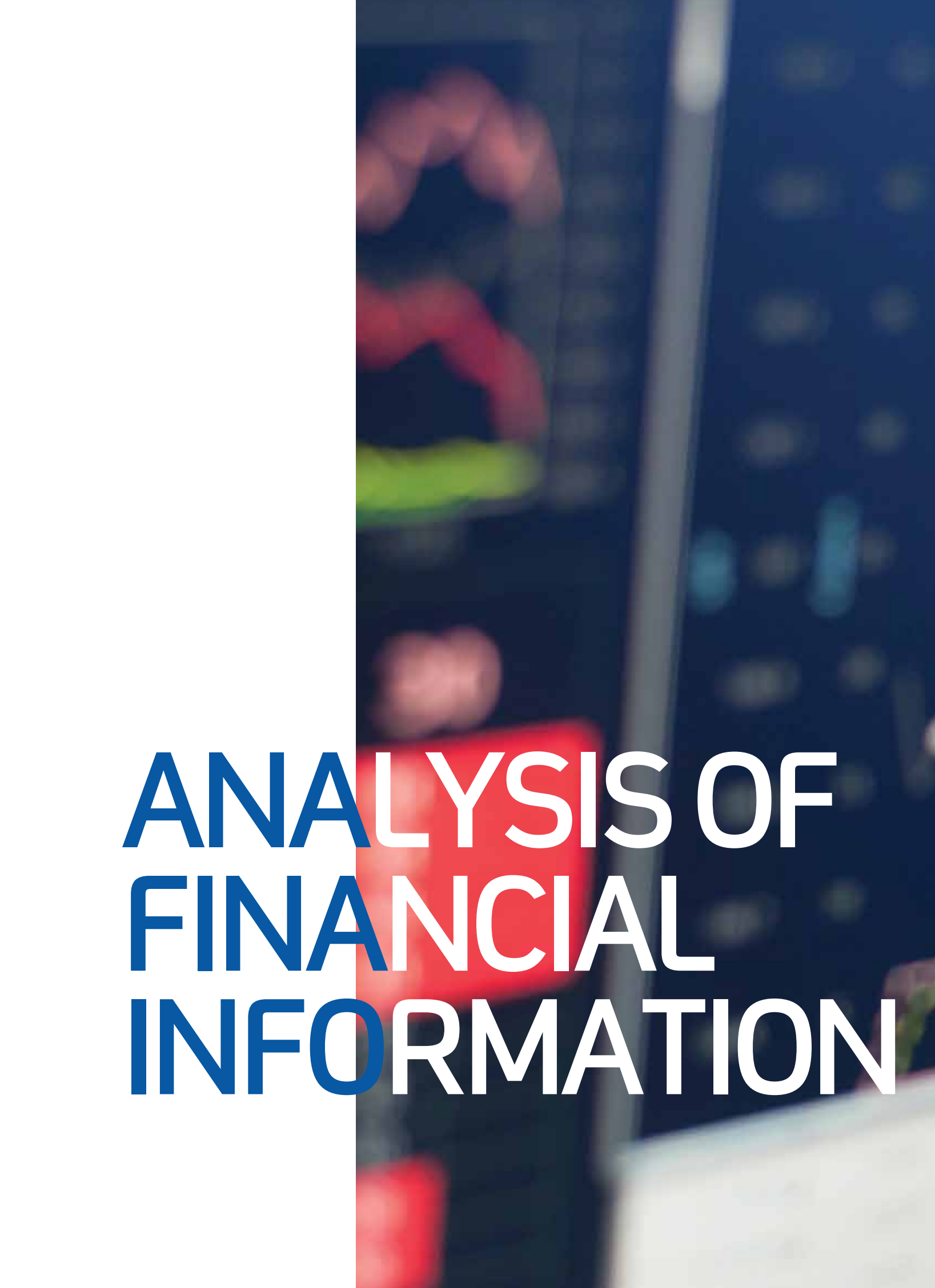
Fecto Cement's community investment reflects a sustained, direct-neighbour relationship with the villages surrounding its Sangjani plant. As the Company's broader sustainability disclosure matures over the coming years, including a formal materiality assessment and more structured CSR expenditure tracking planned for FY2027, this section will be able to present a fuller, quantified account of the Company's community impact over time.

The initiatives described in this section, the school, the water infrastructure, the link road, the in-kind cement support, and the environmental and welfare activities, were undertaken independently of one another over time, in response to needs as they arose, rather than planned from the outset as a single coordinated programme. Bringing them together in this report is itself a step toward the more structured approach the Company intends to build: identifying needs, allocating resources, and tracking outcomes as a connected programme rather than a series of separate decisions.

SDG Index

SDG	Goal	Status	Page(s)
	No Poverty	Integrated	128, 132 and 137
	Zero Hunger	Integrated	132
	Good Health & Well-Being	Integrated	122, 135 and 153
	Quality Education	Integrated	128, 137 and 149
	Gender Equality	Valued Priority	133
	Clean Water & Sanitation	Integrated	123 and 150
	Affordable & Clean Energy	Integrated	121
	Decent Work & Economic Growth	Integrated	135, 142 and 153
	Industry, Innovation & Infrastructure	Integrated	126 and 143
	Reduced Inequalities	Integrated	133
	Sustainable Cities & Communities	Integrated	122, 137, 149, 151 and 152
	Responsible Consumption & Production	Integrated	125 and 128
	Climate Action	Integrated	121
	Life Below Water	Valued Priority	-
	Life on Land	Integrated	124, 151 and 154
	Peace, Justice & Strong Institutions	Integrated	141
	Partnerships for the Goals	Valued Priority	-

This index follows the same 14-of-17 position outlined in the SDG section: fourteen goals are integrated into our current operations, while Gender Equality, Life Below Water, and Partnerships for the Goals remain valued priorities. We recognize their importance and continue to seek meaningful ways to integrate them more fully as our capacity and operational footprint grow.



ANALYSIS OF FINANCIAL INFORMATION



The image is a blurred photograph of a computer monitor. The top portion of the screen displays a line chart with two data series: one in green and one in red. The green line shows a general upward trend with some fluctuations, while the red line shows a more volatile pattern. Below the chart, a table is visible, though its content is illegible due to the blur. The table appears to have multiple columns, with some headers that look like 'LONG' and 'SHORT', suggesting it might be a trading or portfolio management interface. The overall image quality is poor, with significant motion blur and low resolution.

Significant events for the year



Contribution to National Exchequer

7,238 million



Cement Production

850,557



Capacity utilization

85%



Cement Dispatches

851,466



Own Electricity Generated

45%



Revenue

12,495,270



Gain on sale on investment property

273,271



Share of profit from associate

41,042



Net Profit

663,362



Key Operating And Financial Highlights

For Six Years from Year 2021 to Year 2026

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
----- Quantity in Metric Ton -----						
Clinker:						
- Production	818,730	612,026	651,048	632,116	618,559	734,323
- Capacity Utilization	91%	68%	72%	70%	69%	89%
Cement:						
- Production	850,557	713,739	724,209	646,530	712,757	729,167
- Sales	851,466	713,644	725,054	641,956	712,644	731,069
----- Rupees in '000' -----						
Financial Position				As reported in respective year		
Assets Employed						
Property, plant and equipment	3,150,492	3,140,182	2,934,475	2,708,837	3,067,900	2,270,083
Intangibles	12,222	12,691	-	-	-	-
Right of use assets	5,246	25,260	46,248	76,812	108,442	106,020
Investment Property	-	102,260	102,260	102,260	-	-
Long term investments	241,612	199,862	362,834	345,732	330,850	318,009
Long term deposits	17,459	10,901	10,101	10,101	10,273	5,321
Long term loans and advances	3,139	2,965	12,391	8,466	8,776	6,722
Deferred tax asset	-	-	-	157,257	-	29,821
Current Assets	6,085,839	4,472,800	4,404,899	3,904,906	3,424,013	3,297,031
Total Assets	9,516,009	7,966,921	7,873,208	7,314,371	6,950,254	6,033,007
Financed By						
Shareholders' Equity	5,113,166	4,549,417	3,942,816	3,584,647	3,750,774	3,467,062
Long-term liabilities						
Long term financing	447,626	562,558	678,308	860,641	1,017,637	520,529
Lease liabilities	-	139	12,285	48,398	67,173	61,605
Deferred Grant Income	43,526	69,630	102,067	140,528	184,544	69,343
Deferred Liabilities	301,171	253,308	65,734	-	33,874	-
Current Liabilities	3,610,520	2,531,869	3,071,998	2,680,157	1,896,252	1,914,468
Total Equity and Liabilities	9,516,009	7,966,921	7,873,208	7,314,371	6,950,254	6,033,007
Turnover & Profit						
Sales						
Sales - Gross	19,448,636	16,768,272	14,863,390	11,549,441	9,243,510	7,059,214
Less : Excise duty	(3,392,764)	(2,763,268)	(1,425,537)	(1,040,271)	(1,029,161)	(1,014,506)
Sales tax	(3,560,602)	(2,908,080)	(2,529,735)	(1,826,987)	(1,439,782)	(1,083,333)
Sales - Net	12,495,270	11,096,924	10,908,118	8,682,183	6,774,567	4,961,375
Profitability						
Gross Profit / (Loss)	1,304,909	1,833,318	1,429,565	312,420	873,621	287,499
EBITDA	1,150,879	1,398,373	1,234,842	421,572	786,507	150,898
EBIT	987,054	1,260,262	1,107,120	130,274	584,095	12,434
Profit / (Loss) before levies and tax	879,197	1,088,072	830,946	(172,929)	428,860	(63,381)
Provision for levies and taxation	(215,836)	(479,380)	(470,979)	39,684	(142,157)	(3,906)
Profit / (Loss) after tax	663,361	608,692	359,967	(133,245)	286,703	(67,287)
Cash Flow						
Net Cash from / (used in) Operating Activities	(163,855)	905,103	1,050,418	(194,635)	835,314	(259,341)
Net Cash (used in) / from Investing Activities	333,000	(171,647)	(262,473)	42,387	(873,374)	(541,910)
Net Cash from / (used in) Financing Activities	(390,601)	(411,396)	(668,544)	(237,301)	313,595	554,941
Increase / (Decrease) in Cash and Bank Balance	(221,456)	322,060	119,401	(389,549)	275,535	(246,310)
Cash and Bank Balance at beginning of the Year	(82,206)	(404,266)	(523,667)	(134,118)	(409,653)	(163,343)
Cash and Bank Balance at end of the Year	(303,662)	(82,206)	(404,266)	(523,667)	(134,118)	(409,653)

Analysis Of Financial Ratios

For Six Years from Year 2021 to Year 2026

Ratios Description	UoM	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
							As reported in respective year
Profitability Ratios:							
Gross Profit Margin	percent	10.44%	16.52%	13.11%	3.60%	12.90%	5.79%
EBITDA Margin to Sales	percent	9.21%	12.60%	11.32%	4.86%	11.61%	3.04%
EBIT Margin to Sales	percent	7.90%	11.36%	10.15%	1.50%	8.62%	0.25%
Net Profit Margin	percent	5.31%	5.49%	3.30%	-1.53%	4.23%	-1.36%
Return on Equity	percent	12.97%	13.38%	9.13%	-3.72%	7.64%	-1.94%
Return on Capital Employed	percent	19.30%	27.70%	28.08%	3.63%	15.57%	0.36%
Effective Tax Rate	percent	-24.55%	-44.06%	-56.68%	-22.95%	-33.15%	-6.16%
Liquidity Ratios:							
Current ratio	times	1.69	1.77	1.43	1.46	1.81	1.72
Quick / Acid test ratio	times	0.40	0.39	0.30	0.22	0.27	0.33
Cash to Current Liabilities	times	0.07	0.10	0.09	0.07	0.07	0.04
Cash from Operations to Sales	times	(0.01)	0.08	0.10	(0.02)	0.12	(0.05)
Activity / Turnover Ratios:							
Inventory turnover ratio	times	4.25	4.53	4.99	5.41	4.05	3.22
No. of Days in inventory	days	85.88	80.55	73.18	67.49	90.21	113.19
Debtors turnover ratio	times	20.70	21.17	34.88	78.24	113.90	144.52
No. of Days in Receivables	days	17.64	17.24	10.47	4.66	3.20	2.53
Creditors turnover ratio	times	6.21	5.49	6.62	8.31	7.40	10.63
No. of Days in Creditors	days	58.82	66.54	55.16	43.95	49.30	34.32
Operating Cycle	days	44.70	31.26	28.48	28.21	44.12	81.40
Total Assets turnover ratio	times	1.31	1.39	1.39	1.19	0.97	0.82
Fixed Assets turnover ratio	times	3.94	3.49	3.66	3.12	2.13	2.09
Investment Valuation Ratios:							
Earnings / (Loss) per share (EPS / (LPS))	rupees	13.22	12.14	7.18	(2.66)	5.72	(1.34)
Price / Earning ratio	times	8.83	7.66	4.14	(7.49)	3.43	(24.78)
Market value per share as on June 30	rupees	116.76	92.91	29.72	19.90	19.62	33.24
Breakup value per share	rupees	101.94	90.70	78.60	71.46	74.78	69.12
Price to book ratio	percent	114.54%	102.44%	37.81%	27.85%	26.24%	48.08%
Dividend Yield	percent	3.43%	2.15%	0.00%	0.00%	0.00%	0.00%
Dividend Payout ratio	percent	30.25%	16.48%	0.00%	0.00%	0.00%	0.00%
Capital Structure Ratios:							
Financial leverage ratio	times	0.23	0.25	0.44	0.59	0.44	0.45
Net Borrowing / EBITDA	times	0.18	0.20	0.36	0.54	0.40	0.42
Debt to Equity Ratio	times	11 : 89	15 : 85	20 : 80	25 : 75	26 : 74	18 : 82
Av. Operating Working Capital to Sales Ratio	percent	20.48%	19.74%	19.64%	22.81%	27.17%	35.43%
Interest Cover ratio	times	9.15	7.32	4.01	0.43	3.76	0.16

VERTICAL ANALYSIS - SIX YEARS

	FY 2026		FY 2025		FY 2024		FY 2023		FY 2022		FY 2021	
	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%
Balance Sheet												
	As reported in respective year											
Total equity	5,113,166	53.73	4,549,417	57.10	3,942,816	50.08	3,584,647	49.01	3,750,774	53.97	3,467,062	57.47
Total non-current liabilities	792,323	8.33	885,635	11.12	858,394	10.90	1,049,567	14.35	1,303,228	18.75	651,477	10.80
Total current liabilities	3,610,520	37.94	2,531,869	31.78	3,071,998	39.02	2,680,157	36.64	1,896,252	27.28	1,914,468	31.73
Total equity and liabilities	9,516,009	100.00	7,966,921	100.00	7,873,208	100.00	7,314,371	100.00	6,950,254	100.00	6,033,007	100.00
Tangible Fixed assets	3,167,960	33.29	3,178,133	39.89	2,980,723	37.86	2,785,649	38.08	3,176,342	45.70	2,376,103	39.39
Other non-current assets	262,210	2.76	315,988	3.97	487,586	6.19	623,816	8.53	349,899	5.03	359,873	5.97
Total current assets	6,085,839	63.95	4,472,800	56.14	4,404,899	55.95	3,904,906	53.39	3,424,013	49.26	3,297,031	54.65
Total assets	9,516,009	100.00	7,966,921	100.00	7,873,208	100.00	7,314,371	100.00	6,950,254	100.00	6,033,007	100.00
Profit and Loss Account												
	As reported in respective year											
Sales - net	12,495,270	100.00	11,096,924	100.00	10,908,118	100.00	8,682,183	100.00	6,774,567	100.00	4,961,375	100.00
Cost of sales	(11,190,361)	(89.56)	(9,263,606)	(83.48)	(9,478,553)	(86.89)	(8,369,763)	(96.40)	(5,900,946)	(87.10)	(4,673,876)	(94.21)
Gross profit	1,304,909	10.44	1,833,318	16.52	1,429,565	13.11	312,420	3.60	873,621	12.90	287,499	5.79
Administrative expenses	(519,870)	(4.16)	(432,391)	(3.90)	(346,335)	(3.18)	(309,741)	(3.57)	(263,905)	(3.90)	(228,678)	(4.61)
Distribution cost	(146,555)	(1.17)	(139,774)	(1.26)	(107,138)	(0.98)	(92,564)	(1.07)	(81,390)	(1.20)	(88,039)	(1.77)
Other operating expenses	(55,948)	(0.45)	(82,202)	(0.74)	(2,953)	(0.03)	(5,315)	(0.06)	(22,572)	(0.33)	-	-
Other operating income	363,476	2.91	142,272	1.28	115,080	1.05	225,474	2.60	78,341	1.16	41,652	0.84
Profit / (Loss) from operations	946,012	7.57	1,321,223	11.91	1,088,219	9.98	130,274	1.50	584,095	8.62	12,434	0.25
Share of profit / (loss) from associate	41,042	0.33	(60,961)	(0.55)	18,901	0.17	-	-	-	-	-	-
Finance Cost	(107,857)	(0.86)	(172,190)	(1.55)	(276,174)	(2.53)	(303,203)	(3.49)	(155,235)	(2.29)	(75,815)	(1.53)
Profit / (Loss) before levies and taxation	879,197	7.04	1,088,072	9.81	830,946	7.62	(172,929)	(1.99)	428,860	6.33	(63,381)	(1.28)
Levies and taxation	(215,836)	(1.73)	(479,380)	(4.32)	(470,979)	(4.32)	39,684	0.46	(142,157)	(2.10)	(3,906)	(0.08)
Profit / (Loss) after levies and taxation	663,361	5.31	608,692	5.49	359,967	3.30	(133,245)	(1.53)	286,703	4.23	(67,287)	(1.36)

HORIZONTAL ANALYSIS - SIX YEARS

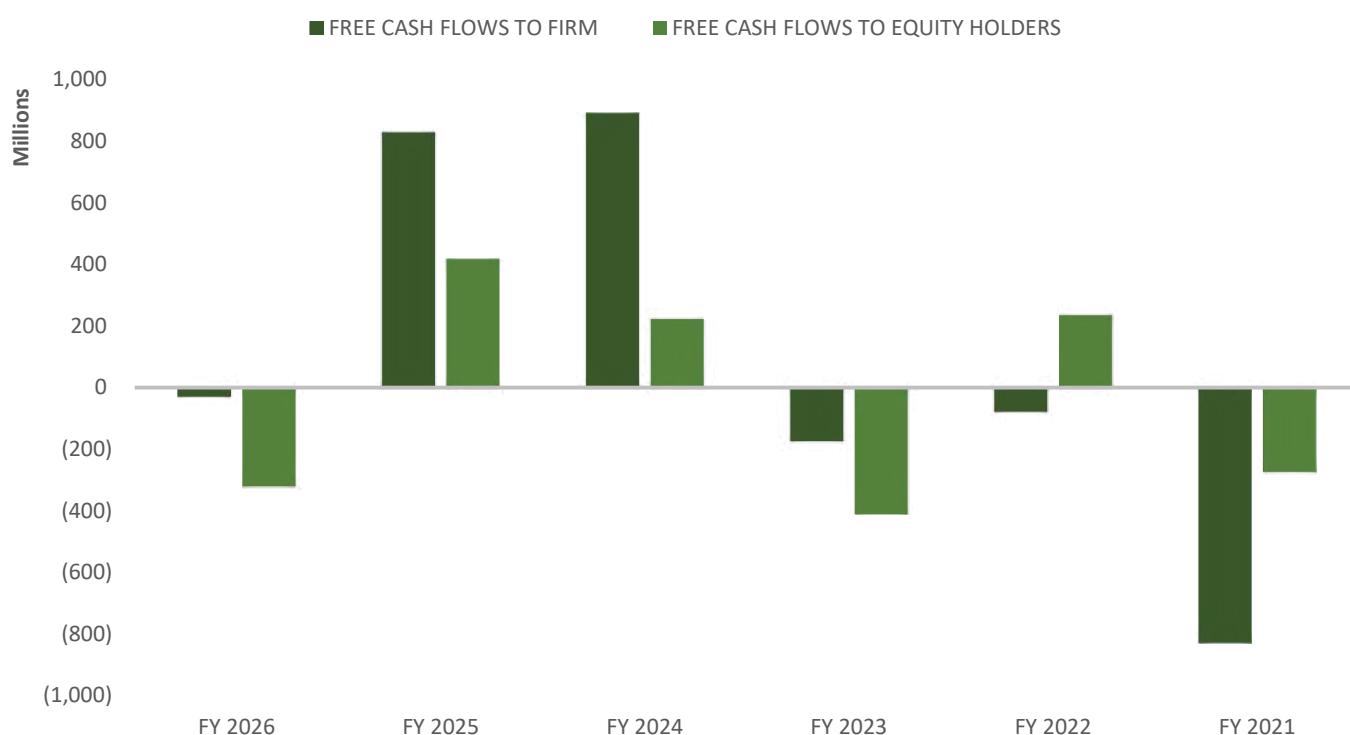
	FY 2026	26 vs 25	FY 2025	25 vs 24	FY 2024	24 vs 23	FY 2023	23 vs 22	FY 2022	22 vs 21	FY 2021	21 vs 20	FY 2020
	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'	%	Rs. '000'
As reported in respective year													
Balance Sheet													
Total equity	5,113,166	12.39	4,549,417	15.38	3,942,816	9.99	3,584,647	(4.43)	3,750,774	8.18	3,467,062	(1.17)	3,508,011
Total non-current liabilities	792,323	(10.54)	885,635	3.17	858,394	(18.21)	1,049,567	(19.46)	1,303,228	100.04	651,477	317.80	155,932
Total current liabilities	3,610,520	42.60	2,531,869	(17.58)	3,071,998	14.62	2,680,157	41.34	1,896,252	(0.95)	1,914,468	63.65	1,169,863
Total equity and liabilities	9,516,009	19.44	7,966,921	1.19	7,873,208	7.64	7,314,371	5.24	6,950,254	15.20	6,033,007	24.81	4,833,806
Total non-current assets	3,430,170	(1.83)	3,494,121	0.74	3,468,309	1.73	3,409,465	(3.31)	3,526,241	28.88	2,735,976	27.52	2,145,444
Total current assets	6,085,839	36.06	4,472,800	1.54	4,404,899	12.80	3,904,906	14.04	3,424,013	3.85	3,297,031	22.64	2,688,362
Total assets	9,516,009	19.44	7,966,921	1.19	7,873,208	7.64	7,314,371	5.24	6,950,254	15.20	6,033,007	24.81	4,833,806
As reported in respective year													
Profit and Loss Account													
Sales - net	12,495,270	12.60	11,096,924	1.73	10,908,118	25.64	8,682,183	28.16	6,774,567	36.55	4,961,375	43.23	3,463,904
Cost of sales	(11,190,361)	(20.80)	(9,263,606)	2.27	(9,478,553)	(13.25)	(8,369,763)	(41.84)	(5,900,946)	(26.25)	(4,673,876)	(11.83)	(4,179,341)
Gross profit	1,304,909	(28.82)	1,833,318	28.24	1,429,565	357.58	312,420	(64.24)	873,621	203.87	287,499	140.19	(715,437)
Administrative expenses	(519,870)	(20.23)	(432,391)	(24.85)	(346,335)	(11.81)	(309,741)	(17.37)	(263,905)	(15.40)	(228,678)	5.47	(241,909)
Distribution cost	(146,555)	(4.85)	(139,774)	(30.46)	(107,138)	(15.74)	(92,564)	(13.73)	(81,390)	7.55	(88,039)	6.50	(94,164)
Other operating expenses	(55,948)	-	(82,202)	-	(2,953)	-	(5,315)	-	(22,572)	-	-	-	-
Other operating income	363,476	155.48	142,272	23.63	115,080	(48.96)	225,474	187.81	78,341	88.08	41,652	(9.13)	45,837
Profit / (Loss) from operations	946,012	(28.4)	1,321,223	21.4	1,088,219	735.3	130,274	(77.7)	584,095	4,597.6	12,434	101.24	(1,005,673)
Share of profit / (loss) from associate	41,042	167.33	(60,961)	422.53	18,901	1.00	-	-	-	-	-	-	-
Finance Cost	(107,857)	37.36	(172,190)	37.65	(276,174)	8.91	(303,203)	(95.32)	(155,235)	(104.75)	(75,815)	(165.34)	(28,573)
Profit / (Loss) before levies and taxation	879,197	19.20	1,088,072	(30.94)	830,946	580.51	(172,929)	140.32	428,860	776.64	(63,381)	93.87	(1,034,246)
Levies and taxation	(215,836)	55.0	(479,380)	(1.8)	(470,979)	1,286.8	39,684	127.9	(142,157)	(3,539.5)	(3,906)	(101.48)	264,175
Profit / (Loss) after levies and taxation	663,361	(8.98)	608,692	(69.10)	359,967	370.15	(133,245)	146.47	286,703	526.09	(67,287)	91.26	(770,071)

Quarterly Performance

Particulars	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
----- Quantity in Metric Ton -----					
Clinker:					
- Production	234,291	187,889	199,661	196,889	818,730
- Capacity Utilization	104%	84%	89%	88%	91%
Cement:					
- Production	245,474	211,163	208,639	185,281	850,557
- Sales	243,108	210,871	209,946	187,541	851,466
----- Rupees in '000' -----					
Sales - net	3,561,314	2,983,258	3,044,814	2,905,884	12,495,270
Cost of sales	(2,899,525)	(2,779,264)	(2,859,811)	(2,651,761)	(11,190,361)
Gross profit	661,789	203,994	185,003	254,123	1,304,909
Administrative expenses	(126,719)	(135,982)	(129,825)	(127,344)	(519,870)
Distribution expenses	(33,838)	(41,469)	(33,314)	(37,934)	(146,555)
Other operating income & expenses	(8,155)	279,569	15,492	20,622	307,528
	(168,712)	102,118	(147,647)	(144,656)	(358,897)
Operating profit	493,077	306,112	37,356	109,467	946,012
Share of (loss) / profit of associate	(1,173)	27,056	7,737	7,422	41,042
Finance cost	(25,833)	(22,680)	(31,753)	(27,591)	(107,857)
Profit before levies and tax	466,071	310,488	13,340	89,298	879,197
Levies and Taxation	(258,291)	71,901	10,085	(39,531)	(215,836)
Profit after levies and tax	207,780	382,389	23,425	49,767	663,361

Free Cash Flows

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
----- Rupees in '000' -----						
	As reported in respective year					
Profit / (Loss) before taxation	879,197	1,088,072	830,946	(172,929)	428,860	(63,381)
Adjustment for non-cash items	(55,509)	355,562	295,188	434,710	315,924	174,572
Working capital changes	(695,984)	(288,325)	112,890	(391,795)	119,485	(343,183)
Net Cash generated from / (used in) -						
operating activities	127,704	1,155,309	1,239,024	(130,014)	864,269	(231,992)
Capital expenditure	(156,750)	(326,423)	(347,516)	(43,269)	(942,139)	(596,298)
Free Cash flows to firm	(29,046)	828,886	891,508	(173,283)	(77,870)	(828,290)
Net borrowing (repaid) / obtained	(212,810)	(243,047)	(417,508)	(11,914)	443,415	610,896
Interest payments	(78,013)	(168,349)	(251,020)	(225,354)	(129,803)	(55,933)
Free Cash flows to equity holders	(319,869)	417,490	222,980	(410,551)	235,742	(273,327)



Analysis on Free Cash Flows

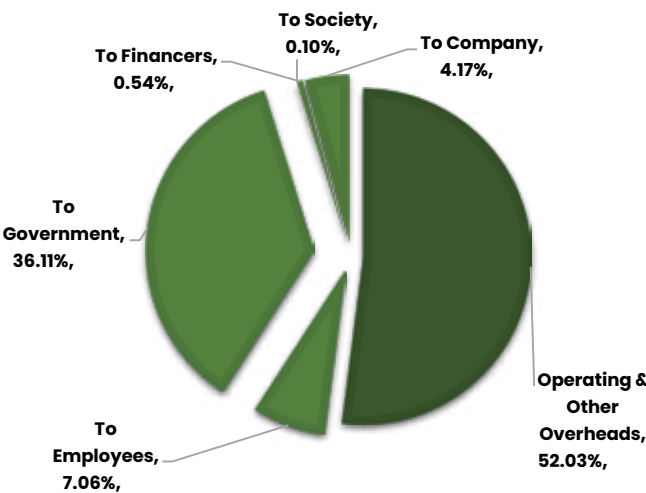
Free cash flows represent the cash a company can generate after required investment to maintain or expand its assets base. It is a measurement of a Company's financial performance and health.

Statement Of Value Addition And How Wealth Distributed

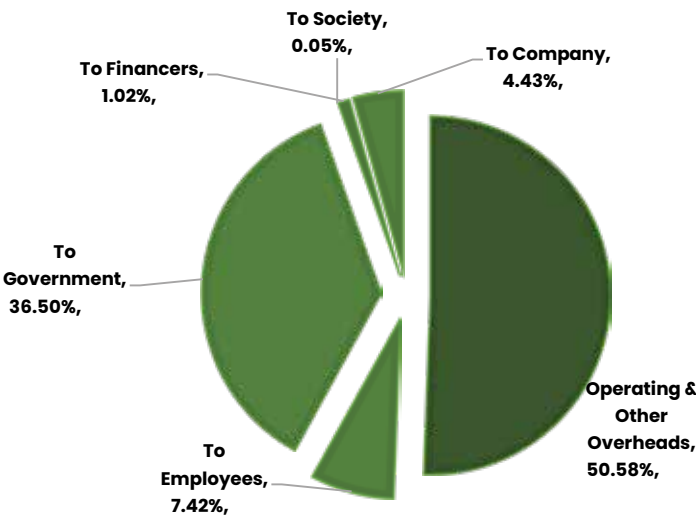
	FY 2026		FY 2025	
	Rs. '000'	%	Rs. '000'	%
Wealth Generated				
Sales (including taxes)	19,448,636	97.96%	16,768,272	99.52%
Other operating income	404,518	2.04%	81,311	0.48%
Total Wealth generated during the year	19,853,154	100%	16,849,583	100%

Distribution of Wealth				
Operating costs and other general expenses	10,328,720	52.03%	8,521,712	50.58%
To Employees as Remuneration	1,400,847	7.06%	1,250,522	7.42%
To Government as Taxes	7,169,202	36.11%	6,150,728	36.50%
To Society as Donations	19,342	0.10%	7,628	0.05%
To Finance Providers as Finance Cost	107,857	0.54%	172,190	1.02%
Retained within the Company	827,186	4.17%	746,803	4.43%
Total Wealth distributed during the year	19,853,154	100%	16,849,583	100%

WEALTH DISTRIBUTION 2026



WEALTH DISTRIBUTION 2025



Definitions and Glossary of terms

Gross Profit Ratio

The relationship of the gross profit made for a specified period and net sales achieved during that period.

Net Profit Ratio

Net profit ratio is the ratio of net profit (after taxes) to net sales.

Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)

The EBITDA ratio indicates how much profit a company makes before paying for Interest, Tax, Depreciation & Amortization.

Current Ratio

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better.

Debt-Equity Ratio

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For comparative purposes, debt-equity ratio is most useful for companies within the same industry.

Earnings per Share (EPS)

The portion of a company's profit allocated to each outstanding share of ordinary shareholders. Earnings per share serve as an indicator of a company's profitability

Profit Margin

Determined by dividing net income by net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better. Trends in margin can be attributed to rising/falling production costs or rising/ falling price of the goods sold.

Return on Capital Employed (ROCE)

The amount of profits earned (before interest and taxes), expressed as a percentage of total equity. This is a widely followed measure of profitability, thus the higher the number the better. ROCE tells you the amount of profit a company is generating per one rupee of capital employed.

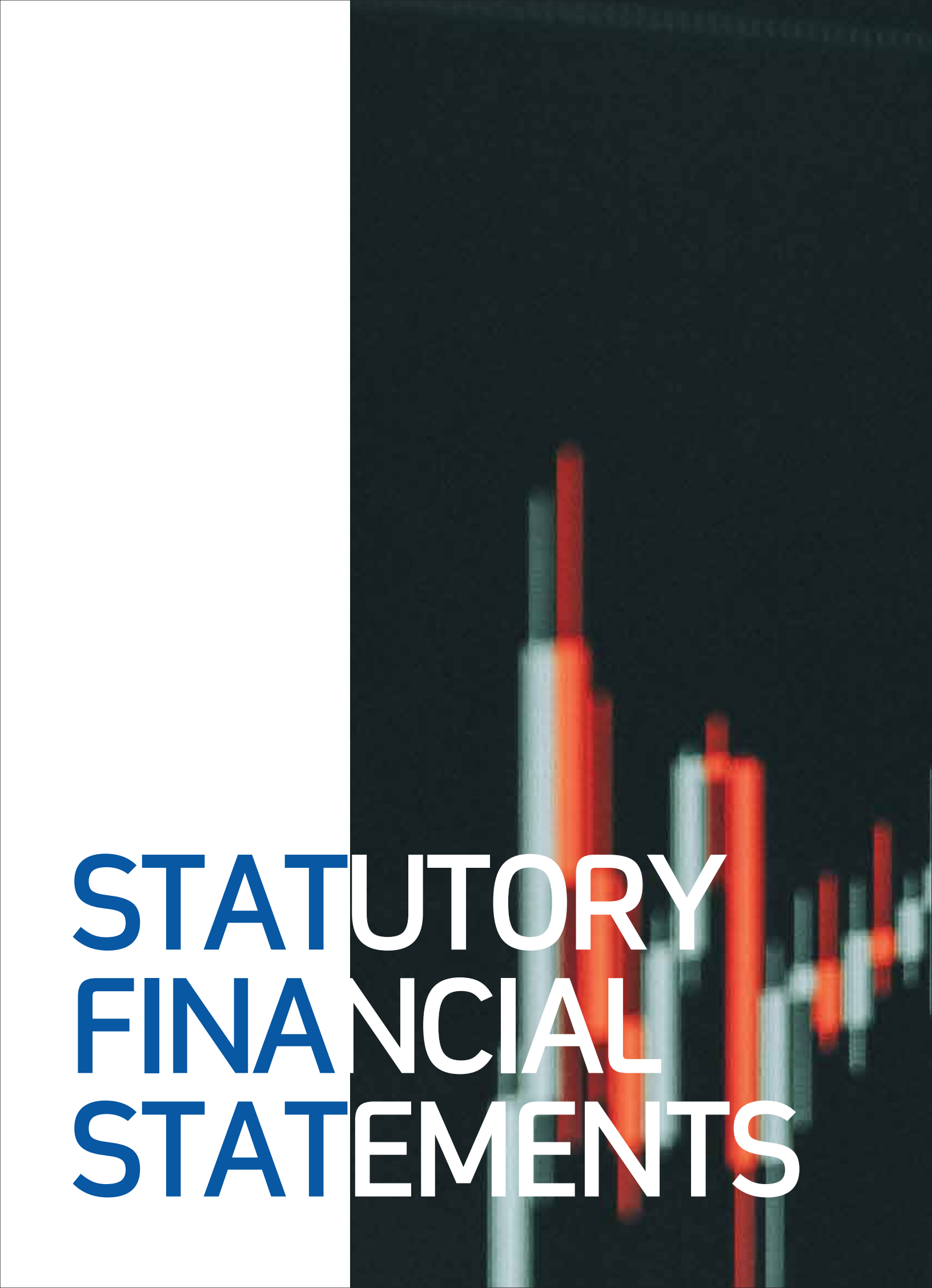
Return on Equity (ROE)

A percentage that indicates how well common stockholders' invested money is being used. The percentage is the result of dividing net earnings by common stockholders' equity. The ROE is used for measuring growth and profitability. You can compare a company's ROE to the ROE of its industry to determine how a company is doing compared to its competition.

stockholders' invested money is being used. The percentage is the result of dividing net earnings by common stockholders' equity. The ROE is used for measuring growth and profitability. You can compare a company's ROE to the ROE of its industry to Cash from Operations to Sales

Cash flow from operations to sale

The cash flow from operations to sales ratio reveals the ability of a business to generate cash flow in proportion to its sales. It is the ratio of operating cash flows to net .sales

The background of the page features a blurred financial candlestick chart. The chart is composed of vertical bars in red and white, set against a dark background. The bars are out of focus, creating a sense of motion and depth. The chart appears to be a standard financial representation, with red bars indicating price increases and white bars indicating price decreases. The overall aesthetic is modern and professional, typical of financial or corporate branding.

STATUTORY FINANCIAL STATEMENTS



Independent Auditor's Report To The Members Of Fecto Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of FECTO CEMENT LIMITED (the Company), which comprise the statement of financial position as at June 30, 2026, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit, its other 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 key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1	Existence and valuation of stock in trade	
	Stock-in-trade has been valued following the accounting policy as stated in note 4.8 to the financial statements. As at the reporting date, the value of stock-in-trade as disclosed in note 13 to the financial statements amounted to Rs. 3,176.745 million which constitutes 33.38% of total assets. The stock-in-trade is measured at lower of cost and net realizable value (NRV). The cost of finished goods is determined at average manufacturing cost, including a proportion of production overheads. There is an element of judgement involved in determining an appropriate costing basis and assessing the amount of provision for slow moving and obsolete stock-in-trade. Given the level of judgement and estimates involved, we have identified valuation of stock-in-trade as a key audit matter.	Our audit procedures in this area included, amongst others, reviewing the management's procedures for evaluating the NRV of stock-in-trade, observing stock counts to ascertain the condition and existence of stock-in-trade, performing testing on sampled items to assess the NRV of the stock-in-trade held and evaluating the adequacy of write down of stock-in-trade to NRV as at year end. • Further, we evaluated the appropriateness of the basis of identification of obsolete stock-in-trade held and the accuracy of provision for slow moving stock-in-trade assessed by the management, on a test basis. • We assessed the basis for the allocation of cost and production overheads. • We further tested the NRV of stock-in-trade by performing a review of sales subsequent to the year-end and comparing with the cost for a sample of products. • We further assessed the adequacy of financial statement disclosures in accordance with the 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

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

Other Matter

The financial statements of the Company for the year ended June 30, 2025 were audited by another firm of chartered accountants who through their audit report dated September 26, 2025 expressed an unmodified opinion thereon respectively.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI
DATED: September 03, 2026
UDIN:AR202610166Gj2XVkmRP



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

ASSETS	Note	2026	2025
----- (Rupees in '000) -----			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,150,491	3,140,182
Intangible asset	6	12,222	12,691
Right-of-use assets	7	5,248	25,260
Investment property	8	-	102,260
Long term investments	9	241,616	199,862
Long term deposits	10	17,459	10,901
Long term loans and advances	11	3,139	2,965
		3,430,175	3,494,121
CURRENT ASSETS			
Stores and spares	12	1,466,765	1,388,382
Stock-in-trade	13	3,176,745	2,089,158
Trade debts - unsecured	14	637,894	569,636
Short term investment - unsecured	15	-	49,930
Short term loan to a related party	16	-	19,990
Loans, advances, deposits, prepayments and Other Receivable	17	384,102	88,763
Tax refunds due from government	18	175,010	14,735
Cash and bank balances	19	245,324	252,206
		6,085,840	4,472,800
TOTAL ASSETS		9,516,015	7,966,921
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
75,000,000 (2025: 75,000,000) ordinary shares of Rs. 10/- each		750,000	750,000
Issued, subscribed and paid up capital			
50,160,000 (2025: 50,160,000) ordinary shares of Rs.10/- each		501,600	501,600
Revenue reserves			
General reserve		550,000	550,000
Accumulated profit		4,062,972	3,499,930
		4,612,972	4,049,930
Capital reserves			
Share of other comprehensive loss of associate		(1,402)	(2,113)
		5,113,170	4,549,417
NON-CURRENT LIABILITIES			
Long term financing from a banking company - secured	21	447,626	562,558
Lease liability	22	-	139
Deferred income - Government grant	23	43,526	69,630
Deferred taxation	24	301,172	253,308
		792,324	885,635
CURRENT LIABILITIES			
Trade and other payables	25	2,821,171	1,862,023
Short term borrowing - secured	26	548,986	384,412
Accrued mark-up	27	6,407	6,917
Unclaimed and unpaid dividend		15,200	14,658
Provision for taxation	18	-	21,384
Current maturity			
Long term financing - secured	28	192,492	194,533
Lease liability	22	161	15,512
Government grant	23	26,104	32,430
		3,610,521	2,531,869
TOTAL EQUITY AND LIABILITIES		9,516,015	7,966,921
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes from 1 to 55 form an integral part of these financial statements.


MOHAMMED YASIN FECTO
 CHIEF EXECUTIVE


Safdar Abbas Morawala
 DIRECTOR


ABDUL WAHAB
 CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		----- (Rupees in '000) -----	
Sales	30	12,495,270	11,096,924
Cost of sales	31	(11,190,361)	(9,263,606)
Gross profit		1,304,909	1,833,318
Administrative expenses	32	(519,870)	(432,390)
Distribution costs	33	(146,554)	(139,774)
		(666,424)	(572,164)
Finance costs	34	(107,857)	(172,190)
Other expenses	35	(55,948)	(82,202)
Operating profit		474,680	1,006,762
Share of profit / (loss) from associate		41,043	(60,961)
Other income	36	363,476	142,271
Profit before levies and taxation		879,199	1,088,072
Levy	37	(25,688)	-
Profit before taxation		853,511	1,088,072
Taxation	38	(190,149)	(479,380)
Profit after taxation		663,362	608,692
Earning per share - basic and diluted	39	13.22	12.14

The annexed notes from 1 to 55 form an integral part of these financial statements.


MOHAMMED YASIN FECTO
 CHIEF EXECUTIVE


Safdar Abbas Morawala
 DIRECTOR


ABDUL WAHAB
 CHIEF FINANCIAL OFFICER

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	----- (Rupees in '000) -----	
Profit after taxation	663,362	608,692
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Share of other comprehensive income / (loss) of associate	711	(2,091)
Total comprehensive income for the year	<u>664,073</u>	<u>606,601</u>

The annexed notes from 1 to 55 form an integral part of these financial statements.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



Safdar Abbas Morawala
DIRECTOR



ABDUL WAHAB
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

	Revenue reserves		Capital reserve		
Issued, subscribed and paid up capital	General reserve	Unappropriated profits	Share of other comprehensive income / loss of associate	Total	
----- Rupees in '000' -----					
Balance as at July 01, 2024 (Restated)	501,600	550,000	2,891,238	(22)	3,942,816
Total comprehensive income for year					
Profit for the year	-	-	608,692	-	608,692
Other comprehensive loss for the year	-	-	-	(2,091)	(2,091)
	-	-	608,692	(2,091)	606,601
Balance as at June 30, 2025	501,600	550,000	3,499,930	(2,113)	4,549,417
Total comprehensive income for year					
Profit for the year	-	-	663,362	-	663,362
Other comprehensive income for the year	-	-	-	711	711
	-	-	663,362	711	664,073
Final cash dividend @ 20% for the year ended June 30, 2025	-	-	(100,320)	-	(100,320)
Balance as at June 30, 2026	501,600	550,000	4,062,972	(1,402)	5,113,170

The annexed notes from 1 to 55 form an integral part of these financial statements.


MOHAMMED YASIN FECTO
CHIEF EXECUTIVE


Safdar Abbas Morawala
DIRECTOR


ABDUL WAHAB
CHIEF FINANCIAL OFFICER

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED JUNE 30, 2026

Note

2026

2025

----- (Rupees in '000) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before levies and taxation

Adjustments for:

Finance costs

Depreciation on property, plant and equipment

Depreciation on right-of-use assets

Amortization of intangible asset

Amortization of deferred government grant

Provision for Workers Welfare Fund

Provision for Workers Profit Participation Fund

Share of (profit) / loss from associate

Stores written off

Interest income

Gain on disposal of property, plant and equipment

Gain on disposal of investment property

Operating profit before working capital changes

Decrease / (increase) in current assets

Stores and spares

Stock-in-trade

Trade debts

Loans, advances, deposit and prepayment

Sales tax refundable

Increase/(decrease) in current liabilities

Trade and other payables

Cash generated from operations

Long term deposits

Long term loan and advances

Income taxes paid

Net cash (used in) / generated from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment

Additions to intangible assets

Repayment of Principal from long term investment

Repayment of Short Term Loan by related party

Interest received

Proceeds from disposal of investment property

Proceeds from disposal of property, plant and equipment

Net cash flows generated from / (used in) investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of lease liability

Dividend paid

Financing obtained against diminishing modaraba

Repayment of long term financing

Finance cost paid

Short term borrowings

Net cashflows (used in) financing activities

Net (decrease) / increase / in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

40

The annexed notes from 1 to 55 form an integral part of these financial statements.


MOHAMMED YASIN FECTO
CHIEF EXECUTIVE


Safdar Abbas Morawala
DIRECTOR


ABDUL WAHAB
CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1. NATURE AND STATUS OF BUSINESS

Fecto Cement Limited ('the Company') was incorporated in Pakistan on February 28, 1981 as a public limited company under the repealed Companies Act, 1913 (repealed with the enactment of the Companies Ordinance, 1984 on October 8, 1984 and subsequently by the Companies Act, 2017 on May 30, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is production and sale of ordinary portland cement.

1.1 Geographical location and address of the business units are as under:

Location / Address	Purpose
Plot # 60-C, Khayaban-e-Shahbaz, Phase-VI, Defense Housing Authority, Karachi-75500.	Registered office
Sangjani Village Sangjani, Islamabad-4400.	Manufacturing facility
House # 339, west ridge 1, Peshawar road, Rawalpindi.	Marketing office

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. The accounting and reporting standard applicable in Pakistan comprise of:

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise specifically stated.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistani rupee ('Rupees' or 'Rs.'), which is the Company's functional and presentation currency.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' – Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' – Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' – Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
	Effective date (annual periods beginning on or after)
Amendments to IFRS 9 'Financial Instruments' – Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
Amendments to IAS 28 'Investments in Associates' – Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 – 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS – 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the reporting periods presented, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

4.1 Property, plant and equipment

Operating fixed assets

Operating fixed assets are stated at cost (including where relevant related borrowing cost) less accumulated depreciation and any accumulated impairment losses, if any, except for free hold land and capital stores which are stated at cost.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred.

Depreciation is charged to the statement of profit or loss using straight-line method whereby the depreciation is written off over its estimated useful lives and residual values at the rates given in note 5.1 to the financial statements. Depreciation on additions is charged from the month in which the asset is available for use, while no depreciation is charged in the month in which the asset is disposed of.

The assets residual values, useful lives are reviewed and adjusted, if appropriate, at each reporting date to reflect current best estimate.

The gain or loss on disposal of property, plant and equipment represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in the statement of profit or loss in the period disposal is made.

Capital work in progress

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to operating fixed assets as and when they are available for use.

Capital spares

Items of spare parts are classified as capital spares when they meet the definition of property, plant and equipment provided in the International Accounting Standard (IAS) 16 Property, Plant and Equipment. Such items are transferred to operating fixed assets when they are commissioned into the corresponding item of plant or machinery (i.e. when they are replaced against worn out, obsolete or damaged parts).

4.2 Intangible assets

Intangible assets comprises of computer software.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets having definite life are amortised using the straight line method from the month in which the asset becomes available for use, whereby the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortisation method is reviewed and adjusted, if appropriate, at each reporting date.

The rate of amortisation on intangible assets is disclosed in note 6 to these financial statements.

4.3 Impairment of non- financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognized in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.4 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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 the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

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. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. 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 (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4.5 Investment property

Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent expenditures including major renewals and improvements are capitalised only when it is probable that respective future economic benefits associated with the expenditure will flow to the Company and the cost of the asset can be measured reliably, while maintenance and normal repairs are charged to the statement of profit or loss, as and when incurred.

Investment property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Disposal of investment property is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the statement of profit or loss in the period in which they arise. Gains or losses on disposal of investment properties, if any, are included in other income in the statement of profit or loss.

4.6 Long term investments

Investment in subsidiary

In these financial statements, investment in subsidiary is carried at its cost less accumulated impairment loss recognized thereon (if any).

Investment in associates

The Company accounts for its investments in associates using the equity method. Under this method, the investment is initially recognized at cost, being the fair value of consideration given and includes acquisition charges associated with such investments. Subsequently, the Company's share in profit / loss of the investee is recognized in the statement of profit or loss. Distributions received from the investee reduce the carrying amount of the investment. Adjustment to the carrying amount are also made for changes in the Company's proportionate interest in the investee arising from changes in the investee's other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Where the Company's share of loss of an associate equals or exceeds its interest in the associates, the Company discontinues to recognize its share of further losses except to the extent that Company has incurred legal or constructive obligation to make payment on behalf of the associates. If the associate subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profit equals the share of losses not recognized.

4.7 Stores and spares

These are valued under the moving average cost method (less impairment loss if any) other than stores and spares in transit which are valued at cost comprising invoice value plus other charges paid thereon less impairment loss if any.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding their future usability.

4.8 Stock-in-trade

Basis of valuation

All items of stock-in-trade are valued at the lower of cost and their net realizable value as of the reporting date.

Determination of cost

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the quantity of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal operating capacity of the production facilities (which is the production expected to be achieved on average over a number of days under normal circumstances, taking into account the loss of capacity resulting from planned maintenance).

The cost of the items consumed or sold and those held in stock at the reporting date is determined as follows:

Item	Method of valuation
Raw materials	First-in-first-out method
Packing material	First-in-first-out method
Work in process	Weighted average cost
Finished goods	Weighted average cost

Determination of net realizable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased.

The Company estimates the net realisable value of inventories based on the most reliable evidence available, at the reporting date, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the reporting period.

Raw materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished product exceeds net realisable value, the materials are written down to net realisable value. In such circumstances, the replacement cost of the materials is used as the measure of their net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed (i.e. the reversal is limited to the amount of the original write-down) so that the new carrying amount is the lower of the cost and the revised net realisable value.

4.9 Trade debts and other receivables

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized when the goods are delivered to dealers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.10 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and short term borrowings.

4.11 Loans and borrowings

These are recognized at fair value net of directly attributable transaction costs, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

4.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

4.13 Trade and other payables

Liabilities are recognized for amounts to be paid in the future for goods or services received whether or not billed to the Company

4.14 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

The Company operates a funded provident scheme for its employees which is classified as a defined contribution plan. Equal monthly contributions are made by the Company and the employees to the plan at the rate equal to 10% of their basic salary plus cost of living allowance.

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (payable to provident fund), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Compensated absences

The Company recognizes provision for compensated absences on an undiscounted basis as the impact of discounting is not material and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid under compensated absences if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The un-availed leaves are payable to employees at the time of retirement/termination of service. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date.

4.15 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.16 Financial instruments

Financial assets

Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

- (a) financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI);
- (c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

4.16.1 Impairment of financial assets

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade receivables, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the cash flows relating to the financial liability have been substantially modified.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

4.17 Revenue

Local sales

Revenue from sale of goods (cement) is recognized when the customer obtains control of the goods, being when the goods are delivered to the dealer, the dealer has full discretion over the selling price of the goods subject to maximum retail price printed on bag and there is no unfulfilled obligation that could affect the dealer's acceptance of the goods. Delivery occurs when the goods have been dispatched from the Company premises, the risk of loss has been transferred to the dealer, and either the dealer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company does not expect to have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Export sales

Revenue from sale of goods to foreign customers is recognized when those customers obtain control of the exported goods

The Company does not expect to have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

4.18 Other income

Interest income

Mark-up on TFC's, loans and bank deposits are recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

4.19 Foreign currency translation

Transactions in foreign currencies are converted into Rupees at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange ruling at the statement of financial position date. All exchange differences arising on transaction are charged to the statement of profit or loss in that period.

4.20 Taxation and levy

i) Taxation

Income tax expense comprises current and deferred tax.

a) Current

The current tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted on the statement of financial position date, and any adjustment or tax payable in respect of prior years.

b) Deferred

Deferred tax is accounted for using the liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realized.

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.

ii) Levy

In accordance with the Income Tax Ordinance, 2001, computation of final and minimum taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

4.21 Transactions with related parties

Transactions with related parties are carried out at terms as agreed by the Board of Directors.

4.22 Dividend distribution

Dividend distribution recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

4.23 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and the reporting amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are evaluated at each reporting date and are based on historical experiences and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from period of revision.

Judgements and estimates made by management that are significant to the financial statements are as follows:

	Note
Property, plant and equipment	4.1
Intangible assets	4.2
Right of use assets and corresponding lease liability	4.4
Stock-in-trade	4.8
Provisions and contingencies	4.15
Taxation	4.20

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

5. PROPERTY, PLANT AND EQUIPMENT

Note 2026 2025
----- (Rupees in '000) -----

Operating fixed assets	5.1	2,681,925	2,698,268
Capital work in progress	5.2	114,268	45,633
Capital spares	5.3	354,298	396,281
		<u>3,150,491</u>	<u>3,140,182</u>

5.1 Operating fixed assets

	Freehold land	Leasehold land	Factory building	Non-factory building	Plant and machinery	Quarry transport equipment	Furniture, fixtures & equipments	Motor vehicles	Total
----- Rupees in '000' -----									
Net carrying value basis									
As at June 30, 2026	65,567	18,084	30,376	95,278	2,375,895	6,280	32,134	74,654	2,698,268
Opening net book value	-	-	-	-	49,553	22,440	7,846	49,259	129,098
Additions during the year:									
Disposals:									
Cost	-	-	-	-	-	-	-	(6,521)	(6,521)
Accumulated depreciation	-	-	-	-	-	-	-	3,426	3,426
Depreciation for the year	-	-	(5,177)	(8,305)	(99,507)	(1,019)	(9,793)	(18,545)	(142,346)
Closing net book value	65,567	18,084	25,199	86,973	2,325,941	27,701	30,187	102,273	2,681,925
Gross carrying value basis									
As at June 30, 2026	65,567	18,084	327,715	243,635	5,197,317	154,300	114,706	210,578	6,331,902
Cost	-	-	(302,516)	(156,662)	(2,871,376)	(126,599)	(84,519)	(108,305)	(3,649,977)
Accumulated depreciation	65,567	18,084	25,199	86,973	2,325,941	27,701	30,187	102,273	2,681,925
Net carrying value basis									
As at June 30, 2025	65,567	18,084	35,553	103,583	2,110,282	6,382	18,590	12,572	2,370,613
Opening net book value	-	-	-	-	324,411	-	-	-	324,411
Additions during the year:									
Transfer from CWIP	-	-	-	-	21,623	-	-	-	21,623
Transfer from capital spares	-	-	-	-	8,082	-	19,699	70,306	98,087
Direct additions	-	-	-	-	354,116	-	19,699	70,306	444,121
Disposals:									
-Cost	-	-	-	-	-	-	-	(7,532)	(7,532)
-Accumulated depreciation	-	-	-	-	-	-	-	6,778	6,778
Depreciation for the year	-	-	(5,177)	(8,305)	(88,503)	(102)	(6,155)	(7,470)	(115,712)
Closing net book value	65,567	18,084	30,376	95,278	2,375,895	6,280	32,134	74,654	2,698,268
Gross carrying value basis									
As at June 30, 2025	65,567	18,084	327,715	243,635	5,147,764	131,860	106,860	167,840	6,175,275
Cost	-	-	(297,339)	(148,357)	(2,771,869)	(125,580)	(74,726)	(93,186)	(3,477,007)
Accumulated depreciation	65,567	18,084	30,376	95,278	2,375,895	6,280	32,134	74,654	2,698,268
Useful life (in years)			21.5 - 23.5	21.5 - 23.5	25-43	8 - 10	3 - 10	5	

5.1.1 The depreciation charge for the year has been allocated as follows:

Note 2026 2025
----- (Rupees in '000) -----

Manufacturing costs	31.1.3	118,189	100,392
Administrative expenses	32	17,900	9,739
Distribution costs	33	6,257	5,581
		<u>142,346</u>	<u>115,712</u>

5.1.2 The details of the freehold land and leasehold land are as follows:

Location	Purpose	Total area
Sangjani Village Sangjiani, Islamabad	Manufacturing	237.64 acres
House # 339, west ridge 1, Peshawar road, Rawalpindi	Marketing	0.33 acres

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

5.1.3 Assets having an aggregate cost of Rs. 296.083 million (2025: Rs.290.863 million) at the end of the year have been fully depreciated and are still in use of the Company.

5.2 Capital work in progress	Note	2026	2025
		----- (Rupees in '000) -----	
Opening balance		45,633	140,903
Additions during the year			
Transfers from capital spares		-	54,819
Direct additions		68,635	174,322
		68,635	229,141
Transfer to operating fixed assets		-	(324,411)
Closing balance		114,268	45,633
5.3 Capital spares			
Capital spares		354,298	383,401
Capital spares in-transit		-	12,880
		354,298	396,281
6. INTANGIBLE ASSET			
Software			
Net carrying value basis			
Balance as at July 01,		12,691	-
Addition during the year		1,000	14,102
Charge for the year		(1,469)	(1,411)
Balance as at June 30,		12,222	12,691
Gross carrying value basis			
Cost		15,102	14,102
Accumulated amortization		(2,880)	(1,411)
		12,222	12,691
Amortization rate		10%	10%
6.1 The amortization charge for the year has been allocated as follows:			
Manufacturing costs	31.1.3	734	705
Administrative expenses	32	441	416
Distribution costs	33	294	290
		1,469	1,411

7. RIGHT-OF-USE ASSETS

7.1 Net carrying value basis

Balance as at July 01, 2025
Depreciation charged during the year
Balance as at June 30, 2026

Rented property in Karachi		Leased vehicles		Total	
2026	2025	2026	2025	2026	2025
----- Rupees in '000' -----					
13,359	27,287	11,901	18,961	25,260	46,248
(13,359)	(13,928)	(6,653)	(7,060)	(20,012)	(20,988)
-	13,359	5,248	11,901	5,248	25,260

7.2 Gross carrying value basis

Cost
Accumulated depreciation
Net book value

Useful life (in years)

Rented property in Karachi		Leased vehicles		Total	
2026	2025	2026	2025	2026	2025
----- Rupees in '000' -----					
69,636	69,636	39,229	39,229	108,865	108,865
(69,636)	(56,277)	(33,981)	(27,328)	(103,617)	(83,605)
-	13,359	5,248	11,901	5,248	25,260
20%		20%			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

7.3 The terms and conditions of the lease contracts entered into for rented properties are as follows:

Particulars	Rented property in Karachi
Lease agreement date	5-Mar-21
Lease commencement date	15-Jul-21
Initial contracted term of lease	11 Months
Availability of extension of option	Yes
Assessed lease term	5 years

7.3.1 The terms and conditions of the lease contracts entered into for vehicles are as follows:

Lease contract no.	Lessor name	Availability of extension option	First installment payable on	Last installment payable on	Total number of installments	Rental payment frequency	Markup rate	Nature of the leased assets	Number of the leased assets
122107500005	Askari Bank Limited	No	30-Aug-21	30-Jul-26	60	Monthly	6 month KIBOR + 2%	Motor Vehicles	1
122107500004	Askari Bank Limited	No	30-Aug-21	30-Jul-26	60	Monthly	6 month KIBOR + 2%	Motor Vehicles	1

	Note	2026	2025
----- (Rupees in '000) -----			
7.4 The depreciation charge for the year has been allocated as follows:			
Manufacturing costs	31.1.3	3,396	3,476
Administrative expenses	32	14,798	15,614
Distribution costs	33	1,818	1,898
		20,012	20,988
8. INVESTMENT PROPERTY			
Balance as at July 01,		102,260	102,260
Disposal during the year		(102,260)	-
Balance as at June 30,		-	102,260

8.1 During the year, the property was sold to M/s Faisal Town (Private) Limited at a consideration of Rs. 375.531 million.

	Note	2026	2025
----- (Rupees in '000) -----			
9. LONG TERM INVESTMENT			
Unquoted equity securities			
Subsidiary			
Fecto Cement Nooriabad (Private) Limited	9.1	1,000	1,000
Associate			
Frontier Paper Products (Private) Limited	9.2	240,616	198,862
		241,616	199,862

9.1 Investment in Fecto Cement Nooriabad (Private) Limited - a subsidiary

2026	2025	2026	2025
(Number of shares)		--- Rupees in '000 ---	
Ordinary shares of Rs. 10/-			
100,000	100,000	1,000	1,000
each			

9.1.1 In February 2020, the Company got its new subsidiary company incorporated in the name and style of M/s. Fecto Cement Nooriabad (Private) Limited (FCNL). The authorized and paid up capital of FCNL is Rs. 2 million and Rs. 1 million, respectively, which is presently wholly owned by the Company. The principal activity of FCNL is to produce and deal in all kinds of cement and its allied products. The registered office of FCNL is located at Plot # 60-C, Khayaban-Shahbaz, Phase-VI, Defense Housing Authority, Karachi-75500. Mr. Mohammed Yasin Fecto, the majority shareholder and director of the Company, also serves on the Board of Directors of FCNL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 9.1.2** By the reporting date, FCNL has not yet commenced its operations which was principally due to delay evidenced in granting of mining lease by the regulatory authorities. However, the management of FCNL has been endeavouring to finalize its ongoing negotiations with the concerned government officials and is hopeful that the said license will be issued in due course of time.
- 9.1.3** In accordance with the provisions of section 228(1) of the Companies Act, 2017, the Company would be required to prepare, consolidated financial statements of the Group (comprising the Company and the aforementioned subsidiary company) for the year ended June 30, 2026. However, keeping in view the fact that FCNL has not yet commenced its business operations and, at the reporting date, it had no material assets or liabilities, the Company, under section 228(7) of the Companies Act, 2017, applied to the Securities and Exchange Commission of Pakistan (SECP) for seeking exemption from the requirement to prepare consolidated financial statements. The said exemption has been granted by the SECP vide its letter SMD/PRDD/Comp/(2)/2021/24 dated July 16, 2026 issued to the Company.
- 9.1.4** As per unaudited financial statements of FCNL for the year ended June 30, 2026, as of the reporting date, FCNL has cash balance held in a bank account, amounting to Rs. 1.374 million (2025: Rs. 1.562 million) (mainly representing the initial capital injection made by the Company in the form of equity) and accrued liabilities amounting to Rs. 0.043 million (2025: Rs. 0.29 million). Further, during the year ended June 30, 2026, FCNL earned mark-up on bank deposit amounting to Rs. 0.140 (2025: 0.198 million) and incurred administrative and taxation expenses of Rs. 0.043 million (2025: Rs. 0.095 million) and Rs. 0.028 million (2025: 0.030 million), respectively.
- 9.1.5** The unaudited financial statements of FCNL for the year ended June 30, 2026, as well as the unaudited financial statements of FCNL for the year ended June 30, 2025, shall be available for inspection at the registered office of the Company and shall be sent to the members on request without any cost.

9.2 Investment in Frontier Paper Products (Private) Limited – a related party

Equity Method

2026 (Numbers of Shares)	2025		2026 ----- Rupees in '000' -----	2025
		Unquoted		
15,000,000	15,000,000	Frontier Papers Products (Private) Limited	240,616	198,862

- 9.2.1** In 2019, the Company made an investment in 15 million unquoted ordinary shares of M/s. Frontier Papers Products (Private) Limited (FPPL), its associated company in terms of section 2(4) of the Companies Act, 2017, at a par value of Rs. 10 each. This investment gives the Company 49.21% voting power in FPPL. The Company's arrangement with the associate entails diversification of business activities, and is part of its strategic investment. FPPL is principally engaged in the manufacture and sale of polypropylene bags used for packing cement. The registered office is situated at Plot # 60-C, Khayaban-Shahbaz, Phase-VI, Defense Housing Authority, Karachi.

Note 2026 2025
----- (Rupees in '000) -----

9.2.2 Movement of investment in associate companies is as follows:

Cost of investment: 15,000,000 shares of Rs.10/- each

Balance as at July 01,
Share of after other comprehensive income / (loss) of associate
Share of profit / (loss) for the year

Balance as at June 30,

150,000	150,000
48,862	111,914
711	(2,091)
41,043	(60,961)
90,616	48,862
240,616	198,862

9.2.3 Summarized financial information of the associate

Based on its audited financial statements for the year ended June 30, 2026, the summarized financial information of M/s. Frontier Paper Products (Private) Limited is as under:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
Current assets	422,988,941	348,483,574
Non-current assets	832,315,109	843,909,327
Current liabilities	444,686,258	438,610,455
Non-current liabilities	147,045,168	175,415,601
Revenue	586,915,000	924,140,000
Profit / (loss) / after tax for the year	83,760,070	(123,871,965)
Other comprehensive income / (loss) for the year	1,445,711	(4,249,726)
Total comprehensive income / (loss) for the year	85,205,781	(128,121,691)

9.2.4 During the year ended June 30, 2026, FPPL did not declare any dividends (2025: None).

10. LONG TERM DEPOSITS

Long term deposits	17,459	10,901
--------------------	--------	--------

10.1 This includes security deposits maintained with certain government authorities and suppliers / vendors of the Company.

11. LONG TERM LOANS AND ADVANCES

	2026	2025
Long term loan – unsecured, considered good		
Other than executives – interest free	2,308	3,507
Executives – interest free	5,116	2,189
	7,424	5,696
Advance to dealers – secured, considered good	–	500
	7,424	6,196
Less: Current maturity shown under current assets	(4,285)	(3,231)
	3,139	2,965

11.1 The loans to executives and other than executives are in accordance with the terms of their employment. The maximum aggregate amount due from executives of the Company (by reference to month-end balances) amounted to Rs. 6.11 million (2025: Rs. 1.01 million).

12. STORES AND SPARES

	2026	2025
Stores – in hand	414,936	619,367
– in transit	32,634	1,442
	447,570	620,809
Spares	1,036,918	785,296
Provision against slow moving and obsolete spares	(17,723)	(17,723)
	1,019,195	767,573
	1,466,765	1,388,382

13. STOCK IN TRADE

Raw material	2,130,251	1,701,674
Packing material	99,356	60,057
	2,229,607	1,761,731
Work-in-process	859,356	231,432
Finished goods	87,782	95,995
	3,176,745	2,089,158

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		----- (Rupees in '000) -----	
14. TRADE DEBTS			
Unsecured –			
Considered good		637,894	569,636
Considered doubtful		1,110	1,110
		639,004	570,746
Provision for expected credit losses		(1,110)	(1,110)
		637,894	569,636
15. SHORT TERM INVESTMENTS			
Unsecured			
Investment in Term Finance Certificates	15.1	-	49,930
15.1	This represents investment in 20,000 unsecured, privately placed Term Finance Certificates (TFCs), @ 6-month KIBOR plus 1.85%, issued by M/s. Silk Bank Limited, in August 8th, 2007. During the year, these TFCs have been matured.		
		2026	2025
		----- (Rupees in '000) -----	
16. SHORT TERM LOAN TO RELATED PARTY			
Balance as at July 01,		19,990	19,990
Loan repaid during the year		(19,990)	-
Balance as at June 30,		-	19,990
16.1	In their Extra Ordinary General Meeting held on December 01, 2018, the shareholders of the Company resolved that an unsecured short term running finance facility (subject to the maximum limit of Rs. 100 million) be provided by the Company to M/s. Frontier Paper Products (Private) Limited (FPPL), its related party.		
16.2	Further, as required by the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, the rate of return on the above financing facility is the higher of the applicable KIBOR rate and the borrowing cost of the Company.		
16.3	Maximum loan outstanding during the year with reference to month-end balances amounted to Rs. 19.99 million (2025: Rs. 19.99 million).		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
17. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND ACCRUED MARKUP			
Advances	17.1	142,524	47,669
Margin against letter of credit		235,847	-
Accrued markup	17.2	555	5,364
Current portion of long term loans			
-unsecured, considered good	11	4,285	3,231
Prepayments		891	32,499
		<u>384,102</u>	<u>88,763</u>
17.1 The breakup of advances is as follows:			
Advance to suppliers of goods		139,658	46,344
Others		2,866	1,325
		<u>142,524</u>	<u>47,669</u>
17.2 Accrued markup as the reporting date is as follows:			
Loan to associated company		555	1,144
Term finance certificates		-	2,842
Bank deposits		-	1,378
		<u>555</u>	<u>5,364</u>
18. TAX REFUNDS DUE FROM GOVERNMENT			
Income tax refundable	18.1	95,467	-
Sales tax refundable		79,543	14,735
		<u>175,010</u>	<u>14,735</u>
18.1 Income tax refundable			
Balance as at July 01,		(21,384)	21,442
Taxes paid during the year		284,827	248,980
Provision for taxation		(167,976)	(291,806)
Balance as at June 30,		<u>95,467</u>	<u>(21,384)</u>
19. CASH AND BANK BALANCES			
Cash in hand		964	851
Cash at bank			
Current accounts		219,321	104,600
Saving accounts	19.1	25,039	146,755
		<u>244,360</u>	<u>251,355</u>
		<u>245,324</u>	<u>252,206</u>
19.1	The return on these balances ranges from 7% to 9.5% (2025: 9% to 14%) per annum.		
20. ISSUED, SUBSCRIBED AND PAID UP CAPITAL			

2026 (Number of Shares)	2025		2026 ----- Rupees in '000' -----	2025
45,600,000	45,600,000	Ordinary shares of Rs.10/- each issued as fully paid in cash	456,000	456,000
4,560,000	4,560,000	Ordinary shares of Rs.10/- each issued as fully paid bonus shares	45,600	45,600
<u>50,160,000</u>	<u>50,160,000</u>		<u>501,600</u>	<u>501,600</u>

20.1 There are no agreements among shareholders in respect of voting rights, board selection, right of first refusal and block voting

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		----- (Rupees in '000) -----	
21. LONG TERM FINANCING FROM A BANKING COMPANY			
Secured			
Financing under SBP schemes			
Financing Scheme for Renewable Energy	21.1	133,802	204,148
Temporary Economic Refinance Facility (TERF)	21.2	269,284	322,781
		403,086	526,929
Other financing arrangements			
Diminishing Musharaka	21.3	44,540	35,629
		447,626	562,558
21.1 Financing Scheme for Renewable Energy – secured			
Balance as at July 01,		298,319	370,083
Interest recognized on unwinding of the liability		23,867	30,634
Loan installments paid during the year		(98,240)	(102,398)
		223,946	298,319
Less: Current maturity shown under current liabilities		(90,144)	(94,171)
Balance as at June 30,		133,802	204,148

21.1.1 During the year ended 30th June 2021, the Company availed a long term financing facility amounting to Rs. 500.212 million from M/s. Askari Bank Limited under the State Bank of Pakistan (SBP's) Financing Scheme for Renewable Energy notified vide IH & SMEFD Circular No. 10 of 2019 dated July 26, 2019. The facility is secured by first pari passu charge, of Rs. 673.33 million, over all fixed assets of the Company, at 25% margin.

The principal terms and conditions of the facility are as follows:

- (a) The applicable markup rate is 5% per annum;
- (b) The tenor of each tranche of the facility is 8 years (including 2-year grace period commencing from the date of the disbursement of the funds); and
- (c) Each tranche of the loan is to be repaid in 24 equal quarterly instalments.

21.1.2 Since the facility carries an interest rate which is well below the market interest rate prevailing as on the date of disbursement of funds, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value as deferred income in the statement of financial position. This deferred income is being recognized as other income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

	2026	2025
	----- (Rupees in '000) -----	
21.2 Temporary Economic Refinance Facility (TERF)		
Balance as at July 01,	415,239	469,022
Interest on unwinding of liability	40,335	46,117
Payment during the year	(96,832)	(99,900)
	358,742	415,239
Less: Current maturity shown under current liabilities	(89,458)	(92,458)
Balance as at June 30,	269,284	322,781

21.2.1 This represents long term financing facility amounting to Rs. 622.786 million from M/s. Askari Bank Limited under the SBP's Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 1 of 2020 dated March 17, 2020. The facility is secured by first pari passu charge amounting to Rs 1,460 million over present and future current and fixed assets of the Company (including land, building, plant and machinery) located at plant Sangjani District, Islamabad @ 25% margin.

The principal terms and conditions of the facility are as follows:

- (a) The applicable markup rate is 4% per annum;
- (b) The tenor of the each tranche of the facility is 10 years (including 2-year grace period commencing from the date of disbursement of the funds); and
- (c) Each tranche of the loan is to be repaid in 32 equal quarterly instalments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

21.2.2 Since the facility carries the markup rate below the prevailing market interest rate, in accordance with a technical opinion issued by the Accounting Standards Board of the Institute of Chartered Accountants of Pakistan (ICAP) in November 2020, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, at initial recognition, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value as deferred government grant in the statement of financial position. This deferred grant is being recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

21.3 Diminishing Musharaka Facility

Balance as at July 01,
Facilities received during the year
Facilities retired during the year
Less: installments paid during the year

Less: Current maturity shown under current liabilities
Balance as at June 30,

	2026	2025
	----- (Rupees in '000) -----	
	43,533	-
	33,261	59,574
	(2,195)	-
	(17,169)	(16,041)
	57,430	43,533
	(12,890)	(7,904)
	44,540	35,629

21.3.1 The Company entered into a diminishing musharka of Rs. 50 million from Askari Bank Limited (2025: Rs.50 million) for purchase of non-commercial vehicles with the non-banking financial institution. The arrangement carries profit at the rate of 3M KIBOR + 2% with monthly rental repayments. The arrangement is for a tenure of five years from the date of disbursement.

The arrangement is secured against title registration in the name Financial institution.

22. LEASE LIABILITY

Balance as at July 01,
Unwinding of discount
Lease rentals paid during the year

Less: Current maturity shown under current liabilities
Balance as at June 30,

	2026	2025
	----- (Rupees in '000) -----	
	15,651	39,620
	1,649	3,705
	(17,139)	(27,674)
	161	15,651
	(161)	(15,512)
	-	139

23. DEFERRED INCOME - GOVERNMENT GRANT

Balance as at July 01,
Less: Amortization for the year

Less: Current maturity shown under current liability
Balance as at June 30,

	102,060	140,538
	(32,430)	(38,478)
	69,630	102,060
	(26,104)	(32,430)
	43,526	69,630

24. DEFERRED TAXATION

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		----- (Rupees in '000) -----	
Deferred tax credits arising due to taxable temporary differences in respect of :			
Accelerated tax depreciation		459,355	565,951
Financing under SBP refinance scheme		21,716	38,934
Right-of-use assets and related lease liability		1,475	3,555
		482,546	608,440
Deferred tax debits arising due to deductible temporary differences in respect of :			
Provision against slow moving and obsolete spares		(5,140)	(6,558)
Provision for expected credit losses		(322)	(411)
Deferred government grant		(20,193)	(37,762)
Minimum tax		(102,901)	(254,041)
Alternate Corporate tax		(52,818)	(56,418)
Unused business tax losses		-	58
		(181,374)	(355,132)
		301,172	253,308
25. TRADE AND OTHER PAYABLES			
Creditors for goods and services:			
Creditors other than associated company		1,975,722	928,695
Associated Company		37,583	29,736
		2,013,305	958,431
Accrued expenses		35,532	43,770
Provision for marking fee	25.1	110,942	97,781
Provision for compensated absences	25.2	79,089	56,082
Worker's Profit Participation Fund payable	25.3	46,757	58,023
Worker's Welfare Fund payable	25.4	23,547	14,356
Advances from customers and dealers - unsecured	25.5	152,704	159,301
Advance against sale of investment property		-	200,000
Advance against assignment of mining rights		20,000	-
Security deposits payable	25.6	11,465	11,290
Excise duty payable		114,565	96,667
Sales tax payable		203,078	156,205
Withholding income tax		-	8,613
Other liabilities		10,187	1,504
		2,821,171	1,862,023
25.1	This represents an amount payable to Pakistan Standards & Quality Control Authority (PSQCA) against marking fee for the period from July 2007 till the reporting date.		
25.2 Provision for compensated absences		2026	2025
		----- (Rupees in '000) -----	
Balance as at July 01,		56,082	25,816
Charge for the year - net of reversals		31,064	35,261
Payments made during the year		(8,057)	(4,995)
Balance as at June 30,		79,089	56,082
25.3 Worker's Profit Participation Fund payable			
Balance as at July 01,		58,023	39,563
Charge for the year - net of reversals		46,757	58,023
Payments made during the year		(58,023)	(39,563)
Balance as at June 30,		46,757	58,023
25.4 Worker's Welfare Fund payable			
Balance as at July 01,		14,356	-
Charge for the year		9,191	14,356
Balance as at June 30,		23,547	14,356

During the year, the performance obligations underlying the opening contract liability of Rs. 159.3 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 25.6** The Company has not utilized any amount from the security deposits collected from cement dealers for its business purposes.

	Note	2026	2025
		----- (Rupees in '000) -----	
26. SHORT TERM BORROWINGS			
Secured			
Running finance	26.1	548,986	334,412
Export Re-Finance	26.2	-	50,000
		<u>548,986</u>	<u>384,412</u>

- 26.1** The Company has a total finance facility of Rs. 910 million (2025: Rs. 810 million) from various banks. These arrangements are secured by way of first pari passu charge over all the Company's movable and immovable properties and hypothecation of Company's stock-in-trade, stores and spares, book debts, machinery. The rate of mark-up ranges from 3-Month KIBOR plus 1% to 3-Month KIBOR plus 2% (2025: 3-Month KIBOR plus 1% to 3-Month KIBOR plus 2%) per annum. The validity of these facilities ranges from July 31, 2026 to March 31, 2027.

- 26.2** The Company has obtained Export Refinance Facility of Rs. 50 million (2025: Rs. 50 million) from a commercial bank. The facility is secured by way of first pari passu charge on current and fixed assets (including land and building, plant and machinery) of the Company inclusive of 25% margin located at Sangjani plant, District Islamabad. The facility carries mark-up at State Bank of Pakistan rate + 1% per annum (2025: SBP rate minus 3.00%). The facility is valid upto July 30, 2026 and will be extended thereafter.

- 26.3** As of reporting date, the Company had unutilized facilities for short term borrowings available from various banks amounting to Rs. 1,241 million including FATR and Cash finance (2025: Rs. 875.587 million including FATR).

	Note	2026	2025
		----- (Rupees in '000) -----	
27. ACCRUED MARK-UP			
Short term borrowing		<u>6,407</u>	<u>6,917</u>
28. CURRENT MATURITY OF LONG TERM FINANCING			
Secured			
Financing under SBP schemes			
Financing Scheme for Renewable Energy	21.1	90,144	94,171
Temporary Economic Refinance Facility (TERF)	21.2	89,458	92,458
		<u>179,602</u>	<u>186,629</u>
Other financing facilities			
Diminishing Musharaka	21.3	12,890	7,904
		<u>192,492</u>	<u>194,533</u>

29. CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 Contingent liabilities existing as at the reporting date

The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009 and imposed a penalty on all cement manufacturers of the country on the alleged ground of formation of cartel for marketing arrangement. The amount of penalty imposed on the Company was Rs. 174.063 million. The Company challenged the constitutionality of the Competition Act, 2010 before the Honorable Lahore High Court (LHC) and the order dated August 27, 2009 passed by the CCP on merits.

The LHC vide its order dated October 26, 2020 dismissed the petitions filed by the Company together with other petitioners and declared the competition law intra vires. The LHC, however, struck down the constitution of Competition Appellate Tribunal (CAT) as being unconstitutional. The Judgment of the Lahore High Court has been challenged by the Company as well as the CCP before the Supreme Court of Pakistan. The Supreme Court has been pleased to grant leave in the petitions and have converted them in Civil Appeals. The Appeals remain pending adjudication before the Supreme Court.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The constitution of CAT has also been challenged by the Company before the High Court of Sindh (SHC), which had earlier, via order dated January 02, 2018, restrained CAT from passing any final order in the Appeals filed against the CCP's order dated August 27, 2009. Subsequently, on February 24, 2025, the Honorable SHC vacated the interim stay order previously granted on petitions filed by various cement manufacturers and the All Pakistan Cement Manufacturers Association in relation to the penalties imposed by the CCP. The Company, along with other cement manufacturers, continues to actively pursue its defense. Based on the legal opinion obtained, management believes that there are reasonable grounds to contest the matter, and accordingly, no provision has been recognized in these financial statements.

29.1.2 Certain matters in the nature of civil suits other than disclosed, are pending at various authorities and courts of law. The management is of the view that the outcome of those is expected to be favourable to the Company. Consequently, the Company will not be liable to pay for any material damages. Accordingly, no provision is made in the financial statements there against.

29.2 Tax contingencies

29.2.1 During the year, the Deputy Commissioner Inland Revenue, Large Taxpayers Office, Karachi, vide its Order dated January 31, 2026, raised a sales tax demand of Rs. 332.232 million, together with penalties aggregating Rs. 348.844 million and default surcharge under the Sales Tax Act, 1990, on account of the alleged inadmissibility of input tax.

The Company has challenged the aforesaid Order-in-Original by filing an appeal before the Honourable Appellate Tribunal Inland Revenue (ATIR), Karachi, which is pending adjudication. Based on the opinion of legal advisor, the Company has a strong case on merits and expect a favorable outcome. Accordingly, no provision is recorded in these financial statements.

29.2.2 For Tax Year 2015, the Additional Commissioner passed an order disallowing inadmissible expenses under the Income Tax Ordinance, 2001, amounting to Rs. 7.7 million, and charging Workers' Welfare Fund (WWF) of Rs. 18.3 million.

Subsequently, the Company filed an appeal before the Commissioner of Inland Revenue Appeal (CIRA). The CIRA upheld the decision of the Additional Commissioner. Thereafter, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), where the case was pending as at the year-end.

As per the opinion of the Company's tax advisor, the Company has strong merits in the case, and it is expected that the matter will be decided in the Company's favour. Accordingly, no provision has been recorded in these financial statements

	Note	2026	2025
----- (Rupees in '000) -----			
29.3 Commitments			
As of the reporting date, the outstanding financial commitments of the company were as follows:			
-in respect of import of stores and spares		394,112	79,549
30. SALES			
Local sales	30.1	12,458,748	10,849,405
Export sales	30.2	36,522	247,519
		12,495,270	11,096,924
30.1 Local sales			
Gross sales		19,810,974	16,724,412
Less: Trade discount		(398,860)	(203,659)
Excise duty		(3,392,764)	(2,763,268)
Sales tax		(3,560,602)	(2,908,080)
		(7,352,226)	(5,875,007)
		12,458,748	10,849,405
30.2 Export sales			
Export sales		36,035	247,519
Export rebate		487	-
		36,522	247,519
30.2.1 The sales were made to Afghanistan only			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		----- (Rupees in '000) -----	
31. COST OF SALES			
Opening stock of finished goods		95,995	94,240
Cost of goods manufactured	31.1	11,182,148	9,265,361
		11,278,143	9,359,601
Closing stock of finished goods	13	(87,782)	(95,995)
		11,190,361	9,263,606
31.1 Cost of goods manufactured			
Raw and packing materials consumed	31.1.1 & 31.1.2	2,012,679	1,342,662
Conversion cost incurred	31.1.3	9,797,393	7,556,992
		11,810,072	8,899,654
Change in work-in-process inventory:			
Opening work-in-process	13	231,432	597,139
Closing work-in-process	13	(859,356)	(231,432)
		(627,924)	365,707
		11,182,148	9,265,361
31.1.1 Raw material consumed			
Opening stock		1,701,674	1,239,330
Purchases		1,734,755	1,244,593
		3,436,429	2,483,923
Closing stock	13	(2,130,251)	(1,701,674)
		1,306,178	782,249
31.1.2 Packing material consumed			
Opening stock		60,057	68,930
Purchases		745,800	551,540
		805,857	620,470
Closing stock		(99,356)	(60,057)
		706,501	560,413
31.1.3 Conversion cost incurred			
Fuel and power	31.1.3.1	7,931,383	5,938,321
Salaries, wages and benefits	31.1.3.2	991,709	874,772
Depreciation on operating fixed assets	5.1	118,189	100,392
Stores and spares consumed		467,218	394,834
Vehicle running expenses		71,691	60,202
Insurance		74,545	67,705
Repairs and maintenance		14,812	23,410
Loading charges		31,599	21,614
Depreciation on right-of-use assets	7.4	3,396	3,476
Amortization	6	734	705
Other manufacturing overheads		92,117	71,561
		9,797,393	7,556,992
31.1.3.1 Fuel and power			
Coal charges		5,845,496	3,929,133
Electricity charges		1,911,708	1,877,290
Diesel charges		122,909	92,252
Lubricant charges		51,270	39,646
		7,931,383	5,938,321

31.1.3.2 This includes Company's contribution to provident fund amounting to Rs. 26.47 million (2025: Rs. 21.66 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
32. ADMINISTRATIVE EXPENSES		----- (Rupees in '000) -----	
Salaries, wages and benefits	32.1	328,424	289,894
Depreciation on right-of-use assets	7.4	14,798	15,614
Vehicles running expenses		25,750	23,254
Utilities		18,983	18,426
Legal and professional charges		30,187	11,284
Initial expenditure on new project		5,513	2,074
Donations	32.2	19,342	7,628
Repairs and maintenance		5,121	5,672
Depreciation on operating fixed assets	5.1.1	17,900	9,739
Amortization	6	441	416
Traveling and conveyance		4,925	7,281
Communications		4,298	4,791
Printing and stationery		3,905	3,331
Rent, rates and taxes		1,787	1,089
Entertainment		2,868	3,797
Fees and subscription		5,787	5,021
Auditors' remuneration	32.3	2,500	2,420
Insurance		493	312
Miscellaneous		26,848	20,347
		519,870	432,390

32.1 This includes Company's contribution to provident fund amounting to Rs. 7.9 million (2025: Rs. 7.727 million).

32.2 None of the directors or their spouses have any interest in the donee institutions. There is no single party to whom the donation exceeds the higher of 10% of the Company's total amount of donation expense for the year or Rs. 1 million.

	Note	2026	2025
32.3 Auditors' remuneration		----- (Rupees in '000) -----	
Audit fee		1,700	1,650
Half yearly review		550	550
Code of Corporate Governance		250	220
		2,500	2,420

33. DISTRIBUTION COST			
Salaries, wages and benefits	33.1	80,714	85,856
Marking fee		13,161	11,538
Depreciation on operating fixed assets	5.1.1	6,257	5,581
Vehicles running expenses		6,755	5,702
Depreciation on right-of-use assets	7.4	1,818	1,898
Amortization	6	294	290
Printing and stationary		3,421	2,702
Fuel and power		3,676	3,969
Communications		1,662	1,684
Entertainment		4,141	3,551
Rent, rates and taxes		3,435	2,495
Repairs and maintenance		1,137	1,154
Spares and general items consumed		1,992	1,026
Traveling and conveyance		1,002	1,008
Transportation expense		15,773	10,652
Insurance		283	260
Advertisement		797	-
Fees and subscription		6	307
Miscellaneous		230	101
		146,554	139,774

33.1 This includes Company's contribution to provident fund amounting to Rs. 2.86 million (2025: Rs.3.116 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		----- (Rupees in '000) -----	
34. FINANCE COST			
Markup on short term borrowings:			
Running finance		19,425	37,196
Cash Finance		7,915	24,256
Export Refinance Scheme		2,535	7,139
		29,875	68,591
Markup on long term borrowing			
SBP Refinance Scheme for TERF II	21.2	40,335	46,117
SBP Refinance Scheme for Renewable Energy	21.1	23,867	30,634
Markup on Term Finance II		-	10,130
Diminishing Musharaka		8,028	5,435
		72,230	92,316
Markup on leases	22	1,649	3,705
Bank commission and charges		4,103	7,578
		107,857	172,190
35. OTHER EXPENSE			
Provision for worker's welfare fund		9,191	14,356
Provision for workers' profit participation fund		46,757	58,023
Unadjustable input tax written-off		-	5,558
Stock written off		-	4,265
		55,948	82,202
36. OTHER INCOME			
Scrap sales		9,041	1,244
Amortization of deferred government grant		32,430	38,478
Markup income	36.1	34,970	48,519
Insurance claim		521	6,751
Gain on sale of operating fixed assets		1,426	5,347
Gain on sale of investment property		273,271	-
Liabilities no longer payable		-	41,907
Miscellaneous		11,817	25
		363,476	142,271
36.1 Markup income			
Term finance certificates		-	15,562
Loan to associated company		2,467	3,388
Bank deposits		32,503	29,569
		34,970	48,519
37. LEVY			
Minimum and final taxes		25,688	-
37.1	This represents minimum tax and final tax under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.		
		2026	2025
		----- (Rupees in '000) -----	
38. TAXATION			
Current		179,591	291,142
Prior		(37,303)	664
		142,288	291,806
Deferred		47,861	187,574
		190,149	479,380

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	----- (Rupees in '000) -----	
38.1 Relationship between income tax expense and accounting profit:		
Accounting profit before tax	879,199	1,160,451
Tax at the applicable rate of 29%	254,968	336,531
Tax effect of:		
- permanent difference	(6,293)	5,820
- super tax under section 4C	38,840	95,806
- excess of minimum tax over corporate tax	(22,090)	2,587
- excess of alternate corporate tax over corporate tax	(3,599)	56,609
- prior year charge	(37,302)	664
Others	(34,375)	(18,637)
	190,149	479,380

38.2 The income tax assessments of the Company have been finalized up to, and including, the tax year 2025. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Company for the purpose of re-assessment.

39. PROFIT PER SHARE

	2026	2025
	----- (Rupees in '000) -----	
39.1 Basic earnings per share		
Earning after taxation	663,362	608,692
	----- Numbers in '000' -----	
Weighted average number of ordinary shares	50,160	50,160
	----- Rupees -----	
Earnings per share - basic	13.22	12.14

39.2 Diluted earnings

There is no dilutive effect on the basic earning per share of the Company, since there were no potential ordinary shares in issue as at June 30, 2026 and June 30, 2025.

	2026	2025
	----- (Rupees in '000) -----	
40. CASH AND CASH EQUIVALENTS		
Cash and bank balances	245,324	252,206
Short term borrowings - running finance	(548,986)	(334,412)
	(303,662)	(82,206)

41. SEGMENT INFORMATION

These financial statements have been prepared on the basis of single reportable segment i.e. sale and manufacturing of cement. The entity-wide disclosures required by IFRS 8 'Operating Segments' are given below:

- Revenue from sale of cement represents 100% (2025 : 100%) of the total revenue of the Company.
- 99% (2025: 98%) gross sales of the Company were made to customers based in Pakistan.
- As at June 30, 2026 and June 30, 2025 all non-current assets of the Company were located in Pakistan.
- Revenue earned from two major customers having sales excluding sales tax and federal excise duty of more than 10% of total sales amounted to Rs. 4,127.012 million (2025: Rs. 2,818.98 million). The major customer resides in Pakistan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

42. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

42.1 The aggregate amounts charged in these financial statements in respect of remuneration, including benefits, to the Chief Executive Officer, Directors and executives of the Company are given below:

	2026				2025			
	Chief Executive	Director Executive	Non-executive	Executives	Chief Executive	Director Executive	Non-executive	Executives
----- Rupees in '000' -----								
Managerial remuneration	92,776	30,443	-	384,970	74,121	26,276	-	300,227
Retirement benefits	-	1,993	-	20,549	-	1,812	-	15,332
Reimbursable perquisites	8,236	3,044	-	35,514	6,676	1,630	-	16,348
Meeting fee	-	-	225	-	-	-	225	-
	101,012	35,480	225	441,033	80,797	29,718	225	331,907
Number of persons	1	1	5	92	1	1	5	70

42.2 The Chief Executive and certain Executives are provided with the use of Company cars and the operating expenses are borne by the Company to the extent of their entitlement.

43. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of Frontier Papers Products (Private) Limited, Fecto Cement Nooriabad (Private) Limited, key management personnel of the Company, directors and their close family members and staff provident fund. Transactions entered into, and balances held with, the related parties during the year other than those disclosed elsewhere in these financial statements are as follows:

Name of the related party	Basis of relationship with the party	Particulars	2026	2025
----- Rupees "000" -----				
Frontier Paper Products (Private) Limited	Associated Company	Purchases made during the year	641,554	650,817
		Payments made during the year	633,734	696,525
		Payable against purchases	37,583	29,736
		Interest charged on loan	2,467	3,388
		Interest outstanding at year end	555	1,144
		Loan outstanding at the end of the year	-	19,990
Staff retirement benefit plan - Provident fund	Other related party	Contribution for the year	37,278	32,505
		Balance payable at year end	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

44. FINANCIAL INSTRUMENTS

44.1 Financial risk analysis

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

44.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

Maximum exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

	2026		2025	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
----- (Rupees in '000) -----				
At amortised cost				
-Long term deposits	17,459	17,459	10,901	10,901
-Long term loans and other receivable	7,424	7,424	6,196	6,196
-Trade debts (a)	637,894	637,894	569,636	569,636
-Investment in TFC	-	-	49,930	49,930
-Short term loan to a related party	-	-	19,990	19,990
-Loans, deposit and other receivable	555	555	5,364	5,364
-Bank balances (b)	244,360	244,360	251,355	251,355
	<u>907,692</u>	<u>907,692</u>	<u>913,372</u>	<u>913,372</u>

Credit risk exposure on trade debts

To reduce the exposure to credit risk the Company has developed a policy of obtaining advance payments from its customers. Except for customers relating to the Government and certain small and medium sized enterprises, the management strictly adheres to this policy. For any balances receivable from such small and medium sized enterprises, the management continuously monitors the credit exposure towards them and makes provisions against those balances considered doubtful of recovery.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

As of the reporting date, the ageing analysis of trade debts was as follows:

	2026		2025	
	Gross Carrying amount	Provision for expected credit losses	Gross Carrying amount	Provision for expected credit losses
	----- Rupees in '000' -----			
1-90 days	605,401	-	565,977	-
More than 90 days	32,493	1,110	4,769	1,110
	<u>637,894</u>	<u>1,110</u>	<u>570,746</u>	<u>1,110</u>

Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

	2026	2025
	----- (Rupees in '000) -----	
Short term rating		
AAA	78,532	207,795
AA+	-	7,765
AA	78	78
AA-	28,337	-
A-	6	-
A1+	129,881	6
A1	7,094	-
A-1	-	7,093
A+	432	28,618
	<u>244,360</u>	<u>251,355</u>

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, 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. As of the reporting date, the Company was exposed to the following concentrations of credit risk:

	June 30, 2026			Jun 30, 2025		
	Total exposure	Concentration	% of total exposure	Total exposure	Concentration	% of total exposure
	----- Rupees in '000' -----					
Trade debts	637,894	356,761	56%	569,636	506,800	89%
Investment in TFC	-	-	0%	49,930	49,930	100%
Accrued markup	555	-	0%	5,364	2,842	53%
Short term loan to a related party	-	-	0%	19,990	19,990	100%
Bank balances	<u>244,360</u>	<u>227,038</u>	<u>93%</u>	<u>251,355</u>	<u>195,101</u>	<u>78%</u>
		<u>583,799</u>			<u>774,663</u>	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

44.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	2026					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Long term financing	640,118	799,192	104,819	102,931	560,163	31,279
Lease liability	161	161	161	-	-	-
Short term borrowings- secured	548,986	548,986	548,986	-	-	-
Accrued markup	6,407	6,407	6,407	-	-	-
Trade and other payables	2,070,489	2,070,489	2,070,489	-	-	-
	3,266,161	3,425,235	2,730,862	102,931	560,163	31,279

	2025					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Long term financing	757,091	925,405	102,814	96,602	695,073	30,916
Lease liability	15,651	17,422	13,071	4,190	161	-
Short term borrowings- secured	384,412	384,412	384,412	-	-	-
Accrued markup	6,917	6,917	6,917	-	-	-
Trade and other payables	1,014,995	1,014,995	1,014,995	-	-	-
	2,179,066	2,349,151	1,522,209	100,792	695,234	30,916

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2026 (and includes both principal and interest payable thereon).

44.1.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and term deposits with banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Financial assets

Variable rate instruments
Bank balances – saving and deposit accounts
Short term loan to related party
Investment in TFC

Financial liabilities

Variable rate instruments

Lease liability
Short term borrowings – secured

2026 2025
----- (Rupees in '000) -----

25,039	146,755
-	19,990
-	49,930
161	15,651
548,986	384,412

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the profit or loss and equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased/increase loss before tax by Rs. 5.24 million (2025: Rs. 1.83 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for last year.

Price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. As at June 30, 2026, the Company was not exposed any price risk.

45. FINANCIAL INSTRUMENTS

45.1 Financial assets:

At amortized cost
Long term deposits
Long term loans and advances
Investment in TFC
Trade debts
Short term loan to a related party
Accrued markup
Cash and bank balances

Investment accounted for using the equity method
long term investment in associated company

2026 2025
----- (Rupees in '000) -----

17,459	10,901
7,424	6,196
-	49,930
637,894	569,636
-	19,990
555	5,364
245,324	252,206
908,656	914,223
240,616	198,862
640,118	757,091
161	15,651
2,070,489	1,014,995
548,986	384,412
6,407	6,917
3,266,161	2,179,066

45.2 Financial liabilities:

At amortized cost
Long term financing – secured
Lease liability
Trade and other payables
Short term borrowings
Accrued mark-up

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

46 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Repayment of lease liability (principal portion)	Dividend Paid	Financing obtained against diminishing modaraba	Repayment of Long term financing (principal portion)	Finance cost paid	Short Term Borrowings - net	Total
Balance on July 01, 2025	15,651	14,658	43,533	713,558	6,917	50,000	844,317
Dividend declared	-	100,320	-	-	-	-	100,320
Facilities received during year	-	-	33,261	-	-	-	33,261
Interest on unwinding of liability	-	-	-	64,202	-	-	64,202
Finance cost incurred during the year (other than long term financing)	-	-	-	-	43,656	-	43,656
Payment of lease liabilities	(15,490)	-	-	-	-	-	(15,490)
Dividend paid	-	(99,778)	-	-	-	-	(99,778)
Installments paid during the year	-	-	(17,169)	-	-	-	(17,169)
Facilities retired during the year	-	-	(2,195)	-	-	-	(2,195)
Principal Paid	-	-	-	(161,217)	-	-	(161,217)
Markup paid on long term financing	-	-	-	(33,855)	(8,028)	-	(41,883)
Finance cost paid during the year (other than long term financing)	-	-	-	-	(36,130)	-	(36,130)
Export refinance paid during the year	-	-	-	-	-	(50,000)	(50,000)
	(15,490)	(99,778)	(19,364)	(195,072)	(44,158)	(50,000)	(423,862)
Balance as on June 30, 2026	161	15,200	57,430	582,688	6,415	-	661,894
Balance on July 01, 2024	39,620	14,658	-	940,546	38,699	50,000	1,083,523
Facilities received during year	-	-	59,936	-	-	-	59,936
Interest on unwinding of liability	-	-	-	76,751	-	-	76,751
Finance cost incurred during the year (other than long term financing)	-	-	-	-	95,439	-	95,439
Payment of lease liabilities	(23,969)	-	-	-	-	-	(23,969)
Installments paid during the year	-	-	(16,403)	-	-	-	(16,403)
Principal Paid	-	-	-	(262,611)	-	-	(262,611)
Markup paid on long term financing	-	-	-	(41,128)	(5,435)	-	(46,563)
Finance cost paid during the year (other than long term financing)	-	-	-	-	(121,786)	-	(121,786)
	(23,969)	-	(16,403)	(303,739)	(127,221)	-	(471,332)
Balance as on June 30, 2025	15,651	14,658	43,533	713,558	6,917	50,000	844,317

47. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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 amounts of all financial assets and liabilities reflected in these financial statements approximate their fair values.

The Company measures fair value of all assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair values of assets that are traded in active markets are based on quoted market prices. For all other assets the Company determines fair values using valuation techniques unless the instruments do not have a market \ quoted price in an active market and whose fair value cannot be reliably measured.

The table below analyses the assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026		
	Level 1	Level 2	Level 3
	----- Rupees in '000' -----		
Investment in privately placed TFCs	-	-	-
Investment property	-	-	-
	June 30, 2025		
	Level 1	Level 2	Level 3
	----- Rupees in '000' -----		
Investment in privately placed TFCs	-	49,930	-
Investment property	-	-	336,500

48. CAPITAL MANAGEMENT

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not subject to any externally imposed capital requirement.

Following is the quantitative analysis of what the Company manages as capital:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	----- (Rupees in '000) -----	
Borrowing:		
Long term financing	640,118	757,091
Shareholders' equity:		
Issued, subscribed and paid up capital	501,600	501,600
General reserves	550,000	550,000
Unappropriated profit	4,062,972	3,499,930
	5,114,572	4,551,530
Total capital managed by the Company	5,754,690	5,308,621
Gearing ratio	11%	14%
49. SHARIAH DISCLOSURES		
Disclosures in relation to the statement of financial position – Liability		
Long term financing as per Islamic mode	57,430	43,533
Mark up accrued on conventional loans	6,407	6,917
Disclosures in relation to the statement of financial position – Assets		
Long term and short term shariah compliant investments	–	–
Bank balances that are Shariah compliant	53,689	101,095
Disclosures in relation to the statement of profit or loss and other comprehensive income		
Revenue earned from Shariah-compliant business segment	12,495,270	11,096,924
Late payments or liquidated damages	–	–
Gain / (loss) or dividend earned from shariah compliant investments or share of profit from shariah compliant associates	–	–
Profit earned on saving accounts from Shariah-compliant Banks	30,093	1,378
Exchange gain earned from actual currency	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		----- (Rupees in '000) -----	
Exchange gains earned using conventional derivative financial instruments		-	-
Profit paid on islamic mode of financing		(8,028)	(5,435)
Total Interest earned on conventional loan to associate undertaking		2,467	3,388
Breakup of Other income			
Sharia Compliant			
Scrap sales		9,041	1,244
Profit earned on saving accounts from shariah-compliant banks		30,093	1,378
Gain on sale of operating fixed assets and investment property		274,697	5,347
Miscellaneous		11,817	41,907
Non Sharia Compliant			
Amortization of deferred government grant		32,430	38,478
Markup earned on saving accounts from conventional banks		2,410	28,191
Markup earned on loan to associated undertaking		2,467	3,388
Markup earned on Term Finance Certificate Conventional		-	15,562
Insurance Claim		521	6,751
Miscellaneous		-	25

Relationship with Shariah Compliant Institutions

Name	Relationship
UBL Ameen Bank	Bank Balances
Meezan Bank	Bank Balances
Dubai Islamic Bank	Bank Balances
First Habib Modaraba	Diminishing Musharaka
EFU Takaful Window	Motor Vehicle Takaful
Jubilee Takaful	Group and Health Takaful

50. INVESTMENTS MADE BY THE PROVIDENT FUND

The investments out of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2026	2025
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51. PLANT CAPACITY AND PRODUCTION

Production capacity - Ordinary Portland Cement (OPC)	1,000,000	1,000,000
Production capacity - Clinker	900,000	900,000
Actual production - Ordinary Portland Cement (OPC)	850,557	713,739
Actual production - Clinker	818,730	612,026

51.1 The present normal capacity of the Company's manufacturing facility is to produce 3,000 metric tons of Clinker per day. The above disclosed annual production capacity of 900,000 metric tons of Clinker is based on 300 operating days a year.

Actual production is less than the installed capacity due to planned maintenance shut down and gap between market demand and supply.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
52. NUMBER OF EMPLOYEES		
Total number of employees as at June 30,	333	337
Average number of employees during the year	335	334

53. CORRESPONDING FIGURES

53.1 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, there were no material reclassifications to report during the year except for the below

		2025
From	To	Rupees in '000'
Freehold land	Leasehold land	18,084
Levy	Other expenses	72,379

54. GENERAL

Figures have been rounded off to the thousand Rupee, unless otherwise stated.

55. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 17 August 2026 by the Board of Directors of the Company.



MOHAMMED YASIN FECTO
CHIEF EXECUTIVE



Safdar Abbas Morawala
DIRECTOR



ABDUL WAHAB
CHIEF FINANCIAL OFFICER





SHAREHOLDER'S INFORMATION



Pattern Of Share Holding- Form "34"

Shareholders Statistics As At June 30, 2026

Number Of Share Holders	Share Holding			Total Shares Held	
	From		To		
1314	1	-	100		41,166
1235	101	-	500		364,969
1036	501	-	1000		733,258
917	1001	-	5000		2,096,357
144	5001	-	10000		1,101,225
54	10001	-	15000		672,614
25	15001	-	20000		433,290
18	20001	-	25000		423,850
8	25001	-	30000		217,394
6	30001	-	35000		201,085
8	35001	-	40000		297,380
4	40001	-	45000		175,845
8	45001	-	50000		390,409
2	50001	-	55000		103,001
2	55001	-	60000		115,640
2	60001	-	65000		128,468
1	70001	-	75000		73,000
1	80001	-	85000		85,000
2	85001	-	90000		175,938
1	95001	-	100000		99,972
1	115001	-	120000		120,000
1	140001	-	145000		144,665
1	145001	-	150000		150,000
1	155001	-	160000		157,937
1	195001	-	200000		200,000
1	245001	-	250000		250,000
1	330001	-	335000		332,000
1	355001	-	360000		355,071
1	845001	-	850000		850,000
1	865001	-	870000		870,000
1	1125001	-	1130000		1,127,255
1	10190001	-	10195000		10,191,536
1	27480001	-	27485000		27,481,675
4801					50,160,000

CATEGORIES OF SHAREHOLDER

AS AT JUNE 30, 2026

Shareholders' Category	Number of Shareholders/ Shares Folio	Number of Shares held
Associated Companies, undertakings and related parties	-	-
NIT and ICP	2	1,129,855
Directors		
Mr. Mohammed Yasin Fecto	2	37,673,211
Mr. Jamil Ahmed Khan	1	2,500
Mr. Rohail Ajmal	1	1,000
Mr. Safdar Abbas Morawala	1	2,500
Mr. Ahmed Mujtaba Memon	1	2,500
Ms. Lubna Yasin Fecto	1	1,500
Mr. Juwad Saboor	1	500
	8	37,683,711
Banks, Development Finance Institutions, Non-Banking Finance Companies and Insurance	5	76,571
Modaraba and Mutual Funds		
CDC-TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND - II	1	332,000
FIRST CRESCENT MODARABA	1	880
	2	332,880
OTHERS		
Institutions (Joint Stock Companies)	38	476,720
Others	3	187,092
Individuals - Local	4,743	10,273,171
	4,784	10,936,983
Total:	4,801	50,160,000
Detail of trading in shares by the Directors, Chief Financial Officers, Company Secretary and their spouse and Minor Children		
Purchased		Nil
Sale		Nil
Shareholders holding 5% or more voting interest		
Mr. Mohammed Yasin Fecto		37,673,211

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 45th Annual General Meeting ("AGM") of the Members of FECTO CEMENT LIMITED will be held on Monday, October 26, 2026, at 11:30 a.m. at Royal Rodale Sports and Recreational Complex situated at TC-V, 34th street, Khayaban-e-Sehar, Phase V Ext, Defence Housing Authority, Karachi with facilities for participation through electronic means/video link to transact the following business:

- 1) To confirm the minutes of the last Annual General Meeting held on Monday, October 27, 2025.
- 2) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditors' Reports thereon.

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- 3) To approve the payment of final cash dividend @ 40% i.e. Rs. 4/- per share.
- 4) To re-appoint M/s. BDO Ebrahim & Co., Chartered Accountants, as the External Auditors of the Company for the financial year ending June 30, 2027, and to fix their remuneration. The Board of Directors, on the recommendation of the Audit Committee, has recommended the re-appointment of M/s. BDO Ebrahim & Co., Chartered Accountants, as the External Auditors of the Company for the financial year 2026-27.
- 5) To transact any other business with the permission of the Chair.

By Order of the Board

A handwritten signature in blue ink, consisting of stylized cursive letters.

(TARIQ IQBAL)
COMPANY SECRETARY

Karachi: October 02, 2026

Notes:

1) Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from Friday, October 16, 2026, to Monday, October 26, 2026 (both days inclusive). Transfers received in order by our Shares Registrar FD Registrar Services (Private) Limited 17th Floor Saima Trade Centre, Tower I. I. Chundrigar Road, Karachi by the close of business on Thursday, October 15, 2026, shall be treated as being in time for the purpose of attending, and voting at, the AGM.

2) Participation in Annual General Meeting (AGM), via physical presence including through proxy

A member of the Company entitled to attend and vote at this meeting may appoint another member as a proxy to attend, speak and vote instead of him/her. An instrument appointing a proxy must be received at the Registered Office of the Company not later than forty-eight hours before the time of holding the Meeting. The proxy shall produce his/her CNIC or passport to prove his/her identity. In case of a proxy appointed by a corporate entity, the Board of Directors' resolution or Power of Attorney, together with the specimen signature of the nominee, must be submitted along with the proxy form. CDC Account Holders will have to further follow the guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan ("SECP"). The proxy form is annexed to this notice and is also available on the Company's website.

3) Participation in AGM through electronic means:

- a. SECP through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of members in general meeting through electronic means as a regular feature in addition to holding physical meetings.
- b. Members who wish to attend the meeting through video-link are hereby requested to share the following information for obtaining the video-link and login credentials, with the Company Secretary at email address: agm@fectogroup.com with the subject line "Registration for 45th AGM of Fecto Cement Limited" at earliest but no later than forty-eight hours before the time of holding of AGM:

Full Name	CNIC No	Folio/ CDC Account No.	No. of Shares Held	Cell No.	E-mail Address

- c. Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.
- d. Only those members will be accepted at the AGM via video-link whose names match the details shared with the Company for registration.
- e. In accordance with section 132(2) of the Act, if the Company receives consent from members holding in aggregate 10% or more shareholding, residing in a geographical location to participate in the meeting through video conference at least seven (7) days prior to the date of AGM, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted addressed to the Company Secretary at the following address:

Fecto Cement Limited
60-C, Khayaban-e-Shahbaz, DHA Phase VI, Karachi

4) Intimation for Change in Address

Members holding shares in physical form are requested to notify any change in their address to our share registrar immediately. Members holding shares in CDS system are requested to have their addresses updated with participant or CDC Investor Account Service.

5) Payment of Cash Dividend through Electronic Mode

As per the provisions of Section 242 of the Companies Act, 2017, dividend payable in cash shall be paid through electronic mode directly into the bank accounts designated by the entitled shareholders. Therefore, in order to comply with the provisions of the law, all physical shareholders who have not yet submitted their International Bank Account Number (IBAN) and CNIC details to the Company are requested to provide the same on the Dividend Mandate Form available on the Company's website. Shareholders of the Company holding shares in CDC are requested to provide the same to their Participants in CDC and ensure that their IBAN details are updated. In case of unavailability of a valid IBAN and CNIC, the Company will be constrained to withhold the dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

6) Deduction of Income Tax from Dividend and Exemptions from Deduction

The current prescribed rates for the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 from payment of dividend by the companies are as under:

For filers of income tax returns	: 15%
For non-filers of income tax returns	: 30%

The income tax is deducted from the payment of dividend according to the Active Tax-Payers List (ATL) provided on the website of the Federal Board of Revenue (FBR). All shareholders who are filers of income tax returns are therefore advised to ensure that their names are entered in the ATL, to enable the Company to withhold income tax from payment of cash dividend @ 15% instead of 30%.

The corporate shareholders of the Company in CDC are advised to ensure that their National Tax Numbers (NTNs) have been updated with their respective participants, whereas corporate physical shareholders must send a copy of their NTN Certificate with their Folio Numbers mentioned thereon to the Company or its Shares Registrar on the mentioned addresses.

The shareholders, who want to avail exemption u/s 150 of the Income Tax Ordinance 2001, must provide valid Tax Exemption Certificate to our Shares Registrar before commencement of book closure otherwise tax will be deducted on dividend as per applicable rates.

7) Unclaimed Dividend

As per the provision of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the company which remained unclaimed/unpaid for the period of three years from the date on which it was due and payable are required to be deposited with SECP for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years were sent to Shareholders.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case no claim is lodged with the Company in the given time, the Company shall, after giving the notice in the newspaper, proceed to deposit the unclaimed/ unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Companies Act, 2017.

8) Availability of Financial Statements and Reports

The Company has circulated the annual audited financial statements to its members by email at their registered email addresses. However, a printed copy of the above referred statements will be provided to members upon request. The request form is available on the website of the Company.

Further, in accordance with section 223(6) of the Companies Act, 2017 read with SRO 389(I)/2023 dated March 21, 2023 and SRO 787(I)/2014 dated September 08, 2014, the above referred statements have also been uploaded on the website of the Company and can be downloaded using the following weblink and QR-enabled code:

<https://fectogroup.com/financials/>



9) Restriction on Distribution of Gifts to Members

The SECP, vide Circular No. 2 of 2018 dated February 9, 2018, read with section 185 of Companies Act, 2017 and S.R.O. 452(I)/2025 dated March 17, 2025, has strictly prohibited companies from offering, distributing or arranging gifts, incentives, or any similar benefits to Members at or in connection with general meetings. Accordingly, no gifts or incentives shall be distributed at the AGM. Shareholders are respectfully requested to refrain from bringing, presenting or demanding any gifts during the meeting.

Special Note for Conversion of Physical shares into Book-entry Form:

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

Conversion of physical shares into Book-entry form would facilitate the shareholders in many ways i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate risk of loss and damage, easy and safe transfer with lesser formalities as compared to physical shares, can be pledged for financing facilities, are entitled for instant credit of bonus and right shares. The shareholders of the Company may contact Share Registrar of the Company for assistance in conversion of physical shares into Book-entry form.

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

F.D. Registrar Services Private Limited
17th Floor, Saima Trade Tower-A
I.I. Chundrigar Road Karachi
Phone no. 021-32271905-6
Email: fdregistrar@yahoo.com

فزیکل حصص کو بک انٹری فارم میں تبدیل کرنے سے متعلق خصوصی نوٹ:

کمپنیز ایکٹ، 2017 کی دفعہ 72 اور SECP کے لیٹر نمبر CSD/ED/Misc.2016-639-640 مورخہ 26 مارچ 2021 کی تعمیل میں، درج کمپنیوں کے لیے لازم ہے کہ وہ اپنے جاری کردہ موجودہ فزیکل حصص کو بک انٹری فارم میں تبدیل کریں۔ مذکورہ تقاضے کے پیش نظر، کمپنی کے وہ حصص یافتگان جن کے پاس فزیکل حصص موجود ہیں، ان سے درخواست ہے کہ وہ اپنے فزیکل حصص کو جلد از جلد بک انٹری فارم میں تبدیل کروالیں۔

فزیکل حصص کو بک انٹری فارم میں تبدیل کرنے سے حصص یافتگان کو متعدد سہولیات حاصل ہوں گی، مثلاً حصص کی محفوظ تحویل، حصص کی فوری خرید و فروخت کے لیے با آسانی دستیاب مارکیٹ، حصص کے ضائع ہونے یا خراب ہونے کے خطرے کا خاتمہ، فزیکل حصص کے مقابلے میں کم رسمی کارروائی کے ساتھ آسان اور محفوظ منتقلی، مالیاتی سہولیات کے حصول کے لیے حصص کو رہن رکھنے کی سہولت، اور بونس و رائٹ حصص کی فوری کریڈٹ کی سہولت۔ کمپنی کے حصص یافتگان فزیکل حصص کو بک انٹری فارم میں تبدیل کرنے میں معاونت کے لیے کمپنی کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

کسی بھی سوال، مسئلے یا معلومات کے لیے اراکین کمپنی کے شیئر رجسٹرار سے درج ذیل پتے پر رابطہ کر سکتے ہیں:

ایف ڈی رجسٹرار سروسز (پرائیویٹ) لمیٹڈ،

17 ویں منزل، صائمہ ٹریڈ سینٹر، ٹاور،

آئی آئی چندریگر روڈ کراچی

فون نمبر: 021-32271905-6

ای میل: fdregistrar@yahoo.com

یافتگان کو ارسال کر دی گئی ہیں۔

حصص یافتگان سے درخواست ہے کہ وہ غیر کلیم شدہ ڈویڈنڈ اور حصص کے حوالے سے اپنے کلیمز بروقت جمع کرانے کو یقینی بنائیں۔ اگر مقررہ مدت کے اندر کمپنی کے پاس کوئی کلیم جمع نہ کرایا گیا تو کمپنی اخبارات میں نوٹس شائع کرنے کے بعد کمپنیز ایکٹ، 2017 کی دفعہ (2) 244 کے تحت غیر کلیم شدہ/غیر ادا شدہ رقم اور حصص وفاقی حکومت کے پاس جمع کرانے کی کارروائی کرے گی۔

(8) مالی بیانات اور رپورٹس کی دستیابی

کمپنی نے سالانہ آڈٹ شدہ مالی بیانات اراکین کے رجسٹرڈ ای میل پتوں پر ای میل کے ذریعے ارسال کر دیے ہیں۔ تاہم، مذکورہ مالیاتی گوشواروں کی مطبوعہ نقل اراکین کی درخواست پر فراہم کی جائے گی۔ اس مقصد کے لیے درخواست فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

مزید برآں کمپنیز ایکٹ، 2017 کی دفعہ (6) 223 کو SRO 389(1)/2023 مورخہ 21 مارچ 2023 اور SRO 787(1)/2014 مورخہ 08 ستمبر 2014 ساتھ ملا کر پڑھنے کے مطابق، مذکورہ مالی بیانات کمپنی کی ویب سائٹ پر بھی اپ لوڈ کر دیے گئے ہیں اور درج ذیل ویب لنک اور QR-enabled code کے ذریعے ڈاؤن لوڈ کیے جاسکتے ہیں:



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(9) اراکین میں تحائف کی تقسیم پر پابندی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے سرکل نمبر 2 برائے 2018 مورخہ 9 فروری 2018 کے ذریعے، جسے کمپنیز ایکٹ، 2017 کی دفعہ 185 اور SRO 452(1)/2025 مورخہ 17 مارچ 2025 کے ساتھ ملا کر پڑھا جائے، کمپنیوں کو عمومی اجلاسوں میں یا ان کے سلسلے میں اراکین کو تحائف، مراعات یا کسی بھی قسم کے مماثل فوائد پیش کرنے، تقسیم کرنے یا ان کا انتظام کرنے سے سختی سے منع کیا ہے۔ لہذا AGM میں کسی قسم کے تحائف یا مراعات تقسیم نہیں کی جائیں گی۔ حصص یافتگان سے مؤدبانہ درخواست ہے کہ وہ اجلاس کے دوران کوئی تحفہ لانے، پیش کرنے یا طلب کرنے سے گریز کریں۔

کریں اور اس امر کو یقینی بنائیں کہ ان کی IBAN کی تفصیلات اپ ڈیٹ ہوں۔ درست IBAN اور CNIC دستیاب نہ ہونے کی صورت میں کمپنیز (ڈسٹری بیوشن آف ڈویڈنڈز) ریگولیشنز 2017 کے مطابق ڈویڈنڈ روکنے پر مجبور ہوگی۔

(6)

ڈویڈنڈ پرائم ٹیکس کی کٹوتی اور کٹوتی سے استثنیٰ

کمپنیوں کی جانب سے ڈویڈنڈ کی ادائیگی پرائم ٹیکس آرڈیننس، 2001 کی دفعہ 150 کے تحت وہ ہولڈنگ ٹیکس کی کٹوتی کی موجودہ مقررہ شرحیں درج ذیل ہیں:

انکم ٹیکس ریٹرن فائل کرنے والے افراد کے لیے: 15%

انکم ٹیکس ریٹرن فائل نہ کرنے والے افراد کے لیے: 30%

ڈویڈنڈ کی ادائیگی پرائم ٹیکس فیڈرل بورڈ آف ریونیو (FBR) کی ویب سائٹ پر فراہم کردہ ایکسٹرنل سٹ (ATL) کے مطابق کاٹا جاتا ہے۔ لہذا انکم ٹیکس ریٹرن فائل کرنے والے تمام حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ اس امر کو یقینی بنائیں کہ ان کے نام ATL میں درج ہوں، تاکہ کمپنی نقد ڈویڈنڈ کی ادائیگی پر 30 فیصد کے بجائے 15 فیصد کی شرح سے انکم ٹیکس کی کٹوتی کر سکے۔

کمپنی کے وہ کارپوریٹ حصص یافتگان جن کے حصص CDC میں موجود ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ اس امر کو یقینی بنائیں کہ ان کے نیشنل ٹیکس نمبرز (NTNs) ان کے متعلقہ شرکت کنندگان کے پاس اپ ڈیٹ ہوں، جبکہ فزیکل صورت میں حصص رکھنے والے کارپوریٹ حصص یافتگان کو چاہئے کہ اپنے NTN سٹیفکیٹ کی ایک نقل، جس پر ان کا فوٹیو نمبر درج ہو، کمپنی یا اس کے شیئر رجسٹرار کو مذکورہ پتوں پر ارسال کریں۔

وہ حصص یافتگان جو انکم ٹیکس آرڈیننس، 2001 کی دفعہ 150 کے تحت ٹیکس سے استثنیٰ حاصل کرنا چاہتے ہیں، انہیں کتاب کی بندش کے آغاز سے قبل ہمارے شیئر رجسٹرار کو ایک موثر ٹیکس سے استثنیٰ کا سرٹیفکیٹ فراہم کرنا ہوگا، بصورت دیگر قابل اطلاق شرحوں کے مطابق منافع پر ٹیکس کاٹ لیا جائے گا۔

(7)

غیر کلیم شدہ ڈویڈنڈ

کمپنیز ایکٹ، 2017 کی دفعہ 244 کی دفعات کے مطابق، کمپنی کی جانب سے جاری کردہ کوئی بھی حصص یا اعلان کردہ ڈویڈنڈ، جو اس کے واجب الادا اور قابل ادائیگی ہونے کی تاریخ سے تین سال کی مدت تک غیر کلیم شدہ/غیر ادا شدہ رہے، حصص یافتگان کو اپنے دعوے جمع کرانے کے لیے نوٹس جاری کرنے کے بعد وفاقی حکومت کے کریڈٹ میں SECP کے پاس جمع کرنا ضروری ہے۔ کمپنی کی جانب سے جاری کردہ حصص اور اعلان کردہ منافع کی وہ تفصیلات جو تین سال سے زائد عرصے سے واجب الادا ہیں، حصص

مکمل نام	قومی شناختی کارڈ نمبر (CNIC)	فولیو/سی ڈی سی اکاؤنٹ نمبر	حاصل حصص کی تعداد	سیل نمبر	ای میل ایڈریس

- (c) اوپر بیان کردہ تقاضے کے مطابق ضروری تصدیق کے بعد اراکین کار رجسٹریشن کیا جائے گا اور کمپنی کی جانب سے انہیں ای میل کے ذریعے ویڈیولنک فراہم کیا جائے گا۔
- (d) صرف ان اراکین کو ویڈیولنک کے ذریعے AGM میں شرکت کی اجازت دی جائے گی جن کے نام کمپنی کو رجسٹریشن کے لیے فراہم کردہ تفصیلات سے مطابقت رکھتے ہوں۔
- (e) کمپنیز ایکٹ کی دفعہ (3) 132 کے مطابق، اگر کمپنی کو ایسے اراکین کی جانب سے، جو مجموعی طور پر 10 فیصد یا اس سے زائد حصص کے مالک ہوں اور کسی مخصوص جغرافیائی علاقے میں مقیم ہوں، AGM کی تاریخ سے کم از کم سات (7) دن قبل ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کے لیے رضامندی موصول ہوتی ہے، تو کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت فراہم کرنے کا انتظام کرے گی، بشرطیکہ اس شہر میں ایسی سہولت دستیاب ہو۔ اس سہولت سے استفادہ کرنے کے لیے درخواست درج ذیل پتے پر کمپنی سیکریٹری کے نام ارسال کرنا ہوگی:

فیکو سیمنٹ لمیٹڈ

C-60، خیابان شہباز، ڈی ایچ اے فیڑ VI، کراچی

(4) پتے میں تبدیلی کی اطلاع

فزیکل صورت میں حصص رکھنے والے اراکین سے درخواست ہے کہ اپنے پتے میں کسی بھی تبدیلی کی اطلاع فوری طور پر ہمارے شیئر رجسٹرار کو دیں۔ سی ڈی سی سسٹم میں حصص رکھنے والے اراکین سے درخواست ہے کہ اپنے پتے اپنے متعلقہ شرکت کنندگان یا سی ڈی سی انویسٹرا کاؤنٹ سروس کے پاس اپ ڈیٹ کروائیں۔

(5) الیکٹرانک ذرائع کے ذریعے نقد ڈویڈنڈ کی ادائیگی

کمپنیز ایکٹ، 2017 کی دفعہ 242 کی دفعات کے مطابق، نقد کی صورت میں قابل ادائیگی ڈویڈنڈ مستحق حصص یافتگان کے نامزد کردہ بینک اکاؤنٹس میں براہ راست الیکٹرانک ذرائع کے ذریعے ادا کیا جائے گا۔ لہذا قانونی تقاضوں کی تعمیل کے لیے تمام ایسے فزیکل حصص یافتگان جنہوں نے ابھی تک اپنا انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) اور CNIC کی تفصیلات کمپنی کو فراہم نہیں کیں، ان سے درخواست ہے کہ کمپنی کی ویب سائٹ پر دستیاب ڈویڈنڈ مینڈیٹ فارم کے ذریعے مذکورہ تفصیلات فراہم کریں۔ کمپنی کے وہ حصص یافتگان جن کے حصص CDC میں موجود ہیں، وہ مذکورہ تفصیلات اپنے متعلقہ CDC شرکت کنندگان کو فراہم

اہم ہدایات/نوٹس:

1. حصص منتقلی کی کتابوں کی بندش

کمپنی کی حصص منتقلی کی کتابیں بروز جمعہ 16 اکتوبر 2026 سے بروز پیر 26 اکتوبر 2026 تک (بشمول دونوں ایام) بند رہیں گی۔ ہمارے شیئرز رجسٹرار ایف ڈی رجسٹرار سروسز (پرائیویٹ) لمیٹڈ، 17 ویں منزل، صائمہ ٹریڈ سینٹر، ٹاور، آئی آئی چندریگر روڈ کراچی کو بروز جمعرات، 15 اکتوبر 2026 کو کاروباری اوقات کے اختتام تک موصول ہونے والی درست اور مکمل منتقلیاں سالانہ اجلاس عام میں شرکت اور ووٹ دینے کے مقصد کے لیے بروقت تصویب کی جائیں گی۔

2. سالانہ جنرل اجلاس (AGM) میں ذاتی طور پر، بشمول پراکسی کے ذریعے، شرکت

کمپنی کا وہ رکن جو اس اجلاس میں شرکت اور ووٹ دینے کا حقدار ہو، کسی دوسرے رکن کو اپنی جانب سے اجلاس میں شرکت کرنے، اظہار خیال کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی مقرر کرنے کا فارم کمپنی کے رجسٹرار آفس میں اجلاس کے انعقاد کے مقررہ وقت سے کم از کم 48 گھنٹے قبل موصول ہونا ضروری ہے۔ پراکسی کو اپنی شناخت کی تصدیق کے لیے اپنا قومی شناختی کارڈ (CNIC) یا پاسپورٹ پیش کرنا ہوگا۔ کسی کارپوریٹ ادارے کی جانب سے مقرر کردہ پراکسی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی، نامزد نمائندے کے نمونہ دستخط کے ساتھ، پراکسی فارم کے ہمراہ جمع کرنا ضروری ہوگا۔ CDC کاؤنٹ ہولڈرز کو مزید سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں بیان کردہ رہنما اصولوں پر بھی عمل کرنا ہوگا۔ پراکسی فارم اس نوٹس کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

3. الیکٹرانک ذرائع کے ذریعے سالانہ اجلاس عام میں شرکت:

(a) SECP نے اپنے سرکلر نمبر 4 مورخہ 15 فروری 2021 کے ذریعے درج کمپنیوں کو ہدایت کی ہے کہ وہ اجلاس کے فزیکل انعقاد کے علاوہ عمومی اجلاس میں اراکین کی الیکٹرانک ذرائع کے ذریعے شرکت کو بھی باقاعدہ سہولت کے طور پر یقینی بنائیں۔

(b) جو اراکین ویڈیولنک کے ذریعے اجلاس میں شرکت کرنا چاہتے ہیں، ان سے درخواست ہے کہ ویڈیولنک اور لاگ ان کی تفصیلات حاصل کرنے کے لیے درج ذیل معلومات کمپنی سیکریٹری کو ای میل ایڈریس agm@fectogroup.com پر، ای میل کے موضوع (Subject) میں "Registration for 45th AGM of Fecto Cement Limited" کے تحت، حتی الامکان جلد از جلد، تاہم AGM کے انعقاد کے مقررہ وقت سے کم از کم 48 گھنٹے قبل ارسال کریں:

فیکٹو سیمنٹ لمیٹڈ نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا نوٹس دیا جاتا ہے کہ فیکٹو سیمنٹ لمیٹڈ کے اراکین کا پینتالیسواں (45) سالانہ اجلاس عام (AGM) بروز پیر مورخہ 26 اکتوبر 2026، بوقت صبح 11:30 بجے رائل روڈ میل اسپورٹس اینڈ ریکریشنل کمپلیکس، واقع V-TC، Street 34th، خیابان سحر، فیز V ایکسٹینشن، ڈیفنس ہاؤسنگ اتھارٹی، کراچی میں منعقد ہوگا، جبکہ اجلاس میں الیکٹرانک ذرائع / ویڈیولنک کے ذریعے شرکت کی سہولت بھی دستیاب ہوگی، جس میں درج ذیل امور زیر غور لائے جائیں گے:

- (1) مورخہ 27 اکتوبر 2025، بروز پیر کو منعقد ہونے والے گزشتہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- (2) مورخہ 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالی بیانات، بمعہ ڈائریکٹرز اور آڈیٹرز کی رپورٹس وصول کرنا، ان پر غور کرنا اور انہیں منظور کرنا۔



<https://fectogroup.com/financials/>

- (3) 40 فیصد، یعنی 4 روپے فی حصص کے حساب سے حتمی نقد ڈویڈنڈ کی ادائیگی کی منظوری دینا۔
- (4) میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2027 کو ختم ہونے والے مالی سال کے لیے کمپنی کے بیرونی آڈیٹرز کے طور پر دوبارہ تقرر کرنا اور ان کے معاوضے کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر مالی سال 2026-27 کے لیے میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے بیرونی آڈیٹرز کے طور پر دوبارہ تقرر کرنے کی سفارش کی ہے۔
- (5) چیئر کی اجازت سے دیگر کاروباری امور انجام دینا۔

بحکم بورڈ
طارق اقبال
کمپنی سیکریٹری

کراچی، 03 اکتوبر 2026

FORM OF PROXY

The Company Secretary
Fecto Cement Limited
Plot # 60-C, Khayaban-e-Shahbaz
Phase VI, Defence Housing Authority
Karachi-75500

I/We _____
of (full address) _____

being member of FECTO CEMENT LIMITED holding _____ ordinary shares as
per Share Register Folio No. _____ and/or CDC Participant I.D. No. _____ and
Sub-Account No. _____ hereby appoint _____
of (full address) _____
or failing him/her _____
of (full address) _____ who is
also a member of Fecto Cement Limited, as my/our proxy in my/our absence to attend and vote for me/us and on my/our be-
half at annual general meeting of the company to be held on Monday, October 26, 2026 at 11:30 a.m. and / or any adjournment
thereof.

Signed this _____ day of _____ in the year 2026.
(day) (date, month)

Witnesses:

1. Signature: _____
Name _____
Address _____
CNIC No. _____
2. Signature: _____
Name _____
Address _____
CNIC No. _____

Signature

Signature of members
should match with the
specimen signature
registered with the
company

Important:

1. In order to be effective, this form of proxy duly completed, stamped, signed and witnessed along with power of attorney, or other instruments (if any), must be deposited at the registered office of the company at Plot # 60-C, Khayaban-e-Shahbaz, Phase VI, Defence Housing Authority, Karachi-75500 at least 48 hours before the time of the meeting.
2. If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the company, all such forms of proxy shall be rendered invalid.
3. In case of proxy for an individual beneficial owner of shares from CDC, attested copies of beneficial owner's computerized national identity card (CNIC) or passport, account and participant's ID numbers must be deposited along with the form of proxy. In case of proxy for representative of corporate members from CDC, board of directors' resolution and power of attorney and the specimen signature of the nominee must be deposited along with the form of proxy. The proxy shall produce his / her original CNIC or passport at the time of meeting.

پراکسی فارم

کمپنی سیکریٹری،

فیکو سیمنٹ لمیٹڈ

پلاٹ نمبر C-60، خیابان شہباز،

فیز VI، ڈیفنس ہاؤسنگ اتھارٹی،

کراچی۔ 75500

میں/ہم _____
ساکن (مکمل پتہ) _____

بطور ممبر فیکو سیمنٹ لمیٹڈ، حامل _____ عارضی شیئرز رجسٹرڈ فو لیو نمبر _____
اور/یا سی ڈی سی پارٹنیشن آئی ڈی نمبر _____ اور سب اکاؤنٹ نمبر _____
جناب _____، ساکن (مکمل پتہ) _____

یا ان کی عدم موجودگی میں جناب _____، ساکن (مکمل پتہ) _____

کا تقرر کرتا ہوں جو کہ اس کمپنی کے ممبر بھی ہیں یہ میری جانب سے کمپنی کے سالانہ اجلاس عام میں شرکت کر کے ووٹ دے سکتے ہیں جس کا انعقاد بروز پیر،
26 اکتوبر 2026ء کو صبح 11:30 بجے منعقد ہوگا، اور/یا اس اجلاس کے ملتوی ہونے کی صورت میں اس کے کسی بھی اگلے اجلاس میں شرکت اور ووٹ
دینے کے مجاز ہوں گے۔

بطور گواہ میں اپنے دستخط/مہر تاریخ _____ 2026ء ثبت کرتا ہوں۔
(دستخط)

میں نے درج ذیل کی موجودگی میں دستخط کئے ہیں۔

اراکین کے دستخط کمپنی کے پاس رجسٹرڈ دستخط کے نمونہ
کے مطابق ہونے چاہئیں

گواہ:

ا۔ دستخط: _____
نام _____
پتہ: _____
شناختی کارڈ/پاسپورٹ نمبر: _____

