



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF POWER CEMENT 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 Power Cement Limited for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

**A. F. Ferguson & Co.
Chartered Accountants
Karachi**

Dated: October 02, 2024

UDIN: CR202410073E1Msu6X2Q

Statement of Compliance with The Listed Companies (Code of Corporate Governance) Regulations, 2019

FOR THE YEAR ENDED 30 JUNE 2024

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

1. The total number of Directors of the Company are 8 as per the following:

Male	7
Female	1

2. The composition of Board is as follows:

Categories	Names of Directors
Independent Directors	Mr. Javed Kureishi
	Mr. Khursheed A. Jamal
Non-Executive Director - Female	Ms. Zainab Kashif
Non-Executive Directors	Mr. Nasim Beg
	Mr. Abdus Samad Habib
	Syed Salman Rashid
	Mr. Anders Paludan – Müller *
Executive Director	Mr. Muhammad Kashif

*Resigned in August-2024

3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (“the Act”) and the Regulations.
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
9. Majority of the Directors have complied with the requirements of Directors’ Training program.

10. The Board has approved the 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 formulated the following committees comprising of the given below:

	Name of Committee Members	Category
a. Audit Committee	Mr. Khursheed A. Jamal - Chairman	Independent Director
	Syed Salman Rashid	Non-Executive Director
	Mr. Abdus Samad Habib	Non-Executive Director

	Name of Committee Members	Category
b. Human Resource and Remuneration Committee	Mr. Javed Kureishi - Chairman	Independent Director
	Syed Salman Rashid	Non-Executive Director
	Mr. Muhammad Kashif	Executive Director

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

14. The number of meetings of the committees held during the year are as under –

- a) Audit Committee – Four meetings
- b) Human Resource and Remuneration Committee – One meeting

15. The Board has set up an effective internal audit function which 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 are registered with the 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, Chief Internal Auditor, Company Secretary or Directors of the Company.

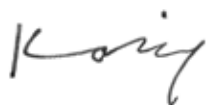
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

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

S.No	Non-Mandatory Requirement	Explanation	Reg.no.
1	Directors Training The Code encourages the companies that all the Directors have obtained DTP certification by June 30, 2022.	The Company had eight directors whereof one director is exempt from this requirement by virtue of his qualification & experience. Six other directors have obtained their DTP certification and out of the remaining two directors – one director has resigned from the Board and the other one director shall obtain their DTP certification in the due course.	19(1)
2	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board has not constituted separate Nomination Committee and currently functions required to be performed by Nomination Committee are being dealt with by Human Resource and Remuneration Committee.	29(1)
3	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted separate Risk Management Committee and currently functions required to be performed by Risk Management Committee are being dealt with by the Audit Committee and the Board.	30(1)
4	The Company may post on its website key elements of its significant policies including but not limited to the following: Communication and disclosure policy; Code of conduct for members of board of directors, senior management and other employees; Risk management policy; Internal control policy; Whistle blowing policy; Corporate social responsibility / sustainability / environmental, social and governance related policy; Policies for promoting DE&I and protection against harassment at the workplace.	The Company's website currently displays all policies except for those related to Communication, DE&I promotion, and workplace harassment protection. These will be posted once the requirements introduced by SECP's notification on June 12, 2024, have been fully complied with.	35(1)
5	Role of the Board and its member to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term Corporate value. The Board may establish a dedicated sustainability committee.	Currently, the Board provides governance and oversight of the Company's Environmental, Social, and Governance (ESG) initiatives. However, the recent requirements introduced by SECP in its notification dated June 12, 2024, will be complied with in due course.	10(A)

For & on behalf of Board of Directors



Muhammad Kashif
Chief Executive Officer

September 25, 2024
Karachi



Nasim Beg
Chairman