



# WHERE STRENGTH MEETS ENDURANCE

2026  
ANNUAL REPORT



# FINANCIAL HIGHLIGHTS 2026

## Shareholders' Equity

FY2025-26

**58,654** Rs. in Million

FY2024-25: **47,955**

## Sales Revenue

FY2025-26

**38,531** Rs. in Million

FY2024-25: **37,536**

## Return on Equity

FY2025-26

**18.24** Percentage

FY2024-25: **24.14**

## Current Ratio

FY2025-26

**3.75** Times

FY2024-25: **3.31**

## Earning per Share

FY2025-26

**11.64** Rs.

FY2024-25: **11.97**

## EBITDA to Sales

FY2025-26

**45.17** Percentage

FY2024-25: **51.58**

## Price Earning Ratio

FY2025-26

**9.46** Times

FY2024-25: **6.32**

## Interest Cover Ratio

FY2025-26

**105.07** Times

FY2024-25: **51.72**

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# VISION, MISSION AND CORPORATE STRATEGY

## Our Vision

Be the best in the eyes of all stakeholders.

## Our Mission is to Provide

- Our customers with quality cement at competitive pricing.
- Our shareholders with good returns and sustainable growth.
- Our employees with care and career development opportunities.

## Our Corporate Strategy

Stay ahead of competition by adopting latest technology with efficient and progressive teamwork in an environment of good governance and professionalism.



# ABOUT THE COMPANY

## Company Information

Kohat Cement Company Limited was incorporated in 1980 and is one of the leading cement manufacturing companies of Pakistan. It is an ISO 9001-2015 certified company, with an annual capacity of 4.89 Million tons of Grey Clinker and 135 thousand tons of White Clinker. The Registered office and the Factory are located at Kohat, whereas the Head Office is located in Lahore.

## Our Culture



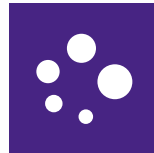
Open communication, transparency and good ethical behavior form the basis of our corporate values.



Our executive management has a very 'hands on' approach and thus is involved in the day-to-day activity of the company.



No person in the management hierarchy is unapproachable; our carefully designed communication procedures ensure that any complaint or feedback is brought to the notice of the management.



Our employees experience a healthy work life balance and a constant growth in both their professional and personal life.



To help achieve our employee's full potential and foster their learning, we frequently nominate our employees for trainings, workshops and seminars.



# CORPORATE INFORMATION

## Board of Directors

|                                  |                                    |
|----------------------------------|------------------------------------|
| Mr. Aizaz Mansoor Sheikh         | Chairman/Non-Executive Director    |
| Mr. Nadeem Atta Sheikh           | Chief Executive                    |
| Mr. Ahmad Sajjad Khan            | Independent Non-Executive Director |
| Mr. Talha Saeed Ahmed            | Independent Non-Executive Director |
| Mrs. Hijab Tariq                 | Non-Executive Director             |
| Mr. Muhammad Rehman Sheikh       | Non-Executive Director             |
| Mr. Muhammad Atta Tanseer Sheikh | Non-Executive Director             |
| Mr. Hamza Atta Sheikh            | Non-Executive Director             |

## Audit Committee

|                          |          |
|--------------------------|----------|
| Mr. Talha Saeed Ahmed    | Chairman |
| Mr. Aizaz Mansoor Sheikh | Member   |
| Mr. Hamza Atta Sheikh    | Member   |

## HR&R Committee

|                            |          |
|----------------------------|----------|
| Mr. Ahmad Sajjad Khan      | Chairman |
| Mr. Nadeem Atta Sheikh     | Member   |
| Mr. Muhammad Rehman Sheikh | Member   |

## Company Secretary

Mr. Mudasser Ashfaq

## Legal Advisor

Imtiaz Siddiqui & Associates

## Auditors

A.F. Ferguson & Co.  
Chartered Accountants

## Share Registrar

Hameed Majeed Associates (PVT) Limited  
H.M. House,  
7-Bank Square, Lahore  
Tel: 042 - 37235081-82  
Fax: 042 - 37358817

## Registered Office and Works

Kohat Cement Company Limited  
Rawalpindi Road, Kohat.  
Tel: 0922 - 560990  
Fax: 0922 - 560405

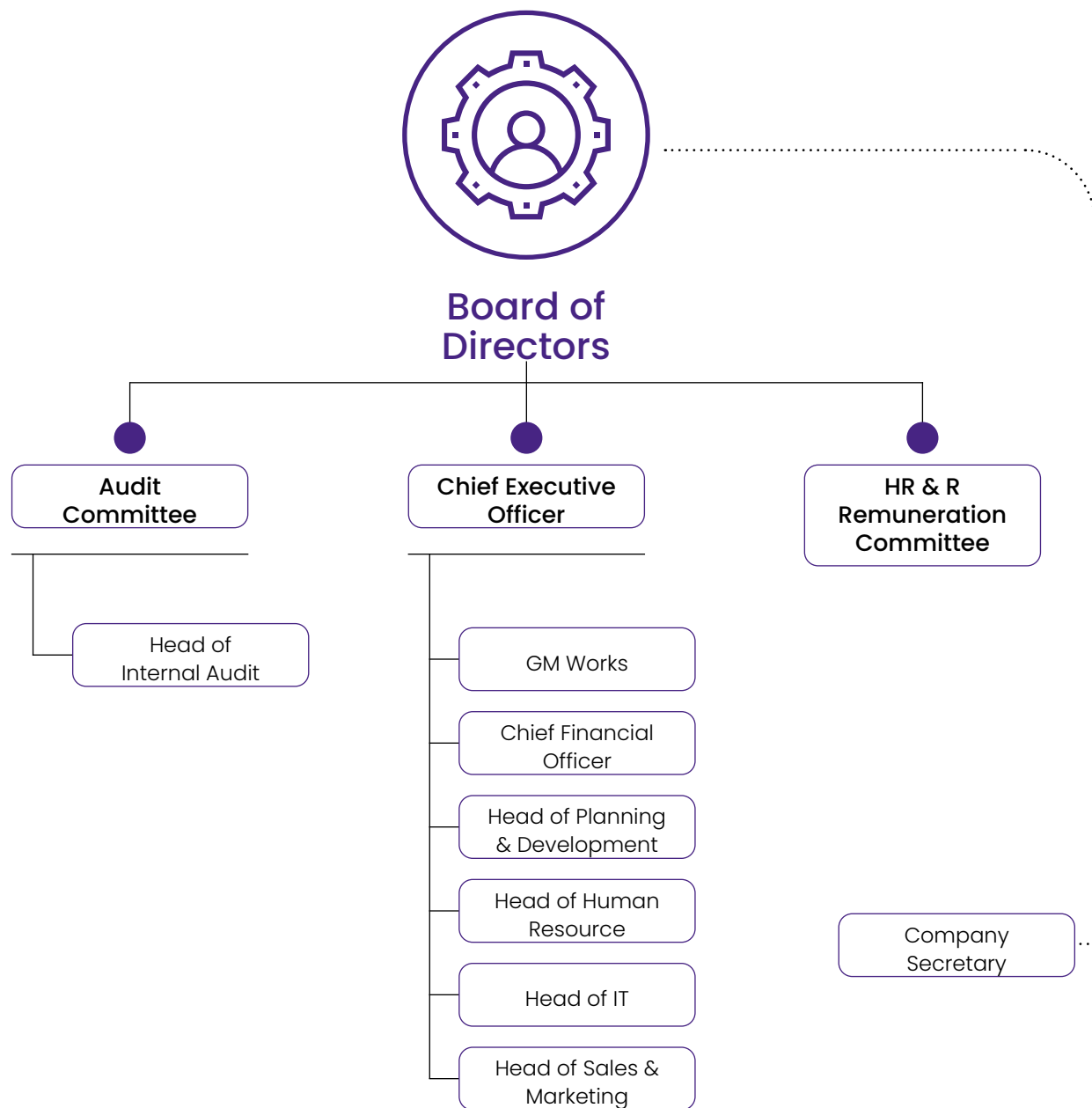
## Head Office

36-37 P, Gulberg - II, Lahore.  
Tel: 042 - 11 111 5225  
Fax: 042 - 3575 4990  
Email: [mis@kohatcement.com](mailto:mis@kohatcement.com)  
Web: [www.kohatcement.com](http://www.kohatcement.com)

## Bankers of the Company

Allied Bank Limited  
Askari Bank Limited  
Bank Al Habib Limited  
Dubai Islamic Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pak) Ltd  
The Bank of Khyber  
The Bank of Punjab  
United Bank Limited

# ORGANOGRAM



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 47th Annual General Meeting (AGM) of the shareholders of **Kohat Cement Company Limited** (the "Company") will be held on **Thursday, October 22, 2026** at 11:00 A.M., at its registered office, Kohat Cement Factory, Rawalpindi Road, Kohat, to transact the following business:

## Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2026 together with Auditors' and Directors' Reports and Chairman's Review.

The Annual Report can be viewed and downloaded by following the below web link and QR Code:

[http://www.kohatcement.com/financial\\_reports.aspx](http://www.kohatcement.com/financial_reports.aspx)



2. To appoint the Auditors of the Company and to fix their remuneration.

The members are hereby notified that the retiring auditors M/s. A.F. Ferguson & Co. Chartered Accountants have given their consent to act as Auditors of the Company. The Board Audit Committee & the Board of Directors have recommended their reappointment as auditors of the Company.

## Special Business

3. To ratify and approve transactions carried out with Related Parties in the ordinary course of business during the financial year ended June 30, 2026, under the authority of the special resolution passed in the last annual general meeting held on October 13, 2025.
4. To authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2027 and till the date of next Annual General Meeting, and to further authorize him to take any and all necessary steps and to sign/execute any and all such documents/annexures on behalf of the Company as may be required.
5. To consider and if deemed fit, approve investment in the form of loan of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated company, as per terms and conditions disclosed to the members.

Statement of Material facts as required under section 134(3) of the Companies Act, 2017 along with draft Special Resolutions are attached to this notice.

By order of the Board:



**Mudasser Ashfaq**

Company Secretary

Lahore: October 1, 2026

## Statement of Material Facts Pursuant to Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting (AGM) of the Company to be held on October 22, 2026.

### Item No. 3: Ratification / Approval of Related Party Transactions

The Company carried out transactions with its related parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transactions approved by the Board of Directors and under the authority of special resolution of the members passed by them in the last Annual General Meeting held on October 13, 2025. All the related party transactions summarized below were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on quarterly basis pursuant to Clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

| Name of Related Party                 | Name of Interested Directors     | Nature of Concern/ Interest u/s 205 of Co. Act, 2017                                                        | Description and Terms & Conditions of Transaction                                 | Pricing Policy    | Amount (Rs.)  |  |  |  |  |
|---------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------|---------------|--|--|--|--|
| Kohat Cement Educational Trust (KCET) | Mr. Aizaz Mansoor Sheikh         | Trustees of KCET                                                                                            | Contribution made to KCET (which runs school within the vicinity of KCCL factory) | n/a               | 9,919,549     |  |  |  |  |
|                                       | Mr. Nadeem Atta Sheikh           |                                                                                                             |                                                                                   |                   |               |  |  |  |  |
|                                       | Mr. Muhammad Rehman Sheikh       | Son of Mr. Aizaz Mansoor Sheikh                                                                             |                                                                                   |                   |               |  |  |  |  |
|                                       | Mr. Hamza Atta Sheikh            | Son of Mr. Nadeem Atta Sheikh                                                                               |                                                                                   |                   |               |  |  |  |  |
| Ultra Pack (Private) Limited (UPPL)   | Mr. Aizaz Mansoor Sheikh         | Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL | Purchase of poly propylene bags for packing of cement                             | Open Market Price | 1,732,524,956 |  |  |  |  |
|                                       | Mr. Nadeem Atta Sheikh           |                                                                                                             |                                                                                   |                   |               |  |  |  |  |
|                                       | Mr. Muhammad Rehman Sheikh       |                                                                                                             |                                                                                   |                   |               |  |  |  |  |
|                                       | Mr. Hamza Atta Sheikh            | Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL                           | Sale of Vehicle                                                                   |                   | 5,750,000     |  |  |  |  |
|                                       | Mr. Muhammad Atta Tanseer Sheikh |                                                                                                             |                                                                                   |                   |               |  |  |  |  |
| Ultra Kraft (Private) Limited (UKPL)  | Mr. Aizaz Mansoor Sheikh         | Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL | Purchase of paper bags for packing of cement                                      | Open market price | 468,180,988   |  |  |  |  |
|                                       | Mr. Nadeem Atta Sheikh           |                                                                                                             |                                                                                   |                   |               |  |  |  |  |
|                                       | Mr. Muhammad Rehman Sheikh       |                                                                                                             |                                                                                   |                   |               |  |  |  |  |
|                                       | Mr. Hamza Atta Sheikh            | Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL                           |                                                                                   |                   |               |  |  |  |  |
|                                       | Mr. Muhammad Atta Tanseer Sheikh |                                                                                                             |                                                                                   |                   |               |  |  |  |  |

The Directors have confirmed that they are only interested in these transactions to the extent of their directorship / trusteeship / shareholding in the related parties as disclosed above and that they do not have any other financial or other interest in these transactions.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

**“Resolved** that following transactions carried out in the ordinary course of business at arm’s length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Kohat Cement Company Limited, during the financial year ended June 30, 2026 be and are hereby ratified, approved and confirmed.

| Name of Related Party                 | Description of transaction                                                          | Amount (Rs.)  |
|---------------------------------------|-------------------------------------------------------------------------------------|---------------|
| Kohat Cement Educational Trust (KCET) | Contribution made to KCET (which runs a school within the vicinity of KCCL factory) | 9,919,549     |
| Ultra Pack (Private) Limited          | Purchase of poly propylene bags for packing of cement                               | 1,732,524,956 |
|                                       | Sale of Vehicle                                                                     | 5,750,000     |
| Ultra Kraft (Private) Limited         | Purchase of paper bags for packing of cement                                        | 468,180,988   |

## Item No. 4: Authorization to the Company to transact with certain related parties

The Company will continue to carry out transactions with its Related Parties (detailed as under) in its ordinary course of business at arm’s length basis during the financial year ending June 30, 2027 and till the date of next annual general meeting.

| Name of Related Party                 | Name of Interested Directors     | Nature of Concern/ Interest u/s 205 of Co. Act, 2017                                                        | Description and Terms & Conditions of Transaction                                                                | Pricing Policy    |
|---------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------|
| Kohat Cement Educational Trust (KCET) | Mr. Aizaz Mansoor Sheikh         | Trustees of KCET                                                                                            | Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET | n/a               |
|                                       | Mr. Nadeem Atta Sheikh           |                                                                                                             |                                                                                                                  |                   |
|                                       | Mr. Muhammad Rehman Sheikh       | Son of Mr. Aizaz Mansoor Sheikh                                                                             |                                                                                                                  |                   |
|                                       | Mr. Hamza Atta Sheikh            | Son of Mr. Nadeem Atta Sheikh                                                                               |                                                                                                                  |                   |
| Ultra Pack (Private) Limited (UPPL)   | Mr. Aizaz Mansoor Sheikh         | Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL | Sale of cement and purchase of poly propylene bags for packing of cement, etc.                                   | Open market price |
|                                       | Mr. Nadeem Atta Sheikh           |                                                                                                             |                                                                                                                  |                   |
|                                       | Mr. Muhammad Rehman Sheikh       |                                                                                                             |                                                                                                                  |                   |
|                                       | Mr. Hamza Atta Sheikh            | Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UPPL                           |                                                                                                                  |                   |
|                                       | Mr. Muhammad Atta Tanseer Sheikh |                                                                                                             |                                                                                                                  |                   |

| Name of Related Party                | Name of Interested Directors     | Nature of Concern/ Interest u/s 205 of Co. Act, 2017                                                        | Description and Terms & Conditions of Transaction                     | Pricing Policy    |
|--------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------|
| Ultra Kraft (Private) Limited (UKPL) | Mr. Aizaz Mansoor Sheikh         | Substantial shareholders and directors of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL | Sale of cement and purchase of paper bags for packing of cement, etc. | Open market price |
|                                      | Mr. Nadeem Atta Sheikh           |                                                                                                             |                                                                       |                   |
|                                      | Mr. Muhammad Rehman Sheikh       | Shareholders of ANS Capital (Pvt.) Ltd. which is holding Company of KCCL and UKPL                           |                                                                       |                   |
|                                      | Mr. Hamza Atta Sheikh            |                                                                                                             |                                                                       |                   |
|                                      | Mr. Muhammad Atta Tanseer Sheikh |                                                                                                             |                                                                       |                   |

The Directors have confirmed that they are only interested in these transactions to the extent of their directorship / trusteeship / shareholding in the related parties as disclosed above and that they do not have any other financial or other interest in these transactions.

Since, the majority of directors are interested in the proposed transactions as mentioned above, therefore, such related party transactions need approval of the members under the provisions of the Companies Act, 2017. Accordingly, these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The following resolutions are proposed to be passed as Special Resolutions with or without modification:

**“Resolved** that Kohat Cement Company Limited (the Company) be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm’s length basis during the financial year ending June 30, 2027 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

| Name of Related Party                 | Description of transaction                                                                                       |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Kohat Cement Educational Trust (KCET) | Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET |
| Ultra Pack (Private) Limited          | Purchase of poly propylene bags for packing of cement and sale of cement, etc.                                   |
| Ultra Kraft (Private) Limited         | Purchase of paper bags for packing of cement and sale of cement, etc.                                            |

**Further Resolved** that Chief Executive of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s).”

## Item No. 5 – Approval for Investment by way of loan in Ultra Kraft (Private) Limited, an associated company.

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the Regulations) is as under:

### Brief about Ultra Kraft (Private) Limited:

UKPL is a private limited company incorporated on September 03, 2020. KCCL and UKPL are associated Companies by way of common holding company, M/s ANS Capital (Private) Limited (ANS). ANS holds 60.09% and 76% equity shares of KCCL and UKPL respectively.

UKPL has set up a Paper Sack manufacturing plant in M3 Industrial City Faisalabad with production capacity of 120 million bags per annum. The commercial production has started in August 2023.

The Board of Directors of the Company in their meeting held on September 10, 2026 has approved upto Rs. 600 million as loan to UKPL on the basis of financial health of the group and sponsors of UKPL subject to approval of the members. The Company shall extend the facility of loans to UKPL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

#### Due Diligence:

The disinterested directors have certified that the proposed investment is being made after due diligence and financial health of the group as a whole as well as of UKPL and ANS Capital (Pvt.) Limited (the holding company) along with the sponsors commitment signifies that it has the ability to repay the loan as per agreement. Due diligence report shall be made available for inspection of members in the AGM.

#### Audited Financial Statements of UKPL

The audited financial statements of UKPL for the year ended 30 June 2026 shall be made available to the members for inspection at the AGM.

#### Interest of Investee Company, its sponsors and directors in the Company

UKPL is not a member of the Company, however, its following sponsors/directors are employees/members of the Company. They have no other interest except to the extent of their remunerations and the shareholdings in the Company, detailed as under:

| Sr. No. | Name                                                                          | Shareholding in UKPL |       | Shareholding in KCCL |         | Position in KCCL              |
|---------|-------------------------------------------------------------------------------|----------------------|-------|----------------------|---------|-------------------------------|
|         |                                                                               | No.                  | %age  | No.                  | %age    |                               |
| 1       | ANS Capital (Private) Limited, the holding Company / member / sponsor of UKPL | 3,799,997            | 76%   | 552,411,600          | 60.09%  | Holding Company / Sponsor     |
| 2       | Mr. Ali Aizaz Sheikh, Chief Executive / Director of UKPL                      | 1                    | 0.00% | 3,900                | 0.0004% | Member and full time employee |
| 3       | Mr. Faisal Atta Sheikh, Director of UKPL                                      | 1                    | 0.00% | 29,750               | 0.0032% |                               |
| 4       | Mr. Ibrahim Tanseer Sheikh, Director of UKPL                                  | 1                    | 0.00% | 52,500               | 0.0057% |                               |

#### Disclosures regarding associated company and investment

##### (a) Regarding associated company: -

| Sr. | Requirements                                                                                                      | Information                                                                                                                                                                                            |
|-----|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i   | Name of associated company                                                                                        | Ultra Kraft (Private) Limited (UKPL)                                                                                                                                                                   |
| ii  | Basis of relationship                                                                                             | UKPL is an associated company of KCCL as both UKPL and KCCL are subsidiaries of ANS Capital (Private) Limited (ANS). ANS owns and controls 76% equity shares of UKPL and 60.09% equity shares of KCCL. |
| iii | Earnings/(Loss) per share for the last three financial years (PKR per share)                                      | 2024-(28.26)<br>2025-(39.96)<br>2026-(28.51)                                                                                                                                                           |
| iv  | Break-up value per share, based on the latest audited financial statements for financial year ended June 30, 2026 | Rs. 24.60- with Sponsors Loan<br>Rs. (91.11)- without Sponsors Loan                                                                                                                                    |

| Sr.                 | Requirements                                                                                                                                                                                     | Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |                         |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|--------------------|-------------|---------------|--------------------|---------------|-------------|--------------------------|-------------|-------------|---------------------------------|-----------|-------------|---------------------|---------------|-------------|----------------|-------|------------|---------------|------------|-------------|---------------------|-------------|-------------|
| v                   | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest audited financial statements for the year ended June 30, 2026 | <b>Balance Sheet</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |                         |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | <table><tr><th>Rupees</th><th>June 30, 2026 (audited)</th><th>June 30, 2025 (audited)</th></tr><tr><td>Non-current Assets</td><td>304,611,991</td><td>1,274,617,740</td></tr><tr><td>Current Assets</td><td>1,150,189,534</td><td>282,679,528</td></tr><tr><td>Equity</td><td>123,005,091</td><td>265,543,416</td></tr><tr><td>Non-current Liabilities</td><td>-</td><td>530,000,000</td></tr><tr><td>Current Liabilities</td><td>1,331,796,434</td><td>761,753,852</td></tr></table>                                                                                                                                                                                                                                 | Rupees                  | June 30, 2026 (audited) | June 30, 2025 (audited) | Non-current Assets | 304,611,991 | 1,274,617,740 | Current Assets     | 1,150,189,534 | 282,679,528 | Equity                   | 123,005,091 | 265,543,416 | Non-current Liabilities         | -         | 530,000,000 | Current Liabilities | 1,331,796,434 | 761,753,852 |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Rupees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | June 30, 2026 (audited) | June 30, 2025 (audited) |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Non-current Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 304,611,991             | 1,274,617,740           |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Current Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1,150,189,534           | 282,679,528             |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Equity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 123,005,091             | 265,543,416             |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Non-current Liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -                       | 530,000,000             |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Current Liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1,331,796,434           | 761,753,852             |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | <b>Profit and Loss Account</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                         |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | <table><tr><th>Rupees</th><th>June 30, 2026 (audited)</th><th>June 30, 2025 (audited)</th></tr><tr><td>Sales</td><td>469,200,691</td><td>422,222,375</td></tr><tr><td>Cost of Goods Sold</td><td>511,799,645</td><td>454,515,905</td></tr><tr><td>Admin &amp; General Expenses</td><td>8,278,602</td><td>6,667,092</td></tr><tr><td>Selling &amp; Distribution Expenses</td><td>7,165,669</td><td>5,851,004</td></tr><tr><td>Other Income</td><td>14,582,689</td><td>20,287,541</td></tr><tr><td>Other Expenses</td><td>5,495</td><td>22,218,392</td></tr><tr><td>Finance costs</td><td>99,072,294</td><td>153,063,144</td></tr><tr><td>Loss after taxation</td><td>142,538,325</td><td>199,805,621</td></tr></table> | Rupees                  | June 30, 2026 (audited) | June 30, 2025 (audited) | Sales              | 469,200,691 | 422,222,375   | Cost of Goods Sold | 511,799,645   | 454,515,905 | Admin & General Expenses | 8,278,602   | 6,667,092   | Selling & Distribution Expenses | 7,165,669 | 5,851,004   | Other Income        | 14,582,689    | 20,287,541  | Other Expenses | 5,495 | 22,218,392 | Finance costs | 99,072,294 | 153,063,144 | Loss after taxation | 142,538,325 | 199,805,621 |
|                     |                                                                                                                                                                                                  | Rupees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | June 30, 2026 (audited) | June 30, 2025 (audited) |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 469,200,691             | 422,222,375             |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Cost of Goods Sold                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 511,799,645             | 454,515,905             |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Admin & General Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 8,278,602               | 6,667,092               |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
|                     |                                                                                                                                                                                                  | Selling & Distribution Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 7,165,669               | 5,851,004               |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
| Other Income        | 14,582,689                                                                                                                                                                                       | 20,287,541                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                         |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
| Other Expenses      | 5,495                                                                                                                                                                                            | 22,218,392                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                         |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
| Finance costs       | 99,072,294                                                                                                                                                                                       | 153,063,144                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |                         |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |
| Loss after taxation | 142,538,325                                                                                                                                                                                      | 199,805,621                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |                         |                         |                    |             |               |                    |               |             |                          |             |             |                                 |           |             |                     |               |             |                |       |            |               |            |             |                     |             |             |

**(b) General disclosures: -**

| Sr. | Requirements                                                                                                                                                                                                                                                                                                    | Information                                                                                                                                                                                                                                                                                      |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i   | Maximum amount of investment to be made                                                                                                                                                                                                                                                                         | Up to PKR 600 million                                                                                                                                                                                                                                                                            |
| ii  | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;                                                                                                                                                                                      | <p>To support the associated company in meeting its short term financing requirements and to earn Mark-up on loan which shall increase the profitability of the Company and shall enhance the shareholders' value.</p> <p>Period of investment is one year commencing from October 29, 2026.</p> |
| iii | Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:<br>(i) justification for investment through borrowings;<br>(ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and<br>(iii) cost benefit analysis; | The investment will be made from the Company's own funds.                                                                                                                                                                                                                                        |

| Sr.                                                             | Requirements                                                                                                                                                             | Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------|------------------------|-------------------|------------------------------|-------------------|---------------------------------------|--------|--------------------------------------------|--------|-------------------------------------------------------------|-------------------|----------------------------------|-------------------|---------------------------------------------------------------|-------------------|-------------------------------------------------------------|-------------------|-----------------------------|--------|----------------------------------------|--------|-----------------------------------------------------------|--------|----------------------------------------------|--------|---------------------------------------------------------------|--------|---------------------------------------------------------------|--------|---------------------------------------------------------|--------|
| iv                                                              | Salient features of the agreement(s), if any, with associated company with regards to the proposed investment;                                                           | Agreement will be executed after approval of shareholders. Maximum amount of loan shall be upto PKR 600 million. Tenure shall be one year from October 29, 2026. Mark up shall be charged @ 3M KIBOR + 1.50% or at average borrowing cost of the Company, whichever is higher. Mark up shall be recovered on quarterly basis within 15 days of the end of each quarter. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| v                                                               | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or the transaction under consideration; | <div>UKPL and KCCL are subsidiaries of ANS Capital (Private) Limited. None of the directors, sponsors, majority shareholders and their relatives have any interest directly or indirectly in the UKPL or the proposed arrangement, except that the following directors and their relatives are the members / directors in ANS Capital (Pvt.) Limited, which is the holding company of UKPL.</div> <table><tr><th>Name of interested director, his relatives and position in KCCL</th><th>Position in ANS Capital</th></tr><tr><td>Aizaz Sheikh, Director</td><td>Member / Director</td></tr><tr><td>Nadeem Atta Sheikh, Director</td><td>Member / Director</td></tr><tr><td>Shahnaz Aizaz, spouse of Aizaz Sheikh</td><td>Member</td></tr><tr><td>Hafsa Nadeem, spouse of Nadeem Atta Sheikh</td><td>Member</td></tr><tr><td>Omer Aizaz Sheikh, son of Aizaz Sheikh and employee in KCCL</td><td>Member / Director</td></tr><tr><td>Muhammad Rehman Sheikh, Director</td><td>Member / Director</td></tr><tr><td>Faisal Atta Sheikh, son of Nadeem Sheikh and employee in KCCL</td><td>Member / Director</td></tr><tr><td>Asad Atta Sheikh, son of Nadeem Sheikh and employee in KCCL</td><td>Member / Director</td></tr><tr><td>Hamza Atta Sheikh, Director</td><td>Member</td></tr><tr><td>Muhammad Atta Tanseer Sheikh, Director</td><td>Member</td></tr><tr><td>Ali Aizaz Sheikh son of Aizaz Sheikh and employee in KCCL</td><td>Member</td></tr><tr><td>Aminah Aizaz Sheikh daughter of Aizaz Sheikh</td><td>Member</td></tr><tr><td>Muhammad Mustafa Mansoor Sheikh son of Muhammad Rehman Sheikh</td><td>Member</td></tr><tr><td>Muhammad Murtaza Mansoor Sheikh son of Muhammad Rehman Sheikh</td><td>Member</td></tr><tr><td>Malika Rehman Sheikh daughter of Muhammad Rehman Sheikh</td><td>Member</td></tr></table> | Name of interested director, his relatives and position in KCCL | Position in ANS Capital | Aizaz Sheikh, Director | Member / Director | Nadeem Atta Sheikh, Director | Member / Director | Shahnaz Aizaz, spouse of Aizaz Sheikh | Member | Hafsa Nadeem, spouse of Nadeem Atta Sheikh | Member | Omer Aizaz Sheikh, son of Aizaz Sheikh and employee in KCCL | Member / Director | Muhammad Rehman Sheikh, Director | Member / Director | Faisal Atta Sheikh, son of Nadeem Sheikh and employee in KCCL | Member / Director | Asad Atta Sheikh, son of Nadeem Sheikh and employee in KCCL | Member / Director | Hamza Atta Sheikh, Director | Member | Muhammad Atta Tanseer Sheikh, Director | Member | Ali Aizaz Sheikh son of Aizaz Sheikh and employee in KCCL | Member | Aminah Aizaz Sheikh daughter of Aizaz Sheikh | Member | Muhammad Mustafa Mansoor Sheikh son of Muhammad Rehman Sheikh | Member | Muhammad Murtaza Mansoor Sheikh son of Muhammad Rehman Sheikh | Member | Malika Rehman Sheikh daughter of Muhammad Rehman Sheikh | Member |
| Name of interested director, his relatives and position in KCCL | Position in ANS Capital                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Aizaz Sheikh, Director                                          | Member / Director                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Nadeem Atta Sheikh, Director                                    | Member / Director                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Shahnaz Aizaz, spouse of Aizaz Sheikh                           | Member                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Hafsa Nadeem, spouse of Nadeem Atta Sheikh                      | Member                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Omer Aizaz Sheikh, son of Aizaz Sheikh and employee in KCCL     | Member / Director                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Muhammad Rehman Sheikh, Director                                | Member / Director                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Faisal Atta Sheikh, son of Nadeem Sheikh and employee in KCCL   | Member / Director                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Asad Atta Sheikh, son of Nadeem Sheikh and employee in KCCL     | Member / Director                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Hamza Atta Sheikh, Director                                     | Member                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Muhammad Atta Tanseer Sheikh, Director                          | Member                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Ali Aizaz Sheikh son of Aizaz Sheikh and employee in KCCL       | Member                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Aminah Aizaz Sheikh daughter of Aizaz Sheikh                    | Member                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Muhammad Mustafa Mansoor Sheikh son of Muhammad Rehman Sheikh   | Member                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Muhammad Murtaza Mansoor Sheikh son of Muhammad Rehman Sheikh   | Member                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |
| Malika Rehman Sheikh daughter of Muhammad Rehman Sheikh         | Member                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                 |                         |                        |                   |                              |                   |                                       |        |                                            |        |                                                             |                   |                                  |                   |                                                               |                   |                                                             |                   |                             |        |                                        |        |                                                           |        |                                              |        |                                                               |        |                                                               |        |                                                         |        |

| Sr. | Requirements                                                                                                                                                                                   | Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| vi  | In case any investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairment or write offs; | KCCL in its last AGM held on October 13, 2025 approved Short Term Finance (STF) facility of upto PKR 600 Million to UKPL, to meet its short term finance requirements for a period of one year which is valid till October 28, 2026. Out of approved STF Facility, UKPL has utilized PKR 490 million as on June 30, 2026 for its short term financing needs including the purchase of raw material i.e. Kraft paper, the most essential ingredient to run the business.<br><br>UKPL is regularly paying mark up on the approved facility to KCCL in accordance with the agreed terms. Moreover, UKPL is also current on all its debt obligations with its lenders. KCCL has not accounted for any impairment / write off in respect of the facilities extended by it to UKPL. |
| vii | Any other important details necessary for the members to understand the transaction;                                                                                                           | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**(c) Additional disclosure in case of investments in the form of loans, advances and guarantees: -**

| Sr. | Requirements                                                                                                                                                                                                                                                          | Information                                                                                                                                                                                                                                                                                         |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i   | Category-wise amount of investment;                                                                                                                                                                                                                                   | Short term loan of upto PKR 600 million.                                                                                                                                                                                                                                                            |
| ii  | Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period           | Average borrowing cost of KCCL on similar financing facilities available to the Company from different commercial banks during July 2025 to June 2026 is three months KIBOR + upto 1%                                                                                                               |
| iii | Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company                                                                                                                                                                         | KCCL shall charge mark-up at the rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.             |
| iv  | Particulars of collateral or security to be obtained in relation to the proposed investment                                                                                                                                                                           | Corporate Guarantee of UKPL and ANS Capital (Pvt.) Limited, the holding company.                                                                                                                                                                                                                    |
| v   | If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable | There are no conversion features in the subject facility.                                                                                                                                                                                                                                           |
| vi  | Repayment schedule and terms and conditions of loans or advances to be given to the associated company.                                                                                                                                                               | The loan shall be available to UKPL for a period of one year. Mark up shall be paid by UKPL on quarterly basis within 15 days of the end of each quarter. Non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount. |

**Draft special resolutions:**

The following resolutions are proposed to be passed as Special Resolutions with or without any modification:

**“Resolved** that approval of members of Kohat Cement Company Limited (the “Company”) be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017, for investment by way of loan of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated Company, to meet its operating liquidity requirements for a term of one year from October 29, 2026 at a mark-up rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher, which shall be paid by UKPL within fifteen (15) days of end of each quarter and as per other terms and conditions disclosed to the members and non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.

**Further Resolved** that Chief Executive of the Company or any officer of the Company authorized by him be and is hereby authorized to enter into agreement with UKPL in line with the terms approved by the members and to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s)/documents and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions.”

## Notes:

### 1. Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from **Thursday, October 15, 2026, to Thursday, October 22, 2026**, (both days inclusive). Physical transfers / CDS transactions IDs received in order at the Company's Independent Share Registrar Office, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore, up to the close of business on **Wednesday, October 14, 2026**, will be treated in time for the purpose of attending and voting at the AGM.

### 2. Right to appoint Proxy

A member is entitled to appoint a proxy in his/her place to attend, speak and vote instead of him/her. A member can appoint only one proxy in his/her place who can exercise all rights of a member in the meeting. The instrument appointing a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Head Office of the Company, 37-P, Gulberg-II, Lahore not later than 48 hours (excluding non-working days) before the time of the meeting. A proxy must be a member of the Company. Form of proxy in English and Urdu Language is enclosed herewith and also available on Company's website: [www.kohatcement.com](http://www.kohatcement.com).

### 3. Attendance through Video-Conference

Pursuant to the provisions of the Companies Act, 2017, the shareholder(s) residing in a city holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Company Secretary at the head office of the Company, 37-P, Gulberg II, Lahore, at least seven (7) days prior to the date of the meeting on the Standard Form which can be downloaded from the Company's website: [www.kohatcement.com](http://www.kohatcement.com).

### 4. Attendance through Electronic Medium

The Company shall provide video link facility for attending this meeting. The members are encouraged to attend the AGM online through ZOOM, by following the below guidelines:

- a. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) to the Company Secretary through WhatsApp at 0334-4888216 or email ID; [mis@kohatcement.com](mailto:mis@kohatcement.com) by October 19, 2026.

| Name of member | CNIC No. | CDC Account No/Folio No. | Cell Number | Email address |
|----------------|----------|--------------------------|-------------|---------------|
|                |          |                          |             |               |

- b. The members who shall be registered after the necessary verification shall be provided a zoom link in email to attend the meeting. The login facility will remain open from start of the meeting till its proceedings are concluded.
- c. Members may send their comments / suggestions on the agenda item to the Company Secretary on his email ID; [mis@kohatcement.com](mailto:mis@kohatcement.com) or WhatsApp no. 0334-4888216.

### 5. Voting through Postal Ballot (electronic voting and by ballot paper)

In terms of SECP's Notification No. 451(I)/2025 dated 13th March, 2025; the members of Kohat Cement Company Limited can only cast their votes through postal ballot (by post or through e-voting) in respect of all Special Business. Accordingly, the members shall be provided e-voting and postal ballot facilities for casting their votes in respect of Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018.

### Procedure for E-Voting

- i. Details of e-voting facility (including web address, login details and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers and e-mails address available in the register of members of the Company.
- ii. The security codes will be communicated to members through SMS from the web portal of Corplink (Private) Limited (being the e-voting service provider).
- iii. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- iv. E-voting lines will start from October 19, 2026, 09:00 a.m. and shall close on October 21, 2026 at 05:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

### Procedure for voting through ballot paper

- i. The members may alternatively opt for voting through postal ballot. Ballot paper in prescribed form is attached with this Notice and is also available on the Company's website [www.kohatcement.com](http://www.kohatcement.com) to download.
- ii. The members must ensure that the duly filled and signed ballot paper, along with Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Kohat Cement Factory, Rawalpindi Road, Kohat or email at [mis@kohatcement.com](mailto:mis@kohatcement.com), by 5:00 pm, October 21, 2026. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match with signature on the CNIC.

## 6. Transmission of Annual Report

- i. In terms of the approval of the members of the Company in their Extra Ordinary General Meeting held on June 22, 2023 and pursuant to the SECP's Notification No. SRO 389 (I)/2023 dated March 21, 2023 and SRO 452 (I)/ 2025 dated March 17, 2025, the Annual Report for the financial year ended on June 30, 2026 of the Company containing inter alia the notice of annual general meeting, audited financial statements, auditors report, directors' and Chairman's reports thereon may be viewed and downloaded by following the QR Code and web-link as given hereunder:

| Weblink                                                                                                           | QR Code                                                                               |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <a href="http://www.kohatcement.com/financial_reports.aspx">http://www.kohatcement.com/financial_reports.aspx</a> |  |

- ii. Annual Report has been e-mailed to those shareholders who have provided their valid e-mail IDs to the Company.
- iii. The shareholders who wish to receive hard copy of the Annual Report may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company [www.kohatcement.com](http://www.kohatcement.com) and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.

## 7. Appointment of Scrutinizer

M/s Ishtiaq Rana & Co., Chartered Accountants, 6/B, Block-H, Gulberg-III, Lahore, have been appointed as Scrutinizer, who fulfil the requirements stated in Section 247 of the Companies Act, 2017, have a satisfactory QCR rating from the Institute of Chartered Accountants of Pakistan and have necessary knowledge and experience to independently scrutinize the voting process. The purpose of the appointment of the scrutinizer is to observe the voting process for the Special Business and to validate the voting results and the proxy forms, in accordance with the Companies (Postal Ballot) Regulations, 2018.

## **8. Attendance at AGM**

A corporation or company being a member of the Company may appoint any of its officials or any other person through a resolution of its board of directors to attend and vote at the meeting.

The members should quote their folio number/ CDS IDs in all correspondence with the Company and should bring original document at the time of attending the AGM.

CDC account holders will further have to follow the following guidelines as laid down in Circular No. 1 dated 26th January 2000 issued by the Securities & Exchange Commission of Pakistan.

### **For attending the meeting**

- i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/ her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee along with his/her original CNIC or original passport shall be produced (unless it has been provided earlier) at the time of the meeting.

### **For appointing proxies**

- i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the requirements stated above.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
- iii) The proxy shall produce his/ her original CNIC or original passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature along with his/ her original CNIC or original passport shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

## **9. Deposit of Physical Shares in to CDC Account:**

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange. Further, Section 72 of the Companies Act, 2017 (the Act), states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the promulgation of the Act.

## **10. Prohibition of Gifts**

In view of prohibition under Section 185 of the Companies Act, 2017, the Company does not distribute gifts in any form to its members in the general meetings.

## **11. Intimation of Change in Address**

The members are requested to notify the change of their registered addresses, if any, immediately to Company's Independent Share Registrar.

# CHAIRMAN'S REVIEW REPORT

I am pleased to present the Chairman's Review on the performance of the Board of Directors (the Board) and its role in providing strategic leadership, oversight and governance of Kohat Cement Company Limited (the "Company") for the financial year ended June 30, 2026.

The Board remained committed to fulfilling its fiduciary and governance responsibilities while supporting the Company's strategic priorities and long-term objectives. Throughout the year, the Board maintained a balanced focus on business performance, financial strength, operational efficiency, risk management and sustainable value creation. Its deliberations were directed towards ensuring that the Company remained well positioned to respond to changing market dynamics while preserving the strength and resilience of its underlying business.

The Company continued to conduct its affairs in accordance with the applicable legal and regulatory framework, including the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "CCG Regulations, 2019"). The Board and its committees discharged their respective responsibilities in accordance with the applicable requirements and their approved mandates.

**Business Overview** –Pakistan's cement industry demonstrated resilience and regained momentum during financial year 2025-26, reflecting an improving economic environment and renewed momentum in the construction sector. The moderation in inflation and the easing monetary policy enhanced investor confidence, encouraging activity in both residential and commercial construction. Government-led infrastructure initiatives, coupled with a gradual revival in private sector investment, further supported cement demand. These positive developments resulted in higher domestic dispatches and improved capacity utilization across the industry.

Despite the recovery in domestic demand, the operating environment remained challenging. The industry continued to face intense price competition, limiting its ability to fully recover higher production costs arising from increased energy prices amid the Middle East war, raw material costs, transportation expenses, and regulatory levies. Export markets remained subdued due to geopolitical uncertainties. Despite these business challenges, the Company successfully navigated the market to deliver a commendable financial performance, recording a profit after tax of PKR 10.70 billion.

The Company has successfully completed the sub-division of its ordinary share capital in the ratio of 5:1, reducing the face value from PKR 10 to PKR 2 per share. The sub-division has improved the liquidity and accessibility of the Company's shares, supporting wider investor participation and enhanced market liquidity.

During the year, the Company has successfully installed and energized an additional 2.32 MW on-grid solar power at Company's plant site, Kohat. With this addition, the Company's total installed on-grid solar power generation capacity has increased from 15.34 MW to 17.66 MW.

The construction and installation of a 28.5 MW coal-fired power plant at Company's Kohat facility is progressing at full swing and is expected to become operational by 2QFY27.

Upon completion, it will significantly reduce power consumption costs and decrease reliance on the National Grid, enhancing the Company's operational autonomy and efficiency.

**Board's Performance Evaluation** – The effectiveness of the Board is assessed not only through the outcomes of its decisions but also through the quality of its deliberations, oversight and collective contribution. In accordance with the requirements of the CCG Regulations, 2019, the Company undertook an annual evaluation of the performance and effectiveness of the Board, its members and its committees through a structured questionnaire-based assessment process.

The Board's annual self-evaluation results were satisfactory and indicated that the Board continued to discharge its responsibilities effectively and in accordance with the objectives established for the financial year. The self-evaluation process also provides a structured basis for identifying opportunities to further enhance the effectiveness of the Board and its committees.

**Composition of the Board** – The composition of the Board reflects a reasonable balance of executive and non-executive directors, including independent directors. The Board members possess rich professional experience in various domains, with strong financial and analytical abilities and independent perspectives. Their collective expertise has been instrumental in guiding our strategic direction, fulfilling fiduciary responsibilities and ensuring compliance with legal and regulatory requirements.

**Due Diligence** – During the year, the Board remained engaged with matters having a material bearing on the Company's performance, financial position, strategy and sustainability. The Board also maintained oversight of financial reporting, internal controls, compliance, risk management and other matters falling within its statutory and fiduciary responsibilities. The Board met frequently to adequately discharge its responsibilities, while committee meetings were held as and when required.

**Risk Management Strategies** – The Company recognizes that effective risk management is integral to achieving its strategic and operational objectives. A structured risk management framework is in place, supported by a Risk Management Policy and a risk register covering material areas of exposure, including strategic, operational, regulatory and compliance, and sustainability-related risks.

The Board maintains oversight of the Company's risk profile and periodically reviews significant risks together with the measures adopted by management for their mitigation. The risk management framework continues to evolve in response to changes in market conditions, the operating environment and the legal and regulatory framework applicable to the Company.

On behalf of the Board, I acknowledge and appreciate the dedication and contribution of the management and employees of the Company towards achieving the Company's objectives. I also extend my sincere appreciation to our shareholders and other stakeholders for their continued confidence, support and trust.



**Aizaz Mansoor Sheikh**

Chairman

Lahore: September 10, 2026

بورڈ کی کارکردگی کا جائزہ۔ بورڈ کی صلاحیت کا جائزہ نہ صرف فیصلوں سے حاصل شدہ نتائج کی روشنی میں لیا جاتا ہے، بلکہ اس میں تفصیلی بحث، نگرانی کے معیار اور مجموعی کردار کو بھی مد نظر رکھا جاتا ہے۔ CCG ریگولیشنز 2019 کے تحت، کمپنی نے منظم سوالنامے کی بنیاد پر بورڈ، اس کے ممبران اور کمیٹیوں کی سالانہ کارکردگی کی ارزیابی کی۔ نتائج سے ظاہر ہوا کہ بورڈ نے مالی سال کے تمام مقاصد کو مد نظر رکھتے ہوئے اپنی ذمہ داریاں مکمل طور پر ادا کیں۔ یہ عمل بورڈ اور اس کی ذیلی کمیٹیوں کی کارکردگی کو مزید بہتر بنانے کے لیے مواقع کی نشان دہی بھی کرتا ہے۔

بورڈ کی تشکیل۔ بورڈ کی تشکیل ایگزیکٹو، نان ایگزیکٹو اور آزاد ڈائریکٹرز کے ایک متوازن امتزاج پر مبنی ہے۔ بورڈ اراکین متعدد شعبہ جات میں وسیع تجارتی و فنی تجربے، اعلیٰ مالیاتی فہم اور غیر جانبدارانہ بصیرت سے آراستہ ہیں۔ ان کی اجتماعی مہارت کمپنی کی کاروباری حکمت عملی کی سمت کے تعین، امانتی ذمہ داریوں کی تشکیل اور قوانین و ضوابط کی تعمیل کو یقینی بنانے میں کلیدی کردار ادا کر رہی ہے۔

ذمہ دارانہ جانچ پڑتال۔ رواں مالی سال کے دوران، بورڈ ان تمام اہم امور میں فعال طور پر شامل رہا جو کمپنی کی مجموعی کارکردگی، مالی حالت، اسٹریٹجک سمت اور پائیداری پر اثر انداز ہو سکتے تھے۔ علاوہ ازیں، بورڈ نے مالیاتی رپورٹنگ کے معیار، اندرونی کنٹرولز، قانونی پاسداری اور خطرات سے نمٹنے کے نظام (رسک مینجمنٹ) پر گہری نظر رکھی۔ اپنے تفویض کردہ فرائض کی بروقت اور موثر ادائیگی کے لیے بورڈ کے باقاعدہ اجلاس منعقد ہوئے، جبکہ کمیٹیوں کے اجلاس ضرورت کے مطابق طلب کیے گئے۔

رسک مینجمنٹ کی حکمت عملی۔ کمپنی تسلیم کرتی ہے کہ خطرات کا بہتر انتظام (رسک مینجمنٹ) ہی کاروباری اہداف کی کامیابی کی ضمانت ہے۔ اس مقصد کے لیے ایک باقاعدہ رسک مینجمنٹ فریم ورک اور پالیسی موجود ہے جو اسٹریٹجک، آپریشنل، قانونی اور ماحولیاتی پائیداری کے تمام ممکنہ خطرات کی نشاندہی کرتی ہے۔ بورڈ ان خطرات اور ان کے حل کے لیے انتظامیہ کے اقدامات کا جائزہ لیتا رہتا ہے، اور بدلتے حالات کے مطابق اس فریم ورک کو ہم آہنگ رکھا جاتا ہے۔

میں بورڈ کی طرف سے کمپنی کے ملازمین اور مینجمنٹ کی کوششوں کو سراہتا ہوں اور اپنے شیئر ہولڈرز اور دیگر تمام اسٹیک ہولڈرز کا ان کے مسلسل تعاون پر شکریہ ادا کرتا ہوں۔



اعجاز منصور

چیئر مین

لاہور: 10 ستمبر، 2026ء

## چیز میں جائزہ رپورٹ

میں چیز میں جائزہ رپورٹ پیش کرتے ہوئے اطمینان محسوس کر رہا ہوں، جو کہ 30 جون، 2026ء کو ختم ہونے والے مالی سال کے دوران بورڈ کی کارکردگی، کاروباری حکمت عملی کے لئے رہنمائی، نگرانی اور کمپنی کے نظم و نسق پر مشتمل ہے۔

بورڈ اپنی امانتی اور طرزِ حکمرانی سے متعلق ذمہ داریوں کی تکمیل کے لیے پُر عزم رہا، جبکہ کمپنی کی کاروباری حکمت عملی کی ترجیحات اور طویل مدتی مقاصد کے حصول میں معاونت جاری رکھی۔ سال کے دوران بورڈ نے کاروباری کارکردگی، مالی استحکام، کاروباری استعداد کار، خطرات کے انتظام اور پائیدار قدر کے حصول کے درمیان متوازن توجہ برقرار رکھی۔ بورڈ کے غور و خوض کا محور یہ یقینی بنانا تھا کہ بدلے ہوئے مارکیٹ کے رجحانات اور حالات کے موثر جواب کے لیے کمپنی مضبوط بنیادوں پر قائم رہے، جبکہ اس کے بنیادی کاروبار کی مضبوطی اور استحکام بھی برقرار رہے۔

گزشتہ مالی سال کے دوران کمپنی نے اپنے امور کے انعقاد میں "کمپنیز ایکٹ" 2017 اور "سلیڈ کمپنیز" (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء سمیت تمام متعلقہ قوانین اور ریگولیٹری فریم ورک کی مکمل پاسداری کی۔ بورڈ اور اس کی ذیلی کمیٹیوں نے اپنی متعلقہ ذمہ داریاں قابل اطلاق ضوابط اور اپنے منظور شدہ اختیارات کے مطابق احسن طریقے سے انجام دیں۔

کاروبار کا جائزہ۔ مالی سال 2025-26ء کے دوران پاکستان کی سینٹ انڈسٹری نے معاشی ماحول میں بہتری اور تعمیراتی شعبے میں بحالی کے باعث شاندار استحکام اور مسلسل پیش رفت کا مظاہرہ کیا۔ افراطِ زر میں کمی اور شرح سود میں نرمی نے سرمایہ کاروں کے اعتماد کو بحال کیا، جس سے رہائشی اور تجارتی دونوں نوعیت کی تعمیراتی سرگرمیوں کو فروغ ملا۔ بنیادی ڈھانچے کی ترقی کے لیے حکومتی اقدامات اور نجی شعبے کی سرمایہ کاری میں تدریجی بہتری نے سینٹ کی طلب کو مزید تقویت دی۔ ان مثبت پیش رفتوں کے نتیجے میں ملکی سطح پر سینٹ کی فروخت میں اضافہ ہوا اور انڈسٹری کی پیداواری صلاحیت کے استعمال میں بہتری آئی۔

مقامی طلب میں بحالی کے باوجود کاروباری حالات دشوار ہیں۔ انڈسٹری کو قیمتوں کی شدید مسابقت کا سامنا رہا، جس کی وجہ سے مشرق وسطیٰ کی جنگ کے باعث توانائی کی بڑھتی ہوئی قیمتوں، خام مال کی لاگت، ٹرانسپورٹ کے اخراجات اور ریگولیٹری لیویز کے نتیجے میں بڑھنے والی پیداواری لاگت کا بوجھ مکمل طور پر منتقل کرنا ممکن نہ ہو سکا۔ جیو پالیٹیکل غیر یقینی صورتحال کے باعث برآمدی منڈیاں بھی دباؤ کا شکار ہیں۔ ان تمام تر مشکلات کے باوجود، کمپنی نے حکمت عملی کے ساتھ مارکیٹ کے حالات کا مقابلہ کرتے ہوئے قابل تحسین مالیاتی کارکردگی کا مظاہرہ کیا اور 10.70 ارب روپے کا بعد از ٹیکس منافع ریکارڈ کیا۔

کمپنی کے عام حصص کو 5:1 کے تناسب سے کامیابی سے تقسیم کیا جا چکا ہے، جس کے تحت شیئر کی بنیادی قیمت 10 روپے سے کم کر کے 2 روپے فی شیئر کر دی گئی ہے۔ اس سب ڈویژن سے حصص کی لیکویڈیٹی اور مارکیٹ تک رسائی میں نمایاں اضافہ ہوا ہے، جس سے سرمایہ کاروں کی وسیع تر شمولیت کو فروغ ملا ہے۔

سال کے دوران کمپنی نے اپنے کوہاٹ پلانٹ کے مقام پر اضافی 2.32 میگا واٹ آن گریڈ نظام سولر پاور سسٹم کامیابی سے نصب اور فعال کیا۔ اس اضافے کے ساتھ کمپنی کی مجموعی نصب شدہ آن گریڈ شمسی توانائی کی پیداواری صلاحیت 15.34 میگا واٹ سے بڑھ کر 17.66 میگا واٹ ہو گئی ہے۔

کمپنی کی کوہاٹ سہولت پر 28.5 میگا واٹ کے کونکے سے چلنے والے بجلی گھر کی تعمیر اور تنصیب کا کام پوری رفتار سے جاری ہے اور توقع ہے کہ یہ مالی سال 2027 کی دوسری سہ ماہی تک فعال ہو جائے گا۔

اس منصوبے کی تکمیل کے بعد بجلی کے استعمال سے متعلق اخراجات میں نمایاں کمی آئے گی اور نیشنل گرڈ پر انحصار کم ہوگا، جس سے کمپنی کی آپریشنل خود مختاری اور کارکردگی میں اضافہ ہوگا۔

# DIRECTORS' REPORT

## to the shareholders

Dear Shareholders,

The Directors of your Company gladly present the Annual Report containing the audited unconsolidated and consolidated financial statements and Auditors' Reports thereon for the financial year ended June 30, 2026.

## Pakistan's Economic Landscape in FY2025-26

Pakistan's economy demonstrated gradual stabilization during FY2025-26, supported by declining inflation, a relatively stable exchange rate, easing monetary policy and improved fiscal discipline. These developments created a more conducive business environment and strengthened expectations for sustained economic recovery; however, the inflated energy prices amid the Middle East war shall remain a major threat for the economy.

## Cement Industry Review and Company's Performance

Pakistan's cement industry recorded a 7.7% year-on-year (YoY) growth during FY26, with total dispatches increasing to 50.5 million metric tons compared with 46.9 million metric tons in previous year. Domestic dispatches notably increased by 10.1% to 41.5 million metric tons, compared with 37.7 million metric tons in the previous year. The growth in domestic dispatches was primarily supported by the improved macroeconomic stability, lower interest rates, increased public sector development spending and a gradual recovery in construction activity.

Export dispatches, however, declined by 2.1% YoY to 9.0 million metric tons, compared with 9.2 million metric tons in the previous year. The decline in cement exports was primarily driven by geopolitical uncertainties, which disrupted regional trade flows and adversely impacted export volumes.

Below is the summary of cement industry dispatches:

| Dispatches        | FY 2026             | FY 2025 | Change % |
|-------------------|---------------------|---------|----------|
|                   | Million Metric Tons |         |          |
| Local Dispatches  | 41.5                | 37.7    | 10.1%    |
| Export Dispatches | 9.0                 | 9.2     | (2.1%)   |
| Total Dispatches  | 50.5                | 46.9    | 7.7%     |

## Operational Performance

Operational performance of your Company is summarized as under:

| Description        | FY 2026     | FY 2025   | Change % |
|--------------------|-------------|-----------|----------|
|                    | Metric Tons |           |          |
| Clinker Production | 2,178,813   | 2,153,092 | 1.2%     |
| Cement Production  | 2,520,808   | 2,347,987 | 7.4%     |
| Local Dispatches   | 2,462,543   | 2,307,444 | 6.7%     |
| Export Dispatches  | 54,677      | 20,894    | 161.7%   |
| Total Dispatches   | 2,517,220   | 2,328,338 | 8.1%     |

Local dispatches include 15,423 mt dispatched to the export dealers for the purposes of exports to Afghanistan; however, due to closure of Afghan border, the same could not be exported by 30th June 2026 and hence included in the local sales. During FY26, the Company's operations benefited from improved market conditions, resulting in a 7.4% increase in cement production to 2.5 million metric tons compared with the previous financial year.

Domestic sales increased by 6.7% while the export sales also recorded growth, resulting in overall 8.1% YOY increase in total sales to 2.52 million metric tons. The growth in sales was primarily driven by improving market demand and increased offtake from infrastructure and construction projects, in line with the overall cement industry trends.

## Financial Performance

Financial Performance of your Company for the period under review is as under:

Rupees in Million

| Description                | FY 2026 | FY 2025 | Change (%) |
|----------------------------|---------|---------|------------|
| Net Sales                  | 38,531  | 37,536  | 2.7%       |
| Gross Profit               | 13,648  | 14,892  | (8.4%)     |
| Gross Profit Ratio         | 35.42%  | 39.2%   |            |
| Other Income               | 4,646   | 5,281   | (12%)      |
| Profit before tax          | 15,968  | 17,747  | (10%)      |
| EBITDA                     | 17,405  | 19,362  | (10.1%)    |
| Net Profit after tax       | 10,697  | 11,575  | (7.6%)     |
| Net Profit after tax Ratio | 27.8%   | 30.8%   |            |
| Earnings per share (Rs.)   | 11.64   | 11.97   |            |

The Company's financial performance for FY26 reflected prevailing industry trends, with strong volumes but severe pressure on margins in a competitive pricing environment. Net sales increased by 2.7% year-on-year to PKR 38,531 million, driven by higher dispatches amid recovery in domestic demand. However, intense competition and low cement prices continued to exert pressure on profitability of the Company resulting into decrease of 7.6% in profit after tax of the Company.

The Company is in full compliance with all debt obligations. PACRA has reviewed and maintained the Company's long-term entity rating at A+ and short-term rating at A1, with a stable outlook. These ratings indicate a low level of credit risk and a strong ability to meet all financial commitments on time.

## Appropriations

The Company believes in sharing its profits with its shareholders; however, the Company's ongoing projects, i.e. Green Field cement production line in Khushab, Punjab, setting up Coal Fired Power plants, investments in real estate projects through its wholly-owned subsidiary, need huge investments to be made both in local and foreign currency; therefore, the Board of Directors has not proposed any dividend for the year ended June 30, 2026.

## Future Prospects

The Company remains committed to strengthening its market position through operational excellence, cost optimization and disciplined execution of its long-term growth strategy. Strategic investments in the Solar Power Plant and Coal-Fired Power Plant will play a pivotal role in the Company's future development. These projects are expected to improve energy efficiency and reliability, reduce long-term operating costs and strengthen the Company's overall competitiveness.

### Greenfield Cement Production Line in Khushab, Punjab

Infrastructure development for the project is currently underway. The import of plant and machinery will be finalized upon a favorable improvement in the construction sector.

### Installation of Solar Power Plant

During the year, the Company has successfully installed and energized an additional 2.32 MW on-grid solar power at Company's plant site, Kohat. With this addition, the Company's total installed on-grid solar power generation capacity has increased from 15.34 MW to 17.66 MW.

This solar power project is anticipated to reduce reliance on the National Grid and generate cost efficiencies, while supporting the Company's commitment to environmental sustainability.

### Coal Fired Power Plant at the Company's Plant Site, Kohat

The construction and installation of a 28.5 MW coal-fired power plant at Company's Plant site Kohat is progressing at full swing and is expected to become operational during 2QFY27.

Upon commissioning, the power plant will deliver significant strategic advantages, including a material reduction in power costs and lower dependence on the National Grid. This development will enhance

# DIRECTORS' REPORT

## to the shareholders

the Company's energy self-sufficiency, operational reliability, and overall cost efficiency, strengthening its long-term competitiveness.

## Investment in Ultra Properties (Pvt.) Ltd. (wholly-owned subsidiary)

Ultra Properties (Pvt.) Limited (UPTL), a wholly-owned subsidiary, was established on August 18, 2025 with the primary objective of undertaking property development and related real estate projects. UPTL has secured requisite approvals for construction of a multi-story commercial building at Gulberg, Lahore, for rental purposes. During the year the Company had invested PKR 50 million as equity in the UPTL.

## Stock Split – Subdivision of Company's share capital

The shareholders of the Company in their Extraordinary General Meeting held on August 07, 2025, approved the sub-division of the Company's share capital by way of a 5:1 stock split. The stock split was duly executed on August 23, 2025, resulting in the reduction of the face value of the Company's ordinary shares from PKR 10 per share to PKR 2 per share. Consequently, the total number of authorized and issued share capital of the Company increased from 300,000,000 and 183,861,297 ordinary shares of PKR 10 each to 1,500,000,000 and 919,306,485 ordinary shares of PKR 2 each respectively.

## Outlook

The Board remains cautiously optimistic about the Company's long-term prospects. The increase in production and dispatch volumes indicates steady market demand and improved operational efficiency. These factors, along with continued focus on optimizing cost efficiencies, are expected to support operational performance in the near term.

Management remains committed to cost control, prudent pricing, and efficiency improvement initiatives, including the development of renewable energy solutions. Notwithstanding the improving economic outlook, the ongoing geopolitical tensions

in the Middle East and their potential impact on global energy markets continue to pose risks to energy prices, supply chains, and overall economic activity, which could adversely affect the Company's performance. Nevertheless, the Board is confident that the Company's sound operational practices, prudent financial management, and resilient business strategy will enable it to effectively navigate these challenges.

## Consolidated Financial Performance

The consolidated financial performance of the Company primarily reflects the results of the Kohat Cement Company Limited (the Holding Company), as no business operations have yet been commenced by its wholly-owned subsidiary, Ultra Properties (Private) Limited (the Ultra Properties), during the period under review. The Holding Company had invested PKR 50 million as equity in the Ultra Properties, which remains the only financial linkage between the two entities for the reporting period. As the Ultra Properties is currently in its initial planning phase, revenue-generating activities and related transactions are expected to commence in the forthcoming periods. Accordingly, the consolidated financial statements for FY2026 are predominantly representative of the cement company's standalone performance.

## Risk Management framework

The Company has established a comprehensive Risk Management Framework in accordance with the requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. A formal Risk Management Policy has been implemented, supported by a comprehensive risk register to facilitate the systematic identification, assessment, monitoring, and mitigation of risks across the organization.

Management regularly identifies and evaluates key risks that may affect the Company's operations, financial performance, strategic objectives, and reputation, and presents the risk assessment to the Board of Directors. The Board provides oversight

and guidance by reviewing the identified risks and ensuring that appropriate mitigation strategies and internal controls are implemented. The effectiveness of the Risk Management Framework is continuously monitored under the oversight of the Audit Committee to ensure its responsiveness to evolving business conditions, regulatory developments, and changes in the external operating environment.

**Below are the Categories of Key Business Risks identified by the Company:**

1. Strategic Risk
2. Operational Risk
3. Regulatory and Compliance Risk
4. Sustainability Risks

## Key business risks of the Company have been elaborated as under:

### 1. Strategic Risk

The Company operates in a business environment that is influenced by economic conditions, construction and infrastructure activity, competitive market dynamics, regulatory developments and geopolitical events. These factors may have a significant impact on cement demand, pricing, operating margins, and the Company's ability to achieve its strategic objectives.

The Board exercises oversight of strategic risks through periodic reviews of the Company's strategic direction to ensure alignment with the evolving business environment and the achievement of its long-term strategic objectives.

### 2. Operational Risk

Operational risks for the Company primarily arise from the continuous operation of cement manufacturing facilities and include plant and equipment breakdowns, unplanned production interruptions, disruptions in the supply of raw materials, power and fuel availability, and occupational health and safety incidents. Such risks may adversely affect production efficiency, product quality, and operational performance.

The Company manages these risks through preventive and predictive maintenance programs, effective production planning, reliable sourcing of key raw materials and fuels, inventory management, stringent quality assurance procedures, health, safety and environmental (HSE) practices, and continuous monitoring of operational performance. The Board oversees the effectiveness of the operational risk management framework to ensure the reliability, efficiency, and continuity of the Company's manufacturing operations.

**2.1 Financial Risks** – Your Company's exposure to credit risk, liquidity risk and market risk (interest rate risk, foreign exchange risk and price risk) is subject to market dynamics. Please refer note no. 40 of the audited financial statements highlighting the Company's exposure to these risks and control procedures to mitigate them.

**2.2 Increase in coal prices** – Volatility in coal prices poses a significant risk to the Company's production costs. To manage this risk, the Company continuously monitors international and local coal markets and optimizes its procurement strategy by sourcing coal from the most economical suppliers, thereby minimizing the impact of fuel cost fluctuations.

**2.3 Electricity costs** – Electricity cost remains a key component of the Company's production cost. The Company manages this risk through continuous energy optimization initiatives and strategic investments in Solar and Coal-Fired Power Plants, aimed at reducing dependence on grid electricity, improving energy efficiency, and ensuring a reliable and cost-effective power supply.

### 3. Regulatory and Compliance Risk

With the continuously evolving regulatory framework, the risk of non-compliance remains significant and may expose the Company to legal, financial, and reputational risks. To mitigate these risks, the Company has implemented robust compliance procedures, including the automation of compliance processes and periodic reviews to ensure adherence to all applicable statutory and regulatory

# DIRECTORS' REPORT

## to the shareholders

requirements. The Company also engages external legal and regulatory experts to provide professional advice and represent its interests, where required.

#### 4. Sustainability risks

The Company recognizes that sustainability-related risks, including climate change, environmental regulations, resource availability, energy transition, and stakeholder expectations, may have a significant impact on its long-term operations and competitiveness. As a cement manufacturer, the Company remains exposed to risks associated with efficient utilization of natural resources, environmental compliance, and evolving sustainability standards. The Company seeks to mitigate these risks through responsible resource management, energy efficiency initiatives, the use of alternative fuels, environmental compliance, and continuous improvement in operational practices. These initiatives support the Company's commitment to sustainable operations, long-term resilience, and the creation of enduring value for all stakeholders.

**4.1 Non-Compliance with Environmental Laws and Standards** – Non-compliance with applicable environmental laws and standards may expose the Company to regulatory actions, financial penalties, operational disruptions, and reputational risk. The Company manages this risk through a strong commitment to complying with all applicable environmental regulations, including adherence to the emission limits prescribed by the Environmental Protection Agency. Regular environmental monitoring, effective pollution control systems, and continuous investment in environmentally sustainable practices help ensure ongoing compliance and responsible operations.

**4.2 Employees' Health & Safety** – The company is committed to providing a safe and healthy working environment for its employees. Comprehensive health and safety policies, regular training, risk assessments, workplace inspections, and emergency response

procedures are implemented to minimize occupational risks and foster a strong safety culture across the organization.

To support the health and well-being of its workforce, the Company also arranges periodic medical examinations, including regular blood screening, through a reputable diagnostic laboratory at the Company's expense. These initiatives reflect the Company's commitment to preventive healthcare and compliance with established occupational health and safety standards.

**4.3 Water Scarcity** – As a responsible corporate citizen, the Company is committed to the sustainable management of water resources. The Company's state-of-the-art water treatment plant enables the recycling of approximately 60% of water used in its operations, facilitating its efficient reuse and significantly reducing water consumption and the Company's environmental footprint.

A detailed Environmental, Social and Governance report is included in this Annual Report.

## Adequacy of Internal Financial Controls

The Board acknowledges its responsibility for establishing and maintaining an effective system of internal financial controls to safeguard the Company's assets, and promote compliance with applicable laws, regulations, and internal policies. The Company has implemented a comprehensive internal financial control framework comprising well-defined policies and procedures, delegated authorities, appropriate segregation of duties, and robust information systems to support effective financial management, risk mitigation, and the orderly conduct of business.

## Composition of the Board of Directors

As at 30th June 2026, the Board of Directors of the Company comprises eight directors, composition of which is as under:

|                           |   |
|---------------------------|---|
| Male                      | 7 |
| Female                    | 1 |
| Total Number of Directors | 8 |

#### Independent Non-Executive Directors

Mr. Ahmad Sajjad Khan

Mr. Talha Saeed Ahmed

#### Other Non-Executive Directors

Mr. Aizaz Mansoor Sheikh

Mrs. Hijab Tariq

Mr. Muhammad Rehman Sheikh

Mr. Muhammad Atta Tanseer Sheikh

Mr. Hamza Atta Sheikh

#### Executive Director

Mr. Nadeem Atta Sheikh, Chief Executive

#### Composition of Committees of the Board

Following are the committees of the Board:

##### a) Audit Committee

Mr. Talha Saeed Ahmed – Chairman

Mr. Aizaz Mansoor Sheikh – Member

Mr. Hamza Atta Sheikh – Member

##### b) Human Resource and Remuneration (HR&R) Committee

Mr. Ahmad Sajjad Khan – Chairman

Mr. Nadeem Atta Sheikh – Member

Mr. Muhammad Rehman Sheikh – Member

## Board and its Committee Meetings

#### Board of Directors

The Board of Directors met Six (6) times during the financial year ended June 30, 2026; details of attendance by directors are as under:

| Name of Director                 | No. of meetings attended |
|----------------------------------|--------------------------|
| Mr. Aizaz Mansoor Sheikh         | 6/6                      |
| Mr. Nadeem Atta Sheikh           | 6/6                      |
| Mrs. Hijab Tariq                 | 6/6                      |
| Mr. Muhammad Rehman Sheikh       | 5/6                      |
| Mr. Muhammad Atta Tanseer Sheikh | 6/6                      |
| Mr. Hamza Atta Sheikh            | 6/6                      |
| Mr. Ahmad Sajjad Khan            | 6/6                      |
| Mr. Talha Saeed Ahmed            | 6/6                      |

#### Board Audit Committee

The Board Audit Committee met Five (5) times during the financial year ended June 30, 2026; details of attendance by members are as under:

| Name of Members                  | No. of meetings attended |
|----------------------------------|--------------------------|
| Mr. Talha Saeed Ahmed – Chairman | 5/5                      |
| Mr. Aizaz Mansoor Sheikh         | 5/5                      |
| Mr. Hamza Atta Sheikh            | 5/5                      |

## Human Resource & Remuneration (HR&R) Committee

The Board HR&R Committee held One (1) meeting during the financial year ended June 30, 2026, details of attendance by members are as under:

| Name of Member                   | No. of meetings attended |
|----------------------------------|--------------------------|
| Mr. Ahmad Sajjad Khan – Chairman | 1/1                      |
| Mr. Nadeem Atta Sheikh           | 1/1                      |
| Mr. Muhammad Rehman Sheikh       | 1/1                      |

## Directors' Training Program

All directors of the Company fully comply with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 relating to Directors' Training Certification.

# DIRECTORS' REPORT

## to the shareholders

### Trading in the Company's shares

Trading in the Company's shares by the Directors and the Executive during the current financial year is given as under:

|      |                        | Shares Purchased | Shares Sold |
|------|------------------------|------------------|-------------|
| i)   | Mr. Nadeem Atta Sheikh | 694,723          | --          |
| ii)  | Mrs. Hijab Tariq       | --               | 1,363,875   |
| iii) | Mr. Talha Saeed Ahmed  | 5,500            | --          |
| iv)  | Mr. Hamza Atta Sheikh  | 92,500           | --          |
| v)   | Ms. Meher Khan Tareen  | --               | 162,500     |
|      | Total                  | 792,723          | 1,526,375   |

The term "executive" as determined by the Board means the Chief Financial Officer, General Manager Works, Head of Sales and Marketing and all whole-time working Directors of the Company.

### Directors' remuneration and its policy

The Company has a formal policy and transparent procedure for determining remuneration of Non-Executive Directors, Non-Executive Independent Directors and Executive Directors. Non-Executive Directors (except Chairman) including Independent Directors are entitled to only meeting fees along with reimbursement of travel and accommodation expense incurred for attending meetings of the Board or its Committees as approved by the Board of Directors. Executive Directors and Chairman of the Company are entitled to remuneration as per criteria set by the Board in the policy.

### Remuneration package of Directors including the Chief Executive

Below is the remuneration package of the Directors including the Chairman and the Chief Executive:

|                                     | Chief Executive | Chairman - Non-Executive Director | Independent Directors | Other Non-Executive Directors |
|-------------------------------------|-----------------|-----------------------------------|-----------------------|-------------------------------|
| No. of persons                      | 1               | 1                                 | 2                     | 4                             |
| Managerial Remuneration             | 90,252,000      | --                                | --                    | --                            |
| Bonus                               | 27,140,563      | --                                | --                    | --                            |
| Other Benefits                      | 69,485,833      | 54,162,252                        | --                    | --                            |
| Medical Expenses reimbursed         | 180,130         | 4,049,150                         | --                    | --                            |
| Contribution to PF                  | 4,501,521       | --                                | --                    | --                            |
| Chairman's Remuneration             | --              | 90,030,431                        | --                    | --                            |
| Meeting fee                         | --              | --                                | 1,800,000             | 1,160,000                     |
| Reimbursement of traveling expenses | --              | --                                | 425,000               | --                            |

Chief Executive and certain directors are also entitled for the Company maintained cars and other benefits as per policy.

### Corporate Social Responsibility

The Company acknowledges its responsibility towards society and performs its duty by providing financial assistance to local communities for their economic and social development.

The Company is vigorously complying with its Corporate Social Responsibility (CSR). A detailed report indicating CSR activities of the Company for the year under reference is attached.

### Holding Company

ANS Capital (Private) Limited, incorporated under the laws of Pakistan having its registered office at Lahore, is the holding company of the Company and owns and controls its 552,411,600 ordinary shares of Rs. 2 each constituting 60.09% (2025:60.09%) of its total paid-up share capital.

### Financial highlights

Key operating & financial data of the last six years is included in this report.

## External auditors

The present auditors, M/s. A.F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. As suggested by the Board Audit Committee, the Board of Directors has recommended the re-appointment including its remuneration of present auditors of the Company for the ensuing year.

## Outstanding statutory dues

The outstanding statutory dues on account of taxes, duties, levies and charges are disclosed in Note No. 10 to the audited financial statements and on the face of the statement of financial position. There is no overdue amount on account of taxes and duties.

## Statement on value of staff retirement funds

The value of investments of the provident fund based on its unaudited accounts as at June 30, 2026, is PKR 661.90 million (2025: PKR 561.89 million).

## Pattern of shareholding

The Pattern of Shareholding, along with categories of shareholding, is included in this report.

## Subsequent Events

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

## Acknowledgments

The Board of Directors extends its sincere appreciation to the Company's employees, business partners, and all stakeholders for their unwavering dedication, continued support, and valuable contributions. Their commitment and collective efforts have been instrumental in the Company's growth, achievements, and continued success.

For and on behalf of the Board



**Nadeem Atta Sheikh**  
Chief Executive



**Talha Saeed Ahmed**  
Director

Lahore: September 10, 2026

### اظہار تشکر:

بورڈ آف ڈائریکٹرز کمپنی کے ملازمین، کاروباری شراکت داروں اور متعلقہ فریقین کی غیر متزلزل محنت، مسلسل تعاون اور قابل قدر خدمات پر دلی تشکر کا اظہار کرتا ہے۔ ان کی وابستگی اور اجتماعی کوششیں کمپنی کی ترقی، کامیابیوں اور مسلسل کامیابی کے لیے بنیادی اہمیت رکھتی ہیں۔

برائے دُعا و خیر خواہی بورڈ آف ڈائریکٹرز



طلحہ سعید احمد  
ڈائریکٹر



ندیم عطاء شیخ  
چیف ایگزیکٹو

لاہور: 10 ستمبر، 2026ء

## کمپنی کے حصص کی خرید و فروخت:

ڈائریکٹرز اور ایگزیکٹوز کی جانب سے زیر جائزہ مالی سال کے دوران کی جانے والی کمپنی کے حصص کی خرید و فروخت درج ذیل ہے۔

|      | فروخت     | خرید    |                     |
|------|-----------|---------|---------------------|
| i.   | --        | 694,723 | جناب ندیم عطاء شیخ  |
| ii.  | 1,363,875 | --      | محترمہ جناب طارق    |
| iii. | --        | 5,500   | جناب طلحہ سعید احمد |
| iv.  | --        | 92,500  | جناب حمزہ عطاء شیخ  |
| v.   | 162,500   | --      | محترمہ مہر خان ترین |
|      | کل تعداد  | 792,723 | 1,526,375           |

بورڈ آف ڈائریکٹرز کی وضع کی گئی ”ایگزیکٹوز“ کی تعریف میں چیف فائینشل آفیسر، جنرل مینیجر ورکس، سربراہ سیلز اینڈ مارکیٹنگ اور کمپنی کے تمام ورکنگ ڈائریکٹرز شامل ہیں۔

## ڈائریکٹرز کے معاوضہ کے تعین کا نظام:

نان۔ ایگزیکٹوز اینڈ مینیجرز اور ایگزیکٹوز ڈائریکٹرز کے معاوضے کے تعین کیلئے کمپنی کی باقاعدہ پالیسی اور شفاف طریقہ کار موجود ہے، جس کے تحت تمام نان ایگزیکٹوز ڈائریکٹرز (ماسوائے چیئرمین) بشمول اینڈ پیمنٹ ڈائریکٹرز صرف بورڈ آف ڈائریکٹرز کے یا اسکی کمیٹی کے اجلاس میں شرکت کی فیس، سفر اور قیام کے ان تمام اخراجات کی وصولی کے اہل ہیں جن کی منظوری بورڈ آف ڈائریکٹرز نے دی ہو۔ ایگزیکٹوز ڈائریکٹرز اور چیئرمین پالیسی کے مطابق وضع کئے گئے ضوابط کے مطابق معاوضوں کے اہل ہیں۔

## ڈائریکٹرز بشمول چیف ایگزیکٹو کے معاوضہ کی تفصیل:

ڈائریکٹرز کے معاوضے کی تفصیلات درج ذیل ہیں۔

| کل تعداد                | چیف ایگزیکٹو | چیئرمین۔ نان ایگزیکٹو ڈائریکٹرز | ایڈ پیمنٹ ڈائریکٹرز | دیگران ایگزیکٹو ڈائریکٹرز |
|-------------------------|--------------|---------------------------------|---------------------|---------------------------|
| 1                       | 1            | 1                               | 2                   | 4                         |
| مینیجر مل معاوضہ        | 90,252,000   | ---                             | --                  | --                        |
| بونس                    | 27,140,563   | --                              | --                  | --                        |
| دیگروائمنڈ              | 69,485,833   | 54,162,252                      | --                  | --                        |
| طبی اخراجات کی ادائیگی  | 180,130      | 4,049,150                       | --                  | --                        |
| پروویڈنٹ فنڈ میں شراکت  | 4,501,521    | --                              | --                  | --                        |
| چیئرمین کا معاوضہ       | -            | 90,030,431                      | --                  | --                        |
| اجلاس میں شرکت کی فیس   | --           | --                              | 1,800,000           | 1,160,000                 |
| سفری اخراجات کی ادائیگی | --           | --                              | 425,000             | --                        |

چیف ایگزیکٹو اور کچھ ڈائریکٹرز کو کمپنی کی پالیسی کے مطابق استعمال کے لئے کمپنی کی ملکیتی گاڑیاں اور دیگر سہولیات دی گئی ہیں۔

## کاروباری سماجی ذمہ داری:

کمپنی معاشرے سے متعلق اپنی معاشی اور سماجی ذمہ داریوں سے مکمل واقف ہے اور مقامی لوگوں کی معاشی و سماجی فلاح کے لئے مالی امداد فراہم کر کے اپنا فرض ادا کرتی ہے۔

کمپنی اپنی کاروباری سماجی ذمہ داریوں کی ادائیگی کے لئے کوشاں ہے۔ زیر جائزہ سال کے دوران جاری رہنے والی کاروباری سماجی ذمہ داریوں کی تفصیل منسلک کردی گئی ہے۔

## ہولڈنگ کمپنی:

ایس این ایل (ANS) کنٹینرل پرائیویٹ لمیٹڈ جس کا رجسٹرڈ آفس لاہور میں ہے پاکستانی قوانین کے تحت قائم کی گئی کمپنی ہے، یہ ادارہ کو باٹ سپنٹ کمپنی کی ہولڈنگ کمپنی ہے اور کمپنی کے (552,411,600 عام حصص) (فی حصص 2 روپے) کی مالک ہے جو کہ کمپنی کے کل عام حصص کا (60.09%: 2025) 60.09% ہے۔

## اہم مالیاتی جھلکیاں:

اس رپورٹ میں گزشتہ 6 سال کی اہم کاروباری اور مالی معلومات فراہم کی گئیں ہیں۔

## آڈیٹرز کی تقرری:

موجودہ آڈیٹر میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس رینڈر ہو گئے ہیں، انہوں نے اہل ہونے کی حیثیت سے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز نے موجودہ آڈیٹرز کی آئندہ سال کیلئے تقرری کی سفارش کی ہے۔

## واجب الادا قانونی محاصل:

قانونی طور پر واجب الادا ٹیکسز اور ڈیوٹیجز کی تفصیل مالی کھاتہ جات کے نوٹ نمبر 10 میں بیان کردی گئی ہے۔ کسی قسم کے ٹیکسز یا ڈیوٹیجز کی ادائیگی زائد المیہ آئین نہیں ہے۔

## ملازمین کے ریٹائرمنٹ فنڈ کی مالیت:

30 جون 2026 تک غیر آڈٹ شدہ اکاؤنٹس کے مطابق، پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 661.90 ملین روپے ہے، جبکہ گزشتہ مالی سال 2025ء میں یہ مالیت 561.89 ملین روپے تھی۔

## شیئر ہولڈنگ کی تفصیل:

کمپنی کے حصص داران کی معلومات جمع درجہ بندی اس رپورٹ میں فراہم کردی گئی ہیں۔

## مالی سال کے بعد کے معاملات:

زیر جائزہ مالی سال کے اختتام کے بعد اس رپورٹ کی تاریخ تک ایسے کوئی قائل ذکر تہذیبی یا مالی ذمہ داریاں نہیں رونما ہوئیں جو کمپنی کی مالی حالت پر اثر انداز ہوں۔

## بورڈ آف ڈائریکٹرز کی تشکیل:

30 جون 2026 کو کمپنی کے بورڈ آف ڈائریکٹرز آٹھ ڈائریکٹرز پر مشتمل تھا، جس کی تفصیل درج ذیل ہے:

|                 |   |
|-----------------|---|
| مرد ڈائریکٹرز   | 7 |
| خاتون ڈائریکٹرز | 1 |
| کل ڈائریکٹرز    | 8 |

انڈیپنڈنٹ نان-ایگزیکٹو ڈائریکٹرز:

جناب احمد سجاد خان

جناب طلحہ سعید احمد

دیگرنان-ایگزیکٹو ڈائریکٹرز:

جناب اعجاز منصور شیخ

محترمہ مجاہد طارق

جناب محمد رحمن شیخ

جناب محمد عطاء بھصیر شیخ

جناب حمزہ عطاء شیخ

ایگزیکٹو ڈائریکٹرز:

جناب ندیم عطاء شیخ، چیف ایگزیکٹو

بورڈ کمیٹی کی تفصیل:

بورڈ کی کمیٹی کی تفصیل درج ذیل ہے۔

۱۔ آڈٹ کمیٹی

جناب طلحہ سعید احمد (چیئر مین)

جناب اعجاز منصور شیخ (رکن)

جناب حمزہ عطاء شیخ (رکن)

۲۔ ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی

جناب احمد سجاد خان (چیئر مین)

جناب ندیم عطاء شیخ (رکن)

جناب محمد رحمن شیخ (رکن)

## بورڈ اور اسکی کمیٹیوں کے اجلاس:

بورڈ آف ڈائریکٹرز کے اجلاس:

30 جون، 2026 کو ختم ہونے والے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے 6 اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

| اراکین کے نام            | اجلاس میں شرکت |
|--------------------------|----------------|
| جناب اعجاز منصور شیخ     | 6/6            |
| جناب ندیم عطاء شیخ       | 6/6            |
| محترمہ مجاہد طارق        | 6/6            |
| جناب محمد رحمان شیخ      | 5/6            |
| جناب محمد عطاء بھصیر شیخ | 6/6            |
| جناب حمزہ عطاء شیخ       | 6/6            |
| جناب احمد سجاد خان       | 6/6            |
| جناب طلحہ سعید احمد      | 6/6            |

بورڈ آڈٹ کمیٹی کے اجلاس:

30 جون، 2026 کو اختتام ہونے والے مالی سال کے دوران بورڈ آڈٹ کمیٹی کے 15 اجلاس ہوئے، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

| اراکین کے نام                  | اجلاس میں شرکت |
|--------------------------------|----------------|
| جناب طلحہ سعید احمد (چیئر مین) | 5/5            |
| جناب اعجاز منصور شیخ           | 5/5            |
| جناب حمزہ عطاء شیخ             | 5/5            |

## ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کے اجلاس:

30 جون، 2026 کو اختتام ہونے والے مالی سال کے دوران ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کا ایک اجلاس ہوا، اراکین کی اجلاس میں حاضری کی تفصیل درج ذیل ہے۔

| اراکین کے نام                 | اجلاس میں شرکت |
|-------------------------------|----------------|
| جناب احمد سجاد خان (چیئر مین) | 1/1            |
| جناب ندیم عطاء شیخ            | 1/1            |
| جناب محمد رحمن شیخ            | 1/1            |

## ترقیاتی پروگرام برائے ڈائریکٹرز:

کمپنی کے تمام ڈائریکٹرز، ڈائریکٹرز کی ترقیاتی سرٹیفیکیشن سے متعلق لیکچرینیز کا رپورٹ گورننس کے ضوابط 2019ء کے تقاضوں پر مکمل طور پر پورا اترتے ہیں۔

کمپنی کے اہم کاروباری خطرات کو ذیل میں بیان کیا گیا ہے:

#### ۱۔ اسٹریٹجک رسک:

کمپنی کا سامنا ایسے کاروباری ماحول سے ہے جو معاشی حالات، تعمیراتی و بنیادی ڈھانچے کی سرگرمی، کاروباری مستقبل، قانونی پیش رفت اور جغرافیائی سیاسی واقعات سے متاثر ہوتا ہے۔ یہ عوامل سینٹ کی طلب، قیمتوں، آپریٹنگ مارجنز اور کمپنی کے اسٹریٹجک مقاصد کے حصول کی صلاحیت پر نمایاں اثر ڈال سکتے ہیں۔

بورڈ، کمپنی کی حکمت عملی کی سمت کا وقتاً فوقتاً جائزہ لے کر طویل مدتی خطرات کی نگرانی کرتا ہے، تاکہ اس امر کو یقینی بنایا جاسکے کہ کمپنی کی حکمت عملی بدلتے ہوئے کاروباری ماحول سے ہم آہنگ رہے اور اس کے طویل مدتی کاروباری مقاصد حاصل کیے جاسکیں۔

#### ۲۔ آپریٹنگ رسک:

کمپنی کے آپریٹنگ خطرات بنیادی طور پر سینٹ پلانٹ کے مسلسل چلانے سے پیدا ہوتے ہیں، جن میں پلانٹ اور آلات کی خرابی، غیر متوقع پیداواری نقصان، خام مال بجلی اور ایندھن کی دستیابی کی فراہمی میں رکاوٹ اور پیشہ ورانہ صحت و سلامتی سے متعلق حادثات شامل ہیں۔ ایسے خطرات پیداواری استعداد، مصنوعات کے معیار اور آپریٹنگ کارکردگی کو متاثر کر سکتے ہیں۔

کمپنی احتیاطی اور پیشگی دیکھ بھال کے پروگراموں، موثر پیداواری منصوبہ بندی، اہم خام مال اور ایندھن کے قابل اعتماد ذرائع سے حصول، ذخیرہ اشیاء کے موثر انتظام، معیار کی یقین دہانی کے سخت طریقہ کار، صحت، تحفظ اور ماحولیات (HSE) سے متعلق طریقہ کار، اور کاروباری کارکردگی کی مسلسل نگرانی کے ذریعے ان خطرات کا انتظام کرتی ہے۔ بورڈ کاروباری خطرات کے انتظام کے نظام کی موثریت کی نگرانی کرتا ہے تاکہ کمپنی کے پیداواری آپریشنز کی قابل اعتماد کارکردگی، موثریت اور تسلسل کو یقینی بنایا جاسکے۔

#### ۳۔ مالیاتی خطرات:

کاروباری حالات میں اتار چڑھاؤ کی بدولت کمپنی کو کریڈٹ، لیکویڈٹی اور دیگر خطرات (شرح سود، زر مبادلہ اور قیمتوں میں تبدیلی کے خطرات) کا سامنا کرنا پڑ سکتا ہے۔ ان خطرات کی تفصیل کے لئے آڈٹ شدہ مالیاتی حسابات کے نوٹ نمبر 40 کو ملاحظہ کریں، جس میں ان خطرات سے نمٹنے کے طریقہ کار کو بھی بیان کر دیا گیا ہے۔

#### ۴۔ کوئلے کی قیمتوں میں اضافہ:

کوئلے کی قیمتوں میں اتار چڑھاؤ، براہ راست پیداواری لاگت پر اثر انداز ہوتی ہیں۔

کمپنی بین الاقوامی اور مقامی منڈی میں کوئلے کی قیمتوں کی مسلسل نگرانی کرتی ہے اور ایندھن کی لاگت کو کم سے کم رکھنے کے لئے کوئلے کے سستے ذرائع کا استعمال کر رہی ہے۔

#### ۵۔ بجلی کی لاگت:

بجلی کی لاگت کمپنی کی پیداواری لاگت کا ایک اہم جزو ہے۔ کمپنی اس خطرے کے پیش نظر مسلسل باکفایت توانائی کی فراہمی کے اقدامات اور سولر ماور اور کوئلے سے چلنے والے ماور پلانٹس میں طویل مدتی سرمایہ کاری کے ذریعے کر رہی ہے، جن کا مقصد فیصل گرڈ پر انحصار کم کرنا، ذرائع توانائی کی کارکردگی بہتر بنانا اور بجلی کی قابل اعتماد و کم فراہمی یقینی بنانا ہے۔

#### ۶۔ قوانین اور ان کی تعمیل سے متعلق خطرات:

مسلسل بدلتے ہوئے ملکی قوانین کی موجودگی میں عدم تعمیل کا احتمال ہے جس سے دیگر کاروباری نقصانات کے ساتھ کمپنی کی سادھ کو بھی نقصان پہنچنے کا خطرہ ہے۔ اس لئے کمپنی نے ان قوانین کی خود کار تعمیل کا نظام تشکیل دیا ہے اور اس بات کا بھی اہتمام کیا گیا ہے کہ ملکی قانونی ڈھانچے میں تبدیلی کا متواثر جائزہ لیا جائے تاکہ تمام قوانین پر عمل درآمد کو یقینی بنایا جاسکے۔ اس حوالے سے کمپنی اپنی ضرورت کے مطابق قانونی ماہرین کی آراء سے مستفید ہوتی ہے بلکہ بوقت ضرورت یہ ماہرین کمپنی کی نمائندگی بھی کرتے ہیں۔

#### ۷۔ کاروباری استحکام سے متعلق خطرات

کمپنی انتظامیہ تسلیم کرتی ہے کہ پائیداری سے متعلق خطرات، جن میں موسمیاتی تبدیلی، ماحولیاتی ضوابط، وسائل کی دستیابی، توانائی کی منتقلی اور اسٹیک ہولڈرز کی توقعات شامل ہیں، اس کے طویل مدتی کاروباری سرگرمیوں اور مستقبل کی صلاحیت پر نمایاں اثر ڈال سکتے ہیں۔ بطور سینٹ میونیٹر کمپنی قدرتی وسائل کے موثر استعمال، ماحولیاتی نقصان کی پابندی اور پائیداری کے بدلتے ہوئے معیارات سے متعلق خطرات سے دوچار ہے۔ کمپنی ذمہ دارانہ وسائل کے انتظام، توانائی کی کارکردگی کے اقدامات، متبادل ایندھن کے استعمال، ماحولیاتی نقصان کی پابندی اور کاروباری امور کے طریقہ کار میں مسلسل بہتری کے ذریعے ان خطرات کو کم کرنے کی کوشش کر رہی ہے۔ یہ اقدامات پائیدار کاروباری سرگرمیوں، طویل مدتی پلگ اور تمام اسٹیک ہولڈرز کے لیے دیر پا قدر پیدا کرنے کے عزم کی حمایت کرتے ہیں۔

#### ۸۔ ماحولیاتی قوانین اور معیارات کی عدم تعمیل

ماحولیاتی قوانین اور معیارات کی عدم تعمیل کمپنی کے لیے ایک اہم خطرہ ہے، جو ممکنہ طور پر سنگین قانونی اور مالی نتائج کا باعث بنی ہے۔ کمپنی پاکستان انوائمنٹل پروٹیکشن ایجنسی (EPA) کے قابل اطلاق ماحولیاتی ضوابط اور تجویز کردہ فاضل گیسز کے اخراج کی حدود کی تعمیل کے مضبوط عزم کے ذریعے ماحولیاتی تعمیل کے خطرے کا انتظام کرتی ہے۔

ماحولیاتی نگرانی کے باقاعدہ نظام، آلودگی پر موثر کنٹرول اور ماحول دوست و پائیدار طریقہ کار میں مسلسل سرمایہ کاری کے ذریعے ماحولیاتی نقصان کی مستقل تعمیل اور ذمہ دارانہ کاروباری سرگرمیوں کو یقینی بنایا جاتا ہے۔

#### ۹۔ ملازمین کی صحت اور حفاظت

کمپنی اپنے ملازمین کے لیے محفوظ اور صحت بخش کام کے ماحول کی فراہمی کو یقینی بنانے کے لیے پُر عزم ہے۔ پیشہ ورانہ خطرات کو کم سے کم رکھنے اور ادارے بھر میں مضبوط حفاظتی کلچر کے قیام کے لیے جامع صحت و سلامتی کی پالیسیوں، باقاعدہ تربیتی پروگراموں، خطرات کے باقاعدہ جائزوں، کام کی جگہ کے معائنوں اور ہنگامی رد عمل کے طریقہ کار کو نافذ کیا گیا ہے۔

افراد کی قوت کی صحت اور بہبود کے لیے کمپنی اپنے خرچ پر ایک معتبر تشخیصی لیبارٹری کے ذریعے وقفے وقفے سے طبی معائنے، جن میں باقاعدہ خون کی اسکریننگ بھی شامل ہے، کا انتظام کرتی ہے۔ یہ اقدامات احتیاطی صحت نگہداشت کے حوالے سے کمپنی کی وابستگی اور پیشہ ورانہ صحت و سلامتی کے نافذ عمل معیارات کی تعمیل کے عزم کی واضح عکاسی کرتے ہیں۔

#### ۱۰۔ پانی کی کمی

ایک ذمہ دار کاروباری ادارہ کے طور پر، کوہاٹ سینٹ آبی وسائل کے موثر انتظام کے لیے پُر عزم ہے۔ ہمارا جدید ترین واٹر ٹریٹ پلانٹ ہمیں اپنے تقریباً 60% پانی کو ری سائیکل کرنے کی سہولت فراہم کر رہا ہے، جس کی بدولت ہمارے پورے آپریشنز میں پانی کے موثر طریقے سے دوبارہ استعمال کو ممکن بنایا جاسکتا ہے اور ہمارے مٹی ماحولیاتی اثرات کو نمایاں طور پر کم کیا جاسکتا ہے۔

اس سالانہ رپورٹ میں ماحولیاتی، سماجی اور گورننس کی تفصیلی رپورٹ شامل ہے۔

#### موثر داخلی مالیاتی کنٹرولز کا نظام:

بورڈ کمپنی کے اثاثوں کے تحفظ اور قابل اطلاق قوانین، ضوابط اور داخلی پالیسیوں کی پابندی کو فروغ دینے کے لیے موثر داخلی مالیاتی کنٹرولز کا نظام قائم اور برقرار رکھنے کی اپنی ذمہ داری کو تسلیم کرتا ہے۔ کمپنی نے داخلی مالیاتی کنٹرول کا ایک جامع نظام وضع اور نافذ کیا ہے، جس میں واضح طور پر متعین پالیسیاں اور طریقہ کار، اختیارات کی مناسب تفویض، برائض کی موثر علیحدگی اور مستحکم معلوماتی نظام شامل ہیں۔ یہ نظام موثر مالیاتی انتظام، خطرات میں کمی اور کاروباری امور کو منظم اور باقاعدہ انداز میں انجام دینے کے لیے معاونت فراہم کرتا ہے۔

## منافع کی تفویض:

کمپنی اپنے حصص داران میں منافع کی تقسیم کو ترجیح دیتی ہے؛ تاہم، کمپنی کے زیر النوا جاری منصوبے—مثلاً خوشاب، پنجاب میں گرین فیلڈ سینٹ پروڈکشن لائن کی تعمیر، کوئٹہ سے چلنے والے پاور پلانٹس کا قیام، اور اپنے تمام تر ملکیت کے حامل ذیلی ادارے کے توسط سے رینل اسٹیٹ پروڈیکٹس میں سرمایہ کاری کے لئے مقامی اور غیر ملکی کرنسی میں خطیر سرمایہ درکار ہے۔ اسی بنا پر، بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو اختتام پذیر ہونے والے مالی سال کے لیے کوئی منافع منقسمہ (ڈیوڈنڈ) تجویز نہیں کیا۔

## مستقبل کے امکانات:

کمپنی کاروباری معیار، لاگت میں بہتری اور اپنی طویل مدتی ترقیاتی حکمت عملی پر منظم اور مضبوط عمل درآمد کے ذریعے مارکیٹ میں اپنی پوزیشن مزید مستحکم کرنے کے لیے پُر عزم ہے۔

سولر پاور پلانٹ اور کوئلے سے چلنے والے پاور پلانٹ میں طویل مدتی سرمایہ کاری کمپنی کے لئے مستقبل کی ترقی میں اہم کردار ادا کرے گی۔ توقع ہے کہ یہ منصوبے پیداواری صلاحیت میں اضافے، توانائی کی کارکردگی اور قابل اعتماد فراہمی میں بہتری، طویل مدتی کاروباری لاگت میں کمی اور کمپنی کی مجموعی مسابقت کو مضبوط بنانے میں معاون ہوں گے۔

## خوشاب میں نئے سینٹ پلانٹ کا منصوبہ:

منصوبے کے لئے بنیادی ڈھانچے کی ترقی کا کام جاری ہے۔ پلانٹ اور مشینری کی درآمداتی شرحے میں حالات سازگار ہونے پر جتنی شکل دی جائے گی۔

## سولر پاور پلانٹ کی تنصیب کا منصوبہ:

زیر جائزہ مالی سال کے دوران کمپنی نے کوہاٹ پلانٹ پر اضافی 2.32 میگا واٹ سولر پاور پراجیکٹ کی تنصیب کر کے کامیابی سے فعال کر دیا ہے۔ اس اضافے کے بعد کمپنی کی مجموعی نصب شدہ آن گریڈ سولر پاور کی پیداواری صلاحیت 15.34 میگا واٹ سے بڑھ کر 17.66 میگا واٹ ہو گئی ہے۔ توقع ہے کہ یہ سولر پاور فیکٹل گز پر انحصار کم کرنے، لاگت میں کمی اور ماحولیاتی تحفظ کے لئے کمپنی کے عزم کو تقویت دینے میں معاون ثابت ہوگا۔

## کوہاٹ فیکٹری میں کول فائر ڈیو پاور پلانٹ کی تنصیب کا منصوبہ:

کمپنی کے کوہاٹ فیکٹری میں 28.5 میگا واٹ پیداواری صلاحیت کے کوئلے سے چلنے والے پاور پلانٹ کی تنصیب کا کام تیزی سے جاری ہے، اور متوقع ہے کہ مالی سال 2027ء کی دوسری سہ ماہی کے دوران یہ پلانٹ پیداوار کا آغاز کر دے گا۔

فعال ہونے کے بعد یہ پاور پلانٹ بجلی کی لاگت میں نمایاں کمی اور فیٹل گز پر انحصار میں کمی سمیت اہم طویل مدتی فوائد فراہم کرے گا۔ یہ پیش رفت کمپنی کی توانائی کے حوالے سے خود کفالت، قابل اعتماد کاروباری کارکردگی اور مجموعی لاگت کی استعداد کو بہتر بناتے ہوئے طویل مدتی مسابقتی صلاحیت کو مضبوط کرے گی۔

## الٹرا پراپرٹیز پرائیویٹ لمیٹڈ (مکمل ملکیتی ذیلی کمپنی) میں سرمایہ کاری:

الٹرا پراپرٹیز پرائیویٹ لمیٹڈ (UPTL)، جو کمپنی کی مکمل ملکیتی ذیلی کمپنی ہے، 18 اگست 2025 کو قائم کی گئی، جس کا بنیادی مقصد پراپرٹی ڈویلپمنٹ اور متعلقہ رینل اسٹیٹ منصوبوں پر عمل درآمد ہے۔ UPTL نے لاہور کے گجرگ میں کرایہ پر دینے کے مقصد سے کثیر المیزان کمرشل عمارت کی تعمیر کے لیے مطلوبہ منظوری حاصل کر لی ہے۔ سال کے دوران کمپنی نے UPTL میں 50 ملین پاکستانی روپے بطور مالکانہ حقوق سرمایہ کاری کی ہے۔

## حصص کی تقسیم اور سرمایہ حصص کی ذیلی تقسیم:

7 اگست 2025 کو منعقدہ کمپنی کے غیر معمولی جنرل اجلاس میں حصص داران نے کمپنی کے شیئر کمپنل کو 1:5 کے تناسب سے حصص کی تقسیم (سٹاک سپلٹ) کی منظوری دی۔ سٹاک سپلٹ 23 اگست 2025ء کو مکمل کیا گیا، جس کے نتیجے میں کمپنی کے عام حصص کی فی پاکستانی روپے سے کم ہو کر 2 پاکستانی روپے ہو گئی۔

چنانچہ کمپنی کا مجاز اور جاری شدہ شیئر کمپنل بالترتیب 300,000,000 اور 183,861,297 عام حصص (فی حصص 10 روپے) سے بڑھ کر 1,500,000,000 اور 919,306,485 عام حصص (فی حصص 2 روپے) ہو گیا ہے۔

## مستقبل کا جائزہ:

بورڈ کمپنی کے طویل مدتی امکانات کے بارے میں مضبوط طور پر بہتری کے لئے پُر امید ہے۔ پیداوار اور ترسیلات کے حجم میں اضافہ مستحکم طلب اور کاروباری استعداد میں بہتری کی نشاندہی کرتا ہے۔ ان عوامل سے لاگت کی استعداد کو بہتر بنانے پر مسلسل توجہ کے ساتھ، قلیل مدت میں کاروباری کارکردگی کو سہارا دینے کی توقع کی جاسکتی ہے۔

انتظامیہ لاگت پر کنٹرول مضبوط قیوتوں اور استعداد میں بہتری کے اقدامات کے لیے پُر عزم ہے، جن میں قابل تجدید توانائی کے ذرائع کی ترقی بھی شامل ہے۔ بہتر ہوتے معاشی منظر نامے کے باوجود مشرق وسطیٰ میں جاری جغرافیائی سیاسی کشیدگی اور عالمی توانائی کی منڈیوں پر اس کے ممکنہ اثرات توانائی کی قیمتوں، رسد و فراہمی اور مجموعی معاشی سرگرمی کے لیے خطرات کا باعث ہیں، جو کمپنی کی کارکردگی پر منفی اثر ڈال سکتے ہیں۔ اس کے باوجود بورڈ کو یقین ہے کہ کمپنی کے مضبوط کاروباری طریقہ کار مضبوط مالیاتی انتظام اور یکدم کاروباری حکمت عملی اسے ان مشکلات سے مؤثر انداز میں نمٹنے کے قابل بنائے گی۔

## مجموعی مالیاتی کارکردگی

کمپنی کی مجموعی مالیاتی کارکردگی بنیادی طور پر 'کوہاٹ سینٹ کمپنی لمیٹڈ' (ہولڈنگ کمپنی) کے نتائج کی عکاسی کرتی ہے، کیونکہ زیر جائزہ مدت کے دوران اس کے مکمل ملکیتی ذیلی ادارے 'الٹرا پراپرٹیز پرائیویٹ لمیٹڈ' (الٹرا پراپرٹیز) نے ابھی تک تجارتی امور کا آغاز نہیں کیا ہے۔ ہولڈنگ کمپنی نے الٹرا پراپرٹیز میں ایکویٹی کی مدد میں 50 ملین روپے کی سرمایہ کاری کی ہے، جو پورٹفولیو کی مدت کے دوران دونوں اداروں کے درمیان واحد مالیاتی معاملہ ہے۔ چونکہ الٹرا پراپرٹیز فی الوقت اپنے ابتدائی منصوبہ بندی کے مرحلے میں ہے، اس لیے آمدنی پیدا کرنے والی سرگرمیوں اور متعلقہ لین دین کا آغاز آنے والے ادوار میں متوقع ہے۔ چنانچہ، مالی سال 2026ء کے مجموعی مالیاتی گوشوارے بنیادی طور پر سینٹ کمپنی کی انفرادی کارکردگی کی عکاسی کرتے ہیں۔

## کاروباری خطرات سے بچاؤ کی حکمت عملی:

کمپنیز ایکٹ 2017ء اور سیکورٹیز (کوڈ آف پراپرٹیز گورننس) ریگولیشنز 2019ء کے ضوابط کی تعمیل میں کمپنی نے کاروباری خطرات سے بچاؤ کی پالیسی اور ایک رسک رجسٹر تشکیل دیا ہے۔ تاکہ ادارے میں خطرات کی منظم شناخت، جائزہ، نگرانی اور مدارک ممکن بنایا جاسکے۔

کمپنی کی انتظامیہ باقاعدگی سے ان اہم خطرات کی نشاندہی اور جائزہ لیتی ہے جو کمپنی کی آپریشنز، مالیاتی کارکردگی، اسٹریٹجک مقاصد اور سیکورٹیز کو متاثر کر سکتے ہیں، اور خطرات کا جائزہ بورڈ آف ڈائریکٹرز کے سامنے پیش کرتی ہے۔ بورڈ ان خطرات کا جائزہ لے کر اور مناسب تدابیر کی حکمت عملیوں و داخلی انضباطی نظام کے نافذ کو یقینی بنا کر نگرانی اور رہنمائی فراہم کرتا ہے۔

رسک منجمنٹ سسٹم کی افادیت کو آڈٹ کمیٹی کی نگرانی میں مسلسل مانیٹر کیا جاتا ہے تاکہ بدلتے کاروباری حالات، بجلی قانونی ڈھانچے میں تبدیلی اور بیرونی ماحول کے مطابق اس کی فعالیت کو یقینی بنایا جاسکے۔

کمپنی کو ممکنہ لاحق کلیدی خطرات کی اقسام درج ذیل ہیں۔

- ۱۔ اسٹریٹجک رسک (حکمت عملی سے متعلق خطرات)
- ۲۔ آپریشنل رسک (کاروباری افعال سے متعلق خطرات)
- ۳۔ قوانین اور ان کی تعمیل سے متعلق خطرات
- ۴۔ استحکام سے متعلق خطرات

## ڈائریکٹرز رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2026ء کو ختم ہونے والے مالی سال سے متعلقہ کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ انفرادی اور مجموعی اکاؤنٹس اور آڈیٹرز رپورٹ بھد مسرت پیش کرتے ہیں۔

### مالی سال 2025-26ء میں پاکستان کا اقتصادی منظر نامہ:

مالی سال 2025-26ء کے دوران پاکستان کی معیشت نے بتدریج استحکام کا مظاہرہ کیا۔ اس میں افراط زر میں کمی، شرح مبادلہ میں نسبتاً استحکام، مالیاتی پالیسی میں نرمی اور نظم و ضبط میں بہتری نے اہم کردار ادا کیا۔ اس پیش رفت سے نسبتاً سازگار کاروباری ماحول اور پائیدار معاشی بحالی کی توقعات مضبوط ہوئیں، تاہم مشرق وسطیٰ کی جنگ کے تناظر میں توانائی کی بلند قیمتیں معیشت کے لیے ایک بڑا خطرہ برقرار ہیں گی۔

### انفرادی مالیاتی کارکردگی:

#### انڈسٹری کا جائزہ اور کمپنی کی کارکردگی:

مالی سال 2025-26ء کے دوران پاکستان کی سینٹ صنعت میں سالانہ بنیاد پر 7.7 فیصد اضافہ ریکارڈ کیا گیا اور مجموعی ترسیلات گزشتہ سال کے 46.9 ملین میٹرک ٹن سے بڑھ کر 50.5 ملین میٹرک ٹن ہو گئیں۔ مقامی ترسیلات میں 10.1 فیصد گما یاں اضافہ ہوا اور یہ گزشتہ سال کے 37.7 ملین میٹرک ٹن کے مقابلے میں 41.5 ملین میٹرک ٹن ہو گئیں۔ مقامی ترسیلات میں یہ اضافہ بنیادی طور پر بہتر معاشی استحکام، کم شرح سود، عوامی ترقیاتی اخراجات میں اضافے اور تعمیراتی سرگرمیوں میں بتدریج بحالی کے باعث ہوا۔

تاہم برآمدی ترسیلات میں سالانہ 2.1 فیصد کمی واقع ہوئی اور یہ گزشتہ سال کے 9.2 ملین میٹرک ٹن کے مقابلے میں 9.0 ملین میٹرک ٹن رہ گئیں۔ سینٹ کی برآمدات میں کمی کی بنیادی وجہ غیر یقینی جغرافیائی سیاسی صورتحال تھی، جس کے باعث علاقائی تجارتی بہاؤ متاثر ہوا اور برآمدی حجم میں کمی آئی۔

سینٹ انڈسٹری کی ترسیلات کا خلاصہ درج ذیل ہے۔

| شرح تبدیلی (%) | 2025          | 2026 |               |
|----------------|---------------|------|---------------|
|                | ملین میٹرک ٹن |      |               |
| 10.1%          | 37.7          | 41.5 | مقامی ترسیلات |
| (2.1%)         | 9.2           | 9.0  | برآمدات       |
| 7.7%           | 46.9          | 50.5 | کل ترسیلات    |

### پیداواری کارکردگی:

زیر جائزہ سال کے دوران کمپنی نے اپنی بنیادی سرگرمیاں یعنی سینٹ کی پیداوار اور فروخت جاری رکھی۔ ذیل میں کمپنی کی پیداواری کارکردگی کا خلاصہ دیا گیا ہے:

| شرح تبدیلی (%) | 2025      | 2026      |                  |
|----------------|-----------|-----------|------------------|
|                | میٹرک ٹن  |           |                  |
| 1.2%           | 2,153,092 | 2,178,813 | کلنکر کی پیداوار |
| 7.4%           | 2,347,987 | 2,520,808 | سینٹ کی پیداوار  |
| 6.7%           | 2,307,444 | 2,462,543 | اندرون ملک فروخت |
| 161.7%         | 20,894    | 54,677    | برآمدات          |
| 8.1%           | 2,328,338 | 2,517,220 | کل فروخت         |

مقامی ترسیلات میں 15,423 میٹرک ٹن وہ مقدار بھی شامل ہے جو افغانستان برآمد کرنے کے مقصد سے برآمدی ڈبلرز کو فراہم کی گئی تھی، تاہم افغان سرحد کی بندش کے باعث یہ مقدار 30 جون 2026 تک برآمد نہ ہو سکی، لہذا اسے مقامی ترسیلات میں شامل کیا گیا ہے۔ مالی سال 2025-26ء کے دوران بہتر کاروباری حالات سے کمپنی کے کاروباری معاملات کو بھی فائدہ ہوا، جس کے نتیجے میں سینٹ کی پیداوار گزشتہ مالی سال کے مقابلے میں 7.4 فیصد بڑھ کر 2.5 ملین میٹرک ٹن ہو گئی۔

مقامی فروخت میں 6.7 فیصد جبکہ برآمدات میں بھی اضافہ ہوا، جس کے نتیجے میں مجموعی فروخت میں سالانہ 8.1 فیصد اضافہ ہوا اور یہ 2.52 ملین میٹرک ٹن تک پہنچ گئی۔ فروخت میں یہ اضافہ بنیادی طور پر مارکیٹ کی بہتر طلب اور بنیادی ڈھانچے و تعمیراتی منصوبوں کی بدولت طلب میں اضافے کے باعث ہوا، جو مجموعی سینٹ صنعت کے رجحانات سے ہم آہنگ ہے۔

### مالیاتی کارکردگی:

زیر جائزہ مالی سال کے دوران کمپنی کی مالیاتی کارکردگی کا سرسری جائزہ ذیل میں دیا گیا ہے:

| شرح تبدیلی (%) | 2025        | 2026   |                                                              |
|----------------|-------------|--------|--------------------------------------------------------------|
|                | روپے (ملین) |        |                                                              |
| 2.7%           | 37,536      | 38,531 | کل فروخت                                                     |
| (8.4%)         | 14,892      | 13,648 | خام منافع                                                    |
|                | 39.2%       | 35.42% | شرح خام منافع                                                |
| (12%)          | 5,281       | 4,646  | دیگر آمدنی                                                   |
| (10%)          | 17,747      | 15,968 | منافع قبل از ٹیکس                                            |
| (10.1%)        | 19,362      | 17,405 | منافع قبل از مالی اخراجات، ٹیکس، ڈیپریسیشن اور امور ٹرانزیشن |
| (7.6%)         | 11,575      | 10,697 | خالص منافع بعد از ٹیکس                                       |
|                | 30.8%       | 27.8%  | شرح خالص منافع بعد از ٹیکس                                   |
|                | 11.97       | 11.64  | فی شیئر آمدنی (روپے)                                         |

مالی سال 2025-26 میں کمپنی کی مالیاتی کارکردگی سینٹ انڈسٹری کے موجودہ رجحانات کی عکاسی کرتی ہے، جہاں ترسیلات کا حجم حوصلہ افزاء رہا تاہم قیمتوں میں سخت مسابقت کے نتیجے میں منافع کے مارجن کو شدید متاثر کیا۔ خالص فروخت میں سالانہ 2.7 فیصد اضافہ ہوا اور یہ 38,531 ملین پاکستانی روپے تک پہنچ گئی، جس کی بنیادی وجہ مقامی طلب میں بحالی کے باعث ترسیلات میں اضافہ تھا۔ تاہم شدید مسابقت اور سینٹ کی کم قیمتوں نے مارجن پر دباؤ برقرار رکھا، اور مجموعی آمدنی میں 7.6% کمی کا باعث بنا۔

کمپنی اپنی مالی ذمہ داریوں کی بروقت ادائیگی کر رہی ہے۔ PACRA نے کوہاٹ سینٹ کی طویل المدتی انفرادی کریڈٹ ریٹنگ کا جائزہ لیا اور اسے A+ جبکہ قلیل مدتی کریڈٹ ریٹنگ "A1" کو مستحکم آؤٹ لک کے ساتھ برقرار رکھا ہے۔ یہ درجہ بندی کمپنی کی جانب سے متوقع کم کریڈٹ رسک اور مالیاتی ذمہ داریوں کو بروقت ادا کرنے کی قوی صلاحیت کو ظاہر کرتی ہیں۔

# CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

Kohat Cement Company Limited (KCCL or “the Company”) recognizes that sustainable business growth is closely linked with the well-being and development of the communities in which it operates. Accordingly, the Company continues to undertake structured Corporate Social Responsibility (“CSR”) initiatives focused on improving access to essential services, supporting education and healthcare, promoting youth development and advancing environmental sustainability.

During FY 2025-26, the Company incurred an aggregate amount of Rs. 104.42 Million (2025: Rs. 96.01 Million) to fund the CSR activities, reflecting its ongoing dedication to social investment and responsible corporate citizenship. These initiatives described below reflect KCCL’s commitment to social uplift, detailing their purpose and the financial contributions made to empower surrounding communities, detailed as follows:



- a) Community Welfare and Social Support
- b) Health and Safety Initiatives
- c) Educational Assistance and Institutional Support
- d) Sports Development and Youth Engagement
- e) Ethics, Transparency and Regulatory Compliance
- f) Environmental Sustainability and Climate Responsibility

## a) Community Welfare and Social Support

### i) Interest-Free Microfinance for Economic Development and Employment Generation:

Economic opportunity is an important element of sustainable community development. KCCL continued its partnership with Akhuwat Islamic Microfinance, Billitang Branch, Kohat to support interest-free microfinance services to local community. During the year, the Company contributed Rs. 1.2 Million towards the branch's operational expenses, including staff salaries, rent and utilities.

In addition to operational support, KCCL maintains a dedicated microfinance portfolio of Rs. 15 million to provide interest-free loans to local individuals and families seeking to start or expand small businesses. Since inception of the program in 2017 through June 2026, a total of 1,710 loan applications have been facilitated. Cumulative disbursements under the interest-free microfinance portfolio amounted to Rs. 84.73 Million, of which Rs. 69.76 Million has been successfully recovered, while Rs. 14.98 Million is currently in circulation.

This program provides individuals and families with access to interest-free financing to establish or expand small businesses, supporting income generation and strengthening economic resilience within the local community.

### ii) Safe drinking water - Water Filtration (RO) Plants:

Access to safe drinking water remains a fundamental community requirement. KCCL continued the operation and maintenance of five (05) Reverse Osmosis (RO) plants serving



nearby localities and providing clean drinking water to hundreds of households.

During FY 2025-26, Rs. 3.71 Million was incurred on the repair, maintenance and operation of these facilities, including routine servicing, technical repairs, caretakers' and plant operators' salaries and other operating requirements.

Through this initiative, KCCL ensures the sustainable operation of water filtration facilities, contributing to improved public health and enhanced quality of life for the local community.

### iii. Installation & Maintenance of Clean Drinking Water Supply Systems

KCCL continues to support community access to reliable and sustainable water sources through the installation of the clean water supply systems across various locations. During the period, the Company contributed Rs. 1.04 Million in water infrastructure projects aimed at improving access to clean drinking water and addressing the daily water needs of local communities and educational institutions. The contribution was utilized for the following installations:

- Manual water pumps at Shaheed Zahoor-ul-Islam Football Stadium, Babri Banda.



- Solar-powered submersible water motor with borehole at Government Degree College Gumbat, Kohat.

In addition to these installations, KCCL ensured the proper functioning of the water supply systems through periodic technical inspections and maintenance, enabling their continued, efficient and long-term use for the benefit of the local community.

#### **iv) Installation and Maintenance of Solar Power System:**

KCCL continued to support renewable energy solutions as a practical means of supporting community infrastructure. During the year, Rs. 5.37 Million was contributed in the installation, repair and maintenance of community-based solar power systems.

The expenditure covered the installation of new solar power systems and routine maintenance and repair of previously installed solar infrastructure across community facilities. Key activities undertaken during the period includes:

- Installation of solar power systems at four mosques located in nearby villages, Babri Banda and Razgeer Banda
- Installation of a solar power system at Government Higher Secondary School, village Togh
- Replacement of batteries and repair of inverters for previously installed solar systems at the mosques in Razgeer Banda

In addition to new installations, KCCL continued to support the repair, maintenance, and operational upkeep of existing solar systems

installed at schools, mosques, RO plants, and other community water facilities, ensuring uninterrupted access to electricity in areas with limited conventional power supply. To enhance the sustainability of these systems, the Company also engaged a dedicated technical resource responsible for the maintenance, timely repair, monitoring, and implementation of new solar projects, ensuring the long-term reliability and efficient operation of KCCL's solar infrastructure.

#### **v) Installation of Fiber Shade at Jamia Masjid, Ghulam Banda:**

As part of its ongoing efforts to enhance community welfare and support local religious institutions, KCCL contributed Rs. 1.81 Million for the installation of a durable fiber shade at Jamia Masjid, Ghulam Banda. The purpose of this initiative was to provide worshippers with a comfortable and sheltered environment for performing their daily prayers and other religious activities, particularly during hot summer months and adverse weather conditions. The fiber shade was designed to be weather-resistant, long-lasting, and low-maintenance, ensuring that people can perform their prayers in safety and comfort for years to come.

#### **vi) Social Welfare Contributions:**

The Company contributed a total of Rs. 12.17 Million towards community welfare initiatives aimed at supporting vulnerable segments of society, promoting social well-being and strengthening community relationships. The key initiatives included:

- **Land Acquisition for Community Graveyard**  
– Ghulam Banda: To address the longstanding requirement of the local community of Ghulam Banda for additional graveyard space, KCCL purchased 8 Kanal of land at a cost of Rs. 10.45 Million and dedicated it for community use. To ensure proper utilization and sustainable management of the facility, KCCL has initiated further development works including the construction of a boundary wall and storage room along with necessary arrangements for proper access and management of the site.
- **Support for Deserving Families:** Financial assistance amounting to Rs. 0.150 million was provided to deserving families to support marriage expenses of females from low-income households. In addition, grocery packages worth Rs. 0.80 million were distributed among needy and underprivileged families in the vicinity of the plant during Ramzan to support their essential household requirements.
- **Ramzan Community Support:** During Ramzan, KCCL arranged Sahoor and Iftaar meals for local community with an expense of Rs. 0.5 million.
- **Cement Donation for Community Facilities:** The Company donated cement worth Rs. 0.27 million for the construction and development of mosques and Janazgahs in surrounding communities.



#### vii) Financial Assistance to Widows:

As part of its ongoing community welfare initiatives, KCCL provided monthly financial support to more than 45 widows, with total disbursements of Rs. 3.30 Million during the reporting period, to support their essential living needs. Additional assistance was also extended on Eid occasions to support their essential needs and contribute to the well-being of deserving members of the surrounding communities.

#### viii) Support for Persons with Disabilities:

As part of its commitment to inclusive community development, KCCL extended financial assistance of Rs. 0.24 Million to a differently-abled teacher serving in the Special Education Department, contributing towards the continuation of education and support services for children with special needs. The initiative forms part of the Company's ongoing efforts to promote inclusive development and equal opportunities within the communities it serves.

#### ix) Long Service Awards for Employees

As a token of appreciation for their continued association with the Company, KCCL recognizes employees who achieve significant service milestones through cash awards. During the year, the Company contributed Rs. 4.92 million under this tradition, reaffirming its commitment to valuing employee loyalty and long-term dedication.

#### x) Hajj Sponsorship Program

Recognizing the spiritual values of its employees, KCCL annually sponsors the complete Hajj expenses for one selected employee through a transparent balloting process. During the year, the Company contributed Rs. 1.12 million to facilitate this religious journey.

### b) Health and Safety Initiatives

Company remains committed to safeguarding the health and safety of its employees and surrounding communities by ensuring access to quality healthcare services and supporting initiatives that promote community well-being. During the reporting period, KCCL continued to enhance its healthcare support through the following initiatives:



#### i. Basic Health Unit

KCCL operates a 24/7 dispensary and ambulance service, providing free healthcare to its employees and their families. This facility is equipped to handle emergencies and routine medical needs, ensuring that its workforce and their families remain healthy.

#### ii) Donation to Medicare Health Foundations:

As part of its commitment to strengthening healthcare services for underserved communities, KCCL contributed Rs. 0.36 Million

towards the operational expenses of Medicare Health Foundation, Lahore.

The financial support assisted the healthcare facility in managing essential operational requirements and ensuring the uninterrupted delivery of medical services to patients, particularly those who face financial challenges in accessing quality healthcare. Through this initiative, the Company continues to support healthcare institutions working towards improving accessibility, affordability, and quality of medical care for vulnerable segments of society.

#### iii) Financial Assistance for Critical Medical Treatment:

The Company continued its commitment to community healthcare by providing financial assistance to deserving patients during the reporting period, with a total disbursement of Rs. 8.17 Million. The support was provided to individuals suffering from critical conditions including cancer, paralysis, diabetes, and other chronic or emergency illnesses, covering essential expenses such as surgeries, hospitalization, diagnostic tests and medicines. This initiative helped patients access timely treatment and reduced the financial burden on their families.



#### iv) Strategic Healthcare Partnership with Alkhidmat Foundation Pakistan:

The Company continues its strategic partnership with Alkhidmat Foundation Pakistan through



a Rs. 40.80 million MoU for the construction and operational support of the Emergency Block at Alkhidmat Naseem Khan Memorial Hospital, Kohat. The initiative aims to strengthen emergency healthcare services and improve access to quality medical facilities for the local community.

Under this collaboration, Company's employees and community members will benefit from subsidized medical treatment, while Thalassemia patients will continue to receive free healthcare services. The partnership also includes support for the welfare of local orphans.

During the period, out of the total construction support budget, KCCL released Rs. 20 million to Alkhidmat Foundation Pakistan for this project. The project has now entered the finishing phase and is expected to become operational by end of calendar year 2026, marking a significant milestone in enhancing healthcare infrastructure in Kohat.

## c) Educational Assistance and Institutional Support

KCCL recognizes education as a catalyst for social development and remains committed to enhancing access to quality education

through scholarships, institutional support, and educational initiatives. During the reporting period, KCCL continued its efforts through the Parho Likho Pakistan Scholarship Program, Kohat Cement Educational Trust and KCCL Scholarship Program to empower students and promote academic growth.

### i) Parho Likho Pakistan Scholarship Program:

Under the Parho Likho Pakistan Scholarship Program, Company continues to support talented and deserving students facing financial constraints. During the reporting period, KCCL has contributed Rs. 0.69 Million to assist bright students from different areas of Pakistan.



### ii) Kohat Cement Educational Trust (KCET):

Company continued its commitment to promoting quality education through KCET during the period. The Company contributed Rs. 10.33 Million to support the school's operational requirements, including staff salaries, facility maintenance, and other essential administrative expenses.

KCET School provides quality education from Playgroup to Grade 10 for both boys and girls, catering to the children of KCCL employees as well as students from the surrounding local communities. The institution is equipped with modern learning facilities, including a computer laboratory, science laboratory, spacious

classrooms, and a dedicated playground, creating a safe, engaging, and conducive environment for students' academic and personal growth.

Through its continued investment in KCET, KCCL remains committed to strengthening educational opportunities, nurturing young talent, and ensuring access to quality learning facilities for the children of KCCL employees and of local community.

### iii) KCCL Scholarship Program:

Company firmly believes that education is a fundamental right and a key driver of social transformation, economic empowerment, and sustainable community development. Aligned with its vision of building a "Brighter, Educated Kohat," the Company continues to contribute in the educational advancement of deserving students from surrounding communities.

During the reporting period, KCCL extended support of Rs. 21.55 Million under its KCCL Scholarship Program to support students pursuing education at school, college, and university levels. More than 290 scholarship applications were processed and facilitated, enabling deserving students to continue their academic journey without financial barriers.



The scholarships covered tuition fees and other essential academic expenses, reducing the financial burden on families and ensuring that talented and hardworking students

have access to quality education and equal opportunities for growth. Through this initiative, KCCL remains committed to nurturing future generations, promoting educational excellence, and contributing towards long-term social development in the communities it serves.

## d) Sports Development and Youth Engagement

The Company recognizes sports as an important platform for youth engagement, talent development, and community well-being. Through various sponsorships, sports events, and infrastructure support initiatives, KCCL continues to promote a culture of healthy competition, encourage local talent and provide opportunities for athletes to excel at local, national and international levels.



### i) Sports Development and Provision of Sports Kits:

KCCL incurred Rs. 6.44 Million during the reporting period to promote sports, youth engagement and the development of local sporting talent. Key initiatives included:

- Provision of sports equipment for the Sports Gala at Kohat University of Science & Technology (KUST) to encourage student participation in sporting activities.
- Provision of sports kits and equipment to cricket, volleyball and football clubs of Ghulam Banda, Babri Banda, Razgeer Banda and other surrounding villages near the KCCL's plant.



- Provision of sports equipment to Kohat Sports Complex Football Academy for the development and training of young football players.
- Sponsorship of a Taekwondo player for participation in an international Taekwondo event in Malaysia, supporting national representation at an international platform.
- Sponsorship of ALL-KPK Football Challenge Cup 2026 in collaboration with District Football Association (DFA), Kohat, providing a platform for football teams from across the province to showcase their talent.
- Sponsorship of Blue Thunder Football Club for participation in the Lahore Sports Tournament, enabling young players to gain competitive exposure.
- Support to District Football Association (DFA), Kohat for the promotion and development of football activities at the district level.
- Sponsorship of Peshawar Premier League (Season-3) to provide a competitive platform for talented football players to showcase their skills, gain broader exposure and enhance their capabilities while promoting youth engagement, sportsmanship and the continued development of football at a wider level.
- Sponsorship of local football and volleyball tournaments organized at Babri Banda and Razgeer Banda, encouraging community participation and youth engagement.
- Sponsorship for the Lahore Qalandars Cricket Team trials held at Kohat, providing local cricket talent an opportunity at Kohat Sports Complex to showcase their skills before professional selectors.
- Sponsorship of local boxers, Mr. Umar Khan and Mr. Noor Ud Din to support their participation in competitive boxing events and promote emerging talent.
- Sponsorship of Futsal Tournament, Kohat for promoting alternative football formats and encouraging youth participation.
- Sponsorship of Open Tennis Tournament, Lahore for supporting the promotion of tennis and competitive sports.
- Repair and maintenance of local football grounds and volleyball courts in Kohat to improve community sports infrastructure and ensure better playing facilities.

Through these initiatives, KCCL continues to contribute in youth development by promoting sportsmanship, nurturing local talent, and creating opportunities for athletes to excel at district, provincial, national, and international levels.

## e) Ethics, Transparency and Regulatory Compliance

The Company is committed to conducting its business with integrity, transparency and accountability, in accordance with applicable laws, regulatory requirements and the Company's policies and procedures. Ethical conduct and compliance are integral to the Company's governance framework and are expected across all levels of the organization.

The Company's HR practices, including employee recruitment, performance management, development, compensation and career progression are guided by principles of merit, fairness and equal opportunity. The Company promotes a respectful, inclusive and professional work environment, with zero tolerance for discrimination, harassment or other conduct inconsistent with the Company's policies and values. Employees are expected to uphold the Company's Code of Conduct and maintain appropriate standards of professional and ethical behavior in the discharge of their responsibilities.

The Company also places emphasis on employee awareness of ethical standards, regulatory requirements and responsible business practices. Through various indoor and outdoor activities including training sessions, workshops and other employee engagement activities are conducted to reinforce compliance awareness, professional conduct, teamwork and continuous learning. These initiatives support the development of a culture in which employees understand their responsibilities and contribute to maintaining sound governance and ethical business practices.

## f) Environmental Sustainability and Climate Responsibility

KCCL remains committed to environmental sustainability and recognizes its responsibility to conserve natural resources and support a healthier environment for present and future

generations. During the year, the Company undertook plantation and afforestation initiatives across Kohat and Nowshera, resulting in the plantation of approximately 54,200 trees and saplings. These initiatives reflect KCCL's continued efforts to promote eco-friendly practices in its operations and community projects, supporting both national and global efforts to protect the environment and combat climate change.

### i) Tree Plantation Drive

As part of its ongoing commitment to environmental sustainability and climate action, KCCL implemented a large-scale plantation initiative during the year with a total contribution of Rs. 2.63 Million. Under the vision of "Green Pakistan & Green Kohat," the Company undertook plantation activities in collaboration with relevant stakeholders to enhance green cover, promote biodiversity and contribute towards a healthier environment.



#### Key activities under this initiative included:

- **Collaboration with District Forest Department, Kohat:** KCCL supported plantation activities in collaboration with the District Forest Department, Kohat, resulting in the plantation of 8,000 trees. The plantation included 4,000 fruit plants, along with native tree species selected to support local ecology and environmental sustainability.
- **Plantation at Kohat University of Science & Technology (KUST):** KCCL planted 1,000 trees at the university campus to enhance green



cover, improve the campus environment and promote awareness regarding environmental conservation among students and the academic community.

- **Plantation in the Vicinity of KCCL Plant:** A total of 2,200 plants, including olive trees, were planted in the surrounding areas of the KCCL production plant to enhance green cover and improve the local environment. KCCL also undertook the responsibility for watering and protection of the plantation during the growth period to ensure its healthy establishment and long-term sustainability.

Through these initiatives, KCCL continues to strengthen its environmental stewardship by supporting afforestation, promoting sustainable practices, and contributing to the long-term goal of a greener and healthier Kohat region.

## ii) Afforestation Initiative – Village Jaroba, District Nowshera

As part of its commitment to environmental sustainability and climate action, Company entered into a strategic partnership with the Divisional Forest Office, Peshawar, through a Memorandum of Understanding (MoU) to implement a large-scale afforestation project in Village Jaroba, District Nowshera.

Under this initiative, approximately 43,000 saplings have been planted over an 800-kanal area with the technical support of the Forest Department and active participation of the local community. The plantation includes an indigenous tree species, contributing to biodiversity, ecological restoration and climate resilience.

With the plantation phase successfully completed, the project has now entered its maintenance phase, during which KCCL continues to bear the cost of watering, guarding, monitoring, replacement of damaged saplings and overall maintenance to ensure the long-term sustainability of the plantation. The project is being implemented over a four-year period with a total estimated contribution of Rs. 14.04 Million, reflecting KCCL's long-term commitment to environmental conservation and sustainable land management. During the period, Rs. 5.15 Million has been incurred on these plantation activities, including procurement of saplings, site preparation, plantation, watering, guarding and caretaking.

## iii) Irrigation Channel Cleaning

During the period, KCCL have spent Rs. 0.26 Million towards the maintenance of Irrigation Infrastructure in the surrounding communities.

This contribution supported the cleaning of irrigation channels, ensuring the uninterrupted flow of water for agricultural purposes.



The initiative was undertaken to address the irrigation needs of local farmers by restoring water channels affected by siltation and blockages. Improved water flow enabled farmers to efficiently sow and cultivate seasonal crops, reducing delays caused by water shortages and enhancing overall agricultural productivity.

This initiative reflects KCCL's continued commitment to sustainable rural development by supporting local agriculture, improving water resource management, and strengthening the livelihoods of farming communities surrounding its operations.

## National Recognition

The Company was recognized with the 18th Annual CSR Award 2026 by the National Forum for Environment & Health (NFEH) under the category "CSR Round' O Clock". This prestigious award acknowledges KCCL's unwavering commitment to continuous, impactful CSR initiatives that operate around the clock, delivering measurable benefits to local communities, promoting environmental stewardship and enhancing employee welfare. The recognition highlights the Company's dedication to sustaining social responsibility practices and advancing long-term community development across the region.

## Contribution to National Exchequer

KCCL is also a significant contributor to the national economy. During the financial year, the Company contributed Rs. 27,500 Million (2025: Rs. 27,004 Million) in form of duties and taxes to the National Exchequer and further an amount of Rs. 1,431.6 Million (2025: Rs. 627.73 Million) was deposited in National Treasury being income/sales tax deducted on payments made to various persons in accordance with applicable tax laws.

Furthermore, KCCL earned foreign exchange worth USD 3.43 Million (2025: USD 0.83 Million), equivalent to Rs. 965 Million (2025: Rs. 232 Million), through the export of cement, contributing to the country's economic growth.

**Nadeem Atta Sheikh**  
Chief Executive

**Talha Saeed Ahmed**  
Director

Lahore: September 10, 2026



# ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

At Kohat Cement Company Limited (the Company), we believe that responsible growth and sustainable value creation are inseparable for long-term business success. As a leading cement manufacturer, we recognize our responsibility to contribute to economic development while addressing the environmental and social impacts associated with our operations. Our ESG approach is therefore centered on strengthening operational resilience, advancing energy transition, using natural resources responsibly, empowering our people and communities and maintaining the highest standards of integrity and governance.

During the financial year 2025-26, the Company continued to advance its sustainability agenda through initiatives aimed at improving energy efficiency, increasing the use of renewable energy, conserving natural resources, reducing environmental impact, strengthening occupational health and safety, developing our people, supporting local communities and maintaining high standards of integrity, transparency and accountability.

This report outlines our key ESG initiatives in line with SECP's ESG Guidelines and reflects our ongoing commitment to a sustainable future for all stakeholders.

## Environmental Initiatives:

The Company monitors its environmental performance through established systems and periodic assessments, while ensuring compliance with applicable environmental laws, regulations and standards, including those prescribed by the Environmental Protection Agency (EPA).

During the year, an independent environmental testing firm, duly certified by the EPA, conducted periodic monitoring of the Company's plant emissions and wastewater. The monitoring covered key parameters, including CO, NOx, SOx, PM, PM10, PM2.5, smoke opacity and wastewater quality. Based on the periodic monitoring reports, the Company's emissions and wastewater parameters remained within the applicable National Environmental Quality Standards (NEQS).

The Company remains committed to continuously improving its environmental performance by adopting more efficient technologies, optimizing

resource utilization and strengthening environmental controls, while maintaining compliance with applicable regulatory requirements.

**Waste Heat Recovery Systems** – The Company's Waste Heat Recovery Systems (WHRS) continued to utilize waste heat generated during the cement manufacturing process to generate electricity. This reduces reliance on the National Grid, lowers the Company's carbon footprint and improves the overall energy efficiency of its operations.

**Bag Filter System** – The Company operates Bag Filter dust collection systems at key dust-generating areas of the plant to control particulate emissions and minimize the environmental impact of its operations.

**Water Recycling Plants** – The Company operates an advanced water recycling facility at its factory site, through which approximately 60% of wastewater is recycled annually. The recycled water fulfills nearly 20% of the Company's total water requirements, thereby conserving freshwater resources and supporting responsible water management.

**RO Water Purifier Systems** – Our advanced RO water purifiers at factory site and surrounding areas provide clean drinking water for employees and the local community.

**Solar Power Plant** – During the year, we successfully commissioned a 2.32 MW solar power project, increasing the total installed solar capacity to 17.66 MW. This expansion marks significant progress toward the Company's renewable energy target of 20 MW, further strengthening its commitment to sustainable operations. This renewable energy initiative not only reduces overall CO<sub>2</sub> emissions but also helps alleviate the burden on the National Grid.

**Energy Mix** – The Company maintains a diversified energy mix comprising both renewable and conventional energy sources. 43.62% of our power requirement were met through renewable energy sources (including solar – 12.27%, and Waste Heat Recovery Systems – 31.35%), whereas 4.20% electricity is generated from Coal-Fired Boiler & Furnace Oil Power Plant and the balance 52.18% is drawn from the National Grid.

### **‘Green Pakistan & Green Kohat’ Plantation Drive**

– The Company recognizes the importance of maintaining green cover around its operational areas and contributing local environmental improvement. In collaboration with local communities, plantation activities were undertaken in Kohat, resulting in the plantation of approximately 54,200 trees.

Going forward, the Company intends to further strengthen its plantation program by focusing not only on the number of trees planted but also on their survival, maintenance and suitability to the local environment.

### **Social Responsibility**

**Fair Compensation and Benefits** – Kohat Cement is dedicated to establishing a safe and supportive work environment that aligns with industry best practices. Our goal is to provide an environment where team members can thrive both personally and professionally. The Company is committed to fair compensation practices and offers competitive salary packages along with comprehensive benefits, including provident fund, health and life insurance, and paid leave.

The gender pay gap ratio, based on positions held by male and female employees in relative grades, is as follows:

| Indicator             | 2026  | 2025  |
|-----------------------|-------|-------|
| Mean Gender Pay Gap   | 20.6% | 12.8% |
| Median Gender Pay Gap | 16.6% | 16.4% |

**Employee Turnover** – Our annual employee turnover rate is 11.13% (2025: 12.93%), reflecting employee satisfaction and effective retention strategies.

**Gender Diversity** – Kohat Cement fosters a diverse, equitable, and inclusive workplace through bias-free recruitment practices, gender-neutral job descriptions, and outreach to underrepresented talent pools. The Company fosters an inclusive workplace through its Gender Diversity Policy, which ensures equal opportunity irrespective of gender, race, ethnicity, or disability. Our head office workforce is 85% male and 15% female. We are working proactively to recruit more women and underrepresented groups to reduce the gender gap.

**Non-Discrimination** – Formal policies on non-discrimination, anti-harassment, and equal opportunity are reinforced by fair and confidential grievance mechanisms, ensuring timely resolution of employee concerns without fear of retaliation. No cases of violence or harassment were reported during the year.



We actively encourage the participation of differently abled individuals within our workforce. Currently, 0.96% of employees are differently abled. We ensure that all employees, regardless of disability are treated with respect, dignity and fairness.

**Health and Safety** – We implement rigorous health and safety protocols through HSE department, including mandatory vaccinations and regular health screenings at no cost to employees. Safety awareness is promoted through training, inspections, preventive measures and monitoring of workplace conditions.

**Child & Forced Labor** – We strictly prohibit child and forced labor, complying with all relevant labor laws.

**Corporate Social Responsibility** – We actively support local community development through financial assistance. A detailed CSR report, including allocated amounts, is part of this Annual Report.

**Employee Training and Succession Planning** – KCCL recognizes that continuous learning is essential for maintaining a skilled and adaptable workforce. During the year, the Company conducted 44 training sessions in skills upgradation, soft skills and 19 for health and safety measures, training a total of 2295 participants. 97.64% of trained employees were men and 2.36% were women.

Our succession planning process not only supports the long-term stability of the Company but also empowers our employees by providing them with clear career pathways and opportunities for advancement.

**Working Conditions** – We prioritize creating a positive and safe working environment. We maintain mechanisms for reporting concerns. During the year, no complaints were made demonstrating our commitment to addressing and resolving issues effectively.

**Injury Rate** – Occupational health and safety is our top priority. We recorded two safety-related incidents during the year. All employees are covered by comprehensive health and life insurance.

## **Governance**

**Governance Framework** – Kohat Cement is committed to the highest standards of corporate governance, guided by principles of integrity, accountability, and transparency. The Company goes beyond regulatory compliance to uphold fairness and ethical practices across all operations.

The Board of Directors provides strategic oversight of governance and sustainability matters, ensuring alignment of policies with evolving regulations, best practices, and stakeholder expectations. This oversight is reinforced by Independent Audit and Audit Committees, which play a vital role in enhancing accountability, transparency, and robust decision-making.

In particular, the Audit Committee has been entrusted with the responsibility of identifying, assessing, and managing sustainability-related risks and opportunities. By embedding ESG considerations into the governance framework, the Committee supports the creation of long-term, sustainable value for all stakeholders.

**Board Composition** – Kohat Cement places a strong emphasis on fostering an active, well-informed and independent Board as fundamental to maintaining the highest standards of corporate governance. The Board's strength lies in its diversity of skills, gender representation, and extensive professional experience, ensuring sound decision-making and independent oversight.

The Board comprises eight Directors, including one Executive Director, five Non-Executive Directors, including one female Director, and two Independent Directors. Overall, 12% of the Board members are female and 88% are male. The Chairman of the Board is a Non-Executive Director. This balanced composition not only complies with applicable regulatory requirements but also reflects the Company's commitment to fostering diversity, independence, and strong governance practices.

**Board Committees** – The governance framework is reinforced through two key Committees; the Board Audit Committee (BAC) and the Human Resource & Remuneration (HR&R) Committee. Both Committees are chaired by Independent Directors, ensuring strong oversight, accountability, transparency, in their respective areas of responsibility. All Committee Chair positions (100%) are held by men, consistent with the current gender composition of the Board.

Our Board composition and Committee structure comply with applicable regulatory requirements and reflect the Company's ongoing commitment to independence, diversity and sustainable governance practices.

**Code of Conduct** – Kohat Cement's Code of Conduct forms the foundation of its governance framework, embedding integrity, accountability, and ethical conduct across all operations. The Code strictly prohibits bribery, corruption, and discriminatory practices, while promoting fairness, transparency, and respect in all business dealings. No case of bribery/corruption was reported during the year.

Data privacy and confidentiality are protected through robust policies that safeguard employee, customer and stakeholder information. Ethical supply chain management is ensured through the Supplier Code of Conduct, which requires vendors and partners to uphold principles of integrity, fair labor, and sustainability.

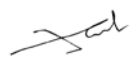
In addition, comprehensive policies on whistleblowing, anti-harassment, and human rights provide secure and transparent mechanisms for reporting concerns. Through these measures, Kohat Cement ensures that ethical practices, compliance, and sustainability remain central to its operations and stakeholder relationships. During the year, three complaints were received through the relevant mechanisms, of which all were resolved and the Company maintained 100% compliance, reaffirming its dedication to ethical and responsible business conduct.

**Sustainability Reporting** – In terms of the Securities and Exchange Commission of Pakistan's (SECP) Order dated December 31, 2024 on the adoption of the IFRS Sustainability Disclosure Standards (IFRS S1 – "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 – "Climate-related Disclosures"), according to which the Company falls under Phase-I of the applicability criteria and is required to comply with the Sustainability Disclosure Standards from annual reporting periods beginning on or after July 1, 2025. As per the Order, the sustainability report shall be published as a part of the Company's Annual Report, except in the first year of compliance, where reporting shall be made within nine months from the close of the financial year, as applicable. The Board of Directors has assigned the Board Audit Committee the responsibility of assisting the Board in overseeing, governing and addressing the sustainability-related risks and opportunities of the Company. The Company is currently in process of finalizing the sustainability report for financial year ended June 30, 2026 and shall issue a separate sustainability report before, 31st March 2027.

Kohat Cement Company Limited is committed to driving positive change through its ESG practices. We look forward to advancing these goals, creating value for stakeholders and contributing to a sustainable future.



**Nadeem Atta Sheikh**  
Chief Executive



**Talha Saeed Ahmed**  
Director

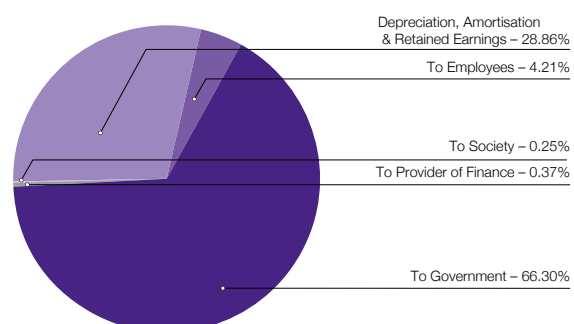
Lahore: September 10, 2026

# STATEMENT OF VALUE ADDITION AND DISTRIBUTION OF WEALTH

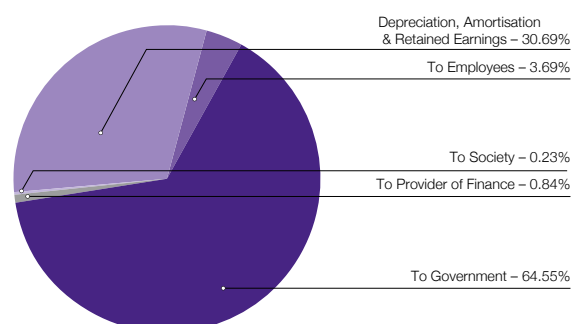
|                         | 2026             |   | 2025             |   |
|-------------------------|------------------|---|------------------|---|
|                         | Rs.              | % | Rs.              | % |
| <b>Wealth Generated</b> |                  |   |                  |   |
| Gross Revenue Generated | 64,266,375,053   |   | 62,549,092,472   |   |
| Materials & Services    | (22,754,128,675) |   | (20,714,831,659) |   |
|                         | 41,512,246,378   |   | 41,834,260,813   |   |

|                                                           |                |         |                |         |
|-----------------------------------------------------------|----------------|---------|----------------|---------|
| <b>Wealth Distribution</b>                                |                |         |                |         |
| <b>To Employees as Remuneration</b>                       | 1,747,617,356  | 4.21%   | 1,545,647,079  | 3.69%   |
| <b>To Government as Taxes &amp; Levies</b>                | 27,524,040,554 | 66.30%  | 27,003,987,941 | 64.55%  |
| Income Tax                                                | 5,271,046,974  | 12.70%  | 6,171,669,343  | 14.75%  |
| Sales Tax                                                 | 10,382,448,305 | 25.01%  | 9,823,008,806  | 23.48%  |
| Federal excise duty                                       | 9,788,478,800  | 23.58%  | 9,231,787,840  | 22.07%  |
| Royalty and excise duty                                   | 1,226,306,475  | 2.95%   | 838,362,891    | 2.00%   |
| Workers welfare fund                                      | 240,863,252    | 0.58%   | 258,822,015    | 0.62%   |
| Workers profit participation fund                         | 614,896,752    | 1.48%   | 680,337,050    | 1.63%   |
| <b>To Provider of Finance as Finance Cost</b>             | 153,437,172    | 0.37%   | 349,910,716    | 0.84%   |
| <b>To Society under CSR Programme</b>                     | 105,815,625    | 0.25%   | 94,566,263     | 0.23%   |
| <b>Depreciation, Amortization &amp; Retained Earnings</b> | 11,981,335,669 | 28.86%  | 12,840,148,814 | 30.69%  |
|                                                           | 41,512,246,378 | 100.00% | 41,834,260,813 | 100.00% |

Wealth Distribution – 2026 (Percentage)



Wealth Distribution – 2025 (Percentage)



# KEY FINANCIAL DATA

## for the Last Six Years

|                                                        | 2026        | 2025        | 2024        | 2023        | 2022        | 2021        |
|--------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Statement of Financial Position (Rs. 000)</b>       |             |             |             |             |             |             |
| Shareholders equity                                    | 58,654,345  | 47,955,195  | 41,090,305  | 32,610,045  | 27,246,220  | 22,223,539  |
| Non-current liabilities                                | 8,533,010   | 7,177,416   | 6,657,354   | 7,007,559   | 6,616,457   | 6,291,138   |
| Current liabilities                                    | 12,828,724  | 11,661,701  | 11,095,636  | 9,912,471   | 9,487,991   | 7,572,244   |
| Non-current assets                                     | 31,859,637  | 28,179,519  | 26,630,898  | 26,616,699  | 25,574,836  | 26,238,123  |
| Current assets                                         | 48,156,442  | 38,614,792  | 32,212,397  | 22,913,377  | 17,775,831  | 9,848,799   |
| <b>Statement of Profit or loss (Rs. 000):</b>          |             |             |             |             |             |             |
| Sales - net                                            | 38,530,653  | 37,535,700  | 38,647,768  | 38,921,635  | 32,876,949  | 24,057,376  |
| Gross profit                                           | 13,647,938  | 14,891,548  | 11,256,491  | 10,432,694  | 9,811,769   | 5,965,349   |
| EBITDA                                                 | 17,405,820  | 19,361,729  | 15,636,453  | 12,325,649  | 10,581,310  | 6,633,703   |
| EBIT                                                   | 16,121,335  | 18,096,734  | 14,453,666  | 11,209,636  | 9,463,200   | 5,403,010   |
| Profit before tax                                      | 15,967,898  | 17,746,823  | 13,776,285  | 10,469,328  | 8,925,489   | 4,885,955   |
| Profit after tax                                       | 10,696,851  | 11,575,154  | 8,893,455   | 5,820,751   | 5,024,280   | 3,497,507   |
| <b>Cash flows (Rs. 000):</b>                           |             |             |             |             |             |             |
| Cash flows from:                                       |             |             |             |             |             |             |
| Operations                                             | 13,640,554  | 16,574,726  | 11,482,975  | 9,061,900   | 9,429,253   | 6,012,031   |
| Operating activities                                   | 5,233,470   | 9,378,289   | 6,647,173   | 4,452,082   | 8,181,358   | 5,089,316   |
| Investing activities                                   | (8,988,086) | (4,398,596) | (5,030,324) | (2,470,516) | (7,092,989) | (3,950,178) |
| Financing activities                                   | 2,044,347   | (4,631,639) | (1,447,737) | (1,528,794) | (1,805,333) | (943,014)   |
| Cash and cash equivalents at the beginning of the year | 1,450,703   | 1,102,649   | 933,537     | 480,766     | 1,197,729   | 1,001,606   |
| Cash and cash equivalents at the end of the year       | (259,567)   | 1,450,703   | 1,102,649   | 933,537     | 480,766     | 1,197,729   |
| <b>RATIO ANALYSIS</b>                                  |             |             |             |             |             |             |
| Profitability Ratios                                   |             |             |             |             |             |             |
| Gross profit ratio                                     | 35.42%      | 39.67%      | 29.13%      | 26.80%      | 29.84%      | 24.80%      |
| Net profit to sales ratio                              | 27.76%      | 30.84%      | 23.01%      | 14.96%      | 15.28%      | 14.54%      |
| EBITDA to sales ratio                                  | 45.17%      | 51.58%      | 40.46%      | 31.67%      | 32.18%      | 27.57%      |
| Return on equity                                       | 18.24%      | 24.14%      | 21.64%      | 17.85%      | 18.44%      | 15.74%      |
| Return on capital employed                             | 20.63%      | 27.98%      | 25.99%      | 27.99%      | 30.75%      | 20.60%      |
| Return on Assets                                       | 13.37%      | 17.33%      | 24.56%      | 11.75%      | 11.59%      | 9.69%       |
| <b>Liquidity Ratios</b>                                |             |             |             |             |             |             |
| Current ratio                                          | 3.75        | 3.31        | 2.90        | 2.31        | 1.87        | 1.30        |
| Quick ratio                                            | 3.13        | 2.67        | 2.22        | 1.54        | 1.28        | 0.75        |
| Cash flow from operations to sales ratio               | 35.40%      | 44.16%      | 29.71%      | 23.28%      | 28.68%      | 24.99%      |
| <b>Investment/market ratios</b>                        |             |             |             |             |             |             |
| Earnings per share *                                   | 11.64       | 11.97       | 9.06        | 5.80        | 5.00        | 3.48        |
| Price Earning Ratio*                                   | 9.46        | 6.32        | 5.41        | 5.99        | 5.20        | 11.86       |
| Price to Book ratio *                                  | 1.27        | 1.10        | 0.82        | 0.14        | 0.12        | 0.23        |
| Cash Dividend                                          | -           | -           | -           | -           | -           | -           |
| Stock Dividend                                         | -           | -           | -           | -           | -           | -           |
| Market Value per Share *                               |             |             |             |             |             |             |
| - Closing                                              | 110.12      | 75.67       | 49.00       | 34.69       | 26.03       | 41.30       |
| - High                                                 | 126.60      | 90.00       | 51.02       | 35.76       | 46.89       | 52.40       |
| - Low                                                  | 74.00       | 46.47       | 31.70       | 22.61       | 25.24       | 27.30       |
| Breakup value per share of Rs. 2 each *                | 63.80       | 49.58       | 41.84       | 32.47       | 27.13       | 22.13       |
| <b>Capital Structure Ratios</b>                        |             |             |             |             |             |             |
| Debt to equity ratio                                   | 10:90       | 4:96        | 5:95        | 9:91        | 13:87       | 21:79       |
| Interest coverage ratio                                | 105.07      | 51.72       | 21.34       | 15.14       | 17.60       | 10.45       |
| Debt Service Coverage Ratio                            | 13.64       | 13.58       | 8.86        | 7.25        | 5.81        | 7.08        |
| <b>Activity/Turnover Ratios</b>                        |             |             |             |             |             |             |
| Inventory turnover ratio                               | 4.84        | 5.00        | 5.10        | 5.08        | 5.80        | 5.75        |
| No. of days in inventory                               | 75.39       | 72.98       | 71.58       | 71.80       | 62.96       | 63.47       |
| Debtor turnover ratio                                  | 23.21       | 22.18       | 18.31       | 32.29       | 35.89       | 24.46       |
| No. of days in receivables                             | 15.73       | 16.46       | 19.93       | 11.31       | 10.17       | 14.92       |
| Creditors turnover ratio                               | 12.02       | 10.49       | 14.99       | 39.94       | 17.41       | 10.82       |
| No. of Days in Payables                                | 30.37       | 34.79       | 24.36       | 9.14        | 20.97       | 33.74       |
| Cash Operating cycle /Cash Conversion Cycle            | 60.74       | 54.64       | 67.15       | 73.96       | 52.16       | 44.66       |
| Total assets turnover ratio                            | 0.48        | 0.56        | 0.66        | 0.79        | 0.76        | 0.67        |
| Fixed assets turnover ratio                            | 1.92        | 1.80        | 1.83        | 1.92        | 1.55        | 1.11        |

Note\*: Ratios for all periods presented have been adjusted to reflect the 5:1 stock split executed on August 23, 2025.

# GLOSSARY OF TERMS

## Gross profit ratio

Gross profit represents the profit remaining after the production costs have been subtracted from revenue. The Gross profit ratio is the relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

## Net profit margin

This ratio is determined by dividing net income (after tax) with 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 equity

A percentage that indicates how well common stockholders' invested money is being used. ROE is a measure of financial performance calculated by dividing net income (after tax) by shareholders' equity. Whether ROE is considered satisfactory will depend on what is normal for the industry as a whole. Net income is calculated before dividends paid to common shareholders and after dividends to preferred shareholders and interest to lenders.

## Return on capital employed

Return on capital employed (ROCE) is a financial ratio that can be used in assessing a company's profitability and capital efficiency. ROCE measures company's profitability considering both equity and debt. This can help neutralize financial performance analysis for companies with significant debt. There are two components required to calculate return on capital employed: earnings before interest and tax and average capital employed i.e. shareholders' equity plus long-term debts.

## Current ratio

This ratio is calculated by dividing current assets with current liabilities of the company. This ratio indicates 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.

## Cash flow from operations to sales ratio

This ratio is calculated by dividing operating cash flows of a company to its sales revenue. This ratio indicates about the ability of a company to generate cash from its sales. In other words, it shows the ability of a company to turn its sales into cash. It is expressed as a percentage. The higher this ratio is the better it is for the company.

## Earnings per share

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

## Price Earning Ratio

The price-earnings ratio is the ratio of a company's share market value to the company's earnings per share. This ratio is used for valuing companies and to find out whether they are overvalued or undervalued. A high P/E ratio could mean that a company's stock is overvalued, or else that investors are expecting high growth rates in the future.

## Price to Book ratio

This ratio is calculated by market value of share divided by total assets minus intangible assets. The ratio is used to compare a business's net assets that are available in relation to the sales price of its stock.

## Debt to 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.

## Interest coverage ratio

The interest coverage ratio is a measure of a company's ability to honor its interest payments. It is calculated as EBIT divided by the total interest expense /finance Cost.

## Debt Service Coverage Ratio

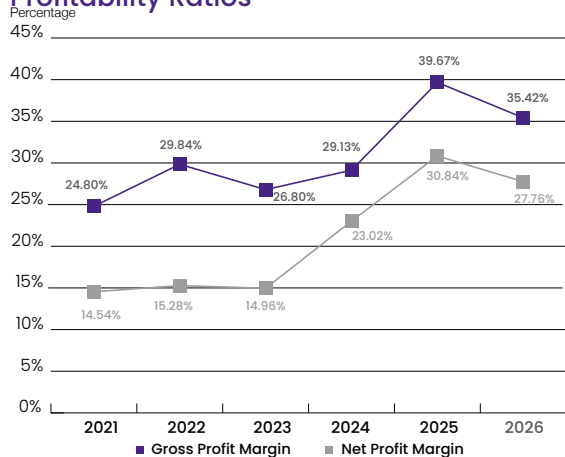
Debt Service Coverage Ratio is the ratio of operating income available to debt servicing for interest, principal and lease payments. It is a popular benchmark used in the measurement of an entity's ability to produce enough cash to cover its debt payments. It is calculated by dividing EBITDA with repayment of Long Term Loans and related Finance costs during the year.

## Return on assets

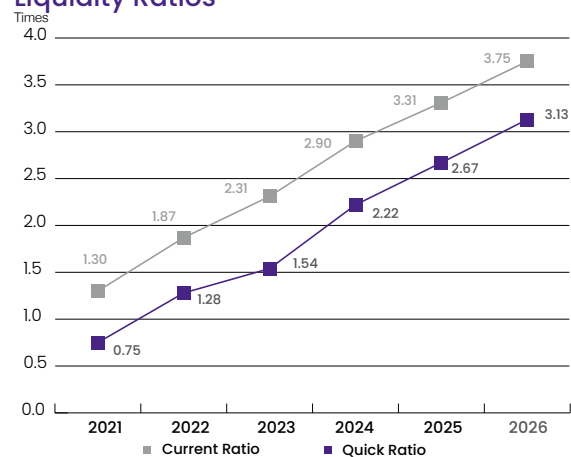
Return on assets is the amount of net profits earned expressed as a percentage of total assets. This is a widely followed measure of profitability, thus the higher the number the better. As long as a company's ROA exceeds its interest rate on borrowing, it's said to have positive financial leverage.

# GRAPHICAL ANALYSIS

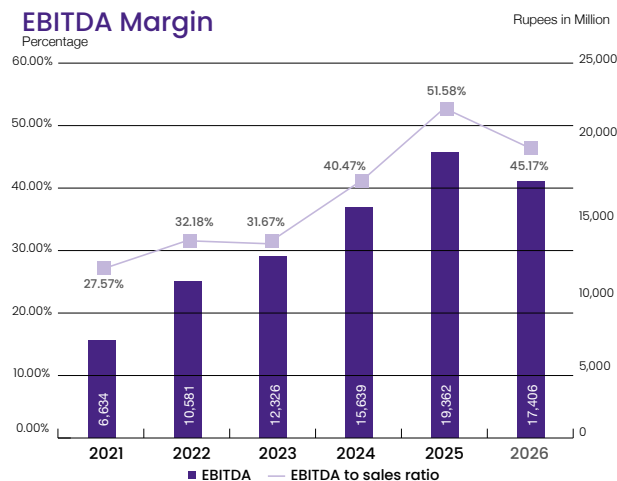
## Profitability Ratios



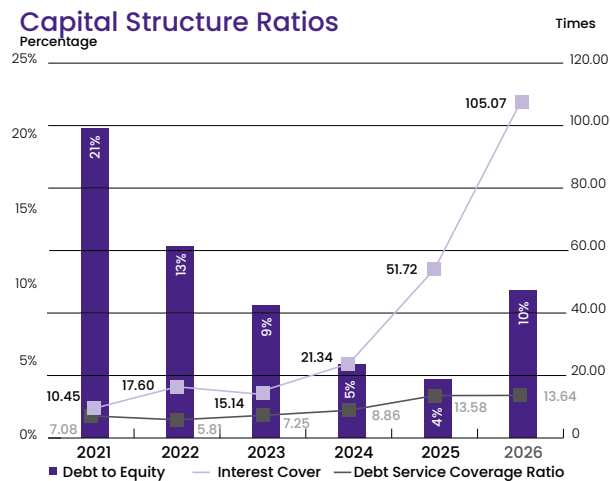
## Liquidity Ratios



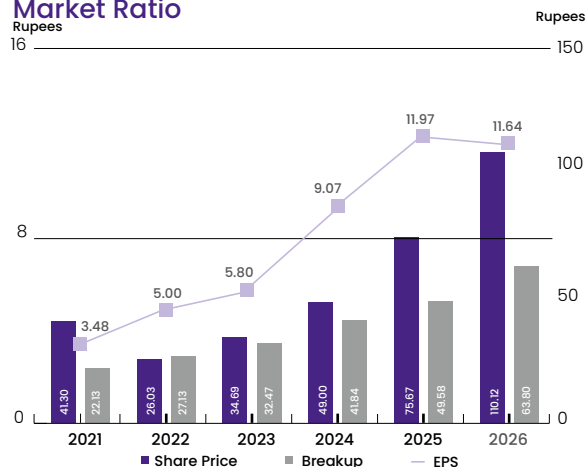
## EBITDA Margin



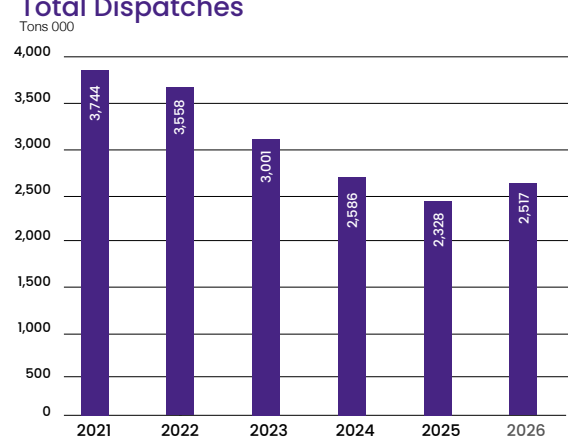
## Capital Structure Ratios



## Market Ratio



## Total Dispatches



# HORIZONTAL & VERTICAL ANALYSIS

## Statement of Financial Position

|                            | 2026       |        | 2025       |        | 2024       |        | 2023       |        | 2022       |        | 2021       |        |
|----------------------------|------------|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|--------|
|                            | Rs. 000    | %      | Rs. 000    | %      | Rs. 000    | %      | Rs. 000    | %      | Rs. 000    | %      | Rs. 000    | %      |
| <b>Horizontal Analysis</b> |            |        |            |        |            |        |            |        |            |        |            |        |
| <b>Horizontal Analysis</b> |            |        |            |        |            |        |            |        |            |        |            |        |
| Equity & Liabilities       |            |        |            |        |            |        |            |        |            |        |            |        |
| Shareholders equity        | 58,654,345 | 22.31  | 47,955,195 | 16.71  | 41,090,305 | 26.01  | 32,610,045 | 19.69  | 27,246,220 | 22.60  | 22,223,539 | 18.67  |
| Non-current liabilities    | 8,533,010  | 18.89  | 7,177,416  | 7.81   | 6,657,354  | (5.00) | 7,007,559  | 5.91   | 6,616,457  | 5.17   | 6,291,138  | (6.80) |
| Current liabilities        | 12,828,724 | 10.01  | 11,661,701 | 5.10   | 11,095,636 | 11.94  | 9,912,471  | 4.47   | 9,487,991  | 25.30  | 7,572,244  | 20.59  |
|                            | 80,016,079 | 19.79  | 66,794,312 | 13.51  | 58,843,295 | 18.80  | 49,530,076 | 14.25  | 43,350,668 | 20.13  | 36,086,921 | 13.64  |
| <b>Assets</b>              |            |        |            |        |            |        |            |        |            |        |            |        |
| Non-current assets         | 31,859,637 | 13.06  | 28,179,519 | 5.82   | 26,630,898 | 0.05   | 26,616,699 | 4.07   | 25,574,836 | (2.53) | 26,238,123 | (1.06) |
| Current assets             | 48,156,442 | 24.71  | 38,614,792 | 19.88  | 32,212,397 | 40.58  | 22,913,377 | 28.90  | 17,775,831 | 80.49  | 9,848,799  | 88.04  |
|                            | 80,016,079 | 19.79  | 66,794,312 | 13.51  | 58,843,295 | 18.80  | 49,530,076 | 14.25  | 43,350,668 | 20.13  | 36,086,921 | 13.64  |
|                            | -          | -      | -          | -      |            |        |            |        |            |        |            |        |
| <b>Vertical Analysis</b>   |            |        |            |        |            |        |            |        |            |        |            |        |
| Equity & Liabilities       |            |        |            |        |            |        |            |        |            |        |            |        |
| Shareholders equity        | 58,654,345 | 73.30  | 47,955,195 | 71.80  | 41,090,305 | 69.83  | 32,610,045 | 65.84  | 27,246,220 | 62.85  | 22,223,539 | 61.58  |
| Non-current liabilities    | 8,533,010  | 10.66  | 7,177,416  | 10.75  | 6,657,354  | 11.31  | 7,007,559  | 14.15  | 6,616,457  | 15.26  | 6,291,138  | 17.43  |
| Current liabilities        | 12,828,724 | 16.03  | 11,661,701 | 17.46  | 11,095,636 | 18.86  | 9,912,471  | 20.01  | 9,487,991  | 21.89  | 7,572,244  | 20.98  |
|                            | 80,016,079 | 100.00 | 66,794,312 | 100.00 | 58,843,295 | 100.00 | 49,530,076 | 100.00 | 43,350,668 | 100.00 | 36,086,921 | 100.00 |
| <b>Assets</b>              |            |        |            |        |            |        |            |        |            |        |            |        |
| Non-current assets         | 31,859,637 | 39.82  | 28,179,519 | 42.19  | 26,630,898 | 45.26  | 26,616,699 | 53.74  | 25,574,836 | 59.00  | 26,238,123 | 72.71  |
| Current assets             | 48,156,442 | 60.18  | 38,614,792 | 57.81  | 32,212,397 | 54.74  | 22,913,377 | 46.26  | 17,775,831 | 41.00  | 9,848,799  | 27.29  |
|                            | 80,016,079 | 100.00 | 66,794,312 | 100.00 | 58,843,295 | 100.00 | 49,530,076 | 100.00 | 43,350,668 | 100.00 | 36,086,921 | 100.00 |

## Statement of Profit or Loss

|                                     | 2026         |         | 2025         |         | 2024         |         | 2023         |         | 2022         |         | 2021         |             |
|-------------------------------------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|-------------|
|                                     | Rs. 000      | %       | Rs. 000      | %       | Rs. 000      | %       | Rs. 000      | %       | Rs. 000      | %       | Rs. 000      | %           |
| <b>Horizontal Analysis</b>          |              |         |              |         |              |         |              |         |              |         |              |             |
| Sales - Net                         | 38,530,653   | 2.65    | 37,535,700   | (2.88)  | 38,647,768   | (0.70)  | 38,921,635   | 18.39   | 32,876,949   | 36.66   | 24,057,376   | 112.89      |
| Cost of Sales                       | (24,882,716) | 9.89    | (22,644,152) | (17.33) | (27,391,276) | (3.85)  | (28,488,941) | 23.51   | (23,065,181) | 27.49   | (18,092,027) | 59.76       |
| Gross profit                        | 13,647,938   | (8.35)  | 14,891,548   | 32.29   | 11,256,491   | 7.90    | 10,432,694   | 6.33    | 9,811,769    | 64.48   | 5,965,349    | (24,628.26) |
| Selling and distribution expenses   | (250,434)    | 11.01   | (225,600)    | 14.37   | (197,259)    | 12.00   | (176,123)    | 44.20   | (122,137)    | 29.70   | (94,166)     | 46.54       |
| Administrative and general expenses | (1,071,228)  | 23.77   | (865,495)    | 77.34   | (488,043)    | 23.17   | (396,230)    | 12.08   | (353,523)    | 12.76   | (313,525)    | 31.33       |
| Other expenses                      | (850,722)    | (13.58) | (984,438)    | 73.57   | (568,561)    | (22.80) | (736,513)    | 30.81   | (563,052)    | 73.07   | (325,323)    | 1,876.86    |
| Operating profit                    | 11,475,554   | (10.46) | 12,816,015   | 28.11   | 10,002,629   | 9.63    | 9,123,828    | 4.00    | 8,773,057    | 67.67   | 5,232,335    | (1,622.07)  |
| Other income                        | 4,645,781    | (12.02) | 5,280,719    | 18.60   | 4,451,037    | 113.40  | 2,085,808    | 202.23  | 690,143      | 304.36  | 170,675      | (12.99)     |
| Finance cost                        | (153,437)    | (56.15) | (349,911)    | (48.34) | (677,381)    | (8.50)  | (740,308)    | 37.68   | (537,711)    | 3.99    | (517,055)    | 26.20       |
| Profit before tax                   | 15,967,898   | (10.02) | 17,746,823   | 28.80   | 13,776,285   | 31.59   | 10,469,328   | 17.30   | 8,925,489    | 82.68   | 4,885,955    | (976.70)    |
| Taxation                            | (5,271,047)  | (14.59) | (6,171,669)  | 26.40   | (4,882,830)  | 5.04    | (4,648,577)  | 19.16   | (3,901,209)  | 180.98  | (1,388,447)  | (1,322.45)  |
| Profit after tax                    | 10,696,851   | (7.59)  | 11,575,154   | 30.11   | 8,893,455    | 52.79   | 5,820,751    | 15.85   | 5,024,280    | 43.65   | 3,497,507    | (888.20)    |
| <b>Vertical Analysis</b>            |              |         |              |         |              |         |              |         |              |         |              |             |
| Sales - Net                         | 38,530,653   | 100.00  | 37,535,700   | 100.00  | 38,647,768   | 100.00  | 38,921,635   | 100.00  | 32,876,949   | 100.00  | 24,057,376   | 100.00      |
| Cost of Sales                       | (24,882,716) | (64.58) | (22,644,152) | (60.33) | (27,391,276) | (70.87) | (28,488,941) | (73.20) | (23,065,181) | (70.16) | (18,092,027) | (75.20)     |
| Gross profit                        | 13,647,938   | 35.42   | 14,891,548   | 39.67   | 11,256,491   | 29.13   | 10,432,694   | 26.80   | 9,811,769    | 29.84   | 5,965,349    | 24.80       |
| Selling and distribution expenses   | (250,434)    | (0.65)  | (225,600)    | (0.60)  | (197,259)    | (0.51)  | (176,123)    | (0.45)  | (122,137)    | (0.37)  | (94,166)     | (0.39)      |
| Administrative and general expenses | (1,071,228)  | (2.78)  | (865,495)    | (2.31)  | (488,043)    | (1.26)  | (396,230)    | (1.02)  | (353,523)    | (1.08)  | (313,525)    | (1.30)      |
| Other expenses                      | (850,722)    | (2.21)  | (984,438)    | (2.62)  | (568,561)    | (1.47)  | (736,513)    | (1.89)  | (563,052)    | (1.71)  | (325,323)    | (1.35)      |
| Operating profit                    | 11,475,554   | 29.78   | 12,816,015   | 34.14   | 10,002,629   | 25.88   | 9,123,828    | 23.44   | 8,773,057    | 26.68   | 5,232,335    | 21.75       |
| Other income                        | 4,645,781    | 12.06   | 5,280,719    | 14.07   | 4,451,037    | 11.52   | 2,085,808    | 5.36    | 690,143      | 2.10    | 170,675      | 0.71        |
| Finance cost                        | (153,437)    | (0.40)  | (349,911)    | (0.93)  | (677,381)    | (1.75)  | (740,308)    | (1.90)  | (537,711)    | (1.64)  | (517,055)    | (2.15)      |
| Profit before tax                   | 15,967,898   | 41.44   | 17,746,823   | 47.28   | 13,776,285   | 35.65   | 10,469,328   | 26.90   | 8,925,489    | 27.15   | 4,885,955    | 20.31       |
| Taxation                            | (5,271,047)  | (13.68) | (6,171,669)  | (16.44) | (4,882,830)  | (12.63) | (4,648,577)  | (11.94) | (3,901,209)  | (11.87) | (1,388,447)  | (5.77)      |
| Profit after tax                    | 10,696,851   | 27.76   | 11,575,154   | 30.84   | 8,893,455    | 23.01   | 5,820,751    | 14.96   | 5,024,280    | 15.28   | 3,497,507    | 14.54       |

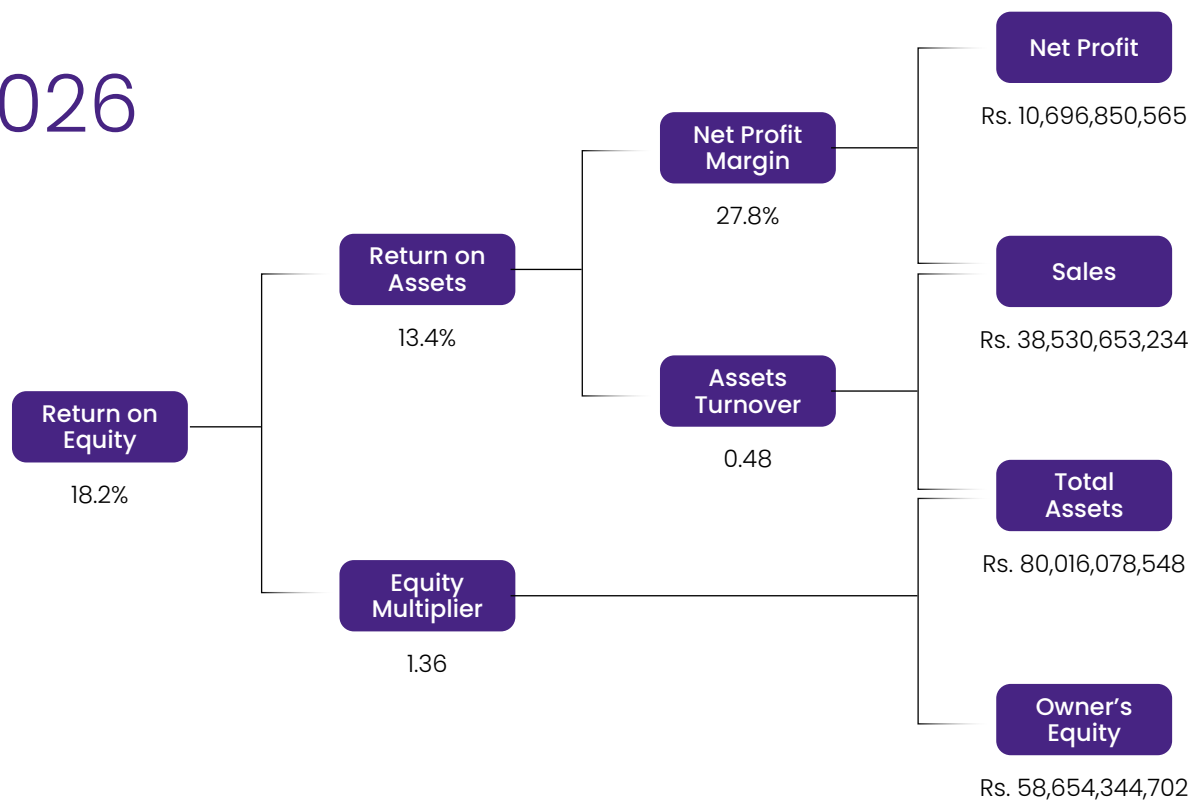
# ANALYSIS OF QUARTERLY RESULTS

| Particulars                           | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | FY 2025-26  | FY 2024-25  |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Metric tonnes                         |             |             |             |             |             |             |
| <b>Dispatches - Tons</b>              | 702,887     | 710,262     | 521,100     | 582,970     | 2,517,219   | 2,328,338   |
| - Local                               | 653,461     | 705,012     | 521,100     | 582,970     | 2,462,543   | 2,307,444   |
| - Export                              | 49,426      | 5,251       | -           | -           | 54,677      | 20,894      |
| PKR' 000                              |             |             |             |             |             |             |
| Sales Revenue - Net                   | 10,287,384  | 10,456,679  | 8,156,622   | 9,629,968   | 38,530,653  | 37,535,700  |
| Cost of Sales                         | 6,799,580   | 7,067,846   | 5,318,114   | 5,697,175   | 24,882,716  | 22,644,152  |
| <b>Gross Profit</b>                   | 3,487,804   | 3,388,833   | 2,838,508   | 3,932,793   | 13,647,938  | 14,891,548  |
| Gross Profit Margin                   | 34%         | 32%         | 35%         | 41%         | 35%         | 40%         |
| - Selling and Distribution Cost       | 48,841      | 51,355      | 74,892      | 75,347      | 250,434     | 225,600     |
| - Administration and General Expenses | 180,610     | 205,316     | 236,384     | 448,917     | 1,071,228   | 865,495     |
| - Other Operating Expenses            | 199,541     | 234,053     | 195,002     | 222,126     | 850,722     | 984,438     |
| <b>Operating Profit</b>               | 3,058,811   | 2,898,109   | 2,332,230   | 3,186,403   | 11,475,554  | 12,816,015  |
| Operating Profit Margin               | 30%         | 28%         | 29%         | 33%         | 30%         | 34%         |
| - Other Operating Income              | (1,467,200) | (1,156,530) | (621,014)   | (1,401,036) | (4,645,781) | (5,280,719) |
| Finance Cost                          | 39,620      | 42,467      | 35,782      | 35,569      | 153,437     | 349,911     |
| Profit Before Tax (PBT)               | 4,486,392   | 4,012,172   | 2,917,463   | 4,551,870   | 15,967,898  | 17,746,824  |
| PBT Margin                            | 44%         | 38%         | 36%         | 47%         | 41%         | 47%         |
| Taxation                              | 1,542,383   | 1,416,465   | 1,047,163   | 1,265,036   | 5,271,047   | 6,171,669   |
| Effective Tax Rate                    | 34%         | 35%         | 36%         | 28%         | 33%         | 35%         |
| <b>Profit After Tax (PAT)</b>         | 2,944,009   | 2,595,707   | 1,870,300   | 3,286,835   | 10,696,851  | 11,575,154  |
| PAT Margin                            | 29%         | 25%         | 23%         | 34%         | 28%         | 31%         |
| Earning per Share -Rs.                | 3.20        | 2.82        | 2.03        | 3.58        | 11.64       | 11.97       |
| <b>EBITDA</b>                         | 4,844,924   | 4,379,415   | 3,270,261   | 4,911,220   | 17,405,820  | 19,381,220  |
| EBITDA Margin                         | 47%         | 42%         | 40%         | 51%         | 45%         | 52%         |

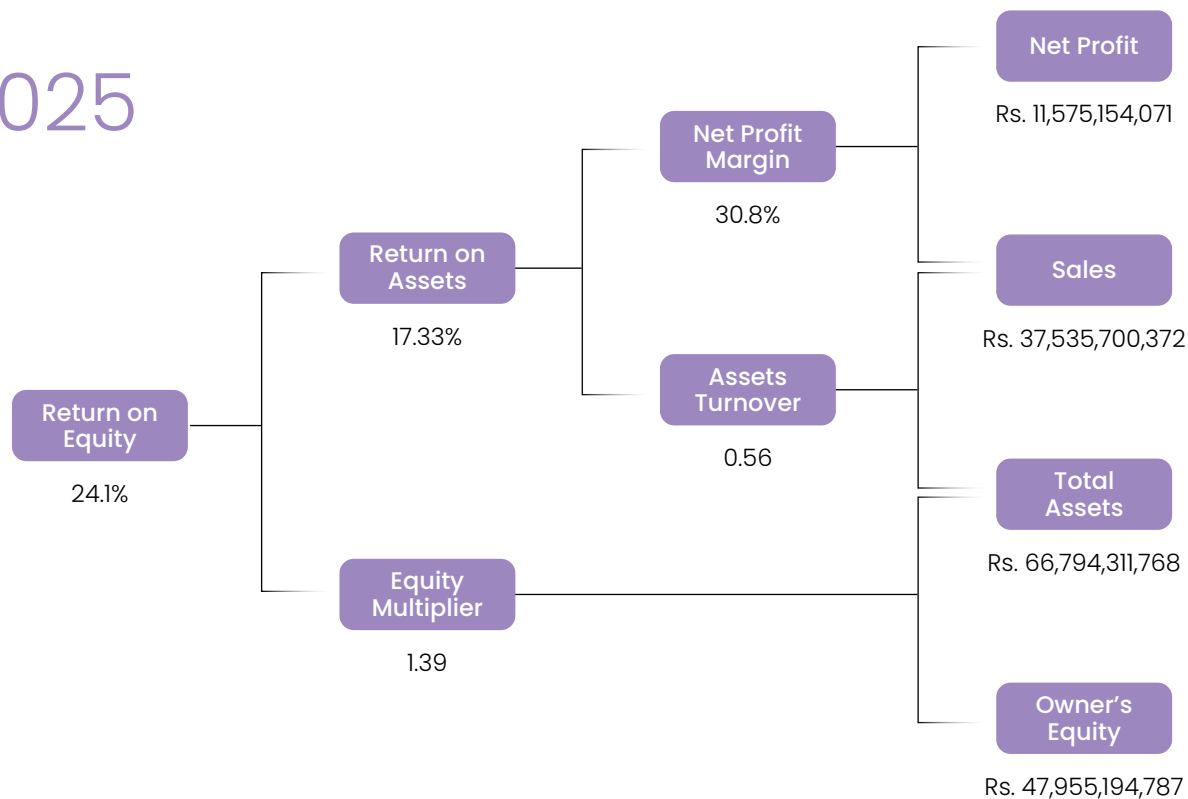
During the year FY2025-26, the Company's financial performance reflected prevailing industry trends, with strong volumes but severe pressure on margins in a competitive pricing environment. Net sales increased by 2.7% year-on-year to PKR 38,531 million, driven by higher dispatches amid recovery in domestic demand. However, intense competition and low cement prices continued to exert pressure on profitability of the Company resulting into decrease of 7.6% in profit after tax of the Company.

# DUPONT ANALYSIS

## 2026



## 2025



# INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of Kohat Cement Company Limited**

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

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

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

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

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

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



Lahore  
Date: September 22, 2026  
UDIN: CR202610837pGCIye4IO

A.F. Ferguson & Co.  
Chartered Accountants

# STATEMENT OF COMPLIANCE

## with Listed Companies (Code of Corporate Governance) Regulations, 2019 Kohat Cement Company Limited For the year ended June 30, 2026

Kohat Cement Company Limited (“the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

- The total number of directors are eight (8), as per the following:

|           |   |
|-----------|---|
| a) Male   | 7 |
| b) Female | 1 |

- The composition of the Board is as follows:

| Category                | Names                                                                                                                                   |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Independent Directors   | Mr. Ahmad Sajjad Khan<br>Mr. Talha Saeed Ahmed                                                                                          |
| Non-Executive Directors | Mr. Aizaz Mansoor Sheikh<br>Mrs. Hijab Tariq<br>Mr. Muhammad Rehman Sheikh<br>Mr. Muhammad Atta Tanseer Sheikh<br>Mr. Hamza Atta Sheikh |
| Executive Director      | Mr. Nadeem Atta Sheikh,<br>(Chief Executive Officer)                                                                                    |

The current Board of Directors of the Company was elected on June 28, 2025 and has appropriate skills, experience, independence and knowledge of the Company to discharge its duties and responsibilities effectively. Therefore, the Board considers that it is adequately composed with two independent directors and hence, the fractional number of independent directors has not been rounded up.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Company.
- The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and

significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations.
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
- Two directors namely Mr. Aizaz Mansoor Sheikh and Mr. Nadeem Atta Sheikh are exempt from Directors' Training Certification (DTC) as they have 14 years of education and more than 15 years of experience on the Board; all other directors have obtained DTC from authorized institutes.
- The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- The Board has formed committees comprising of members given below:

### a) Audit Committee:

| Category | Names                    |                        |
|----------|--------------------------|------------------------|
| Chairman | Mr. Talha Saeed Ahmed    | Independent Director   |
| Member   | Mr. Aizaz Mansoor Sheikh | Non-Executive Director |
| Member   | Mr. Hamza Atta Sheikh    | Non-Executive Director |

### b) Human Resource and Remuneration (HR&R) Committee:

| Category | Names                      |                        |
|----------|----------------------------|------------------------|
| Chairman | Mr. Ahmad Sajjad Khan      | Independent Director   |
| Member   | Mr. Nadeem Atta Sheikh     | Chief Executive        |
| Member   | Mr. Muhammad Rehman Sheikh | Non-Executive Director |

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:

| Committee       | No. of meetings held during the year |
|-----------------|--------------------------------------|
| Audit Committee | Five                                 |
| HR&R Committee  | One                                  |

15. The Board has outsourced the internal audit function to M/s BDO Ebrahim & Co. Chartered Accountants who are 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 and registered with Audit

Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

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

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

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

| Sr. | Reg. No. | Requirement                                                                                                                                                                                                   | Explanation                                                                                                                                 |
|-----|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | 29 (1)   | <b>Nomination Committee</b><br>The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances. | Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board HR&R Committee. |

| Sr. | Reg. No. | Requirement                                                                                                                                                                                                                                                                                 | Explanation                                                                                                                                                                                                               |
|-----|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2   | 30 (1)   | <b>Risk Management Committee</b><br>The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board. | Currently, the Board has not constituted a separate Risk Management Committee and the functions are being performed by the Board Audit Committee.                                                                         |
| 3   | 10A (5)  | <b>Sustainability Committee</b><br>In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.             | The Board of Directors has assigned additional responsibilities to the Board Audit Committee to assist the Board in overseeing, governing and addressing the Sustainability related Risks & Opportunities of the Company. |

| Sr. | Reg. No. | Requirement                                                                                                                                                                                                                                                                                                  | Explanation                                                                                                                                                                                                                                      |
|-----|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4   | 19(3)    | <b>Directors' Training</b><br>Companies are also encouraged to arrange training for;<br>(i) at least one female executive every year under the Directors' Training program from year July 2020; and<br>(ii) at least one head of department every year under the Directors' Training program from July 2022. | No formal trainings under Directors' Training Program (DTP) was conducted during the year, however, the Company intends to arrange DTP Certification for eligible female executives and heads of departments during the upcoming financial year. |



**Nadeem Atta Sheikh**  
Chief Executive

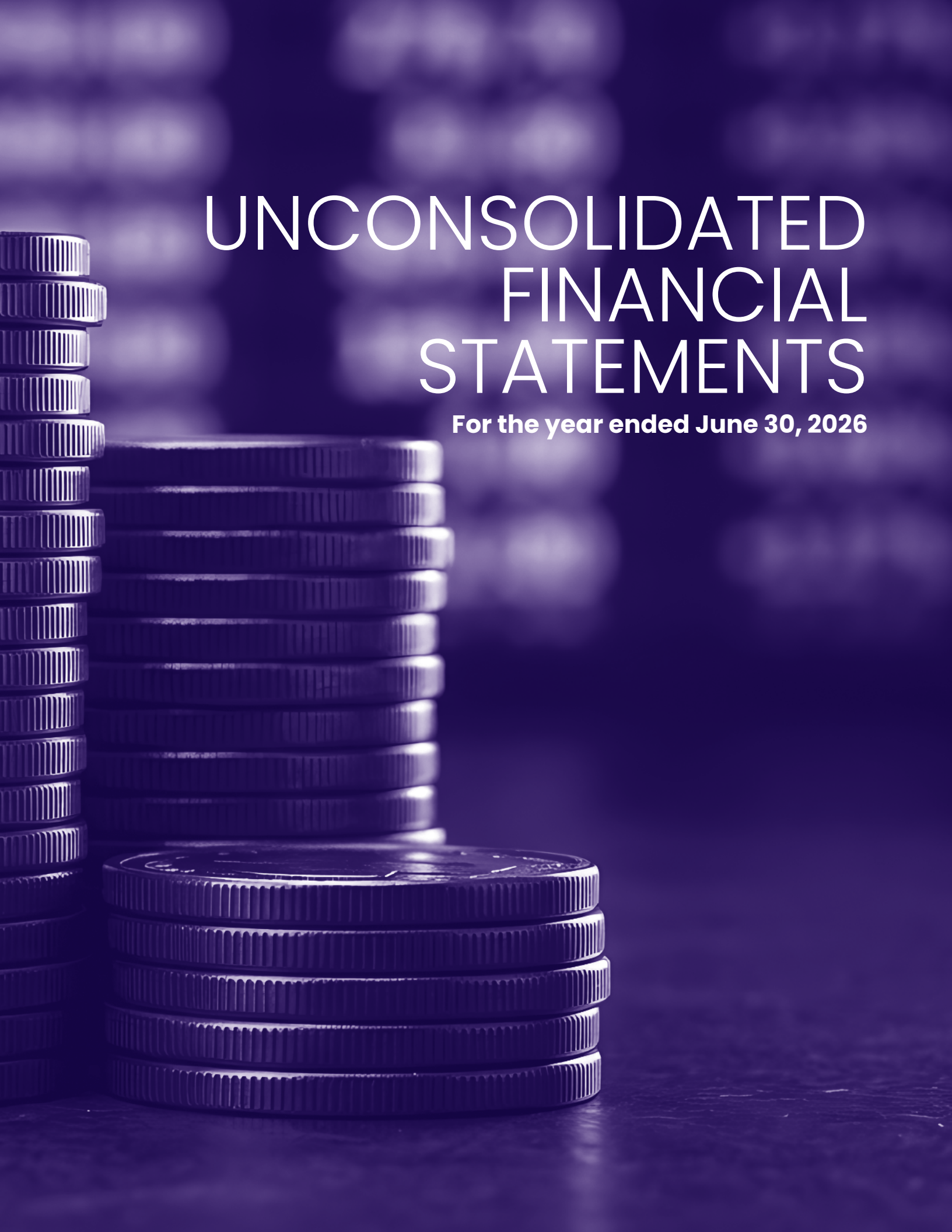


**Aizaz Mansoor Sheikh**  
Chairman

Lahore: September 10, 2026





The image features several stacks of coins, likely Euro coins, arranged on a dark, reflective surface. One stack is tall and positioned on the left side, while another stack is shorter and positioned in the center. In the foreground, a few coins are laid out flat, showing their faces. The background is a deep, textured blue, creating a professional and financial atmosphere.

# UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

# INDEPENDENT AUDITOR'S REPORT

**To the members of Kohat Cement Company Limited**

**Report on the Audit of the Unconsolidated Financial Statements**

## **Opinion**

We have audited the annexed unconsolidated financial statements of Kohat Cement Company Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2026, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit and other comprehensive 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 Unconsolidated 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 unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITOR'S REPORT

## Following is the Key audit matter:

| Sr. No | Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | <p><b>Revenue Recognition</b></p> <p>(Refer note 4.8 and 26 to the unconsolidated financial statements)</p> <p>The Company is engaged in the production and sale of cement in the local and export market. Revenue is recognised when performance obligation is satisfied by transferring control of promised goods to the customers.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations and inherent risk of material misstatement.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understood and evaluated the accounting policies with respect to revenue recognition.</li> <li>- Obtained an understanding of, and evaluated, management's relevant controls over revenue and assessed their design and implementation;</li> <li>- Performed testing of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices;</li> <li>- Tested on a sample basis, revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period;</li> <li>- Checked on a sample basis, approval of sales prices by the appropriate authority;</li> <li>- Performed recalculation of discount/ rebate as per Company's policy on test basis;</li> <li>- Performed audit procedures to analyze variation in the price and quantity sold during the year; and</li> <li>- Assessed the adequacy and appropriateness of the disclosures made in the unconsolidated financial statements related to revenue.</li> </ul> |

## Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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.

# INDEPENDENT AUDITOR'S REPORT

## **Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated financial statements.

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

- Identify and assess the risks of material misstatement of the unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# INDEPENDENT AUDITOR'S REPORT

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 unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 expressed an unmodified opinion on those financial statements in their report dated September 11, 2025.

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



A.F. Ferguson & Co.  
Chartered Accountants

Lahore  
Date: September 22, 2026  
UDIN: AR2026108375wCVfrH7b

# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

**As at June 30, 2026**

|                                        | Note | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------|------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>          |      |                |                |
| Authorized share capital               | 5    | 3,000,000,000  | 3,000,000,000  |
| Issued, subscribed and paid-up capital | 5    | 1,838,612,970  | 1,838,612,970  |
| Reserves                               | 6    | 288,444,951    | 286,145,601    |
| Accumulated profits                    |      | 56,527,286,781 | 45,830,436,216 |
|                                        |      | 58,654,344,702 | 47,955,194,787 |
| <b>Non-current liabilities</b>         |      |                |                |
| Long term financing - secured          | 7    | 3,215,497,163  | 1,448,977,799  |
| Long term deposits                     | 8    | 3,536,100      | 3,536,100      |
| Deferred liabilities                   |      |                |                |
| - deferred taxation                    | 9.1  | 5,269,093,664  | 5,688,116,040  |
| - compensated absences                 | 9.2  | 44,883,111     | 36,785,931     |
|                                        |      | 8,533,010,038  | 7,177,415,870  |
| <b>Current liabilities</b>             |      |                |                |
| Current portion of long term financing | 7    | 907,280,338    | 837,359,258    |
| Trade and other payables               | 10   | 7,632,646,551  | 7,710,012,398  |
| Contract liability                     |      | 267,540,724    | 144,300,907    |
| Unclaimed dividend                     |      | 8,503,909      | 8,503,909      |
| Dividend payable                       | 11   | 31,788,517     | 33,677,348     |
| Provision for taxation - net           |      | 1,789,681,576  | 2,924,142,407  |
| Short term borrowings - secured        | 12   | 2,191,282,193  | 3,704,884      |
|                                        |      | 12,828,723,808 | 11,661,701,111 |
| Contingencies and commitments          | 13   |                |                |
|                                        |      | 80,016,078,548 | 66,794,311,768 |

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.



**Chief Executive Officer**

|                                                                 | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                                                   |      |                |                |
| <b>Non current assets</b>                                       |      |                |                |
| Property, plant and equipment                                   | 14   | 27,253,243,474 | 23,359,980,509 |
| Intangibles                                                     | 15   | -              | 259,742        |
| Long term loans and advances                                    | 16   | 166,805,823    | 434,691,328    |
| Long term deposits                                              | 17   | 63,226,136     | 58,226,136     |
| Long term investment                                            | 18   | 50,000,000     | -              |
| Investment property                                             | 19   | 4,326,361,559  | 4,326,361,559  |
|                                                                 |      | 31,859,636,992 | 28,179,519,274 |
| <b>Current assets</b>                                           |      |                |                |
| Stores, spares and loose tools                                  | 20   | 5,895,203,709  | 4,991,311,475  |
| Stock-in-trade                                                  | 21   | 2,063,290,760  | 2,513,556,552  |
| Trade debts - unsecured and considered good                     | 22   | 1,660,071,236  | 1,692,217,832  |
| Short term investments                                          | 23   | 35,509,669,089 | 26,941,632,205 |
| Loans, advances, deposits, prepayments<br>and other receivables | 24   | 1,311,733,012  | 1,025,371,707  |
| Cash and bank balances                                          | 25   | 1,716,473,750  | 1,450,702,723  |
|                                                                 |      | 48,156,441,556 | 38,614,792,494 |
|                                                                 |      | 80,016,078,548 | 66,794,311,768 |

**Chief Financial Officer**

**Director**

# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2026

|                                                              | Note | 2026<br>Rupees   | 2025<br>Rupees   |
|--------------------------------------------------------------|------|------------------|------------------|
| Revenue from contract with customers - net                   | 26   | 38,530,653,234   | 37,535,700,372   |
| Cost of sales                                                | 27   | (24,882,715,557) | (22,644,152,051) |
| <b>Gross profit</b>                                          |      | 13,647,937,677   | 14,891,548,321   |
| Selling and distribution expenses                            | 28   | (250,434,427)    | (225,600,417)    |
| Administrative and general expenses                          | 29   | (1,071,227,727)  | (865,495,338)    |
| Reversal /(allowance) of expected credit loss on trade debts | 22   | 17,556,548       | (44,078,565)     |
| Other expenses                                               | 30   | (868,278,428)    | (940,359,065)    |
|                                                              |      | (2,172,384,034)  | (2,075,533,385)  |
| <b>Operating profit</b>                                      |      | 11,475,553,643   | 12,816,014,936   |
| Other income                                                 | 31   | 4,645,781,069    | 5,280,719,197    |
| Finance cost                                                 | 32   | (153,437,172)    | (349,910,716)    |
| <b>Profit before income tax and final tax</b>                |      | 15,967,897,540   | 17,746,823,417   |
| Levy - final tax                                             | 33   | (40,694,206)     | (58,631,368)     |
| <b>Profit before taxation</b>                                |      | 15,927,203,334   | 17,688,192,049   |
| Taxation                                                     | 34   | (5,230,352,769)  | (6,113,037,978)  |
| <b>Profit after taxation</b>                                 |      | 10,696,850,565   | 11,575,154,071   |
| <b>Earnings per share - basic and diluted</b>                | 35   | 11.64            | 11.97            |

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**For the year ended June 30, 2026**

|                                                                       | 2026<br>Rupees        | 2025<br>Rupees        |
|-----------------------------------------------------------------------|-----------------------|-----------------------|
| Profit after taxation                                                 | 10,696,850,565        | 11,575,154,071        |
| <b>Other comprehensive income / (loss)</b>                            |                       |                       |
| Items that will not be reclassified to statement of profit or loss    | -                     | -                     |
| Items that are or may be reclassified to statement of profit or loss: |                       |                       |
| Net changes in fair value of debt investments at FVOCI                |                       |                       |
| - net of deferred tax                                                 | 2,299,350             | (899,350)             |
| <b>Total comprehensive income for the year</b>                        | <b>10,699,149,915</b> | <b>11,574,254,721</b> |

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

# UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## For the year ended June 30, 2026

|                                             | Reserves      |                                     |               |                    |                  |                     |                 |                 |
|---------------------------------------------|---------------|-------------------------------------|---------------|--------------------|------------------|---------------------|-----------------|-----------------|
|                                             | Share capital | Capital reserves                    |               |                    | Revenue reserves |                     |                 | Total           |
|                                             |               | Capital re-purchase reserve account | Share premium | Fair value reserve | General reserve  | Accumulated profits | Total reserves  |                 |
|                                             |               |                                     |               |                    |                  |                     |                 |                 |
| Rupees                                      |               |                                     |               |                    |                  |                     |                 |                 |
| Balance at 01 July 2024                     | 1,958,612,970 | 50,000,000                          | 49,704,951    | (2,660,000)        | 70,000,000       | 38,964,647,370      | 39,131,692,321  | 41,090,305,291  |
| Total comprehensive income for the year     |               |                                     |               |                    |                  |                     |                 |                 |
| Profit for the year                         | -             | -                                   | -             | -                  | -                | 11,575,154,071      | 11,575,154,071  | 11,575,154,071  |
| Other comprehensive loss for the year       | -             | -                                   | -             | (899,350)          | -                | -                   | (899,350)       | (899,350)       |
|                                             | -             | -                                   | -             | (899,350)          | -                | 11,575,154,071      | 11,574,254,721  | 11,574,254,721  |
| Transactions with the owners of the Company |               |                                     |               |                    |                  |                     |                 |                 |
| Own shares purchased for cancellation       | (120,000,000) | 120,000,000                         | -             | -                  | -                | (4,709,365,225)     | (4,589,365,225) | (4,709,365,225) |
| Balance as at 30 June 2025                  | 1,838,612,970 | 170,000,000                         | 49,704,951    | (3,559,350)        | 70,000,000       | 45,830,436,216      | 46,116,581,817  | 47,955,194,787  |
| Total comprehensive income for the year     |               |                                     |               |                    |                  |                     |                 |                 |
| Profit for the year                         | -             | -                                   | -             | -                  | -                | 10,696,850,565      | 10,696,850,565  | 10,696,850,565  |
| Other comprehensive income for the year     | -             | -                                   | -             | 2,299,350          | -                | -                   | 2,299,350       | 2,299,350       |
|                                             | -             | -                                   | -             | 2,299,350          | -                | 10,696,850,565      | 10,699,149,915  | 10,699,149,915  |
| Balance at 30 June 2026                     | 1,838,612,970 | 170,000,000                         | 49,704,951    | (1,260,000)        | 70,000,000       | 56,527,286,781      | 56,815,731,732  | 58,654,344,702  |

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2026

|                                                                 | Note | 2026<br>Rupees  | 2025<br>Rupees  |
|-----------------------------------------------------------------|------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                     |      |                 |                 |
| Cash generated from operations                                  | 36   | 13,640,554,277  | 16,574,725,509  |
| Finance cost paid                                               | 46   | (486,389,426)   | (391,061,821)   |
| Compensated absences paid                                       | 9.2  | (6,468,756)     | (5,770,071)     |
| Income tax and levy (final tax) paid                            |      | (7,381,025,986) | (6,385,048,317) |
| Payment made to Workers' Welfare Fund                           | 10.3 | (259,120,501)   | (172,692,762)   |
| Payment made to Workers' Profit Participation Fund              | 10.2 | (274,080,000)   | (241,864,000)   |
|                                                                 |      | (8,407,084,669) | (7,196,436,971) |
| <b>Net cash generated from operating activities</b>             |      | 5,233,469,608   | 9,378,288,538   |
| <b>Cash flows from investing activities</b>                     |      |                 |                 |
| Acquisition of property, plant and equipment                    |      | (4,615,320,099) | (2,398,919,336) |
| Proceeds from disposal of property, plant and equipment         |      | 68,515,834      | 15,321,000      |
| Investment in subsidiary                                        |      | (50,000,000)    | -               |
| Short term investments - net                                    |      | (4,352,296,389) | (2,011,541,251) |
| Loan disbursed to associated undertaking                        |      | -               | (98,000,000)    |
| Loan repaid by associated undertaking                           |      | 50,000,000      | 60,000,000      |
| Dividend received on short term investments                     |      | 160,677,312     | 227,521,096     |
| Profit on bank deposits and loans                               |      | 155,058,977     | 220,743,655     |
| Long term deposits - net                                        |      | (5,000,000)     | (200,000)       |
| Loans and advances - net                                        |      | (399,721,153)   | (413,520,934)   |
| <b>Net cash used in investing activities</b>                    |      | (8,988,085,518) | (4,398,595,770) |
| <b>Cash flows from financing activities</b>                     |      |                 |                 |
| Proceeds from long term finances                                | 46   | 2,636,173,977   | 1,115,239,380   |
| Repayment of long term finances                                 | 46   | (789,938,471)   | (1,034,355,698) |
| Proceeds from short term borrowings                             | 46   | 910,000,000     | 100,102,104     |
| Repayment of short term borrowings                              | 46   | (710,000,000)   | (100,102,104)   |
| Own shares purchased for cancellation                           |      | -               | (4,709,365,225) |
| Dividend paid                                                   | 46   | (1,888,830)     | (3,157,674)     |
| <b>Net cash generated from / (used in) financing activities</b> |      | 2,044,346,676   | (4,631,639,217) |
| Net (decrease)/ increase in cash and cash equivalents           |      | (1,710,269,234) | 348,053,551     |
| Cash and cash equivalents at beginning of the year              |      | 1,450,702,723   | 1,102,649,172   |
| <b>Cash and cash equivalents at end of the year</b>             | 37   | (259,566,511)   | 1,450,702,723   |

Refer note 46 for reconciliation of liabilities arising from financing activities.

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **1 Reporting entity**

- 1.1** Kohat Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now "Companies Act, 2017") and is listed on Pakistan Stock Exchange. The Company is engaged in production and sale of cement. Head Office of the Company is situated at 36-37 P, Gulberg-II, Lahore, and the registered office and production facility is situated at Rawalpindi Road, Kohat, Pakistan. The Company is in the process of acquiring further land in District Khushab Punjab Pakistan, for installation of its new grey cement line.
- 1.2** ANS Capital (Private) Limited is the holding company of the Company and holds 552,411,600 of Rs. 2 each (2025: 110,482,320 of Rs 10 each) ordinary shares of the Company comprising 60.09% (2025: 60.09%) of its paid up share capital.
- 1.3** These financial statements (hereinafter may be referred to as 'unconsolidated financial statements') are the separate financial statements of the Company in which the investment in subsidiary has been carried at cost less accumulated impairment losses, if any. The consolidated financial statements of the Company and its subsidiary are prepared and presented separately. Details of the investments held by the Company in its subsidiary have been presented in note 18.

The Company has Offices and facilities located across Pakistan, the geographical locations of which are listed below:

### **Offices/ Facilities**

Kohat Cement Factory  
Lahore  
Peshawar  
  
Rawalpindi

### **Geographical location**

Rawalpindi Road, Kohat  
36-37 P, Gulberg-II, Lahore  
Suite No. 309 & 310, Block C, 3rd Floor, City Tower, University Road, Peshawar.  
9-First Floor, Al Amin Plaza, The Mall, Cantt, Rawalpindi.

## **2 Basis of preparation**

### **2.1 Statement of compliance**

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ('IFAS') issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **2.2 Initial application of standards, amendments or an interpretation to existing standards**

The following amendments to existing standards have been published that are applicable to the Company's unconsolidated financial statements covering annual periods, beginning on or after the following dates:

### **2.2.1 Standards, amendments to published standards and interpretations that are effective in the current year**

Certain standards, amendments and interpretations to IFRS Accounting Standards are effective for accounting period beginning on July 1, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated financial statements.

### **2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2026 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements, except for the following:

#### **(a) Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective for annual period beginning on July 1, 2026)**

The amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognised. The previous practice of financial liabilities being derecognized upon issuance of cheques would need to be reconsidered.

#### **(b) Annual improvements to International Financial Reporting Standards – Volume 11 (effective for annual period beginning on July 1, 2026)**

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

**(c) International Financial Reporting Standard (IFRS) 18, 'Presentation and Disclosure in Financial Statements (effective for annual period beginning on July 1, 2027)'**

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is yet to assess the impact of this Standard and amendments to existing standards on its unconsolidated financial statements.

## **3 Basis of measurement**

These unconsolidated financial statements have been prepared under the historical cost convention except for certain investments at fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) which are stated at fair value.

### **3.1 Functional and presentation currency**

These unconsolidated financial statements are presented in nearest Pakistani Rupees ("Rs.") which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest rupee, unless otherwise stated.

### **3.2 Critical accounting estimates and judgments**

The preparation of unconsolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Judgment made by management in the application of approved accounting standards that is relevant to the financial statements are as follows.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

- estimation of useful lives and residual values of property, plant and equipment – notes 4.1 and 14.1
- net realizable value of inventory and estimation of quantity of stockpiles – note 4.3
- estimation of provision for taxation and recognition of deferred tax – note 4.12
- estimation of provisions, contingent assets and contingent liabilities – note 4.7
- expected credit loss on financial assets – note 4.5.6

## **4 Summary of material accounting policy information**

The material accounting policies adopted in the preparation of these unconsolidated financial statements have been consistently applied to all the years presented, unless otherwise stated. Material accounting policies are disclosed below:

### **4.1 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses if any with the exception of freehold land and capital work in progress, which are stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation. Cost in relation to certain property, plant and equipment signifies historical cost and borrowing costs as referred to in note 4.11.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment is recognized in statement of profit or loss as incurred.

The Company recognizes depreciation in statement of profit or loss by applying reducing balance method over the useful life of each item of property, plant and equipment except that depreciation on building, plant civil structure and plant and machinery of white and grey cement line III and line IV including waste heat recovery power plant, solar power plant and furnace oil power plant is charged by applying straight line method.

Depreciation rates on items of property, plant and equipment are specified in note 14.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged when the item becomes available for intended use and is discontinued when it is disposed or classified as held for disposal.

An item of property, plant and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property, plant and equipment is recognized in statement of profit or loss.

The assets' residual value and useful lives are reviewed at each reporting date and adjusted, if appropriate. The Company's estimate of residual values of property, plant and equipment as at 30 June 2026 has not required any adjustment as its impact is considered insignificant.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **Capital work in progress**

Capital work in progress is stated at cost less any identified impairment losses and includes the expenditures on material, labour, capitalized borrowing cost, and appropriate overheads directly relating to the project. These costs are transferred to property, plant and equipment as and when assets are available for intended use.

## **4.2 Intangible assets**

The cost of acquisition, development and installation of identifiable software products having finite useful lives of more than one year is recognized as an intangible asset at cost and are amortized on a straight line basis. Subsequent to initial recognition, it is measured at cost less accumulated amortization and accumulated impairment losses, if any. The rate of amortization is specified in note 15.

## **4.3 Inventories**

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

|                     |                                                                      |
|---------------------|----------------------------------------------------------------------|
| - Stores and spares | Moving average                                                       |
| - Raw materials     | Moving average                                                       |
| - Work in process   | Average manufacturing cost                                           |
| - Finished goods    | Average manufacturing cost                                           |
| - Stock in transit  | Invoice price plus related expense incurred up to the reporting date |
| - Packing material  | Moving average                                                       |

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. Provision for obsolescence of stock in trade and stores and spares is made on the basis of management's estimate of net realizable value.

The Company's certain stock items [i.e. raw materials (limestone, clay and gypsum), work-in-process (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these stock items is not practicable, the management assesses the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values.

## **4.4 Employee benefits**

### **Defined contribution plan**

The Company operates an approved defined contributory provident fund for its employees. Equal contributions are made by the Company and employees at 10% of basic salary. The Company's contribution is charged to statement of profit or loss currently.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **Compensated absences**

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to statement of profit or loss. 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 recognized 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. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date.

## **4.5 Financial instruments**

### **4.5.1 Recognition and initial measurement**

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

### **4.5.2 Classification and subsequent measurement**

#### **Financial assets**

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

#### **Amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a 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 the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of term deposit receipts, cash and bank balances, long term loan to employees, trade debts, deposits and other receivables.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **Debt Instrument – FVOCI**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- 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.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The investment in TFCs has been classified as financial assets at FVOCI under IFRS 9.

## **Equity Instrument – FVOCI**

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

## **Fair value through profit or loss (FVTPL)**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. At reporting date, the Company has classified investments in mutual funds and listed equity securities as disclosed in note 23 as FVTPL.

## **Financial assets – Business model assessment:**

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

## **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 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 profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, other than those eligible for capitalization, and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities comprise trade and other payables, long term deposits and retention money payable, dividend payable, unclaimed dividend, long term financing, current portion of long term financing, short term borrowings and mark-up accrued on borrowings.

### **4.5.3 Derecognition**

#### **Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

#### **Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **4.5.4 Trade Debts, deposits and other receivables**

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

## **4.5.5 Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## **4.5.6 Impairment**

### **Financial assets**

The Company recognizes loss allowances on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial assets at amortized cost excluding trade debts for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company monitors changes in credit risk by tracking published external credit ratings.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. The Company considers a default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## **Non-financial assets**

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

## **4.6 Loans and borrowings**

Loans and borrowings are classified as financial liabilities. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of the borrowings on an effective interest basis.

## **4.7 Provisions and contingencies**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that 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. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date.

### **A contingent liability is disclosed when:**

- there is a possible obligation that arises from past events or 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
- there is a present obligation that arises from the 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.

## **4.8 Revenue from contract with customers**

Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods excluding sales taxes, federal excise duty, rebates and trade discounts (if any). Invoices are generated at that point in time when control is transferred to the customer.

Revenue from local sale is recognized at the point in time when control of the goods is transferred to the customer, generally when the goods are dispatched from the Company's premises.

Revenue from export sale is recognized at the point in time when control of the goods is transferred to the customer which depends on the related terms.

## **4.9 Contract liabilities**

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Company fulfills its performance under the contract.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

It also generally includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

## **4.10 Income from Dividends**

Dividend income is recognized when the Company's right to receive payment is established.

## **4.11 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss as incurred.

## **4.12 Taxation**

### **Income tax**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

### **Current tax**

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

### **Deferred taxation**

Deferred tax is accounted for using the liability approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **Levy – Final tax**

Final taxes include tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of income under the Ordinance. Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

## **4.13 Earnings per share ("EPS")**

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

## **4.14 Cash and cash equivalents**

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand, cash at banks and short term finances that are repayable on demand and form integral part of the Company's cash management.

## **4.15 Foreign currency transactions and balances**

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on re-translation are generally recognized in statement of profit or loss.

## **4.16 Dividend to ordinary shareholders**

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company's financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

## **4.17 Own shares purchase for cancellation**

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from accumulated profits. Repurchased shares are classified as own shares purchased for cancellation and are presented in the statement of changes in equity as a separate reserve.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **4.18 Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for:

- use in production or supply of goods or services or for administrative purposes; and
- sale in the ordinary course of business.

Investment property comprises of land only and it is initially measured at cost, being the fair value of the consideration given. Subsequent to the initial recognition, the investment property is measured using the cost model as provided in International Accounting Standard 40 – Investment Property. The cost model requires to measure the investment property at each reporting date at its cost less any accumulated impairment losses.

The Company assesses at each reporting date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss.

Any gain or loss on disposal of an investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognized in statement of profit or loss.

## **4.19 Trade and other payables**

Liabilities for trade creditors and other amounts payable are carried at cost which is fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

## **4.20 Trade debts**

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

## **4.21 Investment in subsidiary**

Subsidiary is an entity over which the Company has control. The Company controls an entity when it is exposed to or has the right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investment in the subsidiary is initially recognized at cost, which is the fair value of the consideration paid / payable on acquisition of the subsidiary. At subsequent reporting dates, the investment in the subsidiary is stated at cost less accumulated impairment losses, if any. Impairment losses and their reversals are recognized in the unconsolidated statement of profit or loss. However, the reversal of impairment losses is restricted to the extent of the initial cost of investment.

The profit and loss of the subsidiary is carried forward in its own financial statements and is not dealt with in these unconsolidated financial statements except to the extent of dividend declared by the subsidiary. Gains and losses on disposal of the investment are included in the statement of profit or loss.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value, and then recognizes the impairment loss in the statement of profit or loss.

### 4.22 Operating Segment

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Company. An operating segment's operating results are regularly reviewed by the Board of Directors of the Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

|                                                                           | Note | 2026             | 2025             | 2026          | 2025          |
|---------------------------------------------------------------------------|------|------------------|------------------|---------------|---------------|
|                                                                           |      | Number of shares | Number of shares | Rupees        | Rupees        |
| <b>5 Share capital</b>                                                    |      |                  |                  |               |               |
| <b>Authorized share capital</b>                                           |      |                  |                  |               |               |
| Ordinary shares of Rs. 2<br>(2025: Rs. 10) each                           |      | 1,500,000,000    | 300,000,000      | 3,000,000,000 | 3,000,000,000 |
| <b>Issued, subscribed and paid-up capital</b>                             |      |                  |                  |               |               |
| Ordinary shares of Rs. 2<br>(2025: Rs. 10) each,<br>fully paid-up in cash |      | 103,747,925      | 20,749,585       | 207,495,850   | 207,495,850   |
| Shares issued for consideration<br>other than cash                        | 5.2  | 56,150,000       | 11,230,000       | 112,300,000   | 112,300,000   |
| Fully paid bonus shares                                                   |      | 844,408,560      | 168,881,712      | 1,688,817,120 | 1,688,817,120 |
| Buyback of shares                                                         | 5.3  | (85,000,000)     | (17,000,000)     | (170,000,000) | (170,000,000) |
|                                                                           |      | 919,306,485      | 183,861,297      | 1,838,612,970 | 1,838,612,970 |

**5.1** ANS Capital (Private) Limited, holding company, holds 552,411,600 (2025: 110,482,320) ordinary shares Rs. 2 each (2025: Rs. 10 each) comprising 60.09% (2025: 60.09%) of total paid up share capital of the Company. Kohat Cement Educational Trust, an associated undertaking, holds 760,225 (2025: 152,045) ordinary shares of Rs. 2 each (2025: Rs. 10 each) of the Company, Directors and Executives hold 166,143,493 (2025: 33,342,929) and 138,055 (2025: 27,611) respectively, ordinary shares of Rs. 2 each (2025: Rs. 10 each) of the Company.

**5.2** These shares were initially issued to State Cement Corporation of Pakistan against transfer of all the assets and liabilities comprising Kohat Cement Project to Kohat Cement Company Limited.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

- 5.3** In accordance with Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, the Company purchased and cancelled an aggregate 17 million of its own ordinary shares of Rs. 10 each (5 million during FY 2024 and 12 million during FY 2025). After the Stock Split of its shares as referred to in note 5.4, these 17 million ordinary shares of Rs. 10 each are now equivalent to 85 million shares of Rs. 2 each.
- 5.4** In accordance with the provisions of section 85 of the Companies Act, 2017, the members of the Company, in their Extraordinary General Meeting held on August 7, 2025, decided to sub-divide the existing capital of the Company, including authorized, issued and paid-up capital, in a manner that each ordinary share of the Company having face value of PKR 10/- be divided into five ordinary shares of PKR 2/- each. The said sub-division was executed on August 23, 2025; after which the number of Authorized Capital and the Issued, Subscribed & Paid-up Capital shares were increased from 300,000,000 and 183,861,297 ordinary shares of Rs. 10 each to 1,500,000,000 and 919,306,485 ordinary shares of Rs. 2 each respectively.
- 5.5** All ordinary shares rank equally with regard to the Company's assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

|                                       | Note | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------|------|----------------|----------------|
| <b>6 Reserves</b>                     |      |                |                |
| Capital reserves                      |      |                |                |
| - share premium                       | 6.1  | 49,704,951     | 49,704,951     |
| - fair value reserve                  | 6.2  | (1,260,000)    | (3,559,350)    |
| - capital re-purchase reserve account | 6.3  | 170,000,000    | 170,000,000    |
| Revenue reserve                       |      |                |                |
| - general reserves                    |      | 70,000,000     | 70,000,000     |
|                                       |      | 288,444,951    | 286,145,601    |

- 6.1** This reserve can be utilized by the Company only for the purpose specified in section 81(2) of the Companies Act, 2017.
- 6.2** This represents fair value adjustment on revaluation of investments classified as 'FVOCI' and is not available for distribution.
- 6.3** This represents reserve created for cancellation of ordinary shares purchased by the Company in terms of section 88 of the Companies Act, 2017.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                        | Note  | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------|-------|----------------|----------------|
| <b>7 Long term financing - secured</b> |       |                |                |
| Term finance                           | 7.1   | -              | 327,728,453    |
| Diminishing musharika                  | 7.2   | 3,215,497,163  | 1,121,249,346  |
|                                        |       | 3,215,497,163  | 1,448,977,799  |
| <b>7.1 Term finance</b>                |       |                |                |
| The Bank of Punjab                     | 7.1.1 | 110,612,419    | 539,791,086    |
| Habib Bank Limited                     | 7.1.2 | -              | 1,933,077      |
| The Bank of Khyber                     | 7.1.3 | 73,368,667     | 220,425,719    |
| Askari Bank Limited                    | 7.1.4 | 75,377,323     | 225,155,743    |
| Samba Bank Limited                     | 7.1.5 | 89,056,660     | 177,782,086    |
|                                        |       | 348,415,069    | 1,165,087,711  |
| Less: Current maturity:                |       |                |                |
| Principal                              |       | (333,738,809)  | (789,938,861)  |
| Mark-up                                |       | (14,676,260)   | (47,420,397)   |
|                                        |       | (348,415,069)  | (837,359,258)  |
| Less: Transaction cost                 | 7.1.6 | -              | -              |
|                                        |       | -              | 327,728,453    |

**7.1.1** This represents long term finance facility obtained from the Bank of Punjab to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal is repayable in a quarterly installment ending on September 24, 2026.

**7.1.2** The outstanding markup against the long term facility obtained from Habib Bank Limited has been repaid during the year.

**7.1.3** This represents long term finance facility obtained from the Bank of Khyber to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal amount is repayable in two equal quarterly installments ending on 10 October 2026.

**7.1.4** This represents long term finance facility obtained from Askari Bank Limited to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark-up at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal amount is repayable in two equal quarterly installments ending on 23 November 2026.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**7.1.5** This represents long term finance facility obtained from Samba Bank Limited during the period to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark up at the rate of 3 months KIBOR plus 1.05% per annum which is payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company. The outstanding principal amount is repayable in four equal quarterly installments ending on 30 June 2027.

|                                  | Note  | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------|-------|----------------|----------------|
| <b>7.1.6 Transaction cost</b>    |       |                |                |
| At the beginning of the year     |       | -              | 5,034,628      |
| Amortized during the year        |       | -              | (5,034,628)    |
| At the end of the year           |       | -              | -              |
| <b>7.2 Diminishing musharika</b> |       |                |                |
| United Bank Limited              | 7.2.1 | 3,774,362,432  | 1,121,249,346  |
| Less: Current maturity:          |       |                |                |
| Principal                        |       | (535,916,194)  | -              |
| Mark-up                          |       | (22,949,075)   | -              |
|                                  |       | (558,865,269)  | -              |
|                                  |       | 3,215,497,163  | 1,121,249,346  |

**7.2.1** This represents long term finance facility obtained from United Bank Limited to finance the construction of Coal fired powered plant having capacity of 28.5MW . This facility carries mark up at the rate of 3 months KIBOR plus 0.90% per annum which is payable quarterly in arrears. This facility is secured by way of First Joint Pari Passu Charge over fixed assets (factory land, building, plant and machinery only) of the Company with 25% margin. The principal amount is repayable in 28 equal quarterly installments ending in June, 2033.

|                             | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------|------|----------------|----------------|
| <b>8 Long term deposits</b> |      |                |                |
| Long term deposits          | 8.1  | 3,536,100      | 3,536,100      |

**8.1** This represents interest free security deposits received from dealers and transporters against goods and services. These deposits are repayable / adjustable on the termination of the relationship. These are kept in a separate bank account.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|            |                                                    | 2026            |                                                   |                           |
|------------|----------------------------------------------------|-----------------|---------------------------------------------------|---------------------------|
|            |                                                    | Opening balance | Charge/ (reversal) in statement of profit or loss | Charge/ (reversal) in OCI |
|            |                                                    | Rupees          |                                                   |                           |
| <b>9</b>   | <b>Deferred liabilities</b>                        |                 |                                                   |                           |
| <b>9.1</b> | <b>Deferred taxation</b>                           |                 |                                                   |                           |
|            | <b>Taxable / (deductible) temporary difference</b> |                 |                                                   |                           |
|            | Accelerated tax depreciation                       | 5,451,302,265   | (345,803,625)                                     | -                         |
|            | Unrealized gain / loss - net                       | 270,236,764     | (82,964,323)                                      | 1,535,650                 |
|            | Expected credit loss on trade debts                | (33,422,989)    | 8,209,922                                         | -                         |
|            |                                                    | 5,688,116,040   | (420,558,026)                                     | 1,535,650                 |
|            |                                                    |                 |                                                   | 5,269,093,664             |

|  |                                                    | 2025            |                                                   |                           |
|--|----------------------------------------------------|-----------------|---------------------------------------------------|---------------------------|
|  |                                                    | Opening balance | Charge/ (reversal) in statement of profit or loss | Charge/ (reversal) in OCI |
|  |                                                    | Rupees          |                                                   |                           |
|  | <b>Taxable / (deductible) temporary difference</b> |                 |                                                   |                           |
|  | Accelerated tax depreciation                       | 5,401,515,251   | 49,787,014                                        | -                         |
|  | Unrealized gain / loss - net                       | 120,541,091     | 151,971,323                                       | (2,275,650)               |
|  | Expected credit loss on trade debts                | (16,232,348)    | (17,190,641)                                      | -                         |
|  |                                                    | 5,505,823,994   | 184,567,696                                       | (2,275,650)               |
|  |                                                    |                 |                                                   | 5,688,116,040             |

|            |                                     | 2026 Rupees | 2025 Rupees |
|------------|-------------------------------------|-------------|-------------|
| <b>9.2</b> | <b>Compensated absences</b>         |             |             |
|            | At beginning of the year            | 36,785,931  | 29,351,103  |
|            | Charge for the year                 | 14,565,936  | 13,204,899  |
|            | Less: Payments made during the year | (6,468,756) | (5,770,071) |
|            | Closing balance                     | 44,883,111  | 36,785,931  |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                               | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------------------|------|----------------|----------------|
| <b>10 Trade and other payables</b>            |      |                |                |
| Trade creditors – local                       | 10.1 | 745,266,451    | 1,002,955,575  |
| Imports bills payable                         |      | 1,229,496,070  | 1,104,180,400  |
| Contractors' bills payable                    |      | 95,715,187     | 67,320,365     |
| Accrued liabilities                           |      | 563,243,313    | 529,717,484    |
| Payable to Workers' Profit Participation Fund | 10.2 | 3,216,413,348  | 2,875,596,596  |
| Payable to Workers' Welfare Fund              | 10.3 | 240,863,251    | 259,120,500    |
| Payable to Provident Fund Trust               |      | 7,689,227      | 6,776,955      |
|                                               |      | 6,098,686,847  | 5,845,667,875  |
| Payable to Government on account of:          |      |                |                |
| Income tax deducted at source                 |      | 41,079,173     | 46,047,717     |
| Federal excise duty                           |      | 182,316,004    | 548,817,604    |
| Sales tax payable                             |      | 599,402,984    | 125,764,698    |
| Royalty and excise duty                       |      | 120,360,723    | 117,529,508    |
| Super tax on final tax                        |      | 38,819,841     | 558,271,832    |
|                                               |      | 981,978,725    | 1,396,431,359  |
| Retention money payable                       | 10.4 | 59,467,120     | 14,943,756     |
| Other payables                                |      | 492,513,859    | 452,969,408    |
|                                               |      | 551,980,979    | 467,913,164    |
|                                               |      | 7,632,646,551  | 7,710,012,398  |

**10.1** This includes unsecured balance payable to related parties Ultra Pack (Private) Limited amounting to Rs. 26.61 million (2025: Rs. 60.96 million) and Ultra Kraft (Private) Limited Nil (2025: Rs. 6.84 million).

|                                                         | Note   | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------------------------|--------|----------------|----------------|
| <b>10.2 Workers' Profit Participation Fund ("WPPF")</b> |        |                |                |
| At beginning of the year                                |        | 2,875,596,596  | 2,437,123,546  |
| Provision for the year                                  | 30     | 614,896,752    | 680,337,050    |
| Paid during the year                                    |        | (274,080,000)  | (241,864,000)  |
| At end of the year                                      | 10.2.1 | 3,216,413,348  | 2,875,596,596  |

**10.2.1** The WPPF liability represents leftover amount payable to Workers' Welfare Fund in terms of the Companies Profit (Workers' Participation) Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labour welfare laws have become provincial subject, and accordingly the leftover amount is no more payable to the Federal Treasury.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

Major strength of Company's employees eligible for benefit of WPPF are working in the Province of KPK and accordingly potential amount of leftover amount of WPPF is required to be paid to the relevant provincial authority as held by the Honourable Sindh High Court (SHC) in its judgment in C.P. No. D-1313 of 2013 announced on February 12, 2018. However, through an interim order, while granting leave to appeal, the Honourable Supreme Court of Pakistan (SCP) has suspended the operation of the SHC judgement.

Moreover, no provincial legislation has been promulgated so far in the Province of KPK to collect the left over amount. Therefore, the Company has filed a constitutional Petition before the Honourable Peshawar High Court to seek court direction in this matter, which is pending adjudication.

|                                   | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------|------|----------------|----------------|
| <b>10.3 Workers' Welfare Fund</b> |      |                |                |
| At beginning of the year          |      | 259,120,500    | 172,991,247    |
| Provision for the year            | 30   | 240,863,252    | 258,822,015    |
| Paid during the year              |      | (259,120,501)  | (172,692,762)  |
| At end of the year                |      | 240,863,251    | 259,120,500    |

**10.4** This includes retention money withheld of contractors and is repayable after satisfactory completion of contracts.

|                                        | Note | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------|------|----------------|----------------|
| <b>11 Dividend payable</b>             |      |                |                |
| Dividend withheld on account of:       |      |                |                |
| - court order                          | 11.1 | 19,083,293     | 20,972,124     |
| - non provision of CNIC / bank details |      | 12,705,224     | 12,705,224     |
|                                        |      | 31,788,517     | 33,677,348     |

**11.1** This represents dividend withheld out of final cash dividend amounting to Rs. 386.27 million for the year ended 30 June 2012, based on the order dated 25 October 2012 of the Honourable Lahore High Court and Securities and Exchange Commission of Pakistan approval vide letter number EMD/233/380/02-676 dated 23 November 2012 in response to application made by the Company under section 243(2) of the Companies Act, 2017.

|                                           | Note | 2026<br>Rupees | 2025<br>Rupees |
|-------------------------------------------|------|----------------|----------------|
| <b>12 Short term borrowings - secured</b> |      |                |                |
| Short term borrowings                     | 12.1 | 2,191,282,193  | 3,704,884      |

**12.1** The Company has aggregate non funded and funded facilities of Rs. 13,461 million (2025: Rs. 9,763 million). The amount utilized as at 30 June 2026 was Rs. 3,662.33 million (2025: Rs. 934.60 million). The funded facilities carry mark up at 1 month /3 months KIBOR plus 0.01% to 1% (2025: 1 month /3 months KIBOR plus 0.45% to 1%) per annum.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**12.2** The funded facilities include export refinance facilities of Rs. 798 million, available from different commercial banks under mark-up arrangement carrying mark-up at SBP export refinance rate plus as per agreed spread (2025: SBP export refinance rate plus as per agreed spread) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days. The amount utilized as at 30 June 2026 is Nil (2025: Nil).

**12.3** All the above short term finance facilities are secured by way of first parri passu hypothecation charge on present and future current assets of the Company with 25% margin, except that the facilities of bank guarantees of Rs. 378.73 million are secured by first parri passu hypothecation charge on present and future fixed assets of the Company with 25% margin.

## **13 Contingencies and commitments**

### **13.1 Legal Contingencies**

**13.1.1** The Competition Commission of Pakistan ("CCP") took Suo moto action under Competition Ordinance, 2007, (subsequently enacted as Competition Act, 2010 - the "Law") and issued Show Cause Notice (SCN) on 28 October 2008 inquiring increase in cement prices across the country. Similar notices were also issued to All Pakistan Cement Manufacturer Association ("APCMA") and its member cement manufacturers. The Company impugned the SCN and filed a writ petition before Honourable Lahore High Court ("LHC") challenging the vires of the Law. LHC, while granting stay against recovery, allowed CCP to pass the order against the Company resulting into levy of penalty of Rs. 103 million by CCP vide order dated 27 August 2009 (the "Order"). The Order was agitated by the Company before the honourable Supreme Court of Pakistan (SC). The appeal before SC was sent to Competition Appellate Tribunal (CAT), to be decided in accordance with law. The matter is currently pending adjudication before the Competition Appellate Tribunal (CAT).

**13.1.2** The Sui Northern Gas Pipelines Limited (SNGPL) charged an amount of Rs. 12.19 million being Non-Metered Volume Adjustment for the period from June 16, 2013 to June 25, 2013 in the Sui Gas Bill of the Company for the Month of August 2014. On appeal before OGRA, the said levy was set aside to its Designated Officer, who partially decided the case in favor of the Company which is thus challenged by the Company and Designated Officer in appeal before the OGRA. OGRA has decided the case against the Company which was agitated by the Company in Writ Petition before the honourable Islamabad High Court which is pending adjudication.

**13.1.3** The Mines and Minerals Department, Khyber Pakhtunkhwa has issued notices to the Company for recovery of fine on late payment of royalty on minerals under the Mineral Sector Governance Act, 2017 amounting to Rs. 40.63 million. The aforesaid notices have been challenged by Company before the honourable Peshawar High Court through filing a Writ Petition (WP), wherein the honourable Court has directed to maintain status quo, but later vide order dated 09 March 2023 directed KCCL to make payment of Rs. 10.989 million and same was duly complied/ paid on 02 June 2023. Later on the Honourable High Court has disposed-off the Writ Petition with a direction to reconcile record with Mines & Minerals Department of KPK and representation/ application is pending before Mine & Minerals Department KPK. The case has been challenged by the Company before the Supreme Court.

**13.1.4** Tehsil Municipal Officer (TMO), Kohat, in exercise of powers U/S 44 of KP Local Government Act, 2013 (the LG Act, 2013) notified factory premises of the Company as rating area within the meanings of Urban Immovable Property Tax Act, 1958 (the UIP Act 1958) for the purposes of imposition of Property Tax of around Rs. 31 million per annum. The Company has challenged

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

the levy on various grounds before the honourable Peshawar High Court, wherein, as an interim relief, the PHC suspended the aforesaid Notification and matter is pending before honourable Peshawar High Court, Peshawar.

- 13.1.5** The Khyber Pakhtunkhwa Mines and Minerals Department (Mining Department) conducted a survey of the leased area granted to Company containing mineral resources in order to determine any difference (if any) between the minerals excavated by the Company and the amount of Royalty paid since inception till December 2014. While finalizing the assessment, the Mining Department alleged a difference of minerals excavated and declared by the Company thereby created a demand of Rs. 750 million in dire ignorance of law and facts of the matter. Company filed various representations and / or appeals before the appropriate forums to highlight that the Company has even declared more production and thus paid more Royalty than the hypothetical figure of production assessed by the Mining Department through its survey, which otherwise has no strong basis. However, the Mining Department neither considered nor disposed of the Company's submissions and hence the Company filed a Writ Petition before the honourable Peshawar High Court (PHC) wherein, PHC has directed Mining Department to decide the pending representation after allowing sufficient audience to the Company.

### **13.2 Income Tax Contingencies**

- 13.2.1** The Additional Commissioner Inland Revenue (ACIR) amended the assessment under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010, whereby the ACIR created an Income Tax Demand of Rs. 37.17 million, disallowed various profit and loss expenses, changed apportionment basis of expenses between normal and export sales and ignored the adjustment of brought forward losses of the Company against its income. Being aggrieved, the Company filed an appeal before the CIR(A) which succeeded leaving a tax demand of Rs. 12.8 million against the Company and deleting the entire additions and disallowances. The order of the CIR(A) resulted in filing of appeal by the Company and the Department before the ATIR. ATIR upheld the decision of CIR(A). The Company has challenged the decision of ATIR in LHC which is pending adjudication.
- 13.2.2** The Deputy Commissioner Inland Revenue (DCIR) vide order dated 26 October 2020 raised a tax demand to the tune of Rs. 686 million pertaining to tax year 2012 under section 122(1)/122(5) of the ITO, 2001 on account of suppressed sales and disallowing various profit and loss expenses / deductible allowance and curtailing available tax credits. The Company filed an appeal before the CIR (A) which was decided vide order dated 31st December 2021 resulting into deletion of entire disputed tax demand of Rs. 686 million which has been agitated by tax department through filing of appeal before the ATIR which is pending adjudication.
- 13.2.3** The Additional Commissioner Inland Revenue (ACIR) amended the assessments for tax years 2014 and 2016 whereby the claim of depreciation and initial allowance was curtailed by reducing the cost of depreciable assets for the purposes of depreciation to the extent of tax credits claimed U/S 65B of the ITO, 2001 on such assets and created a tax demand of Rs. 20.71 million and Rs. 64.90 million respectively. The treatment meted out by the ACIR for the aforesaid tax years has been agitated by the Company before CIR (A) who decided the case in favor of the Company which has been challenged by the Department in appeal before ATIR which is pending adjudication.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**13.2.4** Income tax affairs of the Company for tax year 2015 were selected for audit U/S 177 of the ITO, 2001. The audit proceedings were finalized by the DCIR resulting in change in allocation of expenses between local and export income and disallowance of certain expenses and allowance culminating into a further tax liability of Rs. 234.5 million. The aforesaid treatment meted out by the DCIR has been agitated by the Company before CIR(A) through filing of appeal, wherein partial relief has been allowed to the Company leaving a tax demand of Rs. 41.5 million. Both the department and Company have filed appeals before the (ATIR) against the order of CIR(A) which were decided in the favour of KCCL. FBR have further filed a reference before LHC against ATIR order which is pending adjudication.

**13.2.5** The Additional Commissioner Inland Revenue (ACIR) created a tax demand of Rs. 97.7 million for the tax year 2017 under section 122(5A) of the Income Tax Ordinance, 2001 by disallowing various profit and loss expenses / deductible allowance. The Company has filed an appeal before CIR (A), wherein the entire case has been decided in favor of the Company resulting in deletion of entire tax demand. The order of CIR(A) has been challenged by the Department before ATIR which is pending adjudication.

**13.2.6** The Additional Commissioner Inland Revenue (ACIR), while proceeding U/S 122(5A) of the ITO, 2001 enhanced income tax liability by Rs. 582 Million for the Tax Year 2014. On an appeal, the CIR(A), curtailed the aforesaid demand to Rs. 16.7 million. The aforesaid order of CIR(A) has been challenged by Company and the Department before the ATIR, which is pending adjudication.

**13.2.7** The Deputy Commissioner Inland Revenue (DCIR) issued orders for Tax Years 2022, 2023, and 2024, levying default surcharge under Sections 205 and 137(1) of the Income Tax Ordinance, 2001 amounting to Rs. 59.70 million, Rs. 6.7 million and Rs. 3.4 million respectively. The Company has challenged the aforesaid orders by filing appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The appeals are currently pending adjudication.

## **13.3 Sales Tax Contingencies**

**13.3.1** The Deputy Commissioner Inland Revenue (DCIR) has imposed a penalty of Rs. 36.95 million under section 33(17) of the Sales Tax Act, 1990 ("the Act") for alleged violation of section 3(2) of the Act, which requires the Company to print retail price on cement bags. In the immediate case, DCIR ignored the facts of legal compliance by the Company including due discharge of its Sales Tax liability and arbitrarily imposed the penalty presuming that entire Sales Tax liability for the period from July 2013 to January 2014 is unpaid. Out of the total demand, the company deposited Rs 33 million under protest. The Company filed an appeal before CIR(A), which was decided against the Company through a non-speaking order. The Company contested the same before the ATIR who deleted the entire amount. The order of ATIR has been agitated by the Department through filing a reference before the Honourable LHC, which is pending adjudication.

**13.3.2** The Deputy Commissioner Inland Revenue (DCIR) raised a demand of Rs. 497 million by disallowing input sales tax, for tax period July-2018 to June-2019, to the tune of Rs. 474 million and imposed a penalty of Rs. 22.7 million alleging that aforesaid input sales tax belongs to purchase of building material etc. which is thus, not allowed U/S 8(1)(h) of the Act as opposed to Company's contention that the input claimed directly relates to production of taxable supplies. Rs. 49.71 million were deposited by the Company to obtain statutory stay from recovery to bar department to issue recovery notice under section 48 of the Act, along with filing appeal before CIR(A), which, however, decided against the Company. The Company

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

filed an appeal before the ATIR against the order of CIR(A) which resulted in deletion of entire demand whereas the aforesaid amount of Rs. 49.71 million has become refundable to the Company. However, the tax Department has filed a reference application before the honourable LHC against the order of ATIR, which is pending adjudication.

- 13.4** Certain matters other than those disclosed in these financial statements, are pending at various authorities and courts of law. The management is of the view that the outcome of those is expected to be favorable and a liability, if any, arising at the conclusion of those cases is not likely to be material.

Based on opinion of Company's legal counsel the management is confident of favorable outcome in all aforesaid matters of the Company, hence no provision is being recognized in respect of these in the unconsolidated financial statements.

|                                                                                    | Note | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------------------------------------------------------|------|----------------|----------------|
| <b>13.5 Commitments</b>                                                            |      |                |                |
| In respect of letters of credit for:                                               |      |                |                |
| - Capital expenditures                                                             |      | 196,667,980    | 2,656,637,970  |
| - stores and spares                                                                |      | 446,590,947    | 140,380,566    |
|                                                                                    |      | 643,258,927    | 2,797,018,536  |
| Others:                                                                            |      |                |                |
| - Guarantee issued by Company in favor of bank on behalf of the associated company |      | -              | 390,000,000    |
|                                                                                    |      | 643,258,927    | 3,187,018,536  |
| <b>14 Property, plant and equipment</b>                                            |      |                |                |
| Operating fixed assets                                                             | 14.1 | 20,074,112,732 | 20,873,345,754 |
| Capital work in progress                                                           | 14.5 | 7,033,113,845  | 2,454,426,357  |
| Major spare parts and stand-by equipment                                           |      | 146,016,897    | 32,208,398     |
|                                                                                    |      | 27,253,243,474 | 23,359,980,509 |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

## 14.1 Operating fixed assets

|                                                | 2026               |                      |               |                          |                   |                    |                                   |
|------------------------------------------------|--------------------|----------------------|---------------|--------------------------|-------------------|--------------------|-----------------------------------|
|                                                | Cost               |                      |               | Accumulated Depreciation |                   |                    | Net book value as at 30 June 2026 |
|                                                | As at 01 July 2025 | Additions/ transfers | Disposals     | As at 30 June 2026       | Depreciation Rate | As at 01 July 2025 |                                   |
|                                                | Rupees             |                      |               | Rupees                   |                   |                    |                                   |
| Freehold land                                  | 513,885,562        | 37,666,576           | -             | 551,552,138              | -                 | -                  | 551,552,138                       |
| Factory buildings                              | 1,948,164,792      | 6,630,577            | -             | 1,954,795,369            | 4% - 5%           | 785,670,894        | 1,103,585,090                     |
| Office and other building                      | 164,991,616        | 8,485,849            | (13,156,533)  | 160,320,933              | 5%                | 34,190,247         | 129,459,232                       |
| Housing colony                                 | 512,393,369        | 63,944,497           | (1,328,769)   | 575,009,097              | 5%                | 99,873,025         | 454,610,930                       |
| Plant - Civil structures                       | 6,566,956,876      | 65,822,604           | -             | 6,632,777,480            | 4%                | 2,558,275,801      | 3,819,974,075                     |
| Plant - Machinery and equipment                | 22,109,413,910     | 199,000,578          | (165,166,756) | 22,143,247,732           | 4% - 10%          | 8,035,149,458      | 13,397,209,464                    |
| Storage tanks and pipelines                    | 30,148,252         | -                    | -             | 30,148,252               | 10%               | 27,063,992         | 2,775,836                         |
| Power installations                            | 133,025,480        | -                    | (7,080,391)   | 125,945,089              | 10%               | 113,838,689        | 16,096,855                        |
| Furniture, fixtures and other office equipment | 228,669,616        | 16,412,482           | (717,931)     | 244,364,167              | 10%               | 99,443,810         | 131,834,313                       |
| Computer and printers                          | 93,945,547         | 15,238,492           | (789,895)     | 108,394,144              | 30%               | 50,983,135         | 42,892,804                        |
| Weighing scale                                 | 29,403,750         | -                    | -             | 29,403,750               | 10%               | 15,476,897         | 12,534,170                        |
| Light vehicles                                 | 617,736,116        | 117,987,142          | (33,021,689)  | 702,701,569              | 20%               | 353,690,961        | 313,061,289                       |
| Heavy vehicles                                 | 18,824,516         | 9,287,660            | (4,172,650)   | 23,939,526               | 20%               | 17,170,740         | 14,539,575                        |
| Railway sidings                                | 9853,476           | -                    | -             | 9,853,476                | 5%                | 8,705,835          | 1,090,258                         |
| Laboratory equipment                           | 144,302,362        | 2,216,884            | -             | 146,519,246              | 10%               | 48,839,302         | 88,033,357                        |
| Laboratory books                               | 94,217             | -                    | -             | 94,217                   | 10%               | 90,917             | 2,970                             |
|                                                | 33,121,809,457     | 542,691,341          | (225,434,614) | 33,439,066,185           |                   | 12,248,463,703     | 20,074,112,732                    |
|                                                | 2025               |                      |               |                          |                   |                    |                                   |
|                                                | Cost               |                      |               | Accumulated Depreciation |                   |                    | Net book value as at 30 June 2025 |
|                                                | As at 01 July 2024 | Additions/ transfers | Disposals     | As at 30 June 2025       | Depreciation Rate | As at 01 July 2024 |                                   |
|                                                | Rupees             |                      |               | Rupees                   |                   |                    |                                   |
| Freehold land                                  | 491,494,366        | 22,391,196           | -             | 513,885,562              | -                 | -                  | 513,885,562                       |
| Factory buildings                              | 1,923,284,216      | 24,880,576           | -             | 1,948,164,792            | 4% - 5%           | 719,098,931        | 1,162,493,898                     |
| Office and other building                      | 58,713,548         | 106,278,068          | -             | 164,991,616              | 5%                | 32,433,415         | 130,801,369                       |
| Housing colony                                 | 399,038,735        | 115,815,550          | (2,460,916)   | 512,393,369              | 5%                | 85,352,381         | 412,520,344                       |
| Plant - Civil structures                       | 6,566,956,876      | -                    | -             | 6,566,956,876            | 4%                | 2,309,549,908      | 4,008,681,075                     |
| Plant - Machinery and equipment                | 21,641,270,850     | 468,143,060          | -             | 22,109,413,910           | 4% - 10%          | 7,208,129,567      | 14,074,264,452                    |
| Storage tanks and pipelines                    | 30,148,252         | -                    | -             | 30,148,252               | 10%               | 26,721,296         | 3,084,260                         |
| Power installations                            | 133,937,080        | -                    | (911,600)     | 133,025,480              | 10%               | 112,432,296        | 19,186,791                        |
| Furniture, fixtures and other office equipment | 173,165,428        | 55,504,188           | -             | 228,669,616              | 10%               | 90,120,525         | 129,225,806                       |
| Computer and printers                          | 80,353,883         | 13,591,664           | -             | 93,945,547               | 30%               | 35,628,187         | 42,962,412                        |
| Weighing scale                                 | 29,403,750         | -                    | -             | 29,403,750               | 10%               | 13,929,468         | 13,926,853                        |
| Light vehicles                                 | 535,893,851        | 94,285,665           | (12,443,400)  | 617,736,116              | 20%               | 295,804,526        | 264,045,155                       |
| Heavy vehicles                                 | 18,824,516         | -                    | -             | 18,824,516               | 20%               | 16,757,295         | 1,653,776                         |
| Railway sidings                                | 9,853,476          | -                    | -             | 9,853,476                | 5%                | 8,645,432          | 1,147,641                         |
| Laboratory equipment                           | 59,379,600         | 84,922,762           | -             | 144,302,362              | 10%               | 39,804,939         | 95,463,060                        |
| Laboratory books                               | 94,217             | -                    | -             | 94,217                   | 10%               | 90,550             | 3,300                             |
|                                                | 32,151,812,644     | 985,812,729          | (15,815,916)  | 33,121,809,457           |                   | 10,994,498,716     | 20,873,345,754                    |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

- 14.2** Factory buildings, plant civil structure, housing colony, plant, machinery and equipment, storage tanks and pipelines, power installations, weighing scale, railway sidings and laboratory equipment are located at freehold land measuring 1,875 kanals and 15 marlas located at Mouza Togh Bala Babri Banda, District Kohat, KPK, Pakistan.

Head Office building of the Company is located at 36-37 P, Gulberg II, Lahore on land measuring 2 kanal and 8 marlas.

|                                                                             | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------------------------------------------------|------|----------------|----------------|
| <b>14.3 Depreciation charge for the year has been allocated as follows:</b> |      |                |                |
| Cost of sales                                                               | 27   | 1,240,311,261  | 1,222,716,176  |
| Selling and distribution expenses                                           | 28   | 7,315,930      | 13,292,158     |
| Administrative and general expenses                                         | 29   | 36,598,163     | 28,737,929     |
|                                                                             |      | 1,284,225,354  | 1,264,746,263  |

### 14.4 Disposal of property, plant and equipment

| Particulars of assets                                | 2026             |              |                |            |                         | Mode of disposal | Particulars of buyers                       | Relationship with buyer |
|------------------------------------------------------|------------------|--------------|----------------|------------|-------------------------|------------------|---------------------------------------------|-------------------------|
|                                                      | Accumulated Cost | depreciation | Net book value | Sale value | Gain/(loss) on disposal |                  |                                             |                         |
|                                                      | Rupees           |              |                |            |                         |                  |                                             |                         |
| <b>Light vehicles</b>                                |                  |              |                |            |                         |                  |                                             |                         |
| PEUGEOT Allure                                       | 6,017,870        | 3,285,918    | 2,731,952      | 5,750,000  | 3,018,048               | Negotiation      | Ultra Pack (Pvt) Ltd                        | Associated Company      |
| Toyota Land Cruiser (ZX)                             | 14,631,449       | 12,824,481   | 1,806,969      | 19,500,000 | 17,693,031              | Negotiation      | Hamza Javed                                 | Third party             |
| <b>Office and other building</b>                     |                  |              |                |            |                         |                  |                                             |                         |
| Plant admin building office                          | 13,156,533       | 9,932,473    | 3,224,059      | 700,000    | (2,524,059)             | Negotiation      | Aziz ur Rehman                              | Third party             |
| <b>Plant - Machinery and equipment</b>               |                  |              |                |            |                         |                  |                                             |                         |
| Parts of Cooler - Line 3                             | 165,166,756      | 117,586,778  | 47,579,978     | 23,289,834 | (24,290,144)            | Negotiation      | Rohri Cement (Pvt) Limited                  | Third party             |
| <b>Power installations</b>                           |                  |              |                |            |                         |                  |                                             |                         |
| Centrally Air-conditioning system HO                 | 7,080,391        | 5,833,219    | 1,247,172      | 1,750,000  | 502,828                 | Negotiation      | Sajjad Ali, Meeran Corporation, Faisal Khan | Third party             |
| Items having book value less than Rs. 500,000/- each | 19,381,615       | 18,272,734   | 1,108,881      | 17,526,000 | 16,417,119              |                  |                                             |                         |
| <b>2026</b>                                          | 225,434,614      | 167,735,603  | 57,699,011     | 68,515,834 | 10,816,823              |                  |                                             |                         |
| <b>2025</b>                                          | 15,815,916       | 10,781,277   | 5,034,639      | 15,321,000 | 10,286,361              |                  |                                             |                         |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                        | Note   | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------------------------------------------|--------|----------------|----------------|
| <b>14.5 Capital work in progress</b>                                   |        |                |                |
| The breakup of closing balance is as follows:                          |        |                |                |
| Plant and machinery                                                    |        | 5,538,596,387  | 2,049,119,789  |
| Civil works                                                            |        | 1,494,517,458  | 405,306,568    |
|                                                                        | 14.5.1 | 7,033,113,845  | 2,454,426,357  |
| <b>14.5.1</b> The reconciliation of the carrying amount is as follows: |        |                |                |
| Opening balance                                                        |        | 2,454,426,357  | 999,326,605    |
| Additions during the year                                              |        | 4,988,087,544  | 2,196,188,538  |
| Transfers to operating fixed assets                                    |        | (409,400,056)  | (741,088,786)  |
| Closing balance                                                        |        | 7,033,113,845  | 2,454,426,357  |

During the year, the Company incurred significant expenditure on its Coal Fired Power Plant ('CFPP') of 28.5 Mega Watt and as of June 30, 2026, the capital work in progress primarily represents expenditure incurred on CFPP project aggregating to Rs 6,293.70 million (2025: Rs 1,794.87 million) inclusive of borrowing cost capitalised of Rs 358.27 million (2025: Rs 6 million). It also includes plant and machinery in transit of Rs 113.56 million (2025: Rs 567.62 million) relating to the CFPP.

|                                 | Note | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------|------|----------------|----------------|
| <b>15 Intangibles</b>           |      |                |                |
| Opening balance                 |      | 259,742        | 508,226        |
| Less: Amortization for the year | 15.1 | (259,742)      | (248,484)      |
| Closing balance                 |      | -              | 259,742        |
| Cost                            |      | 30,461,960     | 30,461,960     |
| Less: Accumulated amortization  |      | (30,461,960)   | (30,202,218)   |
|                                 |      | -              | 259,742        |
| <b>(Percentage)</b>             |      |                |                |
| Amortization rate               |      | 20%            | 20%            |

**15.1** Amortization charge for the year has been allocated to administrative and general expenses.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                              | Note                                | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------------|-------------------------------------|----------------|----------------|
| <b>16</b>                                    | <b>Long term loans and advances</b> |                |                |
| Loans to employees – secured considered good |                                     | 678,745        | 957,538        |
| Advance against purchase of fixed assets     | 16.1                                | 166,127,078    | 433,733,790    |
|                                              |                                     | 166,805,823    | 434,691,328    |

**16.1** This includes advances against purchase of land in District Khushab for installation of its new grey cement line amounting to Rs. 29.47 million (2025: Rs. 11.9 million)

|                           | Note                      | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------|---------------------------|----------------|----------------|
| <b>17</b>                 | <b>Long term deposits</b> |                |                |
| Opening balance           |                           | 58,226,136     | 58,026,136     |
| Additions during the year |                           | 5,000,000      | 200,000        |
| Closing balance           | 17.1                      | 63,226,136     | 58,226,136     |

**17.1** This mainly represents security deposit with Peshawar Electric Supply Company and Faisalabad Electric Supply Company amounting to Rs 37.8 million (2025: Rs 37.8 million) and Rs 14.7 million (2025: Rs 14.7 million) respectively.

|                                              |                             | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------------|-----------------------------|----------------|----------------|
| <b>18</b>                                    | <b>Long term investment</b> |                |                |
| Investment in Ultra Properties (Pvt) Limited |                             | 50,000,000     | –              |

**18.1** This represents an investment in 5,000,000 ordinary shares of Rs. 10 each of Ultra Properties (Private) Limited (“UPTL”), a wholly-owned subsidiary of the Company. The principal business activities of UPTL include the marketing and development of all types of real estate projects for sale or rental purposes.

|                     | Note                       | 2026<br>Rupees | 2025<br>Rupees |
|---------------------|----------------------------|----------------|----------------|
| <b>19</b>           | <b>Investment property</b> |                |                |
| Investment property | 19.1                       | 4,326,361,559  | 4,326,361,559  |

**19.1** Investment property comprises of freehold land. The Company owns investment properties measuring 1,128.88 kanals (2025: 1,128.88 kanals) located at different locations in District Lahore. The approximate market value of investment property is Rs. 10,748.65 million (2025: Rs. 9,756.11 million) and aggregate forced sale value of Rs. 9,136.35 million (2025: Rs. 8,292.69 million) based on valuation conducted by a professional valuer.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**19.2** Fair value of investment property has been determined by professional valuers (level 2 measurement) appointed by the Company based on their assessment of the market values. The valuation experts used a market based approach to arrive at the fair value of the Company's investment properties.

|             | Note                                  | 2026<br>Rupees | 2025<br>Rupees |
|-------------|---------------------------------------|----------------|----------------|
| <b>20</b>   | <b>Stores, spares and loose tools</b> |                |                |
| Stores      | 20.1                                  | 3,629,671,912  | 2,681,146,167  |
| Spares      |                                       | 2,173,368,202  | 2,223,988,416  |
| Loose tools |                                       | 92,163,595     | 86,176,892     |
|             |                                       | 5,895,203,709  | 4,991,311,475  |

**20.1** These include stores in transit amounting to Rs. 1,214.46 million (2025: Rs. 850.62 million).

|                                                  | Note                                               | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------|----------------------------------------------------|----------------|----------------|
| <b>21</b>                                        | <b>Stock-in-trade</b>                              |                |                |
| Raw materials                                    |                                                    | 34,382,219     | 24,423,323     |
| Packing materials                                |                                                    | 395,016,115    | 400,011,656    |
| Work in process                                  |                                                    | 880,685,378    | 1,313,418,768  |
| Finished goods                                   |                                                    | 753,207,048    | 775,702,805    |
|                                                  |                                                    | 2,063,290,760  | 2,513,556,552  |
| <b>22</b>                                        | <b>Trade debts - unsecured and considered good</b> |                |                |
| Trade debts - gross                              |                                                    | 1,728,214,659  | 1,777,917,803  |
| Expected credit loss on trade debts              | 22.1                                               | (68,143,423)   | (85,699,971)   |
|                                                  |                                                    | 1,660,071,236  | 1,692,217,832  |
| <b>22.1</b>                                      | Movement in expected credit loss on trade debts:   |                |                |
| Balance as of July 01                            |                                                    | 85,699,971     | 41,621,406     |
| (Reversal)/ expected credit loss during the year |                                                    | (17,556,548)   | 44,078,565     |
| Closing balance as at 30 June                    |                                                    | 68,143,423     | 85,699,971     |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                    | Note   | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------|--------|----------------|----------------|
| <b>23 Short term investments</b>   |        |                |                |
| <b>FVOCI – debt instrument</b>     |        |                |                |
| - Term Finance Certificates        | 23.1.1 | 100,000,000    | 100,000,000    |
| - Accumulated fair value loss      | 23.1.2 | (2,000,000)    | (5,835,000)    |
|                                    |        | 98,000,000     | 94,165,000     |
| <b>FVTPL</b>                       |        |                |                |
| <b>Mutual Funds (fixed income)</b> |        |                |                |
| - Cost – Conventional              |        | 19,896,909,825 | 24,920,677,953 |
| - Cost – Shariah Compliant         |        | 13,478,128,171 | 212,664,544    |
| - Net change in fair value         | 23.2   | 61,294,079     | 37,774,517     |
|                                    |        | 33,436,332,075 | 25,171,117,014 |
| <b>Listed equity securities</b>    |        |                |                |
| - Cost – Conventional              |        | 141,118,579    | 366,684,009    |
| - Cost – Shariah Compliant         |        | 790,383,543    | -              |
| - Net change in fair value         | 23.3   | 1,043,834,892  | 1,309,666,183  |
|                                    |        | 1,975,337,014  | 1,676,350,192  |
|                                    |        | 35,411,669,089 | 26,847,467,205 |
|                                    |        | 35,509,669,089 | 26,941,632,205 |

## 23.1 FVOCI – debt instrument

**23.1.1** These represent fully paid-up, privately placed, perpetual, unsecured and sub-ordinated Term Finance Certificates issued by Habib Bank Limited and the Bank of Punjab. These TFCs carry floating rate of return at 3-6 Month Kibor plus 1.60% to 2% per annum.

|                                      | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------|----------------|----------------|
| <b>23.1.2 Fair value changes</b>     |                |                |
| At beginning of the year             | (5,835,000)    | (2,660,000)    |
| Fair value gain/ (loss) for the year | 3,835,000      | (3,175,000)    |
|                                      | (2,000,000)    | (5,835,000)    |
| <b>23.2 FVTPL – mutual funds</b>     |                |                |
| <b>Fair value changes</b>            |                |                |
| At beginning of the year             | 37,774,517     | 46,145,278     |
| Net change in Fair value             | 23,519,562     | (8,370,761)    |
|                                      | 61,294,079     | 37,774,517     |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                        | Note | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------------------------------------------|------|----------------|----------------|
| <b>23.3 FVTPL – listed equity securities</b>                           |      |                |                |
| <b>Fair value changes</b>                                              |      |                |                |
| At beginning of the year                                               |      | 1,309,666,183  | 603,170,042    |
| Net change in Fair value                                               |      | (265,831,291)  | 706,496,141    |
|                                                                        |      | 1,043,834,892  | 1,309,666,183  |
| <b>24 Loans, advances, deposits, prepayments and other receivables</b> |      |                |                |
| Advances – unsecured, considered good                                  |      |                |                |
| - to employees                                                         | 24.1 | 2,212,286      | 4,951,373      |
| - to suppliers                                                         |      | 92,650,507     | 100,412,899    |
| - to contractors                                                       |      | 532,503        | 6,144,212      |
|                                                                        |      | 95,395,296     | 111,508,484    |
| Income tax and sales tax paid under protest                            | 24.2 | 217,364,133    | 181,855,970    |
| Loan to Ultra Kraft (Private) Limited– an associated undertaking       | 24.3 | 505,869,154    | 558,885,403    |
| Letter of credit / Bank guarantee margin                               |      | 7,936,491      | 7,936,491      |
| Prepayments                                                            |      | 4,006,018      | 19,302,125     |
| Security deposits                                                      |      | 8,040,422      | 7,815,422      |
| Accrued interest on advances and deposits                              |      | 18,222,674     | 1,475,908      |
| Duty drawback claims receivable on export sales                        |      | 4,981,527      | 5,392,294      |
| Other advances and receivables                                         | 24.4 | 449,917,297    | 131,199,610    |
|                                                                        |      | 1,311,733,012  | 1,025,371,707  |
| <b>24.1 Advances to Company's employees</b>                            |      |                |                |
| Advances to employees against salary                                   |      | 1,497,260      | 2,158,915      |
| Advances to employees against expenses                                 |      | 715,026        | 2,792,458      |
|                                                                        |      | 2,212,286      | 4,951,373      |

**24.2** This includes sales tax paid to the Federal Board of Revenue under protest, as referred to in note 13.3.1 and 13.3.2.

**24.3** In terms of section 199 of the Companies Act, 2017 the Company in its Annual general meeting held on 13 October 2025 has approved renewal of investment by way of short-term running finance up to Rs. 600 million in Ultra Kraft (Private) Limited (UKPL), an associated company, to meet its working capital requirements. As of 30 June 2026, the Company has disbursed Rs. 490 million (2025: Rs. 540 million) to UKPL, the loan is for one year period starting from 29 October 2025 and carry mark up rate of 3 months KIBOR plus 1.5% per annum. This facility is secured by way of Corporate Guarantee from UKPL and ANS Capital (Private) Limited (the Holding Company) to the Company. Further, the Company had also issued a Corporate Guarantee for an amount of Rs. 390 million for a period of 7 years in favor of National Bank of Pakistan (NBP) and mortgaged its immovable property to secure long term financial

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

assistance to be extended by NBP to UKPL. Commission was being charged at the rate of 0.12% per quarter payable quarterly in arrears. This guarantee was vacated during the current year and mortgage on immovable properties of the Company was also vacated. As at 30 June 2026, Rs. 15.869 million (2025: Rs. 18.885 million) pertains to accrued mark-up/commission on these financing facilities. The maximum aggregate balance due from UKPL during the year calculated with reference to month end balances amounts to Rs. 558.85 million (2025: Rs. 600 million).

- 24.4** This include bid money of Rs. 400 million (2025: Nil) paid to Privatization Commission of Pakistan through Lucky Cement Limited (the lead consortium partner) for participation in Pakistan International Airlines privatization bidding.

|                                   | Note                          | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------|-------------------------------|----------------|----------------|
| <b>25</b>                         | <b>Cash and bank balances</b> |                |                |
| Cash in hand                      |                               | 361,864        | 453,261        |
| Cash at bank                      |                               |                |                |
| - current accounts:               |                               |                |                |
| -Deposits with conventional banks |                               | 770,321,759    | 467,957,042    |
| -Deposits with Islamic banks      |                               | 258,060,724    | 350,486,105    |
|                                   |                               | 1,028,382,483  | 818,443,147    |
| - saving accounts:                |                               |                |                |
| -Deposits with conventional banks |                               | 415,117,515    | 435,950,044    |
| -Deposits with Islamic banks      |                               | 272,611,888    | 195,856,271    |
|                                   | 25.1                          | 687,729,403    | 631,806,315    |
|                                   |                               | 1,716,473,750  | 1,450,702,723  |

- 25.1** These carry return at 2.47% to 10.50% (2025: 4.00% to 19.00%) per annum.

|                     |                                                   | 2026<br>Rupees   | 2025<br>Rupees   |
|---------------------|---------------------------------------------------|------------------|------------------|
| <b>26</b>           | <b>Revenue from contract with customers - net</b> |                  |                  |
| Gross revenue       |                                                   |                  |                  |
| - Local             |                                                   | 59,012,550,104   | 57,027,814,702   |
| - Export            |                                                   | 608,043,875      | 240,558,573      |
|                     |                                                   | 59,620,593,979   | 57,268,373,275   |
| Less: Sales tax     |                                                   | (10,382,448,305) | (9,823,008,806)  |
| Federal excise duty |                                                   | (9,788,478,800)  | (9,231,787,840)  |
| Discount / rebate   |                                                   | (919,013,640)    | (677,876,257)    |
|                     |                                                   | (21,089,940,745) | (19,732,672,903) |
|                     |                                                   | 38,530,653,234   | 37,535,700,372   |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 26.1 Disaggregation of revenue

|                                                                                                                                                   | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>26.1.1 Type of customers – Gross revenue</b>                                                                                                   |                |                |
| - Contracts with government customers                                                                                                             | 1,101,716,630  | 2,274,418,424  |
| - Contracts with non-government customers                                                                                                         | 58,518,877,349 | 54,993,954,851 |
|                                                                                                                                                   | 59,620,593,979 | 57,268,373,275 |
| <b>26.1.2 Geographical region – Gross revenue</b>                                                                                                 |                |                |
| - Pakistan                                                                                                                                        | 59,012,550,104 | 57,027,814,702 |
| - Afghanistan                                                                                                                                     | 608,043,875    | 240,558,573    |
|                                                                                                                                                   | 59,620,593,979 | 57,268,373,275 |
| <b>26.1.3</b> No sale has been made to any customer representing 10% or more of total sales for the year (2025: Nil).                             |                |                |
| <b>26.1.4</b> During the year the Company has recognized gross revenue amounting to Rs. 126 million out of contract liability as at 01 July 2025. |                |                |

|                                                              | Note | 2026<br>Rupees | 2025<br>Rupees  |
|--------------------------------------------------------------|------|----------------|-----------------|
| <b>27 Cost of sales</b>                                      |      |                |                 |
| Raw materials consumed                                       |      | 1,622,013,846  | 1,476,403,998   |
| Packing materials consumed                                   |      | 2,266,746,940  | 1,986,157,711   |
| Power and fuel                                               |      | 3,906,626,810  | 4,062,032,091   |
| Coal and gas                                                 |      | 11,232,238,914 | 10,787,355,891  |
| Stores and spares consumed                                   |      | 1,083,303,135  | 1,282,545,568   |
| Salaries, wages and other benefits                           | 27.1 | 897,997,514    | 784,590,829     |
| Royalty and excise duty                                      | 27.2 | 1,226,306,475  | 838,362,891     |
| Depreciation                                                 | 14.3 | 1,240,311,261  | 1,222,716,176   |
| Rent, rates and taxes                                        |      | 55,205,180     | 46,517,267      |
| Repairs and maintenance                                      |      | 320,571,382    | 287,520,646     |
| Insurance                                                    |      | 73,933,095     | 72,856,969      |
| Other expenses                                               |      | 550,766,973    | 515,733,391     |
|                                                              |      | 24,476,021,525 | 23,362,793,428  |
| Work in process                                              |      |                |                 |
| At beginning of the year                                     |      | 1,313,418,768  | 723,387,446     |
| At end of the year                                           |      | (880,685,378)  | (1,313,418,768) |
|                                                              |      | 432,733,390    | (590,031,322)   |
| Cost of goods manufactured                                   |      | 24,908,754,915 | 22,772,762,106  |
| Finished goods                                               |      |                |                 |
| At beginning of the year                                     |      | 775,702,805    | 671,167,588     |
| At end of the year                                           |      | (753,207,048)  | (775,702,805)   |
|                                                              |      | 24,931,250,672 | 22,668,226,889  |
| Less: Cost attributable to own cement consumption and others |      | (48,535,115)   | (24,074,838)    |
|                                                              |      | 24,882,715,557 | 22,644,152,051  |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

**27.1** Salaries, wages and other benefits include Rs. 19.46 million (2025: Rs. 20.30 million) and Rs. 10.14 million (2025: Rs. 9.19 million) in respect of provident fund contributions and compensated absences, respectively.

**27.2** This represents royalty and excise duty charged by Government of Khyber Pakhtunkhwa on account of extraction of raw materials from quarry lease.

|                                    | Note                                     | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------|------------------------------------------|----------------|----------------|
| <b>28</b>                          | <b>Selling and distribution expenses</b> |                |                |
| Salaries, wages and other benefits | 28.1                                     | 158,804,746    | 141,799,271    |
| Vehicle running                    |                                          | 8,710,028      | 8,325,137      |
| Travelling and conveyance          |                                          | 5,684,921      | 4,923,270      |
| Printing and stationery            |                                          | 699,327        | 750,564        |
| Postage, telephone and telegrams   |                                          | 1,641,885      | 1,667,907      |
| Repairs and maintenance            |                                          | 1,163,702      | 1,360,386      |
| Entertainment                      |                                          | 2,861,842      | 4,663,048      |
| Rent, rates and taxes              |                                          | 17,266,008     | 4,722,540      |
| Electricity, water and gas         |                                          | 1,276,693      | 1,302,703      |
| Sales promotion                    |                                          | 42,831,093     | 41,340,155     |
| Depreciation                       | 14.3                                     | 7,315,930      | 13,292,158     |
| Miscellaneous                      |                                          | 2,178,252      | 1,453,278      |
|                                    |                                          | 250,434,427    | 225,600,417    |

**28.1** Salaries, wages and other benefits include Rs. 3.62 million (2025: Rs. 3.24 million) and Rs. 1.26 million (2025: Rs. 1.14 million) in respect of provident fund contributions and compensated absences, respectively.

|                                                   | Note                                       | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------------------|--------------------------------------------|----------------|----------------|
| <b>29</b>                                         | <b>Administrative and general expenses</b> |                |                |
| Salaries, wages and other benefits                | 29.1                                       | 690,815,096    | 619,256,979    |
| Vehicle running                                   |                                            | 14,977,105     | 10,105,183     |
| Travelling and conveyance                         |                                            | 22,095,522     | 2,735,527      |
| Printing and stationery                           |                                            | 6,384,470      | 6,387,181      |
| Legal and professional                            | 29.2                                       | 106,176,437    | 123,107,170    |
| Postage, telephone and telegrams                  |                                            | 2,630,701      | 3,897,767      |
| Repairs and maintenance                           |                                            | 115,329,809    | 24,390,484     |
| Rent, rates and taxes                             |                                            | 42,572,416     | 18,612,363     |
| Electricity, water and gas                        |                                            | 11,520,703     | 9,774,200      |
| Entertainment                                     |                                            | 9,985,397      | 10,626,522     |
| Auditors' remuneration and fee for other services | 29.3                                       | 7,259,387      | 5,325,000      |
| Depreciation                                      | 14.3                                       | 36,598,163     | 28,737,929     |
| Amortization                                      | 15                                         | 259,742        | 248,484        |
| Advertisement                                     |                                            | 1,420,595      | 626,030        |
| Miscellaneous                                     |                                            | 3,202,184      | 1,664,519      |
|                                                   |                                            | 1,071,227,727  | 865,495,338    |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

**29.1** Salaries, wages and other benefits include Rs. 11.26 million (2025: Rs. 8.18 million) and Rs. 3.17 million (2025: Rs. 2.87 million) in respect of provident fund contributions and compensated absences, respectively.

**29.2** Legal and professional charges include remuneration to cost auditor amounting to Rs. 0.368 million (2025: Rs. 0.315 million).

|                                                                                      | Note | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------------------------------------------|------|----------------|----------------|
| <b>29.3 Auditors' remuneration and fee for other services (excluding sales tax):</b> |      |                |                |
| Annual statutory audits                                                              |      | 5,000,000      | 3,400,000      |
| Interim review                                                                       |      | 1,000,000      | 500,000        |
| Certifications and other assurance services                                          |      | 1,000,000      | 300,000        |
| Tax consultancy                                                                      |      | -              | 1,125,000      |
| Out of pocket expense                                                                |      | 259,387        | -              |
|                                                                                      |      | 7,259,387      | 5,325,000      |
| <b>30 Other expenses</b>                                                             |      |                |                |
| Workers' Profit Participation Fund                                                   | 10.2 | 614,896,752    | 680,337,050    |
| Workers' Welfare Fund                                                                | 10.3 | 240,863,252    | 258,822,015    |
| Donations                                                                            | 30.1 | 1,200,000      | 1,200,000      |
| Foreign currency exchange loss - net                                                 |      | 11,318,424     | -              |
|                                                                                      |      | 868,278,428    | 940,359,065    |

**30.1** It includes donations paid to Akhuwat Foundation Rs. 1.2 million (2025: Rs. 1.2 million). None of the Directors of the Company or any of their spouse have any interest in donee's fund.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                                                  | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>31 Other income</b>                                                                           |                |                |
| <b>Income from financial assets – Conventional:</b>                                              |                |                |
| Interest on bank deposits, debt instruments and advances                                         | 93,978,044     | 90,714,037     |
| Realized gain on investments at FVTPL – Mutual Funds                                             | 2,050,241,704  | 3,126,528,356  |
| Realized gain on investments at FVTPL – Equity                                                   | 1,437,694,555  | 341,781,371    |
| Dividend received from investment in mutual funds                                                | 3,447,106      | 9,779,003      |
| Dividend received from investment in equity securities                                           | 131,250,392    | 210,010,165    |
| Net change in fair value of financial assets at FVTPL                                            | (356,332,089)  | 700,234,695    |
| Foreign currency exchange gain – net                                                             | -              | 992,328        |
| Interest on employees' loans                                                                     | 63,661         | 125,336        |
| Interest/commission on financing facilities to<br>Ultra Kraft (Pvt) Limited – associated company | 66,238,472     | 91,515,847     |
|                                                                                                  | 3,426,581,845  | 4,571,681,138  |
| <b>Income from financial assets – Shariah compliant:</b>                                         |                |                |
| Profit on bank deposits                                                                          | 11,589,227     | 35,060,082     |
| Realized gain on investments at FVTPL – Mutual Funds                                             | 966,585,511    | 484,810,994    |
| Realized gain on investments at FVTPL – Equity                                                   | 1,231,104      | -              |
| Net change in fair value of financial assets at FVTPL                                            | 114,020,360    | (2,111,066)    |
| Dividend received from investment in equity securities                                           | 25,677,794     | -              |
| Dividend received from investment in mutual funds                                                | 302,020        | 7,731,928      |
|                                                                                                  | 1,119,406,016  | 525,491,938    |
| <b>Income from non-financial assets:</b>                                                         |                |                |
| Income from sale of scrap                                                                        | 51,495,805     | 127,490,563    |
| Insurance claim                                                                                  | 34,001,080     | 42,616,735     |
| Profit on disposal / retirement of property,<br>plant and equipment                              | 10,816,823     | 10,286,361     |
| Miscellaneous income                                                                             | 3,479,500      | 3,152,462      |
|                                                                                                  | 99,793,208     | 183,546,121    |
|                                                                                                  | 4,645,781,069  | 5,280,719,197  |
| <b>32 Finance cost</b>                                                                           |                |                |
| Mark-up on conventional finances:                                                                |                |                |
| Short term borrowings- secured                                                                   | 18,007,609     | 20,339,806     |
| Long term finances-secured                                                                       | 90,847,480     | 285,870,933    |
|                                                                                                  | 108,855,089    | 306,210,739    |
| Mark-up on Shariah finances:                                                                     |                |                |
| Short term borrowings- secured                                                                   | 27,015,804     | -              |
| Bank charges, commission and others                                                              | 17,566,279     | 43,699,977     |
|                                                                                                  | 153,437,172    | 349,910,716    |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 33 Levy - final tax

This represents levy in accordance with the requirements of IFRIC 21 and IAS 37. This includes final tax paid under section 5 of the Income Tax Ordinance, 2001 (ITO, 2001) on dividend income.

|                      | 2026<br>Rupees | 2025<br>Rupees |
|----------------------|----------------|----------------|
| <b>34 Taxation</b>   |                |                |
| Current              |                |                |
| - for the year       | 5,650,910,795  | 5,932,050,449  |
| - for the prior year | -              | (3,580,167)    |
|                      | 5,650,910,795  | 5,928,470,282  |
| Deferred tax         | (420,558,026)  | 184,567,696    |
|                      | 5,230,352,769  | 6,113,037,978  |

**34.1** Reconciliation of tax charge as per tax laws for the year with the current tax and levies recognized in the statement of profit or loss is as follows:

|                                                                                                                | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Portion of income tax liability as per tax laws, representing current tax under IAS 12                         | 5,650,910,795  | 5,928,470,282  |
| Portion of final tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21/ IAS 37 | 40,694,206     | 58,631,368     |
| Total tax liability as per applicable tax laws                                                                 | 5,691,605,001  | 5,987,101,650  |
| <b>34.2 Relationship between tax expense and accounting profit</b>                                             |                |                |
| Profit before taxation                                                                                         | 15,927,203,334 | 17,688,192,049 |
| Tax calculated at the rate of 29% (2025: 29%)                                                                  | 4,618,888,967  | 5,129,575,694  |
| Tax effect of:                                                                                                 |                |                |
| - super tax @ 10%                                                                                              | 1,641,872,950  | 1,687,754,634  |
| -Tax on separate block of income                                                                               | (689,261,557)  | (591,085,215)  |
| -Effect of rate change                                                                                         | (317,328,933)  | 9,486,008      |
| - tax revision prior year                                                                                      | -              | (3,580,167)    |
| - others                                                                                                       | (23,818,658)   | (119,112,976)  |
|                                                                                                                | 5,230,352,769  | 6,113,037,978  |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                                                                                | Unit    | 2026<br>Rupees  | 2025<br>Rupees  |
|--------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|-----------------|
| <b>35 Earnings per share – basic and diluted</b>                                                                               |         |                 |                 |
| <b>35.1 Basic Earnings per share</b>                                                                                           |         |                 |                 |
| Profit for the year after taxation                                                                                             | Rupees  | 10,696,850,565  | 11,575,154,071  |
| Weighted average number of ordinary shares (note 35.1.1)                                                                       | Numbers | 919,306,485     | 967,142,101     |
| Earnings per share                                                                                                             | Rupees  | 11.64           | 11.97           |
|                                                                                                                                | Note    | 2026<br>Numbers | 2025<br>Numbers |
| <b>35.1.1 Weighted average number of ordinary shares</b>                                                                       |         |                 |                 |
| Outstanding shares at the beginning of the year (ordinary shares of Rs. 10 each)                                               |         | 183,861,297     | 195,861,297     |
| Effect of Stock-Split in the ratio of 5:1                                                                                      |         |                 |                 |
| Add: Issuance of Ordinary Shares of Rs. 2 each                                                                                 |         | 919,306,485     |                 |
| Less: Cancellation of Ordinary Shares of Rs. 10 each                                                                           |         | (183,861,297)   |                 |
| Less: Own shares (of Rs. 10 each) purchased during the year adjusted with time-weighting factor                                |         | -               | (2,432,877)     |
| Weighted average number of shares outstanding during the year                                                                  |         | 919,306,485     | 193,428,420     |
| Weighted average number of shares outstanding during the year with retrospective adjustment of Stock Split in the ratio of 5:1 | 35.1.2  | -               | 967,142,101     |

**35.1.2** Weighted average number of shares of prior year is adjusted after share split approved by members of the Company, in their Extraordinary General Meeting held on August 7, 2025 and executed on August 23, 2025 as disclosed in note 5.4.

## **35.2 Diluted earnings per share**

There is no dilutive effect on the basic earnings per share as the Company does not have any convertible instruments in issue as at 30 June 2026 and 30 June 2025.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                               | Note    | 2026<br>Rupees        | 2025<br>Rupees        |
|---------------------------------------------------------------|---------|-----------------------|-----------------------|
| <b>36 Cash generated from operations</b>                      |         |                       |                       |
| Profit before taxation                                        |         | 15,927,203,334        | 17,688,192,049        |
| Adjustments for non-cash and other items:                     |         |                       |                       |
| Provision for compensated absences                            | 9.2     | 14,565,936            | 13,204,899            |
| Depreciation on property, plant and equipment                 | 14.3    | 1,284,225,354         | 1,264,746,263         |
| (Reversal)/ allowance for expected credit loss on trade debts | 22.1    | (17,556,548)          | 44,078,565            |
| Amortization on intangibles                                   | 29      | 259,742               | 248,484               |
| Provision for Workers' Welfare Fund                           | 30      | 240,863,252           | 258,822,015           |
| Provision for Workers' Profit Participation Fund              | 30      | 614,896,752           | 680,337,050           |
| Foreign currency exchange gain/(loss)                         | 30 & 31 | 11,318,424            | (992,328)             |
| Gain on disposal of property, plant and equipment             | 31      | (10,816,823)          | (10,286,361)          |
| Profit on bank deposits, advances and loans                   | 31      | (171,805,743)         | (217,289,967)         |
| Realized gain on investment at FVTPL                          | 31      | (4,455,752,874)       | (3,953,120,721)       |
| Net change in fair value of financial assets at FVTPL         | 31      | 242,311,729           | (698,123,629)         |
| Dividend income                                               | 31      | (160,677,312)         | (227,521,096)         |
| Finance cost                                                  | 32      | 135,870,893           | 306,210,739           |
| Final tax on dividends representing levy                      | 33      | 40,694,206            | 58,631,368            |
| Deferred tax recognised in other comprehensive income         | 9.1     | -                     | (2,275,650)           |
|                                                               |         | (2,231,603,012)       | (2,483,330,369)       |
| <b>Operating profit before working capital changes</b>        |         | <b>13,695,600,322</b> | <b>15,204,861,680</b> |
| <b>Changes in working capital</b>                             |         |                       |                       |
| (Increase) / decrease in current assets:                      |         |                       |                       |
| Stores, spares and loose tools                                |         | (903,892,234)         | 794,372,011           |
| Stock in trade                                                |         | 450,265,792           | (719,814,112)         |
| Trade debts                                                   |         | 49,703,144            | 373,951,505           |
| Advances, deposits, prepayments and other receivables         |         | 80,385,461            | 149,502,424           |
|                                                               |         | (323,537,837)         | 598,011,828           |
| Increase / (decrease) in current liabilities:                 |         |                       |                       |
| Trade and other payables                                      |         | 145,251,975           | 740,969,700           |
| Contract liabilities                                          |         | 123,239,817           | 30,882,301            |
| <b>Cash generated from operations</b>                         |         | <b>13,640,554,277</b> | <b>16,574,725,509</b> |
| <b>37 Cash and cash equivalents</b>                           |         |                       |                       |
| Cash and bank balances                                        | 25      | 1,716,473,750         | 1,450,702,723         |
| Short term running finances                                   |         | (1,976,040,261)       | -                     |
|                                                               |         | (259,566,511)         | 1,450,702,723         |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 38 Related parties

**38.1** Following are the related parties with whom the Company had entered into transactions during the year:

| Sr. no. | Name of Related Party              | Relationship with the Company     |
|---------|------------------------------------|-----------------------------------|
| 1       | Ultra Pack (Private) Limited       | Associated undertaking            |
| 2       | Ultra Kraft (Private) Limited      | Associated undertaking            |
| 3       | Ultra Properties (Private) Limited | Subsidiary company                |
| 4       | Rhombus (Private) Limited          | Associated undertaking            |
| 5       | Employees' Provident Fund Trust    | Post employment contribution plan |
| 6       | Kohat Cement Educational Trust     | Common directorship / trustee     |
| 7       | Mr. Aizaz Mansoor Sheikh           | Director / Chairman               |
| 8       | Mr. Nadeem Atta Sheikh             | Director / Chief executive        |
| 9       | Mr. Omer Aizaz Sheikh              | Key management personnel          |
| 10      | Mr. Ibrahim Tanseer Sheikh         | Key management personnel          |
| 11      | Mr. Faisal Atta Sheikh             | Key management personnel          |
| 12      | Mr. Ali Aizaz Sheikh               | Key management personnel          |
| 13      | Mr. Asad Atta Sheikh               | Key management personnel          |
| 14      | Mr. Khurram Shahzad                | Key management personnel          |
| 15      | Ms. Iqra Khalid                    | Key management personnel          |

## 38.2 Balances and transactions with related parties

The related parties comprise of subsidiary company, associated companies, Directors of the Company, key management personnel and staff retirement funds. Balances with related parties are disclosed in respective notes. Transactions with related parties are as follows:

|                                                  | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------|----------------|----------------|
| <b>Transactions during the year</b>              |                |                |
| <b>Transactions with Associated Undertakings</b> |                |                |
| Purchases in ordinary course of business         | 2,223,205,944  | 1,925,796,465  |
| Purchase of asset                                | -              | 2,000,000      |
| Sales of asset                                   | 5,750,000      | 767,000        |
| (Repayment)/ disbursement of loan - net          | (50,000,000)   | 38,000,000     |
| Commission / markup charges                      | 66,238,472     | 91,515,847     |
| <b>Transactions with Subsidiary</b>              |                |                |
| Long term investment in subsidiary               | 50,000,000     | -              |
| <b>Transactions with Directors</b>               |                |                |
| Managerial remuneration and other benefits       | 191,560,047    | 169,942,220    |
| Chairman remuneration                            | 148,241,833    | 132,707,451    |
| Meeting fee                                      | 2,960,000      | 1,605,000      |
| Reimbursement of TA/DA expenses                  | 425,000        | 280,000        |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                         | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------------------------|----------------|----------------|
| <b>Transactions with other key management personnel</b> |                |                |
| Managerial remuneration and other benefits              | 303,488,916    | 263,684,953    |
| <b>Other related parties</b>                            |                |                |
| Contribution to company provident fund                  | 34,335,737     | 31,711,682     |
| Contribution to Kohat Cement Educational Trust          | 9,919,549      | 8,485,760      |

**38.3** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers Chief Executive Officer, whole time Directors (including employee directors), Company secretary and Chief Financial Officer to be its key management personnel. Except as disclosed elsewhere in these financial statements, there are no transactions with key management personnel outside the terms of their employment.

## 39 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for the year in respect of remuneration, including benefits to the Chief Executive, Directors and Executives of the Company is as follows:

|                                     | 2026            |                        |             |
|-------------------------------------|-----------------|------------------------|-------------|
|                                     | Directors       |                        | Executives  |
|                                     | Chief Executive | Chairman-Non-Executive |             |
|                                     | Rupees          |                        |             |
| <b>Short term employee benefits</b> |                 |                        |             |
| Chairman remuneration               | -               | 90,030,431             | -           |
| Managerial remuneration             | 90,252,000      | -                      | 403,050,068 |
| Bonus                               | 27,140,563      | -                      | 69,812,505  |
| Medical expenses reimbursed         | 180,130         | 4,049,150              | -           |
| Other benefits                      | 69,485,833      | 54,162,252             | 3,468,562   |
|                                     | 187,058,526     | 148,241,833            | 476,331,135 |
| <b>Post employment benefits</b>     |                 |                        |             |
| Contribution to provident fund      | 4,501,521       | -                      | 13,106,616  |
|                                     | 191,560,047     | 148,241,833            | 489,437,751 |
| Number of persons                   | 1               | 1                      | 33          |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                     | 2025            |                        |             |
|-------------------------------------|-----------------|------------------------|-------------|
|                                     | Directors       |                        | Executives  |
|                                     | Chief Executive | Chairman-Non-Executive |             |
|                                     | Rupees          |                        |             |
| <b>Short term employee benefits</b> |                 |                        |             |
| Chairman remuneration               | -               | 78,284,540             | -           |
| Managerial remuneration             | 78,284,540      | -                      | 325,684,366 |
| Bonus                               | 23,600,016      | -                      | 55,066,514  |
| Medical expenses reimbursed         | 953,250         | 793,393                | -           |
| Other benefits                      | 63,190,189      | 53,629,518             | 2,222,445   |
|                                     | 166,027,995     | 132,707,451            | 382,973,325 |
| <b>Post employment benefits</b>     |                 |                        |             |
| Contribution to provident fund      | 3,914,225       | -                      | 10,841,999  |
|                                     | 169,942,220     | 132,707,451            | 393,815,324 |
| Number of persons                   | 1               | 1                      | 25          |

**39.1** The Company has paid Rs. 2.96 million (2025: Rs. 1.61 million) to the six non-executive directors as fee for attending Board and Committee meetings.

**39.2** The Company also provides the Chief Executive, certain Directors and Executives with free use of Company maintained cars.

**39.3** Executives are those employees of the Company whose annual basic salary is Rs. 1.2 million or above.

## 40 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

### Risk management framework

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees upon the policies for managing each of these risks.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

The Board's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

## **40.1 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

### **40.1.1 Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

|                                                              | Note | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------------------|------|----------------|----------------|
| Long term deposits                                           | 17   | 63,226,136     | 58,226,136     |
| Trade debts - unsecured, considered good                     | 22   | 1,660,071,236  | 1,692,217,832  |
| Short term investments - mutual funds                        | 23   | 33,436,332,075 | 25,171,117,014 |
| Short term investments - term finance certificates           | 23   | 98,000,000     | 94,165,000     |
| Loan to Ultra Kraft (Private) Ltd- an associated undertaking | 24.3 | 505,869,154    | 558,885,403    |
| Accrued interest on bank deposits                            | 24   | 18,222,674     | 1,475,908      |
| Letter of credit / bank guarantee margin                     | 24   | 7,936,491      | 7,936,491      |
| Deposits and other receivables                               |      | 459,454,979    | 141,173,947    |
| Cash at banks                                                | 25   | 1,716,111,886  | 1,450,249,462  |
|                                                              |      | 37,965,224,631 | 29,175,447,193 |

### **40.1.2 Concentration of credit risk**

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

|                                    | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------|----------------|----------------|
| Customers                          | 1,660,071,236  | 1,692,217,832  |
| Banking companies and mutual funds | 35,276,603,126 | 26,724,943,875 |
| Others                             | 1,028,550,269  | 758,285,486    |
|                                    | 37,965,224,631 | 29,175,447,193 |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 40.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates and present ages.

### 40.1.3(a) Counterparties with external credit ratings

These include banking companies and non-banking financial institutions, which are counterparties to bank balances and short term investments. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. As of the reporting date, the balances held with counterparties having external credit ratings are as follows:

|                                                                    | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------------------------|----------------|----------------|
| <b>Bank balances</b>                                               |                |                |
| AI+                                                                | 1,603,615,922  | 1,156,963,605  |
| AI                                                                 | 112,495,964    | 293,285,857    |
|                                                                    | 1,716,111,886  | 1,450,249,462  |
| <b>LC / guarantee margins</b>                                      |                |                |
| AI+                                                                | 7,936,491      | 7,936,491      |
| <b>Short-term investments - Mutual funds<br/>stability ratings</b> |                |                |
| AAA(f)                                                             | 5,832,851,635  | 4,223,249,572  |
| AA+(f)                                                             | 16,319,083,636 | 11,637,383,592 |
| AA-(f)                                                             | 5,140,822,128  | 2,430,404,142  |
| AA(f)                                                              | 5,843,470,047  | 3,308,238,442  |
| A+(f)                                                              | 300,104,629    | 3,571,841,266  |
|                                                                    | 33,436,332,075 | 25,171,117,014 |
| <b>Term Finance Certificates</b>                                   |                |                |
| AA+                                                                | 98,000,000     | 47,665,000     |
| AA-                                                                | -              | 46,500,000     |
|                                                                    | 98,000,000     | 94,165,000     |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **40.1.4 Forward-looking information contained in ECL**

The Company's Expected Credit Loss (ECL) calculation incorporates forward-looking information by integrating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward-looking data helps in better predicting potential credit losses under different economic conditions.

To estimate Probability of Default (PD), the Company utilizes historical and forecasted macroeconomic data. For ECL calculations, the Company considers Gross Domestic Product (GDP), Consumer Price Index (CPI) and unemployment rate as the primary macroeconomic variables, with forecasted data sourced from the International Monetary Fund (IMF). The selection of these variables is based on their relevance and sensitivity to the Company's trade debts.

The Company has developed three macroeconomic scenarios i.e. Base, Best, and Worst to reflect potential economic conditions. These scenarios have been assigned probability weightings of 70% for the Base scenario, 20% for the Best scenario, and 10% for the Worst scenario to ensure a comprehensive assessment of credit risk exposure.

As part of forward-looking assessment, The Company conducted a sensitivity analysis on macroeconomic indicators used in Expected Credit Loss (ECL) calculations. A 10% change in macroeconomic variables (GDP, CPI and unemployment rate) was applied to assess the upside and downside impact on PD. The resulting variation is as follows:

|                                | <b>Upwards</b> | <b>Downwards</b> |
|--------------------------------|----------------|------------------|
| Expected credit loss allowance | 0.90%          | -0.90%           |

## **40.1.5 Sensitivity of ECL to future economic conditions**

The ECL is sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Company performs sensitivity analysis on the ECL recognized on its trade debts.

The table below shows the loss allowance assuming each forward-looking scenario (e.g. Base, Best and Worst) were weighted 100% instead of applying scenario probability across the three scenarios

|       | <b>ECL after sensitivity analysis</b> | <b>Variance with average ECL % Increase / (decrease)</b> |
|-------|---------------------------------------|----------------------------------------------------------|
| Base  | 67,849,382                            | -0.43%                                                   |
| Best  | 55,779,807                            | -18.14%                                                  |
| Worst | 94,928,937                            | 39.31%                                                   |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 40.1.6 Counterparties without external credit ratings

The maximum exposure to credit risk of customers as at the end of the reporting period was as follows:

|                         | 2026          |                | 2025          |                |
|-------------------------|---------------|----------------|---------------|----------------|
|                         | Trade debts   | Loss allowance | Trade debts   | Loss allowance |
|                         | Rupees        | Rupees         | Rupees        | Rupees         |
| Not yet due             | 1,288,146,340 | 4,371,490      | 1,105,518,403 | 5,969,799      |
| Past due 0 - 90 days    | 115,545,590   | 8,242,176      | 332,624,024   | 18,560,421     |
| Past due 91 - 180 days  | 13,624,337    | 5,564,577      | 195,690,947   | 18,521,488     |
| Past due 181 - 270 days | 248,857,746   | 7,688,331      | 64,220,213    | 2,884,202      |
| Past due 271 - 360 days | 15,820,723    | -              | 29,106,631    | 1,193,372      |
| Past due above one year | 46,219,923    | 42,276,849     | 50,757,585    | 38,570,689     |
|                         | 1,728,214,659 | 68,143,423     | 1,777,917,803 | 85,699,971     |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Provision matrix is based on the Company's historical credit loss experience, adjusted for forward-looking factors which includes GDP, consumer price index and unemployment rate. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of trade debts. Other than trade debts, the Company considers that credit quality of receivables has not deteriorated, consequently the credit risk is minimal.

## 40.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavorable to the Company. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines. Further, the PACRA has assigned long term credit rating A+ and short term credit rating A1 with stable outlook, which reflects Company's strong capacity for timely repayment of its financial commitments and supports its access to funding on favorable terms.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

## 40.2.1 Exposure to liquidity risk

### 40.2.1(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

|                                      |    |  | 2026               |                           |                     |                       |                        |                         |
|--------------------------------------|----|--|--------------------|---------------------------|---------------------|-----------------------|------------------------|-------------------------|
|                                      |    |  | Carrying<br>amount | Contractual<br>cash flows | One year<br>or less | One to<br>three years | Three to<br>five years | More than<br>five years |
| Note                                 |    |  | Rupees             |                           |                     |                       |                        |                         |
| Non-derivative financial liabilities |    |  |                    |                           |                     |                       |                        |                         |
| Long term financing - secured        | 7  |  | 4,122,777,501      | 5,841,910,619             | 1,349,823,861       | 1,769,983,334         | 1,496,927,500          | 1,225,175,924           |
| Long term deposits                   | 8  |  | 3,536,100          | 3,536,100                 | -                   | -                     | 3,536,100              | -                       |
| Trade and other payables             | 10 |  | 2,715,393,018      | 2,715,393,018             | 2,715,393,018       | -                     | -                      | -                       |
| Short term borrowings - secured      | 12 |  | 2,191,282,193      | 2,191,282,193             | 2,191,282,193       | -                     | -                      | -                       |
| Dividend payable                     | 11 |  | 31,788,517         | 31,788,517                | 31,788,517          | -                     | -                      | -                       |
| Unclaimed dividend                   |    |  | 8,503,909          | 8,503,909                 | 8,503,909           | -                     | -                      | -                       |
|                                      |    |  | 9,073,281,238      | 10,792,414,356            | 6,296,791,498       | 1,769,983,334         | 1,500,463,600          | 1,225,175,924           |

|                                      |    | 2025            |                        |                  |                    |                     |                      |
|--------------------------------------|----|-----------------|------------------------|------------------|--------------------|---------------------|----------------------|
|                                      |    | Carrying amount | Contractual cash flows | One year or less | One to three years | Three to five years | More than five years |
| Note                                 |    | Rupees          |                        |                  |                    |                     |                      |
| Non-derivative financial liabilities |    |                 |                        |                  |                    |                     |                      |
| Long term financing - secured        | 7  | 2,286,337,057   | 2,996,815,134          | 1,056,506,399    | 1,143,128,206      | 436,151,134         | 361,029,395          |
| Long term deposits                   | 8  | 3,536,100       | 3,536,100              | -                | -                  | 3,536,100           | -                    |
| Trade and other payables             | 10 | 3,170,335,614   | 3,170,335,614          | 3,170,335,614    | -                  | -                   | -                    |
| Short term borrowings - secured      | 12 | 3,704,884       | 3,704,884              | 3,704,884        | -                  | -                   | -                    |
| Dividend payable                     | 11 | 33,677,348      | 33,677,348             | 33,677,348       | -                  | -                   | -                    |
| Unclaimed dividend                   |    | 8,503,909       | 8,503,909              | 8,503,909        | -                  | -                   | -                    |
|                                      |    | 5,506,094,912   | 6,216,572,989          | 4,272,728,154    | 1,143,128,206      | 439,687,234         | 361,029,395          |

## 40.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

### 40.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros, Chinese Yuan, and US dollars.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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## 40.3.1(a) Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

|                            | 2026         |           |             |                 |
|----------------------------|--------------|-----------|-------------|-----------------|
|                            | CNY          | EURO      | USD         | Rupees          |
| <b>Assets</b>              |              |           |             |                 |
| Cash and bank balances     | -            | -         | 184,316     | 51,248,980      |
| <b>Liabilities</b>         |              |           |             |                 |
| Imports bills payable      | (13,558,693) | (174,302) | (2,220,000) | (1,229,496,070) |
| Net balance sheet exposure | (13,558,693) | (174,302) | (2,035,684) | (1,178,247,090) |
| Off balance sheet exposure | (11,577,353) | (254,046) | (316,060)   | (643,258,927)   |
| Total Exposure             | (25,136,046) | (428,348) | (2,351,744) | (1,821,506,017) |

|                                                   | 2025         |          |             |                 |
|---------------------------------------------------|--------------|----------|-------------|-----------------|
|                                                   | CNY          | EURO     | USD         | Rupees          |
| <b>Assets</b>                                     |              |          |             |                 |
| Cash and bank balances                            | -            | -        | 184,316     | 52,271,933      |
| <b>Liabilities</b>                                |              |          |             |                 |
| Imports bills payable                             | (14,496,600) | (92)     | (1,862,776) | (1,104,180,400) |
| Net balance sheet exposure                        | (14,496,600) | (92)     | (1,678,460) | (1,051,908,467) |
| Off balance sheet exposure -<br>Letters of credit | (69,447,697) | (43,601) | (99,300)    | (2,797,018,536) |
| Total Exposure                                    | (83,944,297) | (43,693) | (1,777,760) | (3,848,927,003) |

## 40.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied during the year:

|                           | CNY    |       | EURO   |        | USD    |        |
|---------------------------|--------|-------|--------|--------|--------|--------|
|                           | 2026   | 2025  | 2026   | 2025   | 2026   | 2025   |
|                           | Rupees |       |        |        |        |        |
| Reporting date spot rate  |        |       |        |        |        |        |
| - buying                  | 40.91  | 39.59 | 316.95 | 332.25 | 278.05 | 283.60 |
| - selling                 | 40.99  | 39.66 | 317.52 | 332.83 | 278.55 | 284.10 |
| Average rate for the year | 40.33  | 39.61 | 325.18 | 333.11 | 281.33 | 283.83 |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

## 40.3.1(c) Sensitivity analysis

A reasonably possible strengthening / (weakening) of 1% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected profit and loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

|                               | Effect on profit before taxation |                |
|-------------------------------|----------------------------------|----------------|
|                               | 2026<br>Rupees                   | 2025<br>Rupees |
| <b>Weakening of Pak Rupee</b> |                                  |                |
| EURO                          | (553,442)                        | (306)          |
| USD                           | (5,670,399)                      | (4,768,506)    |
| CNY                           | (5,557,708)                      | (5,749,352)    |
|                               | (11,781,549)                     | (10,518,164)   |

Amount of off-balance sheet letters of credit will increase by Rs. 6.65 million (2025: Rs. 27.97 million) if Pak Rupee weakens 1% against other currencies.

All above will have opposite effect on 1% strength in Pak Rupee against other currencies.

## 40.3.1(d) Currency risk management

Since the maximum on balance sheet amount exposed to currency risk is only 1.47% (2025: 1.57%) of the Company's total assets, any adverse / favorable movement in functional currency with respect to Chinese Yuan, Euro and US dollar will not have any material impact on the operational results.

## 40.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

## 40.3.2(a) Mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

|                                             | 2026                         |                                  | 2025                         |                                  |
|---------------------------------------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
|                                             | Financial<br>asset<br>Rupees | Financial<br>liability<br>Rupees | Financial<br>asset<br>Rupees | Financial<br>liability<br>Rupees |
| <b>Non-derivative financial instruments</b> |                              |                                  |                              |                                  |
| Variable rate instruments                   | 1,291,598,557                | 4,122,777,501                    | 1,286,332,625                | 2,286,337,057                    |
|                                             | 1,291,598,557                | 4,122,777,501                    | 1,286,332,625                | 2,286,337,057                    |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 40.3.2(b) Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

|                              | Effect on profit before taxation |                |
|------------------------------|----------------------------------|----------------|
|                              | 2026<br>Rupees                   | 2025<br>Rupees |
| Increase of 100 basis points | (28,311,789)                     | (10,000,044)   |
| Decrease of 100 basis points | 28,311,789                       | 10,000,044     |

## 40.3.2(c) Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

## 40.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

## 40.3.3(a) Investments exposed to price risk

At the reporting date, the Company's investment in quoted equity securities and TFCs investments are as follows:

|                                         | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------------|----------------|----------------|
| Investment in equity securities - FVTPL | 1,975,337,014  | 1,676,350,192  |
| Investment in mutual funds - FVTPL      | 33,436,332,075 | 25,171,117,014 |
| Term Finance Certificates - FVOCI       | 98,000,000     | 94,165,000     |
|                                         | 35,509,669,089 | 26,941,632,206 |

## 40.3.3(b) Sensitivity analysis

A 1% increase / decrease in redemption, share prices and net assets value of investment in mutual funds at year end would have increased / (decreased) the Company's other comprehensive income and profit and loss respectively as follows:

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                    | Equity         |                |
|--------------------|----------------|----------------|
|                    | 2026<br>Rupees | 2025<br>Rupees |
| <b>FVOCI</b>       |                |                |
| Effect of increase | 617,400        | 593,240        |
| Effect of decrease | (617,400)      | (593,240)      |
|                    |                |                |
|                    | Profit or loss |                |
|                    | 2026<br>Rupees | 2025<br>Rupees |
| <b>FVTPL</b>       |                |                |
| Effect of increase | 218,114,099    | 163,769,550    |
| Effect of decrease | (218,114,099)  | (163,769,550)  |

## 40.3.3(c) Price risk management

The Company manages price risk by monitoring exposure in quoted equity securities and units in mutual funds and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

## 40.4 Fair value of financial instruments

**40.4.1** 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.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

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|                                                         | Note | Carrying amount                               |                                    |                                    |                       |                | Fair Value    |                |         |
|---------------------------------------------------------|------|-----------------------------------------------|------------------------------------|------------------------------------|-----------------------|----------------|---------------|----------------|---------|
|                                                         |      | Fair value through other comprehensive income | Fair value through profit and loss | Financial assets at amortised cost | financial liabilities | Total          | Level 1       | Level 2        | Level 3 |
|                                                         |      |                                               |                                    |                                    |                       |                |               |                |         |
| Rupees                                                  |      |                                               |                                    |                                    |                       |                |               |                |         |
| <b>On-Balance sheet financial instruments</b>           |      |                                               |                                    |                                    |                       |                |               |                |         |
| <b>30 June 2026</b>                                     |      |                                               |                                    |                                    |                       |                |               |                |         |
| <b>Financial assets measured at fair value</b>          |      |                                               |                                    |                                    |                       |                |               |                |         |
| Investments                                             | 23   | 98,000,000                                    | 35,411,669,089                     | -                                  | -                     | 35,509,669,089 | 2,073,337,014 | 33,436,332,075 | -       |
| <b>Financial assets at amortised cost</b>               |      |                                               |                                    |                                    |                       |                |               |                |         |
| Long term deposits                                      | 17   | -                                             | -                                  | 63,226,136                         | -                     | 63,226,136     | -             | -              | -       |
| Trade debts - unsecured, considered good                | 22   | -                                             | -                                  | 1,660,071,236                      | -                     | 1,660,071,236  | -             | -              | -       |
| Deposits, and other receivables                         | 24   | -                                             | -                                  | 991,483,298                        | -                     | 991,483,298    | -             | -              | -       |
| Cash and Bank balances                                  | 25   | -                                             | -                                  | 1,716,473,750                      | -                     | 1,716,473,750  | -             | -              | -       |
| 40.4.2                                                  |      | -                                             | -                                  | 4,431,254,420                      | -                     | 4,431,254,420  | -             | -              | -       |
| <b>Financial liabilities measured at fair value</b>     |      |                                               |                                    |                                    |                       |                |               |                |         |
|                                                         |      | -                                             | -                                  | -                                  | -                     | -              | -             | -              | -       |
| <b>Financial liabilities measured at amortised cost</b> |      |                                               |                                    |                                    |                       |                |               |                |         |
| Long term financing - secured                           | 7    | -                                             | -                                  | -                                  | 4,122,777,501         | 4,122,777,501  | -             | -              | -       |
| Long term deposits                                      | 8    | -                                             | -                                  | -                                  | 3,536,100             | 3,536,100      | -             | -              | -       |
| Trade and other payables                                | 10   | -                                             | -                                  | -                                  | 2,715,393,018         | 2,715,393,018  | -             | -              | -       |
| Short term borrowing - secured                          | 12   | -                                             | -                                  | -                                  | 2,191,282,193         | 2,191,282,193  | -             | -              | -       |
| Dividend payable                                        | 11   | -                                             | -                                  | -                                  | 31,788,517            | 31,788,517     | -             | -              | -       |
| Unclaimed dividend                                      |      | -                                             | -                                  | -                                  | 8,503,909             | 8,503,909      | -             | -              | -       |
| 40.4.2                                                  |      | -                                             | -                                  | -                                  | 9,073,281,238         | 9,073,281,238  | -             | -              | -       |

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|                                                  | Note   | Fair value through other comprehensive income | Fair value through profit and loss | Carrying amount                    |                       |                | Fair Value    |                |         |
|--------------------------------------------------|--------|-----------------------------------------------|------------------------------------|------------------------------------|-----------------------|----------------|---------------|----------------|---------|
|                                                  |        |                                               |                                    | Financial assets at amortised cost | financial liabilities | Total          | Level 1       | Level 2        | Level 3 |
|                                                  |        |                                               |                                    |                                    |                       |                |               |                |         |
| Rupees                                           |        |                                               |                                    |                                    |                       |                |               |                |         |
| On-Balance sheet financial instruments           |        |                                               |                                    |                                    |                       |                |               |                |         |
| 30 June 2025                                     |        |                                               |                                    |                                    |                       |                |               |                |         |
| Financial assets measured at fair value          |        |                                               |                                    |                                    |                       |                |               |                |         |
|                                                  | 23     | 94,165,000                                    | 26,847,467,205                     | -                                  | -                     | 26,941,632,205 | 1,770,515,192 | 25,171,117,014 | -       |
|                                                  |        | 94,165,000                                    | 26,847,467,205                     | -                                  | -                     | 26,941,632,205 | 1,770,515,192 | 25,171,117,014 | -       |
| Financial assets at amortised cost               |        |                                               |                                    |                                    |                       |                |               |                |         |
|                                                  | 17     | -                                             | -                                  | 58,226,136                         | -                     | 58,226,136     | -             | -              | -       |
|                                                  | 22     | -                                             | -                                  | 1,692,217,832                      | -                     | 1,692,217,832  | -             | -              | -       |
|                                                  | 24     | -                                             | -                                  | 709,471,749                        | -                     | 709,471,749    | -             | -              | -       |
|                                                  | 25     | -                                             | -                                  | 1,450,702,723                      | -                     | 1,450,702,723  | -             | -              | -       |
|                                                  | 40.4.2 | -                                             | -                                  | 3,910,618,440                      | -                     | 3,910,618,440  | -             | -              | -       |
| Financial liabilities measured at fair value     |        |                                               |                                    |                                    |                       |                |               |                |         |
|                                                  |        | -                                             | -                                  | -                                  | -                     | -              | -             | -              | -       |
| Financial liabilities measured at amortised cost |        |                                               |                                    |                                    |                       |                |               |                |         |
|                                                  | 7      | -                                             | -                                  | -                                  | 2,286,337,057         | 2,286,337,057  | -             | -              | -       |
|                                                  | 8      | -                                             | -                                  | -                                  | 3,536,100             | 3,536,100      | -             | -              | -       |
|                                                  | 10     | -                                             | -                                  | -                                  | 3,170,335,614         | 3,170,335,614  | -             | -              | -       |
|                                                  | 12     | -                                             | -                                  | -                                  | 3,704,884             | 3,704,884      | -             | -              | -       |
|                                                  | 11     | -                                             | -                                  | -                                  | 33,677,348            | 33,677,348     | -             | -              | -       |
|                                                  |        | -                                             | -                                  | -                                  | 8,503,909             | 8,503,909      | -             | -              | -       |
|                                                  | 40.4.2 | -                                             | -                                  | -                                  | 5,506,094,912         | 5,506,094,912  | -             | -              | -       |

**40.4.2** The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **41 Capital management**

The Company's policy is to maintain a strong capital base to strengthen investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of the Company monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also determines the level of dividend to ordinary shareholders, which is finally approved in annual general meeting of the shareholders.

The Company's objectives when managing capital are:

- i. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- ii. to provide an adequate return to shareholders.

There were no changes in the Company's approach to capital management during the year. The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets.

### **Loan Covenants**

Certain loan facilities of the Company require compliance with loan covenants (common being current ratio of 1:1, debt service ratio of 1.2, interest cover ratio of 1.2 and leverage ratio not exceeding 1x) during the respective tenures of the facilities. Breach of covenants may require the Company to repay the loan earlier than agreed upon repayment dates in case upon intimation of the lender the default is not rectified. The Company monitors the compliance with covenants on a regular basis. There are no indications that the Company would have difficulties complying with these covenants.

## **42 Operating segments**

**42.1** These financial statements have been prepared on the basis of cement manufacturing segment.

**42.2** Revenue from sale of cement represents 100.00% (2025: 100.00%) of gross sales of the Company.

**42.3** The net sales percentage by geographic region is as follows:

|             | 2026    | 2025    |
|-------------|---------|---------|
| Pakistan    | 98.68%  | 99.42%  |
| Afghanistan | 1.32%   | 0.58%   |
|             | 100.00% | 100.00% |

**42.4** All assets of the Company as at 30 June 2026 are located in Pakistan.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **43 Capacity and production – Clinker**

|       | Plant capacity |           | Actual production |           |
|-------|----------------|-----------|-------------------|-----------|
|       | 2026           | 2025      | 2026              | 2025      |
|       | Metric tons    |           | Metric tons       |           |
| Grey  | 4,887,600      | 4,887,600 | 2,167,827         | 2,141,241 |
| White | 135,000        | 135,000   | 10,989            | 11,851    |

**43.1** Difference is due to supply demand situation of the market.

**43.2** The capacity of the plant has been determined based on 300 production days.

## **44 Provident fund trust**

The investments out of Provident Fund Trust have been made in accordance with the provision of section 218 of the Companies Act, 2017 and the conditions specified by the SECP for this purpose.

## **45 Number of employees**

The total average number of employees during the year and as at 30 June are as follows:

|                                              | 2026                | 2025 |
|----------------------------------------------|---------------------|------|
|                                              | Number of employees |      |
| Number of employees as at 30 June:           | 748                 | 723  |
| Average number of employees during the year: | 736                 | 726  |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 46 Reconciliation of movements of equity and liabilities arising from financing activities.

|                                                | 30 June 2026        |                              |                                 |                  |                |
|------------------------------------------------|---------------------|------------------------------|---------------------------------|------------------|----------------|
|                                                | Equity              |                              | Liabilities                     |                  |                |
|                                                | Accumulated profits | Long term finances - secured | Short term borrowings - secured | Dividend payable | Total          |
|                                                | Rupees              |                              |                                 |                  |                |
| <b>Balance as at 01 July 2025</b>              | 45,830,436,216      | 2,286,337,057                | 3,704,884                       | 42,181,257       | 48,162,659,414 |
| <b>Changes from financing activities</b>       |                     |                              |                                 |                  |                |
| Long term finances disbursement                | -                   | 2,636,173,977                | -                               | -                | 2,636,173,977  |
| Repayment of long term finances                | -                   | (789,938,471)                | -                               | -                | (789,938,471)  |
| Short term borrowings disbursement             | -                   | -                            | 910,000,000                     | -                | 910,000,000    |
| Short term borrowings repayment                | -                   | -                            | (710,000,000)                   | -                | (710,000,000)  |
| Dividend paid                                  | -                   | -                            | -                               | (1,888,830)      | (1,888,830)    |
| <b>Total changes from financing cash flows</b> | -                   | 1,846,235,506                | 200,000,000                     | (1,888,830)      | 2,044,346,676  |
| <b>Other changes</b>                           |                     |                              |                                 |                  |                |
| Markup expense during the year                 | -                   | 90,847,480                   | 45,023,413                      | -                | 135,870,893    |
| Markup capitalized as borrowing cost           | -                   | 352,260,519                  | -                               | -                | 352,260,519    |
| Markup paid on long term financing             | -                   | (452,903,061)                | (33,486,365)                    | -                | (486,389,426)  |
| Profit after tax for the year                  | 10,696,850,565      | -                            | -                               | -                | 10,696,850,565 |
| Transaction cost -                             | -                   | -                            | -                               | -                | -              |
| <b>Total liability related other changes</b>   | 10,696,850,565      | (9,795,062)                  | 11,537,048                      | -                | 10,698,592,551 |
| <b>Closing as at 30 June 2026</b>              | 56,527,286,781      | 4,122,777,501                | 215,241,932                     | 40,292,427       | 60,905,598,641 |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                | 30 June 2025        |                              |                                 |                  |                 |
|------------------------------------------------|---------------------|------------------------------|---------------------------------|------------------|-----------------|
|                                                | Equity              |                              | Liabilities                     |                  |                 |
|                                                | Accumulated profits | Long term finances - secured | Short term borrowings - secured | Dividend payable | Total           |
|                                                | Rupees              |                              |                                 |                  |                 |
| <b>Balance as at 01 July 2024</b>              | 38,964,647,370      | 2,287,938,121                | 61,253                          | 45,338,931       | 41,297,985,675  |
| <b>Changes from financing activities</b>       |                     |                              |                                 |                  |                 |
| Long term finances disbursement                | -                   | 1,115,239,380                | -                               | -                | 1,115,239,380   |
| Repayment of long term finances                | -                   | (1,034,355,698)              | -                               | -                | (1,034,355,698) |
| Short term borrowings disbursement             | -                   | -                            | 100,102,104                     | -                | 100,102,104     |
| Short term borrowings repayment                | -                   | -                            | (100,102,104)                   | -                | (100,102,104)   |
| Dividend paid                                  | -                   | -                            | -                               | (3,157,674)      | (3,157,674)     |
| Own shares purchased for cancellation          | (4,709,365,225)     | -                            | -                               | -                | (4,709,365,225) |
| <b>Total changes from financing cash flows</b> | (4,709,365,225)     | 80,883,682                   | -                               | (3,157,674)      | (4,631,639,217) |
| <b>Other changes</b>                           |                     |                              |                                 |                  |                 |
| Markup expense during the year                 | -                   | 280,836,305                  | 20,339,806                      | -                | 301,176,111     |
| Markup capitalized as borrowing cost           | -                   | 6,009,966                    | -                               | -                | 6,009,966       |
| Markup paid on long term financing             | -                   | (374,365,646)                | (16,696,175)                    | -                | (391,061,821)   |
| Profit after tax for the year                  | 11,575,154,071      | -                            | -                               | -                | 11,575,154,071  |
| Transaction cost                               | -                   | 5,034,628                    | -                               | -                | 5,034,628       |
| <b>Total liability related other changes</b>   | 11,575,154,071      | (82,484,747)                 | 3,643,631                       | -                | 11,496,312,955  |
| <b>Closing as at 30 June 2025</b>              | 45,830,436,216      | 2,286,337,057                | 3,704,884                       | 42,181,257       | 48,162,659,414  |

## 47 Non adjusting events after the reporting date

There were no non-adjusting events requiring disclosure to these unconsolidated financial statements.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**48 Shariah Disclosures under Clause VII of Part I of Schedule IV of the Companies Act, 2017.**

|                                                         | Note | As on June<br>30, 2026<br>Rupees | As on June<br>30, 2025<br>Rupees |
|---------------------------------------------------------|------|----------------------------------|----------------------------------|
| <b>Statement of unconsolidated financial position</b>   |      |                                  |                                  |
| Financing as per Islamic mode                           |      |                                  |                                  |
| - Long term financing - Diminishing musharika financing | 7.2  | 3,751,413,357                    | 1,121,249,346                    |
| - Short term financing - Running musharika financing    | 12   | 1,245,000,000                    | -                                |
|                                                         |      | 4,996,413,357                    | 1,121,249,346                    |
| Mark-up payable on conventional loan                    |      |                                  |                                  |
| - Long term financing                                   | 7.1  | 14,676,260                       | 41,410,415                       |
| - Short term borrowings                                 | 12   | 3,562,528                        | 3,704,884                        |
|                                                         |      | 18,238,788                       | 45,115,299                       |
| Long term investments shariah compliant - at cost       |      |                                  |                                  |
| - in subsidiary company                                 | 18   | 50,000,000                       | -                                |
| - in investment properties                              | 19   | 4,326,361,559                    | 4,326,361,559                    |
|                                                         |      | 4,376,361,559                    | 4,326,361,559                    |
| Short term investments shariah compliant - at cost      |      |                                  |                                  |
| - in mutual fund                                        | 23   | 13,478,128,171                   | 211,898,653                      |
| - in equity investments                                 | 23   | 790,383,543                      | -                                |
|                                                         |      | 14,268,511,714                   | 211,898,653                      |
| Short term investments conventional                     |      |                                  |                                  |
| - at cost                                               |      |                                  |                                  |
| - in mutual fund                                        | 23   | 19,896,909,825                   | 24,921,612,656                   |
| - in equity investments                                 | 23   | 141,118,579                      | 366,684,009                      |
|                                                         |      | 20,038,028,404                   | 25,288,296,665                   |
| Bank deposits - Shariah compliant                       |      |                                  |                                  |
| - current account                                       | 25   | 258,060,724                      | 350,486,105                      |
| - saving account                                        | 25   | 272,611,888                      | 195,856,271                      |
|                                                         |      | 530,672,612                      | 546,342,376                      |
| Bank deposits - Conventional                            |      |                                  |                                  |
| - current account                                       | 25   | 770,321,759                      | 467,957,042                      |
| - saving account                                        | 25   | 415,117,515                      | 435,950,044                      |
|                                                         |      | 1,185,439,274                    | 903,907,086                      |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                           |      | For the year ended<br>June 30, 2026 | For the year ended<br>June 30, 2025 |
|---------------------------------------------------------------------------|------|-------------------------------------|-------------------------------------|
|                                                                           | Note | Rupees                              | Rupees                              |
| <b>Statement of unconsolidated profit or loss</b>                         |      |                                     |                                     |
| Gross Sales – Revenue earned from shariah compliant business segment      | 26   | 59,620,593,979                      | 57,268,373,275                      |
| Profit paid on Islamic mode of financing                                  |      | 350,657,810                         | -                                   |
| Late payments or liquidated damages                                       |      | -                                   | -                                   |
| <b>Other income</b>                                                       |      |                                     |                                     |
| From Shariah Compliant Transactions:                                      |      |                                     |                                     |
| Dividend received from investment                                         | 31   | 25,979,814                          | 7,731,928                           |
| Realized gain on investments                                              | 31   | 967,816,615                         | 484,810,994                         |
| Unrealized gain / (loss) on investments                                   | 31   | 114,020,360                         | (2,111,066)                         |
| Profit on bank deposits                                                   | 31   | 11,589,227                          | 35,060,082                          |
| Income from other non-financial assets                                    | 31   | 62,312,628                          | 137,776,924                         |
|                                                                           |      | 1,181,718,644                       | 663,268,862                         |
| From Non-Shariah Compliant Transactions:                                  |      |                                     |                                     |
| Interest on employees' loans                                              | 31   | 63,661                              | 125,336                             |
| Interest/commission on financing facilities to – associated company       | 31   | 66,238,472                          | 91,515,847                          |
| Realized gain on investments                                              | 31   | 3,487,936,259                       | 3,468,309,727                       |
| Unrealized (loss)/ gain on financial assets                               | 31   | (356,332,089)                       | 700,234,695                         |
| Profit on bank deposits                                                   | 31   | 93,978,044                          | 90,714,037                          |
| Dividend received from investments                                        | 31   | 134,697,498                         | 219,789,168                         |
| Exchange gain earned from actual currency                                 |      | -                                   | 992,328                             |
| Exchange gains earned using conventional derivative financial instruments |      | -                                   | -                                   |
| Income from other non-financial assets                                    | 31   | 37,480,580                          | 45,769,197                          |
|                                                                           |      | 3,464,062,425                       | 4,617,450,335                       |

## 48.1 Relationship with Shariah Compliant financial institutions

Relationship with Shariah Compliant financial institutions, including banks, takaful operators and their windows etc.

| Name of Institution       | Relationship                   |
|---------------------------|--------------------------------|
| United Bank Limited       | Funded facility & bank balance |
| National Bank of Pakistan | Funded facility & bank balance |
| Dubai Islamic Bank        | Funded facility & bank balance |
| Bank Alfalah Limited      | Funded facility & bank balance |
| The Bank of Punjab        | Bank deposits                  |
| Faysal Bank Limited       | Bank deposits                  |
| The Bank of Khyber        | Bank deposits                  |
| Habib Metro Bank Limited  | Bank deposits                  |

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

| Name of Institution                                         | Relationship               |
|-------------------------------------------------------------|----------------------------|
| Meezan Bank Limited                                         | Bank deposits              |
| MCB Islamic Bank Limited                                    | Bank deposits              |
| Habib Bank Limited                                          | Bank deposits              |
| Bank Al-Habib Limited                                       | Bank deposits              |
| Al Meezan Investment Management Limited                     | Investment in mutual funds |
| ABL Asset Management Company Limited                        | Investment in mutual funds |
| Alfalah Asset Management Limited                            | Investment in mutual funds |
| HLB Asset Management Limited                                | Investment in mutual funds |
| JS Investments Limited                                      | Investment in mutual funds |
| MCB Investment Management Limited (formerly MCB Arif Habib) | Investment in mutual funds |
| NBP Fund Management Limited                                 | Investment in mutual funds |
| UBL Fund Managers Limited                                   | Investment in mutual funds |
| Atlas Asset Management Limited                              | Investment in mutual funds |
| Faysal Asset Management Limited                             | Investment in mutual funds |
| Lakson Investments Limited                                  | Investment in mutual funds |
| Pak Qatar Asset Management Company Limited                  | Investment in mutual funds |
| AKD Investment Management Limited                           | Investment in mutual funds |
| Lucky Investments Limited                                   | Investment in mutual funds |
| AWT Investments Limited                                     | Investment in mutual funds |
| BMA Asset Management / Investment Advisors Limited          | Investment in mutual funds |

## 49 Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison and better presentation, however, no significant reclassification has been made, except for the following:

|                                                                                                                                              | Rupees      |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Salaries, wages and other benefits previously classified under 'cost of sales' are now reclassified to 'administrative and general expenses' | 169,942,220 |

## 50 Date of authorization for issue

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 10, 2026.



Chief Executive Officer

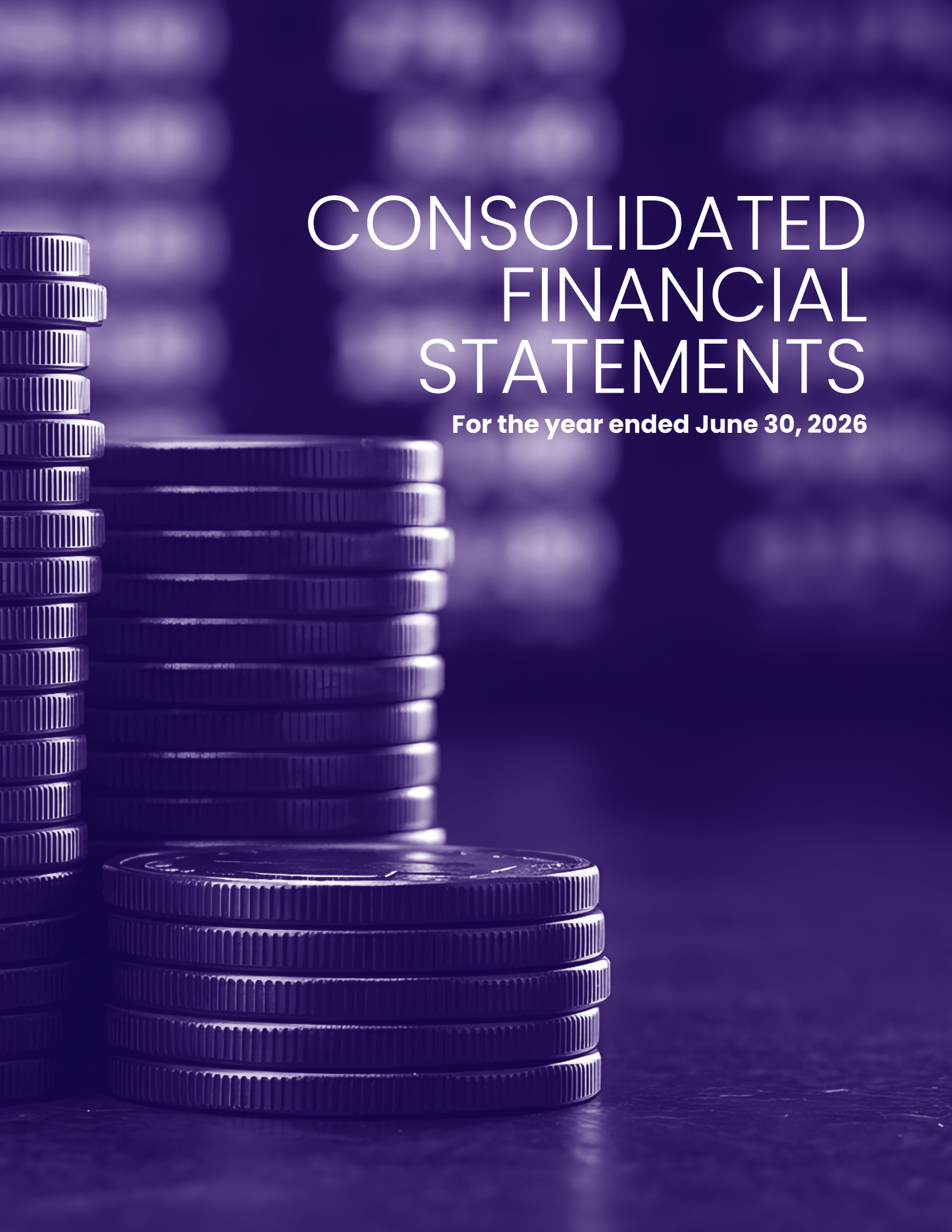


Chief Financial Officer



Director



The image features several stacks of coins, likely Euro coins, arranged on a dark, reflective surface. One stack is tall and positioned on the left side, while another stack is shorter and located in the center. In the foreground, a few coins are laid out flat, showing their faces. The background is a deep, textured blue, creating a professional and financial atmosphere.

# CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

# INDEPENDENT AUDITOR'S REPORT

## **To the members of Kohat Cement Company Limited Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the annexed consolidated financial statements of Kohat Cement Company Limited (the Company) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### **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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITOR'S REPORT

## Following is the Key audit matter:

| Sr. No | Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | <p><b>Revenue Recognition</b></p> <p>(Refer note 4.8 and 25 to the consolidated financial statements)</p> <p>The Group is engaged in the production and sale of cement in the local and export market. Revenue is recognised when performance obligation is satisfied by transferring control of promised goods to the customers.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group, large number of revenue transactions with a large number of customers in various geographical locations and inherent risk of material misstatement.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understood and evaluated the accounting policies with respect to revenue recognition.</li> <li>- Obtained an understanding of, and evaluated, management's relevant controls over revenue and assessed their design and implementation;</li> <li>- Performed testing of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices;</li> <li>- Tested on a sample basis, revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period;</li> <li>- Checked on a sample basis, approval of sales prices by the appropriate authority;</li> <li>- Performed recalculation of discount/ rebate as per Group's policy on test basis;</li> <li>- Performed audit procedures to analyze variation in the price and quantity sold during the year; and</li> <li>- Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements related to revenue.</li> </ul> |

## Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially

# INDEPENDENT AUDITOR'S REPORT

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 the Board of Directors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

## **Other matter**

The financial statements of the Company for the year ended June 30, 2025 were audited by another firm of chartered accountants, who expressed an unmodified opinion on those financial statements in their report dated September 11, 2025.

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



A. F. Ferguson & Co.  
Chartered Accountants

Lahore  
Date: September 22, 2026  
UDIN: AR2026108373LMTsNgKd

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**As at June 30, 2026**

|                                        | Note | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------|------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>          |      |                |                |
| Authorized share capital               | 5    | 3,000,000,000  | 3,000,000,000  |
| Issued, subscribed and paid-up capital | 5    | 1,838,612,970  | 1,838,612,970  |
| Reserves                               | 6    | 288,444,951    | 286,145,601    |
| Accumulated profits                    |      | 56,519,404,615 | 45,830,436,216 |
|                                        |      | 58,646,462,536 | 47,955,194,787 |
| Long term financing - secured          | 7    | 3,215,497,163  | 1,448,977,799  |
| Long term deposits                     | 8    | 3,536,100      | 3,536,100      |
| Deferred liabilities                   |      |                |                |
| - deferred taxation                    | 9.1  | 5,269,093,664  | 5,688,116,040  |
| - compensated absences                 | 9.2  | 44,883,111     | 36,785,931     |
|                                        |      | 8,533,010,038  | 7,177,415,870  |
| <b>Current liabilities</b>             |      |                |                |
| Current portion of long term financing | 7    | 907,280,338    | 837,359,258    |
| Trade and other payables               | 10   | 7,633,899,394  | 7,710,012,398  |
| Contract liability                     |      | 267,540,724    | 144,300,907    |
| Unclaimed dividend                     |      | 8,503,909      | 8,503,909      |
| Dividend payable                       | 11   | 31,788,517     | 33,677,348     |
| Provision for taxation - net           |      | 1,789,471,576  | 2,924,142,407  |
| Short term borrowings - secured        | 12   | 2,191,282,193  | 3,704,884      |
|                                        |      | 12,829,766,651 | 11,661,701,111 |
| Contingencies and commitments          | 13   |                |                |
|                                        |      | 80,009,239,225 | 66,794,311,768 |

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



**Chief Executive Officer**

|                                                                 | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                                                   |      |                |                |
| <b>Non current assets</b>                                       |      |                |                |
| Property, plant and equipment                                   | 14   | 27,253,243,474 | 23,359,980,509 |
| Intangibles                                                     | 15   | -              | 259,742        |
| Long term loans and advances                                    | 16   | 166,805,823    | 434,691,328    |
| Long term deposits                                              | 17   | 63,226,136     | 58,226,136     |
| Investment property                                             | 18   | 4,357,152,688  | 4,326,361,559  |
|                                                                 |      | 31,840,428,121 | 28,179,519,274 |
| <b>Current assets</b>                                           |      |                |                |
| Stores, spares and loose tools                                  | 19   | 5,895,203,709  | 4,991,311,475  |
| Stock-in-trade                                                  | 20   | 2,063,290,760  | 2,513,556,552  |
| Trade debts - unsecured and considered good                     | 21   | 1,660,071,236  | 1,692,217,832  |
| Short term investments                                          | 22   | 35,509,669,089 | 26,941,632,205 |
| Loans, advances, deposits, prepayments<br>and other receivables | 23   | 1,311,733,012  | 1,025,371,707  |
| Cash and bank balances                                          | 24   | 1,728,843,298  | 1,450,702,723  |
|                                                                 |      | 48,168,811,104 | 38,614,792,494 |
|                                                                 |      | 80,009,239,225 | 66,794,311,768 |



**Chief Financial Officer**



**Director**

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2026

|                                                              | Note | 2026<br>Rupees        | 2025<br>Rupees        |
|--------------------------------------------------------------|------|-----------------------|-----------------------|
| Revenue from contract with customers - net                   | 25   | 38,530,653,234        | 37,535,700,372        |
| Cost of sales                                                | 26   | (24,882,715,557)      | (22,644,152,051)      |
| <b>Gross profit</b>                                          |      | <b>13,647,937,677</b> | <b>14,891,548,321</b> |
| Selling and distribution expenses                            | 27   | (250,434,427)         | (225,600,417)         |
| Administrative and general expenses                          | 28   | (1,072,277,727)       | (865,495,338)         |
| Reversal /(allowance) of expected credit loss on trade debts | 21   | 17,556,548            | (44,078,565)          |
| Other expenses                                               | 29   | (868,278,428)         | (940,359,065)         |
|                                                              |      | (2,173,434,034)       | (2,075,533,385)       |
| <b>Operating profit</b>                                      |      | <b>11,474,503,643</b> | <b>12,816,014,936</b> |
| Other income                                                 | 30   | 4,647,591,834         | 5,280,719,197         |
| Finance cost                                                 | 31   | (153,437,172)         | (349,910,716)         |
| <b>Profit before income tax and final tax</b>                |      | <b>15,968,658,305</b> | <b>17,746,823,417</b> |
| Levy - final tax                                             | 32   | (40,694,206)          | (58,631,368)          |
| <b>Profit before taxation</b>                                |      | <b>15,927,964,099</b> | <b>17,688,192,049</b> |
| Taxation                                                     | 33   | (5,230,504,922)       | (6,113,037,978)       |
| <b>Profit after taxation</b>                                 |      | <b>10,697,459,177</b> | <b>11,575,154,071</b> |
| <b>Earnings per share - basic and diluted</b>                | 34   | <b>11.64</b>          | <b>11.97</b>          |

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**For the year ended June 30, 2026**

|                                                                       | 2026<br>Rupees        | 2025<br>Rupees        |
|-----------------------------------------------------------------------|-----------------------|-----------------------|
| Profit after taxation                                                 | 10,697,459,177        | 11,575,154,071        |
| <b>Other comprehensive income / (loss)</b>                            |                       |                       |
| Items that will not be reclassified to statement of profit or loss    | -                     | -                     |
| Items that are or may be reclassified to statement of profit or loss: |                       |                       |
| Net changes in fair value of debt investments at FVOCI                |                       |                       |
| - net of deferred tax                                                 | 2,299,350             | (899,350)             |
| <b>Total comprehensive income for the year</b>                        | <b>10,699,758,527</b> | <b>11,574,254,721</b> |

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## For the year ended June 30, 2026

|                                                                                   | Reserves      |                                     |               |                    |                  |                     |                 |                 |
|-----------------------------------------------------------------------------------|---------------|-------------------------------------|---------------|--------------------|------------------|---------------------|-----------------|-----------------|
|                                                                                   | Share capital | Capital reserves                    |               |                    | Revenue reserves |                     |                 | Total           |
|                                                                                   |               | Capital re-purchase reserve account | Share premium | Fair value reserve | General reserve  | Accumulated profits | Total reserves  |                 |
|                                                                                   |               |                                     |               |                    |                  |                     |                 |                 |
| Rupees                                                                            |               |                                     |               |                    |                  |                     |                 |                 |
| Balance at 01 July 2024                                                           | 1,958,612,970 | 50,000,000                          | 49,704,951    | (2,660,000)        | 70,000,000       | 38,964,647,370      | 39,131,692,321  | 41,090,305,291  |
| Total comprehensive income for the year                                           |               |                                     |               |                    |                  |                     |                 |                 |
| Profit for the year                                                               | -             | -                                   | -             | -                  | -                | 11,575,154,071      | 11,575,154,071  | 11,575,154,071  |
| Other comprehensive loss for the year                                             | -             | -                                   | -             | (899,350)          | -                | -                   | (899,350)       | (899,350)       |
|                                                                                   | -             | -                                   | -             | (899,350)          | -                | 11,575,154,071      | 11,574,254,721  | 11,574,254,721  |
| Transactions with the owners of the Parent Company                                |               |                                     |               |                    |                  |                     |                 |                 |
| Own shares purchased for cancellation                                             | (120,000,000) | 120,000,000                         | -             | -                  | -                | (4,709,365,225)     | (4,589,365,225) | (4,709,365,225) |
| Balance as at 30 June 2025                                                        | 1,838,612,970 | 170,000,000                         | 49,704,951    | (3,559,350)        | 70,000,000       | 45,830,436,216      | 46,116,581,817  | 47,955,194,787  |
| Total comprehensive income for the year                                           |               |                                     |               |                    |                  |                     |                 |                 |
| Profit for the year                                                               | -             | -                                   | -             | -                  | -                | 10,697,459,177      | 10,697,459,177  | 10,697,459,177  |
| Other comprehensive income for the year                                           | -             | -                                   | -             | 2,299,350          | -                | -                   | 2,299,350       | 2,299,350       |
|                                                                                   | -             | -                                   | -             | 2,299,350          | -                | 10,697,459,177      | 10,699,758,527  | 10,699,758,527  |
| Transaction cost related to issuance of ordinary shares of the subsidiary company | -             | -                                   | -             | -                  | -                | (8,490,778)         | -               | (8,490,778)     |
| Balance at 30 June 2026                                                           | 1,838,612,970 | 170,000,000                         | 49,704,951    | (1,260,000)        | 70,000,000       | 56,519,404,615      | 56,816,340,344  | 58,646,462,536  |

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2026

|                                                                               | Note | 2026<br>Rupees  | 2025<br>Rupees  |
|-------------------------------------------------------------------------------|------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                                   |      |                 |                 |
| Cash generated from operations                                                | 35   | 13,640,554,277  | 16,574,725,509  |
| Finance cost paid                                                             | 45   | (486,389,426)   | (391,061,821)   |
| Compensated absences paid                                                     | 9.2  | (6,468,756)     | (5,770,071)     |
| Income tax and levy (final tax) paid                                          |      | (7,381,388,139) | (6,385,048,317) |
| Payment made to Workers' Welfare Fund                                         | 10.3 | (259,120,501)   | (172,692,762)   |
| Payment made to Workers' Profit Participation Fund                            | 10.2 | (274,080,000)   | (241,864,000)   |
|                                                                               |      | (8,407,446,822) | (7,196,436,971) |
| <b>Net cash generated from operating activities</b>                           |      | 5,233,107,455   | 9,378,288,538   |
| <b>Cash flows from investing activities</b>                                   |      |                 |                 |
| Acquisition of property, plant and equipment                                  |      | (4,615,117,256) | (2,398,919,336) |
| Proceeds from disposal of property, plant and equipment                       |      | 68,515,834      | 15,321,000      |
| Additions to investment property                                              |      | (30,791,129)    | -               |
| Short term investments - net                                                  |      | (4,352,296,389) | (2,011,541,251) |
| Loan disbursed to associated undertaking                                      |      | -               | (98,000,000)    |
| Loan repaid by associated undertaking                                         |      | 50,000,000      | 60,000,000      |
| Dividend received on short term investments                                   |      | 160,677,312     | 227,521,096     |
| Profit on bank deposits and loans                                             |      | 156,869,742     | 220,743,655     |
| Long term deposits - net                                                      |      | (5,000,000)     | (200,000)       |
| Loans and advances - net                                                      |      | (399,721,153)   | (413,520,934)   |
| <b>Net cash used in investing activities</b>                                  |      | (8,966,863,039) | (4,398,595,770) |
| <b>Cash flows from financing activities</b>                                   |      |                 |                 |
| Proceeds from long term finances                                              | 45   | 2,636,173,977   | 1,115,239,380   |
| Repayment of long term finances                                               | 45   | (789,938,471)   | (1,034,355,698) |
| Proceeds from short term borrowings                                           | 45   | 910,000,000     | 100,102,104     |
| Repayment of short term borrowings                                            | 45   | (710,000,000)   | (100,102,104)   |
| Own shares purchased for cancellation                                         |      | -               | (4,709,365,225) |
| Transaction cost related to issuance of ordinary shares of subsidiary company | 45   | (8,490,778)     | -               |
| Dividend paid                                                                 | 45   | (1,888,830)     | (3,157,674)     |
| <b>Net cash generated from / (used in) financing activities</b>               |      | 2,035,855,898   | (4,631,639,217) |
| Net (decrease)/ increase in cash and cash equivalents                         |      | (1,697,899,686) | 348,053,551     |
| Cash and cash equivalents at beginning of the year                            |      | 1,450,702,723   | 1,102,649,172   |
| <b>Cash and cash equivalents at end of the year</b>                           | 36   | (247,196,963)   | 1,450,702,723   |

Refer note 45 for reconciliation of liabilities arising from financing activities.

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

## 1 Corporate and general information

- 1.1** The Group comprises of Kohat Cement Company Limited (KCCL) (KCCL or the Parent Company) and its wholly owned subsidiary, Ultra Properties (Private) Limited (UPTL) (UPTL or the Subsidiary Company). KCCL is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now "Companies Act, 2017") and is listed on Pakistan Stock Exchange. The Parent Company is engaged in production and sale of cement. Head Office of the Parent Company is situated at 36-37 P, Gulberg-II, Lahore, and the registered office and production facility of the Parent Company is situated at Rawalpindi Road, Kohat, Pakistan. The Parent Company is in the process of acquiring further land in District Khushab Punjab Pakistan, for installation of its new grey cement line.

The Parent Company has Offices and facilities located across Pakistan, the geographical locations of which are listed below:

| Offices/ Facilities  | Geographical location                                                           |
|----------------------|---------------------------------------------------------------------------------|
| Kohat Cement Factory | Rawalpindi Road, Kohat                                                          |
| Lahore               | 36-37 P, Gulberg-II, Lahore                                                     |
| Peshawar             | Suite No. 309 & 310, Block C, 3rd Floor, City Tower, University Road, Peshawar. |
| Rawalpindi           | 9-First Floor, Al Amin Plaza, The Mall, Cantt, Rawalpindi.                      |

- 1.2** Ultra Properties (Private) Limited ("the Subsidiary Company") is a private limited company incorporated in Pakistan under the Companies Act, 2017. The principal line of business of the Company is to market and develop real estate projects, encompassing developed and undeveloped land, housing and commercial developments, and mixed-use projects such as commercial markets, multistoried buildings (residential or commercial), office complexes, shopping centers, restaurants, hotels, and recreational facilities, either for sale or rental purposes. The Subsidiary Company is currently in the setup phase and has not yet commenced its commercial operations. The Registered Office of the Subsidiary Company is situated at 36-37 P, Gulberg-II, Lahore.

- 1.3** ANS Capital (Private) Limited is the ultimate parent company of the Group and holds 552,411,600 of Rs. 2 each (2025: 110,482,322 of Rs 10 each) ordinary shares of the Parent Company comprising 60.09% (2025: 60.09%) of its paid up share capital.

## 2 Basis of preparation

### 2.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ('IFAS') issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This is the first set of consolidated financial statements prepared by the Group and hence, the corresponding figures presented in these consolidated financial statements are the same as presented in the financial statements of the Parent Company.

## **2.2 Basis of consolidation**

These consolidated financial statements include the financial statements of the Parent Company and its Subsidiary Company. Subsidiary is an entity over which the Parent Company has control. Control is achieved when the Parent Company is exposed, or has right, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The assets, liabilities, income and expenses of the Subsidiary Company are consolidated on a line by line basis and carrying value of Investments held by the Parent Company eliminated against the subsidiary companies shareholder's equity in the consolidated financial statements.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

## **2.3 Initial application of standards, amendments or an interpretation to existing standards**

The following amendments to existing standards have been published that are applicable to the Group's Consolidated financial statements covering annual periods, beginning on or after the following dates:

### **2.3.1 Standards, amendments to published standards and interpretations that are effective in the current year**

Certain standards, amendments and interpretations to IFRS Accounting Standards are effective for accounting period beginning on July 1, 2025 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these Consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group**

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 1, 2026 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these Consolidated financial statements, except for the following:

### **(a) Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective for annual period beginning on July 1, 2026)**

The amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognised. The previous practice of financial liabilities being derecognized upon issuance of cheques would need to be reconsidered.

### **(b) Annual improvements to International Financial Reporting Standards – Volume 11 (effective for annual period beginning on July 1, 2026)**

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**(c) International Financial Reporting Standard (IFRS) 18, 'Presentation and Disclosure in Financial Statements (effective for annual period beginning on July 1, 2027)'**

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is yet to assess the impact of this Standard and amendments to existing standards on its Consolidated financial statements.

## **3 Basis of measurement**

These Consolidated financial statements have been prepared under the historical cost convention except for certain investments at fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) which are stated at fair value.

### **3.1 Functional and presentation currency**

These Consolidated financial statements are presented in nearest Pakistani Rupees ("Rs.") which is the Group's functional currency. All financial information presented in Rupees has been rounded off to the nearest rupee, unless otherwise stated.

### **3.2 Critical accounting estimates and judgments**

The preparation of Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Judgment made by management in the application of approved accounting standards that is relevant to the financial statements are as follows:

- estimation of useful lives and residual values of property, plant and equipment - notes 4.1 and 14.1
- net realizable value of inventory and estimation of quantity of stockpiles - note 4.3
- estimation of provision for taxation and recognition of deferred tax - note 4.12
- estimation of provisions, contingent assets and contingent liabilities - note 4.7
- expected credit loss on financial assets - note 4.5.6

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **4 Summary of material accounting policy information**

The material accounting policies adopted in the preparation of these Consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated. Material accounting policies are disclosed below:

### **4.1 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses if any with the exception of freehold land and capital work in progress, which are stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation. Cost in relation to certain property, plant and equipment signifies historical cost and borrowing costs as referred to in note 4.11.

Major renewals and improvements to an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Group and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment is recognized in statement of profit or loss as incurred.

The Group recognizes depreciation in statement of profit or loss by applying reducing balance method over the useful life of each item of property, plant and equipment except that depreciation on building, plant civil structure and plant and machinery of white and grey cement line III and line IV including waste heat recovery power plant, solar power plant and furnace oil power plant is charged by applying straight line method.

Depreciation rates on items of property, plant and equipment are specified in note 14.1 to the financial statements. Depreciation on additions to property, plant and equipment is charged when the item becomes available for intended use and is discontinued when it is disposed or classified as held for disposal.

An item of property, plant and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property, plant and equipment is recognized in statement of profit or loss.

The assets' residual value and useful lives are reviewed at each reporting date and adjusted, if appropriate. The Group's estimate of residual values of property, plant and equipment as at 30 June 2026 has not required any adjustment as its impact is considered insignificant.

### **Capital work in progress**

Capital work in progress is stated at cost less any identified impairment losses and includes the expenditures on material, labour, capitalized borrowing cost, and appropriate overheads directly relating to the project. These costs are transferred to property, plant and equipment as and when assets are available for intended use.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **4.2 Intangibles**

The cost of acquisition, development and installation of identifiable software products having finite useful lives of more than one year is recognized as an intangible asset at cost and are amortized on a straight line basis. Subsequent to initial recognition, it is measured at cost less accumulated amortization and accumulated impairment losses, if any. The rate of amortization is specified in note 15.

## **4.3 Inventories**

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

|                     |                                                                      |
|---------------------|----------------------------------------------------------------------|
| - Stores and spares | Moving average                                                       |
| - Raw materials     | Moving average                                                       |
| - Work in process   | Average manufacturing cost                                           |
| - Finished goods    | Average manufacturing cost                                           |
| - Stock in transit  | Invoice price plus related expense incurred up to the reporting date |
| - Packing material  | Moving average                                                       |

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. Provision for obsolescence of stock in trade and stores and spares is made on the basis of management's estimate of net realizable value.

The Group's certain stock items [i.e. raw materials (limestone, clay and gypsum), work-in-process (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighing of these stock items is not practicable, the management assesses the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values.

## **4.4 Employee benefits**

### **Defined contribution plan**

The Parent Company operates an approved defined contributory provident fund for its employees. Equal contributions are made by the Company and employees at 10% of basic salary. The Parent Company's contribution is charged to statement of profit or loss currently.

### **Compensated absences**

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to statement of profit or loss. The Parent 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

A liability is recognized for the amount expected to be paid under compensated absences if the Parent 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. The provision is determined on the basis of last drawn salary and accumulated leaves balance at the reporting date.

## **4.5 Financial instruments**

### **4.5.1 Recognition and initial measurement**

All financial assets or financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

### **4.5.2 Classification and subsequent measurement**

#### **Financial assets**

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

#### **Amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a 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 the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of term deposit receipts, cash and bank balances, long term loan to employees, trade debts, deposits and other receivables.

#### **Debt Instrument - FVOCI**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

- 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.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The investment in TFCs has been classified as financial assets at FVOCI under IFRS 9.

## **Equity Instrument - FVOCI**

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

## **Fair value through profit or loss (FVTPL)**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. At reporting date, the Group has classified investments in mutual funds and listed equity securities as disclosed in note 22 as FVTPL.

## **Financial assets – Business model assessment:**

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

## **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 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 profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, other than those eligible for capitalization, and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities comprise trade and other payables, long term deposits and retention money payable, dividend payable, unclaimed dividend, long term financing, current portion of long term financing, short term borrowings and mark-up accrued on borrowings.

### **4.5.3 Derecognition**

#### **Financial assets**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

#### **Financial liabilities**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

### **4.5.4 Trade Debts, deposits and other receivables**

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **4.5.5 Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## **4.5.6 Impairment**

### **Financial assets**

The Group recognizes loss allowances on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial assets at amortized cost excluding trade debts for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group monitors changes in credit risk by tracking published external credit ratings.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. The Group considers a default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### Non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **4.6 Loans and borrowings**

Loans and borrowings are classified as financial liabilities. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of the borrowings on an effective interest basis.

## **4.7 Provisions and contingencies**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that 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. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date.

### **A contingent liability is disclosed when:**

- there is a possible obligation that arises from past events or 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 Group; or
- there is a present obligation that arises from the 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.

## **4.8 Revenue from contract with customers**

Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods excluding sales taxes, federal excise duty, rebates and trade discounts (if any). Invoices are generated at that point in time when control is transferred to the customer. The Group has a range of credit terms which are typically short term and without any significant financing component.

Revenue from local sale is recognized at the point in time when control of the goods is transferred to the customer, generally when the goods are dispatched from the Group's premises.

Revenue from export sale is recognized at the point in time when control of the goods is transferred to the customer which depends on the related terms.

## **4.9 Contract liabilities**

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Group fulfils its performance under the contract.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

It also generally includes refund liabilities arising out of customers' right to claim amounts from the Group on account of contractual delays in delivery of performance obligations and incentive on target achievements.

### 4.10 Income from Dividends

Dividend income is recognized when the Group's right to receive payment is established.

### 4.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss as incurred.

### 4.12 Taxation

#### Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

#### Current tax

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

#### Deferred taxation

Deferred tax is accounted for using the liability approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### Final tax

Final taxes include tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

for the related stream of income under the Ordinance. Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

## **4.13 Earnings per share (“EPS”)**

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Parent Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

## **4.14 Cash and cash equivalents**

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand, cash at banks and short term finances that are repayable on demand and form integral part of the Group’s cash management.

## **4.15 Foreign currency transactions and balances**

Transactions in foreign currencies are translated to the respective functional currencies of the companies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognized in statement of profit or loss.

## **4.16 Dividend to ordinary shareholders**

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Groups’s financial statements in the year in which the dividends are approved by the Board of Directors or the Parent Company’s shareholders as the case may be.

## **4.17 Own shares purchase for cancellation**

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from accumulated profits. Repurchased shares are classified as own shares purchased for cancellation and are presented in the statement of changes in equity as a separate reserve.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **4.18 Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for:

- use in production or supply of goods or services or for administrative purposes; and
- sale in the ordinary course of business.

Investment property comprises of land and building including under construction property. It is initially measured at cost, being the fair value of the consideration given. Subsequent to the initial recognition, the investment property is measured using the cost model as provided in International Accounting Standard 40 – Investment Property. The investment property, except freehold land, are stated at cost less accumulated depreciation and any identified impairment losses. Freehold land is stated at cost less any identified impairment loss

The Group assesses at each reporting date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss.

Any gain or loss on disposal of an investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognized in statement of profit or loss.

## **4.19 Trade and other payables**

Liabilities for trade creditors and other amounts payable are carried at cost which is fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Group.

## **4.20 Trade debts**

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

## **4.21 Operating Segment**

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. An operating segment's operating results are regularly reviewed by the Board of Directors of the Parent Company to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                     | Note | 2026             | 2025             | 2026          | 2025          |
|---------------------------------------------------------------------|------|------------------|------------------|---------------|---------------|
|                                                                     |      | Number of shares | Number of shares | Rupees        | Rupees        |
| <b>5 Share capital</b>                                              |      |                  |                  |               |               |
| <b>Authorized share capital</b>                                     |      |                  |                  |               |               |
| Ordinary shares of Rs. 2 (2025: Rs. 10) each                        |      | 1,500,000,000    | 300,000,000      | 3,000,000,000 | 3,000,000,000 |
| <b>Issued, subscribed and paid-up capital</b>                       |      |                  |                  |               |               |
| Ordinary shares of Rs. 2 (2025: Rs. 10) each, fully paid-up in cash |      | 103,747,925      | 20,749,585       | 207,495,850   | 207,495,850   |
| Shares issued for consideration other than cash                     | 5.2  | 56,150,000       | 11,230,000       | 112,300,000   | 112,300,000   |
| Fully paid bonus shares                                             |      | 844,408,560      | 168,881,712      | 1,688,817,120 | 1,688,817,120 |
| Buyback of shares                                                   | 5.3  | (85,000,000)     | (17,000,000)     | (170,000,000) | (170,000,000) |
|                                                                     |      | 919,306,485      | 183,861,297      | 1,838,612,970 | 1,838,612,970 |

**5.1** ANS Capital (Private) Limited, ultimate parent company, holds 552,411,600 (2025: 110,482,320) ordinary shares Rs. 2 each (2025: Rs. 10 each) comprising 60.09% (2025: 60.09%) of total paid up share capital of the Parent Company. Kohat Cement Educational Trust, an associated undertaking of the Parent Company, holds 760,225 (2025: 152,045) ordinary shares of Rs. 2 each (2025: Rs. 10 each) of the Parent Company, Directors and Executives hold 166,143,493 (2025: 33,342,929) and 138,055 (2025: 27,611) respectively, ordinary shares of Rs. 2 each (2025: Rs. 10 each) of the Parent Company.

**5.2** These shares of the Parent Company were initially issued to State Cement Corporation of Pakistan against transfer of all the assets and liabilities comprising Kohat Cement Project to Kohat Cement Company Limited.

**5.3** In accordance with Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, the Parent Company purchased and cancelled an aggregate 17 million of its own ordinary shares of Rs. 10 each (5 million during FY 2024 and 12 million during FY 2025). After the Stock Split of its shares as referred to in note 5.4, these 17 million ordinary shares of Rs. 10 each are now equivalent to 85 million shares of Rs. 2 each.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

- 5.4** In accordance with the provisions of section 85 of the Companies Act, 2017, the members of the Parent Company, in their Extraordinary General Meeting held on August 7, 2025, decided to sub-divide the existing capital of the Parent Company, including authorized, issued and paid-up capital, in a manner that each ordinary share of the Parent Company having face value of PKR 10/- be divided into five ordinary shares of PKR 2/- each. The said sub-division was executed on August 23, 2025; after which the number of Authorized Capital and the Issued, Subscribed & Paid-up Capital shares were increased from 300,000,000 and 183,861,297 ordinary shares of Rs. 10 each to 1,500,000,000 and 919,306,485 ordinary shares of Rs. 2 each respectively.
- 5.5** All ordinary shares rank equally with regard to the Parent Company's assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Parent Company.

|                                       | Note | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------|------|----------------|----------------|
| <b>6 Reserves</b>                     | Note | Rupees         | Rupees         |
| Capital reserves                      |      |                |                |
| - share premium                       | 6.1  | 49,704,951     | 49,704,951     |
| - fair value reserve                  | 6.2  | (1,260,000)    | (3,559,350)    |
| - capital re-purchase reserve account | 6.3  | 170,000,000    | 170,000,000    |
| Revenue reserve                       |      |                |                |
| - general reserves                    |      | 70,000,000     | 70,000,000     |
|                                       |      | 288,444,951    | 286,145,601    |

- 6.1** This reserve can be utilized by the Parent Company only for the purpose specified in section 81(2) of the Companies Act, 2017.
- 6.2** This represents fair value adjustment on revaluation of investments classified as 'FVOCI' and is not available for distribution.
- 6.3** This represents reserve created for cancellation of ordinary shares purchased by the Parent Company in terms of section 88 of the Companies Act, 2017.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                        | Note  | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------|-------|----------------|----------------|
| <b>7 Long term financing - secured</b> |       |                |                |
| Term finance                           | 7.1   | -              | 327,728,453    |
| Diminishing musharika                  | 7.2   | 3,215,497,163  | 1,121,249,346  |
|                                        |       | 3,215,497,163  | 1,448,977,799  |
| <b>7.1 Term finance</b>                |       |                |                |
| The Bank of Punjab                     | 7.1.1 | 110,612,419    | 539,791,086    |
| Habib Bank Limited                     | 7.1.2 | -              | 1,933,077      |
| The Bank of Khyber                     | 7.1.3 | 73,368,667     | 220,425,719    |
| Askari Bank Limited                    | 7.1.4 | 75,377,323     | 225,155,743    |
| Samba Bank Limited                     | 7.1.5 | 89,056,660     | 177,782,086    |
|                                        |       | 348,415,069    | 1,165,087,711  |
| Less: Current maturity:                |       |                |                |
| Principal                              |       | (333,738,809)  | (789,938,861)  |
| Mark-up                                |       | (14,676,260)   | (47,420,397)   |
|                                        |       | (348,415,069)  | (837,359,258)  |
| Less: Transaction cost                 | 7.1.6 | -              | -              |
|                                        |       | -              | 327,728,453    |

**7.1.1** This represents long term finance facility obtained by the Parent Company from the Bank of Punjab to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the group with 25% margin and personal guarantees of sponsoring directors of the Parent Company. The outstanding principal is repayable in a quarterly installment.

**7.1.2** The outstanding markup against the long term facility obtained by Parent Company from Habib Bank Limited has been repaid during the year.

**7.1.3** This represents long term finance facility obtained by Parent Company from the Bank of Khyber to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries markup at the rate of 3 months KIBOR plus 0.6% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Parent Company with 25% margin and personal guarantees of sponsoring directors of the Parent Company. The outstanding principal amount is repayable in two equal quarterly installments ending on 10 October 2026.

**7.1.4** This represents long term finance facility obtained from Askari Bank Limited by Parent Company to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark-up at the rate of 3 months KIBOR plus 0.65% per annum and payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Parent Company with 25% margin and personal guarantees of sponsoring directors of the Parent Company. The outstanding principal amount is repayable in two equal quarterly installments ending on 23 November 2026.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

- 7.1.5** This represents long term finance facility obtained from Samba Bank Limited by Parent Company during the period to finance the construction of cement plant having capacity of 7800 TPD (line IV). This facility carries mark up at the rate of 3 months KIBOR plus 1.05% per annum which is payable quarterly in arrears. This facility is secured by way of first parri passu charge over all present and future fixed assets of the Parent Company with 25% margin and personal guarantees of sponsoring directors of the Parent Company. The outstanding principal amount is repayable in four equal quarterly installments ending on 30 June 2027.

|                                  | Note  | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------|-------|----------------|----------------|
| <b>7.1.6 Transaction cost</b>    |       |                |                |
| At the beginning of the year     |       | -              | 5,034,628      |
| Amortized during the year        |       | -              | (5,034,628)    |
| At the end of the year           |       | -              | -              |
| <b>7.2 Diminishing musharika</b> |       |                |                |
| United Bank Limited              | 7.2.1 | 3,774,362,432  | 1,121,249,346  |
| Less: Current maturity:          |       |                |                |
| Principal                        |       | (535,916,194)  | -              |
| Mark-up                          |       | (22,949,075)   | -              |
|                                  |       | (558,865,269)  | -              |
|                                  |       | 3,215,497,163  | 1,121,249,346  |

- 7.2.1** This represents long term finance facility obtained from United Bank Limited by Parent Company to finance the construction of Coal fired powered plant having capacity of 28.5MW . This facility carries mark up at the rate of 3 months KIBOR plus 0.90% per annum which is payable quarterly in arrears. This facility is secured by way of First Joint Pari Passu Charge over fixed assets (factory land, building, plant and machinery only) of the Parent Company with 25% margin. The principal amount is repayable in 28 equal quarterly installments ending in June, 2033.

|                             | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------|------|----------------|----------------|
| <b>8 Long term deposits</b> |      |                |                |
| Long term deposits          | 8.1  | 3,536,100      | 3,536,100      |

- 8.1** This represents interest free security deposits received from dealers and transporters against goods and services. These deposits are repayable / adjustable on the termination of the relationship. These are kept in a separate bank account.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|            |                                                    | 2026            |                                                   |                           |
|------------|----------------------------------------------------|-----------------|---------------------------------------------------|---------------------------|
|            |                                                    | Opening balance | Charge/ (reversal) in statement of profit or loss | Charge/ (reversal) in OCI |
|            |                                                    | Closing balance |                                                   |                           |
|            |                                                    | Rupees          |                                                   |                           |
| <b>9</b>   | <b>Deferred liabilities</b>                        |                 |                                                   |                           |
| <b>9.1</b> | <b>Deferred taxation</b>                           |                 |                                                   |                           |
|            | <b>Taxable / (deductible) temporary difference</b> |                 |                                                   |                           |
|            | Accelerated tax depreciation                       | 5,451,302,265   | (345,803,625)                                     | -                         |
|            | Unrealized gain / loss - net                       | 270,236,764     | (82,964,323)                                      | 1,535,650                 |
|            | Expected credit loss on trade debts                | (33,422,989)    | 8,209,922                                         | -                         |
|            |                                                    | 5,688,116,040   | (420,558,026)                                     | 1,535,650                 |
|            |                                                    |                 |                                                   | 5,269,093,664             |
|            |                                                    | 2025            |                                                   |                           |
|            |                                                    | Opening balance | Charge/ (reversal) in statement of profit or loss | Charge/ (reversal) in OCI |
|            |                                                    | Closing balance |                                                   |                           |
|            |                                                    | Rupees          |                                                   |                           |
|            | <b>Taxable / (deductible) temporary difference</b> |                 |                                                   |                           |
|            | Accelerated tax depreciation                       | 5,401,515,251   | 49,787,014                                        | -                         |
|            | Unrealized gain / loss - net                       | 120,541,091     | 151,971,323                                       | (2,275,650)               |
|            | Expected credit loss on trade debts                | (16,232,348)    | (17,190,641)                                      | -                         |
|            |                                                    | 5,505,823,994   | 184,567,696                                       | (2,275,650)               |
|            |                                                    |                 |                                                   | 5,688,116,040             |
|            |                                                    | 2026 Rupees     |                                                   |                           |
|            |                                                    | 2025 Rupees     |                                                   |                           |
| <b>9.2</b> | <b>Compensated absences</b>                        |                 |                                                   |                           |
|            | At beginning of the year                           | 36,785,931      |                                                   | 29,351,103                |
|            | Charge for the year                                | 14,565,936      |                                                   | 13,204,899                |
|            | Less: Payments made during the year                | (6,468,756)     |                                                   | (5,770,071)               |
|            | Closing balance                                    | 44,883,111      |                                                   | 36,785,931                |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                               | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------------------|------|----------------|----------------|
| <b>10 Trade and other payables</b>            |      |                |                |
| Trade creditors – local                       | 10.1 | 745,266,451    | 1,002,955,575  |
| Imports bills payable                         |      | 1,229,496,070  | 1,104,180,400  |
| Contractors' bills payable                    |      | 95,715,187     | 67,320,365     |
| Accrued liabilities                           |      | 564,293,313    | 529,717,484    |
| Payable to Workers' Profit Participation Fund | 10.2 | 3,216,413,348  | 2,875,596,596  |
| Payable to Workers' Welfare Fund              | 10.3 | 240,863,251    | 259,120,500    |
| Payable to Provident Fund Trust               |      | 7,689,227      | 6,776,955      |
|                                               |      | 6,099,736,847  | 5,845,667,875  |
| Payable to Government on account of:          |      |                |                |
| Income tax deducted at source                 |      | 41,282,023     | 46,047,717     |
| Federal excise duty                           |      | 182,316,004    | 548,817,604    |
| Sales tax payable                             |      | 599,402,984    | 125,764,698    |
| Royalty and excise duty                       |      | 120,360,723    | 117,529,508    |
| Super tax on final tax                        |      | 38,819,841     | 558,271,832    |
|                                               |      | 982,181,575    | 1,396,431,359  |
| Retention money payable                       | 10.4 | 59,467,120     | 14,943,756     |
| Other payables                                |      | 492,513,852    | 452,969,408    |
|                                               |      | 551,980,972    | 467,913,164    |
|                                               |      | 7,633,899,394  | 7,710,012,398  |

- 10.1** This includes unsecured balance payable to related parties Ultra Pack (Private) Limited amounting to Rs. 26.61 million (2025: Rs. 60.96 million) and Ultra Kraft (Private) Limited Nil (2025: Rs. 6.84 million).

|                                                         | Note   | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------------------------|--------|----------------|----------------|
| <b>10.2 Workers' Profit Participation Fund ("WPPF")</b> |        |                |                |
| At beginning of the year                                |        | 2,875,596,597  | 2,437,123,547  |
| Provision for the year                                  | 29     | 614,896,752    | 680,337,050    |
| Paid during the year                                    |        | (274,080,000)  | (241,864,000)  |
| At end of the year                                      | 10.2.1 | 3,216,413,349  | 2,875,596,597  |

- 10.2.1** The WPPF liability represents leftover amount payable by the Parent Company to Workers' Welfare Fund in terms of the Companies Profit (Workers' Participation) Act, 1968. According to the 18th amendment to the Constitution of Pakistan in 2010, all labour welfare laws have become provincial subject, and accordingly the leftover amount is no more payable to the Federal Treasury.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

Major strength of Parent Company's employees eligible for benefit of WPPF are working in the Province of KPK and accordingly potential amount of leftover amount of WPPF is required to be paid to the relevant provincial authority as held by the Honourable Sindh High Court (SHC) in its judgment in C.P. No. D-1313 of 2013 announced on February 12, 2018. However, through an interim order, while granting leave to appeal, the Honourable Supreme Court of Pakistan (SCP) has suspended the operation of the SHC judgement.

Moreover, no provincial legislation has been promulgated so far in the Province of KPK to collect the left over amount. Therefore, the Parent Company has filed a constitutional Petition before the Honourable Peshawar High Court to seek court direction in this matter, which is pending adjudication.

|                                   | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------|------|----------------|----------------|
| <b>10.3 Workers' Welfare Fund</b> |      |                |                |
| At beginning of the year          |      | 259,120,500    | 172,991,247    |
| Provision for the year            | 29   | 240,863,252    | 258,822,015    |
| Paid during the year              |      | (259,120,501)  | (172,692,762)  |
| At end of the year                |      | 240,863,251    | 259,120,500    |

**10.4** This includes retention money withheld of contractors and is repayable after satisfactory completion of contracts.

|                                        | Note | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------|------|----------------|----------------|
| <b>11 Dividend payable</b>             |      |                |                |
| Dividend withheld on account of:       |      |                |                |
| - court order                          | 11.1 | 19,083,293     | 20,972,124     |
| - non provision of CNIC / bank details |      | 12,705,224     | 12,705,224     |
|                                        |      | 31,788,517     | 33,677,348     |

**11.1** This represents dividend withheld out of final cash dividend amounting to Rs. 386.27 million for the year ended 30 June 2012, based on the order dated 25 October 2012 of the Honourable Lahore High Court and Securities and Exchange Commission of Pakistan approval vide letter number EMD/233/380/02-676 dated 23 November 2012 in response to application made by the Parent Company under section 243(2) of the Companies Act, 2017.

|                                           | Note | 2026<br>Rupees | 2025<br>Rupees |
|-------------------------------------------|------|----------------|----------------|
| <b>12 Short term borrowings - secured</b> |      |                |                |
| Short term borrowings                     | 12.1 | 2,191,282,193  | 3,704,884      |

**12.1** The Parent Company has aggregate non funded and funded facilities of Rs. 13,461 million (2025: Rs. 9,763 million). The amount utilized as at 30 June 2026 was Rs. 3,662.33 million (2025: Rs. 934.60 million). The funded facilities carry mark up at 1 month /3 months KIBOR plus 0.20% to 1% (2025: 1 month /3 months KIBOR plus 0.45% to 1%) per annum.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

- 12.2** The funded facilities include export refinance facilities of Rs. 798 million, available from different commercial banks under mark-up arrangement carrying mark-up at SBP export refinance rate plus as per agreed spread (2025: SBP export refinance rate plus as per agreed spread) per annum and are available for a period of 180 days and can be rolled over for a further period of 180 days. The amount utilized as at 30 June 2026 is Nil (2025: Nil).
- 12.3** All the above short term finance facilities are secured by way of first parri passu hypothecation charge on present and future current assets of the Parent Company with 25% margin, except that the facilities of bank guarantees of Rs. 378.73 million are secured by first parri passu hypothecation charge on present and future fixed assets of the Parent Company with 25% margin.

## **13 Contingencies and commitments**

### **13.1 Legal Contingencies**

- 13.1.1** The Competition Commission of Pakistan ("CCP") took Suo moto action under Competition Ordinance, 2007, (subsequently enacted as Competition Act, 2010 - the "Law") and issued Show Cause Notice (SCN) on 28 October 2008 inquiring increase in cement prices across the country. Similar notices were also issued to All Pakistan Cement Manufacturer Association ("APCMA") and its member cement manufacturers. The Parent Company impugned the SCN and filed a writ petition before Honourable Lahore High Court ("LHC") challenging the vires of the Law. LHC, while granting stay against recovery, allowed CCP to pass the order against the Parent Company resulting into levy of penalty of Rs. 103 million by CCP vide order dated 27 August 2009 (the "Order"). The Order was agitated by the Parent Company before the honourable Supreme Court of Pakistan (SC). The appeal before SC was sent to Competition Appellate Tribunal (CAT), to be decided in accordance with law. The matter is currently pending adjudication before the Competition Appellate Tribunal (CAT).
- 13.1.2** The Sui Northern Gas Pipelines Limited (SNGPL) charged an amount of Rs. 12.19 million being Non-Metered Volume Adjustment for the period from June 16, 2013 to June 25, 2013 in the Sui Gas Bill of the Parent Company for the Month of August 2014. On appeal before OGRA, the said levy was set aside to its Designated Officer, who partially decided the case in favor of the Parent Company which is thus challenged by the Parent Company and Designated Officer in appeal before the OGRA. OGRA has decided the case against the Parent Company which was agitated by the Parent Company in Writ Petition before the honourable Islamabad High Court which is pending adjudication.
- 13.1.3** The Mines and Minerals Department, Khyber Pakhtunkhwa has issued notices to the Parent Company for recovery of fine on late payment of royalty on minerals under the Mineral Sector Governance Act, 2017 amounting to Rs. 40.63 million. The aforesaid notices have been challenged by Parent Company before the honourable Peshawar High Court through filing a Writ Petition (WP), wherein the honourable Court has directed to maintain status quo, but later vide order dated 09 March 2023 directed KCCL to make payment of Rs. 10.989 million and same was duly complied/ paid on 02 June 2023. Later on the Honourable High Court has disposed-off the Writ Petition with a direction to reconcile record with Mines & Minerals Department of KPK and representation/ application is pending before Mine & Minerals Department KPK. The case has been challenged by the Parent Company before the Supreme Court.
- 13.1.4** Tehsil Municipal Officer (TMO), Kohat, in exercise of powers U/S 44 of KP Local Government Act, 2013 (the LG Act, 2013) notified factory premises of the Parent Company as rating area within the meanings of Urban Immovable Property Tax Act, 1958 (the UIP Act 1958) for the purposes

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

of imposition of Property Tax of around Rs. 31 million per annum. The Parent Company has challenged the levy on various grounds before the honourable Peshawar High Court, wherein, as an interim relief, the PHC suspended the aforesaid Notification and matter is pending before honourable Peshawar High Court, Peshawar.

- 13.1.5** The Khyber Pakhtunkhwa Mines and Minerals Department (Mining Department) conducted a survey of the leased area granted to Parent Company containing mineral resources in order to determine any difference (if any) between the minerals excavated by the Company and the amount of Royalty paid since inception till December 2014. While finalizing the assessment, the Mining Department alleged a difference of minerals excavated and declared by the Company thereby created a demand of Rs. 750 million in dire ignorance of law and facts of the matter. The Parent Company filed various representations and / or appeals before the appropriate forums to highlight that the Parent Company has even declared more production and thus paid more Royalty than the hypothetical figure of production assessed by the Mining Department through its survey, which otherwise has no strong basis. However, the Mining Department neither considered nor disposed of the Parent Company's submissions and hence the Parent Company filed a Writ Petition before the honourable Peshawar High Court (PHC) wherein, PHC has directed Mining Department to decide the pending representation after allowing sufficient audience to the Parent Company.

## **13.2 Income Tax Contingencies**

- 13.2.1** The Additional Commissioner Inland Revenue (ACIR) amended the assessment under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010, whereby the ACIR created an Income Tax Demand of Rs. 37.17 million, disallowed various profit and loss expenses, changed apportionment basis of expenses between normal and export sales and ignored the adjustment of brought forward losses of the Parent Company against its income. Being aggrieved, the Parent Company filed an appeal before the CIR(A) which succeeded leaving a tax demand of Rs. 12.8 million against the Parent Company and deleting the entire additions and disallowances. The order of the CIR(A) resulted in filing of appeal by the Parent Company and the Department before the ATIR. ATIR upheld the decision of CIR(A). The Parent Company has challenged the decision of ATIR in LHC which is pending adjudication.
- 13.2.2** The Deputy Commissioner Inland Revenue (DCIR) vide order dated 26 October 2020 raised a tax demand to the tune of Rs. 686 million pertaining to tax year 2012 under section 122(1)/122(5) of the ITO, 2001 on account of suppressed sales and disallowing various profit and loss expenses / deductible allowance and curtailing available tax credits. The Parent Company filed an appeal before the CIR (A) which was decided vide order dated 31st December 2021 resulting into deletion of entire disputed tax demand of Rs. 686 million which has been agitated by tax department through filing of appeal before the ATIR which is pending adjudication.
- 13.2.3** The Additional Commissioner Inland Revenue (ACIR) amended the assessments for tax years 2014 and 2016 whereby the claim of depreciation and initial allowance was curtailed by reducing the cost of depreciable assets for the purposes of depreciation to the extent of tax credits claimed U/S 65B of the ITO, 2001 on such assets and created a tax demand of Rs. 20.71 million and Rs. 64.90 million respectively. The treatment meted out by the ACIR for the aforesaid tax years has been agitated by the Parent Company before CIR (A) who decided the case in favor of the Parent Company which has been challenged by the Department in appeal before ATIR which is pending adjudication.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**13.2.4** Income tax affairs of the Parent Company for tax year 2015 were selected for audit U/S 177 of the ITO, 2001. The audit proceedings were finalized by the DCIR resulting in change in allocation of expenses between local and export income and disallowance of certain expenses and allowance culminating into a further tax liability of Rs. 234.5 million. The aforesaid treatment meted out by the DCIR has been agitated by the Parent Company before CIR(A) through filing of appeal, wherein partial relief has been allowed to the Parent Company leaving a tax demand of Rs. 41.5 million. Both the department and Parent Company have filed appeals before the (ATIR) against the order of CIR(A) which were decided in the favour of KCCL. FBR have further filed a reference before LHC against ATIR order which is pending adjudication.

**13.2.5** The Additional Commissioner Inland Revenue (ACIR) created a tax demand of Rs. 97.7 million for the tax year 2017 under section 122(5A) of the Income Tax Ordinance, 2001 by disallowing various profit and loss expenses / deductible allowance. The Parent Company has filed an appeal before CIR (A), wherein the entire case has been decided in favor of the Parent Company resulting in deletion of entire tax demand. The order of CIR(A) has been challenged by the Department before ATIR which is pending adjudication.

**13.2.6** The Additional Commissioner Inland Revenue (ACIR), while proceeding U/S 122(5A) of the ITO, 2001 enhanced income tax liability by Rs. 582 Million for the Tax Year 2014. On an appeal, the CIR(A), curtailed the aforesaid demand to Rs. 16.7 million. The aforesaid order of CIR(A) has been challenged by Parent Company and the Department before the ATIR, which is pending adjudication.

**13.2.7** The Deputy Commissioner Inland Revenue (DCIR) issued orders for Tax Years 2022, 2023, and 2024, levying default surcharge under Sections 205 and 137(1) of the Income Tax Ordinance, 2001 amounting to Rs. 59.70 million, Rs. 6.7 million and Rs. 3.4 million respectively. The Parent Company has challenged the aforesaid orders by filing appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The appeals are currently pending adjudication.

## **13.3 Sales Tax Contingencies**

**13.3.1** The Deputy Commissioner Inland Revenue (DCIR) has imposed a penalty of Rs. 36.95 million under section 33(17) of the Sales Tax Act, 1990 ("the Act") for alleged violation of section 3(2) of the Act, which requires the Parent Company to print retail price on cement bags. In the immediate case, DCIR ignored the facts of legal compliance by the Company including due discharge of its Sales Tax liability and arbitrarily imposed the penalty presuming that entire Sales Tax liability for the period from July 2013 to January 2014 is unpaid. Out of the total demand, the company deposited Rs 33 million under protest. The Company filed an appeal before CIR(A), which was decided against the Company through a non-speaking order. The Parent Company contested the same before the ATIR who deleted the entire amount. The order of ATIR has been agitated by the Department through filing a reference before the Honourable LHC, which is pending adjudication.

**13.3.2** The Deputy Commissioner Inland Revenue (DCIR) raised a demand of Rs. 497 million by disallowing input sales tax, for tax period July-2018 to June-2019, to the tune of Rs. 474 million and imposed a penalty of Rs. 22.7 million alleging that aforesaid input sales tax belongs to purchase of building material etc. which is thus, not allowed U/S 8(1)(h) of the Act as opposed to Company's contention that the input claimed directly relates to production of taxable supplies. Rs. 49.71 million were deposited by the Parent Company to obtain statutory stay from recovery to bar department to issue recovery notice under section 48 of the Act, along with filing appeal before CIR(A), which, however, decided against the Parent Company. The Parent

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

Company filed an appeal before the ATIR against the order of CIR(A) which resulted in deletion of entire demand whereas the aforesaid amount of Rs. 49.71 million has become refundable to the Parent Company. However, the tax Department has filed a reference application before the honourable LHC against the order of ATIR, which is pending adjudication.

- 13.4** Certain matters other than those disclosed in these financial statements, are pending at various authorities and courts of law. The management is of the view that the outcome of those is expected to be favorable and a liability, if any, arising at the conclusion of those cases is not likely to be material.

Based on opinion of Parent Company's legal counsel the management is confident of favorable outcome in all aforesaid matters of the Parent Company, hence no provision is being recognized in respect of these in the Consolidated financial statements.

|                                                                                           | Note | 2026<br>Rupees | 2025<br>Rupees |
|-------------------------------------------------------------------------------------------|------|----------------|----------------|
| <b>13.5 Commitments</b>                                                                   |      |                |                |
| In respect of letters of credit for:                                                      |      |                |                |
| - Capital expenditures                                                                    |      | 196,667,980    | 2,656,637,970  |
| - stores and spares                                                                       |      | 446,590,947    | 140,380,566    |
|                                                                                           |      | 643,258,927    | 2,797,018,536  |
| Others:                                                                                   |      |                |                |
| - Guarantee issued by Parent Company in favor of bank on behalf of the associated company |      | -              | 390,000,000    |
|                                                                                           |      | 643,258,927    | 3,187,018,536  |
| <b>14 Property, plant and equipment</b>                                                   |      |                |                |
| Operating fixed assets                                                                    | 14.1 | 20,074,112,732 | 20,873,345,754 |
| Capital work in progress                                                                  | 14.5 | 7,033,113,845  | 2,454,426,357  |
| Major spare parts and stand-by equipment                                                  |      | 146,016,897    | 32,208,398     |
|                                                                                           |      | 27,253,243,474 | 23,359,980,509 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

## 14.1 Operating fixed assets

|                                                | 2026               |                      |                          |                    |                   |                                   |                |
|------------------------------------------------|--------------------|----------------------|--------------------------|--------------------|-------------------|-----------------------------------|----------------|
|                                                | Cost               |                      | Accumulated Depreciation |                    |                   | Net book value as at 30 June 2026 |                |
|                                                | As at 01 July 2025 | Additions/ transfers | Disposals                | As at 30 June 2026 | Depreciation Rate | For the year                      | Disposals      |
|                                                | Rupees             |                      | Rupees                   |                    |                   | Rupees                            |                |
| Freehold land                                  | 513,885,562        | 37,666,576           | -                        | 551,552,138        | -                 | -                                 | -              |
| Factory buildings                              | 1,948,164,792      | 6,630,577            | -                        | 1,954,795,369      | 4% - 5%           | 65,539,385                        | -              |
| Office and other building                      | 164,991,616        | 8,485,849            | (13,156,533)             | 160,320,933        | 5%                | 3,419,024                         | (9,932,473)    |
| Housing colony                                 | 512,393,369        | 63,944,497           | (1,328,769)              | 575,009,097        | 5%                | 21,689,625                        | (1,164,483)    |
| Plant - Civil structures                       | 6,566,956,876      | 65,922,604           | -                        | 6,632,771,480      | 4%                | 254,527,604                       | -              |
| Plant - Machinery and equipment                | 22,109,413,910     | 199,000,578          | (165,166,756)            | 22,143,247,732     | 4% - 10%          | 828,475,586                       | (117,586,776)  |
| Storage tanks and pipelines                    | 30,148,252         | -                    | -                        | 30,148,252         | 10%               | 3,084,244                         | -              |
| Power installations                            | 133,025,480        | -                    | (7,080,039)              | 125,945,089        | 10%               | 18,427,665                        | (5,833,219)    |
| Furniture, fixtures and other office equipment | 228,669,616        | 16,412,482           | (717,931)                | 244,364,167        | 10%               | 13,619,116                        | (533,072)      |
| Computer and printers                          | 93,945,547         | 15,238,492           | (789,896)                | 108,394,144        | 30%               | 15,039,192                        | (520,987)      |
| Weighing scale                                 | 29,403,750         | -                    | -                        | 29,403,750         | 10%               | 1,392,683                         | -              |
| Light vehicles                                 | 617,736,116        | 117,987,142          | (33,021,689)             | 702,701,569        | 20%               | 64,240,848                        | (28,291,529)   |
| Heavy vehicles                                 | 18,824,516         | 9,287,660            | (4,172,650)              | 23,939,526         | 20%               | 1,241,899                         | (3,873,064)    |
| Railway sidings                                | 985,347            | -                    | -                        | 985,347            | 5%                | 57,383                            | -              |
| Laboratory equipment                           | 144,302,362        | 2,216,884            | -                        | 146,519,246        | 10%               | 9,646,587                         | -              |
| Library books                                  | 94,217             | -                    | -                        | 94,217             | 10%               | 330                               | -              |
|                                                | 33,121,809,457     | 542,691,341          | (225,434,614)            | 33,439,066,185     |                   | 1,284,225,354                     | (167,735,603)  |
|                                                |                    |                      |                          |                    |                   |                                   | 13,364,953,454 |
|                                                |                    |                      |                          |                    |                   |                                   | 20,074,112,732 |
|                                                | 2025               |                      |                          |                    |                   |                                   |                |
|                                                | Cost               |                      | Accumulated Depreciation |                    |                   | Net book value as at 30 June 2025 |                |
|                                                | As at 01 July 2024 | Additions/ transfers | Disposals                | As at 30 June 2025 | Depreciation Rate | For the year                      | Disposals      |
|                                                | Rupees             |                      | Rupees                   |                    |                   | Rupees                            |                |
| Freehold land                                  | 491,494,366        | 22,391,196           | -                        | 513,885,562        | -                 | -                                 | -              |
| Factory buildings                              | 1,923,284,216      | 24,880,576           | -                        | 1,948,164,792      | 4% - 5%           | 66,571,963                        | -              |
| Office and other building                      | 58,713,548         | 106,278,068          | -                        | 164,991,616        | 5%                | 1,756,832                         | -              |
| Housing colony                                 | 399,038,735        | 115,815,550          | (2,460,916)              | 512,393,369        | 5%                | 16,695,587                        | (2,174,943)    |
| Plant - Civil structures                       | 6,566,956,876      | -                    | -                        | 6,566,956,876      | 4%                | 248,725,893                       | -              |
| Plant - Machinery and equipment                | 21,641,270,850     | 468,143,060          | -                        | 22,109,413,910     | 4% - 10%          | 827,019,891                       | -              |
| Storage tanks and pipelines                    | 30,148,252         | -                    | -                        | 30,148,252         | 10%               | 3,426,996                         | -              |
| Power installations                            | 133,937,080        | -                    | (911,600)                | 133,025,480        | 10%               | 2,147,377                         | (740,984)      |
| Furniture, fixtures and other office equipment | 173,165,428        | 55,504,188           | -                        | 228,669,616        | 10%               | 9,323,285                         | -              |
| Computer and printers                          | 80,353,883         | 13,591,664           | -                        | 93,945,547         | 30%               | 15,354,948                        | -              |
| Weighing scale                                 | 29,403,750         | -                    | -                        | 29,403,750         | 10%               | 1,547,439                         | -              |
| Light vehicles                                 | 535,893,851        | 94,285,665           | (12,443,400)             | 617,736,116        | 20%               | 65,751,794                        | (7,865,349)    |
| Heavy vehicles                                 | 18,824,516         | -                    | -                        | 18,824,516         | 20%               | 413,445                           | -              |
| Railway sidings                                | 985,347            | -                    | -                        | 985,347            | 5%                | 60,403                            | -              |
| Laboratory equipment                           | 59,379,600         | 84,922,762           | -                        | 144,302,362        | 10%               | 9,034,363                         | -              |
| Library books                                  | 94,217             | -                    | -                        | 94,217             | 10%               | 367                               | -              |
|                                                | 32,151,812,644     | 985,812,729          | (15,815,916)             | 33,121,809,457     |                   | 1,264,746,263                     | (10,781,276)   |
|                                                |                    |                      |                          |                    |                   |                                   | 12,248,463,703 |
|                                                |                    |                      |                          |                    |                   |                                   | 20,873,345,754 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**14.2** Factory buildings, plant civil structure, housing colony, plant, machinery and equipment, storage tanks and pipelines, power installations, weighing scale, railway sidings and laboratory equipment are located at freehold land measuring 1,875 kanals and 15 marlas located at Mouza Togh Bala Babri Banda, District Kohat, KPK, Pakistan.

Head Office building of the Company is located at 36-37 P, Gulberg II, Lahore on land measuring 2 kanal and 8 marlas.

|                                                                             | Note | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------------------------------------------------|------|----------------|----------------|
| <b>14.3 Depreciation charge for the year has been allocated as follows:</b> |      |                |                |
| Cost of sales                                                               | 26   | 1,240,311,261  | 1,222,716,176  |
| Selling and distribution expenses                                           | 27   | 7,315,930      | 13,292,158     |
| Administrative and general expenses                                         | 28   | 36,598,163     | 28,737,929     |
|                                                                             |      | 1,284,225,354  | 1,264,746,263  |

## 14.4 Disposal of property, plant and equipment

| Particulars of assets                                | 2026             |              |                |             |                         | Mode of disposal | Particulars of buyers                       | Relationship with buyer |
|------------------------------------------------------|------------------|--------------|----------------|-------------|-------------------------|------------------|---------------------------------------------|-------------------------|
|                                                      | Accumulated Cost | depreciation | Net book value | Sales value | Gain/(loss) on disposal |                  |                                             |                         |
|                                                      | Rupees           |              |                |             |                         |                  |                                             |                         |
| <b>Light vehicles</b>                                |                  |              |                |             |                         |                  |                                             |                         |
| PEUGEOT Allure                                       | 6,017,870        | 3,285,918    | 2,731,952      | 5,750,000   | 3,018,048               | Negotiation      | Ultra Pack (Pvt) Ltd                        | Associated Company      |
| Toyota Land Cruiser (ZX)                             | 14,631,449       | 12,824,481   | 1,806,969      | 19,500,000  | 17,693,031              | Negotiation      | Hamza Javed                                 | Third party             |
| <b>Office and other building</b>                     |                  |              |                |             |                         |                  |                                             |                         |
| Plant admin building office                          | 13,156,533       | 9,932,473    | 3,224,059      | 700,000     | (2,524,059)             | Negotiation      | Aziz ur Rehman                              | Third party             |
| <b>Plant - Machinery and equipment</b>               |                  |              |                |             |                         |                  |                                             |                         |
| Parts of Cooler - Line 3                             | 165,166,756      | 117,586,778  | 47,579,978     | 23,289,834  | (24,290,144)            | Negotiation      | Rohri Cement (Pvt) Limited                  | Third party             |
| <b>Power installations</b>                           |                  |              |                |             |                         |                  |                                             |                         |
| Centrally Air-conditioning system HO                 | 7,080,391        | 5,833,219    | 1,247,172      | 1,750,000   | 502,828                 | Negotiation      | Sajjad Ali, Meeran Corporation, Faisal Khan | Third party             |
| Items having book value less than Rs. 500,000/- each | 19,381,615       | 18,272,734   | 1,108,881      | 17,526,000  | 16,417,119              |                  |                                             |                         |
| <b>2026</b>                                          | 225,434,614      | 167,735,603  | 57,699,011     | 68,515,834  | 10,816,823              |                  |                                             |                         |
| <b>2025</b>                                          | 15,815,916       | 10,781,277   | 5,034,639      | 15,321,000  | 10,286,361              |                  |                                             |                         |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                        | Note   | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------------------------------------------|--------|----------------|----------------|
| <b>14.5 Capital work in progress</b>                                   |        |                |                |
| The breakup of closing balance is as follows:                          |        |                |                |
| Plant and machinery                                                    |        | 5,538,596,387  | 2,049,119,789  |
| Civil works                                                            |        | 1,494,517,458  | 405,306,568    |
|                                                                        | 14.5.1 | 7,033,113,845  | 2,454,426,357  |
| <b>14.5.1</b> The reconciliation of the carrying amount is as follows: |        |                |                |
| Opening balance                                                        |        | 2,454,426,357  | 999,326,605    |
| Additions during the year                                              |        | 4,988,087,544  | 2,196,188,538  |
| Transfers to operating fixed assets                                    |        | (409,400,056)  | (741,088,786)  |
| Closing balance                                                        |        | 7,033,113,845  | 2,454,426,357  |

During the year, the Parent Company incurred significant expenditure on its Coal Fired Power Plant ('CFPP') of 28.5 Mega Watt and as of June 30, 2026, the capital work in progress primarily represents expenditure incurred on CFPP project aggregating to Rs 6,293.70 million (2025: Rs 1,794.87 million) inclusive of borrowing cost capitalised of Rs 358.27 million (2025: Rs 6 million). It also includes plant and machinery in transit of Rs 113.56 million (2025: Rs 567.62 million) relating to the CFPP.

|                                 | Note | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------|------|----------------|----------------|
| <b>15 Intangibles</b>           |      |                |                |
| Opening balance                 |      | 259,742        | 508,226        |
| Less: Amortization for the year | 15.1 | (259,742)      | (248,484)      |
| Closing balance                 |      | -              | 259,742        |
| Cost                            |      | 30,461,960     | 30,461,960     |
| Less: Accumulated amortization  |      | (30,461,960)   | (30,202,218)   |
|                                 |      | -              | 259,742        |
| <b>(Percentage)</b>             |      |                |                |
| Amortization rate               |      | 20%            | 20%            |

**15.1** Amortization charge for the year has been allocated to administrative and general expenses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                              | Note | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------------|------|----------------|----------------|
| <b>16 Long term loans and advances</b>       |      |                |                |
| Loans to employees – secured considered good |      | 678,745        | 957,538        |
| Advance against purchase of fixed assets     | 16.1 | 166,127,078    | 433,733,790    |
|                                              |      | 166,805,823    | 434,691,328    |

**16.1** This includes advances against purchase of land in District Khushab for installation of its new grey cement line amounting to Rs. 29.47 million (2025: Rs. 11.9 million).

|                              | Note | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------|------|----------------|----------------|
| <b>17 Long term deposits</b> |      |                |                |
| Opening balance              |      | 58,226,136     | 58,026,136     |
| Additions during the year    |      | 5,000,000      | 200,000        |
| Closing balance              | 17.1 | 63,226,136     | 58,226,136     |

**17.1** This mainly represents security deposit with Peshawar Electric Supply Company and Faisalabad Electric Supply Company amounting to Rs 37.8 million (2025: Rs 37.8 million) and Rs 14.7 million (2025: Rs 14.7 million) respectively.

|                                          |      | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------------|------|----------------|----------------|
| <b>18 Investment property</b>            |      |                |                |
| Investment property                      | 18.1 | 4,326,361,559  | 4,326,361,559  |
| Investment property – under construction | 18.2 | 30,791,129     | –              |
|                                          |      | 4,357,152,688  | 4,326,361,559  |

**18.1** Investment property comprises of freehold land. The Parent Company owns investment properties measuring 1,128.88 kanals (2025: 1,128.88 kanals) located at different locations in District Lahore. The approximate market value of investment property is Rs. 10,748.65 million (2025: Rs. 9,756.11 million) and aggregate forced sale value of Rs. 9136.35 million (2025: Rs.8,292.69 million) based on valuation conducted by a professional valuer. Fair value of investment property has been determined by professional valuers (level 2 measurement) appointed by the Parent Company based on their assessment of the market values. The valuation experts used a market based approach to arrive at the fair value of the Company's investment properties.

**18.2** This represents expenditure on under construction investment property.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|             | Note                                  | 2026<br>Rupees | 2025<br>Rupees |
|-------------|---------------------------------------|----------------|----------------|
| <b>19</b>   | <b>Stores, spares and loose tools</b> |                |                |
| Stores      | 19.1                                  | 3,629,671,912  | 2,681,146,167  |
| Spares      |                                       | 2,173,368,202  | 2,223,988,416  |
| Loose tools |                                       | 92,163,595     | 86,176,892     |
|             |                                       | 5,895,203,709  | 4,991,311,475  |

**19.1** These include stores in transit amounting to Rs. 1,214.46 million (2025: Rs. 850.62 million).

|                                                  | Note                                               | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------|----------------------------------------------------|----------------|----------------|
| <b>20</b>                                        | <b>Stock-in-trade</b>                              |                |                |
| Raw materials                                    |                                                    | 34,382,219     | 24,423,323     |
| Packing materials                                |                                                    | 395,016,115    | 400,011,656    |
| Work in process                                  |                                                    | 880,685,378    | 1,313,418,768  |
| Finished goods                                   |                                                    | 753,207,048    | 775,702,805    |
|                                                  |                                                    | 2,063,290,760  | 2,513,556,552  |
| <b>21</b>                                        | <b>Trade debts - unsecured and considered good</b> |                |                |
| Trade debts - gross                              |                                                    | 1,728,214,659  | 1,777,917,803  |
| Expected credit loss on trade debts              | 21.1                                               | (68,143,423)   | (85,699,971)   |
|                                                  |                                                    | 1,660,071,236  | 1,692,217,832  |
| <b>21.1</b>                                      | Movement in expected credit loss on trade debts:   |                |                |
| Balance as of July 01                            |                                                    | 85,699,971     | 41,621,406     |
| (Reversal)/ expected credit loss during the year |                                                    | (17,556,548)   | 44,078,565     |
| Closing balance as at 30 June                    |                                                    | 68,143,423     | 85,699,971     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                    | Note   | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------|--------|----------------|----------------|
| <b>22 Short term investments</b>   |        |                |                |
| <b>FVOCI – debt instrument</b>     |        |                |                |
| - Term Finance Certificates        | 22.1.1 | 100,000,000    | 100,000,000    |
| - Accumulated fair value loss      | 22.1.2 | (2,000,000)    | (5,835,000)    |
|                                    |        | 98,000,000     | 94,165,000     |
| <b>FVTPL</b>                       |        |                |                |
| <b>Mutual Funds (fixed income)</b> |        |                |                |
| - Cost – Conventional              |        | 19,896,909,825 | 24,921,443,843 |
| - Cost – Shariah Compliant         |        | 13,478,128,171 | 211,898,653    |
| - Net change in fair value         | 22.2   | 61,294,079     | 37,774,517     |
|                                    |        | 33,436,332,075 | 25,171,117,014 |
| <b>Listed equity securities</b>    |        |                |                |
| - Cost – Conventional              |        | 141,118,579    | 366,684,009    |
| - Cost – Shariah Compliant         |        | 790,383,543    | -              |
| - Net change in fair value         | 22.3   | 1,043,834,892  | 1,309,666,183  |
|                                    |        | 1,975,337,014  | 1,676,350,192  |
|                                    |        | 35,411,669,089 | 26,847,467,205 |
|                                    |        | 35,509,669,089 | 26,941,632,205 |

## 22.1 FVOCI – debt instrument

**22.1.1** These represent fully paid-up, privately placed, perpetual, unsecured and sub-ordinated Term Finance Certificates issued by Habib Bank Limited and the Bank of Punjab. These TFCs carry floating rate of return at 3-6 Month Kibor plus 1.60% to 2% per annum.

|                                      | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------|----------------|----------------|
| <b>22.1.2 Fair value changes</b>     |                |                |
| At beginning of the year             | (5,835,000)    | (2,660,000)    |
| Fair value gain/ (loss) for the year | 3,835,000      | (3,175,000)    |
|                                      | (2,000,000)    | (5,835,000)    |
| <b>22.2 FVTPL – mutual funds</b>     |                |                |
| <b>Fair value changes</b>            |                |                |
| At beginning of the year             | 37,774,517     | 46,145,278     |
| Net change in Fair value             | 23,519,562     | (8,370,761)    |
|                                      | 61,294,079     | 37,774,517     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                        | Note | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------------------------------------------|------|----------------|----------------|
| <b>22.3 FVTPL – listed equity securities</b>                           |      |                |                |
| <b>Fair value changes</b>                                              |      |                |                |
| At beginning of the year                                               |      | 1,309,666,183  | 603,170,042    |
| Net change in Fair value                                               |      | (265,831,291)  | 706,496,141    |
|                                                                        |      | 1,043,834,892  | 1,309,666,183  |
| <b>23 Loans, advances, deposits, prepayments and other receivables</b> |      |                |                |
| Advances – unsecured, considered good                                  |      |                |                |
| - to employees                                                         | 23.1 | 2,212,286      | 4,951,373      |
| - to suppliers                                                         |      | 92,650,507     | 100,412,899    |
| - to contractors                                                       |      | 532,503        | 6,144,212      |
|                                                                        |      | 95,395,296     | 111,508,484    |
| Income tax and sales tax paid under protest                            | 23.2 | 217,364,133    | 181,855,970    |
| Loan to Ultra Kraft (Private) Limited– an associated undertaking       | 23.3 | 505,869,154    | 558,885,403    |
| Letter of credit / Bank guarantee margin                               |      | 7,936,491      | 7,936,491      |
| Prepayments                                                            |      | 4,006,018      | 19,302,125     |
| Security deposits                                                      |      | 8,040,422      | 7,815,422      |
| Accrued interest on advances and deposits                              |      | 18,222,674     | 1,475,908      |
| Duty drawback claims receivable on export sales                        |      | 4,981,527      | 5,392,294      |
| Other advances and receivables                                         | 23.4 | 449,917,297    | 131,199,610    |
|                                                                        |      | 1,311,733,012  | 1,025,371,707  |
| <b>23.1 Advances to Parent Company's employees</b>                     |      |                |                |
| Advances to employees against salary                                   |      | 1,497,260      | 2,158,915      |
| Advances to employees against expenses                                 |      | 715,026        | 2,792,458      |
|                                                                        |      | 2,212,286      | 4,951,373      |

**23.2** This includes sales tax paid to the Federal Board of Revenue under protest, as referred to in note 13.3.1 and 13.3.2.

**23.3** In terms of section 199 of the Companies Act, 2017 the Parent Company in its Annual general meeting held on 13 October 2025 has approved renewal of investment by way of short-term running finance up to Rs. 600 million in Ultra Kraft (Private) Limited (UKPL), an associated company, to meet its working capital requirements. As of 30 June 2026, the Company has disbursed Rs. 490 million (2025: Rs. 540 million) to UKPL, the loan is for one year period starting from 29 October 2025 and carry mark up rate of 3 month KIBOR plus 1.5% per annum. This facility is secured by way of Corporate Guarantee from UKPL and ANS Capital (Private) Limited (the ultimate Holding Company) to the Parent Company. Further, the Parent Company had also issued a Corporate Guarantee for an amount of Rs. 390 million for a period of 7 years in favor of National Bank of Pakistan (NBP) and mortgaged its immovable property to secure long term financial assistance to be extended by NBP to UKPL. Commission was being charged at

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

the rate of 0.12% per quarter payable quarterly in arrears. This guarantee was vacated during the current year and mortgage on immovable properties of the Parent Company was also vacated. As at 30 June 2026, Rs. 15.869 million (2025: Rs. 18.885 million) pertains to accrued mark-up/commission on these financing facilities. The maximum aggregate balance due from UKPL during the year calculated with reference to month end balances amounts to Rs. 558.85 million (2025: Rs. 600 million).

- 23.4** This include bid money of Rs. 400 million (2025: Nil) paid to Privatization Commission of Pakistan through Lucky Cement Limited (the lead consortium) for participation in Pakistan International Airlines privatization bidding.

|                                   | Note                          | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------|-------------------------------|----------------|----------------|
| <b>24</b>                         | <b>Cash and bank balances</b> |                |                |
| Cash in hand                      |                               | 361,864        | 453,261        |
| Cash at bank                      |                               |                |                |
| - current accounts:               |                               |                |                |
| -Deposits with conventional banks |                               | 770,321,759    | 467,957,042    |
| -Deposits with Islamic banks      |                               | 258,060,724    | 350,486,105    |
|                                   |                               | 1,028,382,483  | 818,443,147    |
| - saving accounts:                |                               |                |                |
| -Deposits with conventional banks |                               | 427,487,063    | 435,950,044    |
| -Deposits with Islamic banks      |                               | 272,611,888    | 195,856,271    |
|                                   | 24.1                          | 700,098,951    | 631,806,315    |
|                                   |                               | 1,728,843,298  | 1,450,702,723  |

- 24.1** These carry return at 2.47% to 10.50% (2025: 4.00% to 19.00%) per annum.

|                     |                                                   | 2026<br>Rupees   | 2025<br>Rupees   |
|---------------------|---------------------------------------------------|------------------|------------------|
| <b>25</b>           | <b>Revenue from contract with customers - net</b> |                  |                  |
| Gross revenue       |                                                   |                  |                  |
| - Local             |                                                   | 59,012,550,104   | 57,027,814,702   |
| - Export            |                                                   | 608,043,875      | 240,558,573      |
|                     |                                                   | 59,620,593,979   | 57,268,373,275   |
| Less: Sales tax     |                                                   | (10,382,448,305) | (9,823,008,806)  |
| Federal excise duty |                                                   | (9,788,478,800)  | (9,231,787,840)  |
| Discount / rebate   |                                                   | (919,013,640)    | (677,876,257)    |
|                     |                                                   | (21,089,940,745) | (19,732,672,903) |
|                     |                                                   | 38,530,653,234   | 37,535,700,372   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

## 25.1 Disaggregation of revenue

|                                                   | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------------------|----------------|----------------|
| <b>25.1.1 Type of customers - Gross revenue</b>   |                |                |
| - Contracts with government customers             | 1,101,716,630  | 2,274,418,424  |
| - Contracts with non-government customers         | 58,518,877,349 | 54,993,954,851 |
|                                                   | 59,620,593,979 | 57,268,373,275 |
| <b>25.1.2 Geographical region - Gross revenue</b> |                |                |
| - Pakistan                                        | 59,012,550,104 | 57,027,814,702 |
| - Afghanistan                                     | 608,043,875    | 240,558,573    |
|                                                   | 59,620,593,979 | 57,268,373,275 |

**25.1.3** No sale has been made to any customer representing 10% or more of total sales for the year (2025: Nil).

**25.1.4** During the year the Group has recognized gross revenue amounting to Rs. 126 million out of contract liability as at 01 July 2025.

|                                                              | Note | 2026<br>Rupees | 2025<br>Rupees  |
|--------------------------------------------------------------|------|----------------|-----------------|
| <b>26 Cost of sales</b>                                      |      |                |                 |
| Raw materials consumed                                       |      | 1,622,013,846  | 1,476,403,998   |
| Packing materials consumed                                   |      | 2,266,746,940  | 1,986,157,711   |
| Power and fuel                                               |      | 3,906,626,810  | 4,062,032,091   |
| Coal and gas                                                 |      | 11,232,238,914 | 10,787,355,891  |
| Stores and spares consumed                                   |      | 1,083,303,135  | 1,282,545,568   |
| Salaries, wages and other benefits                           | 26.1 | 897,997,514    | 784,590,829     |
| Royalty and excise duty                                      | 26.2 | 1,226,306,475  | 838,362,891     |
| Depreciation                                                 | 14.3 | 1,240,311,261  | 1,222,716,176   |
| Rent, rates and taxes                                        |      | 55,205,180     | 46,517,267      |
| Repairs and maintenance                                      |      | 320,571,382    | 287,520,646     |
| Insurance                                                    |      | 73,933,095     | 72,856,969      |
| Other expenses                                               |      | 550,766,973    | 515,733,391     |
|                                                              |      | 24,476,021,525 | 23,362,793,428  |
| Work in process                                              |      |                |                 |
| At beginning of the year                                     |      | 1,313,418,768  | 723,387,446     |
| At end of the year                                           |      | (880,685,378)  | (1,313,418,768) |
|                                                              |      | 432,733,390    | (590,031,322)   |
| Cost of goods manufactured                                   |      | 24,908,754,915 | 22,772,762,106  |
| Finished goods                                               |      |                |                 |
| At beginning of the year                                     |      | 775,702,805    | 671,167,588     |
| At end of the year                                           |      | (753,207,048)  | (775,702,805)   |
|                                                              |      | 24,931,250,672 | 22,668,226,889  |
| Less: Cost attributable to own cement consumption and others |      | (48,535,115)   | (24,074,838)    |
|                                                              |      | 24,882,715,557 | 22,644,152,051  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**26.1** Salaries, wages and other benefits include Rs. 19.46 million (2025: Rs. 20.30 million) and Rs. 10.14 million (2025: Rs. 9.19 million) in respect of provident fund contributions and compensated absences, respectively.

**26.2** This represents royalty and excise duty charged by Government of Khyber Pakhtunkhwa on account of extraction of raw materials from quarry lease.

|                                    | Note                                     | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------|------------------------------------------|----------------|----------------|
| <b>27</b>                          | <b>Selling and distribution expenses</b> |                |                |
| Salaries, wages and other benefits | 27.1                                     | 158,804,746    | 141,799,271    |
| Vehicle running                    |                                          | 8,710,028      | 8,325,137      |
| Travelling and conveyance          |                                          | 5,684,921      | 4,923,270      |
| Printing and stationery            |                                          | 699,327        | 750,564        |
| Postage, telephone and telegrams   |                                          | 1,641,885      | 1,667,907      |
| Repairs and maintenance            |                                          | 1,163,702      | 1,360,386      |
| Entertainment                      |                                          | 2,861,842      | 4,663,048      |
| Rent, rates and taxes              |                                          | 17,266,008     | 4,722,540      |
| Electricity, water and gas         |                                          | 1,276,693      | 1,302,703      |
| Sales promotion                    |                                          | 42,831,093     | 41,340,155     |
| Depreciation                       | 14.3                                     | 7,315,930      | 13,292,158     |
| Miscellaneous                      |                                          | 2,178,252      | 1,453,278      |
|                                    |                                          | 250,434,427    | 225,600,417    |

**27.1** Salaries, wages and other benefits include Rs. 3.62 million (2025: Rs. 3.24 million) and Rs. 1.26 million (2025: Rs. 1.14 million) in respect of provident fund contributions and compensated absences, respectively.

|                                                   | Note                                       | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------------------|--------------------------------------------|----------------|----------------|
| <b>28</b>                                         | <b>Administrative and general expenses</b> |                |                |
| Salaries, wages and other benefits                | 28.1                                       | 690,815,096    | 619,256,979    |
| Vehicle running                                   |                                            | 14,977,105     | 10,105,183     |
| Travelling and conveyance                         |                                            | 22,095,522     | 2,735,527      |
| Printing and stationery                           |                                            | 6,384,470      | 6,387,181      |
| Legal and professional                            | 28.2                                       | 106,176,437    | 123,107,170    |
| Postage, telephone and telegrams                  |                                            | 2,630,701      | 3,897,767      |
| Repairs and maintenance                           |                                            | 115,329,809    | 24,390,484     |
| Rent, rates and taxes                             |                                            | 42,572,416     | 18,612,363     |
| Electricity, water and gas                        |                                            | 11,520,703     | 9,774,200      |
| Entertainment                                     |                                            | 9,985,397      | 10,626,522     |
| Auditors' remuneration and fee for other services | 28.3                                       | 8,309,387      | 5,325,000      |
| Depreciation                                      | 14.3                                       | 36,598,163     | 28,737,929     |
| Amortization                                      | 15                                         | 259,742        | 248,484        |
| Advertisement                                     |                                            | 1,420,595      | 626,030        |
| Miscellaneous                                     |                                            | 3,202,184      | 1,664,519      |
|                                                   |                                            | 1,072,277,727  | 865,495,338    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

**28.1** Salaries, wages and other benefits include Rs. 11.26 million (2025: Rs. 8.18 million) and Rs. 3.17 million (2025: Rs. 2.87 million) in respect of provident fund contributions and compensated absences, respectively.

**28.2** Legal and professional charges include remuneration to cost auditor amounting to Rs. 0.368 million (2025: Rs. 0.315 million).

|                                                                                      | Note | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------------------------------------------|------|----------------|----------------|
| <b>28.3 Auditors' remuneration and fee for other services (excluding sales tax):</b> |      |                |                |
| Annual statutory audits                                                              |      | 6,000,000      | 3,400,000      |
| Interim review                                                                       |      | 1,000,000      | 500,000        |
| Certifications and other assurance services                                          |      | 1,000,000      | 300,000        |
| Tax consultancy                                                                      |      | -              | 1,125,000      |
| Out of pocket expense                                                                |      | 309,387        | -              |
|                                                                                      |      | 8,309,387      | 5,325,000      |
| <b>29 Other expenses</b>                                                             |      |                |                |
| Workers' Profit Participation Fund                                                   | 10.2 | 614,896,752    | 680,337,050    |
| Workers' Welfare Fund                                                                | 10.3 | 240,863,252    | 258,822,015    |
| Donations                                                                            | 29.1 | 1,200,000      | 1,200,000      |
| Foreign currency exchange loss - net                                                 |      | 11,318,424     | -              |
|                                                                                      |      | 868,278,428    | 940,359,065    |

**29.1** It includes donations paid to Akhuwat Foundation Rs. 1.2 million (2025: Rs. 1.2 million). None of the Directors of the Group or any of their spouse have any interest in donee's fund.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                                                  | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>30 Other income</b>                                                                           |                |                |
| <b>Income from financial assets – Conventional:</b>                                              |                |                |
| Interest on bank deposits, debt instruments and advances                                         | 95,788,809     | 90,714,037     |
| Realized gain on investments at FVTPL-Mutual Funds                                               | 2,050,241,704  | 3,126,528,356  |
| Realized gain on investments at FVTPL-Equity                                                     | 1,437,694,555  | 341,781,371    |
| Dividend received from investment in mutual funds                                                | 3,447,106      | 9,779,003      |
| Dividend received from investment in equity securities                                           | 131,250,392    | 210,010,165    |
| Net change in fair value of financial assets at FVTPL                                            | (356,332,089)  | 700,234,695    |
| Foreign currency exchange gain – net                                                             | -              | 992,328        |
| Interest on employees' loans                                                                     | 63,661         | 125,336        |
| Interest/commission on financing facilities to<br>Ultra Kraft (Pvt) Limited – associated company | 66,238,472     | 91,515,847     |
|                                                                                                  | 3,428,392,610  | 4,571,681,138  |
| <b>Income from financial assets – Shariah compliant:</b>                                         |                |                |
| Profit on bank deposits                                                                          | 11,589,227     | 35,060,082     |
| Realized gain on investments at FVTPL-Mutual Funds                                               | 966,585,511    | 484,810,994    |
| Realized gain on investments at FVTPL-Equity                                                     | 1,231,104      | -              |
| Net change in fair value of financial assets at FVTPL                                            | 114,020,360    | (2,111,066)    |
| Dividend received from investment in equity securities                                           | 25,677,794     | -              |
| Dividend received from investment in mutual funds                                                | 302,020        | 7,731,928      |
|                                                                                                  | 1,119,406,016  | 525,491,938    |
| <b>Income from non-financial assets:</b>                                                         |                |                |
| Income from sale of scrap                                                                        | 51,495,805     | 127,490,563    |
| Insurance claim                                                                                  | 34,001,080     | 42,616,735     |
| Profit on disposal / retirement of property,<br>plant and equipment                              | 10,816,823     | 10,286,361     |
| Miscellaneous income                                                                             | 3,479,500      | 3,152,462      |
|                                                                                                  | 99,793,208     | 183,546,121    |
|                                                                                                  | 4,647,591,834  | 5,280,719,197  |
| <b>31 Finance cost</b>                                                                           |                |                |
| Mark-up on conventional finances:                                                                |                |                |
| Short term borrowings- secured                                                                   | 18,007,609     | 20,339,806     |
| Long term finances-secured                                                                       | 90,847,480     | 285,870,933    |
|                                                                                                  | 108,855,089    | 306,210,739    |
| Mark-up on Shariah finances:                                                                     |                |                |
| Short term borrowings- secured                                                                   | 27,015,804     | -              |
| Bank charges, commission and others                                                              | 17,566,279     | 43,699,977     |
|                                                                                                  | 153,437,172    | 349,910,716    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 32 Levy – final tax

This represents levy in accordance with the requirements of IFRIC 21 and IAS 37. This includes final tax paid under section 5 of the Income Tax Ordinance, 2001 (ITO, 2001) on dividend income.

|                      | 2026<br>Rupees | 2025<br>Rupees |
|----------------------|----------------|----------------|
| <b>33 Taxation</b>   |                |                |
| Current              |                |                |
| - for the year       | 5,651,062,948  | 5,932,050,449  |
| - for the prior year | -              | (3,580,167)    |
|                      | 5,651,062,948  | 5,928,470,282  |
| Deferred tax         | (420,558,026)  | 184,567,696    |
|                      | 5,230,504,922  | 6,113,037,978  |

**33.1** Reconciliation of tax charge as per tax laws for the year with the current tax and levies recognized in the statement of profit or loss is as follows:

|                                                                                                                | 2026<br>Rupees | 2025<br>Rupees |
|----------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Portion of income tax liability as per tax laws, representing current tax under IAS 12                         | 5,651,062,948  | 5,928,470,282  |
| Portion of final tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21/ IAS 37 | 40,694,206     | 58,631,368     |
| Total tax liability as per applicable tax laws                                                                 | 5,691,757,154  | 5,987,101,650  |
| <b>33.2 Relationship between tax expense and accounting profit</b>                                             |                |                |
| Profit before taxation                                                                                         | 15,927,964,099 | 17,688,192,049 |
| Tax calculated at the rate of 29% (2025: 29%)                                                                  | 4,619,109,589  | 5,129,575,694  |
| Tax effect of:                                                                                                 |                |                |
| - super tax @ 10%                                                                                              | 1,641,873,881  | 1,687,754,634  |
| -Tax on separate block of income                                                                               | (689,261,557)  | (591,085,215)  |
| -Effect of rate change                                                                                         | (317,328,933)  | 9,486,008      |
| - tax revision prior year                                                                                      | -              | (3,580,167)    |
| - others                                                                                                       | (23,888,058)   | (119,112,976)  |
|                                                                                                                | 5,230,504,922  | 6,113,037,978  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                                                                                | Unit        | 2026<br>Rupees          | 2025<br>Rupees          |
|--------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|-------------------------|
| <b>34 Earnings per share - basic and diluted</b>                                                                               |             |                         |                         |
| <b>34.1 Basic Earnings per share</b>                                                                                           |             |                         |                         |
| Profit for the year after taxation                                                                                             | Rupees      | 10,697,459,177          | 11,575,154,071          |
| Weighted average number of ordinary shares (note 35.1.1)                                                                       | Numbers     | 919,306,485             | 967,142,101             |
| Earnings per share                                                                                                             | Rupees      | 11.64                   | 11.97                   |
|                                                                                                                                | <b>Note</b> | <b>2026<br/>Numbers</b> | <b>2025<br/>Numbers</b> |
| <b>34.1.1 Weighted average number of ordinary shares</b>                                                                       |             |                         |                         |
| Outstanding shares at the beginning of the year (ordinary shares of Rs. 10 each)                                               |             | 183,861,297             | 195,861,297             |
| Effect of Stock-Split in the ratio of 5:1                                                                                      |             |                         |                         |
| Add: Issuance of Ordinary Shares of Rs. 2 each                                                                                 |             | 919,306,485             |                         |
| Less: Cancellation of Ordinary Shares of Rs. 10 each                                                                           |             | (183,861,297)           |                         |
| Less: Own shares (of Rs. 10 each) purchased during the year adjusted with time-weighting factor                                |             | -                       | (2,432,877)             |
| Weighted average number of shares outstanding during the year                                                                  |             | 919,306,485             | 193,428,420             |
| Weighted average number of shares outstanding during the year with retrospective adjustment of Stock Split in the ratio of 5:1 | 34.1.2      | -                       | 967,142,101             |

**34.1.2** Weighted average number of shares of prior year is adjusted after share split approved by members of the Parent Company, in their Extraordinary General Meeting held on August 7, 2025 and executed on August 23, 2025 as disclosed in note 5.4.

## **34.2 Diluted earnings per share**

There is no dilutive effect on the basic earnings per share as the Parent Company does not have any convertible instruments in issue as at 30 June 2026 and 30 June 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                               | Note    | 2026<br>Rupees  | 2025<br>Rupees  |
|---------------------------------------------------------------|---------|-----------------|-----------------|
| <b>35 Cash generated from operations</b>                      |         |                 |                 |
| Profit before taxation                                        |         | 15,927,964,099  | 17,688,192,049  |
| Adjustments for non-cash and other items:                     |         |                 |                 |
| Provision for compensated absences                            | 9.2     | 14,565,936      | 13,204,899      |
| Depreciation on property, plant and equipment                 | 14.3    | 1,284,225,354   | 1,264,746,263   |
| (Reversal)/ allowance for expected credit loss on trade debts | 21.1    | (17,556,548)    | 44,078,565      |
| Amortization on intangibles                                   | 28      | 259,742         | 248,484         |
| Provision for Workers' Welfare Fund                           | 29      | 240,863,252     | 258,822,015     |
| Provision for Workers' Profit Participation Fund              | 29      | 614,896,752     | 680,337,050     |
| Foreign currency exchange gain/(loss)                         | 29 & 30 | 11,318,424      | (992,328)       |
| Gain on disposal of property, plant and equipment             | 30      | (10,816,823)    | (10,286,361)    |
| Profit on bank deposits, advances and loans                   | 30      | (173,616,508)   | (217,289,967)   |
| Realized gain on investment at FVTPL                          | 30      | (4,455,752,874) | (3,953,120,721) |
| Net change in fair value of financial assets at FVTPL         | 30      | 242,311,729     | (698,123,629)   |
| Dividend income                                               | 30      | (160,677,312)   | (227,521,096)   |
| Finance cost                                                  | 31      | 135,870,893     | 306,210,739     |
| Final tax on dividends representing levy                      | 32      | 40,694,206      | 58,631,368      |
| Deferred tax recognised in other comprehensive income         | 9.1     | -               | (2,275,650)     |
|                                                               |         | (2,233,413,777) | (2,483,330,369) |
| <b>Operating profit before working capital changes</b>        |         | 13,694,550,322  | 15,204,861,680  |
| <b>Changes in working capital</b>                             |         |                 |                 |
| (Increase) / decrease in current assets:                      |         |                 |                 |
| Stores, spares and loose tools                                |         | (903,892,234)   | 794,372,011     |
| Stock in trade                                                |         | 450,265,792     | (719,814,112)   |
| Trade debts                                                   |         | 49,703,144      | 373,951,505     |
| Advances, deposits, prepayments and other receivables         |         | 80,385,461      | 149,502,424     |
|                                                               |         | (323,537,837)   | 598,011,828     |
| Increase / (decrease) in current liabilities:                 |         |                 |                 |
| Trade and other payables                                      |         | 146,301,975     | 740,969,700     |
| Contract liabilities                                          |         | 123,239,817     | 30,882,301      |
| <b>Cash generated from operations</b>                         |         | 13,640,554,277  | 16,574,725,509  |
| <b>36 Cash and cash equivalents</b>                           |         |                 |                 |
| Cash and bank balances                                        | 24      | 1,728,843,298   | 1,450,702,723   |
| Short term running finances                                   |         | (1,976,040,261) | -               |
|                                                               |         | (247,196,963)   | 1,450,702,723   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 37 Related parties

**37.1** Following are the related parties with whom the Group had entered into transactions during the year:

| Sr. no. | Name of Related Party           | Relationship with the Company                    |
|---------|---------------------------------|--------------------------------------------------|
| 1       | Ultra Pack (Private) Limited    | Associated undertaking                           |
| 2       | Ultra Kraft (Private) Limited   | Associated undertaking                           |
| 3       | Rhombus (Private) Limited       | Associated undertaking                           |
| 4       | Employees' Provident Fund Trust | Post employment contribution plan                |
| 5       | Kohat Cement Educational Trust  | Common directorship / trustee                    |
| 6       | Mr. Aizaz Mansoor Sheikh        | Director / Chairman of the Parent Company        |
| 7       | Mr. Nadeem Atta Sheikh          | Director / Chief executive of the Parent Company |
| 8       | Mr. Omer Aizaz Sheikh           | Key management personnel                         |
| 9       | Mr. Ibrahim Tanseer Sheikh      | Key management personnel                         |
| 10      | Mr. Faisal Atta Sheikh          | Key management personnel                         |
| 11      | Mr. Ali Aizaz Sheikh            | Key management personnel                         |
| 12      | Mr. Asad Atta Sheikh            | Key management personnel                         |
| 13      | Mr. Khurram Shahzad             | Key management personnel                         |
| 14      | Ms. Iqra Khalid                 | Key management personnel                         |

## 37.2 Balances and transactions with related parties

The related parties comprise of associated companies, Directors of the Company, key management personnel and staff retirement funds. Balances with related parties are disclosed in respective notes. Transactions with related parties are as follows:

|                                                  | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------|----------------|----------------|
| <b>Transactions during the year</b>              |                |                |
| <b>Transactions with Associated Undertakings</b> |                |                |
| Purchases in ordinary course of business         | 2,223,205,944  | 1,925,796,465  |
| Purchase of asset                                | -              | 2,000,000      |
| Sales of asset                                   | 5,750,000      | 767,000        |
| (Repayment)/ disbursement of loan - net          | (50,000,000)   | 38,000,000     |
| Commission / markup charges                      | 66,238,472     | 91,515,847     |
| <b>Transactions with Directors</b>               |                |                |
| Managerial remuneration and other benefits       | 191,560,047    | 169,942,220    |
| Chairman remuneration                            | 148,241,833    | 132,707,451    |
| Meeting fee                                      | 2,960,000      | 1,605,000      |
| Reimbursement of TA/DA expenses                  | 425,000        | 280,000        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                         | 2026<br>Rupees | 2025<br>Rupees |
|---------------------------------------------------------|----------------|----------------|
| <b>Transactions with other key management personnel</b> |                |                |
| Managerial remuneration and other benefits              | 303,488,916    | 263,684,953    |
| <b>Other related parties</b>                            |                |                |
| Contribution to company provident fund                  | 34,335,737     | 31,711,682     |
| Contribution to Kohat Cement Educational Trust          | 9,919,549      | 8,485,760      |

**37.3** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Parent Company considers Chief Executive Officer, whole time Directors (including employee directors), Company secretary and Chief Financial Officer of the Parent Company to be its key management personnel. Except as disclosed elsewhere in these financial statements, there are no transactions with key management personnel outside the terms of their employment.

## 38 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for the year in respect of remuneration, including benefits to the Chief Executive, Directors and Executives of the Parent Company is as follows:

|                                     | 2026            |                        |             |
|-------------------------------------|-----------------|------------------------|-------------|
|                                     | Directors       |                        | Executives  |
|                                     | Chief Executive | Chairman-Non-Executive |             |
|                                     | Rupees          |                        |             |
| <b>Short term employee benefits</b> |                 |                        |             |
| Chairman remuneration               | -               | 90,030,431             | -           |
| Managerial remuneration             | 90,252,000      | -                      | 403,050,068 |
| Bonus                               | 27,140,563      | -                      | 69,812,505  |
| Medical expenses reimbursed         | 180,130         | 4,049,150              | -           |
| Other benefits                      | 69,485,833      | 54,162,252             | 3,468,562   |
|                                     | 187,058,526     | 148,241,833            | 476,331,135 |
| <b>Post employment benefits</b>     |                 |                        |             |
| Contribution to provident fund      | 4,501,521       | -                      | 13,106,616  |
|                                     | 191,560,047     | 148,241,833            | 489,437,751 |
| Number of persons                   | 1               | 1                      | 33          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                     | 2025            |                        |             |
|-------------------------------------|-----------------|------------------------|-------------|
|                                     | Directors       |                        | Executives  |
|                                     | Chief Executive | Chairman-Non-Executive |             |
|                                     | Rupees          |                        |             |
| <b>Short term employee benefits</b> |                 |                        |             |
| Chairman remuneration               | -               | 78,284,540             | -           |
| Managerial remuneration             | 78,284,540      | -                      | 325,684,366 |
| Bonus                               | 23,600,016      | -                      | 55,066,514  |
| Medical expenses reimbursed         | 953,250         | 793,393                | -           |
| Other benefits                      | 63,190,189      | 53,629,518             | 2,222,445   |
|                                     | 166,027,995     | 132,707,451            | 382,973,325 |
| <b>Post employment benefits</b>     |                 |                        |             |
| Contribution to provident fund      | 3,914,225       | -                      | 10,841,999  |
|                                     | 169,942,220     | 132,707,451            | 393,815,324 |
| Number of persons                   | 1               | 1                      | 25          |

**38.1** The Parent Company has paid Rs. 2.96 million (2025: Rs. 1.61 million) to the six non-executive directors as fee for attending Board and Committee meetings.

**38.2** The Parent Company also provides the Chief Executive, certain Directors and Executives with free use of Company maintained cars.

**38.3** Executives are those employees of the Group whose annual basic salary is Rs. 1.2 million or above.

**38.4** No remuneration has been paid to the Chief Executive, Directors and Executive of the Subsidiary Company.

## 39 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

### Risk management framework

The Group's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures,

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended June 30, 2026

aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees upon the policies for managing each of these risks.

The Board's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### 39.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Group maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

#### 39.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

|                                                              | Note | 2026<br>Rupees | 2025<br>Rupees |
|--------------------------------------------------------------|------|----------------|----------------|
| Long term deposits                                           | 17   | 63,226,136     | 58,226,136     |
| Trade debts - unsecured, considered good                     | 21   | 1,660,071,236  | 1,692,217,832  |
| Short term investments - mutual funds                        | 22   | 33,436,332,075 | 25,171,117,014 |
| Short term investments - term finance certificates           | 22   | 98,000,000     | 94,165,000     |
| Loan to Ultra Kraft (Private) Ltd- an associated undertaking | 23.3 | 505,869,154    | 558,885,403    |
| Accrued interest on bank deposits                            | 23   | 18,222,674     | 1,475,908      |
| Letter of credit / bank guarantee margin                     | 23   | 7,936,491      | 7,936,491      |
| Deposits and other receivables                               |      | 459,454,979    | 141,173,947    |
| Cash at banks                                                | 24   | 1,728,481,434  | 1,450,249,462  |
|                                                              |      | 37,977,594,179 | 29,175,447,193 |

#### 39.1.2 Concentration of credit risk

The Group identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

|                                    | 2026<br>Rupees | 2025<br>Rupees |
|------------------------------------|----------------|----------------|
| Customers                          | 1,660,071,236  | 1,692,217,832  |
| Banking companies and mutual funds | 35,288,972,674 | 26,724,943,875 |
| Others                             | 1,028,550,269  | 758,285,486    |
|                                    | 37,977,594,179 | 29,175,447,193 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **39.1.3 Credit quality and impairment**

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates and present ages.

### **39.1.3(a) Counterparties with external credit ratings**

These include banking companies and non-banking financial institutions, which are counterparties to bank balances and short term investments. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. As of the reporting date, the balances held with counterparties having external credit ratings are as follows:

|                                                                    | <b>2026<br/>Rupees</b> | <b>2025<br/>Rupees</b> |
|--------------------------------------------------------------------|------------------------|------------------------|
| <b>Bank balances</b>                                               |                        |                        |
| AI+                                                                | 1,615,985,470          | 1,156,963,605          |
| AI                                                                 | 112,495,964            | 293,285,857            |
|                                                                    | <b>1,728,481,434</b>   | <b>1,450,249,462</b>   |
| <b>LC / guarantee margins</b>                                      |                        |                        |
| AI+                                                                | 7,936,491              | 7,936,491              |
| <b>Short-term investments - Mutual funds<br/>stability ratings</b> |                        |                        |
| AAA(f)                                                             | 5,832,851,635          | 4,223,249,572          |
| AA+(f)                                                             | 16,319,083,636         | 11,637,383,592         |
| AA-(f)                                                             | 5,140,822,128          | 2,430,404,142          |
| AA(f)                                                              | 5,843,470,047          | 3,308,238,442          |
| A+(f)                                                              | 300,104,629            | 3,571,841,266          |
|                                                                    | <b>33,436,332,075</b>  | <b>25,171,117,014</b>  |
| <b>Term Finance Certificates</b>                                   |                        |                        |
| AA+                                                                | 98,000,000             | 47,665,000             |
| AA-                                                                | -                      | 46,500,000             |
|                                                                    | <b>98,000,000</b>      | <b>94,165,000</b>      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **39.1.4 Forward-looking information contained in ECL**

The Group's Expected Credit Loss (ECL) calculation incorporates forward-looking information by integrating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward-looking data helps in better predicting potential credit losses under different economic conditions.

To estimate Probability of Default (PD), the Company utilizes historical and forecasted macroeconomic data. For ECL calculations, the Group considers Gross Domestic Product (GDP), Consumer Price Index (CPI) and unemployment rate as the primary macroeconomic variables, with forecasted data sourced from the International Monetary Fund (IMF). The selection of these variables is based on their relevance and sensitivity to the Group's trade debts.

The Group has developed three macroeconomic scenarios i.e. Base, Best, and Worst to reflect potential economic conditions. These scenarios have been assigned probability weightings of 70% for the Base scenario, 20% for the Best scenario, and 10% for the Worst scenario to ensure a comprehensive assessment of credit risk exposure.

As part of forward-looking assessment, The Group conducted a sensitivity analysis on macroeconomic indicators used in Expected Credit Loss (ECL) calculations. A 10% change in macroeconomic variables (GDP, CPI and unemployment rate) was applied to assess the upside and downside impact on PD. The resulting variation is as follows:

|                                | <b>Upwards</b> | <b>Downwards</b> |
|--------------------------------|----------------|------------------|
| Expected credit loss allowance | 0.90%          | -0.90%           |

## **39.1.5 Sensitivity of ECL to future economic conditions**

The ECL is sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Group performs sensitivity analysis on the ECL recognized on its trade debts.

The table below shows the loss allowance assuming each forward-looking scenario (e.g. Base, Best and Worst) were weighted 100% instead of applying scenario probability across the three scenarios

|       | <b>ECL after sensitivity analysis</b> | <b>Variance with average ECL % Increase / (decrease)</b> |
|-------|---------------------------------------|----------------------------------------------------------|
| Base  | 67,849,382                            | -0.43%                                                   |
| Best  | 55,779,807                            | -18.14%                                                  |
| Worst | 94,928,937                            | 39.31%                                                   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 39.1.6 Counterparties without external credit ratings

The maximum exposure to credit risk of customers as at the end of the reporting period was as follows:

|                         | 2026          |                | 2025          |                |
|-------------------------|---------------|----------------|---------------|----------------|
|                         | Trade debts   | Loss allowance | Trade debts   | Loss allowance |
|                         | Rupees        | Rupees         | Rupees        | Rupees         |
| Not yet due             | 1,288,146,340 | 4,371,490      | 1,105,518,403 | 5,969,799      |
| Past due 0 – 90 days    | 115,545,590   | 8,242,176      | 332,624,024   | 18,560,421     |
| Past due 91 – 180 days  | 13,624,337    | 5,564,577      | 195,690,947   | 18,521,488     |
| Past due 181 – 270 days | 248,857,746   | 7,688,331      | 64,220,213    | 2,884,202      |
| Past due 271 – 360 days | 15,820,723    | -              | 29,106,631    | 1,193,372      |
| Past due above one year | 46,219,923    | 42,276,849     | 50,757,585    | 38,570,689     |
|                         | 1,728,214,659 | 68,143,423     | 1,777,917,803 | 85,699,971     |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Provision matrix is based on the Group's historical credit loss experience, adjusted for forward-looking factors which includes GDP, consumer price index and unemployment rate. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of trade debts. Other than trade debts, the Group considers that credit quality of receivables has not deteriorated, consequently the credit risk is minimal.

## 39.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavorable to the Group. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. The Group finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines. Further, the PACRA has assigned long term credit rating A+ and short term credit rating A1 with stable outlook, which reflects Parent Company's strong capacity for timely repayment of its financial commitments and supports its access to funding on favorable terms.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

## 39.2.1 Exposure to liquidity risk

### 39.2.1(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

|                                             |    | 2026            |                        |                  |                    |                     |                      |
|---------------------------------------------|----|-----------------|------------------------|------------------|--------------------|---------------------|----------------------|
|                                             |    | Carrying amount | Contractual cash flows | One year or less | One to three years | Three to five years | More than five years |
| Note                                        |    | Rupees          |                        |                  |                    |                     |                      |
| <b>Non-derivative financial liabilities</b> |    |                 |                        |                  |                    |                     |                      |
| Long term financing - secured               | 7  | 4,122,777,501   | 5,841,910,619          | 1,349,823,861    | 1,769,983,334      | 1,496,927,500       | 1,225,175,924        |
| Long term deposits                          | 8  | 3,536,100       | 3,536,100              | -                | -                  | 3,536,100           | -                    |
| Trade and other payables                    | 10 | 2,716,443,011   | 2,716,443,011          | 2,716,443,011    | -                  | -                   | -                    |
| Short term borrowings - secured             | 12 | 2,191,282,193   | 2,191,282,193          | 2,191,282,193    | -                  | -                   | -                    |
| Dividend payable                            | 11 | 31,788,517      | 31,788,517             | 31,788,517       | -                  | -                   | -                    |
| Unclaimed dividend                          |    | 8,503,909       | 8,503,909              | 8,503,909        | -                  | -                   | -                    |
|                                             |    | 9,074,331,231   | 10,793,464,349         | 6,297,841,491    | 1,769,983,334      | 1,500,463,600       | 1,225,175,924        |

|                                             |    | 2025            |                        |                  |                    |                     |                      |
|---------------------------------------------|----|-----------------|------------------------|------------------|--------------------|---------------------|----------------------|
|                                             |    | Carrying amount | Contractual cash flows | One year or less | One to three years | Three to five years | More than five years |
| Note                                        |    | Rupees          |                        |                  |                    |                     |                      |
| <b>Non-derivative financial liabilities</b> |    |                 |                        |                  |                    |                     |                      |
| Long term financing - secured               | 7  | 2,286,337,057   | 2,996,815,134          | 1,056,506,399    | 1,143,128,206      | 436,151,134         | 361,029,395          |
| Long term deposits                          | 8  | 3,536,100       | 3,536,100              | -                | -                  | 3,536,100           | -                    |
| Trade and other payables                    | 10 | 3,170,335,614   | 3,170,335,614          | 3,170,335,614    | -                  | -                   | -                    |
| Short term borrowings - secured             | 12 | 3,704,884       | 3,704,884              | 3,704,884        | -                  | -                   | -                    |
| Dividend payable                            | 11 | 33,677,348      | 33,677,348             | 33,677,348       | -                  | -                   | -                    |
| Unclaimed dividend                          |    | 8,503,909       | 8,503,909              | 8,503,909        | -                  | -                   | -                    |
|                                             |    | 5,506,094,912   | 6,216,572,989          | 4,272,728,154    | 1,143,128,206      | 439,687,234         | 361,029,395          |

## 39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

### 39.3.1 Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Group. The functional currency of the Group is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros, Chinese Yuan, and US dollars.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 39.3.1(a) Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

|                            |  | 2026         |           |             |                 |
|----------------------------|--|--------------|-----------|-------------|-----------------|
|                            |  | CNY          | EURO      | USD         | Rupees          |
| <b>Assets</b>              |  |              |           |             |                 |
| Cash and bank balances     |  | -            | -         | 184,316     | 51,248,980      |
| <b>Liabilities</b>         |  |              |           |             |                 |
| Imports bills payable      |  | (13,558,693) | (174,302) | (2,220,000) | (1,229,496,070) |
| Net balance sheet exposure |  | (13,558,693) | (174,302) | (2,035,684) | (1,178,247,090) |
| Off balance sheet exposure |  | (11,577,353) | (254,046) | (316,060)   | (643,258,927)   |
| Total Exposure             |  | (25,136,046) | (428,348) | (2,351,744) | (1,821,506,017) |

|                                                   |  | 2025         |          |             |                 |
|---------------------------------------------------|--|--------------|----------|-------------|-----------------|
|                                                   |  | CNY          | EURO     | USD         | Rupees          |
| <b>Assets</b>                                     |  |              |          |             |                 |
| Cash and bank balances                            |  | -            | -        | 184,316     | 52,271,933      |
| <b>Liabilities</b>                                |  |              |          |             |                 |
| Imports bills payable                             |  | (14,496,600) | (92)     | (1,862,776) | (1,104,180,400) |
| Net balance sheet exposure                        |  | (14,496,600) | (92)     | (1,678,460) | (1,051,908,467) |
| Off balance sheet exposure -<br>Letters of credit |  | (69,447,697) | (43,601) | (99,300)    | (2,797,018,536) |
| Total Exposure                                    |  | (83,944,297) | (43,693) | (1,777,760) | (3,848,927,003) |

## 39.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied during the year:

|                           | CNY    |       | EURO   |        | USD    |        |
|---------------------------|--------|-------|--------|--------|--------|--------|
|                           | 2026   | 2025  | 2026   | 2025   | 2026   | 2025   |
|                           | Rupees |       |        |        |        |        |
| Reporting date spot rate  |        |       |        |        |        |        |
| - buying                  | 40.91  | 39.59 | 316.95 | 332.25 | 278.05 | 283.60 |
| - selling                 | 40.99  | 39.66 | 317.52 | 332.83 | 278.55 | 284.10 |
| Average rate for the year | 40.33  | 39.61 | 325.18 | 333.11 | 281.33 | 283.83 |

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For the year ended June 30, 2026

## 39.3.1(c) Sensitivity analysis

A reasonably possible strengthening / (weakening) of 1% in Pak Rupee against the following currencies would have affected the measurement of financial instruments denominated in foreign currency and affected profit and loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

|                               | Effect on profit before taxation |                |
|-------------------------------|----------------------------------|----------------|
|                               | 2026<br>Rupees                   | 2025<br>Rupees |
| <b>Weakening of Pak Rupee</b> |                                  |                |
| EURO                          | (553,442)                        | (306)          |
| USD                           | (5,670,399)                      | (4,768,506)    |
| CNY                           | (5,557,708)                      | (5,749,352)    |
|                               | (11,781,549)                     | (10,518,164)   |

Amount of off-balance sheet letters of credit will increase by Rs. 6.65 million (2025: Rs. 27.97 million) if Pak Rupee weakens 1% against other currencies.

All above will have opposite effect on 1% strength in Pak Rupee against other currencies.

## 39.3.1(d) Currency risk management

Since the maximum on balance sheet amount exposed to currency risk is only 1.47% (2025: 1.57%) of the Group's total assets, any adverse / favorable movement in functional currency with respect to Chinese Yuan, Euro and US dollar will not have any material impact on the operational results.

## 39.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

## 39.3.2(a) Mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Group's interest / mark-up bearing financial instruments as at the reporting date are as follows:

|                                             | 2026                      |                               | 2025                      |                               |
|---------------------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
|                                             | Financial asset<br>Rupees | Financial liability<br>Rupees | Financial asset<br>Rupees | Financial liability<br>Rupees |
| <b>Non-derivative financial instruments</b> |                           |                               |                           |                               |
| Variable rate instruments                   | 1,303,968,105             | 4,122,777,501                 | 1,286,332,625             | 2,286,337,057                 |
|                                             | 1,303,968,105             | 4,122,777,501                 | 1,286,332,625             | 2,286,337,057                 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **39.3.2(b) Cash flow sensitivity analysis for variable rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

|                              | Effect on profit before taxation |                |
|------------------------------|----------------------------------|----------------|
|                              | 2026<br>Rupees                   | 2025<br>Rupees |
| Increase of 100 basis points | (28,188,094)                     | (10,000,044)   |
| Decrease of 100 basis points | 28,188,094                       | 10,000,044     |

## **39.3.2(c) Interest rate risk management**

The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Group's borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

## **39.3.3 Price risk**

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments trading in market.

## **39.3.3(a) Investments exposed to price risk**

At the reporting date, the Group's investment in quoted equity securities and TFCs investments are as follows:

|                                         | 2026<br>Rupees | 2025<br>Rupees |
|-----------------------------------------|----------------|----------------|
| Investment in equity securities - FVTPL | 1,975,337,014  | 1,676,350,192  |
| Investment in mutual funds - FVTPL      | 33,436,332,075 | 25,171,117,014 |
| Term Finance Certificates - FVOCI       | 98,000,000     | 94,165,000     |
|                                         | 35,509,669,089 | 26,941,632,206 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 39.3.3(b) Sensitivity analysis

A 1% increase / decrease in redemption, share prices and net assets value of investment in mutual funds at year end would have increased / (decreased) the Group's equity and profit and loss respectively as follows:

|                    | Equity         |                |
|--------------------|----------------|----------------|
|                    | 2026<br>Rupees | 2025<br>Rupees |
| <b>FVOCI</b>       |                |                |
| Effect of increase | 617,400        | 593,240        |
| Effect of decrease | (617,400)      | (593,240)      |
|                    |                |                |
|                    | Profit or loss |                |
|                    | 2026<br>Rupees | 2025<br>Rupees |
| <b>FVTPL</b>       |                |                |
| Effect of increase | 218,114,099    | 169,139,043    |
| Effect of decrease | (218,114,099)  | (169,139,043)  |

## 39.3.3(c) Price risk management

The Group manages price risk by monitoring exposure in quoted equity securities and units in mutual funds and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## **39.4 Fair value of financial instruments**

**39.4.1** 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.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

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| Note                                                   | Carrying amount                         |                                    |                                    |                       |                | Fair Value    |                |         |
|--------------------------------------------------------|-----------------------------------------|------------------------------------|------------------------------------|-----------------------|----------------|---------------|----------------|---------|
|                                                        | Fair value through comprehensive income | Fair value through profit and loss | Financial assets at amortised cost | financial liabilities | Total          | Level 1       | Level 2        | Level 3 |
|                                                        |                                         |                                    |                                    |                       |                |               |                |         |
| Rupees                                                 |                                         |                                    |                                    |                       |                |               |                |         |
| On-Balance sheet financial instruments<br>30 June 2026 |                                         |                                    |                                    |                       |                |               |                |         |
| Financial assets measured at fair value                |                                         |                                    |                                    |                       |                |               |                |         |
| 22                                                     | 98,000,000                              | 35,411,669,089                     | -                                  | -                     | 35,509,669,089 | 2,073,337,014 | 33,436,332,075 | -       |
|                                                        | 98,000,000                              | 35,411,669,089                     | -                                  | -                     | 35,509,669,089 | 2,073,337,014 | 33,436,332,075 | -       |
| Financial assets at amortised cost                     |                                         |                                    |                                    |                       |                |               |                |         |
| 17                                                     | -                                       | -                                  | 63,226,136                         | -                     | 63,226,136     | -             | -              | -       |
| 21                                                     | -                                       | -                                  | 1,660,071,236                      | -                     | 1,660,071,236  | -             | -              | -       |
| 23                                                     | -                                       | -                                  | 991,483,298                        | -                     | 991,483,298    | -             | -              | -       |
| 24                                                     | -                                       | -                                  | 1,728,843,298                      | -                     | 1,728,843,298  | -             | -              | -       |
| 39.4.2                                                 | -                                       | -                                  | 4,443,623,968                      | -                     | 4,443,623,968  | -             | -              | -       |
| Financial liabilities measured at fair value           |                                         |                                    |                                    |                       |                |               |                |         |
|                                                        | -                                       | -                                  | -                                  | -                     | -              | -             | -              | -       |
|                                                        | -                                       | -                                  | -                                  | -                     | -              | -             | -              | -       |
| Financial liabilities measured at amortised cost       |                                         |                                    |                                    |                       |                |               |                |         |
| 7                                                      | -                                       | -                                  | -                                  | 4,122,777,501         | 4,122,777,501  | -             | -              | -       |
| 8                                                      | -                                       | -                                  | -                                  | 3,536,100             | 3,536,100      | -             | -              | -       |
| 10                                                     | -                                       | -                                  | -                                  | 2,716,443,011         | 2,716,443,011  | -             | -              | -       |
| 12                                                     | -                                       | -                                  | -                                  | 2,191,282,193         | 2,191,282,193  | -             | -              | -       |
| 11                                                     | -                                       | -                                  | -                                  | 31,788,517            | 31,788,517     | -             | -              | -       |
|                                                        | -                                       | -                                  | -                                  | 8,503,909             | 8,503,909      | -             | -              | -       |
| 39.4.2                                                 | -                                       | -                                  | -                                  | 9,074,331,231         | 9,074,331,231  | -             | -              | -       |

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| On-Balance sheet financial instruments  |                                               |                                    |                                    |                       |       |         |            |         |  |
|-----------------------------------------|-----------------------------------------------|------------------------------------|------------------------------------|-----------------------|-------|---------|------------|---------|--|
| 30 June 2025                            |                                               |                                    |                                    |                       |       |         |            |         |  |
| Financial assets measured at fair value |                                               |                                    |                                    |                       |       |         |            |         |  |
| Note                                    | Fair value through other comprehensive income | Fair value through profit and loss | Financial assets at amortised cost | Carrying amount       |       |         | Fair Value |         |  |
|                                         |                                               |                                    |                                    | financial liabilities | Total | Level 1 | Level 2    | Level 3 |  |
| Rupees                                  |                                               |                                    |                                    |                       |       |         |            |         |  |
| On-Balance sheet financial instruments  |                                               |                                    |                                    |                       |       |         |            |         |  |
| 30 June 2025                            |                                               |                                    |                                    |                       |       |         |            |         |  |
| Financial assets measured at fair value |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
|                                         |                                               |                                    |                                    |                       |       |         |            |         |  |
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**39.4.2** The Group has not disclosed the fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **40 Capital management**

The Group's policy is to maintain a strong capital base to strengthen investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of the Parent Company monitor the return on capital, which the Parent Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also determines the level of dividend to ordinary shareholders, which is finally approved in annual general meeting of the shareholders.

The Company's objectives when managing capital are:

- i. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- ii. to provide an adequate return to shareholders.

There were no changes in the Group's approach to capital management during the year. The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets.

### **Loan Covenants**

Certain loan facilities of the Parent Company require compliance with loan covenants (common being current ratio of 1:1, debt service ratio of 1.2, interest cover ratio of 1.2 and leverage ratio not exceeding 1x) during the respective tenures of the facilities. Breach of covenants may require the Group to repay the loan earlier than agreed upon repayment dates in case upon intimation of the lender the default is not rectified. The Group monitors the compliance with covenants on a regular basis. There are no indications that the Company would have difficulties complying with these covenants.

## **41 Operating segments**

**41.1** The Group has identified the following two operating segments; however, the cement manufacturing segment is the only reportable segment based on quantitative threshold. The development of real estate segment has not yet commenced its operations. These business segments are / will be engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments.

|     | <b>Segment</b>          | <b>Nature of business</b>                                                                                                            |
|-----|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| i)  | Cement manufacturing    | Production and sale of cement undertaken through Kohat Cement Company Limited.                                                       |
| ii) | Real estate development | Real estate development and marketing of residential, commercial, and mixed-use projects through Ultra Properties (Private) Limited. |

**41.2** Information related to each reportable segment is set out below. Segment profit / (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segment relative to other entities that operate in same industries. Total figures represents figures reported in the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                | Cement<br>manufacturing | Other<br>segment | Consolidation<br>additions /<br>(eliminations) | Total            |
|----------------------------------------------------------------|-------------------------|------------------|------------------------------------------------|------------------|
|                                                                | Rupees                  |                  |                                                |                  |
| <b>For year ended 30 June 2026</b>                             |                         |                  |                                                |                  |
| Revenue from contract with customers (from external customers) | 38,530,653,234          | -                | -                                              | 38,530,653,234   |
| Segment profit before tax                                      | 15,967,897,540          | 760,765          | -                                              | 15,968,658,305   |
| Other income                                                   | 4,645,781,069           | 1,810,765        | -                                              | 4,647,591,834    |
| Administrative and general expenses                            | (1,071,227,727)         | (1,050,000)      | -                                              | (1,072,277,727)  |
| Finance cost                                                   | (153,437,172)           | -                | -                                              | (153,437,172)    |
| Depreciation and amortization                                  | (1,284,485,096)         | -                | -                                              | (1,284,485,096)  |
| <b>As at 30 June 2026</b>                                      |                         |                  |                                                |                  |
| Segments assets (total)                                        | 80,016,078,548          | 43,160,677       | -                                              | 80,059,239,225   |
| Segments liabilities (total)                                   | (21,361,733,846)        | (1,042,843)      | -                                              | (21,362,776,689) |

|                                     | Cement<br>manufacturing | Other<br>segment | Consolidation<br>additions /<br>(eliminations) | Total            |
|-------------------------------------|-------------------------|------------------|------------------------------------------------|------------------|
|                                     | Rupees                  |                  |                                                |                  |
| <b>For year ended 30 June 2025</b>  |                         |                  |                                                |                  |
| Net sales (from external customers) | 37,535,700,372          | -                | -                                              | 37,535,700,372   |
| Segment profit before tax           | 17,688,192,049          | -                | -                                              | 17,688,192,049   |
| Other income                        | 5,280,719,197           | -                | -                                              | 5,280,719,197    |
| Administrative and general expenses | (865,495,338)           | -                | -                                              | (865,495,338)    |
| Finance cost                        | (349,910,716)           | -                | -                                              | (349,910,716)    |
| Depreciation and amortization       | (1,264,994,747)         | -                | -                                              | (1,264,994,747)  |
| <b>As at 30 June 2025</b>           |                         |                  |                                                |                  |
| Segments assets (total)             | 66,794,311,768          | -                | -                                              | 66,794,311,768   |
| Segments liabilities (total)        | (18,839,116,981)        | -                | -                                              | (18,839,116,981) |

**41.3** The net sales percentage of cement manufacturing segment by geographic region is as follows:

|             | 2026    | 2025    |
|-------------|---------|---------|
| Pakistan    | 98.68%  | 99.42%  |
| Afghanistan | 1.32%   | 0.58%   |
|             | 100.00% | 100.00% |

**41.4** All assets of the Group as at 30 June 2026 are located in Pakistan.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## **42 Capacity and production - Clinker**

|       | Plant capacity |           | Actual production |           |
|-------|----------------|-----------|-------------------|-----------|
|       | 2026           | 2025      | 2026              | 2025      |
|       | Metric tons    |           | Metric tons       |           |
| Grey  | 4,887,600      | 4,887,600 | 2,167,827         | 2,141,241 |
| White | 135,000        | 135,000   | 10,989            | 11,851    |

**42.1** Difference is due to supply demand situation of the market.

**42.2** The capacity of the plant has been determined based on 300 production days.

## **43 Provident fund trust**

The investments out of Provident Fund Trust have been made in accordance with the provision of section 218 of the Companies Act, 2017 and the conditions specified by the SECP for this purpose.

## **44 Number of employees**

The total average number of employees during the year and as at 30 June are as follows:

|                                              | 2026                | 2025 |
|----------------------------------------------|---------------------|------|
|                                              | Number of employees |      |
| Number of employees as at 30 June:           | 748                 | 723  |
| Average number of employees during the year: | 736                 | 726  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

## 45 Reconciliation of movements of equity and liabilities arising from financing activities.

|                                                         | 30 June 2026        |                              |                                 |                  |                |
|---------------------------------------------------------|---------------------|------------------------------|---------------------------------|------------------|----------------|
|                                                         | Equity              |                              | Liabilities                     |                  |                |
|                                                         | Accumulated profits | Long term finances - secured | Short term borrowings - secured | Dividend payable | Total          |
|                                                         | Rupees              |                              |                                 |                  |                |
| <b>Balance as at 01 July 2025</b>                       | 45,830,436,216      | 2,286,337,057                | 3,704,884                       | 42,181,257       | 48,162,659,414 |
| <b>Changes from financing activities</b>                |                     |                              |                                 |                  |                |
| Long term finances disbursement                         | -                   | 2,636,173,977                | -                               | -                | 2,636,173,977  |
| Repayment of long term finances                         | -                   | (789,938,471)                | -                               | -                | (789,938,471)  |
| Short term borrowings disbursement                      | -                   | -                            | 910,000,000                     | -                | 910,000,000    |
| Short term borrowings repayment                         | -                   | -                            | (710,000,000)                   | -                | (710,000,000)  |
| Transaction cost related to issuance of ordinary shares | (8,490,778)         | -                            | -                               | -                | (8,490,778)    |
| Dividend paid                                           | -                   | -                            | -                               | (1,888,830)      | (1,888,830)    |
| <b>Total changes from financing cash flows</b>          | (8,490,778)         | 1,846,235,506                | 200,000,000                     | (1,888,830)      | 2,035,855,898  |
| <b>Other changes</b>                                    |                     |                              |                                 |                  |                |
| Markup expense during the year                          | -                   | 90,847,480                   | 45,023,413                      | -                | 135,870,893    |
| Markup capitalized as borrowing cost                    | -                   | 352,260,519                  | -                               | -                | 352,260,519    |
| Markup paid on long term financing                      | -                   | (452,903,061)                | (33,486,365)                    | -                | (486,389,426)  |
| Profit after tax for the year                           | 10,697,459,177      | -                            | -                               | -                | 10,697,459,177 |
| <b>Total liability related other changes</b>            | 10,697,459,177      | (9,795,062)                  | 11,537,048                      | -                | 10,699,201,163 |
| <b>Closing as at 30 June 2026</b>                       | 56,519,404,615      | 4,122,777,501                | 215,241,932                     | 40,292,427       | 60,897,716,476 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                            | Equity<br>Accumulated<br>profits | Long term<br>finances -<br>secured | 30 June 2025<br>Liabilities<br>Short term<br>borrowings -<br>secured<br>Rupees | Dividend<br>payable | Total           |
|------------------------------------------------------------|----------------------------------|------------------------------------|--------------------------------------------------------------------------------|---------------------|-----------------|
| <b>Balance as at 01 July 2024</b>                          | 38,964,647,370                   | 2,287,938,121                      | 61,253                                                                         | 45,338,931          | 41,297,985,675  |
| <b>Changes from financing activities</b>                   |                                  |                                    |                                                                                |                     |                 |
| Long term finances disbursement                            | -                                | 1,115,239,380                      | -                                                                              | -                   | 1,115,239,380   |
| Repayment of long term finances                            | -                                | (1,034,355,698)                    | -                                                                              | -                   | (1,034,355,698) |
| Short term borrowings disbursement                         | -                                | -                                  | 100,102,104                                                                    | -                   | 100,102,104     |
| Short term borrowings repayment                            | -                                | -                                  | (100,102,104)                                                                  | -                   | (100,102,104)   |
| Dividend paid                                              | -                                | -                                  | -                                                                              | (3,157,674)         | (3,157,674)     |
| Own shares purchased for cancellation<br>of Parent Company | (4,709,365,225)                  | -                                  | -                                                                              | -                   | (4,709,365,225) |
| <b>Total changes from financing<br/>cash flows</b>         | (4,709,365,225)                  | 80,883,682                         | -                                                                              | (3,157,674)         | (4,631,639,217) |
| <b>Other changes</b>                                       |                                  |                                    |                                                                                |                     |                 |
| Markup expense during the year                             | -                                | 280,836,305                        | 20,339,806                                                                     | -                   | 301,176,111     |
| Markup capitalized as borrowing cost                       | -                                | 6,009,966                          | -                                                                              | -                   | 6,009,966       |
| Markup paid on long term financing                         | -                                | (374,365,646)                      | (16,696,175)                                                                   | -                   | (391,061,821)   |
| Profit after tax for the year                              | 11,575,154,071                   | -                                  | -                                                                              | -                   | 11,575,154,071  |
| Transaction cost                                           | -                                | 5,034,628                          | -                                                                              | -                   | 5,034,628       |
| <b>Total liability related other changes</b>               | 11,575,154,071                   | (82,484,747)                       | 3,643,631                                                                      | -                   | 11,496,312,955  |
| <b>Closing as at 30 June 2025</b>                          | 45,830,436,216                   | 2,286,337,057                      | 3,704,884                                                                      | 42,181,257          | 48,162,659,414  |

## 46 Non adjusting events after the reporting date

There were no non-adjusting events requiring disclosure to these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended June 30, 2026**

**47 Shariah Disclosures under Clause VII of Part I of Schedule IV of the Companies Act, 2017.**

|                                                         | Note | As on June<br>30, 2026<br>Rupees | As on June<br>30, 2025<br>Rupees |
|---------------------------------------------------------|------|----------------------------------|----------------------------------|
| <b>Consolidated Statement of Financial Position</b>     |      |                                  |                                  |
| Financing as per Islamic mode                           |      |                                  |                                  |
| - Long term financing - Diminishing musharika financing | 7.2  | 3,751,413,357                    | 1,121,249,346                    |
| - Short term financing - Running musharika financing    | 12   | 1,245,000,000                    | -                                |
|                                                         |      | 4,996,413,357                    | 1,121,249,346                    |
| Mark-up payable on conventional loan                    |      |                                  |                                  |
| - Long term financing                                   | 7.1  | 14,676,260                       | 41,410,415                       |
| - Short term borrowings                                 | 12   | 3,562,528                        | 3,704,884                        |
|                                                         |      | 18,238,788                       | 45,115,299                       |
| Long term investments shariah compliant - at cost       |      |                                  |                                  |
| - in investment properties                              | 18   | 4,357,152,688                    | 4,326,361,559                    |
|                                                         |      | 4,357,152,688                    | 4,326,361,559                    |
| Short term investments shariah compliant - at cost      |      |                                  |                                  |
| - in mutual fund                                        | 22   | 13,478,128,171                   | 211,898,653                      |
| - in equity investments                                 | 22   | 790,383,543                      | -                                |
|                                                         |      | 14,268,511,714                   | 211,898,653                      |
| Short term investments conventional - at cost           |      |                                  |                                  |
| - in mutual fund                                        | 22   | 19,896,909,825                   | 24,921,612,656                   |
| - in equity investments                                 | 22   | 141,118,579                      | 366,684,009                      |
|                                                         |      | 20,038,028,404                   | 25,288,296,665                   |
| Bank deposits - Shariah compliant                       |      |                                  |                                  |
| - current account                                       | 24   | 258,060,724                      | 350,486,105                      |
| - saving account                                        | 24   | 272,611,888                      | 195,856,271                      |
|                                                         |      | 530,672,612                      | 546,342,376                      |
| Bank deposits - Conventional                            |      |                                  |                                  |
| - current account                                       | 24   | 770,321,759                      | 467,957,042                      |
| - saving account                                        | 24   | 427,487,063                      | 435,950,044                      |
|                                                         |      | 1,197,808,822                    | 903,907,086                      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

|                                                                           |      | For the year ended<br>June 30, 2026 | For the year ended<br>June 30, 2025 |
|---------------------------------------------------------------------------|------|-------------------------------------|-------------------------------------|
|                                                                           | Note | Rupees                              | Rupees                              |
| <b>Consolidated Statement of Profit or Loss</b>                           |      |                                     |                                     |
| Gross Sales - Revenue earned from shariah compliant business segment      | 25   | 59,620,593,979                      | 57,268,373,275                      |
| Profit paid on Islamic mode of financing                                  |      | 350,657,810                         | -                                   |
| Late payments or liquidated damages                                       |      | -                                   | -                                   |
| <b>Other income</b>                                                       |      |                                     |                                     |
| From Shariah Compliant Transactions:                                      |      |                                     |                                     |
| Dividend received from investment                                         | 30   | 25,979,814                          | 7,731,928                           |
| Realized gain on investments                                              | 30   | 967,816,615                         | 484,810,994                         |
| Unrealized gain / (loss) on investments                                   | 30   | 114,020,360                         | (2,111,066)                         |
| Profit on bank deposits                                                   | 30   | 11,589,227                          | 35,060,082                          |
| Income from other non-financial assets                                    | 30   | 62,312,628                          | 137,776,924                         |
|                                                                           |      | 1,181,718,644                       | 663,268,862                         |
| From Non-Shariah Compliant Transactions:                                  |      |                                     |                                     |
| Interest on employees' loans                                              | 30   | 63,661                              | 125,336                             |
| Interest/commission on financing facilities to - associated company       | 30   | 66,238,472                          | 91,515,847                          |
| Realized gain on investments                                              | 30   | 3,487,936,259                       | 3,468,309,727                       |
| Unrealized (loss)/ gain on financial assets                               | 30   | (356,332,089)                       | 700,234,695                         |
| Profit on bank deposits                                                   | 30   | 95,788,809                          | 90,714,037                          |
| Dividend received from investments                                        | 30   | 134,697,498                         | 219,789,168                         |
| Exchange gain earned from actual currency                                 |      | -                                   | 992,328                             |
| Exchange gains earned using conventional derivative financial instruments |      | -                                   | -                                   |
| Income from other non-financial assets                                    | 30   | 37,480,580                          | 45,769,197                          |
|                                                                           |      | 3,465,873,190                       | 4,617,450,335                       |

## 47.1 Relationship with Shariah Compliant financial institutions

Relationship with Shariah Compliant financial institutions, including banks, takaful operators and their windows etc.

| Name of Institution       | Relationship                   |
|---------------------------|--------------------------------|
| United Bank Limited       | Funded facility & bank balance |
| National Bank of Pakistan | Funded facility & bank balance |
| Dubai Islamic Bank        | Funded facility & bank balance |
| Bank Alfalah Limited      | Funded facility & bank balance |
| The Bank of Punjab        | Bank deposits                  |
| Faysal Bank Limited       | Bank deposits                  |
| The Bank of Khyber        | Bank deposits                  |
| Habib Metro Bank Limited  | Bank deposits                  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

| Name of Institution                                         | Relationship               |
|-------------------------------------------------------------|----------------------------|
| Meezan Bank Limited                                         | Bank deposits              |
| MCB Islamic Bank Limited                                    | Bank deposits              |
| Habib Bank Limited                                          | Bank deposits              |
| Bank Al-Habib Limited                                       | Bank deposits              |
| Al Meezan Investment Management Limited                     | Investment in mutual funds |
| ABL Asset Management Company Limited                        | Investment in mutual funds |
| Alfalalah Asset Management Limited                          | Investment in mutual funds |
| HLB Asset Management Limited                                | Investment in mutual funds |
| JS Investments Limited                                      | Investment in mutual funds |
| MCB Investment Management Limited (formerly MCB Arif Habib) | Investment in mutual funds |
| NBP Fund Management Limited                                 | Investment in mutual funds |
| UBL Fund Managers Limited                                   | Investment in mutual funds |
| Atlas Asset Management Limited                              | Investment in mutual funds |
| Faysal Asset Management Limited                             | Investment in mutual funds |
| Lakson Investments Limited                                  | Investment in mutual funds |
| Pak Qatar Asset Management Company Limited                  | Investment in mutual funds |
| AKD Investment Management Limited                           | Investment in mutual funds |
| Lucky Investments Limited                                   | Investment in mutual funds |
| AWT Investments Limited                                     | Investment in mutual funds |
| BMA Asset Management / Investment Advisors Limited          | Investment in mutual funds |

## 48 Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison and better presentation, however, no significant reclassification has been made, except for the following:

|                                                                                                                                              | Rupees      |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Salaries, wages and other benefits previously classified under 'cost of sales' are now reclassified to 'administrative and general expenses' | 169,942,220 |

## 50 Date of authorization for issue

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 10, 2026.



Chief Executive Officer



Chief Financial Officer



Director

# PATTERN OF SHAREHOLDING

As at 30 June 2026

| Number of<br>Shareholders | Shareholdings |         | Total Number of<br>Shares Held | Percentage of<br>Total Capital |
|---------------------------|---------------|---------|--------------------------------|--------------------------------|
|                           | From          | To      |                                |                                |
| 2300                      | 1             | 100     | 84,737                         | 0.0092                         |
| 1804                      | 101           | 500     | 547,114                        | 0.0595                         |
| 1009                      | 501           | 1,000   | 842,810                        | 0.0917                         |
| 1706                      | 1,001         | 5,000   | 4,326,980                      | 0.4707                         |
| 635                       | 5,001         | 10,000  | 4,862,553                      | 0.5289                         |
| 154                       | 10,001        | 15,000  | 1,998,391                      | 0.2174                         |
| 82                        | 15,001        | 20,000  | 1,490,834                      | 0.1622                         |
| 59                        | 20,001        | 25,000  | 1,358,322                      | 0.1478                         |
| 39                        | 25,001        | 30,000  | 1,103,973                      | 0.1201                         |
| 29                        | 30,001        | 35,000  | 943,805                        | 0.1027                         |
| 32                        | 35,001        | 40,000  | 1,213,860                      | 0.132                          |
| 22                        | 40,001        | 45,000  | 939,544                        | 0.1022                         |
| 31                        | 45,001        | 50,000  | 1,513,783                      | 0.1647                         |
| 22                        | 50,001        | 55,000  | 1,175,290                      | 0.1278                         |
| 9                         | 55,001        | 60,000  | 519,748                        | 0.0565                         |
| 12                        | 60,001        | 65,000  | 758,856                        | 0.0825                         |
| 9                         | 65,001        | 70,000  | 609,010                        | 0.0662                         |
| 10                        | 70,001        | 75,000  | 736,530                        | 0.0803                         |
| 4                         | 75,001        | 80,000  | 307,614                        | 0.0335                         |
| 4                         | 80,001        | 85,000  | 333,050                        | 0.0362                         |
| 3                         | 85,001        | 90,000  | 268,306                        | 0.0292                         |
| 1                         | 90,001        | 95,000  | 92,500                         | 0.0101                         |
| 6                         | 95,001        | 100,000 | 888,459                        | 0.0966                         |
| 5                         | 100,001       | 105,000 | 514,741                        | 0.056                          |
| 4                         | 105,001       | 110,000 | 429,528                        | 0.0467                         |
| 1                         | 110,001       | 115,000 | 112,500                        | 0.0122                         |
| 3                         | 115,001       | 120,000 | 355,727                        | 0.0387                         |
| 6                         | 120,001       | 125,000 | 744,492                        | 0.081                          |
| 4                         | 125,001       | 130,000 | 514,114                        | 0.0559                         |
| 3                         | 130,001       | 135,000 | 394,885                        | 0.043                          |
| 4                         | 135,001       | 140,000 | 546,410                        | 0.0594                         |
| 3                         | 145,001       | 150,000 | 449,086                        | 0.0489                         |
| 1                         | 150,001       | 155,000 | 154,423                        | 0.0168                         |
| 2                         | 155,001       | 160,000 | 315,129                        | 0.0343                         |
| 4                         | 160,001       | 165,000 | 649,235                        | 0.0706                         |
| 3                         | 165,001       | 170,000 | 508,000                        | 0.0553                         |
| 5                         | 170,001       | 175,000 | 871,020                        | 0.0947                         |
| 3                         | 175,001       | 180,000 | 532,500                        | 0.0579                         |
| 1                         | 180,001       | 185,000 | 198,611                        | 0.0216                         |
| 1                         | 185,001       | 190,000 | 207,555                        | 0.0226                         |
| 1                         | 190,001       | 195,000 | 215,000                        | 0.0234                         |
| 1                         | 195,001       | 200,000 | 222,904                        | 0.0242                         |
| 2                         | 200,001       | 205,000 | 465,786                        | 0.0507                         |
| 3                         | 205,001       | 210,000 | 715,244                        | 0.0778                         |
| 1                         | 210,001       | 215,000 | 242,865                        | 0.0264                         |
| 2                         | 215,001       | 220,000 | 506,486                        | 0.0551                         |
| 2                         | 220,001       | 225,000 | 567,670                        | 0.0617                         |
| 1                         | 225,001       | 230,000 | 289,094                        | 0.0314                         |
| 2                         | 230,001       | 235,000 | 599,628                        | 0.0652                         |
| 2                         | 235,001       | 240,000 | 601,006                        | 0.0654                         |
| 1                         | 240,001       | 245,000 | 310,000                        | 0.0337                         |
| 1                         | 245,001       | 250,000 | 314,250                        | 0.0342                         |
| 1                         | 250,001       | 255,000 | 319,500                        | 0.0348                         |
| 1                         | 255,001       | 260,000 | 322,600                        | 0.0351                         |
| 2                         | 260,001       | 265,000 | 327,600                        | 0.0356                         |
| 1                         | 265,001       | 270,000 | 665,430                        | 0.0724                         |
| 1                         | 270,001       | 275,000 | 350,000                        | 0.0381                         |
| 1                         | 275,001       | 280,000 | 353,388                        | 0.0384                         |
| 1                         | 280,001       | 285,000 | 362,062                        | 0.0394                         |
| 1                         | 285,001       | 290,000 | 408,000                        | 0.0444                         |
| 1                         | 290,001       | 295,000 | 416,445                        | 0.0453                         |
| 1                         | 295,001       | 300,000 | 438,239                        | 0.0477                         |
| 1                         | 300,001       | 305,000 | 441,002                        | 0.048                          |
| 1                         | 305,001       | 310,000 | 477,105                        | 0.0519                         |
| 1                         | 310,001       | 315,000 | 503,300                        | 0.0547                         |
| 1                         | 315,001       | 320,000 | 574,982                        | 0.0625                         |
| 1                         | 320,001       | 325,000 | 599,000                        | 0.0652                         |
| 1                         | 325,001       | 330,000 | 625,000                        | 0.068                          |
| 1                         | 330,001       | 335,000 | 650,000                        | 0.0707                         |
| 1                         | 335,001       | 340,000 | 665,814                        | 0.0724                         |
| 1                         | 340,001       | 345,000 | 722,296                        | 0.0786                         |
| 1                         | 345,001       | 350,000 | 743,109                        | 0.0808                         |
| 1                         | 350,001       | 355,000 | 760,225                        | 0.0827                         |
| 1                         | 355,001       | 360,000 | 778,925                        | 0.0847                         |
| 1                         | 360,001       | 365,000 | 802,435                        | 0.0873                         |
| 1                         | 365,001       | 370,000 | 850,000                        | 0.0925                         |
| 1                         | 370,001       | 375,000 | 922,672                        | 0.1004                         |
| 1                         | 375,001       | 380,000 | 951,827                        | 0.1035                         |
| 1                         | 380,001       | 385,000 | 963,871                        | 0.1048                         |
| 1                         | 385,001       | 390,000 | 972,672                        | 0.1058                         |
| 1                         | 390,001       | 395,000 | 975,779                        | 0.1061                         |
| 1                         | 395,001       | 400,000 | 1,217,553                      | 0.1324                         |
| 1                         | 400,001       | 405,000 | 1,272,500                      | 0.1384                         |
| 1                         | 405,001       | 410,000 | 1,340,870                      | 0.1459                         |
| 1                         | 410,001       | 415,000 | 1,370,000                      | 0.149                          |
| 2                         | 415,001       | 420,000 | 1,455,000                      | 0.156                          |
| 1                         | 420,001       | 425,000 | 1,500,000                      | 0.1632                         |
| 1                         | 425,001       | 430,000 | 1,536,679                      | 0.1672                         |
| 1                         | 430,001       | 435,000 | 1,541,969                      | 0.1677                         |
| 1                         | 435,001       | 440,000 | 1,552,455                      | 0.1689                         |
| 1                         | 440,001       | 445,000 | 1,624,000                      | 0.1767                         |
| 1                         | 445,001       | 450,000 | 1,647,702                      | 0.1792                         |
| 1                         | 450,001       | 455,000 | 1,805,679                      | 0.1964                         |
| 1                         | 455,001       | 460,000 | 1,885,000                      | 0.2047                         |
| 1                         | 460,001       | 465,000 | 1,930,690                      | 0.21                           |
| 1                         | 465,001       | 470,000 | 1,951,794                      | 0.2123                         |
| 1                         | 470,001       | 475,000 | 2,048,319                      | 0.2226                         |
| 1                         | 475,001       | 480,000 | 2,140,393                      | 0.2328                         |
| 1                         | 480,001       | 485,000 | 2,240,709                      | 0.2437                         |
| 1                         | 485,001       | 490,000 | 2,477,890                      | 0.2695                         |
| 1                         | 490,001       | 495,000 | 2,481,425                      | 0.2699                         |
| 1                         | 495,001       | 500,000 | 2,716,620                      | 0.295                          |
| 1                         | 500,001       | 505,000 | 2,893,230                      | 0.3147                         |
| 1                         | 505,001       | 510,000 | 3,563,500                      | 0.3876                         |
| 1                         | 510,001       | 515,000 | 3,685,531                      | 0.4009                         |
| 1                         | 515,001       | 520,000 | 4,344,255                      | 0.4726                         |
| 1                         | 520,001       | 525,000 | 7,155,000                      | 0.7793                         |
| 1                         | 525,001       | 530,000 | 9,130,840                      | 0.9932                         |
| 1                         | 530,001       | 535,000 | 9,179,883                      | 0.9986                         |
| 1                         | 535,001       | 540,000 | 9,835,955                      | 1.0699                         |
| 1                         | 540,001       | 545,000 | 16,120,625                     | 1.7536                         |
| 1                         | 545,001       | 550,000 | 40,744,574                     | 4.4321                         |
| 1                         | 550,001       | 555,000 | 163,658,360                    | 17.8024                        |
| 1                         | 555,001       | 560,000 | 552,416,600                    | 60.09                          |
| 8,121                     | 560,001       | 565,000 | 919,306,485                    | 100.00                         |

# CATEGORIES OF SHAREHOLDING

## As at 30 June 2026

| Categories of Shareholders                                                               | Shares Held        | Percentage    |
|------------------------------------------------------------------------------------------|--------------------|---------------|
| <b>I Directors, Chief Executive Officer, their Spouse &amp; Minor Children</b>           | <b>168,625,283</b> | <b>18.34%</b> |
| <b>Directors</b>                                                                         |                    |               |
| Mr. Aizaz Mansoor Sheikh                                                                 | 17,935             | 0.00%         |
| Mr. Nadeem Atta Sheikh                                                                   | 722,298            | 0.08%         |
| Mrs. Hijab Tariq                                                                         | 165,282,360        | 17.98%        |
| Mr. Muhammad Rehman Sheikh                                                               | 3,900              | 0.00%         |
| Mr. Muhammad Atta Tanseer Sheikh                                                         | 3,750              | 0.00%         |
| Mr. Hamza Atta Sheikh                                                                    | 100,000            | 0.01%         |
| Mr. Ahmad Sajjad Khan                                                                    | 2,750              | 0.00%         |
| Mr. Talha Saeed Ahmed                                                                    | 10,500             | 0.00%         |
| <b>Director's Spouse</b>                                                                 |                    |               |
| Mrs. Shahnaz Aizaz                                                                       | 3,900              | 0.00%         |
| Mrs. Hafsa Nadeem                                                                        | 2,477,890          | 0.27%         |
| <b>II Associated Companies, Undertakings &amp; Related Parties</b>                       | <b>553,171,825</b> | <b>60.17%</b> |
| ANS Capital (Pvt) Limited                                                                | 552,411,600        | 60.09%        |
| Kohat Cement Educational Trust                                                           | 760,225            | 0.08%         |
| <b>III NIT &amp; ICP</b>                                                                 | <b>601,720</b>     | <b>0.07%</b>  |
| FUNDS UNDER NATIONAL INVESTMENT TRUST LIMITED                                            | 599,000            | 0.07%         |
| INVESTMENT CORPORATION OF PAKISTAN                                                       | 2,720              | 0.00%         |
| <b>IV Banks, Development Finance Institutions and Non-Banking Financial Institutions</b> | <b>2,215,896</b>   | <b>0.24%</b>  |
| <b>V Insurance/ Takaful Companies</b>                                                    | <b>365,718</b>     | <b>0.04%</b>  |
| <b>VI Modarbas</b>                                                                       | <b>1,000</b>       | <b>0.00%</b>  |
| <b>VII Mutual Funds</b>                                                                  | <b>82,855,842</b>  | <b>9.01%</b>  |
| <b>VIII Shareholder holding 10% and more (other than above)</b>                          | <b>Nil</b>         | <b>0.00%</b>  |
| <b>IX General Public</b>                                                                 | <b>91,932,793</b>  | <b>10.00%</b> |
| a) Local                                                                                 | 84,453,939         | 9.19%         |
| b) Foreign                                                                               | 7,478,854          | 0.81%         |
| <b>X Others</b>                                                                          | <b>19,536,408</b>  | <b>2.13%</b>  |
| Joint Stock Companies                                                                    | 10,577,824         | 1.15%         |
| Gratuity/Pension/Provident Funds                                                         | 8,196,599          | 0.89%         |
| Charitable Trusts / Non-Profit Organizations / Wakfs                                     | 30,235             | 0.00%         |
| Executives                                                                               | 138,055            | 0.02%         |
| Investment Companies                                                                     | 593,695            | 0.06%         |
| <b>Total</b>                                                                             | <b>919,306,485</b> | <b>100%</b>   |

# FINANCIAL CALENDAR

The Company follows the period of July 01 to June 30 as the financial year.

Financial results will be announced as per the following tentative schedule:

|                                         |                             |
|-----------------------------------------|-----------------------------|
| Annual General Meeting                  | October 22, 2026            |
| First Quarter ending September 30, 2026 | Last week of October 2026   |
| Second Quarter ending December 31, 2026 | First week of February 2027 |
| Third Quarter ending March 31, 2027     | Third week of April 2027    |
| Year ending June 30, 2027               | Third week of August 2027   |

# BALLOT PAPER

## Kohat Cement Company Limited

Registered Office: Kohat Cement Factory, Rawalpindi Road, Kohat  
Phone: 042 111 115 225, Website: www.kohatcement.com

### Ballot Paper for voting through Post for the Special Business (at Annual General Meeting to be held at 11:00 am on October 22, 2026)

Duly filled-in ballot paper shall be sent to the Chairman at his designated email address mis@kohatcement.com.

|                                                                                                                          |  |
|--------------------------------------------------------------------------------------------------------------------------|--|
| Name of shareholder/joint shareholders                                                                                   |  |
| Registered Address                                                                                                       |  |
| Number of shares held and folio number                                                                                   |  |
| CNIC Number (copy to be attached)                                                                                        |  |
| Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.) |  |

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below;

| Sr. No.                       | Nature and Description of resolutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | No. of ordinary shares for which votes cast                                                                      | I/We assent to the Resolutions |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------|---------------|-----------------|-----------|-------------------------------|----------------------------------------------|-------------|--|--|--|
|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                  | FOR                            | AGAINST                               |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
| 1                             | <p><b>Agenda Item 3.</b> – To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2026</p> <p>The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):</p> <p><b>“Resolved</b> that following transactions carried out in the ordinary course of business at arm’s length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Kohat Cement Company Limited, during the financial year ended June 30, 2026 be and are hereby ratified, approved and confirmed.</p>            |                                                                                                                  |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               | <table><tr><th>Name of Related Party</th><th>Description of transaction</th><th>Amount (Rs.)</th></tr><tr><td>Kohat Cement Educational Trust (KCET)</td><td>Contribution made to KCET (which runs a school within the vicinity of KCCL factory)</td><td>9,919,549</td></tr><tr><td rowspan="2">Ultra Pack (Private) Limited</td><td>Purchase of poly propylene bags for packing of cement</td><td>1,732,524,956</td></tr><tr><td>Sale of vehicle</td><td>5,750,000</td></tr><tr><td>Ultra Kraft (Private) Limited</td><td>Purchase of paper bags for packing of cement</td><td>468,180,988</td></tr></table>                                                                            | Name of Related Party                                                                                            | Description of transaction     | Amount (Rs.)                          | Kohat Cement Educational Trust (KCET)                                                                            | Contribution made to KCET (which runs a school within the vicinity of KCCL factory) | 9,919,549                                                                      | Ultra Pack (Private) Limited  | Purchase of poly propylene bags for packing of cement                 | 1,732,524,956 | Sale of vehicle | 5,750,000 | Ultra Kraft (Private) Limited | Purchase of paper bags for packing of cement | 468,180,988 |  |  |  |
|                               | Name of Related Party                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Description of transaction                                                                                       | Amount (Rs.)                   |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               | Kohat Cement Educational Trust (KCET)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Contribution made to KCET (which runs a school within the vicinity of KCCL factory)                              | 9,919,549                      |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               | Ultra Pack (Private) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Purchase of poly propylene bags for packing of cement                                                            | 1,732,524,956                  |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
| Sale of vehicle               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 5,750,000                                                                                                        |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
| Ultra Kraft (Private) Limited | Purchase of paper bags for packing of cement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 468,180,988                                                                                                      |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                  |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                  |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                  |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
| 2                             | <p><b>Agenda Item 4.</b> – To authorize the Chief Executive of the Company to approve all transactions with Related Parties</p> <p>The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):</p> <p><b>“Resolved</b> that Kohat Cement Company Limited (the Company) be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm’s length basis during the financial year ending June 30, 2027 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.</p> |                                                                                                                  |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               | <table><tr><th>Name of Related Party</th><th>Description of transaction</th></tr><tr><td>Kohat Cement Educational Trust (KCET)</td><td>Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET</td></tr><tr><td>Ultra Pack (Private) Limited</td><td>Purchase of poly propylene bags for packing of cement and sale of cement, etc.</td></tr><tr><td>Ultra Kraft (Private) Limited</td><td>Purchase of paper bags for packing of cement and sale of cement, etc.</td></tr></table>                                                                                                                                             | Name of Related Party                                                                                            | Description of transaction     | Kohat Cement Educational Trust (KCET) | Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET | Ultra Pack (Private) Limited                                                        | Purchase of poly propylene bags for packing of cement and sale of cement, etc. | Ultra Kraft (Private) Limited | Purchase of paper bags for packing of cement and sale of cement, etc. |               |                 |           |                               |                                              |             |  |  |  |
|                               | Name of Related Party                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Description of transaction                                                                                       |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               | Kohat Cement Educational Trust (KCET)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               | Ultra Pack (Private) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Purchase of poly propylene bags for packing of cement and sale of cement, etc.                                   |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
| Ultra Kraft (Private) Limited | Purchase of paper bags for packing of cement and sale of cement, etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                  |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                  |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                  |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |
|                               | <p><b>Further Resolved</b> that Chief Executive of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s).”</p>                                                                                                                                                                                                                                                                                                                     |                                                                                                                  |                                |                                       |                                                                                                                  |                                                                                     |                                                                                |                               |                                                                       |               |                 |           |                               |                                              |             |  |  |  |

| Sr. No. | Nature and Description of resolutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | No. of ordinary shares for which votes cast | I/We assent to the Resolutions |         |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------|---------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                             | FOR                            | AGAINST |
| 3       | <p><b>Agenda Item 5</b> – To approve investment by way of loan in associated company</p> <p>The following resolutions are approved as Special Resolutions with or without any modification(s), addition(s) and deletion(s):</p> <p><b>“Resolved</b> that approval of members of Kohat Cement Company Limited (the “Company”) be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017, for investment by way of loan / advance of upto PKR 600 Million in Ultra Kraft (Private) Limited (UKPL), an associated Company, to meet its operating liquidity requirements for a term of one year from October 29, 2026 at a mark-up rate of 1.50% above three months KIBOR or at the average borrowing cost of the Company, whichever is higher, which shall be paid by UKPL within fifteen (15) days of end of each quarter and as per other terms and conditions disclosed to the members and non-payment of mark-up within stipulated time period shall entail a further mark-up/penalty at the rate of 5% per annum on unpaid amount.</p> <p><b>Further Resolved</b> that Chief Executive of the Company or any officer of the Company authorized by him be and is hereby authorized to enter into agreement with UKPL in line with the terms approved by the members and to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s)/documents and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions.”</p> |                                             |                                |         |

-----  
Signature of shareholder(s)

Place:

Date:

**NOTES:**

1. Duly filled postal ballot should be sent to Chairman, Kohat Cement Company Limited, Kohat Cement Factory, Rawalpindi Road, Kohat or email at mis@kohatcement.com on or before 5:00 PM, Wednesday, October 21, 2026. Any postal ballot received after this date, will not be considered for voting.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Signature on postal ballot should match with signature on CNIC.
4. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written and marked with (✓) on both options given in ballot paper will be rejected.
5. In case of representative of body corporate and corporation, Postal Ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act 2017, as applicable, unless these have already been submitted along with Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Pakistani Embassy having jurisdiction over the member.
6. Ballot paper has also been placed on the website of the Company www.kohatcement.com.

# FORM OF PROXY

## 47<sup>th</sup> Annual General Meeting

I/We \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ being a member of Kohat Cement Company Limited (the Company) and holder of \_\_\_\_\_ (No.) Ordinary shares as per Share Register Folio No. \_\_\_\_\_ and/or CDC Participant I.D. No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_, another member of the Company having Folio No. \_\_\_\_\_ and/or CDC Participant I.D. No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ (or failing him \_\_\_\_\_ of \_\_\_\_\_ having Folio No. \_\_\_\_\_ and/or CDC Participant I.D. No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, October 22, 2026 at 11:00 A.M. at the registered office of the Company, Kohat Cement Factory, Rawalpindi Road, Kohat and at any adjourned meeting thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

Signature:

Please affix  
Rupees Ten  
revenue  
stamp

### Witnesses:

- |                     |                     |
|---------------------|---------------------|
| 1. Signature: _____ | 2. Signature: _____ |
| Name: _____         | Name: _____         |
| Address: _____      | Address: _____      |
| _____               | _____               |
| CNIC or _____       | CNIC or _____       |
| Passport No. _____  | Passport No. _____  |

### Note:

- In order to be effective, a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Head Office of the Company, 37-P, Gulberg-II, Lahore not later than 48 hours (excluding non-working days) before the time of the meeting. No person shall be appointed as a proxy who is not a member of the Company qualified to vote except that a Company/ Corporation being a member may appoint a person who is not a member for attending and voting at the meeting.
- Shareholders and their proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the company.

AFFIX  
CORRECT  
POSTAGE

The Company Secretary,

**Kohat Cement Company Limited**

37-P, Gulberg II, Lahore.

Tel: 042 11 111 5225

Fax: 042 3 587 4990

## کوہاٹ سیمنٹ کمپنی لمیٹڈ

پراکسی فارم

سینٹالیسواں اجلاس عام

میں مسٹی / مسماة \_\_\_\_\_ ساکن / نمائندہ \_\_\_\_\_  
 ضلع \_\_\_\_\_ بحیثیت ممبر کوہاٹ سیمنٹ کمپنی لمیٹڈ (سی ڈی سی / فوئیو نمبر \_\_\_\_\_) مسٹی / مسماة \_\_\_\_\_ ساکن \_\_\_\_\_  
 (سی ڈی سی / فوئیو نمبر \_\_\_\_\_) کو یا مذکورہ ممبر کی عدم موجودگی کی وجہ سے مسٹی / مسماة \_\_\_\_\_  
 ساکن \_\_\_\_\_ (سی ڈی سی / فوئیو نمبر \_\_\_\_\_) کو بطور مختار (پراکسی) مقرر کرتا ہوں، تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاس  
 عام جو بتاریخ 22 اکتوبر، 2026ء بروز جمعرات صبح 11:00 بجے کمپنی کے رجسٹرڈ آفس کوہاٹ سیمنٹ فیکٹری، راولپنڈی روڈ، کوہاٹ میں منعقد ہو رہا ہے میں یا اس کے کسی ملتوی شدہ اجلاس میں  
 ووٹ ڈالے۔

یہ پراکسی فارم آج مورخہ \_\_\_\_\_ کو درج ذیل گواہان کی موجودگی میں دستخط ہوا۔

دستخط شیئر ہولڈر:

برائے مہربانی • اروپے مالیت کی ریونیو  
 سٹیپ چسپاں کریں۔

## گواہان

|                                          |                                          |                     |                     |
|------------------------------------------|------------------------------------------|---------------------|---------------------|
| 1-                                       | دستخط: _____                             | 2-                  | دستخط: _____        |
| نام: _____                               | نام: _____                               | پتہ: _____          | پتہ: _____          |
| کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____ | کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____ | یا                  | یا                  |
| پاسپورٹ نمبر: _____                      | پاسپورٹ نمبر: _____                      | پاسپورٹ نمبر: _____ | پاسپورٹ نمبر: _____ |

نوٹ:

۱۔ پراکسی (نمائندہ) کی تقرری کو مؤثر بنانے کے لیے، باقاعدہ طور پر مہر شدہ و دستخط شدہ پراکسی، اور وہ مختار نامہ یا دیگر سند اختیار کر کوئی ہو جس کے تحت پراکسی پر دستخط کیے گئے ہوں، یا اس  
 مختار نامہ یا سند اختیار کی نوٹری سے تصدیق شدہ نقل، کمپنی کے ہیڈ آفس، P-37 گلبرگ II، لاہور میں اجلاس کے انعقاد کے مقررہ وقت سے کم از کم 48 گھنٹے قبل (غیر کاروباری ایام کو شمار کیے  
 بغیر) جمع کرانا ضروری ہے۔ کسی ایسے شخص کو پراکسی مقرر نہیں کیا جاسکتا جو کمپنی کا ووٹ دینے کا اہل رکن نہ ہو، تاہم کمپنی / کارپوریشن جو کمپنی کی رکن ہو، اجلاس میں شرکت اور ووٹ دینے کے لیے  
 کسی غیر رکن شخص کو مقرر کرنے کی مجاز ہوگی۔

۲۔ شیئر ہولڈرز اور ان کے نمائندوں سے گزارش ہے کہ فارم کے ساتھ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ کاپی لازماً منسلک کریں۔

AFFIX  
CORRECT  
POSTAGE

The Company Secretary,

**Kohat Cement Company Limited**

37-P, Gulberg II, Lahore.

Tel: 042 11 111 5225

Fax: 042 3 587 4990



kohatcement.com

37-P, Gulberg II, Lahore, Pakistan

Tel: +92 -42-11-111-KCCL (5225) Fax: +92-423-5754084, 5874990

Email: [mis@kohatcement.com](mailto:mis@kohatcement.com)