



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

CEMENTING SUCCESS

Annual Report
2026

CEMENTING **SUCCESS**

Cementing Success captures Cherat Cement's journey of transforming ambition into meaningful and measurable progress. Guided by our commitment to industry leadership, innovation, people development, operational excellence, portfolio optimization, sustainability, and stakeholder value creation, we continue to strengthen our foundations for a resilient and sustainable future. With purpose, discipline and a relentless focus on excellence, we remain committed to creating enduring value and cementing success for generations to come.



ABOUT THE REPORT

We are pleased to present the Annual Report of Cherat Cement Company Limited (the “Company”) for the year ended June 30, 2026. The Company was incorporated in Pakistan in 1981 as a public company limited by shares and got listed on the Pakistan Stock Exchange Limited in 1993. The main business of the Company is the manufacturing, marketing and sale of cement.

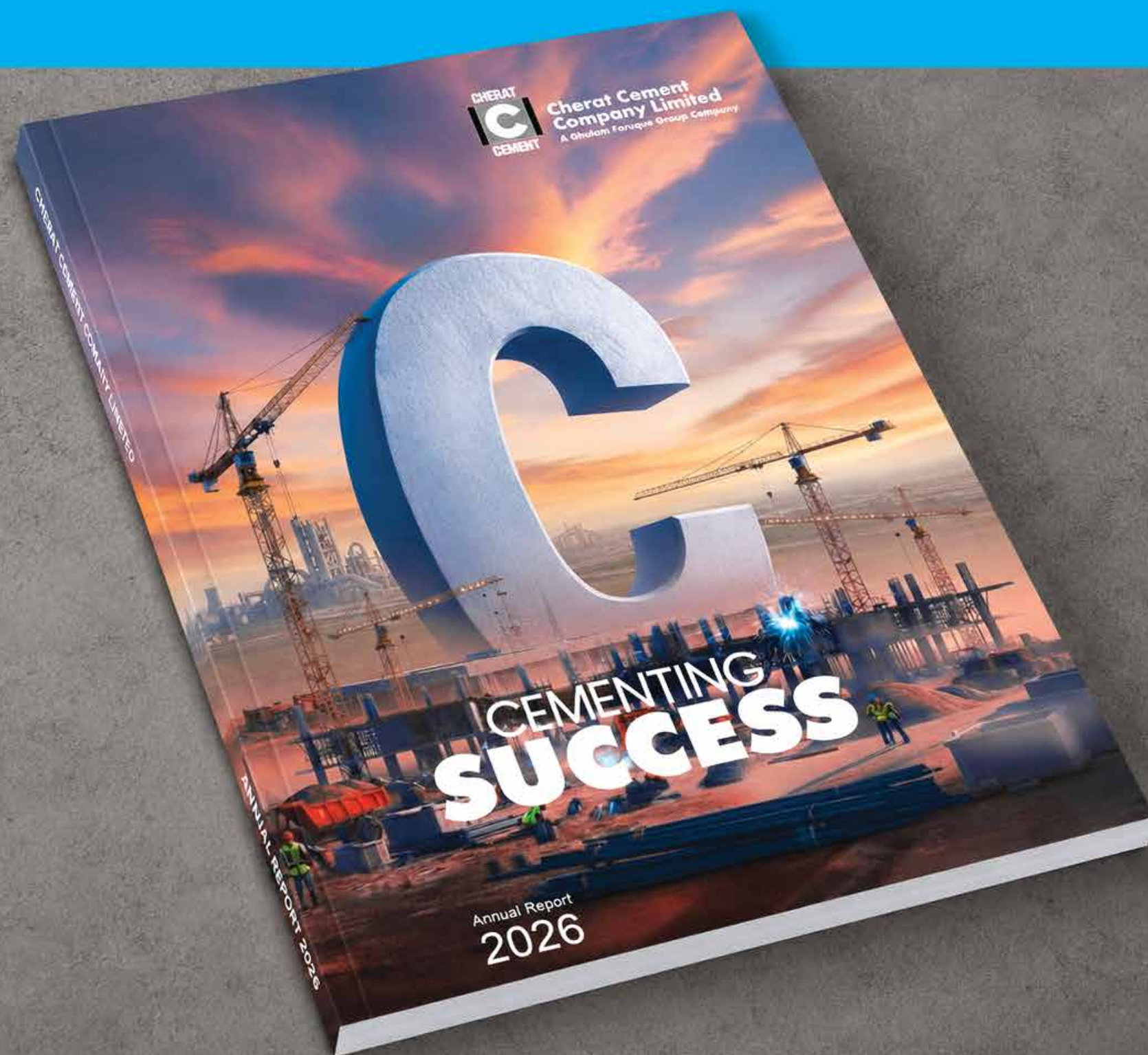
An Integrated Report is a concise communication that explains how an organization’s strategy, governance, performance and prospects, in the context of its external environment, contribute to the creation of value over the short, medium and long term. The Company has adopted the International Integrated Reporting Framework and, accordingly, this Report has been prepared in accordance with the principles and guidance of the Framework, together with the Global Reporting Initiative (GRI) Standards. The Report aims to provide stakeholders with a transparent and comprehensive view of the Company’s ability to create value, its contributions to sustainable development, and other relevant financial and non-financial information.

The principal objective of this Report is to adhere to the principles of inclusivity, materiality and responsiveness, while providing a comprehensive evaluation of the Company’s performance against the key elements of Integrated Reporting (IR). The information presented in this Report has been structured in a clear and meaningful manner to enable stakeholders to gain a comprehensive understanding of the Company’s financial and non-financial performance and its overall value creation process. The Company has also placed due emphasis on the relevance, connectivity and completeness of the information presented, supported by appropriate disclosures and illustrations, to provide stakeholders with a holistic view of the Company’s performance, strategy and prospects.

The Report has been structured to provide shareholders and other stakeholders with a comprehensive insight into the Company’s affairs, business operations and financial and non-financial performance. The Company remains committed to transparency, accountability and high standards of disclosure across its operations and practices. Accordingly, the Report covers key aspects of the Company’s Business and underlined the risk management framework, governance and its corporate structure, performance, disclosures on IT governance & Cybersecurity, Sustainability Report & disclosures related to corporate social responsibility, business model, future outlook, chairman’s review and directors’ report, audit committee report and the Statement of Compliance with the Code of Corporate Governance, compliances in accordance with the Companies Act, 2017 and corporate governance regulation and recognized governance practices.

The Report covers how the Company continues to align its business processes and activities with the United Nations Sustainable Development Goals (SDGs). In this regard, the Report highlights the Company’s initiatives and contributions towards the SDGs, as well as its approach to sustainability and climate-related risks and opportunities. The Company’s environmental, social and governance (ESG) priorities, corporate social responsibility (CSR) initiatives, commitments and ongoing efforts towards sustainable development are also highlighted in the Report. The Report further includes the audited financial statements of the Company, together with the Auditor’s Report thereon, prepared in accordance with the applicable International Financial Reporting Standards (IFRS Accounting Standards). It also incorporates the disclosures and compliance requirements under the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, applicable regulatory requirements and other relevant directives, including the Auditor’s Review Report on the Statement of Compliance with the Code of Corporate Governance.

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



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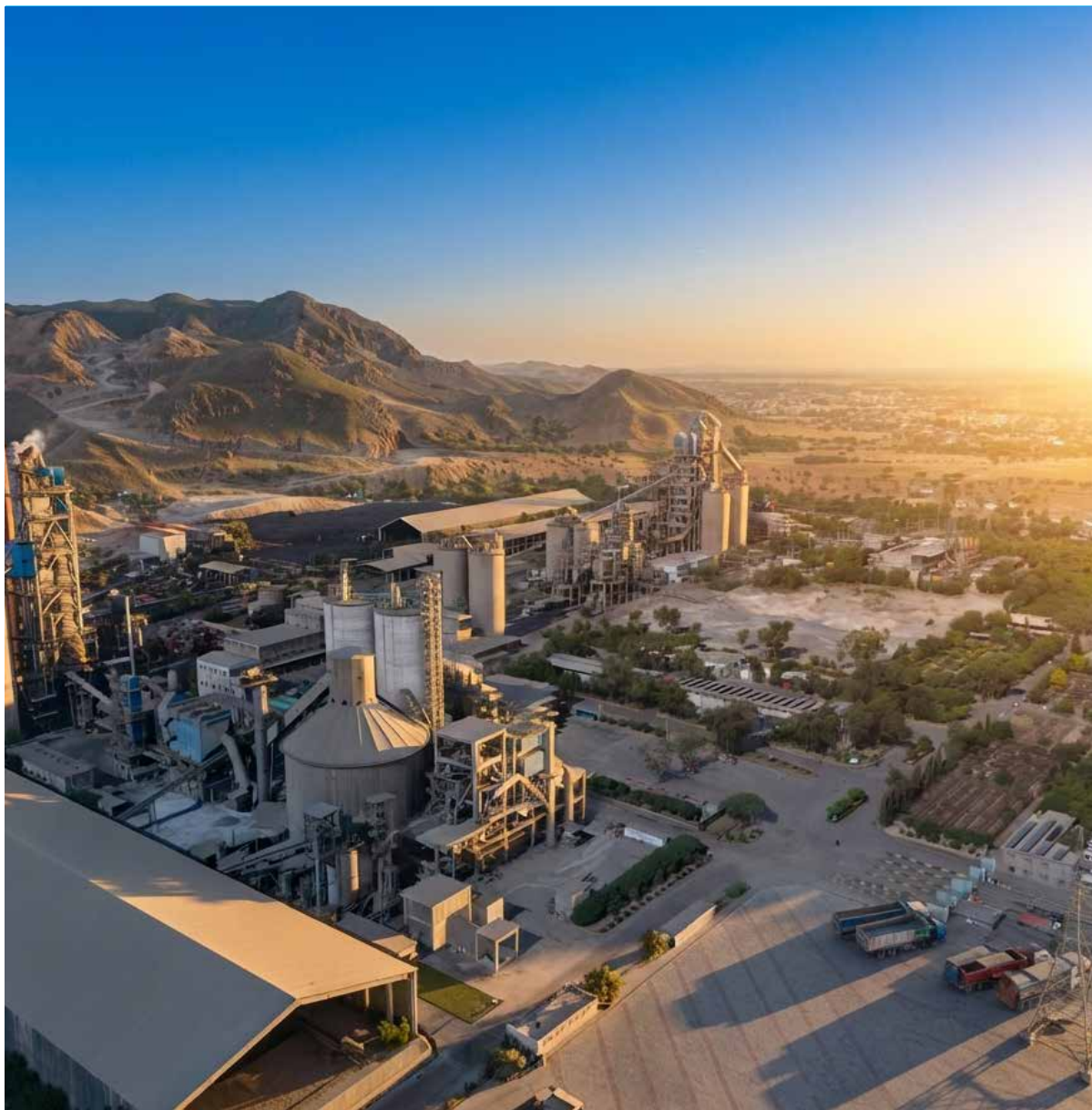
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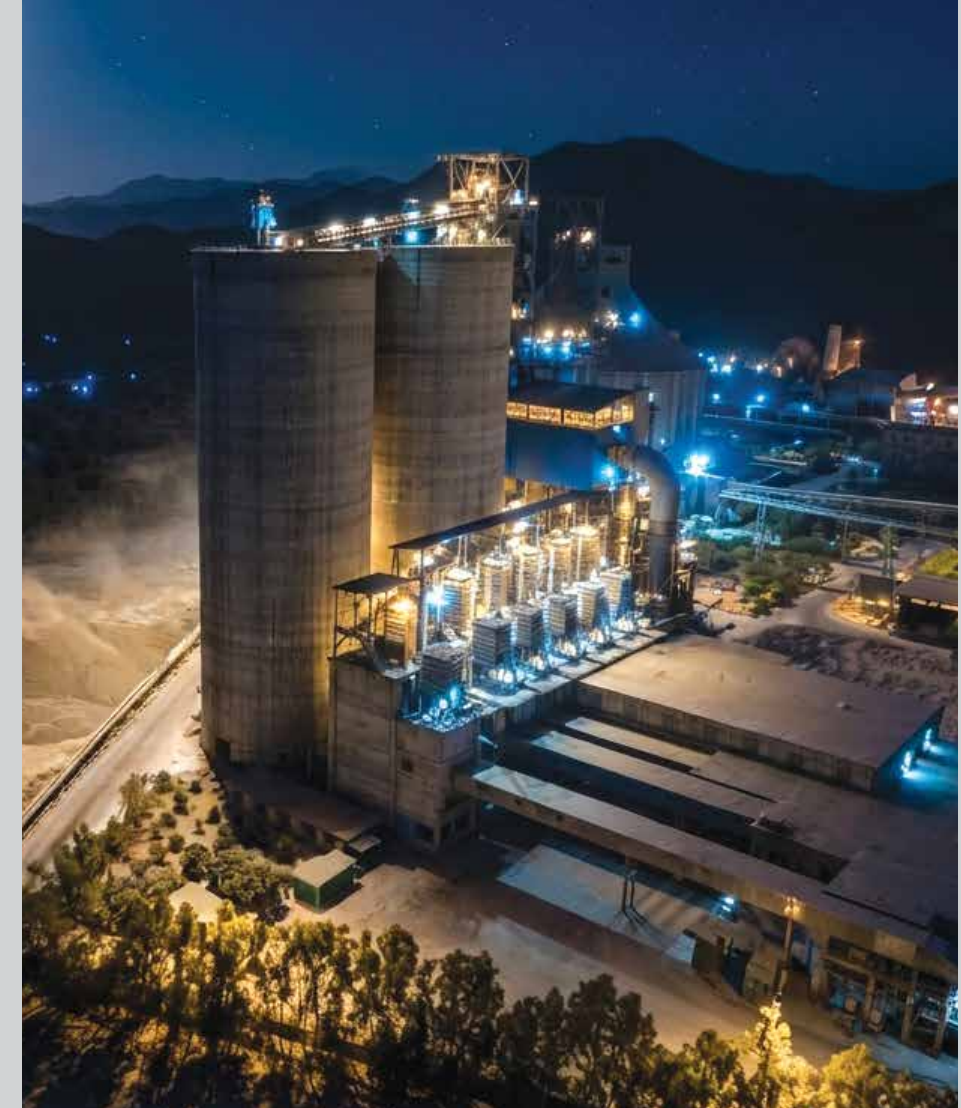
VISION

Building a better future

MISSION STATEMENT

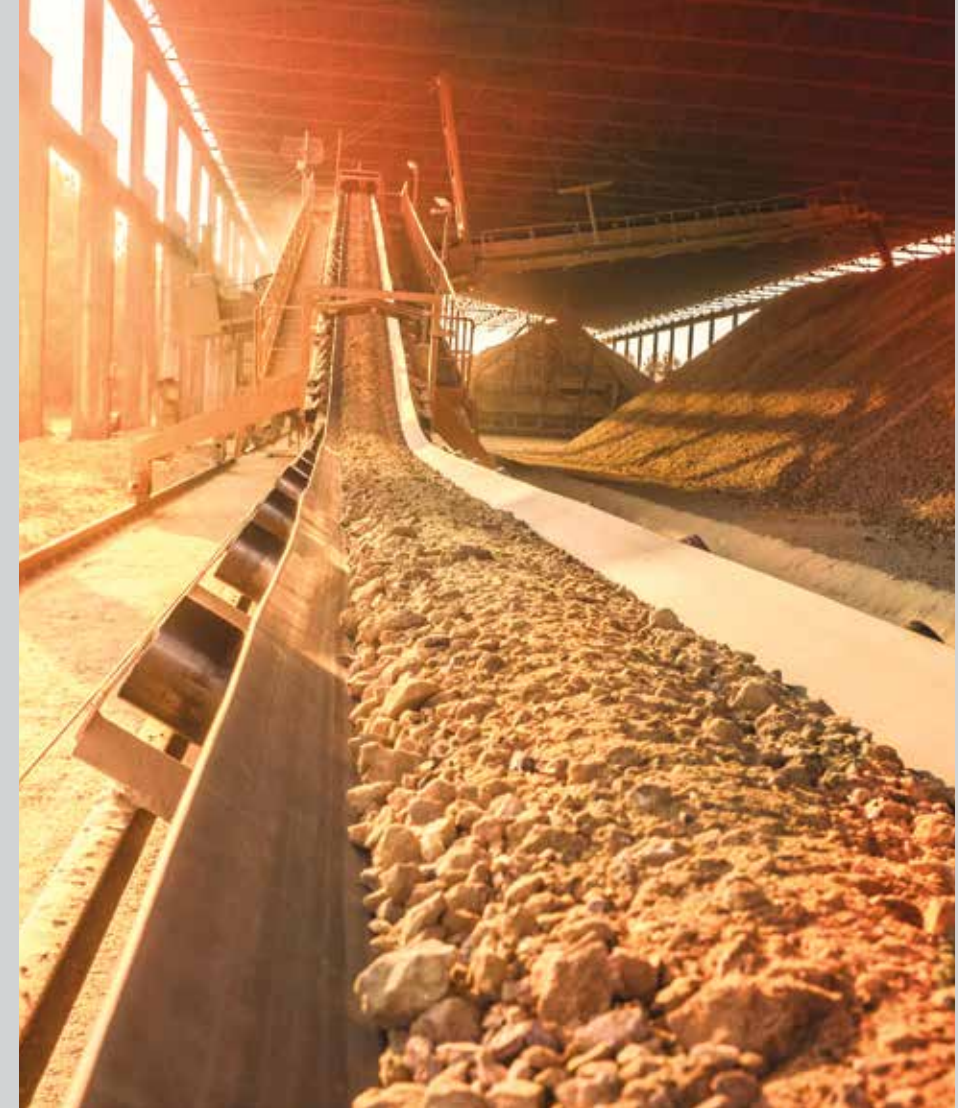
WE AIM TO BUILD A BETTER FUTURE BY

- Become the leading cement company
- Achieve Excellence through Innovation
- Uphold the trust of our customers
- Help build a greener future
- Unlock the potential of our people
- Continue to care for our communities
- Optimize our investment portfolio



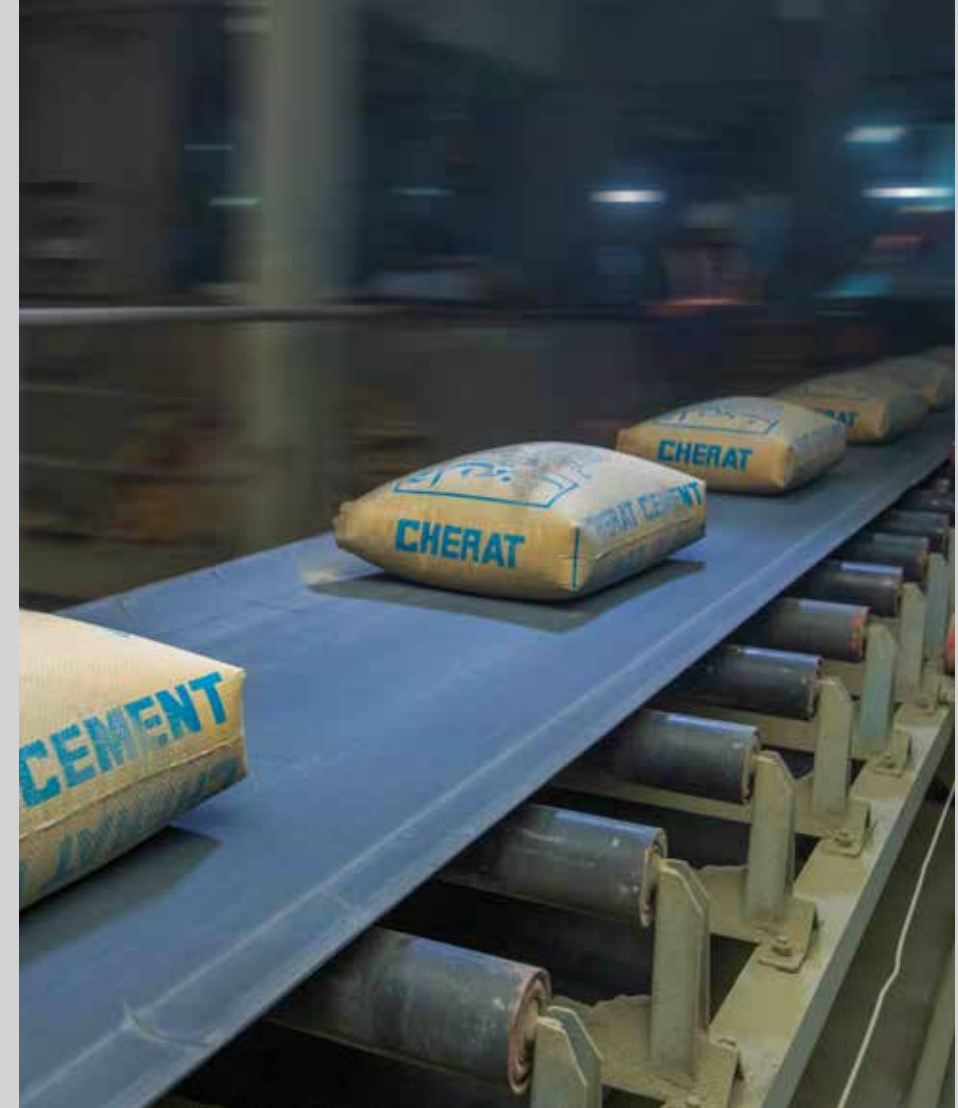
OUR AMBITION IS TO
BECOME THE
**LEADING
CEMENT
COMPANY**
BY DELIVERING
CONSISTENT
QUALITY, EMBRACING
INNOVATION, AND
BUILDING LASTING
VALUE





AT CHERAT CEMENT,
WE PURSUE EXCELLENCE
BY EMBRACING
INNOVATION
ACROSS OUR
OPERATIONS,
PRODUCTS, AND
PROCESSES

CEMENTING
SUCCESS



CEMENTING
**LASTING
TRUST**
THROUGH CONSISTENT
QUALITY, RELIABLE
PERFORMANCE, AND
UNWAVERING
INTEGRITY



BUILDING A
**GREENER
FUTURE**
THROUGH
SUSTAINABLE
PRACTICES,
CLEANER
TECHNOLOGIES,
AND INNOVATIVE
SOLUTIONS





AT CHERAT CEMENT,
WE BELIEVE
OUR PEOPLE
ARE THE DRIVING FORCE
BEHIND OUR SUCCESS.
BY FOSTERING A
CULTURE OF LEARNING,
COLLABORATION,
EMPOWERMENT, AND
INNOVATION





BUILDING
**STRONGER
COMMUNITIES**
THROUGH EDUCATION,
HEALTHCARE AND
SUSTAINABLE
DEVELOPMENT





AT CHERAT CEMENT, WE
FOCUS ON OPTIMIZING
OUR

INVESTMENT PORTFOLIO

THROUGH INFORMED
DECISION-MAKING,
STRATEGIC GROWTH,
AND PRUDENT
RESOURCE ALLOCATION





OUR VALUES



RESPECT
is our way of life



QUALITY
is our legacy



OWNERSHIP
is our way to success



FAIRNESS
is our way of work

CULTURE

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

ETHICS

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

CCCL Code of Conduct forms an integral part of the terms of employment of all employees. The Company insists on full compliance and does not tolerate any misconduct. Unlawful behaviour is not tolerated under any circumstances. A breach of the CCCL's Code of Conduct can lead to disciplinary action up to and including termination of employment.

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



CODE OF CONDUCT

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

Scope

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

Compliance with the Law and Reporting of Violations

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

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

Confidentiality & Anti-Retaliation

All reports submitted to the Compliance Committee are handled with strict confidentiality. The Company is fully committed to a zero-tolerance policy against retaliation. We actively encourage employees to raise concerns without fear. Even if an investigation does not substantiate a report, the individual who raised it will be protected from retaliation, provided the report was made in good faith.

Competition and Anti-trust Law

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

Bribery and Corruption

We are committed to conducting business ethically and transparently across all jurisdictions, maintaining a zero-tolerance policy for bribery or corruption. This applies universally to all stakeholders including employees, managers, directors, suppliers, vendors, and third-party partners. No individual or entity acting on our behalf may offer, solicit, or accept bribes, kickbacks, personal loans, excessive entertainment, or favored treatment from any current or prospective business partner or competitor. Gifts, meals, or entertainment are only permissible if modest and customary; any item or event valued at a prescribed value or above requires formal disclosure and prior approval from a

line manager, granted only in exceptional, justifiable business contexts. Cash or cash equivalents (e.g., gift cards) and any offerings that create a conflict of interest or appearance of impropriety are strictly prohibited.

To ensure compliance, all approved items are to be fully documented with a description, monetary value, business justification, and written manager approval. Employees are responsible for full disclosure, while line managers must rigorously evaluate requests against organizational standards. Failure to comply with this compromises our business integrity and may result in disciplinary action up to and including termination of employment or contract cancellation.

Human Rights & Corporate Responsibility

In alignment with the GRI Sustainability Reporting Standards and the UN Global Compact's Ten Principles regarding Human Rights, Labor, Environment, and Anti-Corruption, The Company is committed to respecting and upholding the human rights of everyone involved in our business. We strictly prohibit and have zero tolerance for any form of forced, compulsory, or child labor across all our operations and supply chains.

Money Laundering

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

Product Quality

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

Books, Records and Financial Reporting

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

Ensure Confidentiality

It is our policy that no employee entrusted with confidential information about the Company, its suppliers, customers or other business partners may disclose such information to any third party or use such information for his or her personal benefit while employed with the Company or thereafter, unless prior written approval is obtained from a duly

authorized person, unless it is public knowledge at the time of disclosure or the disclosure is required by law.

Protection and Information Security

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

Handling and Safeguarding of the Company's Property

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

Equal Treatment and Fair Working Conditions

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

Social and Corporate Governance

We are committed to maintaining ethical leadership, advocating best practices, establishing comprehensive policies, implementing robust internal controls and engaging with shareholders and other stakeholders in a transparent and a fair manner. We encourage employees to participate in philanthropic activities, including contributing to charities of their choice.

Personal Conduct and Legal Duties

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

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

Insider Trading

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

Diversity, Equality and Inclusion

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

External Activities and Public Comments

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

Health, Safety and Environmental Protection

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

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

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

Avoiding Conflicts of Interest

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

COMPANY INFORMATION

Board of Directors

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

Chairman
Chief Executive
Director
Director
Director
Director
Director
Director

Audit Committee

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

Chairman
Member
Member

Human Resource & Remuneration Committee

Mr. Abrar Hasan
Mr. Azam Faruque
Mr. Omar Faruque

Chairman
Member
Member

Director & Chief Operating Officer

Mr. Yasir Masood

Chief Financial Officer

Mr. Ijaz Ahmed

Company Secretary

Mr. Asim H. Akhund

Head of Internal Audit

Mr. Aamir Saleem

External Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Cost Auditors

UHY Hassan Naeem & Co.
Chartered Accountants

Shariah Advisor

Alhamd Shariah Advisory Services (Pvt.) Limited

Legal Advisor

K.M.S. Law Associates

Financial Institutions

Conventional Bankers

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

Islamic Bankers

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

Credit Rating

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

Share Registrar

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

Contact Information

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

Registered Office / Factory

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

Head Office

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Karachi-75530
Tel: +9221 35683566-7, 35689538
Fax: +9221 35683425

Sales Offices

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

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

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

NATURE OF BUSINESS

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

The Company offers Ordinary Portland Cement under the Cherat brand and Portland Composite Cement under the Cherat Khyber brand, manufactured in accordance with applicable quality standards.

LOCAL AND INTERNATIONAL MARKET

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

OUR PRODUCTS



GROUP STRUCTURE

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

Faruque (Private) Limited Parent Company

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



Mirpurkhas Sugar Mills Limited

Manufacturer and seller of Sugar and corrugated Paper

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

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

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

Cherat Cement Company Limited operates in Pakistan with its registered office located in Nowshera. Afghanistan is the Company's principal export market and Cherat is a premium brand of Ordinary Portland Cement in Pakistan and Afghanistan



Cherat Packaging Limited

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

Incorporated in 1989, it is one of the largest producer and supplier of polypropylene (PP) bags to the cement industry in Pakistan. CPL also produces and provides bags to other industries such as sugar, rice and flour etc. It also produces flexible packing material through its state-of-the-art facilities. CPL is listed on Pakistan Stock Exchange. The Company's Bags Manufacturing Division (BMD) has an annual production capacity of 260 million PP bags and 250 million Carrier/SOS units. Meanwhile, the Flexible Packaging Division (FPD) has an installed capacity of 23.6 million kg per annum. This capacity includes the successful commissioning of the second Extrusion Plant - Barrier Film Extrusion Line, with an annual capacity of 3,800 tons, in June 2026. This will enable CPL to meet the demand of its prospective customers in an effective manner and optimize the utilization of its available resources.

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

ZENSOFT

Zensoft (Private) Limited

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



Greaves Pakistan (Private) Limited

Providing Specialized Engineering Sales and Services

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

Greaves Airconditioning (Private) Limited

HVAC and BMS Equipment Suppliers and Solution Provider

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

Greaves Engineering Services (Private) Limited

HVAC Contractors

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

Greaves CNG (Private) Limited

Retail Sales of CNG to end consumers

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



Unicol Limited

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

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



CFS MINERALS

CFS Minerals (Private) Limited

Acquisition, Leasing, Exploration and Development of Mining Rights

CFS Minerals (Private) Limited is incorporated in 2026 as a joint venture with equal shareholding among Cherat Cement Company Limited, Shirazi Investments (Private) Limited and International Industries Limited. The principal business activities include the acquisition, leasing, exploration, and development of mining rights, mineral concessions, and related assets. However, there were no operations carried out in the year 2026.

JOURNEY OF SUCCESS

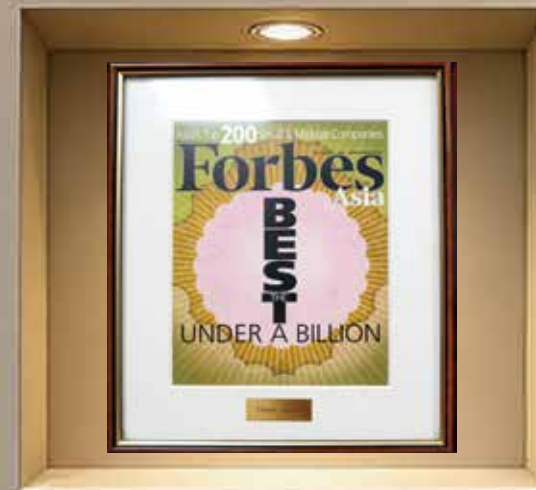


HALL OF FAME

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

Forbes: Asia's Best Under a Billion Company

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



Pakistan Stock Exchange Top 25 Companies Award

The Company's outstanding performance was also recognized by the Pakistan Stock Exchange and the Company was awarded the Top Companies Award for the financial years 2024, 2023, 2022, 2020 and 2014.



Business Excellence Award

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



Best Corporate and Sustainability Report Award by ICAP & ICMAP

The Company has consistently been recognized for excellence, winning the Best Corporate and Sustainability Report Award in the Cement sector for three consecutive years (2020, 2021, and 2022). The award is jointly organized by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan. The Company also secured first place in 2016, 2017 and 2024, second place in 2014, 2015, 2019, and 2023, and third place in 2018. For Annual Report 2024, the Company secured overall 4th position.



Corporate Excellence Award by MAP

The Corporate Excellence Awards, established by the Management Association of Pakistan (MAP), aim to recognize companies demonstrating outstanding performance and progressive management practices. Cherat Cement Company Limited, through its commitment to transparent reporting, information symmetry, and best management practices, has consistently distinguished itself. In recognition, the Company received the Corporate Excellence Award in the 'Cement' category for four consecutive years 2021, 2022, 2023 and 2024.

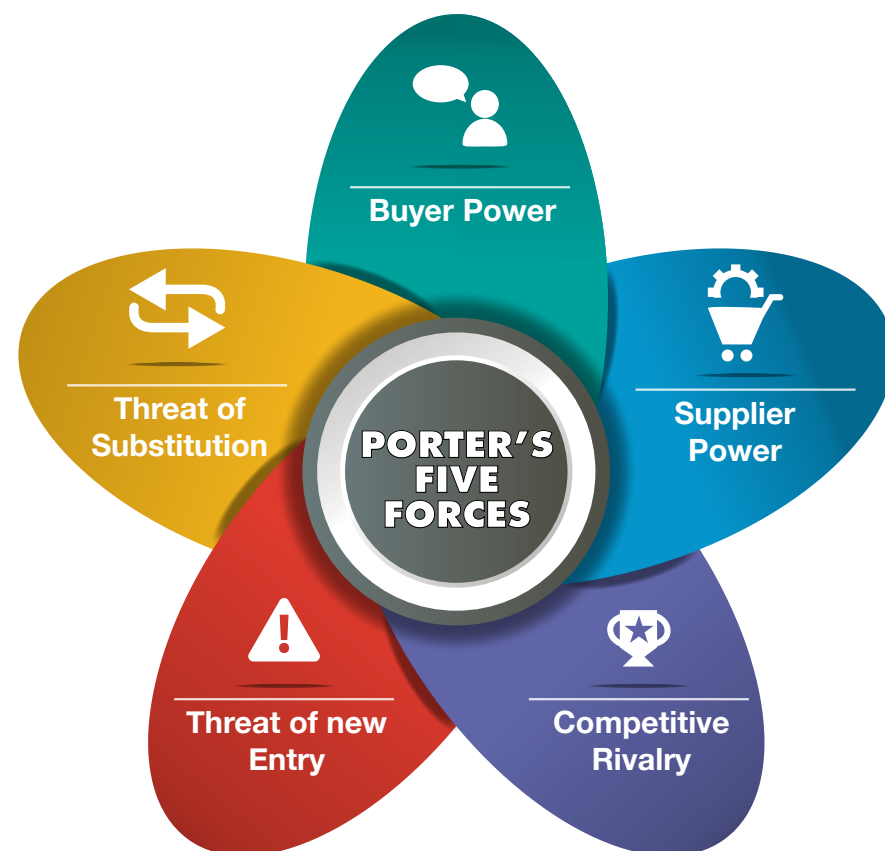


South Asian Federation of Accountants (SAFA) Award

The SAFA Committee for Improvement in Transparency, Accountability & Governance (ITAG) annually presents the SAFA Best Presented Annual Report Awards, adjudged on the basis of nominations from South Asian countries and evaluated under predefined SAFA criteria. Recognized as the region's most prestigious accolade in financial reporting, these awards highlight excellence in transparency, accountability, and governance. At the SAFA Best presented Annual Report Awards, held in Pakistan in November 2025, the Company received the Gold Award for its commitment to enhanced reporting practices. In previous years, Cherat Cement Company Limited earned the Silver Award in consecutive two years 2023 and 2022, Joint Second Runner-up in 2019, and Certificates of Merit in 2017 and 2014.



COMPETITIVE LANDSCAPE AND MARKET POSITIONING



Cherat Cement Company Limited (CCCL) boasts an expansive distribution network that serves customers through its active market place. This extensive network of cement dealers pan Pakistan not only enhances efficient distribution and inventory management but also ensures prompt delivery of products to end consumers.

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

With state of art Modern production facility in place, CCCL has consistently strengthened its market positioning within the cement industry it operates in. During the year, Company has successfully moved towards local coal with the blend of imported coal with an objective of cost optimization. Additionally, the Company exercised cost control over power cost by optimizing a combination of waste heat recovery, self-generation, national grid sourcing, with efficient utilization. CCCL is also progressing towards green cement (LC3) goal and reducing its reliance on non-renewable energy sources and adapting more sustainable practices across its production and logistics activities. CCL continues to explore opportunities to further optimize its energy mix and reduce its carbon footprint, demonstrating our long-term goal of producing greener cement while maintaining operational and cost efficiencies.

The competitive landscape and market positioning is explained below:

Supplier Power

Our relationship with suppliers is defined by transparency, unwavering continuity, and the creation of shared value. Cherat Cement extracts major raw materials from its own quarries, enabling better control over supply of critical component. Company maintains a diversified Electricity supply through a combination of in house-generation from multiple inhouse sources such as WHRs, Solar, Generator and external sources such as grid. The trajectory of our persistent growth can be traced back to our strategic partnerships with esteemed and dependable suppliers who stand as our trusted collaborators in the industry. We have diligently established a diverse array of supply sources for pivotal components and materials, safeguarding against any disruptions. Over the course of many years the Company has been the beneficiary of a seamless inflow of vital input materials crucial to the production process. It is our robust and symbiotic bond with suppliers, coupled with our sterling reputation within the cement sector, that serves as the cornerstone of our effective management of supplier dynamics.

Buyer Power

Customer focus and High quality product remains our core values, reflected in our proactive approaches to meet customer needs and their evolving expectations guided by a commitment to creating lasting value for customers and stakeholders, we employ forward thinking strategies to secure the loyalty of both our customers and stakeholders. Our attentiveness to our customers requisites remains unwavering, as we continually innovate to provide top-notch cement that precisely aligns with their needs. Placing customers at the epicenter of our choices empowers us to effectively cater to their influence.

Competitive Rivalry

The cement sector experiences fierce competition, a factor that has historically proven advantageous for both the industry and its clients. The industry comprises of multiple players across the country. The expansion of the industry frequently aligns with economic progress and construction undertakings, giving rise to predictable cycles of demand. Cherat Cement stands out with its Top notch Cement quality proficient production capabilities, well structured distribution networks and formidable brand reputation. Cherat cement embraces healthy competition as a driver of market development and enhancing cement quality standards. Cement manufacturers located in the northern regions of Pakistan enjoy the added benefit of exporting their products to Afghanistan and import high quality coal from Afghanistan.

Threat of New Entry

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

Threat of Substitution

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

GEOGRAPHICAL PRESENCE



MAIN DISTRIBUTIONS | LOCAL

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> • Abbottabad • Arifwala • Attock • Bagh • Bahawalnagar • Bahawalpur • Bajaur • Bannu • Bhakkar • Bhimber • Buner • Chakwal • Chaman • Charsadda • Chilas • Chitral • Dera Allah Yaar • Dera Ghazi Khan • Dera Ismail Khan • Dir • Faisalabad • Gambat • Gilgit • Gujranwala • Gujrat • Hafizabad • Hunza • Hyderabad • Islamabad • Jhang • Jhelum | <ul style="list-style-type: none"> • Karachi • Karak • Kasur • Khairpur • Khyber • Khuchlak • Khushab • Kohat • Kotli • Kurram • Khuzdar • Lahore • Larkana • Layyah • Lodhran • Malakand • Mansehra • Mardan • Mianwali • Mirpur • Mirpurkhas • Mohmand • Multan • Muzaffarabad • Muzaffargarh • Muslim Bagh • Nankana • Narowal • Nawabshah • Nowshera • Oghi | <ul style="list-style-type: none"> • Okara • Orakzai • Pabbi • Parachinar • Peshawar • Quetta • Rahim Yar Khan • Rajanpur • Ranipur • Rawalakot • Rawalpindi • Sahiwal • Sakrand • Sanghar • Sargodha • Shangla • Sheikhupura • Shikarpur • Sialkot • Sibi • Skardu • Sukkur • Swabi • Swat • Talagang • Tank • Topi • Vehari • Waziristan |
|---|--|---|

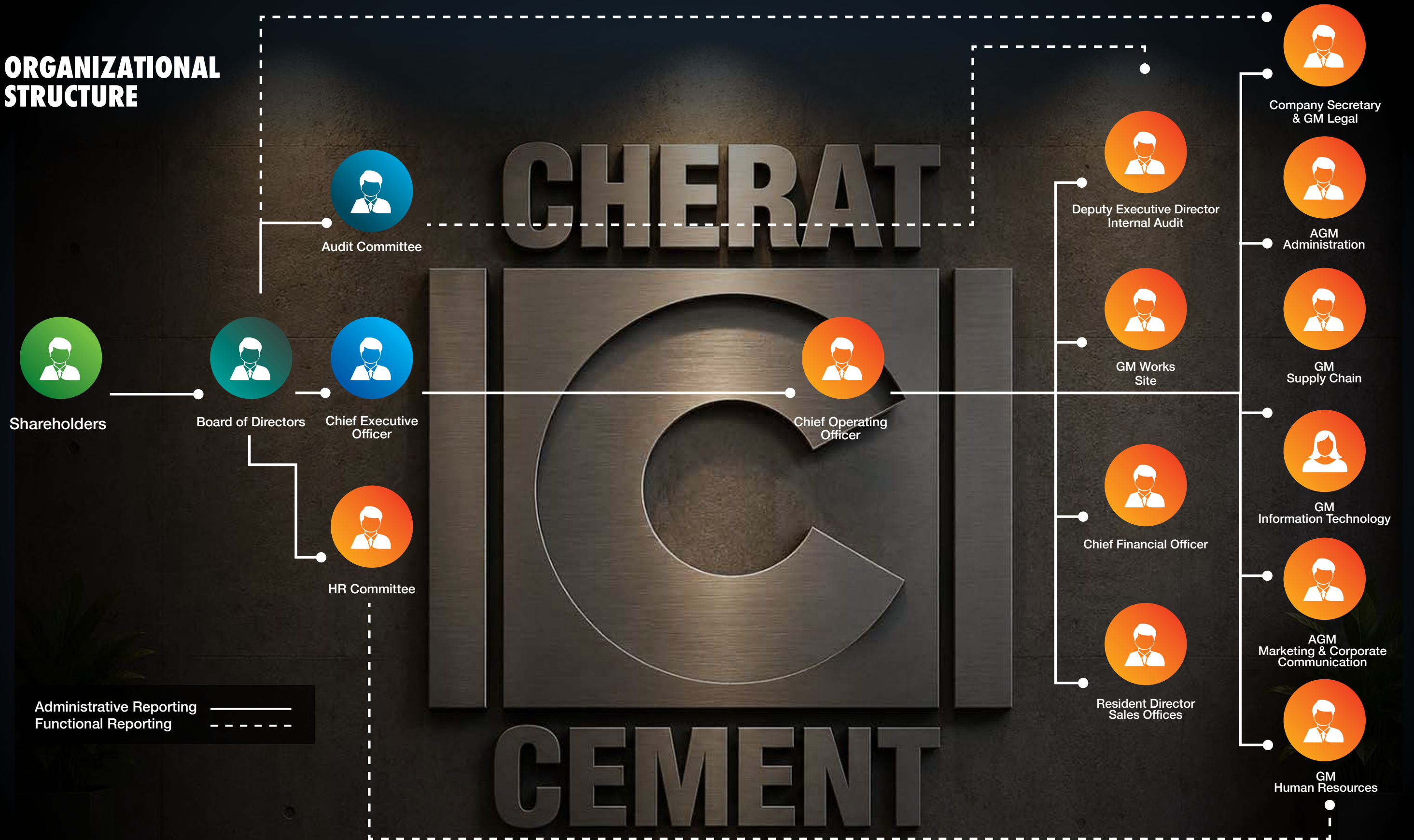
MAIN DISTRIBUTIONS | EXPORT



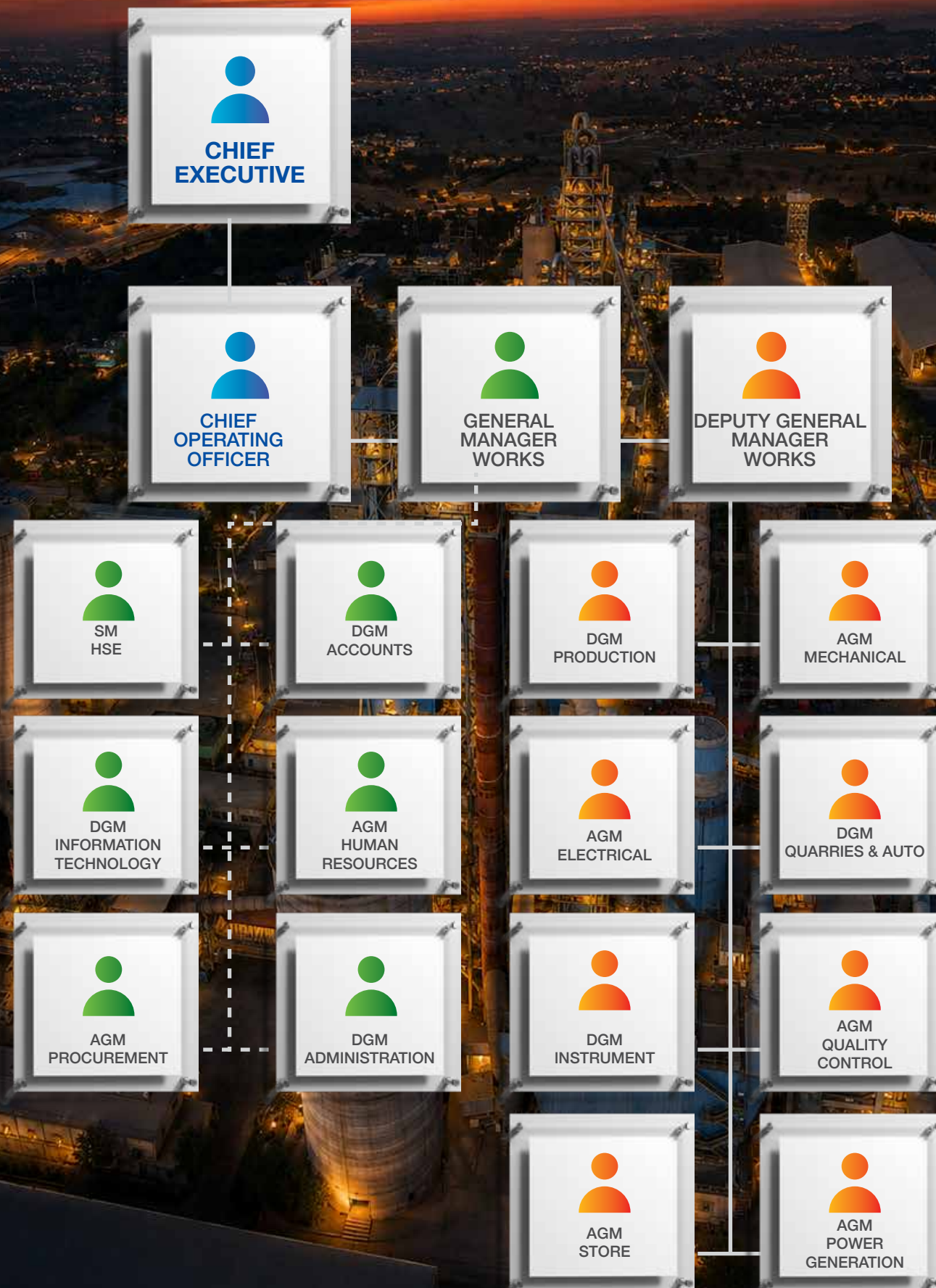
POSITION WITHIN THE VALUE CHAIN



ORGANIZATIONAL STRUCTURE



FACTORY SITE ORGANIZATIONAL STRUCTURE



SALES OFFICES ORGANIZATIONAL STRUCTURE



FACTORS AFFECTING THE EXTERNAL ENVIRONMENT AND THE ORGANIZATION'S RESPONSE

Category	Factors	Description
Political	Geopolitical Issues	Escalating geopolitical tensions, regional conflicts, trade restrictions, sanctions and development of international alliances may disrupt global supply chains, volatility in input and freight costs, and can create uncertainty around international trade
	Political uncertainties	The impact of political uncertainties and resultant change in economic policies can adversely impact company operations
	Inconsistent policies	Abrupt changes in Government policies can adversely affect business and financial performance
Economic	Reduced Government's spending and lower economic growth	Economic slowdown and reduced government spending may effect construction activity, leading to lower cement demand and reduced dispatch volumes.
	Currency Devaluation, Higher Inflation, interest rates and Taxation Measures.	Currency devaluation, elevated inflation and higher interest rates increase input cost and financing costs, putting pressure on profit margins. Additionally, tight taxation measure may also effect the profitability of the company which ultimately pass the pressures to end consumer leading to reduce consumers' purchasing power and potentially weakening overall cement demand.
Social	Volatility in Socio-Economic conditions	Changes in socio-economic conditions such as household income, employment levels, population growth and urbanization, impacts construction activity positively . While declining purchasing power may constrain in construction negatively.
	Increasing awareness of human rights, social obligations	Increasing awareness of human rights and social responsibilities, increases expectations for ethical business practices, employee welfare and community engagement
Technological	Technology innovation & Development of Information Technology infrastructure, AI capabilities, and security measures	Advancements in IT infrastructure, AI and cybersecurity can enhance operational efficiency and decision-making,
	Capital expenditure Required in technological change	Significant capital expenditure required continuously to remain technologically competitive .
Legal	Legal framework and Regulatory compliance	Companies are obligated to comply with applicable laws and regulations, and every responsible organization is expected to adhere to all requirements set forth by the Government.
Environmental	Environmental Footprint, Recycling, Climatic Conditions Global warming	Nearly every manufacturing company leaves an environmental footprint, with key concerns including climate change, global warming, recycling, water scarcity, and the increasing frequency of natural disasters driven by shifting climatic conditions
	Renewable energy including WHR, solar and Hydro Power	Growing adoption of renewable energy sources, including solar and hydropower, presents opportunities to reduce reliance on conventional energy sources, lower carbon emissions and improve long-term energy sustainability

Company Response	Expected timeframe
The management of Cherat Cement Company Limited consistently monitors and evaluates key developments in the region with particular focus on changes in duty structures, taxation, and other financial levies. This proactive approach enables the Company to anticipate potential risks and implement timely measures to safeguard its operations and financial performance	Short to Long Term
	Short to Medium Term
Company proactively monitors overall macroeconomic indicators, Government PSDP allocation and anticipate market trends to take measures and position itself to capitalize on emerging opportunity effectively.	Medium to Long term
The Company remains focused on enhancing efficiencies in its manufacturing processes and energy mix to mitigate rising production costs. Regular cost optimization initiatives are undertaken to manage both production and non-production fixed expenses. The Company is well-positioned to withstand economic disruptions in specific regions or sectors. Additionally any change in government levies and indirect taxes will timely pass on to the consumer.	Medium to Long term
The Company proactively analyses the socio-economic conditions and also work for development of the surrounding communities	Short term to Long term
Corporate Social Responsibility (CSR) is a core aspect of the Company's ethics and policy, pursued with dedication. We lead in voluntary CSR efforts, guided by SECP's CSR guidelines and the Companies Act of 2017. Our initiatives focus on education, health, water, and women empowerment, including donations to top NGOs and running a model school and a health unit in collaboration with local organizations. We support women's development projects, provide transportation for students, install tube wells for drinking water, conserve animal species, and distribute rations.	Medium to Long term
The Company is actively expanding its AI applications and strengthening internal capabilities to enhance efficiency and decision-making. In parallel, continuous investments are being made in modernizing IT infrastructure and security systems. Company upgraded its SAP platform and implemented SAP SuccessFactors to improve business processes and human capital management.	Long term
Company is continuously making investment in IT infrastructure, innovation and development of AI capability in order to remain performed well.	Long term
The Company has a dedicated team of professionals committed to ensuring full compliance with all regulatory requirements. To benchmark itself against the best in corporate Pakistan, the Company participates in various award programs, such as the PSX Top 25 Awards, MAP Corporate Excellence Awards, and Best Corporate Report Awards etc.	Medium to Long term
The Company complies with ISO 14001 and NEQ Standards and has installed WHR plants to protect the environment. The plant uses Electrostatic Precipitators and bag filters to control dust and gas emissions, reducing the impact of global warming. Large-scale tree plantations have been conducted to further improve the environment.	Long term
The Company receives clean hydro energy from Pakhtunkhwa Energy Development Organization (PEDO) and has installed a solar power project at its Nowshera plant, contributing to environmental sustainability and cost savings. Thew board has also approved the installation of 25 MW of Battery energy storage system (BESS) in order to enhance the renewable sources. Further, the company also used EV dumpers for transportation of raw material in place of conventional dumpers, thereby reducing diesel consumption and environmental footprint.	Long term

Effect of seasonality on business.

The cement industry is generally not subject to seasonal fluctuations in terms of production and sales. However, demand in summer months is on higher side due to increase in construction activity and infrastructure development in these months. Conversely, Heavy rainfall, monsoon conditions and extreme winter may affect construction activity.

The Company actively review and update production planning, operating schedules, inventory levels and maintenance activities according to changes in market demand.

DESCRIPTION OF PERFORMANCE OF ACTIVITIES, PRODUCT AND SERVICE

The performance of various activities and cement products within a cement company in Pakistan is influenced by a complex interplay of market dynamics, economic conditions, and strategic initiatives.

The following is a comprehensive overview of the performance of the company's cement products and activities:

Sales Volume and Revenue: The company is currently marketing two of its renewed products that have a well-entrenched position in the market. During the year, the company, achieving a growth milestone of 9% in local cement dispatches. While export dispatches reduced by 57% during the year because of the closure of the Pak-Afghan border since October 2025. However, due to this, overall revenue decreased by 4%, reflecting the challenges posed by the geopolitical situation and low market demand.

Market Demand: The demand for cement products diminished over the years since FY-2022, primarily due to high inflation, reduced consumer purchasing power, and minimal allocations in the Public Sector Development Program (PSDP). This financial year, there is some growth in cement industry demand of 7%, which is a positive sign for future growth.

Profit Margins: Profitability for each product witnessed an improvement as the company effectively implemented price increases and managed high input costs, including fuel and electricity. Moreover, the company has already increased capacity in renewable energy, specifically in the solar system, which contributed positively towards the improvement of the profit margins, further committed to capital expenditure, which contributes to reducing the cost of production, including proposals underway consideration such as Battery Energy Storage System and Refuse Derived Fuel

In addition to all of these, the company is also focusing on the adoption of Artificial Intelligence to bring the operational efficiency and achieve process optimization to create value for the shareholder.

Quality and Innovation: Cherat maintains a market share of approximately 7% and is regarded as a preferred choice in numerous markets, largely due to its superior product quality. The introduction of composite cement has successfully captured market share in both domestic and export markets, benefiting from its environmental advantages

that align with market demands and regulatory requirements.

Customer Feedback and Satisfaction: The company consistently evaluates customer feedback through market surveys concerning various cement products to assess satisfaction levels, identify potential areas for improvement, and comprehend the reasons behind customer preferences or complaints. Notably, the absence of complaints this year underscores the company's commitment to maintaining high-quality standards.

Environmental Impact and Sustainability: The company is proactively addressing the environmental impact of cement production by enhancing sustainability efforts, which include reducing carbon footprints, utilizing recycled materials, and employing alternative production methods. These initiatives significantly enhance market perception and ensure compliance with regulatory standards.

The company has successfully developed and launched the CEM-II product. CEM-II emits relatively less carbon in production. Currently, CEM-II is actively marketed and sold in the local and export markets.

Further, the company is also exploring the option of the LC3 type of cement, which leads to a significant reduction in carbon dioxide emissions.

Renewable Energy: The company is aggressively heading towards renewable energy and has replaced traditional diesel dumpers with electric ones and plans to expand its electric fleet due to positive results. The ground work for installing a 5 MW solar power project has been started, and board also approved 25 MW battery energy storage system to enhanced dependence on renewable energy. Additionally, CCCL has set up several smaller solar systems at various locations to further reduce reliance on fossil fuel-generated electricity.

Market Positioning: Cherat has fortified its brand recognition and reputation in both established and emerging markets through corporate social responsibility initiatives, comprehensive sustainability efforts, and active participation in community development projects.

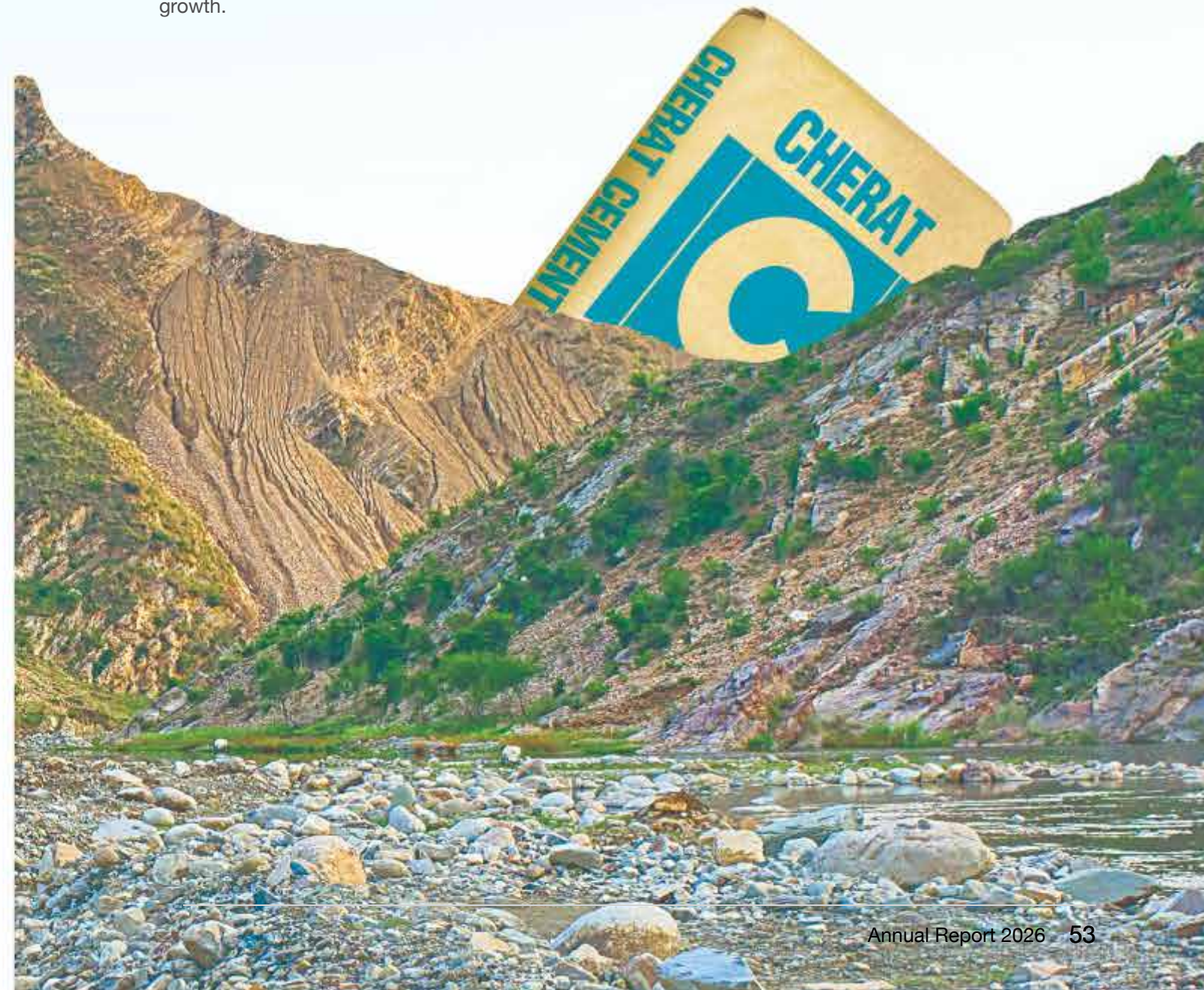
Challenges and Opportunities: The company has encountered considerable challenges stemming from macroeconomic factors, such as rising gas prices, limited local coal availability, currency

devaluation, and an economic slowdown impacting the cement industry. Nevertheless, Cherat's strategic reduction of reliance on the national grid, optimal utilization of Waste Heat Recovery Systems (WHRS), investment in solar energy, thoughtful coal procurement strategies.

Training and Development: Over the past three years, we have achieved remarkable, measurable results from our people-first initiatives. Our employee turnover rate has impressively decreased, dropping from 5.7% in 2024 to 3.9% in 2025, and further down to just 2.83% in 2026. Our commitment to fostering internal growth and succession is evident, with our promotion rate from within now exceeding 10%.

We are now proactively implementing targeted action plans based on the specific needs expressed by our employees. These concrete results affirm that our strategies are successfully retaining our top talent and cultivating a better workplace. Additionally, we have significantly enhanced our training efforts, with training hours increasing from 8,528 in FY-2025 to 10,090 in FY-2026. Consequently, we have faced minimal challenges in critical positions.

Regulatory Compliance: Throughout the year, the company successfully implemented the FBR digital invoicing integration as directed by the FBR. This initiative has increased transparency and credibility in our dealings with the national treasury, enhancing the confidence that various departments have in the company's reputation. Cherat's commitment toward embraces the change through innovation amid challenging circumstances reinforce its strong position in the market and lay the groundwork for future growth.



SWOT ANALYSIS



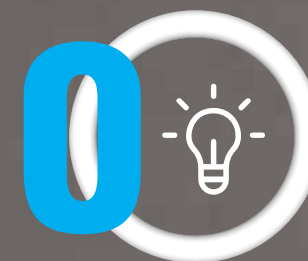
STRENGTHS

- The company utilizes modern and efficient state-of-art cement machinery and equipment.
- The Company has diversified its energy mix through investments in renewable and alternative energy sources, including solar power, Waste Heat Recovery (WHR), and Battery Energy Storage Systems (BESS) in near future, supporting energy cost optimization and operational efficiency.
- The manufacturing site is closer to the Afghanistan border, which makes exports viable and coal cheaper due to low freight cost.
- The company employs a qualified professional workforce having low employee turnover, supporting efficient and consistent operations.
- Company along with its group companies is well diversified in various sectors, i.e. packaging, sugar, ethanol, air conditioning and generators, thus making a strong and well-established portfolio of the group.
- Our long standing and strong relationship and trust levels with customers, vendors and transporters are reflected in the form of better sales and strong operating performance throughout the years.
- The company has successfully implemented SAP S/4 HANA, SAP Success Factor & SAP on-boarding and recruitment modules in order to maintain effective controls in system.



WEAKNESSES

- The company has not fully explored the global export market yet. With the planned Greenfield production line (Line-A), The company intends to target new markets to enter new markets.
- Due to the plant location, the Company has limited access to larger domestic markets. Moreover, the location also makes us less competitive for exports through Sea due to higher transportation cost.
- The sector operates in high tax impact which has a direct relationship with demand.
- High transportation cost due to remote location as transportation of imported input needs to be transport to factory premises. In this regard, the Company intend to implement effective procurement strategy to mitigate the impact.
- The Company's geographical concentration in the northern region and its historical reliance on the Afghanistan market expose it to disruptions arising from border closures.
- Limited product differentiation within the cement industry may constrain the Company's ability to differentiate its products significantly from those of competitors, resulting in greater reliance on product quality, pricing, brand reputation, and distribution strength.



OPPORTUNITIES

- Significant growth opportunities in the domestic market due to positive demographic trends like growing population, increasing urbanization, rising income levels and Pakistan's low per Capita cement consumption as compared to its neighboring countries.
- Cost economization through innovation, new products and process efficiencies.
- Government's initiatives of increasing spending on account of PSDP and infrastructure project including highway, dams and affordable Housing scheme is a key potential for the Company's future orders.
- The company is pursuing strategic acquisitions to strengthen its market position and expand its operational footprint.
- The Company's investment in solar power, waste heat recovery and BESS provides opportunities to manage energy costs and improve operational efficiency.
- The development and adoption of low-carbon cement products, including Limestone Calcined Clay Cement (LC3), presents an opportunity for the Company to reduce the carbon intensity of its cement production, improve resource efficiency, and align its product portfolio.
- The Company can explore carbon financing opportunities by monetizing eligible emissions reductions generated through initiatives such as Waste Heat Recovery, renewable energy adoption, energy-efficiency improvements, and the production of lower-carbon cement.



THREATS

- Rising input costs, particularly coal, electricity, gas and transportation costs, may continue to put pressure on margins and cement prices.
- Recent difficulties for the cement business in Pakistan include a drop in demand due to rise in cement prices, political instability and cut in PSDP may affect the Company.
- Announcement of new production lines by competitors, can affect our market share. However, our high-quality cement and strong reputation in the north zone can reduce the threat.
- Recent change in tax regime for exports may exert pressure on competitiveness in export market. Furthermore, government enactment of multiple levies, taxes for dealer and retailer may also impact the local sales volume.
- Significant excess installed capacity across the domestic cement industry may continue to result in intense competition for market share. Lower capacity utilization across the sector may increase pressure on pricing, margins, and operating efficiency.
- Volatility in commodity prices, particularly petrol, diesel and coal may lead to effect the Company's production, energy, and transportation costs, thereby creating uncertainty around margins and profitability.

LEGITIMATE NEEDS, INTEREST OF KEY STAKEHOLDERS, INDUSTRY TRENDS

Shareholders

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

Employees

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

Suppliers

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

Customers

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

Government and Regulators

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

Nearby Communities

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

Industry Trends

- Volatility in coal, energy prices and currency devaluation
- Cyclical demand tied to government infrastructure spending, housing schemes, and CPEC-related construction activity
- Tightening environmental regulation (EPA emission standards, carbon-related disclosure expectations)

THE LEGISLATIVE AND REGULATORY ENVIRONMENT IN WHICH THE COMPANY OPERATES

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

1. Corporate Governance and Compliance:

Cement companies in Pakistan must comply with corporate laws such as the Companies Act, 2017, which governs company incorporation, financial reporting, auditing standards, and corporate governance practices. They are also subject to the Securities and Exchange Commission of Pakistan (SECP) regulations, which ensure transparency and protect investors' interests.

2. Environmental Regulations:

Cement companies face stringent environmental regulations enforced by the Pakistan Environmental Protection Agency (Pak-EPA) and provincial environmental protection departments. These regulations focus on limiting air pollution, managing waste, conserving energy, and ensuring sustainable resource usage. Companies must obtain environmental

clearances and comply with standards such as the National Environmental Quality Standards (NEQS).

3. Taxation and Fiscal Policies: The Federal Board of Revenue (FBR) oversees taxation, including corporate income tax, sales tax, and duties. The government may offer incentives, rebates, or impose additional levies depending on fiscal policies. Cement companies also deal with import duties on stores and spares and machinery, which can affect their operational costs.

4. Labour Laws: Cement companies must adhere to Pakistan's Labour laws, which cover worker rights, wages, health and safety standards, working hours, and conditions. The main statutes include the Employment of Labour (Standing Orders) Act, 1968, and the Factories Act, 1934. These regulations ensure that companies provide safe working conditions and fair wages to their employees.

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

CALENDAR OF NOTABLE EVENTS JULY 2025 - JUNE 2026

1st
August-25

Mango Day

7th
August-25

Long Service Awards at
Factory

13th
August-25

Independence Day
Celebration

9th
October-25

44th Annual General Meeting

3rd
November-25

Corporate Briefing
Session

6th
November-25

Secured Overall 4th Position
and 1st Position In Cement
Sector at BCRA Awards
2024, Jointly organized by
ICMAP and ICAP

12th
November-25

Start Using EV Dumpers for
material transportation

27th
November-25

Won SAFA Award in the
Best Presented Annual
Report Awards 2024 in the
'Infrastructure & Construction'
category

29th
November-25

Successful Operation of 256 KW
Solar Power at Jabba Tube Well

4th
December-25

Winners of The 40th
Corporate Excellence
Awards 2024 in Cement
Sector by MAP

10th
December-25

Won Top 25 Companies
Award, 2024 from Pakistan
Stock Exchange

26th
December-25

Successful Operation of Yard
Clinker Transportation via
Conveyor Belt

16th
January-26

Board Approval of 25MW
BESS with 5MW Solar
power project

17th
January-26

GFG Cricket & Family Gala

13th
February-26

Shuttle Smash
Badminton Tournament

27th
February-26

Tree Plantation Drive

8th
March-26

International Women's
Day

9th
March-26

Iftaar Dinner, Dealer &
Retailers, Lahore

1st
May-26

International Labour Day
Celebration

8th
June-26

Annual Dealers &
Retailers Convention,
Gilgit Baltistan



STRATEGY AND RESOURCE ALLOCATION



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STRATEGIC OBJECTIVES AND STRATEGIES IN PLACE

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

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

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

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



STRATEGIC OBJECTIVES, STRATEGY AND RESOURCE ALLOCATION

01

OBJECTIVE: Optimum utilization of capacity and production facilities

STRATEGY: Maximize plant capacity utilization through, preventive maintenance, process optimization and improved equipment reliability.

CAPITAL: Manufactured Capital, Human Capital, Financial Capital and Intellectual Capital

 Resource Allocation	 Value Created	 KEY KPI
• Availability of emergency spare parts • Sufficient spares parts inventory • Training & development of technical staff to care plant & machinery. • Various conveyor belt projects	• Maximum Fixed Overhead Absorption • Reducing average manufacturing cost • Improved production reliability • Higher asset productivity	• Capacity Utilization • Overall Equipment Effectiveness • Unplanned Downtime • Maintenance cost per ton

Horizon:
Short Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
• Unavailability of emergency spare parts • Sudden technical plant Failure • Power load fluctuations • Unavailability of fuels	• Critical spare-parts buffer stocks • Sensitive Equipment condition monitoring • Sufficient stock of fuel available	The KPIs will remain relevant in the future

02

OBJECTIVE: Marketing and sales of its products to achieve optimum sales mix

STRATEGY: Optimize product and geographic sales mix through high retention areas, customer segmentation, channel optimization and strengthened domestic/export sales.

CAPITAL: Human Capital, Financial Capital, Social and Relationship Capital and Intellectual Capital

 Resource Allocation	 Value Created	 KEY KPI
• Expansion of institutional sales teams • Optimization of logistics • Dealer incentive structures • Export market development	• Revenue resilience • Improved net realization • Optimized product mix • Higher customer retention • Improved shareholder returns	• Net Realization per Bag/Ton • Premium on Cement Grade • Sales Volume • Market Share

Horizon:
Short Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
• Geopolitical tension • Local market pricing • Market Demand volatility • Customer concentration • PSDP Allocation • Low cost housing scheme	• Diversification of customer and geographic base • Dynamic pricing and product-mix management • Continuous market intelligence • Strengthened dealer relationships	The KPIs will remain relevant in the future

03

OBJECTIVE: Optimization of operational efficiencies by adopting optimal fuel and power mix

STRATEGY: Optimize the fuel and power portfolio by increasing captive and renewable energy, utilizing alternate fuels and continuously evaluating the most economical energy mix.

CAPITAL: Manufactured Capital and Financial Capital

 Resource Allocation	 Value Created	 KEY KPI
- Investment in alternate energy resources - Exploring fuel substitution - Renewable energy utilization - Substitution of Imported coal - Substitution of Diesel Dumpers with EV dumpers, - Installation of 9MW and 14MW Solar system, further plan to install 25 MW BESS along with additional 5 MW solar power plant.	- Lower energy cost per ton - Reduced exposure to international fuel prices - Improved energy security - Lower reliance on non-renewable energy sources	% Green Energy Generation % Alternate Fuel Consumption % Heat Consumption from Alternate Fuels - Power Cost per Ton - Heat Consumption per Ton - Fuel Mix Cost

Horizon:
Short Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- International coal prices - Currency devaluation - Fuel availability/quality - Under suppressed solar generation - Grid load fluctuations	- Diversification of fuel sources - Long-term/strategic fuel sourcing - Expansion of renewable and captive power - Fuel quality monitoring - Energy mix optimization - Battery Energy Storage System (BESS)	The KPIs will remain relevant in the future

04

OBJECTIVE: Effective and efficient use of available resources to reduce combustion and energy cost

STRATEGY: Drive continuous reduction in thermal and electrical energy consumption through process optimization, automation, equipment efficiency and disciplined resource management.

CAPITAL: Manufactured Capital, Human Capital, Financial Capital and Intellectual Capital

 Resource Allocation	 Value Created	 KEY KPI
- Investment in process automation - Energy-efficient equipment upgrades - Optimization of combustion parameters - Introduced Composite brand having low carbon emission	- Reduced COGS - Improved operating margins - Improved process stability - Reduced environmental footprint	- Power Consumption per Ton - Heat Consumption per Ton - Fuel Consumption per Ton of Clinker - Energy Cost per Ton - Cement Grade Compliance - CO₂ Emissions per Ton

Horizon:
Short Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- Market slowdown - Lower cement production - Process instability - Equipment inefficiency - Energy price volatility	- Continuous process monitoring - Preventive maintenance - Real-time energy management - Process benchmarking - Operator training - Periodic energy audits	The KPIs will remain relevant in the future

05

OBJECTIVE: Optimize the management processes

STRATEGY: Streamline management processes through automation, accountability, cross-functional collaboration, and data-driven decision-making.

CAPITAL: Human Capital, Financial Capital and Intellectual Capital

 Resource Allocation	 Value Created	 KEY KPI
- Investment in process automation - Investment in leadership training & development 10,090 training hours Completed - Cross functional team collaboration - Cascade strategy	- Fast decision making - Lower operating cost - Better human resource utilization	- Employees productivity - Process turnaround time - Unplanned downtime - Cost reduction

Horizon:
Medium Term

Priority:
Medium

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- Resistance to change - Shortage of skilled staff - Operational disruption	- Change-management program - Clear ownership and accountability - Phased implementation - Employee training on communication - Continuous process review	The KPIs will remain relevant in the future

06

OBJECTIVE: Adoption of latest technologies and modernization of production process

STRATEGY: Modernize production capabilities through technology adoption, AI automation, real-time monitoring and replacement/upgradation of aging assets to improve productivity, efficiency and competitiveness.

CAPITAL: Manufactured Capital, Human Capital, Financial Capital and Intellectual Capital

 Resource Allocation	 Value Created	 KEY KPI
- Real-time production monitoring - Modernization of aging equipment - Energy efficiency - Training of technical staff	- Long-term benefits - Reduced maintenance cost - Improved competitiveness - Time management	- Equipment Utilization Rate - Production cost per ton - CO₂ emissions - Unplanned Downtime

Horizon:
Medium Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- Delays in plan - Shortage of skilled staff - Temporary disruption of process	- Phased CAPEX deployment - Robust project governance - Pilot testing before scale-up - Technical capability development	The KPIs will remain relevant in the future

07

OBJECTIVE: Formulation of market-specific business strategies aimed at preserving and expanding our market share

STRATEGY: Develop differentiated regional and customer-specific strategies based on market dynamics, competitive positioning, pricing, distribution and customer needs.

CAPITAL: Financial Capital, Social & Relationship Capital and Intellectual Capital

 Resource Allocation	 Value Created	 KEY KPI
- Market intelligence and analytics - Dealer/distributor network development - Customer segmentation - Logistics optimization - Targeted promotional and incentive programs	- Sustainable growth and profitability - Improved pricing power - Better utilization of distribution network	- Market Share - Volume & Revenue Growth - Net Realization per Ton - New Customer Acquisition - Customer Retention

Horizon:
Medium Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- Excess production capacity - Demand volatility - Changes in public/private sector development spending - Rising distribution and logistics costs - Pricing pressure	- Continuous market intelligence - Regional market diversification - Dynamic pricing strategy - Dealer network optimization - Customer relationship management - Flexible product and channel mix	The KPIs will remain relevant in the future

08

OBJECTIVE: Ongoing evaluation and upgradation of IT infrastructure for identifying gaps and areas of improvement

STRATEGY: Strengthen digital infrastructure, cybersecurity, and business applications to enable secure, resilient, and data-driven operations.

CAPITAL: Manufacturing Capital and Financial Capital

 Resource Allocation	 Value Created	 KEY KPI
- IT infrastructure modernization - Cybersecurity and data protection - Cloud infrastructure - IT training & development - AI Workshops	- Faster and better decision-making - Improved operational visibility - Enhanced cybersecurity - Improved business continuity - Innovation	- System Uptime - IT Incident Resolution Time - Process Automation Rate - Cybersecurity Incidents

Horizon:
Medium Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- Cybersecurity threats - System downtime - Data loss/breach - Technology obsolescence - Integration failure	- Regular infrastructure upgrades - Cybersecurity audits and controls - Data backup and disaster recovery - Business continuity planning - Access controls - Continuous staff awareness and training	The KPIs will remain relevant in the future

09

OBJECTIVE: Adoption of green technology and increase power share from renewable energy and WHR

STRATEGY: Accelerate the transition toward renewable energy and waste heat recovery while improving energy efficiency and reducing dependence on conventional energy sources.

CAPITAL: Manufacturing Capital and Financial Capital

 Resource Allocation	 Value Created	 KEY KPI
- Expansion of solar/captive renewable energy - WHR optimization and capacity enhancement - Energy-efficient equipment - Continue monitoring of energy mix	- Lower energy cost - Reduced exposure to fossil-fuel price volatility - Lower carbon footprint - Improved margins - Enhanced ESG performance - Greater energy security	% Green Energy Generation - Renewable Energy Share - WHR Generation (MW/MWh) - Power Consumption per Ton - Energy Cost per Ton

Horizon:
Long Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- High initial CAPEX - Seasonal renewable generation variability - WHR performance risk - Grid load fluctuations - Regulatory/policy changes	- Phased investment based on ROI - Diversification of renewable sources - Preventive maintenance and performance monitoring - Backup power arrangements - Continuous regulatory assessment	The KPIs will remain relevant in the future

10

OBJECTIVE: Increase in local and international market share

STRATEGY: Expand domestic and international market presence through geographic diversification, stronger distribution channels, export development and optimized product-market positioning.

CAPITAL: Financial Capital, Social & Relationship Capital and Intellectual Capital

 Resource Allocation	 Value Created	 KEY KPI
- Domestic distribution expansion - Export market development - Dealer/distributor network strengthening - Logistics and warehousing optimization	- Higher revenue and profitability - Increased market share utilization - Geographic diversification - Reduced dependence on individual markets	- Domestic Market Share - Export Volume - International Market Share - Revenue Growth - Volume Growth

Horizon:
Long Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- Geopolitical risks - International competition - Currency volatility - Trade barriers/regulatory changes - Freight and logistics cost escalation - Demand slowdown	- Diversification of export markets - Market-specific pricing - Continuous competitive intelligence - Long-term customer/dealer relationships - Logistics optimization - Flexible domestic/export allocation	The KPIs will remain relevant in the future

11

OBJECTIVE: Social and environmental considerations in all aspects of business strategies, policies and practices

STRATEGY: Embed ESG principles into strategic planning, operational decisions and stakeholder engagement to deliver sustainable and responsible business growth.

CAPITAL: Manufacturing Capital and Natural Capital

 Resource Allocation	 Value Created	 KEY KPI
- Environmental management systems - Emission and energy monitoring - Water and waste management - Community development initiatives - HSE programs - Employee and stakeholder engagement - ESG reporting and governance	- Sustainable long-term growth - Reduced environmental footprint - Stronger stakeholder trust - Improved regulatory compliance - Enhanced corporate reputation - Reduced social and environmental risk	- CO₂ Emissions per Ton - Water Consumption per Ton - Waste Recycling Rate - LTIFR / Safety Performance - ESG Compliance - Community Investment - Employee Engagement

Horizon:
Long Term

Priority:
High

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- Increasing regulatory requirements - Environmental incidents - HSE incidents - Community concerns - Reputational risk - Climate-related risks	- Strong ESG governance - Regular environmental/social impact assessments - HSE audits and controls - Stakeholder/community engagement - Regulatory compliance monitoring - Emergency preparedness and response	The KPIs will remain relevant in the future

12

OBJECTIVE: Organizational development and talent management to enhance effectiveness and performance

STRATEGY: Build a high-performance organization through talent development, succession planning, performance management, leadership development and employee engagement.

CAPITAL: Human Capital, Financial Capital, Social & Relationship Capital and Intellectual Capital

 Resource Allocation	 Value Created	 KEY KPI
- Training & development - Leadership development - Succession Planning for Critical Roles - Systematic Talent Assessment using 9 Box Grid method - Cross-functional teams and job rotation - Open Talent reviews - Career fairs at top-tier universities	- Higher employee productivity - Strong leadership pipeline - Improved retention - Better decision-making and execution - Reduced skills gaps - Enhanced organizational effectiveness - Less than 3% Employee turnover	- Employee Productivity - Training Hours per Employee - Employee Retention Rate - Internal Promotion Rate - Succession Coverage - Employee Engagement Score - Performance Achievement Rate

Horizon:
Long Term

Priority:
Medium

Status:
Ongoing

 Principle Risk	 Risk Mitigation Strategy	 Future Relevance
- Resistance to change - Skills shortage - Loss of critical talent - Weak succession pipeline - Employee disengagement	- Structured succession planning - Competitive career development - Continuous learning programs - Knowledge-transfer mechanisms - Leadership development - Employee engagement and retention initiatives	The KPIs will remain relevant in the future

COMPETITIVE EDGE

Energy Efficient

The Company utilizes modern, state-of-the-art technology and machinery including Waste Heat Recovery (WHR) Turbine & WHR on Genset, Tri-fuel Captive power plant, which are pivotal in achieving Company's strategic objectives and in utilization its resources in a cost-efficient manner. Furthermore, the Company has continuously expanded the Solar power plants at its factory location to enable effective cost savings. Being one of the first in the industry, the Company has initiated the use of Electric Dumper for material transportation to support the environmental sustainability and long-term operational efficiency and have plans to increase the fleet, given the favorable results achieved. Furthermore, the Company is in process of installation of Battery Energy Storage System in collaboration with a leading technology provider.

Cost Minimization

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

Diversified Business

Cherat Cement Company Limited along with its group companies is widely diversified in various businesses, including Packaging, Sugar, Ethanol, Airconditioning, Engineering and Generators. Thus, making a strong diverse business portfolio, thereby enabling the Company to make best use of resources within the group, providing healthy returns to the parent company and being able to face off business risks with diversified group. During the year, the Company has also engaged as JV partner to incorporate CFS Minerals (Private) Limited, entering into the mining business as well.

Supply Chain Management

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

Ideal Location

Our Plant is located very close to the Afghan border, which makes our exports cheaper in relation to freight costs. Furthermore, raw materials i.e. Limestone are easily accessible at our Site, which minimizes our costs, thereby giving us a competitive edge. Due to its location, the Company can access to cheap local Darra coal & Afghan coal on low freight cost. Further the Company is evaluating for alternate coal sourcing options due to rising coal prices and an additional raw material lease.

Digital Transformation & Enterprise Integration

The Company continues to strengthen its digital capabilities through an integrated enterprise-wide technology platform. As a pioneer in adopting SAP within the cement industry, the Company has established integrated business processes and controls across its operations, enabling greater transparency, standardization and efficiency in decision-making.

Furthermore, the Company preparing for responsible AI adoption by strengthening data, technology, employee skills, and governance. It is identifying high-value AI use cases, enhancing digital literacy, and exploring AI integration with systems such as SAP and SAP Analytics Cloud. Over the next 3-5 years, the Group aims to adopt AI in a controlled and value-driven manner while maintaining strong data privacy, cybersecurity, and compliance standards.

VALUE CREATED BY THE BUSINESS USING THESE RESOURCES AND CAPABILITIES

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

VALUES



EMPLOYEES

Provision of safe working environment, fair compensation, and career development opportunities.



CUSTOMERS

Provision of high quality cement & through reliable and timely delivery



SUPPLIERS AND SERVICE PROVIDERS

Building long-term relationship



FINANCIAL INSTITUTIONS

Maintain cordial relations to secure finance



SHAREHOLDERS

Maximization of Wealth with transparent & timely disclosure



COMMUNITIES

Investment in Health, Education and Social Welfare



GOVERNMENT

Contribution to National Exchequer and generating economic value for the society

COMPANY'S STRATEGY ON MARKET, PRODUCT AND SERVICE DEVELOPMENT

Cherat Cement Company Limited (CCCL) on a comprehensive set of strategies centered around market and product development, and service enhancement. These strategic initiatives are designed to sustainably competitiveness, drive growth, and effectively address evolving market demands, geographical expansion, strong customer relationships.

Market Development Strategies

Geographic Expansion: CCCL is strategically seeking opportunities to penetrate emerging regional and international markets characterized by increased demand for cement. This demand is primarily largely fueled by factors such as infrastructure development, urbanization, and robust construction activities. To support this strategic expansion, the company consistently incurred the capex to achieve the optimum production efficiency and lowest possible cost of production to take competitive advantage in the industry and also may consider establishing new production facilities in D.I. Khan for which the company has already purchased the land to facilitate this expansion.

Market Development: The company has target its focus on the high-retention area and accordingly improved our sales mix in KPK from around 60% to 70%, particularly in Peshawar. To further penetrate in the existing market, the company has purchased land in D.I. Khan for the expansion of production capacity, which would facilitate the market in D.I. Khan and its vicinity. Also, the company is aggressively working to enhanced our institutional sales.

Targeting New Customer Segments: The organization is formulating targeted marketing strategies tailored to a variety of customer segments, including large construction firms, ready-mix concrete producers, and concrete block manufacturers. This strategic approach may involve the development of specialized products or the provision of bulk cement options to meet the market needs.

Brand Positioning and Awareness: In an effort to enhance brand recognition and reputation in both established and new markets, CCCL is focused to enhancing advertising efforts to show strong presence in the variety of social media platforms, engaging in corporate social responsibility initiatives and participating in community development projects, our initiatives focus on education, health, water, and women empowerment, including donations to top NGOs and running a model school and a health unit in collaboration with local organizations. To support this strategy, the company has specifically established a dedicated MarCom department for a strong brand and position.

Product Development Strategies

Innovative and Sustainable Cement Products:

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

Enhancing Product Quality: CCCL is strategically investing in research and development (R&D) initiatives aimed at improving the quality of cement, enhancing its durability, minimizing environmental impact, and reducing production costs.

Service Development Strategies

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

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

Customer Complain & Survey: Cherat Cement Company Limited monitors customer satisfaction through customer complaints and surveys. Complaints are recorded, investigated, and addressed through appropriate corrective actions, while survey feedback is analyzed to identify improvement opportunities. This process supports continual improvement in product quality, customer service, and overall customer satisfaction.

Digital Invoicing System: The company successfully implemented the FBR digital invoicing integration as directed by the FBR. This initiative has increased transparency and credibility in our dealings with the national treasury, enhancing the confidence that various departments have in the company's reputation.

Customer Support: Consistent with the company's mission to 'Uphold the trust of our customers', we are providing the customer support facility in order to provide accurate records and facilitate deliveries.

LINKAGE OF STRATEGIC OBJECTIVES WITH THE COMPANY'S OVERALL VISION, MISSION AND OBJECTIVES

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

Mission:

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

Vision:

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

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

Overall Objectives:

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

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

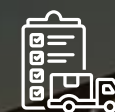


EFFECT OF TECHNOLOGICAL CHANGES, SUSTAINABILITY AND REPORTING CHALLENGES, INNOVATIONS AND RESOURCES ON COMPANY STRATEGY

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

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

OVERVIEW



Local Dispatches-Tons

2026 | 2,176,787 | 9%
2025 | 1,995,003



Cement Production-Tons

2026 | 2,363,784 | -1%
2025 | 2,386,193



Local Coal Mix %

2026 | 72% | 19%
2025 | 53%



Energy Generation from Renewables

2026 | 56% | 6%
2025 | 50%



Mix of paper bags for Packing material

2026 | 0% | -100%
2025 | 9%



Saving of Diesel for EV Dumper-Liters

2026 | 30,000 | 100%
2025 | -



HSE Training Hours

2026 | 150 | 43%
2025 | 105



Plant Availability %

2026 | 83% | 5%
2025 | 78%



Reduction of CO2 emission

2026 | 195,000 | 10%
2025 | 177,000



Average Employees

2026 | 940 | -2%
2025 | 962



Localization of Store Purchase

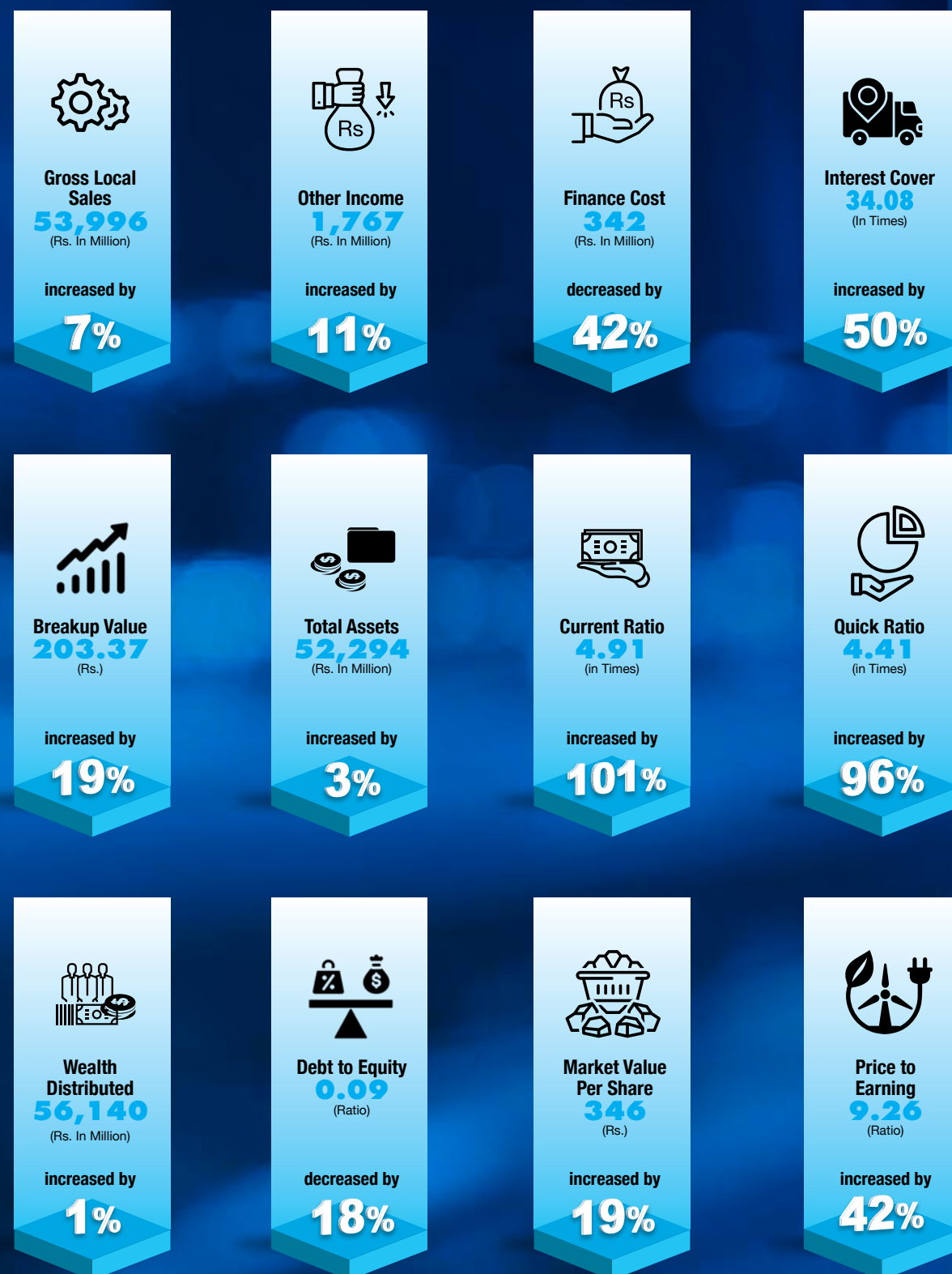
2026 | 4% | 1%
2025 | 3%



Number of days for coal Holding

2026 | 52 | 49%
2025 | 35

KEY PERFORMANCE INDICATORS



METHODS AND ASSUMPTIONS IN COMPILING INDICATORS

A Key Performance Indicator (KPI) is a measurable metric that reflects how well a company is achieving its core business objectives. Organizations use KPIs at various levels to evaluate progress toward their goals.

Cherat Cement Company Limited has identified and refined KPIs which is crucial to its operations. In selecting these KPIs, the company carefully examined different indicators, their meanings, and their effectiveness in clearly and accurately representing the company's performance and must be aligned with the organization vision and mission.

For financial indicators, the Company analyzes net sales, gross profit, profit after tax, EPS, return on capital employed, Break value on a regular basis to gauge its performance. Below are some fundamental indicators that provide valuable insights into the Company's performance and profitability:

Profitability Ratios: Assess how effectively a business generates profit by comparing earnings with its sales, capital employed and shareholders' investment.

Liquidity Ratios: Evaluate the ability to meet short-term obligations by comparing readily available assets with liabilities due in the near term.

Investment Ratios: Assess an investment's attractiveness by considering earnings, cash dividends, stock dividend and market share price in relation to shareholders' investment.

Break-up Value: Estimate the net asset value available to ordinary shareholders per share after deducting liabilities.

Capital Structure Ratios: Examine the balance between debt and equity financing to assess financial dependence on borrowing and long-term stability.

Turnover Ratios: Measure how efficiently a business uses assets, manages inventory, collects receivables, and pays suppliers by relating business activity to relevant average balances.

For non-financial indicators, the Company analyzes employee productivity, staff turnover, Plant availability and customer satisfaction ratio. Below are some indicators that provide valuable insights into the Company's non-financial indicator.

Employee Productivity Ratio: Assess workforce efficiency by comparing output, revenue and production with employee numbers.

Non-Financial Ratio: Evaluate operational performance using measures such as customer satisfaction, customer retention and employee turnover usually expressed as percentage.

Average balance generally means (Opening balance + Closing balance) ÷ 2.



SIGNIFICANT PLANS AND DECISIONS

The Company continued to undertake strategic initiatives aimed at strengthening its power sources, increasing the use of renewable energy, enhancing local resource utilization, and improving overall operational efficiency.

25 MW Battery Energy Storage System (BESS) with 5 MW Solar Power Project:

The Board has approved a 25 MW Battery Energy Storage System (BESS) project along with a 5 MW Solar Power Project. Progress on both the projects is underway. These projects are aimed at enhancing energy reliability and optimizing the utilization of renewable energy.

Utilization of Local Fuel:

CCCL continued its efforts to explore other alternative options for coal sourcing in order to curb the rising combustion cost. The initiative is expected to enhance fuel supply, optimize fuel costs, and reduce the Company's reliance on imported fuel sources.

Initiation of Electric Dumper Usage:

The Company has initiated the transition towards electric vehicle dumpers for the transportation of quarry materials. Given the favorable results, the Company may consider expanding the electric dumper fleet in the future.

Operational Efficiency:

Multiple operational improvement initiatives were undertaken across the plant to enhance production efficiency, optimize power and heat consumption which improves fuel utilization, and strengthen overall plant performance.

Alternative and Green Energy:

CCCL continued to explore alternative fuels and emerging green energy technologies, including refuse-derived fuel (RDF), with the objective of reducing dependence on fossil fuels and supporting the Company's transition towards a more sustainable and lower-carbon energy mix.

BUSINESS RATIONALE FOR MAJOR CAPITAL EXPENDITURE

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

Growth

Cherat Cement is always in a continuous phase of growth, and it grew multifold over the years, especially during the last decade when it installed World's largest ERP i.e. SAP. During these years, the Company has also invested in state-of-the-art machinery including solar power projects, waste heat recovery plants, Refused Derived fuel, and Wartsila Tri-fuel Generators. Furthermore, the Company also invested substantially in upgradation of Line-I. All these initiatives helps the Company to make sustainable growth over these years.

Current Year Project

During the current year, CCCL continued to advanced initiatives focused on renewable source, local fuel utilization, operational efficiency, and sustainability. Key projects include the development of the Battery Energy Storage System (BESS) and Solar Power Project, increased utilization of locally sourced fuel, and utilization of electric dumpers for quarry material transportation.

Future Project

Going forward, the Company intends to further explore opportunities in renewable energy, alternative fuels, energy-efficient technologies, and electrification of plant and quarry operations. Subject to the successful performance of ongoing initiatives and their commercial viability, CCCL may consider scaling up such projects to further improve operational efficiency, optimize costs, reduce fossil fuel dependence, and support its long-term sustainability.

BOARD STATEMENT ON THE INTERNAL CONTROLS INCLUDING IT CONTROLS

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

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

LIQUIDITY AND FINANCIAL CAPITAL STRUCTURE

The Company adopts a deliberate and forward-looking approach to capital structuring, ensuring that it remains well positioned to capitalize on emerging opportunities while maintaining the financial flexibility to navigate changing economic conditions. Its financing strategy is designed to strike an appropriate balance between growth ambitions and financial prudence, supporting both long-term stability and sustainable expansion. Long-term financing is primarily utilized to fund capital expenditures, while short-term borrowings are maintained to meet working capital requirements, enabling the Company to preserve a balanced and prudent capital structure. Strong sales growth, coupled with healthy operating cash flows and effective liquidity management, has further strengthened the Company's financial position. This is reflected in a current ratio of 4.91, demonstrating its strong ability to meet working capital requirements primarily through internally generated cash flows. The Company strategically invests surplus liquidity in short-term mutual funds to generate additional income while preserving liquidity and financial flexibility. At the same time, its long-term strategic focus remains on process optimization, operational efficiency, and diversification initiatives aimed at enhancing competitiveness and driving sustainable growth and long-term shareholder value.

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

The Board provides strategic guidance to management from time to time on initiatives aimed at supporting sustainable growth, expansion, and the enhancement of shareholder value. In line with this strategic direction, the Company is evaluating various projects focused on improving plant efficiency and pursuing diversification opportunities. The Company follows a prudent liquidity and capital management policy, under which capital expenditures are primarily financed through long-term funding arrangements, with preference given to subsidized financing where available. Any temporary surplus cash generated is strategically invested in suitable avenues to maximize returns and create additional value. To meet its working capital requirements, the Company has established short-term financing facilities with leading and reputable banks and financial institutions across the country. This diversified funding mix provides financial flexibility while also supporting the Company's commitment to Shariah-compliant financing solutions. However, owing to strong internal liquidity and healthy operating cash flows, the utilization of these facilities remained minimal during the year.

Financing Arrangements

The Company's strong financial position and prudent financial management practices have enabled it to establish and maintain long-standing relationships with leading banks and financial institutions across Pakistan. During the year, the Company primarily relied on internally generated cash flows from cement sales to meet its working capital requirements. In addition, the Company maintains substantial unutilized short-term borrowing limits under both conventional and Islamic financing arrangements, providing significant liquidity headroom to meet immediate, seasonal, or unforeseen working capital requirements.

CHAPTER

03

RISKS AND OPPORTUNITIES

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

- 86 Key Risks and Opportunities affecting Capitals
- 86 Company's Robust Assessment of the Principal Risks and Uncertainties
- 88 Risk Management Framework addressing Principal Risks Methodology, Risk appetite and Risk Reporting
- 90 Mitigation Measures, Strategic Objectives, and KPIs
- 91 Supply Chain Resilience and Environmental, Social and Governance (ESG) Related Risks and Company's Strategy for monitoring and mitigating these Risks



KEY RISKS AND OPPORTUNITIES AFFECTING CAPITALS

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

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

COMPANY’S ROBUST ASSESSMENT OF THE PRINCIPAL RISKS AND UNCERTAINTIES

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

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

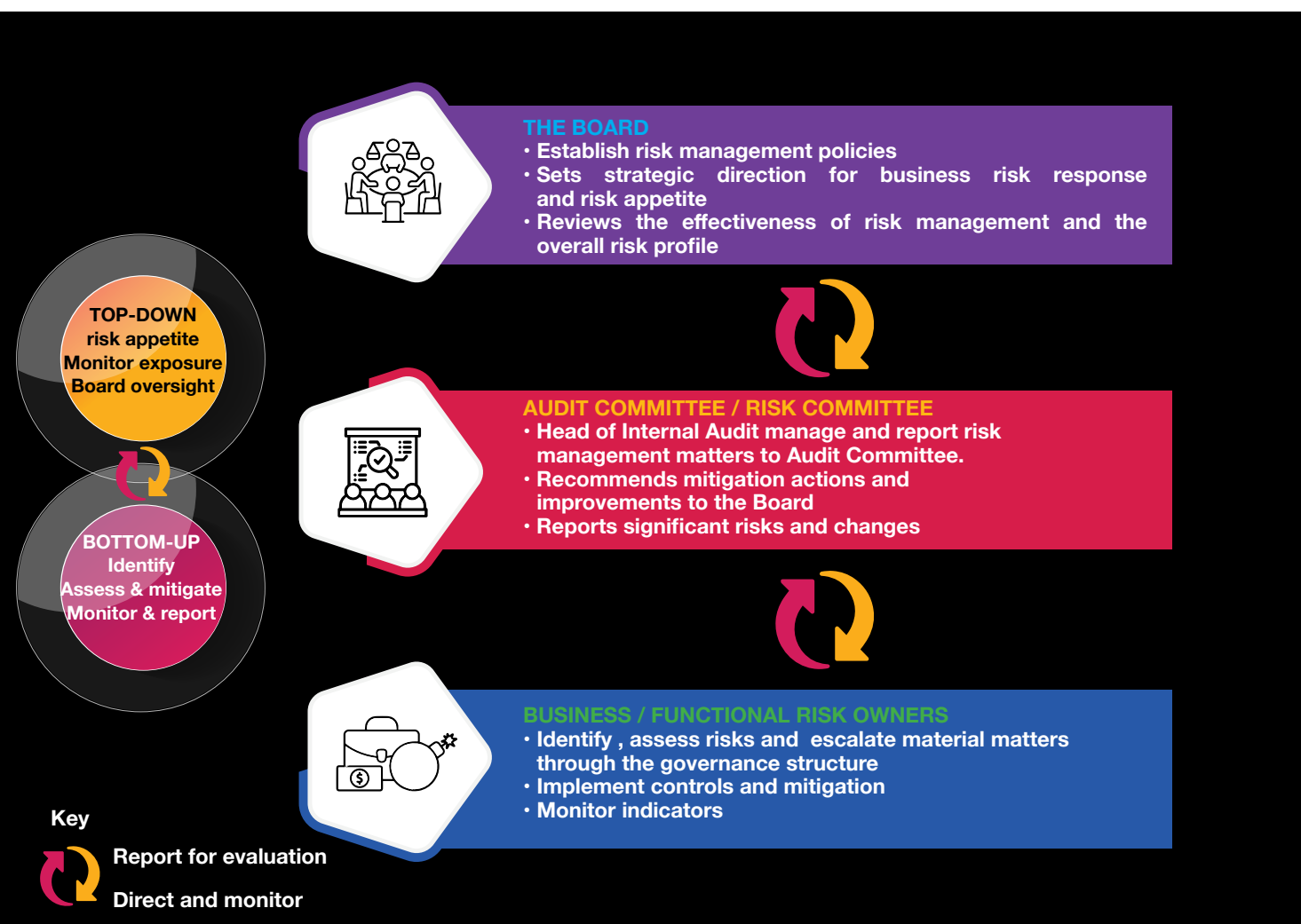
Following are the key risks and opportunities (internal and external), including sustainability related risks and opportunities, affecting availability, quality and affordability of Capitals.

Nature of Risk	Assessment of Risk	Risk	Area of impact	Source of Risk	Mitigating strategy
Operational Risk	Likelihood: Medium Impact: High Source: External	Disruptions in plant operations, equipment breakdown, high energy consumption, or raw material shortages	Production efficiency, cost of sales, product availability	Aging machinery, dependence on imported coal/energy, supply chain disruptions, unplanned shutdowns	Regular preventive maintenance, investment in modern energy-efficient equipment, alternative fuels, multiple sourcing of raw materials
IT Risk	Likelihood: Medium Impact: High Source: Internal/External	Cybersecurity breaches, SAP/dashboard failures, or data loss	Business continuity, financial reporting accuracy, stakeholder confidence	Increasing digitalization, weak cybersecurity controls, system downtime	Strengthening IT security framework, disaster recovery planning, continuous monitoring, staff awareness and trainings
Regulatory Risk	Likelihood: Medium Impact: High Source: Internal/External	Changes in Corporate laws, taxation, accounting standards, emission standards, export and other regulations	Compliance costs, profitability, license to operate	Evolving government policies, environmental regulations, and fiscal measures	Proactive regulatory monitoring, engagement with industry associations, prompt implementation of compliance measures to ensure readiness, minimize impacts and operational disruptions.
Legal Risk	Likelihood: Medium Impact: Medium Source: Internal/External	Litigation related to contracts, land acquisition, labour, or environmental claims	Financial exposure, reputation, project delays	Contract disputes, employee claims, environmental non-compliance	Robust contract review, comprehensive insurance coverage, and adherence to labor & environmental standards through dedicated legal team and External Advisors.
Political Risk	Likelihood: Medium Impact: Medium Source: External	Political instability, policy changes, trade restrictions, or law & order issues	Market access, exports, supply chain continuity	Government change, geopolitical tensions, regional instability	Geographic diversification of markets, maintaining stakeholder relations, contingency planning
Strategic Risk	Likelihood: Medium Impact: Low Source: External	Failure to adapt to market demand shifts, inability to invest in sustainability/innovation, or poor execution of expansion	Long-term growth, competitiveness, stakeholder value	Market volatility, delayed projects, underinvestment in low-carbon solutions	Regular strategy reviews, investment initiatives, capacity expansion aligned with demand, adoption of new technologies
Credit Risk	Likelihood: Medium Impact: Low Source: External	Customer defaults, delayed receivables, or restricted access to financing	Liquidity, cash flow, financial stability	Weak creditworthiness of buyers, high interest rates, banking sector stress	Credit checks, diversification of customer base, prudent working capital management, maintaining strong banking relationships
Environmental & Climate Risk	Likelihood: Medium Impact: Medium Source: Internal / External	Rising pressure to reduce carbon footprint, water scarcity, and climate change impacts	Sustainability compliance, production continuity, stakeholder trust	High CO ₂ emissions from clinker process, water-intensive operations, extreme weather	Investment in renewable energy, carbon capture and storage (CCS), water recycling, compliance with global ESG standards
Market/Demand Risk	Likelihood: Medium Impact: Low Source: External	Decline in cement demand due to slowdown in construction, real estate, or infrastructure projects	Sales revenue, capacity utilization, profitability	Economic downturns, reduced government spending, high inflation	Market diversification (exports), product innovation, close monitoring of demand cycles
Health & Safety Risk	Likelihood: Low Impact: Medium Source: Internal	Accidents at plant or transport operations	Employee wellbeing, operational continuity, regulatory compliance	High-risk working conditions, inadequate safety practices	Strict enforcement of HSE standards, training programs, safety audits, investment in protective technologies
Supply Chain Risk	Likelihood: Medium Impact: High Source: External	Disruptions in import of coal, spare parts, or transport bottlenecks	Production continuity, cost management	Global commodity shortages, logistics disruptions, port congestion	Strengthen local supplier networks, maintaining buffer inventory, diversifying energy sources (local coal, alternative fuels)
Reputation & ESG Risk	Likelihood: Low Impact: Medium Source: Internal	Failure to meet sustainability commitments, poor disclosures, or negative community impact	Investor confidence, social license to operate, brand value	Stakeholder activism, community opposition, weak ESG performance	Transparent reporting, strong CSR, third-party ESG audits, active community engagement

RISK MANAGEMENT FRAMEWORK ADDRESSING PRINCIPAL RISKS METHODOLOGY, RISK APPETITE AND RISK REPORTING

Cherat Cement Company Limited (CCCL) has established a comprehensive and holistic risk management framework to ensure that key risks are identified, evaluated, managed and monitored in a consistent and proportionate manner across its operations. The framework encompasses risk methodologies, risk appetite and reporting, and is designed to strengthen risk management practices, support informed strategic decision-making and safeguard shareholder value while contributing to the Company's sustainable growth.

The Company believes that the strategic and operational benefits of proactive risk management are best realised when risk processes are closely aligned with its strategic objectives and day-to-day operations. Accordingly, risk-related practices are regularly reviewed to ensure that they remain robust, relevant and fit for purpose within an increasingly dynamic macro-environment.



1. Identification of Key Risks

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

2. Methodology for Risk Assessment

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

3. Risk Appetite and Tolerance

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

4. Risk Mitigation and Control Measures

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

5. Risk Monitoring and Reporting

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

6. Risk Governance and Framework Oversight

Our risk management policies and procedures are thoroughly documented and consistently applied across the organization. The framework

undergoes regular reviews and updates to adapt to evolving business conditions and emerging risks.

7. Integration with Strategic Planning

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

8. Training and Communication

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

9. Testing and Simulation

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

10. Continuous Improvement:

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

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

MITIGATION MEASURES, STRATEGIC OBJECTIVES, AND KPIS

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

KEY RISK MITIGATION:

(i) Market Demand Volatility

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

(ii) Raw Material Availability

Strategic Objective	Strategies	Plans/ Policies	Targets	KPIs
Ensure a stable supply of raw materials	Forge long-term supplier partnerships and invest in alternative materials	Maintain buffer stock of critical raw materials	Reduce dependence on a specific material source by a certain percentage	Raw material source diversification and Supplier Reliability

KEY OPPORTUNITY LEVERAGING:

(i) Infrastructure Development Boom

Strategic Objective	Strategies	Plans/ Policies	Targets	KPIs
Capitalize on increased construction demand	Ramp up production capacity, optimize supply chain	Fast-track permit processes for expansion projects	Achieve the targeted production volume through efficient utilization of available capacity	Efficient production with timely completion of required capex

(ii) Sustainability Emphasis

Strategic Objective	Strategies	Plans/ Policies	Targets	KPIs
Become a sustainable industry leader	Invest in eco-friendly technologies, promote circular economy	Establish carbon reduction targets, adopt waste recycling practices	Decrease carbon emissions per ton of cement produced	Reduce carbon intensity and increase recycled material utilization

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

SUPPLY CHAIN RESILIENCE AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RELATED RISKS AND COMPANY'S STRATEGY FOR MONITORING AND MITIGATING THESE RISKS

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

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

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

04

SUSTAINABILITY & ENVIRONMENTAL RESPONSIBILITY



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ESG

BUILDING A SUSTAINABLE
TOMORROW



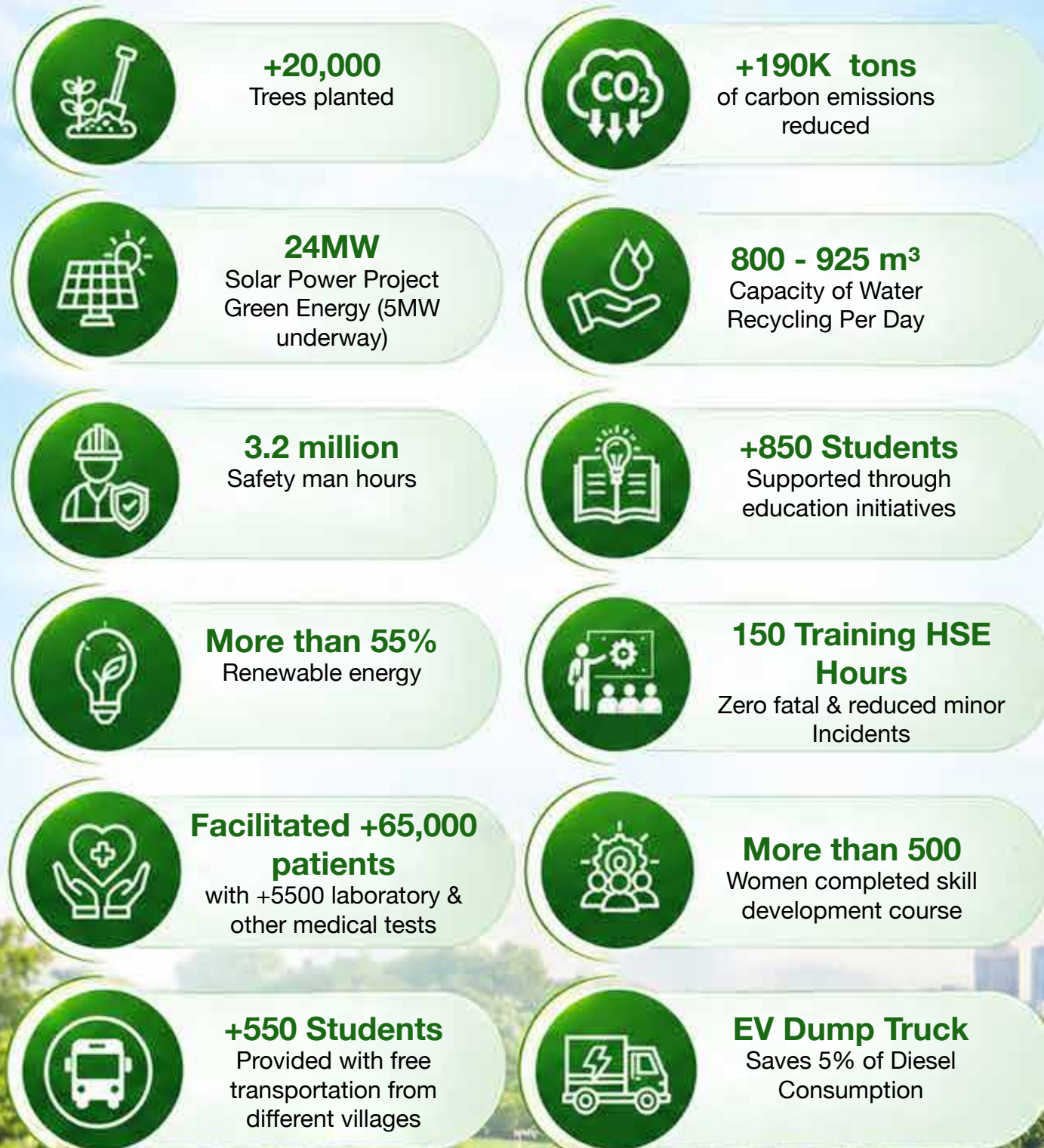
SUSTAINABILITY REPORTING & CORPORATE SOCIAL RESPONSIBILITY (CSR)

ENVIRONMENTAL, SOCIAL, GOVERNANCE & SUSTAINABILITY

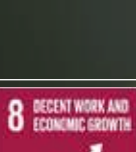
Environmental, Social, and Governance (ESG) principles are integral to how companies are evaluated for their resilience, credibility, and long-term value creation. ESG provides a unified framework to assess sustainability performance across three essential dimensions: Environmental Stewardship, Social Responsibility and Governance Practices. When integrated effectively, ESG ensures that a business reduces its adverse footprint, operates with integrity, and creates long term value that serves both present stakeholders and future generations.

Cherat Cement Company Limited places sustainability and responsible business practices at the core of its operations. The Company is committed to reducing its environmental footprint through the adoption of low carbon technologies, expansion of renewable energy, and resource efficient production practices. Social responsibility remains integral to the Company's operations, with a focus on supporting education, healthcare, women's empowerment, and community development. Its governance framework is underpinned by transparency, accountability, and stakeholder trust, strengthening long term resilience and sustainable value creation. By embedding ESG principles across its business operations & decisions, Cherat Cement continues to advance sustainable industrial practices while creating meaningful value for its stakeholders, communities, and the broader economy.

ESG KEY HIGHLIGHTS



Out of the 17 global goals, 13 have been identified as most relevant to business operations. Action plans have been developed to embed sustainable development principles into strategy and execution. The following section highlights the Company's initiatives and progress in advancing the UN SDGs through its operations.

	SDG and its aim to achieve	Alignment with Cherat Cement Actions
	SDG 1 – No Poverty (End poverty in all its forms everywhere)	Support through community development, vocational training & Women development programs
	SDG 3 – Good Health & Wellbeing (Ensure healthy lives and promote wellbeing for all)	Free medical dispensary for local community with basic medical facilities, donations to various healthcare charitable organization
	SDG 4 – Quality Education (Ensure inclusive and equitable quality education)	Partnerships with the Citizens Foundation, providing education support through scholarships to children
	SDG 5 – Gender Equality (Achieve gender equality and empower all women and girls)	Women Development Centre & education initiatives, gender pay equity policy, diversity and equality programs. Women representation on senior management staff
	SDG 6 – Clean Water & Sanitation (Ensure availability and sustainable management of water and sanitation for all)	Installation of Tube wells to ensure provision of clean water to local community & wastewater recycling for WHR & Operations
	SDG 7 – Affordable & Clean Energy (Ensure access to affordable, reliable, sustainable and modern energy)	Installation of solar power projects & WHR systems, replacement of motor with VFDs & installation of LEDs at factory premises and other workplaces. Ensure optimum utilization of solar energy for business operation requirement
	SDG 8 – Decent Work & Economic Growth (Promote sustainable economic growth, full and productive employment)	DEI workplace policies, skill development trainings & programs, committed to ensuring a safe and healthy workplace by strictly adhering to HSE standards and continuously improving safety and environmental practices. Training for use of AI to increase productivity

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

Statement on Strategic Objectives and Stakeholder Value

The Board of Cherat Cement is pleased to present Cherat Cement's strategic objectives concerning our Environmental, Social, and Governance (ESG) commitments and their anticipated impact on stakeholders.

Our strategy is meticulously designed to integrate sustainability into every facet of our operations, reflecting our dedication to responsible business practices and long-term value creation. Strategic objectives of sustainability and its impact on stakeholder is brief as follows:

Strategic Objective	Impact on Shareholders & Stakeholders
Promoting Eco Friendly Practices	Enhances brand reputation as a responsible and sustainable corporate entity.
	Reduces regulatory risk and compliance costs through proactive environmental measures.
Encouraging Social Accountability	Strengthens trust with local communities through health, education, and development initiatives.
	Supports long term business continuity by maintaining a strong social license to operate.
Promoting Sound Governance Practices	Builds resilience in decision making through structured oversight and ethical conduct.
	Minimizes business risks by ensuring compliance with laws and regulations.
Reducing Carbon Footprint	Lowers energy costs through renewable energy and efficiency initiatives, improving profitability.
	Strengthens stakeholder perception as an industry ambassador in sustainability practices.
Promoting Diversity in Workforce	Builds stronger connections with communities by reflecting inclusivity in hiring.
	Improves employee engagement, satisfaction, and career development opportunities

Sustainability Reporting and IFRS Sustainability Disclosure Standards

The Board recognizes the increasing importance of sustainability related matters and their relevance to long term value creation, risk management, and stakeholder decision making. In this regard, the company is actively involve in adopting IFRS S1 and S2. However, the Securities and Exchange Commission of Pakistan ("SECP"), through its Order dated December 31, 2024, has prescribed the phased wise adoption of the IFRS Sustainability Disclosure Standards, comprising IFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2, Climate-related Disclosures, for listed companies in Pakistan.

The Company falls within Phase I of the applicability criteria prescribed by the SECP and is, therefore, required to prepare its Sustainability Report for the year ended June 30, 2026 in accordance with the applicable requirements of these Standards. The Sustainability Report is required to be approved in the same manner as the financial statements under Section 232 of the Companies Act, 2017, and can be issued by March 31, 2027. This transition relief applicable in the first annual reporting to allow the company to issue the sustainability report within nine months from the close of the financial year.

The Board considers the adoption of the IFRS Sustainability Disclosure Standards an important step towards strengthening the Company's governance, transparency, and accountability in relation to sustainability and climate-related matters. Accordingly, the Board is committed to ensuring that the Company is adequately prepared the sustainability report to meet the applicable reporting requirements within the prescribed timelines.

The year ending June 30, 2027 will represent the Company's second year of sustainability reporting. Accordingly, the Company is further developing its sustainability reporting framework, data governance processes, internal controls, and assurance readiness to support compliance with the requirements applicable beyond the first-year transition relief. These include, where applicable, the relevant SASB Standards, IFRS S2 Industry-based Guidance, and Scope 3 greenhouse gas emissions disclosures, together with the applicable assurance requirements.

To strengthen Board oversight and provide focused governance of sustainability-related matters, the Board may consider to establish a Sustainability Committee and the Committee will assist the Board in overseeing the Company's sustainability strategy, climate-related risks and opportunities, sustainability reporting framework, data quality and governance, internal controls, and assurance preparedness.

The Board believes that the timely implementation of the IFRS Sustainability Disclosure Standards, supported by appropriate governance through the Sustainability Committee, will enhance the quality, reliability, and transparency of the Company's sustainability-related disclosures.

SUSTAINABILITY GOVERNANCE AT BOARD LEVEL:

The Board of Directors has not formed a separate sustainability committee. Instead, overall responsibility for sustainability lies with the Board, which oversees strategic direction and monitors sustainability related risks and opportunities. The Board maintains active oversight of the Company's sustainability initiative that enhance resource efficiency, support the transition towards lower-carbon operations and strengthen long-term environmental performance. Key initiatives include Waste Heat Recovery (WHR), Battery Energy Storage Systems (BESS), EV Dump trucks and process automation which collectively contribute to reducing energy intensity and the Company's carbon footprint. These considerations, are integrated into strategic planning, risk management, and performance monitoring. To strengthen its oversight, the senior management, has undertaken various sessions and understanding on sustainability risks and opportunities in line with global standards.

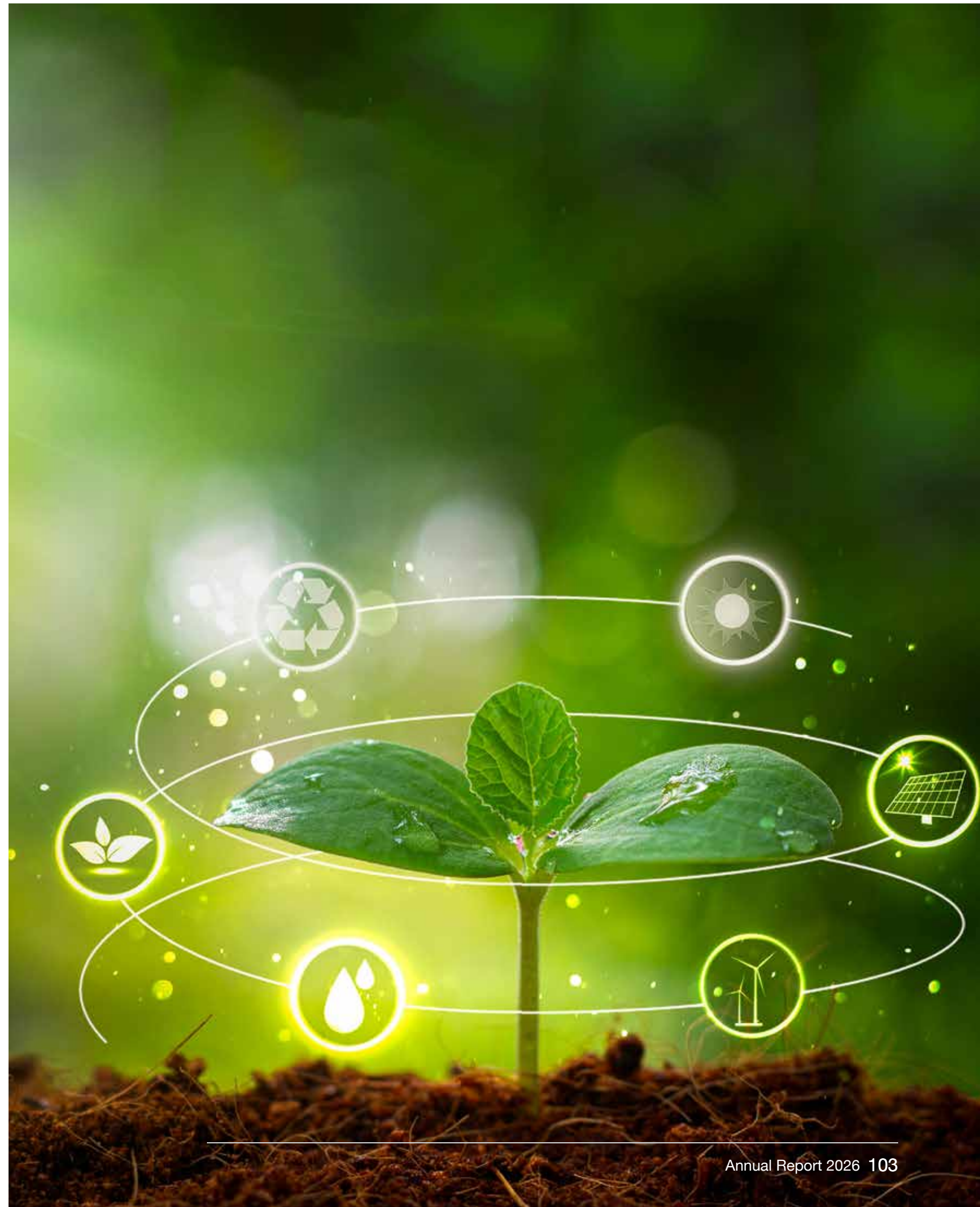
The Board acknowledges the importance of transparent ESG reporting and is committed to enhancing disclosures in line with emerging best practices. In this regard, the Company supports the SECP's ESG Disclosure Guidelines for listed companies and is progressively aligning its reporting framework with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

MANAGEMENT'S ROLE

Operational responsibility for sustainability rests with management under the leadership of senior management. The management identifies material ESG risks and opportunities, develops related strategies and policies, and tracks performance against defined targets. To strengthen accountability, the Company continues to integrate sustainability considerations into its business strategy, decision-making, and performance management processes. Management is also enhancing its capacity through ongoing training and awareness initiatives on sustainability and climate-related risks, supporting informed decision-making and the effective implementation of sustainability priorities.

KEY SUSTAINABILITY RELATED RISK & OPPORTUNITIES

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





E – ENVIRONMENT

RISKS & OPPORTUNITIES

Description	Risk	Opportunities
GHG Emissions	Cement production is highly carbon intensive due to limestone calcination and fuel combustion in kilns, exposing the company to carbon pricing, tightening regulation, and transition risk as decarbonization accelerates.	Lowering the clinker factor with supplementary cementitious materials, adopting alternative fuels (RDF, biomass), improving kiln efficiency, and developing lower carbon cement products to access green financing and premium markets.
Air Quality	Emissions of particulate matter (PM), NO2, SO2, from kiln stacks can result in regulatory penalties, community health complaints, and reputational damage.	Installing advanced filtration (bag filters, electrostatic precipitators) and continuous emissions monitoring to improve compliance and community relations.
Energy Management	Heavy reliance on fossil fuels (coal, furnace oil) and grid electricity exposes the company to price volatility, supply disruption, and rising energy costs.	Investing in waste heat recovery systems, renewable energy (solar), and energy efficient equipment to reduce both costs and emissions.
Water Management	Increased use of Water required for cooling and dust suppression, which can strain local supply for nearby community.	Implementing water recycling, rainwater harvesting to ensure water continuity for operations and community.
Land Use & Biodiversity	Limestone quarrying alters landscapes and can affect local ecosystems and biodiversity around quarry sites.	Implementing progressive quarry rehabilitation and biodiversity action plans to restore land post extraction and strengthen community and regulator relations.



S - SOCIAL

Social Risks & Opportunities

Description	Risk	Opportunities
Occupational Health & Safety	Heavy machinery, quarry blasting, high-temperature kiln operations, and dust exposure create elevated risk of workplace injuries, fatalities, and occupational illnesses such as silicosis.	Strengthening safety management systems, Frequent HSE trainings to ensure zero fatality and reduce minor incidents with improved workforce retention and productivity.
Community Health & Relations	Dust, noise, and heavy vehicle traffic from plants and quarries can affect the health and quality of life of nearby communities, risking social license to operate and community opposition.	Investing in community development programmes, transparent stakeholder engagement, and dust mitigation to strengthen social license and long-term operating stability.
Product Quality & Customer Safety	Substandard cement quality can compromise the structural safety of buildings and infrastructure, exposing the company to liability, recalls, and reputational damage.	Strengthening quality assurance and testing systems and pursuing certifications to build customer trust and support premium positioning.
Human Rights & Supply Chain Labour Standards	Poor labour practices among contractors, transporters, or raw material suppliers, including unsafe conditions, could expose the company to reputational and legal risk.	Implementing supplier code of conduct and ensure due audits to promote responsible sourcing and strengthen brand reputation.



G - GOVERNANCE

Governance Risks & Opportunities

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

Financial & Strategic Impact of Sustainability Commitments



SHORT TERM

Short Term Impact
In the short term, the Company’s financial performance may be affected by increased operating and compliance costs associated with environmental management, emission controls, dust and noise mitigation, workplace safety, and other sustainability initiatives. Non-compliance may also result in regulatory penalties and reputational risks. At the same time, proactive investment in sustainability can reduce regulatory and operational risks, support business continuity, improve workplace conditions, and strengthen relationships with employees and local communities.



MEDIUM TERM

Medium Term Impact
Over the medium term, rising energy costs, evolving environmental regulations, and the potential introduction of carbon-related costs may increase production costs and capital requirements. However, investments in renewable energy, energy efficiency, process optimization, and resource conservation can help manage energy costs, improve operational efficiency, reduce emissions, and enhance the Company’s resilience.



LONG TERM

Long Term Impact
Over the long term, the Company may require continued investment in cleaner technologies, resource efficiency, climate resilience, and other sustainability initiatives to remain aligned with evolving regulatory requirements and market expectations. Effective management of sustainability-related risks and opportunities can strengthen the Company’s long-term competitiveness, reduce exposure to regulatory and climate-related risks, improve resource efficiency, and support sustainable value creation.

CLIMATE-RELATED RISKS & OPPORTUNITIES

Cherat Cement Company Limited recognizes that climate-related risks and opportunities can influence production continuity, resource availability, operating costs and long-term competitiveness. The Company's approach is to consider these matters within its wider risk management and strategic planning processes, assessing their likelihood and potential implications for manufacturing operations.

Physical and Transition Risks

Physical risks include extreme rainfall, flooding, heat stress, water scarcity and other climate-related disruptions. These conditions may affect plant availability, employee safety, quarry operations, material handling and transport routes, as well as the reliability of suppliers and utilities. Water conservation, preventive maintenance, emergency preparedness and supply-chain continuity are important considerations in strengthening resilience across the Company's manufacturing and logistics network.

Transition risks arise from evolving environmental regulations, potential carbon related policies, changing energy prices, technological developments and customer preferences for lower-carbon construction materials. These developments may influence production costs, investment requirements and product competitiveness.

Climate-related Opportunities and Resilience

The Company's use of solar power, waste heat recovery and reduced-clinker cement formulations supports its efforts to improve energy efficiency and reduce greenhouse gas emissions associated with production. Further opportunities include kiln and process optimization, improved fuel management, alternative raw materials and the potential use of refuse-derived fuel (RDF), subject to technical suitability, environmental requirements and reliable supply. Alongside water and material conservation, these measures can improve resource efficiency, diversify energy sources and support cost efficiency while maintaining product quality.

Integrating Climate Considerations into Business Strategy

Climate considerations inform strategic planning, operational improvements and the evaluation of investments in energy, equipment and production technologies. Balancing environmental benefits with technical feasibility, commercial viability and operational reliability helps identify practical opportunities for improvement. Integrating these considerations into risk management and business planning supports resilience across operations, suppliers and logistics partners, while contributing to environmental performance and long-term value creation.



CLIMATE RISK AND ITS RESPONSE & OPPORTUNITY

Physical & Transition Risks

Physical risks	Transition risks
Extreme rainfall and flooding	Evolving environmental regulations and carbon policies
Water scarcity	Exposure to changes in energy prices during the low-carbon transition
Heat stress	Technology upgrades and associated investment requirements
Weather-related disruption to plant operations, supply chains and logistics	Shifting customer demand towards lower-carbon cement

Climate Risks, Management Responses and Opportunities

Climate risks	Response	Potential opportunities
Weather-related disruption and water scarcity	Improve water efficiency and strengthen business continuity planning	Greater operational resilience
Exposure to energy-price changes and carbon policies	Assess solar power, waste heat recovery and process optimization opportunities	Greater energy diversification and improved cost efficiency
Evolving technologies and customer expectations	Evaluate alternative fuels and lower-clinker cement products	Stronger product competitiveness and improved resource efficiency

Climate Related Opportunities

Opportunity	Focus	Suggested icon
Renewable energy	Diversify electricity sources through renewable energy	Solar panel
Waste heat recovery	Recover process heat for power generation	Heat exchanger
Refuse-derived fuel (RDF) and other alternative fuels	Evaluate suitable alternatives to conventional fossil fuels	Fuel with circular arrows
Energy efficiency	Optimize kiln operations and electricity consumption	Gear and lightning bolt
Resource efficiency	Reduce clinker intensity and conserve materials and water	Material layers and water droplet

COMPREHENSIVE GOVERNANCE & STRATEGY FOR SUSTAINABLE DEVELOPMENT AND RISK MANAGEMENT

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



CORE PILLARS	OVERVIEW	METRICS	TARGETS
Governance	Develop structured policies and processes to oversee compliance with regulatory requirements related to sustainability and ESG practices.	Sustainability goals to be defined, monitored, and integrated in operations. Comprehensive and transparent reporting of all related Risk & Opportunities	- A strong Code of Conduct guideline and ethical practices which addresses anti-corruption matters across operations. - The Board includes both male and female representation, reflecting the Company's commitment to diversity. - Independent directors are part of the Board structure, ensuring objective oversight and balanced decision making.
Strategy	Focus on minimizing environmental impact by optimizing resource use, enhancing energy practices, and reducing emissions.	Ensure sustainability initiatives to be undertaken including: - Energy efficiency goals - Water conservation efforts - Waste management practices - Sustainable sourcing strategies	- Cement plants generate emissions, but conservation measures significantly reduce their impact. - Power needs are met through a balanced mix of renewables sources including waste heat recovery, Solar & national grid, lowering reliance on fossil fuels. - Recycling practices are in place to conserve freshwater and other raw material to promote its sustainable use.
Risk Management	A comprehensive risk management framework to identify, assess, and address sustainability related risks, including those associated with supply chain disruptions, and evolving regulations.	- Monitor number of identified risks addressed - Check incident response times - Continuously assess Sustainability risk	- Engaged with regulators, investors, and communities to anticipate regulatory shifts and address stakeholder concerns before they escalate into risks. - Use digital monitoring tools for emissions, energy efficiency, and supply chain tracking to strengthen risk detection and response. - Provide employee training on sustainability risk awareness, compliance requirements, and emergency response protocols.

CCCL METRICS AND TARGETS

Following are the key metrics and targets relevant to CCCL for ESG parameters:

Environment

Metric	CCCL performance and commitments
Greenhouse Gas Emissions	During FY 2025–26, the Company reduced carbon emissions by approximately 190,000 tons from limestone calcination and kiln fuel combustion. CCCL continues to pursue emissions reduction through solar power, waste heat recovery, operational efficiency, and the use of alternative materials.
Solar Power and Energy Storage	CCCL reports installed solar capacity of 24 MW, with an additional 5 MW expansion underway. The Company is also progressing battery storage to enable the use of surplus daytime solar generation during night hours.
Waste Heat Recovery and Energy Efficiency	The Company operates a 20 MW waste heat recovery system, which supplied 239,975 GJ during FY 2025–26. Further efficiency initiatives include variable frequency drives, LED lighting and production scheduling to maximize the use of solar power.
Water Management	Water withdrawal and consumption were each 282K m ³ , compared with 302K m ³ in the previous year, representing a 6.67% reduction, reflecting ongoing efforts to improve water-use efficiency and optimize consumption across plant operations.
Alternative Materials and Fuel Conservation	The use of black shale in kiln feed resulted in reported handsome coal savings of during FY 2025–26. CCCL also uses pozzolana and evaluates supplementary materials to conserve natural resources and reduce clinker requirements.
Cleaner Material Transportation	CCCL has introduced electric dumpers for raw-material transportation. The ESG highlights report 5% diesel-consumption savings from this initiative. Further fleet expansion may be considered based on operating results.
Tree Plantation and Biodiversity	Around 15,000 trees planted during FY 2025–26 as the Company continues plantation, nursery and wildlife conservation activities around its operations.

Social

Metric	CCCL performance and commitments
Occupational Health and Safety	CCCL reports 3.2 million safety man-hours and zero fatalities in its ESG highlights. The Company continues to strengthen risk assessments, emergency preparedness, contractor safety and vehicle and pedestrian safety across operational areas.
Employee Training and Development	The Company has provided more than 150 hours of HSE training, which includes safety-awareness programmes, emergency-response drills and training relating to energy efficiency, sustainability.
Gender Diversity and Equal Opportunity	CCCL's Diversity, Equity and Inclusion Policy cover recruitment, promotion, training, compensation and workplace practices. The Company promotes equal opportunities and remuneration based on role, responsibility and performance.
Non-Discrimination	CCCL promotes a respectful and inclusive workplace, with fair access to employment and development opportunities regardless of gender, religion or background.

Governance

Metric	CCCL performance and commitments
Board Oversight of Sustainability	The Board oversees sustainability-related strategic direction, risks and opportunities. Management is responsible for implementing initiatives and monitoring performance.
Board Independence	Independent directors form part of the Board structure and support objective oversight for the Company.
Ethics and Anti-Corruption	Company's Code of Conduct addressing ethical practices and anti-corruption matters across operations.



FROM GREY — TO — GREEN

CEMENTING A
SUSTAINABLE TOMORROW:



Key Sustainability Highlights

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

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

- Using 24 MW Solar generation plant with 5MW underway, which replaces conventional fuels, which comprises for approx. 16 to %18 % of our power needs.
- Utilization of waste heat recovery systems on kiln which contributes approx. %38 of our power need of clean energy.
- Use of Limestone as supplementary material, which reduces the usage of clinker, causing lesser carbon emissions.
- Continuously expanding our plantation activities in the factory premises.
- Exploring emerging green-energy technologies, including hydrogen fuel to reduce dependence on fossil fuels. In addition, CCCL is planning an RDF (Refuse Derived Fuel) plant to increase alternative-fuel utilization, reduce coal consumption, and support the Company's transition toward a more sustainable and lower-carbon energy.

Renewable Energy Solar Power Project

Cherat Cement has made significant commitments to reducing its carbon intensity through continuous investments in renewable energy and clean technologies. As part of its transition towards renewable energy, the Company has installed a 24 MW solar power system, with plans to further expand its solar capacity by an additional 5 MW. Furthermore, the Company is in the process to install the Battery storage systems which will store the excess solar units during day hours and utilized the same during night hours. These initiatives will reduce reliance on captive and grid electricity, a

significant portion of which is generated from fossil fuels, thereby reducing greenhouse gas emissions and enhancing the Company's energy security and reliability.

Waste Heat Recovery – WHR

The Waste Heat Recovery system (WHR) having capacity of 20MW is also the Company's initiative towards renewable energy. This energy is derived from the heat released during the cooling process of clinker in the cooler section.

By harnessing this waste heat and converting it into usable electrical power, the WHR unit not only enhances the efficiency of our operations but also reduces our reliance on conventional energy sources, thereby promoting sustainability and environmental responsibility in our manufacturing processes.

Technological Innovations Contributing Towards Sustainability

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

Operational Efficiency Initiatives

Various initiatives being undertaken or underway across plant operations to improve production efficiency, reduce specific power and heat consumption, optimize fuel utilization, and increase the use of alternative and locally available raw materials. These initiatives support the Company's commitment to operational excellence, cost efficiency, resource conservation, and sustainable manufacturing.



Key initiatives include:

- Improving production processes and equipment efficiency to optimize power consumption and enhance operational stability and throughput.
- Optimizing plant operations to maximize the utilization of renewable energy during day hours.
- Substitution of hot gases with diesel for Cement mill lit up

Transition to Pressed Pellet Method for XRF Analysis

The Company has transitioned from the conventional fused glass bead method to the pressed pellet method for XRF analysis following the installation of the new XRF analyzer. The transition has resulted in a significant reduction in per test consumable costs while maintaining an efficient approach to routine elemental analysis.



Improving Air Quality Through Effective Dust Control

As part of its commitment to environmentally responsible operations, the Company installed an



additional coal bin to improve material flow stability and control coal-dust emissions. The modification has reduced dust dispersion and material spillage, contributing to improved ambient air quality, safer working conditions, better housekeeping and more efficient resource utilization.

Climate Change and Emissions Management

CCCL continues to monitor and manage greenhouse gas emissions across its major operational and logistics activities, including limestone calcination, kiln fuel combustion, mining equipment, company vehicles, power generation and transportation. Overall emissions declined during the year, reflecting continued efforts to improve operational efficiency, optimize fuel consumption and reduce reliance on diesel-based equipment and generation.

AI-Driven Kiln Optimization for Enhanced Operational Efficiency

CCCL is also exploring AI-enabled Advanced Process Control to optimize kiln and pyro operations through real time data analysis and intelligent process adjustments. The initiative aims to improve operational stability, reduce thermal and electrical energy consumption, enhance clinker quality, and support greater use of alternative fuels.

Captive Power Plants:

The Company has tri-fuel captive power plants predominantly use natural gas, which significantly reduces the furnace oil consumption. This cleaner energy mix cuts CO₂ emissions and ensures compliance with evolving environmental regulations while providing energy security for operations. Though, the usage of Captive plant is currently on hold due to increased gas prices, being financially unviable.

Energy Management and Renewable Energy

CCCL's energy strategy focuses on improving energy efficiency and increasing the contribution of renewable and waste-derived sources to its overall energy requirements. The Company's energy portfolio comprises grid electricity, solar power, Waste Heat Recovery (WHR) and waste-derived captive generation. Overall energy consumption remained broadly stable during the year, while the Company ensure maximum production process to be operational during solar hours.



Water Stewardship

CCCL recognizes water as an important environmental resource and continues to monitor water withdrawal and consumption across its manufacturing operations. During the year, overall water use declined, reflecting ongoing efforts to improve water-use efficiency and optimize consumption across plant operations.

Transition To Electric Dumpers for Material Transport:

Cherat Cement initiate using electric dumpers to replace conventional heavy vehicles for material transportation. These dumpers reduce fuel consumption, lower emissions, and minimize operating costs while ensuring efficient and reliable movement of raw materials. Based on the favorable results, the Company may consider further increasing its EV dumper fleet.



Environmental Compliance and Air Quality

CCCL maintains a strong focus on environmental compliance and regularly monitors key environmental parameters associated with its manufacturing operations. Emissions of major pollutants, including NO₂ and SO₂, remained broadly stable during the year, with continued monitoring of air quality, dust and noise levels.

Usage of Alternative Materials

CCCL continues to improve resource efficiency by reducing its reliance on conventional fossil fuels and raw materials through the increased use of alternative materials and resources. The use of black shale in kiln feed has helped reduce conventional coal requirements, while the increased utilization of pozzolana in production, supports the conservation of limestone reserves, extends quarry life and improves production efficiency. The Company has also continued the complete transition towards polypropylene packaging, with a focus on improved packaging performance, material efficiency, cost optimization and environmental considerations. These initiatives contribute to more efficient resource utilization and support the Company's broader commitment to sustainable manufacturing.

Biodiversity and Afforestation

CCCL continues to support biodiversity conservation and environmental enhancement through tree plantation, afforestation and wildlife conservation initiatives. These activities contribute to the development of green areas around the Company's operational footprint, provide suitable habitats for animals, and support the preservation of biodiversity. The Company remains committed to expanding plantation and environmental improvement activities while promoting the protection of wildlife and maintaining a healthy natural environment around its operations.

Energy conservation initiatives:

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



Energy Conservation Measures:



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

CERTIFICATIONS AND INTERNATIONAL STANDARDS ADOPTED BY CHERAT CEMENT

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

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



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

ENVIRONMENTAL INITIATIVES – ANCHORED IN THE 3RS

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

REDUCE	REUSE	RECYCLE
Our goal of minimizing our environmental footprint is achieved through the implementation of energy-efficient technologies, such as the Waste Heat Recovery (WHR) System, which reduces the need for conventional fuels, and Electrostatic Precipitators, which help reduce air pollution.	By substituting traditional fossil fuels with Refuse-Derived Fuel (RDF), we aim to utilize waste materials as an alternative fuel source, thereby reducing waste and reliance on non-renewable resources.	Our waste management initiatives include the recycling and repurposing of various waste materials, such as used oils, furnace oil sludge, waste generated from quality control activities, empty drums, and paper bags. We also maintain a dedicated nursery for seasonal plants and a zoo to promote local biodiversity and support environmental sustainability.



HEALTH, SAFETY AND ENVIRONMENT

Health, Safety and Environment management remains integral to the Company's operational philosophy. Operating under dedicated management oversight, the Company maintains a safe and environmentally responsible workplace. This commitment is supported by internationally recognised management systems, including ISO 14001 for Environmental Management. These systems help ensure compliance with applicable regulations, effective risk management, and continuous monitoring and improvement of performance.

In line with this commitment, the Company was honoured with the Fire Safety Award 2025 by the National Forum for Environment and Health (NFEH) and the Fire Protection Industry of Pakistan (FPIP).

Strategic HSE Initiatives & Performance Highlights

• Uncompromising Safety Culture & Hazard Reduction:

The Company achieved its primary objective of maintaining a zero-fatality workplace through rigorous risk assessments and proactive hazard prevention. Year-on-year, operational incidents, lost-time injuries and emergency events were successfully reduced, contributing to continued improvement in the overall safety rate.

• Proactive Training & Emergency Preparedness:

Comprehensive safety-awareness drives were actively conducted across all operational levels. Annual targets for structured HSE training programmes were exceeded, while routine emergency-response drills achieved the required compliance levels to maintain high operational readiness.

• Continuous Improvement in HSE Performance:

The Company continues to monitor HSE performance and address areas requiring further improvement. Particular focus remains on minor incidents, maintaining good housekeeping standards and strengthening safety practices in quarry and contractor operations.

• Workplace and Operational Safety:

Continuous attention was given to improving workplace conditions and addressing operational risks. Measures were undertaken to enhance vehicle and pedestrian safety, improve site infrastructure and strengthen contractor safety management across operational areas.

• Environmental Stewardship & Compliance:

CCCL continues to promote environmental stewardship through initiatives focused on pollution control, resource conservation, waste minimization, renewable energy, tree plantation and biodiversity conservation. These efforts support the efficient use of natural resources, reduce the Company's environmental footprint, enhance the surrounding ecosystem and contribute to long-term sustainable value creation.

EFFICIENT CONSUMPTION & MANAGEMENT OF RESOURCES

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

Sustainable Raw Material Sourcing	The Company sources key raw materials such as limestone, laterite, gypsum, and additives from both extraction and outside sources. To minimize resource depletion, efforts are underway to substitute limestone with supplementary materials i.e. calcined clays, which reduce the carbon footprint. Further, the Company is in the practice to evaluate for using other substitute material as well.
Energy Efficiency Driving Competitiveness	Energy remains the most significant input in cement production. A diversified energy mix has been developed, combining Waste Heat Recovery (WHR), solar power, Hydropower, captive sources reducing dependence on the national grid and lowering production costs. Furthermore, Company has sufficient resources available for using National grid option as well and keep on using national grid, when financially viable.
Turning Wastewater into a Resource	Cherat Cement has implemented an innovative water recycling initiative to the Company recycled around 800–925 m ³ of water per day which was reused in turbines for energy generation. Furthermore, water usage has been decreased compared with the previous year, supporting the Company's focus on responsible water use.
Recycling and Repurposing Waste	Cherat Cement demonstrates its commitment to sustainability by recycling and repurposing a wide range of waste materials. These include solid waste, used oils and lubricants, furnace oil sludge, paper and brick waste, empty drums and containers, grinding media and other miscellaneous waste.



Diversity, Equity & Inclusion (DEI)

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

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

Strategic Priorities

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

CSR

CORPORATE SOCIAL RESPONSIBILITY



BUILDING STRONGER COMMUNITIES. CREATING LASTING VALUE.

At Cherat Cement, building a stronger future extends beyond the cement we produce—it includes the lives we touch and the communities we serve. Corporate Social Responsibility is integral to our values and long-term strategy, connecting business growth with community well-being and environmental responsibility.

“Lasting success is built on shared prosperity.”

Our CSR initiatives focus on improving quality of life, expanding opportunities and supporting sustainable development in communities surrounding our plant operations. With particular attention to underserved and vulnerable groups, we direct our efforts towards addressing local needs and improving living standards. Through this commitment, we seek to build a legacy of care, inclusion and progress that grows alongside our business.

BOARD COMMITMENT TO PROMOTE CSR AND BEST PRACTICES

The Board of Cherat Cement places Corporate Social Responsibility (CSR) at the heart of the Company’s business strategy. This commitment connects our growth ambitions with our responsibility to communities, stakeholders and the environment, embedding responsible business practices into our decisions and operations.

“Our commitment begins with responsible leadership and extends to the lasting value we create. Guided by integrity, transparency and accountability, we pursue business success alongside social progress and environmental stewardship, building a stronger company and a more sustainable and equitable future.”

The Board translates its commitment to CSR into action through oversight and approval of initiatives that address community needs and support sustainable development inline with the SECP’s 2013 CSR Guidelines and relevant provisions of the Companies Act, 2017. Management translates this direction into programs, establishes priorities, monitors progress and plans future initiatives. Regular evaluation supports continuous improvement and the adoption of CSR best practices.

The Company make efforts on improving quality of life for communities surrounding our operations, supporting underserved groups and promoting sustainability. By connecting commercial performance with meaningful social contribution, we seek to create shared prosperity and lasting value for the communities that grow alongside us



HIGHLIGHTS OF CSR ACTIVITIES THROUGHOUT THE YEARS

1. EDUCATION

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

The Citizens Foundation

The Company supports a model school in Shaidu village, Nowshera, in partnership with The Citizens Foundation (TCF), which manages and operates the school. This initiative aims to provide high-quality education and ensuring continued access to quality education for underserved communities.



Institute of Behavioral Psychology

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



CALPAK Education Services

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



Ghulam Ishaq Khan Institute of Engineering Sciences and Technology

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



Agha Khan Medical College

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



Transport for School / Collage of Local Community

Cherat Cement recognizes that transportation barriers can limit access to education for students in rural and remote communities. To address this challenge, the Company provides safe and reliable pick and drop transportation facilities for students from surrounding villages, including Sheikhe, Spin Kana, Jabba and Lakarai, enabling them to access educational institutions in Peshawar and Bannu. The Company also facilitates transportation for students and participants of the Women Skill Development Centre, supporting access to vocational training and skill development opportunities for women from nearby communities.



Anjuman Kashana-e-Atfal-o-Naunihal

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

Noor Foundation

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

Ghulam Faruque Welfare Trust

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

At CCCL, we build more than strong foundations. We open doors to education, opportunity, and hope. By empowering individuals and supporting communities, we help shape a brighter future for generations to come



HEALTHCARE

2. HEALTHCARE

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

Promoting Community Health and Wellbeing

Cherat Cement Company Limited is committed to supporting the health and wellbeing of communities in the vicinity of its operations. As part of its community development initiatives, the Company provides accessible and free healthcare services through its medical dispensary, serving the healthcare needs of local residents.

The facility provides medical consultation, basic diagnostic and laboratory services, ultrasound examinations, free medicines, and emergency support. Qualified medical professionals, including male and female doctors, are available to cater to the diverse healthcare needs of the community. A dedicated gynecology facility has also been established to address women's healthcare requirements and provide maternity-related support.

In collaboration with the local NGO, Health, Education & Development Society (HEADS), the Company also supports the operation of a basic health unit adjacent to the factory. The Company contributes towards staffing and other necessary resources to help ensure continuity of healthcare services.

A round-the-clock ambulance service further supports the community by providing timely transportation and emergency assistance when required. Through these initiatives, the Company continues to contribute towards improving access to essential healthcare services and promoting the overall wellbeing of surrounding communities.



The Kidney Centre

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

Layton Rahmatulla Benevolent Trust (LRBT)

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





Nowshera Dialysis Centre

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

Shaukat Khanum Memorial Trust

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



Patients' Aid Foundation

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




COMMUNITY DEVELOPMENT

3. COMMUNITY DEVELOPMENT & SUPPORT

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

Women Development Centre

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

Women's Vocational Center facilities include:

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

During the period, around 500 women successfully completed two vocational training courses. The certificate distribution ceremony was held to recognize their achievements and completion of the training programs. Photographs from the ceremony are provided for reference.



School Uniforms for Needy Students

As part of its community welfare initiatives, Cherat Cement Company Limited distributed uniforms to surrounding schools for boys and girls. The uniforms were formally handed over to the respective School Principals and Head Mistresses for distribution among deserving and needy students.



An important aspect of this initiative is that the uniforms were stitched by female trainees of the Company's Women Skills Development Centre (WSDC). This initiative addresses the needs of underprivileged students while also providing WSDC trainees with practical experience and an opportunity to apply their tailoring skills in support of the local community. In this way, the initiative creates a meaningful link between skills development, women's empowerment and community welfare.



Tubewells in nearby Village

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



Construction of Water Tank with pipeline rectification

Cherat Cement also construct Water tank in sheikhei and also make rectification work for distribution pipeline as well.

This initiative has significantly improved access to clean water, directly benefiting local households and reducing health risks.

Provision of Rations during Ramadan

Providing rations during holy month of Ramadan is a vital way to support those in need by ensuring they have access to essential food items throughout the holy month.



Our contribution helps families observe the fast with dignity and ease, reflecting our commitment to compassion and community welfare.

Boundary Wall at Jabba Graveyard

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

Extension and Fabrication of Mosque



This initiative represents a valuable investment in providing a spiritual and communal space for factory staff and workers.

The contribution will support the enhancement of the mosque, enabling more people to come together for worship, reflection, and community bonding. The Company is also evaluating the installation of solar-powered shades to reduce direct sunlight exposure in the prayer area, particularly during high attendance times.



Support for Protectors

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

Extra Care for Low Earning Employees

This assistance helps alleviate financial stress and enables employees and their families to celebrate important life events, including marriage and basic dowry expenses, with greater dignity and ease. The Company also facilitates employees in performing Hajj through a ballot-based selection process.

Flood Relief Assistance

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

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



TREE PLANTATION



4. TREE PLANTATION ACTIVITIES

More than 10,000 plants of different species were cultivated during the year as part of the Company's environmental sustainability and plantation initiatives, bringing the total number of plants cultivated over the past two years to approximately 20,000.

These efforts reflect the Company's continued commitment to environmental protection, biodiversity, and the development of greener surroundings. The plantation initiatives also contribute to creating a more pleasant and aesthetically appealing environment for employees and the surrounding community, supporting employee well-being and providing greener spaces within and around the Company's facilities. In addition, the increased vegetation contributes, to some extent, to carbon absorption and helps reduce the Company's overall environmental footprint.

In recognition of these efforts, Cherat Cement Company Limited received the NFEH's Best Tree Plantation Award 2026 at the 23rd Annual Environment Conference & Excellence Awards 2026. Photographs are attached for reference.





WILDLIFE RESERVE



5. WILDLIFE RESERVES

CCCL has established and maintained wildlife reserves to support biodiversity conservation and provide a protected habitat for a diverse range of species. The reserves are home to Chital deer, Blackbuck, Chakor, Armenian sheep, grey partridge, Hog deer, silver pheasant, and Peacock, reflecting the Company's commitment to preserving wildlife and promoting ecological balance.



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 45th Annual General Meeting of Cherat Cement Company Limited will be held on **Tuesday, October 13, 2026 at 11:00 a.m.** at the Registered Office of the Company at Factory premises, Village Lakrai, Nowshera, Khyber Pakhtunkhwa, as well as through video link conferencing facility to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2026 with the Directors' and the Auditors' Reports thereon.
2. To consider and approve the payment of final cash dividend @ 40% (Rs. 4.00/- per share). This is in addition to an interim cash dividend @15% (Rs.1.50 per share) already paid to the shareholders for the financial year ended June 30, 2026 as recommended by the Board of Directors.
3. To appoint Auditors Grant Thornton Anjum Rahman - Chartered Accountants for the year 2026-27 and to fix their remuneration.
4. To transact any other business with the permission of the chair.

SPECIAL BUSINESS

5. To consider and approve the following resolution as Special Resolution:
 - a) *"RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 38 of the Financial Statements during the year ended June 30, 2026, be and are hereby ratified and approved."*
 - b) *"FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to enter and approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending June 30, 2027."*

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

By Order of the Board of Directors


Asim H. Akhund
Company Secretary

Karachi: August 21, 2026

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

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



NOTES:

- The register of members of the Company will be closed from Tuesday, October 6, 2026 to Tuesday, October 13, 2026 (both days inclusive) and no transfers will be registered during that time. Shares received in order at the Office of the Share Registrar of the Company, CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 at the close of business on Monday, October 5, 2026 will be treated in time for the above entitlement.
- A member of the Company eligible to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote in his/her stead. Proxies to be effective must be in writing and must be received by at the Company's Head Office, Modern Motors House, Beaumont Road, Karachi, 48 hours before the meeting. Proxy Form may also downloaded from the Company's website i.e. **www.gfg.com.pk**.
- The AGM proceedings will also be held via video through ZOOM application (a video link conferencing facility). Shareholders interested to participate in the meeting are requested to email required information with subject "Registration for Cherat Cement Company Limited AGM" along with a valid copy of both sides of Computerized National Identity Card (CNIC) at **cdcsr@cdcsrsl.com**. Shareholders are advised to mention their full details in the following manner:

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

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

- In compliance of Section 244 of the Companies Act, 2017, once the Company has completed stipulated formalities, any unclaimed dividend and /or shares that have remained outstanding for a period of three years from the date of becoming due and payable or more shall be credited to the Federal Government (in case of dividend) or delivered to the SECP (in case of physical shares). Shareholders who by any reason could not collect their remaining unclaimed dividend/shares are advised to contact the Share Registrar of the Company to collect/inquire about their unclaimed dividend or shares, if any.

- The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018, the SECP has directed all listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, the members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post, subject the requirements of section 143 and 144 of the Companies Act, 2017, for the special business in the AGM to be held on Tuesday, October 13, 2026 at 11.00 a.m., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for E – Voting:

- Details of the e-voting facility will be shared through an e-mail with those shareholders of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 5, 2026.

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

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

E-Voting lines will start from October 8, 2026 and shall close on October 12, 2026 at 5:00 p.m. Shareholders can cast their votes any time during this period. Once the vote on a resolution is casted, he / she shall not be allowed to change it, subsequently.

Procedure for Voting Through Postal Ballot:

The shareholders shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman through post on the Company's address, 3rd Floor Modern Motors House, Beaumont Road, Karachi or email at **agmcccl@gfg.com.pk** one day before the AGM i.e. on October 12, 2026, during working hours. The signature on the ballot paper shall match the signature on the CNIC.

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

- In pursuance of directive issued by the Securities & Exchange Commission of Pakistan, no gifts will be distributed at the meeting.
- Shareholders have option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Notice of the AGM shall be circulated to members at their registered email addresses provided to the Company, in accordance with applicable laws. Shareholders of the Company are requested to give their consent to our Share Registrar to update the record if they wish to receive Annual Audited Financial Statements and Notice of General Meeting through email. However, if shareholders, in addition, request for hard copy of Audited Financial Statements, the same shall be provided free of cost within seven (7) days of receipt of such written request.
- All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR website and, if required, take necessary actions for inclusion of their name in the ATL. In case a person's name does not appear in the ATL the applicable tax rate will be increased by the hundred percent.
- In case of joint account, please intimate proportion of shareholding of each account holder along with their individual status on the ATL.
- Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participant, whereas corporate physical shareholders should send a copy of their NTN certificate to the CDC Share Registrar Services Limited. The Shareholders while sending NTN or NTN Certificate, as the case may be, must quote the Company name and their respective folio number.
- Withholding tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to CDC Share Registrar Services Limited by the first day of Book Closure.
- To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit Zakat Declaration (Form CZ-50) or its attested photocopy to CDC Share Registrar Services Limited, in order to avoid deduction of Zakat on all future dividends, at the earliest.

Statement Under Section 134 of the Companies Act, 2017

Related Party Transactions

The statement sets out material facts concerning “Special Business” to be transacted at the Annual General Meeting of the Company to be held on Tuesday, October 13, 2026. The approval of the Members of the Company will be sought for:

During the financial year ended June 30, 2026, the Company carried out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulation. Related party transactions require shareholders’ approval under sections 207 and 208 of the Companies Act, 2017. Such transactions are being placed before the shareholders for their approval through special resolution proposed to be passed in the Annual General Meeting.

The shareholders are requested to ratify the transactions which have been disclosed in Note no. 38 of the Financial Statements for the year ended June 30, 2026 and further to authorize the Board of Directors to conduct transactions with related parties or associated companies for the year ending June 30, 2027.

Party wise breakup of transactions as disclosed in Note no. 38 of the Financial Statements for the year ended June 30, 2026 is given below:

Name of Related Party	Nature of Transaction	Amount (Rs. in ‘000)
Cherat Packaging Limited	Purchase of Packing Material	2,461,211
Cherat Packaging Limited	Dividend Paid	29,302
Cherat Packaging Limited	Dividend Received	10,820
Cherat Packaging Limited	Sale of Goods	2,381
Faruque (Private) Limited	Dividend Paid	231,530
Faruque (Private) Limited	Purchase of Raw Material	574,348
Faruque (Private) Limited	Sales of Fixed Assets	14,160
Faruque (Private) Limited	Payment of Royalty	1,042,034
Faruque (Private) Limited	Payment of Excise Duty	8,757
Greaves Airconditioning (Private) Limited	Services Received	27
Greaves Airconditioning (Private) Limited	Purchase of Goods	5
Greaves Pakistan (Private) Limited	Dividend Paid	13,305
Greaves Pakistan (Private) Limited	Purchase of Fixed Assets	26,956
Greaves Pakistan (Private) Limited	Services Received	119
Greaves Pakistan (Private) Limited	Purchase of Goods	2,319
Jubilee General Insurance Company Limited	Insurance Premium	127,398
Jubilee General Insurance Company Limited	Dividend Paid	1,139
Key Management Personnel	Remuneration	1,473,950
Mirpurkhas Sugar Mills Limited	Dividend Paid	14,835
Pakistan Cables Limited	Purchase of Goods	27,810
Zensoft (Private) Limited	Software Consultancy Charges Paid	48,004
Zensoft (Private) Limited	Dividend Paid	54
Directors	Meeting Fees	4,000
Directors, CEO & their Spouse	Dividend Paid	38,375
Employees Provided & Gratuity Fund	Contribution to Fund	224,445
Employees Provided & Gratuity Fund	Dividend Paid	20,618
CFS Minerals (Private) Limited	Advance Against Equity	10,000

The Directors are not interested, directly or indirectly, in the above business except to the extent of their Shareholding as mentioned in the pattern of shareholding.

STATUS OF INVESTMENT IN CHERAT PACKAGING LIMITED

The Company in its Extraordinary General Meeting held on June 9, 2026, had obtained the approval of its shareholders for an investment in its associated Company namely Cherat Packaging Limited by way of equity investment to be made over a period of two (2) years up to Rs. 300 million by acquiring shares from the market. The Company has to date, made an investment of Rs. 298.4 million approximately, against the approved amount.



Cherat Cement Company Limited

A Ghulam Faruque Group Company

POSTAL BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on Tuesday, October 13, 2026, at 11:00 a.m. at the Registered Office of the Company at Factory premises, Village Lakrai, Nowshera, Khyber Pakhtunkhwa
UAN: +92 21 111-000-009 Website: www.gfg.com.pk

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

Resolution for Agenda Item No. 5

a) “RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 38 of the Financial Statements during the year ended June 30, 2026, be and are hereby ratified and approved.”

b) “FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to enter and approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending June 30, 2027.”

INSTRUCTION FOR POLL

1. Please indicate your vote by ticking (✓) the relevant box.

2. In case if both the boxes are marked as (✓), your poll shall be treated as “Rejected”.

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

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

- Duly filled ballot paper should be sent to the Chairman at 3rd Floor, Modern Motors House, Beaumont Road, Karachi or email at agmcccl@gfg.com.pk
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before Monday, October 12, 2026. Any postal ballot received after this date, will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC/ Passport (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
- Ballot Paper form has also been placed on the website of the Company at: www.gfg.com.pk Members may download the ballot paper from the website.

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

Date: _____

DIRECTORS' PROFILES

MR. OMAR FARUQUE - Chairman Non Executive Director

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

MR. AZAM FARUQUE - Chief Executive Executive Director

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

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

MR. AKBARALI PESNANI - Director Non Executive Director

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

Presently, he is the Chairman of Cherat Packaging Limited, Jubilee General Insurance Company Limited and the Aga Khan Cultural Service Pakistan. He is also a Director on the Board of Pakistan Cables Limited. His association with the Ghulam Faruque Group dates back almost 45 years.

MR. ARIF FARUQUE - Director Non Executive Director

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

MR. ABRAR HASAN - Director Independent Director

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

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

MR. YASIR MASOOD - Director Executive Director

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

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

MRS. ZEEBA ANSAR - Female Director Independent Director

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

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

MR. ARIFUL ISLAM - Director Independent Director

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

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

CHAIRMAN'S REVIEW

Pakistan's economy remained broadly stable during the financial year ended June 30, 2026, supported by the ongoing IMF program, improved fiscal discipline, exchange rate stability and controlled inflation. However, geopolitical tensions during the latter part of the year disrupted regional trade and created pressure on the external sector and domestic inflation. Strong remittance inflows continued to support the external position, while the State Bank of Pakistan maintained a cautious monetary policy stance to preserve macroeconomic stability and support economic growth. Against this backdrop, the cement sector showed gradual improvement, supported by recovery in domestic demand, easing inflation and relatively stable financing conditions.

The Company's total sales volume declined by 2%, mainly due to lower export volumes following the closure of the Afghan border. Despite the decline in dispatch volumes and the impact of a one-off tax adjustment in the previous year, the Company achieved a profit after tax of Rs. 7,255 million for the year ended June 30, 2026, compared to Rs. 8,681 million in the previous year. The Company continued to focus on operational efficiencies, optimization of its sales mix, and efficient working capital management which supported profitability despite challenging market conditions.

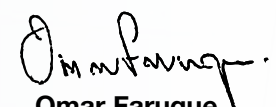
The Company remains committed to maintaining high standards of corporate governance and complies with the applicable requirements relating to the composition, functioning and meetings of the Board of Directors and its committees. In accordance with these requirements, the Board conducts an annual evaluation of its performance to assess its effectiveness in achieving the Company's strategic objectives and to identify areas for improvement. Based on the approved evaluation criteria, the overall performance of the Board during the year was assessed as satisfactory.

The Board comprises an appropriate balance of skills, experience, knowledge and perspectives, enabling effective deliberation and informed decision-making. The Board and its committees discharge their responsibilities with due diligence and provide effective oversight of the Company's strategic direction, business plans and overall performance. The Board regularly reviews financial and operational performance against approved plans and objectives and provides appropriate guidance to management to support the achievement of the Company's strategic and operational goals.

The Board of Directors also provides overall oversight of the Company's sustainability-related risks and opportunities. The Company continues to integrate ESG considerations into its business strategy, with particular focus on environmental sustainability, energy efficiency, employee wellbeing and community development. Its CSR initiatives remain focused on education, healthcare, women's empowerment and skills development, while also supporting the basic needs of surrounding communities. The Company also continues to promote tree plantation and other initiatives aimed at preserving local ecosystems. The Company remains committed to further strengthening these initiatives and creating a positive and sustainable impact on its stakeholders and surrounding communities.

I express my sincere appreciation to our employees for their dedication, hard work and adaptability throughout the year. I also thank our customers and suppliers for their continued support and commitment. My appreciation extends to our shareholders, bankers and regulatory authorities for their trust and confidence in the Company. Finally, I express my gratitude to my fellow Board members for their valuable guidance, support and continued commitment throughout the year.

August 21, 2026


Omar Faruque
 Chairman

DIRECTORS' REPORT TO THE MEMBERS

For the year ended June 30, 2026

The Board of Directors is pleased to present this report, accompanied by the financial statements of the Company duly audited for the year ended June 30, 2026.

Overview:

The global economy faced heightened geopolitical tensions, trade disruptions and elevated energy prices. This increased uncertainty around commodity prices, freight costs, inflation and investment flows, particularly across emerging and energy-importing economies. Pakistan's economy continued its gradual transition from stabilisation towards recovery during FY2026, supported by the ongoing IMF support programme. Improvements in fiscal discipline, exchange-rate stability and moderation in inflation contributed to strengthening overall macroeconomic conditions. Strong remittance inflows continued to support the country's external position. Meanwhile, the State Bank of Pakistan maintained a cautious monetary policy stance to safeguard macroeconomic stability and facilitate sustainable economic growth.

Against this backdrop, the cement sector showed signs of gradual recovery during the year. This was supported by improved domestic demand, easing inflationary pressures and relatively stable financing conditions. The Prime Minister's subsidised financing scheme played a major role in the revival of domestic demand. Nevertheless, the industry continued to face challenges arising from elevated energy costs, higher regulatory levies and logistical constraints. These particularly affected exports to Afghanistan. During FY2026, domestic cement demand increased by 9%, reflecting a modest recovery. However, total cement exports declined by 2%. A 9% increase in sea-based exports was offset by a 52% decline in exports to Afghanistan due to the closure of the Afghan border. Consequently, overall cement sales volumes grew by 7%, primarily driven by strong growth in domestic demand.

Production and Sales Review:

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

Description	2026 (in tons)	2025 (in tons)
Clinker production	2,127,888	2,134,893
Cement production	2,363,784	2,386,193
Domestic sales	2,176,787	1,995,003
Export sales	171,618	395,161
Total sales	2,348,405	2,390,164

On an aggregate basis, the Company's overall sales volume decreased by 2%. Local sales increased by 9%, while export sales declined by 57% compared with the previous year.

Financial Performance & Business Overview:

Sales revenue declined by 4% compared with the previous year, primarily due to lower local retention prices and reduced export dispatches following the closure of the Afghan border. The Company responded by increasing its focus on the domestic market to mitigate regional trade disruptions and strengthen market resilience. Cost of sales increased by 3%, mainly due to higher fuel and power costs. Inflationary pressures arising from supply-chain disruptions and geopolitical developments also contributed to the increase. These pressures were partly mitigated through increased renewable energy generation, including the additional 9 MW solar capacity commissioned during the preceding year. The introduction of electric dumpers in quarry operations, other cost-optimisation initiatives and efficient coal procurement also helped mitigate these pressures. Finance costs declined significantly to Rs. 342 million from Rs. 592 million. This was due to better working-capital management, supported by lower mark-up rates and the scheduled repayment of long-term borrowings. Other income increased to Rs. 1,767 million, reflecting the benefit of the Company's strong liquidity position. Accordingly, profit after tax stood at Rs. 7,255 million, compared with Rs. 8,681 million in the previous year.

A comparison of the key financial results of the Company for the year ended June 30, 2026, is as follows:

Description	2026 (Rs in million)	2025 (Rs in million)
Sales (net)	36,483	37,811
Gross Profit	12,043	13,970
Admin, Distribution & Other Expenses	2,169	2,079
Finance Cost	342	592
Other Income	1,767	1,588
Profit before Taxation	11,300	12,887
Taxation	4,045	4,206
Profit after Taxation	7,255	8,681

Earnings per share:

Earnings per share for the year ended June 30, 2026, were Rs. 37.34, compared with Rs. 44.68 in the previous year.

Dividend Payout:

The Company remains committed to enhancing shareholder value through sustainable long-term returns. Dividend decisions are made after evaluating the Company's financial performance, future business requirements, growth opportunities and planned expansion initiatives. The Board of Directors is pleased to recommend a final cash dividend of Rs. 4.00 per share, i.e. 40%, for the year ended June 30, 2026. This is in addition to an interim cash dividend of Rs. 1.5 per share, i.e. 15%, announced during the year.

Development and Initiatives:

The Company is expanding its renewable energy capacity through an additional 5 MW solar power project and the installation of a 25 MW Battery Energy Storage System (BESS). These initiatives are aimed at optimising renewable energy utilisation during peak hours and reducing reliance on conventional power sources. The Company is also evaluating further energy initiatives, including the import of additional electric dumpers for quarry operations. These initiatives are intended to enhance long-term energy efficiency and cost competitiveness. In addition, following shareholders' approval, the Company has acquired an equal equity interest in CFS Minerals (Private) Limited. The company is a joint venture established with two other partners for the acquisition, leasing, exploration and development of mining rights, mineral concessions and related assets in Khyber Pakhtunkhwa and Balochistan. This investment supports the Company's broader strategy of resource security, business diversification and long-term value creation. As at 30 June 2026, the Company had made an initial investment of Rs. 10 million in CFS Minerals (Private) Limited.

Status of Strategic Investment - UniEnergy Limited:

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

Contribution to National Exchequer:

The Company has contributed around Rs. 25.5 billion to the government treasury in the form of income tax, sales tax, royalty and other government levies during the year.

Debt Repayment & Capital Structure:

The Company consistently settles its financial obligations in a timely manner, including its long-term and short-term debt. Supported by healthy cash flows, the Company has a practice of making early repayments of high-cost, long-term loans. As a result, the debt-to-equity ratio continued to improve and stood at 9:91 at the year-end.

Strategic Objectives on ESG:

Cherat Cement is committed to integrating Environmental, Social and Governance (ESG) considerations into its business strategy and operational decision-making. The Company's ESG objectives focus on reducing its environmental impact through greater use of renewable energy, improved energy efficiency, responsible resource utilisation and effective environmental management. The Company also aims to create positive social value by supporting employee wellbeing and promoting diversity and inclusion. It also contributes to the development of local communities through initiatives in education, healthcare and skills development.

Moreover, the Company is committed to maintaining high standards of corporate governance through ethical business practices, transparency, regulatory compliance, effective risk management and strong Board oversight. The Board oversees the Company's ESG strategy and monitors progress against its sustainability objectives. In line with the Board's commitment, management is responsible for implementing ESG-related initiatives and integrating sustainability considerations into business operations. Management also monitors performance against defined targets.

Sustainability-Related Risks:

The Board of Directors provides overall governance and oversight of the Company's sustainability-related risks and opportunities. These include environmental, social, governance and climate-related matters. The Board recognises that effective management of sustainability matters is essential for strengthening the Company's long-term resilience and maintaining stakeholder confidence. It also supports responsible business practices and the creation of sustainable value for shareholders and other stakeholders.

The Board ensures that sustainability considerations are appropriately integrated into the Company's strategic planning, risk management, operational decision-making and performance-monitoring processes. In this regard, the Board oversees the identification and assessment of material sustainability-related risks and opportunities. It also reviews the measures undertaken by management to mitigate potential

risks and capitalise on opportunities arising from the transition towards sustainable and resource-efficient operations.

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

The Company is committed to fostering a diverse, equitable and inclusive workplace. All employees are treated with dignity and respect and are provided with equal opportunities to grow and contribute. The Company recognises that the diverse experiences, perspectives and capabilities of its employees are essential to its culture, innovation and long-term success. The Company promotes fairness and inclusion across all aspects of employment and maintains a workplace free from discrimination.

To improve gender and ethnic diversity at all organisational levels, a systematic DE&I strategy with quantifiable and explicit goals is being developed. The use of balanced interview panels and diverse recruitment platforms are examples of inclusive recruitment practices that have been implemented. The Company regularly holds training sessions for staff on unconscious bias, cultural sensitivity and inclusive leadership. These sessions further promote an inclusive workplace culture, as reflected in the increased representation of women in leadership roles.

Health, Safety and Environment:

Health, Safety and Environment management remains integral to the Company's operational philosophy. Operating under dedicated management oversight, the Company maintains a safe and environmentally responsible workplace. This commitment is supported by internationally recognised management systems, including ISO 14001 for Environmental Management. These systems help ensure compliance with applicable regulations, effective risk management, and continuous monitoring and improvement of performance. In line with this commitment, the Company was honoured with the Fire Safety Award 2025 by the National Forum for Environment and Health (NFEH) and the Fire Protection Industry of Pakistan (FPIP)



Strategic HSE Initiatives & Performance Highlights:

- **Uncompromising Safety Culture & Hazard Reduction:** The Company achieved its primary objective of maintaining a zero-fatality workplace through rigorous risk assessments and proactive hazard prevention. Year-on-year, operational incidents, lost-time injuries and emergency events were successfully reduced, contributing to continued improvement in the overall safety rate.
- **Proactive Training & Emergency Preparedness:** Comprehensive safety-awareness drives were actively conducted across all operational levels. Annual targets for structured HSE training programmes were exceeded, while routine emergency-response drills achieved the required compliance levels to maintain high operational readiness.
- **Environmental Stewardship & Compliance:** Initiatives such as advanced pollution control through the Waste Heat Recovery system, resource conservation and waste-minimisation measures help limit the Company's ecological footprint. These initiatives also create long-term value for stakeholders. Furthermore, the Company is committed to enhancing renewable generation in its power mix to support green energy and environmental stewardship.
- **Tree Plantation & Environmental Enhancement:** As part of its broader environmental stewardship, the Company is undertaking a dedicated tree-plantation drive around the factory premises to improve the local ecosystem and promote community health. The ongoing animal-conservation programme also reflects the Company's commitment to environmental and ecological responsibility.

Corporate Social Responsibility:

The Company continues to place strong emphasis on education, healthcare, women's empowerment and community development as part of its Corporate Social Responsibility (CSR) efforts. The Company operates a basic health unit adjacent to the factory in collaboration with a local NGO. The unit provides medical services to local communities, including specialised care for women through a gynaecology ward. Furthermore, the Company operates a dedicated Women Skill Development Centre duly recognised by the Technical Board of Khyber Pakhtunkhwa. The Centre educates and empowers more than 300 women through vocational training. To further enhance local economic wellbeing, the Company plans to expand these health and welfare efforts in the coming year. This will include technical training for men and digital-marketing skills for women.



The Company continues to support underprivileged communities by contributing to organisations such as The Citizens Foundation School in Shaidu village, Nowshera, and LRBT. Additionally, the Company continues to provide school transport services for local students and to supply clean drinking water to nearby villages through tube wells.

Principle Risks and Uncertainty

Risk Assessment and Management

Effective risk assessment and management are essential to the Company's sustainable growth, operational resilience and long-term value creation. The Board has overall responsibility for overseeing the Company's risk-management framework. It also ensures that significant risks are appropriately identified, assessed, monitored and managed. The Company's risk-management processes are integrated with its strategic planning and operational decision-making. Risks that may affect the achievement of strategic, operational, financial, regulatory and sustainability objectives are evaluated based on their potential impact and likelihood.

Risk management is a continuous process. The Company regularly reviews its risk profile and monitors the effectiveness of risk-mitigation measures. This review considers changes in the business environment, regulatory requirements, operational conditions and stakeholder expectations. This proactive approach supports informed decision-making, strengthens organisational resilience and contributes to the achievement of the Company's strategic objectives.

Statement of Compliance with the Code of Corporate Governance:

The Directors of the Company acknowledge their responsibilities as required in the Listed Companies (Code of Corporate Governance) Regulations, 2019, Framework of Securities and Exchange Commission of Pakistan (SECP) and the Rulebook of the Pakistan Stock Exchange (PSX). A Statement of Compliance is also provided under the relevant section of the report. We further confirm the following:

Statement on Corporate and Financial Reporting Framework:

- The financial statements prepared by the management of the Company fairly present its state of affairs, the results of its operations, its cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards as applicable in Pakistan and the Companies Act, 2017 have been followed in the preparation of the financial statements. Any departure therefrom has been adequately disclosed and explained.
- The Chief Executive, a Director and the Chief Financial Officer duly endorsed the financial statements before their approval by the Board.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no non-compliance with the best practices of corporate governance.
- The Company is compliant with all outstanding taxes, duties, levies and charges, except for those arising in the normal course of business.
- A statement of shares held by associated undertakings and related persons has also been disclosed separately.
- The Company maintains Provident and Gratuity Fund accounts for its employees. Set out below are the values of the investments of the funds as at June 30, 2026.

Provident Fund	Rs. 2,602 million
Gratuity Fund	Rs. 2,052 million

Board of Directors:

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

The total number of Directors on the Board is eight, and its composition is as follows:

- Male Directors 7
- Female Director 1

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

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

Name of Director	Meetings Attended
Mr. Omar Faruque	5
Mr. Azam Faruque	5
Mr. Akbarali Pesnani	5
Mr. Arif Faruque	5
Mr. Abrar Hasan*	4
Mrs. Zeeba Ansar	5
Mr. Ariful Islam*	4
Mr. Yasir Masood	5

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

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

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

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

*A leave of absence was granted to the Director who could not attend a meeting due to prior commitments.

Performance Evaluation of the Board and Committee:

The Company carries out an annual evaluation of the Board of Directors and its committees as part of the Code of Corporate Governance. The evaluation focuses on fostering diversity, upholding integrity and active participation, regularly reviewing management targets and providing strategic guidance. It also considers performance improvements, risk assessment, succession planning and health and safety practices. In addition, it assesses safeguards against litigation and reputational risks.

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

Adequacy of Internal Financial Controls:

An effective framework of internal financial controls has been put in place by the Board of Directors. The framework supports the smooth and efficient conduct of operations, safeguards Company assets and helps ensure compliance with relevant laws and regulations. It also supports reliable financial reporting. The independent Internal Audit function consistently evaluates and monitors the implementation of these financial controls. The Audit Committee assesses the effectiveness of the internal-control framework and reviews the financial statements on a quarterly basis.

Directors' Remuneration:

Under the Articles of the Company, the Board is authorised to determine the remuneration of Non-Executive and Independent Directors from time to time. In this regard, the Board of Directors has developed a remuneration policy for the Company's Non-Executive and Independent Directors.

The details of Directors' remuneration are disclosed in Note 39 of the Financial Statements for the year ended June 30, 2026.

Directors' Training:

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

Appointment of Auditors:

The present External Auditors, M/s. Grant Thornton Anjum Rahman – Chartered Accountants, have completed the annual audit for the year ended June 30, 2026 and issued a clean audit report. The auditors will retire at the conclusion of the Annual General Meeting of the Company and, being eligible, have offered themselves for reappointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending June 30, 2027.

Pattern of Shareholding:

The pattern of shareholding of the Company for the year ended June 30, 2026, as required by Section 227(2)(f) of the Companies Act, 2017, is annexed to this annual report.

Related Parties Transactions:

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

Subsequent events:

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

No Change in the Nature of Business:

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

Future Prospects:

Pakistan's economic outlook for FY2027 remains cautiously positive. It is supported by the macroeconomic stabilisation achieved during the year, continued implementation of economic reforms and improving investor confidence. The Government's focus on export-led growth, investment, fiscal discipline and infrastructure development is expected to support economic activity and domestic demand. Lower interest rates and housing-related incentives are also expected to provide support. The Prime Minister's subsidised financing scheme has contributed significantly to improving domestic cement demand. However, the outlook remains subject to downside risks. These include geopolitical tensions, volatility in global energy prices, renewed inflationary pressures and potential disruptions to regional trade. The pace of recovery will largely depend on continued reform momentum, effective execution of development initiatives and maintenance of fiscal and external-sector stability.

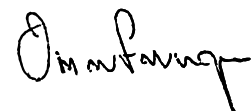
The outlook for the cement industry remains closely linked to domestic construction activity, interest rates and regional trade conditions. A key factor is the resolution of trade disruptions with Afghanistan. Continued monetary easing, public sector development spending and private housing and infrastructure activity are expected to support domestic cement demand. However, the export outlook remains uncertain. It will depend significantly on the reopening of the Afghan border and access to international markets. Improved regional trade conditions could support export recovery and facilitate access to competitively priced raw materials and fuel. Conversely, prolonged disruptions may continue to constrain exports and increase the industry's reliance on domestic demand.

The Company remains focused on strengthening its competitive position through operational excellence, cost optimisation, energy efficiency and business diversification. Management will continue to proactively monitor market and geopolitical developments and implement appropriate measures to mitigate emerging risks. The Company also urges the Government to rationalise the tax and regulatory burden on the cement industry. It further urges the Government to introduce measures that facilitate sustainable growth, investment and competitiveness. The sector contributes significantly to infrastructure development, economic activity and employment generation. The Company will continue to pursue opportunities to diversify and expand its existing business operations while creating sustainable long-term value for shareholders.

Acknowledgment:

We would like to thank all the financial institutions with which we have business relationships. We also thank our dealers, customers and suppliers for their continued support, cooperation and the trust they have placed in us. We would also like to express our deepest appreciation to all our staff for their dedication, loyalty and hard work.

On behalf of the Board of Directors



Omar Faruque
Chairman

Karachi: August 21, 2026



Azam Faruque
Chief Executive

ANNUAL EVALUATION OF BOARD, CHIEF EXECUTIVE OFFICER (CEO), COMMITTEES AND INDIVIDUAL MEMBERS

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

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

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

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

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

DIRECTORS' ORIENTATION AND TRAINING

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

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

EXTERNAL OVERSIGHT OF FUNCTIONS AND MEASURES TAKEN TO ENHANCE THE CREDIBILITY OF INTERNAL CONTROLS AND SYSTEMS

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

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

DECISIONS AND MATTERS TAKEN BY THE BOARD AND DELEGATED TO MANAGEMENT FOR EXECUTION

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

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

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

UNDERSTANDING SHAREHOLDERS VIEW

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

GOVERNANCE OF RISK AND INTERNAL CONTROL

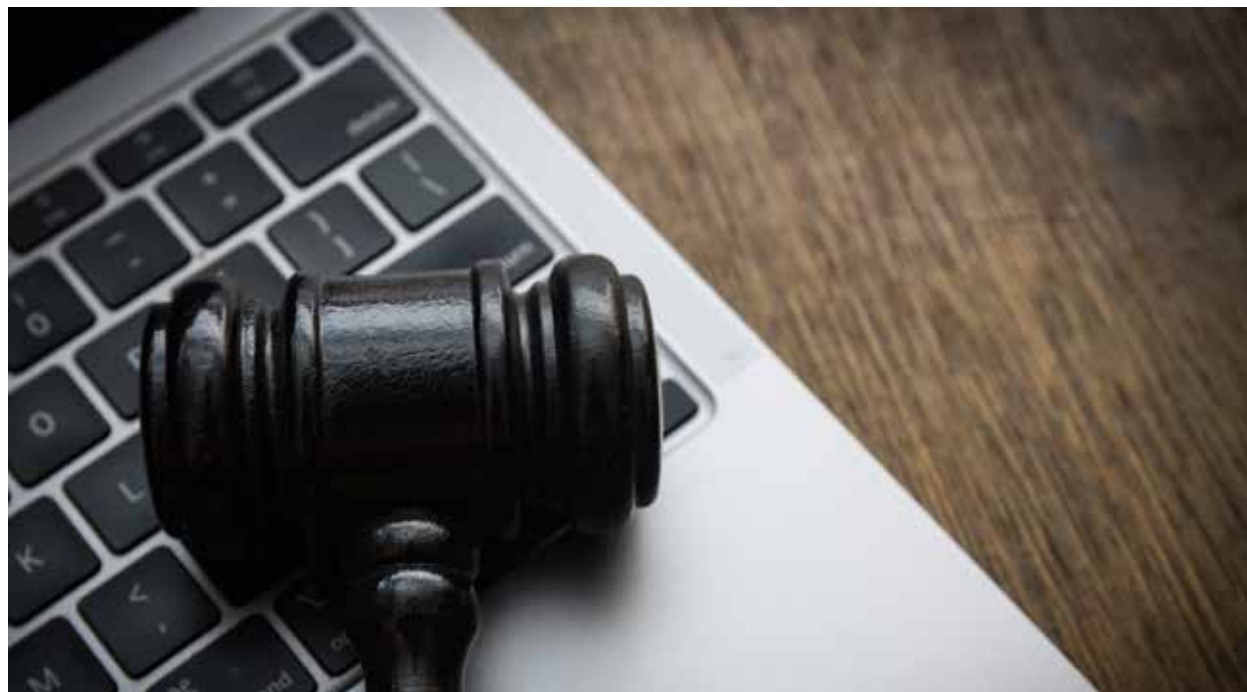
The Company has various policies in connection with Governance of Risk and Internal Control that have been approved by the Board of Directors and covered in Director's Report and other different policies and disclosures. These include but are not limited to Health Safety Environment (HSE) policy, Information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



GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

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

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



EXECUTIVE DIRECTOR(S) SERVING AS NON-EXECUTIVE AND INDEPENDENT DIRECTOR IN OTHER COMPANIES / BODY CORPORATE

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

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

INDEPENDENT DIRECTORS

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

FEMALE DIRECTOR

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

BOARD MEETINGS HELD OUTSIDE PAKISTAN

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

EXTERNAL SEARCH CONSULTANCY

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

RELATED PARTIES

As required under the fourth schedule of the Companies Act, 2017, detailed disclosures regarding related party transactions they have been presented in note 38 to the financial statements presented in this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards. Approval of the transactions from the shareholders will be obtained at the Annual General Meeting.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY TOWARDS PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND DIRECTORS' COMPLIANCE STATEMENTS

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

DISCLOSURE OF DIRECTORS' INTEREST

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

IT GOVERNANCE POLICY

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

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

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



INFORMATION SYSTEM SECURITY POLICY

Objective

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

Policy

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



HUMAN RESOURCE POLICY

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

Attracting the Best Talent

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

Industrial Relations

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

Core Values

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

Preparation of Succession Plan

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

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

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



Merit-Based Recruitment

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



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

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

Performance-Based Appraisal

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

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



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

hence fostering a culture of continuous improvement.

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

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

Promotion, Reward, and Motivation

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

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

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



Training and Development

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

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

that they can continuously improve and stay updated with industry trends.

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



Gender and Race Diversity

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

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



Employee Engagement and Feedback

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

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

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

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



DIVERSITY, EQUALITY & INCLUSION POLICY

Introduction

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

Purpose

Definitions:

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

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



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

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

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

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

Scope

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

HR TRANSFORMATION JOURNEY AT GHULAM FARUQUE GROUP

(SAP Successfactors Implementation)



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

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

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

ANTI-SEXUAL HARASSMENT POLICY AND PROCEDURE

Objective

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

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

SCOPE

This is applicable to all employees of the company.

Responsibilities of the Management

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

POLICY ON GENDER PAY-GAP

Background

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

Policy Statement

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

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

1. Mean Gender pay gap

Male Rs. per month	Female Rs. per month	Variance
181,597	246,056	-35.50%

2. Median Gender pay gap

Male Rs. per month	Female Rs. per month	Variance
99,841	120,000	-20.19%

WHISTLE BLOWER POLICY

Objective

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

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

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

Policy Statement

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

Scope/Applicability

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

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

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

requirements or company policy;

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

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

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

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

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



RELATED PARTY TRANSACTIONS POLICY

Preamble

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

Scope of the Policy

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

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

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

Definitions

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

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

(ii) Office of profit

means any office:

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

(iii) Related party includes:

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

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

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

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

Types of Related Party Transactions

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

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

Disclosure and Approval of Related Party Transactions

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

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

Identification of Related Party Transaction

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

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

Terms of the policy

The terms of reference for the Policy are as follows;

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

Maintenance of Record

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

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

Pricing Methodology

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

- Comparable Uncontrolled Price method;
- Resale Price method;
- Cost Plus method; and
- Profit Split method

Scope of Limitation

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

BUSINESS CONTINUITY AND DISASTER RECOVERY POLICY

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

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

Introduction

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

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

Business Continuity Plan

Manufacturing Facilities

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

Identification of Potential Issues and the Plan Update

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

Disaster Recovery Plan and IT Infrastructure

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

Marketing and Other Staff

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

POLICY ON NON-EXECUTIVE AND INDEPENDENT DIRECTORS' REMUNERATION

Preamble

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

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

Scope and Applicability

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

Terms of the Policy

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

INSIDER TRADING POLICY

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

The General Guidelines within the Policy State that:

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

The Company’s Responsibility to Disclose Inside Information

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

SAFETY OF RECORDS POLICY

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

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

CONFLICT OF INTEREST POLICY

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

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

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

Management of Conflict of Interest

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

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

INVESTOR’S GRIEVANCE POLICY

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



DIVIDEND POLICY

1. Introduction

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

2. Objectives

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

3. Dividend Declaration

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

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

4. Types of Dividends

Dividends may be:

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

5. Payment Frequency

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

6. Retained Earnings

Earnings are retained to:

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

ERP UPGRADATION TO MEET MODERN BUSINESS ESSENTIALS

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

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

MANAGEMENT SUPPORT IN ERP IMPLEMENTATION, CONTINUOUS UPDATES, AND USER TRAINING

The Management of Cherat Cement Company Limited supports the effective implementation, continuous enhancement, and utilization of ERP systems through the IT Steering Committee. The Committee oversees major ERP initiatives and system enhancements through a structured application lifecycle management process, ensuring that business process owners assess the associated risks and operational impact.

IT Management incorporates user feedback, business requirements, and industry best practices into ERP enhancements. During the year, focus was placed on developing SAP Analytics Cloud (SAC) dashboards to enhance management reporting and decision-making. The IT Steering Committee also facilitates regular ERP user training sessions to enhance user competency, support the adoption of new and updated ERP functionalities, and ensure effective utilization of the system.

ERP PROJECT CONTROL AND RISK MANAGEMENT

IT Management is responsible for identifying, assessing, monitoring, and mitigating risks associated with ERP systems, in coordination with relevant business process owners. To ensure effective governance and oversight, significant ERP-related risks, control gaps, and required mitigation measures are reported to the IT Steering Committee. The Committee provides oversight of these matters and supports management in maintaining an effective control environment throughout the ERP lifecycle.

To maintain system integrity and an effective control environment, independent ERP system audits are conducted periodically, and any identified control gaps or issues are appropriately addressed and rectified. Access to sensitive ERP information is controlled through defined authorization procedures, with segregation of duties strictly maintained. User access and rights are granted only through a formal approval process involving the relevant management and IT compliance functions. These measures help ensure that CCCL's ERP environment remains secure, controlled, and aligned with applicable regulatory and internal governance requirements.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

Introduction

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

Purpose

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

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

Scope

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

1. Environmental Responsibility

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

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

2. Social Responsibility

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

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

3. Governance

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

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





REPORT OF THE AUDIT COMMITTEE

Audit Committee

Mr. Ariful Islam - Chairman

Mr. Arif Faruque - Member

Mr. Akbarali Pesnani - Member

The Audit Committee of the Company comprises three (03) members, all of whom are Non-Executive Directors, including one Independent Director. The Chairman of the Committee is an Independent Director. The Audit Committee met at least once in a every quarter. Four meetings of the Audit Committee were held during the year 2025-2026.

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

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

INTERNAL AUDIT AND RISK MANAGEMENT

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

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

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

EXTERNAL AUDIT

1. The external auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants were allowed direct access to the Audit Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits and any matters that the external auditors highlighted were freely discussed with them and resolved on time.
2. The Audit Committee has reviewed and discussed with the external auditors and management; all the Key Audit Matters and other issues identified during the external audit along with the methods used to address the same.
3. Being eligible for reappointment, the Audit Committee has recommended, M/s. Grant Thornton Anjum Rahman, Chartered Accountants as External Auditor of the Company for the year ending June 30, 2027 as it is one of the reputable audit firms and has thorough knowledge of the Company's business and industry.
4. The Company conducted annual performance evaluation of Board, Chief Executive Officer and Committees through an independent review by M/s. Grant Thornton Anjum Rahman, Chartered Accountants to ensure transparency in the process. Evaluation confirmed that Audit Committee has effectively discharged its responsibilities in accordance with its terms of reference.
5. The Company obtains taxation related services from M/s. EY Ford Rhodes, Chartered Accountants as it is one of the reputed firms in provision of said services.

By Order of the Audit Committee


Ariful Islam
Chairman

August 19, 2026

Grant Thornton Anjum Rahman

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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INDEPENDENT AUDITOR'S REVIEW REPORT

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Cherat Cement Company Limited (the Company) for the year ended 30 June 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 part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

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

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


Chartered Accountants

Karachi

Date: 08 September 2026

UDIN: CR202610093xkbXgOGts

Chartered Accountants

grantthornton.pk

STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2019 For the Year Ended June 30, 2026

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

1. The total number of Directors are 8 (eight) as per the following:

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

2. The composition of Board is as follows:

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

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this 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 Act and the Regulations;
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;
- Following Directors and Executives are either exempt or have attended Directors' Training program till June 30, 2026:

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

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

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

b) Human Resource (HR) and Remuneration Committee

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

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

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

- | | |
|-----------------------------------|-----------|
| a) Audit Committee. | Quarterly |
| b) HR and Remuneration Committee. | Yearly |

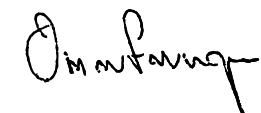
15. The Board has set up an effective internal audit function supervised by a head of internal audit who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

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

19. In accordance with Regulations 29 and 30, the Board directly handles the functions of the Nomination Committee, as no separate committee has been constituted. Similarly, in place of a dedicated Risk Management Committee, the Head of Internal Audit manages risk management matters and reports directly to the Audit Committee, which provides periodic updates to the Board.



OMAR FARUQUE
CHAIRMAN

On behalf of the Board of Directors



AZAM FARUQUE
CHIEF EXECUTIVE

Karachi: August 21, 2026

PROFILE OF THE SHARIAH ADVISOR OF THE COMPANY

Alhamd Shariah Advisory Services (Private) Limited (ASAS) is a Private Limited Company registered with the Securities and Exchange Commission of Pakistan (SECP) under the Shariah Advisors Regulations, 2017. Established solely with service objectives of promoting Halal, Shariah Compliant Financial System Globally, it operates under its Board of Directors comprising leading Shariah Scholars working for well recognized Darul-Uloom (Islamic Seminaries). The founding Directors of ASAS bring in a unique blend of relevant qualifications and rich experience in the areas of Shariah Advisory and Audit of Islamic Banks, Mutual Funds, Islamic Insurance, Reinsurance, Asset Management & Manufacturing Companies. ASAS is a solution provider in the provision of Shariah advisory and consultancy services to Financial institutions, Insurance/ Takaful companies, Leasing companies, Modaraba companies, Micro-finance institutions, Manufacturing and Trading companies, Mutual Funds and NGOs. It structures the products and securities with the objective of advising as to whether or not such services or activities are in conformity with the principles of Shariah and to recommend necessary changes to make them Shariah Compliant.

Mufti Ibrahim Essa, the Chief Executive Officer of ASAS, is a well-known recognized Shariah Scholar in the field of Islamic Banking and Takaful. He has completed his Darse Nizami (Masters in Quran and Sunnah) and Takhassus fil Ifta (Specialization in Islamic Jurisprudence) from Jamiah Darul Uloom Karachi. Currently he is working as teacher and Member of Darul Ifta Jamiah Darul Uloom Karachi. Mufti Ibrahim Essa is associated as Chairman and member of various banks/ financial institutions. He is also the Shariah Advisor of various banks and insurance companies; both locally and internationally. Mufti Ibrahim has also written more than three thousand Fatawa on different topics.

Mufti Uzair Bilwani, the Head - Research & Development, is a well known Shariah Scholar and registered as a Shariah Advisor by Securities and Exchange Commission of Pakistan. He has completed his Islamic education in Johannesburg from Darululoom Azadville, South Africa, where he studied various aspects of Islamic sciences, including Arabic grammar, Islamic law, Tafseer ul Qur'an and Islamic history. He then enrolled at Jamiah Darululoom Karachi where he specialized in Islamic law (Fiqh) and qualified as a Mufti. Here he was able to study under some of the world's renowned scholars, including Mufti Mohammad Taqi Usmani and write over 300 Fatwas on complex issues in today's society. He is associated with various Financial and non-financial institutions as a Shariah Advisor locally and globally.



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Shari'ah Review Report

For the year ended on June 30, 2026

We have conducted the *Shariah* review of **Cherat Cement Co. Limited** (the company) for the year ended on June 30, 2026 in accordance with the provisions of *Shariah Governance Regulations, 2023*.

Our Opinion:

- The trading and manufacturing transactions and relevant procedures reviewed by the Shariah Advisor during the year were found to be in line with the principles of Shariah. Certain relevant documents were reviewed, while the Company has committed to provide the remaining required documents and records for Shariah review going forward.
- The business affairs have been carried out in accordance with rules and principles of Shariah;
- Further, the Shariah non-compliant income earned by the Company during the year has been identified. It is recommended that the said amount, along with the Shariah non-compliant income pertaining to the previous year be transferred to the charity account in accordance with the provisions of the Shariah Governance Regulations, 2023.

Observations & Recommendations:

1. The Company has obtained financing under conventional modes and has also made certain non-Shariah-compliant investments in conventional mutual funds during the year. It is recommended that the Company take necessary steps to convert its existing conventional financing facilities into Shariah-compliant Islamic modes of financing and dispose of the non-Shariah-compliant investments at the earliest possible opportunity. Furthermore, the Company should refrain from obtaining any conventional financing and making any non-Shariah-compliant investments in the future, in accordance with the requirements of the Shariah Governance Regulations, 2023.
2. The Company has not appointed a Shariah Compliance Officer and Internal Shariah Auditor. Furthermore, the required External Shariah Audit for previous years has not been conducted. The Company is required to take immediate steps to comply with all applicable requirements of the Shariah Governance Regulations, 2023.

Conclusion:

Based on the review of the Company's financial statements, in our opinion, the financial affairs of Cherat Cement Co. Limited have been carried out in accordance with the rules and principles of Shariah, except for the observations stated above. Since the Company meets the financial criteria threshold as specified in S.R.O. 1348(I)/2023, it is considered Shariah-compliant company as per SECP rules.

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

Mufti Ibrahim Essa
Chief Executive Officer



Mufti Uzair Bilwani
Executive Director

Dated: Sep 9, 2026

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ROLE AND RESPONSIBILITIES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

Role of Chairman

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

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

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

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

Role of Chief Executive Officer

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

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

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

SALIENT FEATURES OF TERMS OF REFERENCE OF THE AUDIT COMMITTEE AND THE HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Audit Committee

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

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

Meetings of the Audit Committee are held at least once every quarter. The Committee reviews the annual financial statements in the presence of external auditors. The recommendations of the Audit Committee are then submitted for approval of financial results of the Company by the Board. During the year 2025-26, the Audit Committee held Four [4] meetings. The minutes of the meetings of the Audit Committee are provided to all the members, Directors and the Chief Financial Officer. The Head of Internal Auditor attends the Audit Committee meetings regularly and meets the Audit Committee without the presence of the Management, at least once a year, to point out various risks, their intensity and suggestions for mitigating risks and improvement areas. The business risks identified are then referred to the respective departments and mitigating actions are then implemented.

Terms of Reference of Audit Committee

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

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

only outlines the most important guidelines for the Committee. Amendments to these shall be made from time to time in line with change in laws, and internal and external relevant factors.

The Committee shall;

- a) determine appropriate measures to safeguard the company’s assets;
- b) review annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:

(i) major judgmental areas;

(ii) significant adjustments resulting from the audit;

(iii) going concern assumption;

(iv) any changes in accounting policies and practices;

(v) compliance with applicable accounting standards;

(vi) compliance with these regulations and other statutory and regulatory requirements; and

(vii) all related party transactions.
- c) review preliminary announcements of results prior to external communication and publication;
- d) facilitate the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review management letter issued by external auditors and management’s response thereto;
- f) ensure coordination between the internal and external auditors of the company;
- g) review the scope and extent of internal audit, audit plan, reporting framework and procedures

and ensure that the internal audit function has adequate resources and is appropriately placed within the company;

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

p) consider any other issue or matter as may be assigned by the Board of Directors.

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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

Terms of Reference of the Human Resource and Remuneration Committee

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

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

The Committee shall;

- i) recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the Chief Executive Officer level;
- ii) undertake annually a formal process of evaluation of performance of the Board as a

whole and its committees either directly or by engaging external independent consultants and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;

iii) recommend human resource management policies to the Board;

iv) recommend to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;

v) carry out consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer;

vi) where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement

shall be made by them as to whether they have any other connection with the company; and

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

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

Strategy and Performance

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

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ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE

Financial Indicators:

Actual Results:
Pakistan has achieved GDP growth of 3.7% in the fiscal year 2026, whereas the cement industry witnessed a notable growth of 7% during the year. This growth was primarily driven by a 9% increase in domestic volumes. On the other hand, export volumes declined by 2%, with exports to Afghanistan recording a significant decrease of 52% due to the closure of the Pak-Afghan border since October 2025. In line with this, total cement dispatches of the Company decreased by 2% whereas local dispatches increased by 9% which has restricted the decline in revenue to 4% only despite of reduction in average sales price from Rs. 15,819 per ton to Rs. 15,535 per ton. Additionally, the Cost of sales increases by Rs. 432 per ton due to higher input costs. In line with this, our Gross profit decreased from Rs. 5,844 per ton to Rs. 5,128 per ton. Finance costs decreased from Rs. 592 million to Rs. 342 million, mainly due to timely repayment of long - term loan and full repayment of Export Refinance Facility (ERF) during the current year. During the year, the Company posted an after-tax profit of Rs. 7,255 million as compared to after tax profit of Rs. 8,681 million in the corresponding year.

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

	2026	2025
	(Rupees in million)	
Net sales	36,483	37,811
Cost of sales	24,440	23,841
Gross profit	12,043	13,970
Expenses and taxes	4,788	5,289
Net profit	7,255	8,681

In quantitative terms, total dispatches showed a decline from 2,390,164 to 2,348,405 tons (i.e., by 41,759 tons), which is around 2%. Further, cement export decreases by 57% due to closure of Pak-Afghan border since Oct 2025.

	2026	2025
	(in tons)	
Domestic sales	2,176,787	1,995,003
Export sales	171,618	395,161
Total sales	2,348,405	2,390,164

Budgeted Results:

After incorporating all factors i.e., updating budget assumptions, reviewing bottlenecks, available funding, obtaining department budgets, obtaining capital budget requests, manufacturing capacities etc. the budget for 2025-26 has been made. This year, the Company has set sales volume, which was challenging considering the slowdown in the economy due to lower allocation of PSDP and absence of major growth in GDP. The company met all its targets except for a few.

	2026 Actual	2026 Budget
	(in tons)	
Total sales volume	2,348,405	2,500,000

Actual vs budget figures under respective heads are as follows:

	2026 Actual	2026 Budget
	(Rupees in million)	
Net sales	36,483	42,000
Cost of sales	24,440	27,828
Gross profit	12,043	14,172
Expenses and taxes	4,788	6,214
Net profit	7,255	7,958

The Company has a healthy dividend payout history. The Board of Directors has recommended a dividend of Rs. 4.00 per share, in addition to interim dividend of Rs. 1.50 per share, which will be approved by shareholders at the AGM.

The Company has duly paid taxes, duties, and other levies on a timely basis without any overdue or outstanding of such payments and complied with applicable laws and regulations. Additionally, the Company's future prospects regarding profitability, growth, financial projections, technology adoption including Artificial Intelligence (AI) and research and development initiatives have been disclosed in the Future Outlook section of this report.

Non-Financial Indicators

 Capital forms	 Objective	 KPIs Monitored	 Future relevance
MANUFACTURED CAPITAL	Product development Business optimization Maintain leadership position in Industry and expand sales Enhance operational efficiency and optimize inventory management Economize on costs -eliminating redundancies Increase sustainable manufacturing	Produce high quality and low cost Ordinary Portland Cement (OPC). Analyse various prospects of investments in cement industry and invest in the most promising venture. Market share, price management and exploring new market opportunities. Production efficiency ratios and Activity ratios. Optimization of available resources and better allocation of fixed costs. Alternative fuel consumption and generation of renewable electricity Current Ratio, Gearing and Interest Cover.	The KPIs shall remain relevant in the future
	Health & safety of workers Training and education	Provision congenial and clean environment along with safety supplies for smooth work. Continuous training of employees and workers. Monitor training need analysis with special focus on health and safety at work.	
	Shareholder value Stock value Suppliers and Customer relationships	EPS, ROE, Asset Turnover, ROI and DPS Analyse market price as a measure of relationship capital Assess the payment stream and ensure timely payment. Provide customer with maximum support beyond customer-supplier relationship	
	Highest quality product at lowest cost in industry.	Continuously evaluate strategies to meet construction-grade cement specifications.	
HUMAN CAPITAL			
RELATIONSHIP CAPITAL			
INTELLECTUAL CAPITAL			

ANALYSIS OF FINANCIAL RATIOS

For the year ended June 30, 2026

	2026	2025	2024	2023	2022	2021
Profitability Ratios:						
Gross Profit Ratio (percentage)	33.01	36.95	30.81	27.11	27.90	26.69
Net Profit to Sales (percentage)	19.88	22.96	14.31	11.78	13.89	12.72
EBITDA Margin to Sales (percentage)	36.98	40.42	32.37	28.91	30.61	29.93
Operating Leverage Ratio	3.88	(16.69)	5.53	0.74	1.45	(65.16)
Return on Equity (average in percentage)	19.92	29.50	23.69	23.06	28.84	27.11
Return on Capital Employed (percentage)	18.11	26.02	18.11	14.12	14.80	11.37
Shareholders' Funds (percentage)	75.56	65.89	62.25	53.12	44.86	39.74
Return on Shareholders' Funds (percentage)	18.36	26.06	21.53	21.09	25.71	23.62
Total Shareholder Return	21.06	81.33	40.20	34.11	(45.86)	106.07
Liquidity Ratios:						
Current Ratio	4.91	2.44	1.56	1.21	1.06	1.08
Quick / Acid Test Ratio	4.41	2.25	1.32	0.93	0.97	0.88
Cash to Current Liabilities	0.16	0.08	0.06	0.02	0.11	0.02
Cash flow from Operations to Sales	0.17	0.32	0.34	0.26	0.19	0.27
Cash flow capital expenditure	3.16	8.23	7.44	3.52	1.72	3.58
Cash flow coverage ratio	1.78	3.12	3.23	0.96	0.44	0.45
Investment / Market Ratios:						
Earning per Share (After Tax) - Basic & Diluted	37.34	44.68	28.31	22.67	22.93	16.50
Price Earnings Ratio	9.26	6.50	5.76	5.31	4.06	10.75
Price to Book Ratio	1.70	1.69	1.24	1.12	1.04	2.54
Dividend Yield Ratio	0.02	0.02	0.03	0.04	0.03	0.01
Dividend Payout Ratio	0.15	0.12	0.19	0.20	0.13	0.14
Dividend Cover Ratio	6.79	8.12	5.15	5.04	7.64	7.33
Cash Dividend per Share	5.50	5.50	5.50	4.50	3.00	2.25
Stock Dividend per Share (percentage)	-	-	-	-	-	-
Market Value per Share						
- Closing	346	290	163	120	93	177
- High	372	308	169	131	181	192
- Low	232	159	123	76	90	92
Break-up Value per Share	203	171	131	107	89	70
Break-up Value per Share including Investment in Related Party at Market Value	206	174	134	110	92	73
Capital Structure Ratios:						
Financial Leverage Ratio	0.09	0.20	0.23	0.57	0.99	1.26
Weighted Average Cost of Debt	0.06	0.11	0.15	0.14	0.08	0.08
Debts to Equity Ratio (percentage)	9	11	16	49	80	113
Interest Cover Ratio (Times)	34.08	22.78	7.68	4.80	6.03	3.85
Net Asset Per share	203.37	171.43	131.46	107.46	89.12	69.94
Activity / Turnover Ratios:						
Total Assets Turnover Ratio	0.70	0.75	0.94	0.95	0.83	0.74
Fixed Asset Turnover Ratio	1.27	1.32	1.33	1.29	1.16	0.98
Inventory Turnover (Days)	30	26	28	21	15	19
Debtor Turnover (Days)	14	15	19	13	10	12
Creditor Turnover (Days)	12	15	11	9	11	14
Operating Cycle	32	26	36	25	14	17
Employee Productivity ratios						
Production per Employee	2,528	2,525	2,676	2,821	3,501	4,105
Revenue per Employee (Rs. In thousand)	38,811	39,304	38,434	36,833	32,250	26,203
Staff turnover ratio (percentage)	2.75	3.78	7.05	4.47	2.69	3.09
Non-Financial Ratios						
% of Plant Availability (percentage)	83.01	78.08	83.56	82.19	80.82	78.08
Customer Satisfaction Index (percentage)	99.70	99.80	99.90	99.60	98.8	99.50
Customer Retention Ratio (percentage)	99.60	99.50	99.40	98.70	99.45	99.06
Others						
Spares Inventory as % of Assets Cost	6.79	6.13	9.22	9.04	7.22	5.89
Maintenance Cost as % of Operating Expenses	5.18	5.43	6.28	3.06	4.35	3.95

COMMENTS ON FINANCIAL RATIOS

PROFITABILITY RATIOS:

The Company continued to maintain healthy profit margins and a strong financial position during the year 2026, though its profitability and returns are slightly lower than last year. The increase in shareholders' funds and improvement in operating leverage provide a sound foundation for future growth. Despite some pressure on profitability, the Company benefited from an optimized sales mix, improved retention prices, and effective cost management measures. The Company maintained resilient financial performance through strategic pricing and disciplined cost-control initiatives, including process streamlining, supply chain optimization, and the optimal utilization of a mix of imported and local coal for kiln fuel, complemented by solar power generation. These effective initiatives have delivered significant cost efficiencies and supported the Company's overall profitability. Consequently, the Company continues to demonstrate sound operational performance, financial resilience, and prudent management, providing a strong platform for sustainable growth.



LIQUIDITY RATIOS:

The Company maintained a strong liquidity position, supported by a substantial improvement in current and quick ratios and higher cash availability. Although operating cash flow generation and cash flow coverage moderated, the Company's enhanced short-term asset position provides a comfortable liquidity buffer and supports its ability to meet near-term obligations while continuing to fund its operational and investment requirements.



INVESTMENT / MARKET RATIOS:

The Company remains committed to creating sustainable shareholder value, reflected in the improvement in its investment and market-related ratios despite the challenging business environment. Through prudent resource allocation and effective capital management, the Company has maintained earnings per share compared with prior years, while maintaining consistent dividend distributions that continue to reinforce investor confidence. By strategically deploying capital, assets, and human resources toward high-return initiatives, the Company continues to strengthen its financial performance, optimize returns, and build a strong foundation for sustainable long-term growth.



CAPITAL STRUCTURE RATIOS:

The Company has effectively leveraged subsidized financing facilities to optimize its funding costs and maintain a weighted average cost of capital below prevailing market rates. The prudent utilization of subsidized long-term and short-term financing facilities, including those available through the State Bank of Pakistan, has enabled the Company to maintain a balanced capital structure while minimizing financing expenses. This disciplined approach to debt management, coupled with improved earnings, has further strengthened key financial indicators, including the debt-to-equity and interest coverage ratios. The resulting reduction in financing costs has supported profitability, enhanced financial stability, and provided greater flexibility to pursue the Company's long-term growth objectives.



ACTIVITY / TURNOVER RATIOS:

These ratios reflect the complete working capital cycle, from inventory procurement through to the realization of cash from customers, demonstrating the Company's strong focus on efficient capital management. They highlight the effective deployment of resources through disciplined allocation of capital across the supply chain. An operating cycle of 32 days indicates that the Company is able to convert its inventory into cash within a month, reflecting efficient working capital utilization. The inventory turnover period of 30 days further indicates effective inventory management, with stock levels maintained at an appropriate level to minimize excess inventory, capital tied up in operations, and associated storage costs. Similarly, debtor and creditor turnover periods of 14 & 12 days respectively demonstrate efficient management of receivables and payables, with prompt collection from customers supporting liquidity, while timely payments to suppliers help maintain strong business relationships and may facilitate more favorable credit terms.



EMPLOYEE PRODUCTIVITY RATIOS:

A positive and supportive work environment contributes significantly to employee satisfaction, motivation, and engagement, ultimately enhancing productivity and overall financial performance. The Company's strong revenue per employee of Rs. 38.8 million reflects the effectiveness of its approach to human capital management. By prioritizing employee well-being and fostering a conducive workplace, the Company has maintained a stable and committed workforce while achieving strong business results. This is further supported by employee turnover rate which decreased by 27% as compare to previous year, indicating high workforce stability and contributing to sustained productivity and revenue growth.



NON-FINANCIAL RATIOS:

Our non-financial performance indicators demonstrate the strength of our operational capabilities and the effectiveness of our manufacturing facilities in responding to market requirements. These measures reflect our continued focus on improving operational performance and delivering greater value to our customers. The growing acceptance of our KHYBER brand further highlights the market's confidence in the quality of our products and our ability to build lasting customer relationships. At the same time, our emphasis on sustainable practices underlines our commitment to responsible and environmentally conscious operations.

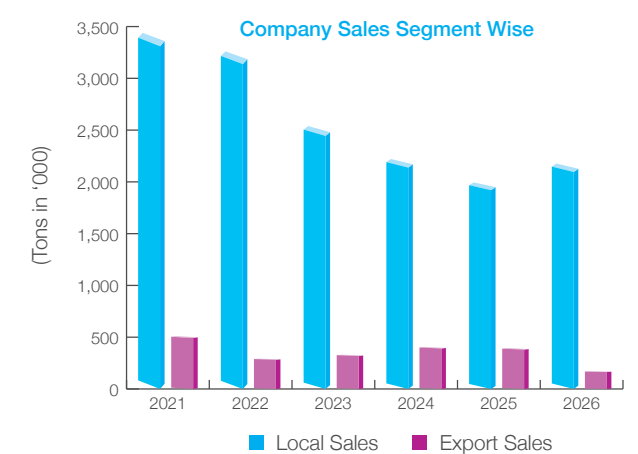
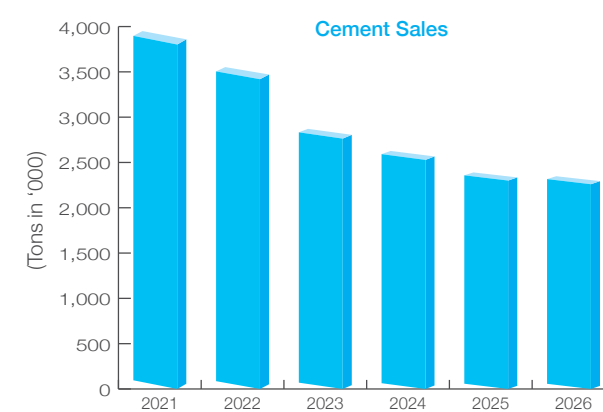
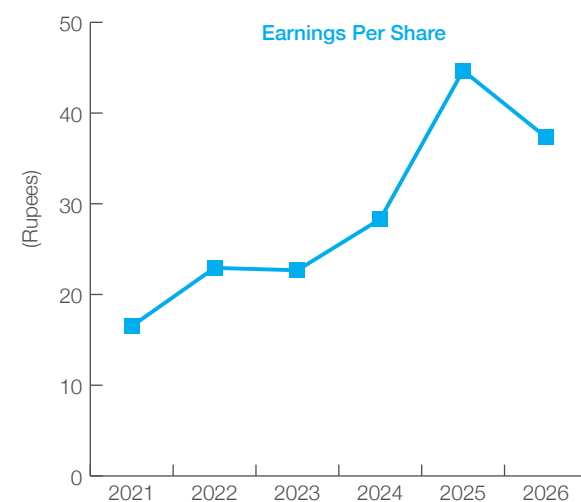
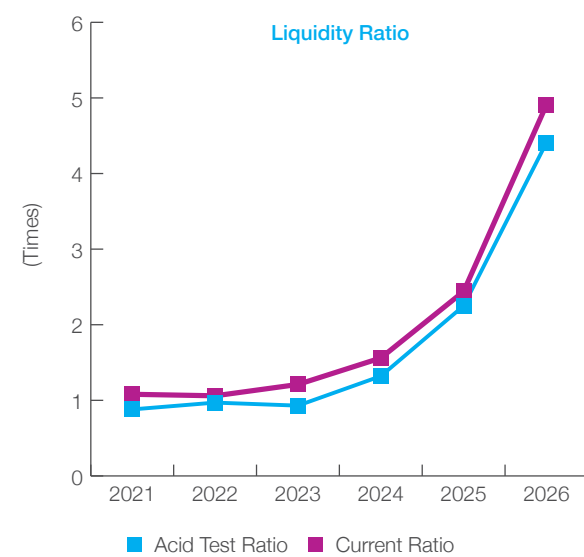
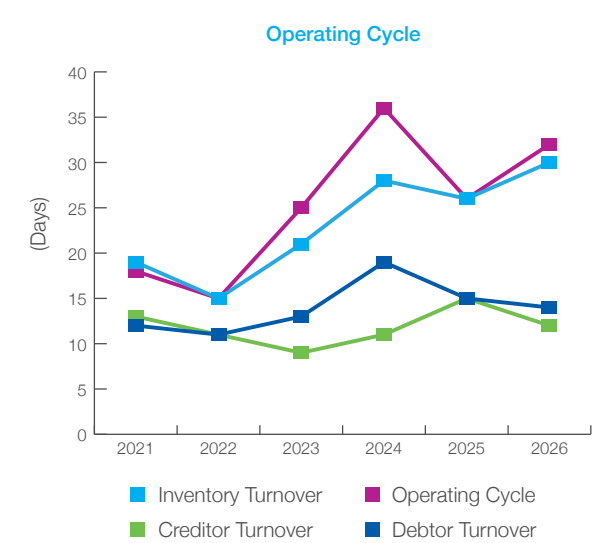
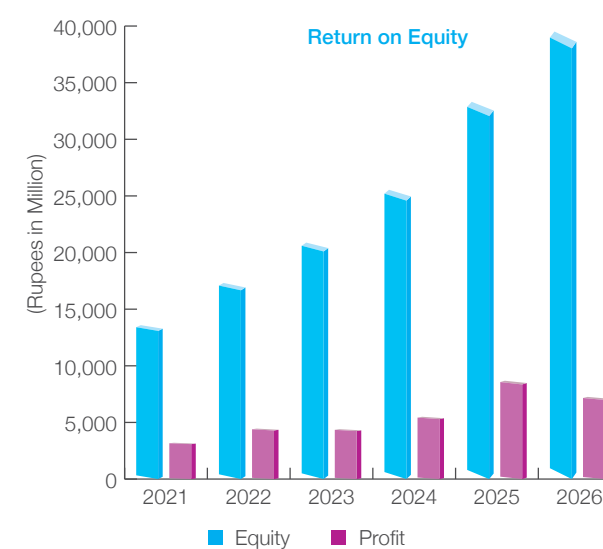
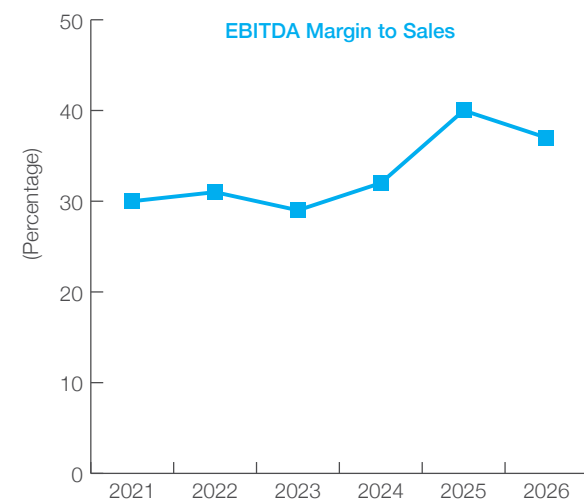
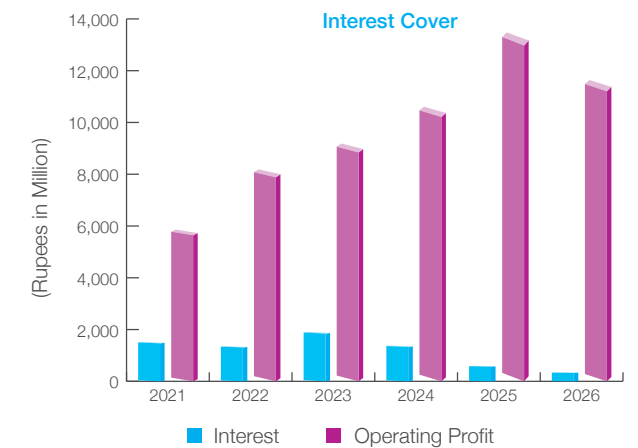
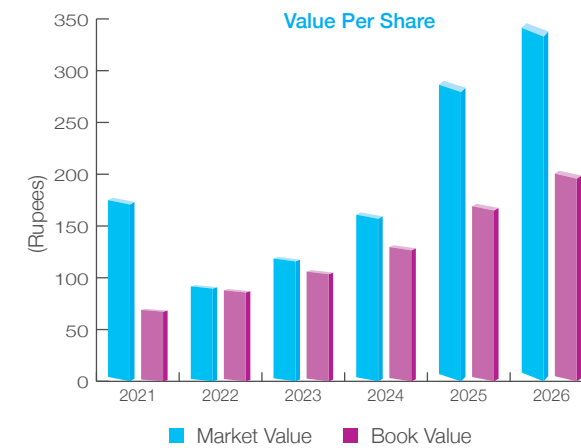
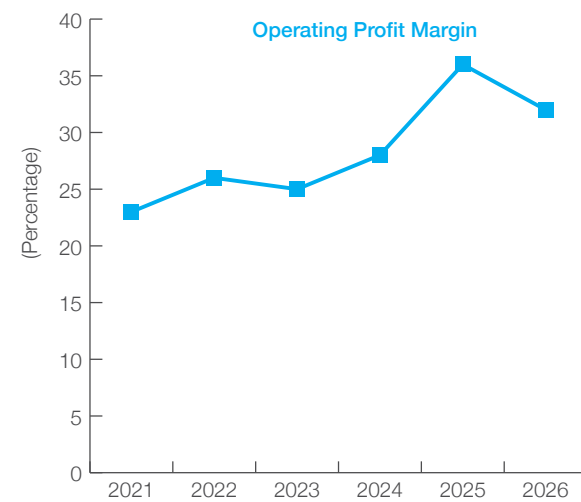
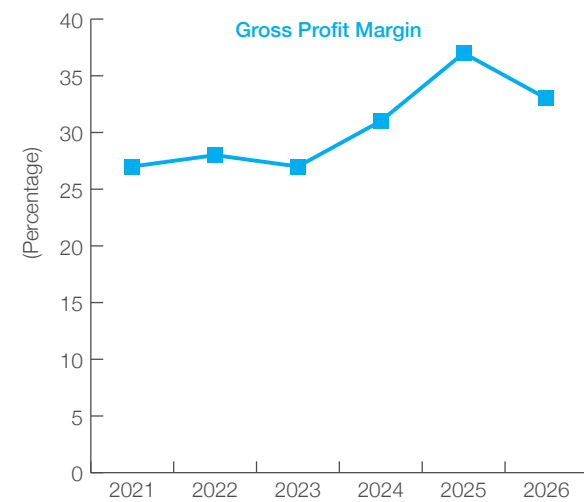


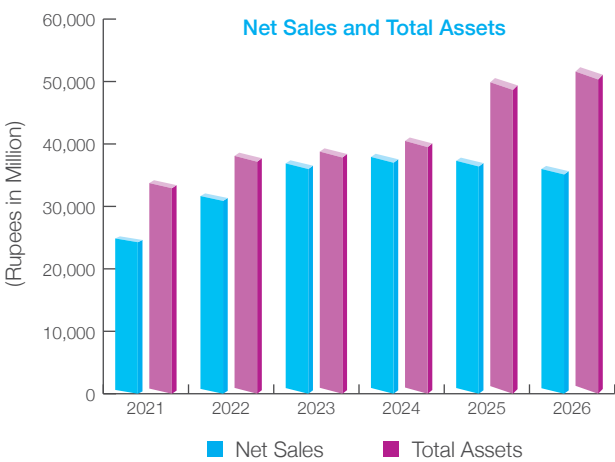
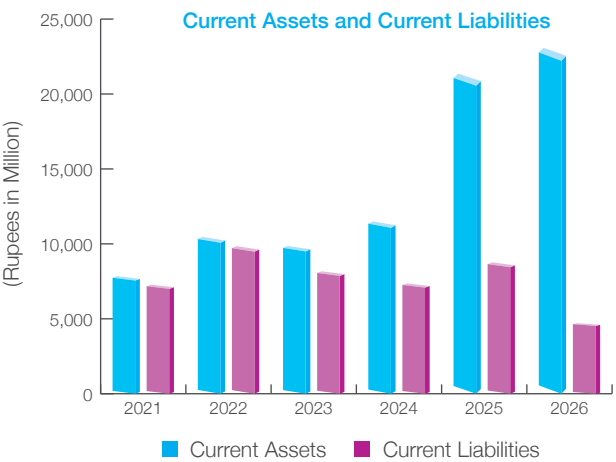
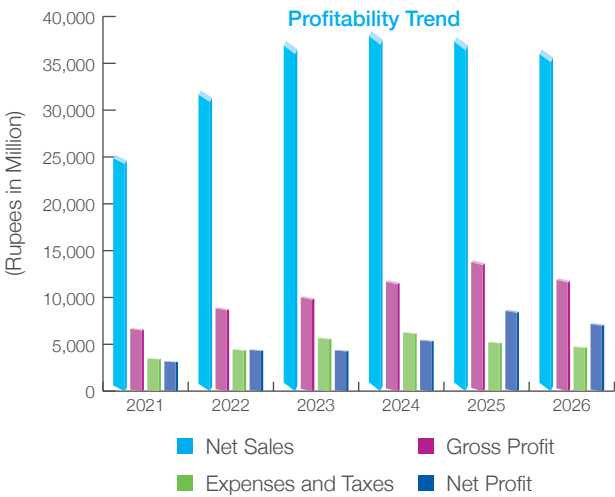
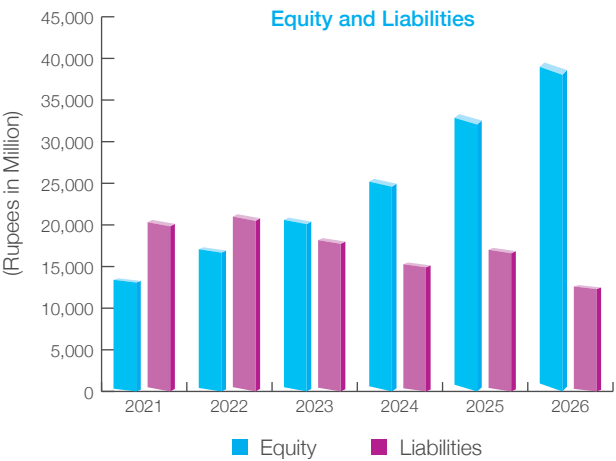
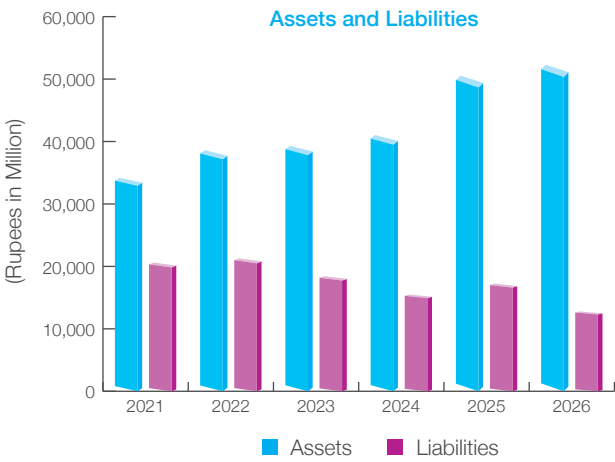
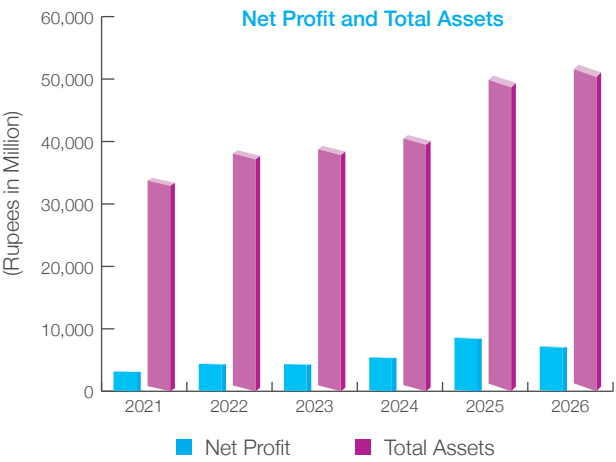
OTHERS:

The company continues to strengthen its operational infrastructure through strategic investments in balancing, modernization and Replacement (BMR) initiatives and advanced technologies across its existing plants. To mitigate the impact of increasing energy cost, the Company is also actively exploring and adopting renewable energy solutions. Furthermore, improvements in maintenance planning and operational practices have enhanced plant reliability and efficiency, while contributing to better control and optimization of maintenance cost.



GRAPHICAL PRESENTATION OF ANALYSIS OF FINANCIAL STATEMENTS





KEY FINANCIAL INFORMATION - SIX YEARS

	2026	2025	2024	2023	2022	2021
	(Tons in '000')					
Clinker Production	2,128	2,135	2,355	2,644	3,109	3,573
Cement Production	2,364	2,386	2,617	2,883	3,525	3,965
Cement Dispatches	2,348	2,390	2,627	2,871	3,552	3,950

Summary of Statement of Financial Position

	2026	2025	2024	2023	2022	2021
	(Rupees in Million)					
Assets						
Non-Current Assets	29,211	29,199	29,533	29,437	28,140	26,348
Current Assets	23,083	21,355	11,501	9,865	10,465	7,846

Total Assets

52,294	50,554	41,034	39,302	38,605	34,194
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Equity & Liabilities

Shareholders' Equity	39,514	33,308	25,543	20,879	17,316	13,590
Non-Current Liabilities	8,074	8,477	8,133	10,254	11,442	13,331
Current Liabilities	4,706	8,769	7,358	8,169	9,847	7,273

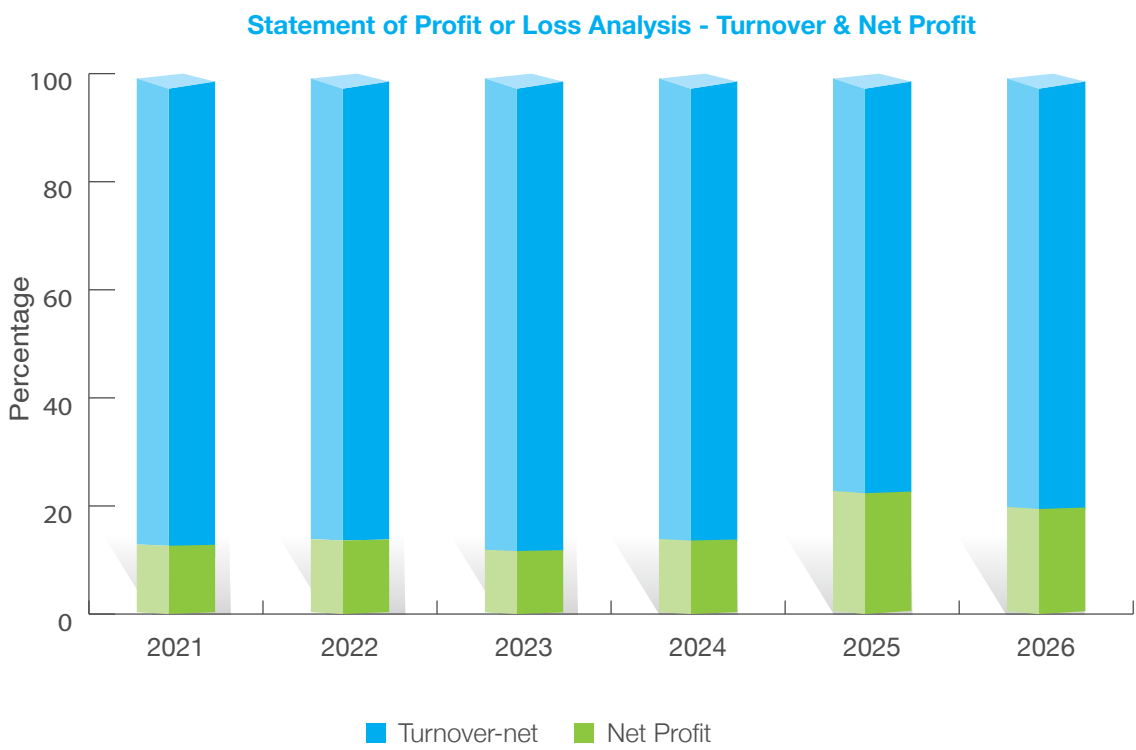
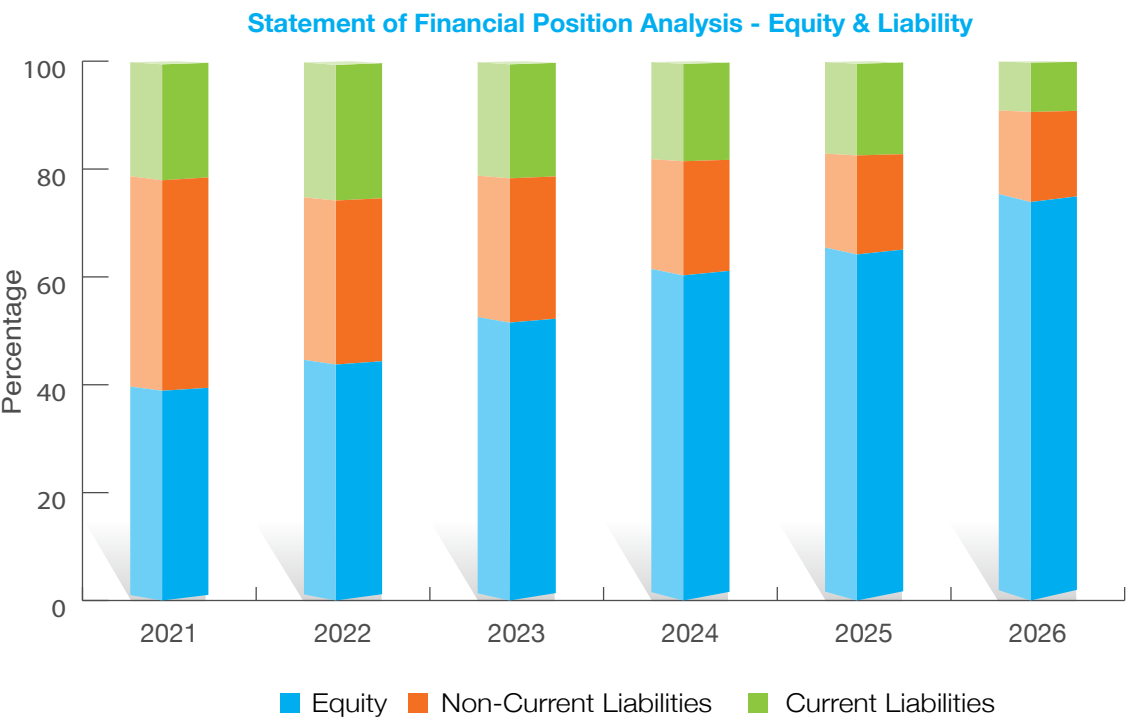
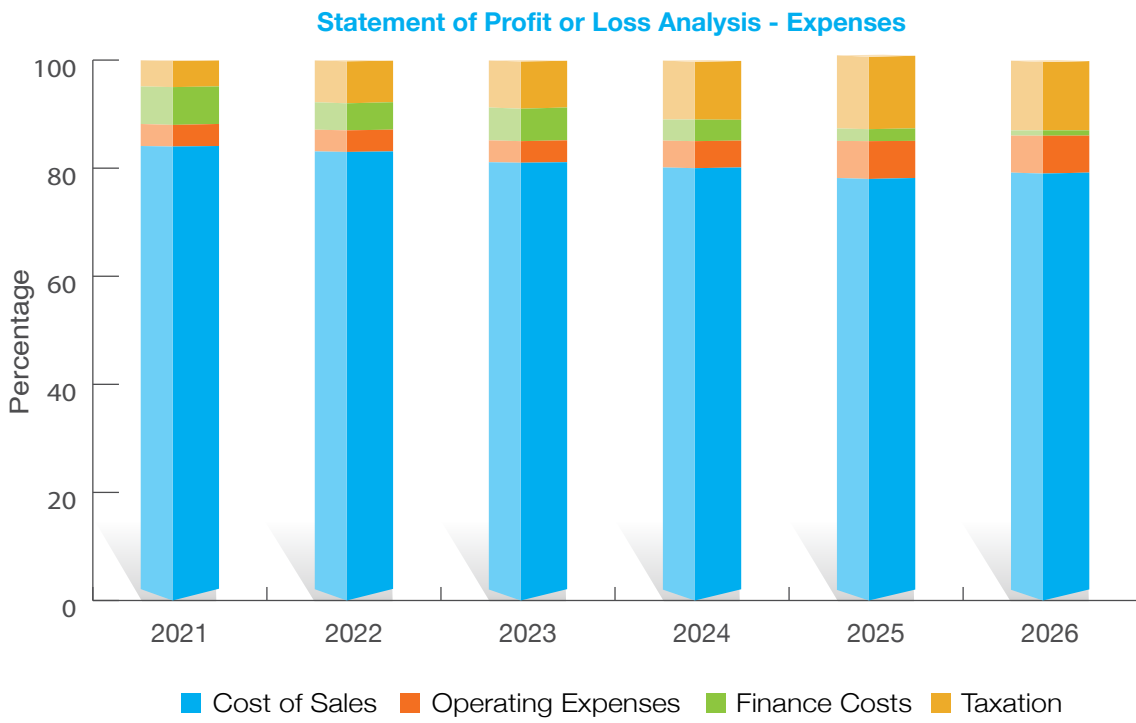
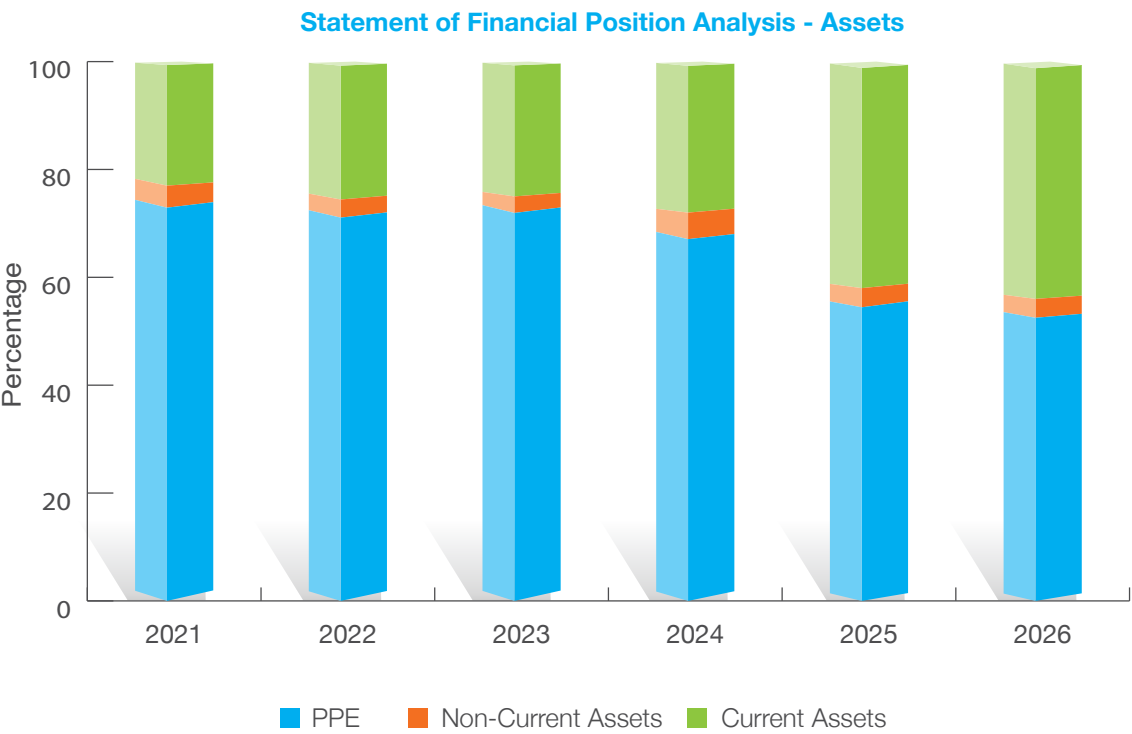
Equity & Liabilities

52,294	50,554	41,034	39,302	38,605	34,194
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Summary of Statement of profit or loss

	2026	2025	2024	2023	2022	2021
	(Rupees in Million)					
Turnover & Profit / (Loss)						
Turnover - net	36,483	37,811	38,434	37,386	32,085	25,207
Gross Profit	12,043	13,970	11,840	10,137	8,951	6,728
Operating Profit	11,641	13,479	10,609	9,186	8,188	5,861
Profit Before Taxation	11,300	12,887	9,228	7,272	6,829	4,337
Profit After Taxation	7,255	8,681	5,500	4,404	4,456	3,205
Earnings Per Share (Rs.)	37.34	44.68	28.31	22.67	22.93	16.50

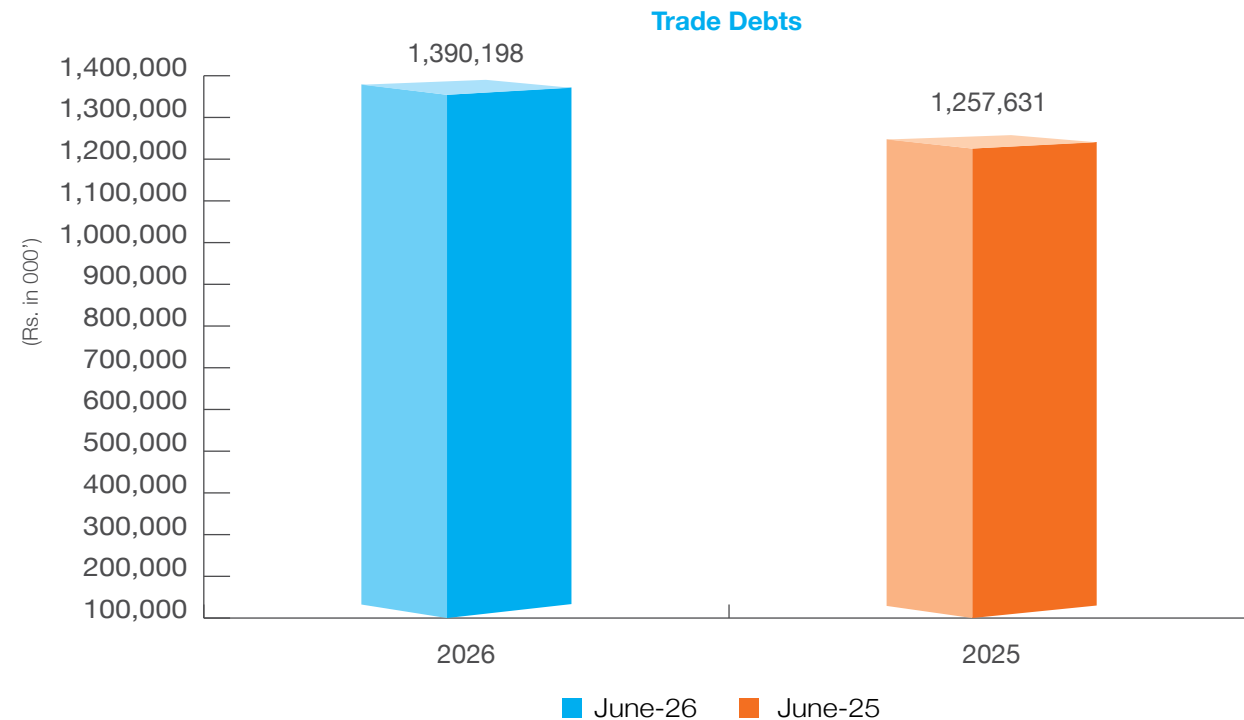
GRAPHICAL PRESENTATION OF STATEMENT OF FINANCIAL POSITION & STATEMENT OF PROFIT OR LOSS



KEY FINANCIAL INFORMATION

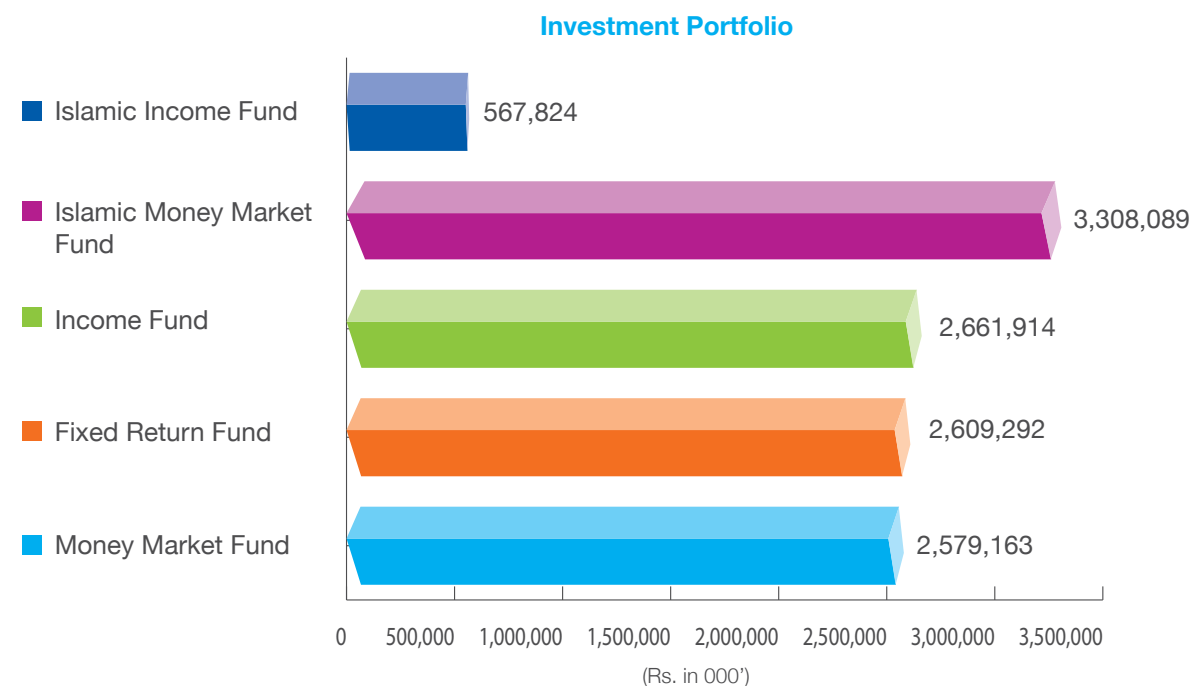
Trade Debts

Trade debts stood at PKR 1.390 billion at the current year-end, compared to PKR 1.257 billion in the corresponding year. The increase was primarily attributable to higher prices owing to the higher inflation towards the end of the year driven mainly by the regional instability.



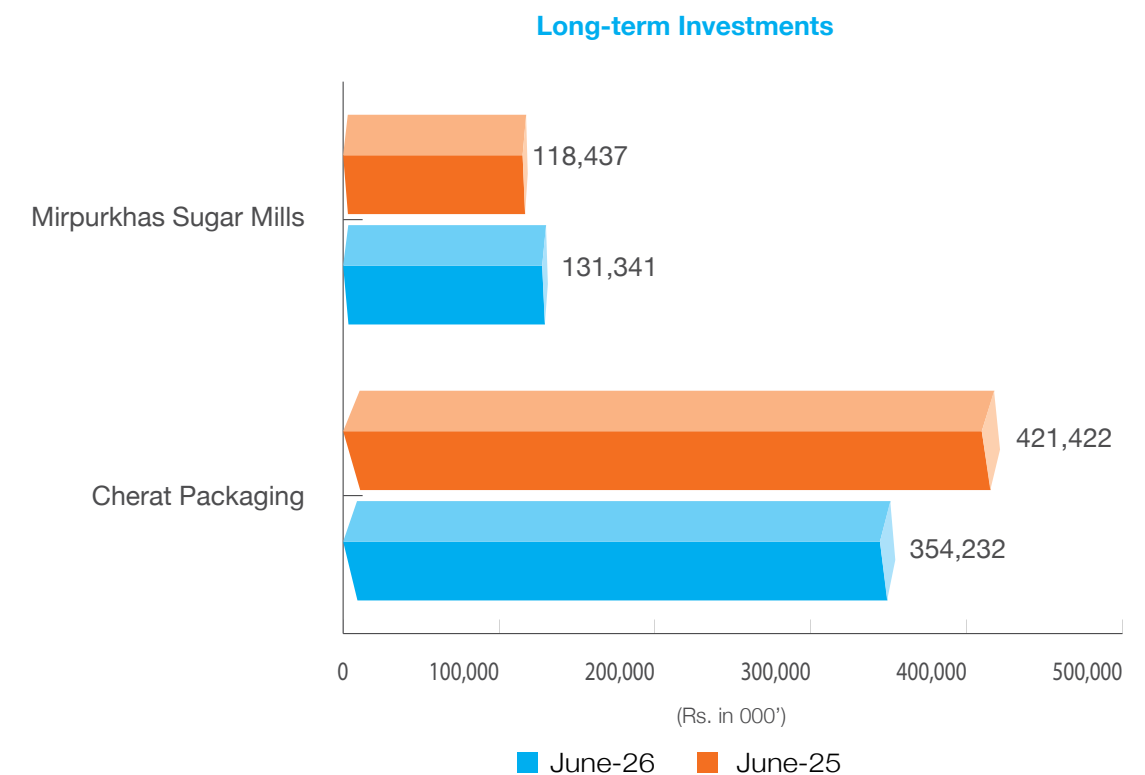
Short-term Investments

Short-term investments stood at PKR 11.7 billion at the current year-end, reflecting a well-diversified investment portfolio. The investment level remained broadly consistent with the previous year, despite elevated working capital requirements and capital expenditure during the year.



Long-term Investments

Our long-term investments mainly stood at PKR 486 million at the current year-end, comprising of investment portfolio in the Sugar and Packaging sectors only, compared with PKR 540 million in the previous year. The decline was primarily attributable to the downward revaluation of the quoted share price of CPL shares as at the reporting date.



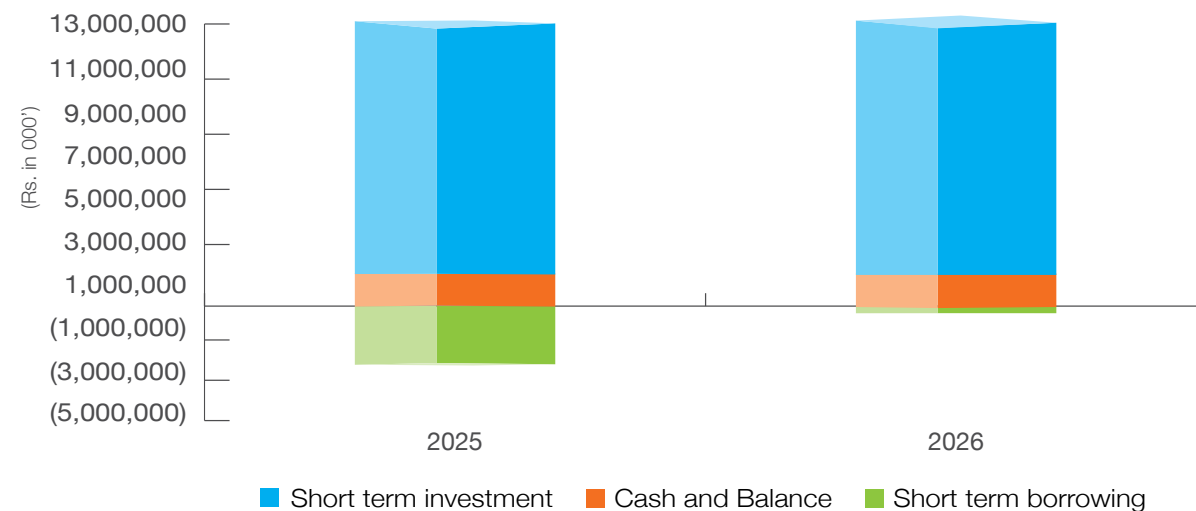
Profit Distribution and Equity / Reserve Analysis

The Company's equity and reserves at the beginning of the year stood at PKR 33.3 billion, whereas PKR 0.77 Billion was approved by the shareholders as final dividend for 2025. During 2026, the Company earned net profit of PKR 7.25 billion and declared interim dividends of PKR 0.29 billion, while no transfers were made to general reserves. The aggregate equity and reserves at the close of the year therefore stood at PKR 39.8 billion, as detailed below:

	Rs. In '000'	Rs per share
Opening equity and reserves	33,307,729	
Final dividend 2025	(777,180)	4
Net profit 2026	7,254,568	
OCI	20,424	
Available for appropriation	39,805,541	
Interim dividend 2026	(291,443)	1.5
Closing June 2026	39,514,098	

ANALYSIS OF CASH FLOWS

Cash and Cash Equivalent



Cash and Cash Equivalent

Cash and cash equivalents increased from Rs. 9.74 billion to Rs. 12.29 billion during 2026. This increase is mainly due to repayment of the short-term financing facility of Rs. 2.535 billion which ultimately contribute in growth of cash and cash equivalent.

The higher closing cash balance provides the company with greater liquidity and financial flexibility. It enables the company to meet short-term obligations, finance working-capital requirements, support future capital expenditure, dividend payment and manage unexpected cash requirements.

Therefore, despite the decline in operating cash flow, the company's overall liquidity remained strong at the end of the year.

Cash flow from Operating activities:

The company's cash flow position in 2026 was stable, the company generated the cash flow from operation is Rs. 12.6 billion from operating activities, showing that its core business remained capable of generating positive cash. However, this was slightly lower than the previous year by Rs. 1.94 billion. Despite higher tax payments made during the year on account of super tax for all tax year up to TY-2025, the company is able to generate the net cash from the operating activities amounting to Rs. 6.16 billion.

Cash flow from investing activities:

During the FY-2026, the company had cash outflows amounting to Rs. 1.8 billion (2025: 1.2 billion) for the purpose of the investing activities which mainly represents investment in Capital machinery and renewable energy for the long-term growth.

It is pertinent to highlight that capital investing expenditure was covered by the cash generated from operating activities. This sign strongly indicate that the company is able to finance its capital investment requirement largely through internally generated funds rather than relying extensively on additional borrowing.

Further, the company continued to invest in its productive assets and future operations to sustain the operations and generate the wealth to its valuable stakeholders.

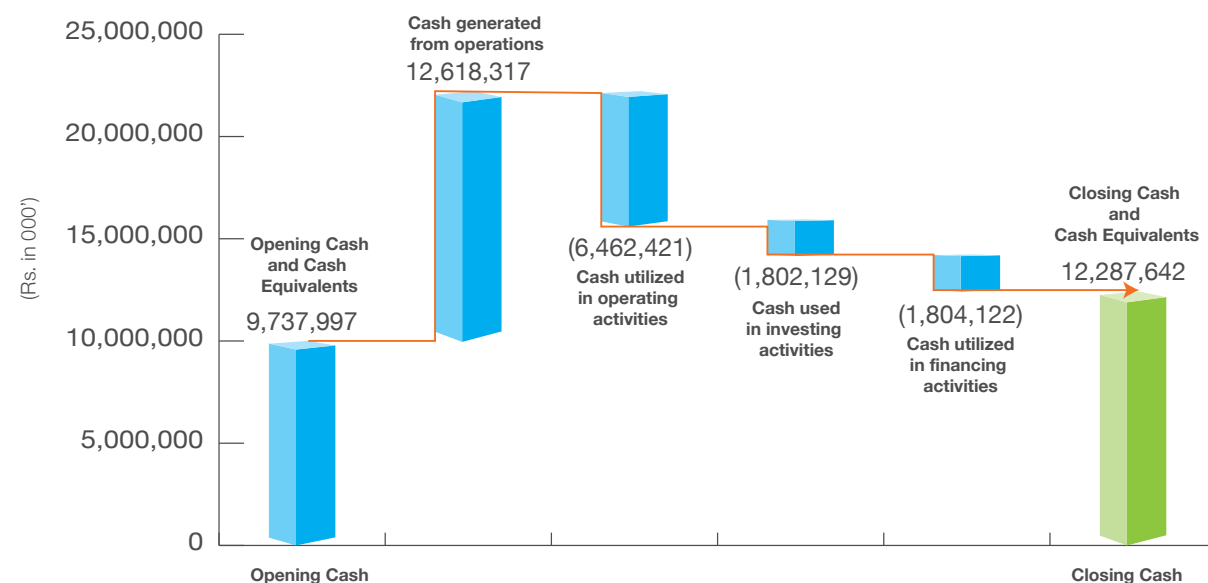
Cash flow from Financing activities:

During the FY-2026, the company had financing cash outflows amounting to Rs. 1.80 billion (2025: 2.00 billion) mainly due to dividend payments to it valuable shareholder, finance costs, and repayment of its long-term financing.

The company's financing outflow reflects the company's ability to meet its financial obligations and provide returns to shareholders. The payment of dividends also indicates that the company had sufficient financial capacity to distribute cash to shareholders.

At the same time, the repayment of financing indicates a reduction in reliance on external funds. This can also strengthen the company's financial position over time by reducing financing obligations.

Cash Movement



HORIZONTAL ANALYSIS - SIX YEARS

	2026 (Rupees in Million)	26 Vs. 25 %	2025 (Rupees in Million)	25 Vs. 24 %
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Statement of Financial Position

Assets

Non-Current Assets	29,211	0	29,199	(1)
Current Assets	23,083	8	21,355	86
Total Assets	52,294	3	50,554	23

Equity & Liabilities

Shareholders' equity	39,514	19	33,308	30
Non-Current Liabilities	8,074	(5)	8,477	4
Current Liabilities	4,706	(46)	8,769	19
Total Equity & Liabilities	52,294	3	50,554	23

Statement of Profit or Loss

Turnover - net	36,483	(4)	37,811	(2)
Gross Profit	12,043	(14)	13,970	18
Operating Profit / (Loss)	11,641	(14)	13,479	27
Profit / (Loss) Before Tax	11,300	(12)	12,887	40
Profit / (Loss) After Tax	7,255	(16)	8,681	58

Statement of Cash Flows

Net cash generated from operating activities	6,156	(48)	11,872	(9)
Net cash (used in) / generated from investing activities	(1,802)	51	(1,190)	(34)
Net cash (used in) / generated from financing activities	(1,804)	(10)	(2,007)	(77)
Cash and cash equivalents - at opening	9,738	816	1,063	(175)
Cash and cash equivalents - at year end	12,288	26	9,738	816

	2024 (Rupees in Million)	24 Vs. 23 %	2023 (Rupees in Million)	23 Vs. 22 %	2022 (Rupees in Million)	22 Vs. 21 %	2021 (Rupees in Million)	21 Vs. 20 %
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29,533	0	29,437	5	28,140	7	26,348	1
11,501	17	9,865	(6)	10,465	33	7,846	17
41,034	4	39,302	2	38,605	13	34,194	4

25,543	22	20,879	21	17,317	27	13,590	35
8,133	(21)	10,254	(10)	11,441	(14)	13,331	(21)
7,358	(10)	8,169	(17)	9,847	35	7,273	24
41,034	4	39,302	2	38,605	13	34,194	4

38,434	3	37,386	17	32,085	27	25,207	47
11,840	17	10,137	13	8,951	33	6,728	1,643
10,609	15	9,186	12	8,188	40	5,861	(3,090)
9,228	27	7,272	6	6,829	57	4,337	(259)
5,500	25	4,404	(1)	4,456	39	3,205	(269)

13,101	32	9,901	62	6,106	(11)	6,886	96
(1,797)	(34)	(2,706)	(23)	(3,506)	87	(1,872)	537
(8,828)	34	(6,598)	119	(3,008)	(25)	(3,989)	34
(1,413)	(30)	(2,009)	25	(1,604)	(39)	(2,629)	(1,164)
1,063	(175)	(1,413)	(30)	(2,009)	25	(1,604)	(39)

VERTICAL ANALYSIS - SIX YEARS

	2026		2025	
	(Rupees in Million)	%	(Rupees in Million)	%
Statement of Financial Position				
Assets				
Non-Current Assets	29,211	56	29,199	58
Current Assets	23,083	44	21,355	42
Total Assets	52,294	100	50,554	100
Equity & Liability				
Shareholders Equity	39,514	76	33,308	66
Non-Current Liabilities	8,074	15	8,477	17
Current Liabilities	4,706	9	8,769	17
Equity & Liability	52,294	100	50,554	100
Statement of Profit or Loss				
Turnover - net	36,483	100	37,811	100
Gross Profit	12,043	33	13,970	37
Operating Profit / (Loss)	11,641	32	13,479	36
Profit / (Loss) Before Tax	11,300	31	12,887	34
Profit / (Loss) After Tax	7,255	20	8,681	23
Statement of Cash Flows				
Net cash generated from operating activities	6,156	50	11,872	122
Net cash (used in) / generated from investing activities	(1,802)	(15)	(1,190)	(12)
Net cash (used in) / generated from financing activities	(1,804)	(15)	(2,007)	(21)
Cash and cash equivalents - at opening	9,738	79	1,063	11
Cash and cash equivalents - at year end	12,288	100	9,738	100

2024 (Rupees in Million)		2023 (Rupees in Million)		2022 (Rupees in Million)		2021 (Rupees in Million)	
	%		%		%		%
29,533	72	29,437	75	28,140	73	26,348	77
11,501	28	9,865	25	10,465	27	7,846	23
41,034	100	39,302	100	38,605	100	34,194	100
25,543	62	20,879	53	17,317	45	13,590	40
8,133	20	10,254	26	11,441	29	13,331	39
7,358	18	8,169	21	9,847	26	7,273	21
41,034	100	39,302	100	38,605	100	34,194	100
38,434	100	37,386	100	32,085	100	25,207	100
11,840	31	10,137	27	8,951	28	6,728	27
10,609	28	9,186	25	8,188	26	5,861	23
9,228	24	7,272	19	6,829	21	4,337	17
5,500	14	4,404	12	4,456	14	3,205	13
13,101	1,232	9,901	(701)	6,106	(304)	6,886	(429)
(1,797)	(169)	(2,706)	192	(3,506)	175	(1,872)	117
(8,828)	(830)	(6,598)	467	(3,008)	150	(3,989)	249
(1,413)	(133)	(2,009)	142	(1,604)	80	(2,629)	164
1,063	100	(1,413)	100	(2,009)	100	(1,604)	100

COMMENTS ON HORIZONTAL ANALYSIS

Statement of Financial Position

The Company has expanded its non-current asset base over the years, primarily through the enhancement of production facilities and investments in the upgradation of Line-I and solar power projects. During FY 2026, major capital additions included the addition of EV dumpers for raw material transportation and miscellaneous work for operational enhancements. Furthermore, ground work is underway with respect to additional 5 MW solar power project.

The Company has been carefully managing its current assets and current liabilities, which has kept the liquidity position resilient in terms of provision of adequate working capital for facilitating operational excellence. In FY 2026 current ratio witnessed significant growth as a result of full repayment of Export Refinance Facility (ERF) owing to lack of export performance due to closure of Pak-Afghan Border since Oct 2025.

Over the six years, the Company’s equity base has strengthened significantly, largely driven by increased post-tax profits resulting from improved retention pricing and lower input costs due to operational efficiencies.

Statement of Profit or Loss

During the previous years, the Company has recorded significant turnover growth, mainly driven by rise in local cement prices and export earnings due to increased export volumes. However, compared to the prior year, turnover in FY 2026 decreased slightly, which was mainly on account of lower exports sales volume due to closure of Pak- Afghan border since October 2025 and slight reduction in local retention.

During the previous years, the Company witnessed considerable improvement in gross profitability due to increased retention prices and effective management of input costs through operational efficiencies. However, in FY 2026, there is a slight decline in gross profit margin due to decline in average retention and higher input cost as result of inflationary pressure arising due to Middle East conflict.

The Company’s net profit declined compared to the previous year, primarily due to a decline in operational profit, coupled with a one-off tax income recorded in the prior year under the section 65B tax credit.

Statement of Cash Flows

- **Operating activities:** The company’s overall cash position shows a significant improvement over the period. Operating activities consistently generated positive cash flows and reached a maximum of Rs. 13.101 billion in 2024. During the year, this was a slight decline due to the higher working capital requirement.
- **Investing activities:** The company’s strong commitment to capital expenditures, especially in renewable energy and high-tech equipment, including EV dumpers, reflects a bold vision for long-term sustainable growth and enhanced value for stakeholders. Notably, 2022 marked a significant milestone with an investment of Rs. 3.506 billion, showcasing the company’s unwavering dedication to future-focused initiatives. During the year, the company continued to invest in process automation and renewable energy for sustainable growth.
- **Financing Activities:** Net cash used in financing activities also remained negative in all years. It increased substantially to Rs. 8.828 billion in 2024, representing the highest financing cash outflow for the repayment of external financing and dividend payout. However, financing outflows reduced considerably to Rs. 2 billion in 2025 and Rs. 1.804 billion in 2026, indicating the company optimizes its debt-equity structure. During the year, financing activity will remain negative owing to the repayment of outstanding loans and dividend payments.

COMMENTS ON VERTICAL ANALYSIS

Statement of Financial Position

As a capital-intensive industry, the Company maintains a substantial non-current asset base, supported by continued investments in upgradation of plant & machinery, enhancement of solar power projects, BMR of Line-I and the acquisition of EV dumpers.

Over the years, the ratio of current asset to current liability has been consistent and healthy, reflecting the prudent management by the Company of its financial and operational obligations while, at the same time, balancing growth and long-term stability. During, FY 2026, current liabilities of the Company have decreased significantly mainly due to decline in short term borrowings as a result of full repayment of Export Refinance Facility and Payment of super tax for all tax years upto 2025.

The Company’s shareholders’ equity has continued to be firmer, underpinned by higher profitability. This consistent increase reflects the strong financial position of the Company and its capability to transform earnings into long-term shareholder wealth.

Statement of Profit or Loss

The Company has achieved consistent revenue growth over the years, driven mainly by improved cement prices as well as increased export volume. However, FY 2026, represents a slight decline in turnover due to lower local retention and export volume as a result of closure of Afghan border since October 2025.

Over the years, the Company has consistently strengthened its gross margins through effective cost control measures and optimum utilization of resources. However, in FY 2026, gross margins declined slightly, primarily due to lower selling prices and higher input costs arising from inflationary pressures. The decline in gross margins also impacted the Company’s operating and net profit margins.

Statement of Cashflows

- **Operating activities:** Operating activities play a crucial role in ensuring strong cash flow each year, serving as the main source of internally generated funds. The company not only demonstrates consistent positive cash flows from its operations but also has a promising opportunity to further enhance these cash flows in the future. This solid foundation positions the company well for ongoing financial growth and stability.
- **Investing activities:** reflect the company’s strong commitment to capital expenditures over the year, particularly in renewable energy, EV dumpers, and process automation, which support long-term sustainable growth and enhance value for stakeholders. It’s noteworthy that 2022 saw the highest relative investment at Rs. 3.506 billion, underscoring the company’s dedication to future-focused initiatives.
- **Financing activities:** while negative over the years, indicate a strategic approach to returning value to shareholders through consistent dividend payouts. The robust cash generation from operations has positioned the company to thrive without needing external financing. The most significant relative outflows occurred in 2024 Rs. 8.828 billion, followed closely by 2023 Rs. 6.598 billion and 2021 Rs. 3.989 billion, primarily due to dividends and repayment of loans.

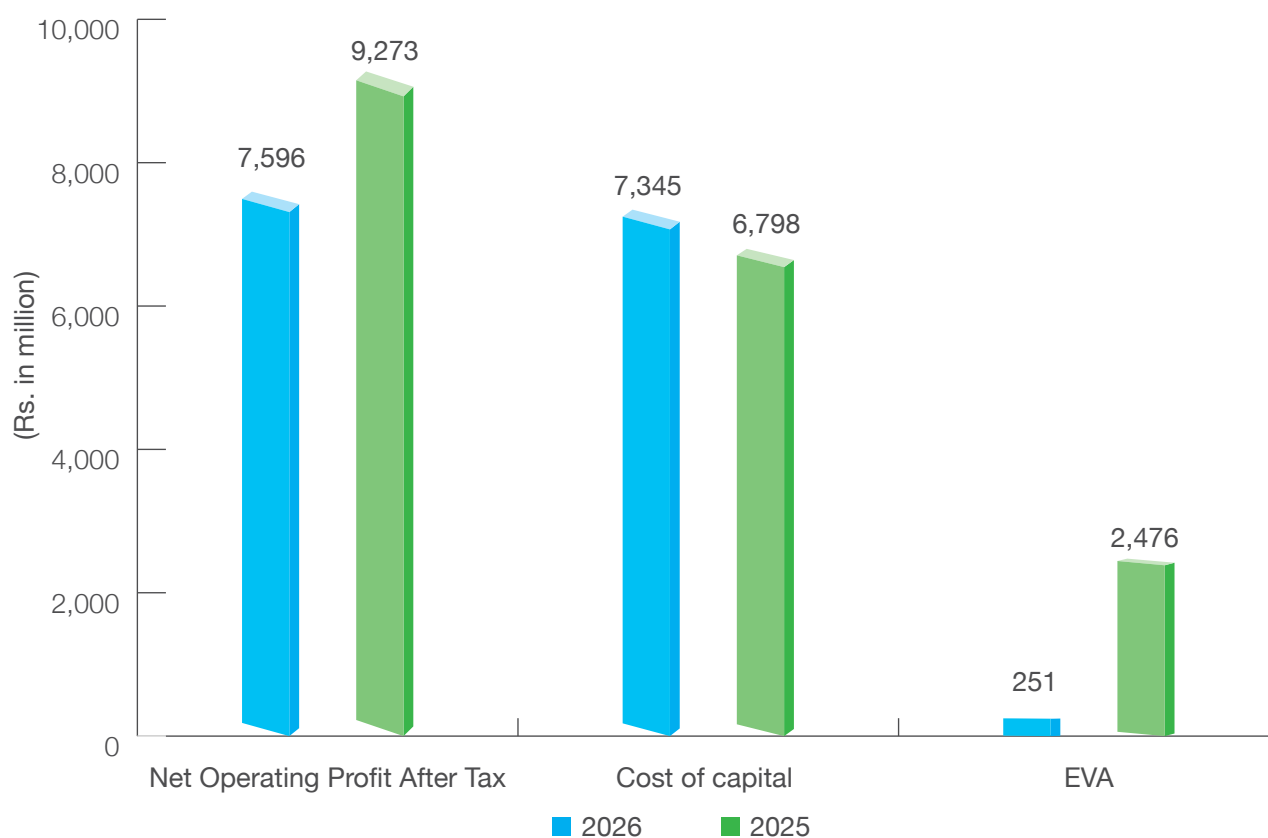
ECONOMIC VALUE ADDED

	2026	2025
	-----Rs. in 000-----	
Net Operating Profit After Tax	7,596,178	9,273,131
Cost of capital	(7,345,209)	(6,797,586)
Economic Value Added	250,969	2,475,545

COMMENTS ON ECONOMIC VALUE ADDED

Economic Value Added (EVA) serves as a key measure of the company's performance and management effectiveness. During the year, Economic Value Added (EVA) remained positive at Rs. 251 million, reflecting the Company's continued ability to create value above its cost of capital. While EVA moderated during the year due to lower NOPAT and higher invested capital, the cost of capital (%) decreased in line with the change in debt equity ratio. The positive EVA demonstrates the Company's continued focus on operational efficiency, disciplined capital management and sustainable value creation for shareholders.

GRAPHICAL PRESENTATION OF ECONOMIC VALUE ADDED



FREE CASH FLOW

	2026	2025	2024	2023	2022	2021
	-----Rs. in 000-----					
Profit / (loss) before taxation	11,299,670	12,886,861	9,228,080	7,272,029	6,828,725	4,337,218
Adjustment for non-cash items						
Depreciation	1,782,119	1,738,630	1,763,274	1,618,654	1,630,968	1,680,349
Amortisation	67,744	67,538	67,486	2,739	2,509	2,594
Gain on disposal of operating property, plant and equipment	(87,512)	(157,078)	(17,847)	(5,452)	(7,646)	(5,065)
Finance costs	341,610	591,775	1,381,082	1,914,170	1,358,874	1,524,177
Interest income on financial asset	(22,418)	(45,044)	(7,709)	(8,716)	(9,629)	(9,280)
Reversal of Impairment loss	-	-	-	-	(76,000)	-
Effects of discounting	(109,997)	-	-	-	-	-
Exchange (gain) / loss	10	(1,170)	(119)	(112)	(27)	5,925
Share of (profit) / loss from joint venture	4,354	329	(264)	(7,060)	(26)	(31)
Dividend income	(10,820)	(16,229)	(10,820)	(8,119)	(26,352)	(34,833)
	1,965,090	2,178,751	3,175,083	3,506,104	2,872,671	3,163,836
Working capital changes	(7,108,864)	(3,193,499)	698,251	(877,265)	(3,595,161)	(614,924)
Net cash generated from operating activities	6,155,896	11,872,113	13,101,414	9,900,868	6,106,235	6,886,130
Capital expenditure	(1,946,026)	(1,447,147)	(1,778,356)	(2,813,956)	(3,551,131)	(1,924,518)
Free cash flows to the firm	4,209,870	10,424,966	11,323,059	7,086,912	2,555,104	4,961,612
Net borrowing (repaid) / raised	(2,906,652)	579,982	(6,188,246)	(3,679,899)	(1,467,907)	(2,944,396)
Interest payment	(383,101)	(693,852)	(1,738,588)	(2,060,275)	(1,295,126)	(1,771,487)
Free Cash Flows to Equity holders	920,117	10,311,096	3,396,225	1,346,738	(207,929)	245,729

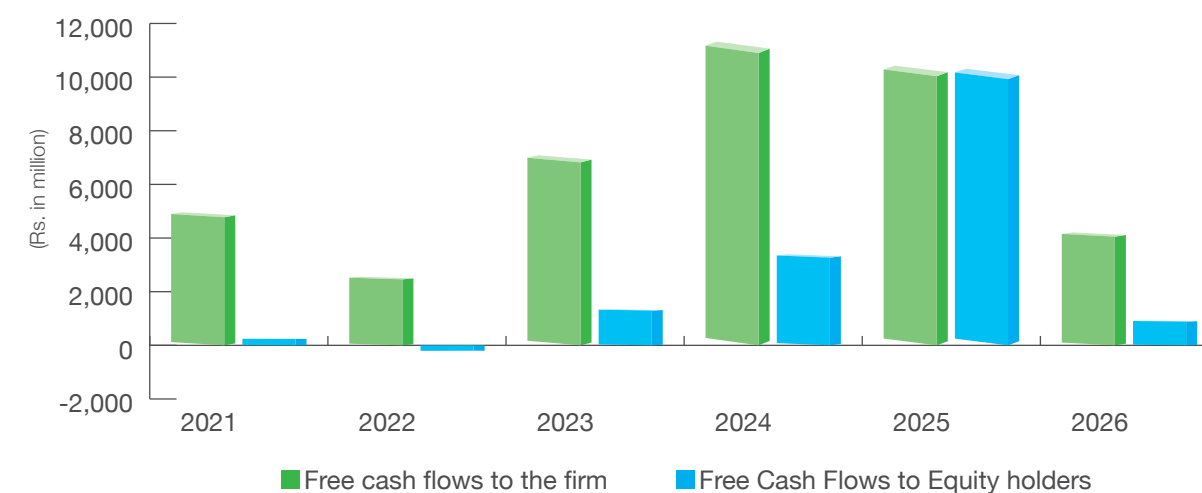
Comments on Free Cash Flow to the Firm

Free Cash Flow to the Firm (FCFF) reflects the cash generated from the Company's operations and available for distribution after meeting operational and day-to-day requirements. Positive FCFF reflects effective business management and provides capacity for further investment and expansion. The Company remained profitable, reflecting improved overall performance. However, FCFF declined significantly during the current year, mainly due to increase in working capital requirements.

Comments on Free Cash Flow to the Equity Holders

Free Cash Flow to Equity holders (FCFE) represents the amount of cash available to the company's equity investors. With the company's growth, FCFE has decreased significantly during the year because of the surged in working capital requirement and repayment of ERF amounting to Rs. 2,535 million during the year.

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



SUMMARY OF CASH FLOWS STATEMENT - SIX YEARS

	2026	2025	2024	2023	2022	2021
			(Rupees in million)			
Summary of Cash Flows						
Net cash generated from operating activities	6,156	11,872	13,101	9,901	6,106	6,886
Net cash used in investing activities	(1,802)	(1,190)	(1,797)	(2,706)	(3,506)	(1,872)
Net cash (used in) / generated from financing activities	(1,804)	(2,007)	(8,828)	(6,598)	(3,008)	(3,989)
Change in cash and cash equivalents	2,550	8,675	2,476	596	(408)	1,025
Cash and cash equivalents - at year end	12,288	9,738	1,063	(1,413)	(2,009)	(1,604)

COMMENTS ON STATEMENT OF CASH FLOWS

The Company has consistently generated robust cash flows from operating activities, underpinned by healthy revenue generation and prudent working capital management. However, during FY 2026, operating cash flows declined compared to the previous year, primarily due to decline in operating profits along with two major payments made during the year i.e. payment of Super tax for all tax years up to 2025 and full re-payment of ERF loan on account of lack of export performance due to closure of Pak-Afghan border since October 2025.

Over the years, the Company has invested in the BMR of Line-I, Solar Power Projects and the acquisition of land and mining leases at D.I. Khan. During the year, the Company further strengthened its operational and infrastructure capabilities through the operationalization of EV dumpers for raw material transportation and other maintenance & efficiency CAPEX.

Throughout these years, the Company has obtained subsidized financing for plant CAPEX and Solar enhancement. Based on the positive operating cashflows, the Company has made timely and early principal repayments of long term financing in order to improve the financial position and reduce the finance cost and leverage.

Overall, the Company maintained a strong liquidity position in FY 2026 through prudent financial resource management and disciplined investment in non-current assets, despite making afore mentioned outflows. The Company's ability to navigate challenging economic conditions while maintaining financial stability reflects its resilience and sound financial management. Furthermore, the Company has also repaid its expensive loans with respect to expansion projects by FY 2024. Consequently, improved profitability and disciplined capital allocation contributed to a significant increase in cash and cash equivalents as at the year end of FY 2026.

Summary of Cash flows



STATEMENT OF CASH FLOWS - DIRECT METHOD

	2026	2025
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	56,831,800	54,571,104
Cash paid to suppliers and employees	(26,323,624)	(23,555,640)
Cash generated from operations	30,508,176	31,015,464
Income tax and levy paid	(6,306,403)	(2,580,239)
Indirect Taxes	(17,889,859)	(16,452,335)
Gratuity paid	(113,000)	(122,000)
Sindh Infrastructure Development Cess (SIDC)	(51,256)	-
Long-term loans and deposits - net	8,238	11,223
Net cash generated from operating activities	6,155,896	11,872,113

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(1,946,027)	(1,447,147)
Interest income received	17,028	38,438
Proceeds from disposals of operating property, plant and equipment	126,050	202,091
Dividend received	10,820	16,229
Investment made during the year	(10,000)	-
Net cash used in investing activities	(1,802,129)	(1,190,389)

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing - net	(350,367)	(245,302)
Lease rentals paid	(20,722)	(15,642)
Dividend paid	(1,049,932)	(1,051,803)
Finance costs paid	(383,101)	(693,852)
Net cash used in financing activities	(1,804,122)	(2,006,599)
Net increase in cash and cash equivalents	2,549,645	8,675,125
Cash and cash equivalents as at the beginning of the year	9,737,997	1,062,872
Cash and cash equivalents as at the end of the year	12,287,642	9,737,997

DUPONT ANALYSIS

Year	Net Profit Margin (Net profit / Sales)	Asset Turnover (Sales / Total Assets)	Financial Leverage (Total Assets / Total Equity)	ROE
	A (%)	B (Times)	C (Ratio)	A X B X C
2021	12.71%	0.74	2.52	23.58%
2022	13.89%	0.83	2.23	25.73%
2023	11.78%	0.95	1.88	21.09%
2024	14.31%	0.94	1.61	21.53%
2025	22.96%	0.75	1.52	26.06%
2026	19.88%	0.70	1.32	18.42%

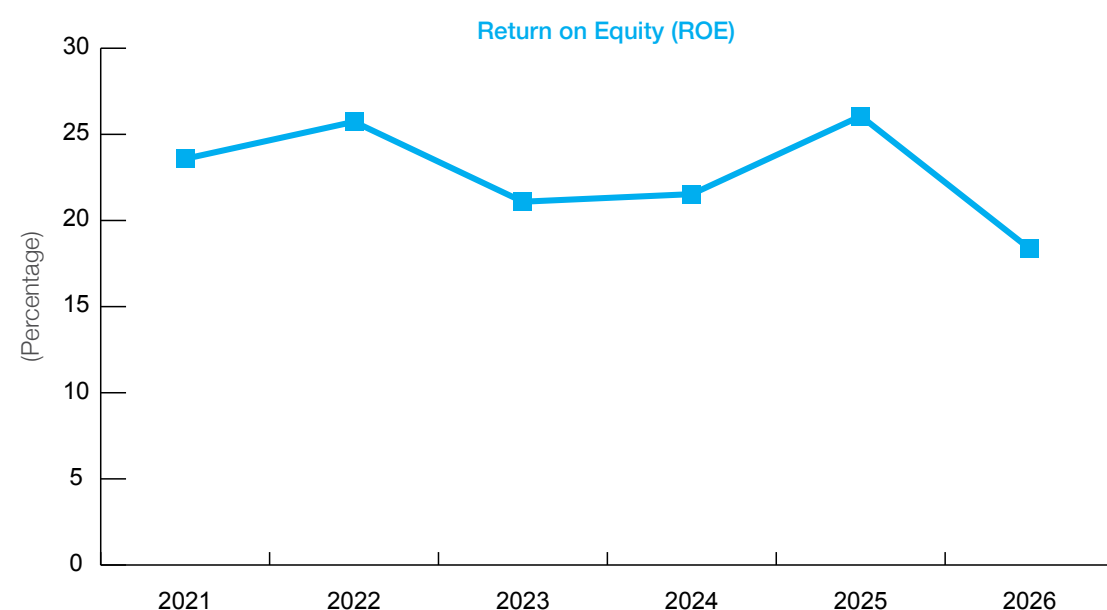
Comments on Dupont Analysis

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

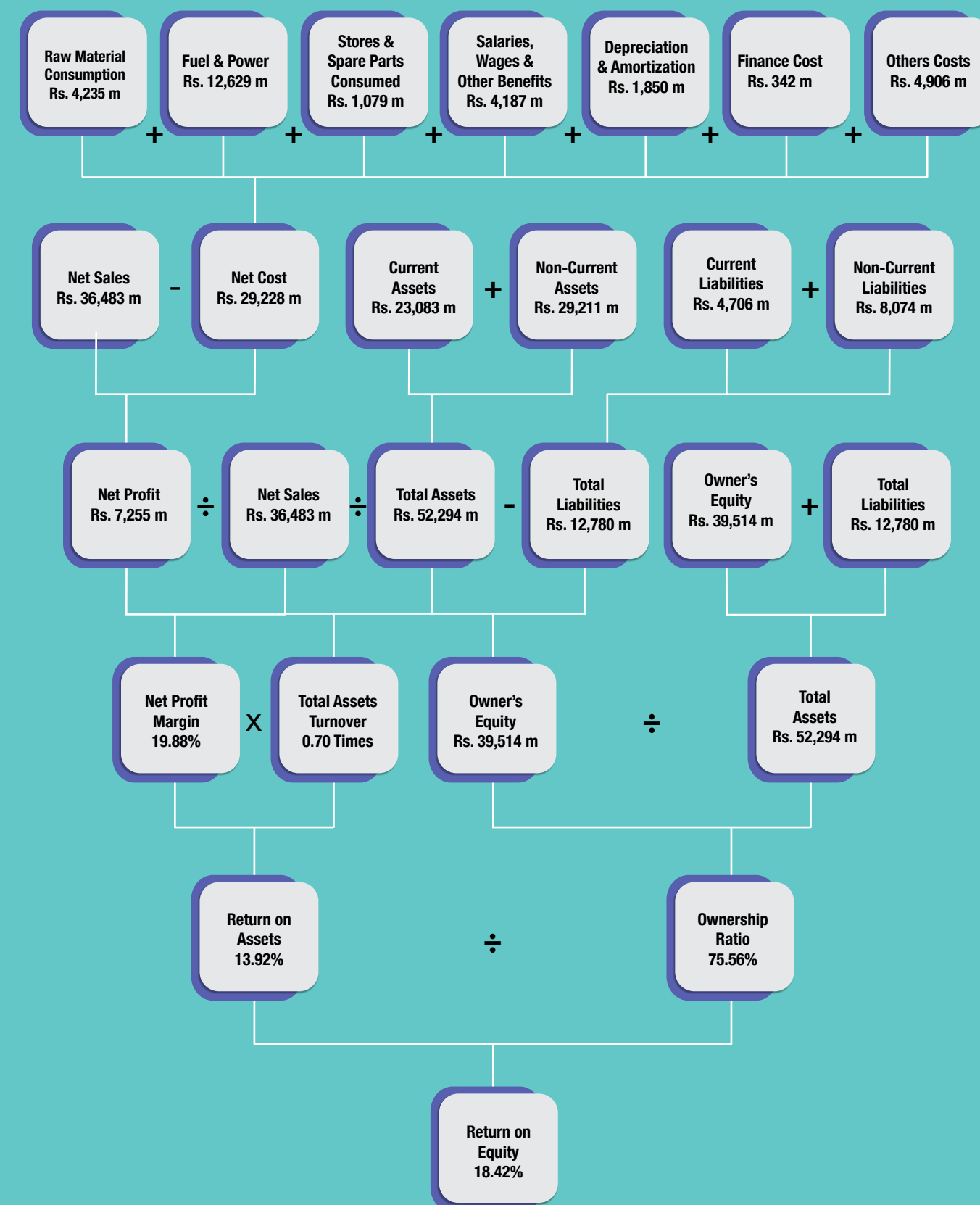
- Net Profit Margin:** Net Profit Margin adjusted from a record 22.96% to 19.88%. While lower cement retention and Pak-Afghan border closures impacted top-line revenues, cost savings from renewable solar energy adoption and optimized fuel and power mixes support profit margins.
- Asset Turnover Ratio:** Asset turnover declined steadily from 0.95 (2023) to 0.70 (2026), reflecting underutilized asset capacity during periods of sluggish domestic demand and border dispatches.
- Financial Leverage Ratio:** Financial leverage reduced drastically from 2.52 (2021) down to 1.32 (2026). The company has systematically lowered its debt exposure, relying primarily on operational cash flows to fund working capital and capital expenditure.

Conclusion:

In 2026, following a peak of 26.06% in FY 2025, ROE dropped to 18.42% in FY 2026. This was driven by declines across all three DuPont levers (Margin down 3.08%, Asset Turnover down 0.05x, and Financial Leverage down 0.20x).



DUPONT CHART

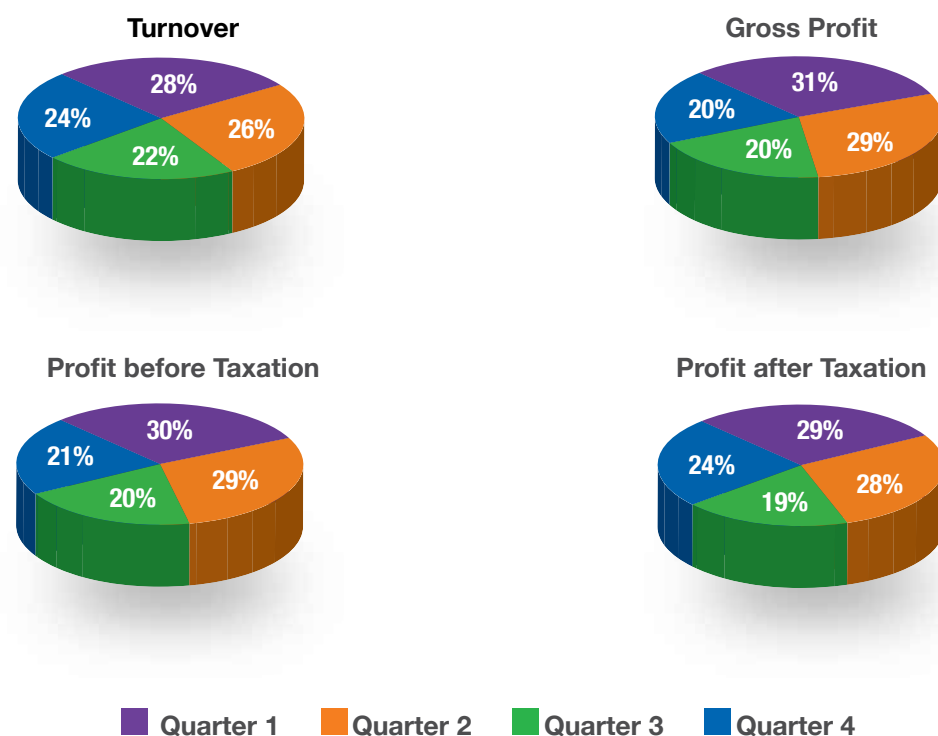


QUARTERLY PERFORMANCE ANALYSIS

For the Year ended June 30, 2026

	Sep 30, 2025	Dec 31, 2025	Mar 31, 2026	Jun 30, 2026	Jun 30, 2026
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year ended
----- Rs. In '000 -----					
Turnover – net	10,285,283	9,420,382	7,884,370	8,892,773	36,482,808
Cost of sales	(6,547,582)	(5,999,860)	(5,440,000)	(6,452,332)	(24,439,774)
Gross profit	3,737,701	3,420,522	2,444,370	2,440,441	12,043,034
Distribution costs	(216,839)	(226,098)	(216,298)	(251,813)	(911,048)
Administrative expenses	(165,771)	(164,909)	(167,610)	(190,720)	(689,010)
Other expenses	(193,493)	(185,471)	(142,515)	(47,322)	(568,801)
	(576,103)	(576,478)	(526,423)	(489,855)	(2,168,859)
Other income	347,601	465,152	446,857	507,495	1,767,105
Operating profit	3,509,199	3,309,196	2,364,804	2,458,081	11,641,280
Finance costs	(94,930)	(101,974)	(81,255)	(63,451)	(341,610)
Profit before taxation	3,414,269	3,207,222	2,283,549	2,394,630	11,299,670
Taxation	(1,318,773)	(1,192,353)	(876,289)	(657,687)	(4,045,102)
Profit after taxation	2,095,496	2,014,869	1,407,260	1,736,943	7,254,568

GRAPHICAL PRESENTATION OF QUARTERLY PERFORMANCE ANALYSIS



COMMENTS ON QUARTERLY PERFORMANCE ANALYSIS

QUARTER 1

Sales: Revenue for the first quarter increased compared to the last quarter of the financial year 2025, primarily driven by higher dispatches.

Cost of Sales: Cost of sales declined, primarily driven by operational efficiencies and use of optimized energy mix.

Operating Profit: Operating profit has increased primarily due to increase in gross margins and better absorption of fixed costs due to improved quantity.

Net profit: In line to the reasons mentioned above, the Company's net profit also increased compared to the previous quarter.

QUARTER 3

Sales: In the third quarter, revenue decreased due to declined in Cement despatches significantly, primarily due to the winter season.

Cost of Sales: Cost of sales decrease due to lower clinker and cement production.

Operating Profit: Operating profit declined, primarily due to impact of lower sales.

Net Profit: Decrease in net profit aligns with reduced operating profit.

QUARTER 2

Sales: Revenue declined primarily due to decline in export sales, following the closure of the Afghan border.

Cost of Sales: Cost of sales decreased due to lower Clinker and Cement production.

Operating Profit: Operating profit decreased, primarily due to decrease in export sales quantity.

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

QUARTER 4

Sales: Revenue in the fourth quarter increased, primarily driven by an increase in average sales prices and Cement despatches.

Cost of Sales: Cost of sales increased, mainly due to the inflationary pressures on energy and others costs arose in result of US-Iran conflict.

Operating Profit: Operating profit increased in last quarter due to higher Cement dispatches and increase in other income.

Net Profit: The Company's net profit increased due to the reasons mentioned above, with an additional deferred tax benefit, following the reduction in the Super tax rate under the Finance Act, 2026.



CHANGE IN INDICATORS AND PERFORMANCE MEASURES

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

Market Share:

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

Financial Leverage:

The Company maintains a disciplined and proactive approach to managing its financial leverage, ensuring that its capital structure remains aligned with its financing requirements and long-term growth strategy. The Company continues to explore cost-effective financing opportunities through active engagement and negotiations with financial institutions.

Following the significant capital investments undertaken in recent years, including expansion projects and investments in renewable and alternative energy initiatives, the Company's leverage had increased. However, continued debt repayments and a strong equity base have substantially strengthened

its capital structure. During the current year, the long-term debt-to-equity ratio further improved to approximately 9%, compared with 11% in the previous year, reflecting the continued reduction in long-term and short term borrowings.

The Company's overall leverage remains low, with total borrowings representing only a modest proportion of shareholders' equity. Furthermore, substantial short-term investments provide additional financial flexibility and strengthen the Company's capacity to meet its obligations and capitalize on future investment opportunities. The current debt position reflects a prudent balance between maintaining financial strength and preserving the capacity to utilize external financing for value-accretive projects when appropriate.

Variable Cost per unit:

The Company has installed modern and efficient plant in order to reduce the rising cost of fuel and power cost. Furthermore, the Company has also optimized its raw material mix in order to reduce the fuel cost. The Company also ensure efficient procurement of local and imported coal, which has substantially contributed to reduce fuel cost. The Company has continuously invested in green energy projects such as Solar and WHRs. Through these initiatives, the Company has successfully lowered its variable costs during the last few years.

Fixed Cost per unit:

During the year, lower dispatch volumes led to an increase in fixed cost per unit. The Company remains focused on optimizing sales, driving operational efficiencies, and implementing cost-control initiatives to reduce fixed cost per unit going forward.

EXPLANATION OF NEGATIVE CHANGES IN PERFORMANCE

Pakistan's economy showed signs of recovery during FY 2026, with real GDP growth increasing to 3.7%, compared with 3.18% in FY 2025. The improvement was supported by better economic stability, stronger fiscal management, exchange rate stability, and continued reforms under the IMF's Extended Fund Facility (EFF) program. The economy also benefited from improved performance in manufacturing and agriculture. Earlier tight monetary policy and fiscal discipline also helped improve overall economic stability. During the year, local dispatches of the Company increased by 9% and export sales to Afghanistan decreased by 57%. On an aggregate basis, the cement dispatches of the Company reduced by 2% from last year. There has been a 4% decrease in the sales revenue over the preceding year. This was mainly due to the decrease in the overall retention, but to extent

supported by the increase in local cement demand. During the year, the cost of sales increased by 2% mainly due to There was a decrease in finance cost as compared to last year, mainly due to early repayment of commercial loans, full repayment of Export Refinance Facility (ERF) and the improved liquidity led to an increase in the finance income. Despite these challenges, the Company posted the after-tax profit of Rs. 7,255 million for the year ended June 30, 2026.

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

DEBT REPAYMENT

The Company has a strong track record of meeting its debt obligations on time and has, where financially advantageous, opted for early repayments to optimize its capital structure and reduce financing costs. During the year, the Company made scheduled repayments of Rs. 350 million against its TERF and IFRE/RE facilities. Despite challenging economic conditions including closure of Pak-Afghan border, the Company generated robust cash flows, reflecting its sound financial position and strong capacity to meet its obligations while preserving financial flexibility.

The Company has no history of default in respect of any of its financial obligations.

SEGMENTAL VIEW OF BUSINESS PERFORMANCE

The financial statements have been prepared based on a single operating segment. However, the Company has been maintaining its books of accounts line wise. Break up of local and export sales is given in the Director's Report.

MARKET SHARE DISCLOSURE

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

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

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

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



SHARE PRICE SENSITIVITY ANALYSIS

Share prices in the Pakistan stock market move due to various internal and external factors such as the company's performance, general market sentiments, economic events, interest rates, exchange rate, commodity prices etc. Being a responsible and law-compliant company, Cherat Cement circulates price-sensitive information to the Pakistan Stock Exchange (PSX) promptly according to the requirements of the PSX Rulebook. During the current year, Cherat's share price peaked at Rs. 372.21 while the lowest recorded price was Rs 231.5 with a closing price of Rs. 345.93 at the end of the year.

Selling Price:

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

Company's performance:

The company reported an operating profit for the year of PKR 11,641 million with significant decrease in finance cost as compared to last year. The overall sales volume of the Company decreased by 2%, in which local sales increased by 9% whereas export volume declined by 57% (due to closure of Pak-Afghan border) as compared to last year. The financial performance declined marginally due to increase in input cost as a result of inflationary pressure owing to US-Iran war and reduction in selling price, which affected the operating results of the company.

Energy Costs:

The Company's operations are energy-intensive, with energy costs constituting a significant proportion of overall manufacturing costs. Accordingly, fluctuations in coal and electricity prices have a direct impact on product pricing and profitability. During 2026, the operational deployment of EV dumpers, efficient coal procurement, optimization of the coal mix, and implementation of various energy and operational efficiency initiatives contributed positively to the Company's operational performance and profitability. Furthermore, during the year, work commenced on the installation of an additional 5 MW solar power plant, while the Board also approved a 25 MW Battery Energy Storage System (BESS). These initiatives reflect the Company's continued commitment to enhancing energy efficiency, reducing its reliance on conventional energy sources, and advancing its transition towards cleaner and greener energy solutions.

Government Policies and Regulations:

The policies adopted and regulations promulgated by the Government have a direct association with share prices. Any policy that will result in increased demand, improved tax rates, reduced production costs, and a better economic environment may positively influence the share price. Whereas the policies that create hindrances for the cement industry and for the overall business environment will adversely impact the share price. We have observed no significant devaluation in PKR while the overall reserve of State Bank of Pakistan has improved significantly. However, petroleum prices remain uncertain due to increase in US-Iran conflict.

Law and Order:

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

Exchange Rate

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

Economic Conditions:

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

Investor Sentiments:

The share price of the Company is also open to the volatility of investor sentiments or confidence in the stock market and macroeconomic conditions. In a strong stock market, the investors' confidence is growing and so as the share prices. Whereas in a weak stock market investors' sentiments are negative so do the share prices. The stock market's strength is closely associated with economic conditions.

Sensitivity Analysis of Change in Market Capitalization

Share Price as of 30 June 2026 Rs. 345.93

Market Capitalization as of 30 June 2026 Rs. 67,212,482,495

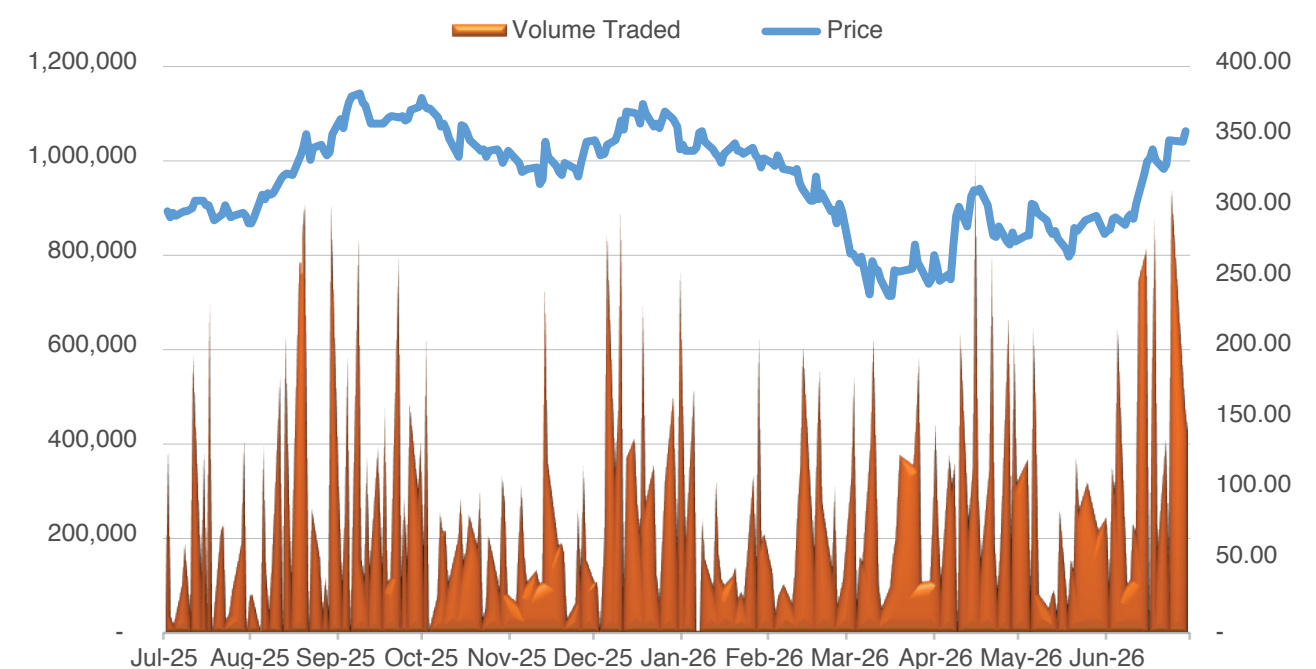
Change in Share Price by Change in Market Capitalization

+10% Rs. 6,721,248,250

- 10% Rs. (6,721,248,250)

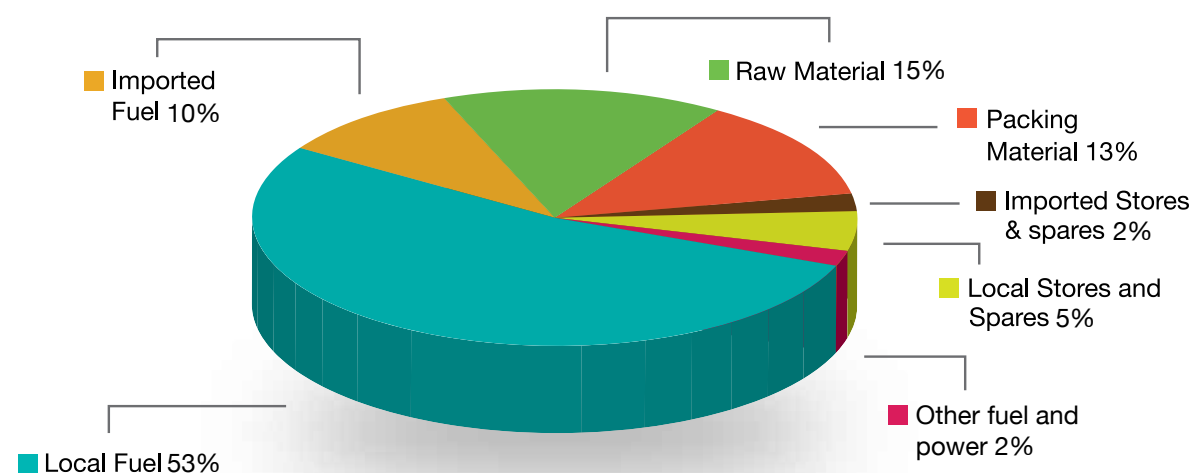
Share Prices - Trend v /s Volume Traded

Source: Pakistan



COMPOSITION OF LOCAL & IMPORTED MATERIAL AND SENSITIVITY ANALYSIS DUE TO FOREIGN CURRENCY FLUCTUATIONS.

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



Fluctuation in Exchange rate by 10%	Fluctuation in Exchange rate by 20%
1.2	2.4

Increase/ Decrease in Cost of Sales (%)

1.2

2.4

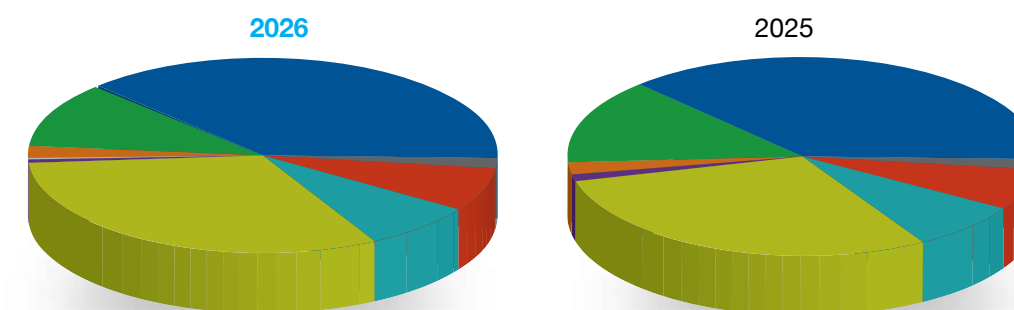
Cherat Cement uses a combination of local and imported coal for the production of cement. The largest cost component is consumption of local Coal.

The cost of Sales of the Company will increase/decrease by 1.2% and 2.4% in case of foreign currency fluctuation by 10% and 20% respectively.

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

STATEMENT OF VALUE ADDITION AND DISTRIBUTION OF WEALTH

	2026		2025	
	(Rupees in '000)	%	(Rupees in '000)	%
Wealth Generated				
Turnover (including sales tax & FED)	54,372,667	96.85	54,263,141	97.16
Other operating income	1,767,105	3.15	1,588,443	2.84
	56,139,772	100.00	55,851,584	100.00
Distribution of Wealth				
Cost of sales (excluding employees' remuneration)	21,308,087	37.96	21,035,680	37.66
Selling & Administrative expenses (excluding employees' remuneration)	847,357	1.51	896,450	1.61
Employees' as remuneration	4,187,005	7.46	3,731,102	6.68
Government as direct taxes (including workers' welfare fund)	4,232,115	7.54	4,406,388	7.89
Government as Indirect taxes & FED	17,889,859	31.87	16,452,335	29.46
Providers of finance as financial charges	341,610	0.61	591,775	1.06
Society as donations	79,171	0.14	56,498	0.10
Shareholders as dividend	1,068,623	1.90	1,068,623	1.91
Retained / (absorbed) within the business	6,185,945	11.02	7,612,733	13.63
	56,139,772	100.00	55,851,584	100.00

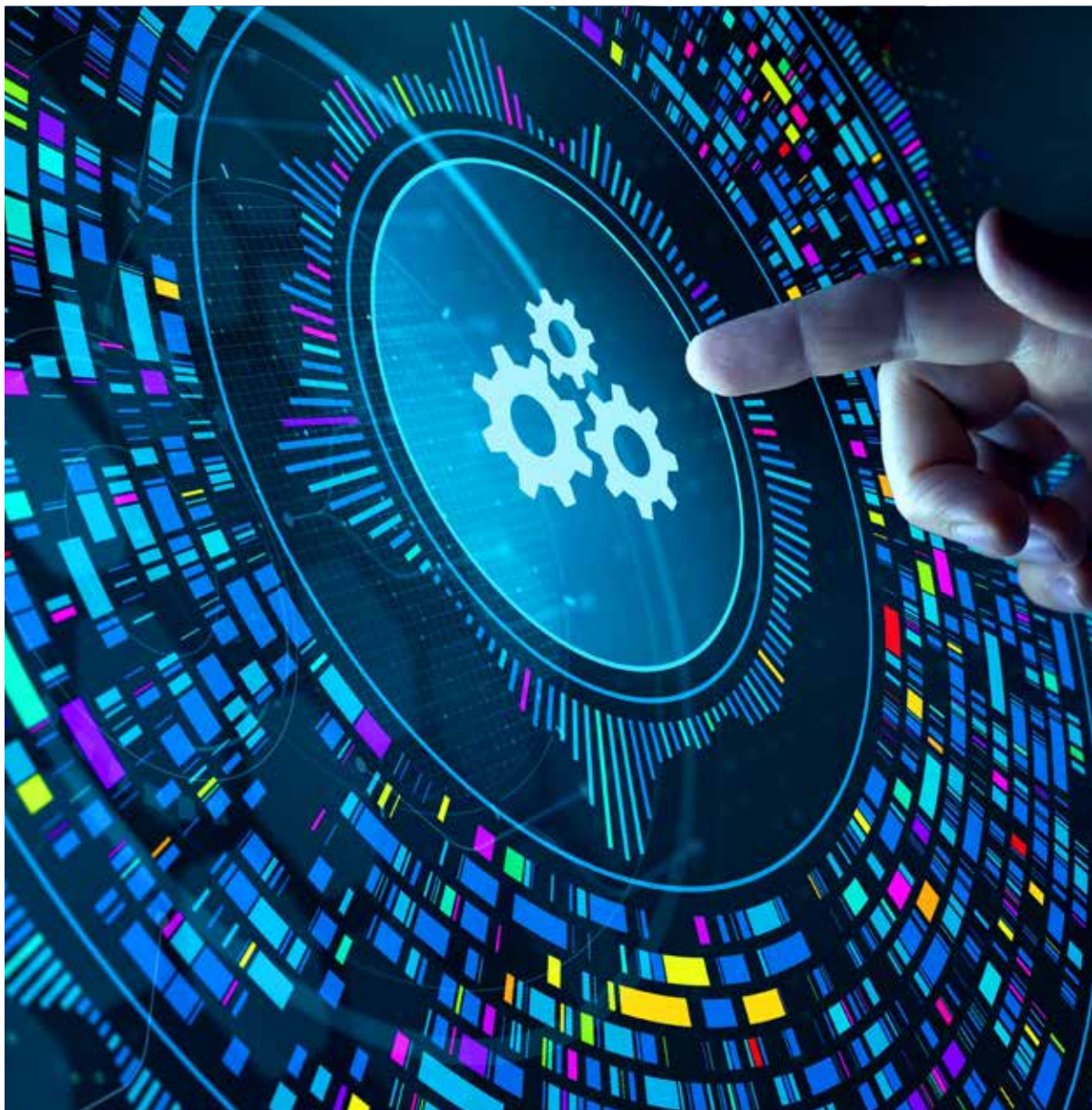


	2026	2025
Cost of sales (excluding employees' remuneration)	37.96	37.66
Selling & Administrative expenses ((excluding employees' remuneration)	1.51	1.61
Employees' as remuneration	7.46	6.68
Government as direct taxes (including workers' welfare fund)	7.54	7.89
Government as Indirect taxes & FED	31.87	29.46
Providers of finance as financial charges	0.61	1.06
Society as donations	0.14	0.10
Shareholders as dividend	1.90	1.91
Retained / (absorbed) within the business	11.02	13.63

07

BUSINESS MODEL

236 Creating Value Through our Business Model
238 Our Business model



CREATING VALUE THROUGH OUR BUSINESS MODEL

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

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

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

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

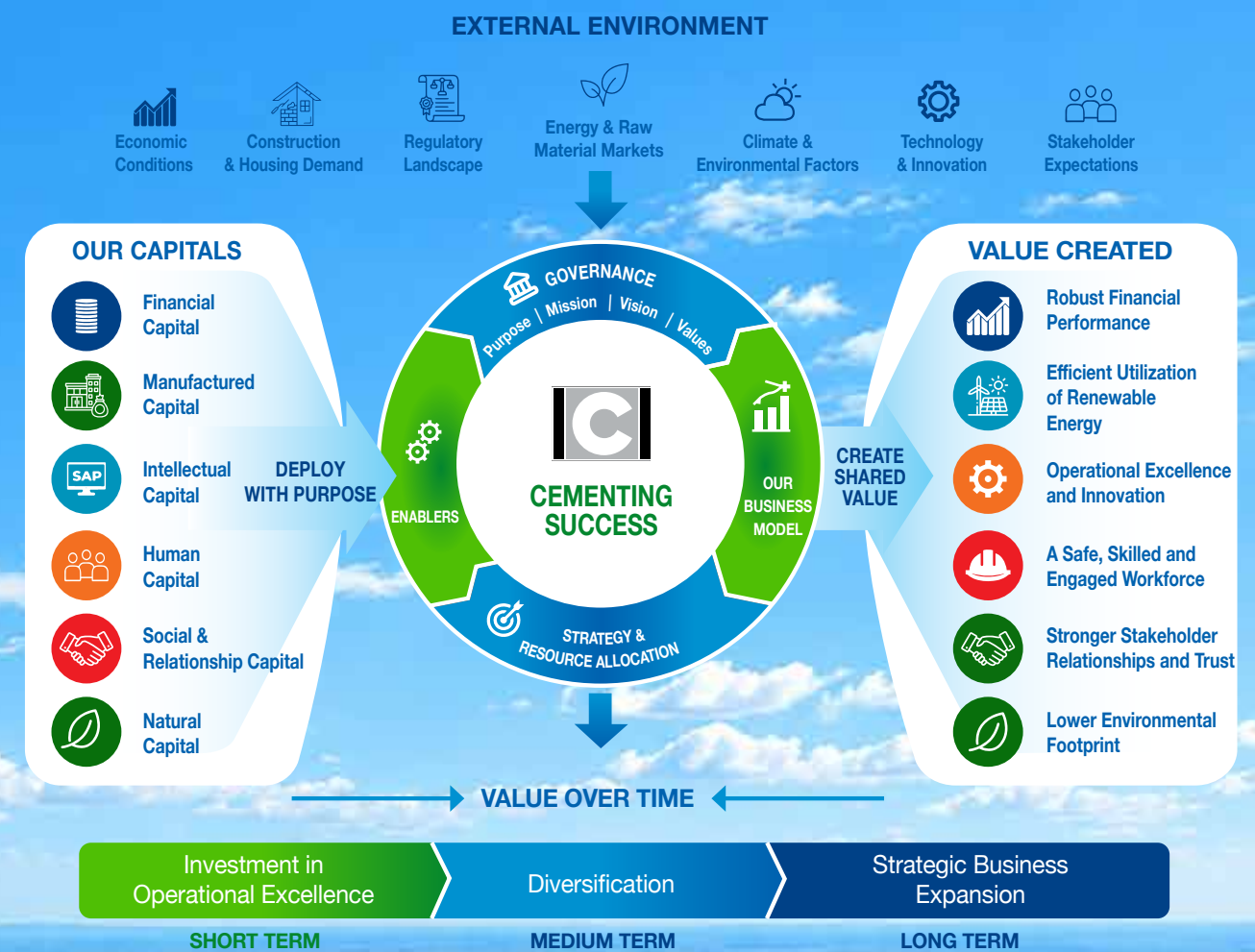
Intellectual Capital
Our ERP and business process management system, SAP S/4 HANA, along with best-in-class systems and procedures, drive efficiency and control.

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

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

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

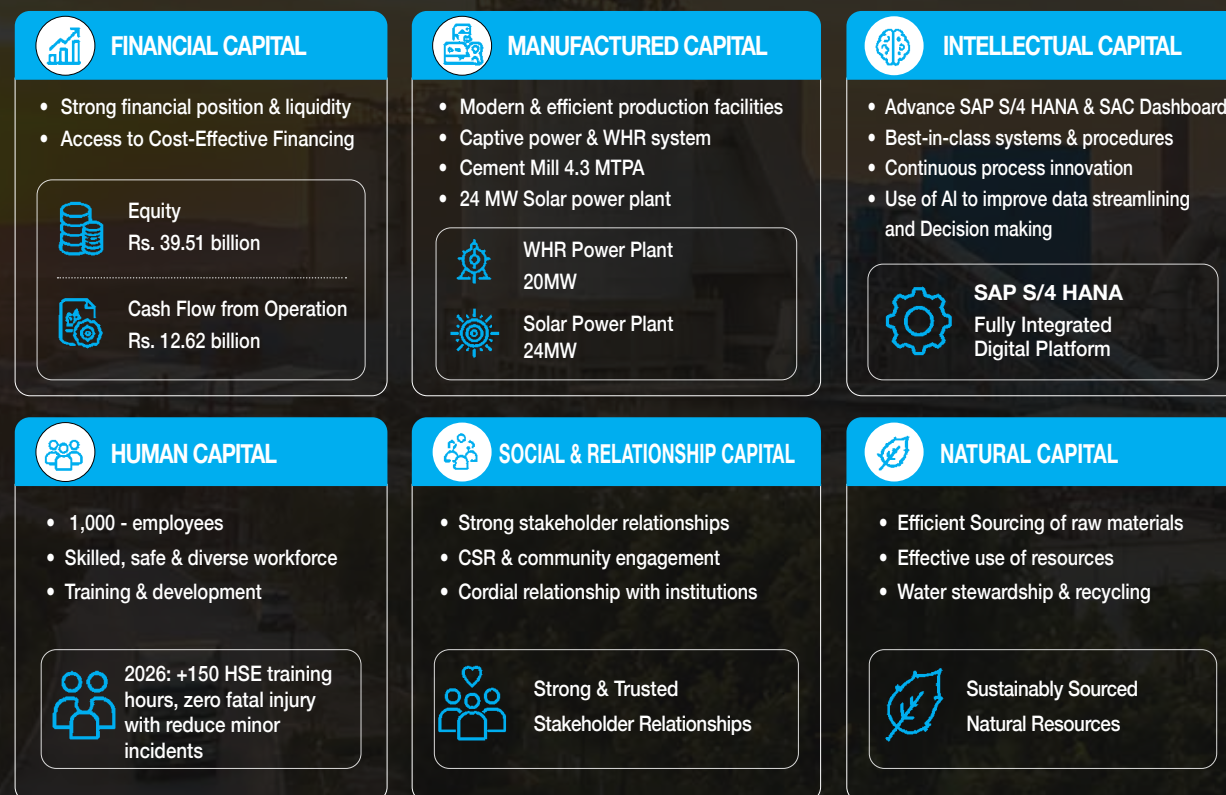
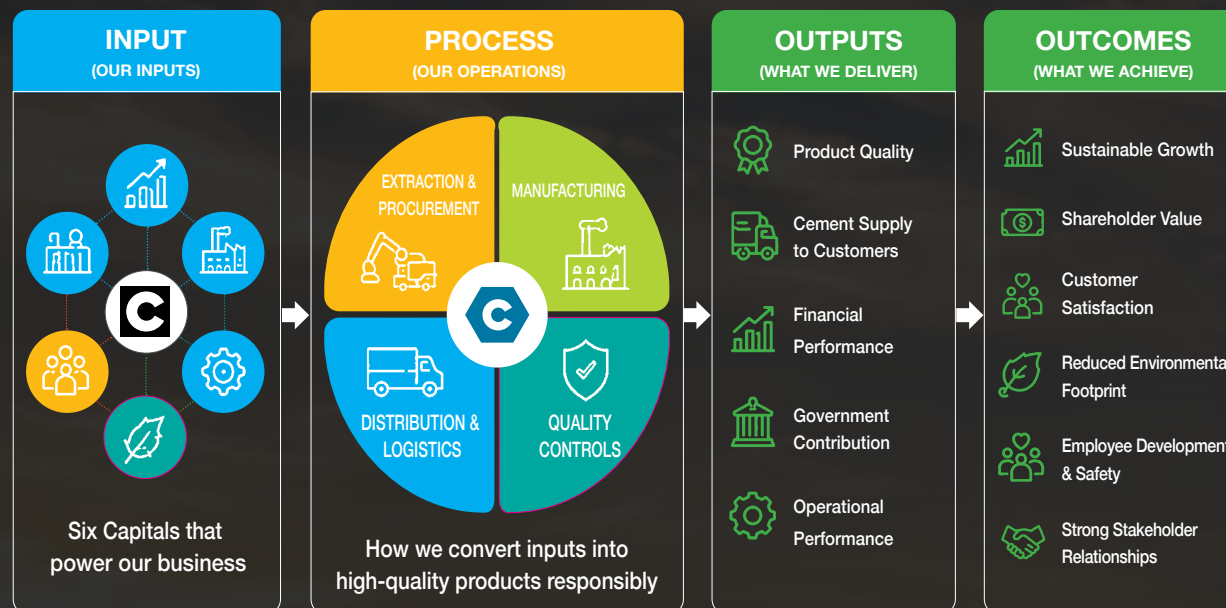
The Company's business model remained unchanged during the year; however, efforts are underway to optimize costs through improved process efficiency, including expansion of renewable energy capacity adoption of electric dumpers in quarry operations, AI assisted decision making and extensive use of SAP S/4 HANA and Success factor (SF)



OUR BUSINESS MODEL

Creating Value Today. Building a Sustainable Tomorrow.

Our business model shows how we convert our strong input base through responsible operations into superior performance and long-term value for all our stakeholders.



PROCESS (OUR OPERATIONS)

Our integrated operations and advanced technology enable us to convert resources into high-quality products efficiently and responsibly.

OUR OPERATIONS CYCLE



ENABLERS DRIVING OUR OPERATIONS

- Operational Excellence
- Innovation & Technology
- Resource Efficiency
- People Safety & Wellbeing
- Responsible Sourcing
- ESG & Continuous Improvement

OPERATIONAL & TECHNOLOGY ENABLERS

- Advanced SAP S/4 HANA end-to-end digitalization and data-driven decisions
- Captive Power Plant reliable and cost efficient energy
- Efficient supply chain management
- Modern & efficient plant, equipment and system
- Integrated ERP for seamless operations
- Waste Heat Recovery (WHR) system for energy efficiency
- Responsible sourcing of raw materials
- Cement Mill & advanced process control
- Use of AI assistance for Operational effectiveness & innovation
- 24 MW Solar Power Plant clean, renewable energy
- Water recycling and efficient usage
- Environment-friendly operations

OUTPUTS & OUTCOMES (WHAT WE DELIVER & WHAT WE ACHIEVE)



08

DISCLOSURES ON IT GOVERNANCE AND CYBERSECURITY



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THE BOARD RESPONSIBILITY STATEMENT ON CYBERSECURITY RISK AND BREACH MANAGEMENT AND AI STRATEGY OF THE COMPANY

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

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

Cyber Risk Evaluation and Management

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

AI Strategy and Digital Transformation

The Committee oversees AI strategy and digital transformation initiatives, including SAP S/4HANA, SAP SuccessFactors, automation, and data analytics, to improve operational efficiency and data-driven decision-making. Future initiatives will focus on AI-enabled automation, predictive analytics, and intelligent business solutions, while ensuring appropriate governance, data privacy, cybersecurity, and regulatory compliance.

Legal and Regulatory Compliance

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

Oversight of Cybersecurity Policies and Procedures

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

Breach Response and Communication

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

Continual Improvement and Reporting

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



IT GOVERNANCE POLICY

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

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

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



IT SECURITY POLICY

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

Policy

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

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

Standards

To support compliance with this Policy, the Company implements appropriate security practices and controls based on its business and operational requirements. These include measures relating to information protection, data backup and recovery, malware prevention, credential management, and other relevant areas of information security;

- Meeting business requirements for information availability and system functionality.
- Assigning responsibility for information security to a designated officer.
- Ensuring all managers implement the policy within their areas and ensure adherence by their staff.
- Requiring each employee to adhere to the policy.

Industry specific requirements for cybersecurity and strategy

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

BOARD'S RISK OVERSIGHT FUNCTION FOR CYBERSECURITY

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

FORMATION OF GROUP IT STEERING COMMITTEE

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

MANAGEMENT ENGAGEMENT

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

CONTROL AND PROCEDURES FOR CYBERSECURITY EARLY WARNING SYSTEM AND ASSOCIATED RISKS

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

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

Current Measures:

- Security system including network monitoring, next-generation firewalls, web application firewalls, email security gateways, and endpoint extended detection and response (XDR) solutions and newly integrated cyber risk exposure management capabilities.
- A centralized firewall log management and analytics platform that centralizes configurations, events, and alerts, offering advanced threat visualization and actionable insights.
- No material cybersecurity breach occurred during the year

Implementation of Recommendations:

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

INDEPENDENT COMPREHENSIVE SECURITY ASSESSMENT OF TECHNOLOGY ENVIRONMENT

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

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

Assessment Process:

- VAPT Approach:** The IT Steering Committee has instructed the IT teams to conduct Vulnerability Assessment and Penetration Testing (VAPT) of IT assets by a third-party company every two years. As part of this exercise, cybersecurity risk assessments of critical assets will also be performed to provide deeper insight into potential threats and prioritize remediation efforts. This process offers a detailed view of vulnerabilities affecting applications and infrastructure, enabling the IT security team to focus on mitigating high-risk exposures.
- Review and Implementation:** VAPT reports are reviewed by the IT Steering Committee, which was duly assessed in September, 2025 by the third party, leading to the implementation of recommended patches and revalidation by third-party providers.



CONTINGENCY AND DISASTER RECOVERY PLAN

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

Business Continuity Plan

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

Disaster Recovery Plan and IT Infrastructure

The Company has established a resilient IT infrastructure supported by a comprehensive Disaster Recovery (DR) framework to ensure continuity of business operations under all circumstances. Core business functions are operated on RISE with SAP, hosted in the cloud with both Primary and Disaster Recovery Virtual Private Cloud (VPC) environments. In case the Primary VPC is unavailable, operations can be switched to the DR VPC, ensuring that SAP services and business processes continue without disruption. For non-SAP related applications and data, the Company maintains a co-located production site with a Disaster Recovery site at the Karachi Head Office. This arrangement provides system redundancy and enables seamless transition of operations, thereby minimizing downtime and safeguarding critical information assets.

Furthermore, the Company's multi-location presence across Pakistan, supported by a secure remote VPN setup, strengthens operational flexibility and accessibility. This ensures that business processes can continue smoothly from alternate sites or remote locations whenever required. This integrated approach—combining RISE with SAP, co-located infrastructure, secure VPN access, and geographic diversification ensures high levels of resilience, security, and uninterrupted support for the Company's production and business operations.

The Company's manufacturing facility is in Nowshera, Khyber Pakhtunkhwa and is a state-of-the-art construction with its structure being earthquake proof. The building is fire resilient and fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Hence, partial loss would not affect the Company's operations. Moreover, other locations of the Ghulam Faruque Group are available as alternate locations therefore; interruptions, if any, can be managed.

Cyber Insurance

Cybersecurity insurance is an evolving field, with organizations securing such coverage often seen as early adopters. Due to the dynamic nature of cyber risks, cybersecurity policies frequently change, and underwriters have limited historical data to develop risk models for coverage, rates, and premiums.

Cherat Cement Company Limited has an IT equipment insurance policy in place that provides coverage for various technology-related risks. In addition to this insurance, we have implemented a comprehensive Disaster Recovery (DR) and Business Continuity (BC) plan. This plan is designed to address potential incidents such as theft, disasters, and cyberattacks by ensuring that resources are available to restore both data and hardware.

Our IT equipment insurance, combined with our proactive DR and BC strategies, ensures that we are well-prepared to manage and recover from potential disruptions. This integrated approach supports our ability to maintain business operations and swiftly address any IT-related challenges that may arise.

ADVANCEMENT IN DIGITAL TRANSFORMATION

Cherat Cement Company Limited is progressively adopting Fourth Industrial Revolution (Industry 4.0) technologies as part of its digital transformation journey, with the objective of strengthening transparency and governance, creating sustainable value, and enhancing the quality and reliability of internal and external reporting.

Cloud Computing

The Company has transitioned its core ERP environment to a cloud-based platform through the RISE with SAP program, comprising SAP S/4HANA Cloud ERP, infrastructure, migration tools, and managed services. This shift has strengthened governance by centralising system access, audit trails, and version control in a single controlled environment; supported value creation through improved scalability, agility, and reduced infrastructure ownership costs; and improved reporting by enabling real-time data availability across finance, production, and supply chain functions rather than periodic batch reporting.

Data Analytics

SAP Analytics Cloud (SAC) has been deployed to provide interactive dashboards, self-service analytics, and advanced planning capabilities across the organisation. This has enhanced transparency by giving management, at all levels from analysts to executives, real-time visibility into operational and financial performance rather than static, backward-looking reports; supported value creation through faster, evidence-based decision-making on cost, production, and sales-mix optimisation; and strengthened reporting by standardising KPI definitions and reducing manual reconciliation across departments.



Artificial Intelligence (AI)

The Company has adopted a measured, governed approach to AI, with Generative AI tools currently used in selected functions to support research, content development, information analysis, and routine knowledge-based reporting activities. AI adoption is guided by the Group IT Steering Committee under a framework that addresses data privacy, cybersecurity, transparency, and human oversight, ensuring AI is deployed responsibly rather than unsupervised. Currently the Company is using AI in Finance, IT, Supply Chain, Logistic and plant maintenance to improve productivity or turnaround-time and make use of machine learning.

Robotic Process Automation (RPA)

The Company has not yet deployed dedicated RPA tools but is evaluating automation opportunities in transactional finance and reporting processes as part of its broader digital roadmap.

Blockchain

Blockchain technology has been evaluated by the IT Steering Committee and is not currently assessed as offering material application to the Company's operations; the Committee will continue to monitor its relevance as use cases mature in the cement and manufacturing sector.

Cybersecurity as a Digital Transformation Enabler

Recognising that digital transformation requires a secure foundation, the Company has strengthened its cybersecurity posture in parallel through cloud-based Extended Detection and Response (XDR) and Cyber Risk Exposure Management capabilities. These measures directly support governance by ensuring new digital platforms and interconnected systems remain resilient and auditable, and support value creation by protecting the integrity of the data on which analytics- and AI-driven decisions depend.

DISCLOSURE ABOUT EDUCATION AND TRAINING EFFORTS TO MITIGATE CYBERSECURITY RISKS

Cherat Cement Company Limited recognises that its workforce is a critical line of defense against cybersecurity threats, and maintains a structured, year-round education and training programme covering all employees, with additional depth for IT and other high-risk functions

Employee Training

Regular cybersecurity training sessions are provided to all employees. These sessions cover best practices, threat awareness, and safe online behavior to empower our workforce to identify and respond to potential risks.

Specialized Workshops

We conduct specialized workshops for IT personnel and other relevant teams. These workshops delve into more advanced topics such as network security, data encryption, and incident response.

Security Policies Communication

We ensure that all employees are well-informed about our cybersecurity policies and procedures. This communication helps create a shared understanding of security measures across the organization.

Simulated Phishing Exercises

To enhance vigilance, we conduct simulated phishing exercises. These exercises test employees' ability to recognize phishing attempts and reinforce the importance of cautious email interactions.

Regular Updates

Our team continually provides updates on emerging threats and evolving best practices. This keeps employees informed about the ever-changing cybersecurity landscape.

Collaboration with Experts

We collaborate with external experts and consultants to provide specialized insights. This external perspective enriches our training efforts and helps us stay ahead of emerging threats.

Reporting Channels

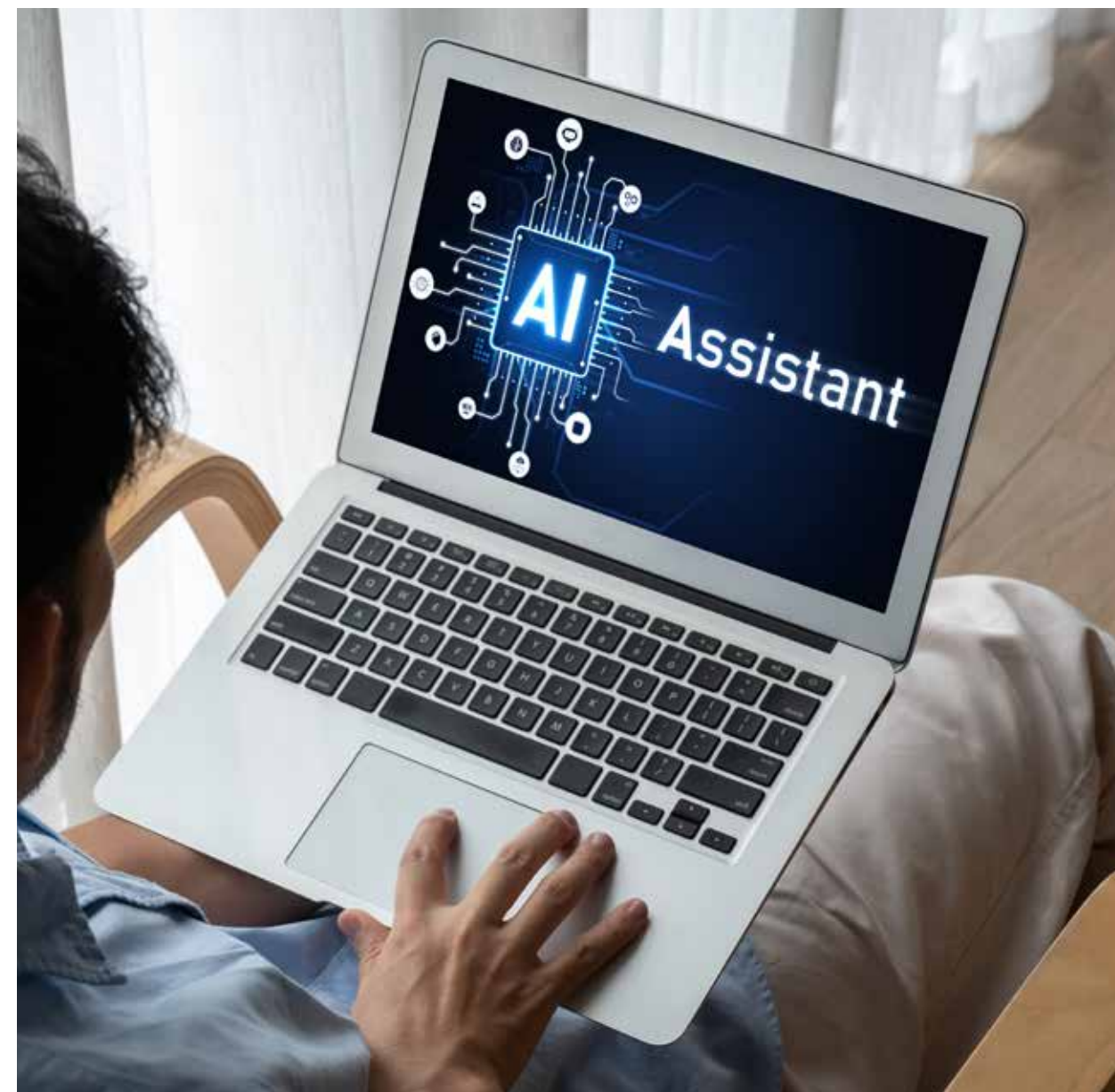
We emphasize the importance of reporting any security concerns promptly. Our transparent reporting channels ensure that potential threats are addressed swiftly.

Continuous Improvement

Our education and training efforts are regularly evaluated and refined to align with new threats and technologies. This ensures that our workforce is well-equipped to mitigate evolving cybersecurity risks. Through these education and training initiatives, we foster a culture of cybersecurity awareness and responsibility across our organization, reducing vulnerabilities and enhancing our overall cybersecurity posture.

FUTURE PLANS FOR AI ADOPTION

The Company's future strategy includes the adoption of AI and digital transformation initiatives to enhance operational efficiency, automate business processes, strengthen data-driven decision-making, and improve customer and employee experience. Key areas will include AI-enabled automation, advanced analytics, predictive insights, and intelligent business solutions, supported by appropriate governance, cybersecurity, data privacy, and regulatory controls.



09

FUTURE OUTLOOK

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OVERVIEW FY 2026

Pakistan’s economy is expected to continue its gradual transition from stabilization towards recovery during FY2026, supported by the ongoing IMF programme. Improved fiscal discipline, exchange rate stability and moderating inflation have contributed to an improvement in overall macroeconomic conditions. Strong remittance inflows are expected to continue supporting the country’s external position, while the State Bank of Pakistan has maintained a cautious monetary policy stance aimed to safeguard macroeconomic stability while facilitating sustainable economic growth.

Against the backdrop of a prolonged slowdown in construction activity, the cement sector has shown signs of gradual recovery, supported by an improvement in domestic demand, easing inflationary pressures and relatively improved financing conditions. The Prime Minister’s subsidized financing scheme is also expected to support the revival of domestic demand and construction activity. Nevertheless, the industry continues to face challenges, including elevated energy costs, low capacity utilization, higher regulatory levies and taxes, and logistical constraints, particularly in relation to exports to Afghanistan. The Public Sector Development Programme (PSDP) budget places greater emphasis on infrastructure and development projects; however, effective and timely utilization of the allocated funds will remain critical to translating these allocations into actual demand and ensuring timely completion of development projects.

FORWARD LOOKING STATEMENT

Short-term (FY2027): Domestic dispatches are expected to grow in the mid-single digits, supported by PSDP-linked infrastructure spending and the Prime Minister’s subsidized financing scheme. Gross margins are expected to remain under pressure from elevated energy costs and regulatory levies. Despite these challenges, the Company continues to strengthen its presence by pursuing a range of cost-optimization and operational efficiency initiatives to partly offset this impact. Capex of approximately Rs. 1.85 billion is earmarked for the BESS and Solar Power projects, both expected to be commissioned during the year. These measures are aimed at mitigating the impact of fixed costs associated with lower production levels, improving cost competitiveness and strengthening the Company’s resilience in a challenging operating environment.

Medium-term (2–3 years): Continued CPEC-related infrastructure activity and gradual macroeconomic stabilization are expected to support a recovery in capacity utilization by further 10%. Export volumes to markets other than Afghanistan are expected to grow, partly offsetting continued uncertainty on the Afghan route.

Long-term: The Company’s investments in renewable energy, alternative fuels (RDF, biomass), and local coal/limestone security are expected to structurally reduce energy cost as a percentage of revenue and support margin resilience independent of short-term commodity cycles.

STATUS OF FORWARD LOOKING DISCLOSURES MADE IN THE PREVIOUS YEAR

Extract of matters reported in Forward Looking Statement last year	Actual Results
Volatility was expected to persist due to inflationary pressures, interest rate movements and political uncertainty.	The operating environment remains challenging, with economic and political uncertainties (including recent geo-political conflict) continuing to affect business activity and cement demand.
Economy was expected to improve, with lower inflation, improved external balances and stronger investor confidence creating opportunities for the cement sector.	Economic conditions showed signs of stabilization, although slow construction activity and other macroeconomic challenges continued to affect the sector. Following to the middle east crisis, the production cost has increased significantly due to approx. 30% increase in international coal and oil prices.

Domestic demand recovery was expected to depend on infrastructure spending, monetary easing and political stability.	Domestic demand has remained below expectations, although infrastructure and development activities provided some support for market recovery, whereby the cement demand has increased by 7% as compared to last year.
Exports were expected to remain strong. Afghan exports were expected to be conditional on cross-border relations.	Exports by sea performed well and grew by 9%, supported by international demand and relatively favorable cost dynamics. However, Afghan exports were halted from the mid-October 2025 and down by 52%, which has substantially impacted the CCCL’s exports numbers which declined by 57%.
Company planned to optimize its fuel mix, expand renewable energy and invest in efficiency.	The company continued to focus on cost optimization, energy efficiency and alternative/ renewable energy initiatives to protect margins and strengthen financial resilience. In this regard, efforts are underway to improve local coal utilization, spares and enhanced renewable sources.

STATUS OF ONGOING PROJECTS

The Company continues to make progress on various projects and initiatives aimed at improving energy efficiency, enhancing operational performance, optimizing fuel costs, and supporting its transition towards a more sustainable energy mix.

The Board has approved a 25 MW Battery Energy Storage System (BESS) along with an additional 5 MW Solar Power Project, and progress on both projects is underway. The management expects to complete the projects by next financial year. These initiatives are expected to enhance energy reliability, optimize the utilization of renewable energy, particularly during peak hours, and reduce reliance on conventional power sources. The Company is also continuing its efforts to evaluate other coal sourcing options, in response to the rising coal prices . Furthermore, efforts are underway to acquire additional limestone quarry to ensure long term supply availability. This initiative is expected to strengthen supply security, optimize costs, and also reduce the Company’s dependence on imported fuel sources. In parallel, the Company has initiated the transition towards electric vehicle dumpers for the transportation of quarry materials. The initial results are encouraging, and therefore the Company is evaluating the feasibility of further expanding the electric dumper fleet.

Various operational improvement initiatives are also being implemented across the plant to enhance production efficiency, optimize power and heat consumption, improve fuel utilization, and strengthen overall plant performance. In addition, the Company continues to explore alternative fuels and emerging green energy technologies, including refuse-derived fuel (RDF), with the objective of reducing dependence on fossil fuels and supporting the transition towards a lower-carbon energy mix. With respect to RDF, the Company has participated formally in the bid process for obtaining the RDF from MSW Peshawar. Collectively, these initiatives demonstrate the Company’s continued focus on energy efficiency, fuel diversification, renewable energy adoption, cost optimization, and reduction of its environmental footprint.

FINANCIAL PROJECTIONS

Looking ahead, the Company expects to strengthen its financial performance in the next financial year through a continued focus on improving local retention, increasing sales volumes, optimizing the sales mix and operational costs, enhancing operational efficiency, and improving overall profitability, while creating sustainable, long-term value for shareholders. With respect to exports to Afghanistan, management expects that the ongoing cross border tensions may take time to resolve, consequently, exports to Afghanistan may not resume fully operational during the next financial year. Nevertheless, the Company will continue to monitor the situation closely and remain prepared to capitalize on opportunities as market

conditions improve. Furthermore, in view of the Company’s improved liquidity position, management is evaluating opportunities to generate sustainable and better returns through prudent deployment of funds.

The financial projections based on management’s best judgment and estimates for the next financial year are as follows:

Operating Profit (Rs in million)	11,761
Profit After Tax (Rs in million)	<u>7,321</u>
EPS (Rs.)	37.68

The Company remains mindful of potential risks arising from energy and fuel prices, exchange rate movements, changes in government policies relating to taxes and levies, and fluctuations in local and export demand. Accordingly, the Company will continue to maintain an agile and responsive approach, strengthen operational resilience, and proactively manage emerging risks. While the outlook for the cement industry remains positive, the Company will continue to adapt its strategies to capitalize on market opportunities, optimize its operations, and enhance shareholder wealth through sustainable and profitable growth.

SOURCES OF INFORMATION USED FOR PROJECTIONS OF FUTURE REVENUE

The Company’s strategies and business objectives are closely aligned with its corporate vision by considering historical trends, anticipated market changes, economic outlooks, and other relevant factors. Projections are informed by external sources such as government regulatory and taxation authorities, market analysts, and forecasts of interest rates and foreign currency exchange rates. Industry reports, competitor actions, market trends, as well as both micro and macroeconomic indicators, including supply and demand conditions, are also vital in shaping projections.

Internally, data from various departments, including sales, finance, production & IT are used to refine the forecasts. This internal information is cross-referenced with external data to ensure accuracy before it is included in formal planning. No external consultant was engaged in the preparation of these projections or forecasts; these are based entirely on in-house analysis of the sources described above.

FORWARD-LOOK: TECHNOLOGY AND AI ADOPTION

The Company is taking a measured approach towards the adoption of Artificial Intelligence (AI), with a focus on strengthening data readiness, digital capabilities, employee awareness, and appropriate governance. Generative AI tools are currently being used in selected functions to support research, content development, information analysis, reporting, and other routine knowledge based activities. Early experience indicates improvements in employee productivity and efficiency, although the Company is still at an early stage of adoption and has not yet observed a material direct financial impact.

Going forward, the Company will continue to evaluate practical AI use cases in areas such as reporting, analytics, process automation, and operational efficiency. The technology roadmap also includes strengthening data management capabilities and assessing the integration of AI with existing enterprise systems, including SAP and SAP Analytics Cloud (SAC). AI adoption will be undertaken in a phased and controlled manner, with appropriate attention to data privacy, cybersecurity, transparency, and human oversight. The Company intends to establish relevant metrics to assess the impact of AI on productivity, efficiency, and business value as its adoption progresses.

FUTURE RESEARCH & DEVELOPMENT INITIATIVES

The Company intends to strengthen its focus on innovation and technology as part of its long-term strategy to improve operational efficiency and support sustainable growth. Future research and development efforts will primarily be directed towards identifying practical solutions that can improve manufacturing efficiency, optimize the use of energy and raw materials, reduce production costs, and support the gradual transition towards lower carbon operations.

As part of these efforts, the Company will continue to explore opportunities for improving existing production processes and upgrading equipment and technologies where commercially viable. Particular attention will be given to initiatives that can improve power and thermal efficiency and optimize fuel consumption. The Company will also assess the potential use of alternative fuel sources, including biomass and re-fuse-derived fuel (RDF), as opportunities to diversify the fuel mix and reduce dependence on imported fuels.

The Company will also monitor developments in sustainable cement technologies, including the use of alternative materials, alternate binders, and other solutions that may reduce the environmental impact of cement manufacturing. These areas will be explored progressively, taking into consideration the suitability of available technologies for the Company’s operations and the evolving requirements of the cement industry.

Any R&D initiative or technology adoption will be considered based on its technical suitability, economic viability, operational requirements, and potential contribution to efficiency and environmental performance. In this regard, management, together with key plant personnel, holds regular meetings to review ongoing R&D initiatives, assess their progress, and discuss the next steps for their implementation. The Company will continue to monitor emerging technologies and changes in environmental and regulatory standards to identify relevant opportunities.

FUTURE OUTLOOK

Pakistan’s economic outlook for FY2027 is expected to remain cautiously positive, supported by improving macroeconomic stability, fiscal discipline, and a relatively stable financial environment. Economic activity is expected to continue recovering, although inflationary pressures due to middle east conflict may persist due to movements in energy and commodity prices.

Local cement dispatches are expected to benefit from increased development activity, supported by higher public sector development spending, the continued implementation of CPEC-related projects, and favorable policy measures. The improving macroeconomic environment is also expected to provide support to the cement sector. However, export performance, particularly to Afghanistan, will remain dependent on the prevailing cross border conditions. However, the recent increase in oil and other input costs, partly arising from geopolitical developments in the Middle East, has placed pressure on the sector’s margins. In response, the Company continues to pursue cost optimization measures, including greater localization of inputs and diversification of energy sources. These initiatives are expected to help manage cost pressures, improve operational efficiency, and support margins and profitability going forward.

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STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

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STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

Our stakeholders extend valuable contribution towards our growth and existence. Procedure for stakeholders' engagement includes effective communication, goodharmony and compliance with laws & regulations. We cannot truly execute our purpose without input from our stakeholders.

We identify our stakeholders by those whose interest and decision could be affected by the company's performance and business activities. We remain open to every stakeholder, provide information as and when requested and always try to improve engagement process through feedback from stakeholder.

Our key stakeholders are shareholder, customer, vendor, financial institution, government, local community, employee, analyst and media.



SHAREHOLDERS

Safeguarding our shareholders' interest is our prime responsibility. Our shareholders' interest revolves around good returns, profitability, growth and regulatory compliances. We respond to our shareholders' expectations through improvement in business mechanics, effective governance and corporate reporting framework. Annual General Meetings and statutory reporting are the most effective means of our engagement with our shareholders. Support of shareholders is critical in achieving the Company objectives. All grievance of the shareholders may be addressed in smooth manner and resolve the issue at the time of General Meetings or wherever received in other mode.



MINORITY SHAREHOLDERS

The management of the Company firmly believes in encouraging and ensuring the equitable treatment of all shareholders including minority shareholders to attend, speak and vote at the Annual General Meeting and appoint another member as his / her proxy instead. The Notice of the AGM is published in Urdu and English language in one issue of a daily newspaper of respective language having a nationwide circulation. Such notice is also placed on the Company's website.



DEALERS, CUSTOMERS AND TRANSPORTERS

Sustaining and developing long-term relationships with our dealers, customers and transporters forms the key of our business' success. Their expectations are focused on product quality, pricing and service delivery. Our sales and marketing teams remain in close contact to this segment of our stakeholders to resolve issues on a priority basis. We continue to engage with our dealers, customers and transporters through meetings and market visits and communications. We derive success from the brand loyalty of Cherat and the cooperation from our transporters.



SUPPLIERS AND VENDORS

Efficient supplier network is a key for effective working capital management. To achieve this objective, we conduct market surveys to strengthen our bond with our suppliers and vendors. Our supply chain management team is in continuous contact with suppliers and vendors through meetings and correspondence to resolve all queries for on time deliveries. Cooperation of our suppliers gives us an extra edge over our competitors.



BANKS AND OTHER LENDERS

We value our relationship with our financial partners and lenders. Financial risk management and business sustainability are few of the interests of this segment of stakeholders. Periodic briefings, Quarterly financial reporting, Head Office and Site visits are the main means for our engagement with this category of stakeholders. Bank and other institutes help us in obtaining loans at attractive rates and advise on strategic issues whenever needed.



GOVERNMENT AND REGULATORY BODIES

Our commitment to compliance with laws and regulations is evident from our Corporate and Legal team's continued efforts for efficient and effective legal and regulatory obedience. The engagement includes submission of periodic reports, responding to enquiries and meetings as and when required. Active engagement with regulators improves level of compliance.



EMPLOYEES

Our company has extensive employee engagement schemes in place. The employees' issues revolve around work life balance, training and development and rewards. We have educational loan schemes, in-house and outside training programs and long-term employment reward schemes in place to value our employees as Human Capital. Employee meetings are on regular intervals in form of Annual get-togethers, celebrating sports day and team building activities. Employees engagement improves the level of dedication and hard work.



MEDIA

Ads and campaigns are launched in media based on marketing requirements. Interaction with media improves the Company's brand image.



INVESTORS SECTION

To keep transparency in the relationship between the Company and its shareholders, the website of Cherat Cement (<https://gfg.com.pk/cccl/>) contains all the major financial information needed for investors' decision making in a separate tab of "Investor Relations". No investor complaints were received.



AGM PROCEEDINGS

The last Annual General Meeting (AGM) of the Company was held at the Registered Office on Thursday, October 9, 2025, at 11:00 a.m. The meeting was conducted in an orderly and professional manner, with shareholders actively participating in the proceedings.

The shareholders approved the audited financial statements for the year ended June 30, 2025, the appointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants, as External Auditors, and the declaration of a cash dividend as recommended by the Board of Directors.



INSTITUTIONAL INVESTORS AND ANALYSTS' BRIEFING

Institutional investors regularly obtain general business briefings and financial reports from management. Formal meetings are also arranged whenever needed. Without compromising the confidentiality, business analysts are provided with information and briefings as and when they require. The strong connection with institutional investors and analysts facilitates in avoiding any misconception / rumors in the market.



LOCAL COMMUNITY

The Company actively participates in various social work initiatives as part of its corporate social responsibility. Being a conscientious member of the corporate community, the Company contributes to various social and charitable causes, including health, education, and social sectors. In the past, the Company has worked for the rehabilitation of flood affectees and internally displaced persons (IDPs). Cherat Cement Company Limited has collaborated with many reputable organizations and NGOs. The Company has always stood by the people of Pakistan in their hour of need and shall continue to do so. Furthermore, the Company takes care of people living in its vicinity through regular donations for the development of household, education, and medical facilities. The management encourages hiring a workforce from the local community, and the employment of less privileged and special persons is also considered in this regard.



MATTERS RAISED IN THE LAST AGM

Our esteemed shareholders attended the AGM and expressed their appreciation to the management for successfully achieving the business objectives. The Annual General Meeting provides ample opportunity to interact with the shareholders of the Company. The AGM of the Company was conducted in person and virtually through video link on Thursday, October 9, 2025 and the queries of shareholders were properly addressed in the required manner. The Company has performed quite well and is continuously striving to further improve its clientele and generate better profits. All Directors have attended the Annual General Meeting.

ANALYST BRIEFING

Cherat Cement Company Limited, in accordance with the applicable PSX Listing Regulations, conducts annual corporate and analyst briefings to keep its stakeholders informed about the Company's financial performance, operational results, business outlook, and future strategy. The Company also maintains regular engagement with institutional investors and analysts by providing timely updates and sharing relevant industry insights.



During the year, the Company conducted 1 Corporate Briefing Session in which the Chief Operating Officer, Chief Financial Officer, and members of the senior management team presented a comprehensive overview of the Company's operational and financial performance for the year 2025. The management highlighted the Company's key achievements, business growth, expansion initiatives, emerging opportunities, and challenges faced by the cement industry.

The session also featured an interactive Question and Answer (Q&A) segment, providing participants with an opportunity to seek clarification and discuss matters relating to the Company's performance and future outlook. The briefing demonstrated the Company's commitment to transparency, effective stakeholder communication, and continued progress towards its strategic objectives.



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STATEMENT OF UNRESERVED COMPLIANCE OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) ISSUED BY INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

Cherat Cement Company Limited remains fully committed to presenting its financial position with accuracy, transparency, and verifiability. This is reflected in its unreserved compliance with International Financial Reporting Standards (IFRS) including compliance requirement under fourth Schedule of Companies Act. In this regard, the audited financial statements for the year ended June 30, 2026, have been prepared in line with IFRS as adopted in Pakistan. Details on the application and adoption status of these standards are provided in Notes 2.1 and 2.4 to the annexed financial statements. This commitment highlights management's dedication to financial integrity, ensuring consistent transparency and strengthening stakeholder confidence in our disclosures.

GLOSSARY OF TERMS

Activity / Turnover Ratios: Activity ratios measure the efficiency of the company in using its resources / assets. These ratios indicate the efficiency with which the assets of the company are managed/utilized. Borrowing Cost: Finance costs that are directly attributable to the construction/acquisition of a qualifying asset and included in the cost of such asset.

BCRA: Best Corporate Report Awards CCG:
Code of Corporate Governance

Capital Structure Ratios:
The capital structure ratios measure how a company finances its overall operations and growth by using different sources of funds. Captive Power Plant: An electricity generation facility used and managed by an industrial or commercial energy user for their own energy consumption.

Consortium Financing:
Is a solution usually entails several banks or financial institutions joining hands to finance large projects through a common appraisal, common documentation and joint supervision.

Corporate Social Responsibility (CSR):
A self-regulating business model that helps a company be socially accountable - to itself, its stakeholders, and the public. Diminishing Musharakah: Refers to joint ownership of asset by financier and borrower. The share of financier in the asset is divided into number of units and borrower will purchase those units periodically, thus increasing his own share till complete ownership.

Dividend Cover Ratio:
It measures the number of times that a company could pay dividends to its shareholders.

Dividend Mandate:
An authorization by a shareholder to the company, to pay his or her dividends directly into a bank account.

EBITDA:
Earnings Before Interest, Taxes, Depreciation and Amortization.

HR & RC:
Human Resource and Remuneration Committee. HSE: Health, Safety and Environment Government Grants: are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Human Capital:
Intangible collective resources, like knowledge, talents, skills, abilities, experience, intelligence, training, judgment, and wisdom possessed by individuals and groups within an organization. It is a form of wealth available to organizations to accomplish its goals.

IAS: International Accounting Standards.

IASB: International Accounting Standards Board.

IFRIC: International Financial Reporting Issues Committee.

IFRS: International Financial Reporting Standard. Interest Cover Ratio: It measures how many times a company can cover its current interest payment with its available earnings.

Investment / Market Ratios:

Investor ratios are used to measure the ability of a business to earn an adequate return for the owners of the business. ISO 9001:2015: A standard that specifies requirements for a quality management system (QMS). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.

ISO 14001:2015: A standard for the management of environmental matters that is widely used in various parts of the world.

Joint Venture (JV):
A business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task.

KIBOR:
Karachi Inter Bank Offer Rate.

Liquidity Ratios:
A liquidity ratio is a financial ratio that indicates whether a company's current assets will be sufficient to meet the company's obligations when they become due.

Long-Term Debt-to-Equity Ratio:
The ratio found by dividing long-term debt by the equity (all assets minus debts) held in stock (This is a measure of financial risk). Manufactured Capital: It is the collection of physical, material and technological objects that are available to a company for use in the production process.

Market Ratio:
It helps to determine the market value of a company relative to its actual worth. Operating Cycle: The average time between purchasing or acquiring inventory and receiving cash proceeds from its sale.

Price-Earnings Ratio (P/E):
The ratio found by dividing market price per share by earnings per share (This ratio indicates what investors think of the firm's earnings' growth and risk prospects).

Profitability Ratios:
The Profitability Ratios measure the overall performance of the company in terms of the total revenue generated from its operations.

Relationship Capital:
It is the company's relationships with customers, partners, suppliers, shareholders. It is an important business asset.

ROUA:
Right-of-use-asset Running Musharakah: is Shariah compliant alternative of Running Finance Facility available in conventional banking system.

Security:
A pledge made to secure the performance of a contract or the fulfillment of an obligation.

Shariah-Compliant Finance / Banking: Facility which meets all of the requirements of Shariah law and the principles articulated for "Islamic Finance".

Solar Power: is the conversion of energy from sunlight into electricity, either directly using photovoltaics, indirectly using concentrated solar power, or a combination.

Spread: Rate charged by the bank over KIBOR.

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INDEPENDENT AUDITOR’S REPORT

To the members of Cherat Cement Company Limited

Report on the Audit of financial statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
Inventory valuation	
As disclosed in note 8 and 9 to the financial statements, stores, spare parts and loose tools & stock-in-trade amounted to Rs. 6,571.44 million and Rs. 2,338.23 million respectively which constitute approximately 17% of the total assets of the Company. These are valued at lower of cost or Net Realizable Value (NRV). Given the significance of stores, spare parts and loose tools & stock-in-trade to the Company’s total assets and the level of judgement and estimates involved, we have identified it as a key audit matter.	Our procedures, amongst others, included the following: - obtained an understanding of controls over purchases and valuation of stores, spares and loose tools & stock-in-trade and tested their design, implementation and operating effectiveness. - performed observation of inventory counts and physical inspection of the stock held as at the year end. - assessed NRV by comparing management’s estimation of future selling prices for the products with the selling process achieved subsequent to the reporting period. - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.
Revenue recognition	
As disclosed in note 26 to the financial statements, the Company generates revenue from local and export sale of cement. We identified revenue recognition and its reporting in the financial statements as a key audit matter primarily due it being a key performance indicator, inherent risk of material misstatement and the amount of audit efforts in relation to this area.	Our procedures, amongst others, included the following: - obtained an understanding of the Company’s processes in place for revenue recognition and tested key controls. - performed analytical review procedures and other test of details over revenue including cut-off procedures to check that revenue has been recognized in the appropriate accounting period. - assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

Information Other than the financial statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Company are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



Chartered Accountants

Place: Karachi

Date: 08 September 2026

UDIN: AR202610093YM5OFoDS4

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	28,200,541	28,072,338
Intangible assets	6	463,289	531,033
		<u>28,663,830</u>	<u>28,603,371</u>
Long-term investments	7	499,236	547,876
Long-term loans		28,205	39,829
Long-term deposits		19,653	7,942
		<u>29,210,924</u>	<u>29,199,018</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	8	6,571,442	5,535,254
Stock-in-trade	9	2,338,232	1,655,211
Trade debts	10	1,390,198	1,257,631
Loans and advances	11	94,273	342,546
Trade deposits and short-term prepayments		13,380	16,742
Other receivables	12	193,788	79,232
Short-term investments	13	11,726,281	11,795,250
Cash and bank balances	14	755,719	672,667
		<u>23,083,313</u>	<u>21,354,533</u>
TOTAL ASSETS		<u>52,294,237</u>	<u>50,553,551</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	1,942,950	1,942,950
Reserves	16	37,571,148	31,364,779
		<u>39,514,098</u>	<u>33,307,729</u>
NON-CURRENT LIABILITIES			
Long-term financing	17	2,162,829	2,528,191
Lease liabilities		14,471	22,197
Long-term security deposits		32,920	29,985
Government grant	18	772,314	937,757
Sindh Infrastructure Development Cess (SIDC)	19	130,820	-
Deferred taxation	20	4,960,748	4,958,473
		<u>8,074,102</u>	<u>8,476,603</u>
CURRENT LIABILITIES			
Trade and other payables	21	3,066,438	3,069,893
Contract liabilities	22	666,724	170,517
Accrued mark-up	23	25,782	71,826
Short-term borrowings	24	194,358	2,729,921
Current maturity of long-term financing	17	365,363	184,925
Current maturity of lease liabilities		7,726	13,335
Current maturity of Government grant	18	165,443	165,443
Current maturity of Sindh Infrastructure Development Cess (SIDC)	19	49,631	-
Taxation-net		17,938	2,235,416
Unclaimed dividend		99,687	85,160
Unpaid dividend		46,947	42,783
		<u>4,706,037</u>	<u>8,769,219</u>
TOTAL EQUITY AND LIABILITIES		<u>52,294,237</u>	<u>50,553,551</u>

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Turnover – net			
	26	36,482,808	37,810,806
Cost of sales	27	(24,439,774)	(23,841,181)
Gross profit		<u>12,043,034</u>	<u>13,969,625</u>
Distribution costs	28	(911,048)	(854,277)
Administrative expenses	29	(689,010)	(596,438)
Other expenses	30	(568,801)	(628,717)
		<u>(2,168,859)</u>	<u>(2,079,432)</u>
Other income	31	1,767,105	1,588,443
Operating profit		<u>11,641,280</u>	<u>13,478,636</u>
Finance costs	32	(341,610)	(591,775)
Profit before income tax and levy		<u>11,299,670</u>	<u>12,886,861</u>
Levy - final tax		(1,623)	(2,434)
Profit before income tax		<u>11,298,047</u>	<u>12,884,427</u>
Income tax			
Current		(4,119,924)	(4,280,383)
Prior		32,622	749,337
Deferred		43,823	(672,025)
	33	<u>(4,043,479)</u>	<u>(4,203,071)</u>
Net profit for the year		<u>7,254,568</u>	<u>8,681,356</u>
Earnings per share - basic and diluted	34	<u>Rs. 37.34</u>	<u>Rs. 44.68</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Net profit for the year	7,254,568	8,681,356
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss		
Unrealized loss on remeasurement of investments at fair value through other comprehensive income - net of deferred tax	(55,685)	(2,433)
Actuarial gain on defined benefit plan - net of deferred tax	76,109 20,424	154,500 152,067
Total comprehensive income for the year	7,274,992	8,833,423

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax and levy		11,299,670	12,886,861
Adjustments for:			
Depreciation on operating property, plant and equipment	5.1.3	1,761,271	1,721,246
Depreciation on right-of-use assets		20,848	17,384
Amortisation	6.1	67,744	67,538
Gain on disposals of operating property, plant and equipment	5.1.4	(87,512)	(157,078)
Effect of discounting	19	(109,997)	-
Interest income	31	(22,418)	(45,044)
Provision for gratuity		119,811	124,006
Amortisation of government grant	18	(165,443)	(134,650)
Finance costs		507,053	726,425
Exchange loss / (gain)	30 & 31	10	(1,170)
Share of loss from joint ventures	30	4,354	329
Dividend income	31	(10,820)	(16,229)
		2,084,901	2,302,757
		13,384,571	15,189,618
Working capital changes			
Stores, spare parts and loose tools		(1,036,188)	(281,719)
Stock-in-trade		(683,021)	135,220
Trade debts		(132,567)	115,500
Loans and advances		248,273	(235,051)
Trade deposits and short-term prepayments		3,362	(4,515)
Other receivables		(114,556)	(66,454)
Trade and other payables		452,236	(331,076)
Contract liabilities		496,207	41,606
		(766,254)	(626,489)
Cash generated from operations		12,618,317	14,563,129
Income tax and levy paid		(6,306,403)	(2,580,239)
Gratuity paid		(113,000)	(122,000)
Sindh Infrastructure Development Cess (SIDC)		(51,256)	-
Long-term loans and deposits - net		8,238	11,223
Net cash generated from operating activities		6,155,896	11,872,113
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(1,946,027)	(1,447,147)
Interest income received		17,028	38,438
Proceeds from disposals of operating property, plant and equipment	5.1.4	126,050	202,091
Dividend received		10,820	16,229
Investment made during the year	7.2	(10,000)	-
Net cash used in investing activities		(1,802,129)	(1,190,389)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		(350,367)	(245,302)
Lease rentals paid		(20,722)	(15,642)
Dividend paid		(1,049,932)	(1,051,803)
Finance costs paid		(383,101)	(693,852)
Net cash used in financing activities		(1,804,122)	(2,006,599)
Net increase in cash and cash equivalents		2,549,645	8,675,125
Cash and cash equivalents as at the beginning of the year		9,737,997	1,062,872
Cash and cash equivalents as at the end of the year	35	12,287,642	9,737,997

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Issued, subscribed and paid-up capital	Reserves						Total Reserves	Total	
		Capital Reserves		Revenue Reserves						
		Share premium	Other	General reserve	Unappropri- ated profit	Actuarial gain on defined benefit plan	Unrealised gain on fair value through other comprehensive income			
----- (Rupees in '000) -----										
Balance as at 01 July 2024	1,942,950	1,047,658	50,900	420,000	21,918,021	(72,924)	236,324	23,599,979	25,542,929	
Final cash dividend for the year ended 30 June 2024 @ Rs. 4.00/- per share	-	-	-	-	(777,180)	-	-	(777,180)	(777,180)	
Interim cash dividend for the year ended 30 June 2025 @ Rs. 1.50/- per share	-	-	-	-	(291,443)	-	-	(291,443)	(291,443)	
Net profit for the year	-	-	-	-	8,681,356	-	-	8,681,356	8,681,356	
Other comprehensive income / (loss)	-	-	-	-	-	154,500	(2,433)	152,067	152,067	
Total comprehensive income / (loss)	-	-	-	-	8,681,356	154,500	(2,433)	8,833,423	8,833,423	
Balance as at 30 June 2025	1,942,950	1,047,658	50,900	420,000	29,530,754	81,576	233,891	31,364,779	33,307,729	
Balance as at 01 July 2025	1,942,950	1,047,658	50,900	420,000	29,530,754	81,576	233,891	31,364,779	33,307,729	
Final cash dividend for the year ended 30 June 2025 @ Rs. 4.00/- per share	-	-	-	-	(777,180)	-	-	(777,180)	(777,180)	
Interim cash dividend for the year ended 30 June 2026 @ Rs. 1.50/- per share	-	-	-	-	(291,443)	-	-	(291,443)	(291,443)	
Net profit for the year	-	-	-	-	7,254,568	-	-	7,254,568	7,254,568	
Other comprehensive income / (loss)	-	-	-	-	-	76,109	(55,685)	20,424	20,424	
Total comprehensive income / (loss)	-	-	-	-	7,254,568	76,109	(55,685)	7,274,992	7,274,992	
Balance as at 30 June 2026	1,942,950	1,047,658	50,900	420,000	35,716,699	157,685	178,206	37,571,148	39,514,098	

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

1 THE COMPANY AND ITS OPERATIONS

1.1 Cherat Cement Company Limited (the Company) was incorporated in Pakistan as a public company limited by shares in the year 1981 under the repealed Companies Act, 1913 (now Companies Act, 2017). The Company got listed on Pakistan Stock Exchange in 1993. Its main business activity is manufacturing, marketing and sale of cement. The geographical location and addresses of the Company's business units are as under:

Business Unit	Address
Head Office	Modern Motors House, Beaumont Road, Karachi
Registered Office / Factory	Village Lakrai, P.O Box 28, District Nowshera
Sales Office	First Floor, Betani Arcade, University Road, Peshawar
Sales Office	3, Sunder Das Road, Lahore
Sales Office	First Floor, Razia Sharif Plaza, Jinnah Avenue, Blue Area, Islamabad
Land	Mouza Saiduwali, Tehsil Paharpur, District, D.I. Khan

1.2 During the year, the Company has commenced the deployment of electric dumpers for transportation of quarry material, replacing conventional diesel dumpers with plans to further expand their utilization in the future. In addition, the Company has implemented various plant optimization initiatives, including the substitution of raw materials to reduce fuel combustion costs. These initiatives demonstrate the Company's commitment to environmental sustainability while enhancing operational efficiency and cost optimization.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Accounting convention

These financial statements have been prepared on the basis of historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 New standards and amendments to approved accounting standards

2.4.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on 01 July 2025, but are considered either to be not relevant or to not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.4.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on or after 01 July 2026. However, the Company expects that these standards (other than IFRS 18) will not have any material impact on the Company's financial statements in the period of initial application. The Company is currently working to identify all impacts that IFRS 18 will have on the financial statements.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities and assets, at the end of the reporting period. However, uncertainty about these estimates and judgments could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates judgments, estimates and assumptions which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognised prospectively.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

3.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. Any change in the estimates in future might affect the carrying amount of respective item of operating property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

3.2 Taxation

In making the estimates for taxation, the Company refers to current income tax laws and the decisions of appellate authorities on certain issues in the past.

3.3 Stock-in-trade, stores, spare parts and loose tools

The Company reviews the Net Realizable Value (NRV) of stock-in-trade and stores, spare parts and loose tools to assess any diminution in the respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

3.4 Staff retirement benefits

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations and fair value of plan assets. Any change in these assumptions in future years might affect gains and losses in those years. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted by the Company in the preparation of these financial statements are as follows:

4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any, except for land and capital work-in-progress which are stated at cost less impairment, if any. Capital work-in progress consists of expenditure incurred and advances made in the course of an assets construction and installation. Depreciation is charged to statement of profit or loss applying the reducing balance method except for computers, which are depreciated using the straight-line method.

Maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gains or losses on disposal of operating property, plant and equipment, if any, are recognised in the statement of profit or loss.

The carrying values of property, plant and equipment are reviewed for impairment, when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amounts.

4.2 Intangible assets

These assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on a straight-line method when assets are available for use.

4.3 Investment in associate / joint venture

Investment in associate / joint venture is accounted for using the equity method. Under this method, the investment is initially recognized at cost as adjusted for post-acquisition changes in the Company's share of net assets of the associate and impairment in the value of investment and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition which is recognized in the statement of profit or loss. Dividend received, if any, reduces the carrying amount of investment.

4.4 Stores, spare parts and loose tools

These are valued at lower of weighted average cost or NRV except items-in-transit which are stated at invoice value plus other charges incurred thereon up to the date of statement of financial position.

Provision / write-off, if required, is made for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

4.5 Stock-in-trade

These are valued at lower of weighted average cost or NRV, except items in-transit, if any, which are valued at cost comprising invoice values plus other charges incurred thereon up to the statement of financial position date. Cost signifies in relation to:

Raw and packing material	- Purchase cost on weighted average basis
Finished goods and work-in-process	- Cost of direct material, labour and proportion of manufacturing overheads

Provision, if required is made for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

4.6 Cash and cash equivalents

These are stated at cost except short term investments which are carried at fair value.

4.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.7.1 Financial assets

i) Initial recognition and measurement

On initial recognition, financial assets are classified at amortised cost; Fair Value through Other Comprehensive Income (FVTOCI) or Fair Value through Profit or Loss (FVTPL). These are measured at fair value and transaction cost, if any, except for financial assets at FVTPL, in which case, transaction cost is charged to statement of profit or loss.

ii) Subsequent measurement

At amortised cost:

These are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in statement of profit or loss when the asset is derecognised, modified or impaired.

At FVTOCI:

These are subsequently measured at fair value with net changes recognized in other comprehensive income except for the recognition of impairment gains or losses, which are recognized in statement of profit or loss.

At FVTPL:

These are subsequently measured at fair value with net changes recognized in statement of profit or loss.

iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

iv) Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Company applies a simplified approach in calculating ECLs for its trade debts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.7.2 Financial liabilities

i) Initial recognition and measurement

On initial recognition, financial liabilities are classified at amortised cost or FVTPL and these are measured at fair value less transaction cost, if any, except for financial liabilities at FVTPL, in which case, transaction cost is charged to statement of profit or loss.

ii) Subsequent measurement

At amortised cost

These are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

At FVTPL:

The Company has not designated any financial liability as at FVTPL as of the reporting date.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

4.7.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.8 Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to expense, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed out. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related loan.

4.9 Trade and other payables

These are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.10 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company transfers control of the related goods to the customer.

4.11 Foreign currency transactions and translations

Transactions in foreign currencies are translated into Pak Rupees at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of statement of financial position are translated into Pak Rupees at the foreign exchange rate prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

4.12 Revenue from contract with customers

Sale of goods

Revenue from sale of goods is recognised when or as control of goods have been transferred to a customer at a point in time, when the performance obligations are met. It is recorded at net of trade discounts, commission and rebates.

Other income

- Profit on bank accounts is recognised on accrual basis using an effective interest rate method.
- Dividend income is recognised when the right to receive such payment is established.
- Scrap sales are recognised on receipt basis.
- Other revenues are recognised on receipt basis.

4.13 Staff retirement benefits

Gratuity Fund

The Company operates an approved defined benefit gratuity fund for all eligible employees who have completed the minimum qualifying period of service. The scheme is administered by the trustees nominated under the trust deed. The contributions to the scheme are made in accordance with actuarial valuation using Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the other comprehensive income. All the past service costs are recognised at the earlier of when the amendments or curtailment occurs and when the Company has recognised related restructuring or terminations benefits. The latest actuarial valuation was carried out as at 30 June 2026.

Provident Fund

The Company operates an approved defined contributory provident fund for all permanent employees who have completed the minimum qualifying period of service. Equal monthly contributions are made by the Company and the employees to the Fund at the rate of 8.33 percent of basic salary.

4.14 Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.15 Taxation

Current

The charge for current taxation is computed in accordance with Income Tax Ordinance, 2001 (the Ordinance). The Company has elected to designate the amount computed in accordance with the Ordinance as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax is recognized as a levy within the scope of IFRIC 21/IAS 37 .

Deferred

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date.

4.16 Sales tax

Revenues, expenses and assets are recognised, net off amount of sales tax except:

- Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authorities, in these case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivables or payables that are stated with the amount of sales tax included; and
- The net amount of sales tax recoverable from, or payable to, the taxation authorities is included as part of receivables or payables in the statement of financial position.

4.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognized in the financial statements in the period in which such transfers are made.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2026	2025
		----- (Rupees in '000) -----	
Operating property, plant and equipment	5.1	25,962,850	26,446,190
Capital work-in-progress	5.2	2,217,611	1,588,053
Right-of-use assets		20,080	38,095
		<u>28,200,541</u>	<u>28,072,338</u>

5.1 Operating property, plant and equipment

Description	2026								
	COST			ACCUMULATED DEPRECIATION				Net book value as at 30 June 2026	Depreciation rate % per annum
	As at 01 July 2025	Additions / (disposals)	As at 30 June 2026	As at 01 July 2025	Disposals	Charge for the year	As at 30 June 2026		
	----- (Rupees in `000) -----								
Freehold land	1,051,380	259,857	1,311,237	-	-	-	-	1,311,237	-
Leasehold land	7,065	-	7,065	-	-	-	-	7,065	-
Building on leasehold land	6,550,436	128,308	6,678,744	2,764,605	-	287,026	3,051,631	3,627,113	7.5
Plant and machinery	30,306,189	328,125 (128,722)	30,505,592	11,156,005	(111,666)	1,083,388	12,127,727	18,377,865	5-7.5
Power and other installations	3,245,159	30,595 (94)	3,275,660	1,830,761	(46)	142,650	1,973,365	1,302,295	10
Furniture and fittings	135,184	15,546	150,730	57,750	-	8,646	66,396	84,334	10
Quarry, factory and laboratory equipment	1,065,796	373,957 (40,203)	1,399,550	752,488	(28,878)	82,297	805,907	593,643	15
Motor vehicles	877,232	116,104 (38,662)	954,674	381,552	(28,835)	112,316	465,033	489,641	20
Office equipment	160,767	29,165 (330)	189,602	59,229	(210)	12,771	71,790	117,812	10
Computers	236,715	34,812 (15,771)	255,756	187,343	(15,609)	32,177	203,911	51,845	33.33
	43,635,923	1,316,469 (223,782)	44,728,610	17,189,733	(185,244)	1,761,271	18,765,760	25,962,850	

Description	2025								
	COST			ACCUMULATED DEPRECIATION				Net book value as at 30 June 2025	Depreciation Rate % per annum
	As at 01 July 2024	Additions / (disposals)	As at 30 June 2025	As at 01 July 2024	Disposals	Charge for the Year	As at 30 June 2025		
	----- (Rupees in `000) -----								
Freehold land	946,084	105,296	1,051,380	-	-	-	-	1,051,380	-
Leasehold land	7,065	-	7,065	-	-	-	-	7,065	-
Building on leasehold land	6,374,893	175,543	6,550,436	2,466,329	-	298,276	2,764,605	3,785,831	7.5
Plant and machinery	28,909,656	1,565,297 (168,764)	30,306,189	10,229,443	(143,684)	1,070,246	11,156,005	19,150,184	5-7.5
Power and other installations	3,231,195	14,054 (90)	3,245,159	1,674,461	(59)	156,359	1,830,761	1,414,398	10
Furniture and fittings	113,825	21,419 (60)	135,184	50,117	(45)	7,678	57,750	77,434	10
Quarry, factory and laboratory equipment	996,434	90,801 (21,439)	1,065,796	725,365	(19,931)	47,054	752,488	313,308	15
Motor vehicles	742,161	198,977 (63,906)	877,232	322,638	(46,901)	105,815	381,552	495,680	20
Office equipment	132,087	29,191 (511)	160,767	49,670	(309)	9,868	59,229	101,538	10
Computers	205,366	37,869 (6,520)	236,715	166,741	(5,348)	25,950	187,343	49,372	33.33
	41,658,766	2,238,447 (261,290)	43,635,923	15,684,764	(216,277)	1,721,246	17,189,733	26,446,190	

5.1.1 Significant operating property, plant and equipment of cement production lines and power generation units, inter alia includes the following:

Crusher
Quarry equipments
Raw mill / press
Coal mill
Preheater
Kiln
Cooler
Cement mill / press
Packing plant
Boilers
Waste heat recovery plant
Generators (Wartsila and Caterpillar)
Solar panels & Inverters
Turbines

5.1.2 Reconciliation of net book value:

	2026	2025
	----- (Rupees in '000) -----	
Net book value at the beginning of the year	26,446,190	25,974,002
Additions during the year - at cost	1,316,469	2,238,447
Depreciation charged for the year	(1,761,271)	(1,721,246)
Disposals during the year - at net book value	(38,538)	(45,013)
Net book value at the end of the year	<u>25,962,850</u>	<u>26,446,190</u>

Note **2026** 2025
----- (Rupees in '000) -----

5.1.3 The depreciation for the year has been allocated as follows:

Cost of sales	27	1,687,875	1,654,408
Distribution costs	28	36,109	33,641
Administrative expenses	29	37,287	33,197
		<u>1,761,271</u>	<u>1,721,246</u>

5.1.4 Disposal of operating property, plant and equipment:

Description	Cost	Net Book Value	Sale Proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers and relationship
----- (Rupees in '000) -----						
Motor vehicles						
Toyota Corolla GLI AT, Reg. No. BPJ-297	2,304	507	576	69	Employee car scheme	Mr. Syed Shahid Ahmed - Employee
Suzuki Wagon-R VXR, Reg No. BSK-176	1,580	514	2,121	1,607	Tender	Mr. Wasim Mirza
Honda City AT, Reg No. APG-936	2,325	603	603	-	Employee car scheme	Mr. Muhammad Imran - Employee
Honda City AT, Reg No. BQT-750	2,327	604	604	-	Employee car scheme	Mr. Farhan Khan - Employee
Toyota Corolla GLI, Reg No. AQH-715	2,807	730	3,000	2,270	Employee car scheme	Mr. Ayaz M. Khan - Employee
Toyota Corolla GLI, Reg No. APW-270	2,787	739	739	-	Employee car scheme	Mr. Raza Hussain Sheikh - Employee
Toyota Altis Grande - X, Reg. No. BE-2719	3,907	1,708	1,708	-	Employee car scheme	Mr. Arshad Khan - Employee
Plant and machinery						
Wartsila Generator	128,722	17,056	91,229	74,173	Tender	Tritek Energy (Private) Limited
Quarry, factory and laboratory equipment						
Power Hydraulic Drill Machine with Compressor	13,327	3,770	3,995	225	Tender	Faruque (Private) Limited - Related party
Atlas Capco Hydraulic Surface Drill Rig	26,875	7,555	8,005	450	Tender	Faruque (Private) Limited - Related party
Items having net book value less than Rs. 500,000 each	36,821	4,752	13,470	8,718		
2026	<u>223,782</u>	<u>38,538</u>	<u>126,050</u>	<u>87,512</u>		
2025	<u>261,290</u>	<u>45,013</u>	<u>202,091</u>	<u>157,078</u>		

5.1.5 Details of immovable property in the name of the Company:

Location	Usage	Area
Village Lakrai, P.O Box 28, District Nowshera.	Manufacturing plant	360 acres
Mouza Saiduwali, Tehsil Paharpur, District, D.I. Khan.	For Greenfield cement manufacturing plant	586 acres

5.1.6 Fair value of property, plant and equipment

The market value of property, plant and equipment based on an independent valuer's report as of March 2025 updated by adding subsequent additions at cost, amounts to Rs. 77,812 million (2025: Rs. 76,496 million). However, the same has not been incorporated in these financial statements.

5.2 Capital work-in-progress

Description	Freehold land	Building on leasehold land	Plant and machinery	Power and other installations	Furniture and fittings	Quarry, factory and lab equipment	Motor vehicles	Office equipment	Computers	Intangible assets	Total
----- (Rupees in '000) -----											
Balance as at 01 July 2024	81,185	58,481	2,064,455	13,056	-	76,262	14,906	200	714	2,626	2,311,885
Capital expenditure incurred / advances made during the year	24,111	170,280	839,187	25,513	22,243	174,120	193,013	31,618	37,156	749	1,517,990
Transferred to operating property, plant and equipment / intangible assets	(105,296)	(175,542)	(1,565,297)	(14,054)	(21,419)	(90,801)	(198,977)	(29,191)	(37,870)	(3,375)	(2,241,822)
Balance as at 30 June 2025	-	53,219	1,338,345	24,515	824	159,581	8,942	2,627	-	-	1,588,053
Capital expenditure incurred / advances made during the year	259,857	212,717	781,557	7,074	15,021	490,624	113,388	29,306	35,814	669	1,946,027
Transferred to operating property, plant and equipment / intangible assets	(259,857)	(128,308)	(328,125)	(30,595)	(15,546)	(373,957)	(116,104)	(29,165)	(34,812)	-	(1,316,469)
Balance as at 30 June 2026	-	137,628	1,791,777	994	299	276,248	6,226	2,768	1,002	669	2,217,611

5.2.1 During the year, borrowing costs have been capitalised amounting to Nil (2025: Rs. 70.84 million) using capitalization rate of Nil (2025: 11.71%).

6 INTANGIBLE ASSETS

Description	COST			ACCUMULATED AMORTISATION			Net book value As at 30 June 2026	Amortisation rate % per annum
	As at 01 July 2025	Additions	As at 30 June 2026	As at 01 July 2025	Charge for the Year	As at 30 June 2026		
----- (Rupees in `000) -----								
2026								
Computer software	74,569	-	74,569	47,536	4,744	52,280	22,289	10
NOCs and Feasibility studies	630,000	-	630,000	126,000	63,000	189,000	441,000	10
	704,569	-	704,569	173,536	67,744	241,280	463,289	
2025								
Computer software	71,194	3,375	74,569	42,998	4,538	47,536	27,033	10
NOCs and Feasibility studies	630,000	-	630,000	63,000	63,000	126,000	504,000	10
	701,194	3,375	704,569	105,998	67,538	173,536	531,033	

		2026	2025
6.1	The amortisation charged for the year has been allocated as follows:	Note ----- (Rupees in '000) -----	
	Cost of sales	27 64,192	64,055
	Distribution costs	28 117	48
	Administrative expenses	29 3,435	3,435
		67,744	67,538
7	LONG-TERM INVESTMENTS		
	Related parties		
	At FVTOCI - Shariah Compliant	7.1 485,573	539,859
	Joint ventures		
	UniEnergy Limited	7.2 3,663	8,017
	CFS Minerals (Private) Limited	10,000	-
		499,236	547,876
7.1	At FVTOCI - Shariah Compliant		
	Cherat Packaging Limited		
	3,606,524 shares		
	% of shareholding 7.35%	354,232	421,422
	Mirpurkhas Sugar Mills Limited		
	3,594,435 shares		
	% of shareholding 5.40%	131,341	118,437
		485,573	539,859
7.2	CFS Minerals (Private) Limited		
	During the year, CFS Minerals (Private) Limited was incorporated as a joint venture between the Company, Shirazi Investments (Private) Limited and International Industries Limited with each party holding an equal ownership interest.		
8	STORES, SPARE PARTS AND LOOSE TOOLS	Note ----- (Rupees in '000) -----	
	Stores	2,838,784	2,240,389
	Spare parts	3,549,086	3,098,458
	Loose tools	11,099	10,343
		6,398,969	5,349,190
	In transit	172,473	186,064
		6,571,442	5,535,254
9	STOCK-IN-TRADE		
	Raw and packing material	27 506,359	365,636
	Work-in-process	27 1,310,902	921,310
	Finished goods	27 520,971	368,265
		2,338,232	1,655,211
10	TRADE DEBTS – considered good, secured		
	Neither past due nor impaired	10.1 1,390,198	1,257,631
10.1	These are secured by way of post-dated cheques and promissory notes and do not include any receivables in respect of export sales.		

		2026	2025
11	LOANS AND ADVANCES – considered good	Note ----- (Rupees in '000) -----	
	Advances to suppliers	76,789	326,989
	Advances to employees	5,562	4,724
	Current portion of long-term loans	11,922	10,833
		94,273	342,546
12	OTHER RECEIVABLES - considered good		
	Duty drawback	17,581	15,539
	Gratuity fund	12.1 172,747	58,750
	Insurance claims	1,357	1,231
	Others	2,103	3,712
		193,788	79,232
12.1	Gratuity fund		
12.1.1	Amounts recognized in the statement of financial position		
	Present value of defined benefit obligations	(1,880,195)	(1,637,054)
	Fair value of plan assets	2,052,942	1,695,804
	Asset recognised in the statement of financial position	172,747	58,750
12.1.2	Movement in net asset recognised in the statement of financial position		
	Balance at the beginning of the year	58,750	(192,522)
	Recognized in statement of profit or loss	(119,811)	(124,006)
	Recognized in other comprehensive income	120,808	253,278
	Contribution to the fund	113,000	122,000
	Balance at the end of the year	172,747	58,750
12.1.3	Movement in the present value of defined benefit obligation		
	Balance at the beginning of the year	(1,637,054)	(1,285,890)
	Current service cost	(126,714)	(105,128)
	Interest cost	(192,354)	(182,329)
	Benefits paid during the year	79,752	92,452
	Actuarial loss	(3,825)	(156,159)
	Balance at the end of the year	(1,880,195)	(1,637,054)
12.1.4	Movement in the fair value of plan assets		
	Balance at the beginning of the year	1,695,804	1,093,368
	Expected return	199,257	163,451
	Contributions	113,000	122,000
	Benefits paid during the year	(79,752)	(92,452)
	Actuarial gain	124,633	409,437
	Balance at the end of the year	2,052,942	1,695,804
12.1.5	Amounts recognized in the statement of profit or loss		
	Current service cost	126,714	105,128
	Interest cost	192,354	182,329
	Expected return on plan assets	(199,257)	(163,451)
	Expense recognized	119,811	124,006

12.1.6 Amounts recognized in other comprehensive income

	2026	2025
	----- (Rupees in '000) -----	
Actuarial loss on defined benefit obligations	(3,825)	(156,159)
Actuarial gain on plan assets	124,633	409,437
	<u>120,808</u>	<u>253,278</u>

12.1.7 Principal actuarial assumptions

	2026	2025
	----- (Percentage %) -----	
Expected rate of increase in salary level – long term	13.75	13.75
Valuation discount rate – long-term Government bonds	11.75	11.75
Rate of return on plan assets	11.75	11.75
Mortality rates	SLIC 2001-2005-1	SLIC 2001-2005-1

12.1.8 Expected gratuity expense to the plan for the year ending 30 June 2027 is Rs. 100.73 million.

12.1.9 The weighted average duration of defined benefit obligation is 4.00 years (2025: 4.70 years).

12.1.10 Comparisons for past years As at 30 June

	2026	2025	2024	2023	2022
	----- (Rupees in `000) -----				
Present value of defined benefit obligations	(1,880,195)	(1,637,054)	(1,285,890)	(996,840)	(865,736)
Fair value of plan assets	2,052,942	1,695,804	1,093,368	865,948	702,848
Surplus / (deficit)	<u>172,747</u>	<u>58,750</u>	<u>(192,522)</u>	<u>(130,892)</u>	<u>(162,888)</u>
Experience adjustment on plan liabilities	(3,825)	(156,159)	(143,487)	(34,382)	(2,198)
Experience adjustment on plan assets	124,633	409,437	84,967	68,450	(342,442)
	<u>120,808</u>	<u>253,278</u>	<u>(58,520)</u>	<u>34,068</u>	<u>(344,640)</u>

12.1.11 Sensitivity analysis

	Discount Rate		Salary Increase	
	+100 bps	-100 bps	+100 bps	-100 bps
	----- (Rupees in `000) -----			
Present value of defined benefit obligations	1,817,343	1,949,953	1,956,540	1,809,890

12.1.12 Composition of plan assets

	2026	2025
	----- (Rupees in '000) -----	
Government Securities	136,702	229,036
Mutual funds / Shares / TFCs	1,914,693	1,462,573
Bank balances	<u>1,547</u>	<u>4,195</u>
	<u>2,052,942</u>	<u>1,695,804</u>

12.1.13 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the Company, at the beginning of the year, for returns over the entire life of related obligation. The return on plan assets was assumed to be equal to the discount rate. Actual return on plan assets during the year amounts to Rs. 323.89 million (2025: Actual return Rs. 572.89 million).

13 SHORT-TERM INVESTMENTS

	2026	2025
	----- (Rupees in '000) -----	
At FVTPL - at mutual fund	5,241,077	8,425,527
Conventional	<u>6,485,204</u>	<u>3,369,723</u>
Shariah compliant	<u>11,726,281</u>	<u>11,795,250</u>

14 CASH AND BANK BALANCES**Bank balances****Islamic banks**

Current accounts
Saving accounts

Conventional banks

Current accounts
Saving accounts

Cash in hand

14.1 These carry profit rates ranging from 6% to 9% (2025: 8% to 19%) per annum.

15 SHARE CAPITAL**15.1 Authorised capital**

	2026	2025
----- Number of shares -----	----- (Rupees in '000) -----	
<u>225,000,000</u>	<u>225,000,000</u>	Ordinary shares of Rs. 10/- each
	<u>2,250,000</u>	<u>2,250,000</u>

15.2 Issued, subscribed and paid-up capital

	2026	2025
----- Number of shares -----		
		Fully paid ordinary shares of Rs. 10/- each
<u>91,335,845</u>	<u>91,335,845</u>	- Issued for cash
<u>97,899,193</u>	<u>97,899,193</u>	- Issued as bonus shares
		- Issued for consideration other than cash on amalgamation
<u>5,060,000</u>	<u>5,060,000</u>	
<u>194,295,038</u>	<u>194,295,038</u>	
	<u>913,358</u>	<u>913,358</u>
	<u>978,992</u>	<u>978,992</u>
	<u>50,600</u>	<u>50,600</u>
	<u>1,942,950</u>	<u>1,942,950</u>

15.3 Voting rights, board selection and block voting are in proportion to the shareholding.

16 RESERVES**Capital reserves**

Share premium
Others

Revenue reserves

General reserve
Unappropriated profit
Actuarial gain on defined benefit obligation
Unrealized gain on investments at FVTOCI

16.1 This reserve was created due to amalgamation of Cherat Electric Limited with the Company.

17 LONG-TERM FINANCING – secured

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Islamic banks			
Finance Facility for Renewable Energy	17.1	1,060,662	1,079,865
Diminishing Musharakah	17.2	200,000	-
		<u>1,260,662</u>	<u>1,079,865</u>
Conventional banks			
Temporary Economic Refinance Facility	17.3	1,118,542	1,288,059
Finance Scheme for Renewable Energy	17.4	148,988	145,192
Term Finance Facility	17.2	-	200,000
		<u>1,267,530</u>	<u>1,633,251</u>
		<u>2,528,192</u>	<u>2,713,116</u>
		<u>(365,363)</u>	<u>(184,925)</u>
		<u>2,162,829</u>	<u>2,528,191</u>
Current maturity			

17.1 Represent three long-term facilities obtained from two Islamic banks under State Bank of Pakistan's (SBP) Islamic Financing Facility for Renewable Energy (IFRE) to setup 13.05 MW and 9 MW Solar Power Projects. These carry a flat SBP's profit rate of 3% + spreads ranging from 1.75% to 3% per annum and are recognised at the present value using the effective interest rates applicable at the dates of the drawdown. The difference of present value and the drawn amounts has been recognised as government grant which is being amortised over the period of facilities.

17.1.1 The first financing is repayable in 20 equal semi-annual installments commencing after 30 months from the date of first drawdown i.e. March 2023. It is secured against first pari-passu hypothecation charge of Rs. 1,607 million on all present and future plant and machinery of the Company.

17.1.2 The second financing is repayable in 20 equal quarterly-annual installments commencing after 27 months from the date of first drawdown i.e. September 2026. It is secured against first pari-passu hypothecation charge of Rs. 280 million on all present and future plant and machinery of the Company.

17.1.3 The third financing is repayable in 20 equal semi-annual installments commencing after 30 months from the date of first drawdown i.e. December 2026. It is secured against first pari-passu hypothecation charge of Rs. 260 million on all present and future plant and machinery of the Company.

17.2 Represents a long-term financing obtained from a Islamic bank. It carries mark-up at the rate of 3 month's KIBOR + 2% per annum. The financing is repayable in 40 equal quarterly installments commencing after 27 months from first drawdown i.e. September 2026. The financing is secured against pari-passu hypothecation charge of Rs. 267 million on all present and future fixed assets (plant and machinery) of the Company. During the year, the existing Term Finance Facility has been converted into Diminishing Musharakah facility. Concurrently, the applicable spread was reduced from 3 month KIBOR + 4.5% per annum to 3 month KIBOR + 2% per annum.

17.3 Represent three long-term facilities obtained from three conventional banks under SBP's Temporary Economic Refinance Facility (TERF) for balancing, modernization and replacement project. These carry SBP's flat markup rate of 1% + spread ranging from 0.7% to 1.5% and are recognized at the present value using the effective interest rates applicable at the dates of the drawdown. The difference of present value and the drawn amounts has been recognized as government grant which is being amortised over the period of facilities.

17.3.1 The first financing is repayable in 32 equal quarterly installments commencing after 27 months from the date of first drawdown i.e. September 2023 and is secured against hypothecation charge of Rs. 1,334 million on plant and machinery of the Company.

17.3.2 The second financing is repayable in 16 equal semi-annual installments commencing after 30 months from the date of the first drawdown i.e. November 2023 and is secured against hypothecation charge of Rs. 1,334 million over fixed assets (excluding land and buildings).

17.3.3 The third financing is repayable in 16 equal semi-annual installments commencing after 30 months from the date of first drawdown i.e. May 2024 and is secured against hypothecation charge of 733 million on plant and machinery of the Company.

17.4 Represent two long-term financing facilities obtained from two conventional banks under the SBP's Finance Scheme for Renewable Energy to setup 0.517 MW and 9 MW Solar Power Project. These carry flat mark-up ranging from 2% to 3% + 3% spread per annum and are recognized at the present value using the effective interest rates applicable at the dates of the drawdown. The difference of present value and the drawn amounts has been recognized as government grant which is being amortised over the period of facilities.

17.4.1 The first financing is repayable in 19 equal quarterly installments commencing after 6 months from the date of first drawdown i.e. October 2024. It is secured against first pari-passu hypothecation charge of Rs. 66.67 million on all fixed assets of the Company.

17.4.2 The second financing is repayable in 40 equal quarterly installments commencing after 27 months from the date of first drawdown i.e. September 2026. It is secured against pari-passu hypothecation charge of Rs. 267 million on all present and future fixed assets (plant and machinery) of the Company.

	2026 ----- (Rupees in '000) -----	2025 -----
Balance at the beginning of the year	1,103,200	1,237,850
Amortised during the year	(165,443)	(134,650)
Balance at the end of the year	<u>937,757</u>	<u>1,103,200</u>
Current maturity	<u>(165,443)</u>	<u>(165,443)</u>
	<u>772,314</u>	<u>937,757</u>

19 SINDH INFRASTRUCTURE DEVELOPMENT CESS (SIDC)

Sindh Infrastructure Development Cess (SIDC)	341,704	-
Effect of discounting	(109,997)	-
Payment made during the year	<u>(51,256)</u>	<u>-</u>
As at the end of the year	<u>180,451</u>	<u>-</u>
Current maturity	<u>(49,631)</u>	<u>-</u>
	<u>130,820</u>	<u>-</u>

19.1 During the year, the Company entered into an agreement with the Government of Sindh to settle the liability in 51 installments payable by 15 April 2040. Accordingly, the Company has recorded the said liability at its present value using a discount rate of 11.5% per annum and the resulting effect of discounting is recognised as other income.

	2026 ----- (Rupees in '000) -----	2025 -----
20 DEFERRED TAXATION		
Temporary taxable differences		
Accelerated tax depreciation	4,866,600	4,923,321
Others	<u>94,148</u>	<u>35,152</u>
	<u>4,960,748</u>	<u>4,958,473</u>
20.1 The movement of deferred taxation is as follows:		
As at the beginning of the year	4,958,473	4,187,445
Recognised in profit or loss	(43,823)	672,025
Recognised in other comprehensive income	<u>46,098</u>	<u>99,003</u>
As at the end of the year	<u>4,960,748</u>	<u>4,958,473</u>

	Note	2026 ----- (Rupees in '000) -----	2025 -----
21 TRADE AND OTHER PAYABLES			
Creditors		601,787	660,320
Bills payable		3,741	2,339
Accrued liabilities		404,420	485,393
Provision for Gas Infrastructure Development Cess (GIDC)	21.1	208,448	190,708
KPK Infrastructure Development Cess		42,467	42,467
Sindh Infrastructure Development Cess		-	310,656
Provisions	21.2	725,652	621,513
Retention money		17,666	21,286
Workers' Profits Participation Fund	21.3	291,778	362,842
Workers' Welfare Fund	21.4	188,719	202,393
Excise duty, sales tax and royalty payable		367,055	1,138
Others		214,705	168,838
		<u>3,066,438</u>	<u>3,069,893</u>

21.1 During the year ended 30 June 2021, the Supreme Court of Pakistan (SCP) upheld the validity of the Gas Infrastructure Development Cess (GIDC) Act, 2015 by dismissing all pending petitions challenging the Act. Subsequently, the Company filed a writ petition before the Peshawar High Court (PHC), contending that it had not passed on the burden of GIDC to its end consumers. The PHC declared the petition non-maintainable and directed the Company to approach the appropriate forum. Accordingly, the Company filed a suit before the Civil Court, Peshawar (CCP), which granted a stay order restraining SNGPL from recovering GIDC or taking any adverse action against the Company. The matter is currently pending adjudication. However, as a matter of prudence, the Company has recorded GIDC provision in these Financial Statements.

21.2 During the year, additional provision of Rs. 104.15 million (2025: Rs. 306.59 million) was recognized in respect of various obligations payable to the Government authorities.

	Note	2026 ----- (Rupees in '000) -----	2025 -----
21.3 Workers' Profit Participation Fund			
Opening balance		362,842	275,155
Interest thereon		1,371	2,633
		<u>364,213</u>	<u>277,788</u>
Payment made during the year		(364,213)	(277,788)
		<u>-</u>	<u>-</u>
Charge for the year	30	291,778	362,842
Closing balance		<u>291,778</u>	<u>362,842</u>

21.4 Workers' Welfare Fund

Opening balance		202,393	140,397
Payment made during the year		(200,687)	(138,887)
		<u>1,706</u>	<u>1,510</u>
Charge for the year	30	187,013	200,883
Closing balance		<u>188,719</u>	<u>202,393</u>

22 CONTRACT LIABILITIES

Includes export related advances amounting to Rs. 560 million (2025: Rs. 61 million).

	Note	2026 ----- (Rupees in '000) -----	2025 -----
23 ACCRUED MARK-UP			
Islamic banks			
Long-term financing		8,115	28,148
Short-term borrowings		<u>5,109</u>	<u>16,934</u>
		<u>13,224</u>	<u>45,082</u>
Conventional banks			
Long-term financing		12,311	14,433
Short-term borrowings		<u>247</u>	<u>12,311</u>
		<u>12,558</u>	<u>26,744</u>
		<u>25,782</u>	<u>71,826</u>

24 SHORT-TERM BORROWINGS – secured

Islamic banks

Running finance	24.1	649	189,683
Export refinance facility	24.1	-	1,093,250
		<u>649</u>	<u>1,282,933</u>

Conventional banks

Running finance	24.2	193,709	284,038
Export refinance facility	24.2	-	1,162,950
		<u>193,709</u>	<u>1,446,988</u>
		<u>194,358</u>	<u>2,729,921</u>

24.1 Represent facilities obtained from various Islamic banks amounting to Rs. 5,200 million (2025: Rs. 4,900 million) out of which Rs. 5,199 million (2025: Rs. 3,617 million) remain unutilized at the year end. These facilities carry profit ranging 1 month KIBOR + 0.25% to 1% per annum and 3 month KIBOR + 0.25% to 0.75% per annum. These facilities are secured against joint pari-passu hypothecation charge over stocks and book debts for Rs. 6,603 million. During the year, Export Refinance Facility (ERF) has been fully repaid to three Islamic banks. These carried mark-up at the range 4.5% to 8% per annum (2025: 8% to 19% per annum).

24.2 Represents facilities obtained from various conventional banks amounting to Rs. 6,000 million (2025: Rs. 6,450 million) out of which Rs. 5,806 million (2025: Rs. 5,003 million) remains unutilized at the year end. These facilities carry mark-up ranging from 1 month KIBOR + 0.40% per annum to 1 month KIBOR + 0.75% per annum and 3 months KIBOR + 0.50% per annum to 3 months KIBOR + 0.65% per annum. These facilities are secured against joint pari-passu hypothecation charge over stocks and book debts for Rs. 8,004 million. During the year, Export Refinance Facility (ERF) has been fully repaid to two Conventional banks. These carried mark-up at the range 4.5% to 8% per annum (2025: 8% to 19% per annum).

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 The Competition Commission of Pakistan (CCP) passed an order in 2009 imposing a penalty of Rs. 6,312 million on the cement industry including a penalty of Rs. 226 million on the Company on the alleged grounds of increase in prices of cement across the country. This was challenged in the Lahore High Court where the judgement was made against the Company. Subsequently, the Company filed a Civil Petition in the Honourable Supreme Court of Pakistan (SCP). In the above judgement, few points were decided in favour of the Company against which the CCP filed an appeal in the SCP. Additionally, the Company has challenged the constitution of the Competition Appellate Tribunal (the Tribunal) before the Sindh High Court (SHC) which granted a stay in favor of the Company. During the year, SHC vacated the stay order, following which proceedings before the Tribunal commenced. In view of legal advice, the Company expects a favourable outcome and accordingly, no provision has been made in these financial statements.

25.1.2 During the period from 1994 to 1999, excise duty was wrongly collected from the Company by the Federal Board of Revenue (FBR) based on retail price inclusive of excise duty which has resulted in

a refund claim of Rs. 882 million. The Company challenged this matter in the Peshawar High Court (PHC). The PHC and subsequently the SCP ruled in favor of the Company. While refund verification, the Collector of Excise and Sales Tax - Peshawar issued a show cause notice to the Company raising objection that the burden of this levy has been passed on to the end customers. The Company challenged this objection in the PHC which directed to appoint an independent firm of Chartered Accountants for verification of this refund claim. However, the Regional Tax Office (RTO) Peshawar carried out the verification of this refund claim based on the terms of reference advised by the Federal Tax Ombudsman (FTO). RTO Peshawar finalized the report which was not in line with the parameters given by the FTO, therefore, the FTO made a ruling for verification of the adverse observations of the RTO Peshawar through an independent firm of Chartered Accountants. FBR challenged the FTO's ruling before the President of Pakistan, filed a writ and review petition before the PHC, and also appealed to the SCP. All forums decided the matter in favor of the Company, with a minor modification by the President of Pakistan, subsequently endorsed by the SCP that the refund verification be conducted by two reputed audit firms. The Company is in process for the appointment of audit firms in consultation with FBR. Keeping in view the inherent delays and uncertainties involved in such matters, the management as a matter of prudence, has not recognised this amount as refund in these annual financial statements.

25.1.3 During the year ended 30 June 2013, the SHC decided the case in favor of the Company against special excise duty levied by the FBR for the period from July 2007 to June 2011 which resulted in a refund claim of Rs. 100.08 million. However, FBR challenged this decision in the SCP and SCP has ruled on a similar case against the decision of SHC. The management as a matter of prudence, has not recognised the above refund.

25.2 Commitments

- Letters of credit – conventional and islamic banks
- Letters of guarantee – conventional and islamic banks
- Capital commitments

26 TURNOVER - net

	2026	2025
	----- (Rupees in '000) -----	
Local sales – gross	53,995,714	50,682,386
Rebates and discounts	(1,672,581)	(1,308,477)
Sales tax	(9,182,713)	(8,472,324)
Federal excise duty	(8,707,146)	(7,980,011)
Local sales – net	34,433,274	32,921,574
Export sales – gross	2,402,295	5,505,415
Rebates, discounts and commission	(352,761)	(616,183)
Export sales – net	2,049,534	4,889,232
	36,482,808	37,810,806

26.1 Revenue recognised during the year from contract liabilities at the beginning of the year amounted to Rs. 141.93 million (2025: Rs. 98.44 million).

26.2 Revenue earned by the Company is Shariah Compliant.

27 COST OF SALES

Raw and packing material consumed:

	Note	2026	2025
		----- (Rupees in '000) -----	
Opening stock		365,636	461,711
Purchases		4,385,099	3,767,947
		4,750,735	4,229,658
Closing stock	9	(506,359)	(365,636)
		4,244,376	3,864,022
Duty drawback on exports		(9,628)	(12,697)
		4,234,748	3,851,325

Manufacturing overheads:

Salaries, wages and benefits	27.1	3,131,687	2,805,501
Stores and spare parts consumed		1,079,432	1,141,132
Fuel and power		12,629,401	12,605,417
Rent, rates and taxes	27.2	1,114,996	811,398
Insurance		228,253	203,168
Vehicle running expenses		327,777	319,241
Travelling and conveyance		72,757	61,233
Printing and stationery		7,069	6,780
Legal and professional charges		66,798	20,788
Repairs and maintenance		239,119	202,380
Depreciation	5.1.3	1,687,875	1,654,408
Amortisation	6.1	64,192	64,055
Communication		7,876	7,272
Others		90,092	47,938
		24,982,072	23,802,036

Work-in-process:

Opening		921,310	919,377
Closing	9	(1,310,902)	(921,310)
Cost of goods manufactured		24,592,480	23,800,103

Finished goods:

Opening		368,265	409,343
Closing	9	(520,971)	(368,265)
		24,439,774	23,841,181

27.1 Include amounts in respect of provident fund and gratuity fund amounting to Rs. 78.15 million and Rs. 86.88 million respectively (2025: Rs. 71.06 million and Rs. 92.88 million respectively).

27.2 Include royalty and excise duty paid / provided amounting to Rs. 1,042.03 million and Rs 8.76 million respectively (2025: Rs. 719.05 million and Rs. 8.46 million respectively) to Government of Khyber Pakhtunkhwa.

28 DISTRIBUTION COSTS

	Note	2026	2025
		----- (Rupees in '000) -----	
Salaries and benefits	28.1	624,847	567,851
Export expenses		4,185	5,982
Travelling and conveyance		25,855	21,774
Staff training expenses		1,491	1,289
Vehicle running expenses		42,473	42,228
Communication		10,031	10,655
Printing and stationery		2,274	2,212
Rent, rates and taxes		10,253	12,153
Utilities		12,635	15,872
Repairs and maintenance		17,985	17,974
Insurance		26,644	28,057
Advertisement		49,126	64,943
Entertainment		4,754	3,157
Depreciation	5.1.3	36,109	33,641
Depreciation on right-of-use assets		16,428	13,523
Amortisation	6.1	117	48
License and subscription		19,076	5,745
Others		6,765	7,173
		911,048	854,277

28.1 Include amounts in respect of provident fund and gratuity fund amounting to Rs. 15.76 million and Rs. 17.08 million, respectively (2025: Rs. 13.84 million and Rs. 22.58 million, respectively).

		2026	2025
	Note	----- (Rupees in '000) -----	
29 ADMINISTRATIVE EXPENSES			
Salaries and benefits	29.1	430,471	357,750
Travelling and conveyance		11,374	8,829
Staff training expenses		9,933	3,312
Vehicle running expenses		30,852	29,173
Communication		8,159	8,129
Printing and stationery		9,417	9,245
Rent, rates and taxes		11,635	12,076
Utilities		7,122	8,188
Repairs and maintenance		11,472	10,720
Legal and professional charges		58,157	49,601
Insurance		24,940	30,053
License and subscription		8,726	9,755
Advertisement		4,194	3,532
Depreciation	5.1.3	37,287	33,197
Depreciation on right-of-use assets		4,420	3,861
Amortisation	6.1	3,435	3,435
Entertainment		6,727	7,780
Others		10,689	7,802
		<u>689,010</u>	<u>596,438</u>

29.1 Include amounts in respect of provident fund and gratuity fund amounting to Rs. 17.53 million and Rs. 15.85 million respectively (2025: Rs. 13.59 million and Rs. 19.77 million respectively).

		2026	2025
	Note	----- (Rupees in '000) -----	
30 OTHER EXPENSES			
Workers' Profits Participation Fund	21.3	291,778	362,842
Workers' Welfare Fund	21.4	187,013	200,883
Donations	30.1	79,171	56,498
Auditor's remuneration	30.2	4,331	3,916
Tax and other corporate services		2,144	4,249
Exchange loss		10	-
Share of loss from Joint venture		4,354	329
		<u>568,801</u>	<u>628,717</u>

30.1 Donations

The Citizens Foundation	16,100	12,000
Pakistan Army - Flood Relief	8,000	-
Noor Foundation	1,200	1,200
Layton Rahmatulla Benevolent Trust (L.R.B.T)	1,000	-
Others	52,871	43,298
	<u>79,171</u>	<u>56,498</u>

30.1.1 Recipients of donations do not include any donee in which any director or his / her spouse had any interest except for donation paid to Ghulam Faruque Trust amounting to Rs. 0.12 million during the preceding year. Following directors of the Company are also trustees of the said trust:

- Mr. Omar Faruque
- Mr. Azam Faruque

30.2 Auditor's remuneration

	2026	2025
	----- (Rupees in '000) -----	
Audit fee	2,700	2,412
Half-yearly review and other certifications	1,125	988
Out of pocket expenses	506	516
	<u>4,331</u>	<u>3,916</u>

31 OTHER INCOME

Income from financial assets

Profit on bank accounts - conventional	13,702	36,206
Profit on bank accounts - shariah compliant	3,326	2,232
Gain on short-term investments at FVTPL - conventional	912,808	907,447
Gain on short-term investments at FVTPL - shariah compliant	549,345	266,870
Dividend income from Cherat Packaging Limited - shariah compliant	10,820	16,229
Interest income on loan to SNGPL - conventional	5,390	6,606
	<u>1,495,391</u>	<u>1,235,590</u>

Income from non-financial assets

Gain on disposal of property, plant and equipment - shariah compliant	87,512	157,078
Scrap sales - shariah compliant	70,151	192,464
Exchange gain- shariah compliant	-	1,170
Effect of discounting - Shariah compliant	109,997	-
Others - shariah compliant	4,054	2,141
	<u>271,714</u>	<u>352,853</u>
	<u>1,767,105</u>	<u>1,588,443</u>

32 FINANCE COSTS

Islamic banks

Mark-up on long-term financing	102,871	42,229
Mark-up on short-term borrowings	79,194	288,192
Bank charges and commission	16,712	1,900
	<u>198,777</u>	<u>332,321</u>

Conventional banks

Mark-up on long-term financing	52,374	94,219
Mark-up on short-term borrowings	60,246	131,353
Bank charges and commission	24,289	28,510
	<u>136,909</u>	<u>254,082</u>

Mark-up on lease liabilities	4,553	2,739
Interest on workers' profits participation fund	1,371	2,633
	<u>341,610</u>	<u>591,775</u>

33 INCOME TAX

Current	4,119,924	4,280,383
Prior	(32,622)	(749,337)
Deferred	(43,823)	672,025
	<u>4,043,479</u>	<u>4,203,071</u>

33.1 Reconciliation between tax expense and accounting profit

	2026 ----- (Rupees in '000) -----	2025
Profit before income tax	<u>11,298,047</u>	12,884,427
Corporate tax rate	<u>29%</u>	29%
Tax at applicable rate	<u>3,276,434</u>	3,736,484
Tax effects of:		
Income assessed at reduced rates	(60,001)	(46,973)
Super tax	809,133	1,110,816
Prior year	(32,622)	(749,337)
Others	<u>50,535</u>	152,081
	<u>4,043,479</u>	4,203,071

33.2 During the year, the Federal Constitutional Court of Pakistan (FCCP) has decided to uphold the applicability of the super tax and set aside all the previous judgments passed by the Hon'ble High Courts. Accordingly, the Company has discharged its super tax liability for all tax years up to 2025 amounting to Rs. 2,526 million. The Company has filed a review petition against the order of FCCP.

34 EARNINGS PER SHARE

	2026	2025
Net profit for the year (Rupees in '000)	<u>7,254,568</u>	8,681,356
Weighted average number of ordinary shares in issue	<u>194,295,038</u>	194,295,038
Earnings per share - basic and diluted	<u>Rs. 37.34</u>	Rs. 44.68

34.1 There is no dilutive effect on basic earnings per share of the Company.

35 CASH AND CASH EQUIVALENTS

	Note	2026 ----- (Rupees in '000) -----	2025
Cash and bank balances	14	<u>755,719</u>	672,667
Short-term borrowings	24	<u>(194,358)</u>	(2,729,921)
Short-term investments	13	<u>11,726,281</u>	11,795,250
		<u>12,287,642</u>	9,737,997

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's senior management oversees the management of these risks and provides policies for overall risk management, as well as policies covering specific areas. The Board of Directors review and agree policies for managing each of these risks which are summarized below:

36.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market risk comprise three types of risks which are as follows:

36.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises from long-term financing, short-term borrowings and bank balances. The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Company's profit before tax:

	Increase / decrease in basis points	Effect on profit before income tax and levy (Rupees in '000)
2026		
KIBOR	+ / - 100	<u>27,226</u>
2025		
KIBOR	+ / - 100	<u>54,430</u>

36.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. As of the reporting date, the Company is not materially exposed to such risk.

36.1.3 Price risk

Price risk is the risk of loss arising from uncertainties about future values of investments in securities due to movements in prices of equity investments. As of the reporting date, the Company is exposed to such risk in respect of equity investment in related parties, Cherat Packaging Limited and Mirpurkhas Sugar Mills Limited amounting to Rs. 354.23 million and 131.34 million, respectively.

A decrease of 10% in the share price of these securities would have an impact of approximately Rs. 48.56 million on the statement of comprehensive income. A increase of 10% in the share price of these securities would impact the statement of comprehensive income with the similar amount.

36.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date with no defaults in the past year is:

	2026 ----- (Rupees in '000) -----	2025
Long-term loans	<u>40,127</u>	50,662
Long-term deposits	<u>19,653</u>	7,982
Trade debts	<u>1,390,198</u>	1,257,631
Other receivables	<u>3,460</u>	4,943
Bank balances	<u>752,119</u>	668,914
	<u>2,205,557</u>	1,990,132

36.2.1 Credit quality of financial assets

The credit quality of bank balances and short term investments can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	2026	2025
	----- (Rupees in '000) -----	
Bank balances		
A1+	<u>746,584</u>	662,728
A1	<u>5,535</u>	6,186
Short-term investments - Mutual funds		
AM1	<u>10,732,013</u>	10,824,854
A+	<u>427,467</u>	-
AM2+	<u>257,993</u>	-
AM2++	<u>308,808</u>	970,396
	<u>11,726,281</u>	11,795,250

36.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual payments.

	On demand	Less than one year	More than one year	Total
	----- (Rupees in '000) -----			
2026				
Long-term financing	-	530,806	2,935,143	3,465,949
Lease liabilities	-	7,726	14,471	22,197
Long-term security deposits	32,920	-	-	32,920
Trade and other payables	1,967,971	-	-	1,967,971
Accrued mark-up	25,782	128,425	378,049	532,256
Short-term borrowings	-	194,358	-	194,358
Unclaimed dividend	99,687	-	-	99,687
Unpaid dividend	46,947	-	-	46,947
	<u>2,173,307</u>	<u>861,315</u>	<u>3,327,663</u>	<u>6,362,285</u>
	On demand	Less than one year	More than one year	Total
	----- (Rupees in '000) -----			
2025				
Long-term financing	-	350,368	3,465,948	3,816,316
Lease liabilities	-	13,335	22,197	35,532
Long-term security deposits	29,985	-	-	29,985
Trade and other payables	1,959,689	-	-	1,959,689
Accrued mark-up	71,826	311,275	506,474	889,575
Short-term borrowings	-	2,729,921	-	2,729,921
Unclaimed dividend	85,160	-	-	85,160
Unpaid dividend	42,783	-	-	42,783
	<u>2,189,443</u>	<u>3,404,899</u>	<u>3,994,619</u>	<u>9,588,961</u>

Effective interest / yield rates for the financial liabilities (where applicable) are mentioned in the respective notes.

36.4 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholders value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and bank balances.

The gearing ratios as at 30 June 2026 and 2025 are as follows:

	2026	2025
	----- (Rupees in '000) -----	
Long-term financing	<u>3,465,949</u>	3,816,316
Accrued mark-up	<u>25,782</u>	71,826
Short-term borrowings	<u>194,358</u>	2,729,921
Total debt	<u>3,686,089</u>	6,618,063
Cash and bank balances	<u>(755,719)</u>	(672,667)
Net debt	<u>2,930,370</u>	5,945,396
Share capital	<u>1,942,950</u>	1,942,950
Reserves	<u>37,571,148</u>	31,364,779
Total capital	<u>39,514,098</u>	33,307,729
Capital and net debt	<u>42,444,468</u>	39,253,125
Gearing ratio	6.90%	15.15%

The Company finances its major projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

36.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate fair values.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, all financial instruments of the Company are carried at amortized cost except as follows:

		2026			
		Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)			
Long-term investments	7	485,573	-	-	485,573
Short-term investments	13	11,726,281	-	-	11,726,281
		12,211,854	-	-	12,211,854

		2025			
		Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)			
Long-term investments	7	539,859	-	-	539,859
Short-term investments	13	11,795,250	-	-	11,795,250
		12,335,109	-	-	12,335,109

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

36.6 Reconciliation of movement of liabilities to cash flows arising from financing activities:

		2026				
		Long-term financing	Lease liabilities	Government grant	Unclaimed and unpaid dividend	Total
		(Rupees in '000)				
Balance as at 01 July 2025		2,713,116	35,532	1,103,200	127,943	3,979,791
Changes from financing cash flows						
Drawdowns		-	-	-	-	-
Repayments		(184,924)	-	-	-	(184,924)
Repayment of lease liabilities - net		-	(17,888)	-	-	(17,888)
Dividend paid		-	-	-	(1,049,932)	(1,049,932)
		(184,924)	(17,888)	-	(1,049,932)	(1,252,744)
Other changes						
Dividend declared		-	-	-	1,068,623	1,068,623
Interest on lease liabilities		-	4,553	-	-	4,553
Amortisation of Government grants		-	-	(165,443)	-	(165,443)
		-	4,553	(165,443)	1,068,623	907,733
Balance as at 30 June 2026		2,528,192	22,197	937,757	146,634	3,634,780

		2025				
		Long-term financing	Lease liabilities	Government grant	Unclaimed and unpaid dividend	Total
		(Rupees in '000)				
Balance as at 01 July 2024		2,823,768	39,186	1,237,850	111,123	4,211,927
Changes from financing cash flows						
Drawdowns		-	-	-	-	-
Repayments		(110,652)	-	-	-	(110,652)
Repayment of lease liabilities - net		-	(15,642)	-	-	(15,642)
Dividend paid		-	-	-	(1,051,803)	(1,051,803)
		(110,652)	(15,642)	-	(1,051,803)	(1,178,097)
Other changes						
Dividend declared		-	-	-	1,068,623	1,068,623
Interest and remeasurement on lease liabilities		-	11,988	-	-	11,988
Amortisation of Government grants		-	-	(134,650)	-	(134,650)
		-	11,988	(134,650)	1,068,623	945,961
Balance as at 30 June 2025		2,713,116	35,532	1,103,200	127,943	3,979,791

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2026			2025		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	----- (Rupees in '000) -----					
Managerial remuneration	65,660	30,568	612,025	57,317	26,800	618,725
Bonus	32,580	13,134	291,140	28,409	11,421	280,529
Housing allowance	1,452	9,194	206,437	1,452	7,994	174,505
Retirement benefits	10,860	4,378	87,790	9,470	3,806	89,743
Utilities	1,907	2,624	58,242	2,703	2,282	48,384
Leave fare assistance	5,430	1,903	38,626	4,735	1,620	28,872
	117,889	61,801	1,294,260	104,086	53,923	1,240,758
Number	1	1	194	1	1	171

37.1 The Chief Executive and an executive have been provided with furnished accommodation. Further, the Chief Executive, Director and certain executives are provided with the use of company maintained cars, telephone facility, utilities and some other facilities, which are reimbursed at actual to the extent of their entitlements.

37.2 The aggregate amount charged in the financial statements for meeting fee to 6 non-executive directors amounted to Rs. 4.00 million (2025: Rs. 3.60 million). No further remuneration was paid to any director.

38 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of companies with common directorship, retirement funds and key management personnel. The Company enters into transactions with related parties on agreed terms as approved by the Board of Directors. Transactions with related parties other than those disclosed elsewhere in the financial statements, are as follows:

Relationship	Nature of transactions	2026	2025
		---- (Rupees in '000) ----	
Associated companies (Common directorship)	Purchases	3,065,693	2,615,404
	Sales	2,381	4,744
	Purchase of fixed assets	26,956	402,161
	Sale of fixed assets	14,160	-
	Royalty and excise duty	1,050,791	728,201
	Services received	146	313
	IT support charges	48,004	46,438
	Dividend received	10,820	16,229
	Dividend paid	290,165	269,272
	Insurance premium paid	127,398	112,704
	Advance against equity	10,000	-
Directors and their spouse(s)	Dividend paid	38,375	38,235
Retirement benefit fund	Contribution to staff provident and gratuity funds	224,445	220,499
	Dividend paid	20,618	20,618

In addition, certain actual administrative expenses are being shared amongst the group companies.

38.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

Name of Related Party	Relationship	Aggregate % of Shareholding
Faruque (Private) Limited	Common directorship	21.79
Cherat Packaging Limited	Common directorship	2.76
Mirpurkhas Sugar Mills Limited	Common directorship	0.59
Greaves Pakistan (Private) Limited	Common directorship	1.25
Greaves Airconditioning (Private) Limited	Common directorship	Nil
Zensoft (Private) Limited	Common directorship	0.01
UniEnergy Limited	Common directorship	Nil
CFS Minerals Private Limited	Common directorship	Nil
Jubilee General Insurance Company Limited	Common directorship	Nil
Pakistan Cables Limited	Common directorship	Nil
Cherat Cement Company Limited - Employees' Provident Fund	Retirement benefit fund	0.27
Cherat Cement Company Limited - Employees' Gratuity Fund	Retirement benefit fund	1.66
Mr. Omar Faruque	Director	1.0904
Mrs. Shamain Akbar Faruque	Spouse of director	0.2038
Mr. Azam Faruque	Director	1.4184
Mrs. Samia Faruque	Spouse of director	0.0298
Mr. Akbarali Pesnani	Director	0.0470
Mrs. Sakina Pesnani	Spouse of director	0.0307
Mr. Arif Dino Faruque	Director	0.7232
Mr. Ariful Islam	Director	0.0396
Mr. Abrar Hasan	Director	0.0003
Mrs. Zeeba Ansar	Director	0.0001
Mr. Yasir Masood	Director	0.0006

38.1.1 None of the key management personnel had any arrangements with the Company other than the employment contract.

39 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2026		2025	
	Total	Factory	Total	Factory
Total number of employees	935	781	945	796
Average number of employees during the year	940	789	962	811

- 39.1** During the year, the Company made an expenditure of Rs. 18.25 million (2025: Rs. 16.30 million) in respect of staff recruitment, selection, hiring, rewarding, utilizing, human safety, training and development of human assets of the Company.

40 PRODUCTION CAPACITY

	2026	2025
	(Tons)	(Tons)
Annual installed capacity – Clinker	4,320,000	4,320,000
Annual installed capacity – Cement	4,536,000	4,536,000
Actual production – Clinker	2,127,888	2,134,893
Actual production – Cement	2,363,784	2,386,193

Plant operational capacity utilisation is in line with industry demand.

41 EMPLOYEES' PROVIDENT FUND

Investment out of provident fund has been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

42 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment. Total sales of the Company comprise of cement.

Sales relating to customers in Pakistan were 94% during the year ended 30 June 2026 (2025: 87%). All non-current assets of the Company at the end of the current and preceding year were located in Pakistan.

During the year, 46% (2025: 45%) of the Company's total sales were generated from its 20 major customers.

43 NON ADJUSTING EVENT AFTER REPORTING DATE

Subsequent to year ended 30 June 2026, the Board of Directors in its meeting held on 21 August 2026 has proposed final cash dividend @ 4.00 per share amounting to Rs. 777.18 million (2025: Rs. 4.00 per share amounting to Rs. 777.18 million) for approval of the members at the Annual General Meeting. This is in addition to the interim cash dividend @ Rs. 1.50/- per share amounting to Rs. 291.44 million (2025: Rs. 1.50 per share amounting to Rs. 291.44 million) approved by the Board of Directors for the year ended 30 June 2026.

44 DATE OF AUTHORISATION

These financial statements were authorised for issue on 21 August 2026 by the Board of Directors of the Company.

45 SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Disclosures in relation to the Statement of Financial Position- Liability Side:			
Long-term financing as per Islamic mode	17	1,260,662	1,079,865
Short-term borrowings as per Islamic mode	24	649	1,282,933
Markup accrued on conventional loans	23	12,558	26,744

Disclosures in relation to the Statement of Financial Position - Asset Side:

Long-term investments - shariah compliant	7	499,236	547,876
Short-term investments - shariah compliant	13	6,485,204	3,369,723
Bank balances - shariah compliant	14	523,988	472,719

Disclosures in relation to the Statement of Comprehensive Income:

Revenue earned from shariah compliant business	26	36,482,808	37,810,806
Break-up of late payments or liquidated damages		N/A	N/A
Gain from short-term investments - shariah compliant	31	549,345	266,870
Unrealised loss from long-term investments - shariah compliant		55,685	2,433
Dividend earned from long-term investments - shariah compliant	31	10,820	16,229
Share of loss from joint venture - shariah compliant	30	4,354	329
Profit earned from bank deposits / TDR - shariah compliant	31	3,326	2,232
Exchange (loss) / gain - shariah compliant	30 & 31	(10)	1,170
Exchange gains earned using conventional derivative financial instruments		N/A	N/A
Profit paid on Islamic mode of financing		213,590	358,419
Profit earned from conventional loan	31	5,390	6,606

Source and detailed breakup of other income:

Gain from short-term investments - shariah compliant	31	549,345	266,870
Dividend earned from long-term investments - shariah compliant	31	10,820	16,229
Profit earned from bank deposits / TDR - shariah compliant	31	3,326	2,232
Gain on disposal of operating property, plant and equipment - shariah compliant	31	87,512	157,078
Scrap sales - shariah compliant	31	70,151	192,464
Exchange gain - shariah compliant	31	-	1,170
Effect of discounting - Shariah compliant	31	109,997	-
Others - shariah compliant	31	4,054	2,141
Gain from short-term investments - conventional	31	912,808	907,447
Profit earned from bank deposits / TDR - conventional	31	13,702	36,206
Profit earned from conventional loan	31	5,390	6,606

Relationship with Shariah Compliant Financial Institutions:

Name:

Relationship:

Meezan Bank Limited	Diminishing Musharakah Running Musharakah Bank Balance
Faysal Bank Limited	Diminishing Musharakah Bank Balance
United Bank Limited	Diminishing Musharakah Bank Balance
MCB Islamic Bank Limited	Bank Balance
Dubai Islamic Bank Pakistan Limited	Bank Balance
The Bank of Khyber	Bank Balance
Bank Alfalah Limited	Bank Balance
ABL Asset Management Company Limited	Investment
AL Habib Asset Management Limited	Investment
AL Meezan Investment Management Limited	Investment
Alfalah Asset Management Limited	Investment
Atlas Asset Management Limited	Investment
Faysal Asset Management Limited	Investment
Lucky Investments Limited	Investment
MCB Investment Management Limited	Investment
NBP Funds Management Limited	Investment
EFU General Insurance Window Takaful Operations	Fire & Engineering Insurance

46 GENERAL

46.1 Corresponding figures have been re-arranged and re-classified for the purpose of better presentation. However, there are no material reclassification to report.

46.2 Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2026

No of Shareholders	Shareholdings' Slab			Total Shares Held
	From		To	
2315	1	to	100	74,132
1447	101	to	500	387,240
956	501	to	1000	661,471
1228	1001	to	5000	2,775,831
403	5001	to	10000	2,813,245
184	10001	to	15000	2,209,127
69	15001	to	20000	1,194,124
53	20001	to	25000	1,176,570
64	25001	to	30000	1,736,782
24	30001	to	35000	774,731
20	35001	to	40000	747,584
20	40001	to	45000	861,705
16	45001	to	50000	759,546
20	50001	to	55000	1,062,883
11	55001	to	60000	638,331
6	60001	to	65000	375,203
6	65001	to	70000	404,223
8	70001	to	75000	578,805
3	75001	to	80000	230,382
1	80001	to	85000	82,162
5	85001	to	90000	436,966
3	90001	to	95000	274,202
8	95001	to	100000	785,438
4	100001	to	105000	409,215
5	105001	to	110000	544,304
2	110001	to	115000	224,328
3	115001	to	120000	354,386
2	120001	to	125000	244,245
1	125001	to	130000	125,811
1	130001	to	135000	133,904
2	135001	to	140000	276,199
1	140001	to	145000	142,670
4	145001	to	150000	596,355
1	155001	to	160000	159,856
1	160001	to	165000	162,500
1	165001	to	170000	166,000
2	170001	to	175000	342,050
5	175001	to	180000	893,954
1	180001	to	185000	184,482
2	185001	to	190000	372,449
5	195001	to	200000	999,000
1	210001	to	215000	212,371
1	220001	to	225000	221,937
3	225001	to	230000	686,245
1	235001	to	240000	237,100
3	240001	to	245000	722,449
2	245001	to	250000	500,000
1	255001	to	260000	256,851
1	260001	to	265000	263,699
2	295001	to	300000	596,750
1	305001	to	310000	305,038
1	325001	to	330000	330,000
1	330001	to	335000	334,970
1	335001	to	340000	338,307
1	345001	to	350000	347,845
1	385001	to	390000	389,820

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2026

No of Shareholders	Shareholdings' Slab			Total Shares Held
	From		To	
1	390001	to	395000	390,838
4	395001	to	400000	1,590,343
2	415001	to	420000	838,169
2	435001	to	440000	874,697
1	495001	to	500000	500,000
1	520001	to	525000	524,619
1	525001	to	530000	528,070
2	535001	to	540000	1,078,335
1	560001	to	565000	561,768
1	565001	to	570000	569,583
1	635001	to	640000	637,565
1	745001	to	750000	750,000
1	795001	to	800000	798,362
1	815001	to	820000	817,248
1	845001	to	850000	850,000
1	880001	to	885000	881,757
1	885001	to	890000	885,877
1	895001	to	900000	897,277
1	905001	to	910000	909,245
1	910001	to	915000	910,698
1	920001	to	925000	923,212
1	1070001	to	1075000	1,071,939
1	1095001	to	1100000	1,100,000
1	1180001	to	1185000	1,183,257
1	1185001	to	1190000	1,189,972
1	1245001	to	1250000	1,250,000
1	1300001	to	1305000	1,300,335
2	1325001	to	1330000	2,654,681
1	1340001	to	1345000	1,342,914
1	1365001	to	1370000	1,365,710
1	1390001	to	1395000	1,393,930
1	1435001	to	1440000	1,437,757
1	1720001	to	1725000	1,723,836
1	1770001	to	1775000	1,770,788
1	1915001	to	1920000	1,917,420
1	2185001	to	2190000	2,189,500
1	2220001	to	2225000	2,222,641
1	2360001	to	2365000	2,364,309
1	2415001	to	2420000	2,419,002
1	2495001	to	2500000	2,500,000
1	2710001	to	2715000	2,711,183
2	2755001	to	2760000	5,511,604
1	3145001	to	3150000	3,147,497
1	3220001	to	3225000	3,220,783
1	3535001	to	3540000	3,535,580
1	4785001	to	4790000	4,788,782
1	4830001	to	4835000	4,833,092
1	4875001	to	4880000	4,877,439
1	5325001	to	5330000	5,327,698
1	8475001	to	8480000	8,476,664
1	8895001	to	8900000	8,900,000
1	14635001	to	14640000	14,636,936
1	42095001	to	42100000	42,096,353
6,995				194,295,038

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
MR. OMAR FARUQUE	1	2,118,633	1.09
MRS. SHAMAIN AKBAR FARUQUE W/O. MR. OMAR FARUQUE	1	396,000	0.20
MR. AZAM FARUQUE	1	2,755,940	1.42
MRS. SAMIA FARUQUE W/O. MR. AZAM FARUQUE	1	57,981	0.03
MR. AKBARALI PESNANI	1	91,300	0.05
MRS. SAKINA PESNANI W/O. MR. AKBARALI PESNANI	1	59,600	0.03
MR. ARIF DINO FARUQUE	1	1,405,194	0.72
MR. ABRAR HASAN	1	550	0.00
MRS. ZEEBA ANSAR	1	110	0.00
MR. ARIFUL ISLAM	1	77,000	0.04
MR. YASIR MASOOD	1	1,100	0.00
Associated Companies, undertakings and related parties			
FARUQUE (PRIVATE) LIMITED	1	42,336,508	21.79
CHERAT PACKAGING LIMITED	1	5,372,105	2.76
MIRPURKHAS SUGAR MILLS LIMITED	1	1,154,128	0.59
GREAVES PAKISTAN (PRIVATE) LIMITED	1	2,419,002	1.25
ZENSOFT (PRIVATE) LIMITED	1	15,000	0.01
NIT & ICP	2	53,077	0.03
Banks, Development Financial Institutions, Non Banking Financial Institutions	14	15,638,041	8.05
Insurance Companies	13	5,042,548	2.60
Modarabas and Mutual Funds	71	29,102,495	14.98
General Public			
a. Local	6,341	54,295,960	27.94
b. Foreign	359	2,329,959	1.20
Foreign Companies	18	1,180,393	0.61
Others	161	28,392,414	14.61
Total	6,995	194,295,038	100.00

Shareholders holding 10% or more	Shares Held	Percentage
FARUQUE (PRIVATE) LIMITED	42,336,508	21.79



چیراٹ سیمنٹ کمپنی لمیٹڈ

غلام فاروق گروپ کمپنی

پوسٹل بیٹ پیپر

منگل، 13 اکتوبر، 2026 صبح 11:00 بجے کمپنی کے رجسٹرڈ آفس، واقع فیکٹری، ولیج لکرائی، نوشہرہ، خیبر پختونخوا، میں منعقد ہونے والے سالانہ جنرل اجلاس میں خصوصی برٹس کے لیے ڈاک کے ذریعے ووٹ ڈالنے کے لیے:

یو اے این : 92 21 111-000-009 + ویب سائٹ: www.gfg.com.pk

فولیو/ سی ڈی ایس اکاؤنٹ نمبر	
شیئر ہولڈر/پراکسی ہولڈر کا نام	
رجسٹرڈ ایڈریس	
موجودہ شیئرز کی تعداد	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر/ پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) کاپی منسلک کریں	
اضافی معلومات اور انکوائریز (کارپوریٹ باڈی، کارپوریشن، اور وفاقی حکومت کا نمائندہ ہونے کی صورت میں)	
مجاز دستخط کنندہ کا نام	
مجاز دستخط کنندہ کا کمپیوٹرائزڈ قومی شناختی کارڈ نمبر/ پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (کاپی منسلک کریں)	

لیجنڈا کے آئٹم نمبر 5 کے لیے قرارداد

- (a) ”قرار دیا جاتا ہے کہ 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے گئے لین دین، جسے فائنل اسٹیٹمنٹس کے نوٹ 38 میں ظاہر کیا گیا ہے، کی توثیق کی جاتی ہے اور منظوری دی جاتی ہے۔“
- (b) ”مزید قرار دیا جاتا ہے کہ کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2027 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے جانے والے تمام لین دین کی منظوری دینے کے مجاز ہیں۔“

ہدایات برائے پول

- برائے مہربانی اپنے ووٹ کا اظہار متعلقہ باکس کے آگے ٹک (✓) کے نشان سے کریں
- اگر دونوں باکس کے آگے ٹک (✓) نشان مارک کیا جاتا ہے تو آپ کا ووٹ منسوخ تصور کیا جائے گا

میں/ہم مندرجہ بالا قرارداد کے حوالے سے اپنا ووٹ بیٹ کے ذریعے استعمال کرتے ہوئے قرارداد پر اپنی رضامندی یا اختلاف کا اظہار کرتے ہوئے نیچے مناسب باکس میں ٹک (✓) کا نشان لگاتے ہیں۔

قرارداد	میں/ہم قرارداد سے متفق ہیں (حق میں ووٹ)	میں/ہم قرارداد سے اتفاق نہیں کرتے (مخالفت میں ووٹ)
لیجنڈا کے آئٹم نمبر 5 کے لیے قرارداد		

- باقاعدہ طور پر پُر شدہ بیٹ پیپر جینریشن کو تھڑ فلور، ماڈرن موٹرز ہاؤس، بیومنٹ روڈ، کراچی پر ارسال کیا جائے یا agmcccl@gfg.com.pk پر ای میل کیا جائے
- شناختی کارڈ / پاسپورٹ کی کاپی (غیر ملکی کی صورت میں) پوسٹل بیٹ فارم کے ساتھ منسلک کی جائے
- بیٹ پیپر، 12 اکتوبر، 2026 تک دفتری اوقات میں جینریشن تک پہنچنا چاہیے۔ اس تاریخ کے بعد موصول ہونے والے کسی بھی پوسٹل بیٹ پر ووٹنگ کے لئے غور نہیں کیا جائے گا۔
- بیٹ پیپر پر دستخط شناختی کارڈ / پاسپورٹ (غیر ملکی کی صورت میں) پر موجود دستخط کے مطابق ہونے چاہئیں
- نامکمل، غیر دستخط شدہ، غلط، مسخ شدہ، پھٹے ہوئے پول پیپر، یا جن میں اوور رائٹنگ ہو انہیں مسترد کر دیا جائے گا۔
- کارپوریٹ باڈی، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں بیٹ پیپر فارم کے ساتھ کسی مجاز شخص کے شناختی کارڈ کی کاپی، بورڈ ریزولوشن کی تصدیق شدہ کاپی/ پاور آف اٹارنی/ اتھارٹی لیٹر وغیرہ منسلک ہونا ضروری ہے، جس کا طالع کمپنیز ایکٹ 2017ء کے سیکشن 138 یا 139 کے مطابق ہوتا ہے
- بیٹ پیپر فارم کمپنی کی ویب سائٹ www.gfg.com.pk پر بھی دستیاب ہیں۔ ممبران ویب سائٹ سے بیٹ پیپر ڈاؤن لوڈ کر سکتے ہیں۔

تاریخ

شیئر ہولڈر/پراکسی ہولڈر کے دستخط/مجاز دستخط کنندہ

(کارپوریٹ/شخصی کی صورت میں برائے مہربانی کمپنی کی مہر ثبت کریں)

30 جون، 2026 کو ختم ہونے والے مالی سال کی فائنل اسٹیٹمنٹس کے نوٹ نمبر 38 میں ظاہر کردہ ٹرانزیکشنز کی پارٹیز کے لحاظ سے تفصیلات درج ذیل ہیں:

متعلقہ فریق کا نام	لین دین کی نوعیت	رقم (000 روپے میں)
چیراٹ پیکیجنگ لمیٹڈ	پیکنگ میٹریل کی خریداری	2,461,211
چیراٹ پیکیجنگ لمیٹڈ	ڈیوڈنڈ کی ادائیگی	29,302
چیراٹ پیکیجنگ لمیٹڈ	ڈیوڈنڈ کی وصولی	10,820
چیراٹ پیکیجنگ لمیٹڈ	اشیاء کی فروخت	2,381
فاروق (پرائیویٹ) لمیٹڈ	ڈیوڈنڈ کی ادائیگی	231,530
فاروق (پرائیویٹ) لمیٹڈ	خام مال کی خریداری	574,348
فاروق (پرائیویٹ) لمیٹڈ	فلکسڈ اثاثہ جات کی فروخت	14,160
فاروق (پرائیویٹ) لمیٹڈ	رائٹی کی ادائیگی	1,042,034
فاروق (پرائیویٹ) لمیٹڈ	ایکسائز ڈیوٹی کی ادائیگی	8,757
گریوز لبر کنڈیشننگ (پرائیویٹ) لمیٹڈ	خدمات کا حصول	27
گریوز لبر کنڈیشننگ (پرائیویٹ) لمیٹڈ	اشیاء کی خریداری	5
گریوز پاکستان (پرائیویٹ) لمیٹڈ	ڈیوڈنڈ کی ادائیگی	13,305
گریوز پاکستان (پرائیویٹ) لمیٹڈ	فلکسڈ اثاثہ جات کی خریداری	26,956
گریوز پاکستان (پرائیویٹ) لمیٹڈ	خدمات کا حصول	119
گریوز پاکستان (پرائیویٹ) لمیٹڈ	اشیاء کی خریداری	2,319
جوبلی جنرل انشورنس کمپنی لمیٹڈ	انشورنس پرمییم	127,398
جوبلی جنرل انشورنس کمپنی لمیٹڈ	ڈیوڈنڈ کی ادائیگی	1,139
اہم انتظامی عہدیداران	مشاہرہ	1,473,950
میرپور خاص شوگر ملز لمیٹڈ	ڈیوڈنڈ کی ادائیگی	14,835
پاکستان کیبلز لمیٹڈ	اشیاء کی خریداری	27,810
زین سافٹ (پرائیویٹ) لمیٹڈ	سافٹ ویئر کنسلٹنسی کے معاوضے کی ادائیگی	48,004
زین سافٹ (پرائیویٹ) لمیٹڈ	ڈیوڈنڈ کی ادائیگی	54
ڈائریکٹرز	اجلاس کی فیس	4,000
ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور ان کے شریک حیات	ڈیوڈنڈ کی ادائیگی	38,375
ملازمین کا پراویڈنٹ اور گریجویٹ فنڈ	فنڈ میں شراکت	224,445
ملازمین کا پراویڈنٹ اور گریجویٹ فنڈ	ڈیوڈنڈ کی ادائیگی	20,618
سی ایف ایس منرلز (پرائیویٹ) لمیٹڈ	لیکویٹی کے عوض ایڈوانس	10,000

ڈائریکٹرز مذکورہ بالا کاروباری معاملے میں براہ راست یا بالواسطہ طور پر کسی قسم کی دلچسپی نہیں رکھتے، سوائے اس حد تک کہ جو ان کی شنیر ہولڈنگ کی وجہ سے بنتی ہے، جیسا کہ بیزن آف شنیر ہولڈنگ میں بیان کیا گیا ہے۔

چیراٹ پیکیجنگ لمیٹڈ میں سرمایہ کاری کی صورتحال

کمپنی نے مورخہ 9 جون 2026 کو منعقدہ اپنے غیر معمولی عام اجلاس (Extraordinary General Meeting) میں اپنے شنیر ہولڈرز سے اپنی منسلک کمپنی، یعنی چیراٹ پیکیجنگ لمیٹڈ میں لیکویٹی سرمایہ کاری کی منظوری حاصل کی تھی۔ مذکورہ سرمایہ کاری دو (2) سال کی مدت کے دوران، زیادہ سے زیادہ 300 ملین روپے تک، مارکیٹ سے شنیرز کی خریداری کے ذریعے کی جانی تھی۔ کمپنی نے منظور شدہ رقم میں سے تاحال تقریباً 298.4 ملین روپے کی سرمایہ کاری کی ہے۔

درخواست کی جاتی ہے کہ اگر وہ ای میل کے ذریعے سالانہ آڈٹ شدہ فائنل اسٹیٹمنٹس اور سالانہ اجلاس عام کا نوٹس حاصل کرنا چاہتے ہیں تو ریکارڈ کو اپ ڈیٹ کرنے کے لئے ہمارے شیئر رجسٹرار کو اپنی رضامندی ظاہر کریں۔ تاہم، اگر شیئر ہولڈرز، اس کے علاوہ، آڈٹ شدہ فائنل اسٹیٹمنٹس کی ہارڈ کاپی کی درخواست کرتے ہیں تو، یہ انہیں تحریری درخواست کی وصولی کے سات (7) دنوں کے اندر مفت فراہم کردی جائیں گی

17. تمام شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ ایف بی آر کی ویب سائٹ پر دستیاب ایکٹو ٹیکس دہندگان کی فہرست (اے ٹی ایل) پر اپنا اسٹیٹس چیک کریں اور اگر ضروری ہو تو اے ٹی ایل میں اپنا نام شامل کرنے کے لئے ضروری اقدامات کریں۔ اگر کسی شخص کا نام اے ٹی ایل میں نہیں آتا ہے تو قابل اطلاق ٹیکس کی شرح میں سو فیصد اضافہ ہو جائے گا۔

18. جوائنٹ اکاؤنٹ کی صورت میں، ہر اکاؤنٹ ہولڈر کی شیئر ہولڈنگ کے تناسب بمعہ ان کے انفرادی اے ٹی ایل اسٹیٹس کے حوالے سے آگاہ کریں

19. سی ڈی سی اکاؤنٹس رکھنے والے کارپوریٹ شیئر ہولڈرز کو اپنے متعلقہ شرکت کنندہ کے ساتھ اپنے نیشنل ٹیکس نمبر (این ٹی این) کو اپ ڈیٹ کرنا ضروری ہے، جبکہ کارپوریٹ فزیکل شیئر ہولڈرز کو اپنے این ٹی این سرٹیفکیٹ کی ایک کاپی ہمارے سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو ارسال کرنا ہوگی۔ شیئر ہولڈرز کو این ٹی این یا این ٹی این سرٹیفکیٹ ارسال کرتے وقت، جیسا بھی معاملہ ہو، کمپنی کا نام اور ان کے متعلقہ فوٹیو نمبر کا حوالہ لازمی دینا ہوگا۔

20. ڈیوڈنڈ آمدنی پر وہ ہولڈنگ ٹیکس سے استثنیٰ کی اجازت صرف اسی صورت میں دی جائے گی جب موثر ٹیکس استثنیٰ سرٹیفکیٹ کی کاپی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو بک بند ہونے کے پہلے دن تک دستیاب ہو۔

21. زکوٰۃ کی لازمی کٹوتی سے استثنیٰ کلیم کرنے کے لیے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ زکوٰۃ ڈیکلریشن (فارم سی زیڈ-50) یا اس کی تصدیق شدہ فوٹو کاپی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو جلد از جلد جمع کرائیں تاکہ مستقبل کے تمام ڈیوڈنڈز پر زکوٰۃ کی کٹوتی سے بچا جاسکے۔

کمپنیز ایکٹ 2017 کے سیکشن 134 کے تحت اسٹیٹمنٹ

متعلقہ پارٹی ٹرانزیکشنز

اسٹیٹمنٹ میں منگل 13 اکتوبر 2026 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں انجام دی جانے والی ”خصوصی کارروائی“ سے متعلق مادی حقائق بیان کیے گئے ہیں۔ کمپنی کے ممبران سے درج ذیل کے حوالے سے منظوری حاصل کی جائے گی:

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کمپنی نے اپنی منسلک کمپنیز اور متعلقہ پارٹیز کے ساتھ اپنی پالیسیوں اور قابل اطلاق قوانین و ضوابط کے مطابق ٹرانزیکشنز انجام دیں۔ متعلقہ پارٹی ٹرانزیکشنز کو کمپنیز ایکٹ 2017 کی دفعہ 207 اور 208 کے تحت شیئر ہولڈرز کی منظوری درکار ہے۔ اس طرح کی ٹرانزیکشنز کو سالانہ اجلاس عام میں منظوری کے لیے تجویز کردہ خصوصی قرارداد کے ذریعے شیئر ہولڈرز کی منظوری کے لیے ان کے سامنے رکھا جا رہا ہے۔

شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ 30 جون، 2026 کو ختم ہونے والے مالی سال کی فائنل اسٹیٹمنٹس کے نوٹ نمبر 38 میں ظاہر کردہ ٹرانزیکشنز کی توثیق کریں اور مزید یہ کہ بورڈ آف ڈائریکٹرز کو 30 جون 2027 کو ختم ہونے والے سال کے لئے متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ ٹرانزیکشنز کرنے کا اختیار دیں۔

11. شیئر ہولڈرز کو یاد دہانی کرائی جاتی ہے کہ کمپنیز ایکٹ 2017 کی دفعہ 242 کے مطابق لسٹڈ کمپنی کے معاملے میں کمپنی کی جانب سے اعلان کردہ کسی بھی کیش ڈیوڈنڈ کو براہ راست شیئر ہولڈرز کے بینک اکاؤنٹس میں الیکٹرانک طور پر ادا کیا جانا چاہیے۔ اپنے بینک اکاؤنٹ میں براہ راست ڈیوڈنڈ وصول کرنے کے لئے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ یعنی www.gfg.com.pk پر دستیاب ای-ڈیوڈنڈ مینڈیٹ فارم پر کریں اور فزیکل شیئرز کی صورت میں اسے شناختی کارڈ کی کاپی کے ہمراہ باقاعدہ دستخط شدہ، کمپنی کے رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو ارسال کریں۔ اگر شیئرز سی ڈی سی کے پاس ہیں، تو، ای ڈیوڈنڈ مینڈیٹ فارم براہ راست شیئر ہولڈر کے بروکر / شرکت کنندہ / سی ڈی سی انویسٹر اکاؤنٹ سروسز میں جمع کرانا ہوگا۔ آئی بی اے این جمع نہ کرانے کی صورت میں کمپنی (ڈیوڈنڈ کی تقسیم) ریگولیشنز، 2017 کے تحت ڈیوڈنڈ کی ادائیگی روک دے گی۔ مزید برآں مجموعی منافع، ٹیکس / زکوٰۃ کٹوتی اور منافع کی خالص رقم کے بارے میں معلومات سینٹرلائزڈ کیش ڈیوڈنڈ رجسٹر (سی سی ڈی آر) کے ذریعے فراہم کی جائیں گی لہذا شیئر ہولڈرز کو اپنے آپ کو سی ڈی سی، ای سروسز پورٹل <http://eservices.cdcaccess.com.pk> پر رجسٹر کرنا چاہیے۔

12. کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت ایک بار جب کمپنی مقررہ رسمی کارروائیاں مکمل کر لے تو کوئی بھی غیر کلیم شدہ ڈیوڈنڈ اور/یا شیئرز جو واجب الادا ہونے یا اس سے زائد کی تاریخ سے تین سال کی مدت تک آٹ اسینڈنگ رہے ہوں گے انہیں وفاقی حکومت (ڈیوڈنڈ ہونے کی صورت میں) یا ایس ای سی پی (فزیکل شیئرز ہونے کی صورت میں) میں جمع کرایا جائے گا۔ وہ شیئر ہولڈرز جو کسی بھی وجہ سے اپنے بقیہ غیر کلیم شدہ ڈیوڈنڈ / شیئرز حاصل نہیں کر سکے ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر کلیم شدہ ڈیوڈنڈ یا شیئرز، اگر کوئی ہوں، کے حصول / معلومات کے لیے کمپنی کے شیئر رجسٹرار سے رابطہ کریں

13. ممبرز کو مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق ایس ای سی پی نے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ خصوصی کاروبار کے طور پر طے کردہ تمام کاروباروں پر اکٹین کو الیکٹرانک ووٹنگ کی سہولت اور ڈاک کے ذریعے ووٹنگ کا حق فراہم کریں۔

اس کے مطابق کمپنی کے ممبرز کو کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 میں بیان کردہ شرائط کے تحت، متذکرہ بالا ریگولیشنز کی شرائط اور ضروریات کے مطابق منگل، 13 اکتوبر، 2026 کو صبح 11 بجے منعقد ہونے والی اے جی ایم میں الیکٹرانک ووٹنگ کی سہولت یا ڈاک کے ذریعے ووٹنگ کا حق استعمال کرنے کی اجازت ہوگی۔

ای۔ووٹنگ کا طریقہ کار

14. ای ووٹنگ کی سہولت کی تفصیلات ان شیئر ہولڈرز سے بذریعہ ای میل شیئر کی جائیں گی جن کے موثر کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز، سیل نمبرز، اور ای میل ایڈریسز کمپنی کے شیئر رجسٹرار کے پاس 15 اکتوبر 2026 کو کاروباری وقت کے اختتام تک موجود ہوں۔

ویب ایڈریس، لاگ ان کی تفصیلات، ممبران کو ای میل کے ذریعے فراہم کر دی جائے گی۔ ممبران کو سیکوریٹی کوڈز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (ای۔ووٹنگ سروس پرووائیڈر ہونے کے ناطے) کی ویب پورٹل سے ایس ایم ایس کے ذریعے فراہم کیے جائیں گے۔

ایسے شیئر ہولڈرز جو ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھتے ہیں، ان کی شناخت الیکٹرانک دستخط یا لاگ ان کی تصدیق کے ذریعے کی جائے گی۔ ای ووٹنگ لائنیز 8 اکتوبر 2026 کو شروع ہوں گی اور 12 اکتوبر 2026 کو شام 5 بجے بند ہوں گی۔ شیئر ہولڈرز اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار جب کسی قرارداد پر ووٹ ڈال دیا گیا تو، اس کے بعد اسے تبدیل کرنے کی اجازت نہیں دی جائے گی۔

پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار

شیئر ہولڈرز اس بات کو یقینی بنائیں گے کہ مکمل طور پر پُر شدہ اور دستخط شدہ بیلٹ پیپر، بمعہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل، کمپنی کے ایڈریس، تھرڈ فلور ماڈرن موٹرز ہاؤس، بیومونٹ روڈ، کراچی پر ڈاک کے ذریعے یا agmcccl@gfg.com.pk پر ای میل کے ذریعے سالانہ جنرل میٹنگ (AGM) سے ایک روز قبل، یعنی 12 اکتوبر 2026 کو دفتری اوقات کار کے دوران، پیپر مین تک پہنچ جائے۔ بیلٹ پیپر پر کیے گئے دستخط کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) پر درج دستخط کے مطابق ہونے چاہئیں۔

شیئر ہولڈرز کی سہولت کے لیے بیلٹ پیپر اس نوٹس کے ساتھ منسلک ہے اور یہ کمپنی کی ویب سائٹ www.gfg.com.pk پر بھی ڈاؤن لوڈ کے لیے دستیاب ہے۔

15. سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ہدایت نامے کے مطابق، اجلاس میں کوئی تحائف تقسیم نہیں کیے جائیں گے۔

16. شیئر ہولڈرز کے پاس ای میل کے ذریعے سالانہ آڈٹ شدہ فائنل اسٹیٹمنٹس اور جنرل میٹنگ کا نوٹس حاصل کرنے کا اختیار ہے۔ سالانہ اجلاس عام کا نوٹس ممبرز کو، قابل اطلاق قوانین کے مطابق، کمپنی کو فراہم کردہ ان کے رجسٹرڈ ای میل ایڈریس پر ارسال کیا جائے گا۔ کمپنی کے شیئر ہولڈرز سے

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ چیراٹ سیمنٹ کمپنی لمیٹڈ کا 45واں سالانہ اجلاس عام بروز منگل، 13 اکتوبر 2026 صبح 11:00 بجے کمپنی کے رجسٹرڈ دفتر، بمقام فیلٹری، گاؤں لکرائی، نوشہرہ، خیبر پختونخوا، میں درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا۔ اجلاس میں ویڈیو لنک کانفرنسنگ کی سہولت کے ذریعے بھی شرکت کی جاسکے گی

عمومی امور

1- کمپنی کے 30 جون 2026 کو اختتام پذیر ہونے والے مالی سال کے آڈٹ شدہ اکاؤنٹس، بمعہ ڈائریکٹرز اور آڈیٹرز رپورٹس کی وصولی، ان پر غور و خوض اور ان کی منظوری

2- فائنل کیش ڈویڈنڈ بحساب 40 فیصد، یعنی 4.00 روپے فی شیئر کی ادائیگی پر غور و خوض اور اس کی منظوری۔ یہ فائنل کیش ڈویڈنڈ 15 فیصد، یعنی 1.50 روپے فی حصص کے اس عبوری نقد منافع کے علاوہ ہے، جو 30 جون 2026 کو اختتام پذیر ہونے والے مالی سال کے لیے پہلے ہی حصص یافتگان کو ادا کیا جا چکا ہے، جیسا کہ بورڈ آف ڈائریکٹرز کی جانب سے تجویز پیش کی گئی ہے۔

3- سال 2026-27 کے لیے گرانٹ تھورنٹن انجم رحمن چارٹرڈ اکاؤنٹنٹس کی کمپنی کے آڈیٹرز کے طور پر تقرری اور ان کے معاوضے کا تعین۔

4- چیئرمین کی اجازت سے کسی دیگر معاملے پر کارروائی۔

خصوصی امور

5- مندرجہ ذیل قرارداد پر بطور خصوصی قرارداد غور و خوض اور اس کی منظوری۔

”قرار دیا جاتا ہے کہ 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے گئے لین دین، جیسا کہ فائنل اسٹیٹمنٹس کے نوٹ نمبر 38 میں ظاہر کیا گیا ہے، کی توثیق کی جاتی ہے اور منظوری دی جاتی ہے“

”مزید قرار دیا جاتا ہے کہ کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2027 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیز اور منسلک کمپنیز کے ساتھ معمول کے مطابق کیے جانے والے تمام لین دین کی منظوری دینے کے مجاز ہیں“

مندرجہ بالا خصوصی کارروائی سے متعلق کمپنیز ایکٹ، 2017 کی دفعہ 134 کے تحت اسٹیٹمنٹ اس نوٹس کے ساتھ منسلک ہے۔

بحکم بورڈ آف ڈائریکٹرز

عاصم الحق آخوند
کمپنی سیکرٹری

کراچی: 21 اگست، 2026

کمپنی کی آڈٹ شدہ فائنل اسٹیٹمنٹس، کمپنیز ایکٹ 2017 کے تحت درکار رپورٹ اور دستاویزات کے ساتھ کمپنی کی ویب سائٹ پر اپ لوڈ کردی گئی ہیں جنہیں مندرجہ ذیل لنک اور/یا کیو آر اینڈل کوڈ سے ڈاؤن لوڈ کیا جاسکتا ہے

ویب لنک	کیو آر کوڈ
https://gfg.com.pk/cccl/financial-information/	

نوٹس

1. کمپنی کے ممبران کا رجسٹر منگل، 6 اکتوبر، 2026 سے منگل، 13 اکتوبر، 2026 (بشمول دونوں دن) تک بند رہے گا اور اس دوران کوئی ٹرانسفر رجسٹر نہیں کیا جائے گا۔ کمپنی کے شیئر رجسٹرار کے دفتر سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (سی ڈی سی ایس آر ایس ایل)، سی ڈی سی ہاؤس، -99، بلاک 7بی، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی 74400-7 میں پیر، 5 اکتوبر، 2026 کو کاروبار کے اختتام تک آرڈر میں موصول ہونے والے شیئرز کو بروقت تصور کیا جائے گا۔

2. کمپنی کا کوئی ممبر جو سالانہ اجلاس عام میں شرکت، اظہار خیال اور ووٹ دینے کا اہل ہے وہ کسی دوسرے رکن کو اپنی جگہ شرکت، اظہار خیال اور ووٹ دینے کے لئے اپنے پراکسی کے طور پر مقرر کر سکتا ہے۔ پراکسیز کے مؤثر ہونے کے لئے تحریری ہونا ضروری ہے اور میٹنگ سے 48 گھنٹے پہلے لازمی طور پر کمپنی کے ہیڈ آفس ماڈرن موٹرز ہاؤس، بیومونٹ روڈ، کراچی، میں وصول کیا جانا چاہئے۔ پراکسی فارم کمپنی کی ویب سائٹ www.gfg.com.pk سے ڈاؤن لوڈ کیا جاسکتا ہے

3. اے جی ایم کی کارروائی زوم اپیلی کیشن (ویڈیو لنک کانفرنسنگ کی سہولت) کے ذریعے ویڈیو کے ذریعے بھی انجام دی جائے گی۔ اجلاس میں شرکت کے خواہشمند شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ مطلوبہ معلومات کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کے دونوں اطراف کی موئٹر کاپی کے ساتھ cdcsr@cdcsrsl.com پر ای میل کریں جس کا عنوان ”رجسٹریشن فار چیراٹ سیمنٹ کمپنی لمیٹڈ اے جی ایم“ ہو۔ شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی تمام تر تفصیلات درج ذیل طریقے سے بیان کریں

شیئر ہولڈر/پراکسی کا مکمل نام	کمپنی	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	فولیو/سی ڈی سی اکاؤنٹ نمبر	ای میل ایڈریس	موبائل فون نمبر
	چیراٹ سیمنٹ کمپنی لمیٹڈ				

4. ویڈیو لنک کی تفصیلات اور لاگ ان کریڈنشلز ممبرز کو ان کے فراہم کردہ ای میل ایڈریسز پر ارسال کی جائیں گی تاکہ وہ مقررہ تاریخ اور وقت پر اجلاس میں شرکت کر سکیں۔

5. ممبران، شیئر ہولڈرز کی شناخت اور تصدیق کے لئے درکار تمام رسمی کارروائیوں کو مکمل کرنے کے بعد اپنی ڈیوائسز کے ذریعے لاگ ان کر سکیں گے اور اے جی ایم کی کارروائی میں حصہ لے سکیں گے۔ ویڈیو لنک اور لاگ ان کریڈنشلز صرف ان ممبرز کے ساتھ شیئر کی جائیں گی جن کی ای میلز، جن میں تمام مطلوبہ تفصیلات شامل ہیں، اے جی ایم کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہو چکی ہوں۔

6. کمپنی کے ممبران جن کے شیئرز سینٹرل ڈیپازٹری سسٹم (سی ڈی ایس) کے ساتھ ان کے اکاؤنٹ / ذیلی اکاؤنٹ میں رجسٹرڈ ہیں ان سے درخواست کی جاتی ہے کہ وہ تصدیق کے لئے سی ڈی ایس میں اپنے اکاؤنٹ نمبر اور شرکت کنندہ کے شناختی نمبر کے ساتھ اصل کمپیوٹرائزڈ قومی شناختی کارڈ ہمراہ لائیں۔

7. فزیکل شیئرز کے حامل ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں کسی بھی تبدیلی کے حوالے سے کمپنی کے شیئر رجسٹرار کو مطلع کریں۔ جبکہ، سی ڈی سی اکاؤنٹس کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی تبدیلی کے حوالے سے فوری طور پر اپنے متعلقہ سی ڈی سی شرکت دار / بروکر / سی ڈی سی انویسٹر اکاؤنٹ سروسز کو مطلع کریں۔

8. کمپنیز ایکٹ 2017 کے سیکشن 119 اور کمپنیز ریگولیشنز 2024 کے ریگولیشن 47 کے مطابق تمام فزیکل شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسے شناختی کارڈ نمبر، ایڈریس، ای میل ایڈریس، رابطہ موبائل / ٹیلی فون نمبر، پیشہ وغیرہ فوری طور پر سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو فراہم کریں تاکہ قانون کی عدم تعمیل یا مستقبل میں کسی قسم کی زحمت سے بچا جاسکے۔

9. فزیکل شیئرز کے حامل ممبران جنہوں نے ابھی تک اپنے موئٹر کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی فوٹو کاپی جمع نہیں کرائی ہے، ان سے درخواست کی جاتی ہے کہ وہ اسے کمپنی کے شیئر رجسٹرار کو ارسال کریں۔

10. کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق ہر موجودہ لسٹڈ کمپنی کو اپنے فزیکل شیئرز بک انٹری فارم ایس ای سی پی کی طرف سے بیان کردہ طریقے اور نوٹیفائنڈ تاریخ سے، تبدیل کرنا ہوں گے۔ اسی طرح فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز کو اس کے مطابق سی ڈی سی کی انویسٹر اکاؤنٹ سروسز کے ساتھ اپنا اکاؤنٹ کھولنے یا کسی بھی بروکر کے ساتھ ذیلی اکاؤنٹ کھولنے اور اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا ہوگا۔ اس سے شیئر ہولڈرز کو کئی طریقوں سے سہولت حاصل ہوگی، بشمول سیف کسٹڈی اور شیئرز کی فروخت، جس وقت وہ چاہیں، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی ٹریڈنگ کی اجازت نہیں ہے۔

بورڈ اور کمپنی کی کارکردگی کا جائزہ:

کمپنی کوڈ آف کارپوریٹ گورننس کے تحت بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی سالانہ کارکردگی کا جائزہ لیتی ہے۔ اس جائزے میں تنوع کو فروغ دینے، دیانت داری اور فعال شرکت کو یقینی بنانے، انتظامیہ کے اہداف کا باقاعدگی سے جائزہ لینے اور اسٹریٹجک رہنمائی فراہم کرنے پر توجہ دی جاتی ہے۔ اس کے علاوہ، کارکردگی میں بہتری، رسک اسسمنٹ، جانشینی کی منصوبہ بندی اور صحت و حفاظت کے طریقہ کار کو بھی مد نظر رکھا جاتا ہے۔ مزید یہ کہ، قانونی چارہ جوئی اور ساکھ سے متعلق خطرات سے تحفظ کے اقدامات کا بھی جائزہ لیا جاتا ہے۔

مکمل شدہ سوالنامے موصول ہونے پر کمپنی سیکریٹری کی جانب سے سخت رازداری برقرار رکھی جاتی ہے۔ عمل میں شفافیت کو یقینی بنانے کے لیے کمپنی نے میسرز گرانٹ تھارنٹن انجم رچمن چارٹرڈ اکاؤنٹنٹس کو نتائج مرتب کرنے اور بورڈ آف ڈائریکٹرز کے لیے رپورٹ تیار کرنے کی ذمہ داری سونپی ہے۔ رپورٹ کے مندرجات کا جائزہ لیا جاتا ہے اور بہتری کے لیے درکار شعبوں کی نشاندہی کی جاتی ہے۔

انٹرنل فنانسئل کنٹرولز کی موزونیت:

بورڈ آف ڈائریکٹرز نے انٹرنل فنانسئل کنٹرولز کا ایک موثر نظام قائم کیا ہے۔ یہ نظام آپریشنز کو ہموار اور موثر طریقے سے چلانے، کمپنی کے اثاثوں کے تحفظ، متعلقہ قوانین و ضوابط کی تعمیل کرتا ہے۔ یہ قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنانے میں بھی معاون ہے۔ انڈی پینڈنٹ انٹرنل آڈٹ کا شعبہ ان مالیاتی کنٹرولز کے نفاذ کا مسلسل جائزہ لیتا اور نگرانی کرتا ہے۔ آڈٹ کمیٹی اندرونی کنٹرولز کے نظام کی موثریت کا جائزہ لیتی ہے اور سہ ماہی بنیادوں پر مالیاتی بیانات کا جائزہ لیتی ہے۔

ڈائریکٹرز کا مشاہرہ

کمپنی کے آرٹیکلز کے تحت، بورڈ کو وقتاً فوقتاً غیر انتظامی اور انڈی پینڈنٹ ڈائریکٹرز کے مشاہرے کا تعین کرنے کا اختیار حاصل ہے۔ اس سلسلے میں، بورڈ آف ڈائریکٹرز نے کمپنی کے غیر انتظامی اور انڈی پینڈنٹ ڈائریکٹرز کے لیے مشاہرے کی پالیسی وضع کی ہے۔ ڈائریکٹرز کے مشاہرے کی تفصیلات 30 جون 2026 کو ختم ہونے والے سال کے فنانسئل اسٹیٹمنٹس کے نوٹ 39 میں ظاہر کی گئی ہیں۔

ڈائریکٹرز کی ٹریننگ

کمپنی کے ڈائریکٹرز اپنی ذمہ داریاں انجام دینے کے لیے مناسب طور پر تربیت یافتہ ہیں اور متعلقہ قوانین کے تحت اپنے اختیارات اور ذمہ داریوں سے آگاہ ہیں۔ ان میں کمپنیز ایکٹ، 2017 اور PSX رول بک کے ضوابط شامل ہیں۔

آڈیٹرز کا تقرر

موجودہ بیرونی آڈیٹرز، میسرز گرانٹ تھارنٹن انجم رچمن چارٹرڈ اکاؤنٹنٹس نے 30 جون 2026 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر لیا ہے اور کلین آڈٹ رپورٹ جاری کی ہے۔ آڈیٹرز کمپنی کے سالانہ جنرل اجلاس کے اختتام پر سبکدوش ہو جائیں گے اور اہل ہونے کی بنا پر انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ 30 جون 2027 کو ختم ہونے والے سال کے لیے انہیں کمپنی کے آڈیٹرز مقرر کرنے کی سفارش کرتا ہے۔

پیٹرن آف شیئر ہولڈنگ

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے پیٹرن آف شیئر ہولڈنگ کی تفصیل، جیسا کہ کمپنیز ایکٹ، 2017 کی دفعہ 227 (f) (2) کے تحت مطلوب ہے، اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

متعلقہ پارٹیز ٹرانزیکشنز

متعلقہ پارٹیز کے ساتھ تمام لین دین آزادانہ بنیادوں (Arm's Length) پر کیے گئے ہیں اور کمپنی کے فنانسئل اسٹیٹمنٹس میں مناسب طور پر ظاہر کیے گئے ہیں۔

بعد ازاں پیش آنے والے واقعات:

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی فنانسئل پوزیشن کو متاثر کرنے والی کوئی اہم تبدیلی یا ذمہ داری پیش نہیں آئی۔

کاروبار کی نوعیت میں کوئی تبدیلی نہیں:

مالی سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی اہم تبدیلی نہیں ہوئی۔

مستقبل کا منظر نامہ

مالی سال 2027 کے لیے پاکستان کی معاشی صورتحال محتاط طور پر مثبت رہنے کی توقع ہے۔ اس کی بنیاد سال کے دوران حاصل ہونے والے معاشی استحکام، معاشی اصلاحات پر مسلسل عمل درآمد اور سرمایہ کاروں کے بڑھتے ہوئے اعتماد پر ہے۔ حکومت کی برآمدات پر مبنی ترقی، سرمایہ کاری، مالیاتی نظم و ضبط اور بنیادی ڈھانچے کی ترقی پر توجہ سے معاشی سرگرمیوں اور ملکی طلب کو تقویت ملنے کی توقع ہے۔ کم شرح سود اور ہاؤسنگ سے متعلق مراعات سے بھی معاونت ملنے کی توقع ہے۔ وزیراعظم کی سبڈانرڈ فنانسنگ اسکیم نے ملکی سیمنٹ کی طلب میں بہتری میں نمایاں کردار ادا کیا ہے۔ تاہم، معاشی صورتحال کو منفی خطرات کا سامنا بھی ہے، جن میں جغرافیائی سیاسی کشیدگی، عالمی توانائی کی قیمتوں میں اتار چڑھاؤ، افراط زر کے دباؤ میں دوبارہ اضافہ اور علاقائی تجارت میں ممکنہ رکاوٹیں شامل ہیں۔ معاشی بحالی کی رفتار کا انحصار بڑی حد تک اصلاحات کے تسلسل، ترقیاتی اقدامات پر موثر عمل درآمد اور مالیاتی و بیرونی شعبے کے استحکام کو برقرار رکھنے پر ہوگا۔

سیمنٹ کی صنعت کے امکانات کا انحصار ملکی تعمیراتی سرگرمیوں، شرح سود اور علاقائی تجارتی حالات پر ہے۔ ایک اہم عنصر افغانستان کے ساتھ تجارتی رکاوٹوں کا خاتمہ ہے۔ مانیٹری پالیسی میں مسلسل نرمی، سرکاری ترقیاتی اخراجات اور نجی ہاؤسنگ و بنیادی ڈھانچے کی سرگرمیوں سے ملکی سیمنٹ کی طلب کو تقویت ملنے کی توقع ہے۔ تاہم، برآمدات کے امکانات بدستور غیر یقینی صورتحال کا شکار ہیں۔ ان کا انحصار افغان سرحد دوبارہ کھلنے اور بین الاقوامی منڈیوں تک رسائی پر ہوگا۔ علاقائی تجارتی حالات میں بہتری سے برآمدات کی بحالی اور مسابقتی قیمتوں پر خام مال اور ایندھن تک رسائی میں سہولت مل سکتی ہے۔ اس کے برعکس، طویل مدتی رکاوٹیں برآمدات کو محدود رکھ سکتی ہیں اور صنعت کا انحصار ملکی طلب پر مزید بڑھا سکتی ہیں۔

کمپنی بہترین آپریشنل کارکردگی، لاگت میں بہتری، توانائی کی کارکردگی اور کاروباری تنوع کے ذریعے اپنی مسابقتی پوزیشن مضبوط بنانے پر توجہ مرکوز رکھے ہوئے ہے۔ میئنسٹم مارکیٹ اور جغرافیائی سیاسی صورتحال میں ہونے والی پیش رفت کی فعال نگرانی جاری رکھے گی اور پیش آنے والے خطرات کو کم کرنے کے لیے مناسب اقدامات کرے گی۔ کمپنی حکومت پر بھی زور دیتی ہے کہ سیمنٹ کی صنعت پر ٹیکس اور ریگولیٹری بوجھ کو مناسب سطح پر لایا جائے۔ مزید یہ کہ، حکومت ایسے اقدامات متعارف کرائے جو پائیدار ترقی، سرمایہ کاری اور مسابقت کو فروغ دیں۔ یہ شعبہ بنیادی ڈھانچے کی ترقی، معاشی سرگرمیوں اور روزگار کے مواقع پیدا کرنے میں اہم کردار ادا کرتا ہے۔ کمپنی شیئر ہولڈرز کے لیے پائیدار طویل مدتی قدر پیدا کرتے ہوئے اپنے موجودہ کاروباری آپریشنز کو متنوع بنانے اور وسعت دینے کے مواقع تلاش کرتی رہے گی۔

اتحاد تشکر:

ہم ان تمام مالیاتی اداروں کے شکر گزار ہیں جن کے ساتھ ہمارے کاروباری تعلقات ہیں۔ ہم اپنے ڈیلرز، صارفین اور سپلائرز کے مسلسل تعاون، اشتراک اور ہم پر کیے گئے اعتماد پر بھی ان کے شکر گزار ہیں۔ ہم اپنے تمام ملازمین کی لگن، وفاداری اور محنت کو بھی تہہ دل سے سراہتے ہیں۔

مخانب بورڈ آف ڈائریکٹرز

اعظم فاروق
چیف ایگزیکٹو

عمر فاروق
چیئرمین

کراچی: 21 اگست، 2026

بورڈ آف ڈائریکٹرز

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) 2019 کے تقاضوں کے مطابق، کمپنی اپنے بورڈ میں مناسب نمائندگی کو یقینی بناتی ہے۔ اس میں انڈی پینڈنٹ اور نان ایگزیکٹو ڈائریکٹرز شامل ہیں جبکہ صنفی تنوع کا بھی خیال رکھا گیا ہے

بورڈ میں ڈائریکٹرز کی کل تعداد ۸ ہے، اور اس کی ساخت درج ذیل ہے

مرد ڈائریکٹرز	7	
خاتون ڈائریکٹر	1	
تفصیلات	تعداد	ڈائریکٹرز کے نام
انڈیپنڈنٹ ڈائریکٹرز	3	جناب ابرار حسن محترمہ زہبا انصار جناب عارف الاسلام
نان ایگزیکٹو ڈائریکٹرز	3	جناب عمر فاروق جناب اکبر علی پستانی جناب عارف فاروق
ایگزیکٹو ڈائریکٹرز	2	جناب اعظم فاروق جناب یاسر مسعود
خاتون ڈائریکٹر	1	محترمہ زہبا انصار

اس سال کے دوران بورڈ آف ڈائریکٹرز کی پانچ میٹنگز کا انعقاد ہوا۔ جس کی حاضری درج ذیل ہے۔

ڈائریکٹر کا نام	میٹنگز میں شرکت کی تعداد
جناب عمر فاروق	5
جناب اعظم فاروق	5
جناب اکبر علی پستانی	5
جناب عارف فاروق	5
جناب ابرار حسن*	4
محترمہ زہبا انصار	5
جناب عارف الاسلام*	4
جناب یاسر مسعود	5

اس سال کے دوران آؤٹ کمیٹی کی چار میٹنگز کا انعقاد ہوا۔ ہر ڈائریکٹر کی اس میں حاضری درج ذیل ہے:

ڈائریکٹر کا نام	میٹنگز میں شرکت کی تعداد
جناب عارف الاسلام	4
جناب اکبر علی پستانی	4
جناب عارف فاروق	4

اس سال کے دوران ہیومن ریسورس اینڈ ریمیوٹریشن کمیٹی کی ایک میٹنگ کا انعقاد ہوا۔ ہر ڈائریکٹر کی اس میں شرکت کی تعداد درج ذیل ہے

ڈائریکٹر کا نام	میٹنگز میں شرکت کی تعداد
جناب ابرار حسن	1
جناب اعظم فاروق	1
جناب عمر فاروق	1

* پیسگی مصروفیات کے باعث اجلاس میں شرکت نہ کرنے والے ڈائریکٹر کو رخصت کی اجازت دی گئی۔

کمپنی The Citizens Foundation کے شیدو گاؤں، نوشہرہ میں اسکول اور LRBT جیسے اداروں میں تعاون کے ذریعے مستحق آبادیوں کی معاونت جاری رکھے ہوئے ہے۔ مزید یہ کہ ، کمپنی مقامی طلبہ کے لیے اسکول ٹرانسپورٹ کی سہولت اور قریبی دیہات کو ٹیوب ویلز کے ذریعے صاف پینے کا پانی فراہم کرتی ہے۔

بنیادی خدشات اور غیر یقینی صورتحال کے خدشات

جائزہ اور منجمنٹ

موثر رسک ایسیسٹ اور منجمنٹ کمپنی کی پائیدار ترقی، آپریشنل مضبوطی اور طویل مدتی قدر پیدا کرنے کے لیے ضروری ہیں۔ بورڈ کمپنی کے رسک منجمنٹ فریم ورک کی نگرانی کی مجموعی ذمہ داری رکھتا ہے۔ یہ اس بات کو بھی یقینی بناتا ہے کہ اہم خطرات کی مناسب طور پر نشاندہی، جانچ، نگرانی اور انتظام کیا جائے۔ کمپنی کے رسک منجمنٹ کے طریقہ کار کو اس کی اسٹریٹجک منصوبہ بندی اور آپریشنل فیصلہ سازی کے ساتھ مربوط کیا گیا ہے۔ اسٹریٹجک، آپریشنل، مالی، ریگولیٹری اور پائیداری کے مقاصد کے حصول پر اثر انداز ہونے والے خطرات کا ان کے ممکنہ اثرات اور وقوع پذیر ہونے کے امکان کی بنیاد پر جائزہ لیا جاتا ہے۔

رسک منجمنٹ ایک مسلسل عمل ہے۔ کمپنی باقاعدگی سے اپنے رسک پروفائل کا جائزہ لیتی ہے اور خطرات میں کمی کے اقدامات کے موثر ہونے کی نگرانی کرتی ہے۔ اس جائزے میں کاروباری ماحول، ریگولیٹری تقاضوں، آپریشنل حالات اور اسٹیک ہولڈرز کی توقعات میں تبدیلیوں کو مد نظر رکھا جاتا ہے۔ یہ فعال طریقہ کار باخبر فیصلہ سازی میں معاونت کرتا ہے، ادارہ جاتی مضبوطی کو بہتر بناتا ہے اور کمپنی کے اسٹریٹجک مقاصد کے حصول میں معاون ثابت ہوتا ہے۔

کارپوریٹ گورننس کوڈ کی کمپلائنس کا اسٹیٹمنٹ

کمپنی کے ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے فریم ورک اور پاکستان اسٹاک ایکسچینج (PSX) کی رول بک کے تحت اپنی ذمہ داریوں کو تسلیم کرتے ہیں۔ رپورٹ کے متعلقہ حصے میں اسٹیٹمنٹ آف کمپلائنس بھی فراہم کیا گیا ہے۔ ہم مزید درج ذیل کی تصدیق کرتے ہیں:

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر اسٹیٹمنٹ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ فائنل اسٹیٹمنٹس کمپنی کے مالی معاملات، آپریشنز کے نتائج، کیش فلو اور لیکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی کی باقاعدہ بکس آف اکاؤنٹس تیار کی گئی ہے۔
- فائنل اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے، جبکہ اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے کی بنیاد پر کیے گئے ہیں۔
- فائنل اسٹیٹمنٹس کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (IFRS) اور کمپنیز ایکٹ، 2017 کی پیروی کی گئی ہے۔ ان سے کسی بھی انحراف کو مناسب طور پر ظاہر اور بیان کیا گیا ہے۔
- چیف ایگزیکٹو، ایک ڈائریکٹر اور چیف فائنل اسٹیٹمنٹ آفیسر نے بورڈ کی منظوری سے قبل فائنل اسٹیٹمنٹس کی باقاعدہ توثیق کی۔
- انٹرئل کنٹرولز کا نظام موثر انداز میں وضع کیا گیا ہے اور اسے موثر طور پر نافذ اور مانع کیا گیا ہے۔
- کمپنی کی بطور جاری کاروباری ادارہ (Going Concern) کام جاری رکھنے کی صلاحیت کے بارے میں کوئی اہم تشویش نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقہ کار کی کوئی خلاف ورزی واقع نہیں ہوئی۔
- کمپنی تمام واجب الادا ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی پابندی کرتی ہے، سوائے ان کے جو معمول کے کاروباری معاملات کے دوران واجب الادا ہوتے ہیں۔
- متعلقہ اداروں اور متعلقہ افراد کے پاس موجود شیئرز کے حوالے سے اسٹیٹمنٹ آف شیئرز بھی علیحدہ طور پر ظاہر کیا گیا ہے۔
- کمپنی اپنے ملازمین کے لیے پراویڈنٹ اور گریجویٹی فنڈ کے اکاؤنٹس برقرار رکھتی ہے۔ 30 جون 2026 تک ان فنڈز کی سرمایہ کاری کی مالیت ذیل میں دی گئی ہے۔

پراویڈنٹ فنڈ	2,602 ملین روپے
گریجویٹی فنڈ	2,052 ملین روپے

کاروباری تنوع اور طویل مدتی قدر پیدا کرنے کی وسیع تر حکمتِ عملی کو تقویت دیتی ہے۔ 30 جون 2026 تک، کمپنی نے CFS Minerals (Private) Limited میں ابتدائی طور پر 10 ملین روپے کی سرمایہ کاری کی تھی۔

اسٹریٹجک سرمایہ کاری کا اسٹینڈس۔ یونی انرجی لمیٹڈ

یونی انرجی (UniEnergy) — جو ہوا سے بجلی پیدا کرنے کے منصوبے کے لیے ایک جوائنٹ وینچر ہے — کو جھمپیر، ضلع ٹھٹھہ میں منصوبہ قائم کرنے کے لیے لیٹر آف انٹینٹ (Letter of Intent) جاری کیا گیا ہے اور منصوبے کے قیام کے لیے باقاعدہ طور پر زمین بھی مختص کر دی گئی ہے۔ مشترکہ منصوبے کے شراکت داروں نے منصوبے کی جاری مالی ضروریات پوری کرنے کے لیے کمپنی میں ابتدائی لیکویٹی سرمایہ کاری کی ہے۔ اس سلسلے میں، شیئر ہولڈرز کی منظوری کے بعد چیراٹ سیمٹ نے 7.69 ملین روپے کی لیکویٹی سرمایہ کاری کی ہے۔ کمپنی نے ابھی تک آپریشنز کا آغاز نہیں کیا ہے، کیونکہ انتظامیہ حکومت کی قابل تجدید توانائی کی پالیسی کا جائزہ لے رہی ہے۔ لہذا، اس سرمایہ کاری پر قدر میں کمی (Impairment) کا نقصان تسلیم کیا گیا ہے۔

قومی خزانے میں حصہ

کمپنی نے رواں سال کے دوران اٹک ٹیکس، سیلز ٹیکس، رائلٹی اور دیگر سرکاری محصولات کی مد میں تقریباً 25.5 ارب روپے قومی خزانے میں جمع کروائے ہیں۔

قرض کی ادائیگی اور کمپنیل اسٹریکچر

کمپنی اپنی مالی ذمہ داریوں، بشمول طویل مدتی اور قلیل مدتی قرضوں، کو مستقل بنیادوں پر بروقت پورا کرتی ہے۔ بہتر کیش فلو کی بدولت کمپنی زیادہ لاگت والے طویل مدتی قرضوں کی قبل از وقت ادائیگی کرنے کی پالیسی پر عمل پیرا ہے۔ نتیجتاً، قرض اور لیکویٹی کا تناسب (Debt-to-Equity Ratio) مسلسل بہتر ہوتا رہا اور سال کے اختتام پر 9:91 رہا۔

ای ایس جی کے حوالے سے اسٹریٹجک مقاصد:

چیراٹ سیمٹ اپنی کاروباری حکمتِ عملی اور عملی فیصلہ سازی میں ماحولیاتی، سماجی اور گورننس Environmental, Social and Governance (ESG) سے متعلق امور کو شامل کرنے کے لیے پُر عزم ہے۔ کمپنی کے ESG مقاصد میں قابل تجدید توانائی کے زیادہ سے زیادہ استعمال، توانائی کی بہتر کارکردگی، وسائل کے ذمہ دارانہ استعمال اور مؤثر ماحولیاتی انتظام کے ذریعے ماحول پر اپنے اثرات کو کم کرنا شامل ہے۔ کمپنی ملازمین کی فلاح و بہبود کو یقینی بنانے اور تنوع و شمولیت (Diversity and Inclusion) کو فروغ دیتے ہوئے مثبت سماجی اقدار پیدا کرنے کے لیے بھی کوشاں ہے۔ مزید یہ کہ، کمپنی تعلیم، صحت اور فنی مہارتوں کی ترقی سے متعلق اقدامات کے ذریعے مقامی کمیونٹیز کی ترقی میں بھی اپنا کردار ادا کرتی ہے۔

مزید یہ کہ، کمپنی اخلاقی کاروباری طریقہ کار، شفافیت، قوانین و ضوابط کی پابندی، مؤثر رسک مینجمنٹ اور بورڈ کی مضبوط نگرانی کے ذریعے کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پُر عزم ہے۔ بورڈ کمپنی کی ESG حکمتِ عملی کی نگرانی کرتا ہے اور پائیداری (Sustainability) سے متعلق مقرر کردہ مقاصد کے حصول میں پیش رفت کا جائزہ لیتا ہے۔ بورڈ کے عزم کے مطابق، مینجمنٹ ESG سے متعلق اقدامات پر عمل درآمد اور پائیداری کے تقاضوں کو کاروباری سرگرمیوں میں شامل کرنے کی ذمہ دار ہے۔ انتظامیہ مقررہ اہداف کے مقابلے میں کمپنی کی کارکردگی کی بھی نگرانی کرتی ہے۔

پائیداری سے متعلق خدشات

بورڈ آف ڈائریکٹرز کمپنی سے متعلق پائیداری کے خدشات اور مواقع کی مجموعی گورننس اور نگرانی فراہم کرتا ہے۔ ان میں ماحولیاتی، سماجی، گورننس اور موسمیاتی تبدیلی سے متعلق امور شامل ہیں۔ بورڈ اس بات کو تسلیم کرتا ہے کہ پائیداری سے متعلق امور کی مؤثر مینجمنٹ کمپنی کی طویل مدتی مضبوطی اور استحکام کو بہتر بنانے اور اسٹیک ہولڈرز کے اعتماد کو برقرار رکھنے کے لیے نہایت اہم ہے۔ بورڈ ذمہ دارانہ کاروباری طریقہ کار اور شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے کی حکمتِ عملی کرتا ہے۔

بورڈ اس بات کو یقینی بناتا ہے کہ پائیداری سے متعلق امور کو کمپنی کی اسٹریٹجک منصوبہ بندی، رسک مینجمنٹ، آپریشنل فیصلہ سازی اور کارکردگی کی نگرانی کے عمل میں مناسب طور پر شامل کیا جائے۔ اس سلسلے میں، بورڈ مادی پائیداری سے متعلق خطرات اور مواقع کی نشاندہی اور ان کے جائزے کی نگرانی کرتا ہے۔ جبکہ بورڈ انتظامیہ کی جانب سے ممکنہ خطرات کو کم کرنے اور پائیدار اور وسائل کے مؤثر استعمال پر مبنی آپریشنز کی جانب منتقلی سے پیدا ہونے والے مواقع سے فائدہ اٹھانے کے لیے کیے گئے اقدامات کا بھی جائزہ لیتا ہے۔

تنوع، مساوات اور شمولیت (ڈی ای اینڈ آئی)

کمپنی ایک متنوع، مساوی اور شمولیت کی حامل کام کی جگہ کو فروغ دینے کے لیے پُر عزم ہے۔ تمام ملازمین کے ساتھ عزت و احترام سے پیش آیا جاتا ہے اور انہیں ترقی اور اپنا کردار ادا کرنے کے مساوی مواقع فراہم کیے جاتے ہیں۔ کمپنی تسلیم کرتی ہے کہ ملازمین کے متنوع تجربات، نقطہ نظر اور صلاحیتیں اس کی ثقافت، جدت اور طویل مدتی کامیابی کے لیے اہم ہیں۔ کمپنی ملازمت کے تمام پہلوؤں میں انصاف اور شمولیت کو فروغ دیتی ہے اور امتیازی سلوک سے پاک کام کی جگہ برقرار رکھتی ہے۔

تمام آرگنائزیشنل سطحوں پر صنفی اور نسلی تنوع کو بہتر بنانے کے لیے قابل پیشکش اور واضح اہداف پر مبنی ایک منظم DE&I حکمتِ عملی تیار کی جارہی ہے۔ متوازن انٹرویو پینلز اور ریکروٹمنٹ کے متنوع پلیٹ فارمز جامع ریکرٹمنٹ کے نافذ کردہ طریقوں کی مثالیں ہیں۔ کمپنی باقاعدگی سے ملازمین کے لیے غیر شعوری تعصب، ثقافتی حساسیت اور جامع قیادت کے حوالے سے تربیتی نشستیں منعقد کرتی ہے۔ یہ نشستیں شمولیت کی حامل کام کی جگہ کی ثقافت کو مزید فروغ دیتی ہیں، جس کی عکاسی لیڈرشپ عہدوں پر خواتین کی بڑھتی ہوئی نمائندگی سے ہوتی ہے۔

صحت، حفاظت اور ماحول:

صحت، حفاظت اور ماحول کا انتظام کمپنی کے آپریشنل فلسفے کا لازمی حصہ ہے۔ مخصوص انتظامی نگرانی کے تحت کام کرتے ہوئے، کمپنی ایک محفوظ اور ماحولیاتی طور پر ذمہ دارانہ کام کی جگہ برقرار رکھتی ہے۔ اس عزم کو بین الاقوامی سطح پر تسلیم شدہ انتظامی نظاموں کی معاونت حاصل ہے، جن میں ماحولیاتی انتظام کے لیے ISO 14001 بھی شامل ہے۔ یہ نظام قابل اطلاق ضوابط کی تعمیل، مؤثر خطرات کے انتظام، اور کارکردگی کی مسلسل نگرانی اور بہتری کو یقینی بنانے میں مدد دیتے ہیں۔ اس عزم کے تحت، کمپنی کو نیشنل فورم فار انوائرنمنٹ اینڈ ہیلتھ (NFEH) اور فار پرونیکشن انڈسٹری آف پاکستان (FPIP) کی جانب سے Fire Safety Award 2025 سے نوازا گیا۔

صحت، حفاظت اور ماحول کے اسٹریٹجک اقدامات اور کارکردگی کے نمایاں پہلو

غیر حوزلر حفاظتی ثقافت اور خطرات میں کمی: کمپنی نے جامع رسک ایسیسمنٹس اور خطرات کی فعال روک تھام کے ذریعے زیرو فیئیلیٹی ورک پلیس کا بنیادی ہدف حاصل کیا۔ سال بہ سال آپریشنل حادثات، لاسٹ ٹائم انجریز اور ہنگامی واقعات میں کامیابی سے کمی آئی، جس سے مجموعی حفاظتی شرح میں مسلسل بہتری ہوئی۔

فعال تربیت اور ہنگامی صورتحال سے نمٹنے کی تیاری: آپریشنز کی تمام سطحوں پر جامع حفاظتی آگاہی مہمات چلائی گئیں۔ HSE کے منظم تربیتی پروگرامز کے سالانہ اہداف میں اضافہ کیا گیا، جبکہ معمول کی ہنگامی ردِ عمل مشقوں نے مطلوبہ کمپلائنس کی سطح حاصل کی، جس سے اعلیٰ آپریشنل تیاری برقرار رہی۔

ماحولیاتی ذمہ داری اور کمپلائنس: ویسٹ ہیٹ ریکوری سسٹم کے ذریعے جدید آلودگی کنٹرول، وسائل کے تحفظ اور فضلے میں کمی جیسے اقدامات کمپنی کے ماحولیاتی اثرات کو محدود کرنے میں مدد دیتے ہیں۔ یہ اقدامات اسٹیک ہولڈرز کے لیے طویل مدتی قدر بھی پیدا کرتے ہیں۔ مزید یہ کہ، کمپنی گرین انرجی اور ماحولیاتی ذمہ داری کے فروغ کے لیے اپنے پاور کس میں قابل تجدید توانائی کی پیداوار بڑھانے کے لیے پُر عزم ہے۔

شجرکاری اور ماحولیاتی بہتری: وسیع تر ماحولیاتی ذمہ داری کے تحت، کمپنی مقامی ماحولیاتی نظام کو بہتر بنانے اور کمیونٹی کی صحت کے فروغ کے لیے فیکٹری کے احاطے کے اطراف شجرکاری مہم چلا رہی ہے۔ جانوروں کے تحفظ کے لیے جاری پروگرام بھی ماحولیاتی اور حیاتیاتی ذمہ داری کے لیے کمپنی کے عزم کی عکاسی کرتا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنی کارپوریٹ سماجی ذمہ داری (CSR) کی کوششوں کے تحت تعلیم، صحت، خواتین کو بااختیار بنانے اور کمیونٹی کی ترقی پر بھرپور توجہ جاری رکھے ہوئے ہے۔ کمپنی ایک مقامی این جی او کے تعاون سے فیکٹری کے قریب بنیادی صحت مرکز چلا رہی ہے۔ یہ مرکز مقامی آبادی کو طبی سہولیات فراہم کرتا ہے، جن میں گائناکالوجی وارڈ کے ذریعے خواتین کے لیے خصوصی طبی سہولیات بھی شامل ہیں۔ مزید برآں، کمپنی خواتین کے لیے وقف ایک اسکل ڈویلپمنٹ سینٹر چلا رہی ہے جو باقاعدہ طور پر ٹیکنیکل بورڈ خیر پختہ خوا سے منظور شدہ ہے۔ یہ مرکز 300 سے زائد خواتین کو ووکیشنل ٹریننگ کے ذریعے تعلیم دینے اور بااختیار بنانے کے مواقع فراہم کرتا ہے۔

مقامی معاشی بہبود کو مزید بہتر بنانے کے لیے کمپنی آئندہ سال صحت اور فلاح و بہبود کی ان کوششوں کو مزید وسعت دینے کا ارادہ رکھتی ہے۔ اس میں مردوں کے لیے فنی تربیت اور خواتین کے لیے ڈیجیٹل مارکیٹنگ اسکولز کی تربیت شامل ہوگی۔

ڈائریکٹرز رپورٹ برائے ممبران

برائے سال ختمہ 30 جون 2026

بورڈ آف ڈائریکٹرز آپ کے سامنے کمپنی کی سالانہ رپورٹ بمعہ آڈٹ شدہ فائنل اسٹیٹمنٹس برائے سال ختمہ 30 جون 2026 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

جائزہ

عالمی معیشت کو بڑھتی ہوئی جغرافیائی سیاسی کشیدگی، تجارتی رکاوٹوں اور توانائی کی بلند قیمتوں کا سامنا رہا۔ ان عوامل کے باعث اجناس کی قیمتوں، مال برداری کے اخراجات، افراط زر اور سرمایہ کاری کے بہاؤ کے حوالے سے، خصوصاً ابھرتی ہوئی اور توانائی درآمد کرنے والی معیشتوں میں غیر یقینی صورتحال میں اضافہ ہوا۔ پاکستان کی معیشت نے مالی سال 2026 کے دوران استحکام سے بتدریج بحالی کی جانب سفر جاری رکھا، جسے جاری آئی ایم ایف سپورٹ پروگرام سے تقویت ملی۔ مالیاتی نظم و ضبط میں بہتری، شرح مبادلہ میں استحکام اور افراط زر میں کمی نے مجموعی معاشی حالات کو مزید مضبوط بنانے میں معاونت کی۔ ترسیلات زر کی آمد کے مستحکم سلسلے نے بھی ملک کی میکرو اکنامک صورتحال کو مضبوط کرنے میں اپنا کردار ادا کیا۔ دریں اثنا، اسٹیٹ بینک آف پاکستان نے معاشی استحکام کے تحفظ اور پائیدار اقتصادی ترقی کو فروغ دینے کے لیے محتاط مانیٹری پالیسی اختیار کیے رکھی۔

اس پس منظر میں، اس سال کے دوران سینٹ کے شعبے میں بتدریج بحالی کے آثار نمایاں ہوئے۔ اس بحالی کو ملکی طلب میں بہتری، افراط زر کے دباؤ میں کمی اور نسبتاً مستحکم مالیاتی حالات سے مدد ملی۔ وزیراعظم کی جانب سے فراہم کردہ رعایتی فنانسنگ اسکیم نے ملکی طلب کی بحالی میں اہم کردار ادا کیا۔ تاہم، صنعت کو بلند توانائی اخراجات، زیادہ ریگولیٹری محصولات اور لاجسٹک رکاوٹوں جیسے چیلنجز کا سامنا بھی رہا۔ ان عوامل نے بالخصوص افغانستان کو ہونے والی سینٹ کی برآمدات کو متاثر کیا۔ مالی سال 2026 کے دوران ملکی سینٹ کی طلب میں 9 فیصد اضافہ ہوا، جو معمولی بحالی کی عکاسی کرتا ہے۔ تاہم، سینٹ کی مجموعی برآمدات میں 2 فیصد کمی ریکارڈ کی گئی۔ سمندری راستے سے ہونے والی برآمدات میں 9 فیصد اضافہ ہوا، لیکن افغان سرحد کی بندش کی وجہ سے افغانستان کو برآمدات میں 52 فیصد کمی نے اس اضافے کے اثر کو زائل کر دیا۔ نتیجتاً، سینٹ کی مجموعی فروخت کے حجم میں 7 فیصد اضافہ ہوا، جو بنیادی طور پر ملکی طلب میں ہونے والی مضبوط نمو کی وجہ سے ممکن ہوا۔

پروڈکشن اور سیلز کا جائزہ

کمپنی کی پیداوار اور فروخت کی ترسیلات کا تقابلی جائزہ درج ذیل ہے

تفصیلات	2026	2025
	(ٹن میں)	(ٹن میں)
کلنر کی پیداوار	2,127,888	2,134,893
سینٹ کی پیداوار	2,363,784	2,386,193
مقامی سیلز	2,176,787	1,995,003
ایکسپورٹ سیلز	171,618	395,161
کل سیلز	2,348,405	2,390,164

مجموعی طور پر، کمپنی کے مجموعی سیلز کے حجم میں 2 فیصد کمی واقع ہوئی۔ مقامی فروخت میں 9 فیصد اضافہ ہوا، جبکہ گزشتہ سال کے مقابلے میں برآمدی فروخت میں 57 فیصد کمی ریکارڈ کی گئی۔

مالیاتی کارکردگی اور کاروباری جائزہ

گزشتہ سال کے مقابلے میں فروخت کی آمدنی میں 4 فیصد کمی واقع ہوئی، جس کی بنیادی وجوہات مقامی ریٹینشن قیمتوں میں کمی اور افغان سرحد کی بندش کے بعد برآمدی ترسیلات میں کمی تھیں۔ کمپنی نے علاقائی تجارتی رکاوٹوں کے اثرات کو کم کرنے اور مارکیٹ میں اپنی پک کو مضبوط بنانے کے لیے ملکی مارکیٹ پر اپنی توجہ مزید مرکوز کی۔ سیلز کی لاگت میں 3 فیصد اضافہ ہوا، جس کی بنیادی وجہ ایندھن اور بجلی کے اخراجات میں اضافہ تھا۔ سپلائی چین میں رکاوٹوں اور جغرافیائی سیاسی حالات کے باعث پیدا ہونے والے افراط زر کے دباؤ نے بھی اخراجات میں اضافے میں کردار ادا کیا۔ اس دباؤ کو جزوی طور پر قابل تجدید توانائی کی پیداوار میں اضافے بشمول گزشتہ سال نصب کی گئی اضافی 9 میگاواٹ شمسی توانائی کی صلاحیت کے ذریعے کم کیا گیا۔ کان کنی کے آپریشنز میں الیکٹرک ڈمپرز کا استعمال، لاگت کو بہتر بنانے کے لیے کیے گئے دیگر اقدامات اور کونکے کی مؤثر خریداری نے بھی اس دباؤ کو کم کرنے میں مدد دی۔ مالیاتی اخراجات میں نمایاں کمی ہوئی اور یہ 592 ملین روپے سے کم ہو کر 342 ملین روپے رہ گئے۔ اس کی وجہ بہتر کیپیٹل مینجمنٹ، اور اس کے ساتھ ساتھ کم مارک آپ شرحیں اور طویل مدتی قرضوں کی مقررہ ادائیگیاں تھیں۔ دیگر آمدنی بڑھ کر 1,767 ملین روپے ہو گئی، جو کمپنی کی مضبوط لیکویڈیٹی پوزیشن سے حاصل ہونے والے فائدے کی عکاسی کرتی ہے۔ لہذا بعد از ٹیکس منافع 7,255 ملین روپے رہا، جبکہ گزشتہ سال یہ 8,681 ملین روپے تھا۔

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے اہم مالیاتی نتائج کا تقابلی جائزہ درج ذیل ہے:

تفصیلات	2026	2025
	(ملین روپے میں)	(ملین روپے میں)
خالص سیلز	36,483	37,811
مجموعی منافع	12,043	13,970
ایڈمن، ڈسٹری بیوشن اور دیگر اخراجات	2,169	2,079
فائنل لاگت	342	592
دیگر آمدن	1,767	1,588
قبل از ٹیکس منافع	11,300	12,887
ٹیکس	4,045	4,206
بعد از ٹیکس منافع	7,255	8,681

فی شیئر منافع

جون 2026 کو ختم ہونے والے سال کے لیے فی شیئر آمدنی 37.34 روپے رہی، جبکہ گزشتہ سال یہ 44.68 روپے تھی۔

ڈیویڈنڈ کی ادائیگی

کمپنی پائیدار طویل مدتی منافع کے ذریعے شیئر ہولڈرز کی قدر میں اضافے کے لیے پرعزم ہے۔ ڈیویڈنڈ کی ادائیگی سے متعلق فیصلے کمپنی کی مالیاتی کارکردگی، مستقبل کی کاروباری ضروریات، ترقی کے مواقع اور توسیعی کے حوالے سے اقدامات کی منصوبہ بندی کا جائزہ لینے کے بعد کیے جاتے ہیں۔ بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے 4.00 روپے فی شیئر، یعنی 40 فیصد، حتمی نقد منافع کی ادائیگی تجویز کرتے ہوئے خوشی محسوس کر رہا ہے۔ یہ اس 1.50 روپے فی شیئر، یعنی 15 فیصد، عبوری نقد منافع کے علاوہ ہے، جس کا اعلان اس سال کے دوران کیا گیا تھا۔

ترقیاتی اقدامات

کمپنی 5 میگاواٹ کے سولر پاور منصوبے اور 25 میگاواٹ کے بیٹری انرجی اسٹوریج سسٹم (BESS) کی تنصیب کے ذریعے قابل تجدید توانائی کی صلاحیت میں توسیع کر رہی ہے۔ ان اقدامات کا مقصد زیادہ طلب کے اوقات میں قابل تجدید توانائی کے استعمال کو زیادہ سے زیادہ کرنا، اور روایتی توانائی کے ذرائع پر انحصار کم کرنا ہے۔ کمپنی مزید توانائی سے متعلق اقدامات کا بھی جائزہ لے رہی ہے، جن میں کان کنی کے آپریشنز کے لیے مزید الیکٹرک ڈمپرز کی درآمد بھی شامل ہے۔ ان اقدامات کا مقصد طویل مدت میں توانائی کی کارکردگی کو بہتر بنانا اور لاگت کے اعتبار سے کمپنی کی مسابقتی صلاحیت کو مضبوط کرنا ہے۔ مزید یہ کہ، شیئر ہولڈرز کی منظوری کے بعد، کمپنی نے CFS Minerals (Private) Limited میں مساوی حصص پر مبنی سرمایہ کاری حاصل کی ہے۔ یہ کمپنی دو دیگر شراکت داروں کے ساتھ قائم کی گئی ایک جوائنٹ وینچر ہے، جس کا مقصد خیبر پختونخوا اور بلوچستان میں کان کنی کے حقوق، معدنی رعلتوں (Mineral Concessions) اور متعلقہ اثاثوں کا حصول، لیز پر لینا، معدنیت کی تلاش اور ترقی شامل ہے۔ یہ سرمایہ کاری کمپنی کی وسائل کے تحفظ،

Proxy Form

45th Annual General Meeting



I / We _____

of _____

being a member of CHERAT CEMENT COMPANY LIMITED, hereby appoint _____

_____ of _____ another member of the Company as my / our proxy to attend, speak & vote for me / us and on my / our behalf at the 45th Annual General Meeting of the Company to be held on Tuesday October 13, 2026 at 11:00 a.m at the Registered office of the Company at Factory premises, Village Lakrai, Nowshera, Khyber Pakhtunkhwa and at any adjournment thereof.

WITNESSES

1. Signature: _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

Signature of
Shareholder

Revenue Stamp

2. Signature: _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

(Signature should agree with the
specimen signature registered
with the Company)

Important

1. Instruments of Proxy will not be considered as valid unless deposited or received at the Company's Head Office at Modern Motors House, Beaumont Road, Karachi - 75530 not later than 48 hours before the time of holding the meeting and must be duly stamped, signed and witnessed.

2. CDC Shareholders, entitled to attend, speak and vote at this meeting, must bring with them their Computerized National Identity Card (CNIC) / Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his / her CNIC or Passport.

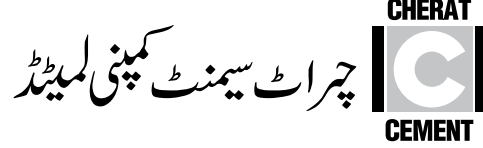
3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form.

Shares Held: _____

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

CNIC No.

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سکنہ _____ کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے 45 واں سالانہ اجلاس عام (یا جو بھی صورت حال ہو)، جو مورخہ 13 اکتوبر 2026 بروز منگل صبح 11:00 بجے بمقام فیکٹری کی حدود، گاؤں لکرنی، نوشہرہ، خیبر پختونخوا میں منعقد ہوگا، اس میں اور اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے، بولے اور ووٹ ڈالے۔

CNIC/یا سپورٹ نمبر۔

CNIC/یا سپورٹ نمبر

۳- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیارنامہ بمع نامزد فرد کے نمونہ دستخط لازمی طور پر یکاسی فارم کے ساتھ منسلک ہونے چاہئیں۔

رجسٹرڈ فلیٹ نمبر		سی ڈی اے اکاؤنٹ نمبر
	شرائیقی نمبر	اکاؤنٹ نمبر

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Shareholder's Detail	
Name of Company	Cherat Cement Company Limited
Name of shareholder	
Folio No./CDC Participants ID A/c No.	
CNIC No	
Passport No. (in case of foreign shareholder)	
Cell Number & Land Line Number	
Email Address (Mandatory)	

(International Bank Account Number (IBAN) - Mandatory (24 Digits)

[illegible]

Branch Name and Address

Tel: 0800-23275 UAN: 111-111-500 Email: info@cdcsrsl.com



GHULAM FARUQUE
GROUP

Cherat Cement Company Limited

Head Office:

Modern Motors House, Beaumont Road,
Karachi 75530, Pakistan.

UAN: (9221) 111-000-009 Fax: (9221) 35683425

Email: info@gfg.com.pk Web: www.gfg.com.pk

