



Pakistan  
National  
Shipping  
Corporation

# SAILING AHEAD WITH SUSTAINABLE VISION

2025  
ANNUAL  
REPORT





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# Chairman's Review

## ON BOARD'S OVERALL PERFORMANCE U/S 192 OF THE COMPANIES ACT, 2017



I am pleased to report on overall performance of the Board of Directors of Pakistan National Shipping Corporation (the Corporation) and the effectiveness of the role played by the Board in achieving the Corporation's objectives for the year ended June 30, 2025.

The Group achieved a consolidated profit of Rs. 20,448 million, compared to Rs. 20,181 million in the prior year.

It is important to note that two vessels, MT Lahore and MT Quetta, were disposed of during the third quarter. While this strategic decision will have a direct impact on future revenue streams, PNSC has continued to honor its contractual commitments under Contracts of Affreightment (COAs) by deploying charter vessels. However, since profitability margins on charter-hired vessels are relatively lower compared to owned fleet operations, this measure has exerted downward pressure on the Group's overall profitability.

In addition, extended dry docking, downtime and repairs constrained fleet availability, while lower margins on foreign-chartered vessels also diluted earnings. On the positive side, the refinery cargo uplift increased significantly, translating into higher voyage volumes, partially offsetting the adverse impact of reduced liquid cargo revenue.

Overall, despite these structural and market-driven challenges, the Group's business model has demonstrated resilience, with strong liquidity management, efficient cost controls, and a proactive approach toward sustaining shareholder returns.

Financial results are explained in detail in the enclosed Directors' Report and Financial Statements for the year ended June 30, 2025.

### Streamlined Procurement Process (Procurement Policy)

PNSC has successfully secured approval from Cabinet Committee on SOEs for its independent procurement policy under section 17 (2) of the State-Owned Enterprises (Governance and Operations) Act, 2023. This policy



was approved by the Cabinet Committee on SOEs and ratified by Federal Cabinet, makes PNSC the first state-owned enterprise to achieve this milestone.

The new procurement framework is designed to enhance operational efficiency by streamlining acquisition processes, particularly for second-hand vessels through simplified procedure generally being practice in shipping industry and timely decision-making. The policy will enable PNSC to induct vessels in line with its fleet expansion plans while ensuring strict compliance with PNSC's procurement SOPs.

## **Dual Acquisition Strategy for Economic Advantage**

By strategically acquiring both new and second hand vessels, PNSC anticipates achieving economic benefits aligned with shareholder objectives. This dual approach positions PNSC for continued growth and leadership in the maritime transportation sector.

## **Overview of the Board and its Committees**

During the year, the Federal Government appointed five independent directors to the Board of Pakistan National Shipping Corporation for a three-year term, including Mr. Sultan A. Chawla, Mr. Arif Habib, Mr. Khalil Ahmed, Khawaja Shahzeb Akram, and Mrs. Nadia Osman Jung. Mr. Sultan A. Chawla was also appointed as Chairman of the Board. Federal Government also appointed Syed Jarar Haider Shah Kazmi as Chief Executive Officer for a three-year tenure.

During the period, Mr. Muhammad Ali completed his tenure and Mr. Arif Habib, stepped down from the Board, and their replacements are expected to be nominated by the Federal Government in due course. These changes reflect the continued commitment to strengthening the governance structure of the Corporation through the appointment of experienced professionals from diverse backgrounds.

In order to discharge Board's responsibilities regarding overall control and management of business operations, the Board has formed its committees namely Audit Committee, HR, Nomination & CSR Committee, Sustainability, Strategy and Risk Management Committee and Procurement Committee.

All members of the Board as on June 30, 2025, have been appropriately certified under the Directors' Training Program from SECP approved institutions.

The Board remains committed to meet frequently to adequately discharge its responsibilities. In order to do so, the Board remained updated with respect to achievement of Corporation's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.

This year Board's Performance Evaluation was conducted in accordance with the Section 10(2)(C) of the State-Owned Enterprises (Governance and Operations) Act, 2023 and Evaluation Guidelines 2024 for SOEs issued by Central Monitoring Unit vide its letter no. CMU/FY2024/GU/002 dated 31st October 2024 which aims to ensure that the Board of Directors work efficiently and effectively in accomplishing its tasks in the best interest of the Corporation, based on the aforesaid evaluation, the performance of the Board and its Members are effective.

The Corporation takes its obligations towards being a responsible corporate citizen very seriously. The Board is specifically cognizant of Corporation's Corporate Social Responsibilities (CSR), duty towards environmental preservation and social well-being. In furtherance of these objectives, various schemes, initiatives, programs and projects were rolled out. The broad areas include healthcare, education, training and development, women's empowerment and environmental sustainability.

## Strategic Direction

PNSC has completed the phasing out of its older tonnage and is now well positioned for fleet expansion under its recently enacted procurement policy duly approved by Federal Government. This milestone makes PNSC the first state-owned enterprise to secure such independence, enabling timely and efficient vessel acquisitions. The dual acquisition strategy encompassing both new and second-hand vessels provides flexibility to balance cost efficiency with long-term value, ensuring the Corporation remains aligned with client expectations and international supply chain requirements while advancing its growth trajectory.

The Corporation's human resource continues to be central to its success. During the year, PNSC revised its human resource policies to further enhance employee benefits and align with industry best practices, reinforcing its commitment to attracting, retaining and developing skilled talent. Given its unique position as Pakistan's sole ship-owning company, PNSC continues to invest heavily in training programs, equipping its workforce with both foundational and advanced maritime skills. This not only supports PNSC's operations but also contributes to the broader maritime sector by supplying skilled professionals to global shipping companies.

The PNSC's Board has adequately fulfilled its responsibilities and has prioritized this matter to meet compliance requirements. To effectively fulfill its sustainability responsibilities and complete the required tasks, the Board has assigned additional responsibilities to an existing board committee formulated namely Sustainability, Strategy and Risk Management Committee in accordance with the regulatory requirements. This committee is tasked with monitoring and reviewing the company's sustainability related risks and opportunities, overseeing the implementation of Diversity, Equity, and Inclusion (DE&I) practices across various board committees, and ensuring compliance with all relevant sustainability related laws and disclosure requirements.

The PNSC board holds the crucial role of governance and oversight regarding sustainability related risks and opportunities within PNSC. This includes thorough consideration of environmental, social, and governance (ESG) factors to ensure that the company's sustainability strategies, priorities, and targets are effectively set and aligned to drive long-term corporate value. In carrying out this mandate, the Board is also encouraged to adopt the Securities and Exchange Commission of Pakistan's (SECP) ESG Disclosure Guidelines to further enhance transparency, accountability, and the integration of sustainable practices throughout the organization.

## Vote of thanks

I extend my gratitude to all the stakeholders for their continued trust and confidence in the Corporation and, above all, our dedicated employees for their efforts and focused efforts for achieving the desired results. The commitment of Corporation's ashore and afloat employees enabled the Corporation to achieve its strategic objectives. I would also like to thank all my fellow directors who had carried their responsibilities diligently and look forward their contribution in future.



**Sultan A. Chawla**  
Chairman

# چیمبر مین کا جائزہ

زیر دفعہ 192، کمپنیز ایکٹ 2017 کے تحت بورڈ کی مجموعی کارکردگی پر

بورڈ اپنی ذمہ داریوں کو مناسب طریقے سے ادا کرنے کے لیے پرعزم ہے۔ ایسا کرنے کے لیے، بورڈ انتظامیہ، اندرونی اور بیرونی آڈیٹرز اور دیگر آزاد کنسلٹنٹس کے ذریعے باقاعدہ پیشکشوں کے ذریعے کارپوریشن کے مقاصد، اہداف، حکمت عملیوں اور مالیاتی کارکردگی کے حصول کے حوالے سے اپ ڈیٹ رہا۔ اس مقصد کیلئے بورڈ نے بروقت مناسب ہدایات اور نگرانی فراہم کی۔

اس سال بورڈ کی کارکردگی کا جائزہ ریاستی - ملکیتی انٹر پرائزز (گورننس اینڈ آپریشنز) ایکٹ 2023 کے سیکشن 10(2) اور سنٹرل مانیٹرنگ پینٹ کی طرف سے جاری کردہ SOEs کے لیے تشخیصی رہنما خطوط 2024 کے مطابق کیا گیا۔ CMU/FY2024/GU/002 مورخہ 31 اکتوبر 2024 جس کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ آف ڈائریکٹرز کارپوریشن کے بہترین مفاد میں اپنے کاموں کو پورا کرنے میں موثر طریقے سے کام کرے، مذکورہ تشخیص کی بنیاد پر، بورڈ کی کارکردگی موثر ہے۔

کارپوریشن ایک ذمہ دار کارپوریشن شہری ہونے کے ناطے اپنی ذمہ داریوں کو بہت سنجیدگی سے لیتی ہے۔ بورڈ خاص طور پر کارپوریشن کی کارپوریت سماجی ذمہ داریوں (CSR)، ماحولیات کے تحفظ اور سماجی بہبود کی ذمہ داری سے واقف ہے۔ ان مقاصد کو آگے بڑھانے کے لیے مختلف اسکیمیں، اقدامات، پروگرامز اور منصوبے شروع کیے گئے۔ وسیع شعبوں میں صحت کی دیکھ بھال، تعلیم، بہریت اور ترقی، خواتین کو اختیار بنانا اور ماحولیات کی پائیداری شامل ہیں۔

## اسٹریٹجک سمت

پلی این ایس نے اپنے پرائے بجری جہازوں کو ختم کرنے کا مرحلہ مکمل کر لیا ہے اور اب فیڈرل گورنمنٹ کی طرف سے منظور شدہ حال ہی میں نافذ کردہ پروکیورمنٹ پالیسی کے تحت بیڑے کی توسیع کے لیے اچھی پوزیشن میں ہے۔ یہ سنگ میل PNSC کو اس طرح کی آزادی حاصل کرنے والا پہلا سرکاری ادارہ بناتا ہے، جس سے بروقت اور موثر جہازوں کے حصول کو یقینی بنایا جاسکتا ہے۔ نئے اور استعمال شدہ دونوں جہازوں پر مشتمل دوہری حصول کی حکمت عملی طویل مدتی قدر کے ساتھ لاگت کی کارکردگی کو متوازن کرنے کے لیے چلے کر رہا ہے، اس بات کو یقینی بناتی ہے کہ کارپوریشن اپنی ترقی کی رفتار کو آگے بڑھاتے ہوئے کلائنٹ کی توقعات اور بین الاقوامی سلامتی چیلن کی ضروریات کے مطابق رہے۔ کارپوریشن کا بیسوں ریسورس اس کی کامیابی میں مرکزی حیثیت رکھتا ہے۔ سال کے دوران، PNSC نے ملازمین کے فائدہ کو مزید بڑھانے اور صنعت کے بہترین طریقوں کے ساتھ ہم آہنگ کرنے کے لیے اپنی انسانی وسائل کی پالیسیوں پر نظر ثانی کی، جس سے ہر مہمند ٹیلنٹ کو راغب کرنا اور تیار کرنے کے لیے عزم و تقویت ملی۔ پاکستان کی واحد جہازوں کی مالک کمپنی کے طور پر اپنی منفرد حیثیت کے پیش نظر، PNSC ترقیاتی پروگراموں میں بہت زیادہ سرمایہ کاری کرتا رہتا ہے، اپنی افرادی قوت کو بنیادی اور جدید سہولتیں فراہم کرنے سے آراستہ کرتا ہے۔ یہ نہ صرف PNSC کے آپریشنز کو سہوار کرتا ہے بلکہ عالمی شپنگ کمپنیوں کو بہتر مندرجہ ذیل فراہمی کے ذریعے وسیع بجری شعبے میں بھی حصہ ڈالتا ہے۔

پلی این ایس کے بورڈ نے مناسب طریقے سے اپنی ذمہ داریاں نبھائی ہیں اور تعمیل کی ضروریات کو پورا کرنے کے لیے اس معاملے کو ترجیح دی ہے۔ اپنی پائیداری کی ذمہ داریوں کو موثر طریقے سے پورا کرنے اور مطلوب کاموں کو مکمل کرنے کے لیے، بورڈ نے ریلیزیو لیکس کی تقاضوں کے مطابق حکمت عملی اور سرکس مینجمنٹ کمپنی کے نام سے وضع کردہ موجودہ بورڈ کمپنی کو اضافی ذمہ داریاں تفویض کی ہیں۔ اس کمپنی کو کمپنی کے پائیداری سے متعلق خطرات اور مواقع کی نگرانی اور جائزہ لینے کا کام سونپا گیا ہے، مختلف بورڈ کمیٹیوں میں تنوع، مساوات، اور شمولیت (DE&I) کے عمل کے نفاذ کی نگرانی کرنا، اور پائیداری سے متعلق تمام متعلقہ قوانین اور افشاء کی ضروریات کی تعمیل کو یقینی بنانا ہے۔

PNSC بورڈ PNSC کے اندر پائیداری سے متعلق خطرات اور مواقع کے حوالے سے گورننس اور نگرانی کا اہم کردار رکھتا ہے۔ اس میں ماحولیات، سماجی، اور گورننس (ESG) عوامل پر مکمل غور کرنا شامل ہے تاکہ یہ یقینی بنایا جاسکے کہ کمپنی کی پائیداری کی حکمت عملی، ترجیحات، اور اہداف موثر طریقے سے طے کیے گئے ہیں اور طویل مدتی کارپوریت ویلیو آگے بڑھانے کے لیے منسلک ہیں۔ اس مینڈیٹ پر عمل درآمد کرتے ہوئے، بورڈ کو یکایک ریسرچ اینڈ ایڈجسٹنگ کمیشن آف پاکستان (SECP) کے ESG رہنما کے چشم کشا خطوط کو اپنانے کی بھی ترغیب دی جاتی ہے تاکہ شفافیت، جوابدہی، اور پورے ادارے میں پائیدار طریقوں کے انضمام کو مزید بہتر بنایا جاسکے۔

## اظہار تشکر

میں تمام اسٹیک ہولڈرز کا شکریہ ادا کرتا ہوں جنہوں نے کارپوریشن پر اپنی مسلسل اعتماد اور یقین کا اظہار کیا، اور سب سے بڑھ کر ہمارے خلص ملازمین کا شکریہ جنہوں نے نتائج حاصل کرنے کے لیے اپنی محنت اور توجہ مرکوز کی۔ کارپوریشن کے زمینی اور بجری ملازمین و ایجنسی نے کارپوریشن کو اس کے اسٹریٹجک مقاصد حاصل کرنے کے قابل بنایا۔ میں اپنے تمام ساتھی ڈائریکٹرز کا بھی شکریہ ادا کرنا چاہوں گا جنہوں نے اپنی ذمہ داریاں دیا پائیداری سے نبھائیں اور آئندہ میں ان کے تعاون کی توقع رکھتا ہوں۔

سلطان اے۔ چاولہ  
چیمبر مین

مجھے سال اختتام از 30 جون، 2025 کے لیے پاکستان نیشنل شپنگ کارپوریشن کے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کارپوریشن کے مقاصد کے حصول میں بورڈ کے مفید کردار کے متعلق بتاتے ہوئے نہایت خوش محسوس ہو رہی ہے۔

گروپ نے پچھلے سال کے 20,181 روپے ملین کے مقابلے میں 20,448 ملین روپے مجموعی منافع حاصل کیا۔ یہ نوٹ کرنا ضروری ہے کہ دو جہاز، ایم ٹی لاہور اور ایم ٹی کوئٹہ، کو تیسری سہ ماہی کے دوران خارج کیا گیا۔ اگرچہ اس اسٹریٹجک فیصلے کا مستقبل کے آمدنی کے سلسلے پر براہ راست اثر پڑے گا، پلی این ایس نے چارٹر جہازوں کی تعیناتی کے ذریعے کنٹرولڈ آف ایئر بائنٹ (COAs) کے تحت اپنے معاہدے کے وعدوں کا احترام کرنا جاری رکھا ہے۔ تاہم، چونکہ چارٹر پر رکھے گئے جہازوں پر منافع کارجنر ملکی فلیٹ آپریشنز کے مقابلے میں ہوتا ہے، اس لیے اس اقدام نے گروپ کے مجموعی منافع پر نیچے کی طرف دباؤ ڈالا ہے۔

اس کے علاوہ، توسیع شدہ خشک ڈاکنگ، ڈاکوئٹ ناٹم اور مرمت نے بجری بیڑے کی دستیابی کو محدود کر دیا، جبکہ غیر ملکی چارٹرڈ جہازوں پر کم منافع نے بھی آمدنی کو کم کر دیا۔ جبکہ مثبت پہلو یہ ہے کہ، ریفرنسری کارگو کی بلندی میں نمایاں اضافہ ہوا، جس کے نتیجے میں سفری حجم میں زیادہ اضافہ ہوا، جزوی طور پر لیکویڈ کارگو کی کم آمدنی کے منفی اثرات کو دور کرتا ہے۔

مجموعی طور پر، اسکلر اور مارکیٹ سے ملنے والے چیلنجز کے باوجود، گروپ کے کاروباری ماڈل نے مضبوط لیکویڈیٹی مینجمنٹ، لاگت کے موثر کنٹرول، اور شپرز ہولڈرز کی واپسی کو برقرار رکھنے کے لیے ایک فعال نقطہ نظر کے ساتھ چلک کا مظاہرہ کیا ہے۔

30 جون 2025 کو ختم ہونے والے سال مالیاتی نتائج کو منسلک ڈائریکٹرز رپورٹ اور مالیاتی اسٹیٹمنٹ میں تفصیل سے بیان کیا گیا ہے۔

## اسٹریٹجک پروکیورمنٹ پالیسی

PNSC نے ISOs ایکٹ، 2023 کے سیکشن 17 (2) کے تحت اپنی آزاد خریداری پالیسی کے لیے SOEs پر کاہنہ کمپنی سے کامیابی کے ساتھ منظوری حاصل کر لی ہے۔ اس پالیسی کی منظوری کا کاہنہ کمپنی نے SOEs کی دی گئی اور وفاقی کاہنہ سے اس کی توثیق کی تھی، جس سے PNSC وہ پہلی ریاستی - ملکیتی انٹر پرائزز بن گئی ہے جس نے یہ سنگ میل عبور کیا۔

نئے پروکیورمنٹ فریم ورک کو حصول کے عمل کو ہموار کرتے ہوئے آپریشنل کارکردگی کو بڑھانے کے لیے ڈیزائن کیا گیا ہے، خاص طور پر استعمال شدہ جہازوں کے لیے آسان طریقہ کار کے ذریعے کی گئی جو کہ عام طور پر شپنگ انڈسٹری میں بروقت فیصلہ سازی کو یقینی بنایا جاسکے۔ یہ پالیسی PNSC کو اپنے بیڑے کی توسیع کے منصوبوں کے مطابق جہازوں کو شامل کرنے کے قابل بنائے گی جبکہ PNSC کے پروکیورمنٹ SOPs کی سختی سے تعمیل کو یقینی بنائے گی۔

## اقتصادی فائدے کے لیے دوہری حصول کی حکمت عملی

نئے اور استعمال شدہ دونوں جہازوں کو حکمت عملی سے حاصل کر کے، PNSC شپرز ہولڈرز کے مقاصد کے ساتھ منسلک اقتصادی فوائد کے حصول کی توقع رکھتا ہے۔ یہ دوہری نقطہ نظر PNSC کو بجری نقل و حمل کے شعبے میں مسلسل ترقی اور لیڈر شپ کے لیے جگہ دیتا ہے۔

## بورڈ اور اس کی کمیٹیوں کا جائزہ

سال کے دوران، وفاقی حکومت نے پاکستان نیشنل شپنگ کارپوریشن کے بورڈ میں تین سال کی مدت کے لیے پانچ خود مختار ڈائریکٹرز کا تقرر کیا، جن میں جناب سلطان اے چاولہ، جناب عارف حبیب، جناب خلیل احمد، خواجہ شہزاد اکرم، اور محترمہ نادیا عیسیٰ جگمگ شامل ہیں۔ جناب سلطان اے چاولہ کو بورڈ کا چیئر مین بھی مقرر کیا گیا۔ وفاقی حکومت نے سید جلال حیدر شاہی کو تین سالہ مدت کے لیے چیف ایگزیکٹو آفیسر بھی تعینات کیا۔

اس مدت کے دوران، جناب محمد علی نے اپنی مدت پوری کی اور جناب عارف حبیب نے بورڈ سے استعفیٰ دیدیا، اور توفیق ہے کہ ان کی جگہ وفاقی حکومت کی جانب سے وقت مقررہ میں نامزد کیا گیا۔ یہ تبدیلیاں مختلف پس منظر سے تعلق رکھنے والے تجربہ کار پیشہ ورانہ افرادی قوت کی تبدیلی کے ذریعے کارپوریشن کے نظم و نسق کے ڈھانچے کو مضبوط بنانے کے لیے مسلسل عزم کی عکاسی کرتی ہے۔

کاروباری کارروائیوں کے مجموعی کنٹرول اور انتظام کے حوالے سے بورڈ کی ذمہ داریوں کو نبھانے کے لیے، بورڈ نے اپنی کمیٹیاں تشکیل دی ہیں جن میں ڈاٹ کمیٹی، ایچ آر، نامزدگیوں اور سی ایس ایس کمیٹی، ٹیکنیکی، حکمت عملی، رسک اور پائیداری کمیٹی اور پروکیورمنٹ کمیٹی شامل ہیں۔

30 جون، 2025 تک بورڈ کے تمام ممبران پلی این ایس نے اپنی منظور شدہ اداروں سے ڈائریکٹرز کا ترقیاتی پروگرام کے تحت مناسب طور پر تصدیق شدہ ہیں۔



# CEO's Message

For the year ended June 30, 2025



It gives me great pride to present the performance of Pakistan National Shipping Corporation (PNSC) for the year under review. This message is especially meaningful as it marks the first time in the history of our Corporation that an Executive Director has been entrusted by the Federal Government with the prestigious responsibility of serving as Chief Executive Officer for a three-year tenure. I view this appointment not only as a personal honor, but more importantly as a reflection of the confidence placed in the leadership, capability and resilience of PNSC as a national institution.

The year 2024–25 was marked by both opportunities and trials. On the one hand, the global shipping industry experienced volatility in freight indices and charter markets; on the other, our own operations were affected by vessel disposals, extended dry-docking, and repair schedules. Yet, through prudent management, efficient deployment of resources and the unyielding dedication of our employees, we succeeded in sustaining our momentum. PNSC transported 10.95 million tons of cargo representing 11.04% of Pakistan's total seaborne trade while achieving a consolidated profit of Rs. 20,448 million, reflecting resilience in the face of market-driven pressures. In addition, our global shipping operations are conducted through a fleet of 7 out of 10 vessels, which are managed internationally under spot voyages and short-term time charter arrangements, generating approximately USD 50 million in revenue this year.

One of our most notable achievements this year was the approval of PNSC's independent procurement policy under the State-Owned Enterprises (Governance and Operations) Act, 2023. We sincerely acknowledge the Ministry of Maritime Affairs under the esteemed leadership of Honorable Minister of Maritime Affairs for their steadfast support and guidance in securing this approval and facilitating its timely implementation. This milestone establishes PNSC as the first state-owned enterprise in Pakistan to attain such autonomy, underscoring the confidence in our governance framework. The policy equips us to expand our fleet with greater agility and pursue a dual acquisition strategy leveraging both new and second-hand vessels to enhance economic efficiency and strengthen our capacity to serve Pakistan's energy and trade requirements.

At the same time, our treasury operations delivered strong results, contributing Rs. 300 million in additional income through disciplined investment management. Combined with recoveries under the ECL model, this reinforced our financial stability and allowed us to deliver sustained value for shareholders, with earnings per share maintained at Rs. 103.

As the nation's sole flag carrier, PNSC plays an indispensable role in ensuring Pakistan's energy security by transporting crude oil and petroleum products, primarily from the Middle East, while facilitating the movement of dry bulk commodities across the globe. Beyond this vital responsibility, we recognize the vast potential of ship owning in Pakistan. With meaningful reforms and a level playing field, our shipping industry can compete effectively on the global stage. To this end, PNSC remains open to public-private partnerships, inviting entrepreneurs and investors particularly those with expertise in cross-border trade to collaborate with us in driving vertical and horizontal growth.

During the year, the Corporation realized a significant recovery of Rs. 2 billion against long-outstanding receivables that had previously been fully provided for. This reversal has not only strengthened our financial results but also reaffirmed our commitment to prudent risk management. Encouragingly, this development has also paved the way for the resumption of business ties and we are confident about rebuilding and expanding future opportunities with long-standing counterparties.

Looking forward, we remain steadfast in our mission to expand fleet capacity, strengthen our presence in global trade lanes, and uphold the highest standards of safety, compliance and environmental responsibility. With a skilled core teams in shipping, I am confident that PNSC is poised to overcome future challenges and capitalize on emerging opportunities, paving the way for the strategic and accelerated expansion of our fleet.

I extend my heartfelt gratitude to our employees for their unwavering commitment, to the Government of Pakistan for its invaluable support, to our partners and customers for their confidence, and to our shareholders for their steadfast trust. Together, we are steering PNSC into a new era of growth and resilience responsibly, ambitiously and with a clear vision for the future of Pakistan's maritime trade.



**Syed Jarar Haider Kazmi**  
Chief Executive Officer



# Corporate Information

## Board of Directors

|                                                                                                        |          |
|--------------------------------------------------------------------------------------------------------|----------|
| 1. Mr. Sultan A. Chawla                                                                                | Chairman |
| 2. Syed Jarar Haider Kazmi<br>w.e.f (30-04-2025)                                                       | CEO      |
| 3. Mr. Ahsan Ali Maik                                                                                  | Member   |
| 4. Mr. Khalil Ahmed                                                                                    | Member   |
| 5. Khawaja Shahzeb Akram                                                                               | Member   |
| 6. Mrs. Nadia Osman Jung                                                                               | Member   |
| 7. Mr. Qumar Sarwar Abbasi<br>Additional Secretary<br>(Corporate Finance), Finance Division Islamabad. | Member   |
| 8. Captain (R) Sarfaraz Inayatullah                                                                    | Member   |
| 9. Mr. Umar Zafar Sheikh<br>Additional Secretary<br>Ministry of Maritime Affairs, Islamabad            | Member   |

## Audit Committee

|                                     |           |
|-------------------------------------|-----------|
| 1. Mr. Khalil Ahmed                 | Chairman  |
| 2. Mr. Ahsan Ali Malik              | Member    |
| 3. Mr. Qumar Sarwar Abbasi          | Member    |
| 4. Captain (R) Sarfaraz Inayatullah | Member    |
| 5. Mr. Umar Zafar Sheikh            | Member    |
| 6. Head of Internal Audit           | Secretary |

## HR, Nomination and CSR Committee

|                            |           |
|----------------------------|-----------|
| 1. Khawaja Shahzeb Akram   | Chairman  |
| 2. Mr. Ahsan Ali Malik     | Member    |
| 3. Mr. Khalil Ahmed        | Member    |
| 4. Syed Jarar Haider Kazmi | Member    |
| 5. Company Secretary       | Secretary |

## Sustainability, Strategy and Risk Management Committee

|                                     |           |
|-------------------------------------|-----------|
| 1. Mrs. Nadia Osman Jung            | Chairman  |
| 2. Khawaja Shahzeb Akram            | Member    |
| 3. Mr. Qumar Sarwar Abbasi          | Member    |
| 4. Captain (R) Sarfaraz Inayatullah | Member    |
| 5. Chief Financial Officer          | Secretary |

## Procurement Committee

|                                     |           |
|-------------------------------------|-----------|
| 1. Mr. Khalil Ahmed                 | Chairman  |
| 2. Mr. Ahsan Malik                  | Member    |
| 3. Khawaja Shahzeb Akram            | Member    |
| 4. Captain (R) Sarfaraz Inayatullah | Member    |
| 5. Executive Director (Sp & PI)     | Secretary |

## Chief Financial Officer

Syed Zeeshan Taqvi

## Company Secretary

Mr. Muhammad Javid Ansari

## Head of Internal Audit

Mr. Fayyaz Amin Malik

## Head Office

PNSC Building, Moulvi Tamizuddin Khan Road,  
P.O.Box No. 5350, Karachi-74000 Pakistan.  
Phone: (92-21) 99203980-99 (20 Lines)  
Fax: (92-21) 99203974, 35636658  
[www.pnsc.com.pk](http://www.pnsc.com.pk)

## Auditors

**Grant Thornton Anjum Rahman,**  
Chartered Accountants

**Yousuf Adil,**  
Chartered Accountants

## Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B',  
S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.

## Bankers

Allied Bank Limited  
Bank Alfalah Limited, Bahrain  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Bank Al Habib Limited, Bahrain  
Faysal Bank Limited  
Habib Bank Limited  
Habib Bank Limited, Bahrain  
JS Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
National Bank of Pakistan, Hong Kong  
National Bank of Pakistan, Tokyo  
Silk Bank Limited  
Soneri Bank Limited  
United Bank Limited, Pakistan  
United Bank Limited, London





## Vision

To be a prominent player and key stakeholder in global shipping industry by maintaining diversified and efficient marine assets.



## Mission

To provide reliable & efficient shipping services to overseas and Pakistan's seaborne trade, maintaining relationship of integrity and trust with our customers, partners, employees, safeguarding interests of our stakeholders and contributing towards betterment of national economy, society and the environment



# Company Milestone

**Rs.37,637**

Turnover (in million)

**30%**

Gross Margin

**330%**

Cash Dividend

**Rs. 103.23**

Earnings Per Share

**19.34%**

Return On Capital Employed

**87%**

Market Capitalization Growth





## Strategic Objectives

Persistent growth by strategic investment and diversification in marine sectors according to past performance and future outlook of industry.

To be optimally profitable, viable, commercial organization and contribute to the national economy by securing a reasonable return on capital and minimize outflow of national foreign reserves.

Ensure steady supplies to Pakistan defence forces in time of peace & war.

To do highly ethical, environment friendly and socially responsible business practices.

Ensuring that every employee feels proud of being part of PNSC team.

To provide its clientele safe, secure, reliable and efficient shipping services.

To practice & believe in Equal Opportunity for every one in every aspect of business.



# CODE OF CONDUCT

1. In Pakistan National Shipping Corporation we are committed to professionalism and understanding of accepted standards of the discipline.
2. Corporation has always emphasized on the Business Ethics as a matter of policy. The Business Ethics include the principles of honesty, integrity, trust- worthiness, loyalty, fairness and justice. The business ethics are rules for conduct which raise awareness of acceptable and unacceptable behaviour. Furthermore, the ethical minds of individual employees significantly contribute to ethical business practices of the Corporation.
3. It is the duty and responsibilities of directors, senior management and all employees to faithfully follow the Business Ethics and comply with the policies and practices stated in this Code of Conduct. The Corporation's ultimate goal is to achieve its business objectives for the benefit of all stakeholders including the shareholders and the community at large.

## POLICY STATEMENT

4. It is the Corporation's policy to conduct its business operations within the framework of the law and statutory rules and regulations, including the international law governing shipping operations.
5. The Corporation shall manage its affairs in accordance with concepts of good governance, with a high degree of integrity, transparency and accountability.
6. The Corporation shall constantly endeavour to formulate policies to ensure business growth, optimize operational efficiencies and profitability, and develop a corporate culture to reward merit and eliminate discrimination in all forms. It is the policy of the Corporation that professionalism is maintained in all recruiting, interviewing and hiring of individuals without regard to race, gender or religion.

## GENDER DIVERSITY POLICY / EQUAL EMPLOYEMENT OPPORTUNITY

7. PNSC follows stringent Gender Diversity Policy and there is no direct or indirect discrimination on grounds including, but not limited to race, gender, sex, marital status, religion, language and there is no harassment or victimization based on any of the aforesaid grounds.
8. Specific measures taken by the Corporation to encourage gender diversity are listed below:
  - i. HR policies are in place to promote diversity and inclusiveness of women and to enable women in performing their duties in all the departments of the Corporation
  - ii. The Corporation has set up a separate Gender Diversity Policy and constituted a committee for the implementation of Protection against harassment of women at the workplace as per guidelines issued by Protection against Harassment of women at the Workplace Act 2010 (As amended).
  - iii. The Corporation strictly follows policy on implementation of Protection against Harassment of women at the Workplace Act 2010 (As amended) in true letter and spirit.
  - iv. Women's Day is celebrated every year to acknowledge the contributions of female workforce of PNSC.
  - v. Women specific awareness sessions are arranged for female employees of the Corporation.



## **DEVELOPMENT OF INTERNAL CONTROL SYSTEMS**

9. It is the policy of the Corporation to maintain and update internal control systems, accounting/financial procedure, rules and regulations, in keeping with modern management practices, and ensure due compliance with regulatory requirements.

## **MAINTENANCE OF PROPER BOOKS OF ACCOUNT AND RECORDS**

10. It is the policy of the Corporation to maintain proper books of account and supporting documents in accordance with law and regulatory requirements. No compromises as to the integrity of financial records or financial statements shall be permitted.
11. The Corporation shall ensure that all statutory records are properly maintained and that statutory returns are filed strictly according to the regulatory requirements.
12. All books of account, supporting documents, and statutory records shall be safeguarded and retained for such periods as may be prescribed by law or by the Corporation.

## **USE AND SAFEGUARDING OF CORPORATION'S ASSETS AND CONFIDENTIAL INFORMATION**

13. Directors and employees are expected to be the guardian of the Corporation's assets and should ensure its efficient use. Theft, carelessness and waste have a direct and negative impact on the Corporations profitability. All of the Corporation's assets should be used for legitimate business purposes only.
14. Directors and employees are expected to be custodians of the Corporation's assets such as laptops, phones, vehicles and other property.
15. All information about the policies and business affairs of the Corporation is confidential. Information received from third parties under obligation of confidentiality belongs to those third parties and is confidential. Such information must not be used or disclosed except as permissible under the relevant agreements.
16. Employees shall not unauthorisedly remove any documents or tangible items which belong to the Corporation or which contain any confidential information, from the Corporation's premises, including vessels.
17. The responsibility to maintain the confidential nature of all nonpublic information in the Corporation's possession continues after cessation of employment.
18. It is the policy of the Corporation to ensure confidentiality of all inside information and do not leak any inside information out of the Corporation and no employee shall derive any personal benefit from such inside information not yet disclosed to the public and to maintain harmony among all co-workers and staff in the Corporation.
19. The Corporation has set up an important policy concerning the use of information of the Corporation in compliance with Good Corporate Governance and relevant regulations. The Corporation has advised its directors, senior management and employees to focus on confidential information especially internal information not yet disclosed to public or any data or information that may effect the business of the Corporation or its share price. They must not use information they receive from their directorships or employment for personal benefit or for conducting business or other activities in competition with the Corporation.

## **POLICY TOWARDS STAKEHOLDERS**

20. The Corporation recognizes the rights of all stakeholders and therefore encourages cooperation between the Corporation and all the stakeholders including employees, creditors, government agencies, community and society at large.
21. The Corporation shall adopt robust due diligence practices to guarantee that suppliers comply with standards specified and also ensure that they are paid for supplies or services within the time agreed.

## **POLICY ON SAFETY, OCCUPATIONAL HEALTH AND ENVIRONMENT**

22. The Corporation is committed to conducting business with the highest standards of safety, occupational health and environment conditions fully complying with all legislation and regulations relating to safety, occupational health and environmental requirements at all locations in which the Corporation operates.
23. The Corporation shall follow practices that constantly ensure that its working environment is safe for the protection of property of the Corporation and life of its employees.
24. The Corporation shall encourage health and safety awareness at all levels and promote procedures and practices that ensure environmental protection taking into account the current legislation and industry codes and practices.
25. The Corporation shall fully disclose all information regarding its operations and standards in relation to safety, occupational health and environment.
26. It is the policy of the Corporation to take all necessary measures to protect the health and safety of its employees.

## **COMPLIANCE WITH BUSINESS TRAVEL REGULATION**

27. The safety of employees while on a business trip is of vital importance to the Corporation. It is not permitted to combine business trips with a vacation or to take along spouse, relative or friend without the prior written authorization from the management.

## **CONFLICT OF INTEREST**

28. Employees and Directors must not involve themselves in a situation in which he or she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Corporation. Employees and Directors must not achieve or attempt to achieve any undue gain or advantage to himself or herself, any relative, partner or associates.
29. Any gain proven must be paid back. Directors must disclose any interest in writing to the Board as soon as the interest is created or known.
30. The Corporation has set up an important policy on conflict of interest. No directors, officer or employee shall have any financial interest in or be involved in the business activities of a competitor of the Corporation.

## **TRADING IN THE SHARES OF THE CORPORATION.**

31. Trading by directors and employees in the shares of the Corporation must be performed in accordance with the applicable laws.
32. Director, CEO or executive of the Corporation or their spouses sell, buy or take any beneficial position, whether directly or indirectly, in shares of the Corporation of which he/she is a director, CEO, or executive, as the case may be, he/she shall immediately notify in writing to the Company Secretary of the Corporation.

33. Such director, CEO, substantial shareholder or executive, as the case may be, shall also deliver a written record of the price, number of shares, form of share certificates, (i.e., whether physical or electronic into Central Depository System), and nature of transaction to the Company Secretary within seven days of effecting the transaction.

## ACCEPTANCE OR GIVING OF BRIBES

34. No employee of the Corporation shall accept or give bribe or any illegal gratification in the conduct of the Corporation's business.

## DISCIPLINE AND GENERAL CONDUCT

35. All employees shall conform to and abide by the rules and regulations of the Corporation, and shall observe, comply with and abide by all orders which may from time to time be given by any person under whose jurisdiction, superintendence or control an employee may for the time being be placed.
36. All departments of the Corporation must comply with the rules and regulation relating to public procurement, tender regulations, purchasing and technical standards while making all the purchases for the Corporation.
37. The Corporation expects that all directors, officers and employees will understand and adhere to this Code of Conduct. They shall be responsible for the consequences of any violation. If a violation of law is also implicated, civil or criminal liability may result.
38. It is expected of all to practice good / ethical behavior and to pay attention to emerging questions, challenges and stress points positively in their respective capacities. Employees are encouraged to report any unlawful activity with respect to Corporation's affairs.
39. The Directors and employees shall not give or accept gifts, entertainment or any other personal benefit or privilege that could influence business dealings.
40. The purpose of this Code of Conduct is to maintain and promote dignity and reputation of the State Owned Enterprise and achieve excellence. The Directors, Executives and employees are required to conduct himself/herself in a proper way, behave lawfully adhering to all laws, rules and regulations to ensure the service quality.
41. Failure to comply with this Code or guidance may result in disciplinary action depending on the severity of the misconduct and the Corporation's disciplinary record.



# Board of Directors' Profile

## Mr. Sultan A. Chawla

Chairman

Mr. Sultan A. Chawla appointed as Chairman of the Board of Directors of Pakistan National Shipping Corporation (PNSC) with effect from 23<sup>rd</sup> September, 2024. Beside his business, he has been very active in the fields of education & business leadership.

He did his Masters in Economics from Karachi University where he also taught for 5 years before he attended Vanderbilt University USA for post graduate studies as a Fulbright Scholar.

He is a prominent businessman of Pakistan and leading his private business as Chairman of Burque Corporation (Private) limited which is a well-diversified distribution house of FMCG goods.



He is / has been associated with following bodies / institutions / organizations:

- Dr. Abdul Qadeer Khan Institute of High Technology as a Founding Trustee.
- Member Board of Khan Institute of Biotechnology & Genetic Engineering (KIBGE).
- Indus University of Health Sciences as Member Board of Governors.
- Life Member of Confederation of Asia-Pacific Chambers of Commerce & Industry (CACCI) & SAARC Chambers of Commerce & Industries & Islamic Chambers of Commerce.
- President, Federation of Pakistan Chamber of Commerce & Industry (FPCCI).
- Member Managing Committee, Karachi Chamber of Commerce & Industry (KCCI).
- Chairman, Delhi Mercantile Society, Karachi.
- Trustee, Karachi Port Trust.

**In the past has been associated with the following institutions in different capacities:**

- International Vice Chairman of World University Service, Geneva.
- President, Karachi University Student Union.
- General Secretary, Islamia College Student Union
- Head Boy Sindh Madrasah.
- Director, Karachi Cooperative Housing Societies Union.

**As a youth, he has also attended the following International Events:**

- a) United Nation's 1st International Assembly & Youth, New York 1970.
- b) 2nd World Food Congress, Hague 1970.
- c) 1st International Conference on Human Environment, Majesty University Ontario, Canada.
- d) World University Service Assemblies held in Madras India, Munich Germany, Ibadan Nigeria & Geneva Switzerland.

He is happily married and blessed with two sons and one daughter.



## Syed Jarar Haider Kazmi

### Chief Executive Officer

Syed Jarar Haider Kazmi is Chief Executive Officer of Pakistan National Shipping Corporation. As the Chief Executive Officer of PNSC, he builds upon his distinguished tenure as Chief Financial Officer, where he played a pivotal role in shaping the Corporation's financial strategy and driving business growth. With a deep understanding of the shipping industry and a proven track record in vessel sales and purchases, commercial planning, and ship management, he brings a unique blend of financial acumen and operational expertise to the leadership role. His strategic vision and leadership have been instrumental in navigating the company through complex market dynamics, optimizing asset utilization, and identifying opportunities for expansion and innovation.



As CEO, Jarar is poised to leverage his comprehensive knowledge and experience to drive PNSC's continued success, foster a culture of excellence, and deliver long-term value to stakeholders. Over the course of his career, he has also served in diverse sectors including business advisory, automobile and pharmaceuticals holding various key roles.

He has spear headed several group projects when these were at a critical stage during their execution and was also involved in practical modelling and handling of derivatives. He was involved in commercial chartering activities of the Group where he constructively participates with commercial and operations teams and ensures that business decisions are grounded in solid financial criteria. He has extensive experience in development of comprehensive Business Plans. In addition, he has been an integral part of the Risk Management Committee and has played a key role in formulating and implementing risk mitigation strategies across various business functions.

He is member of both the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Pakistan. Additionally, he is a Certified Director from the Institute of Business Administration (IBA) and has completed a director training program for State-Owned Enterprises through the Pakistan Institute of Corporate Governance. He has also participated in various international professional development programs across diverse fields.

He actively participates in the group's CSR initiatives especially those which render services in the fields of health and education.

## Mr. Ahsan Ali Malik

### Director

Mr. Ahsan Malik is a Group Director of The Waterlink Group involved in Shipping, Energy, Trading and Infrastructure development businesses. He holds an L.L.B (Hons) and L.L.M. (Masters) from the University of Buckingham and is a licensed Advocate of the Sindh High Court of Pakistan. He is a Certified Director by the SECP for listed companies and is an LSE (London School of Economics) Certified Real Estate and Finance Professional. He brings a wide range of professional and business experience that spans almost two decades. Mr. Malik is passionate about CSR initiatives and the concept of a Blue Economy; he also serves as a Trustee on the Board of Muskan Welfare Trust (MWT) which focuses on Education Inspiring Change and providing Healthcare facilities to the underprivileged. Mr Malik is a member of an honorable society of Lincoln Inn, Sindh Bar Council, and Karachi Bar Association and has also served on the Board of Bahria Transshipment Hub Pakistan Ltd. (BTHP) and Karachi Port Trust (KPT) as a Trustee.



He believes that the solution to our nation's Energy Security and Economic Problems, lies within the Shipping and Energy Supply Chain industry. Through his CSR and business initiatives he aims to build an example of Ethical Business, where profits, prosperity and preservation are valued equally.

## Mr Khalil Ahmed

### Director

Mr. Khalil Ahmed qualified as a member of CIMA – (The Chartered Institute of Management Accountants of United Kingdom). He has been a Fellow member of the Institute since 1972.

He holds his LLB (Hons) and LLM (corporate governance) degrees from the North Umbria University in the United Kingdom.

He has over 30 years' experience in senior financial and administrative management positions. His experience includes the senior position of Vice-president and CFO of Union Texas Pakistan inc, (an American Company involved in Oil and Gas exploration and production worldwide). In this position, he has been responsible for financial, administrative and human resources of the company along with coordination with the Ministry of Petroleum and natural resources as a joint venture partner. He was associated with this company for over 22 years.



Mr. Khalil Ahmed also held senior positions in the field of Finance and Administration with multinational companies in Tanzania and Zambia (Africa) where he was responsible for strengthening financial and administrative discipline. Prior to the above assignments, He held positions with Ford Motor Company and EMI group of United Kingdom. In these positions, he participated in the establishment of financial and management accounting systems.

He has also served as Consultant for CIDA (Canadian Investment & Development Agency) for Pakistan Funded Program for petroleum sector for developing Systems and Procedures' for the Director of Petroleum and Concessions for the implementation of Joint Venture Agreements. .

He is a Certified Director from Pakistan Institute of Corporate Governance and represents PNSC as an Independent Director.

## Khawaja Shahzeb Akram

Director

Mr. Shahzeb Akram is performing his obligations as Chief Executive Officer of M/s. Pharma Health Pakistan (Pvt) Ltd. since 2005 when this company started its operations in Pakistan. He started his career as President of M/s. Mass Pharma (Pvt) Ltd., a component of Khawaja Group of Companies and a leading pharmaceutical Company in Pakistan. Mr. Shahzeb Akram is the Director of M/s. Gallop Water Sciences (Pvt) Ltd., an I.V. Solution manufacturing company. He is serving as the Director of M/s. SJ&U Enterprises, the leading national Supply Chain of pharmaceutical products in Pakistan. Recently made an agreement with a multinational Company is incorporated in UK (Derresthetic UK Limited) for the expansion of business with its focus to introduce products in US and Europe also. Looking for business opportunities in Local Premium retail business. He also made major investment in WINGS CHAIR



PAKISTAN (PVT) LIMITED (Wing Chair Luxury Group) to become the partner dealing in Home luxury home interior and fittings. Despite of his business engagements, he is an active member of a numerous Trade & Commerce organizations where he is representing the business community in a very professional manner. In response to his valuable inputs, Khawaja Shahzeb Akram has also been awarded for numerous achievements from:

1. Prime Minister of Pakistan, Mr. Shaukat Aziz, for his business achievements in 2007.
2. Prime Minister of Pakistan, Mr. Yousaf Raza Gillani in 2011.
3. Prime Minister of Pakistan, Mr. Shahid Khaqan Abbasi, businessman achievement award in 2018.
4. President of Pakistan, Mr. Arif Alvi, for businessman of the year 2019.
5. President of Pakistan, Mr. Arif Alvi, for 9th FPCCI for special performance award in 2021.

He has been leading the business delegations from Pakistan to different countries around globe, thus strengthening corporate ties with rest of the world, specifically in new era of Russia and Turkey. Recently the Turkey Business Community has conferred upon Khawaja Shahzeb Akram the MECC AWARD which shows his corporate efforts being appreciated in the world trade with a special eye on the international horizon Besides all the business responsibilities, Khawaja Shahzeb Akram is an active member of world largest social welfare organization, Lions Clubs International having it's headquarter in Chicago, USA and operative in more than 200 countries of the world, and He is also member of Royal Palm Golf & Country Club Lahore.

### BUSINESS

- CEO Pharma Health Pakistan Pvt Ltd
- President Mass Pharma Pvt Ltd
- Director Gallop Water Sciences
- Director SJ&U (National Distributor)
- Partner in Wingchair (Luxury Group)
- Chairman Derresthetic Intl.

### PUBLIC CHAIR HOLDINGS

- Executive Committee Member FPCCI
- Executive Committee Member SAARC Chamber
- Chairman "All Pakistan Dermatological Companies"
- Senior Vice Chairman "Business-Men Panel Group (PAKISTAN)"
- Member "Punjab Procurement Regulatory Authority" (PPRA)
- Executive Chairman, "SAARC Chamber of Commerce & Industry"
- Former Senior Vice President "FPCCI" (Year 2021-22)
- Former Vice Chairman "Pakistan Industrial Associations Front"
- Former Chairman Pakistan Pharmaceutical Manufacturers Association
- Former Chairman FRIA

## Mrs. Nadia Osman Jung

Director

Mrs Nadia Osman Jung is currently the Finance Director of Global Business Enterprise which is involved in Import, manufacturing, distribution and trading businesses.

She holds a BA (Hons) Degree in Accounting & Finance and a Master's Degree in Business Studies from Liverpool John Moores University in UK.

She is an active member of various NGO's and commits her time to helping the underprivileged society of Pakistan.



## Mr. Qumar Sarwar Abbasi

Director

Mr. Qumar Sarwar Abbasi joined the Civil Service in 1994 through the 22nd Common Training Programme. He is an alumni of Institute for Development Policy & Management, University of Manchester (UK) from where he acquired his MA (Econ.) Development Administration and Management. He also holds an MA in International Relations.

During his career in the Civil Service Mr. Abbasi has served in different Ministries / Organizations of the Federal Government. His recent postings included Additional Secretary (HRM/CF), Ministry of Finance, Executive Director (Ops), CPEC, Authority; Senior Joint Secretary Ministry of Planning, Development and Special Initiatives; Joint Secretary to the Cabinet; Joint Secretary, Ministry of Finance; Joint Secretary (World Bank-China-Debt Management), EAD and Joint Secretary (PAC), National Assembly. He is married and has three children.





## Captain (R) Sarfaraz Inayatullah

### Director

Captain (R) Sarfaraz Inayatullah is a reputed highly qualified Engineer, Naval Architect vis-à-vis Business Management Professional with over 42 years of experience at Executive, Administrative, Management and Project Development positions both in local & international maritime sector organizations. During his illustrious career, he successfully managed the design, construction, salvage, repairs, and safe operations of maritime assets including Tankers, FSRUs, LNG Gas Carriers, Bulk Carriers, Dredgers, Tugs, Hopper Barges, submarines and Offshore installations through implementation of International Maritime Organization (IMO) protocols & conventions pertaining to safety of life at sea.

Captain (R) Sarfaraz Inayatullah has worked in a challenging environment of Local and International Maritime Sectors with role in senior management. Thus, he is ideally suited to help the organizations in achieving their tactical and strategic objectives.

By virtue of affiliation with professional bodies of international repute viz a viz strong background of foreign training & service, Captain (R) Sarfaraz Inayatullah enjoys the status of chartered engineer and fellow with Engineering Council UK, Royal Institution of Naval Architects (RINA), Institution of Engineers Pakistan (IEP) and Pakistan Engineering Council (PEC). For obvious reasons, these credentials are a source of strength for any organization.

Being qualified Business Management Professional, Auditor, Inspector and Marine Surveyor with vast and versatile experience in international maritime sector, Captain (R) Sarfaraz Inayatullah possesses excellent skills in Technical & Commercial Advisory Services required for capacity building, third party inspection & certification system, QRA, QA/QC, HSE to support the multifaceted challenges of maritime sector.

Captain (R) Sarfaraz Inayatullah enjoys outstanding academic and professional track record both in country and abroad. Presently he is serving as Country Marine & Offshore Chief Executive of International Classification Society "Bureau Veritas Pakistan". He is an elected member on the PNSC Board of Directors.



## Mr. Umar Zafar Sheikh

### Director

Mr. Umar Zafar Sheikh did his graduation from Government College Lahore and Masters in International Relations from Quaid-e-Azam University Islamabad. He also holds a Masters degree in Accounting from University of Stockholm, Sweden, a Post Graduate Diploma in Corruption Studies from University of Hong Kong, and a certificate in Integrity Reform from University of Central Europe, Hungary.

Mr. Sheikh joined civil service in 1991. He belongs to Pakistan Audit and Accounts Service and has worked on various auditing, accounting, human resource management, financial management, and project management assignments. Major assignments include Additional Director NAB, Deputy Accountant General Senior, Director Administration, office of Auditor General of Pakistan, Director Procurement, Project to Improve Financial Reporting and Auditing, Director/ Director General, President's Secretariat Public, Director General Foreign Audit, Chief Finance and Accounts Officer, and Director Finance NAB. He is presently posted as Additional Secretary, Ministry of Maritime Affairs.

He has the honor of being one of the co-authors of Pakistan's first ever National Anti Corruption Strategy. He also remained involved with implementation of the strategy, Conceived and established National Accountability Bureau's awareness and prevention wing, and led its awareness campaign.

Mr. Sheikh has spoken extensively about governance, accountability, anti-corruption, motivation, financial management, communication skills and public speaking at national and international level. He is a regular guest speaker and review panelist at Civil Service training institutes.



# PNSC Managed Fleet

## TANKERS

Vessel: **M.T MARDAN**

Built: Japan



Deadweight (MT): 107,123  
Gross Tonnage (MT): 58,168

Length Overall (M): 246.80

Vessel: **M.T SARGODHA**

Built: Japan



Deadweight (MT): 107,123  
Gross Tonnage (MT): 58,168

Length Overall (M): 246.80

Vessel: **M.T BOLAN**

Built: South Korea



Deadweight (MT): 74,919  
Gross Tonnage (MT): 42,411

Length Overall (M): 220.89

Vessel: **M.T KHAIRPUR**

Built: South Korea



Deadweight (MT): 74,986  
Gross Tonnage (MT): 42,411

Length Overall (M): 220.89

Vessel: **M.T SHALAMAR**

Built: Japan



Deadweight (MT): 105,315  
Gross Tonnage (MT): 55,894

Length Overall (M): 228.60

Vessel: **M.T QUETTA**

Built: Japan



Deadweight (MT): 107,215  
Gross Tonnage (MT): 58,118  
Disposed off on: 18th March, 2025

Length Overall (M): 246.80

Vessel: **M.T LAHORE**

Built: Japan



Deadweight (MT): 107,018  
Gross Tonnage (MT): 58,157  
Disposed off on: 7th March, 2025

Length Overall (M): 246.80



## BULK CARRIERS

Vessel: **M.V SIBI**

Built: Japan



Deadweight (MT): 28,442  
Gross Tonnage (MT): 17,018

Length Overall (M): 169.37

Vessel: **M.V MALAKAND**

Built: Japan



Deadweight (MT): 76,830  
Gross Tonnage (MT): 40,040

Length Overall (M): 225.00

Vessel: **M.V HYDERABAD**

Built: Japan



Deadweight (MT): 52,951  
Gross Tonnage (MT): 29,365

Length Overall (M): 188.50

Vessel: **M.V CHITRAL**

Built: Japan



Deadweight (MT): 46,710  
Gross Tonnage (MT): 26,395

Length Overall (M): 185.73

Vessel: **M.V MULTAN**

Built: Japan



Deadweight (MT): 50,244  
Gross Tonnage (MT): 27,984

Length Overall (M): 189.80

### TANKERS & BULK CARRIERS

| DESCRIPTION                | DEADWEIGHT (MT) | GROSS TONNAGE (MT) |
|----------------------------|-----------------|--------------------|
| TANKERS                    | 683,699         | 373,327            |
| DISPOSED DURING THE PERIOD | (214,233)       | (116,275)          |
| BULK CARRIERS              | 255,177         | 140,804            |
| TOTAL                      | 724,643         | 397,856            |





# PNSC Leadership Team

## Syed Zeeshan Taqvi

Chief Financial Officer (CFO)

Syed Zeeshan Taqvi, is a Fellow member of the prestigious professional accountancy body the Institute of Chartered Accountants of Pakistan (ICAP), has adeptly leading the Finance Department as Group General Manager Finance and regulatory appointed as Chief Accountant since February 2016.

In capacity as Chief Accountant has over 24 years of multifaceted experience across various domains. His special expertise includes; Financial Infrastructure Development, Financial Modeling & Reporting, IFRS Compliance, Budgeting and Forecasting, Stakeholder Management, Cost Reduction, Risk Management, Taxation, Treasury Management, Ship Financing/Refinancing, Swapping and Derivatives (in scope of IFRS-09), and Financial aspects of vessel dry-docking. He has led the development and implementation of new ERP solutions, as well as devising and developing finance-related reports for improved financial information.

Accomplished Big 4 trained Chartered Accountant with progressive work experience of successfully handling audit engagements at global level. Consistently ranked as top talent by employers, he has demonstrated strong business acumen, a result driven mindset, a drive to continuously improve processes and the ability to lead and develop others.

Mr. Taqvi has enriched his professional economic and business acumen in the maritime industry as well as finance and corporate sector by attending numerous workshops, seminars, and conferences, both domestically and internationally, continually advancing his expertise and staying abreast of the latest developments in his field.



## Mr. Khurram Mirza

Executive Director (Special Projects & Planning)

Mr. Khurram Mirza is a Certified Management Accountant (CMA) from the Institute of Management Accountants (IMA), USA. He did his Master in Business Administration (MBA) from the Institute of Business Administration (IBA), Karachi and has been actively involved in various business development projects in Pakistan and internationally. He also has a post graduate diploma in Project Management from the Pakistan Institute of Management and has attended the maritime security course at the Pakistan Navy War College. Mr. Khurram Mirza assumed the office of Executive Director (Special Projects & Planning) at Pakistan National Shipping Corporation (PNSC, the Corporation) in March 2017. Subsequently, he also assumed the office of Executive Director (Administration) from June 2019 to April 2022.

His major contributions to PNSC since joining the Corporation is towards spearheading a fleet development plan under which PNSC inducted two tanker vessels in 2019 and two more in 2022 and is currently in the process of inducting more tonnage. He is also the project lead for implementation of a computer based shipping ERP for the integration of all major functions of the Corporation and computerized linkage of all PNSC managed vessels with the head office in real time.

Prior to joining PNSC, he gained extensive knowledge and experience with the largest container terminal operator globally where he was involved in several international business developments projects and rose up the ranks to a senior management position. He was also an integral part of the senior project team responsible for setting up a US\$ 400 million plus green field container terminal project at the Deep Water Port in Karachi. This project was successfully delivered and commenced operations in 2016. His professional interests include research, strategy formulation, project execution, relationship building, financial modeling and capacity building.





## Captain Mustafa Kizilbash

Executive Director (Commercial)

Capt Mustafa Kizilbash is a Fellow Member of the Institute of Chartered Ship brokers UK. He did his MBA in Maritime Management from the University of Greenwich London. He also possess a post graduate degree in Nautical Science from the Black pool and Fylde College UK.

He assumed the office of Executive Director (Commercial), Pakistan National Shipping Corporation on 7th July, 2022. Earlier, he has been holding the key positions in PNSC Commercial Department since November 2010. He began his career in 1998 as deck Cadet and came on shore in 2009 as a Master Mariner. A passionate and diligent professional who possess over 24 years of experience within shipping industry with more than 14 years of experience in Tanker (Aframax , LR1) ,Dry bulk ( PMX, Supra, Handy) & Break bulk chartering across all product segments.

His strengths include excellent knowledge of key trading routes including (DPP, CPP, Veg oil, minerals, project, general cargoes (OOG), agriculture, etc), FFA derivatives, freight market analysis, commercial contracts & negotiation skills in both liquid and dry bulk trade with a deep passion and devotion for work in the shipping industry.



## Syed Muhammad Babur

Executive Director (Ship Management)

Syed Muhammad Babur is an engineer by profession who has mastered the art of analysing & strategizing the organizational needs and translating them to realistic achievements, with team work. He possesses over 33 years of rich and versatile experience in all facet of his profession with core responsibilities in the field of Systems Engineering Management; managing a large number & variety of men, material and financial resources.

He has been instrumental in Pakistan's new ship acquisition program from China and remained involved for defining customer requirements and an active part of contracting team. During ship construction phase, he was responsible for the final ship design review while being stationed at HZ Shipyard, Shanghai (China).

In past, after having served onboard ships, he remained engaged for operational management of logistics, engineering, victualing, supply support, technical training and human resource aspects of the ashore organization. He is currently leading his team at PNSC for all Ship Management aspects of fleet that includes repair, maintenance & afloat personnel.

Mr. S. M. Babur has done Masters both in the field of engineering and social sciences and is a member of Pakistan Engineering Council since 1995.



## Mr. Muhammad Javid Ansari

Corporation / Company Secretary

Mr. Muhammad Javid Ansari has been serving the PNSC Group as Company Secretary of PNSC and its 19 Subsidiary Companies, since 2019. He is also Secretary of Board's HR, Nomination & CSR Committee.

He has served on key management positions on other organizations and has diversified professional experience of more than 25 years in the field of Corporate Governance & Compliance, Finance, Taxation and Audit.

He is a Law Graduate and member of following professional bodies:

- Fellow member of Institute of Cost Management Accountants of Pakistan (ICMAP).
- Fellow member of Institute of Corporate Secretaries of Pakistan (ICSP).
- Fellow member of Pakistan Institute of Public Finance Accountants (PIPFA).

He is a member of National Council of ICSP and serving as Chairman Audit Committee of the Council. He has also served on various committees formed by the aforesaid professional bodies. He is Certified Director from Institute of Cost and Management Accountants of Pakistan (ICMAP) and also from Pakistan Institute of Corporate Governance for State-Owned Enterprise (SOE) and he is also member on Tax Committee of Karachi Chamber of Commerce and Industry.



## Mr. Fayyaz Amin Malik

Head of Internal Audit

Mr. Fayyaz Amin Malik is a certified director of SOEs and fellow member of Institute of Chartered Accountants of Pakistan and fellow member of Institute of Cost and Management Accountants of Pakistan.

Mr. Fayyaz Amin Malik has more than 22 years of experience in versatile industries of Pakistan. The main sectors include oil and gas, telecommunication, mining and shipping.

His areas of expertise include controls assurance review, internal controls, risk assessment reviews, development of policies and procedures manuals, design and delivery of specialized training courses.



# PNSC Leadership Team



## Leadership Anchored in Excellence

From left to right

**Syed Zeeshan Taqvi**

Chief Financial Officer

**Mr. Khurram Mirza**

Executive Director (Special Projects and Planning)

**Syed Jarar Haider Kazmi**

Chief Executive Officer

**Captain Mustafa Kizilbash**

Executive Director (Commercial)

**Syed Muhammad Babur**

Executive Director (Ship Management)



# Directors' Report

## For the year ended June 30, 2025

The Board of Directors of Pakistan National Shipping Corporation (PNSC, the Corporation) Group (the Group) is pleased to submit the forty-seventh Annual Report, along with the annual audited financial statements for the year ended June 30, 2025.

### **BRIEF INTRODUCTION, PRINCIPAL OPERATIONS AND PERFORMANCE REVIEW**

Pakistan National Shipping Corporation (PNSC), the national flag carrier of Pakistan, is a prominent player in the global maritime transportation industry. With a focus on maximizing shareholder value, PNSC operates a fleet of 10 vessels with a total carrying capacity of 724,643 tonnes, serving diverse trade routes across the globe. PNSC boasts a strategically diverse fleet, includes three double hull Aframax and two LR-1 Product tankers catering to the country's energy needs. Panamax bulk carriers alongside Supramax, Handymax and Handysize bulk carriers, facilitating the transport of a wide range of dry bulk commodities, including iron and steel products, fertilizers, minerals, coal, iron ore, grain and construction materials.

PNSC prioritizes the highest safety and environmental standards. The Corporation adheres to stringent international regulations while remaining committed to environmentally responsible practices.

Operated by a team of highly skilled professionals, PNSC aims to excel in serving the interests of its stakeholders. The Corporation actively contributes to the growth of worldwide seaborne trade.

### **Crucial Role in National and Global Trade:**

PNSC plays an essential role in Meeting Pakistan's domestic demand for petroleum products through seaborne trade with the Middle East. Facilitating the exchange of dry bulk commodities across the globe.

While recognizing the influence of international freight indices and the global economic outlook on its performance, PNSC remains steadfast in its commitment to providing efficient and reliable maritime transportation services.

### **Streamlined Procurement Process (Procurement Policy)**

PNSC has successfully secured approval from Cabinet Committee on SOE's for its independent procurement policy under section 17 (2) of the State-Owned Enterprises (Governance and Operations) Act, 2023. This policy was approved by the Cabinet Committee on SOEs and ratified by Federal Cabinet, makes PNSC the first state-owned enterprise to achieve this milestone.

The new procurement framework is designed to enhance operational efficiency by streamlining acquisition processes, particularly for second-hand vessels through simplified procedure generally being practice in shipping industry and timely decision-making. The policy will enable PNSC to induct vessels in line with its fleet expansion plans while ensuring strict compliance with PNSC's procurement SOPs.

### **Dual Acquisition Strategy for Economic Advantage**

By strategically acquiring both new and second hand vessels, PNSC anticipates achieving economic benefits aligned with shareholder objectives. This dual approach positions PNSC for continued growth & leadership in the maritime transportation sector.



## GLOBAL ECONOMIC OUTLOOK

The global economy is projected to grow by 3.3% in both 2025 and 2026, remaining below the long-term average of 3.7%. Inflation continues to ease worldwide, though services inflation remains persistent in advanced economies, while pressures linger in emerging markets. Growth remains uneven across regions, with the U.S. showing resilience, Europe experiencing modest recovery and Asia seeing mixed trends where China slowing and India still expanding strongly.

Despite global headwinds, Pakistan has demonstrated resilience under the IMF's Extended Fund Facility, achieving a primary fiscal surplus of 2% of GDP in the first half of FY25. Inflation has declined sharply, allowing the State Bank to cut policy rates by 1,100 basis points since June 2025. Foreign reserves have strengthened to \$14.5 billion in June 2025 and are projected to reach \$15.5 billion by December 2025. Structural reforms in taxation, energy, governance and climate resilience are reinforcing macroeconomic stability and supporting medium-term growth prospects.

## GLOBAL SHIPPING MARKET OUTLOOK

The global shipping industry remains in positive territory, with the ClarkSea Index averaging well above long-term trends in early 2025. Growth in seaborne trade has moderated, with geopolitical disruptions in the Red Sea and the Russia-Ukraine conflict reshaping trade flows and driving additional demand in some segments, particularly containers and tankers. Overall, shipping continues to sit at the center of global geopolitical and trade realignments, with both risks and opportunities emerging for industry stakeholders.

On the supply side, global fleet capacity is projected to expand by around 4% in 2025, supported by strong new-build activity, though order momentum has recently slowed. At the same time, the industry's decarbonization agenda is advancing, with alternative fuel vessels accounting for a growing share of the order-book. While cash flows remain solid across most segments, heightened uncertainty from geopolitics, trade policy and regulatory shifts will continue to influence investment decisions and long-term market dynamics.

### Dry Bulk Market

The dry bulk market entered 2025 on a softer note, with average earnings down about 20% year-on-year in the first half due to weaker demand for coal, grain and iron ore. Fleet growth of around 3% has outpaced demand, placing downward pressure on freight rates, though factors such as slower vessel speeds and rerouting around the Red Sea have provided some support.

Market dynamics varied across commodities: coal and grain imports declined, while iron ore trade remained flat. By contrast, long-haul bauxite shipments from Guinea drove stronger demand for Capesize tonnage, partly offsetting broader weakness. Looking ahead, the market outlook remains moderate, with tonne-mile demand expected to stay flat against steady fleet expansion, while geopolitical risks and the energy transition continue to shape trade flows.

### Dry Bulk Outlook

The dry bulk market is expected to remain subdued in 2025, with demand projected to contract by 0.5–1.5%, before recovering by 2–3% in 2026, assuming a full resumption of Red Sea transits during 2025. Should rerouting persist for longer, growth would likely remain modest, with volumes flat in 2025 and only a slight rebound of 0.5–1.5% in 2026.

Commodity trends are mixed. Iron ore shipments are anticipated to stagnate through 2026, while coal volumes are set to decline by 1–2% in 2026 amid rising renewable adoption and stronger domestic output in major markets. By contrast, minor bulks, particularly bauxite, are expected to provide consistent support, with annual growth of 2.5–3.5% projected through 2026 and underpinned by robust Guinean exports driving Capesize demand.

On the supply side, the dry bulk fleet is forecast to expand by around 6.1% between end-2024 and end-2026, with nearly 38 million DWT scheduled for delivery Panamax and Supramax vessels accounting for about 60% of additions. This expansion is likely to intensify pressure on freight and asset values, with forward freight agreements pointing to continued weakness in these segments. Against this backdrop, the Capesize segment is expected to outperform, supported by structural tailwinds, while Panamax and Supramax face greater headwinds from oversupply and softening fossil fuel trades. Overall, the sector's recovery will hinge on the resilience of minor bulks, Chinese policy direction, and the resolution of geopolitical disruptions.

### **Crude Tanker Freight Market**

The crude oil tanker market remained firm in FY 2024–25, shaped largely by geopolitical tensions and shifting trade routes. Security concerns in the Red Sea and Suez Canal forced many ships to reroute via the Cape of Good Hope, extending voyage times and tightening vessel availability. This supported strong freight rates, particularly in the first half of the year, with VLCCs on Arabian Gulf–Asia routes recording notable spikes in January and June 2025.

Market conditions were further supported by limited fleet growth, as new deliveries remained scarce and scrapping activity subdued. While performance varied across vessel classes, overall earnings stayed above historical averages. Looking ahead, freight levels are expected to remain influenced by war-risk premiums and ongoing geopolitical developments, where PNSC is well positioned to manage volatility and capture opportunities.

### **Product Tanker Freight Market**

In FY 2024–25, the product tanker market experienced mixed conditions. Refinery exports from the Middle East and Asia supported underlying demand, but freight levels were substantially lower than the previous year. As a general, security risks in the Red Sea forced rerouting via the Cape of Good Hope, adding tonne-mile demand, though this was not enough to offset softer sentiment that developed in the second half of the year.

LR1 and LR2 tankers trading from the Arabian Gulf to Asia and Europe recorded firm returns during parts of the year, particularly on longer-haul routes, but earnings trended downward as vessel availability increased and charterers resisted higher freight levels. Looking ahead, market prospects will continue to depend on refinery export patterns, vessel supply growth and the evolution of geopolitical risks, where PNSC remains positioned to respond with agility.

### **Tanker Market Outlook**

The global tanker market remained broadly healthy in 2025, with average earnings staying above long-term trends despite easing from the exceptional levels of 2022–24. Geopolitical disruptions, including Red Sea rerouting, continued to support tonne-mile demand, while OPEC+ output increases and resilient Asian crude imports underpinned activity. Crude tankers, particularly VLCCs and Suezmaxes, benefited from longer voyages and seasonally stronger demand, with 2025 crude tonne-mile growth projected at 1.3% against fleet growth of just 0.7%.

Looking into 2026, crude tanker fundamentals remain relatively firm, though stronger fleet growth of around 2.5% could outpace trade expansion of about 1.1%. Seasonal cycles and long-haul flows should continue to lend support, but the balance between supply growth and evolving trade patterns will be critical.

In contrast, the product tanker market faces a more challenging outlook. Seaborne oil product trade is expected to soften, with new refinery startups in key consuming countries reducing import needs, while fleet growth of over 5% adds further pressure. LR1/LR2 and MR segments are likely to see earnings decline, though downside risks may be partly cushioned by vessels shifting into dirtier trades and potential improvements in refinery margins. Overall, while the crude tanker sector is set to remain resilient, product tankers face headwinds from oversupply and weaker demand growth.

## SEGMENTAL REVIEW OF MARITIME BUSINESS PERFORMANCE:

PNSC having a total DWT capacity of 724,643 metric tons lifted cargo (Dry Bulk & Liquid) of about 10.95 million tons versus (FY2024: 9.94 million tons) during the year under review, which is equivalent to about 11.04% (FY23: 10.32%) of country's total 99.26 million tons (FY 2023: 96.379 million tons) seaborne trade by volume. Bifurcated statistics of Pakistan's seaborne trade for the current year 2024-25 and last year 2023-24 along with PNSC's share is as under:

-----Figures in 'million tons'-----

|                         | Dry Bulk      |        | Liquid Bulk   |        | Total         |        |
|-------------------------|---------------|--------|---------------|--------|---------------|--------|
| Description             | 2025          | 2024   | 2025          | 2024   | 2025          | 2024   |
| Pakistan Seaborne Trade | <b>67.900</b> | 67.170 | <b>31.369</b> | 29.200 | <b>99.260</b> | 96.370 |
| PNSC's Share            | <b>1.984</b>  | 1.298  | <b>9.053</b>  | 8.640  | <b>11.037</b> | 9.940  |

Nature/arrangement wise bifurcation of total cargo transported by PNSC is tabulated below:

| Segments                 | Unit of Measurement       | 2025         | 2024  |
|--------------------------|---------------------------|--------------|-------|
| Dry Cargo (Bulk Carrier) | Million tons              | <b>1.905</b> | 1.268 |
| Liquid Cargo (Tanker)    | Million tons              | <b>9.053</b> | 8.647 |
| <b>Slot Charter</b>      |                           |              |       |
| – Break Bulk             | Higher of MT or CBM (W/M) | <b>0.034</b> | 0.030 |
| – Containerized Cargo    | Thousand TEUs             | <b>1.105</b> | 1.173 |

## SIGNIFICANT RISK:

Despite potential benefit from the Ukraine-Russia war's impact and Red sea crises, the shipping industry inherently faces several risks due to deteriorated geopolitical situation in the world. The Corporation acknowledges intense competition in dry and wet markets, along with excess capacity, subdued freight rates and major regulatory changes in shipping in terms of transitioning towards cleaner fuel as major commercial threats. Their earnings are directly tied to global market fluctuations. Furthermore, PNSC faces uncertainties due to factors like oversupply in bulk segments, volatile oil and bunker prices, rising operational costs, evolving industry norms, and potential disruptions in foreign payments.

## Risks and Opportunities and Steps taken to Mitigate

### Litigation Risk:

The ever-changing landscape of global shipping, coupled with the transparency brought by the internet, necessitates that PNSC, along with all shipping practitioners, stay abreast of industry trends. This knowledge empowers them to make informed decisions, plan strategically, and optimize chartering policies. Proactive awareness is crucial to mitigate potential litigation risks that can arise from misunderstandings or unforeseen circumstances.

PNSC recognizes the importance of staying ahead of the curve. By closely monitoring industry trends, they can develop effective marketing strategies and optimize chartering policies to efficiently allocate resources and respond swiftly to market demands. This comprehensive approach minimizes the potential for disputes and legal challenges that can stem from the inherent uncertainties and fluctuations of the shipping industry.

**Additional Risk Mitigation Steps:** While staying informed and optimizing operations are crucial, the passage could be strengthened by mentioning other risk mitigation strategies PNSC might employ. These could include:

- Implementing clear and comprehensive contracts that address potential issues.
- Employing standardized industry terms and conditions.
- Investing in robust risk management practices and insurance coverage.
- Utilizing dispute resolution mechanisms like mediation and arbitration.

By adopting a multi-pronged approach that combines staying informed, optimizing operations, and implementing robust risk management practices, PNSC can effectively safeguard its position as a reliable and competitive player in the global shipping arena.

### Risk of Major Accident or Oil Spillage:

PNSC, along with all shipping companies, faces the ever-present risk of major accidents or oil spills. These events can have devastating consequences for the environment, local communities, and the company's reputation. To mitigate these risks, PNSC likely invests in rigorous crew training, implements strict safety protocols, and maintains its fleet to the highest standards. Regular maintenance and inspections can help prevent equipment failures, while spill response plans and emergency procedures ensure a swift and effective response in case of an incident.

### Managing Environmental Impact:

Global shipping is responsible for 3% of the total greenhouse gases. The International Maritime Organization (IMO) has implemented a series of regulations to tackle carbon emissions from international shipping. Here's a breakdown of some key points:

- **2023 IMO GHG Strategy:** This ambitious strategy aims to significantly curb emissions. It targets a reduction in carbon intensity (CO<sub>2</sub> emissions per transport work) by at least 40% by 2030 compared to 2008 levels. Additionally, it seeks a total annual GHG emissions reduction from international shipping by at least 50% by 2050, striving for net-zero emissions altogether.
- **Focus on New Technologies:** The strategy emphasizes the adoption of zero or near-zero GHG emission technologies, fuels, and energy sources. It aims for these alternatives to represent at least 5% of the energy used by international shipping by 2030, with a target of reaching 10%.
- **Existing Ship Measures:** The IMO has established the Energy Efficiency Existing Ship Index (EEXI) which requires existing ships to improve their operational efficiency and reduce carbon intensity. Additionally,



the Ship Energy Efficiency Management Plan (SEEMP) is a mandatory tool for ship operators to manage energy use and improve environmental performance.

- **New Ship Standards:** New ships are subject to ever-stricter regulations. The Energy Efficiency Design Index (EEDI) sets mandatory technical requirements for new ships, ensuring they are progressively more energy efficient compared to previous generations.

These regulations are a significant step towards a cleaner shipping industry. However, the IMO also recognizes the need for further action, including research and development of new technologies, and financial and technical assistance for developing countries to implement these changes.

PNSC is taking a two-pronged approach to address environmental concerns and comply with IMO regulations. Firstly, they are actively seeking to incorporate cleaner-fueled vessels into their fleet, ensuring they meet the latest IMO standards. Secondly, they are demonstrating a forward-thinking approach by hiring a consultant to develop a comprehensive strategy and action plan. This plan will specifically address environmental impact management and outline the necessary steps for PNSC to transition towards greener technologies

### Interest Rate Risk Affecting Cash Flow:

The financial liabilities are based on variable interest rate. In order to minimize the interest rate risk, the Group strives to achieve a balance mix and appropriate profiling of assets and liabilities with variables interest rates.

### Armed Piracy in Gulf Of Aden:

Piracy in high-risk areas like the Gulf of Aden, Malacca Strait, and the Somali coast poses a serious threat to global shipping, including PNSC. Recognizing this danger, PNSC implements a multi-layered strategy to safeguard its vessels and crew.

**Insurance Coverage:** PNSC prudently secures insurance policies to mitigate financial losses arising from piracy incidents.

**Best Management Practices (BMP-5):** The Company adheres to the globally recognized BMP-5 guidelines, a set of protocols established to minimize the risk of pirate attacks. These practices likely involve crew training, security measures onboard vessels, and recommended routes to avoid high-risk areas.

**Collaboration with Pakistan Navy:** PNSC maintains close communication with Pakistan Naval headquarters, potentially allowing for coordinated efforts to ensure safe passage through these hazardous zones.

By combining insurance coverage, adherence to BMP-5, and collaboration with the Navy, PNSC demonstrates its unwavering commitment to the safety and security of its personnel and vessels.

### Trade Risk in Gulf of Oman /Strait of Hormuz:

PNSC's oil tankers frequently navigate the Strait of Hormuz, a critical chokepoint for global oil transportation. This region, however, has become a designated war zone due to past incidents, posing a significant security risk. PNSC employs a multi-layered strategy to ensure the safe passage of its vessels carrying crude oil, furnace oil, and refined petroleum products.

**Enhanced Crew Preparedness:** Recognizing the heightened risk, PNSC crews are likely subjected to rigorous training in emergency procedures, heightened vigilance protocols, and potential evasive maneuvers. This ensures their ability to react swiftly and effectively to any unforeseen circumstances.

**National Support:** As Pakistan's National Flag Carrier, PNSC enjoys the crucial advantage of continuous diplomatic and military support from the Pakistani government. This backing serves as a potential deterrent and facilitates smoother passage through the Strait.

**Robust Insurance Coverage:** To further mitigate financial losses in case of an incident, PNSC has secured additional insurance coverage from reputable and established providers. This comprehensive insurance plan likely covers not only damage or loss of the vessel but also potential cargo spills or disruptions.

### Potential Additional Strategies:

**Information Sharing and Collaboration:** PNSC might participate in information-sharing initiatives with other shipping companies or regional authorities to stay updated on real-time security threats and take necessary precautions.

**Alternative Routes (if feasible):** Depending on the severity of the situation and cargo urgency, PNSC might explore alternative routes, albeit potentially longer or more expensive, to bypass the Strait of Hormuz entirely.

By implementing these comprehensive measures, PNSC demonstrates its commitment to safeguarding its personnel, vessels, and vital cargo shipments while navigating the challenging waters of the Strait of Hormuz.

### Volatility in Fuel Cost

The shipping industry, and PNSC in particular, faces a major challenge due to the inherent volatility of the fuel market. Fuel costs, which account for a significant portion (around 55-60%) of voyage expenses, are intricately linked to global economic trends. This means that economic downturns can cause a drastic drop in fuel demand, leading to price fluctuations that significantly impact PNSC's financial performance.

Accurately predicting the market balance is a complex task. There's no guarantee that resulting freight rates will be sufficient to cover expenses and generate a return on investment. This inherent unpredictability creates uncertainty in PNSC's financial outlook, necessitating prudent risk management strategies.

## ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

The Corporation remains dedicated to embedding ESG principles into its strategy and operations in line with regulatory requirements and international best practices. PNSC's initiatives emphasize strengthening its CSR footprint while ensuring that policies promoting diversity, equity, and inclusion (DE&I) are in place. These efforts encourage gender mainstreaming, gender equality, and the meaningful participation of women across the Board, management, and workforce. At the same time, the Corporation continues to foster a safe, respectful, and empowering workplace culture, thereby enhancing stakeholder trust and supporting long-term sustainable growth.

In addition, PNSC continues to advance environmental stewardship by adopting responsible maritime practices and implementing global standards such as CII, EEXI, and SEEMP across its fleet. Key initiatives, including energy-efficient operations, the use of cleaner fuels, digital energy monitoring, and tree plantation drives, reflect the Corporation's commitment to reducing its carbon footprint and contributing to global climate action.

The PNSC's Board has adequately fulfilled its responsibilities and has prioritized this matter to meet compliance requirements. To effectively fulfill its sustainability responsibilities and complete the required tasks, the Board has assigned additional responsibilities to an existing board committee formulated namely Sustainability Strategy and Risk Management Committee in accordance with the regulatory requirements. This committee is tasked with monitoring and reviewing the company's sustainability related risks and opportunities, overseeing the implementation of Diversity, Equity, and Inclusion (DE&I) practices across various board committees, and ensuring compliance with all relevant sustainability related laws and disclosure requirements.

The PNSC board holds the crucial role of governance and oversight regarding sustainability related risks and opportunities within PNSC. This includes thorough consideration of environmental, social, and governance (ESG) factors to ensure that the company's sustainability strategies, priorities, and targets are effectively set and aligned to drive long-term corporate value. In carrying out this mandate, the Board is also encouraged to adopt

the Securities and Exchange Commission of Pakistan's (SECP) ESG Disclosure Guidelines to further enhance transparency, accountability, and the integration of sustainable practices throughout the organization.

## PNSC CREDIT RATING

The annual review of Group's credit worthiness conducted by Pakistan Credit Rating Agency (PACRA) has resulted in maintenance of the credit rating at 'AA' for long term and 'A1+' for short term.

The ratings reflect PNSC's strong ownership-majority owned by the Government of Pakistan (~89.13%) and its strategic significance as the country's national flag carrier. PNSC's business profile has gained significant strength in recent years on account of efficient fleet utilization and cost reduction measures taken by the management.

## FINANCIAL HIGHLIGHTS

PNSC (the Group) has complied with IFRS, the provisions of Companies Act, 2017 and the State-Owned Enterprise (Governance and Operations) Act, 2023 (SOE Act) and other applicable laws and regulation as applicable in Pakistan for the preparation of financial statements for the year ended June 30, 2025. The highlights of financial results for the period under consideration as compared to the corresponding year are as follows:

|                                     | For the year ended<br>June 30, 2025 | For the year ended<br>June 30, 2024 | Variance           |             |
|-------------------------------------|-------------------------------------|-------------------------------------|--------------------|-------------|
|                                     |                                     |                                     | Amount             | %           |
| ----- (Rupees in '000) -----        |                                     |                                     |                    |             |
| <b>Revenue</b>                      | <b>37,637,416</b>                   | 46,363,490                          | (8,726,074)        | -19%        |
| <b>Expenditure</b>                  | <b>(26,421,702)</b>                 | (27,561,069)                        | 1,139,367          | -4%         |
| <b>Gross profit</b>                 | <b>11,215,714</b>                   | <b>18,802,421</b>                   | <b>(7,586,707)</b> | <b>-40%</b> |
| Administrative expenses             | (2,072,965)                         | (2,003,503)                         | (69,462)           | 3%          |
| Impairment reversal/ (loss)         | 1,833,924                           | (173,225)                           | 2,007,149          | -1159%      |
| Other expenses                      | (514,652)                           | (752,394)                           | 237,743            | -32%        |
| Other income                        | 13,249,171                          | 7,899,179                           | 5,349,992          | 68%         |
| <b>Operating profit</b>             | <b>23,711,192</b>                   | <b>23,772,478</b>                   | <b>(61,285)</b>    | <b>0%</b>   |
| Finance cost                        | (430,400)                           | (1,014,771)                         | 584,371            | -58%        |
| <b>Profit before levies and tax</b> | <b>23,280,792</b>                   | <b>22,757,707</b>                   | <b>523,086</b>     | <b>2%</b>   |
| Levies                              | (1,279,002)                         | (1,064,110)                         | (214,892)          | 20%         |
| <b>Profit before taxation</b>       | <b>22,001,790</b>                   | <b>21,693,597</b>                   | <b>308,194</b>     | <b>1%</b>   |
| Taxation                            | (1,553,049)                         | (1,511,862)                         | (41,187)           | 3%          |
| <b>Net profit</b>                   | <b>20,448,741</b>                   | <b>20,181,735</b>                   | <b>267,007</b>     | <b>1%</b>   |
| EPS (Rupees)                        | <b>103.23</b>                       | 101.87                              |                    |             |
|                                     |                                     | (Re-stated)                         |                    |             |

## KEY FACTORS INFLUENCING THE GROUP'S BUSINESS PERFORMANCE

During the year under review, the Group achieved a consolidated profit of Rs. 20,448 million, compared to Rs. 20,181 million in the prior year. This improvement reflects robust operational execution, prudent cost management, disposal of assets completed useful life and treasury gains, despite facing significant external and internal challenges.

It is important to note that two vessels, MT Lahore and MT Quetta, were disposed of during the third quarter. While this strategic decision will have a direct impact on future revenue streams, PNSC has continued to honor its contractual commitments under Contracts of Affreightment (COAs) by deploying charter vessels. However, since profitability margins on charter-hired vessels are relatively thin compared to owned fleet operations, this measure has exerted downward pressure on the Group's overall profitability.

In addition, extended dry docking, downtime and repairs constrained fleet availability, while lower margins on foreign-chartered vessels also diluted earnings. On the positive side, the refinery cargo uplift increased significantly, translating into higher voyage volumes, partially offsetting the adverse impact of reduced liquid cargo revenue.

Overall, despite these structural and market-driven challenges, the Group's business model has demonstrated resilience, with strong liquidity management, efficient cost controls, and a proactive approach toward sustaining shareholder returns.

## **INTERNAL FACTORS INFLUENCING THE GROUP'S PERFORMANCE**

During the financial year, the Group navigated significant operational challenges with resilience and effective management. The fleet (both tankers and bulk carriers) recorded a cumulative downtime of 575 days, primarily attributable to essential dry-docking, scheduled maintenance, and repair activities. These measures, though temporarily reducing operational availability, are a strategic investment in maintaining the long-term seaworthiness, safety, and efficiency of the fleet. Notably, vessel Multan underwent an extended dry dock period of 102 days, reflecting management's commitment to ensuring operational excellence and compliance with international standards.

In addition, off-hire or idle days amounted to 164 across the fleet, with vessels Lahore, Malakand, and Sibi contributing 35, 28, and 34 days respectively. Furthermore, repair activities accounted for 101 days of downtime, including 24 days for Bolan and 62 days for Multan. While these challenges temporarily impacted utilization, they underscore the Group's proactive maintenance approach aimed at safeguarding long-term operational capacity and vessel reliability.

On a positive note, the Treasury Department demonstrated outstanding performance through prudent financial management and proactive investment strategies. This resulted in an additional Rs. 300 million in income from short-term investments, providing a substantial uplift to the Group's bottom line and reinforcing overall financial stability.

## **INTERNATIONAL MACRO ECONOMIC FACTOR THAT AFFECTED THE BUSINESS OF GROUP**

The global shipping industry experienced notable fluctuations during the year under review. Average AFRA declined from 169 to 149 (a 16% reduction), while the average Worldscale index also dropped from 6.47 to 6.17 (a 5% decrease) compared to the previous year. Despite these downward market trends, the Group effectively mitigated the impact through efficient fleet deployment, cost optimization, and strategic chartering decisions.

At the same time, the average daily bulk carrier charter rate rose from USD 8,504 to USD 9,512 (an increase of 12%), which the Group successfully capitalized on by aligning its operations to benefit from higher market rates. The relative stability of the PKR/USD exchange rate, averaging Rs. 280/USD, provided an additional layer of predictability for financial planning and cost management. Furthermore, the 3-month KIBOR stood at 11.15%, a level that the Group managed prudently through disciplined treasury operations and robust liquidity management.

These macroeconomic dynamics presented both challenges and opportunities. The Group's ability to adapt swiftly, maintain strong market positioning, and deliver consistent profitability despite volatile external factors underscores its resilience and competitive strength in the international shipping landscape.

## **FINANCIAL SUMMARY**

The Group delivered a resilient performance during the year, supported by effective fleet management and prudent financial strategies.



The dry cargo segment grew by 16%, driven by higher bulk carrier rates and improved operational days, while the liquid cargo segment recorded revenues of Rs. 31,064 million, reflecting the impact of extended dry-docking. To ensure continuity, the Group deployed charter vessels to honor COA commitments, though at lower margins. Encouragingly, refinery cargo uplift grew by 642,954 MT, increasing voyages from 102 to 114.

Fleet expenses declined following the sale of MT Quetta and MT Lahore and reduced chartering costs. Treasury operations contributed an additional Rs. 300 million from surplus funds, while recoveries under the ECL model resulted in an impairment reversal of Rs. 1.8 billion.

As a result, earnings per share rose to Rs. 103.23 (2024: Rs. 101.87), reflecting sustained value creation for shareholders despite industry challenges.

## DIVIDEND ANNOUNCEMENT

The Corporation remains dedicated to enhancing shareholder value while ensuring sustainable long-term returns. The Board of Directors is pleased to recommend a cash dividend of Rs. 23/- per share i.e. 230% for the approval of the members in the upcoming 47th Annual General Meeting. This is in addition to the interim cash dividend of Rs. 10/- per share.

## BOARD AND ITS COMMITTEES

The names of directors and/or members of Board and Board Committees of the Corporation during the current financial year are tabulated below:

| Sr. No. | Name of Director                                                                                        | Board                           | Sustainability Strategy and Risk Management Committee | Audit Committee | HR, Nomination and CSR Committee | Procurement Committee |
|---------|---------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------|-----------------|----------------------------------|-----------------------|
| 1.      | Mr. Sultan A. Chawla<br>(w.e.f 23 <sup>rd</sup> Sep 2024)                                               | Chairman / Independent Director | -                                                     | -               | -                                | -                     |
| 2.      | Syed Jarar Haider Kazmi<br>(w.e.f 30 <sup>th</sup> Apr 2025)                                            | CEO                             | -                                                     | -               | Member                           | -                     |
| 3.      | Mr. Kumar Sarwar Abbasi<br>Additional Secretary<br>(Corporate Finance),<br>Finance Division, Islamabad. | Non-Executive Director          | Member                                                | Member          | -                                | -                     |
| 4.      | Mr. Umar Zafar Sheikh<br>Additional Secretary<br>Ministry of Maritime Affairs<br>Islamabad              | Non-Executive Director          | -                                                     | Member          | Member                           | -                     |
| 5.      | Mr. Khalil Ahmed<br>(w.e.f 23 <sup>rd</sup> Sep 2024)                                                   | Independent Director            | -                                                     | Chairman        | Member                           | Chairman              |
| 6.      | Khawaja Shahzeb Akram<br>(w.e.f 23 <sup>rd</sup> Sep 2024)                                              | Independent Director            | Member                                                | -               | Chairman                         | Member                |
| 7.      | Captain (R) Sarfaraz Inayatullah Qureshi                                                                | Non-Executive Director          | Member                                                | Member          | -                                | Member                |
| 8.      | Mr. Ahsan Ali Malik                                                                                     | Non-Executive Director          | -                                                     | Member          | Member                           | Member                |
| 9.      | Ms. Nadia Osman Jung<br>(w.e.f 23 <sup>rd</sup> Sep 2024)                                               | Independent Director            | Chairman                                              | -               | -                                | -                     |
| 10.     | Mr. Arif Habib<br>(upto 17 <sup>th</sup> Mar 2025)                                                      | Independent Director            | -                                                     | -               | -                                | -                     |
| 11.     | Mr. Muhammad Ali<br>(upto 29 <sup>th</sup> Dec 2024)                                                    | Independent Director            | -                                                     | -               | -                                | -                     |

## DIRECTORS' TRAINING PROGRAM

As at June 30, 2025, all members of the Board have been appropriately certified under the Directors' Training Program from SECP's approved institutions. In addition, during the year five Board members and three senior

executives completed Director Training Program for SOEs and acquired the certification from SECP's approved institution.

## BOARD MEMBERS' PERFORMANCE EVALUATION

This year Board's Performance Evaluation was conducted in accordance with the Section 10(2)(C) of the State-Owned Enterprises (Governance and Operations) Act, 2023 and Evaluation Guidelines 2024 for SOEs issued by Central Monitoring Unit vide its letter no. CMU/FY2024/GU/002 dated 31st October 2024 which aims to ensure that the Board of Directors work efficiently and effectively in accomplishing its tasks in the best interest of the Corporation, based on the aforesaid evaluation, the performance of the Board and its Members are effective.

## DIRECTORS' REMUNERATION

The Board of Directors has a "Remuneration Policy for Directors", the salient features of which are as under:-

- The Corporation does not pay any remuneration to its directors except as meeting fee for attending the Board and its Committees' meetings.
- The remuneration of a Director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors.
- A Director is provided or reimbursed for all traveling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Corporation. Disclosure with respect to remuneration package of Chief Executive is made under note 47 of the Consolidated and Unconsolidated Financial Statements for the year ended June 30, 2025.

## GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2025

Following is gender pay gap calculated for the year ended June 30, 2025.

|                       |       |
|-----------------------|-------|
| Mean Gender Pay Gap   | 5.85% |
| Median Gender Pay Gap | 0.90% |

## PATTERN OF SHAREHOLDING

Pattern of shareholding of the Corporation in accordance with the Section 227 (2) (f) of the Companies Act, 2017 as at June 30, 2025 is annexed to this report.

## COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 AND INTERNAL CONTROLS

Good governance is our realistic objective while adopting ethical business framework. The Board is committed with respect to shareholders, protection of minority rights, value of input from stakeholders, besides safeguarding the Corporation's reputation in Pakistan and global shipping arena.

The Corporation firmly adheres to the good governance and best practices, and the mechanism for good governance encompasses highest standards of professionalism, ethical practices, accountability and transparency, in line with the Companies Act 2017, Rule Book of Pakistan Stock Exchange, Listed Companies (Code of Corporate Governance) Regulations, 2019 implemented through the code of conduct, Whistle Blowing policy, and the Code of Business Ethics. A separate statement of compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019, duly signed by the Chief Executive and a director of the Corporation is annexed with this Report.

The system of internal controls is sound in design and has been effectively implemented and monitored.

## **STRATEGIES, OBJECTIVES AND FUTURE PROSPECTS**

### **Fleet Expansion through Strategic Procurement**

PNSC, with the implementation of a new procurement policy is strategically positioned to acquire readily available, compliant second-hand vessels. This initiative aims to support and enhance the Corporation's ability to meet its Contract of Affreightment (COA) commitments in a timely and cost-effective manner. By focusing on acquiring vessels that are both operationally efficient and compliant with international maritime standards, PNSC is ensuring the continuity and reliability of its services while optimizing capital expenditure.

### **Diversification into New Shipping Segments**

PNSC is actively exploring opportunities to diversify its operations by entering into new and emerging shipping segments. These include the transportation of clean petroleum products, edible oil, break-bulk cargo, and containerized goods. This strategic shift not only aligns with evolving market demands but also strengthens PNSC's position as a versatile and competitive player in the maritime industry. By expanding its service portfolio, PNSC aims to enhance its market share, improve operational resilience, and generate sustainable revenue streams.

### **Modernization and Environmental Compliance**

In line with global environmental regulations and sustainability goals, PNSC is committed to modernizing its fleet by phasing out older tonnage and acquiring newer, environmentally compliant vessels. This transition will not only improve operational efficiency but also demonstrate the Corporation's commitment to responsible shipping practices. However, considering the capital-intensive nature of the shipping industry, these fleet upgrades will necessitate decreased liquidity and increased level of debt financing. Despite the financial implications, this strategic move is essential for ensuring long-term viability and adherence to international environmental standards.

## **STATUTORY AUDITORS**

The Board on the recommendation of the Board's Audit Committee, recommended reappointment of M/s. Grant Thornton Anjum Rehman, Chartered Accountants and M/s. Yousuf Adil, Chartered Accountants as joint statutory auditors of the Corporation for the year ending June 30, 2026, for the approval of the members in the forthcoming 47th Annual General Meeting of the Corporation.

## **CORPORATE SOCIAL RESPONSIBILITY**

As a socially responsible corporate entity, over the years, PNSC has been contributing significantly towards the welfare of the society by performing activities in the different social segments.

PNSC engages with the community in the areas around which it operates. It focusing on healthcare, education, training and development, women's empowerment and environmental sustainability. The details of which are provided in this Annual Report under a dedicated section of Corporate Social Responsibility.

## **GOING CONCERN**

In the light of Group's liquidity position, balance sheet strength, assets, employment and continuing cash flows from operations, the Board confirms that the going concern assumption, upon which the Group's accounts are prepared, continues to be valid and there are reasonable grounds that the Corporation and its subsidiary companies shall be able to pay their debts as they become payable.

## DECLARATION OF THE BOARD OF DIRECTORS UNDER SECTION 25 (3) OF THE SOEs ACT, 2023

The Board of Directors confirms as under:

- i. There are reasonable grounds to believe that the Corporation shall be able to meet its debt obligations as and when they become due; and
- ii. The financial statements, together with the accompanying notes, have been prepared in full compliance with the requirements of the SOEs Act, 2023 and international accounting standards as also disclosed in note 2 of the Financial Statements for the year ended June 30, 2025.

## ACKNOWLEDGMENT

The Board wishes to express appreciation and its gratitude for the co-operation by Government of Pakistan and strategic partners including financial institutions, refineries, shippers, agents, other business associates and shareholders of Corporation.

We would also like to thank our dedicated employees for their commitment towards sustainable operations.

For and on behalf of the Board of Directors



**Chief Executive Officer**

Karachi

September 26, 2025



**Director**





## کاروبار کی فعالیت

گروپ کی لیکویڈیٹی پوزیشن، بیلنس شیٹ کی طاقت، اثاثہ جات، روزگار اور آپریشنز سے جاری کیش فلو کی روشنی میں، بورڈ اس بات کی تصدیق کرتا ہے کہ جاری خدشات کا مفروضہ، جس پر گروپ کے اکاؤنٹس تیار کیے جاتے ہیں، درست رہے گا اور اس کی معقول بنیادیں ہیں کہ کارپوریشن اور اس کی ذیلی کمپنیاں اپنے قرضوں کی ادائیگی کے قابل ہو جائیں گی۔

## SOEs ایکٹ، ۲۰۲۳ کے سیکشن ۲۵(۳) کے تحت بورڈ آف ڈائریکٹرز کا اعلامیہ

بورڈ آف ڈائریکٹرز مندرجہ ذیل طور پر تصدیق کرتا ہے:

- i. اس بات پر یقین کرنے کی معقول بنیادیں ہیں کہ کارپوریشن اپنی قرض کی ذمہ داریوں کو پورا کرنے کے قابل ہو جائے گی جب وہ واجب الادا ہوں گے۔ اور
- ii. مالی بیانات، ساتھ والے نوٹس کے ساتھ، SOEs ایکٹ، 2023 کے تقاضوں اور بین الاقوامی اکاؤنٹنگ معیارات کے ساتھ مکمل تعمیل میں تیار کیے گئے ہیں جیسا کہ 30 جون 2025 کو ختم ہونے والے سال کے مالیاتی بیانات کے نوٹ 2 میں بھی ظاہر کیا گیا ہے۔

## تسلیمات

بورڈ حکومت پاکستان اور اسٹریٹجک شراکت داروں بشمول مالیاتی اداروں، ریفانسرز، شپرز، ایجنٹس، دیگر کاروباری ساتھیوں اور کارپوریشن کے شیئر ہولڈرز کے تعاون کا ممنون و مشکور ہے۔

ہم اپنے سرشار و محنتی ملازمین کا بھی شکریہ ادا کرنا چاہیں گے کہ ان کی محنت و لگن سے ہم اپنے آپریشنز میں کامیاب ہوئے۔

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی

ستمبر 26، 2025

2019 کی تعمیل کا ایک الگ بیان، جس پر چیف ایگزیکٹو اور کارپوریشن کے ایک ڈائریکٹر نے دستخط کیے ہیں، اس رپورٹ کے ساتھ منسلک ہے۔

اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

## حکمت عملی، مقاصد اور مستقبل کے امکانات

### اسٹریٹجک پروکیورمنٹ کے ذریعے بیڑے کی توسیع

PNSC ایک نئی پروکیورمنٹ پالیسی کے نفاذ کے ساتھ، آسانی سے دستیاب، مطابقت پذیر سیکنڈ ہینڈ جہازوں کو حاصل کرنے کے لیے حکمت عملی کے مطابق پوزیشن میں ہے۔ اس اقدام کا مقصد کارپوریشن کی اپنے کنٹریکٹ آف ایفیریٹنس (COA) کے وعدوں کو بروقت اور کفایت شعاری سے پورا کرنے کی صلاحیت کو بڑھانا ہے۔ ایسے جہازوں کے حصول پر توجہ مرکوز کرتے ہوئے جو آپریشنل طور پر موثر اور بین الاقوامی بحری معیارات کے مطابق ہوں، PNSC سرمائے کے اخراجات کو بہتر بناتے ہوئے اپنی خدمات کے تسلسل اور بھروسے کو یقینی بناتا ہے۔

### نئے شپنگ سیگمنٹس میں تنوع

PNSC نئے اور ابھرتے ہوئے شپنگ سیگمنٹس میں داخل ہو کر اپنے کاموں کو متنوع بنانے کے مواقع کو فعال طور پر تلاش کر رہا ہے۔ ان میں صاف پٹرولیم مصنوعات، خوردنی تیل، بریک بلک کارگو، اور کنٹینر سٹراڈ سامان کی نقل و حمل شامل ہے۔ یہ اسٹریٹجک تبدیلی نہ صرف مارکیٹ کی ترقی کے تقاضوں کے مطابق ہے بلکہ سمندری صنعت میں ایک ورسٹائل اور مسابقتی کھلاڑی کے طور پر PNSC کی پوزیشن کو بھی مضبوط کرتی ہے۔ اپنے سروس پورٹ فولیو کو وسعت دے کر، پی این ایس سی کا مقصد اپنے مارکیٹ شیئر کو بڑھانا، آپریشنل چلک کو بہتر بنانا، اور پائیدار آمدنی کے سلسلے پیدا کرنا ہے۔

### جدید کاری اور ماحولیاتی تعمیل

عالمی ماحولیاتی قواعد و ضوابط اور پائیداری کے اہداف کے مطابق، PNSC پر اپنے منہج کو مرحلہ وار ختم کر کے اور نئے، ماحولیاتی موافق جہازوں کو حاصل کر کے اپنے بیڑے کو جدید بنانے کے لیے پرعزم ہے۔ یہ منتقلی نہ صرف آپریشنل کارکردگی کو بہتر بنائے گی بلکہ کارپوریشن کے ذمہ دار شپنگ طریقوں سے وابستگی کو بھی ظاہر کرے گی۔ تاہم، جہاز رانی کی صنعت کی سرمایہ دارانہ نوعیت پر غور کرتے ہوئے، ان فلیٹ اپ گریڈز سے لیکویڈٹی میں کمی اور قرض کی مالی اعانت کی سطح میں اضافہ کی ضرورت ہوگی۔ مالیاتی مضمرات کے باوجود، یہ اسٹریٹجک اقدام طویل مدتی عملداری کو یقینی بنانے اور بین الاقوامی ماحولیاتی معیارات کی پابندی کے لیے ضروری ہے۔

### قانونی آڈیٹرز:

بورڈ نے بورڈ کی آڈٹ کمیٹی کی سفارش پر میسرز گرانٹ تھورنٹن انجمن رحمان، چارٹرڈ اکاؤنٹنٹس اور میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو کارپوریشن کے مشترکہ قانونی آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی۔ جس کی ممبران کی منظوری کے لیے 30 جون 2026 کو ختم ہونے والے سال کے لیے آئندہ 47 ویں سالانہ جنرل میٹنگ میں لی جائے گی۔

### کارپوریٹ سماجی ذمہ داری

سماجی طور پر ایک ذمہ دار کارپوریٹ ادارے کے طور پر، گزشتہ برسوں سے، PNSC مختلف سماجی طبقات میں سرگرمیاں انجام دے کر معاشرے کی فلاح و بہبود کے لیے اہم کردار ادا کر رہا ہے۔

PNSC ان علاقوں میں کمیونٹی کے ساتھ مشغول ہے جہاں یہ کام کرتا ہے۔ یہ صحت کی دیکھ بھال، تعلیم، تربیت اور ترقی، خواتین کو بااختیار بنانے اور ماحولیاتی پائیداری پر توجہ مرکوز کرتا ہے۔ جس کی تفصیلات اس سالانہ رپورٹ میں کارپوریٹ سماجی ذمہ داری کے ایک وقف شدہ حصے کے تحت فراہم کی گئی ہیں۔

## ڈائریکٹر زکارتہتی پروگرام:

30 جون 2025 تک، بورڈ کے تمام اراکین کو SECP کے منظور شدہ اداروں سے ڈائریکٹر زکارتہتی پروگرام کے تحت مناسب طور پر سرٹیفکیٹ دیا گیا ہے۔ اس کے علاوہ، سال کے دوران بورڈ کے پانچ اراکین اور تین سینئر ایگزیکٹوز نے SOEs کے لیے ڈائریکٹر ٹریننگ پروگرام مکمل کیا اور SECP کے منظور شدہ ادارے سے سرٹیفیکیشن حاصل کیا۔

## بورڈ ممبران کی کارکردگی کا جائزہ

اس سال بورڈ کی کارکردگی کا جائزہ ریاستی - ملکی انٹرپرائزز (گورننس اینڈ آپریشنز) ایکٹ 2023 کے سیکشن (c)(2) اور سنٹرل مانیٹرنگ بورڈ کی طرف سے جاری کردہ SOEs کے لیے تشخیصی رہنما خطوط 2024 کے مطابق کیا گیا۔ CMU/FY2024/GU/002 مورخہ 31 اکتوبر 2024 جس کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ آف ڈائریکٹر زکارتہتی پروگرام میں اپنے کاموں کو پورا کرنے میں موثر طریقے سے کام کرے، مذکورہ تشخیص کی بنیاد پر، بورڈ کی کارکردگی موثر ہے۔

## ڈائریکٹر زکارتہتی معاوضہ:

بورڈ آف ڈائریکٹر زکارتہتی معاوضے کی پالیسی "ہے، جس کی نمایاں خصوصیات درج ذیل ہیں:-

کارپوریشن اپنے ڈائریکٹر زکارتہتی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے میٹنگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی ہے۔

بورڈ آف ڈائریکٹر زکارتہتی کمیٹیوں کے اجلاسوں میں شرکت کے لیے ڈائریکٹر کا معاوضہ و قانوناً بورڈ آف ڈائریکٹر زکارتہتی کے ذریعے طے اور منظور کیا جائے گا۔

ایک ڈائریکٹر کو بورڈ کی میٹنگوں، اس کی کمیٹیوں اور / یا کارپوریشن کی جزل میٹنگز میں شرکت کے لیے کیے گئے تمام سفری، بورڈنگ، قیام اور دیگر اخراجات کے لیے فراہم یا معاوضہ دیا جاتا ہے۔ چیف ایگزیکٹو کے معاوضے کے پیکیج کے حوالے سے معلومات 30 جون 2025 کو ختم ہونے والے سال کے مالیاتی اسٹیٹمنٹ کے نوٹ 47 کے تحت کیا گیا ہے۔

## ایس ای سی پی سرکلر 10 آف 2025 کے تحت پے گیپ کا بیان

ذیل میں 30 جون 2025 کو ختم ہونے والے سال کے لیے صنفی تنخواہ کے فرق کا حساب کیا گیا ہے۔

|                          |           |
|--------------------------|-----------|
| صنفی تنخواہ کا فرق       | 5.85 فیصد |
| میڈین صنفی تنخواہ کا فرق | 0.90 فیصد |

## شیئر ہولڈنگ کی وضع:

کمپنیز ایکٹ 2017 کے سیکشن 227 (2) (f) کے مطابق 30 جون 2025 تک کارپوریشن کے شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

## لسٹڈ کمپنیوں کے ساتھ تعمیل (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ اور اندرونی کنٹرول:

اخلاقی کاروباری فریم ورک کو اپناتے ہوئے گڈ گورننس ہمارا حقیقت پسندانہ مقصد ہے۔ بورڈ شیئر ہولڈرز کے حوالے سے، اقلیتی حقوق کے تحفظ، اسٹیک ہولڈرز کے ان پٹ کی قدر کے علاوہ پاکستان میں کارپوریشن کی ساکھ اور عالمی جہاز رانی کے میدان کے تحفظ کے لیے پرعزم ہے۔

کارپوریشن گڈ گورننس اور بہترین طریقوں پر مضبوطی سے عمل پیرا ہے، اور گڈ گورننس کا طریقہ کار کمپنیز ایکٹ 2017، رول بک آف پاکستان اسٹاک ایکسچینج، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس، W01 کے ذریعے نافذ کردہ ضابطہ اخلاق، W01 کے ذریعے لاگو کردہ ضابطہ اخلاق)، کمپنیز ایکٹ 2017 کے مطابق پیشہ ورانہ مہارت، اخلاقی طریقوں، جوابدہی اور شفافیت کے اعلیٰ ترین معیارات پر مشتمل ہے۔ اٹانے کی پالیسی، اور کاروباری اخلاقیات کا ضابطہ۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز،

کی ہے۔ 31,064 ملین، توسیع شدہ خشک ڈاکنگ کے اثرات کو ظاہر کرتا ہے۔ تسلسل کو یقینی بنانے کے لیے، گروپ نے COA کے وعدوں کو پورا کرنے کے لیے چارٹر جہازوں کو تعینات کیا، اگرچہ کم مارجن پر۔ حوصلہ افزا طور پر، ریفائنری کارگو میں 642,954 MT کا اضافہ ہوا، سفر 102 سے بڑھ کر 114 ہو گیا۔

ایم ٹی کوئٹہ اور ایم ٹی لاہور کی فروخت کے بعد بحری بیڑے کے اخراجات میں کمی آئی اور چارٹرنگ کے اخراجات کم ہوئے۔ ٹریڈری آپریشنز نے اضافی روپے کا حصہ ڈالا۔ سرپس فنڈز سے 300 ملین، جبکہ ای سی ایل ماڈل کے تحت وصولیوں کے نتیجے میں 1.8 بلین روپے کی خرابی کی واپسی ہوئی۔

اس کے نتیجے میں فی شیئر آمدنی بڑھ کر 103.23 روپے (2024: 101.87 روپے)، ہو گئی۔ صنعت کے چیلنجوں کے باوجود شیئر ہولڈرز کے لیے پائیدار قدر پیدا کرنے کی عکاسی کرتا ہے۔

## ڈیویڈنڈ کا اعلان

کارپوریشن پائیدار طویل مدتی منافع کو یقینی بناتے ہوئے شیئر ہولڈر کی قدر کو بڑھانے کے لیے وقف ہے۔ بورڈ آف ڈائریکٹرز کو آئندہ 47 ویں سالانہ جنرل میٹنگ میں ممبران کی منظوری کے لیے 23 روپے فی شیئر یعنی 230% فیصد نقد ڈیویڈنڈ کی سفارش کرنے پر خوشی ہے۔ یہ 10 روپے فی شیئر کے عبوری نقد منافع کے علاوہ ہے۔

## بورڈ اور اسکی کمیٹیاں:

موجودہ مالی سال کے دوران کارپوریشن کے بورڈ اور بورڈ کمیٹیوں کے ڈائریکٹرز اور / یا ممبران کے نام ذیل میں دیے گئے ہیں:

| نمبر<br>شمار | ڈائریکٹر کا نام                                                                     | بورڈ                            | اسٹریٹیجی اور رسک<br>مینیجمنٹ کمیٹی | آڈٹ کمیٹی | ایچ آر، نامزدگیوں<br>اور سی ایس آر کمیٹی | پروکیوریٹ<br>کمیٹی |
|--------------|-------------------------------------------------------------------------------------|---------------------------------|-------------------------------------|-----------|------------------------------------------|--------------------|
| ۱.           | محترم سلطان احمد چاؤلہ<br>(23 ستمبر 2024 سے)                                        | چیئرمین / انڈیپنڈنٹ<br>ڈائریکٹر | -                                   | -         | -                                        | -                  |
| ۲.           | سید حمزہ حیدر شاہ کاظمی<br>(30 اپریل 2025 سے)                                       | CEO                             | -                                   | -         | ممبر                                     | -                  |
| ۳.           | محترم قمر سرور عباسی<br>ایڈیشنل سیکریٹری کارپوریٹ فنانس،<br>فنانس ڈویژن، اسلام آباد | نان ایگزیکٹو ڈائریکٹر           | ممبر                                | ممبر      | -                                        | -                  |
| ۴.           | محترم عمر ظفر شیخ<br>ایڈیشنل سیکریٹری آف میریٹائم افیئرز،<br>اسلام آباد             | نان ایگزیکٹو ڈائریکٹر           | -                                   | ممبر      | ممبر                                     | -                  |
| ۵.           | محترم خلیل احمد<br>(23 ستمبر 2024 سے)                                               | انڈیپنڈنٹ ڈائریکٹر              | -                                   | چیئرمین   | ممبر                                     | چیئرمین            |
| ۶.           | خواجہ شاہزیب اکرم<br>(23 ستمبر 2024 سے)                                             | انڈیپنڈنٹ ڈائریکٹر              | ممبر                                | -         | چیئرمین                                  | ممبر               |
| ۷.           | کیپٹن ریٹائرڈ سرفراز عنایت اللہ                                                     | نان ایگزیکٹو ڈائریکٹر           | ممبر                                | ممبر      | -                                        | ممبر               |
| ۸.           | محترم احسن علی ملک                                                                  | نان ایگزیکٹو ڈائریکٹر           | -                                   | ممبر      | ممبر                                     | ممبر               |
| ۹.           | محترمہ نادیہ عثمان جنگ<br>(23 ستمبر 2024 سے)                                        | انڈیپنڈنٹ ڈائریکٹر              | چیئرمین                             | -         | -                                        | -                  |
| ۱۰.          | محترم عارف حبیب<br>(17 مارچ 2025 تک)                                                | انڈیپنڈنٹ ڈائریکٹر              | -                                   | -         | -                                        | -                  |
| ۱۱.          | محترم محمد علی<br>(29 ستمبر 2024 تک)                                                | انڈیپنڈنٹ ڈائریکٹر              | -                                   | -         | -                                        | -                  |



یہ نوٹ کرنا ضروری ہے کہ دو جہاز، ایم ٹی لاہور اور ایم ٹی کونین، کو تیسری سہ ماہی کے دوران ٹھکانے لگایا گیا تھا۔ اگرچہ اس اسٹریٹجک فیصلے کا مستقبل کے آمدنی کے سلسلے پر براہ راست اثر پڑے گا، پی این ایس سی نے چارٹر جہازوں کی تعیناتی کے ذریعے کنٹریکٹ آف ایفرینٹس (COAs) کے تحت اپنے معاہدے کے وعدوں کا احترام کرنا جاری رکھا ہے۔ تاہم، چونکہ چارٹر پر رکھے گئے جہازوں پر منافع کا مارجن ملکیتی فلیٹ آپریشنز کے مقابلے نسبتاً کم ہے، اس لیے اس اقدام نے گروپ کے مجموعی منافع پر نیچے کی طرف دباؤ ڈالا ہے۔

اس کے علاوہ، توسیع شدہ خشک ڈاکنگ، ڈاؤن ٹائم اور مرمت نے بحری بیڑے کی دستیابی کو محدود کر دیا، جبکہ غیر ملکی چارٹرڈ جہازوں پر کم مارجن نے بھی کمائی کو کم کر دیا۔ مثبت پہلو پر، ریفائٹری کارگو کی بلندی میں نمایاں اضافہ ہوا، جس سے سفر کے زیادہ حجم میں اضافہ ہوا، جزوی طور پر مائع کارگو کی کم آمدنی کے منفی اثرات کو دور کرتا ہے۔

مجموعی طور پر، ان اسٹیکچرل اور مارکیٹ سے چلنے والے چیلنجز کے باوجود، گروپ کے کاروباری ماڈل نے مضبوط لیکویڈیٹی مینجمنٹ، لاگت کے موثر کنٹرول، اور شیئر ہولڈرز کی واپسی کو برقرار رکھنے کے لیے ایک فعال نقطہ نظر کے ساتھ پگھلاؤ کا مظاہرہ کیا ہے۔

## گروپ کی کارکردگی کو متاثر کرنے والے اندرونی کارپوریشن کے عوامل:

مالی سال کے دوران، گروپ نے پگھلاؤ اور موثر انتظام کے ساتھ اہم آپریشنل چیلنجز کا مقابلہ کیا۔ بحری بیڑے (ٹیکسٹ اور بلک کیریئرز دونوں) نے 575 دنوں کا مجموعی ڈاؤن ٹائم ریکارڈ کیا، جو بنیادی طور پر ضروری ڈرائیو ڈاکنگ، طے شدہ دیکھ بھال، اور مرمت کی سرگرمیوں سے منسوب ہے۔ یہ اقدامات، اگرچہ عارضی طور پر آپریشنل دستیابی کو کم کر رہے ہیں، لیکن یہ بحری بیڑے کی طویل مدتی قابلیت، حفاظت اور کارکردگی کو برقرار رکھنے کے لیے ایک اسٹریٹجک سرمایہ کاری ہے۔ قابل ذکر بات یہ ہے کہ بحری جہاز ملتان نے 102 دن کی توسیع شدہ خشک گودی کی مدت سے گزرا جو آپریشنل عہدگی اور بین الاقوامی معیارات کی تعمیل کو یقینی بنانے کے لیے انتظامیہ کے عزم کی عکاسی کرتا ہے۔

مزید برآں، پورے بیڑے میں بحری جہازوں کی تعداد 164 تھی، جس میں لاہور، مالکنڈ اور سی نے بالترتیب 28، 35 اور 34 دن کا حصہ ڈالا۔ مزید برآں، مرمت کی سرگرمیوں میں 101 دن کا وقت شامل ہے، جس میں بولان کے لیے 24 دن اور ملتان کے لیے 62 دن شامل ہیں۔ اگرچہ ان چیلنجوں نے عارضی طور پر استعمال کو متاثر کیا، وہ گروپ کے فعال دیکھ بھال کے طریقہ کار کی نشاندہی کرتے ہیں جس کا مقصد طویل مدتی آپریشنل صلاحیت اور جہاز پر بھروسہ کرتے ہوئے اس کی حفاظت کرنا ہے۔

ایک مثبت نوٹ پر، محکمہ خزانہ نے دانشمندانہ مالیاتی انتظام اور فعال سرمایہ کاری کی حکمت عملیوں کے ذریعے شاندار کارکردگی کا مظاہرہ کیا۔ اس کے نتیجے میں روپے اضافی حاصل ہوئے۔ قلیل مدتی سرمایہ کاری سے 300 ملین کی آمدنی، گروپ کی چٹائی لائن کو خاطر خواہ ترقی فراہم کرتی ہے اور مجموعی مالی استحکام کو تقویت دیتی ہے۔

## بین الاقوامی میکرو اکنامک گروپ کے کاروبار کو متاثر کرنے والے عوامل

عالمی شپنگ انڈسٹری نے زیر جائزہ سال کے دوران قابل ذکر نشیب و فراز کا سامنا کیا۔ اوسط AFRA جو کہ 169 سے کم ہو کر 149 (16% فیصد کمی) پر آگیا، جبکہ اوسط عالمی پیمانے کا انڈیکس بھی گزشتہ سال کے مقابلے 6.47 سے 6.17 (5% فیصد کمی) پر آگیا۔ مارکیٹ کے ان نیچے کے رجحانات کے باوجود، گروپ نے موثر بیڑے کی تعیناتی، لاگت کی اصلاح، اور اسٹریٹجک چارٹرنگ فیصلوں کے ذریعے اثر کو موثر طریقے سے کم کیا۔

اسی وقت، اوسط یومیہ بلک کیریئر چارٹر کی شرح USD 8,504 سے بڑھ کر USD 9,512 (12% فیصد اضافہ) ہو گئی، جسے گروپ نے اعلیٰ مارکیٹ ریٹ سے فائدہ اٹھانے کے لیے اپنے آپریشنز کو سیدھ میں لاکر کامیابی سے فائدہ اٹھایا۔ PKR/USD کی شرح مبادلہ کا نسبتاً استحکام، اوسطاً 280 روپے فی USD مالی منصوبہ بندی اور لاگت کے انتظام کے لیے پیشین گوئی کی ایک اضافی پرت فراہم کی ہے۔ مزید برآں، 3 ماہ کا KIBOR 11.15% رہا، یہ ایک ایسی سطح ہے جسے گروپ نے نظم و ضبط کے ٹریڈری آپریشنز اور مضبوط لیکویڈیٹی مینجمنٹ کے ذریعے سمجھداری سے سنبھالا۔

ان میکرو اکنامک ڈائنامکس نے چیلنجز اور مواقع دونوں پیش کیے۔ غیر مستحکم بیرونی عوامل کے باوجود تیزی سے اپنانے، مارکیٹ کی مضبوط پوزیشننگ کو برقرار رکھنے اور مستقل منافع فراہم کرنے کی گروپ کی صلاحیت بین الاقوامی شپنگ کے منظر نامے میں اس کی پگھلاؤ اور مسابقتی طاقت کو واضح کرتی ہے۔

## مالیاتی خلاصہ:

گروپ نے سال کے دوران ایک پگھلاؤ کارکردگی پیش کی، جس کو سہارا موثر بیڑے کے انتظام اور سمجھدار مالیاتی حکمت عملیوں سے ہوئی۔

خشک کارگو کے حصے میں 16% فیصد اضافہ ہوا، جس کی وجہ بلک کیریئر کی بلند شرح اور بہتر آپریشنل دنوں کی وجہ سے ہے، جب کہ مائع کارگو طبقہ نے روپے کی آمدنی ریکارڈ

## پی این ایس سی کی کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی جانب سے گروپ کی کریڈٹ کی اہلیت کے سالانہ جائزے کے نتیجے میں کریڈٹ ریٹنگ کو طویل مدت کے لیے 'AA' اور مختصر مدت کے لیے 'A1+' پر برقرار رکھا گیا ہے۔

ریٹنگز PNSC کی حکومت پاکستان کی ملکیت کی مضبوط اکثریت (~89.13 فیصد) اور ملک کے قومی پرچم بردار / علمدار جہاز کے طور پر اس کی اسٹریٹجک اہمیت کی عکاسی کرتی ہیں۔ پی این ایس سی کے کاروباری پروفائل نے حالیہ برسوں میں بیڑے کے موثر استعمال اور انتظامیہ کی طرف سے لاگت میں کمی کے اقدامات کی وجہ سے نمایاں تقویت حاصل کی ہے۔

## مالیاتی جھلکیاں

PNSC (گروپ) نے IFRS کمپنیز ایکٹ، 2017 کی دفعات اور ریاستی - ملکیتی انٹرپرائز (گورننس اینڈ آپریشنز) ایکٹ، 2023 (SOE ایکٹ) اور دیگر قابل اطلاق قوانین اور ضابطوں کی تعمیل کی ہے جو کہ پاکستان میں لاگو ہوتے ہیں مالیاتی گوشوارے کی تیاری کے لیے 30 جون کو ختم ہونے والے سال کے مالیاتی گوشواروں کی تیاری کے لیے 30 جون، 2025 کے اعلیٰ نتائج کے مقابلے میں متعلقہ سال کی مالیاتی جھلکیاں درج ذیل ہیں جو کہ اُس سال میں لکھی گئیں ہیں

| تغیرات                    |             | برائے اختتام سال از  |              |
|---------------------------|-------------|----------------------|--------------|
| %                         | رقم         | 30 جون 2024          | 30 جون 2025  |
| ----- ہزار روپے میں ----- |             |                      |              |
| -19%                      | (8,726,074) | 46,363,490           | 37,637,416   |
| -4%                       | (1,139,367) | (27,561,069)         | (26,421,702) |
| -40%                      | (7,586,707) | 18,802,421           | 11,215,714   |
| 3%                        | (69,462)    | (2,003,503)          | (2,072,965)  |
| -1159%                    | 2,007,149   | (173,225)            | 1,833,924    |
| -32%                      | 237,743     | (752,394)            | (514,652)    |
| 68%                       | 5,349,992   | 7,899,179            | 13,249,171   |
| 0%                        | (61,285)    | 23,772,478           | 23,711,192   |
| -58%                      | 584,371     | (1,014,771)          | (430,400)    |
| 2%                        | 523,086     | 22,757,707           | 23,280,792   |
| 20%                       | (214,892)   | (1,064,110)          | (1,279,002)  |
| 1%                        | 308,194     | 21,693,597           | 22,001,790   |
| 3%                        | (41,187)    | (1,511,862)          | (1,553,049)  |
| 1%                        | 267,007     | 20,181,735           | 20,448,741   |
|                           |             | 101.87               | 103.23       |
|                           |             | (ریسٹریٹڈ)           |              |
|                           |             | فی شیئر آمدنی (روپے) |              |

## گروپ کی کاروباری کارکردگی کو متاثر کرنے والے اہم عوامل:

زیر نظر سال کے دوران، گروپ نے پچھلے سال میں 20,181 ملین روپے کے مقابلے میں 20,448 ملین روپے کا مجموعی منافع حاصل کیا۔ یہ بہتری نمایاں بیرونی اور اندرونی چیلنجوں کا سامنا کرنے کے باوجود مضبوط آپریشنل ایگزیکوشن، محتاط لاگت کے انتظام، مکمل شدہ مفید زندگی اور خزانے سے حاصل ہونے والے فوائد کی عکاسی کرتی ہے۔

## مکنہ اضافی حکمت عملی:

معلومات کا اشتراک اور تعاون: PNSC دیگر شپنگ کمپنیوں یا علاقائی حکام کے ساتھ معلومات کے تبادلے کے اقدامات میں حصہ لے سکتا ہے تاکہ حقیقی وقت میں سیکورٹی کے خطرات سے آگاہ رہیں اور ضروری احتیاطی تدابیر اختیار کریں۔

متبادل راستے (اگر ممکن ہو): صورت حال کی شدت اور کارگو کی فوری ضرورت پر منحصر ہے، PNSC آبنائے ہر مز کو مکمل طور پر نظر انداز کرنے کے لیے متبادل راستے تلاش کر سکتا ہے، اگرچہ ممکنہ طور پر طویل یا زیادہ ہنگے ہوں۔

ان جامع اقدامات پر عمل درآمد کرتے ہوئے، PNSC آبنائے ہر مز کے مشکل پانیوں میں جاتے ہوئے اپنے اہلکاروں، جہازوں اور اہم کارگو کی ترسیل کے تحفظ کے لیے اپنے عزم کا اظہار کرتا ہے۔

## ایندھن کی قیمت میں اتار چڑھاؤ:

شپنگ انڈسٹری اور خاص طور پر پی این ایس سی کو ایندھن کی منڈی کی موروثی اتار چڑھاؤ کی وجہ سے ایک بڑے چیلنج کا سامنا ہے۔ ایندھن کے اخراجات، جو بحری سفر کے اخراجات کا ایک اہم حصہ (تقریباً 55% - 60 فیصد) کے لیے ہیں، عالمی اقتصادی رجحانات سے پیچیدہ طور پر جڑے ہوئے ہیں۔ اس کا مطلب یہ ہے کہ معاشی بد حالی ایندھن کی طلب میں زبردست کمی کا سبب بن سکتی ہے، جس سے قیمتوں میں اتار چڑھاؤ آتا ہے جو PNSC کی مالی کارکردگی کو نمایاں طور پر متاثر کرتا ہے۔

مارکیٹ کے توازن کی درست پیش گوئی کرنا ایک پیچیدہ کام ہے۔ اس بات کی کوئی گارنٹی نہیں ہے کہ مال برداری کی قیمتیں اخراجات کو پورا کرنے اور سرمایہ کاری پر منافع پیدا کرنے کے لیے کافی ہوں گی۔ یہ موروثی غیر متوقع صلاحیت PNSC کے مالیاتی نقطہ نظر میں غیر یقینی صورتحال پیدا کرتی ہے، جس سے خطرے کے انتظام کی محتاط حکمت عملیوں کی ضرورت ہوتی ہے۔

## ماحولیات، سماجی اور گورننس (ESG)

کارپوریشن ریگولیٹری تقاضوں اور بین الاقوامی بہترین طریقوں کے مطابق اپنی حکمت عملی اور کارروائیوں میں ESG اصولوں کو شامل کرنے کے لیے وقف ہے۔ PNSC کے اقدامات اس کے CSR کے نقش کو مضبوط بنانے پر زور دیتے ہیں جبکہ اس بات کو یقینی بناتے ہوئے کہ مختلف، مساوات اور شمولیت (DE&I) کو فروغ دینے والی پالیسیاں موجود ہوں۔ یہ کوششیں صنف کو مرکزی دھارے میں لانے، صنفی مساوات، اور بورڈ، انتظامیہ اور افرادی قوت میں خواتین کی با معنی شرکت کی حوصلہ افزائی کرتی ہیں۔ ایک ہی وقت میں، کارپوریشن ایک محفوظ، باعزت، اور با اختیار کام کی جگہ کی ثقافت کو فروغ دینا جاری رکھے ہوئے ہے، اس طرح اسٹیک ہولڈر کے اعتماد کو بڑھاتا ہے اور طویل مدتی پائیدار ترقی کی حمایت کرتا ہے۔

اس کے علاوہ، PNSC ذمہ دار بحری طریقوں کو اپناتے ہوئے اور اپنے بیڑے میں EEXI، CII اور SEEMP جیسے عالمی معیارات کو نافذ کر کے ماحولیاتی ذمہ داری کو آگے بڑھا رہا ہے۔ کلیدی اقدامات، بشمول توانائی کے موثر آپریشنز، صاف ایندھن کا استعمال، ڈیجیٹل توانائی کی نگرانی، اور درخت لگانے کی مہم، کارپوریشن کے اپنے کاربن فوٹ پرنٹ کو کم کرنے اور عالمی سطح پر آب و ہوا کی کارروائی میں تعاون کرنے کے عزم کی عکاسی کرتی ہے۔

پی این ایس سی کے بورڈ نے مناسب طریقے سے اپنی ذمہ داریاں نبھائی ہیں اور تعمیل کی ضروریات کو پورا کرنے کے لیے اس معاملے کو ترجیح دی ہے۔ اپنی پائیداری کی ذمہ داریوں کو مؤثر طریقے سے پورا کرنے اور مطلوبہ کاموں کو مکمل کرنے کے لیے، بورڈ نے ریگولیٹری تقاضوں کے مطابق حکمت عملی اور رسک مینجمنٹ کمیٹی کے نام سے وضع کردہ موجودہ بورڈ کمیٹی کو اضافی ذمہ داریاں تفویض کی ہیں۔ اس کمیٹی کو کمپنی کے پائیداری سے متعلق خطرات اور مواقع کی نگرانی اور جائزہ لینے کا کام سونپا گیا ہے، مختلف بورڈ کمیٹیوں میں تنوع، مساوات، اور شمولیت (DE&I) کے عمل کے نفاذ کی نگرانی کرنا، اور پائیداری سے متعلق تمام متعلقہ قوانین کی ضروریات کی تعمیل کو یقینی بنانا ہے۔

PNSC بورڈ PNSC کے اندر پائیداری سے متعلق خطرات اور مواقع کے حوالے سے گورننس اور نگرانی کا اہم کردار رکھتا ہے۔ اس میں ماحولیاتی، سماجی، اور گورننس (ESG) عوامل پر مکمل غور کرنا شامل ہے تاکہ یہ یقینی بنایا جاسکے کہ کمپنی کی پائیداری کی حکمت عملی، ترجیحات، اور اہداف مؤثر طریقے سے طے کیے گئے ہیں اور طویل مدتی کارپوریٹ ویلیو کو آگے بڑھانے کے لیے منسلک ہیں۔ اس مینڈیٹ پر عمل درآمد کرتے ہوئے، بورڈ کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ESG ہنما خطوط کو اپنانے کی بھی ترغیب دی جاتی ہے تاکہ شفافیت، جوابدہی، اور پورے ادارے میں پائیدار طریقوں کے انضمام کو مزید بہتر بنایا جاسکے۔

یہ ضوابط صاف ستھری شیپنگ انڈسٹری کی طرف ایک اہم قدم ہیں۔ تاہم، IMO بشمول نئی ٹیکنالوجی کی تحقیق اور ترقی، اور ان تبدیلیوں کو نافذ کرنے کے لیے ترقی پذیر ممالک کے لیے مالی اور تکنیکی مدد مزید کارروائی کی ضرورت کو بھی تسلیم کرتا ہے۔

PNSC ماحولیاتی خدشات کو دور کرنے اور IMO کے ضوابط کی تعمیل کرنے کے لیے دو جہتی نقطہ نظر اختیار کر رہا ہے۔ سب سے پہلے، وہ کلیئر ایندھن سے چلنے والے جہازوں کو اپنے بیڑے میں شامل کرنے کی کوشش کر رہے ہیں، اس بات کو یقینی بناتے ہوئے کہ وہ جدید ترین IMO معیارات پر پورا اترتے ہیں۔ دوم، وہ ایک جامع حکمت عملی اور ایکشن پلان تیار کرنے کے لیے کنسلٹنٹ کی خدمات حاصل کر کے آگے کی سوچ کا مظاہرہ کر رہے ہیں۔ یہ منصوبہ خاص طور پر ماحولیاتی اثرات کے انتظام پر توجہ دے گا اور PNSC کے لیے گرین ٹیکنالوجی کی طرف منتقلی کے لیے ضروری اقدامات کا خاکہ پیش کرے گا۔

## کیش فلو کو متاثر کرنے والے سود کی شرح کا خطرہ:

مالی ذمہ داریاں متغیر سود کی شرح پر مبنی ہیں۔ سود کی شرح کے خطرے کو کم کرنے کے لیے، گروپ متغیر سود کی شرحوں کے ساتھ اثاثوں اور واجبات کی ایک توازن اور مناسب پروفائٹنگ حاصل کرنے کی کوشش کرتا ہے۔

## خلیج عدن میں مسلح قزاقی:

خلیج عدن، آبنائے ملاکا، اور صومالی ساحل جیسے زیادہ خطرے والے علاقوں میں بحری قزاقی PNSC سمیت عالمی جہاز رانی کے لیے سنگین خطرہ ہے۔ اس خطرے کو تسلیم کرتے ہوئے، PNSC اپنے جہازوں اور عملے کی حفاظت کے لیے ایک مختلف درجات والی حکمت عملی کو نافذ کرتا ہے۔

انشورنس کوریج: PNSC سمجھداری سے بحری قزاقی کے واقعات سے ہونے والے مالی نقصانات کو کم کرنے کے لیے انشورنس پالیسیاں محفوظ کرتی ہے۔

بہترین انتظامی طرز عمل (BMP-5): کمپنی عالمی سطح پر تسلیم شدہ BMP-5 رہنما خطوط پر عمل پیرا ہے، جو قزاقوں کے حملوں کے خطرے کو کم کرنے کے لیے قائم کردہ پروٹوکولز کا ایک مجموعہ ہے۔ ان طریقوں میں ممکنہ طور پر عملے کی تربیت، جہازوں پر حفاظتی اقدامات، اور زیادہ خطرے والے علاقوں سے بچنے کے لیے تجویز کردہ راستے شامل ہیں۔

پاکستان نیوی کے ساتھ تعاون: پی این ایس سی پاکستان نیول ہیڈ کوارٹرز کے ساتھ قریبی رابطے کو برقرار رکھتا ہے، جو ممکنہ طور پر ان خطرناک علاقوں سے محفوظ گزرنے کو یقینی بنانے کے لیے مربوط کوششوں کی اجازت دیتا ہے۔

انشورنس کوریج، BMP-5 کی پابندی، اور بحریہ کے ساتھ تعاون کو ملا کر، PNSC اپنے اہلکاروں اور جہازوں کی حفاظت کے لیے اپنی غیر متزلزل عزم کو ظاہر کرتا ہے۔

## خلیج عمان / آبنائے ہرمز میں تجارتی خطرہ:

PNSC کے آئل ٹینکرز آبنائے ہرمز میں اکثر سفر پر جاتے ہیں، جو عالمی تیل کی نقل و حمل کے لیے ایک اہم چوکی ہے۔ تاہم، یہ خطہ ماضی کے واقعات کی وجہ سے ایک نامزد جنگی علاقہ بن چکا ہے، جس سے سیکورٹی کے لیے ایک اہم خطرہ ہے۔ PNSC خام تیل، فرس آئل، اور ریفاائنڈ پیٹرولیم مصنوعات لے جانے والے اپنے جہازوں کے محفوظ راستے کو یقینی بنانے کے لیے ایک مختلف درجات والی حکمت عملی کا استعمال کرتی ہے۔

عملے کی بہتر تیاری: بڑھتے ہوئے خطرے کو تسلیم کرتے ہوئے، PNSC کے عملے کو ممکنہ طور پر ہنگامی طریقہ کار، اعلیٰ چوکی پروٹوکولز، اور ممکنہ بچاؤ کے تدبیروں میں سخت تربیت سے آراستہ کرتا ہے۔ یہ کسی بھی غیر متوقع حالات پر تیزی سے اور مؤثر طریقے سے رد عمل ظاہر کرنے کی ان کی صلاحیت کو یقینی بناتا ہے۔

قومی حمایت: پاکستان کے قومی پرچم بردار / علمدار کی حیثیت سے، پی این ایس سی کو پاکستانی حکومت کی جانب سے مسلسل سفارتی اور فوجی حمایت کا اہم فائدہ حاصل ہے۔ یہ پشت پناہی ایک ممکنہ رکاوٹ کے طور پر کام کرتی ہے اور آبنائے کے ذریعے آسانی سے گزرنے میں سہولت فراہم کرتی ہے۔

مضبوط انشورنس کوریج: کسی واقعے کی صورت میں مالی نقصانات کو مزید کم کرنے کے لیے، PNSC نے معروف اور قائم کردہ فراہم کنندگان سے اضافی انشورنس کوریج حاصل کی ہے۔ یہ جامع انشورنس پلان ممکنہ طور پر نہ صرف جہاز کے نقصان یا نقصان کا احاطہ کرتا ہے بلکہ ممکنہ کارگو کے پھیلنے یا رکاوٹوں کا بھی احاطہ کرتا ہے۔

رجحانات سے باخبر رہے۔ یہ علم انہیں باخبر فیصلے کرنے، حکمت عملی سے منصوبہ بندی کرنے اور چارٹرنگ پالیسیوں کو بہتر بنانے کا اختیار دیتا ہے۔ قانونی چارہ جوئی کے ممکنہ خطرات کو کم کرنے کے لیے فعال آگاہی بہت ضروری ہے جو غلط فہمیوں یا غیر متوقع حالات سے پیدا ہو سکتے ہیں۔

PNSC مدراء سے آگے رہنے کی اہمیت کو تسلیم کرتا ہے۔ صنعت کے رجحانات پر گہری نظر رکھ کر، وہ موثر مارکیٹنگ کی حکمت عملی تیار کر سکتے ہیں اور وسائل کو موثر طریقے سے مختص کرنے اور مارکیٹ کے مطالبات پر تیزی سے جواب دینے کے لیے چارٹرنگ پالیسیوں کو بہتر بنا سکتے ہیں۔ یہ جامع نقطہ نظر تنازعات اور قانونی چیلنجوں کے امکانات کو کم کرتا ہے جو شپنگ انڈسٹری کی موروثی غیر یقینی صورتحال اور اتار چڑھاؤ سے پیدا ہو سکتے ہیں۔

اضافی رسک کم کرنے کے اقدامات: اگرچہ باخبر رہنا اور آپریشنز کو بہتر بنانا بہت ضروری ہے، لیکن PNSC کی جانب سے استعمال کی جانے والی دیگر خطرات کو کم کرنے کی حکمت عملیوں کا ذکر کر کے اس حوالے کو مضبوط بنایا جاسکتا ہے۔ ان میں شامل ہو سکتا ہے:

- واضح اور جامع معاہدوں کو نافذ کرنا جو ممکنہ مسائل کو حل کرتے ہیں۔
- معیاری صنعت کی شرائط و ضوابط کو ملازمت دینا۔
- رسک مینجمنٹ کے مضبوط طریقوں اور انشورنس کوریج میں سرمایہ کاری کرنا۔
- ثالثی اور ثالثی جیسے تنازعات کے حل کے طریقہ کار کا استعمال۔

ایک کثیر جہتی نقطہ نظر کو اپناتے ہوئے جو باخبر رہنے، آپریشنز کو بہتر بنانے اور رسک مینجمنٹ کے مضبوط طریقوں کو لاگو کرنے کے ساتھ مل کر، PNSC عالمی شپنگ کے میدان میں ایک قابل اعتماد اور مسابقتی کھلاڑی کے طور پر اپنی پوزیشن کو موثر طریقے سے محفوظ رکھ سکتا ہے۔

## بڑے حادثے یا تیل کے اخراج کا خطرہ:

PNSC تمام شپنگ کمپنیوں کے ساتھ، بڑے حادثات یا تیل کے اخراج کے ہمیشہ سے موجود خطرے کا سامنا کرتا ہے۔ ان واقعات کے ماحولیات، مقامی کمیونٹیز اور کمپنی کی ساکھ کے لیے تباہ کن نتائج ہو سکتے ہیں۔ ان خطرات کو کم کرنے کے لیے، PNSC ممکنہ طور پر عمل کی سخت و بہترین تربیت میں سرمایہ کاری کرتا ہے، سخت حفاظتی پروٹوکول لاگو کرتا ہے، اور اپنے بیڑے کو اعلیٰ ترین معیارات پر برقرار رکھتا ہے۔ باقاعدگی سے دیکھ بھال اور معائنہ سازو سامان کی ناکامی کو روکنے میں مدد کر سکتا ہے، جبکہ سپل ریسپانس پلانز اور ہنگامی طریقہ کار کسی واقعے کی صورت میں تیز اور موثر رد عمل کو یقینی بناتے ہیں۔

## ماحولیاتی اثرات کا انتظام:

گلوبل شپنگ ٹوٹل گرین ہاؤس گیسوں کے 3% فیصد کے لیے ذمہ دار ہے۔ انٹرنیشنل میری ٹائم آرگنائزیشن (IMO) نے بین الاقوامی جہاز رانی سے کاربن کے اخراج سے نمٹنے کے لیے کئی ضوابط نافذ کیے ہیں۔ یہاں کچھ اہم نکات پیش کئے گئے ہیں:

- IMO GHG 2023 حکمت عملی: اس جو شیلی حکمت عملی کا مقصد اخراج کو نمایاں طور پر روکنا ہے۔ یہ 2008 کی سطح کے مقابلے میں 2030 تک کاربن کی شدت (نی نقل و حمل کے کام میں CO2 کے اخراج) میں کم از کم 40% فیصد کی کاہد رکھتا ہے۔ مزید برآں، یہ 2050 تک بین الاقوامی شپنگ سے کل سالانہ GHG کے اخراج کو کم از کم 50% فیصد تک کم کرنے کی کوشش کرتا ہے، مکمل طور پر بالکل صفر کے اخراج کے لیے کوشش کرتا ہے۔
- نئی ٹیکنالوجیز پر توجہ مرکوز کریں: حکمت عملی صفر یا قریب صفر GHG اخراج ٹیکنالوجیز، ایندھن، اور توانائی کے ذرائع کو اپنانے پر زور دیتی ہے۔ اس کا مقصد ان متبادلات کے لیے 2030 تک بین الاقوامی شپنگ کے ذریعے استعمال ہونے والی توانائی کے کم از کم 5% فیصد کی نمائندگی کرنا ہے، جس کا ہدف 10% فیصد تک پہنچنا ہے۔
- موجودہ جہاز کے اقدامات: IMO نے انرجی ایفیشینسی ایکسٹنڈنگ شپ انڈیکس (EEXI) قائم کیا ہے جس کے لیے موجودہ جہازوں کو اپنی آپریشنل کارکردگی کو بہتر بنانے اور کاربن کی شدت کو کم کرنے کی ضرورت ہے۔ مزید برآں، شپ انرجی ایفیشینسی مینجمنٹ پلان (SEEMP) جہاز چلانے والوں کے لیے توانائی کے استعمال کو منظم کرنے اور ماحولیاتی کارکردگی کو بہتر بنانے کے لیے ایک لازمی جز ہے۔
- نئے جہاز کے معیارات: نئے بحری جہاز ہمیشہ سے سخت ضوابط کے تابع ہیں۔ انرجی ایفیشینسی ڈیزائن انڈیکس (EEDI) نئے بحری جہازوں کے لیے لازمی تکنیکی تقاضے طے کرتا ہے، اس بات کو یقینی بناتا ہے کہ وہ پچھلی نسلوں کے مقابلے میں بتدریج زیادہ توانائی کے قابل ہوں۔



اس کے برعکس، پروڈکٹ ٹینکر مارکیٹ کو زیادہ چیلنجنگ آؤٹ لک کا سامنا ہے۔ سمندری تیل کی مصنوعات کی تجارت میں نرمی آنے کی توقع ہے، کلیدی استعمال کرنے والے ممالک میں نئے ریفائنری کے آغاز سے درآ مدی ضروریات میں کمی واقع ہو رہی ہے، جبکہ بحری بیڑے میں 5 فیصد سے زیادہ اضافے سے مزید دباؤ بڑھتا ہے۔ LR1/LR2 اور MR سیکنٹس کی آمدنی میں کمی دیکھنے کا امکان ہے، حالانکہ نشیب و فراز کے خطرات کو جزوی طور پر جہازوں کو گندی تجارت میں منتقل ہونے اور ریفائنری مارجن میں ممکنہ بہتری سے کم کیا جاسکتا ہے۔ مجموعی طور پر، جبکہ خام ٹینکر سیکٹر لچکدار رہنے کے لیے تیار ہے، پروڈکٹ ٹینکرز کو ضرورت سے زیادہ سپلائی اور کمزور مانگ میں اضافے کی وجہ سے مشکلات کا سامنا ہے۔

## بحری کاروباری کارکردگی کا شعبہ جاتی جائزہ:

PNSC کے پاس زیر جائزہ سال کے دوران تقریباً 10.95 ملین ٹن (بمقابلہ برائے مالی سال 2024: 9.94 ملین ٹن) کے 724,643 میٹرک ٹن لفٹنگڈ کارگو (ڈرائی بلک اینڈ مائع) کی کل DWT صلاحیت ہے، جو کہ برابر ہے تقریباً 11.04 فیصد (مالی سال 2023: 10.32 فیصد) جو کہ ملکی کل 99.26 ملین ٹن (برائے مالی سال 2023: 96.379 ملین ٹن) سمندری تجارت حجم کے لحاظ سے ہے۔ موجودہ سال 2024-25 اور گزشتہ سال 2023-24 کے لیے پاکستان کی سمندری تجارت کے تقسیم شدہ اعداد و شمار، پی این ایس سی کے حصہ کے ساتھ، حسب ذیل ہیں:

----- اعداد و شمار ملین ٹن میں -----

| تفصیل                   | خشک بلک |       | مائع / لیکویڈ بلک |      | ٹوٹل   |       |
|-------------------------|---------|-------|-------------------|------|--------|-------|
|                         | 2025    | 2024  | 2025              | 2024 | 2025   | 2024  |
| پاکستان کی سمندری تجارت | 67.9    | 67.17 | 31.369            | 29.2 | 99.26  | 96.37 |
| پی این ایس سی کا حصہ    | 1.984   | 1.298 | 9.053             | 8.64 | 11.037 | 9.94  |

نوعیت / انتظام کے لحاظ سے PNSC کے ذریعے نقل و حمل کئے جانے والے ٹوٹل کارگو کی الگ الگ تفصیل ذیل میں درج ہے:

| طبقات                   | پیکس کی اکائی            |  | 2025  | 2024  |
|-------------------------|--------------------------|--|-------|-------|
| ڈرائی کارگو (بلک کارگو) | ملین ٹن                  |  | 1.905 | 1.268 |
| مائع کارگو (ٹینکر)      | ملین ٹن                  |  | 9.053 | 8.647 |
| سلاٹ چارٹر              |                          |  |       |       |
| بریک بلک                | MMT or CBM (W/M) سے زائد |  | 0.034 | 0.030 |
| کنٹینر شدہ کارگو        | ہزار TEUs                |  | 1.105 | 1.173 |

## اہم خطرہ:

یوکرین-روس جنگ کے اثرات اور بحیرہ احمر کے بحرانوں سے ممکنہ فوائد کے باوجود، دنیا کی بگڑتی ہوئی جغرافیائی سیاسی صورتحال کی وجہ سے جہاز رانی کی صنعت کو فطری طور پر کئی خطرات کا سامنا ہے۔ کارپوریشن خشک اور گیلی منڈیوں میں شدید مسابقت کو تسلیم کرتی ہے، اس کے ساتھ ساتھ اضافی صلاحیت، کم مال برداری کی شرح، اور کلیئر ایندھن کی طرف منتقلی کے حوالے سے شپنگ میں بڑی ریگولیٹری تبدیلیوں کو بڑے تجارتی خطرات کے طور پر تسلیم کیا جاتا ہے۔ ان کی کمائی کا براہ راست تعلق عالمی منڈی کے اتار چڑھاؤ سے ہے۔ مزید برآں، پی این ایس سی کو بلک سیکنٹس میں ضرورت سے زیادہ سپلائی، تیل اور بٹکر کی قیمتوں میں اتار چڑھاؤ، بڑھتے ہوئے آپریشنل اخراجات، صنعتی اصولوں کے بدلتے ہوئے، اور غیر ملکی ادائیگیوں میں ممکنہ رکاوٹ جیسے عوامل کی وجہ سے غیر یقینی صورتحال کا سامنا ہے۔

خطرات اور مواقع اور تخفیف کے لیے اٹھائے گئے اقدامات:

## قانونی چارہ جوئی کا خطرہ:

عالمی شپنگ کا بدلتا ہوا منظر نامہ، انٹرنیٹ کے ذریعے لائی گئی شفافیت کے ساتھ، اس بات کی ضرورت ہے کہ پی این ایس سی، تمام شپنگ پریکٹیشنرز کے ساتھ، صنعت کے

اجناس کے رجحانات ملے جلے ہیں۔ لوہے کی ترسیل 2026 تک رک جانے کی توقع ہے، جب کہ بڑی منڈیوں میں نئی انرجی اپنانے اور مضبوط لوکل پیداوار کے باعث 2026 میں کونسل کے حجم میں 1-2 فیصد کمی واقع ہوگی۔ اس کے برعکس معمولی بلک خاص طور پر برکسائٹ سے 2026 تک متوقع 2.5%-3.5 فیصد کی سالانہ ترقی کے ساتھ مستقل مدد فراہم کرنے کی توقع ہے اور گائنین کی مضبوط برآمدات کی وجہ سے Capesize کی طلب کو بڑھا دے گا۔

سپلائی کی طرف، ڈرائی بلک فلیٹ میں 2024 کے آخر اور 2026 کے آخر میں تقریباً 1.6% فیصد تک پھیلنے کی پیش گوئی کی گئی ہے، تقریباً 38 ملین DWT ڈیلیوری کے لیے طے شدہ ہے Panamax اور Supramax جہازوں کا تقریباً 60% فیصد اضافہ ہے۔ اس توسیع سے مال برداری اور اثاثوں کی قدروں پر دباؤ ہٹنے کا امکان ہے، فارورڈ فریٹ کے معاہدے ان حصوں میں مسلسل کمزوری کی طرف اشارہ کرتے ہیں۔ اس پس منظر میں، Capesize طبقہ سے بہتر کارکردگی کی توقع کی جاتی ہے، جس کو اسٹرکچرل ٹیل ونڈز کا سہارا حاصل ہے، جبکہ Panamax اور Supramax کو فوسل فیول کی زیادہ سپلائی اور نرمی کی وجہ سے زیادہ مشکلات کا سامنا کرنا پڑتا ہے۔ مجموعی طور پر، اس شعبے کی بحالی کا انحصار عالمی طاقتوں کی چلک، چائنیز پالیسی کی سمت، اور جغرافیائی سیاسی رکاوٹوں کے حل پر ہوگا۔

## کروڈ ٹینکر فریٹ مارکیٹ

خام تیل کے ٹینکر کی مارکیٹ مالی سال 2024-25 میں مستحکم رہی، جس کی تشکیل بڑی حد تک جغرافیائی سیاسی کشیدگی اور تجارتی راستوں کی تہدیلی سے ہوئی۔ بحیرہ احمر اور سوئز کینال میں سیکورٹی خدشات نے بہت سے بحری جہازوں کو کیپ آف گڈ ہوپ سے گزرنے پر مجبور کیا، سفر کے اوقات میں توسیع کی اور جہاز کی دستیابی مشکل ہوئی۔ اس وجہ سے مال برداری کی اچھے فریٹ ریٹس ملے، خاص طور پر سال کی پہلی ششماہی میں، خلیج عرب-ایشیا کے راستوں پر VLCCs نے جنوری اور جون 2025 میں قابل ذکر اضافہ ریکارڈ کیا۔

مارکیٹ کے حالات کو بحری بیڑے کی محدود ترقی کے ذریعہ مزید سہارا دیا گیا، کیونکہ نئی ڈیلیوری نایاب رہی اور سکرپٹنگ کی سرگرمیاں کم ہو گئیں۔ جبکہ کارکردگی ویسلز کے طبقات میں مختلف تھی، مجموعی آمدنی تاریخی اوسط سے اوپر رہی۔ آگے دیکھتے ہوئے، مال برداری کی سطح جنگ کے خطرے کے پریمیم اور جاری جغرافیائی سیاسی پیش رفت سے متاثر رہنے کی توقع ہے، جہاں PMSI اتار چڑھاؤ کو منظم کرنے اور مواقع حاصل کرنے کے لیے اچھی پوزیشن میں ہے۔

## پروڈکٹ ٹینکر فریٹ مارکیٹ

مالی سال 2024-25 میں، پروڈکٹ ٹینکر مارکیٹ نے ملے جلے حالات رہے۔ مشرق وسطیٰ اور ایشیا سے ریفائنری کی برآمدات نے بنیادی طلب کو سہارا دیا، لیکن مال برداری کی سطح پچھلے سال کے مقابلے میں کافی کم تھی۔ بحیثیت عمومی، بحیرہ احمر میں سیکورٹی کے خطرات نے کیپ آف گڈ ہوپ کے راستے دوبارہ راستہ اختیار کرنے پر مجبور کیا، جس سے ٹن میل کی طلب میں اضافہ ہوا، حالانکہ یہ سال کے دوسرے حصے میں پیدا ہونے والے نرم جذبات کو دور کرنے کے لیے کافی نہیں تھا۔

خلیج عرب سے ایشیا اور یورپ تک تجارت کرنے والے LR1 اور LR2 ٹینکرنے سال کے کچھ حصوں میں خاص طور پر طویل فاصلے کے راستوں پر مضبوط منافع ریکارڈ کیا، لیکن جہازوں کی دستیابی میں اضافے اور چارٹرز نے مال برداری کی بلند سطحوں کے خلاف مزاحمت کی وجہ سے آمدنی نیچے کی طرف چلی گئی۔ آگے دیکھتے ہوئے، مارکیٹ کے امکانات ریفائنری کے برآمدی نمونوں، جہازوں کی سپلائی میں اضافے اور جغرافیائی سیاسی خطرات کے ارتقاء پر انحصار کرتے رہیں گے، جہاں PMSI تیزی کے ساتھ جواب دینے کی پوزیشن میں ہے۔

## ٹینکر مارکیٹ آؤٹ لک

عالمی ٹینکر مارکیٹ 2025 میں بڑے پیمانے پر صحت مند رہی، اوسط آمدنی 2022-24 کی غیر معمولی سطحوں سے نرمی کے باوجود طویل مدتی رجحانات سے اوپر رہی۔ جغرافیائی سیاسی رکاوٹیں، بشمول بحیرہ احمر کا راستہ بدلنا، ٹن میل کی طلب کو سہارا دینا جاری رکھے ہوئے ہے، جب کہ OPEC+ کی پیداوار میں اضافہ اور لچکدار ایشیائی خام دآمدات نے سرگرمی کو متاثر کیا۔ خام ٹینکرنے، خاص طور پر VLCCs اور Suezmaxes نے طویل سفر اور موسمی طور پر مضبوط مانگ سے فائدہ اٹھایا، 2025 میں خام ٹن میل کی ترقی 1.3 فیصد پر پیش کی گئی جبکہ بیڑے میں صرف 0.7 فیصد اضافہ ہوا۔

2026 کو دیکھتے ہوئے، خام ٹینکر کے بنیادی اصول نسبتاً مستحکم ہیں، حالانکہ تقریباً 2.5 فیصد کی مضبوط بیڑے کی نمو تقریباً 1.1 فیصد کی تجارتی توسیع کو آگے بڑھا سکتی ہے۔ موسمی چکر اور طویل فاصلے کے بہاؤ کو قرضے کے ذریعے اپنا کام جاری رکھنا چاہیے، لیکن سپلائی میں اضافے اور تجارت کے بدلتے ہوئے نمونوں کے درمیان توازن بہت اہم ہوگا۔

## اقتصادی فائدے کے لیے دوہری حصول کی حکمت عملی:

سنے اور سیکنڈ ہینڈ دونوں جہازوں کو حکمت عملی سے حاصل کر کے، PNSC شیئر ہولڈرز کے مقاصد کے ساتھ منسلک اقتصادی فوائد کے حصول کی توقع رکھتا ہے۔ یہ دوہری نقطہ نظر PNSC کو بحری نقل و حمل کے شعبے میں مسلسل ترقی اور قیادت کے لیے جگہ دیتا ہے۔

## عالمی اقتصادی نقطہ نظر

عالمی معیشت میں سال 2025 اور 2026 میں 3.3 فیصد اضافے کا امکان ہے، جو طویل مدتی اوسط 3.7 فیصد سے کم رہے گا۔ دنیا بھر میں افراط زر میں کمی جاری ہے، حالانکہ ترقی یافتہ معیشتوں میں خدمات / سروسز کی افراط زر برقرار ہے، جب کہ ابھرتی ہوئی منڈیوں میں دباؤ برقرار ہے جو تمام خطوں میں ترقی غیر مساوی رہتی ہے، جس میں امریکہ چمک دکھا رہا ہے، یورپ میں معمولی بحالی کا سامنا ہے اور ایشیا میں ملے جلے رجحانات دیکھے جا رہے ہیں جہاں چین سست ہو رہا ہے اور بھارت اب بھی مضبوطی سے پھیل رہا ہے۔

عالمی سرمہری کے باوجود، پاکستان نے IMF کی توسیعی فنڈ سہولت کے تحت چمک دکھا رہا ہے، عالمی جہاز رانی کی صنعت مثبت میدان میں ہے۔ بحیرہ احمر میں جغرافیائی سیاسی رکاوٹوں اور روس - یوکرین تنازعہ نے تجارتی بہاؤ کو تبدیل کرنے اور کچھ حصوں میں اضافی مانگ کو بڑھایا، خاص طور پر ٹینکرز پر مشتمل سمندری تجارت میں اضافہ معتدل ہے۔ مجموعی طور پر، شپنگ عالمی جیو پولیٹیکل اور تجارتی ریلائنمنٹس کے مرکز میں ہے، صنعت کے اسٹیک ہولڈرز کے لیے خطرات اور مواقع دونوں ابھر رہے ہیں۔

## عالمی شپنگ مارکیٹ کا تناظر

2025 کی پہلی سہ ماہی میں کلارک سی انڈیکس کی اوسط طویل مدتی رجحانات کے ساتھ، عالمی جہاز رانی کی صنعت مثبت میدان میں ہے۔ بحیرہ احمر میں جغرافیائی سیاسی رکاوٹوں اور روس - یوکرین تنازعہ نے تجارتی بہاؤ کو تبدیل کرنے اور کچھ حصوں میں اضافی مانگ کو بڑھایا، خاص طور پر ٹینکرز پر مشتمل سمندری تجارت میں اضافہ معتدل ہے۔ مجموعی طور پر، شپنگ عالمی جیو پولیٹیکل اور تجارتی ریلائنمنٹس کے مرکز میں ہے، صنعت کے اسٹیک ہولڈرز کے لیے خطرات اور مواقع دونوں ابھر رہے ہیں۔

سلائی کی جانب، عالمی بیڑے کی صلاحیت میں 2025 میں تقریباً 4% فیصد اضافہ ہونے کا تخمینہ لگایا گیا ہے، جسے مضبوط نئی تعمیراتی سرگرمی کی حمایت حاصل ہے، حالانکہ حال ہی میں آرڈر کی رفتار کم ہوئی ہے۔ ایک ہی وقت میں، صنعت کا ڈی کاربوناٹیشن ایجنڈا آگے بڑھ رہا ہے، متبادل ایندھن کے جہاز اکاؤنٹ آرڈر بک کے بڑھتے ہوئے حصے کے لیے ہیں۔ اگرچہ زیادہ تر طبقات میں کیش فلو مستحکم ہے، جغرافیائی سیاست، تجارتی پالیسی اور ریگولیٹری تبدیلیوں سے بڑھتی ہوئی غیر یقینی صورتحال سرمایہ کاری کے فیصلوں اور طویل مدتی مارکیٹ کی حرکیات کو متاثر کرتی رہے گی۔

## خشک بلک مارکیٹ

خشک بلک مارکیٹ 2025 میں نرمی کے ساتھ داخل ہوئی، کوئلے، اناج اور خام لوہے کی کمزور مانگ کی وجہ سے پہلی ششماہی میں سالانہ اوسط آمدنی میں تقریباً 20% فیصد کمی واقع ہوئی۔ بحری بیڑے میں تقریباً 3 فیصد کی طلب کو پیچھے چھوڑ دیا ہے، جس سے مال برداری کی شرحوں پر نیچے کی طرف دباؤ پڑتا ہے، حالانکہ بحری جہاز کی سست رفتار اور بحیرہ احمر کے ارد گرد راستہ بدلنے جیسے عوامل نے کچھ مدد فراہم کی ہے۔

تمام اشیاء میں مارکیٹ کی ڈائنامکس مختلف ہیں: کوئلے اور اناج کی مددات میں کمی آئی، جبکہ لوہے کی تجارت فلیٹ رہی۔ اس کے برعکس، گنی سے طویل فاصلے تک باکسائٹ کی ترسیل نے Capesize ٹینک کو مضبوط مانگ کو بڑھایا، جزوی طور پر وسیع تر کمزوریوں کو دور کیا۔ آگے دیکھتے ہوئے، مارکیٹ کا نقطہ نظر معتدل ہے، ٹن میل کی طلب کے ساتھ بحری بیڑے کی مسلسل توسیع فلیٹ رہنے کی توقع ہے، جب کہ جغرافیائی سیاسی خطرات اور توانائی کی منتقلی تجارتی بہاؤ کو شکل دیتی ہے۔

## خشک بلک کا تناظر

2025 کے دوران بحیرہ احمر کی آمدورفت کی مکمل بحالی کے ساتھ 2026 میں 2-3 فیصد کی وصولی سے قبل طلب میں 0.5-1.5 فیصد کے معاہدوں کے ساتھ خشک بلک مارکیٹ کے زیر اثر رہنے کی توقع ہے۔ اگر ری روٹنگ زیادہ دیر تک جاری رہے تو، ترقی ممکنہ طور پر 2025 میں فلیٹ والیوم کے ساتھ معمولی رہے گی اور 2026 میں صرف 0.5-1.5 فیصد کی ہلکی سی ریباؤنڈ ہوگی۔

# ڈائریکٹر رپورٹ

برائے اختتامی مالی سال جون 30، 2025

بورڈ آف ڈائریکٹر پاکستان نیشنل شپنگ کارپوریشن (پی این ایس سی کارپوریشن) (گروپ) (گروپ) اپنی سینتالیسویں 47 سالانہ رپورٹ، بمعہ سالانہ آڈٹ مالیاتی گوشوارہ اختتامی مالی سال جون 30، 2025، خوشی پیش کرتا ہے۔

## مختصر تعارف، پرنسپل آپریشنز اور کارکردگی کا جائزہ:

پاکستان نیشنل شپنگ کارپوریشن (پی این ایس سی) جو پاکستان کا قومی پرچم بردار ہے، عالمی سمندری نقل و حمل کی صنعت میں ایک نمایاں کھلاڑی ہے۔ شپرز ہولڈرز کی قدر کو زیادہ سے زیادہ کرنے پر توجہ مرکوز کرنے کے ساتھ، 724,643 ٹن کی کل صلاحیت کے ساتھ 10 PNSC جہازوں کا بیڑا چلاتا ہے، جو پوری دنیا میں متنوع / مختلف تجارتی راستوں کی خدمات کرتا ہے۔ PNSC حکمت عملی کے لحاظ سے متنوع بیڑے پر فخر کرتا ہے، جس میں تین ڈبل ہبل Aframax اور دو LR-1 پروڈکٹ ٹینکرز شامل ہیں جو ملک کی توانائی کی ضروریات کو پورا کرتے ہیں۔ Supramax، Handymax، اور Handy سائز کے ہبل کیئر بیڑے کے ساتھ Panamax ہبل کیئر بیڑے، خشک ہبل اجناس کی وسیع رینج، بشمول لوہے اور سنیل کی مصنوعات، کھاد، معدنیات، کوئلہ، لوہا، اناج، اور تعمیراتی مواد کی نقل و حمل میں سہولت فراہم کرتے ہیں۔

PNSC بہترین حفاظت اور ماحولیاتی معیارات کو ترجیح دیتا ہے۔ کارپوریشن سخت بین الاقوامی ضوابط کی پابندی کرتی ہے جبکہ ماحول کے لحاظ سے ذمہ دارانہ طرز عمل کے پابند رہتے ہیں۔

انتہائی ہنرمند پیشہ ور افراد کی ایک ٹیم کے ذریعہ چلائے جانے والے، PNSC کا مقصد اپنے اسٹیک ہولڈرز کے مفادات کو پورا کرنا ہے۔ کارپوریشن دنیا بھر میں سمندری تجارت کے فروغ میں فعال کردار ادا کرتی ہے۔

## قومی اور عالمی تجارت میں اہم کردار:

پی این ایس سی مشرق وسطیٰ کے ساتھ سمندری تجارت کے ذریعے بیٹریولیم مصنوعات کی پاکستان کی ڈومیسٹک مانگ کو پورا کرنے میں اہم کردار ادا کرتا ہے۔ دنیا بھر میں خشک ہبل اجناس کے تبادلے کی سہولت فراہم کرتا ہے۔

بین الاقوامی مال برداری کے اشاریوں اور اس کی کارکردگی پر عالمی اقتصادی نقطہ نظر کے اثر و رسوخ کو تسلیم کرتے ہوئے، PNSC موثر اور قابل بھروسہ بحری نقل و حمل کی خدمات فراہم کرنے کے اپنے عزم میں ثابت قدم ہے۔

## اسٹریٹیم لائسنس پروکیورمنٹ پروسیس (پروکیورمنٹ پالیسی)

PNSC نے ریاستی - ملکیتی انٹرپرائزز (گورننس اینڈ آپریشنز) ایکٹ، 2023 کے سیکشن 17 (2) کے تحت اپنی آزاد خریداری پالیسی کے لیے SOE کی کابینہ کمیٹی سے کامیابی کے ساتھ منظوری حاصل کر لی ہے۔ اس پالیسی کو کابینہ کمیٹی برائے SOEs نے منظور کیا تھا اور وفاقی کابینہ نے اس کی توثیق کی تھی، جس سے PNSC ریاست کی وہ پہلی انٹرپرائز بن گئی جس نے یہ سنگ میل عبور کیا۔

نئے پروکیورمنٹ فریم ورک کو حصول کے عمل کو اسٹریٹیم لائسنس کرتے ہوئے آپریشنل کارکردگی کو بڑھانے کے لیے ڈیزائن کیا گیا ہے، خاص طور پر سیکنڈ اینڈ جہازوں کے لیے آسان طریقہ کار کے ذریعے جو عام طور پر شپنگ انڈسٹری میں بروقت اور ریاضت سے فیصلہ سازی کی جاتی ہے۔ یہ پالیسی PNSC کو اپنے بیڑے کی توسیع کے منصوبوں کے مطابق جہازوں کو شامل کرنے کے قابل بنائے گی جبکہ PNSC کے پروکیورمنٹ SOPs کی سختی سے تعمیل کو یقینی بنائے گی۔



# CSR Report



Pakistan National  
Shipping Corporation



## Corporate Social Responsibility



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Sailing Towards Sustainability:  
A Message From The Ceo



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# SAILING TOWARDS SUSTAINABILITY:

## A MESSAGE FROM THE CEO

### Dear Stakeholders,

Pakistan National Shipping Corporation (PNSC) always remains committed to creating a positive and lasting impact on society through its Corporate Social Responsibility (CSR) initiatives. Guided by the values of responsibility and service, PNSC continues to focus on areas like Education, Healthcare, Community Welfare, Environmental sustainability and Workplace well-being, being critical to national development.

In alignment with the Federal Government's vision encouraging both public and private sector organizations to actively contribute to socio-economic development and poverty alleviation, PNSC has taken a proactive role in supporting and expanding its CSR footprint. PNSC believes that, the role of a national entity extends beyond commercial operations to include active participation in building a more equitable and sustainable future for all.

During the current financial year, PNSC has significantly contributed towards impactful CSR program across following areas. Furthermore, this report outlines the major highlights in each category, detailing their respective contributions in the sections that follow.



| CATEGORY  | AMOUNT IN PKR (MILLION) |
|-----------|-------------------------|
| COMMUNITY | 1.17                    |
| EDUCATION | 16.95                   |
| HEALTH    | 11.16                   |
| TOTAL     | 29.28                   |

These efforts made by PNSC are designed to meet the expectations of its wide ranging stakeholders' regulators, employees, partners, suppliers, financial institutions and the communities in which it operate. Moreover, PNSC's commitment to CSR helps to attract, retain, and nurture a diverse and talented workforce, which is essential to long-term success of the Corporation.

PNSC remains dedicated to cultivate an inclusive, respectful and empowering workplace culture while ensuring environmental sustainability. It continues to invest in people, prioritize safety and well-being and operate responsibly to leave a meaningful and measurable impact.

Through these initiatives, PNSC is proud to contribute to the well-being of communities across Pakistan strengthening corporate image and reinforcing its role as a responsible national flag carrier, committed to the collective good.

**Syed Jarar Haider Kazmi**  
Chief Executive Officer  
Pakistan National Shipping Corporation



# EDUCATION



CSR Contributions to  
Education leading the change



## EDUCATION

### “Education: Empowering Futures through Knowledge”

Education serves as the foundation of a progressive and inclusive society, promotes personal development, enhances social cohesion and fuels economic growth by cultivating a skilled and informed workforce capable of driving innovation and advancement. PNSC recognizes the transformative power of education and remains committed to supporting initiatives that expand access to quality learning opportunities.

For developing nations, education is a vital pathway to socio-economic progress and long-term stability. PNSC firmly believes that investing in education and training yields one of the most meaningful returns empowering individuals and uplifting communities. In line with this belief, PNSC dedicated a total of **Rs.16.95** million during the year to educational initiatives focused on nurturing talent and fostering lifelong learning, as highlighted below:



### ■ The Pivotal Role of the PNSC Library

PNSC Library serves as a valuable hub of knowledge, offering a wide array of information resources in both physical and digital formats. It provides easy access to books, magazines, newspapers and research journals making it a dependable source for learning and discovery. The library plays a crucial role in fostering a culture of reading, encouraging continuous learning and supporting intellectual growth.

The library is accessible to PNSC employees, visiting dignitaries, foreign delegations, business school interns, Pakistan Marine Academy cadets and researchers. It offers a diverse collection of materials aimed at enriching the knowledge and understanding of its readers. With a broad and thoughtfully curated selection of reading resources, the library often provides content that may not be readily available elsewhere, thereby enhancing learning opportunities and supporting personal and professional development.

Equipped with modern digital tools and technology, the PNSC Library is also a preferred venue for hosting training sessions, workshops, meetings and awareness programs. These activities help cultivate a growth oriented mindset among employees and contribute to the continuous development of professional skills across the organization.





### ■ Investing in Future Leaders: CSR Support to IBA

As part of its ongoing commitment to CSR, during the year, PNSC contributed **Rs.10 million** to the Institute of Business Administration (IBA). This contribution reflects PNSC's dedication to advancing higher education in Pakistan by supporting one of the country's leading academic institutions.

This initiative aims to foster academic excellence, nurture future leaders and enhance access to quality education for deserving students aligning with PNSC's broader vision of empowering individuals through knowledge and capacity building.



### ■ PNSC Advances Educational Development with the Citizens Foundation

Education and community development are key focus areas for PNSC, aligning with its broader vision of contributing to national progress through sustainable and impactful initiatives. PNSC recognizes that



empowering communities through quality education not only uplifts individuals but also strengthens the socioeconomic fabric of the country. Supporting reputable organizations like The Citizens Foundation (TCF) reflects PNSC's belief in long-term, community-driven development and the transformative power of education.

PNSC has contributed **Rs.6.7 million** to the Citizens Foundation to support its educational and community outreach programs. This underscores PNSC's commitment to responsible corporate citizenship and its dedication to making meaningful contributions to society. Through this initiative, PNSC continues to invest in the future of underprivileged communities, reinforcing its role in creating lasting social impact beyond its core maritime operations.

#### ■ PNSC Supports VISTA Summit at IBA

The VISTA Summit was held on 30th April 2025, at IBA Karachi, bringing together thought leaders, professionals and academics to engage in critical dialogue around climate finance and sustainability. The summit featured a panel discussion titled **"Pakistan's Critical Need for Climate Finance: Mobilizing the Private Sector"**, alongside keynote addresses focusing on organizational governance and sustainability transitions.

PNSC's contribution to the VISTA Summit reflects dedication to promoting sustainable development and climate awareness in Pakistan. By supporting platforms like the VISTA Summit, PNSC aims to empower academic institutions and strengthen the role of the private sector in addressing critical environmental and governance challenges. This initiative aligns with PNSC's broader CSR strategy of investing in education, sustainability, and thought leadership for a more resilient future.



# HEALTH



CSR Contributions to  
Health leading the change





## HEALTH

Health is a vital component of CSR, and PNSC recognizes its importance in building sustainable communities. PNSC integrates health-related initiatives into its CSR strategy, aiming to enhance the well-being of its employees and the broader society. By supporting healthcare access, awareness campaigns and wellness programs, PNSC demonstrates its commitment to social responsibility during the current fiscal year, PNSC has made a substantial contribution of **Rs.11.16 million** to health focused CSR medical initiatives.

### ■ PNSC's Generous Contribution to Indus Hospital

PNSC as part of its commitment to CSR has contributed significant amount of **Rs.5.88 million** to the Indus Hospital & Health Network during the current fiscal year. This contribution reflects PNSC's dedication to supporting accessible and quality healthcare for underserved communities across Pakistan. By supporting to a reputable institution like Indus Hospital, PNSC continues to play a meaningful role in improving public health and reinforcing its position as a socially responsible and community focused organization.



### ■ Healthcare Support to NIKUD Research Hospital

In line with its CSR objectives, PNSC contributed **Rs.4.9 million** to the Kidney Foundation of Pakistan (NIKUD Research Hospital) during the current fiscal year. This initiative reflects PNSC's continued dedication to supporting critical healthcare services, particularly for patients suffering from kidney-related diseases. By extending support to NIKUD Research Hospital, a leading institution in nephrology research and treatment,

PNSC reinforces its role in promoting community health and addressing pressing medical needs in Pakistan.



#### ■ PNSC Prioritizes Employees Health

PNSC organized a **Medical Diabetes Awareness Session** during the fiscal year. The session aimed to educate employees about the causes, symptoms, prevention, and management of diabetes one of the most common and growing health concerns in Pakistan. Conducted by qualified medical professionals, the event included free screenings, interactive discussions, and personalized health advice. This initiative reflects PNSC's proactive approach to promoting a healthier workforce and raising awareness on lifestyle-related diseases within its organizational community.

As part of its commitment to **employees' well-being** and health focused CSR, on humanitarian grounds, PNSC has provided comprehensive health insurance and medical facilities for its employees and their families assisting in the treatment of cancer and other life-threatening illnesses. Through these ongoing efforts, PNSC reinforces its commitment to social responsibility and further establishes its role as a responsible corporate citizen contributing to well-being and development.





# COMMUNITY



CSR Contributions to  
Community leading the change



## COMMUNITY

Engaging with the local community can yield a wide range of benefits, such as attracting local customers, enhancing the Corporation's reputation and improving the ability to recruit and retain valuable employees. Furthermore, fostering strong relationships within the community can positively influence local authorities and potentially increasing PNSC's chances of being considered for future business opportunities and contracts.

A community based CSR activities not only reflects the human side of business but also makes strategic commercial sense. Such initiatives help showcase the Corporation's services while fostering goodwill, enhancing the surrounding environment and creating mutually beneficial opportunities such as positive publicity and community development. During the year, under this key pillar of community engagement, PNSC contributed a total amount of **Rs.1.17 million**.

### ■ Strengthening Maritime at the 7th CSR Leadership Conference

The 7th CSR '24 Leadership Conference and Award Ceremony organized by the CSR Intellect Club on 3rd September 2024, at the Marriott Hotel in Karachi, held significant relevance for PNSC. The event provided a valuable platform for dialogue on the evolving role of CSR across various sectors, particularly within the maritime industry. The conference offered strategic insights aligning closely with PNSC's vision of integrating sustainability and responsible business practices within maritime operations.



As part of its ongoing CSR efforts, PNSC not only participated in the conference but also contributed to its successful execution. By supporting such initiatives, PNSC reinforces its commitment to promoting ethical business standards, encouraging knowledge sharing, and fostering collaborative efforts to drive sustainable development in the maritime sector and beyond.

#### ■ **PNSC Champions Green Shipping at IMSEC 2024**

The International Maritime Sustainability Exhibition and Conference (IMSEC) 2024, organized by the Ministry of Maritime Affairs in Karachi, served as a vital platform for promoting sustainable practices in the maritime sector. For PNSC, the event held strategic importance as it aligned with the Corporation's commitment to environmentally responsible operations and sustainable growth. Bringing together national and international stakeholders, the conference addressed critical topics such as green shipping, de-carbonization, and innovation in maritime sustainability areas that directly resonate with PNSC's long-term vision.

PNSC not only actively participated in IMSEC 2024 but also contributed a significant amount of Rs.1 million to support the successful execution of this event. This contribution underscores PNSC's dedication to fostering collaboration, promoting environmental stewardship and strengthening Pakistan's role in the global maritime community. Through its involvement, PNSC reaffirmed its leadership in sustainable maritime practices and its ongoing commitment to responsible corporate citizenship.



# WORKPLACE



CSR Contributions to  
Workplace leading the change





## WORKPLACE

A supportive and inclusive workplace culture is essential to both employee well-being and the overall success of the Corporation. A positive work environment not only enhances employee satisfaction and productivity but also fosters a sense of loyalty and belonging. It ensures that every employee feels valued, included, and empowered with opportunities for personal and professional growth.

At PNSC, continuous investment in employee development is a priority. Regular training and development programs are conducted to enhance skills and competencies, ensuring the workforce remains equipped to meet current and future challenges. The Corporation is dedicated to creating a healthy and growth-oriented workplace by offering scholarships, financial support for employees and their dependents in critical health situations, and comprehensive professional development opportunities. These efforts aim to foster innovation, strengthen capabilities, and encourage employees to explore creative solutions within their professional domains.

### ■ PNSC's Initiatives for Building Maritime Talent

PNSC being a National Flag Carrier offers internship opportunities each year in a professional and supportive work environment to young cadets from the Pakistan Marine Academy (PMA) and university students. These internships are designed to provide meaningful exposure to real-world practices, allowing students to gain practical experience in their respective fields of specialization.

Such programs serve as a valuable bridge between academic learning and professional application, offering hands on experience that cannot be achieved through classroom instruction alone. They not only prepare students for future careers but also allow PNSC to identify and engage with promising talent for potential recruitment. Additionally, PNSC actively contributes to advancing maritime research and plays a role in strengthening the regulatory framework for the training and certification of seafarers, supporting the development of a skilled and competent maritime workforce.



### ■ PNSC Hosts Seafarers' Session to Support Maritime Workforce

PNSC organized a dedicated **Seafarers' Session** as part of its ongoing efforts to support and engage with the maritime workforce. The session provided a platform for addressing key concerns, sharing knowledge and promoting best practices among seafarers. Topics such as safety at sea, mental health, career development and regulatory updates were covered by industry professionals and senior PNSC officials. This initiative reflects PNSC's commitment to the well-being, professional growth and recognition of seafarers who play a vital role in sustaining maritime operations and the national economy.



### ■ MARSEW Delegation Visits PNSC to Strengthen Maritime Collaboration

A delegation from MARSEW (Maritime School of Excellence for Women) visited the PNSC Head Office in 2024 as part of an educational and professional engagement initiative. The visit aimed to provide insight into the operational structure of Pakistan's national flag carrier and to foster collaboration between maritime institutions and industry leaders.

During the visit, the delegation was briefed on PNSC's core functions, shipping operations and its role in promoting maritime excellence in Pakistan. The interaction also highlighted PNSC's commitment to supporting gender inclusion and capacity building within the maritime sector.





### ■ Workshop on Pakistan Shipping Policy 2024

PNSC actively participated in a Workshop on the Refurbished Pakistan Shipping Policy 2024, aimed at discussing the revised framework and its implications for the national maritime sector. Organized by relevant stakeholders, the workshop brought together policymakers, industry leaders, and maritime professionals to review key updates in the policy, which focus on promoting indigenous shipping, encouraging private sector investment and strengthening regulatory support for the growth of Pakistan's shipping industry.

PNSC's involvement in the workshop highlights its commitment to contributing to policy development and playing a proactive role in shaping the future of maritime trade and logistics in the country.



### ■ PNSC Marks World Maritime Day, Promoting Innovation and Sustainability

PNSC proudly commemorated World Maritime Day, an international observance dedicated to recognizing the vital role of the maritime industry in global trade, economic growth and sustainable development. This day highlighted the challenges and innovations shaping the future of shipping.

PNSC participated on the day in various events and awareness programs to honor seafarers, promote maritime safety, environmental protection and underscore its commitment to advancing Pakistan's maritime sector. The active participation in World Maritime Day reflects dedication to fostering a sustainable, secure and inclusive maritime industry.



# ENVIRONMENT



CSR Contributions to  
Environment leading the change





## ENVIRONMENT

Environmental sustainability is vital for the well-being of our planet and the prosperity of future generations. Adopting responsible environmental practices helps conserve natural resources, minimize pollution, and address the growing impacts of climate change. Sustainable operations are essential to ensure that economic progress is achieved without compromising the health of the environment.

PNSC actively supports environmental sustainability through a range of initiatives focused on reducing its ecological footprint. The Corporation is committed to integrating environmentally responsible practices across its maritime operations, reinforcing its role in promoting a greener, more sustainable shipping industry.

### ■ Greening the Future with Tree Plantation Initiative

Demonstrating its commitment to a safe and healthy environment, PNSC organized a tree plantation drive at its Head Office to mark the celebration of Pakistan's Independence Day in August 2024. This initiative was part of the Corporation's broader CSR strategy to promote environmental conservation and foster environmental awareness among employees. Tree plantation drives by corporate entities like PNSC contribute significantly to enhancing the local ecosystem by increasing green cover, reducing air pollution and mitigating the urban heat island effect. Additionally, such initiatives encourage employee participation, strengthen team spirit and instill a sense of pride in contributing to a sustainable and meaningful cause.



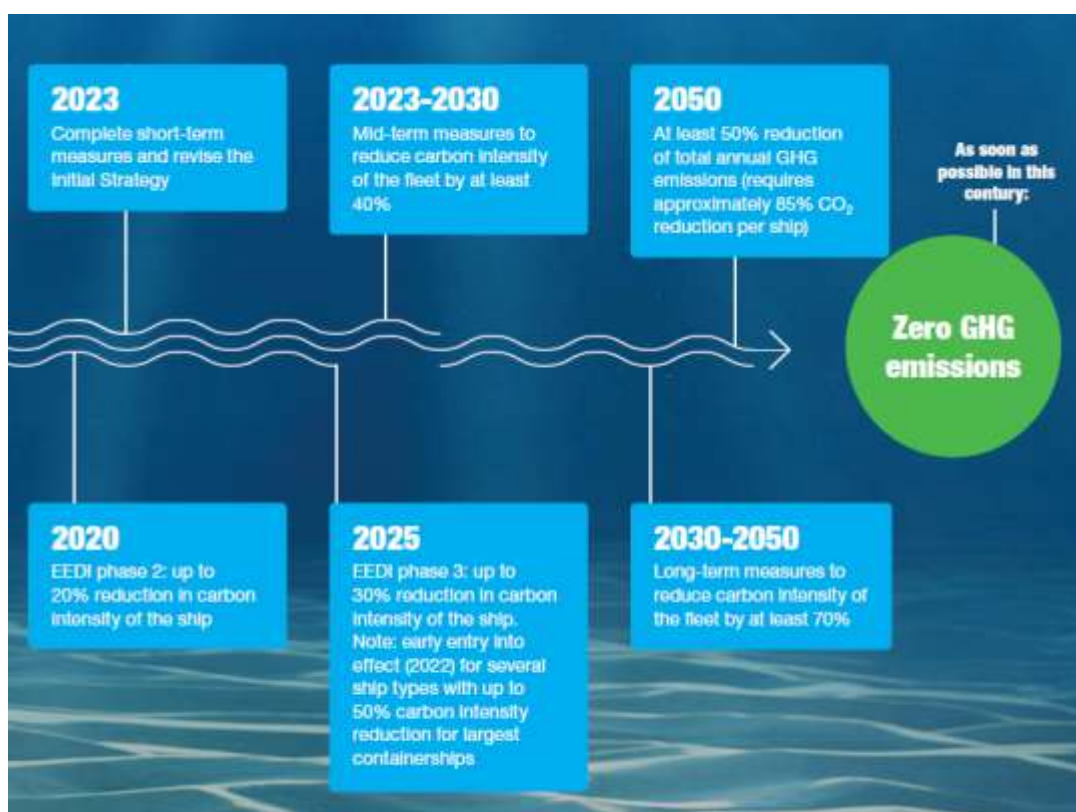
### ■ Navigating Toward a Greener Future:

PNSC undertakes a variety of sustainability initiatives to ensure that its operations remain environmentally responsible. These efforts focus on reducing waste, conserving energy, and fostering environmental awareness among employees and stakeholders. By embedding CSR into its core business strategy, PNSC not only contributes to a more sustainable future but also actively promotes practices that minimize the environmental impact of its maritime operations. This includes the adoption of cleaner technologies and the implementation of more energy efficient processes.



As part of its commitment to global environmental standards, PNSC has successfully installed the Carbon Intensity Indicator (CII) and Energy Efficiency Existing Ship Index (EEXI) across its fleet. These advanced measures are designed to monitor and reduce carbon emissions, reinforcing the Corporation's role in supporting international efforts to combat climate change and drive sustainable maritime practices.

In line with the International Maritime Organization's (IMO) initial strategy to reduce total greenhouse gas (GHG) emissions from international shipping, PNSC has proactively developed a Ship Energy Efficiency Management Plan (SEEMP) for its entire fleet. This initiative is part of the Corporation's broader effort to lower CO<sub>2</sub> emissions and support global efforts to combat climate change. PNSC vessels operate using cleaner fuels, significantly minimizing their carbon footprint. While docked at ports worldwide, strict environmental protocols are followed to prevent the discharge of effluents that could harm marine ecosystems.



To further enhance energy efficiency, PNSC leverages advanced satellite navigation technology to chart optimized, fuel-efficient routes, thereby reducing unnecessary carbon emissions. The Corporation has also implemented a digital energy metering system to monitor and improve energy consumption across its operations.

At the organizational level, PNSC has developed and implemented an Environmental Management Plan for its Head Office, in alignment with ISO 14001 standards, to ensure sustainable workplace practices. These comprehensive measures reflect PNSC's strong commitment to environmental stewardship and sustainable maritime operations.

***"PNSC hopes that all stakeholders will recognize its CSR initiatives and efforts as a reflection of its commitment to environmental sustainability and its role as a responsible corporate citizen."***

# Value Added Statement

## Wealth Generated

Income from shipping business  
Other operating activities  
Rental income  
Other income

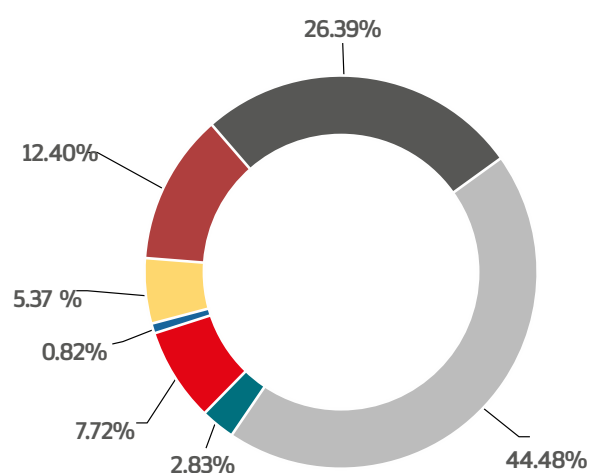
| 2025              |             | 2024              |             |
|-------------------|-------------|-------------------|-------------|
| Rs. in '000       | %           | Rs. in '000       | %           |
| 33,715,448        | 63.95%      | 40,997,915        | 75.55%      |
| 3,591,594         | 6.81%       | 5,077,597         | 9.36%       |
| 330,374           | 0.63%       | 287,978           | 0.53%       |
| 15,083,095        | 28.61%      | 7,899,179         | 14.56%      |
| <b>52,720,511</b> | <b>100%</b> | <b>54,262,669</b> | <b>100%</b> |

## Wealth Distributed

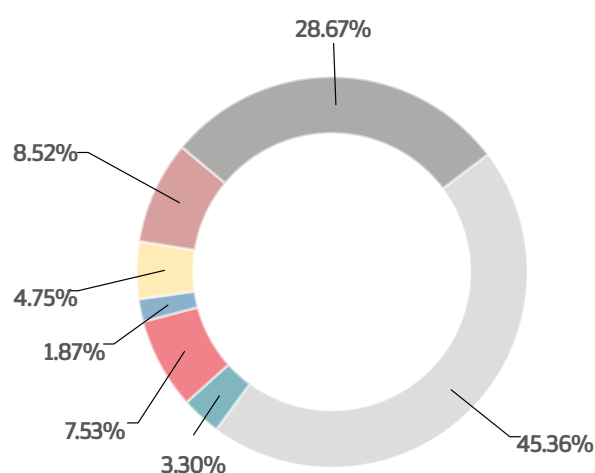
Fleet expenses  
Administrative and general expenses  
Salaries  
Finance cost  
Levies and taxes  
Dividend  
Retained for business

|                   |             |                   |             |
|-------------------|-------------|-------------------|-------------|
| 23,450,410        | 44.48%      | 24,613,065        | 45.36%      |
| 1,490,431         | 2.83%       | 1,791,342         | 3.30%       |
| 4,068,478         | 7.72%       | 4,085,784         | 7.53%       |
| 430,400           | 0.82%       | 1,014,771         | 1.87%       |
| 2,832,051         | 5.37%       | 2,575,972         | 4.75%       |
| 6,537,137         | 12.40%      | 4,622,218         | 8.52%       |
| 13,911,604        | 26.39%      | 15,559,517        | 28.67%      |
| <b>52,720,511</b> | <b>100%</b> | <b>54,262,669</b> | <b>100%</b> |

2025



2024



- Fleet expenses
- Administrative and general expenses
- Salaries
- Finance cost
- Levies and taxes
- Dividend
- Retained for business

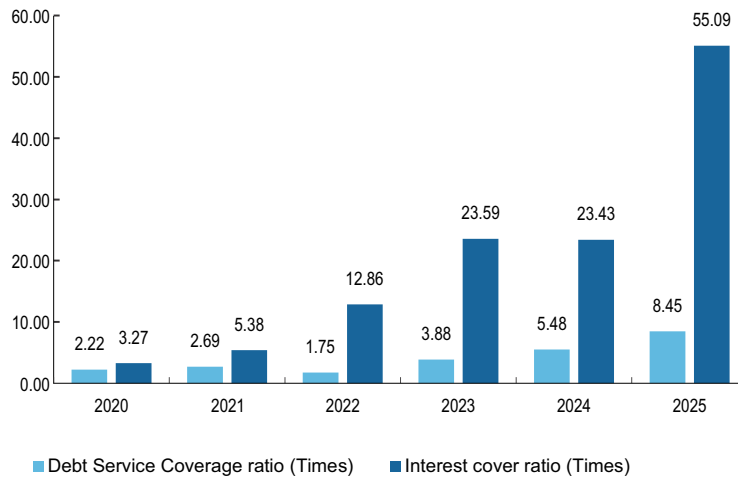
# Financial Ratios

|                                    | UOM   | 2025   | 2024             | 2023   | 2022   | 2021   | 2020   |
|------------------------------------|-------|--------|------------------|--------|--------|--------|--------|
| <b>Profitability ratios</b>        |       |        |                  |        |        |        |        |
| Profit before levies and tax       | %     | 61.86  | 49.09            | 58.38  | 22.67  | 19.10  | 18.70  |
| Gross profit ratio                 | %     | 29.80  | 40.55            | 49.42  | 29.15  | 22.45  | 33.10  |
| Profit after tax                   | %     | 54.33  | 43.53            | 54.94  | 20.34  | 17.71  | 17.49  |
| EBITDA margin to sales             | %     | 63.30  | 51.41            | 66.59  | 33.42  | 39.86  | 39.76  |
| Operating leverage ratio           | %     | 1.37   | 189.54           | 401.53 | 108.84 | 262.46 | 131.97 |
| Return on equity                   | %     | 19.76  | 22.85            | 42.20  | 13.33  | 6.10   | 6.96   |
| Return on capital employed         | %     | 19.34  | 22.08            | 40.14  | 12.09  | 5.32   | 5.81   |
| <b>Liquidity ratios</b>            |       |        |                  |        |        |        |        |
| Current ratio                      | %     | 9.65   | 6.91             | 4.07   | 3.38   | 3.71   | 3.16   |
| Cash to current liabilities        | Times | 0.75   | 0.85             | 0.74   | 0.81   | 0.26   | 1.06   |
| Cash flow from operations to sales | Times | 0.35   | 0.37             | 0.44   | 0.27   | 0.25   | 0.19   |
| <b>Activity / turnover ratios</b>  |       |        |                  |        |        |        |        |
| Debtor turnover ratio              | Times | 10.31  | 9.47             | 9.68   | 6.67   | 4.15   | 4.80   |
| Asset turnover ratio               | Times | 0.33   | 0.46             | 0.63   | 0.52   | 0.27   | 0.30   |
| Fixed assets turnover ratio        | Times | 0.97   | 1.14             | 1.54   | 0.89   | 0.40   | 0.43   |
| <b>Market ratios</b>               |       |        |                  |        |        |        |        |
|                                    |       |        | <b>*Restated</b> |        |        |        |        |
| Earnings per share                 | Rs.   | 103.23 | 101.87 *         | 227.11 | 42.75  | 17.14  | 18.27  |
| Price earning ratio                | Times | 3.66   | 2.97 *           | 0.58   | 1.13   | 4.24   | 4.14   |
| Price to book ratio                | Times | 6.58   | 6.01 *           | 2.04   | 1.19   | 2.06   | 2.18   |
| Dividend yield ratio               | %     | 8.73   | 11.55 *          | 15.09  | 10.36  | 4.13   | 2.98   |
| Dividend payout ratio              | Times | 0.32   | 0.34 *           | 0.09   | 0.12   | 0.18   | 0.12   |
| Dividend cover ratio               | Times | 3.13   | 2.91 *           | 11.36  | 8.55   | 5.71   | 8.12   |
| Cash dividend                      | Rs.   | 33.00  | 35.00            | 20.00  | 5.00   | 3.00   | 2.25   |
| Bonus dividend                     | %     | -      | 50.00            | -      | -      | -      | -      |
| Breakup value/share                | Rs.   | 522.50 | 445.88 *         | 538.23 | 320.93 | 281.06 | 262.71 |
| Share price at year end            | Rs.   | 377.98 | 303.01           | 132.53 | 48.26  | 72.70  | 75.56  |
| Share price - High                 | Rs.   | 513.22 | 383.99           | 143.99 | 81.79  | 97.90  | 107.00 |
| Low                                | Rs.   | 224.45 | 125.25           | 96.92  | 47.77  | 64.00  | 50.01  |
| <b>Capital Structure Ratio</b>     |       |        |                  |        |        |        |        |
| Financial leverage ratio           | Times | 0.02   | 0.03             | 0.10   | 0.11   | 0.16   | 0.21   |
| Debt service coverage ratio        | Times | 8.45   | 5.48             | 3.88   | 1.75   | 2.69   | 2.22   |
| Debt to equity ratio               | Times | 0.02   | 0.03             | 0.10   | 0.11   | 0.13   | 0.17   |
| Interest cover ratio               | Times | 55.09  | 23.43            | 23.59  | 12.86  | 5.38   | 3.27   |

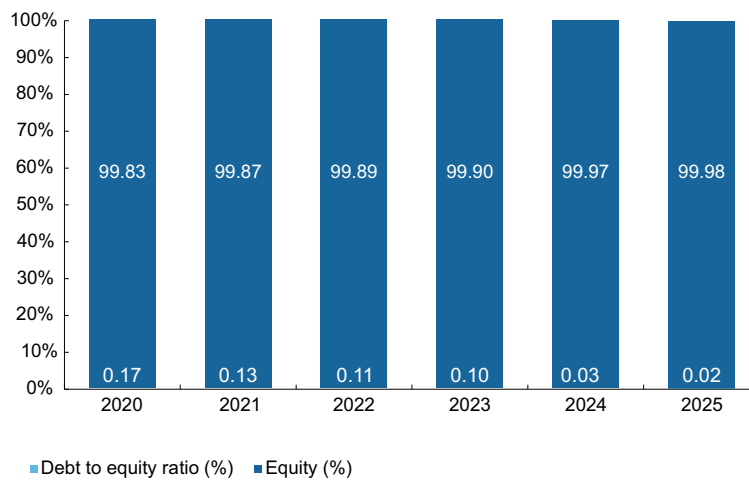


# Graphical Analysis

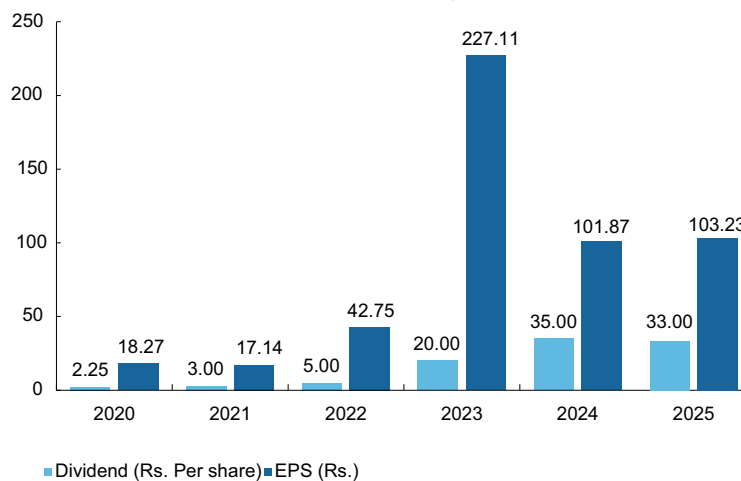
## Debt Management

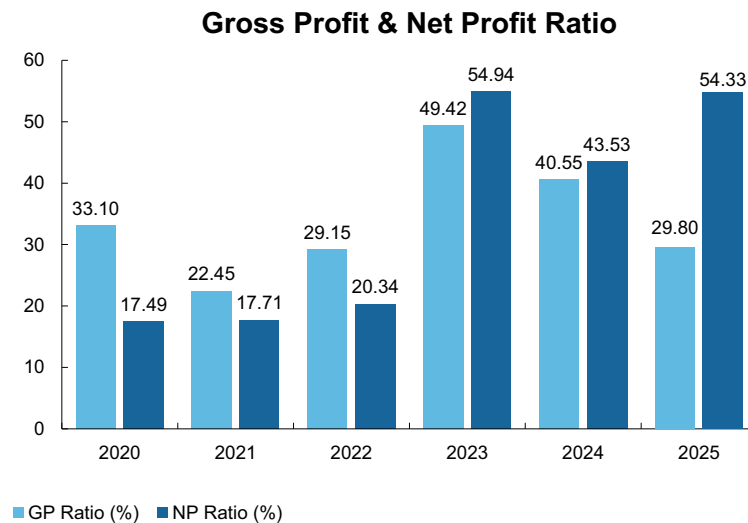
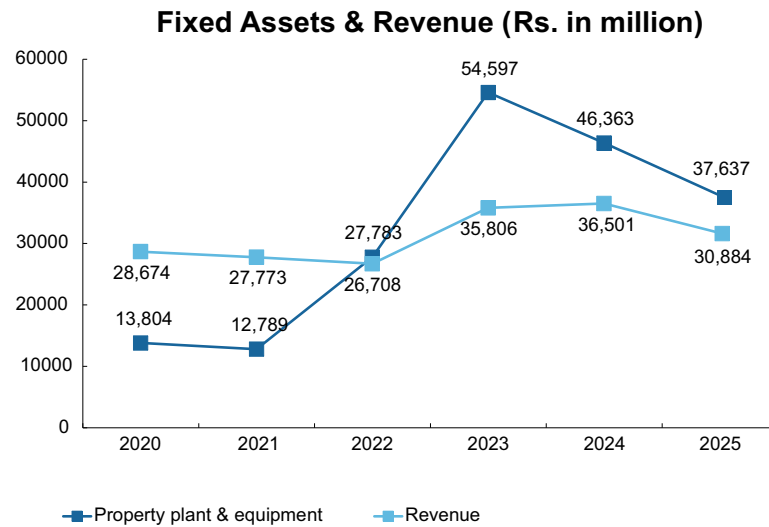
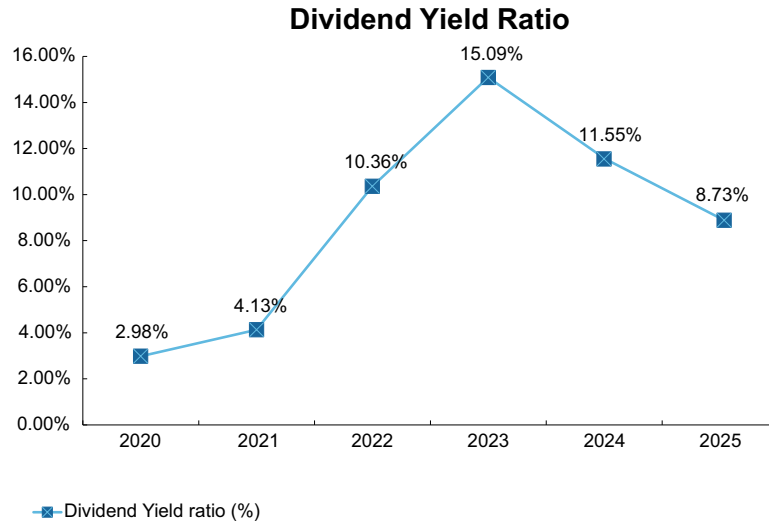


## Debt to Equity Ratio

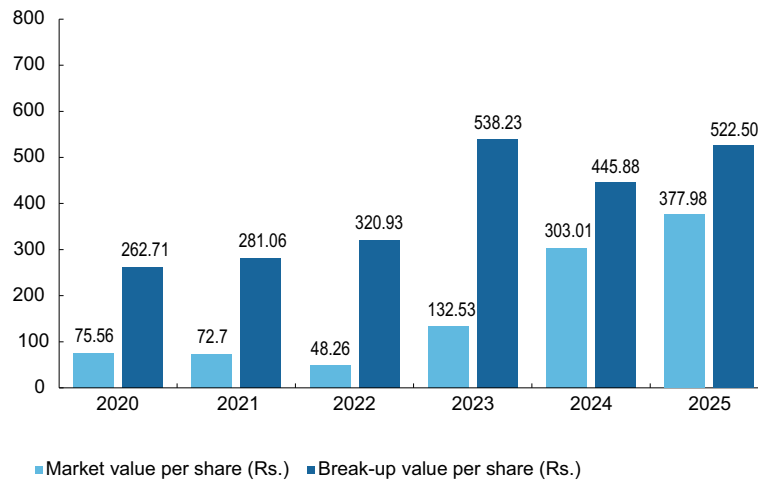


## Dividend & Earnings Per Share

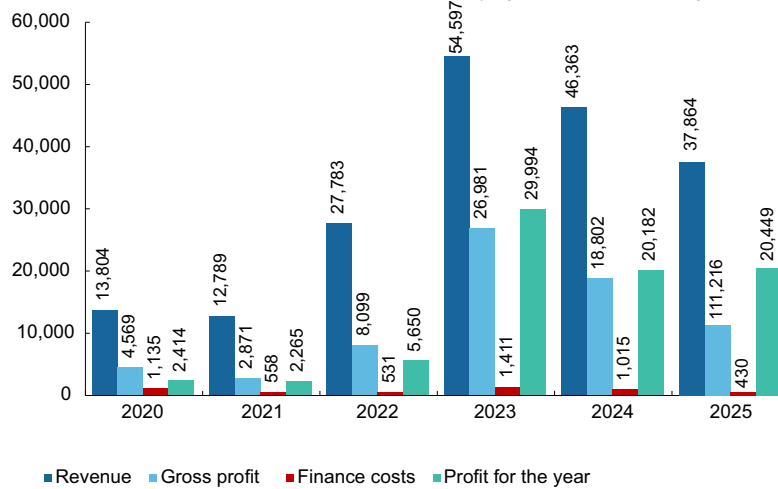




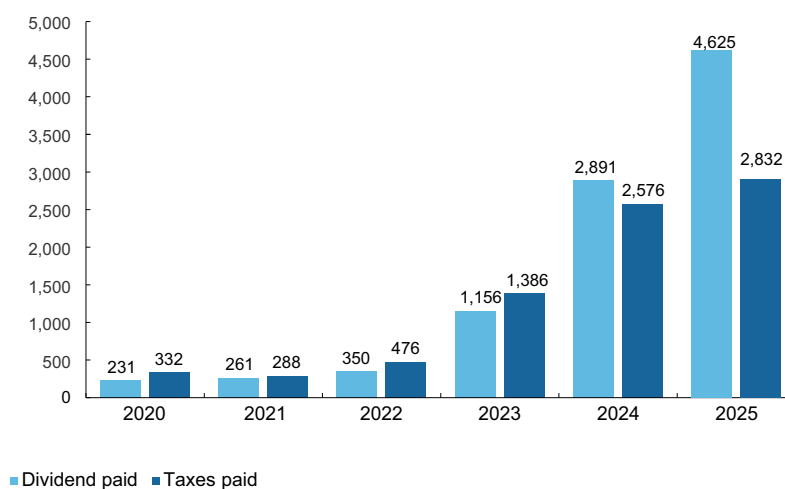
### Market / Break-up value per share (Rs./share)



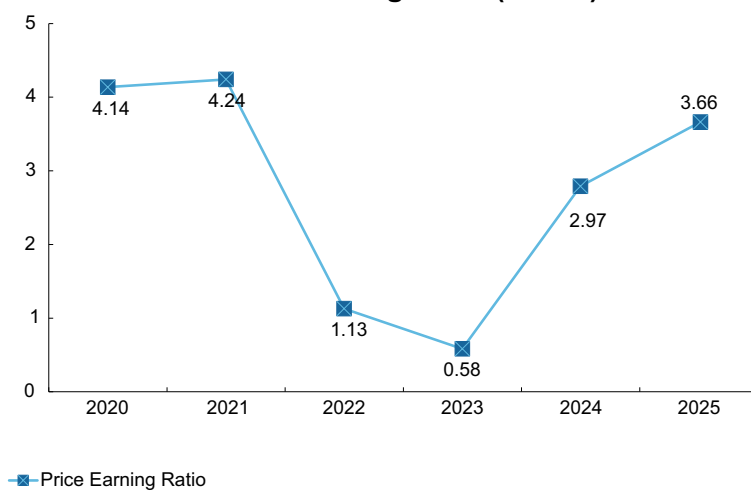
### Turnover & Profitability (Rs. in million)



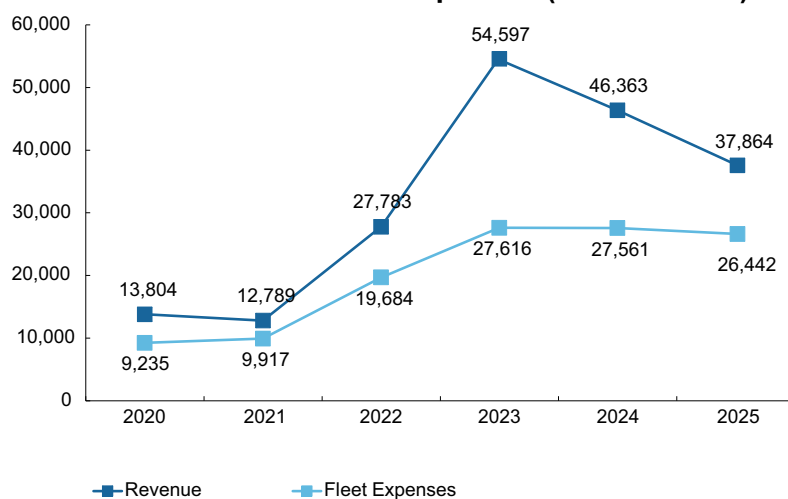
### Payments to Federal Government (Rs. in million)



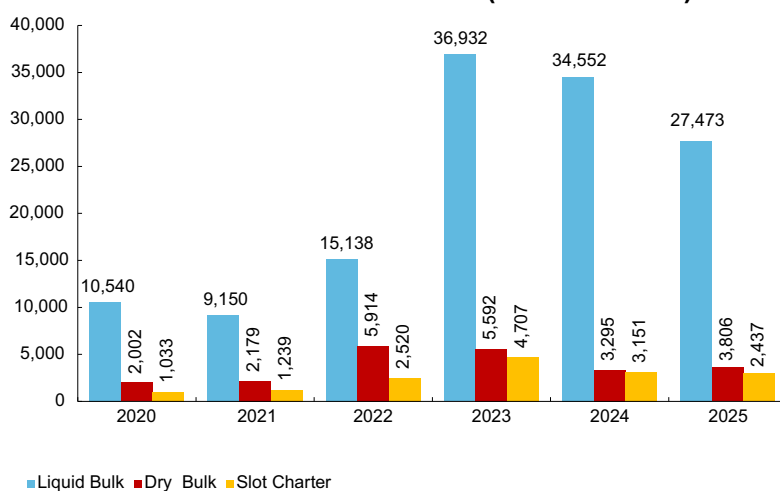
### Price Earning Ratio (Times)



### Revenue & Fleet Expenses (Rs. in million)



### Sector - wise Revenue (Rs. in million)





# Horizontal Analysis (Group)

|                                                               | 2025               |              | 2024                |              |
|---------------------------------------------------------------|--------------------|--------------|---------------------|--------------|
|                                                               | '000               | % change     | '000                | % change     |
| <b>Profit &amp; Loss</b>                                      |                    |              |                     |              |
| Revenues                                                      | 37,637,416         | -19%         | 46,363,490          | -15%         |
| Expenditure                                                   | (26,421,702)       | -4%          | (27,561,069)        | -0%          |
| <b>Gross profit</b>                                           | <b>11,215,714</b>  | <b>-40%</b>  | <b>18,802,421</b>   | <b>-30%</b>  |
| Administrative expenses                                       | (2,072,965)        | 3%           | (2,003,503)         | 25%          |
| Impairment reversal / (loss) on Financial assets - net        | 1,833,924          | -1159%       | (173,225)           | -85%         |
| Other expenses                                                | (514,652)          | -32%         | (752,394)           | 68%          |
| Finance costs                                                 | (430,400)          | -58%         | (1,014,771)         | -28%         |
| Other income                                                  | 13,249,171         | 68%          | 7,899,179           | -17%         |
| <b>Profit before levies and taxation</b>                      | <b>23,280,792</b>  | <b>2%</b>    | <b>22,757,707</b>   | <b>-29%</b>  |
| Levies and taxation                                           | (2,832,051)        | 10%          | (2,575,972)         | 37%          |
| <b>Profit for the year</b>                                    | <b>20,448,741</b>  | <b>1%</b>    | <b>20,181,735</b>   | <b>-33%</b>  |
| <b>Balance sheet</b>                                          |                    |              |                     |              |
| Property, plant and equipment                                 | 30,884,401         | -15%         | 36,500,711          | 2%           |
| Other non-current assets                                      | 5,096,543          | 6%           | 4,816,353           | 9%           |
| Trade debts                                                   | 3,472,311          | -9%          | 3,825,726           | -36%         |
| Cash and bank balances                                        | 6,032,924          | -16%         | 7,172,765           | -14%         |
| Other current assets                                          | 68,336,964         | 44%          | 47,578,479          | 51%          |
| <b>Total assets</b>                                           | <b>113,823,143</b> | <b>14%</b>   | <b>99,894,034</b>   | <b>16%</b>   |
| Shareholder's equity                                          | 103,504,364        | 17%          | 88,327,564          | 24%          |
| Employee benefits                                             | 1,159,199          | 3%           | 1,128,785           | 53%          |
| Long-term financing                                           | 1,084,698          | -44%         | 1,952,583           | -31%         |
| Lease liabilities                                             | 10,271             | -14%         | 11,878              | -87%         |
| Current portion of long-term financing                        | 868,800            | 0%           | 868,800             | -80%         |
| Other current liabilities                                     | 7,195,811          | -5%          | 7,604,424           | 11%          |
| <b>Total equity and liabilities</b>                           | <b>113,823,143</b> | <b>14%</b>   | <b>99,894,034</b>   | <b>16%</b>   |
| <b>Cash Flow Statement</b>                                    |                    |              |                     |              |
| Cash flows from operating activities                          | 13,154,423         | -22%         | 16,954,950          | -29%         |
| Cash flows from investing activities                          | 1,062,663          | -104%        | (24,603,106)        | 195%         |
| Cash flows from financing activities                          | (6,019,325)        | -21%         | (7,650,012)         | -631%        |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>8,197,761</b>   | <b>-154%</b> | <b>(15,298,168)</b> | <b>-190%</b> |
| <b>Others</b>                                                 |                    |              |                     |              |
| Profit before levies and tax                                  | 23,280,792         | 2%           | 22,757,707          | -29%         |
| Finance costs                                                 | 430,400            | -58%         | 1,014,771           | -28%         |
| Depreciation                                                  | 77,162             | 25%          | 61,500              | -98%         |
| Amortisation                                                  | 37,650             | 0%           | 326                 | 0%           |
| <b>EBITDA</b>                                                 | <b>23,826,004</b>  | <b>0%</b>    | <b>23,834,304</b>   | <b>-34%</b>  |
| Profit before levies and tax                                  | 23,280,792         | 2%           | 22,757,707          | -29%         |
| Finance costs                                                 | 430,400            | -58%         | 1,014,771           | -28%         |
| <b>EBIT</b>                                                   | <b>23,711,192</b>  | <b>0%</b>    | <b>23,772,478</b>   | <b>-29%</b>  |

| 2023              |             | 2022              |              | 2021               |             | 2020               |              |
|-------------------|-------------|-------------------|--------------|--------------------|-------------|--------------------|--------------|
| '000              | % change    | '000              | % change     | '000               | % change    | '000               | % change     |
| 54,597,184        | 97%         | 27,783,460        | 117%         | 12,788,561         | -7%         | 13,803,576         | 21%          |
| (27,615,796)      | 40%         | (19,684,247)      | 98%          | (9,917,093)        | 7%          | (9,234,891)        | 12%          |
| <b>26,981,388</b> | <b>233%</b> | <b>8,099,213</b>  | <b>182%</b>  | <b>2,871,468</b>   | <b>-37%</b> | <b>4,568,685</b>   | <b>47%</b>   |
| (1,608,239)       | 30%         | (1,232,701)       | 19%          | (1,034,518)        | -8%         | (1,120,281)        | 1%           |
| (1,122,941)       | 21%         | (929,525)         | -426%        | 285,266            | -169%       | (411,138)          | 608%         |
| (449,022)         | 6%          | (423,127)         | 95%          | (216,557)          | -19%        | (268,440)          | -8%          |
| (1,411,030)       | 166%        | (530,879)         | -5%          | (557,607)          | -51%        | (1,135,464)        | 152%         |
| 9,486,391         | 622%        | 1,314,157         | 20%          | 1,094,139          | 15%         | 948,384            | -24%         |
| <b>31,876,547</b> | <b>406%</b> | <b>6,297,138</b>  | <b>158%</b>  | <b>2,442,191</b>   | <b>-5%</b>  | <b>2,581,746</b>   | <b>5%</b>    |
| (1,882,252)       | 191%        | (647,248)         | 265%         | (177,165)          | 6%          | (167,868)          | -35%         |
| <b>29,994,295</b> | <b>431%</b> | <b>5,649,890</b>  | <b>149%</b>  | <b>2,265,026</b>   | <b>-6%</b>  | <b>2,413,878</b>   | <b>10%</b>   |
| 35,806,011        | 34%         | 26,708,229        | -4%          | 27,772,552         | -3%         | 28,674,222         | -4%          |
| 4,400,167         | 5%          | 4,201,180         | 5%           | 3,988,111          | 7%          | 3,724,070          | 8%           |
| 5,969,078         | 12%         | 5,311,573         | 76%          | 3,019,161          | -4%         | 3,141,103          | 20%          |
| 8,383,959         | 55%         | 5,414,650         | 415%         | 1,050,945          | -77%        | 4,512,021          | -19%         |
| 31,430,973        | 167%        | 11,760,589        | 9%           | 10,760,215         | 86%         | 5,776,271          | 61%          |
| <b>85,990,188</b> | <b>61%</b>  | <b>53,396,221</b> | <b>15%</b>   | <b>46,590,984</b>  | <b>2%</b>   | <b>45,827,687</b>  | <b>2%</b>    |
| 71,079,894        | 68%         | 42,383,333        | 14%          | 37,117,412         | 7%          | 34,693,967         | 6%           |
| 739,613           | 4%          | 713,135           | 5%           | 679,619            | -11%        | 763,520            | 7%           |
| 2,822,020         | -20%        | 3,547,219         | -24%         | 4,684,138          | -22%        | 6,010,153          | -18%         |
| 88,547            | -15%        | 104,746           | -9%          | 114,805            | 5%          | 109,204            | -            |
| 4,422,203         | 366%        | 949,793           | -29%         | 1,334,965          | 0%          | 1,334,964          | -24%         |
| 6,837,911         | 20%         | 5,697,995         | 114%         | 2,660,045          | -9%         | 2,915,879          | 10%          |
| <b>85,990,188</b> | <b>61%</b>  | <b>53,396,221</b> | <b>15%</b>   | <b>46,590,984</b>  | <b>2%</b>   | <b>45,827,687</b>  | <b>2%</b>    |
| 23,919,800        | 220%        | 7,485,032         | 136%         | 3,169,002          | 18%         | 2,684,111          | 33%          |
| (8,353,975)       | -321%       | 3,786,579         | -188%        | (4,299,152)        | 161%        | (1,647,488)        | -68%         |
| 1,441,645         | -175%       | (1,927,259)       | 18%          | (1,630,926)        | -22%        | (2,102,739)        | -135%        |
| <b>17,007,470</b> | <b>82%</b>  | <b>9,344,352</b>  | <b>-438%</b> | <b>(2,761,076)</b> | <b>159%</b> | <b>(1,066,116)</b> | <b>-138%</b> |
| 31,876,547        | 406%        | 6,297,138         | 158%         | 2,442,191          | -5%         | 2,581,746          | 5%           |
| 1,411,030         | 166%        | 530,879           | -5%          | 557,607            | -51%        | 1,135,464          | 152%         |
| 3,066,960         | 25%         | 2,457,794         | 17%          | 2,098,099          | 18%         | 1,770,878          | 34%          |
| -                 | 0%          | -                 | 0%           | -                  | 0%          | -                  | 0%           |
| <b>36,354,537</b> | <b>292%</b> | <b>9,285,811</b>  | <b>82%</b>   | <b>5,097,897</b>   | <b>-7%</b>  | <b>5,488,088</b>   | <b>30%</b>   |
| 31,876,547        | 406%        | 6,297,138         | 158%         | 2,442,191          | -5%         | 2,581,746          | 5%           |
| 1,411,030         | 166%        | 530,879           | -5%          | 557,607            | -51%        | 1,135,464          | 152%         |
| <b>33,287,577</b> | <b>388%</b> | <b>6,828,017</b>  | <b>128%</b>  | <b>2,999,798</b>   | <b>-19%</b> | <b>3,717,210</b>   | <b>28%</b>   |

# Vertical Analysis (Group)

|                                                               | 2025               |             | 2024                |             |
|---------------------------------------------------------------|--------------------|-------------|---------------------|-------------|
|                                                               | '000               | %           | '000                | %           |
| <b>Profit &amp; Loss</b>                                      |                    |             |                     |             |
| Revenues                                                      | 37,637,416         | 100%        | 46,363,490          | 100%        |
| Expenditure                                                   | (26,421,702)       | -70%        | (27,561,069)        | -59%        |
| <b>Gross profit</b>                                           | <b>11,215,714</b>  | <b>30%</b>  | <b>18,802,421</b>   | <b>41%</b>  |
| Administrative expenses                                       | (2,072,965)        | -6%         | (2,003,503)         | -4%         |
| Impairment reversal / (loss) on Financial assets - net        | 1,833,924          | 5%          | (173,225)           | -0%         |
| Other expenses                                                | (514,652)          | -1%         | (752,394)           | -2%         |
| Finance costs                                                 | (430,400)          | -1%         | (1,014,771)         | -2%         |
| Other income                                                  | 13,249,171         | 35%         | 7,899,179           | 17%         |
| <b>Profit before levies and taxation</b>                      | <b>23,280,792</b>  | <b>62%</b>  | <b>22,757,707</b>   | <b>49%</b>  |
| Levies and taxation                                           | (2,823,051)        | -8%         | (2,575,972)         | -6%         |
| <b>Profit for the year</b>                                    | <b>20,448,741</b>  | <b>54%</b>  | <b>20,181,735</b>   | <b>44%</b>  |
| <b>Balance Sheet</b>                                          |                    |             |                     |             |
| Property, plant and equipment                                 | 30,884,401         | 27%         | 36,500,711          | 37%         |
| Other non-current assets                                      | 5,096,543          | 4%          | 4,816,353           | 5%          |
| Trade debts                                                   | 3,472,311          | 3%          | 3,825,726           | 4%          |
| Cash and bank balances                                        | 6,032,924          | 5%          | 7,172,765           | 7%          |
| Other current assets                                          | 68,336,964         | 60%         | 47,578,479          | 48%         |
| <b>Total assets</b>                                           | <b>113,823,143</b> | <b>100%</b> | <b>99,894,034</b>   | <b>100%</b> |
| Shareholder's equity                                          | 103,504,364        | 90.9%       | 88,327,564          | 88.4%       |
| Employee benefits                                             | 1,159,199          | 1.0%        | 1,128,785           | 1.1%        |
| Long-term financing                                           | 1,084,698          | 1.0%        | 1,952,583           | 2.0%        |
| Lease liabilities                                             | 10,271             | 0.0%        | 11,878              | 0.0%        |
| Current portion of long-term financing                        | 868,800            | 0.8%        | 868,800             | 0.9%        |
| Other current liabilities                                     | 7,195,811          | 6.3%        | 7,604,424           | 7.6%        |
| <b>Total equity and liabilities</b>                           | <b>113,823,143</b> | <b>100%</b> | <b>99,894,034</b>   | <b>100%</b> |
| <b>Cash flow statement</b>                                    |                    |             |                     |             |
| Cash flows from operating activities                          | 13,154,423         | 160%        | 16,954,950          | -111%       |
| Cash flows from investing activities                          | 1,062,663          | 13%         | (24,603,106)        | 161%        |
| Cash flows from financing activities                          | (6,019,325)        | -73%        | (7,650,012)         | 50%         |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>8,197,761</b>   | <b>100%</b> | <b>(15,298,168)</b> | <b>100%</b> |
| <b>Others</b>                                                 |                    |             |                     |             |
| Profit before levies and tax                                  | 23,280,792         | 98%         | 22,757,707          | 95%         |
| Finance costs                                                 | 430,400            | 2%          | 1,014,771           | 4%          |
| Depreciation                                                  | 77,162             | 0%          | 61,500              | 10%         |
| Amortisation                                                  | 37,650             | 0%          | 326                 | 0%          |
| <b>EBITDA</b>                                                 | <b>23,826,004</b>  | <b>100%</b> | <b>23,834,304</b>   | <b>100%</b> |
| Profit before levies and tax                                  | 23,280,792         | 98%         | 22,757,707          | 96%         |
| Finance costs                                                 | 430,400            | 2%          | 1,014,771           | 4%          |
| <b>EBIT</b>                                                   | <b>23,711,192</b>  | <b>100%</b> | <b>23,772,478</b>   | <b>100%</b> |

| 2023              |             | 2022              |             | 2021               |             | 2020               |             |
|-------------------|-------------|-------------------|-------------|--------------------|-------------|--------------------|-------------|
| '000              | %           | '000              | %           | '000               | %           | '000               | %           |
| 54,597,184        | 100%        | 27,783,460        | 100%        | 12,788,561         | 100%        | 13,803,576         | 100%        |
| (27,615,796)      | -51%        | (19,684,247)      | -71%        | (9,917,093)        | -78%        | (9,234,891)        | -67%        |
| <b>26,981,388</b> | <b>49%</b>  | <b>8,099,213</b>  | <b>29%</b>  | <b>2,871,468</b>   | <b>22%</b>  | <b>4,568,685</b>   | <b>33%</b>  |
| (1,608,239)       | -3%         | (1,232,701)       | -4%         | (1,034,518)        | -8%         | (1,120,281)        | -8%         |
| (1,122,941)       | -2%         | (929,525)         | -3%         | 285,266            | 2%          | (411,138)          | -3%         |
| (449,022)         | -1%         | (423,127)         | -2%         | (216,557)          | -2%         | (268,440)          | -2%         |
| (1,411,030)       | -3%         | (530,879)         | -2%         | (557,607)          | -4%         | (1,135,464)        | -8%         |
| 9,486,391         | 17%         | 1,314,157         | 5%          | 1,094,139          | 9%          | 948,384            | 7%          |
| <b>31,876,547</b> | <b>58%</b>  | <b>6,297,138</b>  | <b>23%</b>  | <b>2,442,191</b>   | <b>19%</b>  | <b>2,581,746</b>   | <b>19%</b>  |
| (1,882,252)       | -3%         | (647,248)         | -2%         | (177,165)          | -1%         | (167,868)          | -1%         |
| <b>29,994,295</b> | <b>55%</b>  | <b>5,649,890</b>  | <b>20%</b>  | <b>2,265,026</b>   | <b>18%</b>  | <b>2,413,878</b>   | <b>17%</b>  |
|                   |             |                   |             |                    |             |                    |             |
| 35,806,011        | 42%         | 26,708,229        | 50%         | 27,772,552         | 60%         | 28,674,222         | 63%         |
| 4,400,167         | 5%          | 4,201,180         | 8%          | 3,988,111          | 9%          | 3,724,070          | 8%          |
| 5,969,078         | 7%          | 5,311,573         | 10%         | 3,019,161          | 6%          | 3,141,103          | 7%          |
| 8,383,959         | 10%         | 5,414,650         | 10%         | 1,050,945          | 2%          | 4,512,021          | 10%         |
| 31,430,973        | 37%         | 11,760,589        | 22%         | 10,760,215         | 23%         | 5,776,271          | 13%         |
| <b>85,990,188</b> | <b>100%</b> | <b>53,396,221</b> | <b>100%</b> | <b>46,590,984</b>  | <b>100%</b> | <b>45,827,687</b>  | <b>100%</b> |
|                   |             |                   |             |                    |             |                    |             |
| 71,079,894        | 82.7%       | 42,383,333        | 79.4%       | 37,117,412         | 79.7%       | 34,693,967         | 76%         |
| 739,613           | 0.9%        | 713,135           | 1.3%        | 679,619            | 1.5%        | 763,520            | 2%          |
| 2,822,020         | 3.3%        | 3,547,219         | 6.6%        | 4,684,138          | 10.1%       | 6,010,153          | 13%         |
| 88,547            | 0.1%        | 104,746           | 0.2%        | 114,805            | 0.2%        | 109,204            | 0.2%        |
| 4,422,203         | 5.1%        | 949,793           | 1.8%        | 1,334,965          | 2.9%        | 1,334,964          | 3%          |
| 6,837,911         | 8.0%        | 5,697,995         | 10.7%       | 2,660,045          | 5.7%        | 2,915,879          | 6%          |
| <b>85,990,188</b> | <b>100%</b> | <b>53,396,221</b> | <b>100%</b> | <b>46,590,984</b>  | <b>100%</b> | <b>45,827,687</b>  | <b>100%</b> |
|                   |             |                   |             |                    |             |                    |             |
| 23,919,800        | 141%        | 7,485,032         | 80%         | 3,169,002          | -115%       | 2,684,111          | -252%       |
| (8,353,975)       | -49%        | 3,786,579         | 41%         | (4,299,152)        | 156%        | (1,647,488)        | 155%        |
| 1,441,645         | 8%          | (1,927,259)       | -21%        | (1,630,926)        | 59%         | (2,102,739)        | 197%        |
| <b>17,007,470</b> | <b>100%</b> | <b>9,344,352</b>  | <b>100%</b> | <b>(2,761,076)</b> | <b>100%</b> | <b>(1,066,116)</b> | <b>100%</b> |
|                   |             |                   |             |                    |             |                    |             |
| 31,876,547        | 88%         | 6,297,138         | 68%         | 2,442,191          | 48%         | 2,581,746          | 47%         |
| 1,411,030         | 4%          | 530,879           | 6%          | 557,607            | 11%         | 1,135,464          | 21%         |
| 3,066,960         | 8%          | 2,457,794         | 26%         | 2,098,099          | 41%         | 1,770,878          | 32%         |
| -                 | 0%          | -                 | 0%          | -                  | 0%          | -                  | 0%          |
| <b>36,354,537</b> | <b>100%</b> | <b>9,285,811</b>  | <b>100%</b> | <b>5,097,897</b>   | <b>100%</b> | <b>5,488,088</b>   | <b>100%</b> |
|                   |             |                   |             |                    |             |                    |             |
| 31,876,547        | 96%         | 6,297,138         | 92%         | 2,442,191          | 81%         | 2,581,746          | 69%         |
| 1,411,030         | 4%          | 530,879           | 8%          | 557,607            | 19%         | 1,135,464          | 31%         |
| <b>33,287,577</b> | <b>100%</b> | <b>6,828,017</b>  | <b>100%</b> | <b>2,999,798</b>   | <b>100%</b> | <b>3,717,210</b>   | <b>100%</b> |



# Six Years at a Glance (PNSC)

| UOM                                                       | 2024-2025          | 2023-2024          | 2022-2023            | 2021-2022         | 2020-2021         | 2019-2020         |         |
|-----------------------------------------------------------|--------------------|--------------------|----------------------|-------------------|-------------------|-------------------|---------|
| <hr/> <hr/> <div>(Rupees in '000)</div> <hr/> <hr/>       |                    |                    |                      |                   |                   |                   |         |
| <b>Profit &amp; loss</b>                                  |                    |                    |                      |                   |                   |                   |         |
| Revenue                                                   | 6,924,379          | 9,181,834          | 11,832,051           | 10,481,713        | 2,598,011         | 1,953,042         |         |
| Expenditure                                               | (6,395,972)        | (6,918,339)        | (8,459,722)          | (8,618,673)       | (2,151,442)       | (1,752,593)       |         |
| Gross profit                                              | 528,407            | 2,263,495          | 3,372,329            | 1,863,040         | 446,569           | 200,449           |         |
| Administrative & other expenses                           | (916,797)          | (1,269,667)        | (788,126)            | (698,014)         | (418,713)         | (408,772)         |         |
| Impairment reversal / (loss) on financial assets-net      | 1,321,595          | (259,521)          | (706,399)            | (585,498)         | 280,348           | (302,617)         |         |
| Other income                                              | 8,629,808          | 7,683,076          | 5,633,656            | 1,382,190         | 1,042,376         | 887,965           |         |
| Finance costs                                             | (419,732)          | (1,003,486)        | (1,402,093)          | (525,794)         | (551,417)         | (1,129,661)       |         |
| Profit / (loss) before levies and taxation                | 9,143,281          | 7,413,897          | 6,109,367            | 1,435,924         | 799,163           | (752,636)         |         |
| Levies and taxation                                       | (2,464,364)        | (2,429,490)        | (1,275,289)          | (565,922)         | (104,345)         | (88,206)          |         |
| Profit / (loss) for theyear                               | <b>6,678,917</b>   | <b>4,984,407</b>   | <b>4,834,078</b>     | <b>870,002</b>    | <b>694,818</b>    | <b>(840,842)</b>  |         |
| <b>Balance sheet</b>                                      |                    |                    |                      |                   |                   |                   |         |
| Non-current assets                                        | 55,711,502         | 54,027,703         | 43,802,879           | 43,612,839        | 43,422,518        | 42,655,967        |         |
| Current assets                                            | 72,646,985         | 51,049,400         | 47,274,542           | 16,815,794        | 11,309,154        | 9,693,058         |         |
| Total assets                                              | <b>128,358,487</b> | <b>105,077,103</b> | <b>91,077,421</b>    | <b>60,428,633</b> | <b>54,731,672</b> | <b>52,349,025</b> |         |
| Paid-up capital                                           | 1,980,951          | 1,320,634          | 1,320,634            | 1,320,634         | 1,320,634         | 1,320,634         |         |
| Reserves                                                  | 15,031,799         | 14,264,276         | 12,773,405           | 9,226,223         | 8,739,441         | 8,276,295         |         |
| Surplus on revaluation of fixed assets                    | 2,146,941          | 2,167,806          | 1,612,524            | 1,623,362         | 1,624,111         | 1,231,193         |         |
| Share-holders' equity                                     | 19,159,691         | 17,752,716         | 15,706,563           | 12,170,219        | 11,684,186        | 10,828,122        |         |
| Non-current liabilities                                   | 2,254,168          | 3,093,246          | 3,650,180            | 4,365,100         | 5,478,562         | 6,882,876         |         |
| Current liabilities                                       | 106,944,628        | 84,231,141         | 71,720,678           | 43,893,314        | 37,568,924        | 34,638,027        |         |
|                                                           | <b>128,358,487</b> | <b>105,077,103</b> | <b>91,077,421</b>    | <b>60,428,633</b> | <b>54,731,672</b> | <b>52,349,025</b> |         |
| <b>RATIOS</b>                                             |                    |                    |                      |                   |                   |                   |         |
| <b>Profitability ratios</b>                               |                    |                    |                      |                   |                   |                   |         |
| Gross profit / operating revenue                          | %                  | 7.63               | 24.65                | 28.50             | 17.77             | 17.19             | 10.26   |
| Profit / (loss) before levies and tax / operating revenue | %                  | 132.04             | 80.75                | 51.63             | 13.70             | 30.76             | (38.54) |
| Profit / (loss) after levies and tax / operating revenue  | %                  | 96.46              | 54.29                | 40.86             | 8.30              | 26.74             | (43.05) |
| Return on capital employed                                | %                  | 31.19              | 23.91                | 24.97             | 5.26              | 4.05              | (4.75)  |
| <b>Liquidity / leverage ratios</b>                        |                    |                    |                      |                   |                   |                   |         |
| Current ratio                                             | Times              | 0.68               | 0.61                 | 0.53              | 0.38              | 0.30              | 0.28    |
| Fixed assets turnover ratio                               | Times              | 0.13               | 0.17                 | 0.27              | 0.24              | 0.06              | 0.05    |
| Equity / Total assets                                     | %                  | 14.93              | 16.89                | 17.25             | 20.14             | 21.35             | 20.68   |
| <b>Return to shareholders</b>                             |                    |                    |                      |                   |                   |                   |         |
| Earnings / (loss) per share                               | Rs.                | 33.72              | *Restated<br>25.16 * | 36.60             | 6.59              | 5.26              | (6.37)  |
| Price / (loss) earning ratio                              | Rs.                | 11.21              | 12.04 *              | 3.62              | 7.33              | 13.82             | (11.87) |
| Cash dividend                                             | Rs. / share        | 33.00              | 35.00                | 20.00             | 5.00              | 3.00              | 2.25    |
| Bonus dividend                                            | %                  | -                  | 50.00                | -                 | -                 | -                 | -       |
| Break-up value per share                                  | Rs.                | 96.72              | 89.62                | 118.93            | 92.15             | 88.47             | 81.99   |
| <b>Share prices in rupees</b>                             |                    |                    |                      |                   |                   |                   |         |
| High                                                      |                    | 513.22             | 383.99               | 143.99            | 81.79             | 97.90             | 107.00  |
| Low                                                       |                    | 224.45             | 125.25               | 96.92             | 47.77             | 64.00             | 50.01   |

**Yousuf Adil**  
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Karachi - 75350, Pakistan

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
1st & 3rd Floor, Modern Motors House,  
Beaumont Road,  
Karachi - 75350, Pakistan

## **INDEPENDENT AUDITORS' REVIEW REPORT** **To the members of Pakistan National Shipping Corporation**

**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 Pakistan National Shipping Corporation ("the Corporation") for the year ended June 30, 2025 in accordance with the requirements of Regulation No. 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Corporation. Our responsibility is to review whether the Statement of Compliance reflects the status of the Corporation'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 Corporation's personnel and review of various documents prepared by the Corporation 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 Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Corporation's corporate governance procedures and risks.

The Regulations require the Corporation 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 with 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 the attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Corporation's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Corporation for the year ended June 30, 2025.



**Yousuf Adil**  
Chartered Accountants  
Karachi

**Date:** October 06, 2025

**UDIN:** CR2025101862evhJRU9L



**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

**Date:** October 06, 2025

**UDIN:** CR202510126LRFTDgUGM



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

## PAKISTAN NATIONAL SHIPPING CORPORATION

### Year ended June 30, 2025

The Corporation 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 are as following: (subject to explanation given in para 18.1 below)
  - a) Male : 8
  - b) Female : 1
2. The composition of the Board of Directors (the Board) is as follows (subject to explanation given in para 18.1 below):

| Category                                                                                                                                           | Name                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chairman / Independent Director<br>Appointed by Federal Government under the PNSC Ordinance, 1979 (as amended) (the Ordinance)                     | 1. Mr. Sultan A. Chawla<br>(w.e.f. Sep 23 <sup>rd</sup> 2024)                                                                                                                                                                                                                        |
| Independent Directors<br>Appointed by Federal Government under the Ordinance                                                                       | 2. Mr. Khalil Ahmed<br>(w.e.f. Sep 23 <sup>rd</sup> 2024)<br>3. Khawaja Shahzeb Akram<br>(w.e.f. Sep 23 <sup>rd</sup> 2024)                                                                                                                                                          |
| Non-Executive Directors<br><br>Appointed by Federal Government under the Ordinance<br><br><br>Elected by Minority Shareholders under the Ordinance | 4. Mr. Qumar Sarwar Abbasi<br>Additional Finance Secretary Corporate Finance,<br>Finance Division, Islamabad<br><br>5. Mr. Umar Zafar Sheikh<br>Additional Secretary Ministry of Maritime<br>Affairs, Islamabad<br><br>6. Mr. Ahsan Ali Malik<br>7. Captain (R) Sarfaraz Inayatullah |
| Executive Director / Chief Executive Officer<br>Appointed by Federal Government under the Ordinance                                                | 8. Syed Jarar Haider Kazmi<br>(w.e.f. Apr 30 <sup>th</sup> 2025)                                                                                                                                                                                                                     |
| Female Director/ Independent Director<br>Appointed by Federal Government under the Ordinance                                                       | 9. Mrs. Nadia Osman Jung<br>(w.e.f. Sep 23 <sup>rd</sup> 2024)                                                                                                                                                                                                                       |

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including PNSC (the Corporation).
4. The Corporation has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Corporation along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Corporation. 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 Corporation.
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 Ordinance, Companies Act, 2017 (the Act) and the Regulations subject to the explanation given in point 18.1.
7. The meetings of the Board were presided over by the Chairman and in his absence, any one of the director after reaching to a consensus presided the meeting. The Board has complied with the requirements of the Ordinance, the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the PNSC Regulations, 2004 framed under the Ordinance, the Act and the Regulations.
9. All directors have obtained certification under the Directors' Training Program (DTP).
10. No new Company Secretary was appointed during the year; however, the Board approved his remuneration and terms of employment, ensuring compliance with the relevant regulatory requirements. The Board also approved the appointment of the Head of Internal Audit, along with his remuneration and terms of employment, in accordance with applicable regulations. Chief Financial Officer (CFO) ceased his position on 30/04/2025 and an acting CFO was appointed for remainder period of the year.
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:

| Names                            | Designation                |
|----------------------------------|----------------------------|
| Mr. Khalil Ahmed                 | Chairman of the Committee  |
| Mr. Qumar Sarwar Abbasi          | Member                     |
| Mr. Umar Zafar Sheikh            | Member                     |
| Captain (R) Sarfaraz Inayatullah | Member                     |
| Mr. Ahsan Ali Malik              | Member                     |
| Head of Internal Audit           | Secretary of the Committee |



(b) HR, Nomination and CSR Committee:

| Names                        | Designation                |
|------------------------------|----------------------------|
| Khawaja Shahzeb Akram        | Chairman of the Committee  |
| Mr. Umar Zafar Sheikh        | Member                     |
| Mr. Khalil Ahmed             | Member                     |
| Mr. Ahsan Ali Malik          | Member                     |
| Syed Jarar Haider Shah Kazmi | Member                     |
| Company Secretary            | Secretary of the Committee |

(c) Sustainability, Strategy and Risk Management Committee:

| Names                            | Designation                |
|----------------------------------|----------------------------|
| Mrs. Nadia Osman Jung            | Chairman of the Committee  |
| Mr. Qumar Sarwar Abbasi          | Member                     |
| Captain (R) Sarfaraz Inayatullah | Member                     |
| Khawaja Shahzeb Akram            | Member                     |
| Chief financial Officer          | Secretary of the Committee |

(d) Procurement Committee:

| Names                            | Designation                |
|----------------------------------|----------------------------|
| Mr. Khalil Ahmed                 | Chairman of the Committee  |
| Captain (R) Sarfaraz Inayatullah | Member                     |
| Khawaja Shahzeb Akram            | Member                     |
| ED (SP & PL)                     | Secretary of the Committee |

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 of the aforesaid committees were as per following:

| S.No. | Committee                                              | Frequency     | No. of Meetings |
|-------|--------------------------------------------------------|---------------|-----------------|
| i.    | Audit Committee                                        | Quarterly     | 14              |
| ii.   | HR, Nomination and CSR Committee                       | On need basis | 22              |
| iii.  | Sustainability, Strategy and Risk Management Committee | On need basis | 2               |
| iv.   | Procurement Committee                                  | On need basis | 12              |

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Corporation.

16. The statutory auditors of the Corporation 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 firms involved in the audit are not



a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer / chairman, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with subject to below explanation:
  - 18.1 Section 505 (1) (d) of the Companies Act, 2017 (the Act) permits companies governed by special enactments to comply with their respective laws in the event of any inconsistencies with the Act. As the Corporation was established under the Ordinance, certain provisions of the Ordinance, particularly those concerning the composition of the Board, take precedence over the Act and its Regulations. The members of the Board of Directors are 11 (eleven), however, two vacancies occurred during the year and the appointments of the same shall be made by the Federal Government.
19. Explanation for non-compliance with non-mandatory requirements, other than regulations 3,6,7,8,27,32, 33 and 36 of the Regulations are below:

As per Regulation 10A, the board is responsible for governance and oversight of sustainability risks and opportunities, which includes the environmental, social and governance considerations, within the Corporation by setting the Corporation's sustainability strategies, priorities and targets to create long term corporate value. The Board is also encouraged to adopt of SECP's ESG Disclosure Guidelines.

The formation of a dedicated sustainability committee, including at least one female director as encouraged under Regulation 10A(5), could not be undertaken earlier due to the Board's quorum being incomplete. The Board has, however, placed the matter on the agenda of its upcoming meeting, where the sustainability committee will be formally constituted and that committee will be responsible for governance and oversight of sustainability related risks and opportunities.



**CHAIRMAN**



# **Independent Auditors' Report and Consolidated Financial Statements of PNSC (Group)**



|    |    |       |      |      |           |
|----|----|-------|------|------|-----------|
| 1  | 21 | 7.98  | 5.7  | 1.11 | Daily     |
| 2  | 62 | 22.04 | 9.79 | 1.59 | Refer red |
| 3  | 86 | 31.54 | 6.94 | 2.61 | 33.42     |
| 4  | 94 | 34.96 | 5.7  | 3    | 41.09     |
| 5  | 84 | 30.4  | 8.18 | 3    | 43.66     |
| 6  | 63 | 22.42 | 6.94 | 2.46 | 41.58     |
| 7  | 57 | 13.1  | 4.09 | 1.02 | 59.82     |
| 8  | 56 | 20.9  | 1.24 | 1.32 | 18.41     |
| 9  | 96 | 34.58 | 7.81 |      |           |
| 10 | 91 | 33.44 |      |      |           |

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF PAKISTAN NATIONAL SHIPPING CORPORATION**

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

**Opinion**

We have audited the annexed consolidated financial statements of Pakistan National Shipping Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at **June 30, 2025**, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at **June 30, 2025**, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

| <b>S. No.</b> | <b>Key audit matter</b>                                                                                                                                                                                                                                                                                                                                  | <b>How the matter was addressed in our audit</b>                                                                                                                                                                                                                                                                                                               |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.            | <p><b>Contingencies</b></p> <p>The Group has various contingent liabilities in respect of income / sales tax matters and claims from employees and customers, which are pending adjudication before the relevant regulatory authorities and the courts of law.</p> <p>Refer to notes 32.1 to 32.23 to the annexed consolidated financial statements.</p> | <p>Our key audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Group's processes and controls over litigations through meetings with the management, in-house legal department and review of the minutes of the Board of Directors and the Board Audit Committee;</li> </ul> |

| S. No. | Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Group.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingencies as a key audit matter.</p>                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Inspected report prepared by the in-house legal department and the groups' tax advisor;</li> <li>Involved our tax specialist to assist in analyzing the judgement used to evaluate the matters;</li> <li>Reviewed correspondence with regulatory authorities (including judgments and orders passed by competent authorities from time to time, where applicable) and the Group's external tax / legal counsels. Where relevant, also assessed external legal / tax advices obtained by the Group;</li> <li>Circularized confirmations to the Group's external legal and tax advisors for their views and assessment on the pending cases; and</li> <li>Assessed the adequacy and appropriateness of related disclosures in the annexed consolidated financial statements for compliance with the requirement of the applicable financial reporting framework.</li> </ul> |
| 2.     | <p><b>Revenue recognition from chartering of foreign vessels and slot charter</b></p> <p>The Group recognizes revenue from voyage charter, slot charter, demurrage and income from miscellaneous claims amounting to Rs. 37.53 billion (2024: Rs. 46.07 billion).</p> <p>We identified revenue recognition as a Key Audit Matter considering the materiality of the amounts involved, volume of transactions and the inherent risk due to the time-based measurement used by the Group that the revenue from unfinished voyages is not accurately recognized in respect of the cut-off reporting date, which could significantly impact the consolidated financial statements.</p> <p>Refer to Note 6.19 for the accounting policy relating to revenue recognition and Note 33 and 34 for the related disclosures.</p> | <p>Our key audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>Obtained and updated understanding of Group's business model, focusing on chartering vessels and slot charter arrangements under contracts;</li> <li>Reviewed revenue recognition policies to ensure compliance with IFRS, especially the over-time recognition;</li> <li>Evaluated management's assumptions and methods for measuring voyage progress, including load-to-discharge basis and estimated voyage duration;</li> <li>Performed cut-off testing procedures to assess whether revenue is recognized in proper accounting period; and</li> <li>Assessed the adequacy of related disclosures in the consolidated financial statements regarding significant judgments and estimation uncertainties.</li> </ul>                                                                            |

#### Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' 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 consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our



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**Chartered Accountants**  
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**Beaumont Road,**  
**Karachi - 75530, Pakistan**

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 not been provided with any such information.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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



**Yousuf Adil**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8,  
KCHSU, Shahrah-e-Faisal,  
Karachi - 75350, Pakistan

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
1st & 3rd Floor, Modern Motors House,  
Beaumont Road,  
Karachi - 75530, Pakistan

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 the consolidated financial statements and notes to the consolidated financial statements comply with the requirements of the SOE Act, 2023.

The engagement partners on the audit resulting in this independent auditors' report are Muhammad Shaukat Naseeb (Grant Thornton Anjum Rahman) and Shafqat Ali (Yousuf Adil Chartered Accountants).



**Yousuf Adil**  
Chartered Accountants  
Karachi

**Date:** October 06, 2025

**UDIN:** AR202510186ZbxvU2ynt



**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

**Date:** October 06, 2025

**UDIN:** AR202510126FjeuwiUp9

# Consolidated Statement of Financial Position

As at June 30, 2025

|                                                                      |     | June 30,<br>2025   | June 30,<br>2024  |
|----------------------------------------------------------------------|-----|--------------------|-------------------|
| Note                                                                 |     | (Rupees in '000)   |                   |
| <b>ASSETS</b>                                                        |     |                    |                   |
| <b>Non-current assets</b>                                            |     |                    |                   |
|                                                                      | 8   | 30,884,401         | 36,500,711        |
| Property, plant and equipment                                        |     |                    |                   |
| Right-of-use assets                                                  | 9   | 6,712              | 8,514             |
| Intangible assets                                                    | 10  | 149,624            | 160,445           |
| Investment properties                                                | 11  | 4,607,802          | 4,320,352         |
| Long-term investments in:                                            |     |                    |                   |
| - Related party (an associate)                                       | 12  | -                  | -                 |
| - Listed companies and an other entity                               | 13  | 85,911             | 36,874            |
| Long-term loans                                                      | 14  | 91,241             | 19,496            |
| Deferred taxation                                                    | 15  | 155,253            | 270,672           |
| <b>Total non-current assets</b>                                      |     | <b>35,980,944</b>  | <b>41,317,064</b> |
| <b>Current assets</b>                                                |     |                    |                   |
| Stores and spares                                                    | 16  | 1,813,355          | 2,644,062         |
| Trade debts                                                          | 17  | 3,472,311          | 3,825,726         |
| Agents' and owners' balances                                         | 18  | 5,327              | 10,195            |
| Loans and advances                                                   | 19  | 585,204            | 660,438           |
| Trade deposits and short-term prepayments                            | 20  | 132,408            | 41,659            |
| Contract assets                                                      |     | 793,353            | 1,532,741         |
| Interest accrued on bank deposits and short-term investments         |     | 190,355            | 1,043,376         |
| Other receivables                                                    | 21  | 1,027,016          | 1,257,339         |
| Taxation-net                                                         |     | 1,842,340          | 889,066           |
| Short-term investments                                               | 22  | 61,947,606         | 39,499,603        |
| Cash and bank balances                                               | 23  | 6,032,924          | 7,172,765         |
| <b>Total current assets</b>                                          |     | <b>77,842,199</b>  | <b>58,576,970</b> |
| <b>TOTAL ASSETS</b>                                                  |     | <b>113,823,143</b> | <b>99,894,034</b> |
| <b>EQUITY AND LIABILITIES</b>                                        |     |                    |                   |
| <b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY</b>      |     |                    |                   |
| <b>Authorised share capital</b>                                      |     |                    |                   |
| 200,000,000 (2024: 200,000,000) ordinary shares of Rs. 10 each       |     | 2,000,000          | 2,000,000         |
| <b>Issued, subscribed and paid-up share capital</b>                  |     |                    |                   |
| 24                                                                   |     | 1,980,951          | 1,320,634         |
| <b>Reserves</b>                                                      |     |                    |                   |
| Capital reserve                                                      |     | 131,344            | 131,344           |
| Revenue reserves                                                     |     | 99,606,416         | 85,080,935        |
| Remeasurement of post-retirement benefits obligation - net of tax    |     | (380,204)          | (390,798)         |
| Surplus on revaluation of property, plant and equipment - net of tax | 8.9 | 2,149,988          | 2,170,853         |
| <b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY</b>      |     | <b>101,507,544</b> | <b>86,992,334</b> |
| <b>NON-CONTROLLING INTEREST</b>                                      |     |                    |                   |
| 25                                                                   |     | 15,869             | 14,596            |
| <b>TOTAL EQUITY</b>                                                  |     | <b>103,504,364</b> | <b>88,327,564</b> |
| <b>LIABILITIES</b>                                                   |     |                    |                   |
| <b>Non-current liabilities</b>                                       |     |                    |                   |
| Long-term financing                                                  | 26  | 1,084,698          | 1,952,583         |
| Lease liabilities                                                    | 27  | 10,271             | 11,878            |
| Employees' benefits                                                  | 28  | 1,159,199          | 1,128,785         |
| <b>Total non-current liabilities</b>                                 |     | <b>2,254,168</b>   | <b>3,093,246</b>  |
| <b>Current liabilities</b>                                           |     |                    |                   |
| Trade and other payables                                             | 29  | 6,290,455          | 6,967,262         |
| Contract liabilities                                                 | 30  | 480,170            | 300,040           |
| Provision against damage claims                                      | 31  | 44,855             | 22,408            |
| Current portion of long-term financing                               | 26  | 868,800            | 868,800           |
| Current portion of lease liabilities                                 | 27  | 2,482              | 2,630             |
| Unclaimed dividend                                                   |     | 335,964            | 203,955           |
| Accrued mark-up on long-term financing                               |     | 41,885             | 108,129           |
| <b>Total current liabilities</b>                                     |     | <b>8,064,611</b>   | <b>8,473,224</b>  |
| <b>TOTAL LIABILITIES</b>                                             |     | <b>10,318,779</b>  | <b>11,566,470</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                  |     | <b>113,823,143</b> | <b>99,894,034</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                 |     |                    |                   |
| 32                                                                   |     |                    |                   |

The annexed notes 1 to 60 form an integral part of these consolidated financial statements.

  
Syed Zeeshan Taqvi  
Chief Financial Officer

  
Syed Jafar Haider Kazmi  
Chief Executive Officer

  
Mr. Khalil Ahmed  
Director

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2025

|                                                                                            | Note            | June 30,<br>2025    | June 30,<br>2024 |
|--------------------------------------------------------------------------------------------|-----------------|---------------------|------------------|
| ----- (Rupees in '000) -----                                                               |                 |                     |                  |
| <b>REVENUE FROM CONTRACT WITH CUSTOMERS</b>                                                |                 |                     |                  |
| Income from shipping business                                                              | 33              | 33,715,448          | 40,997,915       |
| Other operating activities                                                                 | 34              | 3,591,594           | 5,077,597        |
|                                                                                            |                 | <b>37,307,042</b>   | 46,075,512       |
| <b>REVENUE FROM OTHERS</b>                                                                 |                 |                     |                  |
| Rental income                                                                              |                 | 330,374             | 287,978          |
|                                                                                            |                 | <b>37,637,416</b>   | 46,363,490       |
| <b>EXPENDITURE</b>                                                                         |                 |                     |                  |
| Fleet expenses                                                                             | 35              | (26,251,234)        | (27,428,414)     |
| Real estate expenses                                                                       | 36              | (170,468)           | (132,655)        |
|                                                                                            |                 | <b>(26,421,702)</b> | (27,561,069)     |
| <b>GROSS PROFIT</b>                                                                        |                 |                     |                  |
|                                                                                            |                 | <b>11,215,714</b>   | 18,802,421       |
| Administrative expenses                                                                    | 37              | (2,072,965)         | (2,003,503)      |
| Impairment reversal / (loss) on financial assets                                           | 38              | 1,833,924           | (173,225)        |
| Other expenses                                                                             | 39              | (514,652)           | (752,394)        |
| Other income                                                                               | 40              | 13,249,171          | 7,899,179        |
|                                                                                            |                 | <b>12,495,478</b>   | 4,970,057        |
| <b>OPERATING PROFIT</b>                                                                    |                 |                     |                  |
|                                                                                            |                 | <b>23,711,192</b>   | 23,772,478       |
| Finance costs                                                                              | 41              | (430,400)           | (1,014,771)      |
| <b>PROFIT BEFORE LEVIES AND TAXATION</b>                                                   |                 |                     |                  |
|                                                                                            |                 | <b>23,280,792</b>   | 22,757,707       |
| Levies                                                                                     | 42              | (1,279,002)         | (1,064,110)      |
| <b>PROFIT BEFORE TAXATION</b>                                                              |                 |                     |                  |
|                                                                                            |                 | <b>22,001,790</b>   | 21,693,597       |
| Taxation                                                                                   | 43              | (1,553,049)         | (1,511,862)      |
| <b>PROFIT FOR THE YEAR</b>                                                                 |                 |                     |                  |
|                                                                                            |                 | <b>20,448,741</b>   | 20,181,735       |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>                                             |                 |                     |                  |
| Items that will not be reclassified subsequently to profit or loss                         |                 |                     |                  |
| - Remeasurement of post-retirement benefits obligation                                     | 28.1.8 & 28.2.6 | 17,368              | (322,564)        |
| - Related tax                                                                              | 15.1            | (6,774)             | 125,800          |
|                                                                                            |                 | <b>10,594</b>       | (196,764)        |
| - Revaluation of Property, plant and equipment                                             |                 | -                   | 789,297          |
| - Related tax                                                                              | 15.1            | -                   | (225,013)        |
|                                                                                            |                 | <b>-</b>            | 564,284          |
|                                                                                            |                 | <b>10,594</b>       | 367,520          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                             |                 |                     |                  |
|                                                                                            |                 | <b>20,459,335</b>   | 20,549,255       |
| <b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>                                                |                 |                     |                  |
| Equity holders of the Holding Company                                                      |                 | 20,447,468          | 20,180,089       |
| Non-controlling interest                                                                   | 25              | 1,273               | 1,646            |
|                                                                                            |                 | <b>20,448,741</b>   | 20,181,735       |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>                                         |                 |                     |                  |
| Equity holders of the Holding Company                                                      |                 | 20,458,062          | 20,546,467       |
| Non-controlling interest                                                                   | 25              | 1,273               | 2,788            |
|                                                                                            |                 | <b>20,459,335</b>   | 20,549,255       |
| ----- (Rupees) -----                                                                       |                 |                     |                  |
| (Restated)                                                                                 |                 |                     |                  |
| <b>EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY</b> |                 |                     |                  |
| - basic and diluted                                                                        | 44              | <b>103.23</b>       | 101.87           |

The annexed notes 1 to 60 form an integral part of these consolidated financial statements.

  
**Syed Zeeshan Taqvi**  
 Chief Financial Officer

  
**Syed Jafar Haider Kazmi**  
 Chief Executive Officer

  
**Mr. Khalil Ahmed**  
 Director

# Consolidated Statement of Changes in Equity

For the year ended June 30, 2025

| --Attributable to the owners of the Holding Company--                                                                                                      |                     |                    |                          |                                  |                                                                                       |                                                                                     |                   |                                                       |              |             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|--------------------------|----------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------|--------------|-------------|
| Issued,<br>subscribed<br>and paid-up<br>share capital                                                                                                      | Capital<br>reserve* | Revenue reserves   |                          |                                  | Remeasur<br>ement of<br>post-<br>retirement<br>benefits<br>obligation<br>- net of tax | Surplus on<br>revaluation<br>of property,<br>plant and<br>equipment -<br>net of tax | Total<br>reserves | Non-<br>controlling<br>interest<br>(refer note<br>25) | Total equity |             |
|                                                                                                                                                            |                     | General<br>reserve | Unappropriated<br>profit | Sub-total<br>revenue<br>reserves |                                                                                       |                                                                                     |                   |                                                       |              |             |
| (Rupees in '000)                                                                                                                                           |                     |                    |                          |                                  |                                                                                       |                                                                                     |                   |                                                       |              |             |
| Balance as at July 01, 2023                                                                                                                                | 1,320,634           | 131,344            | 129,307                  | 68,068,311                       | 68,197,618                                                                            | (194,034)                                                                           | 1,612,524         | 69,747,452                                            | 11,808       | 71,079,894  |
| Transactions with owners in their capacity, as<br>owners directly recognised in equity                                                                     |                     |                    |                          |                                  |                                                                                       |                                                                                     |                   |                                                       |              |             |
| Final cash dividend for the year ended June 30, 2023<br>paid to shareholders of the Holding Company @<br>Rs. 15 per ordinary share                         | -                   | -                  | -                        | (1,980,951)                      | (1,980,951)                                                                           | -                                                                                   | -                 | (1,980,951)                                           | -            | (1,980,951) |
| Interim cash dividend for the year ended June 30, 2024<br>paid to shareholders of the Holding Company @<br>Rs. 10 per ordinary share                       | -                   | -                  | -                        | (1,320,634)                      | (1,320,634)                                                                           | -                                                                                   | -                 | (1,320,634)                                           | -            | (1,320,634) |
| Profit for the year                                                                                                                                        | -                   | -                  | -                        | 20,180,089                       | 20,180,089                                                                            | -                                                                                   | -                 | 20,180,089                                            | 1,646        | 20,181,735  |
| Other comprehensive income / (loss) for the year                                                                                                           | -                   | -                  | -                        | -                                | -                                                                                     | (196,764)                                                                           | 563,142           | 366,378                                               | 1,142        | 367,520     |
| Total comprehensive income for the year                                                                                                                    | -                   | -                  | -                        | 20,180,089                       | 20,180,089                                                                            | (196,764)                                                                           | 563,142           | 20,546,467                                            | 2,788        | 20,549,255  |
| Surplus on revaluation on property, plant and equipment<br>realised during the year on account of incremental<br>depreciation charged thereon - net of tax | -                   | -                  | -                        | 4,813                            | 4,813                                                                                 | -                                                                                   | (4,813)           | -                                                     | -            | -           |
| Balance as at June 30, 2024                                                                                                                                | 1,320,634           | 131,344            | 129,307                  | 84,951,628                       | 85,080,935                                                                            | (390,798)                                                                           | 2,170,853         | 86,992,334                                            | 14,596       | 88,327,564  |
| Transactions with owners in their capacity, as<br>owners directly recognised in equity                                                                     |                     |                    |                          |                                  |                                                                                       |                                                                                     |                   |                                                       |              |             |
| Final cash dividend for the year ended June 30, 2024<br>paid to shareholders of the Holding Company @<br>Rs. 25 per ordinary share                         | -                   | -                  | -                        | (3,301,584)                      | (3,301,584)                                                                           | -                                                                                   | -                 | (3,301,584)                                           | -            | (3,301,584) |
| Issue of bonus shares at the rate of 50%                                                                                                                   | 660,317             | -                  | -                        | (660,317)                        | (660,317)                                                                             | -                                                                                   | -                 | (660,317)                                             | -            | -           |
| Interim cash dividend for the year ended June 30, 2025<br>paid to shareholders of the Holding Company @<br>Rs. 10 per ordinary share                       | -                   | -                  | -                        | (1,980,951)                      | (1,980,951)                                                                           | -                                                                                   | -                 | (1,980,951)                                           | -            | (1,980,951) |
| Profit for the year                                                                                                                                        | -                   | -                  | -                        | 20,447,468                       | 20,447,468                                                                            | -                                                                                   | -                 | 20,447,468                                            | 1,273        | 20,448,741  |
| Other comprehensive income for the year                                                                                                                    | -                   | -                  | -                        | -                                | -                                                                                     | 10,594                                                                              | -                 | 10,594                                                | -            | 10,594      |
| Total comprehensive income for the year                                                                                                                    | -                   | -                  | -                        | 20,447,468                       | 20,447,468                                                                            | 10,594                                                                              | -                 | 20,458,062                                            | 1,273        | 20,459,335  |
| Surplus on revaluation on property, plant and equipment<br>realised during the year on account of incremental<br>depreciation charged thereon - net of tax | -                   | -                  | -                        | 20,865                           | 20,865                                                                                | -                                                                                   | (20,865)          | -                                                     | -            | -           |
| Balance as at June 30, 2025                                                                                                                                | 1,980,951           | 131,344            | 129,307                  | 99,477,109                       | 99,606,416                                                                            | (380,204)                                                                           | 2,149,988         | 101,507,544                                           | 15,869       | 103,504,364 |

\* This includes an amount transferred from shareholder's equity at the time of merger between former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC). The reserve is not available for the purpose of distribution to shareholders.

The annexed notes 1 to 60 form an integral part of these consolidated financial statements.

  
**Syed Zeeshan Taqvi**  
 Chief Financial Officer

  
**Syed Jarar Haider Kazmi**  
 Chief Executive Officer

  
**Mr. Khalil Ahmed**  
 Director

# Consolidated Statement of Cash Flows

For the year ended June 30, 2025

|                                                                 | Note   | June 30,<br>2025   | June 30,<br>2024    |
|-----------------------------------------------------------------|--------|--------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |        |                    |                     |
| Cash generated from operations                                  | 45     | 17,489,376         | 20,840,237          |
| Employees' gratuity paid                                        | 28.1.6 | (89,253)           | (45,893)            |
| Employees' compensated absences paid                            | 28.2.4 | (104,531)          | (69,766)            |
| Post-retirement medical benefits paid                           | 28.1.6 | (22,013)           | (14,298)            |
| Finance costs paid                                              |        | (442,477)          | (949,081)           |
| Income tax and levies paid                                      |        | (3,676,679)        | (2,806,249)         |
| <b>Net cash generated from operating activities</b>             |        | <b>13,154,423</b>  | <b>16,954,950</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |        |                    |                     |
| Purchase of property, plant and equipment                       |        | (3,741,339)        | (3,583,623)         |
| Proceeds from disposal of property, plant and equipment         | 8.8    | 9,672,354          | 119                 |
| Addition to intangible assets                                   | 10     | (26,829)           | (87,212)            |
| Additions to investment properties                              | 11     | (68,800)           | -                   |
| Short-term investments made - net                               |        | (7,724,514)        | (26,881,483)        |
| Return on short-term investments and bank balances received     |        | 3,012,109          | 3,016,686           |
| Long-term loans                                                 |        | (108,715)          | 9,958               |
| Dividend received                                               |        | 48,397             | 2,922,449           |
| <b>Net cash generated from / (used) in investing activities</b> |        | <b>1,062,663</b>   | <b>(24,603,106)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |        |                    |                     |
| Long-term financing repaid                                      | 26.1   | (868,799)          | (4,430,522)         |
| Lease liabilities paid                                          | 55     | -                  | (1,287)             |
| Dividend paid                                                   | 55     | (5,150,526)        | (3,218,203)         |
| <b>Net cash used in financing activities</b>                    |        | <b>(6,019,325)</b> | <b>(7,650,012)</b>  |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   |        | <b>8,197,761</b>   | <b>(15,298,168)</b> |
| Cash and cash equivalents at the beginning of the year          |        | 16,346,232         | 31,634,374          |
| Exchange gain on cash and cash equivalents                      |        | 306,894            | 10,026              |
| <b>Cash and cash equivalents at the end of the year</b>         | 46     | <b>24,850,887</b>  | <b>16,346,232</b>   |

The annexed notes 1 to 60 form an integral part of these consolidated financial statements.

  
**Syed Zeeshan Taqvi**  
 Chief Financial Officer

  
**Syed Jafar Haider Kazmi**  
 Chief Executive Officer

  
**Mr. Khalil Ahmed**  
 Director



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 1. THE GROUP AND ITS OPERATIONS

The Group consist of Pakistan National Shipping Corporation (the Holding Company), its subsidiary companies and an associate (together 'the Group'). The Holding Company was formed under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 while the subsidiaries were formed and registered under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), respectively. The Group is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services. The Group is also engaged in renting out its properties to tenants under lease agreements. The Group's registered office is situated at PNSC Building, Moulvi Tamizuddin Khan Road, Karachi except for Pakistan Co-operative Ship Stores (Private) Limited which is situated at 70/4, Timber Pond, N.M Reclamation Kemari, Karachi.

The Group consists of:

### Holding company

- Pakistan National Shipping Corporation

### Subsidiary companies

### Percentage of Shareholding

|                                                                     |     |
|---------------------------------------------------------------------|-----|
| - Bolan Shipping (Private) Limited*                                 | 100 |
| - Chitral Shipping (Private) Limited*                               | 100 |
| - Hyderabad Shipping (Private) Limited*                             | 100 |
| - Pakistan Marine and Shipping Services Company (Private) Limited** | 100 |
| - Johar Shipping (Private) Limited**                                | 100 |
| - National Ship Management and Crewing (Private) Limited**          | 100 |
| - Karachi Shipping (Private) Limited**                              | 100 |
| - Khairpur Shipping (Private) Limited*                              | 100 |
| - Lahore Shipping (Private) Limited**                               | 100 |
| - Lalazar Shipping (Private) Limited*                               | 100 |
| - Makran Shipping (Private) Limited**                               | 100 |
| - Malakand Shipping (Private) Limited*                              | 100 |
| - Multan Shipping (Private) Limited*                                | 100 |
| - Quetta Shipping (Private) Limited**                               | 100 |
| - Sargodha Shipping (Private) Limited*                              | 100 |
| - Shalamar Shipping (Private) Limited*                              | 100 |
| - Sibi Shipping (Private) Limited*                                  | 100 |
| - Swat Shipping (Private) Limited**                                 | 100 |
| - Pakistan Co-operative Ship Stores (Private) Limited               | 91  |

### Associate

- Muhammadi Engineering Works (Private) Limited 49

\* These wholly owned subsidiaries operate one vessel / tanker.

\*\* These wholly owned subsidiaries currently do not own any vessel.

## 2. STATEMENT OF COMPLIANCE

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

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

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

State-Owned Enterprises (Governance and Operation) Act, 2023 enacted by Federal Government requires financial statements to be prepared in accordance with international Financial Reporting Standards (IFRSs) and financial statements together with notes to them must include all information that is necessary to ensure that financial statements give a true and fair view to the financial position of the State-Owned Entity (SOE) provided that wherein SOE is not following the IFRSs, the board of SOE required to ensure compliance with this provision within the period of three years after coming into effect of SOE Act.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

The Holding Company will evaluate the compliance with the above SoE Act requirement.

- 2.1** In accordance with the requirements of Section 25(3) of the State-Owned Enterprises (Governance and Operations) Act, 2023, the Board of Directors declares that, in their opinion, there are reasonable grounds to believe that the Holding Company and its subsidiaries will be able to pay their debts as and when they become due.

### **3. BASIS OF MEASUREMENT**

- 3.1** These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective notes to the consolidated financial statements.
- 3.2** These consolidated financial statements are presented in Pakistan Rupees, which is the Group's functional and presentation currency.

### **4. BASIS OF CONSOLIDATION**

These consolidated financial statements include the financial statements of the Holding Company and all of its subsidiaries.

#### **4.1 Subsidiaries**

Subsidiaries are entities controlled by the Holding Company. The Holding Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting year as the Holding Company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss. Non-controlling interest in the acquiree, which represents ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

#### **4.2 Transactions with non-controlling interests**

The Group treats transactions with non-controlling interest that do not result in loss of control as transactions with equity owners of the Group. For purchase of interest from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the equity is remeasured to its fair value, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial assets. In addition, any amount previously recognised in other comprehensive income in respect to that entity is accounted for as if the Group had directly disposed off the related assets and liabilities.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 5. NEW AND AMENDED STANDARD AND INTERPRETATION

### 5.1 Amendments that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

- Amendments to IFRS-16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS-1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with non-current liabilities with covenants
- Amendments to IAS-7 'Statement of Cash Flows' and 'IFRS-7 'Financial instruments disclosures' - Supplier Finance Arrangements

### 5.2 New standard and amendments to IFRS that are not yet effective

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

|                                                                                                                                                                  | <b>Effective from Accounting period<br/>beginning on or after</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| - Amendments to IAS-21 - 'The Effects of Changes in Foreign Exchange Rates' Clarification on how entity accounts when there is long-term lack of exchangeability | January 01, 2025                                                  |
| - IFRS-S1 - General Requirements for Disclosure of Sustainability-related Financial Information                                                                  | July 01, 2025                                                     |
| - IFRS-S2 - Climate-related Disclosures                                                                                                                          | July 01, 2025                                                     |
| - IFRS-17 - 'Insurance Contracts' (including the amendments made in June 2020 and December 2021)                                                                 | January 01, 2027                                                  |
| - Amendments IFRS-9 'Financial Instruments' and IFRS-7 'Financial Instruments: Disclosures' - Classification and measurement of financial instruments            | January 01, 2026                                                  |
| - Annual Improvements to IFRS Accounting Standards (related to IFRS-1, IFRS-7, IFRS-9, IFRS-10 and IAS-7)                                                        | January 01, 2026                                                  |
| - Amendments IFRS-9 'Financial Instruments' and IFRS-7 'Financial Instruments: Disclosures' - Contracts referencing nature-dependent electricity                 | January 01, 2026                                                  |

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS-1 - First Time Adoption of International Financial Reporting Standards
- IFRS-18 - Presentation and Disclosures in Financial Statements
- IFRS-19 - Subsidiaries without Public Accountability: Disclosures

## 6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### 6.1 Property, plant and equipment

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment which are carried at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

The value assigned to leasehold land is not depreciated as the leases are expected to be renewed for further periods on payment of relevant rentals. Annual lease rentals are charged to consolidated statement of profit or loss and premium paid at the time of renewal, if any, is amortised over the remaining period of the lease.

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalized and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the consolidated statement of profit or loss as an expense when it is incurred.

Cost in relation to vessel includes cost of acquisition and other related expenses incidental to the purchase of vessel accumulated to the date the vessel is commissioned into service. Major spare parts and stand-by equipment are recognized as property, plant and equipment when the Group expects to use them for more than one year. Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next drydocking are identified and the estimate of the cost to be incurred is determined. The cost of these components are depreciated over a period to the next estimated drydocking date.

Deferred charges represent drydocking expenditure incurred for major overhauls of vessels, which is deferred when incurred and depreciated over a period from the current drydocking date to the next estimated drydocking date. When significant drydocking expenditures recur prior to the expiry of the depreciation period, the remaining carrying value of the previous drydocking is written off. Maintenance and normal repairs are charged to the consolidated statement of profit or loss as and when incurred.

Depreciation in respect of equipment on board is charged to the consolidated statement of profit or loss applying the straight line method whereby the depreciable amount of an asset is written off over its estimated useful life. In case of the vessel, depreciation is charged on the basis of its remaining operating life with effect from the date the vessel is commissioned after taking into account the estimated residual value.

Depreciation is charged to consolidated statement of profit or loss applying the straight line method at the rates specified in note 8.1. No depreciation is charged if the asset's residual value exceeds its carrying amount. Full month's depreciation is charged from the month the asset is available for intended use and no depreciation is charged in the month of disposal.

Residual values, useful lives and methods of depreciation are reviewed at each reporting date and adjusted, if expectations differ significantly from previous estimates.

The revaluation of related assets is carried out at regular intervals to ensure that the carrying amounts do not differ materially from those which would have been determined using fair values at the reporting date. Increase in the carrying amounts arising on revaluation of leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment is recognised, net of tax, in other comprehensive income and accumulated in surplus on revaluation of fixed assets in consolidated statement of changes in equity. To the extent that the increase reverses a decrease previously recognised in consolidated statement of profit or loss, the increase is first recognised in consolidated statement of profit or loss.

Decrease in the carrying amounts arising as a result of revaluation, that reverses previous increase of the same asset is first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decrease are charged to statement of profit or loss.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to consolidated statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus on property, plant and equipment to unappropriated profit. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the assets. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to unappropriated profit. The revaluation reserve is not available for distribution.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals determined by comparing proceeds with carrying amount of the relevant assets are included in consolidated statement of profit or loss.

## 6.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for intended use.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 6.3 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group does not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

## 6.4 Intangible assets

These are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is charged to consolidated statement of profit or loss by applying straight-line method whereby the cost less residual value, if not insignificant, of an asset is written off over its estimated useful life to the Holding Company. Full month's amortisation is charged from the month the asset is available for intended use and no amortisation is charged in the month of disposal. Gains and losses on disposals determined by comparing proceeds with carrying amount of the relevant assets are included in consolidated statement of profit or loss.

## 6.5 Investment properties

Properties held for long-term rental yields which are significantly rented out by the Group are classified as investment properties.

Investment properties are measured initially at cost, including related transaction costs directly attributable to acquisition. After initial recognition at cost, investment properties are carried at their fair values based on market value determined by professional independent valuer with sufficient regularity. Fair values are based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Gain or loss arising as a result of fair valuation is charged to consolidated statement of profit or loss.

Additions to investment properties consist of costs of a capital nature. The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

## 6.6 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit or loss.

## 6.7 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.

### 6.7.1 Financial assets

#### a) Initial recognition and measurement

Under IFRS-9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; (FVOCI) – equity investment; or Fair Value through Profit or Loss (FVTPL).



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

The classification of financial assets under IFRS-9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

## b) Subsequent measurement

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated statement of profit or loss.

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

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses including on account of derecognition are recognised in OCI and are never reclassified to consolidated statement of profit or loss.

## 6.7.2 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed dividend, accrued mark-up and trade and other payables. The Group derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

### Loans and borrowings

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost using the effective interest rate (EIR) method, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of consolidated profit or loss account over the period of the borrowings using the effective interest method.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

## 6.7.3 Impairment of financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost. The Group uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Group has established a provision matrix that is based on The Group's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

At each reporting date, the Group assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original EIR. 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.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

## 6.7.4 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the consolidated financial statements if the Group has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 6.8 Stores and spares

Stores and spares are stated at cost less any impairment. Cost is determined as follows:

- Stores at weighted average cost; and
- Spares on first-in first-out basis.

Stores and spares in transit are valued at cost incurred up to the reporting date.

Certain spares having low value and high consumption levels are charged to consolidated statement of profit or loss at the time of purchase.

The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if there is any change in the usage pattern and physical form.

## 6.9 Trade debts, Agents' and owners' balances, Loans, Deposits, and Other receivables

Trade debts, agents' and owners' balances, loans, deposits and other receivables are stated initially at fair value and subsequently measured at amortised cost less an allowance for ECL. Allowance for ECL is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts, agents' and owners' balances, loans, deposits, and other receivables. Bad debts, if any, are written off when considered irrecoverable.

## 6.10 Insurance claims

Insurance expenses relating to hull are charged to statement of profit or loss and claims filed against them are taken to the consolidated statement of profit or loss when such claims are accepted by the underwriters.

Afloat medical expenses, cargo claims and other relevant amounts recoverable from underwriters are taken to insurance claims receivable.

## 6.11 Lease liabilities

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments less any incentive received, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option and if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

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

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

The lease liability is remeasured when the Group reassesses the reasonable certainty of exercise of extension or termination option upon occurrence of either a significant event or a significant change in circumstance, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increase the scope of lease by adding the right-to-use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

## 6.12 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

## 6.13 Provisions

Provisions are recognised when the Group 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 reporting date and adjusted to reflect the current best estimate.

## 6.14 Dividend and appropriations

Dividend distribution to the Holding Company's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

## 6.15 Employees' benefits

### 6.15.1 Defined contribution plan - Provident fund

The Group operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Group and its employees, to the fund at the rate of 10 percent of the basic salaries of employees.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

Contributions by the Group are charged to consolidated statement of profit or loss for the year.

## 6.15.2 Defined benefit plans - Gratuity fund

The Group operates a funded retirement gratuity scheme for its permanent employees other than those who joined the Group on or after October 16, 1984. Further, the Group also operates an unfunded retirement gratuity scheme for contractual employees. Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually under the projected unit credit method. The latest valuation was carried out as at June 30, 2025. The remeasurement of defined benefit plan is recognised directly to equity through other comprehensive income net of tax.

Effective, July 01, 2023, gratuity is calculated in two parts, i.e., the first part is based on the last drawn full basic monthly wages for each completed year of service, and the second part is based on the fixed allowances frozen at June 30, 2023 and after that, the fixed allowances will be compounded annually at a fixed interest rate (Group provided each year) until retirement or resignation.

The benefit is payable on completion of prescribed qualifying period of service under these schemes.

The Group crew members are also entitled to gratuity in accordance with the Pakistan Maritime Board Regulations. These employee benefits are recognised on provisional basis as per actuarial report.

## 6.15.3 Defined benefit plan - Post-retirement medical benefits

The Group provides lump sum medical allowance and free medical facilities to its retired employees in accordance with the service regulations.

During the year ended June 30, 2014, the Group introduced the policy of post-retirement medical benefits for its shore based contractual employees with effect from October 29, 2013.

Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2025. The remeasurement of post-retirement benefit obligation is recognised directly to equity through OCI.

The benefit is payable on completion of prescribed qualifying period of service under these schemes.

With effect from July 01, 2020, the Group has decided to restrict the Post-retirement medical benefits facility for contractual employees.

## 6.16 Employees' compensated absences

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned.

Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2024. The remeasurement of employees' compensated absences are charged to consolidated statement of profit or loss.

## 6.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques in hand, bank balances and other short-term highly liquid investments with maturities of three months or less.

## 6.18 Foreign currency transactions and translation

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupee using the exchange rate ruling at the reporting date. Foreign exchange gain or losses resulting from the settlement of foreign currency transactions and translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are consolidated recognised in statement of profit or loss.

## 6.19 Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the rendering of services in the ordinary course of the Group's activities, net of rebates, discounts and excluding amounts collected on behalf of third parties. Revenue is recognized when or as performance obligations are satisfied by transferring services to the customer, i.e. over time, provided that the stage of completion can be measured reliably.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

The Group recognises revenue from the following major sources:

- voyage charter revenue;
- slot charter revenue;
- time charter;
- demurrage income; and
- others.

## Voyage charter revenue

All freight voyage charter revenue and voyage expenses are recognized on a percentage of completion basis. Load-to-discharge basis is used in determining the percentage of completion basis. Revenue is recognised evenly over the period from point of loading of current voyage to the point of discharge of the current voyage. Management uses its judgement in estimating the total number of days of a voyage based on historical trends, the operating capability of the vessel (speed and fuel consumption) and the distance of the trade route.

Revenue is not recognised during the period of mobilization of vessel from a previous discharge port to a next load port (Ballast leg) if there is no legally binding contract in place for the subsequent charter and costs incurred in positioning the vessel from last discharge port to the next load port (ballast cost) are capitalised at the end of ballast voyage and charged to next laden voyage from load port to discharge port.

## Time charter revenue

Revenue in respect of freight income for a period of time, i.e., on time charter basis are recognized over time on per day basis for the period for which the vessel is under the control of the charterer as per terms of charter party agreement.

## Slot charter revenue

Slot charter revenue is recognized on percentage of completion basis estimating the total income for a vessel under a slot charter arrangement. Revenue is recognized over time based on the progress of fulfilment, measured by the number of days incurred relative to the estimated total duration of the slot charter. The measurement period begins at the commencement of the slot charter and continues until the vessel arrives at the discharge port.

## Demurrage income

Freight contracts contains conditions regarding the amount of time available for loading and discharging of the vessel. Demurrage income, recognised over time, represents the compensation estimated for the additional time incurred for loading and discharging a vessel. Demurrage income due as per contractual terms is recognised on estimated basis, based on past experience of settlements and recent recovery trends.

## Others

- Rental income is recognised as revenue on a straight line basis over the term of the respective lease arrangements.
- Dividend income is recognised when the Group's right to receive the dividend is established.
- Mark-up on bank accounts, return on short-term investments and other income is recognised on accrual basis.

## 6.20 Contract assets

For voyages in progress at the end of a reporting period, the Group recognises a percentage of the estimated revenue for the voyage equal to the percentage of the estimated duration of the voyage completed at the reporting date and recognises contract asset. The estimate of revenue is based on the expected duration of the voyage.

## 6.21 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 6.22 Benazir Employees' Stock Option Scheme

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme (the Scheme) for eligible employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises (non-SOEs) where GoP holds significant investments. To administer the Scheme, the GoP transferred 12% of its investment to BESOS Trust Fund (the Trust) created for the purpose by each of such entities.

Keeping in view the difficulties that may be faced by the entities covered under the Scheme, SECP on receiving representation from some of the entities covered under the scheme and after having consulted the Institute of Chartered Accountants of Pakistan vide their letter number CAIDTS/PS& TAC/2011-2036 dated February 2, 2011 granted exemption to such entities from the application of IFRS 2 (Share based payment) to the Scheme vide SRO 587 (I)/2011 dated June 7, 2011.

The Supreme Court of Pakistan (SCP), vide its detailed judgment dated December 22, 2021, has declared the BESOS Scheme ultra vires. Accordingly, the appropriate measures in collaboration with relevant stakeholders are being taken by the Holding Company to implement the decision of the SCP.

## 6.23 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 6.24 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding 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.

## 6.25 Associates

Associates are those entities in which the Holding Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Holding Company holds between 20 and 50 percent of the voting power of another entity or when the Holding Company has significant influence through common directorship(s).

Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

## 6.26 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Group, management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

### 6.26.1 Current tax

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

### 6.26.2 Deferred tax

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the enacted tax rate.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

## 6.26.3 Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levies in the consolidated statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC-21 'Levies' or IAS-37 'Provisions, Contingent Liabilities and Contingent Assets'.

The Group has selected Approach B of 'IAS-12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by The Institute of Chartered Accountants of Pakistan, according to which, designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS-12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as levies falling under the scope of IFRIC-21 'Levies' or IAS-37 'Provisions, Contingent Liabilities and Contingent Assets'.

## 7. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to these consolidated financial statements:

- (a) Valuation of certain property, plant and equipment and investment properties (notes 6.1, 6.5, 8 and 11);
- (b) Depreciation rate and determination of the residual values of property, plant and equipment (notes 6.1 and 8);
- (c) Allowance for ECL on trade debts, agents' and owners' balances, other receivables and other financial assets (notes 6.7.3, 17, 18, 21 and 38);
- (d) Provision for levies, current and deferred tax (notes 6.26, 15, 42 and 43);
- (e) Provision against damage claims (notes 6.13 and 31);
- (f) Provision for employee benefits and compensated absences (notes 6.15, 6.16 and 28);
- (g) Recognition of demurrage income, estimation of days for vessel in-transit, income from heating and miscellaneous claims (notes 6.19 and 34);
- (h) Contingencies (notes 6.21 and 32); and
- (i) Provision for slow moving stores and spares (notes 6.8 and 16).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

## 8. PROPERTY, PLANT AND EQUIPMENT

|                                          | Note | June 30,<br>2025  | June 30,<br>2024  |
|------------------------------------------|------|-------------------|-------------------|
|                                          |      | (Rupees in '000)  |                   |
| Operating fixed assets                   | 8.1  | 27,975,632        | 34,707,222        |
| Major spare parts and stand-by equipment | 8.6  | 1,361,205         | 1,687,539         |
| Capital work-in-progress                 | 8.10 | 1,547,564         | 105,950           |
|                                          |      | <u>30,884,401</u> | <u>36,500,711</u> |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 8.1 Operating fixed assets

|                                             | Vessel fleet (note 8.5)          |                                               |              |             | Total        | (Rupees in '000) |                  |                        |                    |                              |                                                    |                    |              |
|---------------------------------------------|----------------------------------|-----------------------------------------------|--------------|-------------|--------------|------------------|------------------|------------------------|--------------------|------------------------------|----------------------------------------------------|--------------------|--------------|
|                                             | Leasehold land (notes 8.2 - 8.4) | Buildings on leasehold land (notes 8.2 - 8.4) | Cost         | Dry docking |              | Vehicles         | Office equipment | Furniture and fittings | Equipment on board | Beach huts (notes 8.2 - 8.4) | Workshop machinery and equipment (notes 8.3 & 8.4) | Computer equipment | Total        |
| As at June 30, 2023                         |                                  |                                               |              |             |              |                  |                  |                        |                    |                              |                                                    |                    |              |
| Cost or revalued amount                     | 1,399,780                        | 901,174                                       | 44,172,360   | 2,884,858   | 47,057,218   | 62,089           | 79,426           | 45,139                 | 117,360            | 23,123                       | 24,225                                             | 129,044            | 49,838,578   |
| Accumulated depreciation                    | -                                | (171,590)                                     | (13,447,095) | (1,477,064) | (14,924,159) | (41,170)         | (66,551)         | (37,105)               | (63,314)           | (8,533)                      | (16,498)                                           | (81,130)           | (15,412,050) |
| Accumulated impairment loss                 | -                                | (15,019)                                      | -            | -           | -            | -                | -                | -                      | -                  | -                            | -                                                  | -                  | (15,019)     |
| Net book value                              | 1,399,780                        | 714,565                                       | 30,725,265   | 1,407,794   | 32,133,059   | 20,919           | 12,875           | 8,034                  | 54,046             | 14,590                       | 5,727                                              | 47,914             | 34,411,509   |
| Year ended June 30, 2024                    |                                  |                                               |              |             |              |                  |                  |                        |                    |                              |                                                    |                    |              |
| Opening net book value                      | 1,399,780                        | 714,565                                       | 30,725,265   | 1,407,794   | 32,133,059   | 20,919           | 12,875           | 8,034                  | 54,046             | 14,590                       | 5,727                                              | 47,914             | 34,411,509   |
| Additions including transfers               | -                                | -                                             | -            | 2,732,789   | 2,732,789    | 29,494           | 19,757           | 3,212                  | 38,433             | -                            | -                                                  | 14,311             | 2,837,996    |
| Write-offs                                  | -                                | -                                             | -            | -           | -            | -                | -                | -                      | -                  | -                            | -                                                  | -                  | -            |
| - Cost                                      | -                                | -                                             | -            | (414,727)   | (414,727)    | -                | -                | -                      | (192)              | -                            | (158)                                              | -                  | (415,077)    |
| - Accumulated depreciation                  | -                                | -                                             | -            | 414,727     | 414,727      | -                | -                | -                      | 192                | -                            | 47                                                 | -                  | 414,966      |
| Disposals                                   | -                                | -                                             | -            | -           | -            | -                | -                | -                      | -                  | -                            | (111)                                              | -                  | (111)        |
| - Cost                                      | -                                | -                                             | -            | -           | -            | -                | -                | (139)                  | -                  | -                            | -                                                  | -                  | (139)        |
| - Accumulated depreciation                  | -                                | -                                             | -            | -           | -            | -                | -                | 139                    | -                  | -                            | -                                                  | -                  | 139          |
| Revaluation surplus                         | 289,895                          | 469,418                                       | -            | -           | -            | -                | -                | -                      | -                  | 4,196                        | 25,788                                             | -                  | 789,297      |
| Depreciation charge for the year - note 8.7 | -                                | (38,431)                                      | (1,585,686)  | (1,657,322) | (3,243,008)  | (10,795)         | (4,657)          | (2,391)                | (16,430)           | (2,312)                      | (1,309)                                            | (27,155)           | (3,346,488)  |
| Reversal of Impairment                      | -                                | 15,019                                        | -            | -           | -            | -                | -                | -                      | -                  | -                            | -                                                  | -                  | 15,019       |
| Closing net book value                      | 1,689,675                        | 1,160,571                                     | 29,139,579   | 2,483,261   | 31,622,840   | 39,618           | 27,975           | 8,855                  | 76,049             | 16,474                       | 30,095                                             | 35,070             | 34,707,222   |
| As at June 30, 2024                         |                                  |                                               |              |             |              |                  |                  |                        |                    |                              |                                                    |                    |              |
| Cost or revalued amount                     | 1,689,675                        | 1,370,592                                     | 44,172,360   | 5,202,920   | 49,375,280   | 91,583           | 99,183           | 48,212                 | 155,601            | 27,319                       | 49,855                                             | 143,355            | 53,050,655   |
| Accumulated depreciation                    | -                                | (210,021)                                     | (15,032,781) | (2,719,659) | (17,752,440) | (51,965)         | (71,208)         | (39,357)               | (79,552)           | (10,845)                     | (19,760)                                           | (108,285)          | (18,343,433) |
| Net book value                              | 1,689,675                        | 1,160,571                                     | 29,139,579   | 2,483,261   | 31,622,840   | 39,618           | 27,975           | 8,855                  | 76,049             | 16,474                       | 30,095                                             | 35,070             | 34,707,222   |
| Year ended June 30, 2025                    |                                  |                                               |              |             |              |                  |                  |                        |                    |                              |                                                    |                    |              |
| Opening net book value                      | 1,689,675                        | 1,160,571                                     | 29,139,579   | 2,483,261   | 31,622,840   | 39,618           | 27,975           | 8,855                  | 76,049             | 16,474                       | 30,095                                             | 35,070             | 34,707,222   |
| Additions including transfers               | -                                | 15,933                                        | -            | 1,660,925   | 1,660,925    | -                | 19,315           | 5,790                  | 8,743              | -                            | 4,313                                              | 31,322             | 1,746,341    |
| Write-offs                                  | -                                | -                                             | -            | -           | -            | -                | -                | -                      | -                  | -                            | -                                                  | -                  | -            |
| - Cost                                      | -                                | -                                             | -            | (513,708)   | (513,708)    | -                | (13,766)         | (5,388)                | (726)              | -                            | -                                                  | (16,297)           | (549,885)    |
| - Accumulated depreciation                  | -                                | -                                             | -            | 513,708     | 513,708      | -                | 13,766           | 5,388                  | 726                | -                            | -                                                  | 16,297             | 549,885      |
| Disposals                                   | -                                | -                                             | -            | -           | -            | -                | -                | -                      | -                  | -                            | -                                                  | -                  | -            |
| - Cost                                      | -                                | -                                             | (8,231,303)  | (1,798,264) | (10,029,567) | -                | (793)            | -                      | (23,966)           | -                            | -                                                  | (2,724)            | (10,057,050) |
| - Accumulated depreciation                  | -                                | -                                             | 4,119,319    | 1,080,186   | 5,199,505    | -                | 793              | -                      | 18,389             | -                            | -                                                  | 2,686              | 5,221,373    |
| Depreciation charge for the year - note 8.7 | -                                | -                                             | (4,111,984)  | (718,078)   | (4,830,062)  | -                | -                | -                      | (5,577)            | -                            | -                                                  | (38)               | (4,835,677)  |
| Closing net book value                      | 1,689,675                        | 1,121,697                                     | 23,313,586   | 1,631,344   | 24,944,930   | 27,632           | 39,897           | 11,782                 | 61,180             | 13,742                       | 28,926                                             | 36,171             | 27,975,632   |
| As at June 30, 2025                         |                                  |                                               |              |             |              |                  |                  |                        |                    |                              |                                                    |                    |              |
| Cost or revalued amount                     | 1,689,675                        | 1,386,525                                     | 35,941,057   | 4,551,873   | 40,492,930   | 91,583           | 103,939          | 48,614                 | 139,652            | 27,319                       | 54,168                                             | 155,656            | 44,190,061   |
| Accumulated depreciation                    | -                                | (264,828)                                     | (12,627,471) | (2,920,529) | (15,548,000) | (63,951)         | (64,042)         | (36,832)               | (78,472)           | (13,577)                     | (25,242)                                           | (119,485)          | (16,214,429) |
| Net book value                              | 1,689,675                        | 1,121,697                                     | 23,313,586   | 1,631,344   | 24,944,930   | 27,632           | 39,897           | 11,782                 | 61,180             | 13,742                       | 28,926                                             | 36,171             | 27,975,632   |
| Annual rate of depreciation (%)             | -                                | 3 to 15                                       | 3.33 to 20   | 40          | -            | 20               | 15               | 10 to 15               | 10 to 15           | 10                           | 5 to 10                                            | 33                 | -            |
| Annual rate of depreciation (%)             | -                                | 3 to 20                                       | 3.33 to 20   | 40          | -            | 20               | 15               | 10 to 15               | 10 to 15           | 10                           | 5 to 10                                            | 33                 | -            |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

8.2 Particulars of immovable property (i.e. Leasehold land and Buildings on leasehold land) are as follows:

| S.No. | Location                                                      | Usage of immovable property | Total area (Sq. yards) | Covered area (Sq. feet) |
|-------|---------------------------------------------------------------|-----------------------------|------------------------|-------------------------|
| 1     | PNSC Building, Plot No. 30-A<br>Off. M.T. Khan Road, Karachi. | Registered office           | 7,836                  | 234,288                 |
| 2     | PNSC Building, Plot No. 31-A<br>Off. M.T. Khan Road, Karachi. | Leasehold land              | 1,834                  | 22,120                  |
| 3     | Plot No. 17/1, West Wharf, Karachi.                           | Storage facility            | 705                    | 19,035                  |
| 4     | Plot No. 30, Township, Kemari, Karachi.                       | Workshop                    | 7,925                  | 33,827                  |
| 5     | Plot No. D-51, Block-5, Clifton, Karachi.                     | Residential bungalow        | 1,000                  | 6,385                   |
| 6     | PNSC Beach Hut-I, No. 12-S, Sandspit, Karachi                 | Beach hut                   | 417                    | 2,296                   |
| 7     | PNSC Beach Hut-II, No. 37-N, Sandspit, Karachi                | Beach hut                   | 448                    | 2,314                   |
| 8     | Plot No. 70/4, Timber hard, Kemari, Karachi                   | Storage facility            | 705                    | 15,680                  |

8.3 Forced sales value of the aforementioned immovable properties determined on the basis of revaluation carried out as at June 30, 2024 by an independent valuer are as follows:

| S.No. | Class of asset                   | (Rupees in '000) |
|-------|----------------------------------|------------------|
| 1     | Leasehold land                   | 1,736,403        |
| 2     | Buildings on leasehold land      | 963,025          |
| 3     | Beach huts                       | 13,179           |
| 4     | Workshop machinery and equipment | 24,077           |

## 8.3.1 Valuation techniques

The valuers have performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the better estimates of the fair value.

Further, for workshop machinery and equipment the valuer commensurate for the condition of machinery and to arrive at present value, they have applied suitable depreciation factor. The age, make, origin, condition etc. has been taken into account, while arriving at the present market value.

8.4 Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

|                                                            | June 30, 2025    | June 30, 2024    |
|------------------------------------------------------------|------------------|------------------|
|                                                            | (Rupees in '000) | (Rupees in '000) |
| Leasehold land, buildings on leasehold land and beach huts | 460,085          | 471,316          |
| Workshop machinery and equipment                           | 3,803            | -                |
|                                                            | 463,888          | 471,316          |

8.5 Cost and accumulated depreciation of vessel amounting to Rs 1.440 million relates to M.V Ilyas Bux. This vessel was seized by the Indian Authorities during the 1965 war and the Group does not have physical possession or control over the vessel.

|                             | June 30, 2025    | June 30, 2024    |
|-----------------------------|------------------|------------------|
|                             | (Rupees in '000) | (Rupees in '000) |
| Opening net book value      | 1,687,539        | 1,330,776        |
| Additions during the year   | 554,320          | 703,403          |
| Write-offs                  | (254)            | -                |
| Disposal                    | (398,254)        | -                |
|                             | 1,843,351        | 2,034,179        |
| Depreciation (rate 5% - 7%) | (482,146)        | (346,640)        |
| Closing net book value      | 1,361,205        | 1,687,539        |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|      |                                                                     | June 30,<br>2025 | June 30,<br>2024 |
|------|---------------------------------------------------------------------|------------------|------------------|
| Note |                                                                     | (Rupees in '000) |                  |
| 8.7  | The depreciation charge for the year has been allocated as follows: |                  |                  |
|      | Fleet expenses                                                      | 35 4,005,636     | 3,604,920        |
|      | Real estate expenses                                                | 36 40,920        | 26,708           |
|      | Administrative expenses                                             | 37 77,162        | 61,500           |
|      |                                                                     | <u>4,123,718</u> | <u>3,693,128</u> |

8.8 Details of fixed assets disposed during the year whose aggregated book value exceeds Rs. 0.5 million are as follows:

| Particulars                              | Cost             | Accumulated<br>depreciation | Written down<br>value |
|------------------------------------------|------------------|-----------------------------|-----------------------|
|                                          |                  | (Rupees in '000)            |                       |
| PNSC Managed Fleet - M.T Lahore          |                  |                             |                       |
| Vessel cost                              | 3,365,434        | (1,596,077)                 | 1,769,357             |
| Dry docking                              | 565,642          | (377,095)                   | 188,547               |
| Equipment on board                       | 12,879           | (11,407)                    | 1,472                 |
| Computer equipment                       | 543              | (543)                       | -                     |
| Major spare parts and stand-by equipment | 474,413          | (244,511)                   | 229,902               |
| <b>Total</b>                             | <b>4,418,911</b> | <b>(2,229,633)</b>          | <b>2,189,278</b>      |
| Less: Sale proceeds                      |                  |                             | <u>4,855,186</u>      |
| Gain on disposal (note 40)               |                  |                             | <u>2,665,908</u>      |
| PNSC Managed Fleet - M.T Quetta          |                  |                             |                       |
| Vessel cost                              | 4,865,869        | (2,523,242)                 | 2,342,627             |
| Dry docking                              | 1,232,622        | (703,091)                   | 529,531               |
| Equipment on board                       | 11,087           | (6,982)                     | 4,105                 |
| Computer equipment                       | 2,181            | (2,143)                     | 38                    |
| Major spare parts and stand-by equipment | 323,842          | (155,490)                   | 168,352               |
| <b>Total</b>                             | <b>6,435,601</b> | <b>(3,390,948)</b>          | <b>3,044,653</b>      |
| Less: Sale proceeds                      |                  |                             | <u>4,817,168</u>      |
| Gain on disposal (note 40)               |                  |                             | <u>1,772,515</u>      |

8.8.1 As disclosed, the Group disposed off its Vessels, Fleet - MT Lahore and Fleet - MT Quetta, by negotiated tender sale through broker to Rising Universe Shipping Limited.



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                                                                 | June 30,<br>2025             | June 30,<br>2024 |
|---------------------------------------------------------------------------------|------------------------------|------------------|
| Note                                                                            | ----- (Rupees in '000) ----- |                  |
| <b>8.9 Surplus on revaluation on property, plant and equipment - net of tax</b> |                              |                  |
| As at July 01                                                                   | 2,424,357                    | 1,644,092        |
| Revaluation surplus during the year                                             | -                            | 789,297          |
| NCI share in revaluation surplus                                                | -                            | (1,142)          |
| Transferred to unappropriated profit on account of incremental depreciation     | (34,205)                     | (7,890)          |
|                                                                                 | <u>2,390,152</u>             | <u>2,424,357</u> |

As at June 30

Less: related deferred tax liability on:

Revaluation surplus as at July 01

Surplus arising during the year

Adjustment due to change in tax rate

Incremental depreciation charged during the year

|                  |                  |
|------------------|------------------|
| 253,504          | 31,568           |
| -                | 194,106          |
| -                | 30,907           |
| (13,340)         | (3,077)          |
| <u>240,164</u>   | <u>253,504</u>   |
| <u>2,149,988</u> | <u>2,170,853</u> |

## 8.10 Capital work-in-progress

|                                     |                  |                |
|-------------------------------------|------------------|----------------|
| Balance at beginning of the year    | 105,950          | 63,726         |
| Additions during the year           | 1,441,614        | 51,880         |
| Transfers to operating fixed assets | -                | (9,656)        |
| Balance at end of the year          | <u>1,547,564</u> | <u>105,950</u> |

8.10.1

**8.10.1** It represents capital expenditure amounting to Rs. 1,385.010 million on container vessel, Rs. 104.225 million on renovation of 15th and 16th floor of PNSC building and Rs. 58.329 million related to PNSC mosque.

|      | June 30,<br>2025             | June 30,<br>2024 |
|------|------------------------------|------------------|
| Note | ----- (Rupees in '000) ----- |                  |

## 9. RIGHT-OF-USE ASSETS

### Rental Properties

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Balance at the beginning of the year | 8,514        | 80,971       |
| Termination of lease during the year | -            | (69,322)     |
| Depreciation                         | (1,802)      | (3,135)      |
| Balance at the end of the year       | <u>6,712</u> | <u>8,514</u> |
| <b>Lease term (in years)</b>         | <u>10</u>    | <u>10</u>    |

9.1

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**9.1** Lease agreements related to Gwadar workshop & Gwadar repair shade were terminated before the expiry of their lease terms during the year ended June 30, 2024.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 10. INTANGIBLE ASSETS

|                                        | Ship Management Expert System (SES) (notes 10.1) | Backup Software (notes 10.2) | DANAOS Enterprise Software (notes 10.3) | Capital work-in-progress (CWIP) (notes 10.4) | Total     |
|----------------------------------------|--------------------------------------------------|------------------------------|-----------------------------------------|----------------------------------------------|-----------|
| (Rupees in '000)                       |                                                  |                              |                                         |                                              |           |
| <b>As at June 30, 2023</b>             |                                                  |                              |                                         |                                              |           |
| Cost                                   | 16,503                                           | -                            | -                                       | 73,559                                       | 90,062    |
| Accumulated amortization               | (16,503)                                         | -                            | -                                       | -                                            | (16,503)  |
| Net book value                         | -                                                | -                            | -                                       | 73,559                                       | 73,559    |
| <b>Year ended June 30, 2024</b>        |                                                  |                              |                                         |                                              |           |
| Opening net book value                 | -                                                | -                            | -                                       | 73,559                                       | 73,559    |
| Additions during the year              | -                                                | 1,308                        | -                                       | 85,904                                       | 87,212    |
| Amortisation for the year              | -                                                | (326)                        | -                                       | -                                            | (326)     |
| Closing net book value                 | -                                                | 982                          | -                                       | 159,463                                      | 160,445   |
| <b>As at June 30, 2024</b>             |                                                  |                              |                                         |                                              |           |
| Cost                                   | 16,503                                           | 1,308                        | -                                       | 159,463                                      | 177,274   |
| Accumulated amortization               | (16,503)                                         | (326)                        | -                                       | -                                            | (16,829)  |
| Net book value                         | -                                                | 982                          | -                                       | 159,463                                      | 160,445   |
| <b>Year ended June 30, 2025</b>        |                                                  |                              |                                         |                                              |           |
| Opening net book value                 | -                                                | 982                          | -                                       | 159,463                                      | 160,445   |
| Additions during the year              | -                                                | 8,005                        | 178,287                                 | 18,824                                       | 205,116   |
| Transfers during the year              | -                                                | -                            | -                                       | (178,287)                                    | (178,287) |
| Amortisation for the year              | -                                                | (1,992)                      | (35,658)                                | -                                            | (37,650)  |
| Closing net book value                 | -                                                | 6,995                        | 142,629                                 | -                                            | 149,624   |
| <b>As at June 30, 2025</b>             |                                                  |                              |                                         |                                              |           |
| Cost                                   | 16,503                                           | 9,313                        | 178,287                                 | -                                            | 204,103   |
| Accumulated amortization               | (16,503)                                         | (2,318)                      | (35,658)                                | -                                            | (54,479)  |
| Net book value                         | -                                                | 6,995                        | 142,629                                 | -                                            | 149,624   |
| <b>Annual rate of amortisation (%)</b> |                                                  |                              |                                         |                                              |           |
| 2025                                   | 20 - 33                                          | 20 - 33                      | 20 - 33                                 |                                              |           |
| 2024                                   | 33                                               | 33                           | 33                                      |                                              |           |

10.1 It represents SES which was fully amortized during the year ended June 30, 2009.

10.2 It represents addition of backup software purchased during the year ended June 30, 2025.

10.3 It represents addition of DANAOS during the year ended June 30, 2025.

10.4 CWIP transferred to DANAOS Enterprise System.

## 11. INVESTMENT PROPERTIES

|                                    | Leasehold land | Buildings on leasehold land | Capital work in progress | Total     |
|------------------------------------|----------------|-----------------------------|--------------------------|-----------|
| (Rupees in '000)                   |                |                             |                          |           |
| <b>At fair value</b>               |                |                             |                          |           |
| <b>Balance as at July 01, 2023</b> | 3,989,051      | 109,375                     | 2,079                    | 4,100,505 |
| Transfers from CWIP                | -              | 2,079                       | (2,079)                  | -         |
| Gain / (loss) on revaluation       | 219,880        | (33)                        | -                        | 219,847   |
| <b>Balance as at June 30, 2024</b> | 4,208,931      | 111,421                     | -                        | 4,320,352 |
| Additions during the year          | -              | 68,800                      | -                        | 68,800    |
| Gain on revaluation                | 214,440        | 4,210                       | -                        | 218,650   |
| <b>Balance as at June 30, 2025</b> | 4,423,371      | 184,431                     | -                        | 4,607,802 |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 11.1 Particulars of immovable investment properties are as follows:

| Location                                                                    | Usage of immovable property | Total area (Sq. yards) | Covered area (Sq. feet) |
|-----------------------------------------------------------------------------|-----------------------------|------------------------|-------------------------|
| Plot bearing Survey No. 4/1-A, Main I. I. Chundrigar Road, Karachi          | Investment property         | 2,786                  | 230,555                 |
| Plot No. 35-B, North circular avenue, DHA, Phase I, Karachi                 | Investment property         | 1,088                  | 5,675                   |
| Plot No. 6 & 6-A, Block H, Gulberg-II, Lahore                               | Investment property         | 268                    | 2,410                   |
| Plot bearing Survey No. 15, Main Talpur Road, I.I. Chundrigar Road, Karachi | Investment property         | 9,856                  | 111,262                 |

## 11.2 Forced sales value of the aforementioned investment properties as of the reporting date are as follows:

| S.No. | Class of asset              | Note | June 30, 2025<br>(Rupees in '000) | June 30, 2024 |
|-------|-----------------------------|------|-----------------------------------|---------------|
| 1     | Leasehold land              |      | 3,954,384                         | 3,367,145     |
| 2     | Buildings on leasehold land |      | 117,546                           | 89,137        |

## 11.3 The revaluation of the Group's investment properties was carried out by an independent valuer as of June 30, 2025.

## 11.4 Valuation techniques

The fair value of the investment property was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category the property being valued. The valuers have performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the better estimates of the fair value.

## 12. LONG-TERM INVESTMENT IN RELATED PARTY (AN ASSOCIATE)

### Equity Method

| No. of shares - ordinary | Name of the company | Country of incorporation | Share of net assets          |               | Latest available audited financial statements for the year ended | Percentage holding % | Face value per share (Rupees) | June 30, 2025    | June 30, 2024    |
|--------------------------|---------------------|--------------------------|------------------------------|---------------|------------------------------------------------------------------|----------------------|-------------------------------|------------------|------------------|
|                          |                     |                          | June 30, 2025                | June 30, 2024 |                                                                  |                      |                               | (Rupees in '000) | (Rupees in '000) |
| June 30, 2025            | June 30, 2024       |                          | ----- (Rupees in '000) ----- |               |                                                                  |                      |                               |                  |                  |

### Associate - unquoted

|        |        |                                     |          |       |       |                   |    |     |       |       |
|--------|--------|-------------------------------------|----------|-------|-------|-------------------|----|-----|-------|-------|
| 12,250 | 12,250 | Muhammadi Engineering Works Limited | Pakistan | 1,600 | 1,600 | December 31, 1982 | 49 | 100 | 1,600 | 1,600 |
|        |        | Less: Accumulated impairment losses |          |       |       |                   |    |     | 1,600 | 1,600 |
|        |        |                                     |          |       |       |                   |    |     | -     | -     |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 13. LONG-TERM INVESTMENTS IN LISTED COMPANIES AND AN OTHER ENTITY

Note June 30, 2025 June 30, 2024  
----- (Rupees in '000) -----

### Listed companies - At fair value through profit or loss

Siemens (Pakistan) Engineering Company Limited

6,930 (2024: 6,930) fully paid ordinary shares of Rs. 10 each

Market value per share as at June 30, 2025 Rs. 1,523.21 (2024: Rs. 525.59)

13.1 10,556 3,643

Pakistan State Oil Company Limited

199,336 (2024: 199,336) fully paid ordinary shares of Rs. 10 each.

Market value per share as at June 30, 2025 Rs. 377.53 (2024: Rs. 166.21)

13.2 75,255 33,131  
85,811 36,774

### Other entity - At cost

Pakistan Tourism Development Corporation Limited

10,000 (2024: 10,000) fully paid ordinary shares of Rs. 10 each.

100 100  
85,911 36,874

### 13.1 The Group holds 0.084% (2024: 0.084%) of the investee's share capital.

Balance at the beginning of the year

Gain / (loss) on revaluation

Balance at the end of the year

39 & 40 3,643 4,799  
6,913 (1,156)  
10,556 3,643

### 13.2 The Group holds 0.04246% (2024: 0.04246%) of the investee's share capital.

Balance at the beginning of the year

Gain on revaluation

Balance at the end of the year

40 33,131 22,128  
42,124 11,003  
75,255 33,131

## 14. LONG-TERM LOANS

- due from executives

- due from other employees

14.1 94,616 15,552  
19,066 16,996  
14.5 113,682 32,548

Less: Recoverable within one year

- due from executives

- due from other employees

18,451 6,851  
3,990 6,201  
19 22,441 13,052  
91,241 19,496

### 14.1 Reconciliation of carrying amount of loans to executives:

Balance at the beginning of the year

Transfer from other employees to executive

Disbursements

Repayments

Discounting during the year

Unwinding of discount

Balance at the end of the year

15,552 24,150  
9,045 -  
131,152 4,217  
155,749 28,367  
27,344 (12,815)  
14.4 (36,695) -  
2,906 -  
94,616 15,552

### 14.2 These loans have been given to executives and other employees of the Holding Company for personal use in accordance with their terms of employment. These loans are to be repaid over a period of one to five years in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the Holding Company is adjustable against final settlement.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

- 14.3** The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 94.6 million (2024: Rs. 26.47 million).
- 14.4** During the year, the Holding Company converted all long-term loans granted to employees, from interest-bearing loans based on slab rates to interest-free loans, effective from April 01, 2025, as part of revised employee benefit arrangements. The effect of discounting of interest free loans recognized at 14.33% for its fair value.
- 14.5** The interest charged on the loans at following rates uptill March 31, 2025:
- Upto Rs. 1 million the rate is charged at 10%.
  - More than Rs.1 million but less than Rs. 3 million the rate of Defence Saving Certificates (net of tax).
  - More than Rs. 3 million but less than Rs. 5 million the rate of six months KIBOR.

June 30,  
2025                  June 30,  
2024  
----- (Rupees in '000) -----

## 15. DEFERRED TAXATION

- provisions and employee benefits 520,478                  671,310

Taxable temporary differences arising in respect of:

- surplus on revaluation of property, plant and equipment
- accelerated tax depreciation
- right-of-use assets
- short-term investments

|           |           |
|-----------|-----------|
| (240,164) | (253,504) |
| (101,598) | (92,644)  |
| (2,618)   | (3,320)   |
| (20,845)  | (51,170)  |
| (365,225) | (400,638) |
| 155,253   | 270,672   |

- 15.1** The movement in temporary differences is as follows:

|                                                              | For the year ended<br>June 30, 2024 |                                    |                                                   | For the year ended<br>June 30, 2025 |                                    |                                                   |                                |
|--------------------------------------------------------------|-------------------------------------|------------------------------------|---------------------------------------------------|-------------------------------------|------------------------------------|---------------------------------------------------|--------------------------------|
|                                                              | Balance as at<br>July 1, 2023       | Recognised<br>in profit or<br>loss | Recognised in<br>other<br>comprehensive<br>income | Balance as<br>at June 30,<br>2024   | Recognised<br>in profit or<br>loss | Recognised in<br>other<br>comprehensive<br>income | Balance as at<br>June 30, 2025 |
| ----- (Rupees in '000) -----                                 |                                     |                                    |                                                   |                                     |                                    |                                                   |                                |
| <b>Deductible temporary differences:</b>                     |                                     |                                    |                                                   |                                     |                                    |                                                   |                                |
| - provisions and employee benefits                           | 176,869                             | 368,641                            | 125,800                                           | 671,310                             | (144,058)                          | (6,774)                                           | 520,478                        |
| <b>Taxable temporary differences:</b>                        |                                     |                                    |                                                   |                                     |                                    |                                                   |                                |
| - surplus on revaluation of property,<br>plant and equipment | (31,568)                            | 3,077                              | (225,013)                                         | (253,504)                           | 13,340                             | -                                                 | (240,164)                      |
| - accelerated tax depreciation                               | (43,570)                            | (49,074)                           | -                                                 | (92,644)                            | (8,954)                            | -                                                 | (101,598)                      |
| - right-of-use asset                                         | (13,080)                            | 9,760                              | -                                                 | (3,320)                             | 702                                | -                                                 | (2,618)                        |
| - short-term investments                                     | -                                   | (51,170)                           | -                                                 | (51,170)                            | 30,325                             | -                                                 | (20,845)                       |
|                                                              | (88,218)                            | (87,407)                           | (225,013)                                         | (400,638)                           | 35,413                             | -                                                 | (365,225)                      |
|                                                              | 88,651                              | 281,234                            | (99,213)                                          | 270,672                             | (108,645)                          | (6,774)                                           | 155,253                        |



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                                                                                          | Note | June 30,<br>2025   | June 30,<br>2024   |
|----------------------------------------------------------------------------------------------------------|------|--------------------|--------------------|
| <b>16. STORES AND SPARES</b>                                                                             |      |                    |                    |
| <b>Stores</b>                                                                                            |      |                    |                    |
| - at depot                                                                                               |      | 18,408             | 18,408             |
| - at buildings                                                                                           |      | 472                | 472                |
| - on board                                                                                               |      | 67,196             | 73,923             |
|                                                                                                          |      | <u>86,076</u>      | <u>92,803</u>      |
| <b>Spares</b>                                                                                            |      |                    |                    |
| - at buildings                                                                                           |      | 796                | 796                |
| - on board                                                                                               |      | 969,848            | 1,051,003          |
|                                                                                                          |      | <u>970,644</u>     | <u>1,051,799</u>   |
| <b>Bunker on board</b>                                                                                   |      | <u>1,009,959</u>   | <u>1,745,237</u>   |
|                                                                                                          |      | <u>2,066,679</u>   | <u>2,889,839</u>   |
| <b>Provision for slow moving stores and spares</b>                                                       | 16.1 | <u>(253,324)</u>   | <u>(245,777)</u>   |
|                                                                                                          |      | <u>1,813,355</u>   | <u>2,644,062</u>   |
| <b>16.1 Provision for slow moving stores and spares</b>                                                  |      |                    |                    |
| Balance at the beginning of the year                                                                     |      | 245,777            | 209,447            |
| Charged during the year                                                                                  | 39   | 7,547              | 36,330             |
| Balance at the end of the year                                                                           |      | <u>253,324</u>     | <u>245,777</u>     |
| <b>17. TRADE DEBTS</b>                                                                                   |      |                    |                    |
| <b>Unsecured</b>                                                                                         |      |                    |                    |
| - Due from related parties                                                                               | 17.1 | 2,614,770          | 4,378,086          |
| - Due from others                                                                                        |      | 2,036,060          | 2,838,553          |
|                                                                                                          |      | <u>4,650,830</u>   | <u>7,216,639</u>   |
| Allowance for expected credit loss                                                                       | 17.4 | <u>(1,178,519)</u> | <u>(3,390,913)</u> |
|                                                                                                          |      | <u>3,472,311</u>   | <u>3,825,726</u>   |
| <b>17.1 Ageing analysis of amounts due from related parties, included in trade debts, is as follows:</b> |      |                    |                    |

|                                     | Upto 1<br>month  | 1 to 6<br>months | More<br>than 6 months | As at<br>June 30, 2025 | As at<br>June 30, 2024 |
|-------------------------------------|------------------|------------------|-----------------------|------------------------|------------------------|
| <b>----- (Rupees in '000) -----</b> |                  |                  |                       |                        |                        |
| Pakistan State Oil Company Limited  | -                | -                | -                     | -                      | 2,436,165              |
| Pak Arab Refinery Limited           | 1,190,285        | 198,337          | 336,233               | 1,724,855              | 1,324,828              |
| Pakistan Refinery Limited           | 330,383          | -                | 1,770                 | 332,153                | 255,215                |
| Sui Northern Gas Pipelines Limited  | 935              | 168              | -                     | 1,103                  | 12,634                 |
| District Controller of Stores       | 1,561            | -                | 2,749                 | 4,310                  | 5,001                  |
| Embarkation Commandant              | 1,012            | 56,791           | 100,766               | 158,569                | 115,662                |
| Officer Commanding PAF              | 27,139           | 5,967            | 102,176               | 135,282                | 110,254                |
| Pakistan Ordnance Factory           | 36,031           | 3,958            | -                     | 39,989                 | 14,975                 |
| Others                              | 141,281          | 19,717           | 57,511                | 218,509                | 103,352                |
|                                     | <u>1,728,627</u> | <u>284,938</u>   | <u>601,205</u>        | <u>2,614,770</u>       | <u>4,378,086</u>       |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

**17.2** Ageing analysis of related parties, included in trade debts, that are past due and impaired is as follows:

|                    | June 30,<br>2025            | June 30,<br>2024 |
|--------------------|-----------------------------|------------------|
|                    | ------(Rupees in '000)----- |                  |
| 1 to 6 months      | 30,404                      | 15,283           |
| More than 6 months | 469,347                     | 2,801,637        |
|                    | <u>499,751</u>              | <u>2,816,920</u> |

**17.3** Ageing analysis of others, included in trade debts, that are past due and impaired are as follows:

|                    | June 30,<br>2025            | June 30,<br>2024 |
|--------------------|-----------------------------|------------------|
| Note               | ------(Rupees in '000)----- |                  |
| 1 to 6 months      | 9,760                       | 153,634          |
| More than 6 months | 669,008                     | 420,359          |
|                    | <u>678,768</u>              | <u>573,993</u>   |

**17.4 Allowance for expected credit loss**

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Balance at beginning of the year     | 3,390,913        | 3,266,054        |
| (Reversal) / charged during the year | 38 (1,877,523)   | 124,859          |
| Write-off during the year            | 17.4.1 (334,871) | -                |
| Balance at end of the year           | <u>1,178,519</u> | <u>3,390,913</u> |

**17.4.1** This amount pertains to the write off of already fully provided balance receivable from Pakistan State Oil (PSO) which has been settled in full during the period.

**17.5** The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 4,733 million (2024: Rs. 16,010 million).

|                                         | June 30,<br>2025            | June 30,<br>2024 |
|-----------------------------------------|-----------------------------|------------------|
| Note                                    | ------(Rupees in '000)----- |                  |
| <b>18. AGENTS' AND OWNERS' BALANCES</b> |                             |                  |
| Balances from agents' and owners        | 28,699                      | 35,609           |
| Expected credit loss                    | 18.1 (23,372)               | (25,414)         |
|                                         | <u>5,327</u>                | <u>10,195</u>    |

**18.1 Allowance for expected credit loss**

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Balance at beginning of the year    | 25,414        | 14,873        |
| (Reversal) / charge during the year | 38 (2,042)    | 10,541        |
| Balance at end of the year          | <u>23,372</u> | <u>25,414</u> |

**18.2** The ageing analysis of agents' and owners' balances that are past due and impaired are as follows:

|                    | June 30,<br>2025            | June 30,<br>2024 |
|--------------------|-----------------------------|------------------|
|                    | ------(Rupees in '000)----- |                  |
| Upto 1 month       | 16                          | 11               |
| 1 to 6 months      | -                           | 4                |
| More than 6 months | 23,356                      | 25,399           |
|                    | <u>23,372</u>               | <u>25,414</u>    |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                               |                                           | June 30,<br>2025 | June 30,<br>2024 |
|-------------------------------|-------------------------------------------|------------------|------------------|
| Note                          |                                           | (Rupees in '000) |                  |
| <b>19. LOANS AND ADVANCES</b> |                                           |                  |                  |
|                               | <b>Current portion of long-term loans</b> |                  |                  |
|                               | - due from executives                     | 18,451           | 6,851            |
|                               | - due from other employees                | 3,990            | 6,201            |
| 14                            |                                           | <b>22,441</b>    | 13,052           |
|                               | <b>Advances - unsecured</b>               |                  |                  |
|                               | - employees                               | 67,191           | 67,059           |
| 19.1                          | - contractors and suppliers               | 495,492          | 580,247          |
|                               | - others                                  | 80               | 80               |
|                               |                                           | <b>562,763</b>   | 647,386          |
|                               |                                           | <b>585,204</b>   | 660,438          |

**19.1** The maximum aggregate amount of advance to a related party, at the end of any month during the year was Rs. 75 million (2024: Rs. 33 million).

|                                                      |                                    | June 30,<br>2025 | June 30,<br>2024 |
|------------------------------------------------------|------------------------------------|------------------|------------------|
| Note                                                 |                                    | (Rupees in '000) |                  |
| <b>20. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS</b> |                                    |                  |                  |
|                                                      | Trade deposits                     | 116,659          | 27,699           |
|                                                      | Allowance for expected credit loss | (369)            | (369)            |
|                                                      |                                    | <b>116,290</b>   | 27,330           |
|                                                      | <b>Short-term prepayments</b>      | <b>16,118</b>    | 14,329           |
|                                                      |                                    | <b>132,408</b>   | 41,659           |

**20.1** This includes Rs. 2,500 million (2024: Rs. Nil) amount deposited with Trading Corporation of Pakistan and Rs. 1,374 million (2024: Rs. 1,374 million) amount deposited with Karachi Port Trust (KPT), related parties.

|                              |                                    | June 30,<br>2025 | June 30,<br>2024 |
|------------------------------|------------------------------------|------------------|------------------|
| Note                         |                                    | (Rupees in '000) |                  |
| <b>21. OTHER RECEIVABLES</b> |                                    |                  |                  |
|                              | - Due from related parties         | 970,329          | 912,154          |
|                              | - Due from others                  | 296,378          | 539,235          |
|                              |                                    | <b>1,266,707</b> | 1,451,389        |
|                              | Allowance for expected credit loss | (239,691)        | (194,050)        |
|                              |                                    | <b>1,027,016</b> | 1,257,339        |

**21.1** Ageing analysis of amounts due from related parties, included in other receivables, is as follows:

|                                    | Upto 1<br>month  | 1 to 6<br>months | More<br>than 6 months | As at<br>June 30, 2025 | As at<br>June 30, 2024 |
|------------------------------------|------------------|------------------|-----------------------|------------------------|------------------------|
|                                    | (Rupees in '000) |                  |                       |                        |                        |
| Karachi Port Trust                 | -                | -                | 2,979                 | 2,979                  | 2,979                  |
| Port Qasim Authority               | 120,437          | 510,047          | 7,286                 | 637,770                | 403,534                |
| Government of Pakistan             | -                | -                | 312,457               | 312,457                | 231,612                |
| National Insurance Company Limited | 4,592            | 11,946           | 585                   | 17,123                 | 274,030                |
|                                    | <b>125,029</b>   | <b>521,993</b>   | <b>323,307</b>        | <b>970,329</b>         | 912,154                |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

**21.2** Ageing analysis of related parties, included in other receivables, that are past due and impaired are as follows:

|                    | June 30,<br>2025             | June 30,<br>2024 |
|--------------------|------------------------------|------------------|
|                    | ----- (Rupees in '000) ----- |                  |
| Upto 1 month       | 890                          | 663              |
| 1 to 6 months      | 3,728                        | 3,454            |
| More than 6 months | 6,089                        | 7,307            |
|                    | <u>10,707</u>                | <u>11,424</u>    |

**21.3** Ageing analysis of others, included in other receivables, that are past due and impaired is as follows:

|                    | June 30,<br>2025             | June 30,<br>2024 |
|--------------------|------------------------------|------------------|
| Note               | ----- (Rupees in '000) ----- |                  |
| Upto 1 month       | 3,027                        | 82               |
| 1 to 6 months      | 12,971                       | 417              |
| More than 6 months | 212,986                      | 182,127          |
|                    | <u>228,984</u>               | <u>182,626</u>   |

**21.4** Allowance for expected credit loss

|                                  |    |                |                |
|----------------------------------|----|----------------|----------------|
| Balance at beginning of the year |    | 194,050        | 171,314        |
| Charged during the year          | 38 | 45,641         | 22,736         |
| Balance at end of the year       |    | <u>239,691</u> | <u>194,050</u> |

**21.5** The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 984.036 million (2024: Rs. 912.154 million).

|      | June 30,<br>2025             | June 30,<br>2024 |
|------|------------------------------|------------------|
| Note | ----- (Rupees in '000) ----- |                  |

**22. SHORT-TERM INVESTMENTS**

## Amortised cost

Treasury-bills having maturity of three months or less

22.1 1,416,202 3,045,824

Term deposits with banks:

- more than three months

2,850,000 6,000,000

- three months or less

17,401,761 6,127,643

22.2 20,251,761 12,127,643

## Fair value through profit or loss

Units of mutual funds

22.3 40,279,643 24,326,136

61,947,606 39,499,603

**22.1** These have effective interest rates ranging from 12.10% to 21.91% (2024: 21.55% to 22.80% per annum).

**22.2** Mark-up on term-deposits denominated in local currency ranges from 11.93% to 22.44% (2024: 21.20% to 22.44%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 6.20% to 8.50% (2024: 6.25% to 8.50%) per annum.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                      |      | June 30,<br>2025            | June 30,<br>2024  |
|--------------------------------------|------|-----------------------------|-------------------|
|                                      | Note | ------(Rupees in '000)----- |                   |
| <b>22.3 Movement of mutual funds</b> |      |                             |                   |
| Opening                              |      | 24,326,136                  | 3,232,258         |
| Purchased during the year            |      | 147,587,713                 | 43,832,340        |
| Dividend reinvested during the year  |      | 35,031                      | 1,857,406         |
| Redeemed during the year             |      | (131,752,657)               | (24,727,182)      |
| Unrealised gain on fair value        | 40   | 83,420                      | 131,314           |
| Closing                              | 22.4 | <u>40,279,643</u>           | <u>24,326,136</u> |

## 22.4 Investment in units of mutual funds

|                                               | June 30,<br>2025             | June 30,<br>2024 | June 30,<br>2025            | June 30,<br>2024 |
|-----------------------------------------------|------------------------------|------------------|-----------------------------|------------------|
|                                               | ------(Number of Units)----- |                  | ------(Rupees in '000)----- |                  |
| <b>S. No. Conventional</b>                    |                              |                  |                             |                  |
| 1 Alfalah GHP Income Fund                     | -                            | 26,534,845       | -                           | 3,026,180        |
| 2 Alfalah GHP Money Market Fund               | 12,540,075                   | 11,304,569       | 1,241,671                   | 1,118,501        |
| 3 Faysal Income & Growth Fund                 | -                            | 47,118,784       | -                           | 5,152,439        |
| 4 HBL Money Market Fund                       | -                            | 160,272          | -                           | 16,587           |
| 5 JS Cash Fund                                | 20,518,902                   | 11,317           | 2,158,999                   | 1,189            |
| 6 JS Government Securities Fund               | 23,374,388                   | 25,233,329       | 2,633,826                   | 2,751,947        |
| 7 JS Income Fund                              | 44,898,791                   | 50,574,420       | 5,230,709                   | 5,181,350        |
| 8 JS Micro Finance Sector Fund                | 28,692,881                   | 30,949,843       | 3,103,422                   | 3,144,814        |
| 9 NBP Money Market Fund                       | 28,286,910                   | 25,173,445       | 283,797                     | 251,940          |
| 10 NBP Mustahkam Fund Plan - X                | -                            | 262,873,254      | -                           | 2,633,200        |
| 11 NBP Government Fund                        | 3,741,479                    | 3,339,350        | 39,397                      | 35,025           |
| 12 Alfalah Government Securities Fund Plan I  | 54,803,022                   | -                | 5,493,241                   | -                |
| 13 Alfalah Government Securities Fund Plan II | 20,654,682                   | -                | 2,605,795                   | -                |
| 14 Alfalah Financial Sector Income Fund       | 52,619                       | -                | 5,670                       | -                |
| 15 Alfalah Financial Sector Income Fund I     | 42,646,422                   | -                | 4,278,916                   | -                |
| 16 ABL Separately Managed Accounts Plan IV    | 511,123,100                  | -                | 5,185,702                   | -                |
| 17 MCB Fixed Return Plan III                  | 213,994                      | -                | 21,808                      | -                |
| 18 MCB Fixed Return Plan VII                  | 58,481,944                   | -                | 5,869,798                   | -                |
| 19 UBL Fixed Return Plan II                   | 21,268,922                   | -                | 2,126,892                   | -                |

## S.No. Shariah compliant

|   |                               |   |            |                   |                   |
|---|-------------------------------|---|------------|-------------------|-------------------|
| 1 | HBL Islamic Money Market Fund | - | 10,012,057 | -                 | 1,012,964         |
|   |                               |   |            | <u>40,279,643</u> | <u>24,326,136</u> |



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                   | Note        | June 30,<br>2025<br>------(Rupees in '000)----- | June 30,<br>2024 |
|-----------------------------------|-------------|-------------------------------------------------|------------------|
| <b>23. CASH AND BANK BALANCES</b> |             |                                                 |                  |
| <b>Cash in hand</b>               |             |                                                 |                  |
| - foreign currency                |             | 5,117                                           | 10,771           |
| <b>Cash at bank</b>               |             |                                                 |                  |
| - in current accounts             |             |                                                 |                  |
| - local currency                  | 23.1        | 486,169                                         | 302,804          |
| - foreign currency                |             | 1,752,680                                       | 2,190,261        |
|                                   |             | 2,238,849                                       | 2,493,065        |
| - in saving accounts              |             |                                                 |                  |
| - local currency                  |             |                                                 |                  |
| - conventional                    | 23.1 & 23.2 | 3,027,322                                       | 3,568,563        |
| - shariah compliant               | 23.3        | 730,256                                         | 1,090,073        |
| - foreign currency                | 23.4        | 31,380                                          | 10,293           |
|                                   |             | 3,788,958                                       | 4,668,929        |
|                                   |             | 6,032,924                                       | 7,172,765        |

**23.1** This includes Rs. 24.066 million (2024: Rs. 24.082 million) held as security by various banks respectively against guarantees issued on behalf of the Holding Company.

**23.2** Mark-up on these savings accounts ranges from 9.00% to 20.50% (2024: 18.51% to 22.00%) per annum.

**23.3** Mark-up on these savings accounts ranges from 9.00% to 20.00% (2024: 17.00% to 21.20%) per annum.

**23.4** Mark-up on these savings accounts ranges from 0.15% to 6.50% (2024: 0.15% to 6.50%) per annum.

## 24. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

| June 30,<br>2025<br>------(Number of shares)----- | June 30,<br>2024 |                                                                                                                                                                                                       | June 30,<br>2025<br>------(Rupees in '000)----- | June 30,<br>2024 |
|---------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------|
| 24,130,789                                        | 24,130,789       | Ordinary shares of Rs 10 each issued to shareholders of former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC) in consideration of their shareholdings in those companies | 241,308                                         | 241,308          |
| 25,900,000                                        | 25,900,000       | Ordinary shares of Rs. 10 each issued to GoP for cash received in the year 1985                                                                                                                       | 259,000                                         | 259,000          |
| 64,309,800                                        | 64,309,800       | Ordinary shares of Rs. 10 each issued to the GoP on the financial restructuring of the Corporation in the year 1989-90                                                                                | 643,098                                         | 643,098          |
| 83,754,481                                        | 17,722,791       | Ordinary shares of Rs. 10 each issued as bonus shares (Note 24.3)                                                                                                                                     | 837,545                                         | 177,228          |
| 198,095,070                                       | 132,063,380      |                                                                                                                                                                                                       | 1,980,951                                       | 1,320,634        |

**24.1** As at June 30, 2025, Government of Pakistan held 173,452,043 (2024: 115,633,710) ordinary shares, representing 87.56% (2024: 87.56%) shareholding of the Holding Company.

**24.2** The Holding Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets.

**24.3** During the year, the Holding Company issued a total of 66,031,690 bonus shares.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | June 30,<br>2025 | June 30,<br>2024 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|------------------|
| Note                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | (Rupees in '000) |                  |
| <b>25. NON-CONTROLLING INTEREST</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      |                  |                  |
| Share of non-controlling interest in:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      |                  |                  |
| - Share capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | 59               | 59               |
| - General reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |      | 10               | 10               |
| - Opening unappropriated profit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | 14,527           | 11,739           |
| - Profit for the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      | 1,273            | 1,646            |
| - Other comprehensive income for the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | -                | 1,142            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | <u>15,869</u>    | <u>14,596</u>    |
| <b>26. LONG-TERM FINANCING</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |                  |                  |
| Financing under musharika agreement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 26.1 | 1,953,498        | 2,821,383        |
| Less: current portion shown in current liabilities:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |      | (868,800)        | (868,800)        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | <u>1,084,698</u> | <u>1,952,583</u> |
| <b>26.1</b> Following is the movement in long-term financing:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      |                  |                  |
| Balance at beginning of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      | 2,821,383        | 7,244,223        |
| Repayments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      | (868,800)        | (4,430,522)      |
| Amortisation of arrangement fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 41   | 915              | 7,682            |
| Balance at end of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      | <u>1,953,498</u> | <u>2,821,383</u> |
| <b>26.2</b> The Holding Company has obtained financing facility during the year ended June 30, 2023 with a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.12% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on July 27, 2027. As of the reporting date, the Holding Company has drawn Rs. 2,064 million and Rs. 2,280 million to finance its subsidiary companies namely Lalazar Shipping (Private) Limited and Sargodha Shipping (Private) Limited respectively for purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiaries. |      |                  |                  |
| <b>26.3</b> Accrued mark-up under Islamic mode of financing as at June 30, 2025 amounting to Rs. 41.885 million (2024: Rs. 108.129 million).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |                  |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | June 30,<br>2025 | June 30,<br>2024 |
| Note                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | (Rupees in '000) |                  |
| <b>27. LEASE LIABILITIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |                  |                  |
| Balance at the beginning of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | 14,508           | 98,195           |
| Interest expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 41   | 902              | 1,852            |
| Reclassified to other liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |      | (2,657)          | (1,220)          |
| Termination of leases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      | -                | (83,032)         |
| Repayment during the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | -                | (1,287)          |
| Balance at the end of the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      | <u>12,753</u>    | <u>14,508</u>    |
| Less: Current portion shown under current liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |      | <u>2,482</u>     | <u>2,630</u>     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      | <u>10,271</u>    | <u>11,878</u>    |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 27.1 Maturity analysis:

|                    | June 30, 2025         |              |                                        | June 30, 2024         |              |                                        |
|--------------------|-----------------------|--------------|----------------------------------------|-----------------------|--------------|----------------------------------------|
|                    | Minimum lease payment | Mark-up      | Present value of minimum lease payment | Minimum lease payment | Mark-up      | Present value of minimum lease payment |
|                    | (Rupees in '000)      |              |                                        |                       |              |                                        |
| Less than one year | 3,252                 | 770          | 2,482                                  | 4,460                 | 1,830        | 2,630                                  |
| One to five years  | 14,293                | 4,022        | 10,271                                 | 14,376                | 2,498        | 11,878                                 |
|                    | <b>17,545</b>         | <b>4,792</b> | <b>12,753</b>                          | <b>18,836</b>         | <b>4,328</b> | <b>14,508</b>                          |

## 28. EMPLOYEES' BENEFITS

|                                  | Note   | June 30, 2025<br>(Rupees in '000) | June 30, 2024    |
|----------------------------------|--------|-----------------------------------|------------------|
| Employees' gratuity              |        |                                   |                  |
| - funded                         | 28.1.3 | (1,928)                           | (774)            |
| - unfunded                       | 28.1.3 | 729,948                           | 750,905          |
|                                  |        | <b>728,020</b>                    | <b>750,131</b>   |
| Post-retirement medical benefits | 28.1.3 | 55,282                            | 55,217           |
| Employees' compensated absences  | 28.2.3 | 375,897                           | 323,437          |
|                                  |        | <b>1,159,199</b>                  | <b>1,128,785</b> |

### 28.1 Retirement benefit schemes

**28.1.1** The disclosures made in notes 28.1.2 to 28.1.16 of these consolidated financial statements are based on the information included in the actuarial valuation report as of June 30, 2025.

**28.1.2** As stated in notes 6.15.2 and 6.15.3 of these consolidated financial statements, the Group operates a funded retirement gratuity scheme for those permanent employees who joined the Group before October 16, 1984, an unfunded retirement gratuity scheme for contractual employees and an unfunded post-retirement medical benefit scheme for permanent and contractual employees. Liability is maintained against these schemes based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the defined benefit obligation schemes:

|                                  | June 30, 2025                                     |          |                                  | June 30, 2024       |          |                                  |
|----------------------------------|---------------------------------------------------|----------|----------------------------------|---------------------|----------|----------------------------------|
|                                  | Employees' gratuity                               |          | Post-retirement medical benefits | Employees' gratuity |          | Post-retirement medical benefits |
|                                  | Funded                                            | Unfunded |                                  | Funded              | Unfunded |                                  |
| Discount rate                    | 11.75%                                            | 11.75%   | 11.75%                           | 14.75%              | 14.75%   | 14.75%                           |
| Future salary increases          |                                                   |          |                                  |                     |          |                                  |
| - for permanent employees        |                                                   |          |                                  |                     |          |                                  |
| For the year 2024-25             | N/A                                               | -        | -                                | N/A                 | -        | -                                |
| For the year 2025-30 and onwards | 11.75%                                            | -        | -                                | 14.75%              | -        | -                                |
| Future salary increases          |                                                   |          |                                  |                     |          |                                  |
| - for contractual employees      |                                                   |          |                                  |                     |          |                                  |
| For the year 2025-26             | -                                                 | 10.00%   | -                                | -                   | 20.00%   | -                                |
| For the year 2026-30 and onwards | -                                                 | 11.75%   | -                                | -                   | 14.75%   | -                                |
| Medical escalation rate          | -                                                 | -        | 9.75%                            | -                   | -        | 12.75%                           |
| Death rate                       | based on SLIC (2001-05) Ultimate mortality tables |          |                                  |                     |          |                                  |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|        |                                                                  | June 30, 2025       |          |                                  | June 30, 2024       |          |                                  |          |
|--------|------------------------------------------------------------------|---------------------|----------|----------------------------------|---------------------|----------|----------------------------------|----------|
|        |                                                                  | Employees' gratuity |          | Post retirement medical benefits | Employees' gratuity |          | Post retirement medical benefits |          |
|        |                                                                  | Funded              | Unfunded |                                  | Funded              | Unfunded |                                  |          |
| Note   |                                                                  | (Rupees in '000)    |          |                                  |                     |          |                                  |          |
| 28.1.3 | Reconciliation of statement of financial position                |                     |          |                                  |                     |          |                                  |          |
|        | Present value of defined benefit obligation                      | 28.1.4              | 27,061   | 729,948                          | 55,282              | 33,472   | 750,905                          | 55,217   |
|        | Fair value of plan assets                                        | 28.1.5              | (28,989) | -                                | -                   | (34,246) | -                                | -        |
|        | Net liability / (asset) in the statement of financial position   |                     | (1,928)  | 729,948                          | 55,282              | (774)    | 750,905                          | 55,217   |
| 28.1.4 | Movement in present value of defined benefit obligation          |                     |          |                                  |                     |          |                                  |          |
|        | Balance at beginning of the year                                 |                     | 33,472   | 750,905                          | 55,217              | 46,224   | 477,543                          | 55,648   |
|        | Current service cost                                             |                     | 721      | 34,934                           | 1,096               | 1,318    | 15,216                           | 882      |
|        | Interest cost                                                    |                     | 4,059    | 109,555                          | 6,864               | 6,065    | 74,180                           | 9,043    |
|        | Benefits paid                                                    |                     | (10,778) | (89,253)                         | (22,013)            | (32,431) | (35,779)                         | (14,298) |
|        | Remeasurements on obligation                                     |                     | (413)    | (76,193)                         | 14,118              | 12,296   | 219,745                          | 3,942    |
|        | Balance at end of the year                                       |                     | 27,061   | 729,948                          | 55,282              | 33,472   | 750,905                          | 55,217   |
| 28.1.5 | Movement in fair value of plan assets                            |                     |          |                                  |                     |          |                                  |          |
|        | Balance at beginning of the year                                 |                     | 34,246   | -                                | -                   | 36,110   | -                                | -        |
|        | Expected return on plan assets                                   |                     | 4,165    | -                                | -                   | 4,422    | -                                | -        |
|        | Actual contribution by the employer                              |                     | -        | -                                | -                   | 10,114   | -                                | -        |
|        | Benefits paid                                                    |                     | (10,778) | -                                | -                   | (32,431) | -                                | -        |
|        | Remeasurements on plan assets                                    |                     | 1,356    | -                                | -                   | 16,031   | -                                | -        |
|        | Balance at end of the year                                       |                     | 28,989   | -                                | -                   | 34,246   | -                                | -        |
| 28.1.6 | Movement in net liability in the statement of financial position |                     |          |                                  |                     |          |                                  |          |
|        | Balance at beginning of the year                                 |                     | (774)    | 750,905                          | 55,217              | 10,114   | 477,543                          | 55,648   |
|        | Expense recognised for the year                                  |                     | 615      | 144,489                          | 7,960               | 2,961    | 89,396                           | 9,925    |
|        | Contributions made by the Holding Company / benefits paid        |                     | -        | (89,253)                         | (22,013)            | (10,114) | (35,779)                         | (14,298) |
|        | Remeasurements recognised in other comprehensive income          |                     | (1,769)  | (76,193)                         | 14,118              | (3,735)  | 219,745                          | 3,942    |
|        | Balance at end of the year                                       |                     | (1,928)  | 729,948                          | 55,282              | (774)    | 750,905                          | 55,217   |
| 28.1.7 | The amounts recognised in profit or loss                         |                     |          |                                  |                     |          |                                  |          |
|        | Current service cost                                             |                     | 721      | 34,934                           | 1,096               | 1,318    | 15,216                           | 882      |
|        | Net interest amount                                              |                     | (106)    | 109,555                          | 6,864               | 1,643    | 74,180                           | 9,043    |
|        | Expense (note 39)                                                |                     | 615      | 144,489                          | 7,960               | 2,961    | 89,396                           | 9,925    |
| 28.1.8 | Remeasurements recognised in other comprehensive income          |                     |          |                                  |                     |          |                                  |          |
|        | (Gain) / loss from changes in financial assumptions              |                     | (361)    | (21,501)                         | (418)               | 1,431    | 33,128                           | 1,834    |
|        | Gain from changes in Demographic assumptions                     |                     | -        | -                                | -                   | -        | -                                | (156)    |
|        | Experience adjustment                                            |                     | (52)     | (54,692)                         | 14,536              | 10,865   | 186,617                          | 2,264    |
|        | Remeasurement of fair value of plan assets                       |                     | (1,356)  | -                                | -                   | (16,031) | -                                | -        |
|        |                                                                  |                     | (1,769)  | (76,193)                         | 14,118              | (3,735)  | 219,745                          | 3,942    |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                                       | June 30,<br>2025 |             | June 30,<br>2024 |      |
|-------------------------------------------------------|------------------|-------------|------------------|------|
|                                                       | Rupees in '000   | %           | Rupees in '000   | %    |
| <b>28.1.9</b> Categories / composition of plan assets |                  |             |                  |      |
| Cash and cash equivalents                             | <b>28,989</b>    | <b>100%</b> | 34,246           | 100% |

**28.1.10** The expenses in respect of employees' gratuity and post-retirement medical benefits have been charged on the basis of actuarial recommendations.

**28.1.11** Actual gain on plan assets during the year ended June 30, 2025 was Rs. 5.530 million (2024: Rs. 20.453 million).

**28.1.12** Assumed future salary increase rate and discount rate have a significant effect on the employees' gratuity. One percentage change in assumed future salary increase rate and discount rate would have the following effects:

|                      | Change in<br>assumption | Increase / (decrease) in defined benefit obligation of |                           |                           |                           |
|----------------------|-------------------------|--------------------------------------------------------|---------------------------|---------------------------|---------------------------|
|                      |                         | Funded Gratuity Scheme                                 |                           | Unfunded Gratuity Scheme  |                           |
|                      |                         | Increase in<br>assumption                              | Decrease in<br>assumption | Increase in<br>assumption | Decrease in<br>assumption |
| Discount rate        | 1%                      | (120)                                                  | 122                       | (71,829)                  | 83,220                    |
| Salary increase rate | 1%                      | 242                                                    | (242)                     | 78,816                    | (69,469)                  |

**28.1.13** The weighted average duration of the defined benefit obligations for funded and unfunded gratuity scheme is 0.44 year (2024: 1 year) and 9.67 years (2024: 9.61 years) respectively.

**28.1.14** Assumed medical cost escalation rate and discount rate have a significant effect on the post-retirement medical benefit. One percentage change in assumed medical cost escalation rate and discount rate would have the following effects:

|               | Change in<br>assumption | Increase / (decrease) in defined benefit obligation of Post-Retirement Medical Benefits of Permanent Employees |                           |
|---------------|-------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------|
|               |                         | Increase in<br>assumption                                                                                      | Decrease in<br>assumption |
|               |                         |                                                                                                                |                           |
| Discount rate | 1%                      | (564)                                                                                                          | 594                       |

**28.1.15** The weighted average duration of the defined benefit obligations post-retirement medical benefit scheme for permanent employees is 1.98 years (2024: 2 years).

**28.1.16** The employees' gratuity funded and unfunded scheme and post-retirement medical benefit plans exposes the Group to the following risks:

Investment risk: The risk of the investment underperforming and not being sufficient to meet the liabilities.

Mortality risk: The risk that the actual mortality rate is different. The effect depends on the beneficiaries service / age distribution and the benefit.

Medical cost escalation risks: The risk that the hospitalisation cost could be higher than what we assumed.

Final salary risk: The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risk: The risk of higher or lower withdrawal experienced than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

## 28.2 Employees' compensated absences

**28.2.1** The disclosures made in notes 28.2.2 to 28.2.9 of these consolidated financial statements are based on the information included in the actuarial valuation report as of June 30, 2025.



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

**28.2.2** As stated in note 6.16 of these consolidated financial statements, the Group operates an employees' compensated absences scheme. Provision is maintained against this scheme based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the scheme:

|                                                                                                    | June 30,<br>2025 | June 30,<br>2024 |
|----------------------------------------------------------------------------------------------------|------------------|------------------|
| Discount rate                                                                                      | 11.75%           | 14.75%           |
| Future salary increases - for permanent employees<br>For this year 2025-26 / 2024-25 and onwards   | 11.75%           | 14.75%           |
| Future salary increases - for contractual employees<br>For this year 2025-26 / 2024-25 and onwards | 11.75%           | 14.75%           |

## 28.2.3 Reconciliation of statement of financial position

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

|                                                          |         |         |
|----------------------------------------------------------|---------|---------|
| Present value of defined benefit obligation (recognised) | 375,897 | 323,437 |
|----------------------------------------------------------|---------|---------|

## 28.2.4 Movement in present value of employees compensated absences

|                                      |           |          |
|--------------------------------------|-----------|----------|
| Balance at the beginning of the year | 323,437   | 196,308  |
| Current service cost                 | 61,318    | 62,427   |
| Interest cost                        | 49,197    | 31,856   |
| Remeasurements of obligation         | 46,476    | 102,612  |
| Benefits paid                        | (104,531) | (69,766) |
| Balance at the end of the year       | 375,897   | 323,437  |

## 28.2.5 Expense

|                      |            |        |
|----------------------|------------|--------|
| Current service cost | 61,318     | 62,427 |
| Interest cost        | 49,197     | 31,856 |
|                      | 39 110,515 | 94,283 |

## 28.2.6 Other comprehensive income

### Remeasurements recognised in other comprehensive income

|                                                     |          |         |
|-----------------------------------------------------|----------|---------|
| (Gain) / loss from changes in financial assumptions | (11,072) | 27,374  |
| Experience adjustment                               | 57,548   | 75,238  |
|                                                     | 46,476   | 102,612 |

**28.2.7** Amounts for the current period and prior period of the present value of employees compensated absences are as follows:

|                                                 | June 30,<br>2025 | June 30,<br>2024 |
|-------------------------------------------------|------------------|------------------|
|                                                 | -----            | -----            |
|                                                 | (Rupees in '000) | (Rupees in '000) |
| Present value of employees compensated absences | 375,897          | 323,437          |

**28.2.8** Assumed future salary increase rate and discount rate have a significant effect on the employees' compensated absences. One percentage change in assumed future salary increase rate and discount rate would have the following effects:

|                    |                         | Increase / (decrease) in defined<br>benefit obligation of<br>Employees' Compensated<br>Absences |                           |
|--------------------|-------------------------|-------------------------------------------------------------------------------------------------|---------------------------|
|                    | Change in<br>assumption | Increase in<br>assumption                                                                       | Decrease in<br>assumption |
|                    |                         | -----                                                                                           |                           |
|                    |                         | (Rupees in '000)                                                                                | (Rupees in '000)          |
| Discount rate      | 1%                      | (34,783)                                                                                        | 40,326                    |
| Future salary rate | 1%                      | 38,093                                                                                          | (33,539)                  |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

**28.2.9** The risks to which the scheme exposes the Group are disclosed in note 28.1.16 to these consolidated financial statements.

**28.2.10** The expenses in respect of employees' compensated absences have been charged on the basis of actuarial recommendations and are in accordance with the Administrative and Financial Services Agreement of the Holding Company with the subsidiary companies.

**28.3** Expected retirement benefits costs for the year ending June 30, 2026 are as follows:

|                                         | (Rupees in '000) |
|-----------------------------------------|------------------|
| <b>Gratuity</b>                         |                  |
| - funded                                | 133              |
| - unfunded                              | 125,961          |
| <b>Post-retirement medical benefits</b> | 6,144            |
| <b>Compensated absences</b>             | 110,515          |

|                                                                                          | June 30, 2025                |          |                                  |                                |
|------------------------------------------------------------------------------------------|------------------------------|----------|----------------------------------|--------------------------------|
|                                                                                          | Employees' gratuity          |          | Post retirement medical benefits | Employees Compensated Absences |
|                                                                                          | Funded                       | Unfunded |                                  |                                |
| Weighted average duration of the present value of defined benefit obligations (in years) | 0.44                         | 9.67     | 1.98                             | 9.3                            |
| Distribution of timing of benefit payments (time in periods)                             | ----- (Rupees in '000) ----- |          |                                  |                                |
| 1                                                                                        | 28,954                       | 34,890   | 22,147                           | -                              |
| 2                                                                                        | -                            | 72,641   | 9,936                            | -                              |
| 3                                                                                        | -                            | 16,151   | 8,072                            | -                              |
| 4                                                                                        | -                            | 27,243   | -                                | -                              |
| 5                                                                                        | -                            | 73,603   | -                                | -                              |
| 6 - 10                                                                                   | -                            | 535,570  | -                                | -                              |

**28.5** During the year, the Group contributed Rs. 4.217 million (2024: Rs. 5.199 million) to the provident fund.

|                                           | June 30,<br>2025             | June 30,<br>2024 |
|-------------------------------------------|------------------------------|------------------|
| Note                                      | ----- (Rupees in '000) ----- |                  |
| <b>29. TRADE AND OTHER PAYABLES</b>       |                              |                  |
| Creditors                                 | 1,204,468                    | 524,527          |
| Advance from charterers                   | 99,196                       | 57,412           |
| Agents' and owners' balances              | 610,953                      | 727,746          |
| Accrued liabilities                       | 4,022,374                    | 5,017,692        |
| Deposits                                  | 29.1 102,420                 | 78,283           |
| Workers' Profit Participation Fund (WPPF) | 29.2 & 29.3 94,759           | 477,963          |
| Withholding tax payable                   | 76,149                       | 75,585           |
| Other liabilities                         | 80,136                       | 8,054            |
|                                           | <b>6,290,455</b>             | <b>6,967,262</b> |

**29.1** These deposits are mark-up free and are repayable on demand or on completion of specific contracts. As per the requirements of section 217 of the Companies Act, 2017 deposits are utilised for the purpose of business and are kept in separate bank accounts.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

- 29.2** The Holding Company created under Federal Statute Ordinance, 1979, and declared strategic statutory body under para 9(a) of chapter 3 of State-Owned Enterprises (Ownership and Management Policy), 2023 by the federal cabinet. In earlier years, based on prudence, the Holding Company made provision for WPPF based on provincial legislation being maximum exposure. During the year, the Ministry of Overseas Pakistanis and Human Resource Development raised the demand for payment as per Federal WPPF, accordingly, the Holding Company has adjusted the liability.

|             |                                                    | June 30,<br>2025             | June 30,<br>2024 |
|-------------|----------------------------------------------------|------------------------------|------------------|
| Note        |                                                    | ----- (Rupees in '000) ----- |                  |
| <b>29.3</b> | <b>Workers' Profit Participation Fund</b>          |                              |                  |
|             | Balance at the beginning of the year               | 477,963                      | 85,657           |
|             | Reversal for the year                              | (163,861)                    | -                |
|             | Charge for the year                                | 39 92,454                    | 295,942          |
|             | Paid during the year                               | (311,797)                    | -                |
|             | Interest on funds utilised in the Group's business | -                            | 96,364           |
|             | Balance at the end of the year                     | 94,759                       | 477,963          |

## 30. CONTRACT LIABILITIES

Represents advance received from various related parties and customers. Revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to Rs. 300.040 million (2024: Rs. 593.721 million).

|            |                                        | June 30,<br>2025             | June 30,<br>2024 |
|------------|----------------------------------------|------------------------------|------------------|
| Note       |                                        | ----- (Rupees in '000) ----- |                  |
| <b>31.</b> | <b>PROVISION AGAINST DAMAGE CLAIMS</b> |                              |                  |
|            | Balance at beginning of the year       | 22,408                       | 23,235           |
|            | Charged / (reversal) during the year   | 39 & 40 22,447               | (827)            |
|            | Balance at end of the year             | 44,855                       | 22,408           |

## 32. CONTINGENCIES AND COMMITMENTS

### Contingencies

- 32.1** The contingent liability in respect of claims not acknowledged by the Holding Company, aggregated to Rs. 274.866 million (2024: Rs. 535.565 million). These claims mainly relate to deficiencies in shipping documentations, delay in delivery of cargo and damages to cargo. A sum of Rs. 202.271 million (2024: Rs. 513.157 million) approximately would be recoverable from P&I Club, Steamship Mutual Underwriting Association (Bermuda) Limited in the event these claims are accepted by the Holding company. As a matter of prudence, management has made a total provision of Rs. 44.855 million (2024: Rs. 22.408 million) against the aforementioned claims in these consolidated financial statement.
- 32.2** Chittagong Steamship Holding Company Limited and Trans Oceanic Steamship Company Limited had initiated litigation that involved the Government of Pakistan and the Holding Company. The litigation relates to the compensation to the former owners. The legal suits are pending in the High Court of Sindh. The amount claimed is approximately Rs. 1.300 million (2024: Rs. 1.300 million) and Rs. 66.800 million (2024: Rs. 66.800 million) respectively. The Holding Company disclaims any liability in respect of the above mentioned amounts and any accretions to it upto final determination and settlement of the matters.
- 32.3** Certain other claims have been filed against the Holding Company in respect of employees' matters for an aggregate amount of approximately Rs. 82.597 million (2024: Rs. 82.597 million). These cases are pending and the management is confident that the outcome of these cases will be in the Holding Company's favour and accordingly no provision for these claims has been made in these consolidated financial statements.
- 32.4** While framing the tax assessment for the income year ended June 30, 1990, the assessing officer had made an addition to income of Rs. 3,974.455 million, being the remission of liabilities due to the Federal Government under the scheme of financial restructuring of the Holding Company. The resultant tax liability including additional taxes for late payment of tax amounted to Rs. 1,293.694 million, part of which was paid by the Holding Company and the remaining amount of Rs. 1,233.694 million was directly discharged at source by the Federal Government. The assessing officer while framing the order of income year ended June 30, 1996 had treated the aforementioned payment of tax liability by the Government as

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

the income of the Holding Company. Appellate Tribunal Inland Revenue (ATIR) has given the decision in favour of the Holding Company on the appeals filed against the above orders. However, the department has filed an appeal with the High Court of Sindh against the aforementioned order of ATIR. The High Court of Sindh has decided the appeal against the Holding Company. The leave to appeal filed by the Holding Company has been accepted by the Supreme Court of Pakistan and the decision of the High Court of Sindh has been suspended. Hearing of the appeal was pending in the Supreme Court of Pakistan. During the year ended June 30, 2018, this hearing was remanded to the High Court of Sindh. The management, in consultation with its legal advisor is confident that the matter will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.

**32.5** During the year ended June 30, 2012, the Officer Inland Revenue (OIR) issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2011. According to the orders dated March 27, 2012, the OIR has made certain additions and determined additional tax demand of Rs. 251.092 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Holding Company on the contention that the same is equity specific and hence being capital in nature. The Holding Company had paid Rs. 160.513 million under protest. During the year ended June 30, 2015, the Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Holding Company on certain matters, and has worked out refund of Rs 15.068 million. The Holding Company and the department had filed appeals with the ATIR in respect of aforementioned disallowances, which have been decided by the ATIR. The ATIR, in its order has interalia deleted certain additions made by the OIR which were upheld by the Commissioner (Appeals). However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income. Accordingly, the Holding Company filed an appeal before the Commissioner (Appeals) on July 20, 2018, which has been decided on September 23, 2019 in favour of the Holding Company. The ACIR vide order dated June 27, 2022 issued appeal effect order under section 124 (2)/122(5A) of the ordinance to give effect to the appellate order of Commissioner (Appeals). Through appeal effect order, the ACIR has decided the issue of allocation of common expenses against dividend income in favour of the Holding Company whereby income taxable at corporate rates has been re-computed at Rs. 155.293 million, and the tax liability and net amount of refund had been recomputed at Rs. 131.008 million and Rs. 243.247 million respectively. Further being aggrieved by the decision of the ATIR, the Tax department has filed a reference application which is pending before the High Court of Sindh. During the current year, there is no update in the status of the matter.

**32.6** During the year ended June 30, 2013, the OIR issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2012. According to the orders dated June 21, 2013, the OIR has made certain additions and determined additional tax demand of Rs. 107.499 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Holding Company on the contention that the same is equity specific and hence being capital in nature. The Holding Company has paid Rs. 65 million under protest and filed an appeal with the Commissioner of Inland Revenue (Appeals). During the year ended June 30, 2015, Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Holding Company on certain matters, and has worked out refund of Rs. 24.022 million. The Holding Company and the department have filed appeals with the ATIR in respect of aforementioned disallowances. The ATIR vide appellate order dated August 7, 2018 has interalia deleted certain additions made by the taxation officer. Appeal effect proceeding in respect of appellate order was initiated through notice dated October 4, 2019. However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income and setting off of business loss against property income. Accordingly, the Holding Company has filed an appeal before the Commissioner (Appeals) against the appeal effect order. The said appeal was partially decided by the Commissioner Appeals through order dated March 15, 2023 in favor of Holding Company on allocation of expenses against dividend income and related disallowance and not setting off the business loss against property income and applying incorrect tax rate on property income. Appeal effect order in respect of remaining issues has not been passed till date. The Holding Company received a notice of recovery of demand by Additional Commissioner of Rs. 107.4 million on June 30, 2025, without any consideration of the decision of ATIR dated August 7, 2018. The Holding Company considering the recovery notice as incorrect, have taken this matter with tax department for withdrawal of notice. In case otherwise, the Holding Company intends to file an appeal against the said proceeding before the ADRC for which the management is confident that the matter will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.

**32.7** During the year ended June 30, 2014, the OIR has issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2013. According to the orders February 27, 2014, the OIR has made certain additions and determined additional tax demand of Rs. 303.333 million. OIR has disallowed a portion of retirement benefit expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Holding Company on the contention that the same is equity specific and hence being capital in nature. Moreover, OIR also disallowed the basis of apportionment of expenses. The Holding Company had paid Rs. 288.265 million under protest and adjusted refund of Rs. 3.581 million. Further, the management has filed an appeal with the Commissioner of Inland Revenue (Appeals) who in his order has upheld certain additions and has given decisions in favour of the Holding Company on certain matters, and worked out a Nil demand. The Holding Company and the department have filed appeals with the ATIR in respect of aforementioned disallowances. Appeal effect proceedings in respect of appellate order was initiated through notice dated October 4, 2019 and same has been responded by the Holding Company. ATIR in its order maintained certain additions and

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For the year ended June 30, 2025

directed to allocate expenses against service fee. Further, being aggrieved by the decision of the appellate tribunal, the Holding Company has filed a reference application which is pending before the High Court of Sindh. The management, in consultation with its legal advisor, is confident that the matter will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.

- 32.8** During the year ended June 30, 2015, ACIR issued assessment order under section 122 (5A) of the ITO, 2001 in respect of tax year 2014. According to the order dated March 13, 2015, the ACIR made certain additions and determined additional tax demand of Rs 184.059 million in respect of certain disallowances regarding financial expenses, administrative costs and post-retirement benefits. The Holding Company paid Rs. 83.438 million under protest and adjusted Rs. 86.998 million against refunds available for tax year 2008, 2009 and 2010. The Holding Company had filed an appeal before the Commissioner of Inland Revenue (Appeals) who passed his order and maintained the decision of the ACIR. The Holding Company had filed an appeal with the ATIR in respect of aforementioned order of the Commissioner Inland Revenue (Appeals) in respect of aforementioned disallowances. The management is confident that the matter will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.
- 32.9** During the year ended June 30, 2014, the Holding Company received assessment orders from the taxation authorities in respect of tax years 2008-2013. The taxation officer had held that the Holding Company is liable to deduct withholding tax under section 152(2) of the ITO, 2001, while making payments to the non-resident shipping companies and in the event of default to do so, the Holding Company becomes personally liable to pay tax under section 161 along with default surcharge under section 205 of the Ordinance. By virtue of above orders, a cumulative tax demand was raised by the taxation authorities amounting to Rs 2,695.496 million. The Holding Company filed an appeal with the Commissioner of Inland Revenue (Appeals) who maintained the orders passed by the Deputy Commissioner Inland Revenue (DCIR) and consequently an appeal was filed before the ATIR. The ATIR, in the appellate order, has held that the payments made by the Holding Company to the non-resident shipping companies are in the nature of Royalty and the rate of tax withholding applicable on such payments would be 15 percent. Accordingly, the tax demand originally raised was reduced to Rs 1,659.485 million. The Holding Company lodged rectification applications in respect of the orders passed by ATIR. However, during the year ended June 30, 2016, the said rectification applications have been rejected. Without prejudice to the rectification applications, the Holding Company has also filed a petition before the Sindh High Court in respect of the aforesaid orders passed by ATIR seeking protection from any adverse action. The Sindh High Court disposed the case on April 21, 2025 and referred the matter to Additional Dispute Resolution Committee (ADRC), the Holding Company challenged the order of High Court in the Supreme Court of Pakistan which is still pending. The management is confident that the matter will eventually be decided in favour of the Holding Company.
- 32.10** During the year ended June 30, 2019, the DCIR vide order dated June 29, 2020 has treated the Holding Company assessee in default for tax year 2014 for not withholding tax on: Payments to Non-Resident shipping companies, Payment of Dividend, Interest free advance to Employees & Closing balance of advances to employees and others and on salaries. Consequent to above order, a cumulative tax demand of Rs. 899.5 million was raised by tax authorities. Being aggrieved with the order, the Holding Company filed an appeal before the Commissioner Inland Revenue (Appeal). The CIR(A) had fixed the hearing for July 20, 2020 and had granted the Holding Company a stay from recovery of tax demand till August 10, 2020. On August 7, 2020, written arguments were submitted on behalf of Holding Company and the hearing was re-fixed for August 21, 2020. However, due to transfers and postings, the stay granted by the CIR(A) could not be extended and the Holding Company had to approach Honorable Sindh High Court (SHC) for grant of stay. The SHC has granted the Holding Company a stay from recovery of tax demand vide order dated August 11, 2020. The order was passed by CIR(A) on December 9, 2021 which was partially been decided in favour of the Holding Company. No appeal effect proceedings have yet been initiated by the DCIR subsequent to the passing of the above order. Being aggrieved with the above appellate order in respect of the remaining issues relating to withholding of tax on payment of dividends, the Holding Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The management, in consultation with its legal advisor, is confident that the subject matter will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.
- 32.11** During the year ended June 30, 2018, the DCIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2016. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits. Brought forward business losses and unabsorbed depreciation for tax year 2016 have also been adjusted in the computation of taxable income. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 91.592 million was raised, which is amply covered by the refunds available for prior tax years. The Holding company filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which was decided vide order dated July 11, 2019. The tax department has filed an appeal against the matters decided in favor of the Holding Company by CIRA through appellate order dated July 11, 2019. The CIR(A) in its order has decided all the matters in favour of the holding company by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. During the year ended June 30, 2024, the Holding Company received a notice under section 138(1) of the Ordinance through which demand of the said amount was raised against which the Holding Company has submitted a detailed response explaining that the matter has already been decided by the CIR(A) in favour of the Holding Company.



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For the year ended June 30, 2025

During the year, a similar notice of recovery of demand was raised by the tax department dated December 06, 2024 issued under section 138(1) of the Ordinance for recovery of the same amount against which the Holding Company has submitted a detailed response showing that the matters have already been decided by CIR(A). The management is confident that the subject matters in respect of tax year 2016 will eventually be decided in favour of the Holding Company.

- 32.12** During the year ended June 30, 2018, the ACIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2017. The taxable income had been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 318.212 million was raised, out of which the Holding Company had made a payment of Rs. 75 million under protest. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which had been decided vide order dated July 11, 2019. The tax department has filed an appeal against the matters decided in favor of the Holding Company by CIRA through appellate order dated July 11, 2019. The CIR(A) in its order has decided all the matters in favour of the Holding Company by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. During the year ended June 30, 2023, the Holding Company received a notice dated November 24, 2022 issued under section 221 wherein the Taxation Officer observed that the Holding Company has adjusted refunds amounting to Rs. 86.598 million available from previous tax years which have not been determined under section 170(4) of the Ordinance. Accordingly, the Taxation Officer proposed to disallow the said adjustment of refunds. A detailed response was submitted explaining the facts and legalities pertaining to the case. Based on the above, the letter concluded that the proceeding is unwarranted and therefore, shall be withdrawn. Management is confident that the subject matters in respect of tax year 2017 will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.
- 32.13** During the year ended June 30, 2021, the Additional Commissioner-IR (ACIR) vide order dated May 24, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2015. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 1,279.035 million was raised. During the year ended June 30, 2022, the Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. The ACIR vide order dated June 25, 2022 issued appeal effect order under section 124 of the Ordinance to give effect to the appellate order of the Commissioner (Appeals). The Holding Company filed appeal before Commissioner (Appeals) against the aforesaid appeal effect dated June 25, 2022. The said appeal has been partially decided by the Commissioner (Appeals) through order dated March 16, 2023, in favour of the Holding Company while also issuing necessary directions on disallowance of actuarial losses, super tax levy on dividend income and income from property while disregarding loss from business and computation of tax. Appeal effect order in respect of remaining issues has not been passed till date. During the year, the Additional Commissioner passed an order u/s 124/129 dated June 30, 2025 raising tax demand amounting to Rs. 1,129.23 million. The Holding Company intends to file an appeal in ADRC and is confident that the matter will eventually be decided in favour of the Holding Company.
- 32.14** During the year ended June 30, 2022, the ACIR vide order dated July 28, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2018. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 550.722 million was raised. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2018 will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.
- 32.15** During the year ended June 30, 2022, the ACIR vide order dated September 17, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2019. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs 477.364 million was raised. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management has filed an appeal with Appellate Tribunal Inland Revenue (ATIR).

During the year, on April 19, 2025 Additional Commissioner issued further amendment subsequent to the order passed under section 122(5A) dated September 17, 2021, the Holding Company has submitted a detailed response on the above

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matters. Subsequently, an order was passed under section 122(5A) dated June 29, 2025, raising demand of Rs. 5.333 billion on account of disallowance of tax depreciation under section 20 read with section 15, 15A & 67 of the Ordinance and taxation of dividend under section 2(19)(e) of the Ordinance. The tax department has treated the current account balance (advance from subsidiary) of Holding company from its subsidiaries for managing its expenses on their behalf as dividend and applied rate of taxation for dividend. The Holding Company intends to file an appeal before the ADRC. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2019 will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.

- 32.16** During the year ended June 30, 2022, the ACIR vide order dated September 30, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2020. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 271.121 million was raised. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2020 will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.
- 32.17** During the year ended June 30, 2022, the ACIR vide order dated March 4, 2022 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2021. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 577.4 million was raised. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated May 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2021 will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.
- 32.18** During the year ended June 30, 2015, the Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of section 23 and 47 of the Sindh Sales Tax on Services Act, 2011. The SRB officer had selected the revenue from the unconsolidated financial statements and allegedly raised sales tax demand in respect of the revenue appearing in the audited unconsolidated financial statements for the years 2012-2014. The Holding Company had filed a suit before the Sindh High Court in respect of the aforesaid show cause notice and the Sindh High Court had granted an interim stay order restraining SRB from taking any coercive action. However, in light of the Supreme Court order dated June 27, 2018 the Holding Company had to withdraw from the suit and continued the proceedings of show cause notice. After, considering the submissions of the Holding Company, the SRB had passed an assessment order dated March 13, 2019 and raised Sales Tax demand of Rs. 2,935.797 million on the revenue of freight income and services fee for the financial years 2012-2014. The Holding Company had filed an appeal before the Commissioner (Appeals) SRB dated March 11, 2019 and obtained stay from Sindh High Court against the sales tax demand. The Sindh High Court made decision in favour of the Holding Company on December 14, 2020. However, during the year ended June 30, 2023, Sindh Revenue Board filed a petition on October 18, 2022 in Supreme court against the judgement of High court and same is still pending at Supreme Court of Pakistan. The management, in consultation with its legal advisor, is confident that the subject matters will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.
- 32.19** The Taxation Officer (TO) issued an amended assessment order under section 122(5A) of the ITO, 2001 in respect of tax year 2003 against the subsidiary company namely Karachi Shipping (Private) Limited (KSPL). According to the amended order, TO made additions to taxable income of KSPL aggregating to Rs. 163.523 million mainly on account of interest income and gain on sale of fixed assets, which have been taxed separately. KSPL made payment of Rs. 70.315 million under protest, being the additional tax demand raised by the TO in his order and filed an appeal against the subject order with Commissioner Income Tax (Appeals) - CIT(A). Consequently, KSPL also filed a petition to Alternate Dispute Resolution Committee (ADRC) with respect to the said matter. During the year ended June 30, 2009, the ADRC upheld the decision of TO and decided the matter against KSPL. As KSPL was not satisfied with the order, KSPL continued to pursue its remedy against CIT(A) which is, at present, pending for hearing. The management is confident that the matter in the appeal shall eventually be decided in its favour. Without prejudice to the contentions of the management, the management has as a matter of prudence provided for amount aggregating to Rs. 70.315 million as payment under protest during the year ended June 30, 2008. During the current year, there is no update in the status of the matter.
- 32.20** While framing tax assessment for the year ended June 30, 2005, the TO issued an order under section 122(5A) of the ITO, 2001 whereby demand of Rs 139.118 million was raised by the tax department against the subsidiary company namely Lalazar Shipping (Private) Limited (LSPL). According to the order, the TO is of the view that the income appearing under the

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

head 'other income' in the annual audited financial statements for the said year is taxable under Normal Tax Regime with reference to section 39 of the ITO, 2001. LSPL had filed appeals with the Commissioner Income Tax (Appeals) and Income Tax Appellate Tribunal, however, the appeals were decided in favour of the tax department. Subsequently, LSPL filed an appeal in the Sindh High Court and during the year ended June 30, 2011, the Sindh High Court had heard the appeal filed by LSPL and reduced the tax demand to Rs. 68.284 million. LSPL had paid the reduced tax demand under protest and filed an appeal with the Supreme Court for which leave to appeal was granted to the LSPL. Further, the tax department had also filed an appeal with the Supreme Court against the order and the matter has been decided against company. However, no provision is made since the demand has already been paid by the Holding Company. LSPL has filed review petition against the judgment before the Supreme Court of Pakistan. During the current year, there is no update in the status of the matter.

- 32.21** The Additional Commissioner Inland Revenue (ACIR) issued an amended assessment order dated March 24, 2014, under section 124/122(5A) of the ITO, 2001 in respect of tax year 2012 against the subsidiary company namely Sargodha Shipping (Private) Limited (SSPL). According to the amended order, ACIR had only considered the original purchase price of the vessel for the computation of capital gain, as per annual audited financial statements for the year ended June 30, 2003 and ignored the capitalization of spare, equipment on board and dry docking expenditure. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 35.545 million was raised. SSPL being aggrieved with the above said order, had filed an appeal with the Commissioner (Appeals) who had decided the matter in the against of SSPL and consequently an appeal was filed before the ATIR. The ATIR in its order dated November 21, 2016 upheld the same decision of the Commissioner (Appeal). In previous years, the tax department filed a suit before the Sindh High Court, which is still pending. The management, in consultation with its tax advisor, is confident that the subject matters will eventually be decided in favour of the SSPL. During the current year, there is no update in the status of the matter.
- 32.22** During the year ended June 2024, the ACIR vide order dated August 21, 2023 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2022. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 658 million was raised. The Holding Company filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 13, 2023. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Holding Company on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. During the year, The Holding Company received a notice of recovery of demand of Rs. 658 million on December 06, 2024, for which the Holding Company has submitted a detailed reply submitting that the issues have already been decided by CIR(A) in favor of the Holding Company. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2022 will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.
- 32.23** During the year ended June 2024, the ACIR vide order dated July 31, 2024 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2023. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 1,556.2 million was raised. The Holding Company filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2023 will eventually be decided in favour of the Holding Company. During the current year, there is no update in the status of the matter.

## Commitments

- 32.24** Outstanding letters of guarantee amounted to Rs. 24.066 million (2024: Rs. 24.082 million).
- 32.25** The Holding Company has provided an undertaking amounting to USD 11.6 million (Rs. 3,287.629 million) to one of the vendor / supplier of another state owned entity. This undertaking has been provided due to arrest of two of its managed vessels operated by its subsidiaries which have been released subsequently. The Government of Pakistan has provided a counter guarantee to the Holding Company in relation to the aforesaid undertaking.

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For the year ended June 30, 2025

|                                                 |                                                                                   | June 30,<br>2025             | June 30,<br>2024         |
|-------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------|--------------------------|
|                                                 | Note                                                                              | ----- (Rupees in '000) ----- |                          |
| <b>33. INCOME FROM SHIPPING BUSINESS</b>        |                                                                                   |                              |                          |
| <b>Bulk carriers</b>                            |                                                                                   |                              |                          |
| Freight revenue                                 |                                                                                   | 3,805,975                    | 3,295,145                |
| <b>Oil tankers</b>                              |                                                                                   |                              |                          |
| Freight revenue                                 |                                                                                   | 25,026,243                   | 31,262,947               |
| Overage premium                                 |                                                                                   | (133,351)                    | (190,542)                |
| Ocean losses                                    |                                                                                   | (266,044)                    | (589,055)                |
|                                                 |                                                                                   | <u>24,626,848</u>            | <u>30,483,350</u>        |
|                                                 |                                                                                   | 28,432,823                   | 33,778,495               |
| <b>Chartered vessels - Foreign flag vessels</b> |                                                                                   |                              |                          |
| Freight revenue                                 |                                                                                   | 2,871,075                    | 4,142,577                |
| Overage premium                                 |                                                                                   | (13,315)                     | (18,248)                 |
| Ocean losses                                    |                                                                                   | (11,706)                     | (55,606)                 |
|                                                 |                                                                                   | <u>2,846,054</u>             | <u>4,068,723</u>         |
| <b>Slot charter revenue</b>                     | 33.1                                                                              | <u>2,436,571</u>             | <u>3,150,697</u>         |
|                                                 |                                                                                   | <u><u>33,715,448</u></u>     | <u><u>40,997,915</u></u> |
| <b>33.1</b>                                     | Sindh sales tax charged amounting to Rs. 0.377 million (2024: Rs. 0.378 million). |                              |                          |
| <b>34. OTHER OPERATING ACTIVITIES</b>           |                                                                                   |                              |                          |
| Demurrage income                                |                                                                                   | 2,484,471                    | 3,631,584                |
| Income from miscellaneous claims                |                                                                                   | <u>1,107,123</u>             | <u>1,446,013</u>         |
|                                                 |                                                                                   | <u><u>3,591,594</u></u>      | <u><u>5,077,597</u></u>  |
| <b>35. FLEET EXPENSES</b>                       |                                                                                   |                              |                          |
| Charter hire and related expenses               | 35.1                                                                              | 3,831,368                    | 5,043,985                |
| Diesel, fuel and lubricants consumed            |                                                                                   | 7,998,048                    | 8,607,218                |
| Port, light, canal and customs dues             |                                                                                   | 3,375,981                    | 3,332,929                |
| Salaries, benefits and allowances               |                                                                                   | 2,800,824                    | 2,815,349                |
| Demurrage                                       |                                                                                   | 58,066                       | 85,206                   |
| Fleet communication                             |                                                                                   | 126,439                      | 114,390                  |
| Agency commission and brokerage                 |                                                                                   | 604,839                      | 704,778                  |
| Victualling                                     |                                                                                   | 303,531                      | 310,540                  |
| Insurance                                       |                                                                                   | 831,809                      | 901,682                  |
| Claim charges                                   |                                                                                   | 12,331                       | 7,340                    |
| Stores and spares consumed                      |                                                                                   | 1,062,930                    | 670,117                  |
| Repairs, maintenance and special surveys        |                                                                                   | 513,233                      | 301,428                  |
| Depreciation on property, plant and equipment   | 8.7                                                                               | 4,005,636                    | 3,604,920                |
| Services sales tax                              |                                                                                   | 248,385                      | 196,043                  |
| Travelling and conveyance                       |                                                                                   | 165,437                      | 200,535                  |
| Survey fee                                      |                                                                                   | 178,939                      | 151,481                  |
| Sundry                                          |                                                                                   | <u>133,438</u>               | <u>380,473</u>           |
|                                                 |                                                                                   | <u><u>26,251,234</u></u>     | <u><u>27,428,414</u></u> |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                               |                             | June 30,<br>2025 | June 30,<br>2024 |
|-----------------------------------------------|-----------------------------|------------------|------------------|
| Note                                          |                             | (Rupees in '000) |                  |
| <b>35.1 Charter hire and related expenses</b> |                             |                  |                  |
|                                               | <b>Foreign flag vessels</b> |                  |                  |
|                                               | - voyage charter            | 2,356,608        | 3,511,807        |
|                                               | - slot charter              | 1,474,760        | 1,532,178        |
|                                               |                             | <b>3,831,368</b> | <b>5,043,985</b> |

## 36. REAL ESTATE EXPENSES

|                                               |      |                |                |
|-----------------------------------------------|------|----------------|----------------|
| Salaries, benefits and allowances             | 36.1 | 71,718         | 60,200         |
| General establishment expenses                | 36.2 | 46,729         | 27,386         |
| Rates and taxes                               |      | 4,860          | 15,015         |
| Insurance                                     |      | 4,583          | 2,412          |
| Depreciation on property, plant and equipment | 8.7  | 40,920         | 26,708         |
| Legal and professional charges                |      | 1,658          | 934            |
|                                               |      | <b>170,468</b> | <b>132,655</b> |

**36.1** This includes Rs. 0.239 million (2024: Rs. 0.246 million) in respect of provident fund contribution. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Act and conditions specified thereunder.

|                                            |                         | June 30,<br>2025 | June 30,<br>2024 |
|--------------------------------------------|-------------------------|------------------|------------------|
| Note                                       |                         | (Rupees in '000) |                  |
| <b>36.2 General establishment expenses</b> |                         |                  |                  |
|                                            | Repairs and maintenance | 8,258            | 10,463           |
|                                            | Security charges        | 13,407           | 9,932            |
|                                            | Light, power and water  | 25,064           | 6,991            |
|                                            |                         | <b>46,729</b>    | <b>27,386</b>    |

## 37. ADMINISTRATIVE EXPENSES

|                                               |      |                  |                  |
|-----------------------------------------------|------|------------------|------------------|
| Salaries, benefits and allowances             | 37.1 | 1,195,936        | 1,210,235        |
| General establishment                         | 37.2 | 396,426          | 391,684          |
| Workshop management                           |      | 183,099          | 171,170          |
| Legal and professional charges                |      | 89,618           | 93,609           |
| Depreciation on property, plant and equipment | 8.7  | 77,162           | 61,500           |
| Rates and taxes                               |      | 18,325           | 21,200           |
| Depreciation on right-of-use assets           | 9    | 1,802            | 3,135            |
| Amortisation                                  |      | 37,650           | 326              |
| Directors' fee                                | 47.1 | 27,056           | 14,331           |
| Scholarship and training                      |      | 16,653           | 14,755           |
| Sales tax expenses                            |      | 20,824           | 13,957           |
| Short-term lease                              |      | 687              | 687              |
| Insurance                                     |      | 7,297            | 6,761            |
| Events and gathering                          |      | 430              | 153              |
|                                               |      | <b>2,072,965</b> | <b>2,003,503</b> |

**37.1** This includes Rs. 3.978 million (2024: Rs. 4.953 million) in respect of provident fund contribution. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Act and conditions specified thereunder.



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For the year ended June 30, 2025

|                                          |      | June 30,<br>2025            | June 30,<br>2024 |
|------------------------------------------|------|-----------------------------|------------------|
|                                          | Note | ------(Rupees in '000)----- |                  |
| <b>37.2 General establishment</b>        |      |                             |                  |
| Repairs and maintenance                  |      | 41,479                      | 45,375           |
| Medical                                  |      | 62,727                      | 41,217           |
| Contribution to group term insurance     |      | 2,980                       | 1,812            |
| Security charges                         |      | 4,572                       | 4,856            |
| Travelling and conveyance                |      | 27,872                      | 20,886           |
| Entertainment and canteen subsidy        |      | 7,177                       | 8,154            |
| Books, periodicals and subscription      |      | 23,028                      | 19,779           |
| Uniform and liveries                     |      | 3,369                       | 3,143            |
| Printing and stationery                  |      | 13,076                      | 9,521            |
| Telephone, telex and postage             |      | 18,735                      | 19,011           |
| Light, power and water                   |      | 74,393                      | 66,674           |
| Computer expenses                        |      | 29,475                      | 29,822           |
| Advertisement and publicity              |      | 14,834                      | 24,042           |
| Vehicle running, repairs and maintenance |      | 37,188                      | 51,396           |
| Ship inspection expenses                 |      | 27,103                      | 34,323           |
| Sundry expenses                          |      | 8,418                       | 11,673           |
|                                          |      | <u>396,426</u>              | <u>391,684</u>   |

## 38. IMPAIRMENT LOSS ON FINANCIAL ASSETS

(Reversal) / allowance for ECL on:

|                                               |      |                    |                |
|-----------------------------------------------|------|--------------------|----------------|
| Trade debts                                   | 17.4 | (1,877,523)        | 124,859        |
| Other receivables                             | 21.4 | 45,641             | 22,736         |
| Agents and owner's balance                    | 18.1 | (2,042)            | 10,541         |
|                                               |      | <u>(1,833,924)</u> | <u>158,136</u> |
| Trade debts and other receivables written-off |      | -                  | 15,089         |
|                                               |      | <u>(1,833,924)</u> | <u>173,225</u> |

## 39. OTHER EXPENSES

|                                                 |        |                |                |
|-------------------------------------------------|--------|----------------|----------------|
| Donations                                       | 39.1   | 29,382         | 9,941          |
| Auditors' remuneration                          | 39.2   | 13,936         | 13,411         |
| Employees' gratuity                             |        |                |                |
| - funded                                        | 28.1.7 | 615            | 2,961          |
| - unfunded                                      | 28.1.7 | 144,489        | 89,396         |
|                                                 |        | <u>145,104</u> | <u>92,357</u>  |
| Post-retirement medical benefits                | 28.1.7 | 7,960          | 9,925          |
| Employees' compensated absences                 | 28.2.5 | 110,515        | 94,283         |
| Provision for slow moving stores and spares     | 16.1   | 7,547          | 36,330         |
| Provision against damage claims                 | 31     | 22,447         | -              |
| Realised exchange loss                          |        | 59,796         | -              |
| Unrealised exchange loss                        |        | -              | 198,134        |
| Loss on sale of bunker                          |        | 17,501         | -              |
| Write-off against property, plant and equipment |        | -              | 111            |
| Workers' Profit Participation Fund              | 29.3   | 92,454         | 295,942        |
| Others                                          |        | 8,010          | 1,960          |
|                                                 |        | <u>514,652</u> | <u>752,394</u> |

**39.1** This includes donation made to Institute of Business Administration amounting to Rs. 10 million, The Citizen Foundation amounting to Rs. 6.7 million, Indus Hospital and Health Network amounting to Rs. 5.88 million and NIKUD Research Hospital amounting to Rs. 4.93 million. No director or his / her spouse had any interest in the donees' fund.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 39.2 Auditors' remuneration

|                                                                       | June 30, 2025               |                                   |        | June 30, 2024               |                                   |        |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------------|--------|-----------------------------|-----------------------------------|--------|
|                                                                       | Grant Thornton Anjum Rahman | Yousuf Adil Chartered Accountants | Total  | Grant Thornton Anjum Rahman | Yousuf Adil Chartered Accountants | Total  |
|                                                                       | (Rupees in '000)            |                                   |        |                             |                                   |        |
| Statutory audit fee - the Holding Company                             | 2,070                       | 2,070                             | 4,140  | 1,801                       | 1,801                             | 3,602  |
| Audit fee - subsidiaries                                              | 3,000                       | 3,000                             | 6,000  | 2,606                       | 2,606                             | 5,212  |
| Fee for review of half yearly financial statements of Holding Company | 805                         | 805                               | 1,610  | 700                         | 700                               | 1,400  |
| Fee for review report on Code of corporate governance                 | 230                         | 230                               | 460    | 200                         | 200                               | 400    |
| Fee for audit of the consolidated financial statements                | 288                         | 288                               | 576    | 250                         | 250                               | 500    |
| Tax advisory / Advisory fee                                           | -                           | -                                 | -      | 467                         | -                                 | 467    |
| Agreed upon procedures                                                | -                           | -                                 | -      | 830                         | -                                 | 830    |
| Out of pocket expenses                                                | 575                         | 575                               | 1,150  | 500                         | 500                               | 1,000  |
|                                                                       | 6,968                       | 6,968                             | 13,936 | 7,354                       | 6,057                             | 13,411 |

## 40. OTHER INCOME

|                                                                  | Note | June 30, 2025    | June 30, 2024 |
|------------------------------------------------------------------|------|------------------|---------------|
|                                                                  |      | (Rupees in '000) |               |
| Income from saving accounts, treasury bills and term deposits    |      |                  |               |
| - Conventional                                                   |      | 2,058,854        | 3,670,785     |
| - Shariah compliant                                              |      | 100,234          | 250,632       |
| Income from long-term loans to employees                         |      | 2,180            | 4,513         |
| Dividend income from                                             |      |                  |               |
| - conventional mutual funds                                      |      | 44,114           | 2,905,702     |
| - shariah compliant mutual funds                                 |      | 2,290            | 15,252        |
| - Listed Companies                                               |      | 1,993            | 1,495         |
| Capital gain on mutual funds                                     |      | 4,995,575        | 58,081        |
| Unrealized gain on mutual funds                                  | 22.3 | 83,420           | 131,314       |
| Unrealized gain on revaluation of foreign currency balances      |      | 306,894          | 10,026        |
| Gain on revaluation of long-term investments in listed companies | 13   | 49,037           | 9,847         |
| Gain on revaluation of investment properties                     | 11   | 218,650          | 219,847       |
| Agency fee                                                       |      | 13,594           | 15,692        |
| Gain on termination of lease                                     |      | -                | 13,710        |
| Liabilities no longer payable written back                       |      | 313,457          | 47,718        |
| Insurance claim income                                           |      | 163,673          | 39,351        |
| Gain on disposal of scrap                                        |      | 11,816           | -             |
| Gain on disposal of property, plant and equipment                | 8.8  | 4,438,423        | 119           |
| Reversal of provision against damage claims                      | 31   | -                | 827           |
| Reversal of Impairment loss on property, plant and equipment     | 8.1  | -                | 15,019        |
| Gain on sale of bunker                                           |      | -                | 32,594        |
| Income from HVAC charges                                         |      | -                | 15,990        |
| Income from manning service                                      |      | 43,590           | 43,335        |
| Workshop income                                                  |      | 360,771          | 274,622       |
| Unwinding of long-term loan                                      |      | 3,499            |               |
| Others                                                           |      | 37,107           | 122,708       |
|                                                                  |      | 13,249,171       | 7,899,179     |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                  |      | June 30,<br>2025 | June 30,<br>2024 |
|----------------------------------|------|------------------|------------------|
| 41. FINANCE COSTS                | Note | (Rupees in '000) |                  |
| Mark-up on long-term financing   | 41.1 | 376,234          | 896,004          |
| Interest accrued against WPPF    |      | -                | 96,364           |
| Amortization of arrangement fees | 26.2 | 914              | 7,682            |
| Mark-up on lease liabilities     | 27   | 902              | 1,852            |
| Discounting on long-term loan    |      | 40,469           | -                |
| Bank charges                     |      | 11,881           | 12,869           |
|                                  |      | <u>430,400</u>   | <u>1,014,771</u> |

41.1 Mark-up under Islamic mode of financing during the year amounted to Rs. 375.312 million (2024: Rs. 781.082 million).

|               |      | June 30,<br>2025 | June 30,<br>2024 |
|---------------|------|------------------|------------------|
| 42. LEVIES    | Note | (Rupees in '000) |                  |
| Final taxes   | 42.1 | 1,156,756        | 632,505          |
| Minimum taxes | 42.2 | 106,778          | 127,028          |
| Super tax     |      | 15,468           | 304,577          |
|               |      | <u>1,279,002</u> | <u>1,064,110</u> |

42.1 This represents final taxes paid on voyage charter revenue based gross registered tonnage, deemed income on vacant property, dividend income and capital gain account as per section 37A of the Income Tax Ordinance, 2001 respectively, and are recognized as levies in line with the requirements of IFRIC-21 / IAS-37 and guide on IAS-12 issued by Institute of Chartered Accountants of Pakistan.

42.2 This represents provision for minimum tax under section 153 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirements of IFRIC-21 / IAS-37 and guide on IAS-12 issued by Institute of Chartered Accountants of Pakistan.

|                                   |      | June 30,<br>2025 | June 30,<br>2024 |
|-----------------------------------|------|------------------|------------------|
| 43. TAXATION                      | Note | (Rupees in '000) |                  |
| Tax charge for:                   |      |                  |                  |
| - current year                    |      | 1,494,355        | 1,782,966        |
| - prior year (income) / charge    |      | (49,951)         | 10,130           |
|                                   |      | <u>1,444,404</u> | <u>1,793,096</u> |
| - Deferred tax expense / (income) | 15.1 | 108,645          | (281,234)        |
|                                   |      | <u>1,553,049</u> | <u>1,511,862</u> |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                                                                                                    | June 30,<br>2025         | June 30,<br>2024               |
|--------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------|
| Note                                                                                                               | (Rupees in '000)         |                                |
| <b>43.1. Relationship between tax expense and accounting profit</b>                                                |                          |                                |
| Accounting profit before levies and tax                                                                            | <b>23,280,792</b>        | 22,757,707                     |
| Tax rate                                                                                                           | <b>29%</b>               | 29%                            |
| Tax on accounting profit                                                                                           | <b>6,751,430</b>         | 6,599,736                      |
| Tax saving due to lower tax rates                                                                                  |                          |                                |
| - Income under section 7A                                                                                          | <b>(192,667)</b>         | 46,976                         |
| - Income under section 7A on subsidiaries profits                                                                  | <b>(3,731,508)</b>       | (4,302,561)                    |
| - Dividend income                                                                                                  | <b>(7,459)</b>           | (409,142)                      |
| - Capital gain                                                                                                     | <b>(698,567)</b>         | (8,131)                        |
| Effect of super tax                                                                                                | <b>769,428</b>           | 765,942                        |
| Effect of capital gain                                                                                             | -                        | -                              |
| Effect on tax from income from property                                                                            | <b>27,054</b>            | 16,719                         |
| Effect of minimum tax on services                                                                                  | <b>108,212</b>           | 250,784                        |
| Effect of tax on deemed income                                                                                     | <b>3,599</b>             | 2,857                          |
| Effect of levies                                                                                                   | <b>(1,279,002)</b>       | (1,064,110)                    |
| Effect of prior year                                                                                               | <b>(49,951)</b>          | 10,130                         |
| Deferred tax                                                                                                       | <b>108,645</b>           | (281,234)                      |
| Effect of inadmissible income                                                                                      | <b>(256,164)</b>         | (116,104)                      |
| Tax expense for the year                                                                                           | <b>1,553,049</b>         | 1,511,862                      |
|                                                                                                                    | <b>7%</b>                | 7%                             |
|                                                                                                                    | <b>June 30,<br/>2025</b> | June 30,<br>2024               |
|                                                                                                                    | (Rupees in '000)         |                                |
| <b>44. EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted</b> |                          |                                |
| Profit after taxation                                                                                              | <b>20,448,741</b>        | 20,181,735                     |
|                                                                                                                    | <b>June 30,<br/>2025</b> | June 30,<br>2024<br>(Restated) |
| Weighted average ordinary shares in issue during the year (Number)                                                 | 44.1 <b>198,095,070</b>  | 198,095,070                    |
| Earnings per share - basic and diluted (Rupees)                                                                    | <b>103.23</b>            | 101.87                         |

**44.1** During the year, the Holding Company issued 66,031,690 bonus shares. In accordance with IAS 33 Earnings per Share, the weighted average number of ordinary shares outstanding has been retrospectively adjusted for the bonus issue, including all prior periods presented. Consequently, the Earnings per Share (EPS) has been restated to reflect the increase in the number of weighted average shares outstanding.

**44.2** There were no dilutive potential ordinary shares outstanding as at June 30, 2025 and 2024.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                                                  |         | June 30,<br>2025  | June 30,<br>2024  |
|------------------------------------------------------------------|---------|-------------------|-------------------|
| Note                                                             |         | (Rupees in '000)  |                   |
| <b>45. CASH GENERATED FROM OPERATIONS</b>                        |         |                   |                   |
| Profit before levies and taxation                                |         | 23,280,792        | 22,757,707        |
| <b>Adjustments for non-cash and other items:</b>                 |         |                   |                   |
| Depreciation on:                                                 |         |                   |                   |
| Property, plant and equipment                                    | 8.7     | 4,123,718         | 3,693,128         |
| Right-of-use assets                                              | 9       | 1,802             | 3,135             |
| Amortisation                                                     | 37      | 37,650            | 326               |
| Reversal of impairment on PPE                                    | 40      | -                 | (15,019)          |
| Gain on disposal of property, plant and equipment                | 40      | (4,438,423)       | (119)             |
| Write-off against property, plant and equipment                  | 39      | -                 | 111               |
| (Reversal) / Impairment loss on financial assets                 | 38      | (1,833,924)       | 158,136           |
| Trade debts and other receivables written off                    | 38      | -                 | 15,089            |
| Unrealised gain on revaluation of foreign currency balances      | 39 & 40 | (306,894)         | (10,026)          |
| Provision for employees' gratuity                                | 28.1.7  | 145,104           | 92,357            |
| Provision for employees' compensated absences                    | 28.2.5  | 110,515           | 94,283            |
| Provision for post-retirement medical benefits                   | 28.1.7  | 7,960             | 9,925             |
| Provision for slow moving stores and spares                      | 16.1    | 7,547             | 36,330            |
| Provision for workers' profit participation fund                 | 39      | 92,454            | 295,942           |
| Dividend income                                                  | 40      | (48,397)          | (2,922,449)       |
| Capital gain on mutual funds                                     | 40      | (4,995,575)       | (58,081)          |
| Unrealized gain on mutual funds                                  | 40      | (83,420)          | (131,314)         |
| Reversal of provision against damage claims                      | 40      | -                 | (827)             |
| Gain on termination of lease                                     | 40      | -                 | (13,710)          |
| Liabilities no longer payable written back                       | 40      | (313,457)         | (47,718)          |
| Income from saving account, treasury bills and term deposit      | 40      | (2,159,088)       | (3,921,417)       |
| Finance cost on:                                                 |         |                   |                   |
| Long-term financing                                              | 41      | 377,148           | 903,686           |
| Lease liabilities                                                | 41      | 902               | 1,852             |
| Discounting on long-term loan                                    | 41      | 40,469            | -                 |
| Unwinding of long-term loan                                      | 40      | (3,499)           | -                 |
| Gain on revaluation of long-term investments in listed companies | 39 & 40 | (49,037)          | (9,847)           |
| Gain on revaluation of investment properties                     | 40      | (218,650)         | (219,847)         |
| Working capital changes                                          | 45.1    | 3,713,679         | 128,604           |
|                                                                  |         | <b>17,489,376</b> | <b>20,840,237</b> |
| <b>45.1 Working capital changes</b>                              |         |                   |                   |
| <b>(Increase) / decrease in current assets:</b>                  |         |                   |                   |
| Stores and spares                                                |         | 823,160           | (172,719)         |
| Trade debts                                                      |         | 2,230,938         | 2,003,404         |
| Trade deposits and short-term prepayments                        |         | (90,749)          | 3,613             |
| Agents' and owners' balances                                     |         | 6,910             | (8,000)           |
| Loans and advances                                               |         | 75,234            | (218,548)         |
| Other receivables                                                |         | 184,682           | (786,216)         |
| Contract assets                                                  |         | 739,388           | (1,187,539)       |
|                                                                  |         | <b>3,969,563</b>  | <b>(366,005)</b>  |
| <b>Increase / (decrease) in current liabilities:</b>             |         |                   |                   |
| Trade and other payables                                         |         | (458,461)         | 877,672           |
| Provision against damage claims                                  |         | 22,447            | -                 |
| Contract liabilities                                             |         | 180,130           | (383,063)         |
|                                                                  |         | <b>(255,884)</b>  | <b>494,609</b>    |
|                                                                  |         | <b>3,713,679</b>  | <b>128,604</b>    |
| <b>46. CASH AND CASH EQUIVALENTS</b>                             |         |                   |                   |
| Short-term investments having maturity of three months or less   | 22      | 18,817,963        | 9,173,467         |
| Cash and bank balances                                           | 23      | 6,032,924         | 7,172,765         |
|                                                                  |         | <b>24,850,887</b> | <b>16,346,232</b> |



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 47. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTORS AND OTHER EXECUTIVES

The aggregate amount of remuneration including all benefits payable to the Chief Executive, Executive Directors and Executives of the Group were as follows:

|                                        | Chief Executive* |               | Executive Directors** |               | Other Executives |               |
|----------------------------------------|------------------|---------------|-----------------------|---------------|------------------|---------------|
|                                        | June 30, 2025    | June 30, 2024 | June 30, 2025         | June 30, 2024 | June 30, 2025    | June 30, 2024 |
|                                        | (Rupees in '000) |               |                       |               |                  |               |
| Managerial remuneration and allowances | 6,471            | 3,544         | 46,932                | 42,533        | 789,267          | 863,909       |
| Retirement benefits - note 47.2        | -                | -             | -                     | -             | 4,217            | 5,199         |
| House rent                             | -                | -             | 13,211                | 11,611        | 188,196          | 185,425       |
| Conveyance                             | -                | -             | -                     | -             | 8,462            | 7,630         |
| Medical                                | 754              | 192           | 8,405                 | 4,241         | 83,630           | 61,616        |
| Utilities                              | -                | -             | 2,361                 | 1,908         | 101,495          | 106,697       |
| Personal staff subsidy                 | -                | -             | -                     | 45            | 365              | 447           |
| Club membership fee and expenses       | -                | -             | 267                   | 270           | -                | -             |
| Bonus                                  | -                | 10,347        | 8,378                 | 25,046        | 52,333           | 117,631       |
| Other allowances                       | -                | 12,899        | 3,832                 | 3,530         | 1,013,809        | 1,004,934     |
|                                        | 7,225            | 26,982        | 83,386                | 89,184        | 2,241,774        | 2,353,488     |
| Number of persons                      | 1                | 1             | 5                     | 6             | 240              | 240           |

\* Chief executive officer (CEO) was appointed on April 30, 2025.

\*\* Executive Directors designated are key personnel and are not the members of Board of Directors of the Holding Company.

47.1 The aggregate amount charged in the consolidated financial statements for fee to 10 (2024: 7) non-executive directors was Rs. 27.056 million (2024: Rs. 14.331 million).

47.2 Retirement benefits represent amount contributed towards various retirement benefit plans. The Executives of the Group are entitled to retirement benefits as outlined in note 6.15.2 to 6.16 to these consolidated financial statements.

47.3 The CEO is provided with Group maintained car while the Executive Directors and other Executives are provided with the car allowance in lieu of Group maintained cars.

## 48. FINANCIAL INSTRUMENTS BY CATEGORY

Note June 30, 2025 June 30, 2024  
(Rupees in '000)

### FINANCIAL ASSETS

#### Fair value through profit or loss

|                                          |    |            |            |
|------------------------------------------|----|------------|------------|
| Long-term investments - listed companies | 13 | 85,811     | 36,774     |
| Short-term investment - mutual funds     | 22 | 40,279,643 | 24,326,136 |
|                                          |    | 40,365,454 | 24,362,910 |

#### Amortised cost

|                                                              |    |            |            |
|--------------------------------------------------------------|----|------------|------------|
| Trade debts - unsecured                                      | 17 | 3,472,311  | 3,825,726  |
| Agents' and owners' balances - unsecured                     | 18 | 5,327      | 10,195     |
| Loans - employees                                            | 14 | 113,682    | 32,548     |
| Trade deposits                                               | 20 | 116,290    | 27,330     |
| Interest accrued on bank deposits and short-term investments |    | 190,355    | 1,043,376  |
| Other receivables                                            | 21 | 1,027,016  | 1,257,339  |
| Short-term investments                                       | 22 | 21,667,963 | 15,173,467 |
| Cash and bank balances                                       | 23 | 6,032,924  | 7,172,765  |
|                                                              |    | 32,625,868 | 28,542,746 |
|                                                              |    | 72,991,322 | 52,905,656 |

### FINANCIAL LIABILITIES

#### Amortised cost

|                                        |    |           |           |
|----------------------------------------|----|-----------|-----------|
| Trade and other payables               |    | 6,020,351 | 6,356,302 |
| Unclaimed dividend                     |    | 335,964   | 203,955   |
| Provision against damage claims        | 31 | 44,855    | 22,408    |
| Long-term financing - unsecured        | 26 | 1,953,498 | 2,821,383 |
| Accrued mark-up on long-term financing |    | 41,885    | 108,129   |
|                                        |    | 8,396,553 | 9,512,177 |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 49. FINANCIAL RISK MANAGEMENT

### 49.1 Financial risk factors

The Group finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. Taken as a whole, the Group is exposed to credit risk, market risk (including interest rate risk, currency risk and other price risk) and liquidity risk. The Group's principle financial liabilities comprise trade and other payables and long-term financing. The Group also has various financial assets such as trade debts, other receivables, bank balances and short-term investments which are directly related to its operations. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2024. The policies for managing each of these risks are summarised below:

#### 49.1.1 Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including trade receivables and committed transactions. Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.

|                                          | Note | June 30,<br>2025  | June 30,<br>2024  |
|------------------------------------------|------|-------------------|-------------------|
|                                          |      | (Rupees in '000)  |                   |
| Trade debts - unsecured                  | 17   | 3,472,311         | 3,825,726         |
| Agents' and owners' balances - unsecured | 18   | 5,327             | 10,195            |
| Trade deposits                           | 20   | 116,290           | 27,330            |
| Other receivables                        | 21   | 1,027,016         | 1,257,339         |
| Short-term investments                   | 22   | 20,251,761        | 12,127,643        |
| Bank balances                            | 23   | 6,027,807         | 7,161,994         |
|                                          |      | <b>30,900,512</b> | <b>24,410,227</b> |

#### Credit risk related to investments and cash deposits

The Group limits its exposure to credit risk of investments by only investing in term deposit receipts (TDRs) of banks with high credit rating.

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Group maintains its bank balances are as follows:

| Name of bank                      | Rating agency | Credit rating |            |
|-----------------------------------|---------------|---------------|------------|
|                                   |               | Long-term     | Short-term |
| Bank Al Habib Limited             | PACRA         | AAA           | A-1+       |
| Habib Bank Limited                | VIS           | AAA           | A-1+       |
| MCB Bank Limited                  | PACRA         | AAA           | A-1+       |
| Meezan Bank Limited               | VIS           | AAA           | A-1+       |
| National Bank of Pakistan Limited | PACRA / VIS   | AAA           | A-1+       |
| Standard Chartered Bank Limited   | PACRA         | AAA           | A-1+       |
| United Bank Limited               | VIS           | AAA           | A-1+       |
| Bank Al Falah Limited             | PACRA         | AAA           | A-1+       |
| Habib Metro Bank Limited          | PACRA         | AA+           | A-1+       |
| Pak Oman Investment Company       | VIS           | AA+           | A-1+       |
| Al Baraka Bank Limited            | VIS           | AA-           | A-1        |
| Bank Islami Pakistan Limited      | PACRA         | AA-           | A-1        |
| Sindh Bank Limited                | VIS           | AA-           | A-1+       |
| Dubai Islamic Bank Limited        | VIS           | AA            | A-1+       |
| Faysal Bank Limited               | PACRA / VIS   | AA            | A-1+       |
| MCB Islamic Bank Limited          | PACRA         | A+            | A-1        |
| JS Bank Limited                   | PACRA         | AA            | A-1+       |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

Moreover, a significant component of the receivable balances of the Group relates to amounts due from the Public Sector organisations. Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their related credit standing, management does not expect non-performance by those counter parties on their obligations to the Group. However based on expected credit loss management has recorded the provision on these receivables.

The sector wise analysis of gross amounts of receivables, comprising trade debts, other receivables, agents' and owners' balances and deposits is given below:

|                | June 30,<br>2025             | June 30,<br>2024 |
|----------------|------------------------------|------------------|
|                | ----- (Rupees in '000) ----- |                  |
| Public Sector  | 3,586,415                    | 5,291,889        |
| Private Sector | 2,476,480                    | 3,439,447        |
|                | <u>6,062,895</u>             | <u>8,731,336</u> |

Out of Rs. 6,062.895 million (2024: Rs. 8,731.336 million), the Group has recognized an allowance of ECL amounting to Rs. 1,441.951 million (2024: Rs. 3,610.746 million).

## 49.1.2 Market risk

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

### a) 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 changes in foreign currency rates. The Group faces foreign currency risk on receivable and payable transactions at foreign ports.

The Group's exposure to foreign currency risk is as follows:

|                                          | June 30,<br>2025          | June 30,<br>2024 | June 30,<br>2025             | June 30,<br>2024  |
|------------------------------------------|---------------------------|------------------|------------------------------|-------------------|
|                                          | ----- (USD in '000) ----- |                  | ----- (Rupees in '000) ----- |                   |
| Trade debts                              | 14,120                    | 11,354           | 4,001,923                    | 3,162,460         |
| Other receivables                        | 816                       | 2,926            | 231,240                      | 814,839           |
| Agents' and owners' balances - unsecured | 101                       | 128              | 28,699                       | 35,608            |
| Short-term investments                   | 61,400                    | 22,000           | 17,401,761                   | 6,127,643         |
| Bank balances                            | 6,313                     | 7,939            | 1,789,177                    | 2,211,325         |
| Trade and other payables                 | (5,280)                   | (7,346)          | (1,496,403)                  | (2,046,072)       |
|                                          | <u>77,470</u>             | <u>37,001</u>    | <u>21,956,397</u>            | <u>10,305,803</u> |
|                                          |                           |                  | June 30,<br>2025             | June 30,<br>2024  |
|                                          |                           |                  | ----- (PKR / USD) -----      |                   |
| Average rate                             |                           |                  | 279.85                       | 283.19            |
| Reporting date rate                      |                           |                  | 283.42                       | 278.53            |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

As at June 30, 2025, if the currency had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit before taxation for the year would have been higher / lower by Rs. 1,097.820 million (2024: Rs. 515.290 million), mainly as a result of foreign exchange gains / losses on translation of US dollar denominated assets and liabilities.

## b) Cash flow and fair value interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date interest rate profile of the Group's interest-bearing financial instruments was:

|                                       | Carrying amount              |                  |
|---------------------------------------|------------------------------|------------------|
|                                       | June 30,<br>2025             | June 30,<br>2024 |
|                                       | ----- (Rupees in '000) ----- |                  |
| <b>Exposure to interest rate risk</b> |                              |                  |
| <b>Variable rate instruments</b>      |                              |                  |
| Financial assets - KIBOR based        | 3,788,958                    | 4,690,993        |
| Financial liabilities - KIBOR based   | 1,953,498                    | 2,821,383        |
| <b>Fixed rate instruments</b>         |                              |                  |
| Financial assets                      | 21,667,963                   | 15,189,966       |

## Interest rate sensitivity analysis

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended June 30, 2025 would decrease / increase by Rs.18.355 million (2024: Rs. 18.696 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate long-term financing and investments.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore, a change in interest rate at the reporting date would not affect statement of profit or loss.

## c) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The effects of changes in fair value of investments made by the Group, on the future profits are not considered to be material in the overall context of these consolidated financial statements.

## 49.1.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Group believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Group on basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring statement of financial position, liquidity ratios and maintaining debt financing plans.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

Financial liabilities in accordance with their contractual maturities are presented below:

|                                        | Total<br>Contractual<br>cash flows  | Less than 1<br>year | Between 1<br>to 2 years | Between 2 to<br>5 years | More than 5<br>years |
|----------------------------------------|-------------------------------------|---------------------|-------------------------|-------------------------|----------------------|
| <b>June 30, 2025</b>                   | <b>----- (Rupees in '000) -----</b> |                     |                         |                         |                      |
| Long-term financing                    | 2,214,327                           | 1,028,705           | 948,716                 | 236,906                 | -                    |
| Unclaimed dividend                     | 335,964                             | 335,964             | -                       | -                       | -                    |
| Trade and other payables               | 6,020,351                           | 6,020,351           | -                       | -                       | -                    |
| Accrued mark-up on long-term financing | 41,885                              | 41,885              | -                       | -                       | -                    |
| Provision against damage claims        | 44,855                              | 44,855              | -                       | -                       | -                    |
|                                        | <b>8,657,382</b>                    | <b>7,471,760</b>    | <b>948,716</b>          | <b>236,906</b>          | <b>-</b>             |
| <b>June 30, 2024</b>                   | <b>----- (Rupees in '000) -----</b> |                     |                         |                         |                      |
| Long-term financing                    | 3,440,274                           | 1,058,546           | 2,117,092               | 264,636                 | -                    |
| Unclaimed dividend                     | 203,955                             | 203,955             | -                       | -                       | -                    |
| Trade and other payables               | 6,356,302                           | 6,356,302           | -                       | -                       | -                    |
| Accrued mark-up on long-term financing | 108,129                             | 108,129             | -                       | -                       | -                    |
| Provision against damage claims        | 22,408                              | 22,408              | -                       | -                       | -                    |
|                                        | <b>10,131,068</b>                   | <b>7,749,340</b>    | <b>2,117,092</b>        | <b>264,636</b>          | <b>-</b>             |

## 49.1.4 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

### Fair value hierarchy

As at June 30, 2025, the Group's all assets and liabilities are carried at amortised cost except for those mentioned below:

The Group's leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The latest fair valuation of the Group's leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment was performed by an independent valuer as at June 30, 2025.

The Group classifies investment properties and long-term investments in listed companies and short-term investment in mutual funds measured at fair value in the statement of financial position. The latest fair valuation of the Group's investment properties was performed by an independent valuer as at June 30, 2025.

The valuation techniques and inputs used to develop fair value measurements of aforementioned assets are as follows:

- 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).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

Details of fair value hierarchy and information relating to fair value of Group's leasehold land, buildings on leasehold land, beach huts, workshop machinery and equipment, investment categorised as fair value through profit or loss and investment properties are as follows:



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                           |     | June 30, 2025    |         |           |            |
|-------------------------------------------|-----|------------------|---------|-----------|------------|
|                                           |     | Level 1          | Level 2 | Level 3   | Total      |
|                                           |     | (Rupees in '000) |         |           |            |
| Assets carried at fair value              |     |                  |         |           |            |
| Long-term investments in listed companies | 13  | 85,811           | -       | -         | 85,811     |
| Short-term investments - mutual funds     | 22  | 40,279,643       | -       | -         | 40,279,643 |
|                                           |     | 40,365,454       | -       | -         | 40,365,454 |
| Leasehold land                            | 8.1 | -                | -       | 1,689,675 | 1,689,675  |
| Buildings on leasehold land               | 8.1 | -                | -       | 1,121,697 | 1,121,697  |
| Beach huts                                | 8.1 | -                | -       | 13,742    | 13,742     |
| Workshop machinery and equipment          | 8.1 | -                | -       | 28,926    | 28,926     |
| Investment properties                     | 11  | -                | -       | 4,607,802 | 4,607,802  |
|                                           |     | 40,365,454       | -       | 7,461,842 | 47,827,296 |

|                                           |     | June 30, 2024    |         |           |            |
|-------------------------------------------|-----|------------------|---------|-----------|------------|
|                                           |     | Level 1          | Level 2 | Level 3   | Total      |
|                                           |     | (Rupees in '000) |         |           |            |
| Assets carried at fair value              |     |                  |         |           |            |
| Long-term investments in listed companies | 13  | 36,774           | -       | -         | 36,774     |
| Short-term investments - mutual funds     | 22  | 24,326,136       | -       | -         | 24,326,136 |
|                                           |     | 24,362,910       | -       | -         | 24,362,910 |
| Leasehold land                            | 8.1 | -                | -       | 1,689,675 | 1,689,675  |
| Buildings on leasehold land               | 8.1 | -                | -       | 1,160,571 | 1,160,571  |
| Beach huts                                | 8.1 | -                | -       | 16,474    | 16,474     |
| Workshop machinery and equipment          | 8.1 | -                | -       | 30,095    | 30,095     |
| Investment properties                     | 11  | -                | -       | 4,320,352 | 4,320,352  |
|                                           |     | 24,362,910       | -       | 7,217,167 | 31,580,077 |

## 50. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure by monitoring return on net assets and makes adjustment to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group is in compliance with externally imposed capital requirements applicable at consolidated financial statements level. The debt equity ratios as at June 30, 2025 and 2024 were as follows:

|                               |    | June 30, 2025    | June 30, 2024 |
|-------------------------------|----|------------------|---------------|
|                               |    | (Rupees in '000) |               |
| Note                          |    |                  |               |
| Long-term financing - secured | 26 | 1,953,498        | 2,821,383     |
| Total equity                  |    | 103,488,495      | 88,312,968    |
| Total                         |    | 105,441,993      | 91,134,351    |
| Debt-to-equity ratio          |    | 2:98             | 3:97          |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 51. ENTITY WIDE INFORMATION

**51.1** The Group constitutes a single reportable segment, the principal classes of services provided are transportation of dry cargo, liquid cargo and rental income.

### 51.2 Information about services

The Group's principal classes of services accounted for the following amount of revenue:

|                                | June 30,<br>2025            | June 30,<br>2024  |
|--------------------------------|-----------------------------|-------------------|
|                                | ------(Rupees in '000)----- |                   |
| Transportation of dry cargo    | 6,242,546                   | 6,445,842         |
| Transportation of liquid cargo | 27,472,902                  | 34,552,073        |
| Rental income                  | 330,374                     | 287,978           |
|                                | <u>34,045,822</u>           | <u>41,285,893</u> |

### 51.3 Information about geographical areas

The Group does not hold non-current assets in any foreign country.

### 51.4 Information about major customers

The Group has the following exposure to concentration of credit risk with clients representing significant percentage of the total revenue balances:

|          | June 30, 2025<br>Revenue |              | June 30, 2024<br>Revenue |              |
|----------|--------------------------|--------------|--------------------------|--------------|
|          | (Rupees in<br>'000)      | % of Total   | (Rupees in<br>'000)      | % of Total   |
| Client 1 | 13,447,997               | 39.89        | 16,886,257               | 41.19        |
| Client 2 | 4,607,135                | 13.66        | 5,705,579                | 13.92        |
| Client 3 | 4,523,005                | 13.42        | 5,042,146                | 12.30        |
|          | <u>22,578,137</u>        | <u>66.98</u> | <u>27,633,982</u>        | <u>67.40</u> |

## 52. RELATED PARTY DISCLOSURES

Related parties comprise of companies affiliated to the Holding Company and the directors, chief executive of the Holding Company and employee funds maintained by the Holding Company. Particulars of remuneration to key personnel are disclosed in note 47 to these consolidated financial statements.

The significant transactions carried out by the Group with related parties during the year are given below:

| Name and particulars                                | Relationship with the Group       | June 30,<br>2025             | June 30,<br>2024 |
|-----------------------------------------------------|-----------------------------------|------------------------------|------------------|
|                                                     |                                   | ----- (Rupees in '000) ----- |                  |
| Transactions with state owned / controlled entities |                                   |                              |                  |
| Freight income                                      | State owned / controlled entities | 19,928,145                   | 23,939,084       |
| Income from other operating activities              | State owned / controlled entities | 187,862                      | 1,229,909        |
| Rental income                                       | State owned / controlled entities | 31,925                       | 29,022           |
| Rates and other expense                             | State owned / controlled entities | 67,144                       | 47,949           |
| Transactions with other related parties             |                                   |                              |                  |
| Contributions to provident fund                     | Employees benefit plan            | 4,217                        | 5,199            |
| Dividend paid to Government of Pakistan             | Government holding                | 4,625,348                    | 2,890,843        |

**52.1** Outstanding balances due from / due to related parties have been disclosed in notes 17, 20 and 21 to these consolidated financial statements.

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

**52.2** Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place.

| S.No. | Name                                               | Basis of relationship                         | Aggregate % of shareholding in the Company |
|-------|----------------------------------------------------|-----------------------------------------------|--------------------------------------------|
| 1     | Muhammadi Engineering Works (Private) Limited      | Associate                                     | N/A                                        |
| 2     | Employees' Gratuity Fund                           | Staff retirement benefits                     | N/A                                        |
| 3     | Employees' Contributory Provident Fund             | Staff retirement benefits                     | N/A                                        |
| 4     | Bureau Veritas                                     | Common director                               | N/A                                        |
| 5     | Central Power Generation Company Limited           | State owned/controlled entity                 | N/A                                        |
| 6     | Civil Aviation Authority                           | State owned/controlled entity                 | N/A                                        |
| 7     | District Controller of Stores                      | State owned/controlled entity                 | N/A                                        |
| 8     | Embarkation Commandant                             | State owned/controlled entity                 | N/A                                        |
| 9     | Federal Beaurue of Revenue- Commissioner AEOL      | State owned/controlled entity                 | N/A                                        |
| 10    | Gwadar Port Authority                              | State owned/controlled entity                 | N/A                                        |
| 11    | Heavy Industries Taxila                            | State owned/controlled entity                 | N/A                                        |
| 12    | Karachi Port Trust                                 | State owned/controlled entity/Common director | N/A                                        |
| 13    | Kot Addu Power Company Limited                     | State owned/controlled entity                 | N/A                                        |
| 14    | Lahore Electric Supply Company Limited             | State owned/controlled entity                 | N/A                                        |
| 15    | National Bank of Pakistan                          | State owned/controlled entity                 | N/A                                        |
| 16    | National Disaster Risk Management Fund             | State owned/controlled entity/Common director | N/A                                        |
| 17    | National Telecommunication Corporation             | State owned/controlled entity                 | N/A                                        |
| 18    | National Security Printing Company Private Limited | State owned/controlled entity/Common director | N/A                                        |
| 19    | National Insurance Company Limited                 | State owned/controlled entity                 | N/A                                        |
| 20    | National Transmission & Despatch Company Limited   | State owned/controlled entity                 | N/A                                        |
| 21    | Naval Stores                                       | State owned/controlled entity                 | N/A                                        |
| 22    | Oil & Gas Development Company Limited              | State owned/controlled entity                 | N/A                                        |
| 23    | Pakistan Ordinance Factory                         | State owned/controlled entity                 | N/A                                        |
| 24    | Pak Arab Refinery Limited                          | State owned/controlled entity                 | N/A                                        |
| 25    | Pakistan International Airlines                    | State owned/controlled entity                 | N/A                                        |
| 26    | Pakistan Machine Tool Factory                      | State owned/controlled entity                 | N/A                                        |
| 27    | Pakistan Refinery Limited                          | State owned/controlled entity                 | N/A                                        |
| 28    | Pakistan Security Printing Corporation             | State owned/controlled entity                 | N/A                                        |
| 29    | Pakistan State Oil Company Limited                 | State owned/controlled entity                 | N/A                                        |
| 30    | Pakistan Telecommunication Company Limited         | State owned/controlled entity                 | N/A                                        |
| 31    | Pakistan Petroleum Limited                         | State owned/controlled entity                 | N/A                                        |
| 32    | Punjab Thermal Power Limited                       | Common director                               | N/A                                        |
| 33    | PRIMCO Limited                                     | Common director                               | N/A                                        |
| 34    | Port Qasim Authority                               | State owned/controlled entity/Common director | N/A                                        |
| 35    | Quaid-e-Azam Thermal Power Plant                   | Common director                               | N/A                                        |
| 36    | Trading Corporation of Pakistan (TCP)              | State owned/controlled entity                 | N/A                                        |
| 37    | Sezan International Limited                        | Common director                               | N/A                                        |
| 38    | Siddiqsons Energy Limited                          | Common director                               | N/A                                        |
| 39    | Stores Liaison Officers (PAF)                      | State owned/controlled entity                 | N/A                                        |
| 40    | Sui Northern Gas Pipelines Limited                 | State owned/controlled entity                 | N/A                                        |
| 41    | Sui Southern Gas Company Limited                   | State owned/controlled entity                 | N/A                                        |
| 42    | Wah Brass Mills (Private) Limited                  | State owned/controlled entity                 | N/A                                        |
| 43    | Water and Power Development Authority              | State owned/controlled entity                 | N/A                                        |
| 44    | Zahid Jee Textile                                  | Common director                               | N/A                                        |
| 45    | Directors / Executives                             | Key management personnel                      | N/A                                        |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## 53. LISTING OF SUBSIDIARY COMPANIES AND AN ASSOCIATE

| Name of Subsidiaries                                              | Financial year end |
|-------------------------------------------------------------------|--------------------|
| - Bolan Shipping (Private) Limited                                | June 30            |
| - Chitral Shipping (Private) Limited                              | June 30            |
| - Hyderabad Shipping (Private) Limited                            | June 30            |
| - Johar Shipping (Private) Limited                                | June 30            |
| - Karachi Shipping (Private) Limited                              | June 30            |
| - Khairpur Shipping (Private) Limited                             | June 30            |
| - Lahore Shipping (Private) Limited                               | June 30            |
| - Lalazar Shipping (Private) Limited                              | June 30            |
| - Makran Shipping (Private) Limited                               | June 30            |
| - Malakand Shipping (Private) Limited                             | June 30            |
| - Multan Shipping (Private) Limited                               | June 30            |
| - Quetta Shipping (Private) Limited                               | June 30            |
| - Sargodha Shipping (Private) Limited                             | June 30            |
| - Shalamar Shipping (Private) Limited                             | June 30            |
| - Sibi Shipping (Private) Limited                                 | June 30            |
| - Swat Shipping (Private) Limited                                 | June 30            |
| - Pakistan Co-operative Ship Stores (Private) Limited             | June 30            |
| - Pakistan Marine and Shipping Services Company (Private) Limited | June 30            |
| - National Ship Management and Crewing (Private) Limited          | June 30            |

### Name of Associate

|                                                 |             |
|-------------------------------------------------|-------------|
| - Muhammadi Engineering Works (Private) Limited | December 31 |
|-------------------------------------------------|-------------|

53.1 Set out below is summarised financial information of Pakistan Co-operative Ship Stores (Private) Limited that has Non-Controlling Interest (NCI). The following amounts are disclosed before inter-company eliminations.

|                                                | June 30,<br>2025             | June 30,<br>2024 |
|------------------------------------------------|------------------------------|------------------|
|                                                | ----- (Percentage) -----     |                  |
| Non-controlling interest (NCI)                 | 27%                          | 27%              |
|                                                | ----- (Rupees in '000) ----- |                  |
| Non-current assets                             | -                            | 16,291           |
| Current assets                                 | 42,923                       | 38,520           |
| Current liabilities                            | 864                          | 1,285            |
| Net assets attributable to NCI                 | 11,471                       | 14,596           |
| Revenue                                        | 6,102                        | 8,168            |
| Expenses                                       | (1,435)                      | (2,567)          |
| Profit after tax for the year                  | 4,667                        | 5,601            |
| Profit attributable to NCI                     | 15,869                       | 1,646            |
| Other comprehensive income for the year        | -                            | 4,188            |
| Other comprehensive income attributable to NCI | -                            | 1,142            |
| Total comprehensive income attributable to NCI | 15,869                       | 2,788            |
| Net cash flows from operating activities       | (8,107)                      | 144              |
| Net cash flows from investing activities       | 7,557                        | (2,574)          |
| Net cash flows from financing activities       | -                            | -                |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

|                                             | June 30,<br>2025 | June 30,<br>2024 |
|---------------------------------------------|------------------|------------------|
| <b>54. NUMBER OF EMPLOYEES</b>              |                  |                  |
| Average number of employees during the year | 636              | 672              |
| Number of employees as at end of the year   | 608              | 663              |

## 55. RECONCILIATION OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

|                                          | 2025                   |                       |                      | 2024                   |                       |                    |
|------------------------------------------|------------------------|-----------------------|----------------------|------------------------|-----------------------|--------------------|
|                                          | Long-term<br>financing | Unclaimed<br>dividend | Lease<br>liabilities | Long-term<br>financing | Unclaimed<br>dividend | Lease<br>liability |
|                                          | (Rupees in '000)       |                       |                      |                        |                       |                    |
| Balance at beginning of the year         | 2,821,383              | 203,955               | 14,508               | 7,244,223              | 120,573               | 98,195             |
| <b>Changes from financing cash flows</b> |                        |                       |                      |                        |                       |                    |
| Repayment                                | (868,800)              | -                     | -                    | (4,430,522)            | -                     | (1,287)            |
| Obtained                                 | -                      | -                     | -                    | -                      | -                     | -                  |
| Dividend paid                            | -                      | (5,150,526)           | -                    | -                      | (3,218,203)           | -                  |
| Total changes from financing activities  | (868,800)              | (5,150,526)           | -                    | (4,430,522)            | (3,218,203)           | (1,287)            |
| <b>Other non cash changes</b>            |                        |                       |                      |                        |                       |                    |
| Amortisation of arrangement fee          | 915                    | -                     | -                    | 7,682                  | -                     | -                  |
| Reclassified to other liabilities        | -                      | -                     | (2,657)              | -                      | -                     | (1,220)            |
| Accretion of interest                    | -                      | -                     | 902                  | -                      | -                     | 1,852              |
| Impact of termination of leases          | -                      | -                     | -                    | -                      | -                     | (83,032)           |
| Final dividend                           | -                      | 3,301,584             | -                    | -                      | 1,980,951             | -                  |
| Interim dividend                         | -                      | 1,980,951             | -                    | -                      | 1,320,634             | -                  |
| Total other changes                      | 915                    | 5,282,535             | (1,755)              | 7,682                  | 3,301,585             | (82,400)           |
| <b>Balance at end of the year</b>        | <b>1,953,498</b>       | <b>335,964</b>        | <b>12,753</b>        | <b>2,821,383</b>       | <b>203,955</b>        | <b>14,508</b>      |

## 56. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statements of the fund:

|                                 | June 30,<br>2025 | June 30,<br>2024 |
|---------------------------------|------------------|------------------|
|                                 | (Rupees in '000) |                  |
| Size of the fund - Total assets | 230,187          | 288,725          |
| Fair value of investments       | 224,637          | 278,405          |
| Percentage of investment made   | 94.29            | 96.43            |

**56.1** The cost of above investments amounted to Rs. 217.040 million (2024: Rs. 231.965 million).



# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

56.2 The break-up of fair value of investments is as follows:

|                 | June 30,<br>2025        | June 30,<br>2024 | June 30,<br>2025            | June 30,<br>2024 |
|-----------------|-------------------------|------------------|-----------------------------|------------------|
|                 | ------(Percentage)----- |                  | ------(Rupees in '000)----- |                  |
| Mutual funds    | 49.48                   | 37.01            | 107,396                     | 103,039          |
| Treasury bills  | 40.71                   | 61.94            | 88,356                      | 172,432          |
| Debt securities | 6.91                    | -                | 15,000                      | -                |
| Bank balances   | 2.90                    | 1.05             | 6,288                       | 2,934            |
|                 | <u>100</u>              | <u>100</u>       | <u>217,040</u>              | <u>278,405</u>   |

56.3 The investment out of provident fund have been made in accordance with the provision of Section 218 of the Companies Act, 2017 and the rules conditions specified thereunder.

## 57. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

|                                                               | Note | June 30,<br>2025            | June 30,<br>2024 |
|---------------------------------------------------------------|------|-----------------------------|------------------|
|                                                               |      | ------(Rupees in '000)----- |                  |
| <b>Financing as per Islamic Mode</b>                          |      |                             |                  |
| Long-term financing<br>(including current portion)            | 26   | 1,953,498                   | 2,821,383        |
| <b>Interest accrued on conventional loans</b>                 |      | -                           | -                |
| <b>Shariah Compliant bank balances</b>                        |      |                             |                  |
| Bank Balances                                                 | 23   | 730,256                     | 1,090,073        |
| <b>Shariah compliant revenue</b>                              |      |                             |                  |
| Freight income - foreign flag vessels                         | 33   | 33,715,448                  | 40,997,915       |
| Other operating activities                                    | 34   | 3,591,594                   | 5,077,597        |
| Rental income                                                 |      | 330,374                     | 287,978          |
| <b>Exchange gain earned from actual currency</b>              |      |                             |                  |
| Realised exchange loss                                        | 39   | 59,796                      | -                |
| Unrealised exchange gain                                      | 39   | -                           | 198,134          |
| Unrealized gain on revaluation of foreign currency balances   | 40   | 306,894                     | 10,026           |
| <b>Profit paid on Islamic mode of financing</b>               |      |                             |                  |
| Long-term financing                                           | 41   | 376,234                     | 781,082          |
| <b>Interest paid on conventional loans</b>                    |      | -                           | 114,922          |
| <b>Source and detailed breakup of other income</b>            |      |                             |                  |
| <b>Non-Shariah Compliant</b>                                  |      |                             |                  |
| Income from saving accounts, treasury bills and term deposits | 40   | 2,058,854                   | 3,670,785        |
| Dividend income from conventional mutual funds                | 40   | 44,114                      | 2,905,702        |
| Dividend income - listed companies                            | 40   | -                           | -                |
| Capital gain on mutual funds                                  | 40   | 4,979,326                   | 58,081           |
| Unrealized gain on mutual funds                               | 40   | 83,420                      | 131,314          |
| Others                                                        | 40   | 37,107                      | 122,708          |
| <b>Shariah Compliant</b>                                      |      |                             |                  |
| Income from saving accounts, treasury bills and term deposits | 40   | 100,234                     | 250,632          |
| Dividend income from shariah compliant mutual funds           | 40   | 2,290                       | 15,252           |
| Dividend income - listed companies                            | 40   | 1,993                       | 1,495            |
| Capital gain on mutual funds                                  | 40   | 16,249                      | -                |
| Unrealized gain on mutual funds                               | 40   | -                           | -                |
| Others                                                        | 40   | -                           | -                |

# Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2025

## Relationship with Shariah-compliant financial institutions

| Name                         | Relationship                   |
|------------------------------|--------------------------------|
| Bank Al Habib Limited        | Bank Balance                   |
| Meezan Bank Limited          | Bank Balance                   |
| United Bank Limited          | Bank Balance                   |
| Bank Al Falah Limited        | Bank Balance                   |
| Al Baraka Bank Limited       | Bank Balance                   |
| Bank Islami Pakistan Limited | Bank Balance                   |
| Dubai Islamic Bank Limited   | Bank Balance                   |
| MCB Islamic Bank Limited     | Bank Balance                   |
| Faysal Bank Limited          | Funded Facility & Bank Balance |

## 58. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation in these consolidated financial statements.

## 59. GENERAL

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

## 59.1 EVENTS AFTER REPORTING PERIOD

The Board of Directors in their meeting held on September 26, 2025 have proposed for the year ended June 30, 2025 cash dividend of Rs 23 per share amounting to Rs 4,556 million subject to the approval of the members at the annual general meeting to be held on October 28, 2025. These consolidated financial statements for the year ended June 30, 2025 do not include the effect of this appropriation which will be accounted for subsequent to the year end.

## 60. DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue on September 26, 2025 by the Board of Directors of the Holding Company.

  
**Syed Zeeshan Taqvi**  
Chief Financial Officer

  
**Syed Jafar Haider Kazmi**  
Chief Executive Officer

  
**Mr. Khalil Ahmed**  
Director

**Independent  
Auditors' Report and  
Unconsolidated  
Financial Statements of  
PNSC**

**Yousuf Adil**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8,  
KCHSU, Shahrah-e-Faisal,  
Karachi - 75350, Pakistan

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
1st & 3rd Floor, Modern Motors House,  
Beaumont Road,  
Karachi - 75530, Pakistan

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAKISTAN NATIONAL SHIPPING CORPORATION**

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

#### **Opinion**

We have audited the annexed unconsolidated financial statements of **Pakistan National Shipping Corporation** (the Corporation), which comprise the unconsolidated statement of financial position as at **June 30, 2025**, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Corporation's affairs as at **June 30, 2025** and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following are the Key audit matters:

| <b>S. No.</b> | <b>Key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>How the matter was addressed in our audit</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.            | <p><b>Contingencies</b></p> <p>The Corporation has various contingent liabilities in respect of income / sales tax matters and claims from employees and customers, which are pending adjudication before the relevant regulatory authorities and the courts of law.</p> <p>Refer to notes 29.1 to 29.18 to the annexed unconsolidated financial statements.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Corporation.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingencies as a key audit matter.</p> | <p>Our key audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Corporation's processes and controls over litigations through meetings with the management, in-house legal department and review of the minutes of the Board of Directors and the Board Audit Committee;</li> <li>• Inspected report prepared by the in-house legal department and the Corporations's tax advisor;</li> <li>• Involved our tax specialist to assist in analyzing the judgement used to evaluate the matters;</li> <li>• Reviewed correspondence with regulatory authorities (including judgments and orders passed by competent authorities from time to time, where applicable) and the Corporation's external tax / legal counsels. Where relevant, also assessed external legal / tax advices obtained by the Corporation;</li> <li>• Circularized confirmations to the Corporation's external legal and tax advisors for their views and assessment on the pending cases; and</li> <li>• Assessed the adequacy and appropriateness of related disclosures in the annexed unconsolidated financial statements for compliance with the requirement of the applicable financial reporting framework.</li> </ul> |
| 2.            | <p><b>Valuation of investment property</b></p> <p>As stated in note 10 to the unconsolidated financial statements, the Corporation has measured its investment property at fair value. The valuation process is inherently subjective and requires the application of significant judgment, making it susceptible to estimation uncertainty and potential management bias.</p> <p>We identified the valuation of investment property as Key Audit Matter due to judgments involved and due to impact of valuation on the Corporation's unconsolidated financial position as well as the profitability and earnings per share.</p>                                                                                                                                                                                                                                                        | <p>Our key audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the scope, objectives, and nature of work performed by the external valuer engaged by management;</li> <li>• Assessed the competence, capability and objectivity of the valuer in accordance with the applicable auditing standard;</li> <li>• Obtained valuer's report and discussed with management about the appropriateness of assumptions and methodologies used;</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |



| S. No. | Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>With the support of our valuation expert, we evaluated the year-on-year movement in fair value with reference to publicly available information and assessed rentals with reference to prevailing market conditions. and</li> <li>Ensured that fair value is properly accounted for and disclosed in unconsolidated financial statements.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3.     | <p><b>Employee benefits</b></p> <p>As disclosed in Note 26 to the unconsolidated financial statements, the Corporation operates a number of defined benefit plans for its employees. The Corporation's net obligation in respect of defined benefit plans as at June 30, 2025 amounted to Rs. 1,159 million (2024: Rs. 1,128). In determining the obligation with respect to defined benefit plans, the Corporation engaged an actuarial expert to perform the actuarial valuation of plan assets and to determine the present value of the defined benefit obligation, which involves use of certain key assumptions including but not limited to discount rates, expected rate of increase in future salaries and medical costs, and mortality rates.</p> <p>Changes in any of these key assumptions can have a material impact on the calculation of these liabilities and amounts reported in these financial statements.</p> <p>We have identified employee retirement benefits as a Key Audit Matter due to the significance of amounts involved, judgments applied by the management and technical expertise required to determine these amounts.</p> | <p>Our key audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>Understanding the management's valuation process, including the involvement of actuarial expert in performing the actuarial valuation of plan assets and defined benefit obligation;</li> <li>Assessed the competence and objectivity of the qualified actuary engaged by the management of the Corporation for the determination of amounts to be reported in the unconsolidated financial statements against the employee retirement benefits in accordance with the requirements of IAS 19 "Employee Benefits";</li> <li>Read the terms of the engagement between the Corporation and the actuarial expert engaged by the management to understand the nature, scope and objectives of specialist's work;</li> <li>Tested completeness and accuracy of the data provided by the Corporation to its actuary for the purpose of valuation;</li> <li>Engaged our external specialist to assess the appropriateness of the methodology and assumptions used to determine the obligation in respect of defined benefit plans; and</li> <li>Reviewed and assessed the adequacy of the related disclosures in the unconsolidated financial statements in accordance with the requirements of IAS 19.</li> </ul> |
| 4.     | <p><b>Revenue recognition from chartering of foreign vessels and slot charter</b></p> <p>The Corporation recognizes revenue from voyage charter, slot charter, demurrage and income from miscellaneous claims amounting to Rs. 5.4 billion (2024: Rs. 7.5 billion).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Our key audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>Obtained and updated understanding of Corporation's business model, focusing on</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| S. No. | Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <p>We identified revenue recognition as a Key Audit Matter considering the materiality of the amounts involved, volume of transactions and the inherent risk due to the time based measurement used by the Corporation that the revenue from unfinished voyages is not accurately recognized in respect of the cut-off reporting date, which could significantly impact the unconsolidated financial statements.</p> <p>Refer to Note 5.20 for the accounting policy relating to revenue recognition and Note 31 for the related disclosures.</p> | <p>chartering vessels and slot charter arrangements under contracts;</p> <ul style="list-style-type: none"> <li>Reviewed revenue recognition policies to ensure compliance with IFRS, especially the over-time recognition;</li> <li>Evaluated management's assumptions and methods for measuring voyage progress, including load-to-discharge basis and estimated voyage duration;</li> <li>Performed cut-off testing procedures to assess whether revenue is recognized in proper accounting period; and</li> <li>Assessed the adequacy of related disclosures in the unconsolidated financial statements regarding significant judgments and estimation uncertainties.</li> </ul> |

#### **Information Other than the Unconsolidated and Consolidated Financial Statements and Auditors' 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 consolidated and unconsolidated financial statements and our auditors' reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Corporation's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements**

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

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

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

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

**Yousuf Adil**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8,  
KCHSU, Shahrah-e-Faisal,  
Karachi - 75350, Pakistan

**Grant Thornton Anjum Rahman**  
Chartered Accountants  
1st & 3rd Floor, Modern Motors House,  
Beaumont Road,  
Karachi - 75530, Pakistan

### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Corporation as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and the SOE Act, 2023 are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Corporation's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Corporation and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partners on the audit resulting in this independent auditors' report are Muhammad Shaukat Naseeb (Grant Thornton Anjum Rahman) and Shafqat Ali (Yousuf Adil Chartered Accountants).



**Yousuf Adil**  
Chartered Accountants  
Karachi

**Date:** October 06, 2025

**UDIN:** AR202510186YmyWu64xA



**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

**Date:** October 06, 2025

**UDIN:** AR202510126j4zO6szlg



# Unconsolidated Statement of Financial Position

As at June 30, 2025

|                                                                      | Note | June 30,<br>2025   | June 30,<br>2024   |
|----------------------------------------------------------------------|------|--------------------|--------------------|
| ----- (Rupees in '000) -----                                         |      |                    |                    |
| <b>ASSETS</b>                                                        |      |                    |                    |
| <b>Non-current assets</b>                                            |      |                    |                    |
| Property, plant and equipment                                        | 7    | 4,498,971          | 3,095,362          |
| Right-of-use assets                                                  | 8    | 6,712              | 8,514              |
| Intangible assets                                                    | 9    | 149,624            | 160,445            |
| Investment properties                                                | 10   | 4,607,802          | 4,320,352          |
| Long-term investments in:                                            |      |                    |                    |
| - Related parties (subsidiaries and an associate)                    | 11   | 46,115,988         | 46,115,988         |
| - Listed companies and an other entity                               | 12   | 85,911             | 36,874             |
|                                                                      |      | 46,201,899         | 46,152,862         |
| Long-term loans                                                      | 13   | 91,241             | 19,496             |
| Deferred taxation                                                    | 14   | 155,253            | 270,672            |
| <b>Total non-current assets</b>                                      |      | <b>55,711,502</b>  | <b>54,027,703</b>  |
| <b>Current assets</b>                                                |      |                    |                    |
| Stores and spares                                                    | 15   | 128,940            | -                  |
| Trade debts                                                          | 16   | 788,323            | 515,378            |
| Agents' and owners' balances                                         | 17   | 5,327              | 10,195             |
| Loans and advances                                                   | 18   | 251,923            | 241,050            |
| Trade deposits and short-term prepayments                            | 19   | 127,533            | 37,745             |
| Contract assets                                                      |      | 156,167            | 531,247            |
| Interest accrued on bank deposits and short-term investments         |      | 190,355            | 1,043,376          |
| Other receivables                                                    | 20   | 998,122            | 674,278            |
| Taxation - net                                                       |      | 2,061,890          | 1,362,305          |
| Short-term investments                                               | 21   | 61,908,209         | 39,464,578         |
| Cash and bank balances                                               | 22   | 6,030,196          | 7,169,248          |
| <b>Total current assets</b>                                          |      | <b>72,646,985</b>  | <b>51,049,400</b>  |
| <b>TOTAL ASSETS</b>                                                  |      | <b>128,358,487</b> | <b>105,077,103</b> |
| <b>EQUITY AND LIABILITIES</b>                                        |      |                    |                    |
| <b>SHARE CAPITAL AND RESERVES</b>                                    |      |                    |                    |
| <b>Authorised share capital</b>                                      |      |                    |                    |
| 200,000,000 (2024: 200,000,000) ordinary shares of Rs. 10 each       |      | 2,000,000          | 2,000,000          |
| <b>Issued, subscribed and paid-up share capital</b>                  |      |                    |                    |
|                                                                      | 23   | 1,980,951          | 1,320,634          |
| <b>Reserves</b>                                                      |      |                    |                    |
| Capital reserve                                                      |      | 126,843            | 126,843            |
| Revenue reserve - unappropriated profit                              |      | 15,285,158         | 14,528,229         |
| Remeasurement of post-retirement benefits obligation - net of tax    |      | (380,202)          | (390,796)          |
| Surplus on revaluation of property, plant and equipment - net of tax | 7.7  | 2,146,941          | 2,167,806          |
|                                                                      |      | 17,178,740         | 16,432,082         |
| <b>TOTAL EQUITY</b>                                                  |      | <b>19,159,691</b>  | <b>17,752,716</b>  |
| <b>LIABILITIES</b>                                                   |      |                    |                    |
| <b>Non-current liabilities</b>                                       |      |                    |                    |
| Long-term financing                                                  | 24   | 1,084,698          | 1,952,583          |
| Lease liabilities                                                    | 25   | 10,271             | 11,878             |
| Employees' benefits                                                  | 26   | 1,159,199          | 1,128,785          |
| <b>Total non-current liabilities</b>                                 |      | <b>2,254,168</b>   | <b>3,093,246</b>   |
| <b>Current liabilities</b>                                           |      |                    |                    |
| Trade and other payables                                             | 27   | 105,252,751        | 82,834,965         |
| Contract liabilities                                                 | 28   | 416,758            | 190,254            |
| Provision against damage claims                                      | 29   | 25,988             | 22,408             |
| Current portion of long-term financing                               | 24   | 868,800            | 868,800            |
| Current portion of lease liabilities                                 | 25   | 2,482              | 2,630              |
| Unclaimed dividend                                                   |      | 335,964            | 203,955            |
| Accrued mark-up on long-term financing                               |      | 41,885             | 108,129            |
| <b>Total current liabilities</b>                                     |      | <b>106,944,628</b> | <b>84,231,141</b>  |
| <b>TOTAL LIABILITIES</b>                                             |      | <b>109,198,796</b> | <b>87,324,387</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                  |      | <b>128,358,487</b> | <b>105,077,103</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                 |      |                    |                    |
|                                                                      | 30   |                    |                    |

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

  
**Syed Zeeshan Taqvi**  
 Chief Financial Officer

  
**Syed Jafar Haider Kazmi**  
 Chief Executive Officer

  
**Mr. Khalil Ahmed**  
 Director



# Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2025

|                                                                    |                 | June 30,<br>2025             | June 30,<br>2024 |
|--------------------------------------------------------------------|-----------------|------------------------------|------------------|
|                                                                    | Note            | ----- (Rupees in '000) ----- |                  |
| REVENUE FROM CONTRACT WITH CUSTOMERS                               |                 |                              |                  |
| Freight income - foreign flag vessels                              | 31              | 5,282,625                    | 7,219,420        |
| Service fees                                                       | 32              | 1,153,289                    | 1,382,324        |
| Other operating activities                                         | 33              | 158,091                      | 294,359          |
|                                                                    |                 | 6,594,005                    | 8,896,103        |
| REVENUE FROM OTHERS                                                |                 |                              |                  |
| Rental income                                                      |                 | 330,374                      | 285,731          |
|                                                                    |                 | 6,924,379                    | 9,181,834        |
| EXPENDITURE                                                        |                 |                              |                  |
| Fleet expenses                                                     | 34              | (4,673,310)                  | (5,313,185)      |
| Vessel management expenses                                         | 35              | (1,552,194)                  | (1,472,500)      |
| Real estate expenses                                               | 36              | (170,468)                    | (132,654)        |
|                                                                    |                 | (6,395,972)                  | (6,918,339)      |
| GROSS PROFIT                                                       |                 |                              |                  |
|                                                                    |                 | 528,407                      | 2,263,495        |
| Administrative expenses                                            | 37              | (452,250)                    | (423,922)        |
| Impairment reversal / (loss) on financial assets                   | 38              | 1,321,595                    | (259,521)        |
| Other expenses                                                     | 39              | (464,547)                    | (845,745)        |
| Other income                                                       | 40              | 8,629,808                    | 7,683,076        |
|                                                                    |                 | 9,034,606                    | 6,153,888        |
| OPERATING PROFIT                                                   |                 |                              |                  |
|                                                                    |                 | 9,563,013                    | 8,417,383        |
| Finance cost                                                       | 41              | (419,732)                    | (1,003,486)      |
| PROFIT BEFORE LEVIES AND TAXATION                                  |                 |                              |                  |
|                                                                    |                 | 9,143,281                    | 7,413,897        |
| Levies                                                             | 42              | (912,259)                    | (918,114)        |
| PROFIT BEFORE TAXATION                                             |                 |                              |                  |
|                                                                    |                 | 8,231,022                    | 6,495,783        |
| Taxation                                                           | 43              | (1,552,105)                  | (1,511,376)      |
| PROFIT FOR THE YEAR                                                |                 |                              |                  |
|                                                                    |                 | 6,678,917                    | 4,984,407        |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR                            |                 |                              |                  |
| Items that will not be reclassified subsequently to profit or loss |                 |                              |                  |
| - Remeasurement of post-retirement benefits obligation             | 26.1.8 & 26.2.4 | 17,368                       | (322,564)        |
| - Related tax                                                      | 14.1            | (6,774)                      | 125,800          |
|                                                                    |                 | (10,594)                     | (196,764)        |
| - Revaluation of property, plant and equipment                     | 7.1             | -                            | 785,108          |
| - Related tax                                                      | 14.1            | -                            | (225,013)        |
|                                                                    |                 | -                            | 560,095          |
|                                                                    |                 | 10,594                       | 363,331          |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR                            |                 |                              |                  |
|                                                                    |                 | 6,689,511                    | 5,347,738        |
| ----- (Rupees) -----                                               |                 |                              |                  |
| --- Restated ---                                                   |                 |                              |                  |
| EARNINGS PER SHARE - basic and diluted                             |                 |                              |                  |
|                                                                    | 44              | 33.72                        | 25.16            |

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

  
**Syed Zeeshan Taqvi**  
 Chief Financial Officer

  
**Syed Jafar Haider Kazmi**  
 Chief Executive Officer

  
**Mr. Khalil Ahmed**  
 Director

# Unconsolidated Statement of Changes in Equity

## For the year ended June 30, 2025

|                                                                                                                                                      | Issued,<br>subscribed<br>and paid-<br>up share<br>capital | Capital<br>reserve* | Revenue<br>reserve -<br>unappropriated<br>profit | Remeasurement<br>of post-<br>retirement<br>benefits<br>obligation - net<br>of tax | Surplus on<br>revaluation<br>of property,<br>plant and<br>equipment -<br>net of tax | Total equity |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------|--------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------|
| (Rupees in '000)                                                                                                                                     |                                                           |                     |                                                  |                                                                                   |                                                                                     |              |
| <b>Balance as at July 01, 2023</b>                                                                                                                   | 1,320,634                                                 | 126,843             | 12,840,594                                       | (194,032)                                                                         | 1,612,524                                                                           | 15,706,563   |
| <b>Transactions with owners in their capacity, as owners directly recognised in equity</b>                                                           |                                                           |                     |                                                  |                                                                                   |                                                                                     |              |
| Final cash dividend for the year ended June 30, 2023<br>(Rs. 15 per ordinary share of Rs.10 each)                                                    | -                                                         | -                   | (1,980,951)                                      | -                                                                                 | -                                                                                   | (1,980,951)  |
| Interim dividend for the year ended June 30, 2024<br>(Rs. 10 per ordinary share of Rs.10 each)                                                       | -                                                         | -                   | (1,320,634)                                      | -                                                                                 | -                                                                                   | (1,320,634)  |
| Profit for the year                                                                                                                                  | -                                                         | -                   | 4,984,407                                        | -                                                                                 | -                                                                                   | 4,984,407    |
| Other comprehensive income for the year                                                                                                              | -                                                         | -                   | -                                                | (196,764)                                                                         | 560,095                                                                             | 363,331      |
| Total comprehensive income for the year                                                                                                              | -                                                         | -                   | 4,984,407                                        | (196,764)                                                                         | 560,095                                                                             | 5,347,738    |
| Surplus on revaluation on property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax | -                                                         | -                   | 4,813                                            | -                                                                                 | (4,813)                                                                             | -            |
| <b>Balance as at June 30, 2024</b>                                                                                                                   | 1,320,634                                                 | 126,843             | 14,528,229                                       | (390,796)                                                                         | 2,167,806                                                                           | 17,752,716   |
| <b>Transactions with owners in their capacity, as owners directly recognised in equity</b>                                                           |                                                           |                     |                                                  |                                                                                   |                                                                                     |              |
| Final cash dividend for the year ended June 30, 2024<br>(Rs. 25 per ordinary share of Rs.10 each)                                                    | -                                                         | -                   | (3,301,585)                                      | -                                                                                 | -                                                                                   | (3,301,585)  |
| Issue of bonus shares at the rate of 50%                                                                                                             | 660,317                                                   | -                   | (660,317)                                        | -                                                                                 | -                                                                                   | -            |
| Interim dividend for the year ended June 30, 2025<br>(Rs. 10 per ordinary share of Rs.10 each)                                                       | -                                                         | -                   | (1,980,951)                                      | -                                                                                 | -                                                                                   | (1,980,951)  |
| Profit for the year                                                                                                                                  | -                                                         | -                   | 6,678,917                                        | -                                                                                 | -                                                                                   | 6,678,917    |
| Other comprehensive income for the year                                                                                                              | -                                                         | -                   | -                                                | 10,594                                                                            | -                                                                                   | 10,594       |
| Total comprehensive income for the year                                                                                                              | -                                                         | -                   | 6,678,917                                        | 10,594                                                                            | -                                                                                   | 6,689,511    |
| Surplus on revaluation on property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax | -                                                         | -                   | 20,865                                           | -                                                                                 | (20,865)                                                                            | -            |
| <b>Balance as at June 30, 2025</b>                                                                                                                   | 1,980,951                                                 | 126,843             | 15,285,158                                       | (380,202)                                                                         | 2,146,941                                                                           | 19,159,691   |

\* This includes an amount transferred from shareholder's equity at the time of merger between former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC). The reserve is not available for the purpose of distribution to shareholders.

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

  
Syed Zeeshan Taqvi  
Chief Financial Officer

  
Syed Jafar Haider Kazmi  
Chief Executive Officer

  
Mr. Khalil Ahmed  
Director

# Unconsolidated Statement of Cash Flows

For the year ended June 30, 2025

|                                                             | Note   | June 30,<br>2025   | June 30,<br>2024    |
|-------------------------------------------------------------|--------|--------------------|---------------------|
| (Rupees in '000)                                            |        |                    |                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |        |                    |                     |
| Cash generated from operations                              | 45     | 24,314,216         | 17,228,612          |
| Employees' gratuity paid                                    | 26.1.6 | (89,253)           | (45,893)            |
| Employees' compensated absences paid                        | 26.2.4 | (104,531)          | (69,766)            |
| Post-retirement medical benefits paid                       | 26.1.6 | (22,013)           | (14,298)            |
| Finance cost paid                                           |        | (441,557)          | (949,081)           |
| Income tax and levies paid                                  |        | (3,055,304)        | (2,661,304)         |
| <b>Net cash generated from operating activities</b>         |        | <b>20,601,558</b>  | <b>13,488,270</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |        |                    |                     |
| Purchase of property, plant and equipment                   |        | (1,517,142)        | (117,798)           |
| Purchase of intangible assets                               |        | (26,829)           | (87,212)            |
| Proceeds from disposal of property, plant and equipment     |        | -                  | 119                 |
| Additions to investment properties                          |        | (68,800)           | -                   |
| Short-term investments made - net                           |        | (7,725,993)        | (26,869,568)        |
| Return on short-term investments and bank balances received |        | 3,011,860          | 3,013,128           |
| Long-term loans                                             |        | (108,715)          | 9,958               |
| Dividend received                                           |        | 48,397             | 2,916,667           |
| <b>Net cash used in investing activities</b>                |        | <b>(6,387,222)</b> | <b>(21,134,706)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |        |                    |                     |
| Long-term financing repaid                                  | 24     | (868,800)          | (4,430,522)         |
| Lease liability paid                                        | 25     | -                  | (1,287)             |
| Dividend paid                                               |        | (5,150,527)        | (3,218,203)         |
| <b>Net cash used in financing activities</b>                |        | <b>(6,019,327)</b> | <b>(7,650,012)</b>  |
| Net increase / (decrease) in cash and cash equivalents      |        | <b>8,195,009</b>   | <b>(15,296,448)</b> |
| Cash and cash equivalents at the beginning of the year      |        | <b>16,342,715</b>  | <b>31,628,430</b>   |
| Exchange gain on cash and cash equivalents                  |        | <b>310,435</b>     | <b>10,733</b>       |
| <b>Cash and cash equivalents at the end of the year</b>     | 46     | <b>24,848,159</b>  | <b>16,342,715</b>   |

The annexed notes 1 to 60 form an integral part of these unconsolidated financial statements.

  
**Syed Zeeshan Taqvi**  
 Chief Financial Officer

  
**Syed Jafar Haider Kazmi**  
 Chief Executive Officer

  
**Mr. Khalil Ahmed**  
 Director

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 1. THE CORPORATION AND ITS OPERATIONS

Pakistan National Shipping Corporation (the Corporation) was established under the provisions of the Pakistan National Shipping Corporation Ordinance, 1979 and is principally engaged in the business of shipping, including charter of vessels, transportation of cargo and other related services and providing commercial, technical, administrative, financial and other services to its subsidiaries and third parties in relation to the business of shipping. The Corporation is also engaged in renting out its properties to tenants under lease arrangements. The Corporation is listed on the Pakistan Stock Exchange. The Corporation's registered office is situated at PNSC Building, Moulvi Tamizuddin Khan Road, Karachi.

Details of the Corporation's investment in subsidiaries and associated company are stated in note 11 to these unconsolidated financial statements.

## 2. STATEMENT OF COMPLIANCE

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

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

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

State-Owned Enterprises (Governance and Operation) Act, 2023 enacted by Federal Government requires financial statements to be prepared in accordance with international Financial Reporting Standards (IFRSs) and financial statements together with notes to them must include all information that is necessary to ensure that financial statements give a true and fair view to the financial position of the State-Owned Entity (SOE) provided that wherein SOE is not following the IFRSs, the board of SOE required to ensure compliance with this provision within the period of three years after coming into effect of SOE Act.

The Corporation will evaluate the compliance with the above SoE Act requirement.

2.2 In accordance with the requirements of Section 25(3) of the State-Owned Enterprises (Governance and Operations) Act, 2023, the Board of Directors declares that, in their opinion, there are reasonable grounds to believe that the Corporation will be able to pay their debts as and when they become due.

2.3 These are separate financial statements wherein subsidiaries and an associated company are measured at cost less impairment loss, if any.

## 3. BASIS OF MEASUREMENT

3.1 These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective notes to the unconsolidated financial statements.

3.2 These unconsolidated financial statements are presented in Pakistan Rupee, which is the Corporation's functional and presentation currency.

## 4. NEW AND AMENDED STANDARD AND INTERPRETATION

4.1 Amendments to accounting standards that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Corporation's operations or are not expected to have significant impact on the Corporation's financial statements other than certain additional disclosures.

- Amendments to IFRS-16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS-1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with non-current liabilities with covenants
- Amendments to IAS-7 'Statement of Cash Flows' and 'IFRS-7 'Financial instruments disclosures' - Supplier Finance Arrangements

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 4.2 New standard and amendments to accounting standards that are not yet effective

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

|                                                                                                                                                                    | Effective from Accounting period beginning on or after |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| - Amendments to IAS-21 - 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long-term lack of exchangeability | January 01, 2025                                       |
| - IFRS-S1 - General Requirements for Disclosure of Sustainability-related Financial Information                                                                    | July 01, 2025                                          |
| - IFRS-S2 - Climate-related Disclosures                                                                                                                            | July 01, 2025                                          |
| - IFRS-17 – 'Insurance Contracts' (including the amendments made in June 2020 and December 2021)                                                                   | January 01, 2027                                       |
| - Amendments IFRS-9 'Financial Instruments' and IFRS-7 'Financial Instruments: Disclosures' - Classification and measurement of financial instruments              | January 01, 2027                                       |
| - Annual Improvements to IFRS Accounting Standards (related to IFRS-1, IFRS-7, IFRS-9, IFRS-10 and IAS-7)                                                          | January 01, 2027                                       |
| - Amendments IFRS-9 'Financial Instruments' and IFRS-7 'Financial Instruments: Disclosures' - Contracts referencing nature-dependent electricity                   | January 01, 2026                                       |

Other than the aforesaid amendments, IASB has also issued following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS-1 – First Time Adoption of International Financial Reporting Standards
- IFRS-18 - Presentation and Disclosures in Financial Statements
- IFRS-19 - Subsidiaries without Public Accountability: Disclosures

## 5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

### 5.1 Property, plant and equipment

These are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment which are carried at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The value assigned to leasehold land is not depreciated as the leases are expected to be renewed for further periods on payment of relevant rentals. Annual lease rentals are charged to statement of profit or loss and premium paid at the time of renewal, if any, is amortised over the remaining period of the lease.

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalized and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the unconsolidated statement of profit or loss as an expense when it is incurred.



# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

Depreciation is charged to unconsolidated statement of profit or loss applying the straight line method at the rates specified in note 7.1. No depreciation is charged if the asset's residual value exceeds its carrying amount. Full month's depreciation is charged from the month the asset is available for intended use and no depreciation is charged in the month of disposal.

Residual values, useful lives and methods of depreciation are reviewed at each reporting date and adjusted, if expectations differ significantly from previous estimates.

The revaluation of related assets is carried out at regular intervals to ensure that the carrying amounts do not differ materially from those which would have been determined using fair values at the reporting date. Increase in the carrying amounts arising on revaluation of leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment is recognised, net of tax, in other comprehensive income and accumulated in surplus on revaluation of fixed assets in statement of changes in equity. To the extent that the increase reverses a decrease previously recognised in unconsolidated statement of profit or loss, the increase is first recognised in statement of profit or loss.

Decrease in the carrying amounts arising as a result of revaluation, that reverses previous increase of the same asset is first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decrease are charged to statement of profit or loss.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus on property, plant and equipment to unappropriated profit. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the assets. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to unappropriated profit. The revaluation reserve is not available for distribution to the Corporation's shareholders.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals determined by comparing proceeds with carrying amount of the relevant assets are included in statement of profit or loss.

## 5.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for intended use.

## 5.3 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Corporation does not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

## 5.4 Intangible assets

These are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is charged to unconsolidated statement of profit or loss by applying straight-line method whereby the cost less residual value, if not insignificant, of an asset is written off over its estimated useful life to the Corporation. Full month's amortisation is charged from the month the asset is available for intended use and no amortisation is charged in the month of disposal. Gains and losses on disposals determined by comparing proceeds with carrying amount of the relevant assets are included in statement of profit or loss.

## 5.5 Investment properties

Properties held for long-term rental yields which are significantly rented out by the Corporation are classified as investment properties.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

Investment properties are measured initially at cost, including related transaction costs directly attributable to acquisition. After initial recognition at cost, investment properties are carried at their fair values based on market value determined by professional independent valuers with sufficient regularity. Fair values are based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Gain or loss arising as a result of fair valuation is charged to unconsolidated statement of profit or loss.

Additions to investment properties consist of costs of a capital nature. The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

## 5.6 Impairment of non-financial assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in unconsolidated statement of profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

## 5.7 Investments in subsidiaries and associate

Investments in subsidiaries and associate are stated at cost less provision for impairment, if any. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

Impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the statement of profit or loss.

## 5.8 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.

### 5.8.1 Financial assets

#### a) Initial recognition and measurement

Under IFRS-9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; (FVOCI) – equity investment; or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS-9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

## b) Subsequent measurement

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.

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

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses including on account of derecognition are recognised in OCI and are never reclassified to statement of profit or loss.

## 5.8.2 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Corporation becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed dividend, accrued mark-up and trade and other payables. The Corporation derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through statement of profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate (EIR) method.

### Loans and borrowings

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost using the effective interest rate (EIR) method, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the effective interest (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the unconsolidated statement of profit or loss.

## 5.8.3 Impairment of financial assets

The Corporation recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost. The Corporation uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Corporation has established a provision matrix that is based on the Corporation's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

At each reporting date, the Corporation assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive. The shortfall is then discounted at an approximation to the asset's original EIR. 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.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation.

## 5.8.4 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the unconsolidated financial statements if the Corporation has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 5.9 Stores and spares

Stores and spares are stated at lower of cost less any impairment in value for any obsolete or slow moving items. Cost is determined as follows:

- Stores at weighted average cost; and
- Spares on first-in first-out basis.

Stores and spares in transit are valued at cost incurred up to the reporting date.

Certain spares having low value and high consumption levels are charged to statement of profit or loss at the time of purchase.

The Corporation reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if there is any change in the usage pattern and physical form.

## 5.10 Trade debts, agents' and owners' balances, loans, deposits and other receivables

Trade debts, agents' and owners' balances, loans, deposits and other receivables are stated initially at fair value and subsequently measured at amortised cost less an allowance for ECL. Allowance for ECL is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts, agents' and owners' balances, loans, deposits and other receivables. Bad debts, if any, are written off when considered irrecoverable.

## 5.11 Insurance claims

Insurance expenses relating to hull are charged to statement of profit or loss and claims filed there against are taken to statement of profit or loss when such claims are accepted by the underwriters.

Afloat medical expenses, cargo claims and other relevant amounts recoverable from underwriters are taken to insurance claims receivable.

## 5.12 Lease liabilities

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Corporation.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

Lease payments include fixed payments less any incentive received, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option and if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Corporation is reasonably certain to exercise these options.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

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

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

The Corporation determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Corporation applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Corporation reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

The lease liability is remeasured when the Corporation reassesses the reasonable certainty of exercise of extension or termination option upon occurrence of either a significant event or a significant change in circumstance, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increase the scope of lease by adding the right-to-use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

## 5.13 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

## 5.14 Provisions

Provisions are recognised when the Corporation 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 reporting date and adjusted to reflect the current best estimate.

## 5.15 Dividend and appropriations

Dividend distribution to the Corporation's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

## 5.16 Employees' benefits

### 5.16.1 Defined contribution plan - Provident fund

The Corporation operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Corporation and its employees, to the fund at the rate of 10 percent of the basic salaries of employees. Contributions by the Corporation are charged to statement of profit or loss for the year.

### 5.16.2 Defined benefit plans - Gratuity fund

The Corporation operates a funded retirement gratuity scheme for its permanent employees other than those who joined the Corporation on or after October 16, 1984. Further, the Corporation also operates an unfunded retirement gratuity scheme for contractual employees. Provisions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually under the projected unit credit method. The latest valuation was carried out as at June 30, 2025. The remeasurement of defined benefit plan is recognised directly to equity through other comprehensive income net of tax.



# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

Effective from, July 01, 2023, gratuity is calculated in two parts, i.e., the first part is based on the last drawn full basic monthly wages for each completed year of service, and the second part is based on the fixed allowances frozen at June 30, 2023 and after that, the fixed allowances will be compounded annually at a fixed interest rate (the Corporation provided each year) until retirement or resignation.

The benefit is payable on completion of prescribed qualifying period of service under these schemes.

The Corporation crew members are also entitled to gratuity in accordance with the Pakistan Maritime Board Regulations. These employee benefits are recognised on provisional basis as per actuarial report.

## 5.16.3 Defined benefit plan - Post-retirement medical benefits

The Corporation provides lump sum medical allowance and free medical facilities to its retired employees in accordance with the service regulations.

Provisions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2025. The remeasurement of post-retirement benefit obligation is recognised directly to equity through OCI.

The benefit is payable on completion of prescribed qualifying period of service under these schemes.

With effect from July 01, 2020, the Corporation has decided to restrict the Post-retirement medical benefits facility for contractual employees.

## 5.17 Employees' compensated absences

The Corporation accounts for the liability in respect of employees' compensated absences in the year in which these are earned.

Provisions are made in the unconsolidated financial statements to cover obligations on the basis of actuarial valuation carried out annually using the projected unit credit method. The latest valuation was carried out as at June 30, 2025. The remeasurement of employees' compensated absences are charged to statement of profit or loss.

## 5.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques in hand, bank balances and other short-term highly liquid investments with maturities of three months or less.

## 5.19 Foreign currency transactions and translation

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupee using the exchange rate ruling at the reporting date. Foreign exchange gain or losses resulting from the settlement of foreign currency transactions and translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognised in statement of profit or loss.

## 5.20 Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the rendering of services in the ordinary course of the Corporation's activities, net of rebates, discounts and excluding amounts collected on behalf of third parties. Revenue is recognized when or as performance obligations are satisfied by transferring services to the customer, i.e. over time, provided that the stage of completion can be measured reliably.

The Corporation's recognises revenue from the following major sources:

- voyage charter revenue;
- slot charter revenue;
- demurrage income; and
- others.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## Voyage charter revenue

All freight voyage charter revenue and voyage expenses are recognized on a percentage of completion basis. Load-to-discharge basis is used in determining the percentage of completion basis. Revenue is recognised evenly over the period from point of loading of current voyage to the point of discharge of the current voyage. Management uses its judgement in estimating the total number of days of a voyage based on historical trends, the operating capability of the vessel (speed and fuel consumption) and the distance of the trade route.

Revenue is not recognised during the period of mobilization of vessel from a previous discharge port to a next load port (Ballast leg) if there is no legally binding contract in place for the subsequent charter and costs incurred in positioning the vessel from last discharge port to the next load port (ballast cost) are capitalised at the end of ballast voyage and charged to next laden voyage from load port to discharge port.

## Slot charter revenue

Slot charter revenue is recognized on percentage of completion basis estimating the total income for a vessel under a slot charter arrangement. Revenue is recognized over time based on the progress of fulfilment, measured by the number of days incurred relative to the estimated total duration of the slot charter. The measurement period begins at the commencement of the slot charter and continues until the vessel arrives at the discharge port.

## Demurrage income

Freight contracts contains conditions regarding the amount of time available for loading and discharging of the vessel. Demurrage income, recognised over time, represents the compensation estimated for the additional time incurred for loading and discharging a vessel. Demurrage income due as per contractual terms is recognised on estimated basis, based on past experience of settlements and recent recovery trends.

## Others

- Fee for technical, commercial, administrative and financial services are recognised as revenue as and when the services are rendered in accordance with the terms of the agreement.
- Rental income is recognised as revenue on a straight line basis over the term of the respective lease arrangements.
- Dividend income is recognised when the Corporation's right to receive the dividend is established.
- Mark-up on bank accounts, return on short-term investments and other income is recognised on accrual basis.

## 5.21 Contract assets

For voyages in progress at the end of a reporting period, the Corporation recognises a percentage of the estimated revenue for the voyage equal to the percentage of the estimated duration of the voyage completed at the reporting date and recognises contract asset. The estimate of revenue is based on the expected duration of the voyage.

## 5.22 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

## 5.23 Benazir Employees' Stock Option Scheme

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme (the Scheme) for eligible employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises (non-SOEs) where GoP holds significant investments. To administer the Scheme, the GoP transferred 12% of its investment to BESOS Trust Fund (the Trust) created for the purpose by each of such entities.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

Keeping in view the difficulties that may be faced by the entities covered under the Scheme, SECP on receiving representation from some of the entities covered under the scheme and after having consulted the Institute of Chartered Accountants of Pakistan vide their letter number CAIDTS/PS& TAC/2011-2036 dated February 2, 2011 granted exemption to such entities from the application of IFRS-2 (Share based payment) to the Scheme vide SRO 587 (I)/2011 dated June 07, 2011.

The Supreme Court of Pakistan (SCP), vide its detailed judgment dated December 22, 2021, has declared the BESOS Scheme ultra vires. Accordingly, the appropriate measures in collaboration with relevant stakeholders are being taken by the Corporation to implement the decision of the SCP.

## 5.24 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 5.25 Earnings per share

The Corporation presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the 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.

## 5.26 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Corporation, management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

### 5.26.1 Current tax

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

### 5.26.2 Deferred tax

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the enacted tax rate.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

### 5.26.3 Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levies in the unconsolidated statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC-21 'Levies' or IAS-37 'Provisions, Contingent Liabilities and Contingent Assets'.

The Corporation has selected Approach B of 'IAS-12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by The Institute of Chartered Accountants of Pakistan, according to which, designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS-12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as levies falling under the scope of IFRIC-21 'Levies' or IAS-37 'Provisions, Contingent Liabilities and Contingent Assets'.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 6. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of the Corporation's unconsolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to these unconsolidated financial statements:

- (a) Valuation of certain property, plant and equipment and investment properties (notes 5.1, 5.5, 7 and 10);
- (b) Depreciation rate and determination of the residual values and useful lives of property, plant and equipment (notes 5 and 7);
- (c) Recoverable amount of long-term investment in related parties - subsidiaries (notes 5.7 and 11);
- (d) Expected credit loss on trade debts, agents' and owners' balances, other receivables and other financial assets (notes 5.8.3, 16, 17 and 20);
- (e) Provision for levies, current and deferred tax (notes 5.26, 14, 42 and 43);
- (f) Provision against damage claims (notes 5.14 and 29);
- (g) Provision for employee benefits (notes 5.16, 5.17 and 26);
- (h) Recognition of demurrage income, estimation of days for vessel in-transit, income from heating and miscellaneous claims (notes 5.20 and 33);
- (i) Contingencies and commitments (notes 5.22 and 30); and
- (j) Provision for slow moving stores and spares (notes 5.9 and 15).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

## 7. PROPERTY, PLANT AND EQUIPMENT

|                                                                 |     | June 30,<br>2025 | June 30,<br>2024 |
|-----------------------------------------------------------------|-----|------------------|------------------|
| Note                                                            |     | (Rupees in '000) |                  |
| - Operating fixed assets                                        | 7.1 | 2,951,407        | 2,989,412        |
| - Capital work-in-progress (CWIP) - buildings on leasehold land | 7.8 | 1,547,564        | 105,950          |
|                                                                 |     | <u>4,498,971</u> | <u>3,095,362</u> |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 7.1 Operating fixed assets

|                                             | Leasehold land<br>(notes 7.2 - 7.4) | Buildings on leasehold land<br>(notes 7.2 - 7.4) | Vessel<br>(note 7.5) | Vehicles | Office equipment | Furniture and fittings | Equipment on board | Beach huts<br>(notes 7.2 - 7.4) | Workshop machinery and equipment<br>(note 7.3 & 7.4) | Computer equipment | Total     |
|---------------------------------------------|-------------------------------------|--------------------------------------------------|----------------------|----------|------------------|------------------------|--------------------|---------------------------------|------------------------------------------------------|--------------------|-----------|
| <b>(Rupees in '000)</b>                     |                                     |                                                  |                      |          |                  |                        |                    |                                 |                                                      |                    |           |
| <b>As at June 30, 2023</b>                  |                                     |                                                  |                      |          |                  |                        |                    |                                 |                                                      |                    |           |
| Cost or revalued amount                     | 1,399,780                           | 884,378                                          | 1,440                | 61,822   | 83,939           | 45,168                 | 1,736              | 23,123                          | 24,227                                               | 158,846            | 2,684,459 |
| Accumulated depreciation                    | -                                   | (170,662)                                        | (1,440)              | (40,902) | (71,019)         | (37,125)               | (1,736)            | (8,533)                         | (18,500)                                             | (111,259)          | (461,176) |
| Accumulated impairment                      | -                                   | (15,019)                                         | -                    | -        | -                | -                      | -                  | -                               | -                                                    | -                  | (15,019)  |
| Net book value                              | 1,399,780                           | 698,697                                          | -                    | 20,920   | 12,920           | 8,043                  | -                  | 14,590                          | 5,727                                                | 47,587             | 2,208,264 |
| <b>Year ended June 30, 2024</b>             |                                     |                                                  |                      |          |                  |                        |                    |                                 |                                                      |                    |           |
| Opening net book value                      | 1,399,780                           | 698,697                                          | -                    | 20,920   | 12,920           | 8,043                  | -                  | 14,590                          | 5,727                                                | 47,587             | 2,208,264 |
| Additions                                   | -                                   | -                                                | -                    | 29,494   | 19,757           | 3,212                  | -                  | -                               | -                                                    | 13,455             | 65,918    |
| Write-offs                                  | -                                   | -                                                | -                    | -        | -                | -                      | -                  | -                               | -                                                    | -                  | -         |
| Cost or revalued amount                     | -                                   | -                                                | -                    | -        | -                | -                      | -                  | -                               | (158)                                                | -                  | (158)     |
| Accumulated depreciation                    | -                                   | -                                                | -                    | -        | -                | -                      | -                  | -                               | 47                                                   | -                  | 47        |
|                                             | -                                   | -                                                | -                    | -        | -                | -                      | -                  | -                               | (111)                                                | -                  | (111)     |
| Disposals                                   | -                                   | -                                                | -                    | -        | -                | (139)                  | -                  | -                               | -                                                    | -                  | (139)     |
| Cost or revalued amount                     | -                                   | -                                                | -                    | -        | -                | 139                    | -                  | -                               | -                                                    | -                  | 139       |
| Accumulated depreciation                    | -                                   | -                                                | -                    | -        | -                | -                      | -                  | -                               | -                                                    | -                  | -         |
| Revaluation surplus                         | 287,399                             | 467,725                                          | -                    | -        | -                | -                      | -                  | 4,196                           | 25,788                                               | -                  | 785,108   |
| Reversal of impairment                      | -                                   | 15,019                                           | -                    | -        | -                | -                      | -                  | -                               | -                                                    | -                  | 15,019    |
| Depreciation charge for the year - note 7.6 | -                                   | (38,306)                                         | -                    | (10,795) | (4,657)          | (2,389)                | -                  | (2,312)                         | (1,309)                                              | (25,018)           | (84,786)  |
| Closing net book value                      | 1,687,179                           | 1,143,135                                        | -                    | 39,619   | 28,020           | 8,866                  | -                  | 16,474                          | 30,095                                               | 36,024             | 2,989,412 |
| <b>As at June 30, 2024</b>                  |                                     |                                                  |                      |          |                  |                        |                    |                                 |                                                      |                    |           |
| Cost or revalued amount                     | 1,687,179                           | 1,352,103                                        | 1,440                | 91,316   | 103,696          | 48,380                 | 1,736              | 27,319                          | 49,857                                               | 172,301            | 3,535,327 |
| Accumulated depreciation                    | -                                   | (208,968)                                        | (1,440)              | (51,697) | (75,676)         | (39,514)               | (1,736)            | (10,845)                        | (19,762)                                             | (136,277)          | (545,915) |
| Net book value                              | 1,687,179                           | 1,143,135                                        | -                    | 39,619   | 28,020           | 8,866                  | -                  | 16,474                          | 30,095                                               | 36,024             | 2,989,412 |
| <b>Year ended June 30, 2025</b>             |                                     |                                                  |                      |          |                  |                        |                    |                                 |                                                      |                    |           |
| Opening net book value                      | 1,687,179                           | 1,143,135                                        | -                    | 39,619   | 28,020           | 8,866                  | -                  | 16,474                          | 30,095                                               | 36,024             | 2,989,412 |
| Additions                                   | -                                   | 15,933                                           | -                    | -        | 19,315           | 5,790                  | -                  | -                               | 4,313                                                | 30,177             | 75,528    |
| Write-offs                                  | -                                   | -                                                | -                    | -        | (13,766)         | (5,388)                | -                  | -                               | -                                                    | (16,297)           | (35,451)  |
| Cost or revalued amount                     | -                                   | -                                                | -                    | -        | 13,766           | 5,388                  | -                  | -                               | -                                                    | 16,297             | 35,451    |
| Accumulated depreciation                    | -                                   | -                                                | -                    | -        | -                | -                      | -                  | -                               | -                                                    | -                  | -         |
| Depreciation charge for the year - note 7.6 | -                                   | (54,651)                                         | -                    | (11,986) | (7,393)          | (2,863)                | -                  | (2,732)                         | (5,482)                                              | (28,426)           | (113,533) |
| Closing net book value                      | 1,687,179                           | 1,104,417                                        | -                    | 27,633   | 39,942           | 11,793                 | -                  | 13,742                          | 28,926                                               | 37,775             | 2,951,407 |
| <b>As at June 30, 2025</b>                  |                                     |                                                  |                      |          |                  |                        |                    |                                 |                                                      |                    |           |
| Cost or revalued amount                     | 1,687,179                           | 1,368,036                                        | 1,440                | 91,316   | 109,245          | 48,782                 | 1,736              | 27,319                          | 54,170                                               | 186,181            | 3,575,404 |
| Accumulated depreciation                    | -                                   | (263,619)                                        | (1,440)              | (63,683) | (69,303)         | (36,989)               | (1,736)            | (13,577)                        | (25,244)                                             | (148,406)          | (623,997) |
| Net book value                              | 1,687,179                           | 1,104,417                                        | -                    | 27,633   | 39,942           | 11,793                 | -                  | 13,742                          | 28,926                                               | 37,775             | 2,951,407 |
| <b>Annual rate of depreciation (%)</b>      |                                     |                                                  |                      |          |                  |                        |                    |                                 |                                                      |                    |           |
| 2025                                        | 3 to 20                             | 3 to 4                                           | 20                   | 15       | 10 to 15         | 10 to 15               | 10                 | 5 to 10                         | 33                                                   |                    |           |
| 2024                                        | 3 to 20                             | 3 to 4                                           | 20                   | 15       | 10 to 15         | 10 to 15               | 10                 | 5 to 10                         | 33                                                   |                    |           |



# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

**7.2** Particulars of immovable property (i.e. leasehold land, buildings on lease hold land and beach huts) are as follows:

| S.No. | Location                                                   | Usage of immovable property | Total area (Sq. yards) | Covered area (Sq. feet) |
|-------|------------------------------------------------------------|-----------------------------|------------------------|-------------------------|
| 1     | PNSC Building, Plot No. 30-A, Off. M.T. Khan Road, Karachi | Registered office           | 7,836                  | 234,288                 |
| 2     | PNSC Building, Plot No. 31-A, Off. M.T. Khan Road, Karachi | Leasehold land              | 1,834                  | 22,120                  |
| 3     | Plot No. 17/1, West Wharf, Karachi                         | Storage facility            | 705                    | 19,035                  |
| 4     | Plot No. 30, Township, Kemari, Karachi                     | Workshop                    | 7,925                  | 33,827                  |
| 5     | Plot No. D-51, Block - 5, Clifton, Karachi                 | Residential Bungalow        | 1,000                  | 6,385                   |
| 6     | PNSC Beach Hut-I, No. 12-S, Sandspit, Karachi              | Beach hut                   | 417                    | 2,296                   |
| 7     | PNSC Beach Hut-II, No. 37-N, Sandspit, Karachi             | Beach hut                   | 448                    | 2,314                   |

**7.3** Forced sales value of the aforementioned immovable properties determined on the basis of valuation carried out as at June 30, 2024 by an independent valuer are as follows:

| S.No. | Class of asset                   | (Rupees in '000) |
|-------|----------------------------------|------------------|
| 1     | Leasehold land                   | 1,736,403        |
| 2     | Buildings on leasehold land      | 963,025          |
| 3     | Beach huts                       | 13,179           |
| 4     | Workshop machinery and equipment | 24,077           |

## 7.3.1 Valuation techniques

The valuer has performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the better estimates of the fair value.

Further, for workshop machinery and equipment the valuer commensurate for the condition of machinery and to arrive at present value, they have applied suitable depreciation factor. The age, make, origin, condition etc. has been taken into account, while arriving at the present market value.

**7.4** Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

|                                                            | June 30, 2025    | June 30, 2024 |
|------------------------------------------------------------|------------------|---------------|
|                                                            | (Rupees in '000) |               |
| Leasehold land, buildings on leasehold land and beach huts | 443,356          | 455,573       |
| Workshop machinery and equipment                           | 3,803            | -             |
|                                                            | 447,159          | 455,573       |

**7.5** Cost and accumulated depreciation of vessel amounting to Rs 1.440 million relates to M.V Ilyas Bux. This vessel was seized by the Indian Authorities during the 1965 war and the Corporation does not have physical possession or control over the vessel.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|      |                                                                     | June 30,<br>2025 | June 30,<br>2024 |
|------|---------------------------------------------------------------------|------------------|------------------|
| Note |                                                                     | (Rupees in '000) |                  |
| 7.6  | The depreciation charge for the year has been allocated as follows: |                  |                  |
|      | Vessel management expenses                                          | 35 67,028        | 53,611           |
|      | Real estate expenses                                                | 36 40,919        | 26,707           |
|      | Administrative expenses                                             | 37 5,586         | 4,468            |
|      |                                                                     | <u>113,533</u>   | <u>84,786</u>    |

## 7.7 Surplus on revaluation on property, plant and equipment - net of tax

|                                                                             |                  |                  |
|-----------------------------------------------------------------------------|------------------|------------------|
| As at July 01                                                               | 2,421,310        | 1,644,092        |
| Revaluation surplus during the year                                         | -                | 785,108          |
| Transferred to unappropriated profit on account of incremental depreciation | (34,205)         | (7,890)          |
|                                                                             | <u>2,387,105</u> | <u>2,421,310</u> |
| As at June 30                                                               |                  |                  |
| Less: related deferred tax liability on:                                    |                  |                  |
| Revaluation surplus as at July 01                                           | 253,504          | 31,568           |
| Surplus arising during the year                                             | -                | 194,106          |
| Adjustment due to change in tax rate                                        | -                | 30,907           |
| Incremental depreciation charged during the year                            | (13,340)         | (3,077)          |
|                                                                             | <u>240,164</u>   | <u>253,504</u>   |
|                                                                             | <u>2,146,941</u> | <u>2,167,806</u> |

## 7.8 Capital work-in-progress (CWIP)

|                                  |                        |                |
|----------------------------------|------------------------|----------------|
| Balance at beginning of the year | 105,950                | 54,070         |
| Additions during the year        | 1,441,614              | 51,880         |
| Balance at end of the year       | 7.8.1 <u>1,547,564</u> | <u>105,950</u> |

7.8.1 It represents capital expenditure amounting to Rs. 1,385.010 million on container vessel, Rs. 104.225 million on renovation of 15th and 16th floor of PNSC building and Rs. 58.329 million related to PNSC mosque.

|      |                                      | June 30,<br>2025 | June 30,<br>2024 |
|------|--------------------------------------|------------------|------------------|
| Note |                                      | (Rupees in '000) |                  |
| 8.   | <b>RIGHT-OF-USE ASSETS</b>           |                  |                  |
|      | <b>Rental properties</b>             |                  |                  |
|      | Balance at the beginning of the year | 8,514            | 80,971           |
|      | Termination of lease during the year | 8.1 -            | (69,322)         |
|      | Depreciation                         | 37 (1,802)       | (3,135)          |
|      | Balance at the end of the year       | <u>6,712</u>     | <u>8,514</u>     |
|      | <b>Lease term (in years)</b>         | <u>10</u>        | <u>10</u>        |

8.1 Lease agreements related to Gwadar workshop & Gwadar repair shade were terminated before the expiry of their lease terms during the year ended June 30, 2024

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 9. INTANGIBLE ASSETS

|                                        | Ship Management Expert System (SES) (notes 9.1) | Backup Software (notes 9.2) | DANAOS Enterprise Software (notes 9.3) | Capital work-in-progress (CWIP) (notes 9.5) | Total     |
|----------------------------------------|-------------------------------------------------|-----------------------------|----------------------------------------|---------------------------------------------|-----------|
| (Rupees in '000)                       |                                                 |                             |                                        |                                             |           |
| <b>As at June 30, 2023</b>             |                                                 |                             |                                        |                                             |           |
| Cost                                   | 16,503                                          | -                           | -                                      | 73,559                                      | 90,062    |
| Accumulated amortization               | (16,503)                                        | -                           | -                                      | -                                           | (16,503)  |
| Net book value                         | -                                               | -                           | -                                      | 73,559                                      | 73,559    |
| <b>Year ended June 30, 2024</b>        |                                                 |                             |                                        |                                             |           |
| Opening net book value                 | -                                               | -                           | -                                      | 73,559                                      | 73,559    |
| Additions during the year              | -                                               | 1,308                       | -                                      | 85,904                                      | 87,212    |
| Amortisation for the year              | -                                               | (326)                       | -                                      | -                                           | (326)     |
| Closing net book value                 | -                                               | 982                         | -                                      | 159,463                                     | 160,445   |
| <b>As at June 30, 2024</b>             |                                                 |                             |                                        |                                             |           |
| Cost                                   | 16,503                                          | 1,308                       | -                                      | 159,463                                     | 177,274   |
| Accumulated amortization               | (16,503)                                        | (326)                       | -                                      | -                                           | (16,829)  |
| Net book value                         | -                                               | 982                         | -                                      | 159,463                                     | 160,445   |
| <b>Year ended June 30, 2025</b>        |                                                 |                             |                                        |                                             |           |
| Opening net book value                 | -                                               | 982                         | -                                      | 159,463                                     | 160,445   |
| Additions during the year              | -                                               | 8,005                       | 178,287                                | 18,824                                      | 205,116   |
| Transfers during the year              | -                                               | -                           | -                                      | (178,287)                                   | (178,287) |
| Amortisation for the year              | -                                               | (1,992)                     | (35,658)                               | -                                           | (37,650)  |
| Closing net book value                 | -                                               | 6,995                       | 142,629                                | -                                           | 149,624   |
| <b>As at June 30, 2025</b>             |                                                 |                             |                                        |                                             |           |
| Cost                                   | 16,503                                          | 9,313                       | 178,287                                | -                                           | 204,103   |
| Accumulated amortization               | (16,503)                                        | (2,318)                     | (35,658)                               | -                                           | (54,479)  |
| Net book value                         | -                                               | 6,995                       | 142,629                                | -                                           | 149,624   |
| <b>Annual rate of amortisation (%)</b> |                                                 |                             |                                        |                                             |           |
| <b>2025</b>                            | 20 - 33                                         | 20 - 33                     | 20 - 33                                |                                             |           |
| <b>2024</b>                            | 33                                              | 33                          | 33                                     |                                             |           |

**9.1** It represents SES which was fully amortised during the year ended June 30, 2009.

**9.2** It represents addition of backup software purchased during the year ended June 30, 2025.

**9.3** It represents addition of DANAOS during the year ended June 30, 2025.

**9.4** CWIP transferred to DANAOS Enterprise System.

**9.5** The amortisation charge for the year has been allocated as follows:

|                            | Note | June 30, 2025<br>(Rupees in '000) | June 30, 2024 |
|----------------------------|------|-----------------------------------|---------------|
| Vessel management expenses | 35   | 34,754                            | 301           |
| Administrative expenses    | 37   | 2,896                             | 25            |
|                            |      | <b>37,650</b>                     | <b>326</b>    |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 10. INVESTMENT PROPERTIES

|                              |           | Leasehold<br>land | Buildings on<br>leasehold<br>land | Capital work<br>in progress | Total     |
|------------------------------|-----------|-------------------|-----------------------------------|-----------------------------|-----------|
|                              | Note      | (Rupees in '000)  |                                   |                             |           |
| At fair value                |           |                   |                                   |                             |           |
| Balance as at July 01, 2023  |           | 3,989,051         | 109,375                           | 2,079                       | 4,100,505 |
| Transfer during the year     |           | -                 | 2,079                             | (2,079)                     | -         |
| Gain / (loss) on revaluation | 10.3 & 40 | 219,880           | (33)                              | -                           | 219,847   |
| Balance as at June 30, 2024  |           | 4,208,931         | 111,421                           | -                           | 4,320,352 |
| Additions during the year    |           | -                 | 68,800                            | -                           | 68,800    |
| Gain on revaluation          | 10.3 & 40 | 214,440           | 4,210                             | -                           | 218,650   |
| Balance as at June 30, 2025  |           | 4,423,371         | 184,431                           | -                           | 4,607,802 |

10.1 Particulars of immovable investment properties are as follows:

| S.No. | Location                                                                        | Total area (Sq. yards) | Covered area (Sq. feet) |
|-------|---------------------------------------------------------------------------------|------------------------|-------------------------|
| 1     | Plot bearing Survey No. 4/1-A, Main I. I. Chundrigar Road, Karachi              | 2,786                  | 230,555                 |
| 2     | Plot No. 35-B, North circular avenue, DHA, Phase I, Karachi                     | 1,088                  | 5,675                   |
| 3     | Plot No. 6 & 6-A, Block H, Gulberg-II, Lahore                                   | 268                    | 2,410                   |
| 4     | Plot bearing Survey No. 15, Main Talpur Road, off I.I. Chundrigar Road, Karachi | 9,856                  | 111,262                 |

10.2 Forced sales value of the aforementioned investment properties as of the reporting date are as follows:

| S.No. | Class of asset              | June 30, 2025                | June 30, 2024 |
|-------|-----------------------------|------------------------------|---------------|
|       |                             | ----- (Rupees in '000) ----- |               |
| 1     | Leasehold land              | 3,954,384                    | 3,367,145     |
| 2     | Buildings on leasehold land | 117,546                      | 89,137        |

10.3 The revaluation of the Corporation's investment properties was carried out by an independent valuer as of June 30, 2025.

10.4 Valuation technique

The fair value of the investment property was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category the property being valued. The valuer has performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the better estimates of the fair value.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 11. LONG-TERM INVESTMENTS IN RELATED PARTIES (SUBSIDIARIES AND AN ASSOCIATE)

| No. of shares - ordinary                     |               | Name of the company                                             | Country of incorporation | Latest available audited financial statements for the year ended | Percentage holding |     | Face value per share | June 30, 2025 | June 30, 2024 |
|----------------------------------------------|---------------|-----------------------------------------------------------------|--------------------------|------------------------------------------------------------------|--------------------|-----|----------------------|---------------|---------------|
| June 30, 2025                                | June 30, 2024 |                                                                 |                          |                                                                  |                    |     |                      |               |               |
| (i) Subsidiary companies - unquoted          |               |                                                                 |                          |                                                                  |                    |     |                      |               |               |
| 439,599,957                                  | 439,599,957   | Bolan Shipping (Private) Limited                                | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 4,396,000     | 4,396,000     |
| 275,344,100                                  | 275,344,100   | Chitral Shipping (Private) Limited                              | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 2,753,441     | 2,753,441     |
| 226,825,500                                  | 226,825,500   | Hyderabad Shipping (Private) Limited                            | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 2,268,255     | 2,268,255     |
| 15,686,000                                   | 15,686,000    | Pakistan Marine and Shipping Services Company (Private) Limited | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 156,860       | 156,860       |
| 36,000                                       | 36,000        | Johar Shipping (Private) Limited                                | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 360           | 360           |
| 7,286,000                                    | 7,286,000     | National Ship Management and Crew (Private) Limited             | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 72,860        | 72,860        |
| 330,000,000                                  | 330,000,000   | Karachi Shipping (Private) Limited                              | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 3,451,994     | 3,451,994     |
| 441,997,735                                  | 441,997,735   | Khairpur Shipping (Private) Limited                             | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 4,419,977     | 4,419,977     |
| 340,000,000                                  | 340,000,000   | Lahore Shipping (Private) Limited                               | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 3,400,000     | 3,400,000     |
| 14,686,000                                   | 14,686,000    | Lalazar Shipping (Private) Limited                              | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 146,860       | 146,860       |
| 9,486,000                                    | 9,486,000     | Makran Shipping (Private) Limited                               | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 94,860        | 94,860        |
| 336,016,700                                  | 336,016,700   | Malakand Shipping (Private) Limited                             | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 3,360,167     | 3,360,167     |
| 140,547,500                                  | 140,547,500   | Multan Shipping (Private) Limited                               | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 1,405,475     | 1,405,475     |
| 500,000,000                                  | 500,000,000   | Quetta Shipping (Private) Limited                               | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 5,000,000     | 5,000,000     |
| 6,936,000                                    | 6,936,000     | Sargodha Shipping (Private) Limited                             | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 69,360        | 69,360        |
| 347,055,800                                  | 347,055,800   | Shalamar Shipping (Private) Limited                             | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 3,470,558     | 3,470,558     |
| 254,012,300                                  | 254,012,300   | Sibi Shipping (Private) Limited                                 | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 2,540,123     | 2,540,123     |
| 13,236,000                                   | 13,236,000    | Swat Shipping (Private) Limited                                 | Pakistan                 | June 30, 2025                                                    | 100                | 100 | 10                   | 132,360       | 132,360       |
| 2,000                                        | 2,000         | Pakistan Co-operative Ship Stores (Private) Limited             | Pakistan                 | June 30, 2025                                                    | 91                 | 91  | 100                  | 868           | 868           |
|                                              |               |                                                                 |                          |                                                                  |                    |     |                      | 37,140,378    | 37,140,378    |
| (ii) Associate - unquoted                    |               |                                                                 |                          |                                                                  |                    |     |                      |               |               |
| 12,250                                       | 12,250        | Muhammadi Engineering Works Limited                             | Pakistan                 |                                                                  | 49                 | 49  | 100                  | 1,600         | 1,600         |
|                                              |               |                                                                 |                          |                                                                  |                    |     |                      | 1,600         | 1,600         |
| (iii) Advance against issue of share capital |               |                                                                 |                          |                                                                  |                    |     |                      |               |               |
|                                              |               |                                                                 |                          |                                                                  |                    |     |                      | 4,712,930     | 4,712,930     |
|                                              |               |                                                                 |                          |                                                                  |                    |     |                      | 4,262,680     | 4,262,680     |
|                                              |               |                                                                 |                          |                                                                  |                    |     |                      | 8,975,610     | 8,975,610     |
|                                              |               |                                                                 |                          |                                                                  |                    |     |                      | 46,115,988    | 46,115,988    |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                                                                                                                                                                                                   |              |  | June 30,<br>2025               | June 30,<br>2024 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--|--------------------------------|------------------|
|                                                                                                                                                                                                                                   |              |  | ------(Rupees in '000)-----    |                  |
| <b>12. LONG-TERM INVESTMENTS IN LISTED COMPANIES AND AN OTHER ENTITY</b>                                                                                                                                                          | <b>Note</b>  |  |                                |                  |
| <b>Listed companies - At fair value through profit or loss</b>                                                                                                                                                                    |              |  |                                |                  |
| Siemens (Pakistan) Engineering Company Limited<br>6,930 (2024: 6,930) fully paid ordinary shares of Rs. 10<br>each. Market value per share as at June 30, 2025<br>Rs. 1,523.21 (2024: Rs. 525.59)                                 | 12.1         |  | <b>10,556</b>                  | 3,643            |
| Pakistan State Oil Company Limited (related party due<br>to Government holding) 199,336 (2024: 199,336) fully paid<br>ordinary shares of Rs. 10 each. Market value per share as<br>at June 30, 2025 Rs. 377.53 (2024: Rs. 166.21) | 12.2         |  | <b>75,255</b><br><b>85,811</b> | 33,131<br>36,774 |
| <b>Other entity - At cost</b>                                                                                                                                                                                                     |              |  |                                |                  |
| Pakistan Tourism Development Corporation Limited<br>10,000 (2024: 10,000) fully paid ordinary shares of<br>Rs. 10 each.                                                                                                           |              |  | <b>100</b>                     | 100              |
|                                                                                                                                                                                                                                   |              |  | <b>85,911</b>                  | 36,874           |
| <b>12.1</b> The Corporation holds 0.084% (2024: 0.084%)<br>of the investee's share capital                                                                                                                                        |              |  |                                |                  |
| Balance at beginning of the year                                                                                                                                                                                                  |              |  | <b>3,643</b>                   | 4,799            |
| Gain / (loss) on revaluation                                                                                                                                                                                                      | 40           |  | <b>6,913</b>                   | (1,156)          |
| <b>Balance at end of the year</b>                                                                                                                                                                                                 |              |  | <b>10,556</b>                  | 3,643            |
| <b>12.2</b> The Corporation holds 0.04246% (2024: 0.04246%)<br>of the investee's share capital                                                                                                                                    |              |  |                                |                  |
| Balance at beginning of the year                                                                                                                                                                                                  |              |  | <b>33,131</b>                  | 22,128           |
| Gain on revaluation                                                                                                                                                                                                               | 40           |  | <b>42,124</b>                  | 11,003           |
| <b>Balance at end of the year</b>                                                                                                                                                                                                 |              |  | <b>75,255</b>                  | 33,131           |
| <b>13. LONG-TERM LOANS</b>                                                                                                                                                                                                        |              |  |                                |                  |
| - Due from executives                                                                                                                                                                                                             | 13.1 to 13.4 |  | <b>94,616</b>                  | 15,552           |
| - Due from other employees                                                                                                                                                                                                        |              |  | <b>19,066</b>                  | 16,996           |
|                                                                                                                                                                                                                                   | 13.5         |  | <b>113,682</b>                 | 32,548           |
| Less: Recoverable within one year                                                                                                                                                                                                 |              |  |                                |                  |
| - Due from executives                                                                                                                                                                                                             |              |  | <b>18,451</b>                  | 6,851            |
| - Due from other employees                                                                                                                                                                                                        |              |  | <b>3,990</b>                   | 6,201            |
|                                                                                                                                                                                                                                   | 18           |  | <b>22,441</b>                  | 13,052           |
|                                                                                                                                                                                                                                   |              |  | <b>91,241</b>                  | 19,496           |
| <b>13.1</b> Reconciliation of carrying amount of loans to executives:                                                                                                                                                             |              |  |                                |                  |
| Balance from the beginning of the year                                                                                                                                                                                            |              |  | <b>15,552</b>                  | 24,150           |
| Transfer of other employees to executives                                                                                                                                                                                         |              |  | <b>9,045</b>                   | -                |
| Disbursements                                                                                                                                                                                                                     |              |  | <b>131,152</b>                 | 4,217            |
| Repayments                                                                                                                                                                                                                        |              |  | <b>(27,344)</b>                | (12,815)         |
| Discounting during the year                                                                                                                                                                                                       | 13.4         |  | <b>(36,695)</b>                | -                |
| Unwinding of discount                                                                                                                                                                                                             |              |  | <b>2,906</b>                   | -                |
| <b>Balance at the end of the year</b>                                                                                                                                                                                             |              |  | <b>94,616</b>                  | 15,552           |



# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

- 13.2** These loans have been given to executives and other employees of the Corporation for personal use in accordance with their terms of employment. These loans are to be repaid over a period of one to five years in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the Corporation is adjustable against final settlement.
- 13.3** The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 94.62 million (2024: Rs. 26.47 million).
- 13.4** During the year ended June 30, 2025, the Corporation converted all long-term loans granted to employees, from interest-bearing loans based on slab rates to interest-free loans, effective from April 01, 2025, as part of revised employee benefit arrangements. The effect of discounting of interest free loans recognized at 14.33% for its fair value.
- 13.5** The interest charged on the loans during the year till March 31, 2025 as per following criteria:
- Upto Rs. 1 million the rate is charged at 10%.
  - More than Rs.1 million but less than Rs. 3 million the rate of Defence Saving Certificates (net of tax).
  - More than Rs. 3 million but less than Rs. 5 million the rate of six months KIBOR.

|                                                           |      | June 30,<br>2025 | June 30,<br>2024 |
|-----------------------------------------------------------|------|------------------|------------------|
| 14. DEFERRED TAXATION                                     | Note | (Rupees in '000) |                  |
| Deductible temporary differences arising in respect of    |      |                  |                  |
| - provisions                                              |      | 520,478          | 671,310          |
| Taxable temporary differences arising in respect of:      |      |                  |                  |
| - surplus on revaluation of property, plant and equipment | 7.7  | (240,164)        | (253,504)        |
| - accelerated tax depreciation                            |      | (101,598)        | (92,644)         |
| - right-of-use assets                                     |      | (2,618)          | (3,320)          |
| - short-term investments                                  |      | (20,845)         | (51,170)         |
|                                                           |      | (365,225)        | (400,638)        |
|                                                           |      | <u>155,253</u>   | <u>270,672</u>   |

- 14.1** The movement in temporary differences is as follows:

|                                                           | For the year ended<br>June 30, 2024 |                                    |                                                   | For the year ended<br>June 30, 2025 |                                    |                                                   |                                |
|-----------------------------------------------------------|-------------------------------------|------------------------------------|---------------------------------------------------|-------------------------------------|------------------------------------|---------------------------------------------------|--------------------------------|
|                                                           | Balance<br>as at July<br>01, 2023   | Recognised<br>in profit or<br>loss | Recognised in<br>other<br>comprehensive<br>income | Balance as<br>at June 30,<br>2024   | Recognised<br>in profit or<br>loss | Recognised in<br>other<br>comprehensive<br>income | Balance as at<br>June 30, 2025 |
| (Rupees in '000)                                          |                                     |                                    |                                                   |                                     |                                    |                                                   |                                |
| <b>Deductible temporary differences</b>                   |                                     |                                    |                                                   |                                     |                                    |                                                   |                                |
| - provisions and employee benefits                        | 176,869                             | 368,641                            | 125,800                                           | 671,310                             | (144,058)                          | (6,774)                                           | 520,478                        |
| <b>Taxable temporary differences</b>                      |                                     |                                    |                                                   |                                     |                                    |                                                   |                                |
| - surplus on revaluation of property, plant and equipment | (31,568)                            | 3,077                              | (225,013)                                         | (253,504)                           | 13,340                             | -                                                 | (240,164)                      |
| - accelerated tax depreciation                            | (43,570)                            | (49,074)                           | -                                                 | (92,644)                            | (8,954)                            | -                                                 | (101,598)                      |
| - right-of-use assets                                     | (13,080)                            | 9,760                              | -                                                 | (3,320)                             | 702                                | -                                                 | (2,618)                        |
| - short-term investments                                  | -                                   | (51,170)                           | -                                                 | (51,170)                            | 30,325                             | -                                                 | (20,845)                       |
|                                                           | (88,218)                            | (87,407)                           | (225,013)                                         | (400,638)                           | 35,413                             | -                                                 | (365,225)                      |
|                                                           | <u>88,651</u>                       | <u>281,234</u>                     | <u>(99,213)</u>                                   | <u>270,672</u>                      | <u>(108,645)</u>                   | <u>(6,774)</u>                                    | <u>155,253</u>                 |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                         |      | June 30,<br>2025             | June 30,<br>2024   |
|---------------------------------------------------------|------|------------------------------|--------------------|
|                                                         | Note | ----- (Rupees in '000) ----- |                    |
| <b>15. STORES AND SPARES</b>                            |      |                              |                    |
| <b>Stores</b>                                           |      |                              |                    |
| - at depot                                              |      | 18,408                       | 18,408             |
| - at buildings                                          |      | 472                          | 472                |
|                                                         |      | <u>18,880</u>                | <u>18,880</u>      |
| <b>Spares</b>                                           |      |                              |                    |
| - at buildings                                          |      | 796                          | 796                |
| <b>Bunker on board</b>                                  |      | <u>128,940</u>               | <u>-</u>           |
|                                                         |      | <u>148,616</u>               | <u>19,676</u>      |
| Provision for slow moving stores and spares             | 15.1 | <u>(19,676)</u>              | <u>(19,676)</u>    |
|                                                         |      | <u>128,940</u>               | <u>-</u>           |
| <b>15.1 Provision for slow moving stores and spares</b> |      |                              |                    |
| Balance at the beginning of the year                    |      | 19,676                       | 10,380             |
| Charged during the year                                 | 39   | -                            | 9,296              |
| Balance at the end of the year                          |      | <u>19,676</u>                | <u>19,676</u>      |
| <b>16. TRADE DEBTS</b>                                  |      |                              |                    |
| <b>Unsecured</b>                                        |      |                              |                    |
| - Due from related parties                              | 16.1 | 1,031,777                    | 2,319,354          |
| - Due from others                                       | 16.3 | 276,336                      | 394,116            |
|                                                         |      | <u>1,308,113</u>             | <u>2,713,470</u>   |
| Allowance for expected credit loss                      | 16.4 | <u>(519,790)</u>             | <u>(2,198,092)</u> |
|                                                         |      | <u>788,323</u>               | <u>515,378</u>     |

16.1 Ageing analysis of related parties, included in trade debts, is as follows:

|                                    | Upto 1<br>month              | 1 to 6<br>months | More than<br>6 months | As at June 30,<br>2025 | As at June 30,<br>2024 |
|------------------------------------|------------------------------|------------------|-----------------------|------------------------|------------------------|
|                                    | ----- (Rupees in '000) ----- |                  |                       |                        |                        |
| Pakistan State Oil Company Limited | -                            | -                | -                     | -                      | 1,849,833              |
| Pak Arab Refinery Limited          | 414,498                      | -                | 59,065                | 473,563                | 95,259                 |
| Pakistan Refinery Limited          | -                            | -                | 452                   | 452                    | 12,384                 |
| Sui Northern Gas Pipelines Limited | 935                          | 168              | -                     | 1,103                  | 12,634                 |
| District Controller of Stores      | 1,561                        | -                | 2,749                 | 4,310                  | 5,001                  |
| Embarkation Commandant             | 1,012                        | 56,791           | 100,766               | 158,569                | 115,662                |
| Officer Commanding PAF             | 27,139                       | 5,967            | 102,176               | 135,282                | 110,254                |
| Pakistan Ordnance Factory          | 36,031                       | 3,958            | -                     | 39,989                 | 14,975                 |
| Others                             | 141,281                      | 19,717           | 57,511                | 218,509                | 103,352                |
|                                    | <u>622,457</u>               | <u>86,601</u>    | <u>322,719</u>        | <u>1,031,777</u>       | <u>2,319,354</u>       |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

**16.2** Ageing analysis of related parties, included in trade debts, that are past due and impaired are as follows:

|                    | June 30,<br>2025            | June 30,<br>2024 |
|--------------------|-----------------------------|------------------|
|                    | ------(Rupees in '000)----- |                  |
| 1 to 6 months      | 2,162                       | 706              |
| More than 6 months | 258,682                     | 1,963,055        |
|                    | <u>260,844</u>              | <u>1,963,761</u> |

**16.3** Ageing analysis of others, included in trade debts, that are past due and impaired are as follows:

|                    | June 30,<br>2025            | June 30,<br>2024 |
|--------------------|-----------------------------|------------------|
| Note               | ------(Rupees in '000)----- |                  |
| 1 to 6 months      | -                           | 33               |
| More than 6 months | 258,946                     | 234,298          |
|                    | <u>258,946</u>              | <u>234,331</u>   |

**16.4 Allowance for expected credit loss**

|                                     |        |                |                  |
|-------------------------------------|--------|----------------|------------------|
| Balance at beginning of the year    |        | 2,198,092      | 1,929,383        |
| (Reversal) / charge during the year | 38     | (1,343,431)    | 272,297          |
| Write-off during the year           | 16.4.1 | (334,871)      | (3,588)          |
| Balance at end of the year          |        | <u>519,790</u> | <u>2,198,092</u> |

**16.4.1** This amount pertains to the write-off of already fully provided balance receivable from Pakistan State Oil (PSO) which has been settled in full during the period.

**16.5** The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 2,879.80 million (2024: Rs. 6,353.99 million).

|      | June 30,<br>2025            | June 30,<br>2024 |
|------|-----------------------------|------------------|
| Note | ------(Rupees in '000)----- |                  |

**17. AGENTS' AND OWNERS' BALANCES**

|                                    |      |              |               |
|------------------------------------|------|--------------|---------------|
| Balances from agents' and owners   |      | 28,699       | 35,609        |
| Allowance for expected credit loss | 17.1 | (23,372)     | (25,414)      |
|                                    |      | <u>5,327</u> | <u>10,195</u> |

**17.1 Allowance for expected credit loss**

|                                      |    |               |               |
|--------------------------------------|----|---------------|---------------|
| Balance at beginning of the year     |    | 25,414        | 14,873        |
| (Reversal) / charged during the year | 38 | (2,042)       | 10,541        |
| Balance at end of the year           |    | <u>23,372</u> | <u>25,414</u> |

**17.2** The ageing analysis of agents' and owners' balances that are past due and impaired are as follows:

|                    | June 30,<br>2025            | June 30,<br>2024 |
|--------------------|-----------------------------|------------------|
|                    | ------(Rupees in '000)----- |                  |
| Upto 1 month       | 16                          | 11               |
| 1 to 6 months      | -                           | 4                |
| More than 6 months | 23,356                      | 25,399           |
|                    | <u>23,372</u>               | <u>25,414</u>    |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                      |                                                                                                                                                                                                                        | June 30,<br>2025 | June 30,<br>2024 |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Note                                                 |                                                                                                                                                                                                                        | (Rupees in '000) |                  |
| <b>18. LOANS AND ADVANCES</b>                        |                                                                                                                                                                                                                        |                  |                  |
|                                                      | <b>Current portion of long-term loans</b>                                                                                                                                                                              |                  |                  |
|                                                      | - due from executives                                                                                                                                                                                                  | 18,451           | 6,851            |
|                                                      | - due from other employees                                                                                                                                                                                             | 3,990            | 6,201            |
| 13                                                   |                                                                                                                                                                                                                        | <u>22,441</u>    | <u>13,052</u>    |
|                                                      | <b>Advances - unsecured</b>                                                                                                                                                                                            |                  |                  |
|                                                      | - employees                                                                                                                                                                                                            | 67,191           | 67,059           |
|                                                      | - contractors and suppliers                                                                                                                                                                                            | 162,211          | 160,859          |
|                                                      | - others                                                                                                                                                                                                               | 80               | 80               |
| 18.1                                                 |                                                                                                                                                                                                                        | <u>229,482</u>   | <u>227,998</u>   |
|                                                      |                                                                                                                                                                                                                        | <u>251,923</u>   | <u>241,050</u>   |
| <b>18.1</b>                                          | The maximum aggregate amount of advance to a related party, at the end of any month during the year was Rs. 75 million (2024: Rs. 33 million).                                                                         |                  |                  |
|                                                      |                                                                                                                                                                                                                        | June 30,<br>2025 | June 30,<br>2024 |
| <b>19. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS</b> |                                                                                                                                                                                                                        | (Rupees in '000) |                  |
|                                                      | Trade deposits                                                                                                                                                                                                         | 116,673          | 23,785           |
|                                                      | Allowance for expected credit loss                                                                                                                                                                                     | (369)            | (369)            |
|                                                      |                                                                                                                                                                                                                        | <u>116,304</u>   | <u>23,416</u>    |
|                                                      | Short-term prepayments                                                                                                                                                                                                 | 11,229           | 14,329           |
|                                                      |                                                                                                                                                                                                                        | <u>127,533</u>   | <u>37,745</u>    |
| <b>19.1</b>                                          | This includes Rs. 2,500 million (2024: Rs. Nil) amount deposited with Trading Corporation of Pakistan and Rs. 1,374 million (2024: Rs. 1,374 million) amount deposited with Karachi Port Trust (KPT), related parties. |                  |                  |
|                                                      |                                                                                                                                                                                                                        | June 30,<br>2025 | June 30,<br>2024 |
| <b>20. OTHER RECEIVABLES</b>                         |                                                                                                                                                                                                                        | (Rupees in '000) |                  |
|                                                      | - Due from related parties                                                                                                                                                                                             | 957,939          | 638,124          |
|                                                      | - Due from others                                                                                                                                                                                                      | 121,381          | 93,474           |
|                                                      |                                                                                                                                                                                                                        | <u>1,079,320</u> | <u>731,598</u>   |
|                                                      | Allowance for expected credit loss                                                                                                                                                                                     | (81,198)         | (57,320)         |
|                                                      |                                                                                                                                                                                                                        | <u>998,122</u>   | <u>674,278</u>   |
| <b>20.1</b>                                          | Ageing analysis of related parties, included in other receivables, that are past due and impaired are as follows:                                                                                                      |                  |                  |
|                                                      |                                                                                                                                                                                                                        | June 30,<br>2025 | June 30,<br>2024 |
|                                                      |                                                                                                                                                                                                                        | (Rupees in '000) |                  |
|                                                      | Upto 1 month                                                                                                                                                                                                           | 890              | 663              |
|                                                      | 1 to 6 months                                                                                                                                                                                                          | 3,728            | 3,454            |
|                                                      | More than 6 months                                                                                                                                                                                                     | 6,089            | 7,307            |
|                                                      |                                                                                                                                                                                                                        | <u>10,707</u>    | <u>11,424</u>    |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

**20.2** Ageing analysis of others, included in other receivables, that are past due and impaired is as follows:

|                    | June 30,<br>2025             | June 30,<br>2024 |
|--------------------|------------------------------|------------------|
|                    | ----- (Rupees in '000) ----- |                  |
| Upto 1 month       | 3,027                        | 249              |
| 1 to 6 months      | 12,971                       | -                |
| More than 6 months | 54,493                       | 45,647           |
|                    | <u>70,491</u>                | <u>45,896</u>    |

**20.3** Ageing analysis of amounts due from related parties, included in other receivables, is as follows:

|                                    | Upto 1 month                 | 1 to 6 months  | More than 6 months | As at<br>June 30, 2025 | As at<br>June 30, 2024 |
|------------------------------------|------------------------------|----------------|--------------------|------------------------|------------------------|
|                                    | ----- (Rupees in '000) ----- |                |                    |                        |                        |
| Karachi Port Trust                 | -                            | -              | 2,979              | 2,979                  | 2,979                  |
| Port Qasim Authority               | 120,437                      | 510,047        | 7,286              | 637,770                | 403,533                |
| Government of Pakistan             | -                            | -              | 312,457            | 312,457                | 231,612                |
| National Insurance Company Limited | 4,592                        | -              | 141                | 4,733                  | -                      |
|                                    | <u>125,029</u>               | <u>510,047</u> | <u>322,863</u>     | <u>957,939</u>         | <u>638,124</u>         |

**20.4** Allowance for expected credit loss

|                                      | Note | June 30,<br>2025             | June 30,<br>2024 |
|--------------------------------------|------|------------------------------|------------------|
|                                      |      | ----- (Rupees in '000) ----- |                  |
| Balance at beginning of the year     |      | 57,320                       | 80,637           |
| Charged / (reversal) during the year | 38   | <u>23,878</u>                | <u>(23,317)</u>  |
| Balance at end of the year           |      | <u>81,198</u>                | <u>57,320</u>    |

**20.5** The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 957.939 million (2024: Rs. 638.124 million).

## 21. SHORT-TERM INVESTMENTS

### Amortised cost

|                                                        |      |                   |                   |
|--------------------------------------------------------|------|-------------------|-------------------|
| Treasury-bills having maturity of three months or less | 21.1 | 1,416,202         | 3,045,824         |
| Term-deposits with banks having maturity of:           |      |                   |                   |
| - more than three months                               |      | 2,850,000         | 6,000,000         |
| - three months or less                                 |      | 17,401,761        | 6,127,643         |
|                                                        | 21.2 | <u>20,251,761</u> | <u>12,127,643</u> |

### Fair value through profit or loss

|                       |      |                   |                   |
|-----------------------|------|-------------------|-------------------|
| Units of mutual funds | 21.3 | 40,240,246        | 24,291,111        |
|                       |      | <u>61,908,209</u> | <u>39,464,578</u> |

**21.1** These have effective interest rates ranging from 12.10% to 21.91% (2024: 21.55% to 22.80) per annum.

**21.2** Mark-up on term-deposits denominated in local currency ranges from 11.93% to 22.44% (2024: 21.20% to 22.44%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 6.20% to 8.50% (2024: 6.25% to 8.50%) per annum.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                      | Note | June 30,<br>2025<br>------(Rupees in '000)----- | June 30,<br>2024  |
|--------------------------------------|------|-------------------------------------------------|-------------------|
| <b>21.3 Movement of mutual funds</b> |      |                                                 |                   |
| Opening                              |      | 24,291,111                                      | 3,232,258         |
| Purchased during the year            |      | 147,509,017                                     | 43,802,340        |
| Dividend reinvested during the year  |      | 35,032                                          | 1,852,491         |
| Redeemed during the year             |      | (131,678,294)                                   | (24,727,182)      |
| Unrealised gain on remeasurement     | 40   | 83,380                                          | 131,204           |
| Closing                              | 21.4 | <u>40,240,246</u>                               | <u>24,291,111</u> |

## 21.4 Investment in units of mutual funds

| S.No.                          | Conventional                               | June 30,<br>2025<br>------(Number of units)----- | June 30,<br>2024 | June 30,<br>2025<br>------(Rupees in '000)----- | June 30,<br>2024  |
|--------------------------------|--------------------------------------------|--------------------------------------------------|------------------|-------------------------------------------------|-------------------|
| 1                              | Alfalah GHP Income Fund                    | -                                                | 26,534,845       | -                                               | 3,026,180         |
| 2                              | Alfalah GHP Money Market Fund              | 12,540,075                                       | 11,304,569       | 1,241,671                                       | 1,118,501         |
| 3                              | Faysal Income & Growth Fund                | -                                                | 47,118,784       | -                                               | 5,152,439         |
| 4                              | HBL Money Market Fund                      | -                                                | 160,272          | -                                               | 16,587            |
| 5                              | JS Cash Fund                               | 20,518,902                                       | 11,317           | 2,158,999                                       | 1,189             |
| 6                              | JS Government Securities Fund              | 23,374,388                                       | 25,233,329       | 2,633,826                                       | 2,751,947         |
| 7                              | JS Income Fund                             | 44,898,791                                       | 50,574,420       | 5,230,709                                       | 5,181,350         |
| 8                              | JS Micro Finance Sector Fund               | 28,692,881                                       | 30,949,843       | 3,103,422                                       | 3,144,814         |
| 9                              | NBP Money Market Fund                      | 28,286,910                                       | 25,173,445       | 283,797                                         | 251,940           |
| 10                             | NBP Mustahkam Fund Plan - X                | -                                                | 262,873,254      | -                                               | 2,633,200         |
| 11                             | Alfalah Government Securities Fund Plan I  | 54,803,022                                       | -                | 5,493,241                                       | -                 |
| 12                             | Alfalah Government Securities Fund Plan II | 20,654,682                                       | -                | 2,605,795                                       | -                 |
| 13                             | Alfalah Financial Sector Income Fund       | 52,619                                           | -                | 5,670                                           | -                 |
| 14                             | Alfalah Financial Sector Income Fund I     | 42,646,422                                       | -                | 4,278,916                                       | -                 |
| 15                             | ABL Separately Managed Accounts Plan IV    | 511,123,100                                      | -                | 5,185,702                                       | -                 |
| 16                             | MCB Fixed Return Plan III                  | 213,994                                          | -                | 21,808                                          | -                 |
| 17                             | MCB Fixed Return Plan VII                  | 58,481,944                                       | -                | 5,869,798                                       | -                 |
| 18                             | UBL Fixed Return Plan II                   | 21,268,922                                       | -                | 2,126,892                                       | -                 |
| <b>S.No. Shariah Compliant</b> |                                            |                                                  |                  |                                                 |                   |
| 1                              | HBL Islamic Money Market Fund              | -                                                | 10,012,057       | -                                               | 1,012,964         |
|                                |                                            |                                                  |                  | <u>40,240,246</u>                               | <u>24,291,111</u> |

## 22. CASH AND BANK BALANCES

|                       | Note | June 30,<br>2025<br>------(Rupees in '000)----- | June 30,<br>2024 |
|-----------------------|------|-------------------------------------------------|------------------|
| <b>Cash in hand</b>   |      |                                                 |                  |
| - foreign currency    |      | 5,117                                           | 10,771           |
| <b>Cash at bank</b>   |      |                                                 |                  |
| - in current accounts |      |                                                 |                  |
| - local currency      | 22.1 | 483,441                                         | 299,287          |
| - foreign currency    |      | 1,752,680                                       | 2,190,261        |
|                       |      | <u>2,236,121</u>                                | <u>2,489,548</u> |
| - in saving accounts  |      |                                                 |                  |
| - local currency      |      |                                                 |                  |
| - conventional        | 22.2 | 3,027,322                                       | 3,568,563        |
| - shariah compliant   | 22.3 | 730,256                                         | 1,090,073        |
| - foreign currency    | 22.4 | 31,380                                          | 10,293           |
|                       |      | <u>3,788,958</u>                                | <u>4,668,929</u> |
|                       |      | <u>6,030,196</u>                                | <u>7,169,248</u> |



# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

- 22.1** This includes Rs. 24.066 million (2024: Rs. 24.082 million) held as security by various banks respectively against guarantees issued on behalf of the Corporation.
- 22.2** Mark-up on these saving accounts ranges from 9.25% to 20.50% (2024: 18.51% to 22.00%) per annum.
- 22.3** Mark-up on these saving accounts ranges from 9.00% to 20.00% (2024: 17.00% to 21.00%) per annum.
- 22.4** Mark-up on these saving accounts ranges from 0.15% to 6.50% (2024: 0.15% to 6.50%) per annum.

## 23. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

| June 30,<br>2025              | June 30,<br>2024   |                                                                                                                                                                                                        | June 30,<br>2025             | June 30,<br>2024 |
|-------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------|
| ----- (Number of share) ----- |                    |                                                                                                                                                                                                        | ----- (Rupees in '000) ----- |                  |
| 24,130,789                    | 24,130,789         | Ordinary shares of Rs. 10 each issued to shareholders of former National Shipping Corporation (NSC) and Pakistan Shipping Corporation (PSC) in consideration of their shareholdings in those companies | 241,308                      | 241,308          |
| 25,900,000                    | 25,900,000         | Ordinary shares of Rs. 10 each issued to GoP for cash received in the year 1985                                                                                                                        | 259,000                      | 259,000          |
| 64,309,800                    | 64,309,800         | Ordinary shares of Rs. 10 each issued to the GoP on the financial restructuring of the Corporation in the year 1989-90                                                                                 | 643,098                      | 643,098          |
| 83,754,481                    | 17,722,791         | Ordinary shares of Rs. 10 each issued as bonus shares (Note 23.3)                                                                                                                                      | 837,545                      | 177,228          |
| <b>198,095,070</b>            | <b>132,063,380</b> |                                                                                                                                                                                                        | <b>1,980,951</b>             | <b>1,320,634</b> |

- 23.1** As at June 30, 2025, Government of Pakistan held 173,452,043 (2024: 115,633,710) ordinary shares, representing 87.56% (2024: 87.56%) shareholding of the Corporation.
- 23.2** The Corporation has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Corporation. All shares rank equally with regard to the Corporation's residual assets.
- 23.3** During the year, the Corporation has issued a total of 66,031,690 bonus shares.

|                                               | Note | June 30,<br>2025             | June 30,<br>2024 |
|-----------------------------------------------|------|------------------------------|------------------|
|                                               |      | ----- (Rupees in '000) ----- |                  |
| <b>24. LONG-TERM FINANCING - secured</b>      |      |                              |                  |
| - Financing under musharika agreement         | 24.1 | 1,953,498                    | 2,821,383        |
| Current portion shown in current liabilities: |      |                              |                  |
| - Financing under musharika agreement         |      | (868,800)                    | (868,800)        |
|                                               |      | <b>1,084,698</b>             | <b>1,952,583</b> |

### 24.1 Following is the movement in long-term financing:

|                                  |    |                  |                  |
|----------------------------------|----|------------------|------------------|
| Balance at beginning of the year |    | 2,821,383        | 7,244,223        |
| Repayments                       |    | (868,800)        | (4,430,522)      |
| Amortisation of arrangement fee  | 41 | 915              | 7,682            |
| Balance at end of the year       |    | <b>1,953,498</b> | <b>2,821,383</b> |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

**24.2** The Corporation has obtained financing facility during the year ended June 30, 2023 from a consortium led by Faysal Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.12% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on July 27, 2027. As of the reporting date, the Corporation has drawn Rs. 2,064 million and Rs. 2,280 million to finance its subsidiary companies namely Lalazar Shipping (Private) Limited and Sargodha Shipping (Private) Limited respectively for purchase of vessels. The facility is secured by way of first mortgage charge over procured vessels owned by respective subsidiaries.

**24.3** Accrued mark-up under Islamic mode of financing as at June 30, 2025 amounted to Rs. 41.885 million (2024: Rs. 108.129 million).

## 25. LEASE LIABILITIES

|                                                       | Note | June 30,<br>2025             | June 30,<br>2024 |
|-------------------------------------------------------|------|------------------------------|------------------|
|                                                       |      | ----- (Rupees in '000) ----- |                  |
| Balance at the beginning of the year                  |      | 14,508                       | 98,195           |
| Interest expense                                      | 41   | 902                          | 1,852            |
| Reclassified to other liabilities                     |      | (2,657)                      | (1,220)          |
| Termination of leases                                 |      | -                            | (83,032)         |
| Repayments during the year                            |      | -                            | (1,287)          |
| Balance at the end of the year                        | 25.1 | 12,753                       | 14,508           |
| Less: current portion shown under current liabilities |      | 2,482                        | 2,630            |
|                                                       |      | <u>10,271</u>                | <u>11,878</u>    |

### 25.1 Maturity analysis:

|                    | June 30, 2025              |              |                                         | June 30, 2024              |              |                                         |
|--------------------|----------------------------|--------------|-----------------------------------------|----------------------------|--------------|-----------------------------------------|
|                    | Minimum lease payments     | Mark-up      | Present value of minimum lease payments | Minimum lease payments     | Mark-up      | Present value of minimum lease payments |
|                    | ----- Rupees in '000 ----- |              |                                         | ----- Rupees in '000 ----- |              |                                         |
| Less than one year | 3,252                      | 770          | 2,482                                   | 4,460                      | 1,830        | 2,630                                   |
| One to five years  | 14,293                     | 4,022        | 10,271                                  | 14,376                     | 2,498        | 11,878                                  |
|                    | <u>17,545</u>              | <u>4,792</u> | <u>12,753</u>                           | <u>18,836</u>              | <u>4,328</u> | <u>14,508</u>                           |

## 26. EMPLOYEES' BENEFITS

|                                  | Note   | June 30,<br>2025             | June 30,<br>2024 |
|----------------------------------|--------|------------------------------|------------------|
|                                  |        | ----- (Rupees in '000) ----- |                  |
| Employees' gratuity              |        |                              |                  |
| - funded                         | 26.1.3 | (1,928)                      | (774)            |
| - unfunded                       | 26.1.3 | 729,948                      | 750,905          |
|                                  |        | <u>728,020</u>               | <u>750,131</u>   |
| Post-retirement medical benefits | 26.1.3 | 55,282                       | 55,217           |
| Employees' compensated absences  | 26.2.4 | 375,897                      | 323,437          |
|                                  |        | <u>1,159,199</u>             | <u>1,128,785</u> |

### 26.1 Retirement benefit schemes

**26.1.1** The disclosures made in notes 26.1.2 to 26.1.16 of these unconsolidated financial statements are based on the information included in the actuarial valuation reports as of June 30, 2025.

**26.1.2** As stated in notes 5.16.2 and 5.16.3 of these unconsolidated financial statements, the Corporation operates a funded retirement gratuity scheme for those permanent employees who joined the Corporation before October 16, 1984, an unfunded retirement gratuity scheme for contractual employees and an unfunded post-retirement medical benefit scheme for permanent and contractual employees. Liability is maintained against these schemes based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the defined benefit obligation schemes:

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                               | June 30, 2025       |          |                                  | June 30, 2024       |          |                                  |
|---------------------------------------------------------------|---------------------|----------|----------------------------------|---------------------|----------|----------------------------------|
|                                                               | Employees' gratuity |          | Post-retirement medical benefits | Employees' gratuity |          | Post retirement medical benefits |
|                                                               | Funded              | Unfunded |                                  | Funded              | Unfunded |                                  |
|                                                               | (Rupees in '000)    |          |                                  |                     |          |                                  |
| Discount rate                                                 | 11.75%              | 11.75%   | 11.75%                           | 14.75%              | 14.75%   | 14.75%                           |
| Future salary increases -<br>for permanent employees          |                     |          |                                  |                     |          |                                  |
| For the year 2024-25                                          | N/A                 | -        | -                                | N/A                 | -        | -                                |
| For the year 2025-30 and onwards                              | 11.75%              | -        | -                                | 14.75%              | -        | -                                |
| Future salary increases -<br>for contractual employees        |                     |          |                                  |                     |          |                                  |
| For the year 2025-26                                          | -                   | 10.00%   | -                                | -                   | 20.00%   | -                                |
| For the year 2026-30 and onwards                              | -                   | 11.75%   | -                                | -                   | 14.75%   | -                                |
| Medical escalation rate                                       | -                   | -        | 9.75%                            | -                   | -        | 12.75%                           |
| Death rate based on SLIC (2001-05) Ultimate mortality tables. |                     |          |                                  |                     |          |                                  |

|                                                                       |        | June 30, 2025       |          |                  | June 30, 2024       |          |                             |
|-----------------------------------------------------------------------|--------|---------------------|----------|------------------|---------------------|----------|-----------------------------|
|                                                                       |        | Employees' gratuity |          | Post-retirement  | Employees' gratuity |          | Post                        |
|                                                                       |        | Funded              | Unfunded | medical benefits | Funded              | Unfunded | retirement medical benefits |
| Note                                                                  |        | (Rupees in '000)    |          |                  |                     |          |                             |
| <b>26.1.3 Reconciliation of statement of financial position</b>       |        |                     |          |                  |                     |          |                             |
| Present value of defined benefit obligation                           | 26.1.4 | 27,061              | 729,948  | 55,282           | 33,472              | 750,905  | 55,217                      |
| Fair value of plan assets                                             | 26.1.5 | (28,989)            | -        | -                | (34,246)            | -        | -                           |
| Net liability / (asset) in the statement of financial position        |        | (1,928)             | 729,948  | 55,282           | (774)               | 750,905  | 55,217                      |
| <b>26.1.4 Movement in present value of defined benefit obligation</b> |        |                     |          |                  |                     |          |                             |
| Balance at beginning of the year                                      |        | 33,472              | 750,905  | 55,217           | 46,224              | 477,543  | 55,648                      |
| Current service cost                                                  |        | 721                 | 34,934   | 1,096            | 1,318               | 15,216   | 882                         |
| Interest cost                                                         |        | 4,059               | 109,555  | 6,864            | 6,065               | 74,180   | 9,043                       |
| Benefits paid                                                         |        | (10,778)            | (89,253) | (22,013)         | (32,431)            | (35,779) | (14,298)                    |
| Remeasurement on obligation                                           |        | (413)               | (76,193) | 14,118           | 12,296              | 219,745  | 3,942                       |
| Balance at end of the year                                            |        | 27,061              | 729,948  | 55,282           | 33,472              | 750,905  | 55,217                      |
| <b>26.1.5 Movement in fair value of plan assets</b>                   |        |                     |          |                  |                     |          |                             |
| Balance at beginning of the year                                      |        | 34,246              | -        | -                | 36,110              | -        | -                           |
| Expected return on plan assets                                        |        | 4,165               | -        | -                | 4,422               | -        | -                           |
| Actual contribution by the employer                                   |        | -                   | -        | -                | 10,114              | -        | -                           |
| Benefits paid                                                         |        | (10,778)            | -        | -                | (32,431)            | -        | -                           |
| Remeasurement on plan assets                                          |        | 1,356               | -        | -                | 16,031              | -        | -                           |
| Balance at end of the year                                            |        | 28,989              | -        | -                | 34,246              | -        | -                           |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|        |                                                                  | June 30, 2025                |          |                                  | June 30, 2024       |          |                                  |
|--------|------------------------------------------------------------------|------------------------------|----------|----------------------------------|---------------------|----------|----------------------------------|
|        |                                                                  | Employees' gratuity          |          | Post-retirement medical benefits | Employees' gratuity |          | Post retirement medical benefits |
|        |                                                                  | Funded                       | Unfunded |                                  | Funded              | Unfunded |                                  |
|        |                                                                  | ----- (Rupees in '000) ----- |          |                                  |                     |          |                                  |
| 26.1.6 | Movement in net liability in the statement of financial position |                              |          |                                  |                     |          |                                  |
|        | Balance at beginning of the year                                 | (774)                        | 750,905  | 55,217                           | 10,114              | 477,543  | 55,648                           |
|        | Expense recognised for the year                                  | 615                          | 144,489  | 7,960                            | 2,961               | 89,396   | 9,925                            |
|        | Contributions made by the Corporation / benefits paid            | -                            | (89,253) | (22,013)                         | (10,114)            | (35,779) | (14,298)                         |
|        | Remeasurements recognised in other comprehensive income          | (1,769)                      | (76,193) | 14,118                           | (3,735)             | 219,745  | 3,942                            |
|        |                                                                  | (1,928)                      | 729,948  | 55,282                           | (774)               | 750,905  | 55,217                           |
| 26.1.7 | The amounts recognised in profit or loss                         |                              |          |                                  |                     |          |                                  |
|        | Current service cost                                             | 721                          | 34,934   | 1,096                            | 1,318               | 15,216   | 882                              |
|        | Net interest amount                                              | (106)                        | 109,555  | 6,864                            | 1,643               | 74,180   | 9,043                            |
|        |                                                                  | 615                          | 144,489  | 7,960                            | 2,961               | 89,396   | 9,925                            |
|        | Less: charged to subsidiaries                                    | -                            | 2,040    | -                                | -                   | 6,256    | -                                |
|        |                                                                  | 615                          | 142,449  | 7,960                            | 2,961               | 83,140   | 9,925                            |
| 26.1.8 | Remeasurements recognised in other comprehensive income          |                              |          |                                  |                     |          |                                  |
|        | (Gain) / loss arising from Financial assumptions                 | (361)                        | (21,501) | (418)                            | 1,431               | 33,128   | 1,834                            |
|        | Gain arising from Demographic assumptions                        | -                            | -        | -                                | -                   | -        | (156)                            |
|        | Experience adjustment                                            | (52)                         | (54,692) | 14,536                           | 10,865              | 186,617  | 2,264                            |
|        | Remeasurement of fair value of plan assets                       | (1,356)                      | -        | -                                | (16,031)            | -        | -                                |
|        |                                                                  | (1,769)                      | (76,193) | 14,118                           | (3,735)             | 219,745  | 3,942                            |

|                                                       | June 30, 2025    |             | June 30, 2024    |             |
|-------------------------------------------------------|------------------|-------------|------------------|-------------|
|                                                       | (Rupees in '000) | %           | (Rupees in '000) | %           |
| <b>26.1.9 Categories / composition of plan assets</b> |                  |             |                  |             |
| Cash and cash equivalents                             | <b>28,989</b>    | <b>100%</b> | <b>34,246</b>    | <b>100%</b> |

**26.1.10** The expenses in respect of employees' gratuity and post-retirement medical benefits have been charged on the basis of actuarial recommendations and are in accordance with the Administrative and Financial Services Agreement of the Corporation with the subsidiary companies.

**26.1.11** Actual gain on plan assets during the year ended June 30, 2025 was Rs. 5.530 million (2024: Rs. 20.453 million).

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

**26.1.12** Assumed future salary increase rate and discount rate have a significant effect on the employees' gratuity. One percentage change in assumed future salary increase rate and discount rate would have the following effects:

|                              |                      | Increase / (decrease): defined benefit obligation |                        |                          |                        |
|------------------------------|----------------------|---------------------------------------------------|------------------------|--------------------------|------------------------|
|                              |                      | Funded Gratuity Scheme                            |                        | Unfunded Gratuity Scheme |                        |
|                              | Change in assumption | Increase in assumption                            | Decrease in assumption | Increase in assumption   | Decrease in assumption |
| ----- (Rupees in '000) ----- |                      |                                                   |                        |                          |                        |
| Discount rate                | 1%                   | (120)                                             | 122                    | (71,829)                 | 83,220                 |
| Salary increase rate         | 1%                   | 242                                               | (242)                  | 78,816                   | (69,469)               |

**26.1.13** The weighted average duration of the defined benefit obligations for funded and unfunded gratuity scheme is 0.44 year (2024: 1 year) and 9.67 years (2024: 9.61 years) respectively.

**26.1.14** Assumed medical cost escalation rate and discount rate have a significant effect on the post-retirement medical benefit. One percentage change in assumed medical cost escalation rate and discount rate would have the following effects:

|               | Change in assumption | Post-Retirement Medical Benefits |                        |
|---------------|----------------------|----------------------------------|------------------------|
|               |                      | Permanent Employees              |                        |
|               |                      | Increase in assumption           | Decrease in assumption |
|               |                      | ----- (Rupees in '000) -----     |                        |
| Discount rate | 1%                   | (564)                            | 594                    |

**26.1.15** The weighted average duration of the defined benefit obligations post-retirement medical benefit scheme for permanent employees is 1.98 years (2024: 2.34 years).

**26.1.16** The employees' gratuity funded and unfunded scheme and post-retirement medical benefit plans exposes the Corporation to the following risks:

Investment risk: The risk of the investment underperforming and not being sufficient to meet the liabilities.

Mortality risk: The risk that the actual mortality rate is different. The effect depends on the beneficiaries service / age distribution and the benefit.

Medical cost escalation risks: The risk that the hospitalisation cost could be higher than what we assumed.

Final salary risk: The risk that the final salary at the time of cessation of service is greater than what is assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risk: The risk of higher or lower withdrawal experienced than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

## 26.2 Employees' compensated absences

**26.2.1** The disclosures made in notes 26.2.2 to 26.2.3 of these unconsolidated financial statements are based on the information included in the actuarial valuation as of June 30, 2025.

**26.2.2** As stated in note 5.17 to these unconsolidated financial statements the Corporation operates an employees' compensated absences scheme. Provision is maintained against this scheme based on the actuarial recommendations. The following significant assumptions were used for the actuarial valuation of the scheme:

|                                                     | June 30, 2025 | June 30, 2024 |
|-----------------------------------------------------|---------------|---------------|
| Discount rate                                       | 11.75%        | 14.75%        |
| Future salary increases - for permanent employees   |               |               |
| For this year 2025-26 / 2024-25 and onwards         | 11.75%        | 14.75%        |
| Future salary increases - for contractual employees |               |               |
| For this year 2025-26 / 2024-25 and onwards         | 11.75%        | 14.75%        |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                                           | June 30,<br>2025            | June 30,<br>2024 |
|---------------------------------------------------------------------------|-----------------------------|------------------|
|                                                                           | ------(Rupees in '000)----- |                  |
| <b>26.2.3 Reconciliation of statement of financial position</b>           |                             |                  |
| Present value of employees compensated absences (recognised)              | <u>375,897</u>              | <u>323,437</u>   |
| <b>26.2.4 Movement in present value of employees compensated absences</b> |                             |                  |
| Balance at the beginning of the year                                      | 323,437                     | 196,308          |
| Current service cost                                                      | 61,318                      | 62,427           |
| Interest cost                                                             | 49,197                      | 31,856           |
| Remeasurements of obligation                                              | 46,476                      | 102,612          |
| Benefits paid                                                             | <u>(104,531)</u>            | <u>(69,766)</u>  |
| Balance at the end of the year                                            | <u>375,897</u>              | <u>323,437</u>   |
| <b>26.2.5 Expense</b>                                                     |                             |                  |
| Current service cost                                                      | 61,318                      | 62,427           |
| Interest cost                                                             | 49,197                      | 31,856           |
|                                                                           | <u>110,515</u>              | <u>94,283</u>    |
| <b>26.2.5.1 Other comprehensive income</b>                                |                             |                  |
| <b>Remeasurements recognised in other comprehensive income</b>            |                             |                  |
| (Gain) / loss from changes in financial assumptions                       | (11,072)                    | 27,374           |
| Experience adjustment                                                     | <u>57,548</u>               | <u>75,238</u>    |
|                                                                           | <u>46,476</u>               | <u>102,612</u>   |

**26.2.6** Amounts for the current period and prior period of the present value of defined benefit obligation are as follows:

|                                             | June 30,<br>2025            | June 30,<br>2024 |
|---------------------------------------------|-----------------------------|------------------|
|                                             | ------(Rupees in '000)----- |                  |
| Present value of defined benefit obligation | <u>375,897</u>              | <u>323,437</u>   |

**26.2.7** Assumed future salary increase rate and discount rate have a significant effect on the employees' compensated absences. One percentage change in assumed future salary increase rate and discount rate would have the following effects:

|                    | Change in<br>assumption | Employees Compensated<br>Absences |                           |
|--------------------|-------------------------|-----------------------------------|---------------------------|
|                    |                         | Increase in<br>assumption         | Decrease in<br>assumption |
|                    |                         | ------(Rupees in '000)-----       |                           |
| Discount rate      | 1%                      | (34,783)                          | 40,326                    |
| Future salary rate | 1%                      | 38,093                            | (33,539)                  |

**26.2.8** The risks to which the scheme exposes the Corporation are disclosed in note 26.1.16 of these unconsolidated financial statements.

**26.2.9** The expenses in respect of employees' compensated absences have been charged on the basis of actuarial recommendations and are in accordance with the Administrative and Financial Services Agreement of the Corporation with the subsidiary companies.



# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

26.3 Expected retirement benefits costs for the year ending June 30, 2026 are as follows:

|                                         | (Rupees in '000) |
|-----------------------------------------|------------------|
| <b>Gratuity</b>                         |                  |
| - funded                                | 133              |
| - unfunded                              | 125,961          |
| <b>Post-retirement medical benefits</b> | 6,144            |
| <b>Compensated absences</b>             | 110,515          |

26.4 Maturity Profile

|                                                                                          | June 30, 2025       |          |                                  |                                |
|------------------------------------------------------------------------------------------|---------------------|----------|----------------------------------|--------------------------------|
|                                                                                          | Employees' gratuity |          | Post-retirement medical benefits | Employees Compensated Absences |
|                                                                                          | Funded              | Unfunded |                                  |                                |
| Weighted average duration of the present value of defined benefit obligations (in years) | 0.44                | 9.67     | 1.98                             | 9.25                           |
| Distribution of timing of benefit payments (time in periods)                             | (Rupees in '000)    |          |                                  |                                |
| 1                                                                                        | 28,954              | 34,890   | 22,147                           | -                              |
| 2                                                                                        | -                   | 72,641   | 9,936                            | -                              |
| 3                                                                                        | -                   | 16,151   | 8,072                            | -                              |
| 4                                                                                        | -                   | 27,243   | -                                | -                              |
| 5                                                                                        | -                   | 73,603   | -                                | -                              |
| 6 - 10                                                                                   | -                   | 535,570  | -                                | -                              |

26.5 During the year, the Corporation contributed Rs. 4.217 million (2024: Rs. 5.199 million) to the provident fund.

|                                                    | Note        | June 30, 2025      | June 30, 2024     |
|----------------------------------------------------|-------------|--------------------|-------------------|
|                                                    |             | (Rupees in '000)   |                   |
| <b>27. TRADE AND OTHER PAYABLES</b>                |             |                    |                   |
| Creditors                                          |             | 254,198            | 188,266           |
| Current account balances with subsidiary companies | 27.1        | 102,726,756        | 79,792,991        |
| Agents' and owners' balances                       |             | 610,953            | 727,744           |
| Accrued liabilities                                |             | 1,307,653          | 1,486,351         |
| Deposits                                           | 27.2        | 102,420            | 78,283            |
| Workers' Profit Participation Fund (WPPF)          | 27.3 & 27.4 | 94,759             | 477,963           |
| Withholding tax payable                            |             | 75,877             | 75,313            |
| Other liabilities                                  |             | 80,135             | 8,054             |
|                                                    |             | <b>105,252,751</b> | <b>82,834,965</b> |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

27.1 The break-up of current account balances with subsidiary companies is as follows:

|                                                                 | June 30,<br>2025            | June 30,<br>2024  |
|-----------------------------------------------------------------|-----------------------------|-------------------|
|                                                                 | ------(Rupees in '000)----- |                   |
| Bolan Shipping (Private) Limited                                | 8,527,293                   | 6,655,881         |
| Chitral Shipping (Private) Limited                              | 2,464,963                   | 2,361,986         |
| Hyderabad Shipping (Private) Limited                            | 2,815,313                   | 2,504,226         |
| Pakistan Marine and Shipping Services Company (Private) Limited | 614,271                     | 615,218           |
| National Ship Management and Crewing (Private) Limited          | 1,321,909                   | 1,322,588         |
| Khairpur Shipping (Private) Limited                             | 8,830,447                   | 6,565,925         |
| Makran Shipping (Private) Limited                               | 311,517                     | 312,037           |
| Malakand Shipping (Private) Limited                             | 2,253,249                   | 2,386,857         |
| Multan Shipping (Private) Limited                               | 773,943                     | 1,816,266         |
| Sargodha Shipping (Private) Limited                             | 7,260,328                   | 4,859,123         |
| Sibi Shipping (Private) Limited                                 | 1,227,360                   | 1,375,417         |
| Shalamar Shipping (Private) Limited                             | 13,075,698                  | 11,684,263        |
| Swat Shipping (Private) Limited                                 | 1,167,972                   | 1,168,750         |
| Lalazar Shipping (Private) Limited                              | 8,517,767                   | 6,210,637         |
| Johar Shipping (Private) Limited                                | 1,224,176                   | 1,224,945         |
| Lahore Shipping (Private) Limited                               | 15,200,341                  | 8,187,464         |
| Karachi Shipping (Private) Limited                              | 11,362,441                  | 11,666,333        |
| Quetta Shipping (Private) Limited                               | 15,778,080                  | 8,875,399         |
| Pakistan Cooperative Ship Stores (Private) Limited              | (312)                       | (324)             |
|                                                                 | <u>102,726,756</u>          | <u>79,792,991</u> |

27.2 These deposits are mark-up free and are repayable on demand or on completion of specific contracts. As per the requirements of section 217 of the Companies Act, 2017 deposits are utilised for the purpose of business and are kept in separate bank accounts.

27.3 The Corporation created under Federal Statute Ordinance, 1979, and declared strategic statutory body under para 9(a) of chapter 3 of State-Owned Enterprises (Ownership and Management Policy), 2023 by the federal cabinet. In earlier years, based on prudence, the Corporation made provision for WPPF based on provincial legislation being maximum exposure. During the year, the Ministry of Overseas Pakistanis and Human Resource Development raised the demand for payment as per Federal WPPF, accordingly, the Corporation has adjusted the liability.

|                                                          | June 30,<br>2025            | June 30,<br>2024 |
|----------------------------------------------------------|-----------------------------|------------------|
| Note                                                     | ------(Rupees in '000)----- |                  |
| 27.4 <b>Workers' Profit Participation Fund</b>           |                             |                  |
| Balance at the beginning of the year                     | 477,963                     | 85,657           |
| Reversal during the year                                 | (163,861)                   | -                |
| Charge for the year                                      | 92,454                      | 295,942          |
| Paid during the year                                     | (311,797)                   | -                |
| Interest on funds utilised in the Corporation's business | -                           | 96,364           |
| Balance at the end of the year                           | <u>94,759</u>               | <u>477,963</u>   |

## 28. CONTRACT LIABILITIES

Represents advance received from various related parties and customers. Revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to Rs. 85.170 million (2024: Rs. 540.315 million).

|                                            | June 30,<br>2025            | June 30,<br>2024 |
|--------------------------------------------|-----------------------------|------------------|
| Note                                       | ------(Rupees in '000)----- |                  |
| 29. <b>PROVISION AGAINST DAMAGE CLAIMS</b> |                             |                  |
| Balance at beginning of the year           | 22,408                      | 23,235           |
| Charge / (reversal) during the year        | 3,580                       | (827)            |
| Balance at end of the year                 | <u>25,988</u>               | <u>22,408</u>    |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 30. CONTINGENCIES AND COMMITMENTS

### Contingencies

- 30.1** The contingent liability in respect of claims not acknowledged by the Corporation aggregated to Rs. 228.259 million (2024: Rs. 535.565 million). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. A sum of Rs. 202.271 million (2024: Rs. 513.157 million) would be recoverable from P&I Club, Steamship Mutual Underwriting Association (Bermuda) Limited in the event that these claims are accepted by the Corporation. As a matter of prudence, the management has made a total provision of Rs. 25.988 million (2024: Rs. 22.408 million) against the aforementioned claims in these financial statements.
- 30.2** Chittagong Steamship Corporation Limited and Trans Oceanic Steamship Company Limited had initiated litigation that involved the Government of Pakistan and the Corporation. The litigation relates to the compensation to the former owners. The legal suits are pending in the High Court of Sindh. The amount claimed is approximately Rs. 1.3 million (2024: Rs. 1.3 million) and Rs. 66.8 million (2024: Rs. 66.8 million) respectively. The Corporation disclaims any liability in respect of the above mentioned amounts and any accretions to it upto final determination and settlement of the matters.
- 30.3** Certain other claims have been filed against the Corporation in respect of employees' matters for an aggregate amount of approximately Rs. 82.597 million (2024: Rs. 82.597 million). These cases are pending and the management is confident that the outcome of these cases will be in the Corporation's favour and accordingly no provision for these claims has been made in these unconsolidated financial statements.
- 30.4** While framing the tax assessment for the income year ended June 30, 1990, the assessing officer had made an addition to income of Rs. 3,974.455 million, being the remission of liabilities due to the Federal Government under the scheme of financial restructuring of the Corporation. The resultant tax liability including additional taxes for late payment of tax amounted to Rs. 1,293.694 million, part of which was paid by the Corporation and the remaining amount of Rs. 1,233.694 million was directly discharged at source by the Federal Government. The assessing officer while framing the order of income year ended June 30, 1996 had treated the aforementioned payment of tax liability by the Government as the income of the Corporation. Appellate Tribunal Inland Revenue (ATIR) has given the decision in favour of the Corporation on the appeals filed against the above orders. However, the department has filed an appeal with the High Court of Sindh against the aforementioned order of ATIR. The High Court of Sindh has decided the appeal against the Corporation. The leave to appeal filed by the Corporation has been accepted by the Supreme Court of Pakistan and the decision of the High Court of Sindh has been suspended. Hearing of the appeal was pending in the Supreme Court of Pakistan. During the year ended June 30, 2018, this hearing was remanded to the High Court of Sindh. The management, in consultation with its legal advisor is confident that the matter will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.
- 30.5** During the year ended June 30, 2012, the Officer Inland Revenue (OIR) issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2011. According to the orders dated March 27, 2012, the OIR has made certain additions and determined additional tax demand of Rs. 251.092 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Corporation on the contention that the same is equity specific and hence being capital in nature. The Corporation had paid Rs. 160.513 million under protest. During the year ended June 30, 2015, the Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Corporation on certain matters, and has worked out refund of Rs 15.068 million. The Corporation and the department had filed appeals with the ATIR in respect of aforementioned disallowances, which have been decided by the ATIR. The ATIR, in its order has interalia deleted certain additions made by the OIR which were upheld by the Commissioner (Appeals). However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income. Accordingly, the Corporation filed an appeal before the Commissioner (Appeals) on July 20, 2018, which has been decided on September 23, 2019 in favour of the Corporation. The ACIR vide order dated June 27, 2022 issued appeal effect order under section 124 (2)/122(5A) of the ordinance to give effect to the appellate order of Commissioner (Appeals). Through appeal effect order, the ACIR has decided the issue of allocation of common expenses against dividend income in favour of the Corporation whereby income taxable at corporate rates has been re-computed at Rs. 155.293 million, and the tax liability and net amount of refund had been recomputed at Rs. 131.008 million and Rs. 243.247 million respectively. Further being aggrieved by the decision of the ATIR, the Tax department has filled a reference application which is pending before the High Court of Sindh. During the current year, there is no update in the status of the matter.
- 30.6** During the year ended June 30, 2013, the OIR issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2012. According to the orders dated June 21, 2013, the OIR has made certain additions and determined additional tax demand of Rs. 107.499 million. OIR has disallowed a portion of administrative expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Corporation on the contention that the same is equity specific and hence being capital in nature. The Corporation has paid Rs. 65 million under protest and filed an appeal with the Commissioner of Inland Revenue (Appeals). During the year ended June 30, 2015, Commissioner of Inland Revenue (Appeals) in his order has upheld certain additions and has given decisions in favour of the Corporation

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

on certain matters, and has worked out refund of Rs. 24.022 million. The Corporation and the department have filed appeals with the ATIR in respect of aforementioned disallowances. The ATIR vide appellate order dated August 7, 2018 has interalia deleted certain additions made by the taxation officer. Appeal effect proceeding in respect of appellate order was initiated through notice dated October 4, 2019. However, while giving effect to the order of the ATIR, the taxation officer has disallowed the expenses allocated to dividend income and setting off of business loss against property income. Accordingly, the Corporation has filed an appeal before the Commissioner (Appeals) against the appeal effect order. The said appeal was partially decided by the Commissioner Appeals through order dated March 15, 2023 in favor of Corporation on allocation of expenses against dividend income and related disallowance and not setting off the business loss against property income and applying incorrect tax rate on property income. Appeal effect order in respect of remaining issues has not been passed till date. The Corporation received a notice of recovery of demand by Additional Commissioner of Rs. 107.4 million on June 30, 2025, without any consideration of the decision of ATIR dated August 7, 2018. The Corporation considering the recovery notice as incorrect, have taken this matter with tax department for withdrawal of notice. In case otherwise, the Corporation intends to file an appeal against the said proceeding before the ADRC for which the management is confident that the matter will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.

- 30.7** During the year ended June 30, 2014, the OIR has issued assessment orders under section 122 (5A) of the ITO, 2001 in respect of tax year 2013. According to the orders February 27, 2014, the OIR has made certain additions and determined additional tax demand of Rs. 303.333 million. OIR has disallowed a portion of retirement benefit expenses by attributing the same to the subsidiary companies and further disallowed financial expenses incurred by the Corporation on the contention that the same is equity specific and hence being capital in nature. Moreover, OIR also disallowed the basis of apportionment of expenses. The Corporation had paid Rs. 288.265 million under protest and adjusted refund of Rs. 3.581 million. Further, the management has filed an appeal with the Commissioner of Inland Revenue (Appeals) who in his order has upheld certain additions and has given decisions in favour of the Corporation on certain matters, and worked out a Nil demand. The Corporation and the department have filed appeals with the ATIR in respect of aforementioned disallowances. Appeal effect proceedings in respect of appellate order was initiated through notice dated October 4, 2019 and same has been responded by the Corporation. ATIR in its order maintained certain additions and directed to allocate expenses against service fee. Further, being aggrieved by the decision of the appellate tribunal, the Corporation has filed a reference application which is pending before the High Court of Sindh. The management, in consultation with its legal advisor, is confident that the matter will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.
- 30.8** During the year ended June 30, 2015, ACIR issued assessment order under section 122 (5A) of the ITO, 2001 in respect of tax year 2014. According to the order dated March 13, 2015, the ACIR made certain additions and determined additional tax demand of Rs 184.059 million in respect of certain disallowances regarding financial expenses, administrative costs and post-retirement benefits. The Corporation paid Rs. 83.438 million under protest and adjusted Rs. 86.998 million against refunds available for tax year 2008, 2009 and 2010. The Corporation had filed an appeal before the Commissioner of Inland Revenue (Appeals) who passed his order and maintained the decision of the ACIR. The Corporation had filed an appeal with the ATIR in respect of aforementioned order of the Commissioner Inland Revenue (Appeals) in respect of aforementioned disallowances. The management is confident that the matter will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.
- 30.9** During the year ended June 30, 2014, the Corporation received assessment orders from the taxation authorities in respect of tax years 2008-2013. The taxation officer had held that the Corporation is liable to deduct withholding tax under section 152(2) of the ITO, 2001, while making payments to the non-resident shipping companies and in the event of default to do so, the Corporation becomes personally liable to pay tax under section 161 along with default surcharge under section 205 of the Ordinance. By virtue of above orders, a cumulative tax demand was raised by the taxation authorities amounting to Rs 2,695.496 million. The Corporation filed an appeal with the Commissioner of Inland Revenue (Appeals) who maintained the orders passed by the Deputy Commissioner Inland Revenue (DCIR) and consequently an appeal was filed before the ATIR. The ATIR, in the appellate order, has held that the payments made by the Corporation to the non-resident shipping companies are in the nature of Royalty and the rate of tax withholding applicable on such payments would be 15 percent. Accordingly, the tax demand originally raised was reduced to Rs 1,659.485 million. The Corporation lodged rectification applications in respect of the orders passed by ATIR. However, during the year ended June 30, 2016, the said rectification applications have been rejected. Without prejudice to the rectification applications, the Corporation has also filed a petition before the Sindh High Court in respect of the aforesaid orders passed by ATIR seeking protection from any adverse action. The Sindh High Court disposed the case on April 21, 2025 and referred the matter to Additional Dispute Resolution Committee (ADRC), the Corporation challenged the order of High Court in the Supreme Court of Pakistan which is still pending. The management is confident that the matter will eventually be decided in favour of the Corporation.
- 30.10** During the year ended June 30, 2019, the DCIR vide order dated June 29, 2020 has treated the Corporation assessee in default for tax year 2014 for not withholding tax on: Payments to Non-Resident shipping companies, Payment of Dividend, Interest free advance to Employees & Closing balance of advances to employees and others and on salaries. Consequent to above order, a cumulative tax demand of Rs. 899.5 million was raised by tax authorities. Being aggrieved with the order, the Corporation filed an appeal before the Commissioner Inland Revenue (Appeal). The CIR(A) had fixed the hearing for July 20, 2020 and had granted the Corporation a stay from recovery of tax demand till August 10, 2020. On August 7, 2020,

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

written arguments were submitted on behalf of Corporation and the hearing was re-fixed for August 21, 2020. However, due to transfers and postings, the stay granted by the CIR(A) could not be extended and the Corporation had to approach Honorable Sindh High Court (SHC) for grant of stay. The SHC has granted the Corporation a stay from recovery of tax demand vide order dated August 11, 2020. The order was passed by CIR(A) on December 9, 2021 which was partially been decided in favour of the Corporation. No appeal effect proceedings have yet been initiated by the DCIR subsequent to the passing of the above order. Being aggrieved with the above appellate order in respect of the remaining issues relating to withholding of tax on payment of dividends, the Corporation filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The management, in consultation with its legal advisor, is confident that the subject matter will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.

- 30.11** During the year ended June 30, 2018, the DCIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2016. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits. Brought forward business losses and unabsorbed depreciation for tax year 2016 have also been adjusted in the computation of taxable income. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 91.592 million was raised, which is amply covered by the refunds available for prior tax years. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which was decided vide order dated July 11, 2019. The tax department has filed an appeal against the matters decided in favor of the Corporation by CIRA through appellate order dated July 11, 2019. The CIR(A) in its order has decided all the matters in favour of the Corporation by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. During the year ended June 30, 2024, the Corporation received a notice under section 138(1) of the Ordinance through which demand of the said amount was raised against which the Corporation has submitted a detailed response explaining that the matter has already been decided by the CIR(A) in favour of the Corporation. During the year, the tax department has filed cross appeal against the CIR(A) order for which the management is confident that the subject matters in respect of tax year 2016 will eventually be decided in favour of the Corporation. During the year, a similar notice of recovery of demand was raised by the tax department dated December 06, 2024 issued under section 138(1) of the Ordinance for recovery of the same amount against which the Corporation has submitted a detailed response showing that the matters have already been decided by CIR(A). The management is confident that the subject matters in respect of tax year 2016 will eventually be decided in favour of the Corporation.
- 30.12** During the year ended June 30, 2018, the ACIR vide order dated June 29, 2018 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2017. The taxable income had been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 318.212 million was raised, out of which the Corporation had made a payment of Rs. 75 million under protest. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals) on July 23, 2018, which had been decided vide order dated July 11, 2019. The tax department has filed an appeal against the matters decided in favor of the Corporation by CIRA through appellate order dated July 11, 2019. The CIR(A) in its order has decided all the matters in favour of the Corporation by deleting all the additions made by the ACIR. However, the appeal effect order is still pending. During the year ended June 30, 2023, the Corporation received a notice dated November 24, 2022 issued under section 221 wherein the Taxation Officer observed that the Corporation has adjusted refunds amounting to Rs. 86.598 million available from previous tax years which have not been determined under section 170(4) of the Ordinance. Accordingly, the Taxation Officer proposed to disallow the said adjustment of refunds. A detailed response was submitted explaining the facts and legalities pertaining to the case. Based on the above, the letter concluded that the proceeding is unwarranted and therefore, shall be withdrawn. During the year, the tax department has filed cross appeal against the CIR(A) order for which the management is confident that the subject matters in respect of tax year 2017 will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.
- 30.13** During the year ended June 30, 2021, the Additional Commissioner-IR (ACIR) vide order dated May 24, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2015. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs. 1,279.035 million was raised. During the year ended June 30, 2022, the Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. The ACIR vide order dated June 25, 2022 issued appeal effect order under section 124 of the Ordinance to give effect to the appellate order of the Commissioner (Appeals). The Corporation filed appeal before Commissioner (Appeals) against the aforesaid appeal effect dated June 25, 2022. The said appeal has been partially decided by the Commissioner (Appeals) through order dated March 16, 2023, in favour of the Corporation while also issuing necessary directions on disallowance of actuarial losses, super tax levy on dividend income and income from property while disregarding loss from business and computation of tax. Appeal effect order in respect of remaining issues has not been passed till date. The Additional Commissioner passed an order u/s 124/129 dated June 30, 2025 raising tax demand amounting to Rs. 1,129.23 million. The Corporation intends to file an appeal in ADRC and is confident that the matter will eventually be decided in favour of the Corporation.



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For the year ended June 30, 2025

**30.14** During the year ended June 30, 2022, the ACIR vide order dated July 28, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2018. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 550.722 million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 15, 2021. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2018 will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.

**30.15** During the year ended June 30, 2022, the ACIR vide order dated September 17, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2019. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR, a tax demand amounting to Rs 477.364 million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR.

During the year, on April 19, 2025 Additional Commissioner issued further amendment subsequent to the order passed under section 122(5A) dated September 17, 2021, the Corporation has submitted a detailed response on the above matters. Subsequently, an order was passed under section 122(5A) dated June 29, 2025, raising demand of Rs. 5.333 billion on account of disallowance of tax depreciation under section 20 read with section 15, 15A & 67 of the Ordinance and taxation of dividend under section 2(19)(e) of the Ordinance. The tax department has treated the current account balance (advance from subsidiary) of Corporation from its subsidiaries for managing its expenses on their behalf as dividend and applied rate of taxation for dividend. The Corporation intends to file an appeal before the ADRC. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2019 will eventually be decided in favour of the Corporation.

**30.16** During the year ended June 30, 2022, the ACIR vide order dated September 30, 2021 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2020. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 271.121 million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated January 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2020 will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.

**30.17** During the year ended June 30, 2022, the ACIR vide order dated March 4, 2022 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2021. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 577.4 million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated May 13, 2022. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2021 will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.

**30.18** During the year ended June 30, 2015, the Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of section 23 and 47 of the Sindh Sales Tax on Services Act, 2011. The SRB officer had selected the revenue from the consolidated financial statements and allegedly raised sales tax demand in respect of the revenue appearing in the audited consolidated financial statements for the years 2012-2014. The Corporation had filed a suit before the Sindh High Court in respect of the aforesaid show cause notice and the Sindh High Court had granted an interim stay order restraining SRB from taking any coercive action. However, in light of the Supreme Court order dated June 27, 2018 the Corporation had to withdraw from the suit and continued the proceedings of show cause notice. After, considering the submissions of the Corporation, the SRB had passed an assessment order dated March 13, 2019 and raised Sales Tax demand of Rs. 2,935.797 million on the revenue of freight income and services fee for the financial years 2012-2014. The Corporation had filed an appeal before the Commissioner (Appeals) SRB dated March 11, 2019 and obtained stay from Sindh High Court against the sales tax demand. The Sindh High Court made decision in favour of the Corporation on December 14, 2020. However, during the year ended June 30, 2023, Sindh Revenue Board filed a petition on October 18,



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For the year ended June 30, 2025

2022 in Supreme Court of Pakistan against the judgement of High Court and same is still pending at Supreme Court of Pakistan. The management, in consultation with its legal advisor, is confident that the subject matters will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.

**30.19** During the year ended June 2024, the ACIR vide order dated August 21, 2023 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2022. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 658 million was raised. The Corporation filed an appeal with the Commissioner Inland Revenue (Appeals), which was decided vide order dated November 13, 2023. The CIR(A) in its order has remanded back certain matters, while giving decisions in favour and against of the Corporation on certain other matters. Being aggrieved with the order, management has filed an appeal with ATIR. The Corporation received a notice of recovery of demand of Rs. 658 million on December 06, 2024, for which the Corporation has submitted a detailed reply submitting that the issue has already been decided by CIR(A) vide order dated July 11, 2021 in favor of the Corporation. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2022 will eventually be decided in favour of the Corporation. During the current year, there is no update in the status of the matter.

**30.20** During the year ended June 2024, the ACIR vide order dated July 31, 2024 proceeded to amend the assessment under the provisions of section 122(5A) of the Ordinance in respect of tax year 2023. The taxable income has been recomputed by allocating expenses against dividend income, and disallowances made on account of interest on long-term finances and payments claimed against staff retirement benefits and service fee etc. By virtue of the aforementioned order passed by the ACIR a tax demand amounting to Rs. 1,556.2 million was raised. The Corporation filed an appeal with ATIR. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2023 will eventually be decided in favour of the Corporation.

## Commitments

**30.21** Outstanding letters of guarantee amounted to Rs. 24.066 million (2024: Rs. 24.082 million).

**30.22** The Corporation has provided an undertaking amounting to USD 11.6 million (Rs. 3,287.629 million) to one of the vendor / supplier of another state owned entity. This undertaking has been provided due to arrest of two of its managed vessels operated by its subsidiaries which have been released subsequently. The Government of Pakistan has provided a counter guarantee to the Corporation in relation to the aforesaid undertaking.

**30.23** Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounts to USD 0.417 million (Rs. 118.158 million) and USD 0.192 million (Rs. 54.416 million) respectively.

|                                                  |      | June 30,<br>2025            | June 30,<br>2024 |
|--------------------------------------------------|------|-----------------------------|------------------|
|                                                  | Note | ------(Rupees in '000)----- |                  |
| <b>31. FREIGHT INCOME - foreign flag vessels</b> |      |                             |                  |
| Voyage charter revenue                           |      | 2,871,075                   | 4,142,577        |
| Overage premium                                  |      | (13,315)                    | (18,248)         |
| Ocean losses                                     |      | (11,706)                    | (55,606)         |
|                                                  |      | <u>2,846,054</u>            | <u>4,068,723</u> |
| Slot charter revenue                             | 31.1 | 2,436,571                   | 3,150,697        |
|                                                  |      | <u>5,282,625</u>            | <u>7,219,420</u> |

**31.1** Sindh sales tax charged amounting to Rs. 0.377 million (2024: Rs. 0.378 million).

|                                           |  | June 30,<br>2025            | June 30,<br>2024 |
|-------------------------------------------|--|-----------------------------|------------------|
|                                           |  | ------(Rupees in '000)----- |                  |
| <b>32. SERVICE FEES</b>                   |  |                             |                  |
| Technical and commercial services fee     |  | 864,967                     | 1,036,743        |
| Administrative and financial services fee |  | 288,322                     | 345,581          |
|                                           |  | <u>1,153,289</u>            | <u>1,382,324</u> |

**32.1** Corporation charges 1.5%, 1.5% and 1% of total revenue, as technical service fee, as commercial services fee and as administrative and financial service fee for the services provided to the subsidiaries, respectively.

**32.2** Sindh sales tax charged amounting to Rs. 30.877 million (2024: Rs. 29.097 million).

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                                        |                                                                                                                                                                                                                                                            | June 30,<br>2025             | June 30,<br>2024 |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------|
|                                                                        | Note                                                                                                                                                                                                                                                       | ----- (Rupees in '000) ----- |                  |
| <b>33. OTHER OPERATING ACTIVITIES</b>                                  |                                                                                                                                                                                                                                                            |                              |                  |
| Demurrage income                                                       |                                                                                                                                                                                                                                                            | 58,132                       | 123,838          |
| Income from miscellaneous claims                                       |                                                                                                                                                                                                                                                            | 99,959                       | 170,521          |
|                                                                        |                                                                                                                                                                                                                                                            | <u>158,091</u>               | <u>294,359</u>   |
| <b>34. FLEET EXPENSES</b>                                              |                                                                                                                                                                                                                                                            |                              |                  |
| Charter, hire and related expenses                                     | 34.1                                                                                                                                                                                                                                                       | 3,831,368                    | 5,043,985        |
| Diesel, fuel and lubricants consumed                                   |                                                                                                                                                                                                                                                            | 386,192                      | -                |
| Port, light, canal and customs dues                                    |                                                                                                                                                                                                                                                            | 250,042                      | -                |
| Demurrage expense                                                      |                                                                                                                                                                                                                                                            | 58,066                       | 85,206           |
| Agency commission and brokerage                                        |                                                                                                                                                                                                                                                            | 24,842                       | 62,077           |
| Insurance                                                              |                                                                                                                                                                                                                                                            | 33,198                       | 42,530           |
| Repairs and maintenance                                                |                                                                                                                                                                                                                                                            | 63,628                       | 47,227           |
| Sundry expenses                                                        |                                                                                                                                                                                                                                                            | 25,974                       | 32,160           |
|                                                                        |                                                                                                                                                                                                                                                            | <u>4,673,310</u>             | <u>5,313,185</u> |
| <b>34.1 Charter, hire and related expenses - foreign flag vessels:</b> |                                                                                                                                                                                                                                                            |                              |                  |
| - voyage charter expenses                                              |                                                                                                                                                                                                                                                            | 2,356,608                    | 3,511,807        |
| - slot charter expenses                                                |                                                                                                                                                                                                                                                            | 1,474,760                    | 1,532,178        |
|                                                                        |                                                                                                                                                                                                                                                            | <u>3,831,368</u>             | <u>5,043,985</u> |
| <b>35. VESSEL MANAGEMENT EXPENSES</b>                                  |                                                                                                                                                                                                                                                            |                              |                  |
| Workshop management                                                    |                                                                                                                                                                                                                                                            | 183,099                      | 171,170          |
| Salaries, benefits and allowances                                      | 35.1                                                                                                                                                                                                                                                       | 989,824                      | 984,338          |
| General establishment expenses                                         | 35.2                                                                                                                                                                                                                                                       | 253,426                      | 236,741          |
| Rates and taxes                                                        |                                                                                                                                                                                                                                                            | 17,335                       | 20,098           |
| Insurance                                                              |                                                                                                                                                                                                                                                            | 6,728                        | 6,241            |
| Depreciation on property, plant and equipment                          | 7.6                                                                                                                                                                                                                                                        | 67,028                       | 53,611           |
| Amortisation                                                           | 9.5                                                                                                                                                                                                                                                        | 34,754                       | 301              |
|                                                                        |                                                                                                                                                                                                                                                            | <u>1,552,194</u>             | <u>1,472,500</u> |
| <b>35.1</b>                                                            | This includes Rs. 3.291 million (2024: Rs. 4.010 million) in respect of provident fund contribution. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Act and conditions specified thereunder. |                              |                  |
|                                                                        |                                                                                                                                                                                                                                                            | June 30,<br>2025             | June 30,<br>2024 |
|                                                                        |                                                                                                                                                                                                                                                            | ----- (Rupees in '000) ----- |                  |
| <b>35.2 General establishment expenses</b>                             |                                                                                                                                                                                                                                                            |                              |                  |
| Repairs and maintenance                                                |                                                                                                                                                                                                                                                            | 34,330                       | 36,441           |
| Medical                                                                |                                                                                                                                                                                                                                                            | 50,554                       | 33,236           |
| Security                                                               |                                                                                                                                                                                                                                                            | 4,220                        | 4,482            |
| Travelling and conveyance                                              |                                                                                                                                                                                                                                                            | 11,426                       | 13,585           |
| Entertainment and canteen subsidy                                      |                                                                                                                                                                                                                                                            | 5,935                        | 6,621            |
| Uniform and liveries                                                   |                                                                                                                                                                                                                                                            | 3,110                        | 2,901            |
| Printing and stationery                                                |                                                                                                                                                                                                                                                            | 10,348                       | 6,738            |
| Telephone, telex and postage                                           |                                                                                                                                                                                                                                                            | 17,225                       | 15,107           |
| Light, power and water                                                 |                                                                                                                                                                                                                                                            | 61,537                       | 54,220           |
| Computer expenses                                                      |                                                                                                                                                                                                                                                            | 23,962                       | 21,607           |
| Vehicle running, repairs and maintenance                               |                                                                                                                                                                                                                                                            | 30,779                       | 41,803           |
|                                                                        |                                                                                                                                                                                                                                                            | <u>253,426</u>               | <u>236,741</u>   |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                               |      | June 30,<br>2025 | June 30,<br>2024 |
|-----------------------------------------------|------|------------------|------------------|
|                                               | Note | (Rupees in '000) |                  |
| <b>36. REAL ESTATE EXPENSES</b>               |      |                  |                  |
| Salaries, benefits and allowances             | 36.1 | 71,718           | 60,200           |
| General establishment expenses                | 36.2 | 46,729           | 27,386           |
| Rates and taxes                               |      | 4,860            | 15,015           |
| Insurance                                     |      | 4,583            | 2,412            |
| Depreciation on property, plant and equipment | 7.6  | 40,919           | 26,707           |
| Legal and professional charges                |      | 1,659            | 934              |
|                                               |      | <u>170,468</u>   | <u>132,654</u>   |

**36.1** This includes Rs 0.239 million (2024: Rs. 0.246 million) in respect of provident fund contribution. The investments out of the provident fund have been made in accordance with the Section 218 of the Act and conditions specified thereunder.

|                                            |      | June 30,<br>2025 | June 30,<br>2024 |
|--------------------------------------------|------|------------------|------------------|
|                                            | Note | (Rupees in '000) |                  |
| <b>36.2 General establishment expenses</b> |      |                  |                  |
| Repairs and maintenance                    |      | 8,258            | 10,463           |
| Security charges                           |      | 13,407           | 9,932            |
| Light, power and water                     |      | 25,064           | 6,991            |
|                                            |      | <u>46,729</u>    | <u>27,386</u>    |

|                                               |      |                |                |
|-----------------------------------------------|------|----------------|----------------|
| <b>37. ADMINISTRATIVE EXPENSES</b>            |      |                |                |
| Salaries, benefits and allowances             | 37.1 | 206,112        | 225,897        |
| General establishment expenses                | 37.2 | 96,790         | 107,833        |
| Rates and taxes                               |      | 758            | 988            |
| Scholarship and training expenses             |      | 16,653         | 14,755         |
| Insurance                                     |      | 561            | 520            |
| Depreciation on property, plant and equipment | 7.6  | 5,586          | 4,468          |
| Depreciation on right-of-use-assets           | 8    | 1,802          | 3,135          |
| Amortization                                  | 9.5  | 2,896          | 25             |
| Directors' fee                                | 47.1 | 27,056         | 14,331         |
| Legal and professional charges                |      | 72,093         | 37,173         |
| Sales tax expenses                            |      | 20,824         | 13,957         |
| Short-term lease                              |      | 687            | 687            |
| Events and gathering                          |      | 432            | 153            |
|                                               |      | <u>452,250</u> | <u>423,922</u> |

**37.1** This includes Rs 0.687 million (2024: Rs. 0.943 million) in respect of provident fund contribution. The investments out of the provident fund have been made in accordance with the Section 218 of the Act and conditions specified thereunder.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                             |        | June 30,<br>2025   | June 30,<br>2024 |
|-------------------------------------------------------------|--------|--------------------|------------------|
| Note                                                        |        | (Rupees in '000)   |                  |
| <b>37.2 General establishment expenses</b>                  |        |                    |                  |
| Repairs and maintenance                                     |        | 7,149              | 8,934            |
| Medical expenses                                            |        | 10,527             | 7,628            |
| Contribution to group term insurance                        |        | 2,980              | 1,812            |
| Security charges                                            |        | 352                | 374              |
| Travelling and conveyance                                   |        | 2,379              | 3,118            |
| Entertainment and canteen subsidy                           |        | 1,236              | 1,520            |
| Books, periodicals and subscription                         |        | 23,028             | 18,981           |
| Uniform and liveries                                        |        | 259                | 242              |
| Printing and stationery                                     |        | 2,155              | 1,546            |
| Telephone, telex and postage                                |        | 1,435              | 3,467            |
| Light, power and water                                      |        | 12,814             | 12,443           |
| Computer expenses                                           |        | 4,990              | 4,959            |
| Advertisement and publicity                                 |        | 12,815             | 22,081           |
| Vehicle running, repairs and maintenance                    |        | 6,409              | 9,593            |
| Ship inspection charges                                     |        | -                  | 309              |
| Sundry expenses                                             |        | 8,262              | 10,826           |
|                                                             |        | <b>96,790</b>      | <b>107,833</b>   |
| <b>38. IMPAIRMENT (REVERSAL) / LOSS ON FINANCIAL ASSETS</b> |        |                    |                  |
| (Reversal) / allowance for ECL on:                          |        |                    |                  |
| Trade debts                                                 | 16.4   | (1,343,431)        | 268,709          |
| Other receivables                                           | 20.4   | 23,878             | (23,317)         |
| Agents' and owners' balances                                | 17.1   | (2,042)            | 10,541           |
|                                                             |        | <b>(1,321,595)</b> | <b>255,933</b>   |
| Written off against trade debts and other receivables       |        | -                  | 3,588            |
|                                                             |        | <b>(1,321,595)</b> | <b>259,521</b>   |
| <b>39. OTHER EXPENSES</b>                                   |        |                    |                  |
| Donations                                                   | 39.1   | 29,382             | 9,941            |
| Auditors' remuneration                                      | 39.2   | 7,936              | 8,199            |
| Employees' gratuity                                         |        |                    |                  |
| - funded                                                    | 26.1.7 | 615                | 2,961            |
| - unfunded                                                  | 26.1.7 | 142,449            | 83,140           |
|                                                             |        | <b>143,064</b>     | <b>86,101</b>    |
| Post-retirement medical benefits                            | 26.1.7 | 7,960              | 9,925            |
| Employees' compensated absences                             | 26.2.5 | 110,515            | 94,283           |
| Write-off against property, plant and equipment             | 7.1    | -                  | 111              |
| Provision against damage claims                             | 29     | 3,580              | -                |
| Provision on slow moving stores and spares                  | 15.1   | -                  | 9,296            |
| Realised exchange loss                                      |        | 62,118             | 331,329          |
| Workers' Profit Participation Fund                          | 27.4   | 92,454             | 295,942          |
| Others                                                      |        | 7,538              | 618              |
|                                                             |        | <b>464,547</b>     | <b>845,745</b>   |

**39.1** This includes donation made to Institute of Business Administration amounting to Rs. 10 million, The Citizen Foundation amounting to Rs. 6.7 million, Indus Hospital and Health Network amounting to Rs. 5.88 million and NIKUD Research Hospital amounting to Rs. 4.93 million. No director or his / her spouse had any interest in the donees' fund.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 39.2 Auditors' remuneration

|                                                       | June 30, 2025               |                                   |              | June 30, 2024               |                                   |              |
|-------------------------------------------------------|-----------------------------|-----------------------------------|--------------|-----------------------------|-----------------------------------|--------------|
|                                                       | Grant Thornton Anjum Rahman | Yousuf Adil Chartered Accountants | Total        | Grant Thornton Anjum Rahman | Yousuf Adil Chartered Accountants | Total        |
|                                                       | (Rupees in '000)            |                                   |              |                             |                                   |              |
| Statutory audit fee                                   | 2,070                       | 2,070                             | 4,140        | 1,801                       | 1,801                             | 3,602        |
| Fee for review of half yearly financial statements    | 805                         | 805                               | 1,610        | 700                         | 700                               | 1,400        |
| Fee for review report on Code of corporate governance | 230                         | 230                               | 460          | 200                         | 200                               | 400          |
| Fee for audit of consolidated financial statements    | 288                         | 288                               | 576          | 250                         | 250                               | 500          |
| Tax advisory / Advisory fee                           | -                           | -                                 | -            | 467                         | -                                 | 467          |
| Agreed upon procedures                                | -                           | -                                 | -            | 830                         | -                                 | 830          |
| Out of pocket expenses                                | 575                         | 575                               | 1,150        | 500                         | 500                               | 1,000        |
|                                                       | <b>3,968</b>                | <b>3,968</b>                      | <b>7,936</b> | <b>4,748</b>                | <b>3,451</b>                      | <b>8,199</b> |

Note June 30, 2025 June 30, 2024  
----- (Rupees in '000) -----

## 40. OTHER INCOME

|                                                                  |                  |                  |
|------------------------------------------------------------------|------------------|------------------|
| Income from saving accounts, treasury bills and term deposits    |                  |                  |
| - Conventional                                                   | 2,058,605        | 3,670,756        |
| - Shariah compliant                                              | 100,234          | 250,632          |
| Income from long-term loans to employees                         | 2,180            | 4,513            |
| Dividend income from                                             |                  |                  |
| - Conventional mutual funds                                      | 44,114           | 2,899,920        |
| - Shariah compliant mutual funds                                 | 2,290            | 15,252           |
| - Listed companies                                               | 1,993            | 1,495            |
| Capital gain on mutual funds                                     | 4,989,762        | 58,081           |
| Unrealized gain on mutual funds                                  | 21.3 83,380      | 131,204          |
| Unrealised exchange gain                                         | 310,435          | 10,733           |
| Reversal of provision against damage claims                      | 29 -             | 827              |
| Reversal of impairment loss on property, plant and equipment     | 7.1 -            | 15,019           |
| Gain on revaluation of investment properties                     | 10 218,650       | 219,847          |
| Gain on revaluation of long-term investments in listed companies | 12 49,037        | 9,847            |
| Liabilities no longer payable written back                       | 311,263          | 10,392           |
| Insurance claim income                                           | 7,171            | -                |
| Gain on termination on lease                                     | -                | 13,710           |
| Agency fee                                                       | 13,594           | 15,692           |
| Gain on disposal of property, plant and equipment                | -                | 119              |
| Gain on disposal of scrap                                        | 10,300           | -                |
| Workshop income                                                  | 360,771          | 274,622          |
| Income from recovery of HVAC charges                             | -                | 15,990           |
| Income from manning service                                      | 43,590           | 43,335           |
| Commission income                                                | 14,714           | 10,464           |
| Unwinding of long-term loan                                      | 3,499            | -                |
| Others                                                           | 4,226            | 10,626           |
|                                                                  | <b>8,629,808</b> | <b>7,683,076</b> |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                           | June 30,<br>2025            | June 30,<br>2024 |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------|
|                                                                     | Note                                                                                                                                                                                                                                                                                                                                                                                                      | ------(Rupees in '000)----- |                  |
| <b>41. FINANCE COSTS</b>                                            |                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                  |
| Mark-up on long-term financing                                      | 41.1                                                                                                                                                                                                                                                                                                                                                                                                      | 375,313                     | 896,004          |
| Interest accrued against WPPF                                       |                                                                                                                                                                                                                                                                                                                                                                                                           | -                           | 96,364           |
| Amortization of arrangement fees                                    | 24.1                                                                                                                                                                                                                                                                                                                                                                                                      | 915                         | 7,682            |
| Mark-up on lease liabilities                                        | 25                                                                                                                                                                                                                                                                                                                                                                                                        | 902                         | 1,852            |
| Discounting on long-term loan                                       |                                                                                                                                                                                                                                                                                                                                                                                                           | 40,469                      | -                |
| Bank charges                                                        |                                                                                                                                                                                                                                                                                                                                                                                                           | 2,133                       | 1,584            |
|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                           | <u>419,732</u>              | <u>1,003,486</u> |
| <b>41.1</b>                                                         | Mark-up under Islamic mode of financing during the year amounted to Rs. 375.312 million (2024: Rs. 781.082 million).                                                                                                                                                                                                                                                                                      |                             |                  |
| <b>42. LEVIES</b>                                                   |                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                  |
| Final taxes                                                         | 42.1                                                                                                                                                                                                                                                                                                                                                                                                      | 790,145                     | 486,509          |
| Minimum taxes                                                       | 42.2                                                                                                                                                                                                                                                                                                                                                                                                      | 106,646                     | 127,028          |
| Super tax                                                           |                                                                                                                                                                                                                                                                                                                                                                                                           | 15,468                      | 304,577          |
|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                           | <u>912,259</u>              | <u>918,114</u>   |
| <b>42.1</b>                                                         | These represent final taxes paid on voyage charter revenue based on gross registered tonnage, deemed income on vacant property, dividend income and capital gain account as per section 37A of the Income Tax Ordinance, 2001 respectively, and are recognized as levies in line with the requirements of IFRIC-21 / IAS-37 and guide on IAS-12 issued by Institute of Chartered Accountants of Pakistan. |                             |                  |
| <b>42.2</b>                                                         | This represents provision for minimum tax under section 153 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these unconsolidated financial statements as per the requirements of IFRIC-21 / IAS-37 and guide on IAS-12 issued by Institute of Chartered Accountants of Pakistan.                                                                        |                             |                  |
|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                           | June 30,<br>2025            | June 30,<br>2024 |
|                                                                     | Note                                                                                                                                                                                                                                                                                                                                                                                                      | ------(Rupees in '000)----- |                  |
| <b>43. TAXATION</b>                                                 |                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                  |
| Tax charge for:                                                     |                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                  |
| - current year                                                      |                                                                                                                                                                                                                                                                                                                                                                                                           | 1,493,411                   | 1,782,480        |
| - prior year (income) / charge                                      |                                                                                                                                                                                                                                                                                                                                                                                                           | (49,951)                    | 10,130           |
|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                           | <u>1,443,460</u>            | <u>1,792,610</u> |
| - Deferred tax expense / (income)                                   | 14.1                                                                                                                                                                                                                                                                                                                                                                                                      | 108,645                     | (281,234)        |
|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                           | <u>1,552,105</u>            | <u>1,511,376</u> |
| <b>43.1. Relationship between tax expense and accounting profit</b> |                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                  |
| Accounting profit before levies and tax                             |                                                                                                                                                                                                                                                                                                                                                                                                           | <u>9,143,281</u>            | <u>7,413,897</u> |
| Tax rate                                                            |                                                                                                                                                                                                                                                                                                                                                                                                           | <u>29%</u>                  | <u>29%</u>       |
| Tax on accounting profit                                            |                                                                                                                                                                                                                                                                                                                                                                                                           | <u>2,651,551</u>            | <u>2,150,030</u> |
| Tax saving due to lower tax rates                                   |                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                  |
| - Voyage Charter                                                    |                                                                                                                                                                                                                                                                                                                                                                                                           | (192,667)                   | 46,976           |
| - Dividend income                                                   |                                                                                                                                                                                                                                                                                                                                                                                                           | (6,776)                     | (408,333)        |
| - Capital gain                                                      |                                                                                                                                                                                                                                                                                                                                                                                                           | (698,567)                   | (8,131)          |
| Effect of super tax                                                 |                                                                                                                                                                                                                                                                                                                                                                                                           | 769,428                     | 765,942          |
| Effect of tax from income from property                             |                                                                                                                                                                                                                                                                                                                                                                                                           | 27,055                      | 16,573           |
| Effect of minimum tax on services                                   |                                                                                                                                                                                                                                                                                                                                                                                                           | 108,212                     | 250,784          |
| Effect of tax on deemed income                                      |                                                                                                                                                                                                                                                                                                                                                                                                           | 3,599                       | 2,857            |
| Levies                                                              |                                                                                                                                                                                                                                                                                                                                                                                                           | (912,259)                   | (918,114)        |
| Effect of prior year                                                |                                                                                                                                                                                                                                                                                                                                                                                                           | (49,951)                    | 10,130           |
| Deferred tax                                                        |                                                                                                                                                                                                                                                                                                                                                                                                           | 108,645                     | (281,234)        |
| Effect of inadmissible income                                       |                                                                                                                                                                                                                                                                                                                                                                                                           | (256,165)                   | (116,104)        |
|                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                           | <u>1,552,105</u>            | <u>1,511,376</u> |
| Effective tax rate                                                  |                                                                                                                                                                                                                                                                                                                                                                                                           | <u>17%</u>                  | <u>20%</u>       |



# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                                    |      | June 30,<br>2025   | June 30,<br>2024   |
|--------------------------------------------------------------------|------|--------------------|--------------------|
| Note                                                               |      | (Rupees in '000)   |                    |
| <b>44. EARNINGS PER SHARE - basic and diluted</b>                  |      |                    |                    |
| Profit for the year                                                |      | <u>6,678,917</u>   | <u>4,984,407</u>   |
|                                                                    |      |                    | --- Restated ---   |
| Weighted average ordinary shares in issue during the year (Number) | 44.1 | <u>198,095,070</u> | <u>198,095,070</u> |
| Earnings per share - basic and diluted (Rupees)                    |      | <u>33.72</u>       | <u>25.16</u>       |

**44.1** During the year, the Corporation issued 66,031,690 bonus shares. In accordance with IAS-33 Earnings per Share, the weighted average number of ordinary shares outstanding has been retrospectively adjusted for the bonus issue, including all prior periods presented. Consequently, the Earnings per Share (EPS) has been restated to reflect the increase in the number of weighted average shares outstanding.

**44.2** There are no dilutive potential ordinary shares outstanding as at June 30, 2025 and 2024.

|                                                                  |        | June 30,<br>2025         | June 30,<br>2024  |
|------------------------------------------------------------------|--------|--------------------------|-------------------|
| Note                                                             |        | (Rupees in '000)         |                   |
| <b>45. CASH GENERATED FROM OPERATIONS</b>                        |        |                          |                   |
| Profit before levies and taxation                                |        | <b>9,143,281</b>         | 7,413,897         |
| <b>Adjustments for non-cash and other items:</b>                 |        |                          |                   |
| Depreciation on:                                                 |        |                          |                   |
| Property, plant and equipment                                    | 7.6    | <b>113,533</b>           | 84,786            |
| Right-of-use assets                                              | 8      | <b>1,802</b>             | 3,135             |
| Amortisation                                                     | 9      | <b>37,650</b>            | 326               |
| Gain on disposal of property, plant and equipment                | 40     | -                        | (119)             |
| Write-off of disposal of property, plant and equipment           | 39     | -                        | 111               |
| Unrealized gain loss on revaluation of foreign currency balances | 40     | <b>(310,435)</b>         | (10,733)          |
| Reversal of impairment loss on property, plant and equipment     | 40     | -                        | (15,019)          |
| Provision for employees' gratuity                                | 26.1.7 | <b>143,064</b>           | 86,101            |
| Provision for post-retirement medical benefits                   | 26.1.7 | <b>7,960</b>             | 9,925             |
| Provision for employees' compensated absences                    | 26.2.5 | <b>110,515</b>           | 94,283            |
| Provision for slow moving stores and spares                      | 39     | -                        | 9,296             |
| Provision for Workers' Profit Participation Fund                 | 39     | <b>92,454</b>            | 295,942           |
| Provision / (reversal) against damage claims                     | 29     | <b>3,580</b>             | (827)             |
| Dividend income                                                  | 40     | <b>(48,397)</b>          | (2,916,667)       |
| Capital gain on mutual funds                                     | 40     | <b>(4,989,762)</b>       | (58,081)          |
| Gain on termination of lease                                     | 40     | -                        | (13,710)          |
| Unrealized gain on mutual funds                                  | 40     | <b>(83,380)</b>          | (131,204)         |
| (Reversal) / Impairment loss on financial assets                 | 38     | <b>(1,321,595)</b>       | 259,521           |
| Liabilities no longer payable written back                       | 40     | <b>(311,263)</b>         | (10,392)          |
| Income from saving account, treasury bills and term deposit      | 40     | <b>(2,158,839)</b>       | (3,921,388)       |
| Finance cost on:                                                 |        |                          |                   |
| Long-term financing - secured                                    | 41     | <b>376,228</b>           | 903,686           |
| Lease liabilities                                                | 41     | <b>902</b>               | 1,852             |
| Discounting on long-term loan                                    |        | <b>40,469</b>            | -                 |
| Unwinding of long-term loan                                      |        | <b>(3,499)</b>           | -                 |
| Gain on revaluation of investment properties                     | 40     | <b>(218,650)</b>         | (219,847)         |
| Gain on revaluation of long-term investments in listed companies | 40     | <b>(49,037)</b>          | (9,847)           |
| Working capital changes                                          | 45.1   | <u>23,737,635</u>        | <u>15,373,585</u> |
|                                                                  |        | <u><b>24,314,216</b></u> | <u>17,228,612</u> |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                                | Note | June 30,<br>2025  | June 30,<br>2024  |
|----------------------------------------------------------------|------|-------------------|-------------------|
| <b>45.1 Working capital changes</b>                            |      |                   |                   |
| <b>(Increase) / decrease in current assets</b>                 |      |                   |                   |
| Stores and spares                                              |      | (128,940)         | -                 |
| Trade debts - unsecured                                        |      | 1,070,486         | 499,830           |
| Agents' and owners' balances - unsecured                       |      | 6,910             | (8,000)           |
| Loans and advances                                             |      | (10,873)          | (5,389)           |
| Trade deposits and short-term prepayments                      |      | (89,788)          | 1,555             |
| Other receivables                                              |      | (347,722)         | (344,056)         |
| Contract assets                                                |      | 375,080           | (531,247)         |
|                                                                |      | <b>875,153</b>    | <b>(387,307)</b>  |
| <b>Increase / (decrease) in current liabilities</b>            |      |                   |                   |
| Trade and other payables                                       |      | 22,635,978        | 16,213,551        |
| Contract liabilities                                           |      | 226,504           | (452,659)         |
|                                                                |      | <b>22,862,482</b> | <b>15,760,892</b> |
|                                                                |      | <b>23,737,635</b> | <b>15,373,585</b> |
| <b>46. CASH AND CASH EQUIVALENTS</b>                           |      |                   |                   |
| Short-term investments having maturity of three months or less | 21   | 18,817,963        | 9,173,467         |
| Cash and bank balances                                         | 22   | 6,030,196         | 7,169,248         |
|                                                                |      | <b>24,848,159</b> | <b>16,342,715</b> |

## 47. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTORS AND OTHER EXECUTIVES

The aggregate amount of remuneration including all benefits payable to the Chief Executive, Executive Directors and other Executives of the Corporation were as follows:

|                                        | June 30,<br>2025         | June 30,<br>2024 | June 30,<br>2025      | June 30,<br>2024 | June 30,<br>2025 | June 30,<br>2024 |
|----------------------------------------|--------------------------|------------------|-----------------------|------------------|------------------|------------------|
|                                        | Chief Executive Officer* |                  | Executive Directors** |                  | Other Executives |                  |
| Managerial remuneration and allowances | 6,471                    | 3,544            | 46,932                | 42,533           | 275,979          | 227,339          |
| Retirement benefits - note 47.2        | -                        | -                | -                     | -                | 4,217            | 5,199            |
| House rent                             | -                        | -                | 13,211                | 11,611           | 94,840           | 84,785           |
| Conveyance                             | -                        | -                | -                     | -                | 8,462            | 7,630            |
| Medical                                | 754                      | 192              | 8,405                 | 4,241            | 32,485           | 20,159           |
| Utilities                              | -                        | -                | 2,361                 | 1,908            | 19,612           | 13,496           |
| Personal staff subsidy                 | -                        | -                | -                     | 45               | 365              | 447              |
| Club membership fee and expenses       | -                        | -                | 267                   | 270              | -                | -                |
| Bonus                                  | -                        | 10,347           | 8,378                 | 25,046           | 52,333           | 117,631          |
| Other allowances                       | -                        | 12,899           | 3,832                 | 3,530            | 88,407           | 88,536           |
|                                        | <b>7,225</b>             | <b>26,982</b>    | <b>83,386</b>         | <b>89,184</b>    | <b>576,700</b>   | <b>565,222</b>   |
| Number of persons                      | <b>1</b>                 | <b>1</b>         | <b>5</b>              | <b>6</b>         | <b>102</b>       | <b>96</b>        |

\*Chief executive officer (CEO) was appointed on April 30, 2025.

\*\* Executive Directors represent the designation of the key personnel and are not the members of Board of Directors of the Corporation.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

- 47.1** The aggregate amount charged in the unconsolidated financial statements for fee to 10 (2024: 7) non-executive directors was Rs 27.056 million (2024: Rs 14.331 million).
- 47.2** Retirement benefits represent amount contributed towards various retirement benefit plans. The Executives of the Corporation are entitled to retirement benefits as outlined in note 5.16 to these unconsolidated financial statements.
- 47.3** The CEO is provided with Corporation maintained car while the Executive Directors and other Executives are provided with the car allowance in lieu of Corporation owned cars.

|            |                                                              | June 30,<br>2025   | June 30,<br>2024  |
|------------|--------------------------------------------------------------|--------------------|-------------------|
| Note       |                                                              | (Rupees in '000)   |                   |
| <b>48.</b> | <b>FINANCIAL INSTRUMENTS BY CATEGORY</b>                     |                    |                   |
|            | <b>FINANCIAL ASSETS</b>                                      |                    |                   |
|            | <b>Fair value through profit or loss</b>                     |                    |                   |
|            | Long-term investments                                        | 12 85,811          | 36,774            |
|            | Short-term investment - mutual funds                         | 21 40,240,246      | 24,291,111        |
|            |                                                              | <b>40,326,057</b>  | <b>24,327,885</b> |
|            | <b>Amortised cost</b>                                        |                    |                   |
|            | Trade debts - unsecured                                      | 16 788,323         | 515,378           |
|            | Agents' and owners' balances - unsecured                     | 17 5,327           | 10,195            |
|            | Loans - employees                                            | 13 113,682         | 32,548            |
|            | Trade deposits                                               | 19 116,304         | 23,416            |
|            | Interest accrued on bank deposits and short-term investments | 190,355            | 1,043,376         |
|            | Other receivables                                            | 20 998,122         | 674,278           |
|            | Short-term investments                                       | 21 21,667,963      | 15,173,467        |
|            | Cash and bank balances                                       | 22 6,030,196       | 7,169,248         |
|            |                                                              | <b>29,910,272</b>  | <b>24,641,906</b> |
|            |                                                              | <b>70,236,329</b>  | <b>48,969,791</b> |
|            | <b>FINANCIAL LIABILITIES</b>                                 |                    |                   |
|            | <b>Amortised cost</b>                                        |                    |                   |
|            | Trade and other payables                                     | 27 105,082,115     | 82,281,689        |
|            | Unclaimed dividend                                           | 335,964            | 203,955           |
|            | Long-term financing                                          | 1,953,498          | 2,821,383         |
|            | Provision against damage claims                              | 28 25,988          | 22,408            |
|            | Accrued mark-up on long-term financing                       | 41,885             | 108,129           |
|            |                                                              | <b>107,439,450</b> | <b>85,437,564</b> |

## 49. FINANCIAL RISK MANAGEMENT

### 49.1 Financial risk factors

The Corporation finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. Taken as a whole, the Corporation is exposed to credit risk, market risk (including interest rate risk, currency risk and other price risk) and liquidity risk. The Corporation's principle financial liabilities comprise trade and other payables and long-term financing. The Corporation also has various financial assets such as trade debts, other receivables, bank balances and short-term investments which are directly related to its operations. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2025. The policies for managing each of these risks are summarised below:

#### 49.1.1 Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including trade receivables and committed transactions. Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                          |    | June 30,<br>2025  | June 30,<br>2024  |
|------------------------------------------|----|-------------------|-------------------|
| Note                                     |    | (Rupees in '000)  |                   |
| Trade debts - unsecured                  | 16 | 788,323           | 515,378           |
| Long-term investments                    | 21 | 40,240,246        | 24,291,111        |
| Agents' and owners' balances - unsecured | 16 | 5,327             | 10,195            |
| Trade deposits                           | 18 | 116,304           | 23,416            |
| Other receivables                        | 20 | 998,122           | 674,278           |
| Short-term investments                   | 21 | 20,251,761        | 12,127,643        |
| Bank balances                            | 22 | 6,025,079         | 7,158,477         |
|                                          |    | <b>68,425,162</b> | <b>44,800,498</b> |

## Credit risk related to investments and cash deposits

The Corporation limits its exposure to credit risk of investments by only investing in term deposit receipts (TDRs) and mutual funds of banks with high credit rating.

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Corporation maintains its bank balances are as follows:

| Name of bank                      | Rating agency | Credit rating |            |
|-----------------------------------|---------------|---------------|------------|
|                                   |               | Long-term     | Short-term |
| Bank Al Habib Limited             | PACRA         | AAA           | A-1+       |
| Habib Bank Limited                | VIS           | AAA           | A-1+       |
| MCB Bank Limited                  | PACRA         | AAA           | A-1+       |
| Meezan Bank Limited               | VIS           | AAA           | A-1+       |
| National Bank of Pakistan Limited | PACRA / VIS   | AAA           | A-1+       |
| Standard Chartered Bank Limited   | PACRA         | AAA           | A-1+       |
| United Bank Limited               | VIS           | AAA           | A-1+       |
| Bank Al Falah Limited             | PACRA         | AA+           | A-1+       |
| Habib Metro Bank Limited          | PACRA         | AA+           | A-1+       |
| Pak Oman Investment Company       | VIS           | AA+           | A-1+       |
| Al Baraka Bank Limited            | VIS           | AA-           | A-1        |
| Bank Islami Pakistan Limited      | PACRA         | AA-           | A-1        |
| Sindh Bank Limited                | VIS           | AA-           | A-1+       |
| Dubai Islamic Bank Limited        | VIS           | AA            | A-1+       |
| Faysal Bank Limited               | PACRA / VIS   | AA            | A-1+       |
| MCB Islamic Bank Limited          | PACRA         | A+            | A-1        |
| JS Bank Limited                   | PACRA         | AA            | A-1+       |

Moreover, a significant component of the receivable balances of the Corporation relates to amounts due from the Public Sector organisations. Due to the Corporation's long standing business relationships with these counterparties and after giving due consideration to their related credit standing, management does not expect non-performance by those counter parties on their obligations to the Corporation. However based on expected credit loss management has recorded the provision on these receivables.

The sector wise analysis of gross amounts of receivables, comprising trade debts, other receivables, agents' and owners' balances and deposits is given below:

|                | June 30,<br>2025 | June 30,<br>2024 |
|----------------|------------------|------------------|
| Note           | (Rupees in '000) |                  |
| Public Sector  | 1,991,090        | 2,959,172        |
| Private Sector | 541,715          | 545,290          |
|                | <b>2,532,805</b> | <b>3,504,462</b> |

Out of Rs. 2,532.805 million (2024: Rs. 3,504.462 million), the Corporation has recognized an allowance of ECL amounting to Rs. 624.729 million (2024: Rs. 2,281.195 million).

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 49.1.2 Market risk

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

### a) 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 changes in foreign currency rates. The Corporation faces foreign currency risk on receivable and payable transactions at foreign ports.

The Corporation's exposure to foreign currency risk is as follows:

|                              | June 30,<br>2025          | June 30,<br>2024 | June 30,<br>2025             | June 30,<br>2024 |
|------------------------------|---------------------------|------------------|------------------------------|------------------|
|                              | ----- (USD in '000) ----- |                  | ----- (Rupees in '000) ----- |                  |
| Trade debts                  | 643                       | 1,653            | 182,308                      | 460,369          |
| Other receivables            | 240                       | 402              | 68,108                       | 112,082          |
| Agents' and owners' balances | 101                       | 128              | 28,699                       | 35,608           |
| Short-term investments       | 61,400                    | 22,000           | 17,401,761                   | 6,127,643        |
| Bank balances                | 6,313                     | 7,939            | 1,789,177                    | 2,211,325        |
| Trade and other payables     | (4,166)                   | (1,726)          | (1,180,667)                  | (480,712)        |
|                              | <u>64,531</u>             | <u>30,396</u>    | <u>18,289,386</u>            | <u>8,466,315</u> |
|                              |                           |                  | June 30,<br>2025             | June 30,<br>2024 |
|                              |                           |                  | ----- (PKR / USD) -----      |                  |
| Average rate                 |                           |                  | 279.85                       | 283.19           |
| Reporting date rate          |                           |                  | 283.42                       | 278.53           |

As at June 30, 2025, if the currency had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit before levies and taxation for the year would have been higher / lower by Rs. 914.469 million (2024: Rs. 423.316 million), mainly as a result of foreign exchange gains / losses on translation of US dollar denominated assets and liabilities.

### b) Cash flow and fair value interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date interest rate profile of the Corporation interest-bearing financial instruments was:

|                                       | Carrying amount              |                  |
|---------------------------------------|------------------------------|------------------|
|                                       | June 30,<br>2025             | June 30,<br>2024 |
|                                       | ----- (Rupees in '000) ----- |                  |
| <b>Exposure to interest rate risk</b> |                              |                  |
| <b>Variable rate instruments</b>      |                              |                  |
| Financial assets - KIBOR based        | 3,788,958                    | 4,690,993        |
| Financial liabilities - KIBOR based   | 1,953,498                    | 2,821,383        |
| <b>Fixed rate instruments</b>         |                              |                  |
| Financial assets                      | 21,667,963                   | 15,183,951       |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## Interest rate sensitivity analysis

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Corporation's profit for the year ended June 30, 2025 would decrease / increase by Rs.18.355 million (2024: Rs. -18.696 million). This is mainly attributable to the Corporation's exposure to interest rates on its variable rate long-term financing and investments.

The Corporation does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore, a change in interest rate at the reporting date would not affect statement of profit or loss.

## c) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The effects of changes in fair value of investments made by the Corporation, on the future profits are not considered to be material in the overall context of these unconsolidated financial statements.

## 49.1.3 Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Corporation believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Corporation on basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring statement of financial position, liquidity ratios and maintaining debt financing plans.

Financial liabilities in accordance with their contractual maturities are presented below:

|                                        | Total contractual cash flows        | Less than 1 year   | Between 1 to 2 years | Between 2 to 5 years | More than 5 years |
|----------------------------------------|-------------------------------------|--------------------|----------------------|----------------------|-------------------|
| <b>June 30, 2025</b>                   |                                     |                    |                      |                      |                   |
|                                        | <b>----- (Rupees in '000) -----</b> |                    |                      |                      |                   |
| Long-term financing                    | 2,214,327                           | 1,028,705          | 948,716              | 236,906              | -                 |
| Unclaimed dividend                     | 335,964                             | 335,964            | -                    | -                    | -                 |
| Trade and other payables               | 105,082,115                         | 105,082,115        | -                    | -                    | -                 |
| Accrued mark-up on long-term financing | 41,885                              | 41,885             | -                    | -                    | -                 |
| Provision against damage claims        | 25,988                              | 25,988             | -                    | -                    | -                 |
|                                        | <b>107,700,279</b>                  | <b>106,514,657</b> | <b>948,716</b>       | <b>236,906</b>       | <b>-</b>          |
|                                        |                                     |                    |                      |                      |                   |
|                                        | Total contractual cash flows        | Less than 1 year   | Between 1 to 2 years | Between 2 to 5 years | More than 5 years |
| <b>June 30, 2024</b>                   |                                     |                    |                      |                      |                   |
|                                        | <b>----- (Rupees in '000) -----</b> |                    |                      |                      |                   |
| Long-term financing                    | 3,440,274                           | 1,058,546          | 2,117,092            | 264,636              | -                 |
| Unclaimed dividend                     | 120,573                             | 120,573            | -                    | -                    | -                 |
| Trade and other payables               | 82,281,689                          | 82,281,689         | -                    | -                    | -                 |
| Accrued mark-up on long-term financing | 108,129                             | 108,129            | -                    | -                    | -                 |
| Provision against damage claims        | 22,408                              | 23,235             | -                    | -                    | -                 |
|                                        | <b>85,973,073</b>                   | <b>83,592,172</b>  | <b>2,117,092</b>     | <b>264,636</b>       | <b>-</b>          |



# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 49.1.4 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

### Fair value hierarchy

As at June 30, 2025, the Corporation's all assets and liabilities are carried at amortised cost except for those mentioned below:

The Corporation's leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The latest fair valuation of the Corporation's leasehold land, buildings on leasehold land, beach huts and workshop machinery and equipment was performed by an independent valuer on June 30, 2025.

The Corporation classifies investment properties, long-term investments in listed companies and short-term investment in mutual funds measured at fair value in the statement of financial position. The latest fair valuation of the Corporation's investment properties was performed by an independent valuer as at June 30, 2025.

The valuation techniques and inputs used to develop fair value measurements of aforementioned assets are as follows:

- 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).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

Details of fair value hierarchy and information relating to fair value of Corporation's leasehold land, buildings on leasehold land, beach huts, workshop machinery and equipment, investment categorised as fair value through profit or loss and investment properties are as follows:

|                                                               |      | June 30, 2025    |         |           |            |
|---------------------------------------------------------------|------|------------------|---------|-----------|------------|
|                                                               |      | Level 1          | Level 2 | Level 3   | Total      |
|                                                               |      | (Rupees in '000) |         |           |            |
| Assets carried at fair value                                  |      |                  |         |           |            |
|                                                               | Note |                  |         |           |            |
| Long-term investments in listed companies and an other entity | 12   | 85,811           | -       | -         | 85,811     |
| Short-term investments - mutual funds                         | 21   | 40,240,246       | -       | -         | 40,240,246 |
|                                                               |      | 40,326,057       | -       | -         | 40,326,057 |
| Leasehold land                                                | 7.1  | -                | -       | 1,687,179 | 1,687,179  |
| Buildings on leasehold land                                   | 7.1  | -                | -       | 1,143,135 | 1,143,135  |
| Beach huts                                                    | 7.1  | -                | -       | 16,474    | 16,474     |
| Workshop machinery and equipment                              | 7.1  | -                | -       | 30,095    | 30,095     |
| Investment properties                                         | 10   | -                | -       | 4,607,802 | 4,607,802  |
|                                                               |      | 40,326,057       | -       | 7,484,685 | 47,810,742 |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

|                                                               |     | June 30, 2024               |         |           |            |
|---------------------------------------------------------------|-----|-----------------------------|---------|-----------|------------|
|                                                               |     | Level 1                     | Level 2 | Level 3   | Total      |
| Note                                                          |     | ------(Rupees in '000)----- |         |           |            |
| <b>Assets carried at fair value</b>                           |     |                             |         |           |            |
| Long-term investments in listed companies and an other entity | 12  | 36,774                      | -       | -         | 36,774     |
| Short-term investments - mutual funds                         | 21  | 24,291,111                  | -       | -         | 24,291,111 |
|                                                               |     | 24,327,885                  | -       | -         | 24,327,885 |
| Leasehold land                                                | 7.1 | -                           | -       | 1,687,179 | 1,687,179  |
| Buildings on leasehold land                                   | 7.1 | -                           | -       | 1,143,135 | 1,143,135  |
| Beach huts                                                    | 7.1 | -                           | -       | 16,474    | 16,474     |
| Workshop machinery and equipment                              | 7.1 | -                           | -       | 30,095    | 30,095     |
| Investment properties                                         | 10  | -                           | -       | 4,320,352 | 4,320,352  |
|                                                               |     | 24,327,885                  | -       | 7,197,235 | 31,525,120 |

## 50 CAPITAL RISK MANAGEMENT

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Corporation manages its capital structure by monitoring return on net assets and makes adjustment to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholders or issue new shares.

The Corporation is in compliance with the externally imposed capital requirements, which are applicable at the consolidated financial statements level. The debt equity ratios as at June 30, 2025 and 2024 were as follows:

|                               | Note | June 30, 2025 | June 30, 2024 |
|-------------------------------|------|---------------|---------------|
| (Rupees in '000)              |      |               |               |
| Long-term financing - secured | 24   | 1,953,498     | 2,821,383     |
| Total equity                  |      | 19,159,691    | 17,752,716    |
| Total                         |      | 21,113,189    | 20,574,099    |
| Debt-to-equity ratio          |      | 10:90         | 16:84         |

## 51. ENTITY WIDE INFORMATION

**51.1** The Corporation constitutes as a single reportable segment, the principal classes of services provided are transportation of dry cargo, liquid cargo through chartered vessels, rental income and service fees.

### 51.2 Information about services

The Corporation's principal classes of services accounted for the following amount of revenue:

|                                | June 30, 2025 | June 30, 2024 |
|--------------------------------|---------------|---------------|
| (Rupees in '000)               |               |               |
| Transportation of dry cargo    | 2,436,571     | 3,150,697     |
| Transportation of liquid cargo | 2,846,054     | 4,068,723     |
| Rental income                  | 330,374       | 285,731       |
| Services fee                   | 1,153,289     | 1,382,324     |
|                                | 6,766,288     | 8,887,475     |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 51.3 Information about geographical areas

The Corporation does not hold non-current assets in any foreign country.

## 51.4 Information about major customers

The Corporation has the following exposure to concentration of credit risk with clients representing greater than 10% of the total revenue balances:

|          | June 30, 2025<br>Revenue |              | June 30, 2024<br>Revenue |              |
|----------|--------------------------|--------------|--------------------------|--------------|
|          | (Rupees in '000)         | % of Total   | (Rupees in '000)         | % of Total   |
| Client 1 | 1,648,337                | 24.00        | 1,929,851                | 21.00        |
| Client 2 | 1,049,162                | 15.00        | 1,902,635                | 21.00        |
| Client 3 | 732,873                  | 11.00        | 811,055                  | 9.00         |
|          | <b>3,430,372</b>         | <b>50.00</b> | <b>4,643,541</b>         | <b>51.00</b> |

## 52. RELATED PARTY DISCLOSURES

The Corporation has related party relationships with its subsidiaries, associate, GoP and its related parties, associated companies, employee benefit plans and its directors and executive officers (including their associates). Transactions with related parties essentially entail investments made in subsidiary companies, dividend income received from related investee companies, freight income and chartering revenue recovered, service fees charged on account of rendering of technical, commercial, administrative and financial services, expenses charged to subsidiary companies on actual cost basis etc. Service fees charges on account of rendering of technical, commercial, administrative and financial services is charged to subsidiary companies and related parties on the basis of mutually agreed terms. Investment in and balances with related parties have been disclosed in respective notes to these unconsolidated financial statements. Significant transactions with related parties during the year are as follows:

|                                                  |                                   | June 30,<br>2025 | June 30,<br>2024 |
|--------------------------------------------------|-----------------------------------|------------------|------------------|
|                                                  |                                   | (Rupees in '000) |                  |
| Nature of transactions                           | Relationship with the Corporation |                  |                  |
| Freight income - foreign flag vessels            | State owned / controlled entities | 4,298,960        | 5,226,537        |
| Service fee - note 31                            | Subsidiaries                      | 1,153,289        | 1,382,324        |
| Rental income                                    | State owned / controlled entities |                  |                  |
|                                                  | / Common director                 | 31,925           | 29,022           |
| Rates and taxes                                  | State owned / controlled entities | 758              | 988              |
| Short-term lease                                 | State owned / controlled entities | 687              | 687              |
| Income from other operating activities - note 33 | State owned / controlled entities | 81,205           | 200,828          |
| Retirement benefit costs charged                 | Subsidiaries                      | 2,040            | 6,256            |
| Contribution to gratuity fund                    | Employees benefit plan            | -                | 10,114           |
| Contribution to provident fund                   | Employees benefit plan            | 4,217            | 5,199            |
| Dividend to Government of Pakistan               | Government holding                | 4,625,348        | 2,890,843        |

- 52.1 In addition, the Corporation is substantially engaged in making payments / collections on behalf of the subsidiary companies in accordance with the 'Technical and Commercial Services' and 'Administrative and Financial Services Agreement' which are settled through a current account of the subsidiary companies.

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

**52.2** Following are the details of related parties with whom the Corporation had entered into transactions or have arrangements / agreements in place, except subsidiaries, which have been disclosed in note 27.1 to these unconsolidated financial statements:

| S.No. | Name                                               | Basis of relationship                           | Aggregate %<br>of<br>shareholding<br>in the<br>Company |
|-------|----------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|
| 1     | Muhammadi Engineering Works (Private) Limited      | Associate                                       | N/A                                                    |
| 2     | Employees' Gratuity Fund                           | Staff retirement benefits                       | N/A                                                    |
| 3     | Employees' Contributory Provident Fund             | Staff retirement benefits                       | N/A                                                    |
| 4     | Bureau Veritas                                     | Common director                                 | N/A                                                    |
| 5     | Central Power Generation Company Limited           | State owned/controlled entity                   | N/A                                                    |
| 6     | Civil Aviation Authority                           | State owned/controlled entity                   | N/A                                                    |
| 7     | District Controller of Stores                      | State owned/controlled entity                   | N/A                                                    |
| 8     | Embarkation Commandant                             | State owned/controlled entity                   | N/A                                                    |
| 9     | Federal Bureau of Revenue - Commissioner AEOI      | State owned/controlled entity                   | N/A                                                    |
| 10    | Gawadar Port Authority                             | State owned/controlled entity                   | N/A                                                    |
| 11    | Heavy Industries Taxila                            | State owned/controlled entity                   | N/A                                                    |
| 12    | Karachi Port Trust                                 | State owned/controlled entity / Common director | N/A                                                    |
| 13    | Kot Addu Power Company Limited                     | State owned/controlled entity                   | N/A                                                    |
| 14    | Lahore Electric Supply Company Limited             | State owned/controlled entity                   | N/A                                                    |
| 15    | National Bank of Pakistan                          | State owned/controlled entity                   | N/A                                                    |
| 16    | National Disaster Risk Management Fund             | State owned/controlled entity / Common director | N/A                                                    |
| 17    | National Telecommunication Corporation             | State owned/controlled entity                   | N/A                                                    |
| 18    | National Security Printing Company Private Limited | State owned/controlled entity / Common director | N/A                                                    |
| 19    | National Insurance Company Limited                 | State owned/controlled entity                   | N/A                                                    |
| 20    | National Transmission & Despatch Company Limited   | State owned/controlled entity                   | N/A                                                    |
| 21    | Naval Stores                                       | State owned/controlled entity                   | N/A                                                    |
| 22    | Oil & Gas Development Company Limited              | State owned/controlled entity                   | N/A                                                    |
| 23    | Pakistan Ordnance Factory                          | State owned/controlled entity                   | N/A                                                    |
| 24    | Pak Arab Refinery Limited                          | State owned/controlled entity                   | N/A                                                    |
| 25    | Pakistan International Airlines                    | State owned/controlled entity                   | N/A                                                    |
| 26    | Pakistan Machine Tool Factory                      | State owned/controlled entity                   | N/A                                                    |
| 27    | Pakistan Refinery Limited                          | State owned/controlled entity                   | N/A                                                    |
| 28    | Pakistan Security Printing Corporation             | State owned/controlled entity                   | N/A                                                    |
| 29    | Pakistan State Oil Company Limited                 | State owned/controlled entity                   | N/A                                                    |
| 30    | Pakistan Telecommunication Company Limited         | State owned/controlled entity                   | N/A                                                    |
| 31    | Pakistan Petroleum Limited                         | State owned/controlled entity                   | N/A                                                    |
| 32    | Punjab Thermal Power Limited                       | Common director                                 | N/A                                                    |
| 33    | PRIMCO Limited                                     | Common director                                 | N/A                                                    |
| 34    | Port Qasim Authority                               | State owned/controlled entity / Common director | N/A                                                    |
| 35    | Quaid-e-Azam Thermal Power Plant                   | Common director                                 | N/A                                                    |
| 36    | Trading Corporation of Pakistan (TCP)              | State owned/controlled entity                   | N/A                                                    |
| 37    | Sezan International Limited                        | Common director                                 | N/A                                                    |
| 38    | Siddiqsons Energy Limited                          | Common director                                 | N/A                                                    |
| 39    | Stores Liaison Officers (PAF)                      | State owned/controlled entity                   | N/A                                                    |
| 40    | Sui Northern Gas Pipelines Limited                 | State owned/controlled entity                   | N/A                                                    |
| 41    | Sui Southern Gas Company Limited                   | State owned/controlled entity                   | N/A                                                    |
| 42    | Wah Brass Mills (Private) Limited                  | State owned/controlled entity                   | N/A                                                    |
| 43    | Water and Power Development Authority              | State owned/controlled entity                   | N/A                                                    |
| 44    | Zahid Jee Textile                                  | Common director                                 | N/A                                                    |
| 45    | Directors / Executives                             | Key management personnel                        | N/A                                                    |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## 53. NUMBER OF EMPLOYEES

The average and total number of employees during the year and as at June 30, 2025 and 2024 respectively are as follows:

|                                               | June 30,<br>2025 | June 30,<br>2024 |
|-----------------------------------------------|------------------|------------------|
| Average number of employees during the year   | 636              | 672              |
| Number of employees as at the end of the year | 608              | 663              |

## 54. RECONCILIATION OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

|                                          | June 30, 2025          |                       |                      | June 30, 2024          |                       |                      |
|------------------------------------------|------------------------|-----------------------|----------------------|------------------------|-----------------------|----------------------|
|                                          | Long-term<br>financing | Unclaimed<br>dividend | Lease<br>Liabilities | Long-term<br>financing | Unclaimed<br>dividend | Lease<br>Liabilities |
|                                          | (Rupees in '000)       |                       |                      |                        |                       |                      |
| Balance at beginning of the year         | 2,821,383              | 203,955               | 14,508               | 7,244,223              | 120,573               | 98,195               |
| <b>Changes from financing cash flows</b> |                        |                       |                      |                        |                       |                      |
| Repayment                                | (868,800)              | -                     | -                    | (4,430,522)            | -                     | (1,287)              |
| Obtained                                 | -                      | -                     | -                    | -                      | -                     | -                    |
| Dividend paid                            | -                      | (5,150,527)           | -                    | -                      | (3,218,203)           | -                    |
| Total changes from financing activities  | (868,800)              | (5,150,527)           | -                    | (4,430,522)            | (3,218,203)           | (1,287)              |
| <b>Other non cash changes</b>            |                        |                       |                      |                        |                       |                      |
| Amortisation of arrangement fee          | 915                    | -                     | -                    | 7,682                  | -                     | -                    |
| Reclassified to other liabilities        | -                      | -                     | (2,657)              | -                      | -                     | (1,220)              |
| Accretion of interest                    | -                      | -                     | 902                  | -                      | -                     | 1,852                |
| Impact of termination of leases          | -                      | -                     | -                    | -                      | -                     | (83,032)             |
| Final dividend                           | -                      | 3,301,585             | -                    | -                      | 1,980,951             | -                    |
| Interim dividend                         | -                      | 1,980,951             | -                    | -                      | 1,320,634             | -                    |
| Total other changes                      | 915                    | 5,282,536             | (1,755)              | 7,682                  | 3,301,585             | (82,400)             |
| <b>Balance at end of the year</b>        | <b>1,953,498</b>       | <b>335,964</b>        | <b>12,753</b>        | <b>2,821,383</b>       | <b>203,955</b>        | <b>14,508</b>        |

## 55. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statements of the fund:

|                                 | June 30,<br>2025 | June 30,<br>2024 |
|---------------------------------|------------------|------------------|
|                                 | (Rupees in '000) |                  |
| Size of the fund - Total assets | 230,187          | 288,725          |
| Fair value of investments       | 224,637          | 278,405          |
| Percentage of investment made   | 94.29%           | 96.43%           |

# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

55.1 The cost of above investments amounted to Rs. 217.040 million (2024: Rs. 231.965 million).

55.2 The break-up of fair value of investments is as follows:

|                 | June 30,<br>2025        | June 30,<br>2024 | June 30,<br>2025            | June 30,<br>2024 |
|-----------------|-------------------------|------------------|-----------------------------|------------------|
|                 | ------(Percentage)----- |                  | ------(Rupees in '000)----- |                  |
| Mutual funds    | 49.00                   | 37.00            | 107,396                     | 103,039          |
| Treasury bills  | 41.00                   | 62.00            | 88,356                      | 172,432          |
| Debt securities | 7.00                    | 0.00             | 15,000                      | -                |
| Bank balances   | 3.00                    | 1.00             | 6,288                       | 2,934            |
|                 | <u>100</u>              | <u>100</u>       | <u>217,040</u>              | <u>278,405</u>   |

55.3 The investment out of provident fund have been made in accordance with the provision of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

## 56. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

|                                                               | Note | June 30,<br>2025<br>------(Rupees in '000)----- | June 30,<br>2024 |
|---------------------------------------------------------------|------|-------------------------------------------------|------------------|
| <b>Financing as per Islamic Mode</b>                          |      |                                                 |                  |
| Long-term financing<br>(including current portion)            | 24   | 1,953,498                                       | 2,821,383        |
| <b>Interest accrued on conventional loans</b>                 |      | -                                               | -                |
| <b>Shariah Compliant bank balances</b>                        |      |                                                 |                  |
| Bank Balances                                                 | 22   | 730,256                                         | 1,090,073        |
| <b>Shariah compliant revenue</b>                              |      |                                                 |                  |
| Freight income - foreign flag vessels                         | 31   | 5,282,625                                       | 7,219,420        |
| Service fees                                                  | 32   | 1,153,289                                       | 1,382,324        |
| Other operating activities                                    | 33   | 158,091                                         | 294,359          |
| Rental income                                                 |      | 330,374                                         | 330,374          |
| <b>Exchange gain earned from actual currency</b>              |      |                                                 |                  |
| Realised exchange loss                                        | 39   | 62,118                                          | 331,329          |
| Unrealised exchange gain                                      | 40   | 310,435                                         | 10,733           |
| <b>Profit paid on Islamic mode of financing</b>               |      |                                                 |                  |
| Long-term financing                                           | 41   | 375,313                                         | 781,082          |
| <b>Interest paid on conventional loans</b>                    |      | -                                               | 114,922          |
| <b>Source and detailed breakup of other income</b>            |      |                                                 |                  |
| <b>Non-Shariah Compliant</b>                                  |      |                                                 |                  |
| Income from saving accounts, treasury bills and term deposits | 40   | 2,058,605                                       | 3,670,756        |
| Dividend income from conventional mutual funds                | 40   | 44,114                                          | 2,899,920        |
| Capital gain on mutual funds                                  | 40   | 4,973,513                                       | 58,081           |
| Unrealized gain on mutual funds                               | 40   | 83,380                                          | 131,204          |
| Others                                                        | 40   | 1,557                                           | 15               |
| <b>Shariah Compliant</b>                                      |      |                                                 |                  |
| Income from saving accounts, treasury bills and term deposits | 40   | 100,234                                         | 250,632          |
| Dividend income from shariah compliant mutual funds           | 40   | 2,290                                           | 15,252           |
| Dividend income - listed companies                            | 40   | 1,993                                           | 1,495            |
| Capital gain on mutual funds                                  | 40   | 16,249                                          | -                |
| Others                                                        | 40   | 2,669                                           | 10611            |



# Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2025

## Relationship with Shariah-compliant financial institutions

| Name                         | Relationship                   |
|------------------------------|--------------------------------|
| Bank Al Habib Limited        | Bank Balance                   |
| Meezan Bank Limited          | Bank Balance                   |
| United Bank Limited          | Bank Balance                   |
| Bank Al Falah Limited        | Bank Balance                   |
| Al Baraka Bank Limited       | Bank Balance                   |
| Bank Islami Pakistan Limited | Bank Balance                   |
| Dubai Islamic Bank Limited   | Bank Balance                   |
| MCB Islamic Bank Limited     | Bank Balance                   |
| Faysal Bank Limited          | Funded Facility & Bank Balance |

## 57. EVENTS AFTER REPORTING PERIOD

The Board of Directors in their meeting held on September 26, 2025 have proposed for the year ended June 30, 2025 cash dividend of Rs 23 per share amounting to Rs 4,556 million subject to the approval of the members at the annual general meeting to be held on October 28, 2025. These unconsolidated financial statements for the year ended June 30, 2025 do not include the effect of this appropriation which will be accounted for subsequent to the year end.

## 58. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation in these financial statements.

## 59. GENERAL

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

## 60. DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue on September 26, 2025 by the Board of Directors of the Corporation.

  
**Syed Zeeshan Taqvi**  
Chief Financial Officer

  
**Syed Jafar Haider Kazmi**  
Chief Executive Officer

  
**Mr. Khalil Ahmed**  
Director

# Pattern of Shareholding

As at June 30, 2025

| # Of Shareholders | Shareholdings' Slab |    |           | Total Shares Held  |
|-------------------|---------------------|----|-----------|--------------------|
| 9669              | 1                   | to | 100       | 292,408            |
| 4962              | 101                 | to | 500       | 1,034,646          |
| 960               | 501                 | to | 1000      | 700,882            |
| 1019              | 1001                | to | 5000      | 2,051,738          |
| 122               | 5001                | to | 10000     | 880,011            |
| 43                | 10001               | to | 15000     | 530,892            |
| 25                | 15001               | to | 20000     | 443,704            |
| 21                | 20001               | to | 25000     | 478,534            |
| 8                 | 25001               | to | 30000     | 221,933            |
| 3                 | 30001               | to | 35000     | 94,985             |
| 3                 | 35001               | to | 40000     | 114,950            |
| 5                 | 40001               | to | 45000     | 218,759            |
| 2                 | 45001               | to | 50000     | 97,219             |
| 3                 | 55001               | to | 60000     | 174,658            |
| 1                 | 60001               | to | 65000     | 64,500             |
| 1                 | 65001               | to | 70000     | 67,425             |
| 1                 | 70001               | to | 75000     | 75,000             |
| 1                 | 75001               | to | 80000     | 79,511             |
| 1                 | 80001               | to | 85000     | 83,811             |
| 2                 | 90001               | to | 95000     | 188,794            |
| 2                 | 100001              | to | 105000    | 206,108            |
| 1                 | 105001              | to | 110000    | 107,507            |
| 1                 | 120001              | to | 125000    | 124,809            |
| 1                 | 125001              | to | 130000    | 128,885            |
| 2                 | 145001              | to | 150000    | 299,604            |
| 1                 | 160001              | to | 165000    | 161,750            |
| 1                 | 185001              | to | 190000    | 186,312            |
| 1                 | 205001              | to | 210000    | 205,537            |
| 1                 | 230001              | to | 235000    | 230,277            |
| 1                 | 235001              | to | 240000    | 235,463            |
| 1                 | 260001              | to | 265000    | 261,753            |
| 2                 | 285001              | to | 290000    | 576,435            |
| 1                 | 295001              | to | 300000    | 298,579            |
| 1                 | 475001              | to | 480000    | 477,500            |
| 1                 | 495001              | to | 500000    | 500,000            |
| 1                 | 625001              | to | 630000    | 627,217            |
| 1                 | 725001              | to | 730000    | 730,000            |
| 1                 | 890001              | to | 895000    | 892,060            |
| 1                 | 900001              | to | 905000    | 901,399            |
| 1                 | 2900001             | to | 2905000   | 2,902,219          |
| 1                 | 2945001             | to | 2950000   | 2,946,730          |
| 1                 | 3745001             | to | 3750000   | 3,750,000          |
| 1                 | 173450001           | to | 173455000 | 173,450,565        |
| <b>16878</b>      |                     |    |           | <b>198,095,069</b> |

# Categories of Shareholding

As at June 30, 2025

| Categories of Shareholders                                                          | Shareholders  | Shares Held        | Percentage    |
|-------------------------------------------------------------------------------------|---------------|--------------------|---------------|
| <b>Government Holding</b>                                                           |               |                    |               |
| DIRECTOR GENERAL PORT & SHIPPING                                                    | 1             | 173,450,565        | 87.56         |
| <b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>    |               |                    |               |
| AHSAN ALI MALIK                                                                     | 1             | 94,750             | 0.05          |
| SANILAH ARSAL                                                                       | 1             | 10,000             | 0.01          |
| SARFARAZ INAYATULLAH QURESHI                                                        | 1             | 16,500             | 0.01          |
| <b>Associated Companies, undertakings and related parties</b>                       |               |                    |               |
| MOHAMMADI ENGG. WORKS LTD                                                           | 1             | 6,672              | 0.00          |
| M/S PNSC EMPLOYEES EMPOWERMENT TRUST                                                | 1             | 2,902,219          | 1.47          |
| MOHSIN ALI /                                                                        | 1             | 901,399            | 0.46          |
| FAST TRACK PROJECTS & LOGISTICS (PRIVATE) LIMITED                                   | 1             | 19,500             | 0.01          |
| <b>NIT and ICP</b>                                                                  | 13            | 741,060            | 0.37          |
| <b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b> | 65            | 1,008,365          | 0.51          |
| <b>Insurance Companies</b>                                                          | 11            | 325,147            | 0.16          |
| <b>Modarabas and Mutual Funds</b>                                                   |               |                    |               |
| FIRST EQUITY MODARABA                                                               | 1             | 21                 | 0.00          |
| M/S. SECOND PRUDENTIAL MODARABA                                                     | 1             | 107                | 0.00          |
| THIRD PRUDENTIAL MODARABA                                                           | 1             | 879                | 0.00          |
| FIRST PRUDENTIAL MODARABA                                                           | 1             | 22                 | 0.00          |
| CDC - TRUSTEE ATLAS STOCK MARKET FUND                                               | 1             | 101,418            | 0.05          |
| CDC - TRUSTEE NBP STOCK FUND                                                        | 1             | 2,946,730          | 1.49          |
| CDC - TRUSTEE NBP BALANCED FUND                                                     | 1             | 107,507            | 0.05          |
| CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFAT FUND                                       | 1             | 128,885            | 0.07          |
| CDC - TRUSTEE ABL STOCK FUND                                                        | 1             | 235,463            | 0.12          |
| CDC - TRUSTEE NBP SARMAYA IZAFAT FUND                                               | 1             | 44,952             | 0.02          |
| MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND                                             | 1             | 22,000             | 0.01          |
| CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND                                    | 1             | 13,250             | 0.01          |
| CDC - TRUSTEE NBP ISLAMIC STOCK FUND                                                | 1             | 289,696            | 0.15          |
| <b>General Public</b>                                                               |               |                    |               |
| a. Local                                                                            | 16,550        | 12,576,433         | 6.35          |
| b. Foreign                                                                          | 72            | 65,390             | 0.03          |
| <b>Foreign Companies</b>                                                            | 8             | 213,112            | 0.11          |
| <b>Others</b>                                                                       | 138           | 1,873,027          | 0.95          |
| <b>Totals</b>                                                                       | <b>16,878</b> | <b>198,095,069</b> | <b>100.00</b> |

| Share holders holding 10% or more | Shares Held | Percentage |
|-----------------------------------|-------------|------------|
| DIRECTOR GENERAL PORT & SHIPPING  | 173,450,565 | 87.56      |

# Notice of Annual General Meeting

Notice is hereby given that the 47<sup>th</sup> Annual General Meeting (AGM) of Pakistan National Shipping Corporation (Corporation) will be held at the PNSC Head Office, PNSC Building, M.T. Khan Road, Karachi on Tuesday, the 28<sup>th</sup> October, 2025 at 1100 hours to transact the following business:

## ORDINARY BUSINESS

1. To confirm minutes of the 46<sup>th</sup> Annual General Meeting of the Members of the Corporation held on 28<sup>th</sup> October, 2024.
2. To consider and adopt the audited financial statements of the Corporation and the consolidated financial statements of the PNSC Group together with the reports of Auditors and Directors for the year ended 30<sup>th</sup> June, 2025.

In accordance with section 223(7) of the Companies Act, 2017 and pursuant to the SECP S.R.O 389(I)/2023, dated: 21<sup>st</sup> March 2023 the Annual Audited financial statements may be viewed and downloaded by QR code and weblink as given underhere:

| Web-link                                                                                                    | QR Code                                                                             |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <a href="https://pnscl.com.pk/financial-statements.html">https://pnscl.com.pk/financial-statements.html</a> |  |

3. To consider and approve Board's recommendation to pay 230% Cash Dividend (i.e.) Rs. 23 per share to the members.
4. To elect two directors for a period of three years in accordance with the provisions of section 14(1)(e) of the Pakistan National Shipping Corporation Ordinance, 1979 (as amended) in place of the following retiring directors , who are eligible for re-election:
  - (a) Mr. Ahsan Ali Malik
  - (b) Captain (R) Sarfaraz Inayatullah
5. To consider appointment of joint auditors of the Corporation for the year ending 2025-26 and to fix their remuneration.
6. To transact any other business with the permission of the chair.

By order of the Board

Muhammad Javid Ansari  
Company Secretary

Karachi  
Dated: 07<sup>th</sup> October 2025

## Notes:

- i. The Share Transfer Books of the Corporation will remain closed from 22<sup>nd</sup> October, 2025 to 28<sup>th</sup> October, 2025 (both days inclusive).
- ii. Transfer received in order by the Corporation's shares registrar M/S CDC Shares Registrar Services Limited by the close of business hours on October 21<sup>st</sup>, 2025 will be considered in time for registration in the name of transfers, and be eligible for the purpose of attending and vote at the AGM.
- iii. A member entitled to attend and vote at the meeting is also entitled to appoint his/her proxy to attend the meeting. Proxies must be received at the Head Office of the Corporation not less than 48 hours before the time of holding the meeting. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1, dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. The members are requested to promptly notify Share Registrars of the Corporation/s CDC Share Registrar Services limited of any change in their addresses.

#### A) For Attending Meeting:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail is uploaded as per the Regulation, shall authenticate their identity by showing his/her original Identify Card ("CNIC") / original passport at the time of attending the meeting.
- ii. In case of corporate entity, Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.
- iii. Members interested to participate in the meeting through video link are requested to get themselves registered with Corporate Affairs & Shares department by providing the following details at the earliest but not later than two working days before the AGM through following means:  
Mobile/ WhatsApp: 0300 8272582  
E-mail: general.meeting@pnsc.com.pk

| Name of Members | CNIC Number | CDC Account No./Folio No. | Mobile Number | Email Address |
|-----------------|-------------|---------------------------|---------------|---------------|
|                 |             |                           |               |               |

- iv. Upon receipt of the above information from the interested members, the Corporation will send the login credentials at their e-mail address. On the date of AGM login facility will be opened at half hour before the meeting time, members will be able to login and join in the AGM proceedings through their smartphone / computer devices.
- v. In view of the above the Members may also provide their comments/suggestions for the proposed agenda items of the AGM at least two working days before AGM by using the aforesaid means. Members are requested to mention their full name, CNIC and CDC/Folio no. for this purpose.
- vi. In case of corporate entity, Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be provide to the Corporation in the manner described in para A(iii) above.

#### B) For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. In case of corporate entities, board of directors' resolution / power of attorney with specimen signature of the nominee shall be submitted along with the proxy form to the Corporation.

#### C) Appointment of Scrutinizer:

Securities and Exchange Commission of Pakistan (SECP) made amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Companies (Postal Ballot) Regulations, 2018 through S.R.O.454(I)2025 and S.R.O 453(I)2025 .In accordance with the Regulation 11 of the Regulations, the Board of the Corporation has appointed M/s UHY Hassan Naeem & Co., Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Corporation for Election of Directors in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

#### D) E-Voting / Postal Ballot:

Pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143 and 144 of the Companies Act, 2017, Members will be allowed to exercise their right to vote through postal ballot i.e. voting by post or electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations. Detailed procedures for voting by postal ballot are provided on the ballot paper, while instructions for electronic voting will be sent to the Members by the Corporation's Share Registrar

#### E) CNIC / NTN Number on Dividend Warrant (Mandatory)

As has already been notified from time to time, the SECP vide Notification SRO 275(1)/2016 dated March 31, 2016 read with Notification SRO 19(1)/2014 dated January 10, 2014 and Notification SRO 831(1)/2012 dated July 5,2012

required that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered member or the authorized person, except in case of minor(s) and corporate member(s). Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) NTN (corporate entities) by members.

#### F) Withholding Tax on Dividend (Mandatory)

- i. Pursuant to the provision of the Finance Act 2022 the rates of deduction of Income tax from dividend payments under the Income Tax Ordinance, 2001 are as follows:

|    |                                       |            |
|----|---------------------------------------|------------|
| a) | For filers of income tax returns      | <b>15%</b> |
| b) | For non -filers of income tax returns | <b>30%</b> |

- ii. Members who are filers, are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted accordingly.

#### G) Withholding Tax on Dividend In case of Joint Account Holders

- i. According to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal member as well as joint-holder(s) based on their shareholding proportions in case of joint accounts.
- ii. In this regard all members who hold shares jointly are requested to provide shareholding Proportions of Principal member and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

| Corporation Name | Folio/CDS Account No. | Total Status | PrincipalMember |                                      | JointMember(s) |                                         |
|------------------|-----------------------|--------------|-----------------|--------------------------------------|----------------|-----------------------------------------|
|                  |                       |              | Name & CNIC No  | Shareholding proportion (No. Shares) | Name & CNIC No | Shareholding Proportion. (No.of Shares) |

- iii. The required information must be provided to Corporation's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal Member and Joint Holder(s).
- iv. As per FBR Circulars C. No.1 (29) WHT/2006 dated 30 June 2010 and C. No.1 (43) DG (WHT) 2008- Vol. 11-664174-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The members who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to Corporation's Share Registrar, before book closure otherwise, tax will be deducted on dividend as per applicable rates.
- v. The corporate members having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participant, whereas corporate physical members should send a copy of their NTN certificate to Corporation's Share Registrar. The members while sending NTN or NTN certificate, as the case may be, must quote Corporation name and their respective folio numbers.

#### H) Dividend Mandate

- i. The provision of Section 242 of the Companies Act, 2017 (the "Act") provides that any dividend declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled members.
- ii. Further SECP through Circular No.18/2017 dated 1st August, 2017 has required the listed companies to approach their members for obtaining electronic dividend mandate. In this connection please refer to the Corporation's announcement previously published in leading newspapers. Therefore, all Members are hereby advised once again to provide, if not already provided, details of their bank mandates at their earliest in the format also available on PNSC website [www.pnsc.com.pk](http://www.pnsc.com.pk)

#### I) Circulation of Annual Audited Financial Statements and Notice of AGM through Email.

- i. In compliance of SECP S.R.O. 452(I)/2025 dated March 17, 2025 Annual Audited Financial Statements and Notice of AGM shall be circulated through email to the shareholders of the Corporation.
- ii. The shareholders who wish to receive hard copy of the Annual report may send to the Company Secretary /Share Registrar, the standard request form available on the websites of the Company [www.pnsc.com.pk](http://www.pnsc.com.pk) and the Company will supply hard copies of the Annual Report to the shareholders on demand, free of cost, within one



week of such demand. Members, who wish to avail this facility, should send duly filled-in Consent Form along with a copy of CNIC or valid passport (in case of foreign member) to Corporation's Secretary at Registered Office of the Corporation. It will be the responsibility of members to intimate any change in their valid registered email address to the Corporation in timely manner.

#### **J) Unclaimed Dividends & Bonus Shares**

- i. Members, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact Corporation's Share Registrar, to collect / enquire about their unclaimed dividend or pending shares, if any.
- ii. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.
- iii. In this regard, a Notice dated July 12, 2021 was sent by TCS on the last known addresses of the members to submit their claims within 90 days to the Corporation. In compliance of Section 244(1)(b) of the Companies Act, 2017 a Notice had also been published on 02nd August 2021 in two daily newspapers i.e. (i) Daily Dawn and (ii) Daily Jang, in English language and Urdu language respectively. The same publication was also posted on PSX website for information of the members.

#### **K) Conversion of Shares from Physical Form to Book-Entry-Form**

- i. The SECP has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies referring their attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires to all the then existing companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act.
- ii. In order to ensure full compliance with the provisions of the aforesaid Section 72 and to be benefitted of the facility of holding shares in the Book-Entry-Form, the members who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form. In compliance of Section 72 of the Companies Act, 2017 a Notice had also been published on 21st June 2021 in two daily newspapers i.e. (i) Business Recorder and (ii) Daily Khabrain, in English language and Urdu language respectively. The same publication was also posted on PSX website for information of the members.

#### **L) Code of Conduct for Members in General Meeting**

- i. Pursuant to the provision of Section 215 of Companies Act, 2017 (the "Act")
- ii. A member of a company shall act in good faith while exercising its powers as a member at the general meetings and shall not conduct themselves in a manner that is considered disruptive to proceedings of the meeting.
- iii. Without prejudice to his rights under this Act, a member of the company shall not exert influence or approach the management directly for decisions which may lead to create hurdle in the smooth functioning of management.
- iv. Any member who fails to conduct in the manner provided in this section and as specified by the Commission shall be guilty of an offence under this section and shall be liable to a penalty not exceeding of level 1 on the standard scale.
- v. In compliance with Section 185 of the Companies Act, 2017, and directive issued by the SECP vide its SRO 452(I)/2025 dated March 17, 2025 no gifts, in any form, shall be distributed to its members at the general meeting.

#### **M) Availability of Audited Financial Statements on Corporation's website**

The audited financial statements of the Corporation for the year ended 30th June, 2025 will be available in due course on the Corporation's website <https://pnsc.com.pk/financial-statements.html>



# Form of Proxy

I/We \_\_\_\_\_  
of \_\_\_\_\_ (full address)  
being a member of Pakistan National Shipping Corporation and holder of \_\_\_\_\_ ordinary shares  
as per Registered Folio No. \_\_\_\_\_ here by appoint \_\_\_\_\_  
of \_\_\_\_\_ (full address)  
or falling him \_\_\_\_\_  
of \_\_\_\_\_ (full address)  
as my/our proxy to vote for me/us and on my/our behalf at the 47<sup>th</sup> Annual General Meeting of the Corporation to be held  
on Tuesday, October 28<sup>th</sup>, 2025 at 11:00 am and at any adjournment thereof.

Signed by me/us this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Witnesses:

1. Signature \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

2. Signature \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Please affix  
Revenue  
Stamp of  
Rs. 5

\_\_\_\_\_  
**Signature of Member**  
(Signature should agree with the specimen  
signature registered with the corporation)

**Important:**

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him/her such proxy must be a member of the Corporation.
2. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of power of attorney must be deposited at the Registered Office of the Corporation situated at PNSC Building, Moulvi Tamizuddin Khan Road. P.O. Box No. 5350, Karachi-74000, Pakistan at least 48 hours before the time of the meeting.
3. CDC Shareholders or their Proxies are each requested to attach an attested photocopy of their National Identity Card or Passport with this Proxy Form before submission to the Corporation.

# پاکستان نیشنل شپنگ کارپوریشن

سینٹالیسواں سالانہ اجلاس عام - 2025

## پراکسی فارم

میں / ہم \_\_\_\_\_ ساکن \_\_\_\_\_ (مکمل پتہ)  
پاکستان نیشنل شپنگ کارپوریشن کے ممبر کی حیثیت سے \_\_\_\_\_ عمومی شیئرز کی تحویل رکھتے ہیں۔  
رجسٹرڈ فلیو نمبر \_\_\_\_\_ میں / ہم بذریعہ ہذا جناب / محترم \_\_\_\_\_ ساکن \_\_\_\_\_ (مکمل پتہ)  
یا ان کی جگہ جناب / محترمہ \_\_\_\_\_ ساکن \_\_\_\_\_ (مکمل پتہ)

کا تقرر کرتا / کرتی ہوں کہ وہ بروز منگل 28 اکتوبر 2025 کو صبح 11:00 بجے یا التوا کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہونے والے کمپنی کے 47 ویں سالانہ اجلاس عام میں میرے / ہمارے پراکسی کی حیثیت سے شرکت کریں اور ووٹ دیں۔  
اس پر میری / ہماری طرف سے \_\_\_\_\_ 2025 کو دستخط کئے گئے۔

5 روپے کار سیدی  
ٹکٹ چسپاں کریں

گواہان:

1 دستخط \_\_\_\_\_  
نام \_\_\_\_\_  
CNIC نمبر: \_\_\_\_\_  
پتہ: \_\_\_\_\_

ممبر کا تحفظ (یہ دستخط کمپنی کے پاس  
رجسٹرڈ کردہ نمونہ دستخط کے مطابق ہو)

2 دستخط \_\_\_\_\_  
نام \_\_\_\_\_  
CNIC نمبر: \_\_\_\_\_  
پتہ: \_\_\_\_\_

اہم نوٹ:

- اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا اہل ممبر اپنی جانب سے شرکت اور ووٹ دینے کے لیے کسی دوسرے فرد کو اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی کا کمپنی کا ممبر ہونا لازمی ہے۔
- پراکسی دستاویز اور پاور آف اٹارنی جس کے تحت اس پراکسی پر دستخط کیے گئے ہوں یا اس پاور آف اٹارنی کی نوٹری سے تصدیق شدہ نقل، اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر بمقام مولوی تمیز الدین خان روڈ، پی او بکس نمبر - 5350، کراچی 74000 میں جمع کروائی جائیں۔
- CDC شیئرز ہولڈرز یا ان کے پراکسیز اپنے اصل قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل اس پراکسی فارم کو کمپنی میں جمع کروانے سے قبل ساتھ منسلک کریں۔



# Electronic Payment of Cash Dividends

To \_\_\_\_\_

Date: \_\_\_\_\_

**SUBJECT: BANK ACCOUNT DETAILS FOR PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE**

Dear Sir/Madam,

I/We/Messer's, \_\_\_\_\_ being/the shareholder(s) of **Pakistan National Shipping Corporation** (the "Corporation"), hereby, authorize the Corporation, to direct credit cash dividends declared by it, if any, in my/our bank account as detailed below:

|                                                        |  |
|--------------------------------------------------------|--|
| <b>(i) Shareholder's details:</b>                      |  |
| Name of Shareholder                                    |  |
| CDC Participant ID & Sub-Account No./CDC IAS/Folio No. |  |
| CNIC/NICOP/Passport/NTN No. (please attach copy)       |  |
| Contact Number (Landline & Cell Nos.)                  |  |
| Shareholder's Address                                  |  |
| <b>(ii) Shareholder's Bank Account details:</b>        |  |
| Title of Bank Account                                  |  |
| IBAN (See Note 1 below)                                |  |
| Bank's Name                                            |  |
| Branch Name & Code No.                                 |  |
| Branch Address                                         |  |

It is stated that the above particulars given by me/us are correct and i/we shall keep the Corporation inform in case of any change(s) in the said particulars in future.

Yours truly,

\_\_\_\_\_  
**Signature of Shareholder**

(Please affix company stamp in case of a corporate entity)

**Note:**

1. Please provide complete IBAN, after checking with your concerned bank/branch to enable electronic credit directly into your bank account.
2. In case of shares held in electronic form, this letter must be sent to shareholder's participants/CDC investor Account Services which maintains his/her CDC account for incorporation of bank account details for director credit of cash dividend declared by PNSC from time to time.
3. In case of shares held in help certificate form, this letter must be sent to the corporation's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e-Faisal, Karachi.







**Pakistan  
National  
Shipping  
Corporation**

PNSC Building,  
Moulvi Tamizuddin Khan Road,  
P.O.Box No. 5350, Karachi-74000 Pakistan.  
Phone: (92-21) 99203980-99 (20 Lines)  
Fax: (92-21) 99203974, 35636658  
Email: [communication@pnsc.com.pk](mailto:communication@pnsc.com.pk)  
[www.pnsc.com.pk](http://www.pnsc.com.pk)