

Pakistan National
Shipping Corporation



Navigating Challenges, Anchoring Sustainability

2026
ANNUAL REPORT



RESILIENCE



TRANSFORMATION



SUSTAINABLE GROWTH

CONTENTS

Chairman's Review	02	Value Added Statement and Graphical Analysis	164
چیئر مین کا جائزہ	06		
Chief Executive Officer Message	07	Horizontal Analysis (Group)	167
Corporate Information	10	Vertical Analysis (Group)	169
Overview 2026 at a Glance	11	Six Years at a Glance (PNSC)	171
Vision & Mission	12	Auditor's Review Report on the Statement of Compliance	172
Strategic Objectives	13	Statement of Compliance with the Listed Companies (COCG) Regulations, 2019	173
Code of Conduct	14	Independent Auditor's Report	177
Board of Directors' Profile	18	Consolidated Financial Statements	183
PNSC Managed Fleet	26	Independent Auditor's Report	252
PNSC Leadership Team	28	Unconsolidated Financial Statements	259
Directors' Report	32	Pattern of Shareholding	325
ڈائریکٹرز رپورٹ	55	Categories of Shareholders	326
Sustainability Report	56	Notice of Annual General Meeting	327
Financial Ratios (Group)	163	Form of Proxy - پراکسی فارم	
		Electronic Payment of Cash Dividends	

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, 2026.

During FY2025-26, the escalation of geopolitical tensions in the Middle East, significantly impacted global shipping markets and challenged PNSC to maintain supply chain continuity in Pakistan. Despite these disruptions affecting regional trade flows and vessel movements through critical chokepoints such as the Strait of Hormuz, Bab el-Mandeb and the Red Sea, PNSC demonstrated remarkable strategic management and operational resilience.

PNSC plays a strategic role in supporting Pakistan's energy security by ensuring the reliable seaborne transportation of petroleum products, primarily from the Middle East. The Corporation also facilitates the movement of dry bulk commodities across international markets, contributing to global trade and strengthening supply chain connectivity.

Operating in a dynamic global shipping environment, PNSC's performance is influenced by international freight markets, geopolitical developments and the global economic outlook. Despite these challenges, the Corporation remains committed to delivering safe, efficient, reliable and sustainable maritime transportation services while creating long-term value for its stakeholders.

The Group achieved a consolidated profit of Rs. 21,547 million, compared to Rs. 20,449 million in the prior year.

Financial results are explained in detail in the enclosed Directors' Report and Financial Statements for the year ended June 30, 2026.

Fleet Modernization

Building on the successful approval of its independent procurement policy in the previous financial year, PNSC

has made significant progress in executing its fleet expansion strategy during FY 2025-26. The Corporation successfully inducted three new vessels into its operational managed fleet namely, MT Karachi, MT Lahore, and MT Quetta demonstrating the effectiveness of the streamlined procurement framework approved by the Cabinet Committee on SOEs. These strategic vessel additions strengthen PNSC's operational capacity, enhance fleet versatility and position the Corporation to capitalize on favorable market conditions while maintaining compliance with international maritime standards and PNSC's procurement protocols.

Vessel Name Tonnage (MTs)	Category/Type	Cost in USD	Dead Weight
MT Karachi	Aframax Tanker	74.5 Million	109,989
MT Lahore	Aframax Tanker	74.5 Million	112,051
MT Quetta	MR2 Tanker	44.15 Million	49,999

Beyond vessel acquisitions from international markets, PNSC has undertaken a strategic initiative to support Pakistan's indigenous shipbuilding industry by placing an order for a new container vessel with Karachi Shipyard and Engineering works. This landmark decision represents a commitment to developing local maritime construction capabilities, generating employment opportunities, and fostering technological expertise within Pakistan's shipbuilding sector.

Overview of the Board and its Committees

During the year, the Federal Government appointed Mr. Ziad Bashir as an independent directors to the Board of Pakistan National Shipping Corporation for a three-year term.

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, 2026, 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, the Board's Performance Evaluation was conducted in line with the requirements of the State-Owned Enterprises (Governance and Operations) Act, 2023 and the Evaluation Guidelines 2024 for SOEs. The exercise, aimed at ensuring that the Board operates with efficiency, effectiveness, and in the best interests of the Corporation, confirmed that the Board's performance during the year was effective.

During FY 2025–26, PNSC took a significant step forward by designing a comprehensive ESG and CSR report, the details of which are presented in this annual report. This represents the Corporation's first formal, integrated approach to reporting on sustainability performance and demonstrates management's commitment to embedding ESG principles along with CSR throughout its strategy and operations in line with regulatory requirements and international best practice.

Strategic Direction

PNSC remains committed to strengthening its position as Pakistan's national flag carrier by pursuing sustainable growth, enhancing operational efficiency and delivering long-term value to its stakeholders. The Corporation will continue to align its business strategy with evolving global shipping trends, changing trade patterns and emerging regulatory requirements.

The Corporation's strategic priorities include fleet modernization through a balanced acquisition of newbuilding and quality second-hand vessels, strengthening its tanker and dry bulk businesses, optimizing vessel utilization and maintaining prudent cost management. PNSC is also pursuing expansion into container feeder services as a growth avenue, leveraging its operational expertise and strategic positioning to capture emerging opportunities in containerized trade flows around the globe. This diversification into container feeder operations will complement existing business segments and enhance revenue streams while supporting regional trade connectivity.

Furthermore, PNSC recognizes the significant growth potential in edible oil transportation, a critical commodity for Pakistan's food security and export markets. The Corporation intends to develop specialized capabilities in edible oil cargo handling and transport, capitalizing on growing demand for palm oil, soybean oil, and other vegetable oils across South and Southeast Asia by establishing dedicated edible oil transport services.

PNSC is actively pursuing opportunities to enter into Contracts of Affreightment (CoA) arrangements with Pakistan's leading Oil Marketing Companies (OMCs). These long-term strategic partnerships would provide committed freight rates and cargo volumes, ensuring reliable transportation capacity for refined petroleum products while offering OMCs cost predictability and supply chain continuity. By securing multi-year CoA contracts with local OMCs, PNSC aims to ensure steady utilization of its tanker fleet and play a vital role in stabilizing Pakistan's energy prices and supporting the nation's macroeconomic stability. Such mutually beneficial arrangements would position PNSC as an indispensable partner in Pakistan's energy security infrastructure.

PNSC also remains committed to environmental sustainability by improving energy efficiency and ensuring compliance with evolving International Maritime Organization (IMO) regulations.

Despite continued geopolitical uncertainties and market volatility, PNSC remains well positioned to capitalize on emerging opportunities through a modern fleet, sound governance, operational excellence and a strong commitment to supporting Pakistan's maritime trade and economic development.

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.



Shaikh Sultan Ahmed Chawla

Chairman

اس سال، بورڈ کی کارکردگی کا جائزہ اسٹیٹ اوڈائنرپرائز (گورننس اینڈ آپریشنز) ایکٹ، 2023 اور ایس او ایف (SOEs) کے لیے ایویلیویشن گائیڈ لائنز 2024 کے تقاضوں کے مطابق کیا گیا۔ اس عمل کا مقصد اس بات کو یقینی بنانا تھا کہ بورڈ مستعدی، مؤثر انداز اور کارپوریشن کے بہترین مفاد میں کام کرے، جس نے اس بات کی تصدیق کی کہ سال کے دوران بورڈ کی کارکردگی مؤثر رہی۔

مالیاتی سال 2025-26 کے دوران، PNSC نے ایک جامع ای ایس جی (ESG) اور سی ایس آر (CSR) رپورٹ تیار کر کے ایک اہم قدم آگے بڑھایا ہے، جس کی تفصیلات اس سالانہ رپورٹ میں پیش کی گئی ہیں۔ یہ پائیداری کی کارکردگی پر پورے ٹنگ کے لیے کارپوریشن کے پہلے باقاعدہ اور مربوط انداز کی نمائندگی کرتا ہے، اور ریگولیٹری تقاضوں اور بین الاقوامی بہترین طرز عمل کے مطابق اپنی حکمت عملی اور آپریشنز میں سی ایس آر کے ساتھ ساتھ ای ایس جی کے اصولوں کو شامل کرنے کے حوالے سے انتظامیہ کے عزم کو ظاہر کرتا ہے۔

اسٹریٹجک سمت

PNSC پائیدار ترقی کے حصول، آپریشنل کارکردگی کو بہتر بنانے اور اپنے اسٹیک ہولڈرز کے لیے طویل مدتی قدر کی فراہمی کے ذریعے پاکستان کے قومی فلیگ کیریئر کے طور پر اپنی پوزیشن مستحکم کرنے کے لیے پرعزم ہے۔ کارپوریشن اپنی کاروباری حکمت عملی کو شپنگ کے ابھرتے ہوئے عالمی رجحانات، بدلے ہوئے تجارتی طریقوں اور نئے ریگولیٹری تقاضوں کے ساتھ ہم آہنگ رکھنا جاری رکھے گی۔

کارپوریشن کی اسٹریٹجک ترجیحات میں نئے اور معیاری سیکنڈ ہینڈ جہازوں کے متوازن حصول کے ذریعے فلیٹ کی جدت، اپنے ٹیکنیکل اور ڈرائی بلک کاروبار کو مضبوط بنانا، جہازوں کے استعمال کو بہتر بنانا، اور لاگت کے محتاط اخظام کو برقرار رکھنا شامل ہیں۔ PNSC اپنی آپریشنل مہارت اور اسٹریٹجک پوزیشننگ کا فائدہ اٹھاتے ہوئے، دنیا بھر میں کنٹینر انڈسٹری تجارتی بہاؤ میں ابھرتے ہوئے مواقع سے مستفید ہونے کے لیے ترقی کی راہ کے طور پر کنٹینر فیڈر سروسز میں توسیع کے لیے بھی کوشاں ہے۔ کنٹینر فیڈر آپریشنز میں یہ تنوع علاقائی تجارتی رابطوں میں معاونت فراہم کرنے کے ساتھ ساتھ موجودہ کاروباری شعبوں کی تکمیل کرے گا اور آمدنی کے ذرائع میں اضافہ کرے گا۔

مزید برآں، پی این ایس سی خوردنی تیل کی نقل و حمل میں ترقی کے نمایاں امکانات کو تسلیم کرتی ہے، جو کہ پاکستان کی غذائی سلامتی اور برآمدی منڈیوں کے لیے ایک اہم شے ہے۔ کارپوریشن خوردنی تیل کے کارگو کی ہینڈلنگ اور نقل و حمل میں خصوصی صلاحیتیں تیار کرنے کا ارادہ رکھتی ہے، تاکہ جنوبی اور جنوب مشرقی ایشیا میں پام آئل، سویا بین آئل، اور دیگر نباتاتی تیلوں کی بڑھتی ہوئی مانگ سے فائدہ اٹھایا جاسکے۔

PNSC پاکستان کی سرکردہ آئل مارکیٹنگ کمپنیوں (OMCs) کے ساتھ کٹریکٹس آف افریٹسٹ (CoA) کے معاہدوں کے مواقع حاصل کرنے کے لیے سرگرم عمل ہے۔ یہ طویل مدتی اسٹریٹجک شراکت داریاں طے شدہ فریٹ ریٹس اور کارگو کے حجم کو فراہم کریں گی، جس سے ریفرنڈ پیٹرولیم مصنوعات کے لیے نقل و حمل کی قابل اعتماد گنجائش یقینی بنے گی، جبکہ اوایم سیز (OMCs) کو لاگت کے تعین اور سپلائی چین کے تسلسل کی سہولت بھی میسر آئے گی۔ مقامی اوایم سیز (OMCs) کے ساتھ کثیر سالہ سی او اے (CoA) معاہدوں کے حصول کے ذریعے، پی این ایس سی کا مقصد اپنے ٹیکنیکل فلیٹ کے مستقل استعمال کو یقینی بنانا، اور پاکستان میں توانائی کی قیمتوں کو مستحکم کرنے کے ساتھ ساتھ ملک کے وسیع تر معاشی (میکرو اکنامک) استحکام میں اہم کردار ادا کرنا ہے۔ اس طرح کے باہمی مفاد پر مبنی انتظامات PNSC کو پاکستان کے توانائی کی سلامتی کے انفراسٹرکچر میں ایک ناگزیر شراکت دار کا مقام دلائیں گے۔

PNSC توانائی کی کارکردگی کو بہتر بنانے اور انٹرنیشنل میری ٹائم آرگنائزیشن (IMO) کے بدلے ہوئے ضوابط کی تعمیل کو یقینی بناتے ہوئے ماحولیاتی پائیداری کے لیے بھی پرعزم ہے۔

جیو پولیٹیکل غیر یقینی صورتحال اور مارکیٹ کے اتار چڑھاؤ کے باوجود، PNSC ایک جدید فلیٹ، بہترین گورننس، آپریشنل مہارت، اور پاکستان کی سمندری تجارت اور معاشی ترقی کی حمایت کے مضبوط عزم کے ذریعے ابھرتے ہوئے مواقع سے فائدہ اٹھانے کے لیے بہترین پوزیشن میں ہے۔

اظہار تشکر

میں تمام اسٹیک ہولڈرز کا کارپوریشن پر ان کے مسلسل اعتماد اور بھروسے پر، اور سب سے بڑھ کر ہمارے پرعزم ملازمین کا مطلوبہ نتائج کے حصول کے لیے ان کی مخلصانہ اور مرکوز کوششوں پر شکریہ ادا کرتا ہوں۔ کارپوریشن کے زمینی اور بحری ملازمین کے عزم نے کارپوریشن کو اپنے اسٹریٹجک مقاصد حاصل کرنے کے قابل بنایا۔ میں اپنے تمام ساتھی ڈائریکٹرز کا بھی شکریہ ادا کرتا چاہوں گا جنہوں نے اپنی ذمہ داریوں کو جانفشانی سے نبھایا اور مستقبل میں بھی ان کے تعاون کے منظر ہیں۔

سلطان اے۔ چاولہ

چیئرمین

چیز میں کا جائزہ

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

مجھے 30 جون 2026 کو اختتام پذیر ہونے والے سال کے لیے پاکستان نیشنل شپنگ کارپوریشن کے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی، اور کارپوریشن کے مقاصد کے حصول میں بورڈ کی جانب سے ادا کیے گئے موثر کردار پر رپورٹ پیش کرتے ہوئے بے حد خوشی ہو رہی ہے۔

مالی سال 2025-26 کے دوران، مشرق وسطیٰ میں جیو پولیٹیکل کشیدگی میں اضافے نے عالمی شپنگ مارکیٹوں کو نمایاں طور پر متاثر کیا اور PNSC کے لیے پاکستان میں سپلائی چین کے تسلسل کو برقرار رکھنے کا ایک کڑا چیلنج پیدا کیا۔ آبنائے ہرمز، باب المندب اور بحیرہ احمر جیسی کلیدی بحری گزرگاہوں سے علاقائی تجارتی بہاؤ اور بحری جہازوں کی نقل و حرکت کو متاثر کرنے والی ان تمام تر کاؤٹوں کے باوجود، PNSC نے غیر معمولی حکمت عملی اور عملیاتی استقامت کا شاندار مظاہرہ کیا۔

بنیادی طور پر مشرق وسطیٰ سے پیٹرو لیوم مصنوعات کی قابل اعتماد بحری نقل و حمل کو یقینی بناتے ہوئے، پی این ایس سی PNSC پاکستان کی توانائی کی سلامتی (انرجی سیکیورٹی) کو مستحکم کرنے میں ایک اسٹریٹجک کردار ادا کرتی ہے۔ مزید برآں، کارپوریشن بین الاقوامی مارکیٹوں میں ڈرائی بلک اجناس (خشک مال) کی نقل و حرکت میں بھی سہولت فراہم کرتی ہے، جو عالمی تجارت کے فروغ اور سپلائی چین کے رابطوں کو مضبوط بنانے میں معاون ثابت ہوتی ہے۔

ایک متحرک عالمی شپنگ ماحول میں کام کرتے ہوئے، پی این ایس سی PNSC کی کارکردگی بین الاقوامی فریٹ مارکیٹوں، جیو پولیٹیکل پیش رفتوں اور عالمی اقتصادی منظر نامے سے متاثر ہوتی ہے۔ ان چیلنجز کے باوجود، کارپوریشن اپنے اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کے ساتھ ساتھ محفوظ، موثر، قابل اعتماد اور پائیدار بحری نقل و حمل کی خدمات فراہم کرنے کے لیے پوری طرح پرعزم ہے۔

گزشتہ سال کے 120.45 ارب روپے کے مقابلے میں، گروپ نے 21.55 ارب روپے کا مجموعی منافع حاصل کیا۔

مالیاتی نتائج کی تفصیلی وضاحت 30 جون 2026 کو اختتام پذیر ہونے والے سال کے لیے منسلک ڈائریکٹرز رپورٹ اور مالیاتی گوشواروں میں فراہم کی گئی ہے۔

توسیع جدت

گزشتہ مالی سال میں اپنی خود مختار پروکیورمنٹ پالیسی کی کامیاب منظوری کی بنیاد پر، PNSC نے مالی سال 2025-26 کے دوران اپنے بحری بیڑے میں توسیع کی حکمت عملی پر عمل درآمد کے حوالے سے نمایاں پیش رفت کی ہے۔ کارپوریشن نے کامیابی کے ساتھ تین نئے بحری جہازوں، یعنی ایم ٹی کراچی، ایم ٹی لاہور، اور ایم ٹی کونستہ کو اپنے زیر انتظام آپریشنل فلیٹ میں شامل کیا ہے، جو کابینہ کمیٹی برائے ایس او ایز (SOEs) کی جانب سے منظور شدہ باسہولت پروکیورمنٹ فریم ورک کی افادیت کا واضح ثبوت ہے۔

بحری جہازوں کی یہ اسٹریٹجک شمولیت PNSC کی آپریشنل صلاحیت کو مستحکم کرتی ہے، بحری بیڑے کی ہمہ گیری میں اضافہ کرتی ہے اور کارپوریشن کو اس قابل بناتی ہے کہ وہ بین الاقوامی بحری معیارات اور PNSC کے پروکیورمنٹ پروٹوکولز کی مکمل تعمیل کو برقرار رکھتے ہوئے مارکیٹ کے سازگار حالات سے بھرپور فائدہ اٹھا سکے۔

بحری جہاز کا نام	زمرہ / قسم	لاگت (امریکی ڈالر میں)	ڈیڈ ویٹ نیٹج (میٹرک ٹن)
ایم ٹی کراچی	افرا میکس ٹینکر	74.5 ملین	109,989
ایم ٹی لاہور	افرا میکس ٹینکر	74.5 ملین	112,051
ایم ٹی کونستہ	ایم آر ۲ ٹینکر	44.15 ملین	49,999

بین الاقوامی منڈیوں سے بحری جہازوں کے حصول سے آگے بڑھتے ہوئے، PNSC نے کراچی شپ یارڈ اینڈ انجینئرنگ ورکس کو ایک نئے کنٹینر جہاز کا آرڈر دے کر پاکستان کی مقامی جہاز سازی کی صنعت کی معاونت کے لیے ایک اسٹریٹجک اقدام اٹھایا ہے۔ یہ تاریخی فیصلہ مقامی بحری تعمیراتی صلاحیتوں کو ترقی دینے، روزگار کے مواقع پیدا کرنے، اور پاکستان کے جہاز سازی کے شعبے میں تکنیکی مہارت کو فروغ دینے کے عزم کا مظہر ہے۔

بورڈ اور اس کی کمیٹیوں کا جائزہ

سال کے دوران، وفاقی حکومت نے جناب زیاد بشیر کو تین سالہ مدت کے لیے PNSC کے بورڈ میں بطور انڈیپنڈنٹ ڈائریکٹر مقرر کیا۔

اس سال کے دوران، بورڈ کی ذمہ داریوں کو احسن طریقے سے نبھانے، جس میں کاروبار کے مجموعی امور اور انتظامات شامل ہیں، بورڈ نے مختلف کمیٹیاں تشکیل دی ہیں جن میں آڈٹ کمیٹی، ایچ آر، نامزدگی اور سی ایس آر کمیٹی، سسٹینبلٹی، اسٹریٹجی اور رسک مینجمنٹ کمیٹی اور پروکیورمنٹ کمیٹی شامل ہیں۔

30 جون 2026 تک، بورڈ کے تمام اراکین SECP سے منظور شدہ اداروں سے ڈائریکٹرز ٹریننگ پروگرام کے تحت باقاعدہ طور پر سند یافتہ ہیں۔

بورڈ اپنی ذمہ داریاں مناسب انداز میں پوری کرنے کے لیے پابندی سے اپنے اجلاس منعقد کرنے پر کاربند ہے۔ اس کے لیے بورڈ کارپوریشن کے مقاصد، اہداف، حکمت عملی اور مالیاتی کارکردگی کے حصول کے حوالے سے انتظامیہ، داخلی اور خارجی آڈیٹرز اور دیگر آزاد مشیروں کی باقاعدہ بریفنگ کے ذریعے خود کو اپ ڈیٹ رکھتا ہے۔ بورڈ نے بروقت مناسب سمت کی نشاندہی کے ساتھ ساتھ نگرانی بھی فراہم کی۔

Chief Executive Officer's Message

For the year ended 30 June 2026



In a year when conflict disrupted the sea lanes Pakistan depends on, PNSC delivered the highest revenue in its history, grew its share of national trade by a third and kept the country's energy supply moving without interruption.

Dear Shareholders,

I am pleased to present the Annual Report of Pakistan National Shipping Corporation for the year ended 30 June 2026.

PERFORMANCE HIGHLIGHTS

FY 2025-26 vs FY 2024-25

REVENUE

▲ 58.2%

Rs 59.55 billion

FY 2024-25: Rs 37.64 billion | Highest ever

PROFIT AFTER TAX

▲ 5.4%

Rs 21.55 billion

FY 2024-25: Rs 20.45 billion

EARNINGS PER SHARE

▲ 5.4%

Rs 108.77

FY 2024-25: Rs 103.23

SHARE OF NATIONAL SEABORNE TRADE

▲ 3.64pts

14.68%

FY 2024-25: 11.04%

OPERATING ENVIRONMENT AND OUR RESPONSE

Escalating tensions across the Middle East, the Strait of Hormuz, the Red Sea and Bab el-Mandeb lengthened voyages and pushed bunker prices, war-risk premiums and insurance costs sharply higher. For a carrier whose

core mission is moving crude oil and petroleum products to Pakistan's refineries, these pressures went straight to our cost base. We responded with discipline rather than by passing the shock to our customers. We planned bunker purchases carefully, lifting larger quantities at optimal prices and locations. We secured prompt and adequate insurance cover through firm negotiation with underwriters. We rewarded seafarers serving in high-risk areas with a special bonus, and we combined advance route planning with diplomatic support to secure safe passage. Early planning and assured spares availability also kept dry-docking costs and off-hire time under control.

PERFORMANCE AGAINST STRATEGY

Reliability when it mattered. When several market participants declared force majeure, PNSC honoured its long-term commitments to the country's refineries and absorbed freight shocks on their behalf. We carried 13.18 million tonnes of cargo, up from 10.95 million tonnes last year.

Growing our national share. Our share of Pakistan's seaborne trade rose from 11.04% to 14.68%, an increase of about one-third, despite longer routes and higher ton-miles. Chartering foreign-flag tonnage at optimal cost contributed significantly to this growth.

Record revenue, stronger earnings. Revenue rose 58% to Rs. 59.55 billion, the highest in PNSC's history. Profit after tax increased to Rs. 21.55 billion and earnings per share to Rs. 108.77. This is a stronger result than the headline growth suggests. Last year's profit was supported by non-recurring items, notably gains on the disposal of two vessels and an impairment reversal from the recovery of long-outstanding receivables. This year's profit was earned from core operations, and it absorbed significantly higher finance costs arising from our fleet investment.

Fleet renewal on favourable terms. Using the Independent Procurement Policy approved by the Federal Cabinet under the SOE (Governance and Operations) Act, 2023, the first such autonomy granted to any state-owned enterprise, we inducted three vessels in January and February 2026: MT Karachi and MT Lahore (Aframax) and MT Quetta (MR-II), adding 271,588 DWT. They were financed through 10-year syndicated term finance at competitive mark-up rates, a clear signal of lenders' confidence in PNSC.

BUILDING NEW BUSINESSES

As a step towards entering the container feeder segment and giving relief to Pakistani exporters, we launched a pilot Karachi-Khor Fakkan feeder service. The pilot succeeded and gave us a clear view of our strengths and of the capabilities we must still build, paving the way for investment in this segment. In support of this direction and of indigenous shipbuilding, we have also ordered a new container vessel from Karachi Shipyard & Engineering Works.

FINANCIAL STRENGTH AND OUR PEOPLE

During the year, PACRA upgraded PNSC's long-term entity rating from AA to AA+ and maintained the short-term rating at A1+, recognising the strength of our balance sheet, the quality of our earnings and the soundness of our business model. Our most pressing challenge lies in people. As Pakistan's only national-flag shipping company, we find it difficult to attract and retain qualified professionals ashore and afloat. The high income tax on seafarers serving on Pakistan-flagged vessels, unlike international practice, places us at a clear disadvantage in recruitment, and we will continue to engage with the authorities on this issue. For the long term, we have launched a Management Trainee Officer (MTO) programme that brings fresh graduates from diverse academic backgrounds into PNSC to build our next generation of leaders.

CHALLENGES WE FACED

Not everything went to plan. Geopolitical developments in the GCC region and the Red Sea caused unplanned waiting time for our vessels, affecting utilisation and adding cost. We are strengthening scenario planning and building more flexibility into voyage scheduling so that we can respond faster when such disruptions recur.

SUSTAINABILITY AND OUTLOOK

We have adopted new technological tools to respond to customers faster and more effectively, and our environmental, social and governance performance is reported in the separate ESG Report accompanying this Annual Report. Looking ahead, our priorities are clear: to strive for Pakistan's energy security, to invest in modern IMO-compliant vessels in the container feeder, liquid bulk and dry bulk segments, and to keep selling what has defined PNSC through a difficult year: reliability.

Forward-looking statements are based on management's current assessment and are subject to risks including geopolitical developments, freight and fuel price movements, regulatory changes and financing conditions. Actual results may differ materially.

GRATITUDE

I would like to express my appreciation to the Board of Directors, Government of Pakistan, Ministry of Maritime Affairs, shareholders, customers, employees, communities and other stakeholders for their continued support and guidance. With the collective commitment of all stakeholders, PNSC remains determined to build on its strong performance and deliver industry-leading shipping services safely, responsibly and sustainably.



Syed Jarar Haider Kazmi

Chief Executive Officer

Corporate Information

Board of Directors

1. Mr. Sultan A.Chawla	Chairman
2. Syed Jarar Haider Kazmi	CEO
3. Mr. Ahsan Ali Malik	Member
4. Vice Admiral Iftikhar Ahmed Rao (Retd) w.e.f July 20, 2026	Member
5. Mr. Khalil Ahmed	Member
6. Khawaja Shahzeb Akram	Member
7. Ms. Nadia Osman Jung	Member
8. Mr. Qumar Sarwar Abbasi Additional Secretary (Corporate Finance), Finance Division Islamabad	Member
9. Captain (R) Sarfaraz Inayatullah	Member
10.Mr. Umar Zafar Sheikh Additional Secretary Ministry of Maritime Affairs, Islamabad.	Member
11.Mr. Ziad Bashir	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. Syed Jarar Haider Kazmi	Member
4. Mr. Khalil Ahmed	Member
5. Mr. Umar Zafar Sheikh	Member
6. Company Secretary	Secretary

Sustainability, Strategy and Risk Management Committee

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

Procurement Committee

1. Mr. Khalil Ahmed	Chairman
2. Mr. Ahsan Ali Malik	Member
3. Captain (R) Sarfaraz Inayatullah	Member
4. Khawaja Shahzeb Akram	Member

Chief Financial Officer

Syed Zeeshan Taqvi

Company Secretary

Mr. Muhammad Javid Ansari

Head of Internal Audit (Acting)

Mr. Muhammad Javid Ansari

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

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

OVERVIEW

2026 at a Glance

A resilient performance, stronger financials and continued progress towards a sustainable and value-driven future.



REVENUE

59,547

Rs. million · 2025: 37,637

▲ 58.2% vs 2025



GROSS PROFIT

21,508

Rs. million · 2025: 11,216

▲ 91.8% vs 2025



PROFIT FOR THE YEAR

21,547

Rs. million · 2025: 20,449

▲ 5.4% vs 2025

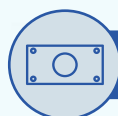


DIVIDEND TO GOP

5,724

Rs. million · 2025: 4,625

▲ 23.8% vs 2025



EARNINGS PER SHARE

108.77

Rs. · 2025: 103.22

▲ 5.4% vs 2025

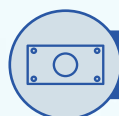


CASH DIVIDEND PER SHARE

20.00

Rs. · 2025: 33.00

▼ 39.4% vs 2025



MARKET VALUE PER SHARE

649.37

Rs. · 2025: 377.98

▲ 71.8% vs 2025



BREAK-UP VALUE PER SHARE

577.94

Rs. · 2025: 522.50

▲ 10.6% vs 2025



OUR DIRECTION

Vision & Mission



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



OUR DIRECTION

Strategic Objectives



01

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



02

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.



03

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



04

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



05

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



06

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



07

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, Pakistan National Shipping Corporation (PNSC) with effect from 23rd 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.

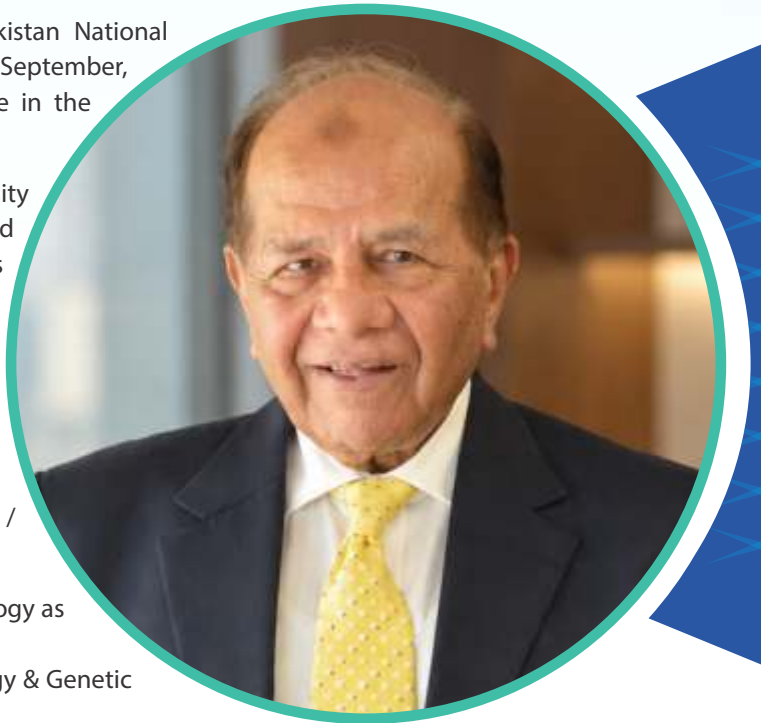
In the past has been associated with the following institutions in different capacities:

- 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 the Chief Executive Officer of Pakistan National Shipping Corporation (PNSC), Pakistan's national flag carrier. Appointed by the Federal Government for a three-year tenure, he is the first Executive Director in PNSC's history to be entrusted with the leadership of the Corporation as Chief Executive Officer, following his distinguished tenure as Chief Financial Officer.

During his tenure as CEO, Mr. Kazmi has focused on strengthening PNSC's fleet, enhancing operational capabilities and supporting the Corporation's role in safeguarding Pakistan's maritime and energy requirements. During 2025-26, PNSC inducted three vessels into its managed fleet, comprising two Aframax crude oil tankers and one MR-II clean product tanker, adding 271,588 DWT to the Corporation's carrying capacity. The fleet expansion has further strengthened PNSC's ability to support the uninterrupted seaborne transportation of crude oil and petroleum products and to meet the country's strategic shipping requirements.



Mr. Kazmi has also led important initiatives to strengthen the Corporation's financial and operational position. During the year, PNSC successfully secured 10-year term syndicate financing for the acquisition of three vessels on favourable terms. He led the process in respect of cabinet approval for Corporation's independent procurement policy under the SOE (Governance and Operations) Act, 2023 being a first such autonomy granted to any state-owned enterprise in Pakistan. This represents a significant governance milestone and provides PNSC with greater flexibility and efficiency in procurement and fleet acquisition.

With a career spanning vessel sale and purchase, commercial chartering, ship management, financial strategy, risk management and corporate business planning, Mr. Kazmi brings a combination of financial expertise and operational knowledge of the shipping industry to his leadership role. He has spearheaded major Group projects at critical stages of execution and has been an integral part of the Risk Management Committee, contributing to the formulation and implementation of risk mitigation strategies across various business functions.

Prior to his association with PNSC, Mr. Kazmi served in diverse sectors, including assurance, business advisory, automobile and pharmaceuticals, where he held various key positions. His broad professional experience has further strengthened his commercial perspective and understanding of business and financial management.

Mr. Kazmi is a member of both the Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Chartered Accountants of Pakistan (ICAP). He is Certified Director from IBA and Certified Director for SOEs from PICG. He has further participated in various international professional development programmes across diverse fields.

Beyond his executive responsibilities, Mr. Kazmi remains committed to the long-term development of Pakistan's maritime sector and actively participates in PNSC's corporate social responsibility initiatives, particularly in the areas of education and healthcare.

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.



VICE ADMIRAL IFTIKHAR AHMED RAO (RETD)

Director

Vice Admiral Iftikhar Ahmed Rao (ret'd) has over 40 years of maritime experience. He has been Chief Staff Officer of Fleet Command, Deputy Chief of Naval Staff (Operations), and Commander Coast. He was a member of the Gwadar Port Implementation Committee at the start of the port project and actively contributed to its development.

As Managing Director of Karachi Shipyard and Engineering Works, he is credited with its turnaround. He remained an advisor to the Government of Pakistan for the development of the shipbuilding industry and is considered the brains behind the conception of this industry's development, its vision and plan for Pakistan, which the Prime Minister has approved. He has been an advisor to the Royal Saudi Naval Forces after retirement.

Iftikhar Rao is a regular guest speaker at the National Defence University, Staff Colleges, the National School of Public Policy, and at seminars on maritime subjects.

He is the author of three books on the maritime sector: (1) Elements of Blue Economy, (2) Gwadar Bay to Sir Creek: The Golden Coast of Pakistan and (3) Maritime Security Challenges and Response in a changing world. All his books are widely recognized in Pakistan's maritime sector and academia as pioneering research work in this domain. Vice Admiral Iftikhar Ahmed Rao (ret'd) is also on the board of Karachi Shipyard & Engineering Works.

He was SAPM to the Prime Minister for Maritime Affairs during the caretaker government. During this time, he prepared a detailed Pakistan Merchant Marine Policy and the National Maritime Strategy. He was Co-chair of Maritime Task Force and is currently Co-chair of MTF Implementation Committee and Chairman of the National Master Plan for the Ports. He is PICG certified Director.



Khawaja Shahzeb Akram

Director

Khawaja 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. Khawaja 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. S.J&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

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 Ambria 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 and 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 for SOEs from Pakistan Institute of Corporate Governance and represents PNSC as an Independent Director.



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.

Mr. Ziad Bashir

Director

Mr. Ziad Bashir has joined the Board in June 2026. He holds a bachelor's degree in Entrepreneurial Studies from Babson College, USA, and brings extensive experience in the textile, retail and technology sectors. He is a certified director from the Pakistan Institute of Corporate Governance (PICG).

Mr. Ziad Bashir currently serves as Chairman of the Pakistan Business Council (PBC), the country's apex private-sector advocacy platform, having previously served as its Vice Chairman and as a Director on its Board since 2022. He also chairs the Pakistan Retail Business Council, which he founded in 2014 to give the formal retail sector organized representation in policymaking. He additionally serves as a Director of the Pakistan National Shipping Corporation (PNSC) and of NADRA Technologies Limited.

He is the Chief Executive Officer of Arwen Tech (Private) Limited and a Director on the boards of several Gul Ahmed group companies, including GTM (Europe) Limited (UK), Gul Ahmed International Limited (FZC) (UAE), GTM USA Corp. (USA), Swisstex Chemicals (Private) Limited, and the Landhi Industrial Trading Estate Development & Management Company (LITE DMC). He is also the Founder Director of Ideas by Gul Ahmed, and is leading the Group's expansion into the food and beverage sector through Ideas Café, which launched in Karachi and is planned to expand to ten additional locations nationwide over the next two years.

Mr. Ziad Bashir plays an active role in shaping national economic policy. He is a member of the Prime Minister's Economic Advisory Committee on Domestic Commerce and Information Technology, and served on the Prime Minister's Taskforce 2025 as Chair of the Railways and Ports committees. He has also served on the Federal Board of Revenue's Apex Committee and as an Executive Member of the FBR's Reforms and Resource Mobilization Commission (RRMC), contributing to reforms aimed at broadening the tax base and improving the efficiency of the tax system. His earlier public-sector engagements include the Pakistan Board of Investment, the Punjab Board of Investment and Trade, and the Export Processing Zone Authority.

Within industry bodies, he has served as Chairman of the Landhi Association of Trade and Industry across several terms and continues as its Patron-in-Chief, and sits on the Central Managing Committee of the All-Pakistan Textile Mills Association (APTMA). He was previously President of the Young Presidents' Organization (YPO) Pakistan and continues on its Board of Governors.

Mr. Ziad Bashir has been the Honorary Consul General of the Consulate of Denmark in Karachi since 2015. In 2025, he was conferred the Knight's Cross of the Order of the Dannebrog by H.E. King Frederik of Denmark, in recognition of his role in strengthening commercial and cultural ties between Pakistan and Denmark

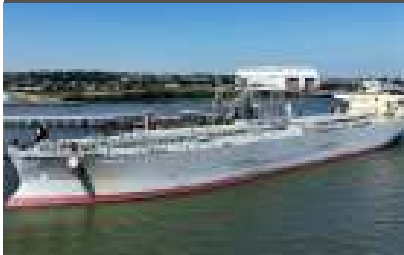


TANKERS

Newly Inducted Vessel In Jan, 2026

Vessel: **M.T KARACHI**

Built: Japan



Deadweight (MT): 109,989 Length Overall (M): 230.00
Gross Tonnage (MT): 60,120

Newly Inducted Vessel In Feb, 2026

Vessel: **M.T QUETTA**

Built: Vietnam

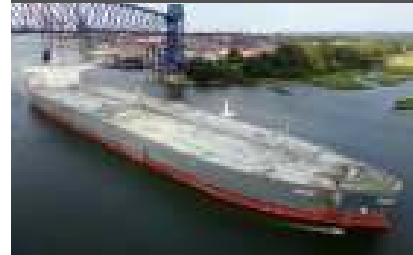


Deadweight (MT): 49,999 Length Overall (M): 183.07
Gross Tonnage (MT): 29,914

Newly Inducted Vessel In Feb, 2026

Vessel: **M.T LAHORE**

Built: Japan



Deadweight (MT): 112,051 Length Overall (M): 237.00
Gross Tonnage (MT): 60,121

Vessel: **M.T MARDAN**

Built: Japan



Deadweight (MT): 107,123 Length Overall (M): 246.80
Gross Tonnage (MT): 58,168

Vessel: **M.T SARGODHA**

Built: Japan



Deadweight (MT): 107,123 Length Overall (M): 246.80
Gross Tonnage (MT): 58,168

Vessel: **M.T BOLAN**

Built: South Korea



Deadweight (MT): 74,919 Length Overall (M): 220.89
Gross Tonnage (MT): 42,411

Vessel: **M.T KHAIRPUR**

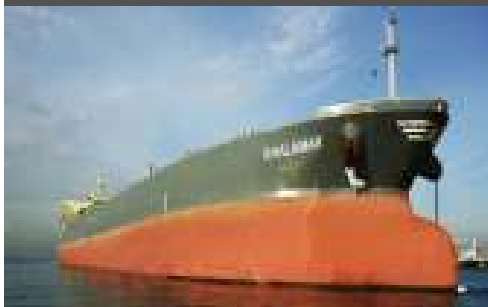
Built: South Korea



Deadweight (MT): 74,986 Length Overall (M): 220.89
Gross Tonnage (MT): 42,411

Vessel: **M.T SHALAMAR**

Built: Japan



Deadweight (MT): 105,316 Length Overall (M): 228.60
Gross Tonnage (MT): 55,894



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

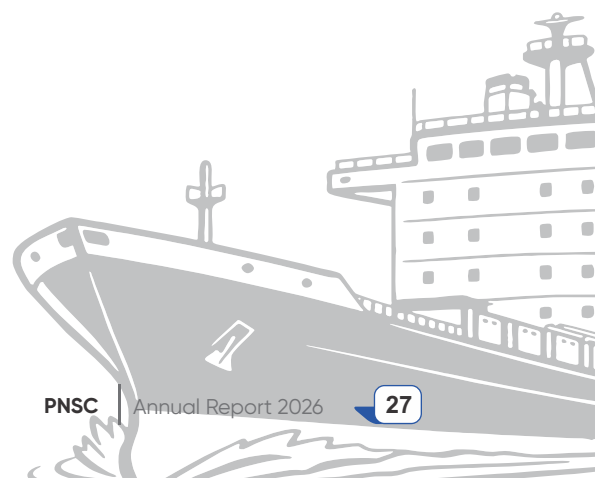


Deadweight (MT): 50,244
Gross Tonnage (MT): 27,984

Length Overall (M): 189.80

TANKERS & BULK CARRIERS

DESCRIPTION	DEADWEIGHT (MT)	GROSS TONNAGE (MT)
TANKERS	741,506	407,207
BULK CARRIERS	255,177	140,804
TOTAL	996,683	548,011



PNSC Leadership Team

Syed Zeeshan Taqvi

Chief Financial Officer (CFO)

Syed Zeeshan Taqvi is the Chief Financial Officer of Pakistan National Shipping Corporation (PNSC). He has been associated with the PNSC Group since March 2010.

He is a seasoned senior finance executive with over 25 years of experience in finance, financial management, business advisory and corporate leadership. As CFO, he oversees the Corporation's financial strategy, financial reporting, budgeting and forecasting, capital structure, financial and operational risk management, insurance, taxation, accounting controls, cash flow and liquidity, while leading the Finance Division and ensuring transparency, compliance and cost effectiveness.

Mr. Taqvi also serves as Chairman of the Chartering Committee, providing leadership and oversight of chartering decisions and related commercial matters. He is a Secretary of the Sustainability Committee, contributing to ESG strategy, sustainability initiatives, reporting and governance.

Prior to joining PNSC, he was a Big Four-trained Chartered Accountant and held senior positions in Audit, Advisory and Assurance and the banking sector, with experience in financial systems, strategies, processes and internal controls.

He is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP) and a Certified Director from the Pakistan Institute of Corporate Governance (PICG) for State-Owned Enterprises (SOEs).

He has also undertaken international professional development programmes in insurance and finance, including Mutual Insurance and Derivatives Modelling, and has participated in various national and international workshops, seminars and conferences.



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 seven tanker vessels 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 26 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 36 years of rich and versatile experience in all facet of his profession with core responsibilities in the field of Systems Engineering Management; managing large numbers & 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 readiness that includes repair, maintenance & afloat personnel since 2023.

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 Audit Committee and HR, Nomination & CSR Committee.

He has served on key management positions on other organizations and has diversified professional experience of more than 26 years in the field of Corporate Governance & Compliance, Finance, Taxation and Audit.

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

- Institute of Cost Management Accountants of Pakistan (ICMAP).
- Institute of Corporate Secretaries of Pakistan (ICSP).
- 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 ICMAP and Certified Director for SOEs from PICG. He is an ADR ODR International Accredited Civil/Commercial Mediator and he is also member on Tax Committee of Karachi Chamber of Commerce and Industry.



PNSC Leadership Team



Leadership Anchored in Excellence

From left to right

Captain Mustafa Kizilbash

Executive Director (Commercial)

Mr. Khurram Mirza

Executive Director (Special Projects and Planning)

Syed Jarar Haider Kazmi

Chief Executive Officer

Syed Zeeshan Taqvi

Chief Financial Officer

Syed Muhammad Babur

Executive Director (Ship Management)



Directors' Report

For the year ended June 30, 2026

The Board of Directors of Pakistan National Shipping Corporation (PNSC) is pleased to present the forty-eighth Annual Report for the year ended June 30, 2026.

1. ABOUT THE CORPORATION

PNSC is Pakistan's national flag carrier and a prominent player in global maritime transportation. The Corporation operates a strategically diverse fleet of 13 vessels with a total carrying capacity of 996,683 deadweight tonnes (DWT).

The fleet comprises five double-hull Aframax, one MR2 and two LR-1 product tankers supporting Pakistan's energy security, alongside five bulkers which includes Panamax, Supramax, Handymax and Handysize bulk carriers for dry bulk commodity transportation.

Fleet Vessels	Total DWT	Trade Routes
13	996,683	Global

2. CRUCIAL ROLE IN NATIONAL AND GLOBAL TRADE:

PNSC plays a strategic role in supporting Pakistan's energy security by ensuring the reliable seaborne transportation of petroleum products, primarily from the Middle East. The Corporation also facilitates the movement of dry bulk commodities across international markets, contributing to global trade and strengthening supply chain connectivity.

Operating in a dynamic global shipping environment, PNSC's performance is influenced by international freight markets, geopolitical developments and the global economic outlook. Despite these challenges, the Corporation remains committed to delivering safe, efficient, reliable and sustainable maritime transportation services while creating long-term value for its stakeholders.

3. GLOBAL SHIPPING MARKET DYNAMICS AND PNSC'S STRATEGIC RESPONSE:

During FY2025-26, the escalation of geopolitical tensions in the Middle East, significantly impacted global shipping markets and challenged PNSC to maintain supply chain continuity in Pakistan. Despite these disruptions affecting regional trade flows and vessel movements through critical chokepoints such as the Strait of Hormuz, Bab el-Mandeb and the Red Sea, PNSC demonstrated remarkable strategic management and operational resilience.

Key Strategic Achievements:

- **Maintained Supply Chain Integrity:** Despite heightened security risks and extended voyage distances, PNSC ensured uninterrupted supply of crude oil and refined petroleum products to Pakistani refineries, safeguarding the nation's energy security.
- **Committed Freight Rate Agreements:** PNSC maintained committed freight rates with domestic refineries through Contracts of Affreightment (COAs), providing cost predictability and supporting Pakistan's energy price stability.

- **No Supply Chain Disruption Without Cost Increase:** Unlike many international competitors, PNSC managed to maintain supply chain logistics without passing disproportionate freight increases to consumers, supporting Pakistan's macroeconomic stability.

The Corporation's strategic approach enabled it to benefit from favorable freight market conditions while simultaneously discharging its responsibility as Pakistan's national flag carrier to ensure energy security and stable supply chains. This performance underscores PNSC's importance as a strategic organization contributing to national economic stability during periods of global uncertainty.

4. MARKET OVERVIEW

Segment	Current Overview	Future Outlook
Global Economic Overview	The global economy is projected to grow by 3.0% in 2026, reflecting a modest slowdown from 2024–25. According to the IMF's World Economic Outlook Update (July 2026), the global economy is shaped by two opposing forces: the adverse effects of the Middle East conflict disrupting energy markets and global supply chains, and positive momentum from rapid advances in artificial intelligence and technology-driven investment. Global headline inflation increased from 4.1% in 2025 to 4.7% in 2026. Risks remain tilted to the downside due to geopolitical uncertainty, commodity price volatility and trade fragmentation. Growth remains uneven across regions. Advanced economies grew 1.7% in 2026, with the United States at 2.3% and Euro Area at 0.9% amid higher energy costs. China's economy grew 4.6% while India remains one of the fastest-growing major economies at 6.4%. Several Asian economies benefit from technology-related investment, while the Middle East and Central Asia experience temporary slowdown due to disruptions in energy production and trade routes.	Global economic growth is expected to recover to 3.4% in 2027, with inflation moderating to 3.9%. Continued fiscal consolidation, SOE reforms, energy sector reforms and improvements in governance remain important for strengthening Pakistan's resilience and supporting sustainable long-term growth. GDP growth in Pakistan is projected at 3.5% in FY2027, as structural reforms and macroeconomic policies continue to support economic stability and development.
Dry Bulk Segment	Dry bulk trade recorded strong growth of 3.4% year-on-year during January–May 2026. Iron ore trade expanded 3% supported by exports from Australia and Brazil, while grain and minor bulk trades performed well. Global dry bulk trade is	The dry bulk market outlook remains cautiously constructive, supported by steady global commodity demand. While fleet growth of 3.8% may slightly outpace demand, moderating

Segment	Current Overview	Future Outlook
	projected to grow 1.8% in 2026 with tonne-mile demand increasing 3% due to longer voyage distances. The market was supported by Atlantic Basin activity and Asian demand, though Chinese economic conditions and geopolitical uncertainty posed challenges. Fleet expansion of 3% placed pressure on supply-demand balance, but longer voyage distances and improved cargo flows sustained utilization.	factors including an ageing global fleet, limited recycling and disciplined ordering should maintain market balance. Asian industrial activity, seasonal grain movements and longer trading distances from geopolitical developments will support vessel employment. Capesize vessels are expected to outperform smaller segments, though upside potential may be constrained by fleet growth. Market performance will vary by vessel size and trade route, with rate strengthening anticipated during seasonal peaks. 2026 fundamentals are expected to remain healthy, though the market is projected to moderate in 2027 as fleet growth outpaces demand. Efficient vessel deployment and disciplined chartering strategies remain key to maintaining earnings performance.
Tanker Segment	The crude tanker market remained exceptionally strong during FY 2025–26, driven by geopolitical disruptions. VLCCs earned US\$200,000 per day, Suezmax tankers US\$150,000 per day and Aframax tankers US\$50,000 per day, with weighted average earnings of US\$72,500 per day—nearly three times the long-term average. The US-Iran conflict and heightened security concerns in the Strait of Hormuz, Bab el-Mandeb and Red Sea disrupted trading patterns, forcing shipowners to use longer alternative routes via Cape of Good Hope. Supply constraints from limited fleet growth, environmental regulations, an ageing fleet and Russian shipping sanctions further tightened vessel availability. Tanker movements progressively improved with crude exports from the Arabian Gulf recovering to over 8 million barrels per day by late June. PNSC maintained high fleet utilization and	The tanker market outlook for FY 2026–27 remains constructive, supported by resilient global energy trade and improving cargo availability. The crude tanker market is cautiously positive, underpinned by limited fleet growth, an ageing global fleet and environmental regulations constraining supply. Continued Asian crude oil demand and long-haul exports will support trade, though freight rates remain highly sensitive to geopolitical developments in the Strait of Hormuz, Bab el-Mandeb and Red Sea. Any renewed disruptions could tighten vessel availability and support strong earnings. The product tanker market

Segment	Current Overview	Future Outlook
	capitalized on favorable freight opportunities with earnings well above historical averages. The product tanker market experienced divergent performance with strong first-half earnings (US\$30,000 per day) followed by significant deterioration. PNSC's managed LR1 tankers (MT Khairpur and MT Bolan) generated healthy H1 earnings, but as geopolitical tensions intensified, Gulf refiners became cautious, reducing refined petroleum exports and available cargoes. Unlike crude tanker markets, product tankers were adversely affected by reduced source cargo volumes. By year-end, PNSC's LR1 tankers operated at levels barely sufficient to recover costs. Improving tanker movements and resilient energy demand are expected to support product tanker activity going forward, contingent on geopolitical developments and refinery operational recovery.	remains guardedly optimistic with gradual recovery expected as refinery operations and Arabian Gulf exports improve. However, freight earnings for LR1 and LR2 tankers are likely to remain below crude tanker levels until refinery throughput normalizes. Overall tanker demand will benefit from continued oil production recovery and seasonal winter demand, though product cargo recovery will lag crude recovery. On the supply side, VLCC contracting reached 143 vessels (highest since 1973) with the oil tanker orderbook at 23% of fleet capacity. Elevated newbuilding deliveries scheduled for 2027–28 may moderate market conditions, though vessel asset values remain firm. Market recovery will remain dependent on regional geopolitical stability.

5. FINANCIAL RESULTS:

Financial Performance

Consolidated Revenue	Consolidated Net Profit	Consolidated EPS	Growth
Rs. 59,547M	Rs. 21,547M	Rs. 108.77/ share	5%

During the year under review, PNSC achieved a consolidated profit of Rs. 21,547 million, compared to Rs. 20,449 million in the prior year. This improvement reflects better freight rates and prudent cost management, despite facing significant external and internal challenges. The modest increase of 5% in net profit demonstrates the Corporation's resilience in maintaining profitability during a year characterized by challenges in the global shipping market.

The management maintained a disciplined approach towards cost optimization and profitability, which has resulted in improved operational efficiency. Finance costs increased due to induction of three vessels in the fleet.

Profitability Analysis

Gross Margin	Operating Margin	Net Profit Margin
36%	43%	36%

PNSC delivered strong profitability metrics during the year. The gross margin improved to 36% from 30% in the preceding year, reflecting induction of vessels and better operational activities. Revenue from the dry cargo, including slot business, grew by 10%, driven by higher bulk carrier rates and improved operational days. Liquid cargo segment recorded growth in revenues by 59%. Despite various challenges, the Corporation maintained profitability through effective fleet management and strategic chartering decisions.

Capital Structure

Total Equity	Total Assets	Long Term Debt
Rs. 114,487M	Rs. 182,848M	Rs. 38,465M

PNSC Group strengthened its financial position during the year, with total equity increasing by 11% to PKR 114,487 million compared to PKR 103,504 million in the preceding year. The Company continued to meet its long-term debt obligations in a timely manner. As at June 30, 2026, the Company's long-term financing, stood at PKR 38,465 million, increasing by PKR 37,380 million. The increase is noted due to induction of new vessels.

Segment wise Performance

PNSC, having a total DWT capacity of 996,683 metric tons, lifted cargo (Dry Bulk & Liquid) of about 11.04 million tons during FY2024-25, compared with 13.18 million tons during FY2025-26. This represents approximately 11.12% and 14.68 %, respectively, of Pakistan's total seaborne trade by volume of 99.26 million tons in FY2024-25 and 89.743 million tons in FY2025-26. Bifurcated statistics of Pakistan's seaborne trade for FY2024-25 and FY2025-26, along with PNSC's share, are as under.

Segments	Unit of Measure	2026		2025	
		Pakistan Sea Borne Trade*	PNSC Share	Pakistan Sea Borne Trade*	PNSC Share
Dry Bulk	Million MTs	60.089	2.441	67.90	1.984
Liquid Cargo	Million MTs	29.654	10.735	31.369	9.053
Break Bulk (Slot Charter)	Higher of MMT or CBM (W/M)	N/A	0.1	N/A	0.034
Containerized (Slot Charter)	Thousand TEUs	N/A	1.05	N/A	1.105

*Source: KPT and PQA

Year on Year Comparison

Metric	FY 2025-26	FY 2024-25	Change
Revenue	Rs. 59.547 Million	Rs. 37,637 Million	Increase of 58%
Net Profit	Rs. 21,546 Million	Rs. 20,449 Million	Increase of 5%
Earnings Per Share	Rs. 108.77/share	Rs. 103.22 / share	Increase of 5%
Total Cargo Lifted	13.176 Million MT	11.037 Million MT	Increase of 19%
	1.05 Thousand TEUs	1.105 Thousand TEUs	Decrease of 5%
Market Share	14.68%	11.12%	Increase of 32.01%

6. 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.10/- per share i.e. 100% for the approval of the members in the upcoming 48th Annual General Meeting. This is in addition to the interim cash dividend of Rs.10/- per share.

7. FLEET MODERNIZATION

Building on the successful approval of its independent procurement policy in the previous financial year, PNSC has made significant progress in executing its fleet expansion strategy during FY 2025-26. The Corporation successfully inducted three new vessels into its operational managed fleet namely, MT Karachi, MT Lahore, and MT Quetta demonstrating the effectiveness of the streamlined procurement framework approved by the Cabinet Committee on SOEs. These strategic vessel additions strengthen PNSC's operational capacity, enhance fleet versatility and position the Corporation to capitalize on favorable market conditions while maintaining compliance with international maritime standards and PNSC's procurement protocols.

Vessel Name	Category/Type	Cost in USD	Dead Weight Tonnage (Mts)
MT Karachi	Aframax Tanker	74.5 Million	109,989
MT Lahore	Aframax Tanker	74.5 Million	112,051
MT Quetta	MR2 Tanker	44.15 Million	49,999

Beyond vessel acquisitions from international markets, PNSC has undertaken a strategic initiative to support Pakistan's indigenous shipbuilding industry by placing an order for a new container vessel with Karachi Shipyard and Engineering works. This landmark decision represents a commitment to developing local maritime construction capabilities, generating employment opportunities, and fostering technological expertise within Pakistan's shipbuilding sector

8. SIGNIFICANT RISK

Despite benefiting from elevated freight markets arising from geopolitical disruptions, including the Russia-Ukraine conflict, continued Red Sea disruption and the Middle East conflict affecting vessel movements through the Strait of Hormuz, the shipping industry continues to face significant risks due to an increasingly uncertain global environment. The Corporation recognizes intense competition in both dry bulk and tanker markets, evolving trade patterns and major regulatory changes associated with decarbonization and the transition towards cleaner marine fuels as key commercial challenges. The Corporation's earnings remain directly linked to fluctuations in global freight markets, charter rates and worldwide economic conditions. Furthermore, PNSC continues to face uncertainties arising from changing geopolitical developments, volatile bunker and oil prices, rising operating costs, environmental compliance requirements, cyber security threats and potential disruptions to international trade and foreign payment mechanisms

Risk factor	Mitigation Strategy and Description
Litigation Risk	PNSC mitigates litigation exposure through continuous market monitoring, regulatory compliance, and prudent commercial decision-making. The Corporation implements comprehensive contractual arrangements aligned with international shipping practices, maintains standardized charter party terms, secures robust marine insurance coverage, and utilizes effective dispute resolution mechanisms including mediation and arbitration to safeguard its commercial interests.

Risk factor	Mitigation Strategy and Description
Risk of major accident or oil spillage	PNSC maintains strict safety standards, conducts regular crew training and vessel inspections, and complies with international maritime regulations to minimize marine accident and oil spillage risks. The Corporation maintains comprehensive emergency response and oil spill contingency plans to address environmental, operational, financial, and reputational consequences of such incidents.
Environmental impact management	PNSC is implementing a two-pronged sustainability approach to comply with IMO GHG Strategy targets (40% carbon intensity reduction by 2030 and 50% annual emissions reduction by 2050). The Corporation is actively incorporating cleaner-fueled vessels into its fleet and has engaged a consultant to develop a comprehensive environmental strategy and action plan for transition towards greener maritime technologies.
Interest rate risk	To minimize interest rate risk on variable-rate financial liabilities, the Group maintains a balanced mix of assets and liabilities with variable interest rates, ensuring appropriate maturity profiling to manage cash flow exposure.
Armed Piracy in Gulf of Aden	PNSC implements a multi-layered piracy mitigation strategy combining comprehensive insurance coverage, adherence to internationally recognized BMP-5 guidelines, and close collaboration with Pakistan Navy. These measures ensure crew and vessel safety while navigating high-risk areas including the Gulf of Aden, Malacca Strait, and Somali coast.
Trade Risk in Strait of Hormuz	PNSC manages geopolitical risks in the Strait of Hormuz through enhanced voyage planning, rigorous crew training, continuous communication with authorities, and additional war risk insurance. The Corporation actively participates in information-sharing initiatives, and explores alternative routing options to ensure safe passage of critical energy cargoes.
Volatility in Fuel Costs	PNSC mitigates bunker price volatility, a significant component of voyage operating costs, through continuous fuel market monitoring and adoption of prudent commercial and operational strategies to optimize fuel consumption and improve voyage efficiency.

9. ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) and CORPORATE SOCIAL RESPONSIBILITY (CSR)

During FY 2025–26, PNSC took a significant step forward by designing a comprehensive ESG and CSR report, the details of which are presented in this annual report. This represents the Corporation's first formal, integrated approach to reporting on sustainability performance and demonstrates management's commitment to embedding ESG principles along with CSR throughout its strategy and operations in line with regulatory requirements and international best practice.

10. PNSC CREDIT RATING

The annual review of Group's credit worthiness conducted in December 2025 by Pakistan Credit Rating Agency (PACRA) has resulted in upgrade of the credit rating from 'AA' to 'AA+' for long term and maintained '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.

11. DUE DILIGENCE: SHAREHOLDING RESTRUCTURING INITIATIVE

In accordance with the Prime Minister's reform agenda, PNSC is currently engaged in a comprehensive due diligence process aimed at strategic shareholding restructuring.

Strategic Development:

- Strategic shareholding restructuring initiative: Subsequent to the financial year end, the Economic Coordination Committee (ECC) has approved a strategic shareholding restructuring initiative whereby the National Logistics Cell (NLC), a key national entity, will acquire a 29.5% shareholding in PNSC
- Comprehensive Evaluation: The due diligence process encompasses detailed financial, operational, legal and regulatory assessments to ensure alignment with corporate strategy and stakeholder interests.
- Stakeholder Value: The restructuring is designed to create mutual value for all stakeholders, including existing shareholders, employees and the Government of Pakistan.
- The Corporation remains committed to ensuring transparency and maintaining operational continuity throughout the due diligence and potential transaction process. Further updates will be provided to stakeholders as developments occur.

12. AUSTERITY MEASURES: SUPPORT TO GOVERNMENT IN TIMES OF CRISIS

In recognition of Pakistan's macroeconomic challenges and in support of the government's fiscal consolidation efforts, PNSC has taken substantial austerity measures and made significant financial contributions to support the nation during a period of economic stress. Accordingly, PNSC has transferred Rs. 4 billion to the Government Austerity Fund, during FY2025-26 as a contribution to support Pakistan's fiscal position and assist in addressing the economic implications of the global economic slowdown and regional geopolitical disruptions, in accordance with the directives of Federal Cabinet.

13. 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

Board Positions and Committee Assignments

S.No.	Director Name (In Alphabetical Order)	Board Position	Committee Assignments
1.	Mr. Sultan A. Chawla	Chairman / Independent Director	-
2.	Syed Jarar Haider Kazmi	CEO	HR, Nomination and CSR Committee
3.	Mr. Ahsan Ali Malik	Non-Executive Director	Audit Committee HR, Nomination & CSR Committee Procurement Committee
4.	Mr. Khalil Ahmed	Independent Director	Audit Committee (Chairman) Procurement Committee (Chairman) HR, Nomination & CSR Committee
5.	Khawaja Shahzeb Akram	Independent Director	HR, Nomination & CSR Committee (Chairman) Sustainability, Strategy & Risk Management Committee Procurement Committee
6.	Ms. Nadia Osman Jung	Independent Director	Sustainability, Strategy & Risk Management Committee (Chairman)
7.	Mr. Qumar Sarwar Abbasi	Non-Executive Director	Audit Committee Sustainability, Strategy & Risk Management Committee
8.	Captain (R) Sarfaraz Inayatullah	Non-Executive Director	Sustainability, Strategy & Risk Management Committee Audit Committee Procurement Committee
9.	Mr. Umar Zafar Sheikh	Non-Executive Director	Audit Committee HR, Nomination & CSR Committee
10.	Mr. Ziad Bashir	Independent Director (w.e.f 22nd Jun 2026)	-

14. DIRECTORS' TRAINING PROGRAM

As at June 30, 2026, all members of the Board have been appropriately certified under the Directors' Training Program from SECP's approved institutions.

15. BOARD'S, BOARD MEMBERS' AND AUDIT COMMITTEE 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 the Board members is effective.

Further, Audit Committee's Performance Evaluation was conducted in accordance with the requirements of the Para 4 of Annexure-6 of the SOE Ownership and Management Policy, 2023, and the Appendix of the State-Owned Enterprises (Audit Committee, Internal Control and Risk Management) Regulations, 2024 issued by CMU vide Ref. no. CMU/FY2014/REG/001 dated 31 October 2024, which aims to ensure that the Audit Committee plays a critical role in overseeing financial reporting, risk management, internal controls and compliance within the Corporation, based on the aforesaid evaluation, the performance of the Audit Committee is effective.

16. 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 to its Non-Executive Directors 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 travelling, 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 Financial Statements for the year ended June 30, 2026.

17. GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended June 30, 2026.

Mean Gender Pay Gap	3.90%
Median Gender Pay Gap	13.34%

18. 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, 2026 is annexed to this report.

19. 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 Chairman of the Corporation is annexed with this Report.

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

20. STRATEGIES, OBJECTIVES AND FUTURE PROSPECTS

PNSC remains committed to strengthening its position as Pakistan's national flag carrier by pursuing sustainable growth, enhancing operational efficiency and delivering long-term value to its stakeholders. The Corporation will continue to align its business strategy with evolving global shipping trends, changing trade patterns and emerging regulatory requirements.

The Corporation's strategic priorities include fleet modernization through a balanced acquisition of newbuilding and quality second-hand vessels, strengthening its tanker and dry bulk businesses, optimizing vessel utilization

and maintaining prudent cost management. PNSC is also pursuing expansion into container feeder services as a growth avenue, leveraging its operational expertise and strategic positioning to capture emerging opportunities in containerized trade flows around the globe. This diversification into container feeder operations will complement existing business segments and enhance revenue streams while supporting regional trade connectivity.

Furthermore, PNSC recognizes the significant growth potential in edible oil transportation, a critical commodity for Pakistan's food security and export markets. The Corporation intends to develop specialized capabilities in edible oil cargo handling and transport, capitalizing on growing demand for palm oil, soybean oil, and other vegetable oils across South and Southeast Asia. By establishing dedicated edible oil transport services.

PNSC is actively pursuing opportunities to enter into Contracts of Affreightment (CoA) arrangements with Pakistan's leading Oil Marketing Companies (OMCs). These long-term strategic partnerships would provide committed freight rates and cargo volumes, ensuring reliable transportation capacity for refined petroleum products while offering OMCs cost predictability and supply chain continuity. By securing multi-year CoA contracts with local OMCs, PNSC aims to ensure steady utilization of its tanker fleet and play a vital role in stabilizing Pakistan's energy prices and supporting the nation's macroeconomic stability. Such mutually beneficial arrangements would position PNSC as an indispensable partner in Pakistan's energy security infrastructure.

PNSC also remains committed to environmental sustainability by improving energy efficiency and ensuring compliance with evolving International Maritime Organization (IMO) regulations.

Despite continued geopolitical uncertainties and market volatility, PNSC remains well positioned to capitalize on emerging opportunities through a modern fleet, sound governance, operational excellence and a strong commitment to supporting Pakistan's maritime trade and economic development.

21. STATUTORY AUDITORS

M/s. Grant Thornton Anjum Rehman Chartered Accountants and M/s. Yousuf Adil Chartered Accountants being joint auditors retire. The Board on the recommendation of the Board Audit Committee advised the engagement of M/s. Grant Thornton Anjum Rehman, Chartered Accountants and M/s. Yousuf Adil, Chartered Accountants as joint auditors in the last year AGM for the financial year ended June 30, 2026.

22. 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.

23. 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, 2026.

24. CORPORATE BRIEFING SESSION

During the year PNSC carried out a corporate briefing session for its shareholders, investors and market analysts and apprised them about the Corporation's financial performance and future outlook. The session was arranged physically and online through video Link at PNSC Head Office on November 26, 2025.

25. ACKNOWLEDGEMENT

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 especially to our sea fearers for their courageous behavior in maintaining the energy supply chain from Middle East to Pakistan.

For and on behalf of the Board of Directors

Chief Executive Officer

Director

Karachi
September 28, 2026



22. گونگ کنسرن (مسلل جاری رہنے والا ادارہ)

گروپ کی نقد دستیابی کی پوزیشن، بیلنس شیٹ کی طاقت، اثاثوں، ملازمین اور آپریشنز سے جاری کیش فلو کی روشنی میں، بورڈ اس بات کی توثیق کرتا ہے کہ گونگ کنسرن کا مفروضہ، جس پر گروپ کے اکاؤنٹس تیار کیے گئے ہیں، بدستور درست ہے اور اس بات کی معقول وجوہات موجود ہیں کہ کارپوریشن اور اس کی ذیلی کمپنیاں اپنے واجبات کی ادائیگی اس وقت کرنے کے قابل ہوں گی جب وہ واجب الادا ہوں۔

23. ایس او ایز (SOEs) ایکٹ، 2023 کے سیکشن 25 (3) کے تحت بورڈ آف ڈائریکٹرز کا اعلامیہ

بورڈ آف ڈائریکٹرز حسب ذیل تصدیق کرتا ہے:

- i اس بات پر یقین کرنے کی معقول وجوہات موجود ہیں کہ کارپوریشن اپنے قرض کے واجبات کو ان کی مقررہ مدت پر ادا کرنے کے قابل ہوگی؛ اور
- ii مالیاتی گوشوارے، بشمول منسلک نوٹس، ایس او ایز (SOEs) ایکٹ، 2023 کے تقاضوں اور بین الاقوامی اکاؤنٹنگ معیارات کی مکمل تعمیل کے ساتھ تیار کیے گئے ہیں، جیسا کہ 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے نوٹ ۲ میں بھی واضح کیا گیا ہے۔

24. کارپوریٹ بریفنگ سیشن

سال کے دوران، پی این ایس سی (PNSC) نے اپنے شیئر ہولڈرز، سرمایہ کاروں اور مارکیٹ تجزیہ کاروں کے لیے ایک کارپوریٹ بریفنگ سیشن کا انعقاد کیا اور انہیں کارپوریشن کی مالی کارکردگی اور مستقبل کے امکانات سے آگاہ کیا۔ یہ سیشن 26 نومبر 2026 کو پی این ایس سی ہیڈ آفس میں بالمشافہ (فریگیل) اور ویڈیو لنک کے ذریعے آن لائن منعقد کیا گیا۔

25. تسلیمات

بورڈ حکومت پاکستان اور اپنے اسٹریٹجک شراکت داروں، جن میں مالیاتی ادارے، ریفرنسز، شپرز، ایجنٹس، دیگر کاروباری معاونین اور کارپوریشن کے شیئر ہولڈرز شامل ہیں، کے تعاون پر ان کی تعریف کرتا ہے اور اظہار تشکر پیش کرتا ہے۔

ہم پائیدار آپریشنز کے حوالے سے اپنے فرض شناس ملازمین کے عزم پر ان کا بھی شکریہ ادا کرنا چاہیں گے، خاص طور پر اپنے سمندری عملے (سی فیئرز) کا، جنہوں نے مشرق وسطیٰ سے پاکستان تک توانائی کی سپلائی چین کو برقرار رکھنے میں جرات مندانہ طرز عمل کا مظاہرہ کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی

ستمبر 28، 2026

19. لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ اور داخلی کنٹرولز کی تعمیل

اخلاقی کاروباری فریم ورک کو اپناتے ہوئے بہتر نظم و نسق (گڈ گورننس) ہمارا حقیقت پسندانہ ہدف ہے۔ بورڈ پاکستان اور عالمی شپنگ کے میدان میں کارپوریشن کی سادھ کے تحفظ کے ساتھ ساتھ، شیئر ہولڈرز، اقلیتی حقوق کے تحفظ، اور اسٹیک ہولڈرز کی آراء کی قدر کے حوالے سے پر عزم ہے۔

کارپوریشن بہتر نظم و نسق (گڈ گورننس) اور بہترین طرز عمل پر سختی سے عمل پیرا ہے، اور بہتر نظم و نسق کے طریقہ کار میں کمپنیز ایکٹ 201۷، اور پاکستان اسٹاک ایکسچینج کی رول بک کے مطابق پیشہ ورانہ مہارت، اخلاقی طرز عمل، احتساب اور شفافیت کے اعلیٰ ترین معیارات شامل ہیں، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 جن پر ضابطہ اخلاق (کوڈ آف کنڈکٹ)، وہسل بلونگ پالیسی اور کوڈ آف بزنس ایٹھکس کے ذریعے عمل درآمد کیا جاتا ہے۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل کا ایک الگ بیان، جس پر کارپوریشن کے چیئرمین کے باقاعدہ دستخط ثبت ہیں، اس رپورٹ کے ساتھ منسلک ہے۔

داخلی کنٹرولز کا نظام اپنے ڈیزائن کے لحاظ سے مستحکم ہے اور اس کا موثر طریقے سے نفاذ اور نگرانی کی گئی ہے۔

20. اسٹریٹجی، مقاصد اور مستقبل کے امکانات:

(PNSC) پائیدار ترقی کے حصول، آپریشنل کارکردگی کو بہتر بنانے اور اپنے اسٹیک ہولڈرز کو طویل مدتی قدر فراہم کرنے کے ذریعے پاکستان کے قومی فلگ کیریئر کے طور پر اپنی پوزیشن کو مستحکم کرنے کے لیے پر عزم ہے۔ کارپوریشن اپنی کاروباری حکمت عملی کو بدلتے ہوئے عالمی شپنگ رجحانات، تجارتی طریقوں اور ابھرتی ہوئی ریگولیٹری ضروریات کے ساتھ ہم آہنگ رکھنا جاری رکھے گی۔

کارپوریشن کی اسٹریٹجک ترجیحات میں نئی اور معیاری سیکنڈ ہینڈ کشتیاں متوازن طریقے سے حاصل کر کے فلیٹ کو جدید بنانا، اپنے ٹیکنیکل اور ڈرائی بلک کے کاروبار کو مضبوط بنانا، جہازوں کے استعمال کو بہتر بنانا اور سمجھداری پر مبنی لاگت کا انتظام برقرار رکھنا شامل ہے۔ (PNSC) ترقیاتی راستے کے طور پر کنٹینر فیڈر سروسز میں توسیع کا بھی ارادہ رکھتی ہے، جو دنیا بھر میں کنٹینر انڈسٹری کے بہاؤ میں ابھرتے ہوئے مواقع سے فائدہ اٹھانے کے لیے اپنی آپریشنل مہارت اور اسٹریٹجک پوزیشننگ کو بروئے کار لائے گی۔ کنٹینر فیڈر آپریشنز میں یہ تنوع موجودہ کاروباری حصوں کی تکمیل کرے گا اور علاقائی تجارتی رابطوں کی حمایت کرتے ہوئے آمدنی کے ذرائع کو وسعت دے گا۔

(PNSC) پاکستان کی سرکردہ آئل مارکیٹنگ کمپنیوں (OMCs) کے ساتھ افریٹ کے معاہدوں (Contracts of Affreightment - CoA) کے انتظامات میں داخل ہونے کے مواقع پر فعال طور پر کام کر رہی ہے۔ یہ طویل مدتی اسٹریٹجک شرائط شدہ فریٹ ریٹس اور کارگو کا حجم فراہم کریں گی، جو کہ اوایم سیز (OMCs) کو اخراجات کے تخمینے اور سپلائی چین کے تسلسل کی پیشکش کے ساتھ ساتھ، ریفرنڈ پیٹرولیم پروڈکٹس کے لیے قابل اعتماد نقل و حمل کی گنجائش کو یقینی بنائیں گی۔ مقامی اوایم سیز کے ساتھ کثیر سالہ CoA معاہدے حاصل کر کے، پی این ایس سی کا مقصد اپنے ٹیکنیکل فلیٹ کا مستقل استعمال یقینی بنانا اور پاکستان کی توانائی کی قیمتوں کو مستحکم کرنے اور ملک کے معاشی استحکام کو سپورٹ کرنے میں ایک اہم کردار ادا کرنا ہے۔ اس طرح کے باہمی طور پر فائدہ مند انتظامات پی این ایس سی کو پاکستان کے توانائی کے سیکٹور میں انفراسٹرکچر میں ایک ناگزیر شرائط دار کے طور پر قائم کریں گے۔

پی این ایس سی (PNSC) توانائی کی کارکردگی کو بہتر بنا کر اور بین الاقوامی میری ٹائم آرگنائزیشن (IMO) کے بدلتے ہوئے ضوابط کی تعمیل کو یقینی بنا کر ماحولیاتی پائیداری کے لیے بھی پر عزم ہے۔

جیو پولیٹیکل غیر یقینی صورتحال اور مارکیٹ کے اتار چڑھاؤ کے باوجود، پی این ایس سی (PNSC) جدید فلیٹ، بہترین گورننس، آپریشنل عہدگی اور پاکستان کی میری ٹائم تجارت اور معاشی ترقی کی حمایت کے لیے مضبوط عزم کے ذریعے ابھرتے ہوئے مواقع سے فائدہ اٹھانے کے لیے بہترین پوزیشن میں ہے۔

21. قانونی آڈیٹرز:

میسرز گرانٹ تھارنٹن انجمن رحمان، چارٹرڈ اکاؤنٹنٹس اور میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس بطور مشترکہ آڈیٹرز اپنی مدت تقرری مکمل ہونے پر سبکدوش ہو رہے ہیں۔ بورڈ نے بورڈ آف کمیٹی کی سفارش پر گزشتہ سال ہونے والے سالانہ جنرل اجلاس (AGM) میں 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے میسرز گرانٹ تھارنٹن انجمن رحمان، چارٹرڈ اکاؤنٹنٹس اور میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو مشترکہ آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی تھی۔

14. ڈائریکٹر ٹریننگ پروگرام

30 جون 2026 تک، بورڈ کے تمام اراکین نے ایس ای سی پی (SECP) کے منظور شدہ اداروں سے ڈائریکٹر ٹریننگ پروگرام کے تحت مناسب طور پر سرٹیفکیٹ حاصل کر لیے ہیں۔

15. بورڈ، بورڈ کے اراکین اور آڈٹ کمیٹی کی کارکردگی کا جائزہ

اس سال بورڈ کی کارکردگی کا جائزہ اسٹیٹ اونڈائنر پرائز (گورننس اینڈ آپریشنز) ایکٹ، 2023 کے سیکشن 10(2)(c) اور سینٹرل مانیٹرنگ یونٹ کی جانب سے مراسلہ نمبر CMU/FY2024/GU/002 مورخہ 31 اکتوبر 2024 کے ذریعے ایس او ایز (SOEs) کے لیے جاری کردہ ایویویشن گائیڈ لائنز 2023 کے مطابق کیا گیا، جس کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ آف ڈائریکٹر کارپوریشن کے بہترین مفاد میں اپنے فرائض کی انجام دہی کے لیے مؤثر اور مستعد انداز میں کام کرے۔ مذکورہ بالا جائزے کی بنیاد پر، بورڈ اور بورڈ کے اراکین کی کارکردگی مؤثر ہے۔

مزید برآں، آڈٹ کمیٹی کی کارکردگی کا جائزہ ایس او ای (SOE) اونڈائنر پرائز مینجمنٹ پالیسی، 2023 کے انکسٹر 6 کے پیرا 4 کے تقاضوں، اور سی ایم یو (CMU) کی جانب سے حوالہ نمبر CMU/FY2014/REG/001 مورخہ 31 اکتوبر 2024 کے تحت جاری کردہ اسٹیٹ اونڈائنر پرائز (آڈٹ کمیٹی، انٹرئل کنٹرول اینڈ رسک مینجمنٹ) ریگولیشنز، 2024 کے ضمیمے کے مطابق کیا گیا، جس کا مقصد اس بات کو یقینی بنانا ہے کہ آڈٹ کمیٹی کارپوریشن کے اندر فنانشل رپورٹنگ، رسک مینجمنٹ، انٹرئل کنٹرولز اور کمپلائنس کی نگرانی میں ایک کلیدی کردار ادا کرے۔ مذکورہ بالا جائزے کی بنیاد پر، آڈٹ کمیٹی کی کارکردگی مؤثر ہے۔

16. ڈائریکٹر کا معاوضہ

بورڈ آف ڈائریکٹر کے پاس "ڈائریکٹر کے لیے معاوضے کی پالیسی" موجود ہے، جس کی نمایاں خصوصیات درج ذیل ہیں:-

- کارپوریشن اپنے ڈائریکٹر کو کوئی معاوضہ ادا نہیں کرتی، سوائے اپنے نان ایگزیکٹو ڈائریکٹر کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے۔
- بورڈ آف ڈائریکٹر یا اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے ڈائریکٹر کا معاوضہ و قفا و قفا بورڈ آف ڈائریکٹر کی جانب سے طے اور منظور کیا جائے گا۔
- کسی ڈائریکٹر کو بورڈ، اس کی کمیٹیوں اور / یا کارپوریشن کے جنرل اجلاسوں میں شرکت کے لیے اس کی جانب سے اٹھنے والے تمام سفری، قیام و طعام اور دیگر اخراجات فراہم کیے جاتے ہیں یا ان کی ادائیگی (reimburse) کی جاتی ہے۔ چیف ایگزیکٹو کے معاوضے کے پیکیج کے حوالے سے تفصیلات کا انکشاف 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے نوٹ ۷ کے تحت کیا گیا ہے۔

17. ایس ای سی پی (SECP) سرکلر 10 برائے 2024 کے تحت صنفی اجرت کے فرق کا بیان

30 جون 2026 کو ختم ہونے والے سال کے لیے شمار کردہ صنفی اجرت کا فرق درج ذیل ہے۔

3.90%	صنفی اجرت کا اوسط فرق
13.34%	صنفی اجرت کا وسطانی فرق

18. شیئر ہولڈنگ کا پیٹرن

کمپنیز ایکٹ، 2017 کے سیکشن 227 (2) (f) کے مطابق 30 جون 2026 تک کارپوریشن کی شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

12. کفایت شعاری کے اقدامات: بحران کے اوقات میں حکومت کی معاونت:

پاکستان کے وسیع تر معاشی (میکرو اکنامک) چیلنجز کے اعتراف میں اور حکومت کی مالیاتی استحکام کی کوششوں کی معاونت کرتے ہوئے، پی این ایس سی نے کفایت شعاری کے خاطر خواہ اقدامات کیے ہیں اور معاشی دباؤ کے اس دور میں قوم کی مدد کے لیے نمایاں مالی تعاون فراہم کیا ہے۔ چنانچہ، وفاقی کابینہ کی ہدایات کے مطابق، پی این ایس سی نے مالی سال 2025-2026 کے دوران گورنمنٹ آسٹیریٹی فنڈ (حکومتی کفایت شعاری فنڈ) میں 4 ارب روپے منتقل کیے ہیں تاکہ پاکستان کی مالیاتی پوزیشن کو سہارا دینے میں اپنا حصہ ڈالا جاسکے اور عالمی معاشی سست روی نیز علاقائی جغرافیائی سیاسی رکاوٹوں کے معاشی اثرات سے نمٹنے میں مدد مل سکے۔

13. بورڈ اور اس کی کمیٹیاں:

رواں مالی سال کے دوران کارپوریشن کے ڈائریکٹرز اور / یا بورڈ نیز بورڈ کمیٹیوں کے اراکین کے نام ذیل میں جدول کی صورت میں دیے گئے ہیں:

نمبر شمار	ڈائریکٹر کا نام (حروف تہجی کی ترتیب)	بورڈ	کمیٹیوں میں تقرریاں
۱	جناب سلطان اے چاولہ	چیئر مین / انڈیپنڈنٹ ڈائریکٹر	-
۲	سید جراحیدر شاہ کاظمی	چیف ایگزیکٹو آفیسر	ایچ آر، نامزدگی اور سی ایس ایس آر کمیٹی
۳	جناب احسن علی ملک	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی ایچ آر، نامزدگی اور سی ایس ایس آر کمیٹی پروکیورمنٹ کمیٹی
۴	جناب خلیل احمد	انڈیپنڈنٹ ڈائریکٹر	آڈٹ کمیٹی (چیئر مین) پروکیورمنٹ کمیٹی (چیئر مین) ایچ آر، نامزدگی اور سی ایس ایس آر کمیٹی
۵	خواجہ شتاہزیب اکرم	انڈیپنڈنٹ ڈائریکٹر	سسٹینبلٹی، اسٹریٹجی اور رسک مینجمنٹ کمیٹی ایچ آر، نامزدگی اور سی ایس ایس آر کمیٹی (چیئر مین) پروکیورمنٹ کمیٹی
۶	محترمہ نادیہ عثمان جنگ	انڈیپنڈنٹ ڈائریکٹر	سسٹینبلٹی، اسٹریٹجی اور رسک مینجمنٹ کمیٹی (چیئر مین)
۷	جناب قمر سرور عباسی	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی سسٹینبلٹی، اسٹریٹجی اور رسک مینجمنٹ کمیٹی
۸	کیپٹن ریٹائرڈ سرفراز عنایت اللہ	نان ایگزیکٹو ڈائریکٹر	سسٹینبلٹی، اسٹریٹجی اور رسک مینجمنٹ کمیٹی آڈٹ کمیٹی پروکیورمنٹ کمیٹی
۹	جناب عمر ظفر شیخ	نان ایگزیکٹو ڈائریکٹر	آڈٹ کمیٹی ایچ آر - نامزدگی اور سی ایس ایس آر کمیٹی
۱۰	جناب زیاد بشیر	انڈیپنڈنٹ ڈائریکٹر (22 جون 2026 w.e.f)	-

خطرے کا عنصر	تدارک کی حکمت عملی اور تفصیل
اینڈھن کی لاگت میں اتار چڑھاؤ	پی این ایس سی بنکر کی قیمتوں میں اتار چڑھاؤ، جو کہ بحری سفر کی آپریشنل لاگت کا ایک اہم جزو ہے، کا تدارک اینڈھن کی مارکیٹ کی مسلسل نگرانی اور اینڈھن کی کھپت کو بہتر بنانے نیز بحری سفر کی استعداد کار کو بڑھانے کے لیے محتاط تجارتی و آپریشنل حکمت عملیوں کو اپنا کر کرتی ہے۔

9. ماحولیات، سماج اور گورننس (ESG) اور کارپوریٹ سماجی ذمہ داری (CSR):

مالی سال 2025-2026 کے دوران، پی این ایس سی نے ایک جامع ای ایس جی (ESG) اور سی ایس آر (CSR) رپورٹ مرتب کر کے ایک اہم پیش رفت کی ہے، جس کی تفصیلات اس سالانہ رپورٹ میں پیش کی گئی ہیں۔ یہ پائیداری کی کارکردگی کے حوالے سے رپورٹنگ کے لیے کارپوریشن کے پہلے باضابطہ اور مربوط طرز عمل کی نمائندگی کرتا ہے اور انضباطی تقاضوں نیز بین الاقوامی بہترین طرز عمل (انٹرنیشنل بیسٹ پریکٹس) کے عین مطابق، اپنی حکمت عملی اور آپریشنز میں سی ایس آر کے ساتھ ساتھ ای ایس جی کے اصولوں کو شامل کرنے کے لیے انتظامیہ کے عزم کو ظاہر کرتا ہے۔

10. پی این ایس سی کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی جانب سے دسمبر 2025 میں گروپ کی مالی ساکھ (کریڈٹ ور تھننس) کے کیے گئے سالانہ جائزے کے نتیجے میں، طویل مدتی کے لیے کریڈٹ ریٹنگ میں 'AA' سے 'AA+' کا اپگرید کیا ہے اور قلیل مدتی کے لیے 'A1' پر برقرار رکھا ہے۔

یہ ریٹنگ پی این ایس سی کی مضبوط ملکیت—جس کے اکثریتی حصص (تقریباً 89.13 فیصد) حکومت پاکستان کے پاس ہیں—اور ملک کے قومی فلیگ کیریئر کے طور پر اس کی تزویراتی (اسٹریٹجک) اہمیت کی عکاسی کرتی ہیں۔ انتظامیہ کی جانب سے بحری بیڑے کے موثر استعمال اور لاگت میں کمی کے اقدامات کی بدولت، پی این ایس سی کے کاروباری پروفاٹل نے حالیہ برسوں میں نمایاں استحکام حاصل کیا ہے۔

11. جانچ پڑتال (ڈیوڈیلیجنس): حصص داری کی تنظیم نو کا اقدام:

وزیر اعظم کے اصلاحاتی ایجنڈے کے مطابق، پی این ایس سی اس وقت تزویراتی (اسٹریٹجک) حصص داری کی تنظیم نو کے مقصد سے جانچ پڑتال (ڈیوڈیلیجنس) کے ایک جامع عمل میں مصروف عمل ہے۔

تزویراتی ترقی:

تزویراتی (اسٹریٹجک) حصص داری کی تنظیم نو کا اقدام: مالی سال کے اختتام کے بعد، اقتصادی رابطہ کمیٹی (ای سی سی) نے حصص داری کی تزویراتی تنظیم نو کے ایک اقدام کی منظوری دی ہے جس کے تحت ایک کلیدی قومی ادارہ، نیشنل لاجسٹکس سیل (این ایل سی)، پی این ایس سی میں 29.5 فیصد حصص حاصل کرے گا۔

جامع جائزہ: جانچ پڑتال کے اس عمل میں تفصیلی مالیاتی، آپریشنل، قانونی اور انضباطی جائزے شامل ہیں تاکہ کارپوریٹ حکمت عملی اور اسٹیک ہولڈرز کے مفادات کے ساتھ ہم آہنگی کو یقینی بنایا جاسکے۔

اسٹیک ہولڈرز کی قدر: اس تنظیم نو کو اس انداز میں وضع کیا گیا ہے کہ تمام اسٹیک ہولڈرز بشمول موجودہ حصص یافتگان (شیئر ہولڈرز)، ملازمین اور حکومت پاکستان کے لیے باہمی قدر (ویلیو) پیدا کی جاسکے۔

کارپوریشن جانچ پڑتال (ڈیوڈیلیجنس) اور ممکنہ لین دین (ٹرانزیکشن) کے تمام تر عمل کے دوران شفافیت کو یقینی بنانے اور آپریشنل تسلسل کو برقرار رکھنے کے لیے پرعزم ہے۔ جیسے جیسے پیش رفت ہوگی، اسٹیک ہولڈرز کو مزید تازہ ترین معلومات (اپ ڈیٹس) فراہم کی جاتی رہیں گی۔

تدارک کی حکمت عملی اور تفصیل	خطرے کا عنصر
پی این ایس سی مارکیٹ کی مسلسل نگرانی، انضباطی ضوابط کی پاسداری، اور محتاط تجارتی فیصلہ سازی کے ذریعے قانونی چارہ جوئی کے خطرات کا تدارک کرتی ہے۔ کارپوریشن اپنے تجارتی مفادات کے تحفظ کے لیے، بین الاقوامی جہاز رانی کے مروجہ طریقوں سے ہم آہنگ جامع معاہداتی انتظامات پر عمل پیرا ہے، معیاری چارٹر پارٹی کی شرائط کو برقرار رکھتی ہے، مستقیم میرین انشورنس کو ریج حاصل کرتی ہے، اور تنازعات کے حل کے مؤثر طریقہ کار بشمول مصالحت اور ثالثی کو بروئے کار لاتی ہے۔	قانونی چارہ جوئی کا خطرہ
پی این ایس سی سمندری حادثات اور تیل کے رساؤ کے خطرات کو کم سے کم کرنے کے لیے سخت حفاظتی معیارات برقرار رکھتی ہے، عملے کی باقاعدہ تربیت اور جہازوں کا معائنہ کرتی ہے، اور بین الاقوامی بحری ضوابط کی پاسداری کرتی ہے۔ کارپوریشن ایسے واقعات کے ماحولیاتی، آپریشنل، مالیاتی، اور ساکھ سے متعلق نتائج سے نمٹنے کے لیے ہنگامی رد عمل اور تیل کے رساؤ کے حوالے سے جامع ہنگامی منصوبے برقرار رکھتی ہے۔	بڑے حادثے یا تیل کے رساؤ کا خطرہ
پی این ایس سی آئی ایم او (IMO) کی جی ایچ جی (GHG) حکمت عملی کے اہداف (2030 تک کاربن کے اخراج کی شدت میں 40 فیصد کمی اور 2050 تک سالانہ اخراج میں 50 فیصد کمی) کی تکمیل کے لیے دو جہتی پائیداری کی حکمت عملی پر عمل پیرا ہے۔ کارپوریشن اپنے بیڑے میں صاف ستھرے ایندھن سے چلنے والے بحری جہازوں کو فعال طور پر شامل کر رہی ہے اور اس نے ماحول دوست بحری ٹیکنالوجی کی جانب منتقلی کے لیے ایک جامع ماحولیاتی حکمت عملی اور ایکشن پلان وضع کرنے کی غرض سے ایک کنسلٹنٹ کی خدمات حاصل کی ہیں۔	ماحولیاتی اثرات کا انتظام
متغیر شرح والے مالیاتی واجبات پر شرح سود کے خطرے کو کم سے کم کرنے کے لیے، گروپ متغیر شرح سود کے حامل اثاثوں اور واجبات کا ایک متوازن امتزاج برقرار رکھتا ہے، اور کیش فلو (نقد رقوم کے بہاؤ) کے اثرات کو منظم کرنے کے لیے مناسب میچورٹی پرو فائلنگ کو یقینی بناتا ہے۔	شرح سود کا خطرہ
پی این ایس سی بحری قزاقی کے تدارک کے لیے ایک کثیر الجہتی حکمت عملی پر عمل پیرا ہے جس میں جامع انشورنس کو ریج، بین الاقوامی سطح پر تسلیم شدہ بی ایم پی-5 (BMP-5) رہنما اصولوں کی پاسداری اور پاک بحریہ کے ساتھ قریبی اشتراک شامل ہے۔ یہ اقدامات خلیج عدن، آبنائے ملاکا اور صومالی ساحل سمیت انتہائی پرخطر علاقوں سے گزرتے وقت عملے اور بحری جہازوں کی حفاظت کو یقینی بناتے ہیں۔	خلیج عدن میں مسلح بحری قزاقی
پی این ایس سی آبنائے ہرمز میں جغرافیائی سیاسی خطرات کا تدارک بحری سفر کی بہتر منصوبہ بندی، عملے کی جامع تربیت، حکام کے ساتھ مسلسل رابطے، اور اضافی وار رسک انشورنس کے ذریعے کرتی ہے۔ کارپوریشن توانائی کی اہم کھپوں (کارگو) کی محفوظ ترسیل کو یقینی بنانے کے لیے معلومات کے تبادلے کے اقدامات میں فعال طور پر حصہ لیتی ہے اور متبادل راستوں کے اختیارات پر غور کرتی ہے۔	آبنائے ہرمز میں تجارتی خطرہ

6. منافع منقسمہ کا اعلان

کارپوریشن پائیدار طویل مدتی منافع کو یقینی بنانے کے ساتھ ساتھ حصص یافتگان کی قدر میں اضافے کے لیے پر عزم ہے۔ بورڈ آف ڈائریکٹرز کو آئندہ 48 ویں سالانہ عام اجلاس میں اراکین کی منظوری کے لیے =10 روپے فی حصص یعنی 100 فیصد کے نقد منافع منقسمہ کی سفارش کرتے ہوئے خوشی ہے۔ یہ 10 روپے فی حصص کے عبوری نقد منافع منقسمہ کے علاوہ ہے۔

7. بحری بیڑے کی جدید کاری:

گزشتہ مالی سال میں اپنی آزادانہ خریداری پالیسی کی کامیاب منظوری کے تسلسل میں، (PNSC) نے مالی سال 2025-26 کے دوران اپنے بحری بیڑے کی توسیع کی حکمت عملی پر عمل درآمد میں نمایاں پیش رفت کی ہے۔ کارپوریشن نے کامیابی کے ساتھ تین نئے بحری جہازوں، یعنی ایم ٹی کراچی، ایم ٹی لاہور، اور ایم ٹی کوسٹ کو اپنے زیر انتظام فعال بحری بیڑے میں شامل کیا، جو کہ سرکاری ملکیتی اداروں (SOEs) پر قائم کابینہ کمیٹی کی جانب سے منظور کردہ سہل اور منظم خریداری فریم ورک کی افادیت کا مظہر ہے۔ بحری جہازوں کی یہ تزویراتی شمولیت (PNSC) کی آپریشنل صلاحیت کو مضبوط بناتی ہے، بحری بیڑے کے تنوع کو بڑھاتی ہے اور کارپوریشن کو اس قابل بناتی ہے کہ وہ بین الاقوامی سمندری معیارات اور (PNSC) کے خریداری ضوابط کی پاسداری کو یقینی بناتے ہوئے مارکیٹ کے سازگار حالات سے بھرپور فائدہ اٹھا سکے۔

بحری جہاز کا نام	زمرہ / قسم	امریکی ڈالر میں لاگت	ڈیڈ ویٹ ٹینج (میٹرک ٹن)
ایم ٹی کراچی	ایفرا میکس ٹینکر	۷۴,۵ ملین	109,989
ایم ٹی لاہور	ایفرا میکس ٹینکر	۷۴,۵ ملین	112,051
ایم ٹی کوسٹ	ایم آر 2 ٹینکر	۴۴,۱۵ ملین	49,999

بین الاقوامی منڈیوں سے بحری جہازوں کے حصول کے علاوہ، (PNSC) نے کراچی شپ یارڈ اینڈ انجینئرنگ ورکس کو ایک نئے کنٹینر بحری جہاز کا آرڈر دے کر پاکستان کی مقامی جہاز سازی کی صنعت کی معاونت کے لیے ایک تزویراتی قدم اٹھایا ہے۔ یہ تاریخی فیصلہ مقامی بحری تعمیراتی صلاحیتوں کو پروان چڑھانے، روزگار کے مواقع پیدا کرنے اور پاکستان کے جہاز سازی کے شعبے میں تکنیکی مہارت کو فروغ دینے کے عزم کا مظہر ہے۔

8. اہم خطرہ:

روس-یوکرین تنازعہ، بحیرہ احمر میں مسلسل تعطل اور مشرق وسطیٰ کا تنازعہ جس سے آبنائے ہرمز کے راستے جہازوں کی نقل و حرکت متاثر ہو رہی ہے، سمیت دیگر جغرافیائی و سیاسی بحرانوں کے نتیجے میں مال برداری کی بلند مارکیٹوں (فریٹ مارکیٹس) سے مستفید ہونے کے باوجود، تیزی سے بڑھتی ہوئی عالمی غیر یقینی صورتحال کے باعث جہاز رانی کی صنعت کو بدستور اہم خطرات کا سامنا ہے۔ کارپوریشن، ڈرائی بلک اور ٹینکر دونوں مارکیٹوں میں سخت مسابقت، بدلتے ہوئے تجارتی رجحانات اور ڈی کاربنائزیشن نیز صاف ستھرے سمندری ایندھن کی جانب منتقلی سے وابستہ بڑی انضباطی (ریگولیٹری) تبدیلیوں کو کلیدی تجارتی چیلنجز کے طور پر تسلیم کرتی ہے۔ کارپوریشن کی آمدنی براہ راست عالمی مال برداری کی مارکیٹوں میں اتار چڑھاؤ، چارٹر ریس اور عالمی معاشی حالات سے منسلک رہتی ہے۔

مزید برآں، پی این ایس سی کو بدلتی ہوئی جغرافیائی و سیاسی پیش رفت، بنکر اور تیل کی قیمتوں میں اتار چڑھاؤ، بڑھتی ہوئی آپریشنل لاگت، ماحولیاتی ضوابط کی پاسداری کے تقاضوں، سائبر سیکیورٹی کے خطرات اور بین الاقوامی تجارت نیز غیر ملکی ادائیگی کے طریقہ کار میں ممکنہ تعطل سے پیدا ہونے والی غیر یقینی صورتحال کا بدستور سامنا ہے۔

سرمائے کا ڈھانچہ

مجموعی ایکویٹی	کل اثاثہ جات	طویل المدتی قرض
Rs. 114,487M	Rs. 182,848M	Rs. 38,465M

سال کے دوران (PNSC) گروپ نے اپنی مالیاتی حیثیت کو مستحکم کیا، جس میں مجموعی ایکویٹی گزشتہ سال کے 103,504 ملین روپے کے مقابلے میں 11 فیصد اضافے کے ساتھ 114,487 ملین روپے ہو گئی۔ کمپنی اپنی طویل المدتی قرضوں کی ذمہ داریاں بروقت پوری کرتی رہی۔ 30 جون 2026 تک، کمپنی کی طویل المدتی فنانسنگ، 37,380 ملین روپے کے مقابلے میں اضافے کے ساتھ 38,265 ملین روپے رہی۔ یہ اضافہ نئے بحری جہازوں کی شمولیت کے باعث نوٹ کیا گیا۔

شعبہ وار کارکردگی

(PNSC)، جس کی کل ڈی ڈی بیوٹی (DWT) استعداد 996,683 میٹرک ٹن ہے، نئے مالی سال 2024-25 کے دوران تقریباً 11.04 ملین ٹن کارگو (ڈرائی بلک اور لکومڈ) اٹھایا، جس کے مقابلے میں مالی سال 2025-26 کے دوران 13.18 ملین ٹن کارگو اٹھایا گیا۔ یہ مالی سال 2024-25 اور مالی سال 2025-26 میں بالترتیب 99.26 ملین ٹن اور 89.743 ملین ٹن پر مبنی پاکستان کی کل سمندری تجارت کے حجم کا تقریباً 11.12 فیصد اور 14.68 فیصد بنتا ہے۔ مالی سال 2024-25 اور 2025-26 کے لیے پاکستان کی سمندری تجارت کے منقسم اعداد و شمار، بشمول (PNSC) ے حصے کے، حسب ذیل ہیں۔

شعبہ	پیمائش کی اکائی	2026		2025	
		پاکستان کی سمندری تجارت*	پی این ایس سی کا حصہ	پاکستان کی سمندری تجارت*	پی این ایس سی کا حصہ
ڈرائی بلک	ملین میٹرک ٹن	60.089	2.441	67.90	1.984
لکومڈ کارگو	ملین میٹرک ٹن	29.654	10.735	31.369	9.053
بریک بلک (سلاٹ چارٹر)	ایم ایم ٹی یا سی بی ایم میں سے جو زیادہ ہو (وزن/پیمائش)	N/A	0.1	N/A	0.034
کنٹینر انڈر (سلاٹ چارٹر)	ہزار ٹی ای یوز	N/A	1.05	N/A	1.105

* مواخذہ: KPT اور PQA

سال بہ سال موازنہ

اعشاریہ	مالی سال 2025-26	مالی سال 2024-25	تبدیلی
ریونیو	59,547 ملین روپے	37,637 ملین روپے	58 فیصد اضافہ
خالص منافع	21,546 ملین روپے	20,449 ملین روپے	5 فیصد اضافہ
فی حصص آمدنی	108.77 روپے فی حصص	103.22 روپے فی حصص	5 فیصد اضافہ
اٹھایا گیا کل کارگو	13.176 ملین میٹرک ٹن	11.037 ملین میٹرک ٹن	19 فیصد اضافہ
	1.05 ہزار ٹی ای یوز	1.105 ہزار ٹی ای یوز	5 فیصد کمی
مارکیٹ کا شیئر	14.68%	11.12%	32.01 فیصد اضافہ

مستقبل کا نقطہ نظر	موجودہ جائزہ	شعبہ
مسلسل بحالی اور سردیوں کی موسمی طلب سے مجموعی ٹینکرز کی مانگ کو فائدہ پہنچے گا، اگرچہ پروڈکٹس کارگو کی بحالی خام تیل کی بحالی سے پیچھے رہے گی۔ رشد کے پہلو سے، وی ایل سی سی (VLCC) کے معاہدے 143 جہازوں تک پہنچ گئے (جو کہ 1973 کے بعد سب سے زیادہ ہیں)، جبکہ آئل ٹینکرز کا آرڈر بک بیڑے کی کل استعداد کا 23 فیصد ہے۔ 2027-28 کے لیے طے شدہ نئے جہازوں کی زیادہ ڈیلیوری مارکیٹ کے حالات کو اعتدال میں لاسکتی ہے، تاہم جہازوں کے اثاثوں کی مالیت مستحکم برقرار ہے۔ مارکیٹ کی بحالی علاقائی جغرافیائی و سیاسی استحکام پر منحصر رہے گی۔	پروڈکٹ ٹینکر مارکیٹ کو متضاد کارکردگی کا سامنا رہا؛ پہلی ششماہی میں زبردست آمدنی (30,000 امریکی ڈالر یومیہ) کے بعد نمایاں گراوٹ دیکھی گئی۔ پی این ایس سی کے زیر انتظام ایل آرون (LR1) ٹینکرز (ایم ٹی خیر پور اور ایم ٹی بولان) نے پہلی ششماہی میں شاندار آمدنی حاصل کی، لیکن جیسے جیسے جغرافیائی و سیاسی تناؤ بڑھا، خلیجی ریفائنر محتاط ہو گئے، جس سے ریفائنڈ پیٹرولیم کی برآمدات اور دستیاب کارگو میں کمی آئی۔ خام تیل کے ٹینکرز کی مارکیٹ کے برعکس، پروڈکٹ ٹینکرز کارگو کے حجم میں کمی سے بری طرح متاثر ہوئے۔ سال کے اختتام تک، پی این ایس سی کے ایل آرون (LR1) ٹینکرز صرف اتنی سطح پر کام کر رہے تھے جو لاگت پوری کرنے کے لیے بمشکل کافی تھی۔ ٹینکرز کی نقل و حرکت میں بہتری اور توانائی کی مستحکم طلب سے مستقبل میں پروڈکٹ ٹینکرز کی سرگرمیوں کو سہارا ملنے کی توقع ہے، جو کہ جغرافیائی و سیاسی پیش رفت اور ریفائنری آپریشنز کی بحالی سے مشروط ہے۔	

5. مالیاتی نتائج

مالیاتی کارکردگی

مجموعی آمدنی	مجموعی خالص منافع	مجموعی فی حصص آمدنی	نمو
Rs. 59,547M	Rs. 21,547M	Rs. 108.77/ share	5%

زیر جائزہ سال کے دوران، (PNSC) نے درج ذیل کا مجموعی منافع حاصل کیا ملین Rs. 21,547، جو کہ گزشتہ سال کے 20,449 ملین روپے کے مقابلے میں ہے۔ نمایاں بیرونی اور اندرونی چیلنجز کا سامنا ہونے کے باوجود، یہ بہتری فریٹ کے بہتر نرخوں اور اخراجات کے محتاط انتظام کی عکاس ہے۔ عالمی شپنگ مارکیٹ میں چیلنجز سے عبارت سال کے دوران، خالص منافع میں 5 فیصد کا اضافہ کارپوریشن کی استقامت کو ظاہر کرتا ہے۔

انتظامیہ نے لاگت کو موزوں بنانے اور منافع کے حوالے سے نظم و ضبط پر مبنی حکمت عملی برقرار رکھی، جس کے نتیجے میں آپریشنل کارکردگی میں بہتری آئی ہے۔ بحری بیڑے میں تین جہازوں کی شمولیت کے باعث مالیاتی اخراجات میں اضافہ ہوا۔

منافع آوری کا تجزیہ

خام مارجن	آپریٹنگ مارجن	خالص منافع کا مارجن
36%	43%	36%

پاکستان نیشنل شپنگ کارپوریشن (PNSC) نے زیر تبصرہ سال کے دوران منافع کے انتہائی شاندار اور مضبوط اعداد و شمار پیش کیے ہیں۔ مجموعی منافع کا مارجن (گراس پرافٹ مارجن) گزشتہ سال کے 30 فیصد سے بڑھ کر 36 فیصد ہو گیا، جو نئے بحری جہازوں کے بیڑے میں اضافے اور بہتر آپریشنل سرگرمیوں کا مظہر ہے۔ بلک کیریئر کے بلند نرخوں اور آپریشنل دونوں میں بہتری کے باعث، خشک کارگو (بشمول سلاٹ برنس) کی آمدنی میں 10 فیصد اضافہ ریکارڈ کیا گیا۔ اس کے علاوہ، مائع کارگو کے شعبے کی آمدنی میں 59 فیصد کا نمایاں اضافہ ہوا۔ تمام تر چیلنجز اور مشکلات کے باوجود، کارپوریشن نے مؤثر فلیٹ مینجمنٹ اور حکمت عملی پر مبنی چارٹرنگ فیصلوں کے ذریعے اپنی منافع بخش کارکردگی کو کامیابی سے برقرار رکھا۔

جنوری تا مئی 2026 کے دوران ڈرائی بلک کی تجارت میں سال بہ سال 3.4 فیصد کی مضبوط نمو ریکارڈ کی گئی۔ آسٹریلیا اور برازیل کی برآمدات کے باعث خام لوہے کی تجارت میں 3 فیصد اضافہ ہوا، جبکہ اناج اور معمولی بلک تجارت کی کارکردگی بھی بہتر رہی۔ 2026 میں عالمی ڈرائی بلک تجارت میں ۸ فیصد اضافے کی پیش گوئی ہے، جبکہ طویل مسافتوں کے سب ٹن میل کی طلب میں 3 فیصد اضافہ متوقع ہے۔ بحر اوقیانوس کے طاس (Atlantic Basin) کی سرگرمیوں اور ایشیائی طلب سے مارکیٹ کو سہارا ملا، تاہم چین کی معاشی صورتحال اور جغرافیائی و سیاسی غیر یقینی نے چیلنجز پیدا کیے۔ بحری بیڑے میں ۳ فیصد اضافے نے رسد اور طلب کے توازن پر دباؤ ڈالا، لیکن طویل مسافتوں اور کارگو کی بہتر ترسیل نے جہازوں کے استعمال کو برقرار رکھا۔

ڈرائی بلک مارکیٹ کا نقطہ نظر محتاط طور پر مثبت ہے، جسے عالمی سطح پر اجناس کی مستحکم طلب کی حمایت حاصل ہے۔ اگرچہ بحری بیڑے میں 3.8 فیصد کی نمو طلب سے قدرے بڑھ سکتی ہے، لیکن پرانے عالمی بیڑے، محدود ری سائیکلنگ، اور نظم و ضبط پر مبنی آرڈرنگ جیسے عوامل مارکیٹ کا توازن برقرار رکھیں گے۔ ایشیائی صنعتی سرگرمیاں، اناج کی موسمی نقل و حرکت، اور جغرافیائی و سیاسی پیش رفت کے باعث طویل تجارتی فاصلے جہازوں کے روزگار میں معاون ثابت ہوں گے۔ کیپ سائز (Capesize) جہازوں کی کارکردگی چھوٹے جہازوں سے بہتر رہنے کی توقع ہے، تاہم بیڑے کی نمو کے باعث مزید بہتری کے امکانات محدود ہو سکتے ہیں۔ مارکیٹ کی کارکردگی جہاز کے سائز اور تجارتی راستے کے لحاظ سے مختلف ہوگی، جبکہ موسمی عروج کے دوران کرایوں (rates) میں اضافے کی توقع ہے۔ 2026 کے بنیادی عوامل مستحکم رہنے کی توقع ہے، اگرچہ بیڑے کی نمو طلب سے بڑھ جانے کے باعث 2027 میں مارکیٹ میں اعتدال آنے کی پیش گوئی ہے۔ آمدنی کی کارکردگی کو برقرار رکھنے کے لیے جہازوں کی موثر تعیناتی اور نظم و ضبط پر مبنی چارٹرنگ حکمت عملی کلیدی حیثیت رکھتی ہے۔

جغرافیائی و سیاسی رکاوٹوں کے باعث، مالی سال 2025-26 کے دوران خام تیل کے ٹینکرز کی مارکیٹ غیر معمولی طور پر مضبوط رہی۔ وی ایل سی (VLCCs) نے 200,000 امریکی ڈالر یومیہ، سویز میکس (Suezmax) ٹینکرز نے 150,000 امریکی ڈالر یومیہ اور افرا میکس (Aframax) ٹینکرز نے 50,000 امریکی ڈالر یومیہ کمائے، جبکہ وزنی اوسط آمدنی 72,500 امریکی ڈالر یومیہ رہی جو کہ طویل مدتی اوسط سے تقریباً تین گنا زیادہ ہے۔ امریکہ ایران تنازعہ اور آبنائے ہرمز، باب المندب اور بحیرہ احمر میں سیکیورٹی کے بڑھتے ہوئے خدشات نے تجارتی طرز کو متاثر کیا، جس سے جہاز مالکان کیپ آف گڈ ہوپ (Cape of Good Hope) کے طویل متبادل راستے استعمال کرنے پر مجبور ہوئے۔ بیڑے کی محدود نمو، ماحولیاتی ضوابط، پرانے بحری بیڑے اور روسی شپنگ پر پابندیوں جیسی رسد کی رکاوٹوں نے جہازوں کی دستیابی کو مزید محدود کر دیا۔ جون کے اواخر تک خلیج عرب سے خام تیل کی برآمدات ۸ ملین بیرل یومیہ سے زائد تک بحال ہونے کے ساتھ، ٹینکرز کی نقل و حرکت میں بتدریج بہتری آئی۔ پی این ایس سی (PNSC) نے اپنے بیڑے کا بھرپور استعمال برقرار رکھا اور سازگار فریٹ مواقعوں سے فائدہ اٹھاتے ہوئے تاریخی اوسط سے کہیں زیادہ آمدنی حاصل کی۔

ٹینکر کا شعبہ

توانائی کی مستحکم عالمی تجارت اور کارگو کی بہتر دستیابی کے باعث، مالی سال 2026-27 کے لیے ٹینکر مارکیٹ کا نقطہ نظر مثبت ہے۔ بیڑے کی محدود نمو، پرانے عالمی بیڑے اور رسد کو محدود کرنے والے ماحولیاتی ضوابط کے سبب، خام تیل کے ٹینکرز کی مارکیٹ محتاط حد تک مستحکم ہے۔ ایشیا میں خام تیل کی مسلسل طلب اور طویل مسافت کی برآمدات تجارت کو سہارا دیں گی، اگرچہ فریٹ کے نرخ آبنائے ہرمز، باب المندب اور بحیرہ احمر میں جغرافیائی و سیاسی پیش رفت کے حوالے سے انتہائی حساس ہیں۔ کسی بھی نئی رکاوٹ سے جہازوں کی دستیابی محدود ہو سکتی ہے جو کہ مضبوط آمدنی کا باعث بنے گی۔

پروڈکٹ ٹینکر مارکیٹ محتاط حد تک پر امید ہے، اور خلیج عرب سے برآمدات اور ریفاٹری آپریشنز میں بہتری کے ساتھ بتدریج بحالی کی توقع ہے۔ تاہم، ریفاٹریز کی پیداوار معمول پر آنے تک، ایل آر ون (LR1) اور ایل آر ٹو (LR2) ٹینکرز کی فریٹ آمدنی خام تیل کے ٹینکرز کی سطح سے کم رہنے کا امکان ہے۔ تیل کی پیداوار میں

لاگت میں اضافے کے بغیر سپلائی چین کا تسلسل:

- متعدد بین الاقوامی حریفوں کے برعکس، پی این ایس سی نے صارفین پر فریٹ میں ہونے والے غیر متناسب اضافے کا بوجھ منتقل کیے بغیر سپلائی چین لاجسٹکس کو کامیابی سے برقرار رکھا، جس سے پاکستان کے میکرو اکنامک استحکام کو تقویت ملی۔
- کارپوریشن کی تزدیراتی حکمت عملی نے اسے فریٹ مارکیٹ کے سازگار حالات سے مستفید ہونے کے قابل بنایا، جبکہ بیک وقت اس نے توانائی کی سلامتی اور مستحکم سپلائی چین کو یقینی بنانے کے لیے پاکستان کے قومی پرچم بردار کی حیثیت سے اپنی ذمہ داریاں بطریق احسن انجام دیں۔ یہ کارکردگی عالمی غیر یقینی صورتحال کے دوران قومی معاشی استحکام میں معاونت کرنے والے ایک تزدیراتی ادارے کے طور پر پی این ایس سی (PNSC) کی اہمیت کو اجاگر کرتی ہے۔

4. مارکیٹ کا جائزہ

مستقبل کا نقطہ نظر	موجودہ جائزہ	شعبہ
2027 میں عالمی معاشی نمو بحال ہو کر 3.4 فیصد تک پہنچنے اور مہنگائی اعتدال کے ساتھ 3.9 فیصد تک آنے کی توقع ہے۔ پاکستان کی معاشی استقامت کو مستحکم کرنے اور پائیدار طویل مدتی نمو کے لیے مسلسل مالیاتی استحکام، سرکاری اداروں (SOEs) میں اصلاحات، توانائی کے شعبے میں اصلاحات اور گورننس میں بہتری انتہائی اہم ہے۔ مالی سال 2027 میں پاکستان کی جی ڈی پی (GDP) نمو 3.5 فیصد رہنے کی پیش گوئی ہے، کیونکہ ساختی اصلاحات اور میکرو اکنامک پالیسیاں معاشی استحکام اور ترقی میں مسلسل معاون ہیں۔	2026 میں عالمی معیشت کی شرح نمو 3.0 فیصد رہنے کی پیش گوئی ہے، جو 2024-25 کے مقابلے میں معمولی سست روی کی عکاس ہے۔ آئی ایم ایف کے ورلڈ اکنامک آؤٹ لک اپ ڈیٹ (جولائی 2026) کے مطابق، عالمی معیشت دو متضاد قوتوں کے زیر اثر ہے: مشرق وسطیٰ کے تنازعے کے منفی اثرات جو توانائی کی منڈیوں اور عالمی سپلائی چینز کو متاثر کر رہے ہیں، اور مصنوعی ذہانت اور ٹیکنالوجی پر مبنی سرمایہ کاری میں تیزی سے ہونے والی پیش رفت کا مثبت رجحان۔ عالمی ہیڈ لائن مہنگائی 2025 کے 4.1 فیصد سے بڑھ کر 2026 میں 4.7 فیصد ہو گئی۔ جغرافیائی و سیاسی غیر یقینی صورتحال، اجناس کی قیمتوں میں اتار چڑھاؤ اور تجارتی تقسیم کی وجہ سے خطرات بدستور منڈلارہے ہیں۔ خطوں کے لحاظ سے نمو غیر مساوی رہی۔ ترقی یافتہ معیشتوں نے 2026 میں 1.7 فیصد نمو کی، جن میں توانائی کی بلند لاگت کے باعث امریکہ 2.3 فیصد اور یورو ایریا 0.9 فیصد پر رہے۔ چین کی معیشت میں 4.6 فیصد اضافہ ہوا جبکہ بھارت 6.4 فیصد کے ساتھ تیزی سے ترقی کرنے والی بڑی معیشتوں میں سے ایک ہے۔ متعدد ایشیائی معیشتیں ٹیکنالوجی سے متعلق سرمایہ کاری سے مستفید ہو رہی ہیں، جبکہ مشرق وسطیٰ اور وسطی ایشیا کو توانائی کی پیداوار اور تجارتی راستوں میں رکاوٹوں کے باعث عارضی سست روی کا سامنا ہے۔	عالمی معاشی جائزہ

ڈائریکٹر رپورٹ

برائے سال ختم شدہ 30 جون 2026

1. کارپوریشن کا تعارف

(PNSC) پاکستان کا قومی پرچم بردار اور عالمی بحری نقل و حمل کا ایک نمایاں ادارہ ہے۔ یہ کارپوریشن 13 بحری جہازوں پر مشتمل ایک تزییری اور متنوع بیڑا چلاتی ہے، جس کی مجموعی استعداد 996,683 ڈیوٹن (DWT) ہے۔

یہ بیڑا پانچ ڈبل ہل افرامیکس (Aframax)، ایک ایم آر ٹو (MR2) اور دو ایل آر ون (LR-1) پروڈکٹ ٹینکرز پر مشتمل ہے جو پاکستان کی توانائی کی سلامتی میں معاون ہیں، اس کے ساتھ ساتھ خشک بلک اجناس کی نقل و حمل کے لیے پانچ بلکرز بھی شامل ہیں جن میں پینامیکس (Panamax)، سوپرامیکس (Supramax)، ہینڈی میکس (Handymax) اور ہینڈی سائز (Handysize) بلک کیریئرز شامل ہیں۔

بحری بیڑا	ڈیوٹن	ج تجارتی راستے
13	996,683	عالمی

2. قومی اور عالمی تجارت میں کلیدی کردار:

(PNSC) بنیادی طور پر مشرق وسطیٰ سے پیٹرولیم مصنوعات کی قابل اعتماد بحری نقل و حمل کو یقینی بنا کر، پاکستان کی توانائی کی سلامتی میں ایک تزییری کردار ادا کرتی ہے۔ یہ کارپوریشن بین الاقوامی منڈیوں میں خشک بلک اجناس کی ترسیل میں بھی سہولت فراہم کرتی ہے، جو عالمی تجارت میں معاونت اور سپلائی چین کے روابط کو مستحکم کرنے کا باعث ہے۔

متحرک عالمی شپنگ ماحول میں کام کرتے ہوئے، (PNSC) کی کارکردگی بین الاقوامی فریٹ مارکیٹس، جغرافیائی و سیاسی پیش رفت اور عالمی معاشی منظر نامے سے متاثر ہوتی ہے۔ ان چیلنجز کے باوجود، کارپوریشن اپنے اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کے ساتھ ساتھ محفوظ، موثر، قابل اعتماد اور پائیدار بحری نقل و حمل کی خدمات فراہم کرنے کے لیے پرعزم ہے۔

3. عالمی شپنگ مارکیٹ کی ڈینامکس اور (PNSC) کا اسٹریٹجک ریسپانس:

مالی سال 2025-26 کے دوران، مشرق وسطیٰ میں جغرافیائی و سیاسی تناؤ میں اضافے نے عالمی شپنگ مارکیٹوں کو نمایاں طور پر متاثر کیا اور (PNSC) کے لیے پاکستان میں سپلائی چین کے تسلسل کو برقرار رکھنے کا چیلنج پیدا کیا۔ آبنائے ہرمز، باب المندب اور بحیرہ احمر جیسی اہم گزرگاہوں سے بحری جہازوں کی نقل و حرکت اور علاقائی تجارتی بہاؤ کو متاثر کرنے والی ان رکاوٹوں کے باوجود، (PNSC) نے شاندار تزییری انتظام اور آپریشنل استقامت کا مظاہرہ کیا۔

کلیدی کامیابیاں:

سپلائی چین کے استحکام کی برقراری:

سیکیورٹی کے بڑھتے ہوئے خطرات اور طویل بحری مسافتوں کے باوجود، (PNSC) نے پاکستانی ریفائریز کو خام تیل اور ریفائنڈ پیٹرولیم مصنوعات کی بلا تعطل فراہمی کو یقینی بنایا، اور ملکی توانائی کی سلامتی کا تحفظ کیا۔

طے شدہ فریٹ ریٹ کے معاہدے:

(PNSC) نے کانٹریکٹس آف افریٹ (COAs) کے ذریعے مقامی ریفائریزوں کے ساتھ فریٹ کے طے شدہ ریٹس برقرار رکھے، جس سے لاگت کا پیشگی تعین ممکن ہوا اور پاکستان میں توانائی کی قیمتوں کے استحکام میں مدد ملی۔

Pakistan National Shipping Corporation

SUSTAINABILITY REPORT



ENVIRONMENTAL
SOCIAL
GOVERNANCE DISCLOSURES

FINANCIAL YEAR ENDED

JUNE 30, 2026

SAILING CLEAN
TO KEEP OCEANS
GREEN

Prepared with reference
to IFRS S1, IFRS S2 and
the SECP ESG
Disclosure Guidelines for
Listed Companies
(2024, updated 2025)

Contents

01

About This Report

- Messages from the Chairman
- Messages from the Chief Executive Officer
- Messages from the Chairperson SSRMC
- Report Overview from the Chief Financial Officer

02

Sustainability Report Framework

1. Integrating Sustainability into Business Resilience - Sustainability Context, Business Model & Value Chain
2. Basis of Preparation - Reporting Scope, Materiality Assessment Process & Key Judgements
3. Sustainability & Climate-Related Risks and Opportunities - SRROs & CRROs, Identification Basis & Financial Effects Assessment

03

Environment

Climate-related disclosures prepared under IFRS S2

4. Governance - Board & SSRMC oversight, Committee Structures, Information Flows & Policies
5. Strategy - Strategic Response to CRROs & SRROs, Scenario Resilience & Financial Effects
6. Risk Management - Identification, Assessment, Prioritization & Monitoring of SRROs & CRROs
7. Metrics & Targets - Scope 1 & 2 GHG emissions, CII/EEXI performance, Industry-Based Metrics & Proposed Targets

04

Social

Corporate Social Responsibility

- Education
- Health
- Community
- Workplace
- SECP ESG Social Disclosure Indicators

05

Governance

- Board & Committee Oversight
- SSRMC & Management Sub-Committee Composition
- Board-Level Climate Governance
- SECP ESG Governance Disclosure Indicators

06

Conclusion

Summary Statement and Board/Management Sign-Off

01

ABOUT THIS REPORT

How this report was prepared, and messages from PNSC's leadership.

- Message from the Chairman PNSC
- Message from the Chief Executive Officer
- Message from the Chairperson, SSRMC
- Report Overview from the Chief Financial Officer

A MESSAGE FROM THE CHAIRMAN PNSC

Dear Stakeholders,

It gives me great pleasure to present Pakistan National Shipping Corporation's (PNSC) first Sustainability Report, forming an integral part of the Annual Report for the year ended 30 June 2026. This report marks an important milestone in PNSC's journey towards strengthening sustainability, transparency, accountability and responsible corporate practices.

PNSC's achievement of this milestone is not merely a reflection of our enduring legacy as Pakistan's national flag carrier; it is also a reaffirmation of our responsibility to contribute meaningfully to the development and sustainable future of Pakistan's maritime sector. As we look ahead, remain committed to leading the transition towards a more sustainable, resilient and responsible shipping Corporation while continuing to fulfil its strategic role in supporting the country's maritime trade.

The Sustainability Report represents a significant step in this direction. It demonstrates our commitment to embedding Environmental, Social and Governance (ESG) principles into our long-term corporate strategy and decision-making processes. Our approach is straightforward: we aspire to be a responsible, forward-looking and resilient organization that recognizes the importance of climate action, social responsibility, human capital, stakeholder engagement and sound corporate governance. This report reflects the seriousness with which the Board and management regard these responsibilities and our commitment to communicating our sustainability journey transparently.



At the Board level, significant steps have been taken to institutionalize sustainability and ESG within PNSC's governance framework. The establishment of the Sustainability, Strategy and Risk Management Committee (SSRMC) provides dedicated Board-level oversight of sustainability and ESG matters. The Committee is responsible for reviewing and guiding ESG policies and strategies, monitoring regulatory and reporting developments, and considering emerging sustainability trends and stakeholder expectations that may influence PNSC's long-term performance and resilience. This governance structure represents a transition from commitment and intent towards structured oversight and accountability.

The global ESG landscape is undergoing rapid evolution. Decarbonization, energy transition, technological advancement, resource efficiency, responsible business practices and increasing stakeholder expectations are reshaping the way organizations are assessed not only on their financial performance, but also on their broader environmental and societal impact. PNSC recognizes that, this transition presents challenges, but also significant opportunities for organizations such as PNSC to innovate, improve operational efficiency, strengthen resilience and demonstrate leadership in the maritime sector.

Strategic direction of PNSC reflects this perspective, remain committed to the responsible growth and modernization of our fleet and to pursuing operational initiatives that support improved environmental performance and greater efficiency. The induction of three (03) modern vessels and our continued focus on fuel efficiency, emissions management, regulatory compliance and environmentally responsible operations are important elements of our broader sustainability journey. PNSC recognizes that, the maritime industry has an important role to play in the global transition towards lower-carbon shipping, and will continue to align its efforts with applicable international maritime requirements and evolving industry practices.

Our commitment to sustainability extends beyond environmental considerations. Corporate Social Responsibility (CSR) has been incorporated as an integral component of the Social pillar of this Sustainability Report, reflecting our belief that sustainable value creation must extend to our employees, communities and wider society. During the year, PNSC contributed approximately **Rs. 13.6 million** towards CSR initiatives covering key areas including community development, education, health and workplace related initiatives. These contributions reflect our commitment to supporting communities and promoting social well-being while remaining aligned with our broader corporate responsibilities.

We also recognize that our people are central to our sustainability journey. As a maritime organization, the health, safety, welfare, development and well-being of our employees and seafarers remain fundamental priorities. PNSC continues to strengthen its practices relating to occupational health and safety, human capital development, employee welfare, human rights and responsible workplace practices. We believe that an inclusive, safe and supportive working environment is essential to building a resilient organization capable of delivering sustainable long-term performance.

Looking ahead, PNSC intends to further strengthen its sustainability framework through the implementation of its ESG Policy (2026-2035), following its approval by the Board of Directors. The policy will provide a structured foundation for embedding ESG considerations across the Corporation and will support the development of appropriate strategies, objectives, performance indicators and measurable targets. Its implementation will enable PNSC to progressively enhance ESG integration across its operations, strengthen accountability and improve the consistency and quality of sustainability-related information and disclosures.

We are equally committed to continuously improving our sustainability reporting practices. In the years ahead, PNSC will seek to enhance the quality, completeness and comparability of its ESG disclosures in line with applicable regulatory requirements and relevant international reporting and sustainability standards. As our systems, data capabilities and internal processes mature, we intend to progressively develop more measurable sustainability targets and performance indicators that will enable stakeholders to better assess our progress.

The Board also recognizes that effective oversight of sustainability requires continuous learning and capacity building. We remain committed to strengthening the knowledge and capabilities of the Board, management and relevant personnel so that sustainability-related risks and opportunities can be identified, assessed and addressed effectively. This will further support the integration of ESG considerations into strategic planning, risk management and corporate decision-making.

This first Sustainability Report should therefore be viewed not as the culmination of our ESG journey, but as an important beginning. It provides a foundation upon which PNSC will continue to build its sustainability framework, improve its disclosures, strengthen its policies and processes, and establish measurable objectives for future progress. We acknowledge that sustainability is a continuous journey requiring commitment, collaboration, transparency and accountability.

On behalf of the Board of Directors, I would like to express my sincere appreciation to our shareholders, employees, seafarers, customers, business partners, regulators, government institutions, communities and all other stakeholders for their continued trust, confidence and support. I also commend the management and employees of PNSC for their efforts in advancing this important agenda.

I am confident that, through collective commitment and responsible leadership, PNSC will continue to strengthen its position as a resilient and responsible national maritime organization and contribute meaningfully to Pakistan's sustainable economic and maritime development.

I extend my appreciation to all those who contributed to the preparation of PNSC's first Sustainability Report. We look forward to continuing this journey together, creating long-term value for our stakeholders and contributing to a more resilient, inclusive and sustainable maritime future for Pakistan.



Sultan A. Chawla
Chairman
Board of Directors, PNSC



A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear Stakeholders,

It gives me immense pleasure to present the first Sustainability Report of Pakistan National Shipping Corporation (PNSC) for the financial year ended 30 June 2026. This report reflects our commitment to transparent reporting and highlights our performance, initiatives and progress across the key pillars of **Environmental, Social and Governance (ESG)**.

This report marks a significant milestone in PNSC's journey towards embedding sustainability into its corporate strategy and operational framework, strengthening responsible corporate governance and creating long-term value for our stakeholders while supporting the sustainable development of Pakistan's maritime sector.

As Pakistan's national flag carrier, PNSC has a vital responsibility not only to facilitate the country's maritime trade and contribute to national economic development, but also to operate in a manner that is environmentally responsible, socially inclusive and governed by the highest standards of integrity and transparency. The global maritime industry is undergoing a profound transformation, driven by increasing environmental concerns, evolving stakeholder expectations and emerging sustainability related regulatory requirements. PNSC recognizes that sustainable development is no longer a choice but a strategic imperative.

During the current reporting period, PNSC made considerable progress in strengthening its ESG framework,



initiating the development of a comprehensive "ESG Policy 2026-2035" and enhancing Board oversight of sustainability matters by reconstituting its existing Board committee and renaming it as the Sustainability, Strategy and Risk Management Committee (SSRMC).

PNSC has also commenced its alignment with the evolving sustainability disclosure requirements, as per the guidance issued by the Securities and Exchange Commission of Pakistan (SECP) and IFRS S1 and IFRS S2. As part of this alignment, this year's report also incorporates, for the first time, structured Social and Governance disclosures prepared with reference to the SECP's ESG Disclosure Guidelines for Listed Companies (2024, updated 2025), covering workforce diversity and wellbeing, occupational health and safety, community investment, board composition and effectiveness, business ethics and risk oversight. As the Guidelines remain voluntary for PNSC at this stage, disclosure has been made against available indicators, with the remaining data points to be built out in subsequent reporting cycles.

Three Perspectives

- 1. Environmental:** PNSC remains committed to minimizing the ecological footprint of its marine operations, improving fleet efficiency, enhancing environmental management practices, complying with applicable international maritime conventions and exploring opportunities for reducing greenhouse gas emissions.
- 2. Social:** PNSC continued its efforts to promote employee welfare, diversity, professional development, occupational health and safety, and the well-being of ashore staff and seafarers in line with international best practice and the Maritime Labor Convention, 2006, alongside CSR initiatives in Education, Healthcare, Community welfare and Workplace.
- 3. Governance:** Good governance continues to serve as the foundation of PNSC's sustainability journey, with robust corporate governance practices, strengthened risk management and internal controls, ethical conduct and transparency, alongside newly presented structured governance indicators aligned with the SECP's ESG Disclosure Guidelines.

PNSC continued to pursue fleet expansion by inducting three modern vessels into its existing fleet to enhance Pakistan's maritime capabilities while contributing to the country's economic resilience and foreign exchange savings. The induction of these newer, more fuel-efficient vessels is also expected to reduce carbon dioxide (CO₂) emissions through improved fuel efficiency and lower emission intensity.

This Sustainability Report represents the beginning of a long-term journey. PNSC acknowledges that there remains significant work ahead in further integrating sustainability considerations into its decision making, establishing measurable targets and enhancing sustainability-related data management and reporting mechanisms. Nevertheless, PNSC is fully committed to continuously improving ESG performance and aligning operations with internationally recognized sustainability principles and best practices.

On behalf of the management of PNSC, I would like to express my sincere gratitude to the Board of Directors, employees, customers, regulators, business partners, investors and all other stakeholders for their continued trust, support and collaboration.



Syed Jarar Haider Kazmi
Chief Executive Officer, PNSC

A MESSAGE FROM THE CHAIRPERSON SSRMC

I am delighted to present the first Sustainability Report of Pakistan National Shipping Corporation (PNSC) for the year ended 30 June 2026. This report marks a historic milestone in the Corporation's journey towards integrating sustainability principles into its strategic direction, governance framework and operational activities.

The global maritime industry is witnessing a significant transformation driven by climate-related challenges, increasing stakeholder expectations and evolving regulatory requirements concerning sustainability disclosures. PNSC recognizes its responsibility to operate in a sustainable and responsible manner while contributing towards the economic development of the country and the long-term interests of its stakeholders.

Recognizing the growing importance of sustainability and emerging regulatory requirements, the PNSC Board strengthened its oversight of sustainability matters by reconstituting its existing Board committee, broadening its mandate and renaming it as the Sustainability, Strategy and Risk Management Committee (SSRMC). During the year under review, the Committee remained actively engaged in laying the foundation for an effective sustainability governance structure within PNSC.

Key accomplishments during the year

- ◆ Finalisation and recommendation of the revised Terms of Reference (TORs) of the Committee for Board approval, broadening its mandate to incorporate sustainability oversight, strategic guidance, risk management and ESG related governance responsibilities.



- ◆ First-time guidance to management on incorporating structured Social and Governance disclosures aligned with the SECP's ESG Disclosure Guidelines, alongside the existing climate-related disclosures under IFRS S1/S2.
- ◆ An in-house Board training session conducted at PNSC Head Office by the Pakistan Institute of Corporate Governance (PICG) on 22nd April 2026, enhancing awareness of sustainability matters, emerging ESG trends and the evolving reporting landscape.
- ◆ A Committee recommendation that relevant officers of the Corporation undergo specialized ESG-related training and professional certification to strengthen institutional capability.
- ◆ Subsequent to the year end, the ESG Policy 2026-2035 prepared by Management was duly reviewed and approved by the SSRMC and Board of Directors.
- ◆ Finalization of a dedicated Management sub-Committee, led by the Chief Financial Officer, to drive implementation, monitor progress against sustainability objectives, coordinate ESG initiatives and facilitate reporting and stakeholder engagement.
- ◆ Consideration, by the Committee, of a future Chief Sustainability Officer (CSO) role to provide strategic direction over the Corporation's sustainability agenda.

While this inaugural Sustainability Report represents the beginning of PNSC's sustainability reporting journey, it also demonstrates the Corporation's commitment to continuous improvement, transparency, accountability and long-term value creation. The Committee remains committed to strengthening governance mechanisms, establishing measurable targets, enhancing data management systems and aligning PNSC's practices with applicable regulatory requirements and international best practice.

Mrs. Nadia Osman Jung

Chairperson, SSRMC

Independent Director, PNSC Board

REPORT OVERVIEW FROM THE CHIEF FINANCIAL OFFICER

This Sustainability Report represents PNSC's first reporting of climate-related disclosures prepared with partial alignment to IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB). The Report establishes an initial baseline for the Corporation's climate-related reporting and demonstrates PNSC's commitment to transparent, decision useful and internationally aligned sustainability disclosures.

In addition to its climate-related disclosures under IFRS S2, this Report also incorporates the Corporation's Corporate Social Responsibility (CSR) activities and for the first time, structured Social and Governance disclosures prepared with reference to the SECP's ESG Disclosure Guidelines for Listed Companies, together with governance disclosures aligned with IFRS S1-General Requirements for Disclosure of Sustainability related Financial Information.

How this report is structured

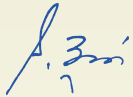
- ◆ **Environment:** PNSC's climate-related disclosures prepared under IFRS S2, covering governance, strategy, risk management and metrics & targets and environment initiatives.
- ◆ **Social:** CSR initiatives across Education, Health, Community and Workplace, together with structured Social indicators aligned with the SECP's ESG Disclosure Guidelines.
- ◆ **Governance:** PNSC's Board and committee oversight arrangements, including climate governance under IFRS S1, and structured Governance indicators aligned with the SECP's ESG Disclosure Guidelines.

As the SECP's ESG Disclosure Guidelines remain voluntary for PNSC in the current reporting period, the Social and



Governance indicators have been disclosed on a best effort basis, with certain data points identified for completion in future reporting cycles as PNSC's data collection and reporting systems mature. In preparing this Report, PNSC has applied the transition reliefs available for first-time adopters under IFRS S2 comparative information has not been presented, and Scope 3 greenhouse gas emissions have not been disclosed while methodologies, systems and data collection processes are developed.

This Report has been prepared for the financial year ended 30th June 2026. PNSC is reporting under IFRS S2 pursuant to the SECP Order dated 31 December 2024, which mandates application for periods beginning on or after 1st July 2025 as part of its commitment to enhanced transparency, sound corporate governance and internationally recognized sustainability reporting practice. This first reporting period establishes the baseline against which future climate-related performance and disclosures will be measured.



Syed Zeeshan Taqvi
Chief Financial Officer
Secretary (SSRMC)



ESG IMPACT SUMMARY 2026

Sustainable Shipping
for a Stronger Pakistan



GHG SCOPE-1
EMISSION

177,565
(TCO2E)



GHG SCOPE-2
EMISSION

1,042
(TCO2E)



ENERGY
CONSUMPTION

2,283,675
GJ



CSR
CONTRIBUTION

PKR 13.6
MILLION



TRAINING
SESSIONS

19
(TOTAL)

PEOPLE

PLANET

PROSPERITY

A lush green forest with tall trees and dense foliage. In the top left corner, there is a green triangle graphic containing the number 02.

02

SUSTAINABILITY REPORT FRAMEWORK

How this Report was scoped, assessed for materiality, and how PNSC's sustainability and climate-related risks and opportunities were identified mirroring the structure of leading sector sustainability reports.

1. Integrating Sustainability into Business Resilience
2. Basis of Preparation, including Materiality Assessment
3. Sustainability and Climate Related Risks and Opportunities

1. INTEGRATING SUSTAINABILITY INTO BUSINESS RESILIENCE

SETS OUT PNSC'S SUSTAINABILITY CONTEXT, BUSINESS MODEL, VALUE CHAIN AND STRATEGIC PRIORITIES

Pakistan National Shipping Corporation (PNSC) operates in Pakistan's maritime sector, supporting the nation's seaborne trade through the ownership and operation of a diversified fleet of liquid cargo tankers and dry bulk carriers, together with ship repair workshop services and a real estate portfolio in Karachi. The Corporation's operations are conducted within a highly regulated environment where vessel safety, environmental compliance and operational reliability are fundamental to maintaining trust and ensuring continuity of Pakistan's maritime supply chain.

As a Pakistan's National Flag Carrier, PNSC recognizes that sustainability considerations are increasingly linked to long-term resilience, cost management and responsible value creation. This Sustainability Report reflects PNSC's first year reporting under the Sustainability Disclosure Standards (IFRS S1 and IFRS S2) and the SECP's ESG Disclosure Guidelines, pursuant to the SECP Order dated 31st December 2024, (updated 2025).

1.1 Structure of This Report:

Section	Purpose and Content Overview
1. Integrating Sustainability into Business Resilience	Sets out PNSC's sustainability context, business model, value chain and overarching strategic direction in relation to sustainability and climate-related matters.
2. Basis of Preparation	Describes the basis of preparation of this Report, including reporting scope, key judgements, and partial alignment with IFRS S1, IFRS S2 and the SECP's ESG Disclosure Guidelines. Also sets out the five-step materiality assessment process that PNSC intends to undertake; a formal enterprise value focused materiality assessment consistent with IFRS S1 and IFRS S2 has not yet been completed.
3. Sustainability & Climate-Related Risks and Opportunities	Presents sustainability related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) identified through management's reasonable and supportable judgment informed by industry based guidance (SASB Marine Transportation Standard), IMO regulatory developments and PNSC's own operational data. A formal stakeholder engaged materiality assessment has not yet been completed; the topics presented reflect an interim identification basis and will be updated as the assessment process matures. Climate-related risks and opportunities (CRROs) have been assessed in full; a structured assessment of broader SRROs beyond climate has not yet been completed.
4. Governance	Describes PNSC's governance arrangements for sustainability and climate-related matters, including Board oversight through the Sustainability, Strategy and Risk Management Committee (SSRMC), committee structures, roles and responsibilities and information flows supporting oversight and decision making.

Section	Purpose and Content Overview
5. Strategy	Explains how PNSC's strategy responds to identified CRROs and to the extent identified to date, SRROs including strategic priorities, integration into business planning and qualitative scenario resilience considerations across three climate pathways. Time horizons applied (short term: 0–2 years; medium term: 2–5 years and long term: beyond 5 years) are defined in Section 5.7.
6. Risk Management	Describes how sustainability and climate-related risks and opportunities are identified, assessed, managed and integrated into PNSC's enterprise risk management framework and operational processes. As a first year reporter, PNSC has not yet formalized a documented risk scoring methodology or dedicated climate risk register; these are identified priorities for the year ahead.
7. Metrics and Targets	Discloses the sustainability and climate-related metrics used to monitor PNSC's exposure to CRROs, together with qualitative information on targets and the current status of performance measurement. Scope 1 and Scope 2 GHG emissions are disclosed; Scope 3 emissions have not been disclosed in this first reporting period, consistent with the transition relief available under IFRS S2. No formal quantitative climate target has yet been adopted; proposed future targets under the ESG Policy (2026–2035) are disclosed separately as forward looking, Board unapproved commitments.
8. Conclusion	Summarizes PNSC's overall sustainability posture and forward direction and records Board and management sign-off of this Report.

1.2 Our Value Chain:

PNSC's value chain reflects the characteristics of the maritime shipping industry, where regulatory compliance, vessel safety and operational reliability are critical at every stage. Sustainability and climate-related considerations arise across fuel and provisioning, fleet operations and cargo delivery and charter activity. PNSC's value chain broadly comprises the following stages:



Across these stages, PNSC's operations are dependent on reliable bunker fuel supply, port infrastructure, a skilled seafaring and shore workforce and access to ship finance. Certain sustainability and climate-related dependencies are particularly significant across the value chain, including:

Bunker fuel availability and price Continuity and cost of low carbon marine fuel supply as the global bunkering market transitions.	Port and regulatory infrastructure Reliable access to Karachi Port Trust and Port Qasim Authority infrastructure, and stability of IMO/EU/SECP regulatory frameworks.
Workforce capability and well-being Availability of qualified seafarers and shore staff, crew welfare under the Maritime Labor Convention, 2006 and technical/ESG skills development.	Financing and capital access Access to concessional/green ship finance.

1.3 Establishing Sustainability Priorities to Support Enterprise Value:

PNSC's sustainability priorities are informed by business relevance, stakeholder expectations, and emerging sustainability and climate-related disclosure requirements. As PNSC's materiality assessment process matures, the Corporation intends to identify a focused set of sustainability priority areas / material topics across environmental, social and governance dimensions that will form the foundation for identification and assessment of sustainability and climate-related risks and opportunities in future reporting periods.

1.4 Contribution to the Sustainable Development Goals:

PNSC recognizes the Sustainable Development Goals (SDGs) as an important framework for aligning its business activities with broader economic, social and environmental priorities. As a National Flag Carrier and an integral part of Pakistan's maritime and logistics infrastructure, PNSC's operations contribute to relevant SDGs through responsible vessel operations, protection of the marine environment, seafarer welfare, occupational health and safety, resource efficiency, climate action, responsible governance and stakeholder collaboration.

PNSC has identified SDGs as particularly relevant to its business and sustainability priorities, consistent with the International Maritime Organization's recognition of the significant contribution of international shipping to the 2030 Agenda. While these SDGs have a particularly direct relationship with maritime activities, PNSC's contribution extends across the social, environmental, economic and governance dimensions of sustainable development.

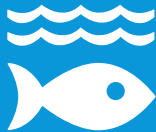
The following table presents PNSC's key areas of contribution to the relevant SDGs, the related ESG topics and activities undertaken during the reporting period, together with the principal international maritime conventions, regulatory requirements and sustainability reporting frameworks applicable to such activities.

PNSC – Alignment with Relevant UN Sustainable Development Goals

Relevant SDG	ESG Topic	PNSC compliance with the SDGs through activities undertaken	Compliance with relevant regulations / standards
3 GOOD HEALTH AND WELL-BEING 	Occupational Health, Safety and Seafarer Welfare	PNSC promotes the health, safety and well-being of its employees and seafarers through occupational health and safety practices, medical facilities / support, safety training, onboard emergency preparedness,	PNSC Code of Conduct, Maritime Labour Convention (MLC), 2006; SOLAS; STCW Convention; applicable ILO requirements; Pakistan occupational health and safety requirements; IMO safety-

Relevant SDG	ESG Topic	PNSC compliance with the SDGs through activities undertaken	Compliance with relevant regulations / standards
		safe working procedures and welfare arrangements. The Company also undertakes initiatives aimed at maintaining a safe and healthy working environment both onboard vessels and at shore-based facilities.	management requirements under ISM Code.
5 GENDER EQUALITY 	Diversity, Equal Opportunity and Non-discrimination	PNSC supports equal employment opportunities and a workplace free from discrimination and harassment. The Corporation promotes merit-based recruitment, professional development and participation of women in the workforce and management, while maintaining policies and practices supporting a respectful and inclusive workplace.	PNSC Code of Conduct, ILO principles on non-discrimination and equal opportunity; applicable Pakistan labour laws; Companies Act, 2017 and SECP corporate governance requirements; SECP ESG Disclosure Guidelines relating to diversity, gender and non-discrimination.
6 CLEAN WATER AND SANITATION 	Water Management, Wastewater and Marine Pollution Prevention	PNSC manages water consumption and wastewater generated through its shore-based operations and vessels. Shipboard sewage, oily water and other liquid wastes are managed in accordance with applicable maritime pollution-prevention requirements, with emphasis on preventing discharge of pollutants into the marine environment.	MARPOL 73/78 Annex IV (Sewage) and Annex I (Oil Pollution); applicable port and coastal state requirements; ISM Code; IMO requirements concerning shipboard pollution prevention.
7 AFFORDABLE AND CLEAN ENERGY 	Energy Efficiency and Fuel Management	PNSC seeks to improve energy efficiency through efficient vessel operations, fuel-consumption monitoring, voyage optimization, operational efficiency and implementation of energy-efficiency measures. Fleet renewal and acquisition of modern vessels also support improved energy performance and reduced emissions intensity.	MARPOL Annex VI; EEXI requirements; CII requirements; SEEMP; IMO energy-efficiency regulations and the 2023 IMO GHG Strategy.
8 DECENT WORK AND ECONOMIC GROWTH 	Employment, Seafarer Welfare, Labour Standards and Economic Contribution	As Pakistan's national shipping company, PNSC contributes to economic activity through maritime transportation and international trade while providing employment opportunities for shore-based employees and seafarers. The Company supports professional development, training, competency enhancement, employee welfare and safe and decent working conditions.	MLC, 2006; STCW Convention; SOLAS; ISM Code; PNSC Code of Conduct, applicable Pakistan labour laws; ILO maritime labour standards. IMO specifically identifies seafarer welfare, fair treatment and decent work as important contributions of shipping to SDG 8.

Relevant SDG	ESG Topic	PNSC compliance with the SDGs through activities undertaken	Compliance with relevant regulations / standards
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Fleet Modernization, Maritime Infrastructure and Innovation	PNSC supports resilient maritime infrastructure through fleet expansion and renewal, acquisition of modern vessels, enhancement of cargo carrying capacity, digitalization and technology-enabled vessel and fleet management. Investments in modern and efficient vessels contribute to a more resilient and sustainable maritime transport system.	SOLAS; MARPOL; ISM Code; IMO energy-efficiency requirements; applicable flag-state and classification requirements; Pakistan maritime regulations. IMO identifies shipping technology, resilient infrastructure and innovation as key contributions to SDG 9.
11 SUSTAINABLE CITIES AND COMMUNITIES 	Safe, Resilient Maritime Transport and Port Connectivity	PNSC contributes to resilient communities by providing reliable maritime transportation and supporting the movement of essential commodities and international trade. Safe vessel operations, maritime security, emergency preparedness and effective port connectivity support resilient supply chains and coastal communities.	SOLAS Chapter XI-2 / ISPS Code; ISM Code; applicable port-state and flag-state requirements; IMO maritime safety and security regulations.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Waste Management, Resource Efficiency and Pollution Prevention	PNSC promotes responsible consumption through fuel and resource efficiency, segregation and controlled disposal of ship-generated waste, minimization of operational waste and environmentally responsible vessel operations. Shipboard waste management and pollution-prevention practices support efficient use of resources and reduction of environmental impacts.	MARPOL Annex V – Garbage; MARPOL Annex I – Oil; MARPOL Annex VI – Air Pollution; Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships; applicable port reception facility requirements. IMO specifically links MARPOL waste requirements with SDG 12.
13 CLIMATE ACTION 	Climate Change, GHG Emissions and Energy Efficiency	PNSC addresses climate-related impacts through monitoring and management of fuel consumption and GHG emissions, energy efficiency initiatives, vessel operational optimization and compliance with IMO carbon-intensity requirements. Climate-related risks and opportunities are incorporated into the Corporation's broader risk management and sustainability framework, with governance oversight through the SSRMC.	MARPOL Annex VI; EEXI; CII; SEEMP; IMO DCS requirements; 2023 IMO Strategy on Reduction of GHG Emissions from Ships; IFRS S2 climate-related disclosures; SECP ESG Disclosure Guidelines. The 2023 IMO Strategy replaced the initial 2018 strategy and establishes the current global framework for shipping decarbonization.

Relevant SDG	ESG Topic	PNSC compliance with the SDGs through activities undertaken	Compliance with relevant regulations / standards
14 LIFE BELOW WATER 	Marine Pollution Prevention, Biodiversity and Ocean Protection	As a maritime company, PNSC's most direct SDG contribution is protection of marine ecosystems. The Company undertakes measures to prevent oil pollution, sewage discharge, garbage pollution and harmful emissions from vessels and maintains shipboard procedures for pollution prevention and emergency response. Vessel operations are conducted in accordance with applicable marine environmental requirements.	MARPOL 73/78; SOLAS; Ballast Water Management Convention (BWM); Anti-Fouling Systems (AFS) Convention; London Convention/Protocol, where applicable; Hong Kong Ship Recycling Convention; applicable flag state and port state requirements. IMO identifies SDG 14 as central to its work because international shipping operates directly within the marine environment.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Corporate Governance, Ethics, Compliance and Transparency	PNSC maintains a governance structure comprising the Board of Directors and Board committees, including the Sustainability, Strategy and Risk Management Committee (SSRMC). The Corporation promotes ethical conduct, regulatory compliance, risk management, internal controls, transparency and accountability. Sustainability related matters are incorporated into established governance and oversight mechanisms.	Companies Act, 2017; Listed Companies (Code of Corporate Governance) Regulations, 2019, as applicable; SECP ESG Disclosure Guidelines; applicable PSX requirements; ISM Code; PNSC Code of Conduct, IMO/flag-state regulatory requirements.
17 PARTNERSHIPS FOR THE GOALS 	Stakeholder Engagement, Collaboration and Capacity Building	PNSC works with regulators, government bodies, port authorities, maritime organizations, business partners, financial institutions, training institutions and other stakeholders to strengthen maritime operations and sustainability performance. Collaboration, employee training, professional development and engagement with relevant stakeholders' support knowledge sharing and capacity building.	IMO conventions and technical cooperation framework; MLC, 2006; STCW Convention; applicable Pakistan maritime regulations; SECP ESG Disclosure Guidelines; relevant contractual and stakeholder requirements. IMO itself emphasizes partnerships, capacity building and cooperation as important mechanisms for achieving SDG 17.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

PNSC has prepared this Sustainability Report with partial alignment to the IFRS Sustainability Disclosure Standards IFRS S1, General Requirements for Disclosure of Sustainability related Financial Information and IFRS S2, Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), together with reference to the SECP's ESG Disclosure Guidelines for Listed Companies (2024, updated 2025).

Under the SECP's Order dated 31 December 2024, PNSC is required to report mandatorily for annual reporting periods beginning on or after 1 July 2025. PNSC intends to progressively strengthen its systems, controls and processes for sustainability related disclosures as its reporting practice matures.

No significant transactions, events or conditions are known to have occurred between the end of the reporting period 30th June 2026 and the date of authorization of this Report that would require disclosure in accordance with the sustainability related framework.

2.2 IFRS Sustainability Adoption - Year Zero

The reporting period ended 30 June 2026 represents PNSC's first time reporting in accordance with the IFRS Sustainability Disclosure Standards. This Report establishes an initial sustainability reporting baseline ("Year Zero"). As a first-time adopter, PNSC has prioritized:

Priority	Description
01	Establishing governance and oversight arrangements for sustainability related and climate-related matters.
02	Developing structured processes to identify and assess sustainability related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs).
03	Actively strengthening the availability, consistency and reliability of sustainability and climate data to support informed decision making.

Transition reliefs applied

Transition relief
Comparative information has not been provided by PNSC, as allowed for the first-year reporting period.
Scope 3 greenhouse gas emissions have not been disclosed by PNSC, being the first year of reporting.

The transition relief permitting disclosure limited to climate-related risks and opportunities in the first annual reporting period (as per IFRS S1) has been applied for the climate-related disclosures in the Environment segment of this Report; the broader sustainability related (SECP ESG) disclosures in the Social and Governance segments are presented on a best effort, voluntary basis alongside it.

2.3 Reporting Scope and Boundary

This Sustainability Report has been prepared on a consolidated basis for the (PNSC Group) which consists of PNSC (the parent company), its 19 wholly owned subsidiaries (including 3 non-vessel operating companies and 3

dormant/non-operating subsidiaries) and an associate as a single reporting entity, consistent with the basis used for the audited consolidated financial statements for the year ended 30 June 2026. All quantitative and qualitative data presented in this Report pertains to the Group's owned and operated activities, including its shipping, ship repair workshop and real estate segments.

In identifying and assessing sustainability and climate-related risks and opportunities, PNSC has considered relevant upstream and downstream value chain exposures that could reasonably be expected to affect its enterprise value, in accordance with IFRS S1 and IFRS S2 requirements. The extent of value chain consideration varies by topic and is determined by data availability, degree of influence and relevance to financial performance, financial position or future cash flows.

2.4 Key Judgements and Estimates

Key judgements and estimates applied in preparing this Sustainability Report include:

- Determining which sustainability and climate-related risks and opportunities could reasonably be expected to affect enterprise value.
- Defining reporting boundaries and the extent of value chain coverage.
- Assessing the significance of risks and opportunities across short, medium and long-term time horizons.
- Determining the level of disaggregation and narrative detail appropriate for first time adoption disclosures.

These judgements are based on management experience, Committee input, available data and prevailing regulatory and market conditions.

2.5 Materiality Assessment

A structured materiality assessment is central to identifying the sustainability and climate-related topics that could reasonably be expected to affect PNSC's financial performance, financial position and future cash flows. PNSC has not yet completed a formal, enterprise value focused materiality assessment consistent with the requirements of IFRS S1 and IFRS S2. The Corporation intends to undertake this assessment under SSRMC oversight, following a process modelled on the five steps below:

Step	Description
Peer benchmarking	Review of sustainability disclosures of comparable regional and international shipping/maritime operators to identify commonly considered material topics.
Initial topic identification	Development of a candidate list of sustainability topics based on peer benchmarking, industry characteristics (SASB Marine Transportation guidance) and regulatory considerations relevant to PNSC's operations and value chain.
Stakeholder engagement and risk and opportunity identification	Internal stakeholder engagement to gather management perspectives on sustainability priorities; identification and assessment of SRROs/CRROs against the candidate topic list, considering financial, operational, environmental and social implications.
Prioritization and narrowing	Structured prioritization of topics based on their potential impact on PNSC's enterprise value, considering PNSC's operational footprint, stakeholder relationships and regulatory environment.

Step	Description
Review and finalization	Review of shortlisted topics by the SSRMC, and approval of PNSC's material sustainability related risks and opportunities and related disclosures. The SSRMC is intended to review the materiality assessment at least annually, or earlier upon a significant event or material change in circumstances.

2.6 Measurement Uncertainty

In this Report certain sustainability related and climate-related information disclosed is subject to inherent measurement uncertainty, arising from data limitations, estimation techniques and the evolving nature of sustainability measurement practices, particularly in the context of first-time adoption. In preparing these disclosures, PNSC has applied professional judgement to ensure that the information presented is based on reasonable and supportable inputs available at the reporting date, developed without undue cost or effort, proportionate to the Corporation's current skills, capabilities, data availability and internal resources.

2.7 Key Limitations

This Sustainability Report represents PNSC's first year of sustainability and climate-related disclosures prepared with reference to the IFRS Sustainability Disclosure Standards. At present, the systems, methodologies and internal controls required to separately identify, measure, aggregate and validate sustainability and climate-related financial impacts are still under development. Accordingly, PNSC has not disclosed quantitative information relating to the current or anticipated financial effects of certain sustainability and climate-related risks and opportunities for the reporting period, and has instead prioritized qualitative information to provide meaningful insight into risks, opportunities and management responses consistent with the disclosures.

PNSC intends to progressively strengthen its data management systems, scenario modelling capabilities, internal controls and financial impact assessment methodologies in future reporting periods, with the objective of enabling robust, reliable and decision useful quantitative disclosures in line with the requirements of applicable sustainability reporting framework.

2.8 Connected Information

PNSC presents sustainability related financial disclosures in a manner intended to enable users of general purpose financial reports to understand the connections between sustainability related risks and opportunities and the Corporation's governance, strategy, risk management, metrics and targets, as well as their relationship with PNSC's financial position, financial performance and cash flows where available.

- ◆ **Governance Disclosures** explain how the Board of Directors, supported by the SSRMC, oversees sustainability and climate-related risks and opportunities identified through the enterprise risk management framework.
- ◆ **Strategy Disclosures** describe how identified SRROs and CRROs influence PNSC's strategic priorities, capital planning considerations and operational focus areas over the short term, medium term and long term period.
- ◆ **Risk Management Disclosures** explain how SRROs and CRROs are identified, assessed, prioritized, monitored and escalated through PNSC's enterprise risk management processes, including linkages to operational controls and internal reporting.
- ◆ **Metrics and Targets Disclosures** provide quantitative and qualitative indicators supporting the monitoring of exposure to sustainability and climate-related risks and opportunities, including Scope 1/2 emissions, and governance metrics.

Where sustainability and climate-related risks and opportunities have potential financial implications (e.g., impacts on revenues, costs, capital expenditure, or asset values), these relationships are currently described qualitatively within the Strategy and Risk Management sections. As PNSC's data systems and methodologies continue to mature, the Corporation intends to progressively enhance its disclosures by quantifying the financial effects of such risks and opportunities, where practicable. PNSC has not identified material differences between the data and assumptions used in preparing its sustainability related financial disclosures and those used elsewhere in this Report.

3. SUSTAINABILITY & CLIMATE-RELATED RISKS AND OPPORTUNITIES

SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES (SRROS) AND CLIMATE-RELATED RISKS AND OPPORTUNITIES (CRROS)

3.1 Position within the Materiality Assessment Framework

In the absence of a completed, stakeholder engaged materiality assessment, the sustainability and climate-related risks and opportunities identified in this section reflect management's reasonable and supportable judgment, informed by industry based guidance (the SASB Marine Transportation Standard), IMO regulatory developments and PNSC's own operational and technical data. This basis is consistent with the proportionality, reasonable and supportable information principles applied for first time adopters will be superseded by the outcomes of the formal materiality assessment once completed.

The identification and assessment of sustainability related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) forms an integral component of PNSC's materiality assessment framework. This process is intended to identify, assess and priorities sustainability and climate-related risks and opportunities that could reasonably be expected to affect PNSC's enterprise value, including its financial position, financial performance and future cash flows.

The assessment of SRROs and CRROs is aligned with the objectives of the IFRS Sustainability Disclosure Standards and supports management's understanding of how sustainability related matters may influence PNSC's ability to create value over the short, medium and long term.

3.2 Identification of Sustainability Related and Climate-Related Topics

In developing its set of sustainability related and climate-related topics, PNSC's management has considered the industry based disclosure topics set out in the SASB Marine Transportation Standards; the industry based guidance accompanying IFRS S2 for Marine Transportation; and the sustainability disclosures and practices of shipping/maritime industry peers, together with relevant IMO, EU and SECP regulatory developments. These sources informed management's judgement but did not in isolation determine materiality.

3.3 Basis and Scope of the Assessment

The sustainability and climate-related risk and opportunity assessment was conducted at the entity level, encompassing the PNSC Group's owned operations, including its shipping, ship repair workshop and real estate segments across its Karachi based operations and ocean going fleet. Where relevant, the assessment also considered upstream and downstream value chain exposures, including dependencies on bunker fuel suppliers, port authorities and charter counterparties, to the extent such exposures could reasonably be expected to affect PNSC's enterprise value.

3.4 Business wide Identification of SRROs and CRROs

PNSC's identification process focused on risks and opportunities that could reasonably be expected to affect the Corporation's revenues, operating and administrative costs, capital expenditure requirements, asset utilization and values and regulatory and compliance obligations. Each risk and opportunity are, where information allows, considered for likelihood of occurrence, considering current conditions, observable sustainability and climate trends, regulatory developments and historical experience.

3.5 Assessment Across Time Horizons

Sustainability and climate-related risks and opportunities are assessed across the short, medium and long-term horizons defined in Section 5.7 (short term: up to 2 years; medium term: 2–5 years; long term: beyond 5 years and up to the typical 20–25-year economic life of a vessel), aligned to PNSC's dry-docking cycle and multi-year fleet expansion plan. Any references throughout this Report to short, medium or long term should be read using these time horizons, including circumstances where an underlying sustainability or climate-related condition has not yet fully materialised but may affect enterprise value in future periods.

3.6 Climate-Related Risks and Opportunities (CRROs)

During the reporting period, PNSC identified and assessed climate-related risks and opportunities associated with its key environmental exposures, drawing on the industry based disclosure topics in the SASB/IFRS Marine Transportation guidance and on PNSC's fleet, route and financial information. These CRROs reflect the Corporation's exposure to climate-related transition risks and physical risks, evolving regulatory requirements, resource constraints and stakeholder expectations and their potential effects on enterprise value.

Table - Climate-Related Risks

Material Topic	Classification	Risk	Horizon	Management Response
Climate Impact on Fleet and Fuel Costs	Transition	IMO decarbonization regulation (EEXI, CII, SEEMP III) and the 2025 IMO Net-Zero Framework	Medium Term and Long Term	Fleet renewal toward more fuel efficient, higher CII rated tonnage; ballast water management systems and fuel optimization programs already implemented across the fleet.
Climate Impact on Fleet and Fuel Costs	Transition	EU ETS (maritime, from 1 Jan 2024) and Fuel EU Maritime Regulation (from 1 Jan 2025)	Short Term and Medium Term	Monitoring of EU/EEA-linked voyage exposure; consideration within fleet deployment planning.
Climate Impact on Fleet and Fuel Costs	Transition	Volatility in bunker fuel prices and the emerging price differential for compliant low-/zero-carbon marine fuels	Short Term and Medium Term	Fuel optimization programs and satellite-routing for fuel efficient voyages; digital energy metering to monitor consumption.
Fleet Modernization and Technology	Transition	Shift toward dual fuel/eco efficient tonnage; risk of technological obsolescence of older, single fuel vessels	Medium Term and Long Term	Induction of 3 modern vessels in the current financial year as part of the ongoing fleet modernization program.
Charter and Counterparty Relationships	Transition	Charterers and state-owned counterparties increasingly favor vetted, fuel efficient, low emission tonnage	Short Term and Medium Term	Continued investment in CII / EEXI compliance and SIRE vetting readiness across the fleet.

Material Topic	Classification	Risk	Horizon	Management Response
Physical Impact on Port and Coastal Assets	Physical Acute	Increased frequency/intensity of tropical cyclones and monsoon flooding affecting Karachi Port, Port Qasim and coastal operations.	Medium Term and Long Term	Monitoring of port-authority and meteorological advisories; HSEQ/ Safety Management System protocols for weather related disruption.
Physical Impact on Port and Coastal Assets	Physical Chronic	Long-term sea level rise and coastal erosion affecting Karachi's port infrastructure and PNSC owned waterfront real estate.	Long Term	Considered qualitatively within long-term asset planning; formal physical risk quantification planned as data systems mature.
Route and Voyage Disruption	Physical Route disruption	Rerouting away from the Suez Canal / Red Sea due to regional security disruption, lengthening voyages via the Cape of Good Hope.	Short Term	Voyage planning and satellite navigation technology used to chart optimized routes and manage fuel burn.

Table - Climate-related opportunities

Material Topic	Opportunity	Horizon	Management Response
Fuel and Operational Efficiency	Fuel optimization programs, hull/propeller efficiency improvements, ballast water management systems already being implemented across the fleet.	Short Term	Lowest fuel cost and emissions intensity; strengthens CII ratings ahead of tightening IMO thresholds.
National Flag Market Position	First mover national flag advantage in securing Pakistan's energy and food security seaborne trade as global shipping decarbonizes	Medium Term and Long Term	Reinforces PNSC's fleet expansion and foreign exchange conservation strategic objective, supported by GoP policy to reduce reliance on foreign-flagged tonnage.
Access to Green/Concessional Financing	Access to concessional / green financing for eco-efficient tonnage	Medium Term	PNSC intends to engage with domestic and international bank and development finance institutions offering green financing facilities for eco-efficient tonnage as fleet modernisation progress and climate related reporting matures.

3.7 Sustainability Related Risks and Opportunities (SRROs)

PNSC has not yet completed a full identification and assessment of sustainability related risks and opportunities (SRROs) across its other material ESG topics (for example, workforce human rights and labor practices, business ethics and corporate governance, supply chain management and transparency and reporting) in the structured format applied to CRROs above. Consistent with the phased approach, PNSC intends to extend its structured risk and opportunity assessment process to these topics as its materiality assessment is completed.

3.8 Assessment of Financial Effects

For each identified SRRO and CRRO, PNSC intends to assess qualitative and, as data systems mature, quantitative financial effects to determine potential impacts on components of enterprise value, including revenues and market access, operating expenditure, capital expenditure, working capital requirements, asset values and impairment risk, regulatory or legal liabilities and cost of capital and access to finance. PNSC has not yet developed a quantitative financial impact banding methodology (e.g. Low / Medium / High bands) for this reporting period, and financial effects are instead described qualitatively within the strategy and metrics and targets in this Report.

ENVIRONMENT

PNSC's climate-related disclosures, prepared under IFRS S2 Sections 4 to 7 of the sustainability reporting framework.

- 4. Governance
- 5. Strategy
- 6. Risk Management
- 7. Metrics & Targets, including Scope 1 & 2 Emissions

PNSC's environmental initiatives undertaken during the current fiscal year are discussed in the final part of this section.

CLIMATE-RELATED DISCLOSURES PREPARED UNDER IFRS S2

Environmental sustainability is vital for the well-being of our planet and the prosperity of future generations. PNSC actively supports environmental sustainability through a range of initiatives focused on reducing its ecological footprint and is committed to integrating environmentally responsible practices across its maritime operations.

In line with the SECP's ESG Disclosure Guidelines for Listed Companies, 2024 (updated 2025) and PNSC's first year reporting under IFRS S1 and IFRS S2, PNSC has applied the transition reliefs available for first time adopters under IFRS S2 comparative information has not been presented for the reporting period, and Scope 3 greenhouse gas emissions have not been disclosed while the Corporation develops the necessary methodologies, systems and data collection processes.

A Brief Overview of IFRS S2 Requirements

IFRS S2, Climate-related Disclosures, issued by the ISSB, requires an entity to disclose information about climate-related risks and opportunities across five areas:

- ◆ Governance arrangements for climate-related matters
- ◆ Climate-related risks and opportunities
- ◆ Strategy and resilience of business operations
- ◆ Climate-related metrics and targets
- ◆ Greenhouse Gas (GHG) emissions - Scope 1 (direct) and Scope 2 (indirect, purchased energy)

Basis of Preparation & Transition Relief

This is the PNSC Group's first year of reporting under the IFRS Sustainability Disclosure Standards, applied pursuant to the SECP Order dated 31 December 2024 (issued under section 237/238 of the Companies Act, 2017), mandating phased application of IFRS S1/S2 to first-tier listed companies for periods beginning on or after 1 July 2025. Under the transition relief available, PNSC has elected in this first period to disclose only climate-related risks and opportunities (per IFRS S2), applying IFRS S1 solely insofar as it relates to that disclosure; comparative information has not been presented.

These climate-related financial disclosures are at Group level, which consists of PNSC, its all wholly owned subsidiary companies and an associate company for the audited consolidated financial statements for the year ended 30 June 2026.

Sources of Guidance Considered

- ◆ IFRS S1 General Requirements and IFRS S2 Climate-related Disclosures, issued by the ISSB
- ◆ Industry-based guidance on implementing IFRS S2 for Marine Transportation (derived from SASB Transportation-sector standards)
- ◆ ICAP's Guidance for Sustainability Reporting in Pakistan - IFRS S1 & S2 Disclosure Checklist
- ◆ The GHG Protocol Corporate Accounting and Reporting Standard (2004) and Corporate Value Chain (Scope 3) Standard (2011)
- ◆ IMO instruments: MARPOL Annex VI, the 2023 IMO GHG Strategy, EEXI, CII and SEEMP, and the 2025 IMO Net-Zero Framework

Local Laws and Regulations Considered

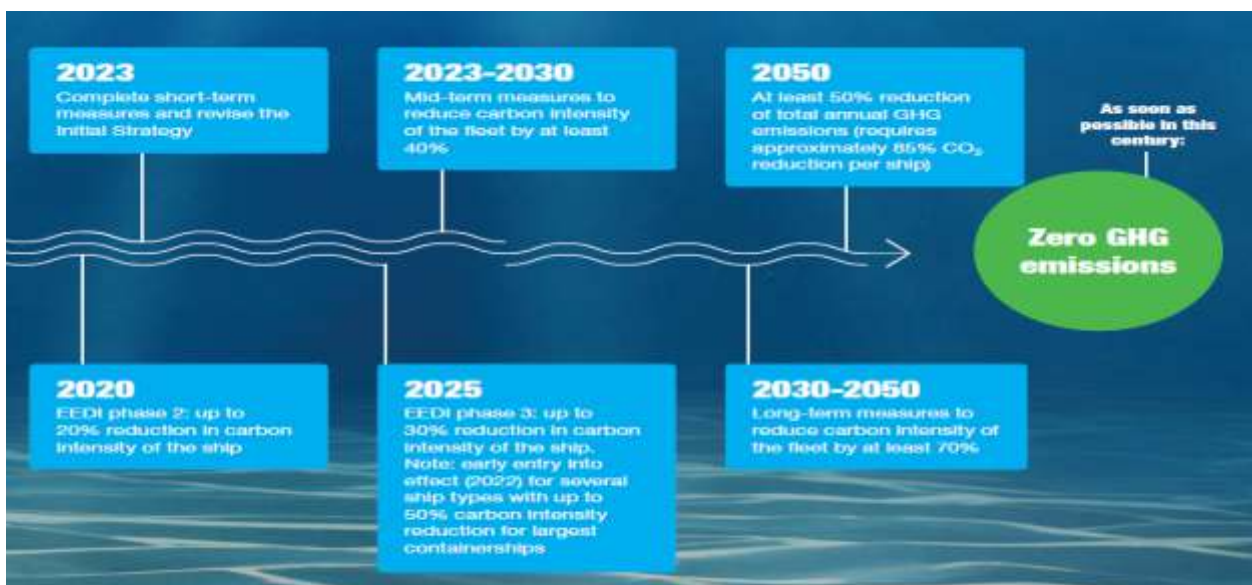
- ◆ SECP Order dated 31 December 2024 (phased IFRS S1/S2 roll out), issued under section 237/238 of the Companies Act, 2017
- ◆ Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019
- ◆ Pakistan National Shipping Corporation Ordinance, 1979
- ◆ State-Owned Enterprises (Governance and Operations) Act, 2023 and the Central Monitoring Unit (CMU) board evaluation guidelines, 2024
- ◆ SECP ESG Disclosure Guidelines, 2024 and the SECP "ESG Sustain" platform
- ◆ Pakistan's Nationally Determined Contributions (2021) under the Paris Agreement and the National Climate Change Policy, 2021 (2023 update)
- ◆ EU Emissions Trading System (maritime, from 1 Jan 2024) and Fuel EU Maritime Regulation (from 1 Jan 2025)

Compliance with IMO Regulations on GHG Emissions

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 CO₂ 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.



Environmental Management Plan alignment with ISO 14001 standards

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.

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.

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



4. GOVERNANCE

PNSC'S GOVERNANCE ARRANGEMENTS FOR SUSTAINABILITY AND CLIMATE-RELATED MATTERS

4.1 Overall Governance Structure

PNSC's governance framework is designed to provide effective oversight of strategy, performance, risk management, and sustainability and climate-related matters that could reasonably be expected to affect enterprise value. The Board of Directors is the highest governance body and is supported by Board committees and management level structures.

Oversight of sustainability and climate-related risks and opportunities (SRROs and CRROs) is exercised through the Sustainability, Strategy and Risk Management Committee (SSRMC), a Board level committee reconstituted and renamed to provide focused oversight of these matters across the Corporation and its value chain, consistent with Regulation 10 (A) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Table - Governance Bodies and Mandates

Governance Body	Primary Mandate	Relevance to Sustainability and Climate
Board of Directors	Overall oversight of strategy, performance, risk management, and governance.	Overall oversight of strategy, performance, risk management, and governance.
Sustainability, Strategy and Risk Management Committee	Sustainability and risk management.	Oversees sustainability risks relevant to financial reporting and disclosures Oversees social matters, workforce risks, DEI, and ethical culture Oversees ESG strategy, SRROs, CRROs, disclosures, and stakeholder engagement.
PNSC Management Sub-Committee	Execution and implementation.	Identifies, manages, and reports SRROs and CRROs.

4.2 Board of Directors' Oversight

For information regarding the Board of Directors' oversight, please refer to the Governance section of this Report.

4.3 Board Skills and Competencies

The Board of Directors of PNSC periodically assesses whether it possesses the appropriate skills, experience and competencies required to effectively oversee sustainability related and climate-related risks and opportunities relevant to the Corporation's business and operating environment.

For information regarding the Board Skills and Competencies, please refer to the Governance section of this Report.

4.4 Role of Board Committees

For information regarding the Role of Board Committees, please refer to the Governance section of this Report.

SSRMC Structure

Refer to the Governance section of this Report for the SSRMC's full membership and meeting record.

Table - Roles and Responsibilities of the SSRMC

Area	SSRMC Role
Strategy	Oversee ESG strategy and roadmap, ensuring that sustainability considerations including environmental compliance obligations and climate-related risks and opportunities are integrated into corporate strategy, business planning and capital allocation decisions.
Risk and opportunity	Review material sustainability related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs), including evaluation of trade-offs between environmental impacts, regulatory compliance requirements, operational feasibility and business growth objectives when making strategic and investment related decisions.
Climate	Review and guide initiatives related to fuel efficiency, energy management, water and ballast management, waste management and emissions reduction, ensuring alignment with applicable environmental laws, regulatory approvals and evolving climate expectations.
Disclosure	Oversee the quality, completeness and consistency of sustainability related disclosures, including transparency regarding key decisions where trade-offs between sustainability risks and opportunities have been considered.
Stakeholders	Monitor ESG related stakeholder engagement, including consideration of Government of Pakistan, minority shareholder, employee, seafarer, regulator and coastal community perspectives when assessing sustainability related trade-offs and decision outcomes.
Capacity building	Support the development of ESG governance frameworks, data systems, internal controls and organizational awareness to strengthen PNSC's ability to identify, evaluate and manage sustainability related trade-offs over time.

Management supports the SSRMC through regular reporting, analysis and operational inputs. While the SSRMC retains overall oversight responsibility, management is responsible for implementing approved initiatives and integrating climate-related considerations into day to day operations. Management currently relies on existing internal controls, policies and procedures embedded within core functions such as Ship Management, Procurement, Finance and Legal & Compliance to support oversight of climate-related risks and opportunities. These controls are integrated within routine planning, budgeting, capital expenditure approval, compliance monitoring and performance review processes, enabling climate-related matters to be identified, managed and escalated through established governance channels.

This governance structure reflects PNSC's current stage of sustainability maturity and provides a foundation for progressive enhancement of management level oversight, data governance and sustainability and climate-related decision making in future reporting periods.

4.5 Information Flow and Oversight

Sustainability related risks and opportunities are communicated to the Board through PNSC's enterprise risk management framework, periodic management reporting, and Board committee reviews, particularly via the Audit Committee and the SSRMC.

Historically, climate-related matters were communicated through the different functions of the Corporation. Following the reconstitution of the existing Board committee as the SSRMC, responsibility for the structured reporting of climate-related risks and opportunities to the Board has been formally assigned to the Committee, including oversight of key areas such as greenhouse gas emissions, fuel consumption, climate-related risks and opportunities, and related metrics, targets and disclosures.

Table - Information Flow for Sustainability and Climate Matters

Level	Information Provided	Frequency
Business Operations (Shore and Afloat)	SRROs, CRROs, performance data	Ongoing
Management (ESG/Sustainability function)	Consolidated risk and performance updates	Quarterly
Independent Board Committee (SSRMC)	ESG and climate oversight reports	Quarterly (per SSRMC mandate)
The PNSC Board	Strategic risks, disclosures, decisions	Aligned with Board meetings

4.6 For Information Regarding Integration with Risk Management and Decision Making, Sustainability Related Policies and Codes, Targets, Monitoring and Incentives, Internal Controls and Assurance And Governance Maturity and Continuous Improvement, please refer to the Governance Section of this report.

5. STRATEGY

PNSC'S STRATEGY FOR MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

5.1 Strategic Approach to Sustainability and Climate-Related Matters

PNSC's strategy is designed to protect and enhance enterprise value by considering sustainability and climate-related risks and opportunities that could reasonably be expected to affect its financial performance, financial position and future prospects. These considerations are intended to be embedded within the Corporation's core strategic and operational decision-making processes, rather than being addressed through standalone sustainability initiatives.

SRROs and CRROs identified through management's reasonable judgement, as described in Section 3, and as PNSC's governance framework matures are intended to be incorporated into enterprise risk management and governance frameworks. This ensures that sustainability and climate considerations are evaluated alongside broader business, regulatory and financial priorities.

Governance oversight is exercised at both Board and management levels, with coordination led by the SSRMC to support consistency, accountability and strategic alignment across relevant functions. This integrated approach is intended to enable informed decision making and prudent risk management, even in areas where quantitative climate scenario analysis has not yet been applied.

5.2 Strategic Objectives and Focus Areas

Based on the risk and opportunity assessment described in Section 3, PNSC's strategy focuses on the following interrelated areas:

Fleet Modernization and Operational Resilience

Disciplined management of fuel, ballast water, and dry-docking cycles supports operational continuity, regulatory compliance, and cost efficiency, while mitigating exposure to physical and transition risks.

Bunker Supply and Charter-Readiness

Given PNSC's reliance on bunker fuel suppliers, port infrastructure, and charter counterparties, strategic emphasis is placed on supplier oversight, vetting/SIRE readiness, and contingency planning to strengthen resilience against supply disruption and evolving regulatory expectations.

People, Ethics and Seafarer Welfare

Strategic focus on workforce practices, business ethics, seafarer welfare, and occupational health and safety reinforces long-term reputation, strengthens stakeholder trust, and ensures alignment with evolving regulatory and societal expectations.

Governance, Transparency and ESG Integration

PNSC's governance framework, anchored in Board oversight and the SSRMC, supports the structured integration of sustainability and climate-related matters into strategy, reporting, and decision-making processes.

5.3 Integration of SRROs and CRROs into Strategic Decision Making

Identified SRROs and CRROs are intended to inform strategic considerations across planning, operations and governance. Sustainability related matters are incorporated into enterprise risk management discussions, reviewed by management and escalated to the Board through established governance channels described in Section 4. Operational and environmental information, assessed through existing management processes, further informs sustainability and climate-related oversight, which is intended to be progressively strengthened through the SSRMC.

Strategic trade-offs are evaluated by balancing near term financial and operational priorities such as the capital cost of fleet renewal with longer term resilience, compliance and efficiency outcomes, thereby seeking alignment between sustainability considerations and PNSC's overall business objectives.

5.3.1 Integration of Sustainability and Climate Considerations into Financial Planning

Historically, PNSC has not explicitly classified climate-related risks and opportunities as a distinct category within its financial planning framework. Nevertheless, environmental, operational and ethical considerations have consistently been embedded within budgeting, capital allocation, and investment decision making processes most visibly in the evaluation of new build and second hand vessel acquisitions against CII/EEXI compliance criteria.

During the reporting period, PNSC initiated actions to more formally integrate climate-related considerations into financial planning, including incorporating climate-related factors into capital expenditure prioritization, particularly in relation to fuel efficient tonnage, ballast water management and fuel optimization initiatives. Scenario based assessments are also intended to be progressively introduced to evaluate the potential financial implications of sustainability and climate-related disruptions, thereby strengthening long-term financial resilience.

5.4 Sustainability and Climate-Related Strategic Resilience

PNSC's business model and operational activities inherently incorporate sustainability and climate-related considerations across bunker fuel and provisioning, fleet operations and cargo delivery and charter activity. These practices provide day to day resilience against sustainability and climate-related disruptions; however, PNSC acknowledges the need to formalize them within a structured climate resilience framework.

For the reporting year, PNSC applied qualitative, scenario-based strategic considerations to assess the resilience of its strategy under a range of plausible sustainability and climate-related pathways. These considerations are informed by identified SRROs and CRROs, operational information, and governance oversight mechanisms.

These scenarios do not represent forecasts or quantified financial projections. Instead, they serve as analytical lenses to evaluate how PNSC's existing strategy, controls, and governance arrangements may perform under differing external conditions. Looking ahead, PNSC intends to develop a dedicated framework that defines how climate considerations are integrated into strategy, identifies relevant resilience metrics, and supports ongoing monitoring of the business model's adaptability to sustainability- and climate-related changes and uncertainties.

5.4.1 Scenario Selection

PNSC selected three climate scenarios to represent contrasting yet plausible climate futures, providing a decision useful range of outcomes for resilience assessment. The scenarios were chosen to capture a wide spectrum of potential pathways, ensuring that resilience considerations reflect diverse external conditions:

Scenario Pathway	Strategic Context	Primary Areas of Influence
Orderly transition	Gradual and coordinated evolution of IMO/EU climate-related regulation (EEXI, CII, the IMO Net-Zero Framework), market expectations, and alternative-fuel technology adoption.	Bunker fuel costs and price volatility; compliance readiness; operational efficiency and CII performance.
Physical risk escalation	Increasing frequency and severity of acute physical climate impacts, including cyclones, monsoon flooding, and heat stress affecting Karachi Port and Port Qasim operations.	Port accessibility and voyage disruption; workshop and real-estate resilience; logistics and supply chain reliability.
Delayed / disorderly transition	Abrupt or uncoordinated regulatory and market responses following a period of limited climate action, resulting in steeper compliance tightening.	Bunker fuel cost volatility; governance responsiveness; flexibility in capital allocation and operational planning.

The use of different pathways enables PNSC to assess resilience under both favorable and adverse climate futures. PNSC's fleet operations are highly dependent on stable bunker fuel supply and reliable port infrastructure, particularly at Karachi Port Trust and Port Qasim Authority, which face persistent exposure to monsoon-related flooding and cyclone risk in the Arabian Sea. The selected scenarios therefore provide a relevant framework for assessing potential impacts arising from energy/fuel transition, physical climate stress on port infrastructure and evolving regulatory and stakeholder expectations within Pakistan's operating environment.

5.4.2 Orderly Transition Pathway

Under an orderly transition pathway, PNSC's strategy demonstrates resilience through its emphasis on fleet modernization, governance oversight and compliance readiness. The ongoing fleet renewal program three vessels inducted and two older vessels disposed of during FY2025-26 together with fuel optimization programs and satellite routing for fuel efficient voyages, helps moderate exposure to gradually tightening IMO carbon intensity requirements and bunker price volatility.

Strategic implications include:

- ◆ Greater predictability of fuel and compliance related operating costs.
- ◆ Enhanced readiness for evolving IMO/EU disclosure and regulatory requirements.
- ◆ Reinforcement of long-term operational performance without disruptive change to the fleet renewal program already under way.

5.4.3 Physical Risk Escalation Pathway

The physical risk escalation pathway assumes increasing frequency and severity of climate impacts, including cyclones, monsoon flooding, and heat stress affecting Karachi Port Trust, Port Qasim Authority, and PNSC's real estate and workshop assets. Under this pathway, PNSC's resilience is supported by HSEQ-led awareness and control mechanisms, monitoring of port authority and meteorological advisories and the Safety Management

System's emergency preparedness protocols. Voyage and route disruption risk (e.g., rerouting away from the Suez Canal/Red Sea) becomes more pronounced under this scenario, as does the resilience of the Karachi workshop and real estate portfolio.

Strategic implications include:

- ◆ Heightened importance of operational continuity and business continuity planning for Karachi based shore assets.
- ◆ Increased reliance on port authority coordination and insurance coverage for weather related disruption.
- ◆ Greater focus on voyage planning resilience and fleet routing flexibility.

5.4.4 Delayed or Disorderly Transition Pathway

The delayed or disorderly transition pathway reflects a scenario in which regulatory or market responses to climate change occur abruptly following a period of limited action for example, a later than expected but steeper tightening of the IMO Net-Zero Framework's pricing mechanism. In such circumstances, PNSC's strategy benefits from governance led decision making and the flexibility embedded within capital and operational planning processes, including the phase gated approach to alternative fuel and technology commitments described in Section 7.1.4.

Strategic implications include:

- ◆ Short-term volatility in bunker fuel costs and compliance requirements.
- ◆ Increased reliance on SSRMC and Board governance structures for rapid decision making.
- ◆ Greater importance of flexibility in capital allocation and dry-docking/retrofit planning.

5.4.5 Cross-Scenario Strategic Strength

Across all three pathways, PNSC's strategy demonstrates a consistent emphasis on governance, operational discipline, and adaptability rather than reliance on scenario-specific commitments. Key strengths observed across scenarios include:

- ◆ Integration of SRROs and CRROs into enterprise risk management (see Section 6).
- ◆ Board oversight supported by the SSRMC.
- ◆ Operational practices - fuel optimization, ballast water management, voyage routing that enhance resilience to both physical and transition risks.
- ◆ Use of existing technical and commercial data (IMO DCS, classification-society survey data) to inform strategic judgement.

This cross-scenario perspective indicates that PNSC's strategy is structured to remain reasonably robust under a range of plausible external conditions. As governance, data quality, and analytical capabilities continue to evolve, these scenario-based considerations provide a foundation for progressively strengthening strategic integration over time.

5.4.6 Scope and Methodology

The climate scenario assessment covers PNSC's owned and operated fleet, ship repair workshop, real estate portfolio and key value chain exposures (bunker fuel suppliers, port authorities and charter counterparties). The assessment considered both physical climate risks (acute and chronic) and transition risks previously identified through PNSC's risk and opportunity identification process described in Section 3 together with relevant opportunities.

Each identified climate-related risk and opportunity was assessed under the three selected scenarios across the short, medium and long-term time horizons defined in Section 3.5. The assessment considered scenario specific drivers and assumptions, potential strategic impacts, qualitative financial implications, the level of organizational preparedness and adaptability and the severity of stress under each scenario. The scenario analysis does not assume material changes to PNSC's business model instead, it evaluates the resilience of the Corporation's current operating structure and planned fleet renewal activities under alternative climate pathways.

PNSC intends to review and update its climate scenario analysis periodically and at least annually, to reflect developments in climate science, regulatory frameworks (particularly the finalization of the IMO Net-Zero Framework at MEPC 85), market conditions, data availability and changes in the Corporation's operating environment. The scope assumptions and scenarios applied will be reassessed over time to ensure continued relevance and decision usefulness, with enhancements incorporated as PNSC's climate data systems and analytical capabilities mature.

5.4.7 Key Judgements and Estimations

In preparing the climate-related scenario analysis and associated disclosures, management applied significant judgement in several areas:

- ◆ The selection of climate scenarios most relevant to PNSC's operating context, international shipping regulation, Pakistan's coastal exposure and fleet composition.
- ◆ The determination of appropriate time horizons for assessing climate-related impacts (see Section 3.5).
- ◆ The identification of climate-related risks and opportunities reasonably expected to affect PNSC's strategy and financial performance (see Section 3.6).
- ◆ The severity of risks under each scenario, particularly where qualitative or quantitative financial impacts could not be reliably quantified due to limitations in data availability and uncertainty regarding future IMO policy, alternative fuel technology development and freight market response.

Management also assessed the extent to which current mitigation and adaptation measures fleet renewal, ballast water systems, fuel optimization programs contribute to organizational resilience, considering PNSC's degree of control over external factors such as national port infrastructure, bunker fuel availability and Karachi Port Trust (KPT) / Port Qasim Authority (PQA) coordination.

The scenario analysis was based on a number of core assumptions include continuation of PNSC's existing fleet composition and route network, baseline demand for Pakistan's seaborne energy and food security trade aligned with historical trends, continuation of the current fleet modernization program and an energy / fuel system primarily reliant on conventional bunker fuel with gradual evaluation of alternative fuel readiness. The analysis further assumes ongoing physical stress conditions in Karachi and surrounding coastal regions, rising stakeholder expectations for climate transparency and disclosure and no major relocation of PNSC's Karachi based shore facilities during the assessment period.

The scenario analysis does not assume radical changes to PNSC's business model. Instead, it evaluates the resilience of the Corporation's current and planned operating structure under alternative climate pathways, enabling assessment of potential vulnerabilities and adaptive capacity under differing future climate conditions.

5.5 Sustainability Strategy (Other Than Climate)

PNSC's sustainability strategy is centered on managing sustainability-related risks and opportunities identified to date through management's reasonable judgement, consistent with the interim identification basis described in Section 3.

5.5.1 Supply Chain and Operational Resilience

The strategy emphasizes strengthening supply-chain resilience by addressing key risks such as bunker fuel

supplier dependency, documentation gaps for spares/provisions, and geopolitical disruption to trade routes. Strategic actions include supplier diversification, enhancing traceability, and fostering coordination between Procurement, Ship Management, and Finance functions, together aiming to safeguard business continuity and revenue stability.

5.5.2 Transparency and Reporting

PNSC's transparency and reporting strategy is grounded in producing high-quality, comprehensive disclosures that align with recognized reporting practices and stakeholder expectations, reflected in this Report's alignment with IFRS S1/S2, the SECP's ESG Disclosure Guidelines, and the SASB Marine Transportation Standard. PNSC emphasizes robust governance, clear communication of performance and material topics and ongoing enhancement of reporting processes to support accountability and stakeholder confidence.

5.5.3 Workforce, Ethics, and Governance

PNSC's strategy mitigates workforce and governance related SRROs by embedding ethical conduct, fair labour practices and strong internal controls across operations. Leadership and oversight are reinforced through the SSRMC, ensuring accountability and leadership alignment. These measures reduce legal, reputational and operational risks while fostering employee and seafarer engagement, organizational resilience and long-term effectiveness.

5.5.4 Diverse Workforce

PNSC's approach to diversity, equity and inclusion is centered on fostering an inclusive workplace culture where diverse perspectives are valued, equitable opportunities are provided and employees and seafarers can thrive irrespective of background, subject to national laws and the availability of trained female seafarers. This is supported by the Gender Diversity Action Plan targeting 20% women in shore-based roles by 2030 described in the Social segment of this Report.

5.6 Climate Strategy

PNSC's climate strategy is based on the climate-related risks and opportunities outlined in Section 3, particularly those associated with fuel use, water and ballast management, waste management, physical climate hazards, and transition-related regulatory and cost pressures.

As PNSC has not yet conducted quantitative climate scenario analysis (see Section 5.4.7), the climate strategy reflects a qualitative, preparatory approach centered on resilience, operational efficiency and governance readiness.

5.6.1 Fuel and Emissions

PNSC's strategic priorities include improving fuel efficiency, strengthening monitoring of fuel consumption and CII performance and progressively evaluating alternative fuel opportunities where operationally and financially feasible. Current initiatives fuel optimization programs, satellite routing and digital energy metering provide a foundation for managing fuel cost exposure and transition related risks.

5.6.2 Water and Ballast Management

PNSC addresses water related risks by maintaining compliant Ballast Water Management Systems across the fleet and at shore facilities by improving water use efficiency and strengthening contingency planning for supply disruption. These measures enhance operational resilience and support ongoing regulatory compliance.

5.6.3 Waste and Environmental Management

PNSC's strategic priorities for waste management include compliance with MARPOL Annex V garbage management requirements across the fleet, minimizing waste generation at shore facilities, strengthening

segregation and disposal practices and engaging licensed disposal vendors. These measures help manage costs while reducing environmental risks and supporting compliance with sustainability commitments.

5.7 Time Horizons Considered in Strategy

PNSC's sustainability and climate strategy considers short term, medium term and long term time horizons consistent with those applied in the identification and assessment of SRROs and CRROs (see Section 3.5).

Horizon	Strategic Focus
Short Term (0–2 years)	Strengthening governance structures, improving data availability, reinforcing policies and controls and addressing immediate operational risks.
Medium Term (3–5 years)	Progressive integration of sustainability and climate considerations into business planning, capital allocation decisions and operational efficiency initiatives.
Long Term (more than 5 years)	Enhancing organizational resilience to evolving sustainability and climate trends, regulatory developments and market expectations as capabilities mature.

5.8 Financial Effects of Sustainability and Climate-related Risks and Opportunities

During the reporting period, climate-related matters affected the Group's financial position, performance and cash flows principally through:

- (i) the induction of 3 new vessels;
- (ii) bunker fuel costs, a significant component of direct operating expenses exposed to global oil price and bunker fuel mix volatility; and
- (iii) capital expenditure incurred/committed on newer tonnage as part of the fleet modernization program (Rs. 66,183 million in FY2026 vessel additions, per Note 7 to the consolidated financial statements).

These are recognized operating and capital transactions at actual transaction cost; they do not represent a remeasurement of the carrying amount of existing assets. Management has concluded, consistent with the accounting judgments disclosed in Note 4.1 to the FY2025-26 consolidated financial statements that climate-related matters do not currently give rise to a significant risk of material adjustment to the carrying amounts of the Group's assets including its vessel fleet within the next annual reporting period.

5.8.1 Anticipated Short Term, Medium Term and Long Term Financial Effects

Horizon	Anticipated Financial Effect
Short Term (0–2 years)	Continued bunker fuel cost exposure and dry-docking/retrofit expenditure; limited additional impact expected beyond ordinary course fleet maintenance. The three modern vessels inducted during FY2025-26 are fully acquired and their improved fuel efficiency is expected to progressively reduce fleet-average carbon intensity and operating costs over this horizon.
Medium Term (3–5 years)	Potential increase in operating costs as IMO Net-Zero Framework pricing and any EU ETS/Fuel EU Maritime exposure take effect; offset in part by improved fuel efficiency from the modernized fleet.
Long Term (more than 5 years)	Financial effects will depend on the pace and design of IMO decarbonization regulation and the cost trajectory of alternative marine fuels, neither of which can be reliably estimated at this time.

5.8.2 Risks of Material Adjustment to Assets and Liabilities

Based on the climate-related risk and opportunity assessment conducted during the reporting period, PNSC has not identified sustainability- or climate-related factors that are considered highly probable to result in material adjustments to the carrying amounts of assets or liabilities within the next reporting period. Asset categories considered most sensitive to sustainability and climate-related risks are the vessel fleet (Note 7) and the Karachi based real estate portfolio (Note 10).

5.8.3 Investment Plans and Sources of Funding

PNSC's fleet modernisation strategy is supported by internally generated cash flows. The three vessels inducted during FY2025-26, two Aframax crude oil tankers (M.T. Lahore and M.T. Karachi) and one MR-II clean product tanker (M.T. Quetta) have been fully acquired and inducted into the national fleet. The financial obligations associated with these acquisitions have been settled and are reflected in the consolidated financial statements for the year ended 30 June 2026.

Looking ahead, PNSC intends to continue its fleet modernisation and expansion programme through internally generated cash flows. As the fleet transitions toward more fuel-efficient and lower-emission tonnage, the Corporation also intends to explore access to green and concessional financing facilities offered by domestic and international banks and development finance institutions, consistent with the climate-related opportunity identified in Section 5.3 of this Report.

5.8.4 Expected Changes in Financial Performance and Cash Flows

In the short term, PNSC anticipates continued exposure to bunker fuel price volatility and selective capital expenditure on dry-docking and retrofit programs. In the medium term, efficiency improvements from the modernized fleet are expected to moderate fuel-cost pressure and support margin stability. In the long term, sustained focus on fleet efficiency and climate resilience is expected to contribute to more stable and predictable financial performance, though this cannot be quantified at the current stage of PNSC's climate-related reporting maturity.

5.8.5 Effects on Business Model and Value Chain

PNSC's business model comprises four principal segments: liquid cargo (crude oil and petroleum products carried by its Aframax and LR class tanker fleet), dry bulk cargo, ship repair and marine workshop services in Karachi, and real estate. Climate-related risks and opportunities are concentrated in the liquid and dry cargo shipping segments, and specifically in:

- (i) the owned and chartered vessel fleet, most directly exposed to IMO/EU decarbonization regulation and physical/route risk;
- (ii) the Karachi ship repair workshop and coastal real estate portfolio, exposed to acute and chronic physical risk; and
- (iii) the value chain of bunker fuel suppliers, ports (Karachi Port Trust, Port Qasim Authority), and charterers / cargo owners, through which transition risk and opportunity are transmitted to PNSC.

6. RISK MANAGEMENT

PROCESSES TO IDENTIFY, ASSESS, PRIORITISE AND MONITOR CLIMATE-RELATED RISKS

PNSC manages climate-related risks and opportunities (CRROs) and sustainability related risks and opportunities (SRROs) to the extent identified to date through its existing enterprise risk management (ERM) framework and supporting operational control systems. As noted in Section 3.7, a full structured identification and assessment of SRROs beyond climate has not yet been completed; the processes described in this section apply primarily to CRROs, with broader SRRO integration intended as the materiality assessment matures. Climate and sustainability considerations are evaluated within the Corporation's broader risk universe and are assessed, monitored and escalated through established governance channels, including management reviews and Board level oversight via the SSRMC.

PNSC's risk management approach is designed to support disciplined identification, assessment, and prioritization of risks that could reasonably be expected to affect enterprise value over the short, medium and long term. It also seeks to ensure consistent implementation of mitigation actions through accountable ownership and ongoing monitoring, thereby reinforcing resilience in the Corporation's financial position, performance and cash flows.

6.1 Policies and Processes Used to Identify, Assess, Monitor, And Manage CRROs and to the Extent Identified SRROs

PNSC's risk management approach establishes a structured approach for managing risks across the organization, including:

Step	Description
01	Risk identification at functional and site level (Fleet / Marine Operations, HSEQ, Finance, Procurement, Legal & Compliance, shore facilities).
02	Risk assessment using defined likelihood and impact considerations and assignment of risk ratings.
03	Risk response planning, including mitigation actions and assignment of accountable owners.
04	Ongoing monitoring and reporting, including periodic review and escalation through management and governance forums.

6.1.1 Inputs and Parameters Used (Including Scenario Analysis, Where Applicable)

Inputs used in PNSC's risk assessment and monitoring process include:

- ◆ Technical / classification society survey and dry-docking data, and IMO Data Collection System (DCS) fuel consumption and CII rating data gathered annually for each applicable vessel under MARPOL Annex VI Ch.4 Reg. 22A.
- ◆ Charter-party and vetting / SIRE inspection feedback, and commercial/operational considerations reflected in functional risk registers (e.g., supply chain continuity, regulatory readiness and port accessibility).
- ◆ Port authority and meteorological advisories for Karachi Port and Port Qasim and monitoring of IMO, EU and SECP regulatory developments.
- ◆ Governance inputs through periodic SSRMC and Board Audit Committee reviews and escalation mechanisms.

PNSC has not evidenced the use of quantitative scenario modelling within its ERM framework for CRROs. Where qualitative scenario-based considerations are applied (see Section 5.4), these are used primarily as analytical lenses for resilience rather than as quantified parameters within ERM processes. This approach reflects management's current emphasis on qualitative evaluation and governance oversight, while highlighting the potential for future integration of quantitative modelling to strengthen risk assessment and alignment with financial position, performance, and cash flow considerations.

6.1.2 PNSC Assesses the Nature, Likelihood and Magnitude of Effects

As at the date of this Report, PNSC has not yet formalized a documented risk scoring methodology specific to climate-related risk. Climate-related risks are currently assessed on a qualitative, case by case basis alongside other operational and strategic risks, without a standardized likelihood × impact matrix distinguishing inherent risk (before mitigation) from residual risk (after considering existing controls/mitigations) specific to climate. Formalizing a documented risk scoring matrix applied consistently across operational, financial, strategic and climate risk categories rather than as a separate climate-specific scale has been identified as a priority for the year ahead.

6.1.3 PNSC Prioritizes Climate-Related and to the Extent Identified, Sustainability Related Risks

Prioritization is intended to be performed through the ERM process using relative risk ratings and management judgement to focus attention on risks with higher potential implications for operational continuity, compliance, cost stability and enterprise value. As the formal materiality assessment is completed and broader SRROs are identified, these will be incorporated into the same prioritization framework. Risks requiring escalation, enhanced monitoring, or structured action planning are intended to be prioritized through management reviews and governance oversight via the SSRMC.

6.1.4 PNSC Monitors SRROs/CRROs

As at the date of this Report, PNSC has not yet formalized a defined monitoring cadence or dedicated risk register tool specific to climate-related risk. Climate-related risks are currently monitored through the ordinary course of technical and HSEQ oversight dry-docking planning, IMO DCS data collection and vetting/SIRE inspection cycles and reported to the SSRMC in line with its quarterly meeting cadence, rather than through a standing, documented monitoring process. Monitoring of broader SRROs will be incorporated as the structured identification and assessment process described in Section 3.7 is completed. Establishing a defined review cadence for the enterprise risk register (including climate-related entries) has been identified as a priority for the year ahead.

6.1.5 Changes in Processes

This is the first-year climate-related risk has been identified as a discrete category within PNSC's risk management process; accordingly, no comparative information on process changes is presented. The reconstitution of the SSRMC represents a governance strengthening measure intended to enhance coordination and oversight of ESG related matters, including the identification of CRROs and progressively broader SRROs as the materiality assessment matures. This addition reinforces governance integration within the broader risk universe and supports Board-level oversight. Beyond this enhancement, no further process changes such as adjustments to methodology, thresholds, or formal integration mechanisms have been evidenced in the documentation available at the date of this Report.

6.2 Integration of SRRO/CRRO Risk Management into the Overall ERM Framework

PNSC's risk management processes for CRROs and SRROs to the extent identified to date are not separate, standalone systems; rather, they are implemented through the Corporation's existing ERM architecture and functional risk management practices. This supports integration into:

- ◆ Broader operational and compliance controls (Safety Management System under the ISM Code, HSEQ standard operating procedures);
- ◆ Management review and escalation pathways (management SSRMC Board); and
- ◆ Governance oversight structures, including Board oversight and SSRMC coordination.

CRROs identified at function and fleet/shore level are intended to be periodically consolidated through PNSC's ERM reporting cycle. SRROs beyond climate will be incorporated into the same consolidation process once the formal materiality assessment described in Section 2.5 is completed. Risks assessed as significant, once a formal impact / likelihood threshold methodology is established (see Section 6.1.2), would be escalated to the enterprise-level risk register and reported to the SSRMC as part of regular governance reporting.

6.3 Linkage to Governance, Strategy and Metrics & Targets

This Risk Management section is designed to be directly linkable to:

Section	Linkage
Governance (Section 4)	Oversight through the Board with SSRMC coordination.
Strategy (Section 5)	Strategic responses are informed by the prioritized CRROs and mitigation actions, once tracked through a formal ERM process. Broader SRRO integration into strategic decision-making is intended to follow completion of the materiality assessment.
Metrics and Targets (Section 7)	Monitoring of relevant indicators (e.g., operational fuel / emissions metrics) supports risk monitoring and management decision making, where metrics are used as management information

7. METRICS AND TARGETS

PNSC'S PERFORMANCE AGAINST CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PROGRESS TOWARD TARGETS

PNSC manages CRROs and SRROs to the extent identified to date through its enterprise risk management framework and supporting operational control systems (see Section 6). As noted in Section 3.7, a full structured identification and assessment of SRROs beyond climate has not yet been completed; the metrics in this section therefore relate primarily to climate-related matters, with broader sustainability metrics disclosed under Sections 7.2 and 7.3 on a best effort basis. Climate and sustainability considerations are evaluated within the Corporation's broader risk universe and are assessed, monitored and escalated through established governance channels, including management reviews and Board level oversight principally via the SSRMC.

PNSC intends to use sustainability and climate-related metrics to provide decision useful information regarding exposure to CRROs and progressively to SRROs as identification and assessment matures, to support governance oversight and to strengthen the integration of sustainability considerations into strategic and operational decision making. The metrics disclosed in this section reflect information currently monitored across PNSC's operations and governance processes and are intended to provide transparency regarding matters relevant to enterprise value.

PNSC is not currently subject to any regulatory requirement mandating formal sustainability or climate-related targets for this reporting period. Detailed target characteristics defined metrics, organizational and operational scope, base year and time horizons are under development and will be disclosed in future reporting periods as part of PNSC's continued advancement towards more comprehensive and decision useful sustainability reporting.

7.1 Climate-Related Metrics

7.1.1 Greenhouse Gas Emissions - Cross-Industry Metric

The figures below are Group totals, aggregating PNSC (the Corporation) and all 19 wholly owned subsidiaries as a single consolidated accounting group. PNSC vessels above 5,000 GT already collect annual fuel consumption data under the IMO Data Collection System (IMO DCS / MARPOL Annex VI Ch.4 Reg. 22A) to compute each vessel's Annual Efficiency Ratio and CII rating; this is the primary data source for the Scope 1 figure below. Scope 2 (purchased electricity for onshore offices, the PNSC workshop and real estate portfolio) is sourced from K-Electric / utility invoices.

177,576
TCO₂E - SCOPE 1 EMISSIONS

1,042
TCO₂E - SCOPE 2 EMISSIONS

In accordance with the transition relief in paragraph C4(b) of IFRS S2, the Corporation has elected not to disclose its Scope 3 greenhouse gas emissions in this first annual reporting period. PNSC intends to disclose Scope 3 emissions, focusing initially on categories relevant to its bunker fuel supply chain and chartered-out tonnage, from the year ending 30th June 2027 onward.

7.1.2 Other Cross Industry Metrics

Section	Linkage
Amount and % of assets / business activities vulnerable to climate-related transition risk	Rs. 19,575 million / 23% of fleet carrying value
Amount and % of assets / business activities vulnerable to climate-related physical risk	Rs. 7,628.5 million / 7.58% of Non-Current Assets
Amount and % of assets / business activities aligned with climate-related opportunities	Rs. 66,183 million / 77% of total fleet carrying value
Capital deployment directed to climate-related risks and opportunities	Not separately classified in the current reporting period; fleet capital expenditure of Rs. 66,183 million disclosed in Section 5.8 includes climate-related considerations see Section 5.8.3.
Internal carbon price - whether/how used, and price per tCO ₂ e	Not currently applied, under evaluation
Whether / how climate considerations are factored into executive remuneration	Not currently applied, under evaluation
% of current period executive remuneration linked to climate considerations	Nil

7.1.3 Industry-Based Metrics - Marine Transportation

Drawn from the SASB/IFRS Marine Transportation industry-based guidance referenced by IFRS S2 - the metrics most commonly used by international shipping peers for this disclosure topic:

Reference	Metric	Unit
TR-MT-110a.1	Gross global Scope 1 GHG emissions	177,576 tCO ₂ e
TR-MT-110a.2	Discussion of long/short-term strategy to manage Scope 1 emissions, targets and performance	PNSC manages Scope 1 emissions in the short term (2026–2030) through operational efficiency measures across the existing fleet voyage optimization and weather routing, speed and trim optimization, hull and propeller bio-fouling management, and digital fuel consumption monitoring together with fleet modernization, evidenced by the induction of three second hand tankers during FY2025-26. All applicable vessels are tracked against IMO's CII and EEXI requirements under MARPOL Annex VI using IMO DCS fuel consumption data. In the medium to long term (2030 onward), the strategy shifts toward LNG capable /

Reference	Metric	Unit
		dual fuel newbuild induction and hull air lubrication systems, moving toward methanol and ammonia ready tonnage by 2035–2040, with new vessel orders from 2027 assessed for alternative fuel readiness at defined phase gates (2027, 2033, 2040) rather than committed prematurely. PNSC has not, as at the date of this Report, adopted a Board approved quantitative Scope 1 target; subsequent to the year end, the ESG Policy 2026-2035 was duly approved by the Board of Directors, proposes a 40% carbon intensity reduction by 2030 and 70% by 2040 (against a 2008 baseline), aligned to the IMO's 2023 GHG Strategy, with net-zero by or around 2050. Group Scope 1 emissions for FY2025-26, PNSC's first verified baseline year, totaled 177,576 tCO₂e on a tank to wake basis; as this is the baseline year, no prior year performance trend is presented
TR-MT-110a.3	Total energy consumed; % heavy fuel oil; % renewable/alternative fuel	2283674.77 GJ, 100 % (HFO/MDO)
-	Average EEXI attained across the fleet vs. required	4.09 gCO ₂ /t·nm
-	Fleet CII ratings distribution (A/B/C/D/E)	A 0 %, B 0%, C 30%, D 20% & E 50%
TR-MT-120a.1	Air emissions: NO _x (excl. N ₂ O), SO _x , particulate matter (PM ₁₀)	- PNSC vessels are fitted with Tier-II main engines – Nox. - PNSC supplies 12 out of 13 vessels with VLSFO with (0.5% Sulphur CAP) in line with industry practice and HSFO to 01 vessel with scrubber for SO_x emission control. ULSFO (MGO) is supplied as and when required for SECA regions defined by IMO.
TR-MT-000.A–D	Fleet size; distance travelled; deadweight tonnage capacity	Current FY 2025-2026 Information: Fleet Size: Total 13 (8 Tankers & 5 Bulkers) Distance Travelled: Tankers travelled in Gulf Region & Australia and Bulkers travelled in South East Asia Region. Deadweight Tonnage: Total 996,682 M.T (Tankers: 741,505 M.1T & Bulkers: 255,177 M.T)
TR-MT-540a.1	Number of marine casualties, % classified as very serious	1

Reference	Metric	Unit
TR-MT-540a.2	Number of Port State Control (PSC) deficiencies / detentions	FY2025-26 data is mentioned as follows: No of (PSC) deficiencies: 114 No of (PSC) detentions: 5
TR-MT-530a.1	Calls at ports in the 20 lowest ranked countries on the Corruption Perceptions Index	There were no calls during the FY2025-26 by all vessels under the PNSC managed fleet.
-	Energy Efficiency Operational Indicator (fleet average carbon intensity)	6.28 gCO2/t-nm

7.1.4 Climate-Related Targets

PNSC has not, as at the date of these disclosures, set a quantitative greenhouse gas emissions target or other formal climate-related target. The Corporation's fleet modernization program is expected to improve the fleet's average energy efficiency and CII rating over the medium term, and management, under SSRMC oversight, is evaluating the adoption of a formal, Board approved climate-related target informed by IMO's 2030/2040 GHG intensity checkpoints and 2050 net-zero ambition for adoption in a future reporting period. The only target PNSC is currently required to meet by law or regulation is compliance with the mandatory IMO EEXI and CII requirements applicable to its ocean going fleet under MARPOL Annex VI.

Future Climate-Related Targets - ESG Policy (2026–2035)

FORWARD-LOOKING

PNSC Management has prepared a Board-level ESG Policy (2026–2035), which was subsequently approved, would formally adopt the quantitative targets and roadmap below. These are proposed forward commitments only not yet approved by the Board and not a measure of FY2025-26 performance.

FUTURE COMMITMENT - PROPOSED DECARBONISATION TARGETS

(Per PNSC's ESG Policy (2026–2035), subsequent to the year end was duly reviewed and approved by the SSRMC and Board of Directors.

- ◆ Carbon-intensity reduction: at least 40% by 2030 and at least 70% by 2040, both against a 2008 baseline, aligned to the IMO's 2023 GHG Strategy checkpoints, with net-zero fleet GHG emissions by or around 2050.
- ◆ Fleet-average Carbon Intensity Indicator (CII) rating of C or better, with zero vessels rated E; any vessel rated D for three consecutive years or E in any year to trigger a mandatory corrective action plan under SEEMP Part III.
- ◆ All applicable vessels to maintain verified EEXI compliance as a design-efficiency baseline.
- ◆ 100% of new vessel orders from 2027 onward to be assessed for LNG-capable, methanol-ready or ammonia-ready specification, with fuel and technology commitments reviewed at defined phase gates (2027, 2033, 2040) rather than locked in prematurely.
- ◆ A verified fleet GHG emissions baseline targeted for completion by end 2026, using IMO DCS data and fleet-wide CII methodology.

Proposed fleet decarbonization roadmap (subject to Board approval):

Horizon	Proposed Key Actions
2026–2030 (Short Term)	EEXI compliance upgrades; voyage optimization and weather routing; low Sulphur and blended biofuel trials; LED retrofits, VFDs, shaft generators; MRV/DCS/CII optimization; verified emissions baseline (2026).
2030–2035 (Medium Term)	LNG capable and dual fuel newbuild induction; pre-swirl ducts and propeller boss cap fins; hull air lubrication systems; shore to ship green energy integration where port infrastructure allows; low-carbon fuel infrastructure readiness assessment.
2035+ (Long Term)	Methanol ready and ammonia ready vessels; consolidated Green Fleet Roadmap; carbon neutral shipping corridor participation; carbon capture technology evaluation; hydrogen ready vessel technology review.

7.1.5 Carbon Intensity Indicator and Energy Efficiency Existing Ship Index

PNSC has implemented the Carbon Intensity Indicator (CII), Energy Efficiency Existing Ship Index (EEXI) and Ship Energy Efficiency Management Plan (SEEMP) across its fleet, in line with the IMO's GHG reduction strategy. Vessels operate on cleaner fuels with strict port discharge protocols and fuel efficiency is further supported through satellite-based route optimization and digital energy metering.

7.1.6 Environmental Initiatives

PNSC's environmental initiatives are discussed at the end of this section of the Report.

7.1.7 Performance Monitoring Status

PNSC's disclosed climate-related metrics provide a foundation for understanding exposure to CRROs and for strengthening performance monitoring over time. At present:

- ◆ PNSC monitors operational metrics relevant to climate-related exposure, including fuel/energy consumption, greenhouse gas emissions, and CII/EEXI performance.
- ◆ Oversight of these metrics is supported through management review processes and governance structures, including the SSRMC.
- ◆ PNSC continues to evaluate the appropriateness of formalizing targets, baseline definitions, and monitoring methodologies in a phased and proportionate manner.
- ◆ As the formal SRRO identification and assessment process matures, PNSC intends to extend performance monitoring to cover broader sustainability topics beyond climate.

7.2 NON-CLIMATE SUSTAINABILITY METRICS

PNSC monitors selected non-climate sustainability indicators to support procurement oversight, transparency, business ethics and operational efficiency. These indicators are presented on a best-effort basis, consistent with Section 3.7 acknowledgement that a full structured SRRO identification and assessment beyond climate has not yet been completed.

As with the climate-related metrics in Section 7.1, these indicators are intended to be progressively formalized as PNSC's data systems and materiality assessment mature; the tables below are structured to be completed by the responsible function once FY2025-26 data is available.

7.2.1 Supply Chain Management

PNSC intends to monitor selected supply chain indicators to support procurement oversight, supplier

compliance, and risk management, consistent with the Supplier ESG Compliance Framework proposed under PNSC's ESG Policy (see the Governance chapter of this Report). As at the date of this Report, quantitative supply chain metrics for FY2025-26 are not yet available, as the systems and processes required to capture, consolidate and validate supplier-related data in a reportable format are still being established. This is consistent with the first-year reporting limitations acknowledged in Section 2.7. PNSC has identified supply chain data collection as a priority for the year ahead and intends to disclose these metrics in full in the FY2026-27 Sustainability Report.

Table - Supply Chain Metrics

Supply chain metric	Unit	Frequency
Total number of active suppliers/vendors	Number	224
Number of Strategic segment suppliers (bunker suppliers)	Number	10
% of Strategic segment suppliers audited during the year	%	100%
Number of suppliers' subject to Corrective Action Plans	Number	Not available - FY2025-26 baseline data is being established.

7.2.2 Transparency and Reporting

PNSC's transparency and reporting strategy is grounded in producing high quality, comprehensive disclosures that align with recognized reporting practices and stakeholder expectations (see Section 5.5.2). PNSC positions transparent governance and stakeholder engagement as core to its sustainability framework.

Table - Transparency & Reporting Indicators

Indicator	Status
Sustainability related policies documented and approved	Sustainability Policy has been prepared and SSRMC has submitted to the Board for Approval.
Defined reporting governance structure	Yes - SSRMC
Stakeholder engagement mechanism in place	Stakeholder engagement mechanisms are in place, including regular meetings and consultations, feedback and grievance channels, customer and employee engagement, regulatory communication and stakeholder feedback reviews.
Identification of key stakeholder groups	Yes
Internal data owners assigned for disclosures	At PNSC internal data owners are assigned for key disclosures, with defined responsibilities for data collection, validation, review and timely submission to ensure accuracy and accountability.
Frequency of stakeholder engagement activities	Regularly throughout the year, with frequency based on stakeholder needs and the nature of engagement.
Sustainability disclosures included in annual report	Yes - this Report

7.2.3 Business Ethics & Corporate Governance

PNSC monitors ethics and governance through employee coverage under the Code of Conduct, training, whistleblowing mechanisms, and governance oversight (see Section 4.7 and the SECP Governance disclosures in the Governance chapter of this Report).

Table - Business Ethics & Corporate Governance

Metric	Unit	FY2025-26
Employees covered under Code of Conduct	%	100%
Total monetary losses from legal proceedings - false marketing claims	Rs.	Nil
Total monetary losses from legal proceedings - corruption and bribery	Rs.	Nil
Independent directors on the Board	Number	5
Total number of confirmed incidents of corruption	Number	0

7.2.4 Operational Efficiency

PNSC monitors a range of operational efficiency metrics to support oversight of sustainability related risks and opportunities across its fleet and shore operations. These metrics are embedded within existing governance, compliance, and operational monitoring processes and are used to inform management review and decision making.

Table - Operational efficiency metrics

Metric	Unit	FY2025-26
Fuel consumption per nautical mile (fleet average)	MT/nm	0.205
Fleet average CII rating	A-E	For the rating information para no 7.1.4 may be referred
Vessel utilization / off hire rate (268 Days / 4103)	%	6.53
Average dry-docking turnaround time (149 Days / 3 Vessels)	Days	50

7.3 MONITORING OF SOCIAL AND WORKFORCE RESPONSIBILITY METRICS

PNSC monitors a range of social and workforce related metrics to support oversight of sustainability considerations across its operations and value chain. These metrics are presented on a best effort basis, consistent with Section 3.7 acknowledgement that a full structured SRRO identification and assessment beyond climate has not yet been completed. They are embedded within existing governance, compliance, and operational monitoring processes and are used to inform management review and decision-making.

7.3.1 Human Rights & Labour Practices

PNSC is committed to upholding internationally recognized human rights and fair labour practices across its operations, supported by formal policies on ethical conduct, non-discrimination, health and safety and employee wellbeing and for seafarers the Maritime Labour Convention, 2006 (see Section 4.7 and the Social chapter of this Report).

Table - Human Rights and Labour Practices

Metric	Unit	FY2025-26
Total number of incidents of discrimination	Number	0
Number of work-related injuries (shore and fleet)	Number	1

7.3.2 Diversity, Equity and Inclusion (DEI)

PNSC's approach to DEI is described in Section 5.5.4 of this Report and in the Social chapter's SECP Social disclosures, including the proposed Gender Diversity Action Plan targeting 20% women in shore-based roles by 2030.

Table - DEI Metrics

Metric	Unit	FY2025-26
Total employees (shore based)	Number	297
Percentage of female employees (shore based)	%	3%

7.3.3 Seafarer Occupational Health and Safety Monitoring

As a maritime operator, PNSC recognizes that seafarer health, fatigue, and occupational safety are material to its social risk profile and long-term operational resilience. PNSC monitors occupational health and safety related indicators to better understand its exposure to operational and reputational risk and to identify opportunities to strengthen crew welfare and safety practices, consistent with the Maritime Labour Convention, 2006 and the STCW Convention.

Table - Seafarer Health and Safety Monitoring Indicators

PNSC has approved a Health and Safety Policy to ensure the effective implementation of its Safety Management System (SMS) in compliance with the requirements of the International Safety Management (ISM) Code and the International Convention for the Safety of Life at Sea (SOLAS).

Indicator	Status
Policy addressing seafarer fatigue and rest hour management (STCW/MLC)	Minimum Rest: - 10 hours in 24 hours period and 77 hours in 7 days period. - Rest hours may be divided into no more than 2 periods, one of which shall be at least 6 hours. - Interval between consecutive rest periods shall not exceed 14 hours.
24/7 shore based medical advisory (telemedicine) support for vessels at sea	PNSC's Safety Management System (SMS) addresses the provision of medical advisory support to vessels at sea. Medical-related provisions within the SMS are aligned with applicable World Health Organization (WHO) recommendations and flag State regulations.
Confidential counselling / mental health support access for seafarers	PNSC's Safety Management System (SMS) addresses the provision of confidential counselling and mental health support to seafarers, recognizing the importance of their psychological well-being and access to appropriate support while at sea.

ENVIRONMENTAL INITIATIVES OF PNSC

WORLD ENVIRONMENT DAY

5 JUNE 2026

*Together for a healthier planet,
a resilient future.*



REDUCING
EMISSIONS



PROTECTING
MARINE LIFE



RESPONSIBLE
RESOURCE USE



BUILDING
SUSTAINABLE
COMMUNITIES



SUSTAINABLE
SHIPPING

INTERNATIONAL MANGROVE DAY (26TH-JULY-2026)

A day dedicated to action, impact, and hope for our coastal ecosystems

PNSC in collaboration with Mangrove Crew on World Mangrove Day 2026 Plantation Drive. A student led movement to root the future, rise as a community and revive our coastlines brought together volunteers to plant mangroves, strengthen our coastline and take another meaningful step towards a more sustainable future. Every sapling planted today is an investment in climate resilience, biodiversity and the generations to come.

A heartfelt thanks to Mangrove Crew and everyone for collaborating with PNSC in making a difference because commitment to environmental sustainability and coastal conservation helped make this initiative a meaningful success. Together, PNSC taking collective action to restore Pakistan's mangrove ecosystems and inspire a greener future.



TREE PLANTATION DRIVE (14TH-AUGUST-2025)

On the occasion of Pakistan's **78th Independence Day**, a flag hoisting and tree planting ceremony was organized at PNSC, in which the Chairman PNSC addressed the employees, a cake was also cut during the ceremony on this occasion and at the end of the ceremony, sweets were distributed among the participants.

Demonstrating its commitment to a safe and healthy environment PNSC organized a tree plantation drive at its Head Office. The PNSC CEO planted a sapling in the premises of the building, to mark the celebration of Pakistan's Independence Day. 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.



AN AWARENESS SEMINAR ON MARINE POLLUTION

The Directorate General Ports & Shipping Wing Karachi, in line with the vision of Ministry of Maritime Affairs has organized a seminar on “The Role of Maritime Stakeholders In Preventing Marine Pollution In Pakistan” on 06th November 2025 at KPT Staff College to highlight the challenge of marine pollution.

The seminar was a part of the Maritime Week activities envisaged by the Federal Minister for Maritime Affairs. Speakers from Pakistan National Shipping Corporation (PNSC), Karachi Port Trust, Port (KPT) Qasim Authority (PQA), Sindh Solid Waste Management Board and S-III Project (Karachi Water & Sewerage Corporation) participated in seminar. Esteemed academicians and researchers from Karachi University and Bahria University Karachi also shared insights on marine pollution, challenges and way forward.

The seminar highlighted the environmental impact of pollution on port activities, shipping operations and on Pakistan’s coastal ecosystem. The speakers from both federal and provincial governments and academia focused on joint collaborated efforts for improve waste management practices, and ensure scientific monitoring and strengthening inter-departmental cooperation to mitigate the effects of Marine Pollution.

The seminar reinforced the commitment of all marine stakeholders to work collectively for sustainable and pollution free seas. The Director General Ports & Shipping Wing Karachi, reaffirmed its dedication for supporting national and international efforts for ocean conservation and maritime sustainability.



NEW INDUCTION IN PNSC MANGED FLEET ADVANCING MARITIME SOVEREIGNTY TOGETHER!

Pakistan advances its maritime sovereignty by strengthening the national fleet, as during the year, PNSC acquired upon induction into the national fleet.

- ◆ A modern crude oil tanker M.T. NAFSIKA, which was renamed as “M.T. Lahore” was built in 2022, has a deadweight tonnage (DWT) of 112,051 Metric tons.
- ◆ A modern Aframax crude oil tanker M.T. LORAX, which was renamed as “M.T. Karachi” was built in 2022, has a deadweight tonnage (DWT) of 109,990 Metric tons.
- ◆ A modern MR-II clean product tanker MT. STAVANGER POSEIDON, which was renamed as “M.T. Quetta” was built in 2020, deadweight tonnage (DWT) of 49,999 Metric tons.

Syed Jarar Haider Kazmi, Chief Executive Officer of PNSC, expressed his satisfaction on the acquisition of these vessels, stating that their induction marks a significant milestone in PNSC’s fleet modernization strategy and reinforces its commitment to operational excellence, energy efficiency and environmental sustainability.

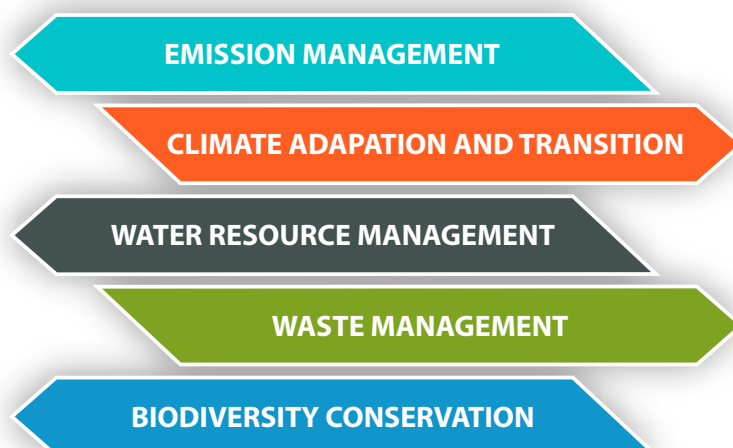
These modern, high performance vessels are compliant with applicable IMO regulations on GHG emissions and energy efficiency and are expected to improve fuel efficiency, reduce emissions and support PNSC in achieving its future sustainability and emissions reduction targets. The inductions further strengthen PNSC’s position as a responsible, environmentally conscious and globally compliant shipping company, while enhancing its capacity to meet Pakistan’s growing energy transportation requirements.



PNSC’S ENVIRONMENTAL MANAGEMENT APPROACH

PNSC is committed to conducting its operations responsibly by minimizing environmental impacts, enhancing operational efficiency and supporting the transition towards sustainable shipping. The Corporation’s environmental management approach focuses on reducing emissions, conserving natural resources, preventing marine pollution and complying with applicable national and international environmental regulations.

PNSC Sustainability Aspects includes:



Emission Management

PNSC continuously works to improve the environmental performance of its fleet through fuel-efficient operations, voyage optimization, regular maintenance and the induction of modern vessels with improved energy efficiency. The Corporation monitors fuel consumption and greenhouse gas (GHG) emissions and is progressively strengthening its climate-related disclosures in line with the SECP ESG Guidelines, IFRS S2 and applicable IMO environmental regulations.

Climate Adaptation and Transition

PNSC recognizes the risks and opportunities arising from climate change and is integrating climate considerations into its operational planning and long-term business strategy. The Corporation is enhancing resilience through efficient fleet management, weather-informed voyage planning and investment in modern vessels that support the transition towards a lower-carbon maritime sector while complying with evolving international environmental standards.

Water Resource Management

PNSC promotes the responsible use of water across its vessels and shore-based facilities by encouraging efficient water consumption and regular monitoring of usage. Shipboard operations comply with international requirements for the treatment and discharge of ballast water and sewage to prevent marine pollution and protect the quality of ocean ecosystems.

Waste Management

The Corporation follows established procedures for the segregation, handling, storage, recycling, and environmentally responsible disposal of operational waste generated onboard vessels and at office locations. Waste management practices are implemented in accordance with MARPOL requirements to minimize pollution and reduce the environmental footprint of operations.

Biodiversity Conservation

PNSC is committed to protecting marine biodiversity by preventing pollution and ensuring environmentally responsible vessel operations. Compliance with international conventions governing ballast water management, oil pollution prevention, and waste disposal helps safeguard sensitive marine ecosystems. The Corporation also promotes environmental awareness among its employees and seafarers to support the conservation of marine resources.



04

SOCIAL

Structured Social disclosures and Corporate Social Responsibility.

- FY2025-26 CSR spend by area
- Education, Health, Community initiatives & Workplace
- SECP ESG Social disclosure indicators

SOCIAL

SOCIAL SUSTAINABILITY

1. Our People and Human Capital

At PNSC, our people are central to the safe, reliable and sustainable delivery of our maritime operations. We are committed to maintaining a skilled, engaged and responsible workforce across our shore-based operations and seafaring community. Our approach focuses on employee development, fair employment practices, health and safety, wellbeing, inclusion and creating a workplace culture built on integrity, respect and accountability.

2. Seafarer Welfare and Maritime Labour Standards

As a national maritime organization, PNSC recognizes the critical role of seafarers in sustaining its operations. We are committed to providing seafarers with safe and dignified working conditions, appropriate accommodation and welfare arrangements, access to healthcare, fair employment practices and effective communication channels. Our maritime labour practices are aligned with applicable national requirements and relevant international maritime labour standards.

3. Health, Safety and Wellbeing

Health and safety remain fundamental to PNSC's operational performance and social responsibility. We seek to identify and manage workplace and operational hazards through appropriate policies, procedures, training, emergency preparedness and preventive measures. Particular emphasis is placed on protecting seafarers and employees from occupational risks while promoting physical and mental wellbeing across our workforce.

4. Learning and Development

PNSC recognizes continuous learning as an important enabler of operational excellence and long-term human capital development. We support employees and seafarers through relevant technical, professional, safety and competency-based training. Our learning and development approach aims to strengthen capabilities, support career progression, enhance leadership capacity and ensure that our workforce remains prepared for evolving requirements in the maritime sector.

5. Diversity, Equity and Inclusion

PNSC is committed to fostering a workplace where individuals are treated fairly, respectfully and with dignity. We seek to promote equal opportunity in employment and career development and to maintain a working environment free from discrimination and harassment. As the maritime industry evolves, PNSC continues to recognize the value of diverse perspectives, skills and experiences in strengthening organizational performance.

6. Human Rights

Respect for human rights is an important element of PNSC's responsible business approach. We are committed to respecting fundamental rights throughout our operations and to preventing practices involving discrimination, harassment, forced labour, child labour or other forms of exploitation. We also expect our business partners and suppliers to uphold appropriate standards of ethical conduct and respect for human rights.

7. Employee Engagement and Grievance Mechanisms

PNSC values open communication and constructive engagement with its employees and seafarers. Appropriate channels are maintained to enable employees to raise concerns, provide feedback and seek resolution of

workplace issues without fear of retaliation. Effective grievance mechanisms support a culture of transparency, accountability and continuous improvement while helping management identify and address emerging workforce concerns.

8. Responsible Supply Chain and Procurement

PNSC recognizes that social sustainability extends beyond its direct workforce to its suppliers, contractors and service providers. Through responsible procurement practices, we seek to promote ethical business conduct, compliance with applicable laws, safe working conditions and respect for human rights within our supply chain. Supplier expectations and due diligence will continue to be strengthened as part of PNSC's broader responsible sourcing approach.

9. Stakeholder Engagement

Meaningful stakeholder engagement enables PNSC to understand social expectations, identify emerging concerns and strengthen relationships with key stakeholders. We engage, as relevant, with employees, seafarers, customers, suppliers, regulators, local communities and other maritime stakeholders through appropriate communication and consultation channels. Stakeholder feedback supports our decision-making and informs our sustainability priorities.

10. Social Risks and Opportunities

PNSC recognizes that social factors can influence operational resilience, workforce performance and long-term value creation. Key areas of focus include occupational health and safety, seafarer welfare, employee capability, human rights, workforce diversity, supply-chain practices and stakeholder expectations. We aim to manage these risks proactively while leveraging opportunities to strengthen employee engagement, skills development, inclusion and social value creation.

11. Social Performance Dashboard

PNSC is progressively strengthening its social sustainability performance measurement and reporting. Key indicators are being developed and monitored across areas including workforce composition, training and development, health and safety, seafarer welfare, employee engagement, diversity and human rights. The Social Performance Dashboard will support management oversight, transparency and continuous improvement by providing a structured view of progress against relevant social objectives.

12. Social Sustainability Priorities / Way Forward

Going forward, PNSC will continue to strengthen its social sustainability agenda by enhancing seafarer welfare, improving occupational health and safety, investing in workforce skills, promoting diversity and inclusion, strengthening human rights due diligence and advancing responsible supply chain practices. We will also continue improving stakeholder engagement and social performance measurement to embed sustainability more deeply into our operations and decision-making.

In addition to the above, narrative disclosures on Education, Health, Community and Workplace are presented under the Corporate Social Responsibility ahead in this report as part of the Social pillar.

CORPORATE SOCIAL RESPONSIBILITY

MESSAGE FROM THE CHAIRMAN CSR COMMITTEE

Dear Stakeholders,

At Pakistan National Shipping Corporation (PNSC), we recognize that our responsibility as the National Flag Carrier extends beyond commercial success. As a state-owned enterprise, we remain committed to creating sustainable value for our stakeholders while contributing meaningfully to the socio-economic development of Pakistan.

During the year under review, PNSC continued to strengthen its commitment to CSR through focused initiatives in education, healthcare, community welfare, environmental stewardship and employee well-being reflecting our belief that long-term organizational success is closely linked with the prosperity and resilience of the communities we serve.

Category wise CSR spend during FY2025-2026

Description	Horizon
Community	2,037,498
Education	9,999,301
Health	1,508,067
Workplace	80,000
Grand Total	13,624,866



PNSC's CSR activities during the year were directed towards initiatives that create meaningful and measurable social impact across community welfare, education, healthcare and workplace well-being reflecting the Corporation's commitment to responsible corporate citizenship and the sustainable development of the communities it serves. Looking ahead, PNSC remains committed to expanding the reach and impact of its CSR program in alignment with its sustainability objectives and the evolving needs of the communities it serves.

On behalf of the management of PNSC, I extend my sincere gratitude to all our stakeholders for their continued trust, support and partnership.

Captain Mustafa Kizilbash
Chairman, CSR Committee

EDUCATION

“INVESTING IN KNOWLEDGE, INSPIRING TOMORROW”

Education is the cornerstone of sustainable development and a key driver of social progress, economic prosperity and individual empowerment. PNSC remains committed to supporting initiatives that enhance access to quality learning and capacity building, dedicating a total of **Rs. 10 million** during the year to educational initiatives.

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 organisation.

THE PAKISTAN MARINE ACADEMY

PNSC, as part of its CSR initiatives, has contributed an amount of **Rs. 9.2 million** towards the need based scholarship program of the Pakistan Marine Academy. This initiative reflects PNSC's commitment to promoting maritime education, supporting talented and deserving students, and strengthening the future workforce of Pakistan's shipping and maritime sector. Through this contribution, PNSC aims to enhance access to quality maritime education for students with limited financial resources, enabling them to pursue professional training and build successful careers in the maritime industry. The initiative further underscores PNSC's role in fostering human capital development and contributing towards the socio-economic advancement of the country.



THE LINGUA GRAMMAR SCHOOL

PNSC, under its CSR initiatives, has extended its support to the Lingua Grammar School through a contribution towards its School Education Fund. This initiative reflects PNSC's commitment to promoting inclusive and quality education by supporting educational institutions and providing opportunities for students to access better learning resources. Through this contribution, PNSC aims to play its role in strengthening the education sector, encouraging academic development, and contributing towards the empowerment of young learners. The initiative highlights PNSC's continued focus on creating a positive social impact and supporting sustainable community development through education focused interventions.



THE REHMAT UNIFORM SCHOOL EDUCATION

PNSC has contributed to the Rehmat Uniform School Education to support the provision of essential educational requirements, including stationery, shoes and school uniforms for deserving students. This initiative reflects PNSC's commitment to promoting access to education and supporting the educational needs of underprivileged students by reducing financial barriers that may affect their learning journey. Through this contribution, PNSC continues to support community development, encourage school participation, and contribute towards creating a more inclusive and empowered society through education-focused CSR efforts.



WORLD SEA FARERS DAY (25TH JUNE 2026)

For PNSC, World Seafarers Day under Human Capital Development demonstrates the Corporation's commitment to recognizing the invaluable contribution of its seafarers, promoting employee wellbeing, strengthening workforce engagement and reinforcing its people centric culture. This is also well aligned with the SECP ESG Guidelines under the Social pillar and complements the requirements of IFRS S2 regarding workforce related climate resilience and organizational capacity.



PNSC CEO MEETING WITH SCHOOL EDUCATION AND LITERACY DEPARTMENT (SELD)

A productive meeting was convened at PNSC between Syed Jarar Haider Kazmi, CEO (PNSC) and Mr. Zahid Ali Abbasi, Secretary, School Education & Literacy Department (SELD), Government of Sindh.

The meeting centered on exploring synergies and fostering collaboration to enhance the effectiveness of education sector initiatives in Sindh, with a view to driving progress and improving outcomes.



HEALTH

Health is a vital component of CSR, and PNSC recognizes its importance in building sustainable communities, integrating health-related initiatives into its CSR strategy to enhance the well-being of employees and the broader society. During the current fiscal year, PNSC contributed Rs. 1.5 million to health-focused CSR medical initiatives.

FREE MEDICAL CAMPS AT GOVERNMENT GIRLS SECONDARY SCHOOL LIYARI KARACHI

This initiative underscores PNSC dedication to improving public health and supporting underprivileged communities. With the help of local people and targeted outreach to coastal communities, PNSC continues to play an active role in fostering social wellbeing and building a healthier future for all.

The Pakistan National Shipping Corporation (PNSC), as part of its continued commitment to corporate social responsibility, organized a free medical camp at the Government Girls Secondary School in Lyari, Karachi.

The initiative was undertaken to provide essential healthcare services to underserved segments of the community. Approximately 600 individuals, predominantly women and children from Lyari and adjoining localities, benefited from the camp.



Through this initiative, PNSC reaffirms its dedication to promoting public health, supporting vulnerable communities, and contributing meaningfully to social development. The Corporation remains committed to undertaking impactful CSR activities aimed at fostering sustainable community well-being.

Senior PNSC leadership, including Syed Jarar Haider Kazmi (CEO), Capt. Mustafa Kizilbash (Chairman CSR Committee) and Syed Zeeshan Haider Taqvi (CFO), along with the CSR Team, were present to oversee and support the event, reflecting the organization's hands-on approach to corporate responsibility.

THE FREE MEDICAL CAMP AT BENAZIR BHUTTO SHAHEED UNIVERSITY LYARI (BBSUL)

In a noble gesture, the Pakistan National Shipping Corporation (PNSC) recently spearheaded a philanthropic initiative, hosting a free medical camp at Benazir Bhutto Shaheed University, Lyari. This commendable effort underscored PNSC unwavering commitment to community welfare, providing vital healthcare services to approximately 600 individuals, predominantly women and children, from marginalized communities in Lyari and surrounding areas.

This initiative exemplifies PNSC dedication to enhancing public health and supporting underprivileged communities, reinforcing its efforts to foster social well-being and create a healthier future for all.



BREAST CANCER AWARENESS SESSION

As part of its commitment to employee health and well-being, PNSC organized its annual Breast Cancer Awareness Session in support of the global Breast Cancer Awareness campaign. The initiative aimed to educate female employees on the importance of breast cancer prevention, early detection and timely medical intervention.

The session, conducted by qualified medical professionals, covered breast cancer risk factors, symptoms, screening methods and preventive measures. Employees were encouraged to adopt proactive healthcare practices, including regular screenings and self-examinations. Through this initiative, PNSC reaffirmed its commitment to promoting a healthy, informed and supportive workplace.



COMMUNITY

Engagement with local communities provides significant value, reinforcing PNSC's role as a responsible corporate citizen. During FY2025-26, PNSC's community facing activities spanned national solidarity measures, stakeholder engagement, institutional partnerships and public events, highlighted below.

THE PAKISTAN HINDU COUNCIL (PHC)

PNSC, extended its support to the Job Fair organized by the Pakistan Hindu Council (PHC) at the Expo Centre Karachi. This contribution reflects PNSC's commitment to promoting inclusive economic participation and supporting initiatives that create employment opportunities for diverse segments of society. By facilitating such events, PNSC aims to encourage skill development, career awareness and workforce integration, particularly for underrepresented communities.



This initiative underscores PNSC's dedication to social inclusion and equal opportunity, while also contributing to national efforts aimed at reducing unemployment and fostering economic empowerment. Through its participation, PNSC continues to strengthen its role as a responsible corporate citizen committed to supporting community development and inclusive growth.

THE PAKISTAN NAVY NAVAL STAFF SQUASH CHAMPIONSHIP 2025

PNSC, as part of its CSR initiatives, extended its support and patronage to the Pakistan Navy Naval Staff Squash Championship 2025. This contribution reflects PNSC's continued commitment to promoting sports activities and encouraging a culture of healthy competition, discipline, and physical fitness within national institutions.



By supporting this sporting event, PNSC aims to strengthen its longstanding relationship with the Pakistan Navy and contribute towards initiatives that foster teamwork, resilience, and professional excellence. The initiative underscores PNSC's dedication to social engagement beyond its core business operations and highlights its role in promoting national sports and institutional collaboration.

THE PAKISTAN HINDU COUNCIL (PHC)

PNSC extended its support to the Pakistan Hindu Council (PHC) sponsored 19th Combined Marriage Program. This initiative reflects PNSC's commitment to promoting social welfare activities that contribute to community support and uplift of underprivileged segments of society.

Through this contribution, PNSC aimed to facilitate a dignified and culturally significant social service by supporting financially challenged families in celebrating marriage ceremonies with respect and ease. The initiative underscores PNSC's dedication to fostering social inclusion, harmony and community well-being, while reinforcing its role as a responsible corporate citizen contributing to meaningful societal development.



BOXING KITS TO AN UNDERPRIVILEGED CHILD

Under its Corporate Social Responsibility (CSR) initiatives, PNSC contributed by providing boxing kits to an underprivileged child, Mr. Faizan, belonging to the underdeveloped area of Lyari. This initiative reflects PNSC's commitment to youth development and the promotion of sports activities among disadvantaged communities. By supporting access to basic sports equipment, PNSC aims to encourage healthy recreational engagement, nurture sporting talent at the grassroots level, and provide constructive opportunities for children in underserved areas.



The initiative underscores PNSC's dedication to social uplift, inclusivity, and community development through targeted CSR interventions focused on empowering youth through sports.

PNSC PARTICIPATED IN THE WORLD MARITIME DAY 2025

The Ministry of Maritime Affairs (MoMA) commemorated Pakistan Maritime Week 2025 with an ambitious announcement by the Pakistan National Shipping Corporation (PNSC), marking a new chapter in the country's maritime development.

PNSC set sail for expansion under Prime Minister, Muhammad Shehbaz Sharif's leadership and Maritime Century Vision, Led by Federal for Maritime Affairs, Junaid Anwar Chaudhry, announced at Pakistan Maritime Week 2025, the plan envision adding 30 new ships within year and 60 within 3 year a bold move to reduce Pakistan's \$5 billion sea freight bill and build maritime self-reliance.

The discussion centered on fostering collaboration between public and private sector stakeholders to realize PNSC's expansion goals. Participants emphasized the importance of investment, innovation, and institutional synergy to strengthen Pakistan's maritime capabilities and position the country as a regional maritime hub.

Participation of PNSC in this event reflects continued commitment to advancing the blue economy, promoting sustainable maritime trade and ensuring Pakistan's active role in global shipping and logistics.

PNSC actively participated in the World Maritime Day 2025 celebrations organized at the Pakistan maritime museum under the auspices of the Pakistan Navy. This year's theme **"Our Ocean, Our Obligation, Our Opportunity"** reminds that protecting our seas means securing our future.



Capt. Mustafa Kizilbash, Executive Director (Commercial) along with representatives from PNSC briefed maritime professionals, students from schools, colleges, and universities, as well as naval officials, while reaffirming their commitment to strengthening Pakistan's role in international shipping and maritime affairs. PNSC participation reflects its dedication to supporting national initiatives, promoting Pakistan's maritime potential, and aligning with the global theme of World Maritime Day 2025.



PAKISTAN INTERNATIONAL MARITIME EXPO AND CONFERENCE (PIMEC-2025)

PAKISTAN NATIONAL SHIPPING CORPORATION (PNSC) HONoured WITH PRESTIGIOUS EXCELLENCE AWARD AT PIMEC-2025

The 2nd Pakistan International Maritime Expo and Conference (PIMEC-25) was inaugurated at the Karachi Expo Centre, Pakistan National Shipping Corporation (PNSC) participating in the ceremony, marking the beginning of the four-day event. PNSC extended a warm welcome to our Honorable Minister for Maritime Affairs, Junaid Anwar Chaudhry and distinguished VIPs, national and international delegates at its exhibition stall, showcasing the Corporation's maritime capabilities and expertise.

The PNSC Pavilion at PIMEC 2025 was truly outstanding. Many visitors including delegations from Oman, France and Turkey showed great interest in learning about PNSC's future plans.



The Pavilion representatives did an excellent job with such great team spirit and excellence throughout 4 days of the event.



Syed Jarar Haider Kazmi, Chief Executive Officer of PNSC, received the esteemed PIMEC-II 2025 Excellence Award from the Honourable Minister of Maritime Affairs, Junaid Anwar Chaudhry, at the closing ceremony held in Karachi.

THE REGIONAL TRANSPORT MINISTERS CONFERENCE (RTMC-2025)

The Conference (RTMC-2025) commenced on October 23, 2025, at the Jinnah Convention Center in Islamabad, bringing together transport ministers from various countries, senior government officials, international delegates, and key maritime stakeholders. Organised by the Ministry of Communications, Government of Pakistan, the three day conference aims to strengthen regional partnerships, enhance transport connectivity, and promote economic cooperation through integrated maritime, road, rail and logistics systems. The PNSC, under the leadership of its Chief Executive Officer, Syed Jarar Haider Kazmi, played a key role in the conference under the guidance of the Honourable Minister of Maritime Affairs, Mr. Junaid Anwar Chaudhry.



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.

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.

INAUGURATION OF PNSC WORKSHOP

PNSC inaugurated its state of the art West Wharf Workshop, signifying a major milestone in the nation's maritime development and self reliance. The ceremony celebrated the expansion of PNSC's industrial capabilities and its commitment to technical independence in shipbuilding and repair.

The workshop inauguration ceremony was attended by the Chief Guest Sultan Chawla, (Chairman PNSC Board), Guest of Honour Rear Admiral Jawad Ahmed SI (M) and Chief Executive Officer of PNSC Syed Jarar Haider Kazmi.



The upgraded PNSC Workshop will enhance technical expertise, such as Internal Combustion Engine afloat repairs, certified life raft testing, radio & Navigation shop, advanced laboratory and UT gauging facility, positioning PNSC as a leader in regional maritime engineering which support the national fleet and drive economic self-sufficiency by reducing reliance on foreign ship repair services.



INDEPENDENCE DAY OF PAKISTAN

PNSC celebrated the Independence Day of the Islamic Republic of Pakistan with great enthusiasm, fostering a spirit of patriotism, unity and national pride among its employees. The event brought together employees from



diverse backgrounds to commemorate the nation's independence through various cultural and commemorative activities. The celebration reflected PNSC's commitment to promoting employee engagement, inclusivity and a shared sense of national identity.

PNSC CELEBRATED EID MILAD 2025

PNSC paid tribute to the Holy Prophet Hazrat Muhammad (PBUH) by celebrating his birth anniversary with great zeal and devotion. The scholar encouraged the audience that how to Promote Positive Social Media use in light



of Seerat un Nabi, based on the teachings of the Holy Prophet Hazrat Muhammad (PBUH), Muslims are encouraged to use social media responsibly, aligning with Islamic values of honesty, kindness, respect and responsibility.

Promote Truthfulness and Accountability reflect the Prophet's teachings of honesty in all communications, including on social media. Encourage compassion and respect which foster an environment of kindness and respect for others dignity online, as emphasized by the Holy Prophet Hazrat Muhammad (PBUH).



Seek Guidance and Awareness for responsible and ethical use of social media, drawing parallels from the Holy Prophet's teachings. Prevent Harmful Content align with Islamic principles to prevent the spread of harm, falsehood, or divisiveness on social media. This event was organized under the directives of the Ministry of Religious Affairs as part of the Ashra Rahmatul-lil-Alameen and the 50th International Seerat-un-Nabi, (PBUH) Conference. The gathering was graced by the presence of CEO Syed Jarar Haider Kazmi, Executive Directors along with officers and staff members.



NIPA DELEGATION INLAND STUDY TOUR TO PNSC



A delegation of 19 participants, accompanied by faculty members, undertook a visit to the Pakistan National Shipping Corporation (PNSC). During the visit, PNSC's high level Officers from various departments shared insights into its functions, management practices, achievements, challenges and future plans.

The National Institute of Public Administration (NIPA), Lahore, conducted an Inland Study Tour (IST) as part of the 38th Senior Management Course for officers (BS-19) from federal, provincial and other services. As part of this course, which focuses on public policy formulation and implementation at strategic and operational levels, an Inland Study Tour (IST).

PNSC TOOK STEPS TOWARD WOMEN'S EMPOWERMENT

In compliance of the directives of his Excellency Prime Minister of Pakistan regarding women employee scheme, the PNSC'S Board approved the comfortable transport facility for women employees. PNSC, has taken significant step towards women's empowerment by improved transportation services for its female employees and Syed Jarar Haider Kazmi, CEO PNSC handed over the Car Keys to Transportation Department of PNSC.

This initiative is part of PNSC commitment to creating a supportive work environment that empowers women to excel in their careers without worrying about their safety and mobility. The new service features modern



vehicles, ensuring that female employees can travel to and from work with dignity and ease. PNSC is committed to upholding the highest standards and looks forward to continuing its efforts in promoting women's empowerment in the workplace.



75 YEARS OF PAKISTAN-CHINA UNITY, TRUST AND SHARED PROGRESS

At PNSC we are proud to be the maritime lifeline that connects two great nations. Today, we celebrate 75 years of diplomatic excellence between Pakistan and China a partnership built on the solid bedrock of mutual respect and shared prosperity.

From the bustling docks of Karachi to the strategic shores of Gwadar and beyond, PNSC has been at the forefront of this "All-Weather" alliance. We don't just transport, we carry the spirit of the Iron Brotherhood across the high seas.

As the national flag carrier, we salute this enduring bond. Here's to 75 years of sailing together toward a brighter, more connected future.



47TH ANNUAL GENERAL MEETING (AGM) 2025

PNSC held its 47th Annual General Meeting (AGM) on October 28th, 2025, providing an important platform for engagement with shareholders, the Board of Directors and management. The AGM facilitated transparent communication on the Corporation's financial and operational performance, strategic priorities and future outlook, while enabling shareholders to raise questions and provide feedback. The event reinforced PNSC's commitment to transparency, accountability, stakeholder engagement and sound corporate governance.



CORPORATE BRIEFING SESSION (CBS) 2025

PNSC convened its Corporate Briefing Session (CBS) for the financial year ended 30th June 2025 at PNSC Building, Karachi on 26th November 2025. The session was attended physically and through online means by analysts, investors, and representatives of brokerage houses, whereas the senior management of PNSC shared the Corporation's operational performance, financial results, fleet utilization, future business plans and key strategic developments. Participants acknowledged the Corporation's transparency, policy advocacy efforts, and continued commitment to national shipping development. The session concluded with appreciation expressed by PNSC management to stakeholders, analysts and shareholders. Among academia, subject matter experts and decision makers pertinent to Maritime Industry and the Blue Economy, thereby enhancing understanding and collaboration within different domains.



MOU BETWEEN PNSC AND DYNAMIC WORLD WIDE LOGISTICS GROUP

During the conference, significant progress was made toward strengthening maritime cooperation through the signing of two landmark Memorandums of Understanding. The first MoU was signed between PNSC and Dynamic World Wide Logistics Group, represented by Syed Jarar Haider Kazmi, CEO, PNSC and Muhammad Saleh Tariq Chaudhry, Group Director. This partnership aims to bolster cooperation in maritime logistics, establish new trade corridors and integrate sea-land transport solutions to support regional and international commerce.



MOU BETWEEN PNSC AND RAVIAN MARITIME PRIVATE LIMITED

The Second MoU was signed between PNSC and Ravian Maritime Pvt. Ltd, represented by Syed Jarar Haider Kazmi, CEO, PNSC and Abdul Hameed Paracha. This agreement focuses on the development of regional shipping routes, the launch of liner services from Pakistan to Central Asia, the Far East, the Gulf, Africa and Europe and the promotion of enhanced trade connectivity via land and sea.



MOU BETWEEN PNSC AND AGVEN, FOR BUSINESS COLLABORATION

PNSC entered into a Memorandum of Understanding (MoU) with AGVEN to explore and strengthen opportunities for business collaboration. The MoU provides a framework for cooperation and mutual engagement, aimed at leveraging the respective capabilities and expertise of both organizations, identifying potential areas of collaboration and supporting sustainable business growth. This initiative reflects PNSC's commitment to building strategic partnerships and enhancing stakeholder engagement in support of its long-term business objectives.



PAKISTAN BANGLADESH DISCUSSION ON DIRECT SHIPPING FROM KARACHI PORT TO CHITTAGONG PORT

In a significant development for bilateral trade between Pakistan and Bangladesh, a meeting was held on September 9th, 2025 at PNSC between Mr. Muhammad Sakib Sadakat, the newly appointed Deputy High Commissioner of Bangladesh and Syed Jarar Haider Kazmi, CEO PNSC, aimed to explore direct shipping routes between Karachi Port and Chittagong Port, enhancing bilateral trade between Pakistan and Bangladesh. The impact of this meeting is anticipated to be positive for both countries, fostering mutual benefits through strengthened trade ties.

Enhanced shipping connectivity between Karachi and Chittagong could lead to increased bilateral trade, economic cooperation, and potentially open avenues for further collaboration in logistics and transport sectors. Strengthening ties in shipping logistics can contribute to broader economic partnerships between Pakistan and Bangladesh, aligning with their interests in boosting trade and cooperation.



PAKISTAN NAVY WAR COLLEGE DELEGATION VISIT

PNSC welcomed a delegation from the Navy War College for an interactive knowledge sharing session on Pakistan's maritime sector. The visit enhanced participants' understanding of commercial shipping operations, maritime logistics, and PNSC's strategic role in supporting the country's trade and economic development.

Pakistan Navy War College (PNWC) delegation visits to the Pakistan National Shipping Corporation (PNSC) during the 2025–2026 academic year serve as a strategic educational bridge connecting future naval leadership with the pillars of Pakistan's maritime economy. These visits are primarily executed through the college's annual Pakistan Navy Staff Course and its highly prestigious Maritime Security Workshop (MARSEW) programs.



PID TEAM VISIT TO PNSC

PNSC hosted a delegation from the Press Information Department (PID) to showcase the Corporation's operations, strategic initiatives and contributions to Pakistan's maritime industry. The visit strengthened institutional collaboration and enhanced public awareness of PNSC's role in facilitating national and international trade. To project the state shipping entity's strategic expansion and maritime milestones. As the principal media arm of the Government of Pakistan, the Press Information Department works closely with the Ministry of Maritime Affairs to report on the restructuring and commercial updates taking place across the 2025–2026 operational year.



SECP ESG DISCLOSURE GUIDELINES – SOCIAL DISCLOSURES

In addition to the narrative disclosures on Education, Health, Community and Workplace presented above, the table below sets out PNSC's disclosures against the Social pillar indicators recommended under the SECP's ESG Disclosure Guidelines for Listed Companies (2024, updated 2025). The Guidelines are voluntary for PNSC in the current reporting period; the Corporation is presenting these disclosures on a best effort, early adoption basis.

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Gender Pay Ratio	Ratio of median male compensation to median female compensation (in absolute terms)	Mean Gender Pay Gap: 3.90 Median Gender Pay Gap: 13.34
Employee Turnover	Year-over-year % change - full-time employees	Employee turnover: 9.38% Year over Year change in employee headcount: (-4.26%)
	Year-over-year % change - part-time employees	Nil
	Year over year % change - contractors / consultants	Nil
Gender Diversity	% of total headcount - men / women	Total = 297 Men = 287 (97%) Women = 10 (3%)
Non-Discrimination	Sexual harassment / non-discrimination policy in place? (Yes/No)	Yes
	Confidential grievance / non-retaliation mechanism for harassment? (Yes/No)	Yes
Global Health & Safety	Occupational health and/or global H&S policy followed? (Yes/No)	Yes: PNSC has approved Health & Safety Policy and fleet operations are governed by the Safety Management System (SMS) under the ISM Code and SEEMP.
Child & Forced Labor	Child and/or forced labor policy followed? (Yes/No)	Yes
Corporate Social Responsibility	List of CSR activities, total hours and amounts allocated	Refer to annexed CSR report at page no.____.
Training & Succession	Training sessions & employees trained - Skill Up gradation	PNSC conducts regular training, PMA cadet/university internships and scholarships (see Social

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		section); there are 07 trainings (66 employees) were undertaken during the year.
	Training sessions & employees trained - Health & Safety Measures	Health and Safety Measures: 12 awareness sessions / training were conducted.
Human Rights	Human rights policy followed? (Yes/No)	Yes
	Does the policy extend to suppliers and vendors? (Yes/No)	Yes
	% of employees/workers covered by health and safety insurance	For all employees group insurance policy cover has been obtained by the Corporation.

An aerial photograph of the Parliament of Nepal, a large white building complex with a central dome, surrounded by green lawns and a wide road. In the background, there are rolling green hills and mountains under a blue sky with scattered clouds. A green graphic element, a triangle pointing downwards, is in the top left corner.

05

GOVERNANCE

Board and committee oversight of PNSC's sustainability agenda.

- SSRMC and Management Sub Committee composition
- Board-level climate oversight
- SECP ESG Governance disclosure indicators

GOVERNANCE STRUCTURE & ROLE OF COMMITTEE'S

As a listed company, PNSC maintains a governance framework designed to provide effective oversight of the Corporation's strategy, performance, risk management, sustainability and climate-related risks and opportunities that could reasonably be expected to affect its prospects. The Board of Directors has overall responsibility for governance oversight and is supported by Board committees and management level structures in discharging these responsibilities.

During the year, PNSC further strengthened its governance framework by reconstituting its existing Board committee, broadening its mandate to encompass sustainability oversight, strategic guidance and risk management, and renaming it as the Sustainability, Strategy and Risk Management Committee (SSRMC). The Committee provides focused oversight of sustainability and climate-related matters, including the identification, assessment and management of climate-related risks and opportunities identified to date, their potential impact on the Corporation's strategy and operations, and their integration into the broader risk management framework. The SSRMC also supports the Board in monitoring the Corporation's progress against relevant sustainability objectives, climate-related initiatives and metrics and targets.

PNSC continues to enhance its governance and management processes to ensure that sustainability and climate-related considerations are appropriately incorporated into strategic decision-making, risk management and long-term business planning, consistent with applicable regulatory requirements and evolving IFRS Sustainability Disclosure Standards, including IFRS S2 Climate-related Disclosures and the SECP ESG disclosure framework.



BOARD ESG COMMITTEE



Mrs. Nadia Osman Jung
Chairperson



Mr. Qumar Sarwar Abbasi
Member



Captain (R) Sarfaraz Inayatullah
Member



Khawaja Shahzeb Akram
Member



Syed Zeeshan Taqvi
Secretary SSRMC

PNSC's Management Sub-Committee

PNSC has constituted a Management level sub-committee comprising senior and experienced management to support the Sustainability, Strategy and Risk Management Committee (SSRMC). The management sub-committee assists the SSRMC through regular reporting, analysis, monitoring and provision of operational insights on sustainability and climate-related matters. While the SSRMC and its supporting management structures provide oversight and guidance, management is responsible for implementing approved initiatives and integrating relevant climate-related considerations into day to day operations and decision making processes.

PNSC currently leverages its existing internal control framework, policies and procedures embedded across key business functions, including environment, health and safety, procurement, operations, finance and risk management to identify, assess and manage climate-related risks and opportunities. These controls are integrated into routine planning, budgeting, capital expenditure approvals, regulatory and compliance monitoring, operational management and performance review processes. This approach enables climate-related matters to be identified and assessed within established business processes and where appropriate, escalated through the Corporation's existing governance and reporting channels.

PNSC is also continuing to strengthen its management level governance arrangements to enhance the integration of climate-related considerations into strategic planning, risk management, resource allocation and business decision making, consistent with the Corporation's sustainability objectives and applicable regulatory and reporting requirements.

Composition of Management Sub-Committee



Board Level Oversight

Oversight of climate-related risks and opportunities is assigned to the Board's Sustainability, Strategy and Risk Management Committee (SSRMC), a Board level committee comprising independent and SECP certified directors, supported by the Chief Financial Officer as Secretary and Co-opted Member. The Committee's terms of reference include oversight of the Corporation's Environmental, Social and Governance (ESG) strategy, including climate-related risks and opportunities, as an integral part of the Corporation's overall strategy and risk management framework, in line with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the State-Owned Enterprises (Governance and Operations) Act, 2023.

Climate Responsibilities Reflected in Mandates

The SSRMC's terms of reference explicitly encompass oversight of the Corporation's ESG strategy and climate-related risks and opportunities. As this is PNSC's first year of structured sustainability reporting, the formal documentation and Board approval of the updated terms of reference incorporating explicit climate and ESG oversight language is in progress. PNSC intends to disclose the approved terms of reference, including the date of Board approval, in the FY2026-27 Sustainability Report.

Skills and Competencies

The Board comprises directors with experience across finance and accounting, audit and risk management, corporate governance, maritime and shipping operations and senior executive leadership. During the reporting period, the Board undertook an in-house sustainability training session conducted by the Pakistan Institute of Corporate Governance (PICG) on April 22nd, 2026, enhancing directors' awareness of sustainability matters, emerging ESG trends and the evolving reporting landscape. A formal process for periodically assessing Board and Committee members' climate-related skills and competencies against a structured framework such as the CMU Board Evaluation Guidelines 2024 competency matrix has not yet been established and has been identified as a priority for the year ahead.

Frequency and Content of Reporting

Climate-related matters are reported to the SSRMC through management inputs provided in connection with the Committee's quarterly meetings. As this is PNSC's first year of structured sustainability reporting, a formalized reporting cadence covering the form, content, frequency and presenter of dedicated climate-related management reports or dashboards to the Committee and Board has not yet been established. Formalizing a structured climate reporting framework for the SSRMC has been identified as a priority for the year ahead.

Climate-related considerations are factored into the Board's oversight of major capital allocation decisions. In evaluating vessel acquisitions, the Board and management consider trade-offs between the capital cost of eco efficient/dual fuel capable tonnage and the transition risk exposure and residual value of older, less fuel efficient vessels, together with anticipated tightening of IMO carbon intensity and EU ETS/Fuel EU Maritime requirements.

Management's Role

As at the date of this Report, PNSC does not maintain a standalone, documented climate risk register separate from its broader enterprise risk management framework. Climate-related risks are currently identified and managed through existing operational controls embedded within the Safety Management System under the ISM Code, HSEQ standard operating procedures, technical and dry-docking planning cycles, and IMO DCS fuel consumption monitoring processes. These controls span the Ship Management, Finance, Technical, HSEQ and Procurement functions, providing a cross-functional basis for climate-related risk identification and management within established business processes.

The absence of a formalized, standalone climate risk register is consistent with the first-year reporting limitations acknowledged in Section 2.7 of this Report. Developing a documented climate risk register explicitly linking climate-related risks to accountable owners across Ship Management, Finance, Technical, HSEQ and Procurement functions, and integrating it within the broader enterprise risk management framework has been identified as a priority for the year ahead. PNSC intends to report on progress against this priority in the future reporting period.

BOARD SKILLS AND COMPETENCIES

The Board of Directors of PNSC periodically assesses whether it possesses the appropriate skills, experience and competencies required to effectively oversee sustainability related and climate-related risks and opportunities relevant to the Corporation's business and operating environment.

The Board comprises directors with diverse experience and expertise across areas relevant to PNSC's operations, including finance and accounting, audit and risk management, corporate governance, maritime and shipping operations, commercial and business management, legal and regulatory matters, strategic planning and senior executive leadership. These competencies support the Board's ability to consider the strategic, financial, operational and regulatory implications of sustainability and climate-related matters affecting PNSC.

During the reporting period, the Board undertook an in-house sustainability and ESG training session conducted by the Pakistan Institute of Corporate Governance (PICG) at PNSC Head Office. The session enhanced directors' awareness of sustainability matters, emerging ESG trends, climate-related risks and opportunities, and the evolving sustainability reporting landscape. This represents PNSC's first structured step towards building Board-level capability in sustainability and climate-related oversight.

As at the date of this Report, a formal evaluation of individual Board and Committee members' sustainability-related and climate-related skills and competencies against a structured assessment framework has not yet been conducted. Such an evaluation which may draw on frameworks such as the CMU Board Evaluation Guidelines 2024 competency matrix or equivalent has been identified as a priority for the year ahead. Where capability gaps are identified through this process, they will be addressed through targeted training, capacity building and access to external subject matter expertise, in line with PNSC's governance and professional development practices.

PNSC intends to disclose the outcomes of this skills assessment, together with any resulting capacity-building actions, in the FY2026-27 Sustainability Report.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors by providing oversight of financial reporting, internal controls, internal audit and regulatory compliance. These responsibilities form the foundation of the Committee's contribution to the Corporation's broader governance framework.

In its supporting role, the Audit Committee assists the SSRMC by considering sustainability-related matters that arise within its existing financial reporting and compliance oversight mandate. Where such matters have broader sustainability implications, they are escalated to the SSRMC, which retains primary oversight responsibility.

SUSTAINABILITY, STRATEGY AND RISK MANAGEMENT COMMITTEE

The Sustainability, Strategy and Risk Management Committee (SSRMC) supports the Board in providing focused oversight of sustainability, strategic, risk management and climate-related matters. The Committee considers sustainability- and climate-related risks and opportunities - identified through management's reasonable and supportable judgement in the absence of a completed formal materiality assessment (see Section 2.5) that may affect PNSC's strategy, operations, financial performance, assets, reputation and long-term resilience.

The audit committee and the HR, Nomination & CSR Committee assist the SSRMC by escalating relevant matters within their respective functional mandates; however primary sustainability oversight responsibility at board level rests with the SSRMC.

The SSRMC provides oversight of the development of PNSC's sustainability framework and supports the progressive integration of relevant ESG and climate-related considerations into strategic planning and risk

management. During the reporting period, the Committee was actively engaged in a number of foundational governance activities, including providing guidance to management on structured Social and Governance disclosures aligned with the SECP's ESG Disclosure Guidelines, reviewing the draft Sustainability Policy and Implementation Framework ahead of submission to the Board for approval, overseeing the formation of the Management Sub-Committee, and supporting the Board sustainability training session conducted by the Pakistan Institute of Corporate Governance (PICG). As the sustainability framework matures, the SSRMC will extend its oversight to cover progress on sustainability initiatives, relevant policies, reporting requirements, capacity-building initiatives and emerging regulatory and stakeholder expectations.

Through its oversight role, the SSRMC provides a governance mechanism for strengthening PNSC's approach to climate-related risks and opportunities, environmental stewardship, social responsibility and responsible corporate governance.

HR, NOMINATION & CSR COMMITTEE

The HR, Nomination & CSR Committee supports the Board in overseeing matters relating to human capital, employee welfare, leadership development, succession planning, workforce governance and corporate social responsibility.

As a shipping company, PNSC recognises the importance of maintaining a skilled, competent and resilient workforce, including seafarers who operate and maintain the Corporation's vessels. Human capital considerations therefore form an important component of PNSC's long-term operational resilience and sustainability. In its supporting role, the HR, Nomination & CSR Committee assists the SSRMC by considering sustainability-related matters that arise within its existing human capital and CSR mandate including workforce diversity, seafarer welfare, occupational health and safety, training and development, equal opportunity, employee engagement, community investment and stakeholder engagement. Where such matters have broader sustainability implications for PNSC's ESG framework, they are escalated to the SSRMC, which retains primary sustainability oversight responsibility.

PROCUREMENT COMMITTEE

The Procurement Committee supports the Board in overseeing matters relating to the acquisition, disposal and commercial evaluation of vessels and other significant assets forming part of PNSC's fleet and operational portfolio. The Committee's mandate encompasses the review and recommendation of vessel purchase and sale transactions, evaluation of commercial terms, assessment of asset values and consideration of fleet composition in the context of PNSC's operational and strategic requirements.

In its supporting role, the Procurement Committee assists the SSRMC by considering sustainability and climate-related matters that arise directly within its vessel acquisition and disposal mandate. Where such matters have broader sustainability implications for PNSC's ESG framework or fleet decarbonisation strategy, they are escalated to the SSRMC, which retains primary sustainability oversight responsibility.

INTEGRATION WITH RISK MANAGEMENT AND DECISION MAKING

The Board recognizes effective risk governance as an important component of sustainable growth and resilience. PNSC maintains established processes for identifying, assessing and managing a broad range of strategic, financial, operational, commercial, environmental, regulatory, legal, reputational and compliance risks. As this is PNSC's first year of structured sustainability reporting, the formal integration of sustainability-related considerations into the enterprise risk management framework is at an early stage, with climate-related risks and opportunities currently considered within existing operational and governance processes rather than through a standalone, formalized sustainability risk management framework.

Climate-related risks are increasingly relevant to the maritime sector and may arise from both physical climate

risks and transition risks. Physical risks may include extreme weather events, rising sea levels, changing weather and sea conditions and other factors that could affect vessel operations, ports, cargo movements, infrastructure and supply chains. Transition risks may arise from evolving international maritime regulations, decarbonization requirements, energy transition, technological developments, fuel-related changes and changing stakeholder expectations.

PNSC currently manages these risks through established operational, environmental, health and safety, technical, compliance and risk-management processes including the Safety Management System under the ISM Code, HSEQ standard operating procedures, IMO DCS fuel-consumption monitoring and technical/dry-docking planning cycles. As disclosed in Section 6.1.2, a formalized, documented risk-scoring methodology specific to climate-related risk has not yet been established; formalizing such a methodology has been identified as a priority for the year ahead. The Corporation is progressively strengthening its approach to identifying and assessing the potential financial and operational implications of climate-related risks and opportunities and their relevance to the resilience of its fleet and business model.

Climate-related considerations are actively factored into major capital expenditure, fleet expansion, vessel acquisition and vessel replacement decisions. As disclosed in Sections 5.3.1 and 5.8 of this Report, PNSC evaluates vessel acquisitions against CII and EEXI compliance criteria and fuel-efficiency considerations, alongside factors including asset life, operational efficiency, regulatory requirements, environmental performance, maintenance requirements, financial returns and long-term business resilience.

PNSC intends to enhance the formal integration of sustainability and climate-related risks and opportunities into its enterprise risk management framework as its climate-risk assessment methodologies, data availability and reporting practices develop. Progress against this objective will be disclosed in the FY2026-27 Sustainability Report.

SUSTAINABILITY RELATED CODES AND POLICIES

PNSC's governance framework is supported by policies, procedures, codes and management systems that guide ethical conduct, risk management, environmental stewardship, occupational health and safety, maritime operations, human capital management, procurement and regulatory compliance. These frameworks provide the foundation for identifying and managing sustainability and climate-related risks and opportunities and reinforce accountability across the Corporation.

As at the date of this Report, a number of these frameworks are operational within their primary functional domains; however, their formal extension to explicitly incorporate sustainability- and climate-related oversight responsibilities is still in progress, consistent with the first-year reporting limitations acknowledged in Section 2.7. The current status of each framework is set out in the SECP Governance disclosure table that follows this section.

Code of Conduct

PNSC's Code of Conduct establishes expectations for ethical behavior, integrity, compliance with applicable laws and regulations and responsible conduct by employees and relevant stakeholders. It addresses key governance matters including ethical conduct, conflicts of interest, anti-bribery and anti-corruption, confidentiality, fair dealing and reporting of concerns. The Code supports the management of governance, ethical, compliance and reputational risks and promotes a culture of accountability and responsible business conduct. Confirmation of the Code's formal approval date, coverage and training completion rate is set out in the SECP Governance disclosure table below.

Risk Management Policy

PNSC's risk management framework provides a structured approach for identifying, assessing, monitoring and mitigating risks across the Corporation. The framework supports the consideration of climate-related risks alongside other strategic, financial, operational, regulatory and reputational risks. As disclosed in Section 6.1.2, the formal integration of a documented climate risk-scoring methodology within this framework is in progress and has been identified as a priority for the year ahead.

Environmental, Health, Safety and Marine Operations Framework

PNSC's environmental, health and safety requirements and marine operational procedures support the responsible management of its vessel and shore-based activities. These arrangements address matters including marine environmental protection, occupational health and safety, vessel safety, pollution prevention, fuel and energy management, emissions management, waste management, water management, emergency preparedness and regulatory compliance. The framework supports PNSC in managing environmental and operational risks and maintaining compliance with applicable national and international maritime requirements, including relevant requirements of the International Maritime Organization (IMO).

Human Resource Management Framework

PNSC's human resource policies and procedures support effective workforce management, employee welfare, training and development, performance management and workplace governance. For PNSC, social sustainability also extends to the welfare, safety, competency and development of seafarers and shore-based employees. These arrangements support the management of social risks relating to occupational health and safety, human rights, employee wellbeing, workforce capability, equal opportunity and talent retention.

Procurement and Supply Chain Framework

PNSC's procurement processes support transparent, accountable and responsible sourcing of goods and services required for vessel operations and shore-based activities. Given the importance of suppliers, contractors, ship-management service providers, technical vendors, shipyards and other business partners to PNSC's operations, responsible procurement and supplier management contribute to operational resilience, regulatory compliance, safety, quality and sustainability performance across the value chain. As disclosed in Section 7.2.1, a formalized Supplier ESG Compliance Framework is proposed under the draft ESG Policy and has not yet been formally adopted.

Maritime Safety and Operational Management Systems

PNSC maintains established operational and safety procedures to support the safe and efficient operation of its vessels. These systems are designed to address vessel safety, navigation, cargo operations, maintenance, emergency preparedness, pollution prevention, crew safety and compliance with applicable maritime requirements. These arrangements form an important component of PNSC's approach to asset integrity, operational resilience and responsible maritime operations.

TARGETS, MONITORING AND INCENTIVES

As at the date of this Report, PNSC has not yet established formal, Board-approved sustainability- or climate-related targets, consistent with the disclosure in Section 7.1.4. The Corporation is progressively developing sustainability and climate-related objectives and performance indicators, informed by its operational priorities, business strategy, regulatory developments and stakeholder expectations and these will be formalized as the materiality assessment described in Section 2.5 is completed.

Certain operational metrics relevant to climate-related exposure including fuel and energy consumption,

greenhouse gas emissions and CII/EEXI performance are currently monitored through management reporting and existing operational processes. As disclosed in Sections 7.2 and 7.3, metrics across a number of broader sustainability areas, including waste management, water management, workforce development and community investment are not yet reported in a consistent and validated format in this first reporting period; data collection processes for these indicators are being established.

As PNSC continues to strengthen its sustainability data-management systems, the Corporation intends to develop and refine measurable sustainability and climate-related targets and key performance indicators (KPIs) relevant to its operations, to be disclosed in future reporting periods.

During the reporting period, sustainability and climate-related performance indicators were not directly linked to executive remuneration. PNSC intends to evaluate the potential integration of selected sustainability and climate-related indicators into management performance assessment and incentive mechanisms as its sustainability governance, data availability and performance measurement practices mature.

The Corporation recognizes that effective targets, reliable performance data and appropriate accountability mechanisms are important for demonstrating progress and strengthening the integration of sustainability considerations into business decision-making.

INTERNAL CONTROLS AND ASSURANCE

PNSC utilizes established internal control systems, risk-management procedures, operational controls, compliance mechanisms, internal audit processes and Board and management oversight to support effective management of climate-related risks and, to the extent identified to date, sustainability related risks, consistent with the first-year disclosure basis described in Section 3.7.

Sustainability and environmental matters are addressed through relevant operational and management controls across vessel operations and shore-based functions. These controls support the monitoring and management of areas such as fuel consumption, emissions, environmental compliance, occupational health and safety, waste, water, vessel operations, asset integrity and regulatory requirements.

As at the date of this Report, internal controls specific to sustainability related data collection, validation and disclosure are still being developed. These mechanisms collectively provide a foundation for progressively enhancing the reliability, consistency and completeness of sustainability related information and disclosures.

As PNSC develops its sustainability reporting capabilities, the Corporation intends to strengthen data governance, documentation, internal controls and review processes supporting sustainability and climate-related disclosures, with progress to be reported in the FY2026-27 Sustainability Report.

GOVERNANCE – CONTINUOUS IMPROVEMENT

As PNSC presents its first Sustainability Report for the year ended 30 June 2026, the Corporation recognizes that its sustainability and climate-related governance framework will continue to evolve.

PNSC is progressively strengthening its governance arrangements, policies, risk-management processes, data systems, internal controls and management capabilities to enhance the identification, assessment and management of sustainability- and climate-related risks and opportunities.

The reconstitution of the existing Board committee as the Sustainability, Strategy and Risk Management Committee (SSRMC), supported by Board oversight, management accountability and a dedicated Management Sub-Committee, provides an important foundation for the continued development of PNSC's sustainability governance framework.

Moving forward, PNSC intends to further enhance the integration of sustainability and climate-related considerations into strategy, enterprise risk management, fleet planning, capital allocation, operational

decision-making, performance monitoring and stakeholder engagement.

These efforts are intended to support PNSC's long-term resilience and responsible growth while strengthening the Corporation's alignment with applicable SECP ESG requirements, IFRS Sustainability Disclosure Standards, including IFRS S2, and relevant international maritime sustainability and climate-related developments.



SECP ESG DISCLOSURE GUIDELINES - GOVERNANCE DISCLOSURES

The disclosures below supplement the Board-level oversight, committee composition and climate-governance disclosures presented above, and address the Governance pillar indicators recommended under SECP's ESG Disclosure Guidelines for Listed Companies, the Listed Companies (Code of Corporate Governance) Regulations, 2019 (as amended), and given PNSC's status as a Federal Government-owned Corporation the State-Owned Enterprises (Governance and Operations) Act, 2023.

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Board Composition & Independence	Total Board size; number of Executive, Non-Executive and Independent Directors	Total Board Size: 10 No. of Executive Directors: 1 No. of Non-Executive Directors: 4 No. of Independent Directors: 5
Board Gender Diversity	Number/% of female directors on the Board (CCG 2019 requires a minimum of one)	No. of Female Directors: 1 % of Total Directors: 10%

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Board & Committee Meetings	Number of Board/committee meetings held during FY2025-26, and average director attendance (%)	Disclosed in Director's Report.
Directors' Training	Number/% of directors certified under SECP's Directors' Training Program (DTP)	All the board of directors (100%) are certified under SECP's Directors' Training Program (DTP)
ESG / Sustainability Governance Structure	Board-level oversight structure for sustainability and ESG matters	During the reporting period, PNSC reconstituted its existing Board committee, broadening its mandate to encompass sustainability oversight, strategic guidance and risk management, and renaming it as the Sustainability, Strategy and Risk Management Committee (SSRMC). The reconstitution is consistent with the 2024 amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019, which require listed companies to constitute a sustainability committee at Board level. The SSRMC's terms of reference cover oversight of the Corporation's ESG strategy, including climate-related risks and opportunities, as an integral part of the Corporation's overall strategy and risk management framework. The Committee is chaired by Mrs. Nadia Osman Jung, an Independent Director and SECP certified director, and comprises independent and SECP certified Board directors, supported by the Chief Financial Officer as Secretary and Co-opted Member. During the reporting period, the Committee held its inaugural meetings, providing guidance on sustainability disclosures, overseeing the draft Sustainability Policy and Implementation Framework, and supporting Board level ESG capacity building through a training session conducted by the Pakistan Institute of Corporate Governance (PICG).
Code of Conduct / Business Ethics	Board approved Code of Conduct / business ethics policy? Coverage and training %	PNSC Code of Conduct and business ethics policy is duly approved by BoD and 100% Coverage and 100 % and certified under SECP training program.

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Anti-Bribery & Anti-Corruption	Anti-bribery/Anti-corruption policy? Confirmed incidents during the year	These matters are adequately addressed in the Corporation's approved Code of Conduct, which has been communicated to all employees for strict observance and compliance. No incidents were reported during FY 2025–26.
Whistle-blowing / Grievance Mechanism	Confidential whistle-blowing channel; cases reported and resolved	The Corporation's approved Whistleblowing Policy provides a formal mechanism for employees and other relevant stakeholders to report suspected misconduct, unethical practices, or violations of applicable laws and policies. The Policy is communicated across the Corporation to promote transparency, accountability, and protection against retaliation. During FY 2025–26, no whistleblowing incidents were reported.
Related Party Transactions	Approval mechanism and value of related party transactions during the year	Reviewed and approved by the Board / Audit Committee in accordance with Section 208 of the Companies Act, 2017 and the Listed Companies (CCG) Regulations, 2019. Please refer to Note 53 of Financial statements.
Risk Management Framework	Enterprise wide risk identification, assessment and mitigation framework	PNSC maintains an enterprise risk management (ERM) framework providing a structured approach for identifying, assessing, monitoring and mitigating risks across the Corporation, overseen by the Board of Directors with governance support from the SSRMC. As disclosed in Section 6 of this Report, the ERM framework currently addresses climate-related risks and opportunities through existing operational controls principally the Safety Management System (SMS) under the ISM Code, HSEQ standard operating procedures, IMO DCS fuel consumption monitoring and technical/dry-docking planning cycles rather than through a standalone, formalized climate risk management framework. A documented, climate-specific risk-scoring methodology distinguishing inherent from residual risk has not yet been established; formalizing such a methodology and integrating it within the broader ERM framework has been identified as a priority

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		for the year ahead. The formal identification and assessment of broader sustainability related risks and opportunities (SRROs) beyond climate has also not yet been completed, consistent with the disclosure in Section 3.7 of this Report. PNSC intends to disclose progress on the formalization of its climate and sustainability risk management framework in the FY2026-27 Sustainability Report.
Internal Controls & Internal Audit	Statement on adequacy of internal controls over financial reporting (ICFR); internal audit function	PNSC maintains an internal control framework designed to provide reasonable assurance over the reliability of financial reporting, the safeguarding of assets, compliance with applicable laws and regulations, and the effectiveness and efficiency of operations. The Board of Directors, supported by the Board Audit Committee, is responsible for overseeing the adequacy and effectiveness of the Corporation's internal control systems. The Board Audit Committee oversees the internal audit function, which operates independently and reports directly to the Board Audit Committee, providing risk-based assurance over the design and operating effectiveness of internal controls across the Corporation's financial reporting, operational and compliance processes. A formal statement on the adequacy of internal controls over financial reporting (ICFR), consistent with the Directors' Report and the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, is set out in PNSC's Annual Report for the year ended 30 June 2026.
Executive Remuneration	Remuneration policy and any linkage to ESG/climate-related KPIs	Executive remuneration at PNSC is overseen by the CSR, Nomination & Human Resource Committee, a Board-level committee responsible for reviewing and recommending the Corporation's remuneration policy and executive compensation arrangements to the Board for approval, in accordance with the Listed

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		Companies (Code of Corporate Governance) Regulations, 2019 and the State-Owned Enterprises (Governance and Operations) Act, 2023. During the reporting period, sustainability and climate-related performance indicators were not linked to executive remuneration. The percentage of FY2025-26 executive remuneration linked to ESG or climate-related considerations is Nil. This is consistent with the disclosures in the Targets, Monitoring and Incentives section and the CSR, Nomination & Human Resource Committee section of this Report. As at the date of this Report, PNSC has not yet established a formal policy linking executive remuneration to sustainability or climate-related key performance indicators. PNSC recognizes that aligning executive incentives with sustainability performance is an important governance development and intends to evaluate the appropriateness of incorporating selected sustainability and climate-related indicators into management performance assessment and remuneration frameworks as its sustainability governance, data availability and performance measurement practices mature. Progress against this objective will be disclosed in the FY2026-27 Sustainability Report.
Data Privacy & Cybersecurity	Data protection / cybersecurity policy; breaches reported during the year	PNSC recognizes that data privacy and cybersecurity represent material operational and reputational risks for a state-owned maritime Corporation managing sensitive commercial, operational and personnel data across its fleet and shore-based operations. As at the date of this Report, a formally documented, Board approved data protection and cybersecurity policy specific to sustainability related data has not yet been established. Cybersecurity and data protection matters are currently managed through existing IT governance and operational controls embedded within PNSC's shore-based management information systems and vessel operational technology environments. As disclosed in

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		the Future ESG Governance Enhancements section of this Report, the draft ESG Policy (2026–2035) proposes the development of an information security management framework aligned with ISO/IEC 27001 for shore-based IT and a maritime cybersecurity framework aligned with IMO Resolution MSC.428(98) for vessel operational technology. Formalizing these frameworks has been identified as a priority for the year ahead. With respect to reported breaches during FY2025-26, no cybersecurity breaches or data privacy incidents requiring regulatory notification or Board escalation were reported during the reporting period. PNSC intends to disclose the status of its formalized cyber security and data protection frameworks in the FY2026-27 Sustainability Report.
Regulatory Compliance	Penalties, fines or show cause notices from SECP, PSX or other regulators during the year	During the reporting period, PNSC did not receive any penalties, fines or show-cause notices from the Securities and Exchange Commission of Pakistan (SECP), the Pakistan Stock Exchange (PSX) or any other applicable regulator in connection with the Corporation's listed-company obligations, maritime regulatory requirements or sustainability related disclosures. PNSC maintains an active compliance monitoring framework overseen by the Legal & Corporate Secretariat function, with regulatory compliance matters reported to the Board Audit Committee as part of its oversight of regulatory and legal risk. This disclosure is consistent with the information available to management at the date of authorization of this Report. Any material regulatory developments arising after the reporting period would be disclosed in accordance with the Corporation's continuous disclosure obligations under the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Shareholder Rights and Engagement	AGM parties, minority shareholder participation, investor engagement	PNSC is committed to transparent and equitable engagement with all shareholders, including minority shareholders, in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. During the reporting period, PNSC held its 47th Annual General Meeting (AGM) on 28 October 2025, providing shareholders with an opportunity to review and engage with the Corporation's financial and operational performance, strategic priorities and future direction. The AGM was conducted in accordance with all applicable statutory and regulatory requirements. In addition, PNSC convened a Corporate Briefing Session (CBS) on 26 November 2025, attended by analysts, investors and representatives of brokerage houses, both physically and through online participation, through which senior management shared the Corporation's operational performance, financial results, fleet utilization and key strategic developments. As at the date of this Report, the availability of electronic or postal ballot voting facilities and the mechanism for minority shareholder nominated directorships are governed by the Companies Act, 2017 and PNSC's Articles of Association; specific arrangements applicable to FY2025-26 are set out in the Directors' Report contained in PNSC's Annual Report for the year ended 30 June 2026, which should be read in conjunction with this Sustainability Report
State-Owned Enterprise (SOE) Governance Alignment	Compliance with SOE specific governance requirements	As a Federal Government-owned Corporation, PNSC's governance framework and Board nomination practices are aligned with the State-Owned Enterprises (Governance and Operations) Act, 2023 and the Public Sector Companies (Corporate Governance) Rules, 2013 (as amended), in addition to the Listed Companies (Code of Corporate Governance) Regulations, 2019. Board members are nominated in accordance with the applicable SOE

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		governance framework, with Government nominated and minority shareholder represented directors serving on the Board. PNSC is also subject to oversight by the Central Monitoring Unit (CMU) established under the SOE Act, 2023, and aligns its Board evaluation and governance practices with the CMU Board Evaluation Guidelines 2024. The applicable SOE compliance statement and governance certification for FY2025-26 are contained in PNSC's Annual Report for the year ended 30 June 2026 and should be read in conjunction with this Sustainability Report. PNSC continues to strengthen its SOE governance alignment as regulatory expectations under the SOE Act, 2023 and associated rules evolve.
Trade & Sanctions Compliance	AML / sanctions screening relevant to cross-border shipping operations	As an international shipping operator conducting voyages across multiple jurisdictions, PNSC recognizes that anti-money laundering (AML) and sanctions compliance are important components of responsible corporate governance and operational risk management. As at the date of this Report, a formally documented, Board-approved AML and sanctions screening policy specific to the screening of charterers, cargo counterparties and port calls has not yet been established. Sanctions and trade compliance considerations are currently addressed within existing voyage risk management and legal review processes, overseen by the Legal Affairs function. As disclosed in the Future ESG Governance Enhancements section of this Report, the draft ESG Policy (2026–2035) proposes the formalization of AML and sanctions screening of charterers, cargo and port calls as part of voyage risk management. Formalizing this framework has been identified as a priority for the year ahead. No sanctions violations, AML incidents or related regulatory actions were identified or reported during the reporting period. PNSC intends to disclose the status of its formalized AML and sanctions compliance framework in the future reporting period.

FORWARD-LOOKING

PNSC management has prepared a Board-level ESG Policy (2026–2035), which would formalize and extend the governance arrangements below under the oversight of the existing Sustainability, Strategy and Risk Management Committee (SSRMC), an independent board level committee. The ESG Policy was subsequently approved by the Board and the items below are proposed enhancements, not confirmed current practice.

The draft Policy proposes an ESG governance architecture built on a **Three Lines of Defense Model**:

First Line: Fleet, shore, HR, procurement and other operational departments owning and managing ESG risks and controls in day to day activities;

Second Line: the ESG/Sustainability function, Legal and Risk Management providing policy, monitoring and challenge; and

Third Line: Internal Audit providing independent, risk-based assurance over ESG controls and data integrity, reporting to the Board Audit Committee with material findings shared with the SSRMC.

FUTURE COMMITMENT - GOVERNANCE POLICIES PROPOSED FOR FORMALISATION

- ◆ A single Board-approved Code of Conduct applicable to all Directors, employees and seafarers.
- ◆ A zero-tolerance anti-corruption program referencing the National Accountability Ordinance, OECD Anti-Bribery Convention principles and the UN Convention against Corruption, supported by mandatory training.
- ◆ A confidential, non-retaliation whistleblower mechanism open to employees, seafarers and third parties, with case statistics reported to the SSRMC and Board Audit Committee.
- ◆ An information security management framework aligned with ISO/IEC 27001 for shore-based IT, and a maritime cyber security framework aligned with IMO Resolution MSC.428 (98) for vessel operational technology.
- ◆ AML/sanctions screening of charterers, cargo and port calls as part of voyage risk management.
- ◆ A Supplier ESG Compliance Framework segmenting suppliers as Strategic (biennial third-party audit), High-Risk (annual self-assessment plus biennial third-party audit) and Standard (triennial self-assessment), with a mandatory 90-day Corrective Action Plan for non-compliance.

The background of the slide is a photograph of an oil tanker's deck at sunset. The sun is low on the horizon, creating a bright orange and yellow glow that reflects on the wet deck and the sea. Numerous large, parallel pipes run along the length of the deck, leading towards the ship's superstructure in the distance. The sky is filled with dramatic, orange-tinted clouds.

06

CONCLUSION

PNSC's overall sustainability posture and forward direction, and Board/management sign-off of this Report.

- Summary statement
- Approval and sign-off

PNSC is committed to embedding sustainability and climate-related considerations at the core of its business operations, ensuring alignment with evolving ESG expectations and international maritime industry practice. With oversight from the Board of Directors and the Sustainability, Strategy and Risk Management Committee, PNSC has established a structured framework that integrates sustainability and climate-related risks and opportunities into its governance, strategy and risk management processes.

The disclosures presented in this first Sustainability Report provide a baseline for future performance measurement and improvement. While the current report reflects an early stage of maturity, it establishes a clear direction for strengthening data systems, advancing the integration of climate and sustainability considerations, and progressively enhancing the depth and quality of disclosures in subsequent reporting periods.

Through its first-year reporting under applicable sustainability framework, pursuant to the SECP Order dated 31 December 2024, PNSC has taken a step towards delivering transparent, consistent and decision useful disclosures thereby enhancing stakeholder confidence and reinforcing its commitment to long term resilience and responsible national service as Pakistan's flag carrier.

Approval and sign-off

This Sustainability Report was authorized for issue by the Board of Directors of Pakistan National Shipping Corporation, on the recommendation of the Sustainability, Strategy and Risk Management Committee.



Chief Financial Officer
(Secretary, SSRMC)



Chief Executive Officer



Chairperson, SSRMC
(Independent Director)

Financial Ratios (Group)

	UOM	2026	2025	2024	2023	2022	2021
Profitability ratios							
Profit before levies and tax	%	39.04	61.86	49.09	58.38	22.67	19.10
Gross profit ratio	%	36.12	29.80	40.55	49.42	29.15	22.45
Profit after tax	%	36.18	54.33	43.53	54.94	20.34	17.71
EBITDA margin to sales	%	52.08	62.26	59.24	60.47	33.42	39.86
Operating leverage ratio	Times	0.56	1.01	1.37	3.51	1.09	2.62
Return on equity	%	18.82	19.76	22.85	42.20	13.33	6.10
Return on capital employed	%	13.97	19.34	22.08	40.14	12.09	5.32
Liquidity ratios							
Current ratio	%	2.88	9.65	6.91	4.07	3.38	3.71
Cash to current liabilities	Times	0.26	0.75	0.85	0.74	0.81	0.26
Cash flow from operations to sales	Times	0.39	0.35	0.37	0.44	0.27	0.25
Activity / turnover ratios							
Debtor turnover ratio	Times	9.50	10.31	9.47	9.68	6.67	4.15
Asset turnover ratio	Times	0.33	0.33	0.46	0.63	0.52	0.27
Fixed assets turnover ratio	Times	0.87	0.97	1.14	1.54	0.89	0.40
Market ratios							
Earnings per share	Rs.	108.77	103.22	101.87	151.41	28.52	11.43
Price earning ratio	Times	5.97	3.66	1.98	0.58	1.13	4.24
Price to book ratio	Times	1.12	0.72	0.45	0.25	0.15	0.26
Dividend yield ratio	%	3.08	8.73	17.33	22.64	15.54	6.19
Dividend payout ratio	Times	0.18	0.32	0.34	0.13	0.18	0.26
Dividend cover ratio	Times	5.44	3.13	2.91	7.57	5.70	3.81
Cash dividend	Rs.	20.00	33.00	35.00	20.00	5.00	3.00
Bonus dividend	%	-	-	50.00	-	-	-
Breakup value/share	Rs.	577.94	522.50	445.88	358.82	213.95	187.37
Share price at year end	Rs.	649.37	377.98	202.01	88.35	32.17	48.47
Share price - High	Rs.	696.52	513.22	383.99	143.99	81.79	97.90
Low	Rs.	378.80	224.45	125.25	96.92	47.77	64.00
Capital Structure Ratio							
Financial leverage ratio	Times	0.38	0.02	0.03	0.10	0.11	0.16
Debt service coverage ratio	Times	3.05	15.21	13.09	5.18	5.95	2.69
Debt to equity ratio	Times	0.38	0.02	0.03	0.10	0.11	0.13
Interest cover ratio	Times	11.05	44.78	23.43	21.23	12.86	5.38

Value Added Statement and Graphical Analysis

Wealth Generated

Income from shipping business
Other operating activities
Rental income
Other income

Wealth Distributed

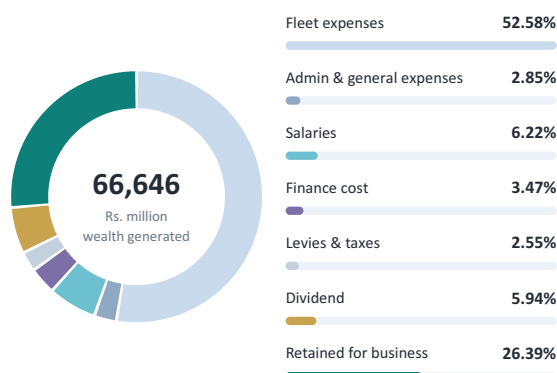
Fleet expenses
Administrative and general expenses
Salaries
Finance cost
Levies and taxes
Dividend
Retained for business

2026		2025	
Rs. in '000	%	Rs. in '000	%
50,621,881	75.96	33,715,448	63.95
8,565,517	12.85	3,591,594	6.81
360,051	0.54	330,374	0.63
7,098,509	10.65	15,083,095	28.61
66,645,958	100	52,720,511	100
35,041,045	52.58	23,450,410	44.48
1,898,510	2.85	1,477,219	2.80
4,144,075	6.22	4,081,690	7.74
2,313,960	3.47	430,400	0.82
1,701,405	2.55	2,832,051	5.37
3,961,901	5.94	6,537,137	12.40
17,585,062	26.39	13,911,604	26.39
66,645,958	100	52,720,511	100

Wealth Distribution 2026

▲ 26.4% vs 2025

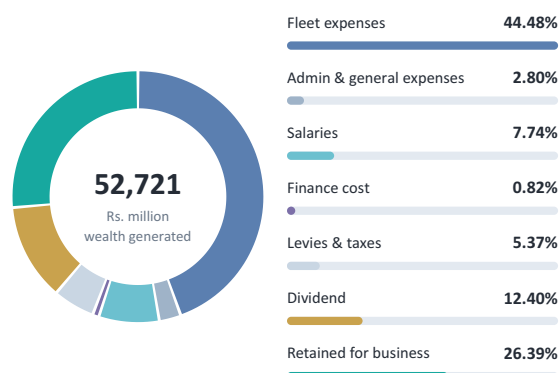
Share of wealth generated · Value Added Statement



Wealth Distribution 2025

▼ 2.8% vs 2024

Share of wealth generated · Value Added Statement



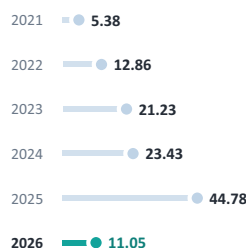
Debt Management

Times · coverage ratios

INTEREST COVER RATIO

11.05x

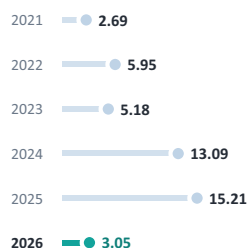
▼ from 44.78x in 2025



DEBT SERVICE COVERAGE RATIO

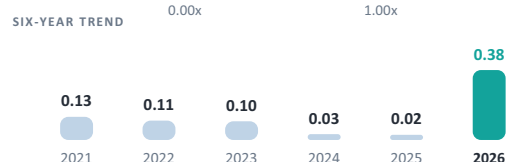
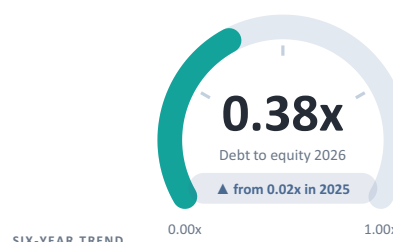
3.05x

▼ from 15.21x in 2025



Debt to Equity Ratio

Times · gauge scale 0.00x – 1.00x



Revenue, Profitability and Capital Employed

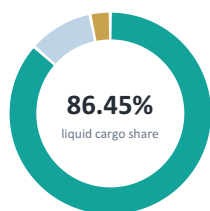
Revenue by Segment

Rs. in million · shipping revenue

SEGMENT REVENUE 2026

50,622

▲ 50.1% vs 2025



● Liquid cargo	43,764
86.45% of 2026	
● Dry bulk	5,211
10.29% of 2026	
● Slot charter	1,647
3.25% of 2026	

	2021	2022	2023	2024	2025	2026
Liquid cargo	9,150	15,138	36,932	34,552	27,473	43,764
Dry bulk	2,179	5,914	5,592	3,295	3,806	5,211
Slot charter	1,239	2,520	4,707	3,151	2,437	1,647

Revenue vs Fleet Expenses

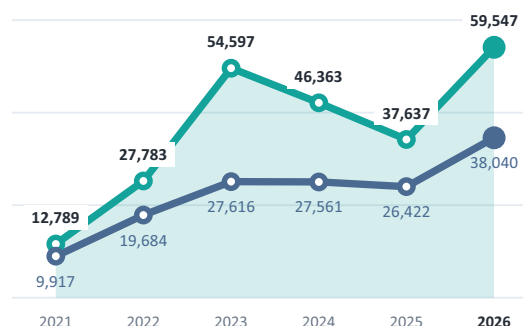
Rs. in million

REVENUE 2026

59,547

▲ 58.2% vs 2025

● Revenue ● Fleet expenses



Turnover & Profitability

Rs. in million · shading = relative size

PROFIT FOR THE YEAR 2026

21,547

▲ 5.4% vs 2025

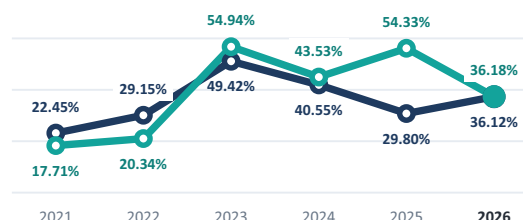
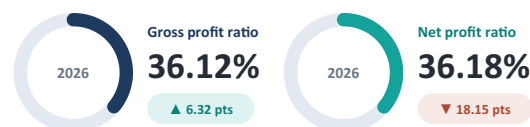
	2021	2022	2023	2024	2025	2026
Revenue	12,789	27,783	54,597	46,363	37,637	59,547
Gross profit	2,871	8,099	26,981	18,802	11,216	21,508
Finance costs	558	531	1,411	1,015	430	2,314
Profit for the year	2,265	5,650	29,994	20,182	20,449	21,547

CHANGE 2026 VS 2025

Revenue	Gross profit	Finance costs	Profit for the year
▲ 58.2%	▲ 91.8%	▲ 437.6%	▲ 5.4%

Gross & Net Profit Ratio

Percentage of revenue · 2026 vs 2025



Revenue & Capital Employed

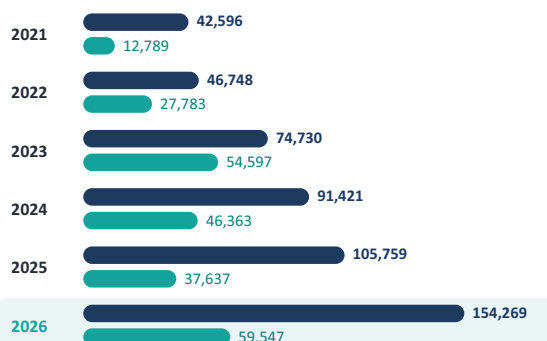
Rs. in million

CAPITAL EMPLOYED 2026

154,269

▲ 45.9% vs 2025

● Capital employed ● Revenue



Fixed Assets & Revenue

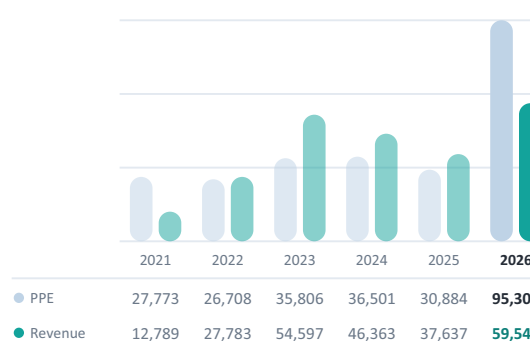
PPE vs revenue · Rs. in million

PPE 2026

95,302

▲ 208.6% vs 2025

● Property, plant & equipment ● Revenue



Shareholder Value, Dividends and Fleet Operations

Price Earning Ratio

Times

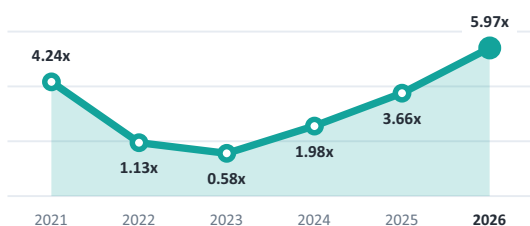
5.97x

P/E ratio 2026

▲ from 3.66x in 2025

SIX-YEAR RANGE

Low 0.58x (2023) High 5.97x (2026)



Market Value vs Break-up Value

Rs. per share

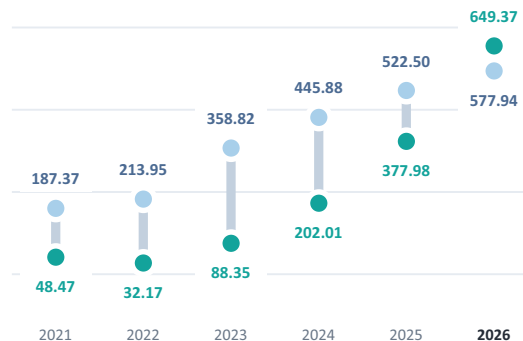
MARKET VALUE 2026

649.37

▲ 71.8% vs 2025

Market value per share

Break-up value per share



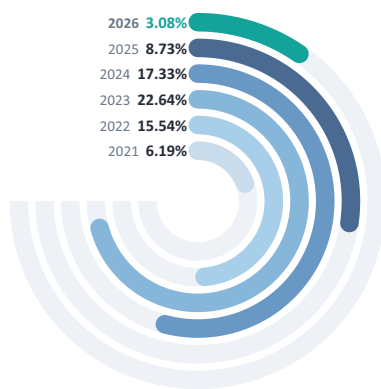
Dividend Yield Ratio

Percentage · arc length shows yield

DIVIDEND YIELD 2026

3.08%

▼ 5.65 pts vs 2025



Dividend & EPS

Rs. per share

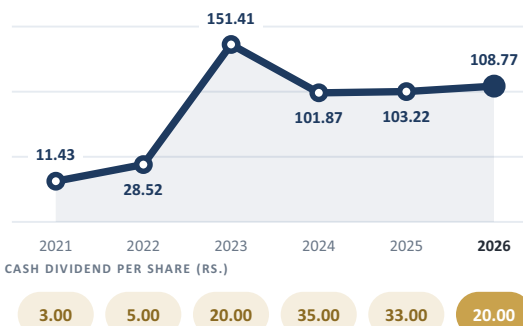
EPS 2026

108.77

▲ 5.4% vs 2025

Earnings per share

Cash dividend per share



Payments to Federal Government

Rs. in million

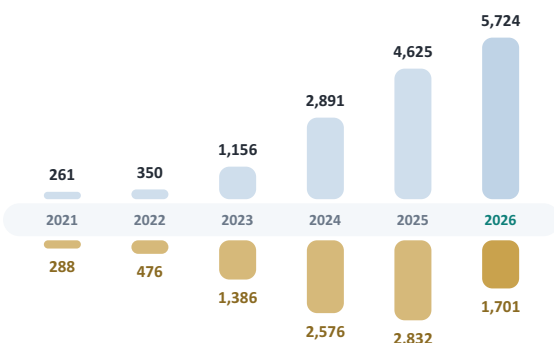
DIVIDEND TO GOP 2026

5,724

▲ 23.8% vs 2025

Dividend to GoP

Levies & taxes paid



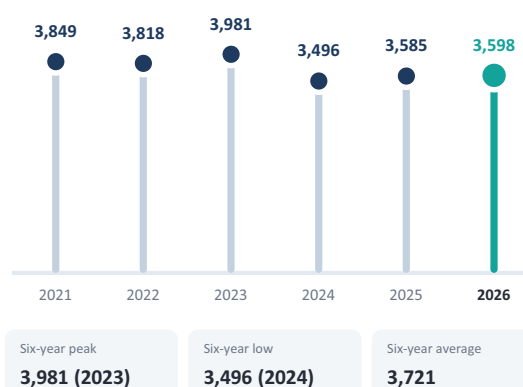
Operational Days

Days performed by owned vessels

OPERATIONAL DAYS 2026

3,598

▲ 0.4% vs 2025



Six-year peak

3,981 (2023)

Six-year low

3,496 (2024)

Six-year average

3,721

Horizontal Analysis (Group)

	2026		2025	
	'000	% change	'000	% change
Profit & Loss				
Revenues	59,547,449	58%	37,637,416	-19%
Expenditure	(38,039,583)	44%	(26,421,702)	-4%
Gross profit	21,507,866	92%	11,215,714	-40%
Administrative expenses	(2,166,551)	5%	(2,072,965)	3%
Impairment reversal / (loss) on financial assets - net	178,018	-90%	1,833,924	-1159%
Other expenses	(877,496)	71%	(514,652)	-32%
Finance cost	(2,313,960)	438%	(430,400)	-58%
Other income	6,920,491	-48%	13,249,171	68%
Profit before levies and taxation	23,248,368	0%	23,280,792	2%
Levies and taxation	(1,701,405)	-40%	(2,832,051)	10%
Profit for the year	21,546,963	5%	20,448,741	1%
Balance sheet				
Property, plant and equipment	95,301,857	209%	30,884,401	-15%
Other non-current assets	5,323,297	4%	5,096,543	6%
Trade debts	9,058,664	161%	3,472,311	-9%
Cash and bank balances	7,396,205	23%	6,032,924	-16%
Other current assets	65,768,329	-4%	68,336,964	44%
Total assets	182,848,352	61%	113,823,143	14%
Shareholder's equity	114,487,839	11%	103,504,364	17%
Employee benefits	1,307,338	13%	1,159,199	3%
Long-term financing	38,465,347	3446%	1,084,698	-44%
Lease liabilities	8,173	-20%	10,271	-14%
Current portion of long-term financing	5,257,168	505%	868,800	0%
Other current liabilities	23,322,487	224%	7,195,811	-5%
Total equity and liabilities	182,848,352	61%	113,823,143	14%
Cash Flow Statement				
Cash flows from operating activities	23,171,133	76%	13,154,423	-22%
Net cash (used in) / generated from investing activities	(66,786,703)	-6385%	1,062,663	-104%
Net cash generated from / (used in) financing activities	31,360,063	-621%	(6,019,325)	-21%
Net (decrease) / increase in cash and cash equivalents	(12,255,507)	-249%	8,197,761	-154%
Others				
Profit before levies and tax	23,248,368	0%	23,280,792	2%
Finance cost	2,313,960	438%	430,400	-58%
Gain on disposal of property, plant and equipment	-	-	(4,438,423)	-100%
Depreciation	5,412,028	31%	4,123,718	12%
Amortisation	39,118	4%	37,650	11449%
EBITDA	31,013,474	32%	23,434,137	-15%
Profit before levies and tax	23,248,368	0%	23,280,792	2%
Gain on disposal of property, plant and equipment	-	-	(4,438,423)	-100%
Finance cost	2,313,960	438%	430,400	-58%
EBIT	25,562,328	33%	19,272,769	-19%

2024		2023		2022		2021	
'000	% change	'000	% change	'000	% change	'000	% change
46,363,490	-15%	54,597,184	97%	27,783,460	117%	12,788,561	-7%
(27,561,069)	0%	(27,615,796)	40%	(19,684,247)	98%	(9,917,093)	7%
18,802,421	-30%	26,981,388	233%	8,099,213	182%	2,871,468	-37%
(2,003,503)	25%	(1,608,239)	30%	(1,232,701)	19%	(1,034,518)	-8%
(173,225)	-85%	(1,122,941)	21%	(929,525)	-426%	285,266	-169%
(752,394)	68%	(449,022)	6%	(423,127)	95%	(216,557)	-19%
(1,014,771)	-28%	(1,411,030)	166%	(530,879)	-5%	(557,607)	-51%
7,899,179	-17%	9,486,391	622%	1,314,157	20%	1,094,139	15%
22,757,707	-29%	31,876,547	406%	6,297,138	158%	2,442,191	-5%
(2,575,972)	37%	(1,882,252)	191%	(647,248)	265%	(177,165)	6%
20,181,735	-33%	29,994,295	431%	5,649,890	149%	2,265,026	-6%
36,500,711	2%	35,806,011	34%	26,708,229	-4%	27,772,552	-3%
4,816,353	9%	4,400,167	5%	4,201,180	5%	3,988,111	7%
3,825,726	-36%	5,969,078	12%	5,311,573	76%	3,019,161	-4%
7,172,765	-14%	8,383,959	55%	5,414,650	415%	1,050,945	-77%
47,578,479	51%	31,430,973	167%	11,760,589	9%	10,760,215	86%
99,894,034	16%	85,990,188	61%	53,396,221	15%	46,590,984	2%
88,327,564	24%	71,079,894	68%	42,383,333	14%	37,117,412	7%
1,128,785	53%	739,613	4%	713,135	5%	679,619	-11%
1,952,583	-31%	2,822,020	-20%	3,547,219	-24%	4,684,138	-22%
11,878	-87%	88,547	-15%	104,746	-9%	114,805	5%
868,800	-80%	4,422,203	366%	949,793	-29%	1,334,965	0%
7,604,424	11%	6,837,911	20%	5,697,995	114%	2,660,045	-9%
99,894,034	16%	85,990,188	61%	53,396,221	15%	46,590,984	2%
16,954,950	-29%	23,919,800	220%	7,485,032	136%	3,169,002	18%
(24,603,106)	195%	(8,353,975)	-321%	3,786,579	-188%	(4,299,152)	161%
(7,650,012)	-631%	1,441,645	-175%	(1,927,259)	18%	(1,630,926)	-22%
(15,298,168)	-190%	17,007,470	82%	9,344,352	-438%	(2,761,076)	159%
22,757,707	-29%	31,876,547	406%	6,297,138	158%	2,442,191	-5%
1,014,771	-28%	1,411,030	166%	530,879	-5%	557,607	-51%
-	-	(3,337,259)	-100%	-	-	-	-
3,693,128	20%	3,066,960	25%	2,457,794	17%	2,098,099	18%
326	0%	-	-	-	-	-	-
27,465,932	-17%	33,017,278	256%	9,285,811	82%	5,097,897	-7%
22,757,707	-29%	31,876,547	406%	6,297,138	158%	2,442,191	-5%
-	-	(3,337,259)	-100%	-	-	-	-
1,014,771	-28%	1,411,030	166%	530,879	-5%	557,607	-51%
23,772,478	-21%	29,950,318	339%	6,828,017	128%	2,999,798	-19%

Vertical Analysis (Group)

	2026		2025	
	'000	%	'000	%
Profit & Loss				
Revenues	59,547,449	100%	37,637,416	100%
Expenditure	(38,039,583)	-64%	(26,421,702)	-70%
Gross profit	21,507,866	36%	11,215,714	30%
Administrative expenses	(2,166,551)	-4%	(2,072,965)	-6%
Impairment reversal / (loss) on financial assets - net	178,018	0%	1,833,924	5%
Other expenses	(877,496)	-1%	(514,652)	-1%
Finance cost	(2,313,960)	-4%	(430,400)	-1%
Other income	6,920,491	12%	13,249,171	35%
Profit before levies and taxation	23,248,368	39%	23,280,792	62%
Levies and taxation	(1,701,405)	-3%	(2,832,051)	-8%
Profit for the year	21,546,963	36%	20,448,741	54%
Balance Sheet				
Property, plant and equipment	95,301,857	52%	30,884,401	27%
Other non-current assets	5,323,297	3%	5,096,543	4%
Trade debts	9,058,664	5%	3,472,311	3%
Cash and bank balances	7,396,205	4%	6,032,924	5%
Other current assets	65,768,329	36%	68,336,964	60%
Total assets	182,848,352	100%	113,823,143	100%
Shareholder's equity	114,487,839	62.6%	103,504,364	90.9%
Employee benefits	1,307,338	0.7%	1,159,199	1.0%
Long-term financing	38,465,347	21.0%	1,084,698	1.0%
Lease liabilities	8,173	0.0%	10,271	0.0%
Current portion of long-term financing	5,257,168	2.9%	868,800	0.8%
Other current liabilities	23,322,487	12.8%	7,195,811	6.3%
Total equity and liabilities	182,848,352	100%	113,823,143	100%
Cash flow statement				
Cash flows from operating activities	23,171,133	-189%	13,154,423	160%
Net cash (used in) / generated from investing activities	(66,786,703)	545%	1,062,663	13%
Net cash generated from / (used in) financing activities	31,360,063	-256%	(6,019,325)	-73%
Net (decrease) / increase in cash and cash equivalents	(12,255,507)	100%	8,197,761	100%
Profit before levies and tax	23,248,368	75%	23,280,792	99%
Finance cost	2,313,960	7%	430,400	2%
Gain on disposal of property, plant and equipment	-	-	(4,438,423)	-19%
Depreciation	5,412,028	17%	4,123,718	18%
Amortisation	39,118	0%	37,650	0%
EBITDA	31,013,474	100%	23,434,137	100%
Profit before levies and tax	23,248,368	91%	23,280,792	121%
Gain on disposal of property, plant and equipment	-	0%	(4,438,423)	-23%
Finance cost	2,313,960	9%	430,400	2%
EBIT	25,562,328	100%	19,272,769	100%

2024		2023		2022		2021	
'000	%	'000	%	'000	%	'000	%
46,363,490	100%	54,597,184	100%	27,783,460	100%	12,788,561	100%
(27,561,069)	-59%	(27,615,796)	-51%	(19,684,247)	-71%	(9,917,093)	-78%
18,802,421	41%	26,981,388	49%	8,099,213	29%	2,871,468	22%
(2,003,503)	-4%	(1,608,239)	-3%	(1,232,701)	-4%	(1,034,518)	-8%
(173,225)	0%	(1,122,941)	-2%	(929,525)	-3%	285,266	2%
(752,394)	-2%	(449,022)	-1%	(423,127)	-2%	(216,557)	-2%
(1,014,771)	-2%	(1,411,030)	-3%	(530,879)	-2%	(557,607)	-4%
7,899,179	17%	9,486,391	17%	1,314,157	5%	1,094,139	9%
22,757,707	49%	31,876,547	58%	6,297,138	23%	2,442,191	19%
(2,575,972)	-6%	(1,882,252)	-3%	(647,248)	-2%	(177,165)	-1%
20,181,735	44%	29,994,295	55%	5,649,890	20%	2,265,026	18%
36,500,711	37%	35,806,011	42%	26,708,229	50%	27,772,552	60%
4,816,353	5%	4,400,167	5%	4,201,180	8%	3,988,111	9%
3,825,726	4%	5,969,078	7%	5,311,573	10%	3,019,161	6%
7,172,765	7%	8,383,959	10%	5,414,650	10%	1,050,945	2%
47,578,479	48%	31,430,973	37%	11,760,589	22%	10,760,215	23%
99,894,034	100%	85,990,188	100%	53,396,221	100%	46,590,984	100%
88,327,564	88.4%	71,079,894	82.7%	42,383,333	79.4%	37,117,412	79.7%
1,128,785	1.1%	739,613	0.9%	713,135	1.3%	679,619	1.5%
1,952,583	2.0%	2,822,020	3.3%	3,547,219	6.6%	4,684,138	10.1%
11,878	0.0%	88,547	0.1%	104,746	0.2%	114,805	0.2%
868,800	0.9%	4,422,203	5.1%	949,793	1.8%	1,334,965	2.9%
7,604,424	7.6%	6,837,911	8.0%	5,697,995	10.7%	2,660,045	5.7%
99,894,034	100%	85,990,188	100%	53,396,221	100%	46,590,984	100%
16,954,950	-111%	23,919,800	141%	7,485,032	80%	3,169,002	-115%
(24,603,106)	161%	(8,353,975)	-49%	3,786,579	41%	(4,299,152)	156%
(7,650,012)	50%	1,441,645	8%	(1,927,259)	-21%	(1,630,926)	59%
(15,298,168)	100%	17,007,470	100%	9,344,352	100%	(2,761,076)	100%
22,757,707	83%	31,876,547	97%	6,297,138	68%	2,442,191	48%
1,014,771	4%	1,411,030	4%	530,879	6%	557,607	11%
-	-	(3,337,259)	-10%	-	-	-	-
3,693,128	13%	3,066,960	9%	2,457,794	26%	2,098,099	41%
326	0%	-	-	-	-	-	-
27,465,932	100%	33,017,278	100%	9,285,811	100%	5,097,897	100%
22,757,707	96%	31,876,547	106%	6,297,138	92%	2,442,191	81%
-	0%	(3,337,259)	-11%	-	0%	-	0%
1,014,771	4%	1,411,030	5%	530,879	8%	557,607	19%
23,772,478	100%	29,950,318	100%	6,828,017	100%	2,999,798	100%

Six Years at a Glance (PNSC)

	UOM	2026	2025	2024	2023	2022	2021
(Rupees in '000)							
Profit & loss							
Revenue		17,719,080	6,924,379	9,181,834	11,832,051	10,481,713	2,598,011
Expenditure		(13,751,153)	(6,395,972)	(6,918,339)	(8,459,722)	(8,618,673)	(2,151,442)
Gross profit		3,967,927	528,407	2,263,495	3,372,329	1,863,040	446,569
Administrative & other expenses		(1,357,842)	(916,797)	(1,269,667)	(788,126)	(698,014)	(418,713)
Impairment reversal / (loss) on financial assets - net		101,125	1,321,595	(259,521)	(706,399)	(585,498)	280,348
Other income		6,409,845	8,629,808	7,683,076	5,633,656	1,382,190	1,042,376
Finance cost		(2,303,893)	(419,732)	(1,003,486)	(1,402,093)	(525,794)	(551,417)
Profit before levies and taxation		6,817,162	9,143,281	7,413,897	6,109,367	1,435,924	799,163
Levies and taxation		(1,571,188)	(2,464,364)	(2,429,490)	(1,275,289)	(565,922)	(104,345)
Profit for the year		5,245,974	6,678,917	4,984,407	4,834,078	870,002	694,818
Balance sheet							
Non-current assets		73,896,705	55,711,502	54,027,703	52,778,489	43,612,839	43,422,518
Current assets		69,956,602	72,646,985	51,049,400	38,298,932	16,815,794	11,309,154
Total assets		143,853,307	128,358,487	105,077,103	91,077,421	60,428,633	54,731,672
Equity and liabilities							
Paid-up capital		1,980,951	1,980,951	1,320,634	1,320,634	1,320,634	1,320,634
Reserves		9,736,450	15,031,799	14,264,276	12,773,405	9,226,223	8,739,441
Surplus on revaluation of fixed assets		2,124,776	2,146,941	2,167,806	1,612,524	1,623,362	1,624,111
Share-holders' equity		13,842,177	19,159,691	17,752,716	15,706,563	12,170,219	11,684,186
Non-current liabilities		39,780,858	2,254,168	3,093,246	3,650,180	4,365,100	5,478,562
Current liabilities		90,230,272	106,944,628	84,231,141	71,720,678	43,893,314	37,568,924
		143,853,307	128,358,487	105,077,103	91,077,421	60,428,633	54,731,672
RATIOS							
Profitability ratios							
Gross profit / operating revenue	%	22.39	7.63	24.65	28.50	17.77	17.19
Profit before levies and tax / operating revenue	%	38.47	132.04	80.75	51.63	13.70	30.76
Profit after levies and tax / operating revenue	%	29.61	96.46	54.29	40.86	8.30	26.74
Return on capital employed	%	9.78	31.19	23.91	24.97	5.26	4.05
Liquidity / leverage ratios							
Current ratio	Times	0.78	0.68	0.61	0.53	0.38	0.30
Fixed assets turnover ratio	Times	0.27	0.13	0.17	0.25	0.24	0.06
Equity / Total assets	%	9.62	14.93	16.89	17.25	20.14	21.35
Return to shareholders							
Earnings per share	Rs.	26.48	33.72	25.16	24.40	4.39	3.51
Price earning ratio	Rs.	24.52	11.21	8.03	3.62	7.33	13.82
Cash dividend	Rs. / share	20.00	33.00	35.00	20.00	5.00	3.00
Bonus dividend	%	-	-	50.00	-	-	-
Break-up value per share	Rs.	69.88	96.72	89.62	118.93	92.15	88.47
Share prices in rupees							
High		696.52	513.22	383.99	143.99	81.79	97.90
Low		378.80	224.45	125.25	96.92	47.77	64.00

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' 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, 2026 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 Directors' 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, 2026.



Yousuf Adil
Chartered Accountants
Karachi
Date: October 06, 2026
UDIN: CR202610186ZhHvDoLqx



Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: October 06, 2026
UDIN: CR202610126JRHsVlyqv



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

PAKISTAN NATIONAL SHIPPING CORPORATION

Year ended June 30, 2026

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 10 as per following (subject to explanation given in para 18.1 below):
 - a) Male : 9
 - 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
i. Independent Directors Appointed by Federal Government under the PNSC Ordinance , 1979 (the PNSC Ordinance), as amended.	Mr. Sultan A. Chawla Mr. Khalil Ahmed Khawaja Shahzeb Akram Ms. Nadia Osman Jung Mr. Ziad Bashir (w.e.f. June 22, 2026)
ii. Non-Executive Directors a. Additional Secretary Corporate Finance, Finance Division, Islamabad b. Additional Secretary Ministry of Maritime Affairs, Islamabad. c. Elected by Minority Shareholders d. Elected by Minority Shareholders	Mr. Qumar Sarwar Abbasi Mr. Umar Zafar Sheikh Mr. Ahsan Ali Malik Captain (R) Sarfaraz Inayatullah Qureshi
iii. Executive Directors Appointed by Federal Government under the PNSC Ordinance.	Syed Jarar Haider Shah Kazmi
iv. Female Director Appointed by Federal Government under the PNSC Ordinance.	Ms. Nadia Osman Jung

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 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, by a director elected by the Board for this purpose. The Board has complied with the requirements of 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 Act and these 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 approved the appointment of the Chief Financial Officer (CFO), along with his remuneration and terms of employment, in accordance with applicable regulations. The Board has given additional charge to the Company Secretary to act as Acting Head of Internal Audit, after the resignation of appointed Head of Internal Audit on January 30, 2026;
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
Mr. Qumar Sarwar Abbasi	Member
Mr. Umar Zafar Sheikh	Member
Captain (R) Sarfaraz Inayatullah	Member
Mr. Ahsan Ali Malik	Member

(b) HR, Nomination and CSR Committee:

Names	Designation
Khawaja Shahzeb Akram	Chairman
Mr. Umar Zafar Sheikh	Member
Mr. Khalil Ahmed	Member
Mr. Ahsan Ali Malik	Member
Syed Jarar Haider Shah Kazmi	Member

(c) Sustainability, Strategy and Risk Management Committee:

Names	Designation
Ms. Nadia Osman Jung	Chairperson
Mr. Qumar Sarwar Abbasi	Member
Captain (R) Sarfaraz Inayatullah	Member
Khawaja Shahzeb Akram	Member

(d) Procurement Committee:

Names	Designation
Mr. Khalil Ahmed	Chairman
Captain (R) Sarfaraz Inayatullah	Member
Mr. Ahsan Ali Malik	Member
Khawaja Shahzeb Akram	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the aforesaid committees were as per following:

S.No.	Committee	Frequency	No. of Meetings
i.	Audit Committee	Quarterly/On need basis	19
ii.	HR, Nomination and CSR Committee	On need basis	11
iii.	Sustainability, Strategy and Risk Management Committee	On need basis	5
iv.	Procurement Committee	On need basis	6

15. The Board has set up an 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, Chief Financial Officer, Head of Internal Audit, Company Secretary or directors of the Corporation;
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 PNSC Ordinance, certain provisions of the PNSC 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) as per the PNSC Ordinance. There was one vacant position at year end which has been filled by the Federal Government after the year end;

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

S.No.	Non- Mandatory Requirements	Explanation	Reg.no
1.	There must be an internal audit function, headed by a suitably qualified person with functionally reporting to the audit committee and administratively to CEO.	One internal audit report for the first quarter was prepared, however, it was not approved for issuance. After the appointment of a new Head of Internal Audit, the requirements will be streamlined and compliance with the requirements will be ensured.	31 (7)
2.	The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	As the regulations provides concession with respect to disclosure of key elements of significant policies on the website, only those policies which were considered necessary, have been posted	35
3.	It is encouraged to arrange DTP for head of departments and female executives every year.	The Corporation remains committed to upholding the requirements of the Director's Training Program with sincerity and humility. Training for other head of departments may be considered in future. Further, no female executive is currently employed by the Corporation.	19.1 and 19.3



CHAIRMAN

Independent Auditors' Report and Consolidated 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 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, 2026**, 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 material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at **June 30, 2026**, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *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.

Emphasis of Matter

We draw attention to the following matters:

1. We draw attention to Note 32.1.5.12 to the consolidated financial statements, which describes the uncertainty related to outcome of the tax assessment and resulting demand of Rs. 5,333.965 million and explains that the Corporation is contesting the matter before various forums.
2. We draw attention to note b to the Statement of Changes in Equity of the consolidated financial statements, which describes that the Corporation has contributed Rs. 4 billion to the Prime Minister's Austerity Program during the year. This payment was made in accordance with the directives issued by the Federal Cabinet under the provisions of the State-Owned Enterprises (Governance and operations) Act 2023.

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:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Contingencies 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. As at June 30, 2026, the aggregate amount of such contingencies amounted to Rs. 26,691.896 million (2025: Rs. 20,316.904 million). Refer to note 32.1 to the annexed consolidated financial statements. 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. 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.	Our key audit procedures amongst others included the following: - 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; - Inspected report prepared by the in-house legal department and the groups' tax advisor; - Involved our tax specialist to assist in analyzing the judgement used to evaluate the matters; - 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; - Circularized confirmations to the Group's external legal and tax advisors for their views and assessment on the pending cases; and - 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.
2.	Revenue recognition from chartering of foreign vessels, time charter and slot charter The Group recognizes revenue from voyage charter, time charter, slot charter, demurrage income, add-war risk income and income from miscellaneous claims amounting to Rs. 59.19 billion (2025: Rs. 37.31 billion).	Our key audit procedures amongst others included the following: Obtained and updated understanding of Group's business model, focusing on chartering vessels, time charter arrangements and slot charter arrangements under contracts;

	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 revenue from unfinished voyages and vessels under time charter arrangements is not accurately recognized in respect of the cut-off reporting date, which could significantly impact the consolidated financial statements. Refer to Note 6.19 for the accounting policy relating to revenue recognition and Notes 33 and 34 for the related disclosures.	• Reviewed revenue recognition policies to ensure compliance with IFRS, especially the over-time recognition; • Evaluated management's assumptions and methods for measuring voyage progress, including load-to-discharge basis and estimated voyage duration; • Evaluated the recognition of time charter revenue on a per day, over-time basis for the period each vessel was under the charterer's control, and traced amounts recognized to the underlying time charter party agreements; • Assessed the basis of estimation for demurrage income, including management's use of past settlement experience and recent recovery trends; • Assessed the nature and recoverability of amounts recognized as income from miscellaneous claims, and inspected supporting evidence; • Performed cut-off testing procedures to assess whether revenue is recognized in the proper accounting period; and • Assessed the adequacy of related disclosures in the consolidated financial statements regarding significant judgments and estimation uncertainties.
--	---	--

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 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit

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

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, 2026
UDIN: AR202610186eA17ujUIR



Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: October 06, 2026
UDIN: AR202610126rebmQJSP0



Consolidated Statement of Financial Position

As at June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025 -----
ASSETS			
Non-current assets			
Property, plant and equipment	7	95,301,857	30,884,401
Right-of-use assets	8	4,910	6,712
Intangible assets	9	119,709	149,624
Investment properties	10	4,850,358	4,607,802
Long-term investments in:			
- Related party (an associate)	11	-	-
- Listed companies and an other entity	12	79,186	85,911
Long-term loans	13	80,201	91,241
Deferred taxation	14	188,933	155,253
Total non-current assets		100,625,154	35,980,944
Current assets			
Stores and spares	15	2,873,343	1,813,355
Trade debts	16	9,058,664	3,472,311
Agents' and owners' balances	17	19,554	5,327
Loans and advances	18	1,049,913	509,628
Trade deposits and short-term prepayments	19	229,911	207,984
Contract assets		2,732,168	793,353
Interest accrued on bank deposits and short-term investments		649,766	190,355
Other receivables	20	551,430	1,027,016
Taxation-net	21	8,044,206	1,842,340
Short-term investments	22	49,618,038	61,947,606
Cash and bank balances	23	7,396,205	6,032,924
Total current assets		82,223,198	77,842,199
TOTAL ASSETS		182,848,352	113,823,143
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY			
Authorised share capital			
200,000,000 (2025: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up share capital	24	1,980,951	1,980,951
Reserves			
Capital reserve		131,344	131,344
Revenue reserves		110,637,636	99,606,416
Remeasurement of post-retirement benefits obligation - net of tax		(406,556)	(380,204)
Surplus on revaluation of property, plant and equipment - net of tax	7.8	2,127,823	2,149,988
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE HOLDING COMPANY		112,490,247	101,507,544
NON-CONTROLLING INTEREST	25	16,641	15,869
TOTAL EQUITY		114,487,839	103,504,364
LIABILITIES			
Non-current liabilities			
Long-term financing	26	38,465,347	1,084,698
Lease liabilities	27	8,173	10,271
Employees' benefits	28	1,307,338	1,159,199
Total non-current liabilities		39,780,858	2,254,168
Current liabilities			
Trade and other payables	29	21,007,756	6,290,455
Contract liabilities	30	551,616	480,170
Provision against damage claims	31	79,943	44,855
Current portion of long-term financing	26	5,257,168	868,800
Current portion of lease liabilities	27	2,457	2,482
Unclaimed dividend		493,426	335,964
Accrued mark-up on long-term financing		1,187,289	41,885
Total current liabilities		28,579,655	8,064,611
TOTAL LIABILITIES		68,360,513	10,318,779
TOTAL EQUITY AND LIABILITIES		182,848,352	113,823,143
CONTINGENCIES AND COMMITMENTS			
	32		

The annexed notes from 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 Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
----- (Rupees in '000) -----			
REVENUE FROM CONTRACT WITH CUSTOMERS			
Income from shipping business	33	50,621,881	33,715,448
Other operating activities	34	8,565,517	3,591,594
		59,187,398	37,307,042
REVENUE FROM OTHERS			
Rental income		360,051	330,374
		59,547,449	37,637,416
EXPENDITURE			
Fleet expenses	35	(37,893,583)	(26,251,234)
Real estate expenses	36	(146,000)	(170,468)
		(38,039,583)	(26,421,702)
GROSS PROFIT			
		21,507,866	11,215,714
Administrative expenses	37	(2,166,551)	(2,072,965)
Impairment reversal on financial assets	38	178,018	1,833,924
Other expenses	39	(877,496)	(514,652)
Other income	40	6,920,491	13,249,171
		4,054,462	12,495,478
OPERATING PROFIT			
		25,562,328	23,711,192
Finance costs	41	(2,313,960)	(430,400)
PROFIT BEFORE LEVIES AND TAXATION			
		23,248,368	23,280,792
Levies	42	(916,958)	(1,279,002)
PROFIT BEFORE TAXATION			
		22,331,410	22,001,790
Taxation	43	(784,447)	(1,553,049)
PROFIT FOR THE YEAR			
		21,546,963	20,448,741
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurement of post-retirement benefits obligation	28.1.8 & 28.2.6	(43,200)	17,368
- Related tax	14.1	16,848	(6,774)
		(26,352)	10,594
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		21,520,611	20,459,335
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the Holding Company		21,546,191	20,447,468
Non-controlling interest	25	772	1,273
		21,546,963	20,448,741
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Holding Company		21,519,839	20,458,062
Non-controlling interest	25	772	1,273
		21,520,611	20,459,335
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY			
- basic and diluted	44	108.77	103.22

The annexed notes from 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 Changes in Equity

For the year ended June 30, 2026

Attributable to the owners of the Holding Company									
Issued, subscribed and paid-up share capital	Capital reserve*	Revenue reserves			Remeasur- ement of post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total reserves	Non- controlling interest (refer note 25)	Total equity
		General reserve	Unappropriated profit	Sub-total revenue reserves					

(Rupees in '000)

Balance as at July 01, 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 owners, recognised directly in equity										
Final cash dividend for the year ended June 30, 2024 paid to shareholders of the Holding Company @ 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 paid to shareholders of the Holding Company @ Rs. 10 per ordinary share	-	-	-	(1,980,951)	(1,980,951)	-	-	(1,980,951)	-	(1,980,951)
Total comprehensive income for the year										
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
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental 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
Transactions with owners in their capacity as owners, recognised directly in equity										
Final cash dividend for the year ended June 30, 2025 (Rs. 23 per ordinary share of Rs.10 each)	-	-	-	(4,556,185)	(4,556,185)	-	-	(4,556,185)	-	(4,556,185)
Interim cash dividend for the year ended June 30, 2026 paid to shareholders of the Holding Company @ Rs. 10 per ordinary share	-	-	-	(1,980,951)	(1,980,951)	-	-	(1,980,951)	-	(1,980,951)
Special appropriation Prime Minister's Austerity Fund (note b)	-	-	-	(4,000,000)	(4,000,000)	-	-	(4,000,000)	-	(4,000,000)
Total comprehensive income for the year										
Profit for the year	-	-	-	21,546,191	21,546,191	-	-	21,546,191	772	21,546,963
Other comprehensive loss for the year	-	-	-	-	-	(26,352)	-	(26,352)	-	(26,352)
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	22,165	22,165	-	(22,165)	-	-	-
Balance as at June 30, 2026	1,980,951	131,344	129,307	110,508,329	110,637,636	(406,556)	2,127,823	112,490,247	16,641	114,487,839

- a. 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.
- b. During the year, the Holding Company recognised a reduction of retained earnings of Rs. 4 billion, representing a payment to the Government of Pakistan's Prime Minister's Austerity Fund 2026 under a directive issued pursuant to Section 17(1) of the State-Owned Enterprises (Governance and Operations) Act, 2023, and approved by the Federal Cabinet (Case No. 204/Rule-19/2026/254 dated 19 March 2026). The payment has been assessed as a transaction with the Government of Pakistan.

The annexed notes from 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, 2026

	Note	June 30, 2026	June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	45	32,418,787	17,489,376
Employees' gratuity paid	28.1.6	(55,873)	(89,253)
Employees' compensated absences paid	28.2.4	(138,345)	(104,531)
Post-retirement medical benefits paid	28.1.6	(24,560)	(22,013)
Finance costs paid		(1,108,773)	(442,477)
Income tax and levies paid	21	(7,920,103)	(3,676,679)
Net cash generated from operating activities		23,171,133	13,154,423
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(69,829,778)	(3,741,339)
Proceeds from disposal of property, plant and equipment		50	9,672,354
Purchase of intangible assets	9	(9,203)	(26,829)
Additions to investment properties	10	(451)	(68,800)
Short-term investments made - net		1,659,845	(7,724,514)
Return on short term investments and bank balances received		1,360,882	3,012,109
Long-term loans recovered / (disbursed)		4,805	(108,715)
Dividend received		27,147	48,397
Net cash (used in) / generated from investing activities		(66,786,703)	1,062,663
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing received	26.3	43,707,048	-
Long-term financing repaid	26.3	(1,965,892)	(868,799)
Payment of principal of lease liabilities	27	(1,419)	-
Special appropriation Prime Minister's Austerity Fund		(4,000,000)	-
Dividend paid		(6,379,674)	(5,150,526)
Net cash generated from / (used in) financing activities		31,360,063	(6,019,325)
Net (decrease) / increase in cash and cash equivalents		(12,255,507)	8,197,761
Cash and cash equivalents at the beginning of the year		24,850,887	16,346,232
Exchange (loss) / gain on cash and cash equivalents		(199,175)	306,894
Cash and cash equivalents at the end of the year	46	12,396,205	24,850,887

The annexed notes from 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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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, Plot No. 30-A, 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.

- 1.1** On May 19, 2026, the Government of Pakistan announced its in-principle approval for the proposed sale of 29.5% of its shareholding in Pakistan National Shipping Corporation (the Holding Company) to National Logistics Corporation (NLC), together with the proposed transfer of management control and consolidation rights, subject to applicable laws, regulatory approvals and completion of requisite transaction formalities.

As at reporting date, the proposed transaction had not been completed. Accordingly, the Government of Pakistan continues to hold its existing shareholding in the Holding Company and there has been no change in management control. The financial and accounting impact, if any, of the proposed transaction will be recognised when the relevant conditions are fulfilled and the transaction is completed.

Subsequent to year end, committees have been constituted to finalise the financial, commercial and legal aspects of the proposed transaction, including the sale price, payment mechanism, Share Purchase Agreement, Shareholders' Agreement and arrangements for the transfer of management control.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards which comprises of:

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB);
- Provisions of, directives and notifications issued under the Companies Act, 2017; and
- Provisions of the State-Owned Enterprises (Governance and Operations) Act, 2023 (the SOE Act) and the State-Owned Enterprises Ownership and Management Policy, 2023 (the SOE Policy) and the directives issued thereunder.

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

In case requirements of the SOE Act or the SOE Policy or the directives issued thereunder differ from the Companies Act, 2017, the provisions of the SOE Act or the SOE Policy or the directives issued thereunder shall prevail. Further, where the requirements of the SOE Act and the SOE Policy or the directives issued thereunder differ from the IFRS Accounting Standards, the provisions of the SOE Act or the SOE Policy or the directives issued thereunder shall prevail to the extent of such difference.

Previously, these consolidated financial statements had been prepared in accordance with the accounting and reporting standards as applicable in Pakistan comprising of:

- IFRS accounting standards 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.

Consistent with the requirements of the SOE Act and the SOE Policy, during the year, the Holding Company has prepared these consolidated financial statements in accordance with full IFRS Accounting Standards as issued by the IASB. The transition to full IFRS does not have any impact on these consolidated financial statements.

2.2 BASIS OF MEASUREMENT

2.2.1 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.

2.2.2 These consolidated financial statements are presented in Pakistan Rupees, which is the Group's functional and presentation currency.

3. BASIS OF CONSOLIDATION

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

3.1 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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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.

3.2 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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, 7 and 10);
- (b) Depreciation rate and determination of the residual values of property, plant and equipment (notes 6.1 and 7)
- (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 39);
- (d) Provision for levies, current and deferred tax (notes 6.26, 15, 43 and 44);
- (e) Provision against damage claims (notes 6.13 and 32);
- (f) Provision for employee benefits and compensated absences (notes 6.15, 6.16 and 29);
- (g) Recognition of demurrage income, estimation of days for vessel in-transit, income from heating and miscellaneous claims (notes 6.19 and 35);
- (h) Contingencies (notes 6.21 and 33); and
- (i) Provision for slow moving stores and spares (notes 6.8 and 16).
- (j) Provision for ocean losses (note 34).

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.

In applying the above estimates, judgments and assumptions, the Group has had regard to climate-related matters where relevant, including the International Maritime Organization's decarbonisation trajectory and evolving national and international climate-related regulation. The Group has concluded that climate-related matters do not currently have a significant impact on the measurement of assets and liabilities in these consolidated financial statements. The Group continues to monitor developments in this area, including the phased application of IFRS S1 and IFRS S2 to the Holding Company, and will incorporate the effect of climate-related matters into its accounting estimates and judgments as their impact on the Group's financial position becomes more clearly determinable.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

5.1 Amendments to accounting standards that are effective for the year ended June 30, 2026

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

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability
- IFRS 1 - First-time Adoption of International Financial Reporting Standards

5.2 New standards and amendments to accounting standards that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and 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 except those mentioned in note 5.3.

	Effective from Accounting period beginning on or after
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments in relation to clarifying the requirements for the timing of recognition and derecognition of some financial assets and liabilities	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 to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Translation to a Hyperinflationary Presentation Currency	January 01, 2027
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Fair value option for investments in associates and joint ventures	January 01, 2027
- IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

5.3 In April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements (IFRS 18), which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Further, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories, i.e., operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the confirming amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

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, unless otherwise stated.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

6.1 Property, plant and equipment

6.1.1 Operating fixed assets

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 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 recognised 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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.

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 at each reporting date. 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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).

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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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.

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,
- Spares on first-in first-out basis; and
- Bunker on board on first-in first-out basis.

Stores and spares in transit are valued at cost incurred upto 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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.

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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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. Trade and other payables represents obligations to pay for goods or services that have been acquired in the ordinary course of business from supplier. Trade and other payables are presented under current liabilities unless payment is not due within 12 months after reporting period.

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. However, if they are approved after reporting period but before the consolidated financial statements are authorised for issue are disclosed in the notes to the consolidated financial statements.

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. 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, 2026. 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, 2026. 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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, 2026. 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 recognised 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 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 recognised 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. Ocean losses and overage premium are deducted from voyage charter revenue on estimated basis.

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 recognised 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 recognised on percentage of completion basis estimating the total income for a vessel under a slot charter arrangement. Revenue is recognised 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, only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur based on past experience.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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.

Overage premium

Under freight agreements, customers withhold an overage premium whenever the deployed vessel exceeds the 15 years threshold. Where actual deductions are not finalized at the reporting date, an estimate is recognized to the extent it is highly probable that a significant reversal will not occur, based on historical experience and customer-specific trends. Any difference between the estimated amount and subsequent actual settlement is recognized in profit or loss in the period in which the settlement occurs.

Ocean loss

Under the terms of Contracts of Affreightment, customers withhold deductions for ocean loss where discharged cargo volumes fall below loaded quantities beyond contractually permitted tolerance limits. These deductions represent variable consideration and are recognised as a reduction of freight revenue. Unsettled claims at the reporting date are estimated based on historical settlement patterns and voyage data, subject to the variable consideration constraint. Any difference between the estimated amount and the actual deduction finalized is recognized in profit or loss in the period of settlement.

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.

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.

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 recognised 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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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 Income tax and levy

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.

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the income tax department at the assessment stage and where the Corporation considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

6.26.2 Deferred tax

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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, and tax credits, 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 asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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'.

6.27 Operating segments

An operating segment is a component of the Holding Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Holding Company's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Holding Company's chief operating decision maker is the Board of Directors, which reviews the Holding Company's performance and allocates resources on a Corporation-wide basis. Accordingly, management has concluded that the Holding Company constitutes a single reportable operating segment, and the entity-wide disclosures required are provided in note 52

		2026	2025
	Note	(Rupees in '000)	
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	90,220,077	27,975,632
Major spare parts and stand-by equipment	7.6	1,356,326	1,361,205
Capital work-in-progress	7.9	3,725,454	1,547,564
		95,301,857	30,884,401

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

7.1 Operating fixed assets

(Rupees in '000)												
As at June 30, 2024												
Cost or revalued amount	1,689,675	1,370,992	44,172,360	5,202,920	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)	(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	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	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	-	19,315	5,790	8,743	-	4,313	31,322	1,746,341
Write-offs	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	(513,708)	-	(13,766)	(5,388)	(726)	-	-	(16,297)	(549,885)
- Accumulated depreciation	-	-	-	513,708	-	13,766	5,388	726	-	-	16,297	549,885
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	(8,231,303)	(1,798,264)	-	(793)	-	(23,966)	-	-	(2,724)	(10,057,050)
- Accumulated depreciation	-	-	4,119,319	1,080,186	-	793	-	18,389	-	-	2,686	5,221,373
- Accumulated depreciation	-	-	(4,111,984)	(718,078)	-	-	-	(5,577)	-	-	(38)	(4,835,677)
Depreciation charge for the year - note 7.7	-	(54,807)	(1,714,009)	(1,794,764)	(11,986)	(7,393)	(2,863)	(18,035)	(2,732)	(5,482)	(30,183)	(3,642,254)
Closing net book value	1,689,675	1,121,697	23,313,586	1,631,344	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	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)	(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	27,632	39,897	11,782	61,180	13,742	28,926	36,171	27,975,632
Year ended June 30, 2026												
Opening net book value	1,689,675	1,121,697	23,313,586	1,631,344	27,632	39,897	11,782	61,180	13,742	28,926	36,171	27,975,632
Additions including transfers	-	130,624	66,183,230	839,542	19,865	20,133	41,318	10,520	-	6,595	51,435	67,303,262
Write-offs	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	(2,634,998)	-	-	-	-	-	-	(799)	(2,635,797)
- Accumulated depreciation	-	-	-	2,634,998	-	-	-	-	-	-	505	2,635,503
Disposals	-	-	-	-	-	-	-	-	-	-	-	(294)
- Cost	-	-	-	-	(391)	(708)	(4,679)	-	-	-	(2,930)	(8,708)
- Accumulated depreciation	-	-	-	-	391	708	4,679	-	-	-	2,930	8,708
Depreciation charge for the year - note 7.7	-	(59,251)	(3,738,309)	(1,175,274)	(12,823)	(9,897)	(6,691)	(16,824)	(2,732)	(5,997)	(30,725)	(5,058,523)
Closing net book value	1,689,675	1,193,070	85,758,507	1,295,612	34,674	50,133	46,409	54,876	11,010	29,524	56,587	90,220,077
As at June 30, 2026												
Cost or revalued amount	1,689,675	1,517,149	102,124,287	2,756,417	111,057	123,364	85,253	150,172	27,319	60,763	203,362	108,848,818
Accumulated depreciation	-	(324,079)	(16,365,780)	(1,460,805)	(76,383)	(73,231)	(38,844)	(95,296)	(16,309)	(31,239)	(146,775)	(18,628,741)
Net book value	1,689,675	1,193,070	85,758,507	1,295,612	34,674	50,133	46,409	54,876	11,010	29,524	56,587	90,220,077
Annual rate of depreciation (%)												
2026	-	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	
2025	-	3 to 20	3.33 to 20	40	20	15	10 to 15	10 to 15	10	5 to 10	33	

Above assets include fully depreciated assets costing Rs. 506.068 million (2025: Rs. 322.421 million) still in use.

Aggregate book value of disposals is below Rs. 5 million, therefore, no disclosure as per 4th schedule of Companies Act, 2017 is included.

7.1.1

7.1.2

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

7.2 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 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
8	Plot No. 70/4, Timber hard, Kemari, Karachi	Storage facility	705	15,680

7.3 Forced sale 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

7.3.1 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.

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

	2026	2025
	(Rupees in '000)	(Rupees in '000)
Leasehold land, buildings on leasehold land and beach huts	543,243	460,085
Workshop machinery and equipment	9,029	3,803
	552,272	463,888

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 Group does not have physical possession or control over the vessel.

	2026	2025
	(Rupees in '000)	(Rupees in '000)
7.6 Major spare parts and stand-by equipment		
Opening net book value	1,361,205	1,687,539
Additions during the year	348,626	554,320
Write-offs	-	(254)
Disposal	-	(398,254)
	1,709,831	1,843,351
Depreciation (rate 5% - 7%)	(353,505)	(482,146)
Closing net book value	1,356,326	1,361,205

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
7.7 The depreciation charge for the year has been allocated as follows:			
Fleet expenses	35	5,283,769	4,005,636
Real estate expenses	36	44,847	40,920
Administrative expenses	37	83,412	77,162
		<u>5,412,028</u>	<u>4,123,718</u>

7.8 Surplus on revaluation of property, plant and equipment - net of tax

As at July 01		2,390,152	2,424,357
Transferred to unappropriated profit on account of incremental depreciation		(36,336)	(34,205)
		<u>2,353,816</u>	<u>2,390,152</u>
As at June 30			
Less: related deferred tax liability on:			
Revaluation surplus as at July 1		240,164	253,504
Incremental depreciation charged during the year		(14,171)	(13,340)
		<u>225,993</u>	<u>240,164</u>
		<u>2,127,823</u>	<u>2,149,988</u>

7.8.1 Surplus on revaluation of property, plant and equipment is not available for distribution to shareholders in accordance with Section 241 of Companies Act, 2017.

		2026	2025
	Note	(Rupees in '000)	
7.9 Capital work-in-progress			
Balance at the beginning of the year		1,547,564	105,950
Additions during the year		2,255,437	1,441,614
Transfers to operating fixed assets		(77,547)	-
Balance at the end of the year	7.9.1	<u>3,725,454</u>	<u>1,547,564</u>

7.9.1 It represents capital expenditure amounting to Rs. 3,460.047 million (2025: Rs. 1,385.010 million) on container vessel and Rs. 120.282 million (2025: Rs. 104.225 million) on renovation of 15th and 16th floor of PNSC building and moasque.

		2026	2025
	Note	(Rupees in '000)	
8. RIGHT-OF-USE ASSETS			
Rental properties			
Balance at the beginning of the year		6,712	8,514
Depreciation	37	(1,802)	(1,802)
Balance at the end of the year		<u>4,910</u>	<u>6,712</u>
Lease term (in years)		<u>10</u>	<u>10</u>

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	Ship Management Expert System (SES) (note 9.1)	Backup Software	DANAOS Enterprise Software	Capital work-in-progress	Total
9. INTANGIBLE ASSETS					
As at June 30, 2024					
Cost	16,503	1,308	-	159,463	177,274
Accumulated amortisation	(16,503)	(326)	-	-	(16,829)
Net book value	-	982	-	159,463	160,445
Year ended June 30, 2025					
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
As at June 30, 2025					
Cost	16,503	9,313	178,287	-	204,103
Accumulated amortisation	(16,503)	(2,318)	(35,658)	-	(54,479)
Net book value	-	6,995	142,629	-	149,624
Year ended June 30, 2026					
Opening net book value	-	6,995	142,629	-	149,624
Additions during the year	-	9,203	-	-	9,203
Amortisation for the year	-	(3,460)	(35,658)	-	(39,118)
Closing net book value	-	12,738	106,971	-	119,709
As at June 30, 2026					
Cost	16,503	18,516	178,287	-	213,306
Accumulated amortisation	(16,503)	(5,778)	(71,316)	-	(93,597)
Net book value	-	12,738	106,971	-	119,709
Annual rate of amortisation (%)					
2026		33	20		
2025		33	20		

9.1 It represents SES which was fully amortised during the year ended June 30, 2009.

	Note	Leasehold land	Buildings on leasehold land	Total
10. INVESTMENT PROPERTIES				
At fair value				
Balance as at July 01, 2024				
Additions during the year		4,208,931	111,421	4,320,352
Gain / (loss) on revaluation	10.3 & 40	-	68,800	68,800
Balance as at June 30, 2025		214,440	4,210	218,650
Balance as at June 30, 2025				
Additions during the year		4,423,371	184,431	4,607,802
Gain on revaluation	10.3 & 40	-	451	451
Balance as at June 30, 2026		140,218	101,887	242,105
		4,563,589	286,769	4,850,358

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

10.1 Particulars of immovable investment properties are as follows:

S.No	Location	Usage of immovable property	Total area (Sq. yards)	Covered area (Sq. feet)
1	Plot bearing Survey No. 4/1-A, Main I. I. Chundrigar Road, Karachi	Investment property	2,786	230,555
2	Plot No. 35-B, North circular avenue, DHA, Phase I, Karachi	Investment property	1,088	5,675
3	Plot No. 6 & 6-A, Block H, Gulberg-II, Lahore	Investment property	268	2,410
4	Plot bearing Survey No. 15, Main Talpur Road, I.I. Chundrigar Road, Karachi	Investment property	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	2026 ------(Rupees in '000)-----	2025
1	Leasehold land	<u>3,650,870</u>	<u>3,954,384</u>
2	Buildings on leasehold land	<u>229,415</u>	<u>117,546</u>

10.3 The valuation of the Group's investment properties was carried out by an independent valuer as of June 30, 2026.

10.4 During the year, the Holding Company earned rental income of Rs. 50.247 million (2025: Rs. 51.381 million) from its investment properties, which has been recognized under rental income in the statement of profit or loss. The related real estate expenses, comprising repair and maintenance costs incurred on these properties, amounted to Rs. 5.279 million (2025: Rs. 4.604 million). In addition, real estate expenses amounting to Rs. 4.188 million (2025: Rs. 3.653 million), comprising repair and maintenance costs, were incurred in respect of investment properties that did not generate any rental income.

10.5 Valuation techniques

The fair value of the investment property was determined by external, independent property valuer BH Valuing Engineering Consultant (Pvt) Limited, 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.

11. 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)	2026	2025
			2026	2025				------(Rupees in '000)-----	------(Rupees in '000)-----
2026	2025		------(Rupees in '000)-----						
Associate - unquoted									
12,250	12,250	Muhammadi Engineering Works Limited	1,600	1,600	December 31, 1982	49	100	1,600	1,600
		Less: Accumulated impairment losses						<u>1,600</u>	<u>1,600</u>
								<u>-</u>	<u>-</u>

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
12. LONG-TERM INVESTMENTS IN LISTED COMPANIES AND AN OTHER ENTITY			
At fair value through profit or loss			
Listed companies			
Siemens (Pakistan) Engineering Company Limited			
6,930 (2025: 6,930) fully paid ordinary shares of Rs. 10 each			
Market value per share as at June 30, 2026 Rs. 1,564.75 (2025: Rs. 1,523.21)	12.1	10,844	10,556
Pakistan State Oil Company Limited			
199,336 (2025: 199,336) fully paid ordinary shares of Rs. 10 each.			
Market value per share as at June 30, 2026 Rs. 342.35 (2025: Rs. 377.53)	12.2	68,242	75,255
		79,086	85,811
Other entity			
Pakistan Tourism Development Corporation Limited			
10,000 (2025: 10,000) fully paid ordinary shares of Rs. 10 each.	12.3	100	100
		79,186	85,911
12.1 The Group holds 0.084% (2025: 0.084%) of the investee's share capital.			
Balance at the beginning of the year		10,556	3,643
Gain on revaluation	39 & 40	288	6,913
Balance at the end of the year		10,844	10,556
12.2 The Group holds 0.04246% (2025: 0.04246%) of the investee's share capital.			
Balance at the beginning of the year		75,255	33,131
(Loss) / gain on revaluation	39 & 40	(7,013)	42,124
Balance at the end of the year		68,242	75,255
12.3 As the entity is a privately held, unlisted entity and there is no sufficient reliable information available to determine its fair value, the cost of the investment has been considered as a reasonable approximation of its fair value.			
13. LONG-TERM LOANS			
- due from executives	13.1	85,550	94,616
- due from other employees		21,929	19,066
		107,479	113,682
Less: recoverable within one year			
- due from executives		19,902	18,451
- due from other employees		7,376	3,990
	18	27,278	22,441
		80,201	91,241
13.1 Reconciliation of carrying amount of loans to executives:			
Balance at the beginning of the year		94,616	15,552
Transfer from other employees to executive		3,605	9,045
Disbursements		28,110	131,152
		126,331	155,749
Repayments		(50,606)	(27,344)
Discounting during the year	13.4	(6,801)	(36,695)
Unwinding of discount		16,626	2,906
Balance at the end of the year		85,550	94,616

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

- 13.2** 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 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. 85.55 million (2025: Rs. 94.62 million).
- 13.4** In the year ended June 30, 2025, 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 1, 2025, as part of revised employee benefit arrangements. The effect of discounting of interest free loans recognised at 12.74% to 14.93% for its fair value.

14. DEFERRED TAXATION	Note	2026	2025
		(Rupees in '000)	
Deductible temporary differences arising in respect of:			
- provisions and employee benefits		586,620	520,478
Taxable temporary differences arising in respect of:			
- surplus on revaluation of property, plant and equipment	7.8	(225,992)	(240,164)
- accelerated tax depreciation		(106,131)	(101,598)
- right of use assets net of lease liabilities		(1,915)	(2,618)
- short term investments		(58,790)	(20,845)
- intangibles		(4,859)	-
		(397,688)	(365,225)
		188,933	155,253

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

	For the year ended June 30, 2025			For the year ended June 30, 2026			
	Balance as at July 01, 2024	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at June 30, 2025	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at June 30, 2026
	----- (Rupees in '000) -----						
Deductible temporary differences:							
- provisions and employee benefits	671,310	(144,058)	(6,774)	520,478	49,294	16,848	586,620
Taxable temporary differences:							
- surplus on revaluation of property, plant and equipment	(253,504)	13,340	-	(240,164)	14,171	-	(225,992)
- accelerated tax depreciation	(92,644)	(8,954)	-	(101,598)	(4,533)	-	(106,131)
- right of use assets net of lease liabilities	(3,320)	702	-	(2,618)	703	-	(1,915)
- short term investments	(51,170)	30,325	-	(20,845)	(37,945)	-	(58,790)
- intangibles	-	-	-	-	(4,859)	-	(4,859)
	270,672	(108,645)	(6,774)	155,253	16,831	16,848	188,933

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
15. STORES AND SPARES			
Stores			
- at depot		18,408	18,408
- at buildings		472	472
- on board		89,131	67,196
		<u>108,011</u>	<u>86,076</u>
Spares			
- at buildings		796	796
- on board		1,023,904	969,848
		<u>1,024,700</u>	<u>970,644</u>
Bunker on board		<u>2,084,918</u>	<u>1,009,959</u>
		<u>3,217,629</u>	<u>2,066,679</u>
Provision for slow moving stores and spares	15.1	(344,286)	(253,324)
		<u>2,873,343</u>	<u>1,813,355</u>
15.1 Provision for slow moving stores and spares			
Balance at the beginning of the year		253,324	245,777
Charged during the year	39	90,962	7,547
Balance at the end of the year		<u>344,286</u>	<u>253,324</u>
16. TRADE DEBTS			
Unsecured			
- Due from related parties	16.1 & 16.2	5,399,972	2,614,770
- Due from others	16.3	4,507,846	2,036,060
		<u>9,907,818</u>	<u>4,650,830</u>
Allowance for expected credit loss	16.4	(849,154)	(1,178,519)
		<u>9,058,664</u>	<u>3,472,311</u>
16.1 Ageing analysis of amounts due from related parties, included in trade debts, is as follows:			

	Upto 1 month	1 to 6 months	More than 6 months	As at June 30, 2026	As at June 30, 2025
	(Rupees in '000)				
Pakistan State Oil Company Limited	-	408,119	-	408,119	-
Pak Arab Refinery Limited	2,502,913	1,347,474	336,053	4,186,440	1,724,855
Pakistan Refinery Limited	365,542	17,869	1,770	385,181	332,153
Sui Northern Gas Pipelines Limited	1,392	-	167	1,559	1,103
District Controller of Stores	-	1,304	2,954	4,258	4,310
Embarkation Commandant	158,087	-	18,265	176,352	158,569
Officer Commanding PAF	17,356	68	105,068	122,492	135,282
Pakistan Ordnance Factory	-	305	-	305	39,989
Others	55,167	8,725	51,374	115,266	218,509
	<u>3,100,457</u>	<u>1,783,864</u>	<u>515,651</u>	<u>5,399,972</u>	<u>2,614,770</u>

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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

	2026 ------(Rupees in '000)-----	2025
1 to 6 months	26,847	30,404
More than 6 months	515,651	469,347
	<u>542,498</u>	<u>499,751</u>

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

	Note	June 30, 2026 ------(Rupees in '000)-----	June 30, 2025
1 to 6 months		29,760	9,760
More than 6 months		276,896	669,008
		<u>306,656</u>	<u>678,768</u>

16.4 Allowance for expected credit loss

Balance at beginning of the year		1,178,519	3,390,913
(Reversal) / charged during the year	38	(157,646)	(1,877,523)
Write-off during the year	16.4.1	(171,719)	(334,871)
Balance at end of the year		<u>849,154</u>	<u>1,178,519</u>

16.4.1 This amount represents the write-off against receivable balances from various parties during the year against which full provisions had previously been recognised. In 2025, the write-off was related to fully provided receivable balance from Pakistan State Oil (PSO), which was fully settled during 2025.

16.5 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 5,399.972 million (2025: Rs. 4,733 million).

	Note	2026 ------(Rupees in '000)-----	2025
17. AGENTS' AND OWNERS' BALANCES			
Balances from agents' and owners		45,829	28,699
Allowance for expected credit loss	17.1	(26,275)	(23,372)
		<u>19,554</u>	<u>5,327</u>

17.1 Allowance for expected credit loss

Balance at the beginning of the year		23,372	25,414
Charge / (reversal) during the year	38	2,903	(2,042)
Balance at the end of the year		<u>26,275</u>	<u>23,372</u>

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

	2026 ------(Rupees in '000)-----	2025
Upto 1 month	-	16
1 to 6 months	14	-
More than 6 months	26,261	23,356
	<u>26,275</u>	<u>23,372</u>

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees in '000)	2025
18. LOANS AND ADVANCES			
Current portion of long-term loans			
- due from executives		19,902	18,451
- due from other employees		7,376	3,990
	13	27,278	22,441
Advances - unsecured			
- employees		117,233	67,191
- contractors and suppliers		905,322	419,916
- others		80	80
		1,022,635	487,187
		1,049,913	509,628

19. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits	19.1	87,399	116,659
Allowance for expected credit loss		(369)	(369)
		87,030	116,290
Short-term prepayments	19.2	142,881	91,694
		229,911	207,984

19.1 This includes Rs. 2.500 million (2025: Rs. 2.500 million) amount deposited with Trading Corporation of Pakistan and Rs. 1.374 million (2025: Rs. 1.374 million) amount deposited with Karachi Port Trust (KPT), related parties.

19.2 This includes Rs. 115.423 million (2025: Rs. 75.576) amount pertains to National Insurance Company Limited (NICL), related parties.

	Note	2026 (Rupees in '000)	2025
20. OTHER RECEIVABLES			
- Due from related parties	20.1 & 20.2	356,610	970,329
- Due from others	20.3 & 20.4	411,236	296,378
		767,846	1,266,707
Allowance for expected credit loss	20.5	(216,416)	(239,691)
		551,430	1,027,016

20.1 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 June 30, 2026	As at June 30, 2025
	(Rupees in '000)				
Karachi Port Trust	-	-	2,979	2,979	2,979
Port Qasim Authority	116,446	140,710	3,093	260,249	637,770
Government of Pakistan	-	-	64,262	64,262	312,457
National Insurance Company Limited	-	-	1,189	1,189	17,123
Bureau Veritas	-	645	4,297	4,942	-
Commissioner AEOI	1,720	794	19,244	21,758	-
National Bank of Pakistan	196	528	-	724	-
Pakistan Telecommunication Authority	95	150	262	507	-
	118,457	142,827	95,326	356,610	970,329

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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

	2026 ------(Rupees in '000)-----	2025 ------(Rupees in '000)-----
Upto 1 month	-	890
1 to 6 months	-	3,728
More than 6 months	1,771	6,089
	<u>1,771</u>	<u>10,707</u>

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

	Note	2026 ------(Rupees in '000)-----	2025 ------(Rupees in '000)-----
Upto 1 month		-	3,027
1 to 6 months		-	12,971
More than 6 months	20.4	214,645	212,986
		<u>214,645</u>	<u>228,984</u>

20.4 This includes Rs. 52.620 million (2025: Rs. nil) transfer from balances with foreign bank in respect of amount held with UniCredit S.p.A bank following the closure of banking relationship which remains unreleased as at the reporting date.

	Note	2026 ------(Rupees in '000)-----	2025 ------(Rupees in '000)-----
20.5 Allowance for expected credit loss			
Balance at the beginning of the year		239,691	194,050
(Reversal) / charged during the year	38	(23,275)	45,641
Balance at the end of the year		<u>216,416</u>	<u>239,691</u>

20.6 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 851.473 million (2025: Rs. 984.036 million).

	Note	2026 ------(Rupees in '000)-----	2025 ------(Rupees in '000)-----
21. TAXATION - NET			
Opening balance		1,842,340	889,066
Tax charged:			
- Levies	42	(916,958)	(1,279,002)
- Current:			
- For the year	43	(952,404)	(1,494,355)
- Prior year	43	151,126	49,951
Advance tax paid / deducted		2,586,137	3,676,680
Tax paid on deemed income under protest	32.1.5.12	5,333,965	-
		<u>8,044,206</u>	<u>1,842,340</u>

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
22. SHORT-TERM INVESTMENTS			
Amortised cost			
Treasury-bills having maturity of three months or less		-	1,416,202
Term deposits with conventional banks having maturity of:			
- more than three months		12,095,399	2,850,000
- three months or less		-	17,401,761
Term deposits with shariah compliant banks having maturity of:			
- three months or less	46	5,000,000	-
	22.1	17,095,399	20,251,761
Fair value through profit or loss			
Units of mutual funds	22.2 & 22.3	32,522,639	40,279,643
		<u>49,618,038</u>	<u>61,947,606</u>

22.1 Mark-up on term-deposits denominated in local currency ranges from 10.90% to 16.50% (2025: 11.93% to 22.44%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 6.05% to 6.25% (2025: 6.20% to 8.50%) per annum.

22.2 Movement of mutual funds

Opening		40,279,643	24,326,136
Purchased during the year		65,233,130	147,587,713
Dividend reinvested during the year		17,859	35,031
Redeemed during the year		(73,243,297)	(131,752,657)
Unrealised gain on fair value	40	235,304	83,420
Closing	22.3	<u>32,522,639</u>	<u>40,279,643</u>

22.3 Investment in units of mutual funds

S. No.	Conventional	2026 ------(Number of units)-----	2025	2026 ------(Rupees in '000)-----	2025
1	Alfalah GHP Money Market Fund	13,454,653	12,540,075	1,337,299	1,241,671
2	JS Cash Fund	472,745	20,518,902	50,527	2,158,999
3	JS Government Securities Fund	36,573,609	23,374,388	4,418,092	2,633,826
4	JS Income Fund	20,352,045	44,898,791	2,550,925	5,230,709
5	JS Micro Finance Sector Fund	68,032,851	28,692,881	8,208,163	3,103,422
6	JS Fund of Funds	13,928,547	-	2,073,264	-
7	NBP Money Market Fund	-	28,286,910	-	283,797
8	NBP Mustahkam Fund Plan - X	200,000,000	-	2,051,460	-
9	NBP Government Fund	3,911,516	3,741,479	41,354	39,397
10	Alfalah Government Securities Fund Plan I	49,421,768	54,803,022	4,980,405	5,493,241
11	Alfalah Government Securities Fund Plan II	18,356,575	20,654,682	2,527,201	2,605,795
12	Alfalah Financail Sector Income Fund	28,980,044	52,619	4,277,926	5,670
13	Alfalah Financail Sector Income Fund I	55,553	42,646,422	6,023	4,278,916
14	ABL Separately Managed Accounts Plan IV	-	511,123,100	-	5,185,702
15	MCB Fixed Return Plan III	-	213,994	-	21,808
16	MCB Fixed Return Plan VII	-	58,481,944	-	5,869,798
17	UBL Fixed Return Plan II	-	21,268,922	-	2,126,892
				<u>32,522,639</u>	<u>40,279,643</u>

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	------(Rupees in '000)-----	
23. CASH AND BANK BALANCES			
Cash in hand			
- foreign currency		2,894	5,117
Cash at bank			
- in current accounts			
- local currency	23.1	607,301	486,169
- foreign currency		3,047,035	1,752,680
		3,654,336	2,238,849
- in saving accounts			
- local currency			
- conventional	23.1 & 23.2	1,890,055	3,027,322
- shariah compliant	23.3	1,819,429	730,256
- foreign currency	23.4	29,491	31,380
		3,738,975	3,788,958
		7,396,205	6,032,924

23.1 This includes Rs. 8.776 million (2025: Rs. 24.066 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 8.00% to 11.00% (2025: 9.00% to 20.50%) per annum.

23.3 Mark-up on these savings accounts ranges from 7.98% to 10.50% (2025: 9.00% to 20.00%) per annum.

23.4 Mark-up on these savings accounts ranges from 0.50% to 6.50% (2025: 0.15% to 6.50%) per annum.

24. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2026	2025		2026	2025
------(Numbers of Shares)-----			------(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	83,754,481	Ordinary shares of Rs. 10 each issued as bonus shares.	837,545	837,545
198,095,070	198,095,070		1,980,951	1,980,951

24.1 As at June 30, 2026, Government of Pakistan held 173,452,043 (2025: 173,452,043) ordinary shares, representing 87.56% (2025: 87.56%) shareholding of the Holding Company.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

- 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.

	Note	2026 ------(Rupees in '000)-----	2025
25. NON-CONTROLLING INTEREST			
Share of non-controlling interest in:			
- Share capital		59	59
- General reserve		10	10
- Opening unappropriated profit		15,800	14,527
- Profit for the year		772	1,273
		<u>16,641</u>	<u>15,869</u>

26. LONG-TERM FINANCING

Financing under musharika agreement

Facility 1

26.1 1,085,325 1,953,498

Facility 2

26.2 42,637,190 -

26.3 43,722,515 1,953,498

Current portion shown in current liabilities:

- Financing under syndicate term finance agreement

(5,257,168) (868,800)

Long term portion

38,465,347 1,084,698

- 26.1** 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 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.

- 26.2** During the year, the Holding Company has obtained shariah compliant financing facility of Rs. 55,497 million from consortium consisting of Faysal Bank Limited, Habib Bank Limited, Askari Bank Limited, MCB Bank Limited and Allied Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.30% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on January 08, 2036. As of the reporting date, the Holding Company has drawn an amount of Rs.16,926.400 million, Rs.10,030.880 million and Rs.16,926.400 million for the purchase of M.T. Karachi, M.T. Quetta and M.T. Lahore on behalf of the subsidiary companies namely Karachi Shipping (Private) Limited, Quetta Shipping (Private) Limited and Lahore Shipping (Private) Limited respectively.

The financing facility is secured by the mortgage of ten vessels owned by the Corporation's subsidiary companies.

	Note	2026 ------(Rupees in '000)-----	2025
26.3 Following is the movement in long-term financing:			
Balance at beginning of the year		1,953,498	2,821,383
Additions	26.2	43,707,048	-
Repayments		(1,965,892)	(868,800)
Amortisation of arrangement fee	41	27,861	915
Balance at end of the year		<u>43,722,515</u>	<u>1,953,498</u>

- 26.4** Accrued mark-up under Islamic mode of financing as at June 30, 2026 amounting to Rs. 1,187.289 million (2025: Rs. 41.885 million).

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
27. LEASE LIABILITIES			
Balance at the beginning of the year		12,753	14,508
Interest expense	41	693	902
Reclassified to other liabilities		(1,397)	(2,657)
Repayment during the year		(1,419)	-
Balance at the end of the year		10,630	12,753
Less: Current portion shown under current liabilities		2,457	2,482
Non - current portion		8,173	10,271

27.1 Maturity analysis:

	2026			2025		
	Minimum lease payment	Less: Mark-up	Present value of minimum lease payment	Minimum lease payment	Less: Mark-up	Present value of minimum lease payment
	(Rupees in '000)					
Less than one year	3,150	693	2,457	3,252	770	2,482
One to five years	11,311	3,138	8,173	14,293	4,022	10,271
	14,461	3,831	10,630	17,545	4,792	12,753

		2026	2025
	Note	(Rupees in '000)	
28. EMPLOYEES' BENEFITS			
Employees' gratuity			
- funded	28.1.3	(1,408)	(1,928)
- unfunded	28.1.3	843,272	729,948
		841,864	728,020
Post-retirement medical benefits	28.1.3	46,124	55,282
Employees' compensated absences	28.2.3	419,350	375,897
		1,307,338	1,159,199

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, 2026.

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:

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	2026			2025		
	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%	11.75%	11.75%	11.75%
Future salary increases - for permanent employees						
For the year 2024-25	-	-	-	N/A	-	-
For the year 2025-30 and onwards	-	-	-	11.75%	-	-
Future salary increases - for contractual employees						
For the year 2025-26	-	11.75%	-	-	10.00%	-
For the year 2026-30 and onwards	-	11.75%	-	-	11.75%	-
Medical escalation rate	-	-	11.75%	-	-	9.75%
Death rate	based on SLIC (2001-05) Ultimate mortality tables					

2026			2025		
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	-	843,272	46,124	27,061	729,948	55,282
Fair value of plan assets	28.1.5	(1,408)	-	-	(28,989)	-	-
Net liability / (asset) in the statement of financial position		(1,408)	843,272	46,124	(1,928)	729,948	55,282

28.1.4 Movement in present value of defined benefit obligation

Balance at beginning of the year	27,061	729,948	55,282	33,472	750,905	55,217
Current service cost	347	40,775	864	721	34,934	1,096
Interest cost	1,593	99,588	5,280	4,059	109,555	6,864
Benefits paid	(27,003)	(55,873)	(24,560)	(10,778)	(89,253)	(22,013)
Remeasurements on obligation	(1,998)	28,834	9,258	(413)	(76,193)	14,118
Balance at end of the year	-	843,272	46,124	27,061	729,948	55,282

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026			2025		
		Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
		Funded	Unfunded		Funded	Unfunded	
		(Rupees in '000)					
28.1.5	Movement in fair value of plan assets						
	Balance at beginning of the year	28,989	-	-	34,246	-	-
	Expected return on plan assets	1,820	-	-	4,165	-	-
	Benefits paid	(27,003)	-	-	(10,778)	-	-
	Remeasurements on plan assets	(2,398)	-	-	1,356	-	-
	Balance at end of the year	1,408	-	-	28,989	-	-

28.1.6 Movement in net liability in the statement of financial position

Balance at beginning of the year	(1,928)	729,948	55,282	(774)	750,905	55,217
Expense recognised for the year	120	140,363	6,144	615	144,489	7,960
Contributions made by the Holding Company / benefits paid	-	(55,873)	(24,560)	-	(89,253)	(22,013)
Remeasurements recognised in other comprehensive income - net	400	28,834	9,258	(1,769)	(76,193)	14,118
Balance at end of the year	(1,408)	843,272	46,124	(1,928)	729,948	55,282

28.1.7 The amounts recognised in profit or loss

Current service cost	347	40,775	864	721	34,934	1,096
Net interest amount	(227)	99,588	5,280	(106)	109,555	6,864
Expense (note 39)	120	140,363	6,144	615	144,489	7,960

28.1.8 Remeasurements recognised in other comprehensive income

(Gain) / loss from changes in financial assumptions	(1,998)	28,834	9,258	(361)	(21,501)	(418)
Gain from changes in Experience adjustment	-	-	-	(52)	(54,692)	14,536
Remeasurement of fair value of plan assets	2,398	-	-	(1,356)	-	-
	400	28,834	9,258	(1,769)	(76,193)	14,118

28.1.9 Categories / composition of plan assets

	2026		2025	
	Rupees in '000	%	Rupees in '000	%
Cash and cash equivalents	1,407	100%	28,989	100%

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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 (loss) / gain on plan assets during the year ended June 30, 2026 was Rs. (0.569) million (2025: Rs. 5.530 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:

	Increase / (decrease) in defined benefit obligation of				
	Funded Gratuity Scheme		Unfunded Gratuity Scheme		
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	-	-	(759,600)	936,783
Salary increase rate	1%	-	-	938,503	(762,502)

28.1.13 The weighted average duration of the defined benefit obligations for funded and unfunded gratuity scheme is nil (2025: 0.44 year) and 10.91 years (2025: 9.67 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 assumption	Post Retirement Medical Benefits	
		Permanent Employees	
		Increase in assumption	Decrease in assumption
Discount rate	1%	(45,153)	47,151
Medical cost escalation rate	1%	47,214	(45,074)

28.1.15 The weighted average duration of the defined benefit obligations post retirement medical benefit scheme for permanent employees is 1.92 years (2025: 1.98 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 28.2.8 of these consolidated financial statements are based on the information included in the actuarial valuation report as of June 30, 2026.

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:

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	2026	2025
Discount rate	11.75%	11.75%
Future salary increases - for permanent employees For this year 2026-27 / 2025-26 and onwards	11.75%	11.75%
Future salary increases - for contractual employees For this year 2026-27 / 2025-26 and onwards	11.75%	11.75%

Note 2026 2025
----- (Rupees in '000) -----

28.2.3 Reconciliation of statement of financial position

Present value of defined benefit obligation (recognised)	419,350	375,897
--	---------	---------

28.2.4 Movement in present value of employees compensated absences

Balance at beginning of the year	375,897	323,437
Current service cost	127,932	61,318
Interest cost	49,158	49,197
Remeasurements of obligation	4,708	46,476
Benefits paid	(138,345)	(104,531)
Balance at end of the year	419,350	375,897

28.2.5 The amounts recognized in profit or loss

Current service cost	127,932	61,318
Interest cost	49,158	49,197
	39 177,090	110,515

28.2.6 Remeasurements recognised in other comprehensive income

Loss / (gain) from changes in financial assumptions	4,708	(11,072)
Experience adjustment	-	57,548
	4,708	46,476

28.2.7 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 assumption	Increase / (decrease) in defined benefit obligation of Employees' Compensated Absences	
		Increase in assumption	Decrease in assumption
Discount rate	1%	(379,840)	464,947
Future salary rate	1%	466,482	(377,895)

28.2.8 The risks to which the scheme exposes the Group are disclosed in note 28.1.16 to these consolidated financial statements.

28.2.9 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 Holding Company with the subsidiary companies.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

28.3 Expected retirement benefits costs for the year ending June 30, 2027 are as follows:

(Rupees in '000)

Gratuity

- funded
- unfunded

Post-retirement medical benefits

Compensated absences

-
144,193
5,047
178,948

28.4 Maturity profile

2026

Employees' gratuity		Post retirement medical benefits	Employees Compensated Absences
Funded	Unfunded		

Weighted average duration of the present value of defined benefit obligations (in years)

- 10.91 1.98 9.30

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. 2.251 million (2025: Rs. 4.217 million) to the provident fund.

Note 2026 2025
----- (Rupees in '000) -----

29. TRADE AND OTHER PAYABLES

Creditors		3,577,136	1,278,725
Advance from charterers		87,974	99,196
Agents' and owners' balances		929,625	610,953
Accrued liabilities		15,931,619	3,862,410
Deposits - non utilisable	29.1	83,308	86,637
Workers' Profit Participation Fund (WPPF)	29.2	16,030	94,759
Withholding tax payable		142,463	161,856
Other liabilities	29.3	239,601	95,919
		<u>21,007,756</u>	<u>6,290,455</u>

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 not utilised for the purpose of business and are kept in separate bank accounts.

Note 2026 2025
----- (Rupees in '000) -----

29.2 Workers' Profit Participation Fund

Balance at the beginning of the year		94,759	477,963
Reversal for the year		-	(163,861)
Charge for the year	39	16,051	92,454
Paid during the year		<u>(94,780)</u>	<u>(311,797)</u>
Balance at the end of the year		<u>16,030</u>	<u>94,759</u>

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

29.3 This includes retention money amounting to Rs. 172.969 million pertaining to Karachi Shipyard & Engineering Works Limited (KS&EW) in respect of the construction of a container vessel.

30. CONTRACT LIABILITIES

Represents advance received from various related parties and customers. Revenue recognised from amounts included in contract liabilities at the beginning of year amounted to Rs. 480.170 million (2025: Rs. 300.040 million).

	Note	2026 (Rupees in '000)	2025
31. PROVISION AGAINST DAMAGE CLAIMS			
Balance at the beginning of the year		44,855	22,408
Charged during the year	39 & 40	35,088	22,447
Balance at the end of the year		79,943	44,855

32. CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

The Holding Company is contingently liable for:

Insurance & Claims	32.1.1	79,943	44,855
Legal cases	32.1.2	68,100	68,100
Employees cases	32.1.3	82,597	82,597
Sindh Sales Tax	32.1.4	2,935,797	2,935,797
Income Tax	32.1.5	21,040,809	17,185,555
Workers' Profit Participation Fund	32.1.6	2,484,650	-
		26,691,896	20,316,904

32.1.1 Insurance & Claims

The status of orders passed are as follows:

S.No.	Vessels Name	Year	(Rupees in '000)	Status of the case
1	Various	Various	79,943	The contingent liability in respect of claims not acknowledged by the Holding Company, aggregated to Rs. 879.274 million (2025: Rs. 274.866 million). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. A sum of Rs. 180.701 million (2025: Rs. 202.271 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. 79.943 million (2025: Rs. 44.855 million) against the aforementioned claims in these consolidated financial statement.
TOTAL			79,943	

32.1.2 Legal cases

The status of orders passed are as follows:

S.No.	Vessels Name	Year	(Rupees in '000)	Status of the case
1	N/A	N/A	68,100	Chittagong Steamship Corporation 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 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

32.1.3 Employees cases

The status of orders passed are as follows:

S.No.	Employee's Name	Year	(Rupees in '000)	Status of the case
1	Various	Various	82,597	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 (2025: 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 unconsolidated financial statements.

32.1.4 Sindh Sales Tax

S.No.	Year	(Rupees in '000)	Status of the case
1	2015	2,935,797	The Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of sections 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 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 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, in 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 is confident that the subject matter will eventually be decided in favour of the Holding Company.

32.1.5 Income Tax

S.No.	Year	(Rupees in '000)	Status of the case
1	1990	1,293,694	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 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. In 2018, this hearing was remanded to the High Court of Sindh. The Honourable High Court of Sindh, vide its

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
			judgment dated April 21, 2025, disposed of the Holding Company's reference application filed under Section 133 of the Income Tax Ordinance, 2001, by referring the matter to the Federal Board of Revenue under Section 134A of the Ordinance for constitution of an Alternative Dispute Resolution Committee (ADRC). Being aggrieved by the aforesaid judgment, the Holding Company has filed Civil Petitions for Leave to Appeal before the Honourable Supreme Court of Pakistan, challenging, the applicability of Section 134A to pending reference proceedings and the mandatory referral of such proceedings to ADRC, and the matter is pending adjudication before the Honourable Supreme Court of Pakistan.
2	2011	251,092	In 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. In 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.
3	2012	107,499	In 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). In 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

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
			15, 2023 in favor of the 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. 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, has taken this matter with the tax department for withdrawal of notice. During the year, the aforementioned notice dated June 30, 2025 was recalled by the Commissioner Inland Revenue. Fresh appeal effect proceedings were accordingly initiated through notice dated December 12, 2025, issued under section 124 read with section 122(5A) of the Ordinance, to give effect to the appellate order dated March 15, 2023 passed by CIR(A). The Holding Company furnished a detailed response vide its letter dated December 29, 2025, and the appeal effect order was subsequently passed on March 27, 2026, correctly giving effect to the CIR(A) order dated March 15, 2023. The management, is confident that the matter will eventually be decided in favor of the Holding Company.
4	2013	303,333	In 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 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 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.
5	2014	184,059	In 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. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2014 will eventually be decided in favour of the Holding Company.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
6	2008-2013	2,695,496	In 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, in 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 Alternative Dispute Resolution Committee (ADRC). However the Holding Company filed Civil Review Petitions seeking review of the order dated Septmeber 11, 2025 passed by the Honourable Supreme Court, whereby the Civil Petitions were disposed of with a direction to refer the matter to the Alternative Dispute Resolution Committee under Section 134A of the Income Tax Ordinance, 2001. The Review Petitions are presently pending adjudication before the Honourable Supreme Court. The management is confident that the subject matters in respect of tax year 2015 will eventually be decided in favour of the Holding Company.
7	2014	899,500	In 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 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
8	2016	91,592	In 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. In 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. Subsequently,, 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.
9	2017	318,212	In 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. In 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
10	2015	1,279,035	In 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. In 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. In 2025, 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 notice was subsequently recalled by the Commissioner for de novo proceedings on the ground of insufficient opportunity of hearing, and fresh appeal effect proceedings were initiated through notice dated December 12, 2025. The appeal effect order was thereafter passed on March 30, 2026, correctly giving effect to the CIR(A) order dated March 16, 2023, except for non-consideration of business loss while computing income for super tax under section 4C(2). The Holding Company has accordingly filed an appeal before the CIR(A) on April 27, 2026, which has been heard but kept in abeyance pending the decision of the Islamabad High Court on the challenge to amendments introduced in sections 131 and 134A of the Ordinance.
11	2018	550,772	In 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 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.
			In 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 through 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). The appeal effect proceedings in respect of the aforesaid appellate order dated January 13, 2022, were finalized during the year, whereby correct effect has been given to the said order.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
12	2019	5,810,364	On June 29, 2025, the ACIR issued further order subsequent to the order passed under section 122(5A) dated September 17, 2021. Through the said order, the ACIR has alleged that the current account balance appearing in the financial statements of the Corporation represents a loan / advance, and therefore, the same has been treated as dividend under clause (e) of Section 2(19) of the Income Tax Ordinance, 2001, subject to tax under Section 5 at the rate of 15%, raising demand of Rs. 5.333 billion. The Corporation, being aggrieved with the impugned order filed an appeal before the CIR(A). Meanwhile, The Corporation also filed a writ petition in the Islamabad High Court (IHC) pleading that the amendments brought through Tax Laws (Amendment) Act, 2024, in relation to requirement for SOEs in certain cases to refer the matter to Alternate Dispute Resolution Committee, are unconstitutional. The IHC through order dated November 11, 2025 has granted interim relief until the matter is decided by the Court. Subsequently, FBR issued a recovery notice under section 138(1) on November 27, 2025, consequently the Holding Company made payment of the full amount under protest. The Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) on December 12, 2025; however, the appeal is in abeyance till the decision of the Islamabad High Court on Tax Laws (Amendment) Act, 2024, as described above. Management, based on the opinion of the tax advisor, believes that reasonable arguments exist to contest the case and positive outcome is expected. Therefore, no provision has been recorded in these financial statements.
13	2020	271,121	In 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 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.
14	2021	577,400	In 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 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
15	2022	658,000	In 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. In 2025, 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 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.
16	2023	1,556,200	In 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. ATIR directed the case to ADRC, Holding Company challenged the case at Islamabad High Court. 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.
17	2003	163,523	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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case																											
18	2005	139,118	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 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.																											
19	2012	35,545	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.																											
20	2025	8,873	The Assistant Commissioner Inland Revenue (ACIR) issued an order dated December 06, 2024, under section 122(5A) of the ITO, 2001 in respect of tax year 2024 against the subsidiary company namely Lahore Shipping (Private) Limited (LSPL), disallowing the exemption of other income amounting to Rs. 30.597 million & issued a notice of Rs. 8.873 million. This amount was consequently added back to the taxable income. The Holding Company filed an application for ADRC under section 134A and committee did not make decision within stipulated time thus compnay filled application at Commissioner (Appeal) which is pending till date. The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2024 will eventually be decided in favour of the LSPL..																											
21	2023-25	3,846,381	During the year ended 30 June 2026, the Deputy Commissioner Inland Revenue raised a tax demand of Rs. 2,574.120 million in respect of Super Tax on income covered under Section 7A of the Income Tax Ordinance, 2001 related to the following subsidiaries: <table><tr><th>Subsidiary Name</th><th>Tax Year</th><th>Amount Rs. "000"</th></tr><tr><td>Sargodha Shipping</td><td>2023–2025</td><td>651,367</td></tr><tr><td>Lalazar Shipping</td><td>2023–2025</td><td>715,467</td></tr><tr><td>Multan Shipping (Private) Limited</td><td>2022–2023</td><td>58,054</td></tr><tr><td>Malakand Shipping (Private) Limited</td><td>2022–2024</td><td>45,105</td></tr><tr><td>Lahore Shipping (Private) Limited</td><td>2023–2025</td><td>962,767</td></tr><tr><td>Khairpur Shipping (Private) Limited</td><td>2022–2025</td><td>669,470</td></tr><tr><td>Bolan Shipping (Private) Limited</td><td>2022–2025</td><td>744,151</td></tr><tr><td>Total</td><td></td><td>3,846,381</td></tr></table> The demand was raised without properly considering the imputable income attributable to income falling under the special regime of Section 7A. In the proceedings, the Company specifically highlighted the requirement for grossing-up and proper determination of imputable income in respect of Section 7A income, which has a direct bearing on the computation of the Super Tax liability.	Subsidiary Name	Tax Year	Amount Rs. "000"	Sargodha Shipping	2023–2025	651,367	Lalazar Shipping	2023–2025	715,467	Multan Shipping (Private) Limited	2022–2023	58,054	Malakand Shipping (Private) Limited	2022–2024	45,105	Lahore Shipping (Private) Limited	2023–2025	962,767	Khairpur Shipping (Private) Limited	2022–2025	669,470	Bolan Shipping (Private) Limited	2022–2025	744,151	Total		3,846,381
Subsidiary Name	Tax Year	Amount Rs. "000"																												
Sargodha Shipping	2023–2025	651,367																												
Lalazar Shipping	2023–2025	715,467																												
Multan Shipping (Private) Limited	2022–2023	58,054																												
Malakand Shipping (Private) Limited	2022–2024	45,105																												
Lahore Shipping (Private) Limited	2023–2025	962,767																												
Khairpur Shipping (Private) Limited	2022–2025	669,470																												
Bolan Shipping (Private) Limited	2022–2025	744,151																												
Total		3,846,381																												

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
			The Holding Company has contested the demand and filed an application for constitution of an Alternative Dispute Resolution Committee (ADRC). The ADRC has since been duly constituted, and the matter is currently pending before the ADRC for consideration and resolution.

32.1.6 Workers' Profit Participation Fund

S.No.	Year	(Rupees in '000)	Status of the case																																		
			The Holding Company received a notice in respect of Workers' Profit Participation Fund's liability related to certain subsidiary companies (mentioned below) under section 140 of the Income Tax Ordinance, 2001 dated June 29, 2026 (Ref: DCIR/U-04/ZONE-VI/CTO/KHI/2025-26/620), issued by the Deputy Commissioner Inland Revenue (DCIR) and served with a notice under section 176(1) of the Ordinance, dated June 17, 2026 (Ref: DCIR/UNIT-02/ZONE-II/CTO/KHI/2025-26/605) issued by DCIR. Under the notice, DCIR believing that the Holding Company is presently holding, or may subsequently hold, money belonging to, or is liable to make payments to these subsidiaries, thus directed the Holding company to remit to the Federal Board of Revenue (FBR) any funds due to or payable to the subsidiaries at the date of notice and funds which become due or payable to the subsidiaries subsequent to the notice until the outstanding demand is fully recovered and further directed not to make any payment to the subsidiaries without prior written permission of the DCIR. In case of failure to comply, the amount will be recoverable from the Holding company as its own liability under the provisions of Income tax Ordinance, 2001. The cumulative demands raised against the Group's subsidiary companies for Tax Years 2022 to 2025 aggregate Rs. 2,484.650 million, summarized as follows: <table> <tr> <th>Subsidiary Reference</th><th>Tax Year</th><th>Amount (Rs. '000)</th><th>Notice / Order</th></tr> <tr> <td>Multan Shipping (Pvt) Limited</td><td>2022–2023</td><td>52,097</td><td rowspan="4">DCIR/U-04/ZONE-IV/CTO/KHI/2025-26/620 dated 29-06-2026</td></tr> <tr> <td>Malakand Shipping (Pvt) Limited</td><td>2022–2024</td><td>60,023</td></tr> <tr> <td>Lalazar Shipping (Pvt) Limited</td><td>2023–2025</td><td>357,734</td></tr> <tr> <td>Sargodha Shipping (Pvt) Limited</td><td>2023–2025</td><td>325,683</td></tr> <tr> <td>Khairpur Shipping (Pvt) Limited</td><td>2022–2025</td><td>354,197</td><td rowspan="4">DCIR/UNIT-02/ZONE-II/CTO/KHI/2025-26/605 dated 17-06-2026</td></tr> <tr> <td>Bolan Shipping (Pvt) Limited</td><td>2022–2025</td><td>393,321</td></tr> <tr> <td>Lahore Shipping (Pvt) Limited</td><td>2022–2025</td><td>495,016</td></tr> <tr> <td>Shalamar Shipping (Pvt) Limited</td><td>2022–2025</td><td>446,579</td></tr> <tr> <td>Total</td><td></td><td>2,484,650</td><td></td></tr> </table> On 30 June 2026, the Subsidiary companies through their legal advisor filed petitions challenging the recovery proceedings initiated by the FBR on the ground that recovery proceedings have been initiated without prior adjudication and without prior issuance of requisite notice under section 137 in the High Court of Sindh. The petitions further contend that the impugned proceedings are unlawful and contrary to fundamental rights, including the rights to due process and fair trial under Articles 10A and 14 of the Constitution. While admitting the Constitutional Petitions High Court of Sindh granted ad-interim orders restraining the FBR from taking any coercive action against the petitioners pending final disposal of the petitions. Based on the legal advise a favourable outcome is expected, accordingly, no provision has been recognized in these consolidated financial statements in respect of the aforementioned matter.	Subsidiary Reference	Tax Year	Amount (Rs. '000)	Notice / Order	Multan Shipping (Pvt) Limited	2022–2023	52,097	DCIR/U-04/ZONE-IV/CTO/KHI/2025-26/620 dated 29-06-2026	Malakand Shipping (Pvt) Limited	2022–2024	60,023	Lalazar Shipping (Pvt) Limited	2023–2025	357,734	Sargodha Shipping (Pvt) Limited	2023–2025	325,683	Khairpur Shipping (Pvt) Limited	2022–2025	354,197	DCIR/UNIT-02/ZONE-II/CTO/KHI/2025-26/605 dated 17-06-2026	Bolan Shipping (Pvt) Limited	2022–2025	393,321	Lahore Shipping (Pvt) Limited	2022–2025	495,016	Shalamar Shipping (Pvt) Limited	2022–2025	446,579	Total		2,484,650	
Subsidiary Reference	Tax Year	Amount (Rs. '000)	Notice / Order																																		
Multan Shipping (Pvt) Limited	2022–2023	52,097	DCIR/U-04/ZONE-IV/CTO/KHI/2025-26/620 dated 29-06-2026																																		
Malakand Shipping (Pvt) Limited	2022–2024	60,023																																			
Lalazar Shipping (Pvt) Limited	2023–2025	357,734																																			
Sargodha Shipping (Pvt) Limited	2023–2025	325,683																																			
Khairpur Shipping (Pvt) Limited	2022–2025	354,197	DCIR/UNIT-02/ZONE-II/CTO/KHI/2025-26/605 dated 17-06-2026																																		
Bolan Shipping (Pvt) Limited	2022–2025	393,321																																			
Lahore Shipping (Pvt) Limited	2022–2025	495,016																																			
Shalamar Shipping (Pvt) Limited	2022–2025	446,579																																			
Total		2,484,650																																			
22	2022-25	2,484,650																																			
TOTAL		26,691,896																																			

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

32.2 Commitments

32.2.1 Outstanding letters of guarantee amounted to Rs. 8.766 million (2025: Rs. 24.066 million).

32.2.2 The Holding Company had provided an undertaking amounting to USD 11.6 million (Rs. 3,222.131 million) in 2016 & 2017 to one of the vendor / supplier of another state owned entity. This undertaking had been provided due to arrest of two of its managed vessels operated by its subsidiaries which had been released subsequently. The Government of Pakistan had provided a counter guarantee to the Holding Company in relation to the aforesaid undertaking.

32.2.3 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounts to USD 0.417 million (Rs. 115.830 million) and USD 0.192 million (Rs. 53.332 million) respectively.

32.2.4 The Holding Company has entered into an agreement on March 02, 2024 with Karachi Shipyard & Engineering Works Limited (KS&EW) for construction of a container feeder vessel for consideration of USD 24.750 million (equivalent to Rs. 6,874.805 million). As at June 30, 2026, the Holding Company has made total payment of USD 12.454 million (equivalent to Rs. 3,459.369 million) and the balance amount of USD 12.296 million (equivalent to Rs. 3,415.436 million) will be made upon completion of remaining milestones.

	2026	2025
	----- (Rupees in '000) -----	
33. INCOME FROM SHIPPING BUSINESS		
Bulk carriers		
Freight revenue	4,668,450	3,805,975
Container revenue	542,074	-
	<u>5,210,524</u>	<u>3,805,975</u>
Oil tankers		
Freight revenue	32,317,196	25,026,243
Overage premium	(109,064)	(133,351)
Ocean losses	(213,663)	(266,044)
	<u>31,994,469</u>	<u>24,626,848</u>
	<u>37,204,993</u>	<u>28,432,823</u>
Chartered vessels - Foreign flag vessels		
Freight revenue	11,971,519	2,871,075
Overage premium	(56,103)	(13,315)
Ocean losses	(145,918)	(11,706)
	<u>11,769,498</u>	<u>2,846,054</u>
Slot charter revenue	1,647,998	2,436,948
Sindh sales tax	(608)	(377)
	<u>50,621,881</u>	<u>33,715,448</u>
34. OTHER OPERATING ACTIVITIES		
Demurrage income	3,975,088	2,484,471
Add-war risk income	4,150,505	333,883
Income from miscellaneous claims	439,924	773,240
	<u>8,565,517</u>	<u>3,591,594</u>

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
35. FLEET EXPENSES			
Charter hire and related expenses	35.1	8,050,453	3,831,368
Diesel, fuel and lubricants consumed		9,759,873	7,998,048
Port, light, canal and customs dues		4,815,606	3,375,981
Salaries, benefits and allowances		2,852,538	2,800,824
Demurrage		65,837	58,066
Fleet communication		125,880	126,439
Agency commission and brokerage		759,539	604,839
Victualling		282,852	303,531
Insurance		900,345	831,809
Claim charges		41,599	12,331
Stores and spares consumed		969,555	1,062,930
Repairs, maintenance and special surveys		394,427	513,233
Depreciation on property, plant and equipment	7.7	5,283,769	4,005,636
Services sales tax		288,904	248,385
Travelling and conveyance		151,013	165,437
Survey fee		152,020	178,939
Add-war risk expense		2,784,531	-
Sundry		214,842	133,438
		<u>37,893,583</u>	<u>26,251,234</u>
35.1 Charter hire and related expenses			
Foreign flag vessels			
- voyage charter		7,290,903	2,356,608
- slot charter		759,550	1,474,760
		<u>8,050,453</u>	<u>3,831,368</u>
36. REAL ESTATE EXPENSES			
Salaries, benefits and allowances	36.1	66,393	71,718
General establishment expenses	36.2	23,415	46,729
Rates and taxes		3,783	4,860
Insurance		6,449	4,583
Depreciation on property, plant and equipment	7.7	44,847	40,920
Legal and professional charges		1,113	1,658
		<u>146,000</u>	<u>170,468</u>
36.1	This includes Rs. 0.113 million (2025: Rs. 0.239 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.		
		2026	2025
		------(Rupees in '000)-----	
36.2 General establishment expenses			
Repairs and maintenance		9,467	8,258
Security charges		13,225	13,407
Light, power and water		723	25,064
		<u>23,415</u>	<u>46,729</u>

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
37. ADMINISTRATIVE EXPENSES			
Salaries, benefits and allowances	37.1	1,225,144	1,209,148
General establishment	37.2	438,814	396,426
Workshop management		189,889	183,099
Legal and professional charges		115,469	89,618
Depreciation on property, plant and equipment	7.7	83,412	77,162
Rates and taxes		5,544	5,800
Depreciation on right-of-use assets	8	1,802	1,802
Amortisation	9	39,118	37,650
Directors' fee	47.3	27,701	27,056
Scholarship and training		13,352	16,653
Sales tax expenses		17,540	20,824
Insurance		7,675	7,297
Events and gathering		1,091	430
		2,166,551	2,072,965

37.1 This includes Rs. 2.138 million (2025: Rs. 3.978 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.

	Note	2026 ------(Rupees in '000)-----	2025
37.2 General establishment			
Repairs and maintenance		41,250	41,479
Medical		58,671	62,727
Contribution to group term insurance		3,407	2,980
Security charges		4,623	4,572
Travelling and conveyance		39,480	27,872
Entertainment and canteen subsidy		7,830	7,177
Books, periodicals and subscription		20,800	23,028
Uniform and liveries		2,980	3,369
Printing and stationery		4,347	13,076
Telephone, telex and postage		17,407	18,735
Light, power and water		75,564	74,393
Computer expenses		24,943	29,475
Advertisement and publicity		29,084	14,834
Vehicle running, repairs and maintenance		45,266	37,188
Ship inspection expenses		50,446	27,103
Sundry expenses		12,716	8,418
		438,814	396,426

38. IMPAIRMENT (REVERSAL) ON FINANCIAL ASSETS

Impairment / (reversal) for ECL on:

Trade debts	16.4	(157,646)	(1,877,523)
Agents and owner's balance	17.1	2,903	(2,042)
Other receivables	20.5	(23,275)	45,641
		(178,018)	(1,833,924)

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025
39. OTHER EXPENSES			
Donations	39.1	13,625	29,382
Auditors' remuneration	39.2	14,924	13,936
Employees' gratuity			
- funded	28.1.7	120	615
- unfunded	28.1.7	140,363	144,489
		140,483	145,104
Post-retirement medical benefits	28.1.7	6,144	7,960
Employees' compensated absences	28.2.5	177,090	110,515
Provision for slow moving stores and spares	15.1	90,962	7,547
Provision against damage claims	31	60,957	22,447
Realised exchange loss		129,663	59,796
Unrealised exchange loss		199,175	-
Loss on revaluation of long-term investments in listed companies		6,725	-
Loss on sale of bunker		-	17,501
Write-off against property, plant and equipment		294	-
Workers' Profit Participation Fund	29.2	16,051	92,454
Others		21,403	8,010
		877,496	514,652

39.1 This includes donation made to Pakistan Marine Academy (PMA) as a scholarship for students amounting to Rs. 9.182 million and Pakistan Hindu Council amounting to Rs. 1.3 million. No director or his / her spouse had any interest in the donees' fund.

39.2 Auditors' remuneration

	2026			2025		
	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	2,174	2,174	4,348	2,070	2,070	4,140
Audit fee - subsidiaries	3,145	3,145	6,290	3,000	3,000	6,000
Fee for review of half yearly financial statements of Holding Company	846	846	1,692	805	805	1,610
Fee for review report on Code of corporate governance	242	242	484	230	230	460
Fee for audit of the consolidated financial statements	302	302	604	288	288	576
Statutory certifications	300	-	300	-	-	-
Out of pocket expenses	603	603	1,206	575	575	1,150
	7,612	7,312	14,924	6,968	6,968	13,936

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
40. OTHER INCOME			
Income from saving accounts, treasury bills and term deposits			
- Conventional		1,736,536	2,058,854
- Shariah compliant		83,757	100,234
Income from long-term loans to employees		-	2,180
Dividend income from			
- conventional mutual funds		25,154	44,114
- shariah compliant mutual funds		-	2,290
- listed companies		1,993	1,993
Capital gain on mutual funds		2,912,936	4,995,575
Unrealized gain on mutual funds	22.2	235,304	83,420
Unrealized gain on revaluation of foreign currency balances		-	306,894
Gain on revaluation of long-term investments in listed companies	12	-	49,037
Gain on revaluation of investment properties	10	242,105	218,650
Agency fee		4,758	13,594
Liabilities no longer payable written back	40.1	800,181	313,457
Insurance claim income		11,717	163,673
Gain on disposal of scrap		7,319	11,816
Gain on disposal of property, plant and equipment		50	4,438,423
Gain on sale of bunker		415,351	-
Income from HVAC charges - net		72,843	-
Income from manning service		5,260	43,590
Workshop income		202,894	360,771
Unwinding of long-term loan discounting		15,919	3,499
Others		146,414	37,107
		6,920,491	13,249,171

40.1 This represents liabilities and provisions written back during the year as the respective amounts were no longer payable, comprising of demurrage payables amounting to Rs. 540.768 million, provision for charter hire and allied expenses amounting to Rs. 160.852 million, bonus provision amounting to Rs. 85.709 million and other liabilities no longer payable amounting to Rs. 12.571 million.

		2026	2025
	Note	(Rupees in '000)	
41. FINANCE COSTS			
Mark-up on long-term financing	41.1	2,254,177	376,234
Amortisation of arrangement fees	26.3	27,861	915
Mark-up on lease liabilities	27	693	902
Discounting on long-term loan		17,317	40,469
Bank charges		13,912	11,880
		2,313,960	430,400

41.1 Mark-up under Islamic mode of financing during the year amounted to Rs. 2,254.177 million (2025: Rs. 376.234 million).

		2026	2025
	Note	(Rupees in '000)	
42. LEVIES			
Final taxes	42.1	672,919	1,156,756
Minimum taxes	42.2	225,166	106,778
Super tax		18,873	15,468
		916,958	1,279,002

42.1 This represents final taxes paid on voyage charter revenue based gross registered tonnage, dividend income and capital gain account as per section 37A of the Income Tax Ordinance, 2001 respectively, and are recognised 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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.

	2026 Note -----(Rupees in '000)-----	2025
43. TAXATION		
Tax charge for:		
- current year	952,404	1,494,355
- prior year	(151,126)	(49,951)
	<u>801,278</u>	<u>1,444,404</u>
- Deferred tax (income) / expense	14.1 (16,831)	108,645
	<u>784,447</u>	<u>1,553,049</u>
43.1. Relationship between tax expense and accounting profit		
Accounting profit before levies and tax	<u>23,248,368</u>	<u>23,280,792</u>
Tax rate	<u>29%</u>	<u>29%</u>
Tax on accounting profit	6,742,027	6,751,430
Tax saving due to lower tax rates		
- Income under section 7A	(464,763)	(192,667)
- Income under section 7A on subsidiaries profits	(4,634,409)	(3,731,508)
- Dividend income	(4,784)	(7,459)
- Capital gain	(407,299)	(698,567)
Effect of super tax	479,267	769,428
Effect on tax from income from property	18,167	27,054
Effect of minimum tax on services	284,992	108,212
Effect of tax on deemed income	-	3,599
Effect of levies	(916,958)	(1,279,002)
Effect of prior year	(151,126)	(49,951)
Deferred tax	(16,831)	108,645
Effect of inadmissible income	(143,836)	(256,164)
Tax expense for the year	<u>784,447</u>	<u>1,553,049</u>
	<u>3%</u>	<u>7%</u>
44. EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY - basic and diluted		
	2026	2025
Profit after taxation (Rupees in '000)	<u>21,546,191</u>	<u>20,447,468</u>
Weighted average ordinary shares in issue during the year (Number)	<u>198,095,070</u>	<u>198,095,070</u>
Earnings per share - basic and diluted (Rupees)	<u>108.77</u>	<u>103.22</u>

44.1 There were no dilutive potential ordinary shares outstanding as at June 30, 2026 and 2025.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
45. CASH GENERATED FROM OPERATIONS			
Profit before taxation		22,331,410	22,001,790
Adjustments for non-cash and other items:			
Depreciation on:			
Property, plant and equipment	7.7	5,412,028	4,123,718
Right-of-use assets	8	1,802	1,802
Amortisation on intangible assets	37	39,118	37,650
Gain on disposal of property, plant and equipment	40	(50)	(4,438,423)
Write-off against property, plant and equipment	39	294	-
Reversal of Impairment loss on financial assets	38	(178,018)	(1,833,924)
Unrealised loss / (gain) on revaluation of foreign currency balances	39 & 40	199,175	(306,894)
Amortisation of arrangement fee	41	27,861	915
Provision for employees' gratuity	28.1.7	140,483	145,104
Provision for employees' compensated absences	28.2.5	177,090	110,515
Provision for post retirement medical benefits	28.1.7	6,144	7,960
Provision for slow moving stores and spares	15.1	90,962	7,547
Provision for workers' profit participation fund	39	16,051	92,454
Dividend income	40	(27,147)	(48,397)
Capital gain on mutual funds	40	(2,912,936)	(4,995,575)
Unrealized gain on mutual funds	40	(235,304)	(83,420)
Liabilities no longer payable written back	40	(800,181)	(313,457)
Income from saving account, treasury bills and term deposit	40	(1,820,293)	(2,159,088)
Finance cost on:			
Long-term financing	41	2,254,177	376,233
Lease liabilities	41	693	902
Discounting on long-term loan	41	17,317	40,469
Unwinding of long-term loan	40	(15,919)	(3,499)
Gain on revaluation of investment properties	40	(242,105)	(218,650)
Loss / (gain) on revaluation of long-term investments in listed companies	39 & 40	6,725	(49,037)
Levies		916,958	1,279,002
Working capital changes	45.1	7,012,452	3,713,679
		32,418,787	17,489,376
45.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(1,150,950)	823,160
Trade debts		(5,428,707)	2,230,938
Agents' and owners' balances		(17,130)	6,910
Loans and advances		(535,448)	75,234
Trade deposits and short-term prepayments		(21,927)	(90,749)
Contract assets		(1,938,815)	739,388
Other receivables		498,861	184,682
		(8,594,116)	3,969,563
Increase / (decrease) in current liabilities:			
Trade and other payables		15,500,034	(458,461)
Provision against damage claims		35,088	22,447
Contract liabilities		71,446	180,130
		15,606,568	(255,884)
		7,012,452	3,713,679
46. CASH AND CASH EQUIVALENTS			
Short-term investments having maturity of three months or less	22	5,000,000	18,817,963
Cash and bank balances	23	7,396,205	6,032,924
		12,396,205	24,850,887

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

47. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTORS AND OTHER EXECUTIVES

The aggregate amount of remuneration including all benefits payable to the Chairman and Chief Executive, Executive Directors and Executives of the Group were as follows:

	Chief Executive Officer (Note 47.1)		Executive Directors (Note 47.2)		Other Executives	
	2026	2025	2026	2025	2026	2025
	(Rupees in '000)					
Managerial remuneration and allowances	38,184	6,471	44,251	42,484	818,003	793,715
Retirement benefits - note 47.4	-	-	-	-	2,251	4,217
House rent	-	-	11,320	11,032	176,502	190,375
Conveyance	-	-	-	-	8,672	8,462
Medical	5,405	754	7,370	8,081	81,019	83,954
Utilities	-	-	1,849	2,096	99,517	101,760
Personal staff subsidy	-	-	-	-	111	365
Club membership fee and expenses	-	-	267	267	-	-
Bonus	-	-	22,696	7,416	173,837	53,295
Other allowances	-	-	1,080	3,136	1,097,266	1,014,505
	43,589	7,225	88,833	74,512	2,457,178	2,250,648
Number of persons	1	1	4	4	247	241

47.1 Comparative period, Chief executive officer (CEO) was appointed on April 30, 2025.

47.2 Executive Directors designated are key personnel and are not the members of Board of Directors of the Holding Company.

47.3 The aggregate amount charged in the consolidated financial statements for fee to 10 (2025: 10) non-executive directors was Rs. 27.701 million (2025: Rs. 27.056 million).

47.4 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.

47.5 The Chief Executive is provided with a company maintained car, while the Executive Directors and other Executives are provided with the car allowance in lieu of Group owned cars.

Note 2026 2025
----- (Rupees in '000) -----

48. FINANCIAL INSTRUMENTS BY CATEGORY

FINANCIAL ASSETS

Fair value through profit or loss

Long-term investments - listed companies	12	79,086	85,811
Short term investment - mutual funds	22	32,522,639	40,279,643
		32,601,725	40,365,454

Amortised cost

Trade debts - unsecured	16	9,058,664	3,472,311
Agents' and owners' balances - unsecured	17	19,554	5,327
Loans - employees	13	107,479	113,682
Trade deposits	19	87,030	116,290
Interest accrued on bank deposits and short-term investments		649,766	190,355
Other receivables	20	551,430	1,027,016
Short-term investments	22	17,095,399	21,667,963
Cash and bank balances	23	7,396,205	6,032,924
		34,965,527	32,625,868
		67,567,252	72,991,322

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
FINANCIAL LIABILITIES			
Amortised cost			
Long-term financing - unsecured	26	43,722,515	1,953,498
Lease liabilities	27	10,630	12,753
Trade and other payables	29	20,761,289	5,934,644
Provision against damage claims	31	79,943	44,855
Unclaimed dividend		493,426	335,964
Accrued mark-up on long-term financing		1,187,289	41,885
		66,255,092	8,323,599

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, 2026. 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.

		2026	2025
	Note	(Rupees in '000)	
Loans - employees	13	107,479	113,682
Trade debts - unsecured	16	9,058,664	3,472,311
Agents' and owners' balances - unsecured	17	19,554	5,327
Trade deposits	19	87,030	116,290
Other receivables	20	551,430	1,027,016
Short-term investments	22	17,095,399	21,667,963
Interest accrued on bank deposits and short-term investments		649,766	190,355
Bank balances	23	7,393,311	6,027,807
		34,962,633	32,620,751

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:

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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 Islami 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+
First Women Bank	PACRA	A	A-1
Bank Makramah	VIS	A-	A-2

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:

	Note	2026 ------(Rupees in '000)-----	2025
Public Sector	16.1 & 20.1	5,757,898	3,586,415
Private Sector		5,050,994	2,476,480
		10,808,892	6,062,895

Out of Rs. 10,808.892 million (2025: Rs. 6,062.895 million), the Group has recognised an allowance of ECL amounting to Rs. 1,092.214 million (2025: Rs. 1,441.951 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

The Group's exposure to foreign currency risk is as follows:

	2026 ------(USD in '000)-----	2025	2026 ------(Rupees in '000)-----	2025
Trade debts	35,268	14,120	9,796,421	4,001,923
Other receivables	644	816	178,763	231,240
Agents' and owners' balances - unsecured	165	101	45,829	28,699
Short-term investments	-	61,400	-	17,401,761
Bank balances	11,086	6,313	3,079,420	1,789,177
Trade and other payables	(7,658)	(5,280)	(2,127,108)	(1,496,403)
	<u>39,505</u>	<u>77,470</u>	<u>10,973,325</u>	<u>21,956,397</u>

	2026 PKR / USD	2025
Average rate	280.86	279.85
Reporting date rate	277.77	283.42

As at June 30, 2026, 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. 548.666 million (2025: Rs. 1,097.820 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	
	2026	2025
	------(Rupees in '000)-----	
Exposure to interest rate risk		
Variable rate instruments		
Cash and bank balances - saving accounts	3,738,975	3,788,958
Long-term financing	<u>(43,722,515)</u>	<u>(1,953,498)</u>
	<u>(39,983,540)</u>	<u>1,835,460</u>
Fixed rate instruments		
Short-term investments Term-deposits with banks	17,095,399	21,667,963

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, 2026 would decrease / increase by Rs. 399.835 million (2025: Rs.18.355 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.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

As at reporting date, the Corporation is exposed to price risk in respect of its investments in shares of quoted companies amounting to Rs. 79.086 million (2025: Rs. 85.811 million), as well as net asset value risk in respect of its investments in units of mutual funds amounting to Rs. 32,481.285 million (2025: Rs. 40,240.246 million), as quoted by the Mutual Funds Association of Pakistan (MUFAP) and mentioned in notes 12 & 22, respectively.

If price would have been 1% higher / lower with all others variables held constant, total comprehensive income for the year of the Corporation would have been higher / lower by Rs. 325.603 million (2025: Rs. 403.260 million).

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.

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
2026					
Long-term financing	65,038,873	8,026,603	8,695,004	35,524,308	12,792,958
Lease liabilities	8,012,221	3,058,970	3,241,815	1,711,436	-
Unclaimed dividend	493,426	493,426	-	-	-
Trade and other payables	20,761,290	20,761,290	-	-	-
Accrued mark-up on long-term financing	1,187,289	1,187,289	-	-	-
Provision against damage claims	79,943	79,943	-	-	-
	<u>95,573,042</u>	<u>33,607,520</u>	<u>11,936,819</u>	<u>37,235,744</u>	<u>12,792,958</u>
	Total Contractual cash flows	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
2025					
Long-term financing	2,214,327	1,028,705	948,716	236,906	-
Lease liabilities	10,898,915	2,886,694	3,058,970	4,953,251	-
Unclaimed dividend	335,964	335,964	-	-	-
Trade and other payables	5,934,644	5,934,644	-	-	-
Accrued mark-up on long-term financing	41,885	41,885	-	-	-
Provision against damage claims	44,855	44,855	-	-	-
	<u>19,470,590</u>	<u>10,272,747</u>	<u>4,007,686</u>	<u>5,190,157</u>	<u>-</u>

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, 2026, 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, 2024 (note 8).

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, 2026 (note 11).

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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:

		2026			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Assets carried at fair value					
		Note			
Long-term investments in listed companies	12		79,186	-	79,186
Short-term investments - mutual funds	22		32,522,639	-	32,522,639
			32,601,825	-	32,601,825
Leasehold land	7.1		-	-	1,689,675
Buildings on leasehold land	7.1		-	-	1,121,697
Beach huts	7.1		-	-	13,742
Workshop machinery and equipment	7.1		-	-	28,926
Investment properties	10		-	-	4,850,358
			32,601,825	-	7,704,398
					40,306,223
		2025			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Assets carried at fair value					
		Note			
Long-term investments in listed companies	12		85,911	-	85,911
Short-term investments - mutual funds	22		40,279,643	-	40,279,643
			40,365,554	-	40,365,554
Leasehold land	7.1		-	-	1,689,675
Buildings on leasehold land	7.1		-	-	1,121,697
Beach huts	7.1		-	-	13,742
Workshop machinery and equipment	7.1		-	-	28,926
Investment properties	10		-	-	4,607,802
			40,365,554	-	7,461,842
					47,827,396

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, 2026 and 2025 were as follows:

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
Long-term financing - secured	26	43,722,515	1,953,498
Total equity		114,471,198	103,488,495
Total		158,193,713	105,441,993
Debt-to-equity ratio		38:62	2:98

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:

	2026 ------(Rupees in '000)-----	2025
Transportation of dry cargo	6,857,914	6,242,546
Transportation of liquid cargo	43,763,967	27,472,902
Rental income	360,051	330,374
Other operating activities	8,565,517	3,591,594
	59,547,449	37,637,416

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 from shipping business:

	2026 Revenue (Rupees in '000)		2025 Revenue (Rupees in '000)	
		% of Total		% of Total
Client 1	23,991,936	41	13,447,997	36
Client 2	9,246,011	16	4,607,135	12
Client 3	4,896,562	8	4,523,005	12
	38,134,509	65	22,578,137	60
Other clients	21,052,889	35	14,724,905	40
Income from shipping business	59,187,398	100	37,307,042	100

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:

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
		----- (Rupees in '000) -----	
Name and particulars	Relationship with the Group		
Transactions with state owned / controlled entities			
Freight income			
Pak Arab Refinery Limited (PARCO)		21,638,097	13,300,332
Pak Refinery Limited (PRL)		4,490,257	4,214,035
Pakistan State Oil (PSO)		440,228	-
District Controller of Stores (DCOS)		515,915	732,873
Heavy Industries Taxila Cantt. (HIT)		61,281	12,763
National Transmission & Despatch Company (NTDC)		-	881
National Authorities		484,893	540,081
Officer Commanding (PAF)	State owned / controlled entities	93,963	77,609
Pakistan Ordnance Factory (POF)		27,932	53,675
Pakistan Security Printing Corporation (PSPC)		86,761	194,677
Pakistan Airport Authority (PAA)		98	-
Store Liason Officer (SLO)		13,859	14,813
Sui Northern Gas Pipeline Limited (SNGPL)		127,306	520,349
Sui Southern Gas Corporation (SSGC)		198,274	254,018
Water And Power Development Authority (WAPDA)		27,315	12,039
Total		28,206,179	19,928,145
Income from other operating activities			
Pak Arab Refinery Limited		2,495,548	147,665
Pak Refinery Limited	State owned / controlled entities	406,305	40,197
Pakistan State Oil		854,925	-
Total		3,756,778	187,862
Rental income			
Bureau Veritas		14,366	13,057
Pakistan Telecommunication Company Limited (PTCL)	State owned / controlled entities / common director	983	927
FBR - Commissioner AEOL		11,030	11,364
National Bank of Pakistan (NBP)		7,235	6,577
Total		33,614	31,925
Rates and other expense			
Karachi Port Trust (KPT)	State owned / controlled entities	1,478	1,425
Bureau Veritas	Common director	55,780	65,719
Total		57,258	67,144
Transactions with other related parties			
Directors' fee and travelling allowance	Key management personnel	27,701	27,056
Remuneration and other benefits	Key management personnel	132,422	81,737
Contributions to provident fund	Employees benefit plan	2,251	4,217
Dividend to Government of Pakistan	Government holding	5,723,869	4,625,348
Special appropriation Prime Minister's Austerity Fund	Government holding	4,000,000	-

52.1 Outstanding balances due from / due to related parties have been disclosed in notes 16, 19 and 20 to these consolidated financial statements.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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
3	Arwen Tech (Pvt) Limited	Common director	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	Eximbank Pakistan	Common director	N/A
10	EZ Lite Technologies (Private) Limited	Common director	N/A
11	Faisalabad Electric Supply Company (FESCO)	Common director	N/A
12	Fast Track Projects & Logistics Pvt. Ltd.	Common director	N/A
13	Federal Beaurue of Revenue - Commissioner AEOL	State owned/controlled entity	N/A
14	Frontier Saltworks (Private) Limited	Common director	N/A
15	Gwadar Port Authority	State owned/controlled entity	N/A
16	Ghafooria Industries (Private) Limited	Common director	N/A
17	Global Business Enterprise	Common director	N/A
18	Global Frontier (Private) Limited	Common director	N/A
19	Global Business Enterprise	Common director	N/A
20	Gul Ahmed Power Company (Private) Limited	Common director	N/A
21	Gul Ahmed Holding (Private) Limited	Common director	N/A
22	Globex Link Pvt. Ltd.	Common director	N/A
23	Gul Ahmed Textile Mills Limited	Common director	N/A
24	Gul Ahmed Renewable Energy Company (Private) Limited	Common director	N/A
25	Heavy Industries Taxila	State owned/controlled entity	N/A
26	I.T Distributors (Private) Limited	Common director	N/A
27	Ideas Holding (Private) Limited	Common director	N/A
28	Karachi Port Trust	State owned/controlled entity/Common director	N/A
29	Kot Addu Power Company Limited	State owned/controlled entity	N/A
30	Lahore Electric Supply Company Limited	State owned/controlled entity	N/A
31	MJM Property Developers Pvt. Ltd.	Common director	N/A
32	MJM Energy & Resources Pvt. Ltd.	Common director	N/A
33	MJM Petronet Pvt. Ltd.	Common director	N/A
34	Mass Pharma Pvt. Ltd.	Common director	N/A
35	National Bank of Pakistan	State owned/controlled entity	N/A
36	National Disaster Risk Management Fund	State owned/controlled entity/Common director	N/A
37	National Telecommunication Corporation	State owned/controlled entity	N/A
38	National Security Printing Company Private Limited	State owned/controlled entity/Common director	N/A
39	National Insurance Company Limited	State owned/controlled entity	N/A
40	National Transmission & Despatch Company Limited	State owned/controlled entity	N/A
41	Naval Stores	State owned/controlled entity	N/A
42	Nadra Technologies Limited	Common director	N/A
43	Nextgen Minig Solutions (Private) Limited	Common director	N/A
44	Pakistan Retail Business Council	Common director	N/A
45	Pakistan Business Council	Common director	N/A
46	Pakistan Ordinance Factory	State owned/controlled entity	N/A
47	Pak Arab Refinery Limited	State owned/controlled entity	N/A
48	Pakistan Airport Authority	State owned/controlled entity	N/A

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

S.No.	Name	Basis of relationship	Aggregate % of shareholding in the Company
49	Pakistan Petroleum Limited (PPL)	Common director	N/A
50	Power Planning and Monitoring Company (PPMC)	Common director	N/A
51	Pakistan Machine Tool Factory	State owned/controlled entity	N/A
52	Pakistan Refinery Limited	State owned/controlled entity	N/A
53	Pakistan Security Printing Corporation	State owned/controlled entity	N/A
54	Pakistan State Oil Company Limited	State owned/controlled entity	N/A
55	Pakistan Telecommunication Company Limited	State owned/controlled entity	N/A
56	Pharma Health Pakistan Pvt. Ltd.	Common director	N/A
57	Quaid-e-Azam Thermal Power Plant	Common director	N/A
58	Pakistan Petroleum Limited	State owned/controlled entity	N/A
59	Saudi Pak Industrial And Agricultural Investment Company Ltd.	Common director	N/A
60	Saindak Metals Limited	Common director	N/A
61	Port Qasim Authority	State owned/controlled entity/Common director	N/A
62	Quaid-e-Azam Thermal Power Plant	Common director	N/A
63	Trading Corporation of Pakistan (TCP)	State owned/controlled entity	N/A
64	Sezan International Limited	Common director	N/A
65	Siddiqsons Energy Limited	Common director	N/A
66	Supreme Global Pvt. Ltd.	Common director	N/A
67	Sezan International Limited	Common director	N/A
68	Security & Serveillance Pvt. Ltd.	Common director	N/A
69	Stores Liaison Officers (PAF)	State owned/controlled entity	N/A
70	Sui Northern Gas Pipelines Limited	State owned/controlled entity	N/A
71	Sui Southern Gas Company Limited	State owned/controlled entity	N/A
72	Swisstex Chemicals (Private) Limited	Common director	N/A
73	TPL Properties Limited	Common director	N/A
74	Wah Brass Mills (Private) Limited	State owned/controlled entity	N/A
75	Water and Power Development Authority	State owned/controlled entity	N/A
76	Waterlink Logistics Pvt. Ltd.	Common director	N/A
77	Zahid Jee Textile	Common director	N/A
78	Directors / Executives	Key management personnel	N/A

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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.

	2026	2025
Non-controlling interest (NCI) (Percentage)	9%	9%
	------(Rupees in '000)-----	
Non-current assets	-	-
Current assets	46,251	42,923
Current liabilities	1,207	864
Net assets attributable to NCI	4,054	3,785
Revenue	3,840	6,102
Expenses	(1,011)	(1,435)
Profit after tax for the year	2,829	4,667
Profit attributable to NCI	16,641	15,869
Other comprehensive income for the year	-	-
Other comprehensive income attributable to NCI	-	-
Total comprehensive income attributable to NCI	16,641	15,869
Net cash flows from operating activities	(2,121)	(8,107)
Net cash flows from investing activities	1,883	7,557
Net cash flows from financing activities	-	-

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Numbers)-----	2025
54. NUMBER OF EMPLOYEES			
Average number of employees during the year		620	636
Number of employees as at end of the year		631	608

55. RECONCILIATION OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2026			2025		
	Long-term financing	Unclaimed dividend	Lease liabilities	Long-term financing	Unclaimed dividend	Lease liability
	------(Rupees in '000)-----					
Balance at beginning of the year	1,953,498	335,964	12,753	2,821,383	203,955	14,508
Changes from financing cash flows						
Repayment	(1,965,892)	-	(1,419)	(868,800)	-	-
Obtained	43,707,048	-	-	-	-	-
Dividend paid	-	(6,379,674)	-	-	(5,150,526)	-
Total changes from financing activities	41,741,156	(6,379,674)	(1,419)	(868,800)	(5,150,526)	-
Other non cash changes						
Amortisation of arrangement fee	27,861	-	-	915	-	-
Reclassified to other liabilities	-	-	(1,397)	-	-	(2,657)
Accretion of interest	-	-	693	-	-	902
Impact of termination of leases	-	-	-	-	-	-
Final dividend	-	4,556,185	-	-	3,301,584	-
Interim dividend	-	1,980,951	-	-	1,980,951	-
Total other changes	27,861	6,537,136	(704)	915	5,282,535	(1,755)
Balance at end of the year	43,722,515	493,426	10,630	1,953,498	335,964	12,753

56. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statements of the fund:

	2026 ------(Rupees in '000)-----	2025
Size of the fund - Total assets	123,196	230,187
Fair value of investments	121,413	224,637
Percentage of investment made	98.55%	94.29%

56.1 The cost of above investments amounted to Rs. 116.963 million (2025: Rs. 217.040 million).

	2026 ------(Percentage)-----	2025	2026 ------(Rupees in '000)-----	2025
56.2 The break-up of fair value of investments is as follows:				
Mutual funds	52.83	49.48	61,792	107,396
Treasury bills	42.30	40.71	49,472	88,356
Debt securities	-	6.91	-	15,000
Bank balances	4.87	2.90	5,699	6,288
	100	100	116,963	217,040

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

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	2026 ------(Rupees in '000)-----	2025
Financing as per Islamic Mode			
Long-term financing (including current portion)	26	43,722,515	1,953,498
Interest accrued on conventional loans			
		-	-
Shariah Compliant Long-term investments			
Siemens (Pakistan) Engineering Company Limited	12	10,844	10,556
Pakistan State Oil Company Limited	12	68,242	75,255
Shariah Compliant bank balances			
Term-deposits with banks	22	-	-
Bank Balances	23	1,819,429	730,256
Shariah compliant revenue			
Freight income - foreign flag vessels	33	50,621,881	33,715,448
Other operating activities	34	8,565,517	3,591,594
Rental income		360,051	330,374
Exchange gain earned from actual currency			
Realised exchange loss	39	129,663	59,796
Unrealised exchange loss	39	199,175	-
Unrealized gain on revaluation of foreign currency balances	40	-	306,894
Profit paid on Islamic mode of financing			
Long-term financing	41	2,254,177	376,234
Source and detailed breakup of other income			
Non-Shariah Compliant			
Income from saving accounts, treasury bills and term deposits	40	1,736,536	2,058,854
Dividend income from conventional mutual funds	40	25,154	44,114
Capital gain on mutual funds	40	2,912,936	4,995,575
Unrealized gain on mutual funds	40	235,304	83,420
Income from HVAC charges - net	40	72,843	-
Others	40	146,414	37,107
Shariah Compliant			
Income from saving accounts, treasury bills and term deposits	40	83,757	100,234
Dividend income from shariah compliant mutual funds	40	-	2,290
Dividend income - listed companies	40	1,993	1,993
Capital gain on mutual funds	40	-	16,249

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended June 30, 2026

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 Islami 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 28, 2026 have proposed for the year ended June 30, 2026 cash dividend of Rs 10 per share amounting to Rs 1,980.951 million subject to the approval of the members at the annual general meeting to be held on October 28, 2026. These consolidated financial statements for the year ended June 30, 2026 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 28, 2026 by the Board of Directors of the Holding Company.


Syed Zeeshan Taqvi
Chief Financial Officer


Syed Jarar 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 - 75350, 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, 2026**, 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss 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, 2026** and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *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.

Emphasis of Matter

We draw attention to the following matters:

1. We draw attention to Note 31.1.5.12 to the unconsolidated financial statements, which describes the uncertainty related to outcome of the tax assessment and resulting demand of Rs. 5,333.965 million and explains that the Corporation is contesting the matter before various forums.
2. We draw attention to note b to the Statement of Changes in Equity of the unconsolidated financial statements, which describes that the Corporation has contributed Rs. 4 billion to the Prime Minister's Austerity Program during the year. This payment was made in accordance with the directives issued by the

Federal Cabinet under the provisions of the State-Owned Enterprises (Governance and operations) Act 2023.

Our opinion is not modified in respect of above matters.

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:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Contingencies 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. As at June 30, 2026, the aggregate amount of such contingencies amounted to Rs. 19,950.502 million (2025: Rs. 19,959.851 million). Refer to notes 31.1 to the annexed unconsolidated financial statements. 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. Due to the 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.	Our key audit procedures amongst others included the following: • 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; • Inspected report prepared by the in-house legal department and the Corporation's tax advisor; • Involved our tax specialist to assist in analyzing the judgement used to evaluate the matters; • 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; • Circularized confirmations to the Corporation's external legal and tax advisors for their views and assessment on the pending cases; and • 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.
2.	Employee benefits As disclosed in Note 27 to the unconsolidated	Our key audit procedures amongst others included the following:

S. No.	Key audit matter	How the matter was addressed in our audit
	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, 2026 amounted to Rs. 1,307 million (2025: Rs. 1,159). 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. Changes in any of these key assumptions can have a material impact on the calculation of these liabilities and amounts reported in these unconsolidated financial statements. 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.	• Understanding the management's valuation process, including the involvement of actuarial expert in performing the actuarial valuation of plan assets and defined benefit obligation; • 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"; • 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; • Tested completeness and accuracy of the data provided by the Corporation to its actuary for the purpose of valuation; • 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 • Reviewed and assessed the adequacy of the related disclosures in the unconsolidated financial statements in accordance with the requirements of IAS 19.
3.	Revenue recognition from chartering of foreign vessels and slot charter The Corporation recognizes revenue from voyage charter, slot charter, demurrage income, add-war risk income and income from miscellaneous claims amounting to Rs. 15.9 billion (2025: Rs. 5.4 billion). 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. Refer to Note 5.20 for the accounting policy	Our key audit procedures amongst others included the following: • Obtained and updated understanding of Corporation's business model, focusing on chartering vessels and slot charter arrangements under contracts; • Reviewed revenue recognition policies to ensure compliance with IFRS, especially the over-time recognition; • Evaluated management's assumptions and methods for measuring voyage progress, including load-to-discharge basis and estimated voyage duration; • Assessed the basis of estimation for demurrage income, including management's use of past

S. No.	Key audit matter	How the matter was addressed in our audit
	relating to revenue recognition and Notes 32 and 34 for the related disclosures.	settlement experience and recent recovery trends; - Assessed the nature and recoverability of amounts recognized as income from miscellaneous claims, and inspected supporting evidence; - Performed cut-off testing procedures to assess whether revenue is recognized in proper accounting period; and - Assessed the adequacy of related disclosures in the unconsolidated financial statements regarding significant judgments and estimation uncertainties.

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 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, 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 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

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

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.

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);

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

- 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 6, 2026
UDIN: AR202610186zYXt3EZj7



Grant Thornton Anjum Rahman
Chartered Accountants
Karachi
Date: October 6, 2026
UDIN: AR202610126gBULMmtz1



Unconsolidated Statement of Financial Position

As at June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
ASSETS			
Non-current assets			
Property, plant and equipment	7	6,710,666	4,498,971
Right-of-use assets	8	4,910	6,712
Intangible assets	9	119,709	149,624
Investment properties	10	4,850,358	4,607,802
Long-term investments in:			
- Related parties (subsidiaries and an associate)	11	61,862,743	46,115,988
- Listed companies and an other entity	12	79,186	85,911
		61,941,929	46,201,899
Long-term loans	13	80,201	91,241
Deferred taxation	14	188,932	155,253
Total non-current assets		73,896,705	55,711,502
Current assets			
Stores and spares	15	262,043	128,940
Trade debts	16	2,146,160	788,323
Agents' and owners' balances	17	19,554	5,327
Loans and advances	18	264,389	176,347
Trade deposits and short-term prepayments	19	227,018	203,109
Contract assets		622,944	156,167
Interest accrued on bank deposits and short-term investments		649,766	190,355
Other receivables	20	530,793	998,122
Taxation - net	21	8,262,801	2,061,890
Short-term investments	22	49,576,684	61,908,209
Cash and bank balances	23	7,394,450	6,030,196
Total current assets		69,956,602	72,646,985
TOTAL ASSETS		143,853,307	128,358,487
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
200,000,000 (2025: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up share capital			
	24	1,980,951	1,980,951
Reserves			
Capital reserve		126,843	126,843
Revenue reserve - unappropriated profit		10,016,161	15,285,158
Remeasurement of post retirement benefits obligation - net of tax		(406,554)	(380,202)
Surplus on revaluation of property, plant and equipment - net of tax	7.7	2,124,776	2,146,941
		11,861,226	17,178,740
TOTAL EQUITY		13,842,177	19,159,691
LIABILITIES			
Non-current liabilities			
Long-term financing	25	38,465,347	1,084,698
Lease liabilities	26	8,173	10,271
Employees' benefits	27	1,307,338	1,159,199
Total non-current liabilities		39,780,858	2,254,168
Current liabilities			
Trade and other payables	28	82,753,355	105,252,751
Contract liabilities	29	519,938	416,758
Provision against damage claims	30	16,639	25,988
Current portion of long-term financing	25	5,257,168	868,800
Current portion of lease liabilities	26	2,457	2,482
Unclaimed dividend		493,426	335,964
Accrued mark-up on long-term financing		1,187,289	41,885
Total current liabilities		90,230,272	106,944,628
TOTAL LIABILITIES		130,011,130	109,198,796
TOTAL EQUITY AND LIABILITIES		143,853,307	128,358,487
CONTINGENCIES AND COMMITMENTS			
	31		

The annexed notes from 1 to 61 form an integral part of these unconsolidated financial statements.


Syed Zeeshan Taqvi
 Chief Financial Officer


Syed Jarar 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, 2026

	Note	2026 ------(Rupees in '000)-----	2025
REVENUE FROM CONTRACT WITH CUSTOMERS			
Freight income - foreign flag vessels	32	13,416,888	5,282,625
Service fees	33	1,501,109	1,153,289
Other operating activities	34	2,441,032	158,091
		17,359,029	6,594,005
REVENUE FROM OTHERS			
Rental income		360,051	330,374
		17,719,080	6,924,379
EXPENDITURE			
Fleet expenses	35	(12,233,739)	(4,673,310)
Vessel management expenses	36	(1,371,414)	(1,550,934)
Real estate expenses	37	(146,000)	(170,468)
		(13,751,153)	(6,394,712)
GROSS PROFIT			
		3,967,927	529,667
Administrative expenses	38	(686,813)	(453,510)
Impairment reversal on financial assets	39	101,125	1,321,595
Other expenses	40	(671,029)	(464,547)
Other income	41	6,409,845	8,629,808
		5,153,128	9,033,346
OPERATING PROFIT			
		9,121,055	9,563,013
Finance cost	42	(2,303,893)	(419,732)
PROFIT BEFORE LEVIES AND TAXATION			
		6,817,162	9,143,281
Levies	43	(787,301)	(912,259)
PROFIT BEFORE TAXATION			
		6,029,861	8,231,022
Taxation	44	(783,887)	(1,552,105)
PROFIT FOR THE YEAR			
		5,245,974	6,678,917
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
- Remeasurement of post-retirement benefits obligation	27.1.8 & 27.2.6	(43,200)	17,368
- Related tax	14.1	16,848	(6,774)
		(26,352)	10,594
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		5,219,622	6,689,511
EARNINGS PER SHARE - basic and diluted			
	45	26.48	33.72

The annexed notes from 1 to 61 form an integral part of these unconsolidated financial statements.


Syed Zeeshan Taqvi
Chief Financial Officer


Syed Jarar Haider Kazmi
Chief Executive Officer


Mr. Khalil Ahmed
Director

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2026

	Issued, subscribed and paid-up share capital	Capital reserve - (note a)	Revenue reserve - unappropriated profit	Remeasurement of post-retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment - net of tax	Total equity
Balance as at July 01, 2024	1,320,634	126,843	14,528,229	(390,796)	2,167,806	17,752,716
Transactions with owners in their capacity as owners, recognised directly in equity						
Final cash dividend for the year ended June 30, 2024 (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 (Rs. 10 per ordinary share of Rs.10 each)	-	-	(1,980,951)	-	-	(1,980,951)
Total comprehensive income for the year						
Profit for the year	-	-	6,678,917	-	-	6,678,917
Other comprehensive income for the year	-	-	-	10,594	-	10,594
	-	-	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)	-
Balance as at June 30, 2025	1,980,951	126,843	15,285,158	(380,202)	2,146,941	19,159,691
Transactions with owners in their capacity as owners, recognised directly in equity						
Final cash dividend for the year ended June 30, 2025 (Rs. 23 per ordinary share of Rs.10 each)	-	-	(4,556,185)	-	-	(4,556,185)
Interim cash dividend for the year ended June 30, 2026 (Rs. 10 per ordinary share of Rs.10 each)	-	-	(1,980,951)	-	-	(1,980,951)
Special appropriation Prime Minister's Austerity Fund (note b)	-	-	(4,000,000)	-	-	(4,000,000)
Total comprehensive income for the year						
Profit for the year	-	-	5,245,974	-	-	5,245,974
Other comprehensive loss for the year	-	-	-	(26,352)	-	(26,352)
	-	-	5,245,974	(26,352)	-	5,219,622
Surplus on revaluation on property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax						
	-	-	22,165	-	(22,165)	-
Balance as at June 30, 2026	1,980,951	126,843	10,016,161	(406,554)	2,124,776	13,842,177

- a. 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.
- b. During the year, the Corporation recognised a reduction of retained earnings of Rs. 4 billion, representing a payment to the Government of Pakistan's Prime Minister's Austerity Fund 2026 under a directive issued pursuant to Section 17(1) of the State-Owned Enterprises (Governance and Operations) Act, 2023, and approved by the Federal Cabinet (Case No. 204/Rule-19/2026/254 dated 19 March 2026). The payment has been assessed as a transaction with the Government of Pakistan.

The annexed notes from 1 to 61 form an integral part of these unconsolidated financial statements.


Syed Zeeshan Taqvi
 Chief Financial Officer


Syed Jarar Haider Kazmi
 Chief Executive Officer


Mr. Khalil Ahmed
 Director

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	46	(19,460,205)	24,314,216
Employees' gratuity paid	27.1.6	(55,873)	(89,253)
Employees' compensated absences paid	27.2.4	(138,345)	(104,531)
Post-retirement medical benefits paid	27.1.6	(24,560)	(22,013)
Finance cost paid		(1,108,773)	(441,557)
Income tax and levies paid	21	(7,788,930)	(3,055,304)
Net cash (used in) / generated from operating activities		(28,576,686)	20,601,558
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,335,701)	(1,517,142)
Proceeds from disposal of property, plant and equipment		50	-
Purchase of intangible assets	9	(9,203)	(26,829)
Additions to investment properties	10	(451)	(68,800)
Long-term investments in related parties (subsidiaries and an associate)	11	(15,746,755)	-
Short-term investments made - net		1,658,002	(7,725,993)
Return on short term investments and bank balances received		1,360,842	3,011,860
Long-term loans recovered / (disbursed)		4,805	(108,715)
Dividend received		27,147	48,397
Net cash used in investing activities		(15,041,264)	(6,387,222)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing received	25.3	43,707,048	-
Long-term financing repaid	25.3	(1,965,892)	(868,800)
Payment of lease liabilities	26	(1,419)	-
Special appropriation Prime Minister's Austerity Fund		(4,000,000)	-
Dividend paid		(6,379,674)	(5,150,527)
Net cash generated from / (used in) financing activities		31,360,063	(6,019,327)
Net (decrease) / increase in cash and cash equivalents		(12,257,887)	8,195,009
Cash and cash equivalents at the beginning of the year		24,848,159	16,342,715
Exchange (loss) / gain on cash and cash equivalents		(195,822)	310,435
Cash and cash equivalents at the end of the year	47	12,394,450	24,848,159

The annexed notes from 1 to 61 form an integral part of these unconsolidated financial statements.


Syed Zeeshan Taqvi
 Chief Financial Officer


Syed Jarar 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, 2026

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, Plot No. 30-A, 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.

- 1.1** On 19 May 2026, the Government of Pakistan announced its in-principle approval for the proposed sale of 29.5% of its shareholding in Pakistan National Shipping Corporation (the Corporation) to National Logistics Corporation (NLC), together with the proposed transfer of management control and consolidation rights, subject to applicable laws, regulatory approvals and completion of requisite transaction formalities.

Subsequent to year end, committees have been constituted to finalise the financial, commercial and legal aspects of the proposed transaction, including the sale price, payment mechanism, Share Purchase Agreement, Shareholders' Agreement and arrangements for the transfer of management control.

As at reporting date, the proposed transaction had not been completed. Accordingly, the Government of Pakistan continued to hold its existing shareholding in the Corporation and there had been no change in management control. The financial and accounting impact, if any, of the proposed transaction will be recognised when the relevant conditions are fulfilled and the transaction is completed.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

- 2.1.1** These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards which comprises of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB);
- Provisions of, directives and notifications issued under the Companies Act, 2017; and
- Provisions of the State-Owned Enterprises (Governance and Operations) Act, 2023 (the SOE Act) and the State-Owned Enterprises Ownership and Management Policy, 2023 (the SOE Policy) and the directives issued thereunder.

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

In case requirements of the SOE Act or the SOE Policy or the directives issued thereunder differ from the Companies Act, 2017, the provisions of the SOE Act or the SOE Policy or the directives issued thereunder shall prevail. Further, where the requirements of the SOE Act and the SOE Policy or the directives issued thereunder differ from the IFRS Accounting Standards, the provisions of the SOE Act or the SOE Policy or the directives issued thereunder shall prevail to the extent of such difference.

Previously, these unconsolidated financial statements had been prepared in accordance with the accounting and reporting standards as applicable in Pakistan comprising of:

- IFRS accounting standards 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.

Consistent with the adoption of the SOE Act and the SOE Policy during the year, the Corporation has prepared these unconsolidated financial statements in accordance with full IFRS Accounting Standards as issued by the IASB. The transition to full IFRS does not have any impact on these unconsolidated financial statements.

- 2.1.2** These are separate financial statements wherein subsidiaries and an associated company are measured at cost less impairment loss, if any.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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) Useful lives and amortization method of intangible assets (notes 5.4 and 9);
- (c) Incremental borrowing rate used in discounting of future cash flows of right-of-use assets and lease liabilities – (notes 5.3, 5.12, 8 and 26);
- (d) Depreciation rate and determination of the residual values and useful lives of property, plant and equipment (notes 5 and 7);
- (e) Recoverable amount of long-term investment in related parties - subsidiaries (notes 5.7 and 11);
- (f) Expected credit loss on trade debts, agents' and owners' balances, other receivables and other financial assets (notes 5.8.3, 16, 17 and 20);
- (g) Provision for levies, current and deferred tax (notes 5.26, 14, 43 and 44);
- (h) Provision against damage claims (notes 5.14 and 30);
- (i) Provision for employee benefits (notes 5.16, 5.17 and 27);
- (j) Recognition of demurrage income, estimation of days for vessel in-transit, income from heating and miscellaneous claims (notes 5.20 and 34);
- (k) Contingencies and commitments (notes 5.22 and 31); and
- (l) Provision for slow moving stores and spares (notes 5.9 and 15).
- (m) Provision for ocean losses (note 32).

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.

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

5.1 Amendments to accounting standards that are effective for the year ended June 30, 2026

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

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability
- IFRS 1 - First-time Adoption of International Financial Reporting Standards

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

5.2 New standards and amendments to accounting standards that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and 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 except those mentioned in note 5.3.

Effective from Accounting period beginning on or after

- | | |
|---|------------------|
| - Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments in relation to clarifying the requirements for the timing of recognition and derecognition of some financial assets and liabilities | 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 to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity | January 01, 2026 |
| - IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) | January 01, 2027 |
| - Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Translation to a Hyperinflationary Presentation Currency | January 01, 2027 |
| - Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Fair value option for investments in associates and joint ventures | January 01, 2027 |
| - IFRS 19 Subsidiaries without Public Accountability: Disclosures | January 01, 2027 |

5.3 In April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements (IFRS 18)', which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Further, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories, i.e., operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the confirming amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

6. 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, unless otherwise stated.

6.1 Property, plant and equipment

6.1.1 Operating fixed assets

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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.

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.

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.

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 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.

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 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

6.5 Investment properties

Properties held for long-term rental yields which are significantly rented out by the Corporation 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 valuers with sufficient at each reporting date. 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.

6.6 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.

6.7 Investments in subsidiaries and associate

Investments in subsidiaries and associate are measured at cost less provision for impairment, if any, in the Corporation's unconsolidated financial statements. 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.

6.8 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.

6.8.1 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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 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.

6.8.2 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.

6.8.3 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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.

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.

6.8.4 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.

6.9 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,
- Spares on first-in first-out basis; and
- Bunker on board 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.

6.10 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.

6.11 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.

6.12 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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.

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.

6.13 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. Trade and other payables represents obligations to pay for goods or services that have been acquired in the ordinary course of business from supplier. Trade and other payables are presented under current liabilities unless payment is not due within 12 months after reporting period.

6.14 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.

6.15 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. However, if they are approved after reporting period but before the unconsolidated financial statements are authorised for issue are disclosed in the notes to the unconsolidated financial statements.

6.16 Employees' benefits

6.16.1 Defined contribution plan - Provident fund

The Corporation operates an approved provident fund scheme for all its permanent employees. Equal monthly contributions

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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.

6.16.2 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, 2026. The remeasurement of defined benefit plan is recognised directly to equity through other comprehensive income net of tax.

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.

6.16.3 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, 2026. 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.

6.17 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, 2026. The remeasurement of employees' compensated absences are charged to statement of profit or loss.

6.18 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.

6.19 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.

6.20 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 recognised 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 Unconsolidated Financial Statements

For the year ended June 30, 2026

The Corporation recognises revenue from the following major sources:

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

Voyage charter revenue

All freight voyage charter revenue and voyage expenses are recognised 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. Ocean losses and overage premium are deducted from voyage charter revenue on estimated basis.

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 recognised on percentage of completion basis estimating the total income for a vessel under a slot charter arrangement. Revenue is recognised 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, only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur based on past experience.

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.

Overage premium

Under freight agreements, customers withhold an overage premium whenever the deployed vessel exceeds the 15 years threshold. Where actual deductions are not finalized at the reporting date, an estimate is recognized to the extent it is highly probable that a significant reversal will not occur, based on historical experience and customer-specific trends. Any difference between the estimated amount and subsequent actual settlement is recognized in profit or loss in the period in which the settlement occurs.

Ocean loss

Under the terms of Contracts of Affreightment, customers withhold deductions for ocean loss where discharged cargo volumes fall below loaded quantities beyond contractually permitted tolerance limits. These deductions represent variable consideration and are recognised as a reduction of freight revenue. Unsettled claims at the reporting date are estimated based on historical settlement patterns and voyage data, subject to the variable consideration constraint. Any difference between the estimated amount and the actual deduction finalized is recognized in profit or loss in the period of settlement.

6.21 Contract assets

For voyages in progress at the end of a reporting period, the Corporation recognises a percentage of the estimated revenue

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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.

6.22 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.

6.23 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.

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.

6.24 Share capital

Ordinary shares are classified as equity and recognised 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.

6.25 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.

6.26 Income tax and levy

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.

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.

The Corporation takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Corporation's views differ from the income tax department at the assessment stage and where the Corporation considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

6.26.2 Deferred tax

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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, and tax credits, 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 asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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 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'.

7. PROPERTY, PLANT AND EQUIPMENT

	Note	2026 (Rupees in '000)	2025
- Operating fixed assets	7.1	3,072,007	2,951,407
- Capital work-in-progress (CWIP) - buildings on leasehold land	7.8	3,638,659	1,547,564
		<u>6,710,666</u>	<u>4,498,971</u>

7.1 Operating fixed assets

	Leasehold land (notes 7.2 - 7.4)	Buildings on leasehold land (notes 7.2 - 7.4)	Vessel (note 7.5)	Vehicles	Office equipment	Furniture and fittings	Equipment on board	Beach huts (notes 7.2 - 7.4)	Workshop machinery and equipment (note 7.3 & 7.4)	Computer equipment	Total
	(Rupees in '000)										
As at June 30, 2024											
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	<u>1,687,179</u>	<u>1,143,135</u>	<u>-</u>	<u>39,619</u>	<u>28,020</u>	<u>8,866</u>	<u>-</u>	<u>16,474</u>	<u>30,095</u>	<u>36,024</u>	<u>2,989,412</u>
Year ended June 30, 2025											
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											
Cost or revalued amount	-	-	-	-	(13,766)	(5,388)	-	-	-	(16,297)	(35,451)
Accumulated depreciation	-	-	-	-	13,766	5,388	-	-	-	16,297	35,451
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	<u>1,687,179</u>	<u>1,104,417</u>	<u>-</u>	<u>27,633</u>	<u>39,942</u>	<u>11,793</u>	<u>-</u>	<u>13,742</u>	<u>28,926</u>	<u>37,775</u>	<u>2,951,407</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	Leasehold land (notes 7.2 - 7.4)	Buildings on leasehold land (notes 7.2 - 7.4)	Vessel (note 7.5)	Vehicles	Office equipment	Furniture and fittings	Equipment on board	Beach huts (notes 7.2 - 7.4)	Workshop machinery and equipment (note 7.3 & 7.4)	Computer equipment	Total
------(Rupees in '000)-----											
As at June 30, 2025											
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
Year ended June 30, 2026											
Opening net book value	1,687,179	1,104,417	-	27,633	39,942	11,793	-	13,742	28,926	37,775	2,951,407
Additions	-	53,077	-	19,865	20,133	41,318	-	-	6,595	26,071	167,059
Transfers from CWIP	-	77,547	-	-	-	-	-	-	-	-	77,547
Write-offs											
Cost or revalued amount	-	-	-	-	-	-	-	-	-	(799)	(799)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	505	505
	-	-	-	-	-	-	-	-	-	(294)	(294)
Disposals											
Cost or revalued amount	-	-	-	(391)	(708)	(4,679)	-	-	-	(909)	(6,687)
Accumulated depreciation	-	-	-	391	708	4,679	-	-	-	909	6,687
	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year - note 7.6	-	(59,096)	-	(12,823)	(9,897)	(6,691)	-	(2,732)	(5,997)	(26,476)	(123,712)
Closing net book value	1,687,179	1,175,945	-	34,675	50,178	46,420	-	11,010	29,524	37,076	3,072,007
As at June 30, 2026											
Cost or revalued amount	1,687,179	1,498,660	1,440	110,790	128,670	85,421	1,736	27,319	60,765	210,544	3,812,524
Accumulated depreciation	-	(322,715)	(1,440)	(76,115)	(78,492)	(39,001)	(1,736)	(16,309)	(31,241)	(173,468)	(740,517)
Net book value	1,687,179	1,175,945	-	34,675	50,178	46,420	-	11,010	29,524	37,076	3,072,007
Annual rate of depreciation (%)											
2026	3 to 20	3 to 4	20	15	10 to 15	10 to 15	10	5 to 10	33		
2025	3 to 20	3 to 4	20	15	10 to 15	10 to 15	10	5 to 10	33		

7.1.1 Above assets include fully depreciated assets costing Rs. 261.642 million (2025: Rs. 204.051) still in use.

7.1.2 Aggregate book value of disposals is below Rs. 5 million, therefore, no disclosure as per 4th schedule of Companies Act, 2017 is included.

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

- 7.3** Forced sale 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:

	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Leasehold land, buildings on leasehold land and beach huts	543,243	443,356
Workshop machinery and equipment	9,029	3,803
	<u>552,272</u>	<u>447,159</u>

- 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.

Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
------	--------------------------------------	--------------------------------------

- 7.6** The depreciation charge for the year has been allocated as follows:

Vessel management expenses	36	72,203	67,028
Real estate expenses	37	44,846	40,919
Administrative expenses	38	6,663	5,586
		<u>123,712</u>	<u>113,533</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	2026 ------(Rupees in '000)-----	2025 ------(Rupees in '000)-----
7.7 Surplus on revaluation of property, plant and equipment - net of tax		
As at July 01	2,387,105	2,421,310
Transferred to unappropriated profit on account of incremental depreciation	(36,336)	(34,205)
	<u>2,350,769</u>	<u>2,387,105</u>
As at June 30		
Less: related deferred tax liability on:		
Revaluation surplus as at July 1	240,164	253,504
Incremental depreciation charged during the year	(14,171)	(13,340)
	<u>225,993</u>	<u>240,164</u>
	<u>2,124,776</u>	<u>2,146,941</u>

7.7.1 Surplus on revaluation of property, plant and equipment is not available for distribution to shareholders in accordance with Section 241 of Companies Act, 2017.

	Note	2026 ------(Rupees in '000)-----	2025 ------(Rupees in '000)-----
7.8 Capital work-in-progress (CWIP)			
Balance at beginning of the year		1,547,564	105,950
Additions during the year		2,168,642	1,441,614
Transfers to operating fixed assets		(77,547)	-
Balance at end of the year	7.8.1	<u>3,638,659</u>	<u>1,547,564</u>

7.8.1 It represents capital expenditure amounting to Rs. 3,460.047 million (2025: Rs. 1,385.010 million) on container vessel, Rs. 120.282 million (2025: Rs. 104.225 million) on renovation of 15th and 16th floor of PNSC building and PNSC mosque.

	Note	2026 ------(Rupees in '000)-----	2025 ------(Rupees in '000)-----
8. RIGHT-OF-USE ASSETS			
Rental properties			
Balance at the beginning of the year		6,712	8,514
Depreciation	38	(1,802)	(1,802)
Balance at the end of the year		<u>4,910</u>	<u>6,712</u>
Lease term (in years)		<u>10</u>	<u>10</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

9. INTANGIBLE ASSETS

	Ship Management Expert System (SES) (note 9.1)	Backup Software (note 9.2)	DANAOS Enterprise Software	Capital work- in-progress (CWIP)	Total
As at June 30, 2024					
Cost	16,503	1,308	-	159,463	177,274
Accumulated amortisation	(16,503)	(326)	-	-	(16,829)
Net book value	-	982	-	159,463	160,445
Year ended June 30, 2025					
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
As at June 30, 2025					
Cost	16,503	9,313	178,287	-	204,103
Accumulated amortisation	(16,503)	(2,318)	(35,658)	-	(54,479)
Net book value	-	6,995	142,629	-	149,624
Year ended June 30, 2026					
Opening net book value	-	6,995	142,629	-	149,624
Additions during the year	-	9,203	-	-	9,203
Amortisation for the year	-	(3,460)	(35,658)	-	(39,118)
Closing net book value	-	12,738	106,971	-	119,709
As at June 30, 2026					
Cost	16,503	18,516	178,287	-	213,306
Accumulated amortisation	(16,503)	(5,778)	(71,316)	-	(93,597)
Net book value	-	12,738	106,971	-	119,709
Annual rate of amortisation (%)					
2026		33	20		
2025		33	20		

9.1 It represents SES which was fully amortised during the year ended June 30, 2009.

9.2 The amortisation charge for the year has been allocated to statement of profit and loss as follows:

	Note	2026 ------(Rupees in '000)-----	2025
Vessel management expenses	36	35,813	34,754
Administrative expenses	38	3,305	2,896
		39,118	37,650

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

10. INVESTMENT PROPERTIES

		Leasehold land	Buildings on leasehold land	Total
	Note	(Rupees in '000)		
At fair value				
Balance as at July 01, 2024		4,208,931	111,421	4,320,352
Additions during the year		-	68,800	68,800
Gain on revaluation	10.3 & 41	214,440	4,210	218,650
Balance as at June 30, 2025		4,423,371	184,431	4,607,802
Additions during the year		-	451	451
Gain on revaluation	10.3 & 41	140,218	101,887	242,105
Balance as at June 30, 2026		4,563,589	286,769	4,850,358

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 sale value of the aforementioned investment properties as of the reporting date are as follows:

	2026	2025
	(Rupees in '000)	
S.No. Class of asset		
1 Leasehold land	3,650,870	3,954,384
2 Buildings on leasehold land	229,415	117,546

10.3 The valuation of the Corporation's investment properties was carried out by an independent valuer as of June 30, 2026.

10.4 During the year, the Corporation earned rental income of Rs. 50.247 million (2025: Rs. 51.381 million) from its investment properties, which has been recognized under rental income in the statement of profit or loss. The related real estate expenses, comprising repair and maintenance costs incurred on these properties, amounted to Rs. 5.279 million (2025: Rs. 4.604 million). In addition, real estate expenses amounting to Rs. 4.188 million (2025: Rs. 3.653 million), comprising repair and maintenance costs, were incurred in respect of investment properties that did not generate any rental income.

10.5 Valuation technique

The fair value of the investment property was determined by external, independent property valuer BH Valuengineering Consultant (Pvt) Limited, 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, 2026

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
2026	2025				2026	2025	
(i) Subsidiary companies - unquoted							
439,599,957	439,599,957	Bolan Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
275,344,100	275,344,100	Chitral Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
226,825,500	226,825,500	Hyderabad Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
15,686,000	15,686,000	Pakistan Marine and Shipping Services Company (Private) Limited	Pakistan	June 30, 2026	100	100	10
36,000	36,000	Johar Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
7,286,000	7,286,000	National Ship Management and Crew (Private) Limited	Pakistan	June 30, 2026	100	100	10
330,000,000	330,000,000	Karachi Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
441,997,735	441,997,735	Khairpur Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
340,000,000	340,000,000	Lahore Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
440,954,000	14,686,000	Lalazar Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
9,486,000	9,486,000	Makran Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
336,016,700	336,016,700	Malakand Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
140,547,500	140,547,500	Multan Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
500,000,000	500,000,000	Quetta Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
478,229,000	6,936,000	Sargodha Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
347,055,800	347,055,800	Shalamar Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
254,012,300	254,012,300	Sibi Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
13,236,000	13,236,000	Swat Shipping (Private) Limited	Pakistan	June 30, 2026	100	100	10
2,000	2,000	Pakistan Co-operative Ship Stores (Private) Limited	Pakistan	June 30, 2026	91	91	100
					46,115,988		37,140,378
(ii) Associate - unquoted							
12,250	12,250	Muhammadi Engineering Works Limited	Pakistan		49	49	100
				Less: Accumulated impairment losses			
					-		-
(iii) Advance against issue of share capital							
			Karachi Shipping (Private) Limited	9,814,391		-	
			Lahore Shipping (Private) Limited	5,932,364		4,712,930	
			Sargodha Shipping (Private) Limited	-		4,262,680	
			Lalazar Shipping (Private) Limited	-		-	
					11.1		
				15,746,755		8,975,610	
				61,862,743		46,115,988	

11.1 These represent amount paid against the purchase of vessels procured by subsidiaries.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
12. LONG-TERM INVESTMENTS IN LISTED COMPANIES AND AN OTHER ENTITY			
Listed companies			
At fair value through profit or loss			
Siemens (Pakistan) Engineering Company Limited 6,930 (2025: 6,930) fully paid ordinary shares of Rs. 10 each. Market value per share as at June 30, 2026 Rs. 1,564.75 (2025: Rs. 1,523.21)	12.1	10,844	10,556
Pakistan State Oil Company Limited (related party due to Government holding) 199,336 (2025: 199,336) fully paid ordinary shares of Rs. 10 each. Market value per share as at June 30, 2026 Rs. 342.35 (2025: Rs. 377.53)	12.2	68,242	75,255
		<u>79,086</u>	<u>85,811</u>
Other entity			
Pakistan Tourism Development Corporation Limited 10,000 (2025: 10,000) fully paid ordinary shares of Rs. 10 each.	12.3	100	100
		<u>79,186</u>	<u>85,911</u>
12.1 The Corporation holds 0.084% (2025: 0.084%) of the investee's share capital			
Balance at the beginning of the year		10,556	3,643
Gain on revaluation	40 & 41	288	6,913
Balance at the end of the year		<u>10,844</u>	<u>10,556</u>
12.2 The Corporation holds 0.04246% (2025: 0.04246%) of the investee's share capital			
Balance at the beginning of the year		75,255	33,131
(Loss) / gain on revaluation	40 & 41	(7,013)	42,124
Balance at the end of the year		<u>68,242</u>	<u>75,255</u>
12.3 As the entity is a privately held, unlisted entity and there is no sufficient reliable information available to determine its fair value, the cost of the investment has been considered as a reasonable approximation of its fair value.			
13. LONG-TERM LOANS			
- Due from executives	13.1 to 13.3	85,550	94,616
- Due from other employees		21,929	19,066
		<u>107,479</u>	<u>113,682</u>
Less: recoverable within one year			
- Due from executives		19,902	18,451
- Due from other employees		7,376	3,990
	18	<u>27,278</u>	<u>22,441</u>
		<u>80,201</u>	<u>91,241</u>
13.1 Reconciliation of carrying amount of loans to executives:			
Balance from the beginning of the year		94,616	15,552
Transfer of other employees to executives		3,605	9,045
Disbursements		28,110	131,152
		<u>126,331</u>	<u>155,749</u>
Repayments		(50,606)	(27,344)
Discounting during the year	13.3	(6,801)	(36,695)
Unwinding of discount		16,626	2,906
Balance at the end of the year	13.4	<u>85,550</u>	<u>94,616</u>

For the year ended June 30, 2026

- | | | 2026 | 2025 |
|---|------|------------------|----------------|
| | Note | (Rupees in '000) | |
| 14. DEFERRED TAXATION | | | |
| Deductible temporary differences arising in respect of | | | |
| - provisions | | 586,620 | 520,478 |
| Taxable temporary differences arising in respect of: | | | |
| - surplus on revaluation of property, plant and equipment | 7.7 | (225,993) | (240,164) |
| - accelerated tax depreciation | | (106,131) | (101,598) |
| - right of use assets net of lease liabilities | | (1,915) | (2,618) |
| - short term investments | | (58,790) | (20,845) |
| - intangibles | | (4,859) | - |
| | | (397,688) | (365,225) |
| | | 188,932 | 155,253 |

	For the year ended June 30, 2025			For the year ended June 30, 2026			
	Balance as at July 01, 2024	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at June 30, 2025	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at June 30, 2026
	(Rupees in '000)						
Deductible temporary differences							
- provisions and employee benefits	671,310	(144,058)	(6,774)	520,478	49,294	16,848	586,620
Taxable temporary differences							
- surplus on revaluation of property, plant and equipment	(253,504)	13,340	-	(240,164)	14,171	-	(225,993)
- accelerated tax depreciation	(92,644)	(8,954)	-	(101,598)	(4,533)	-	(106,131)
- right of use assets net of lease liabilities	(3,320)	702	-	(2,618)	703	-	(1,915)
- short term investments	(51,170)	30,325	-	(20,845)	(37,945)	-	(58,790)
- intangibles	-	-	-	-	(4,859)	-	(4,859)
	270,672	(108,645)	(6,774)	155,253	16,831	16,848	188,932

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
15. STORES AND SPARES			
Stores			
- at depot		18,408	18,408
- at buildings		472	472
		<u>18,880</u>	<u>18,880</u>
Spares			
- at buildings		796	796
Bunker on board		<u>262,043</u>	<u>128,940</u>
		<u>281,719</u>	<u>148,616</u>
Provision for slow moving stores and spares	15.1	<u>(19,676)</u>	<u>(19,676)</u>
		<u>262,043</u>	<u>128,940</u>
16. TRADE DEBTS			
Unsecured			
- Due from related parties	16.1 & 16.2	1,894,116	1,031,777
- Due from others	16.3	692,815	276,336
		<u>2,586,931</u>	<u>1,308,113</u>
Allowance for expected credit loss	16.4	<u>(440,771)</u>	<u>(519,790)</u>
		<u>2,146,160</u>	<u>788,323</u>

16.1 Ageing analysis of related parties, included in trade debts, is as follows:

	Upto 1 month	1 to 6 months	More than 6 months	As at June 30, 2026	As at June 30, 2025
	------(Rupees in '000)-----				
Pak Arab Refinery Limited	1,018,994	391,792	59,065	1,469,851	473,563
Pakistan Refinery Limited	-	-	452	452	452
Sui Northern Gas Pipelines Limited	1,392	-	167	1,559	1,103
District Controller of Stores	-	1,304	2,954	4,258	4,310
Embarkation Commandant	158,087	-	18,265	176,352	158,569
Officer Commanding PAF	17,356	68	105,068	122,492	135,282
Pakistan Ordnance Factory	-	305	-	305	39,989
Others	55,167	8,725	54,955	118,847	218,509
	<u>1,250,996</u>	<u>402,194</u>	<u>240,926</u>	<u>1,894,116</u>	<u>1,031,777</u>

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

	2026 ------(Rupees in '000)-----	2025
1 to 6 months	6,598	2,162
More than 6 months	<u>331,172</u>	<u>258,682</u>
	<u>337,770</u>	<u>260,844</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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

	2026	2025
Note	(Rupees in '000)	
1 to 6 months	-	-
More than 6 months	103,001	258,946
	<u>103,001</u>	<u>258,946</u>

16.4 Allowance for expected credit loss

Balance at beginning of the year	519,790	2,198,092
Reversal during the year	39 (79,019)	(1,343,431)
Write-off during the year	16.4.1 -	(334,871)
Balance at end of the year	<u>440,771</u>	<u>519,790</u>

16.4.1 This amount pertained to the write off of already fully provided balance receivable from Pakistan State Oil (PSO) which had been settled in full in 2025.

16.5 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 2,912.600 million (2025: Rs. 2,879.80 million).

	2026	2025
Note	(Rupees in '000)	

17. AGENTS' AND OWNERS' BALANCES

Balances from agents' and owners'	45,829	28,699
Allowance for expected credit loss	17.1 (26,275)	(23,372)
	<u>19,554</u>	<u>5,327</u>

17.1 Allowance for expected credit loss

Balance at beginning of the year	23,372	25,414
Charged / (reversal) during the year	39 2,903	(2,042)
Balance at end of the year	<u>26,275</u>	<u>23,372</u>

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

	2026	2025
	(Rupees in '000)	
Upto 1 month	-	16
1 to 6 months	14	-
More than 6 months	26,261	23,356
	<u>26,275</u>	<u>23,372</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
18. LOANS AND ADVANCES			
Current portion of long-term loans			
- due from executives		19,902	18,451
- due from other employees		7,376	3,990
	13	<u>27,278</u>	<u>22,441</u>
Advances - unsecured			
- employees		117,233	67,191
- contractors and suppliers		119,798	86,635
- others		80	80
		<u>237,111</u>	<u>153,906</u>
		<u>264,389</u>	<u>176,347</u>
19. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits	19.1	87,213	116,673
Allowance for expected credit loss		(369)	(369)
		<u>86,844</u>	<u>116,304</u>
Short-term prepayments	19.2	140,174	86,805
		<u>227,018</u>	<u>203,109</u>

19.1 This includes Rs. 2.500 million (2025: Rs. 2.500 million) amount deposited with Trading Corporation of Pakistan and Rs. 1.374 million (2025: Rs. 1.374 million) amount deposited with Karachi Port Trust (KPT), related parties.

19.2 This includes Rs. 115.423 million (2025: Rs. 75.576) amount pertains to National Insurance Company Limited (NICL), related parties.

	Note	2026 ------(Rupees in '000)-----	2025
20. OTHER RECEIVABLES			
- Due from related parties	20.1 & 20.2	355,562	957,939
- Due from others	20.3 & 20.4	231,420	121,381
		<u>586,982</u>	<u>1,079,320</u>
Allowance for expected credit loss	20.5	(56,189)	(81,198)
		<u>530,793</u>	<u>998,122</u>

20.1 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 June 30, 2026	As at June 30, 2025
	------(Rupees in '000)-----				
Karachi Port Trust	-	-	2,979	2,979	2,979
Port Qasim Authority	116,446	140,710	3,093	260,249	637,770
Government of Pakistan	-	-	64,262	64,262	312,457
National Insurance Company Limited	-	-	141	141	4,733
Bureau Veritas	-	645	4,297	4,942	-
Commissioner AEOI	1,720	794	19,244	21,758	-
National Bank of Pakistan	196	528	-	724	-
Pakistan Telecommunication Authority	95	150	262	507	-
	<u>118,457</u>	<u>142,827</u>	<u>94,278</u>	<u>355,562</u>	<u>957,939</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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

	2026 ------(Rupees in '000)-----	2025
Upto 1 month	-	890
1 to 6 months	-	3,728
More than 6 months	1,771	6,089
	<u>1,771</u>	<u>10,707</u>

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

	2026 ------(Rupees in '000)-----	2025
Upto 1 month	-	3,027
1 to 6 months	-	12,971
More than 6 months	54,418	54,493
	<u>54,418</u>	<u>70,491</u>

20.4 This includes Rs. 52.620 million (2025: Rs. nil) transfer from balances with foreign bank in respect of amount held with UniCredit S.p.A bank following the closure of banking relationship which remains unreleased as at the reporting date.

Note	2026 ------(Rupees in '000)-----	2025
------	-------------------------------------	------

20.5 Allowance for expected credit loss

Balance at the beginning of the year		81,198	57,320
(Reversal) / charged during the year	39	(25,009)	23,878
Balance at the end of the year		<u>56,189</u>	<u>81,198</u>

20.6 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs. 789.549 million (2025: Rs. 957.939 million).

Note	2026 ------(Rupees in '000)-----	2025
------	-------------------------------------	------

21. TAXATION - NET

Opening balance		2,061,890	1,362,305
Tax charged:			
- Levies	43	(787,301)	(912,259)
- Current:			
For the year	44	(951,844)	(1,493,411)
Prior year	44	151,126	49,951
Advance tax paid / deducted		2,454,965	3,055,304
Tax paid on deemed income under protest	31.1.5.12	5,333,965	-
		<u>8,262,801</u>	<u>2,061,890</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

22. SHORT-TERM INVESTMENTS	Note	2026	2025
		----- (Rupees in '000) -----	
Amortised cost			
Treasury-bills having maturity of three months or less		-	1,416,202
Term-deposits with conventional banks having maturity of:			
- more than three months		12,095,399	2,850,000
- three months or less		-	17,401,761
Term-deposits with shariah compliant banks having maturity of:			
- three months or less	47	5,000,000	-
	22.1	17,095,399	20,251,761
Fair value through profit or loss			
Units of mutual funds	22.2 & 22.3	32,481,285	40,240,246
		49,576,684	61,908,209

22.1 Mark-up on term-deposits denominated in local currency ranges from 10.90% to 16.50% (2025: 11.93% to 22.44%) per annum, whereas mark-up on term deposits denominated in foreign currency ranges from 6.05% to 6.25% (2025: 6.20% to 8.50%) per annum.

22.2 Movement of mutual funds	Note	2026	2025
		----- (Rupees in '000) -----	
Opening		40,240,246	24,291,111
Purchased during the year		65,150,724	147,509,017
Dividend reinvested during the year		17,859	35,032
Redeemed during the year		(73,162,702)	(131,678,294)
Unrealised gain on remeasurement	41	235,158	83,380
Closing	22.3	32,481,285	40,240,246

22.3 Investment in units of mutual funds

S.No. Conventional	2026	2025	2026	2025
	----- (Number of units) -----		----- (Rupees in '000) -----	
1 Alfalah GHP Money Market Fund	13,454,653	12,540,075	1,337,299	1,241,671
2 JS Cash Fund	472,745	20,518,902	50,527	2,158,999
3 JS Government Securities Fund	36,573,609	23,374,388	4,418,092	2,633,826
4 JS Income Fund	20,352,045	44,898,791	2,550,925	5,230,709
5 JS Micro Finance Sector Fund	68,032,851	28,692,881	8,208,163	3,103,422
6 JS Fund of Funds	13,928,547	-	2,073,264	-
7 NBP Money Market Fund	-	28,286,910	-	283,797
8 NBP Mustahkam Fund Plan - X	200,000,000	-	2,051,460	-
9 Alfalah Government Securities Fund Plan I	49,421,768	54,803,022	4,980,405	5,493,241
10 Alfalah Government Securities Fund Plan II	18,356,575	20,654,682	2,527,201	2,605,795
11 Alfalah Special Savings Fund	28,980,044	-	4,277,926	-
12 Alfalah Financial Sector Income Fund	55,553	52,619	6,023	5,670
13 Alfalah Financial Sector Income Fund I	-	42,646,422	-	4,278,916
14 ABL Separately Managed Accounts Plan IV	-	511,123,100	-	5,185,702
15 MCB Fixed Return Plan III	-	213,994	-	21,808
16 MCB Fixed Return Plan VII	-	58,481,944	-	5,869,798
17 UBL Fixed Return Plan II	-	21,268,922	-	2,126,892
			32,481,285	40,240,246

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

23. CASH AND BANK BALANCES

	Note	2026 ------(Rupees in '000)-----	2025 ------(Rupees in '000)-----
Cash in hand			
- foreign currency		2,894	5,117
Cash at bank			
- in current accounts			
- local currency	23.1	605,546	483,441
- foreign currency		3,047,035	1,752,680
		3,652,581	2,236,121
- in saving accounts			
- local currency			
- conventional	23.2	1,890,055	3,027,322
- shariah compliant	23.3	1,819,429	730,256
- foreign currency	23.4	29,491	31,380
		3,738,975	3,788,958
		7,394,450	6,030,196

23.1 This includes Rs. 8.766 million (2025: Rs. 24.066 million) held as security by various banks respectively against guarantees issued on behalf of the Corporation.

23.2 Mark-up on these saving accounts ranges from 8.00% to 11.00% (2025: 9.25% to 20.50%) per annum.

23.3 Mark-up on these saving accounts ranges from 7.98% to 10.50% (2025: 9.00% to 20.00%) per annum.

23.4 Mark-up on these saving accounts ranges from 0.50% to 6.50% (2025: 0.15% to 6.50%) per annum.

24. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2026 ------(Number of Shares)-----	2025 ------(Number of Shares)-----		2026 ------(Rupees in '000)-----	2025 ------(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	83,754,481	Ordinary shares of Rs. 10 each issued as bonus shares	837,545	837,545
198,095,070	198,095,070		1,980,951	1,980,951

24.1 As at June 30, 2026, Government of Pakistan held 173,452,043 (2025: 173,452,043) ordinary shares, representing 87.56% (2025: 87.56%) shareholding of the Corporation.

24.2 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
25. LONG-TERM FINANCING			
Financing under musharika agreement:			
Facility 1	25.1	1,085,325	1,953,498
Facility 2	25.2	42,637,190	-
	25.3	43,722,515	1,953,498
Current portion shown in current liabilities		(5,257,168)	(868,800)
Long term portion		38,465,347	1,084,698

25.1 The Corporation 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 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.

25.2 During the year, the Corporation has obtained shariah compliant financing facility of Rs. 55,497 million from consortium consisting of Faysal Bank Limited, Habib Bank Limited, Askari Bank Limited, MCB Bank Limited and Allied Bank Limited carrying mark-up at the rate of 3 months KIBOR + 0.30% per annum. The loan, along with mark-up, is repayable on a quarterly basis with the last repayment date on January 08, 2036. As of the reporting date, the Corporation has drawn an amount of Rs.16,926.400 million, Rs.10,030.880 million and Rs.16,926.400 million for the purchase of M.T. Karachi, M.T. Quetta and M.T. Lahore on behalf of the subsidiary companies namely Karachi Shipping (Private) Limited, Quetta Shipping (Private) Limited and Lahore Shipping (Private) Limited respectively.

The financing facility is secured by the mortgage on vessels owned by the Corporation's subsidiary companies.

	Note	2026 ------(Rupees in '000)-----	2025
25.3 Following is the movement in long-term financing:			
Balance at beginning of the year		1,953,498	2,821,383
Additions	25.2	43,707,048	-
Repayments		(1,965,892)	(868,800)
Amortisation of arrangement fee	42	27,861	915
Balance at end of the year		43,722,515	1,953,498

25.4 Accrued mark-up under Islamic mode of financing as at June 30, 2026 amounted to Rs. 1,187.289 million (2025: Rs. 41.885 million).

	Note	2026 ------(Rupees in '000)-----	2025
26. LEASE LIABILITIES			
Balance at the beginning of the year		12,753	14,508
Interest expense	42	693	902
Reclassified to other liabilities		(1,397)	(2,657)
Repayments during the year		(1,419)	-
Balance at the end of the year	26.1	10,630	12,753
Less: current portion shown under current liabilities		2,457	2,482
Non - current portion		8,173	10,271

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

26.1 Maturity analysis:

	2026			2025		
	Minimum lease payments	Less: Mark-up	Present value of minimum lease payments	Minimum lease payments	Less: Mark-up	Present value of minimum lease payments
	(Rupees in '000)					
Less than one year	3,150	693	2,457	3,252	770	2,482
One to five years	11,311	3,138	8,173	14,293	4,022	10,271
	14,461	3,831	10,630	17,545	4,792	12,753

27. EMPLOYEES' BENEFITS

	Note	2026 (Rupees in '000)	2025
Employees' gratuity			
- funded	27.1.3	(1,408)	(1,928)
- unfunded	27.1.3	843,272	729,948
		841,864	728,020
Post-retirement medical benefits	27.1.3	46,124	55,282
Employees' compensated absences	27.2.4	419,350	375,897
		1,307,338	1,159,199

27.1 Retirement benefit schemes

27.1.1 The disclosures made in notes 27.1.2 to 27.1.16 of these unconsolidated financial statements are based on the information included in the actuarial valuation reports as of June 30, 2026.

27.1.2 As stated in notes 6.16.2 and 6.16.3 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:

	2026			2025		
	Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
	Funded	Unfunded		Funded	Unfunded	
Discount rate	11.75%	11.75%	11.75%	11.75%	11.75%	11.75%
Future salary increases - for permanent employees						
For the year 2026-27	-	-	-	N/A	-	-
For the year 2027-32 and onwards	-	-	-	11.75%	-	-
Future salary increases - for contractual employees						
For the year 2026-27	-	11.75%	-	-	10.00%	-
For the year 2027-31 and onwards	-	11.75%	-	-	11.75%	-
Medical escalation rate	-	-	11.75%	-	-	9.75%
Death rate	based on SLIC (2001-05) Ultimate mortality tables.					

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

		2026			2025		
		Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
		Funded	Unfunded		Funded	Unfunded	
Note		(Rupees in '000)					
27.1.3 Reconciliation of statement of financial position							
Present value of defined benefit obligation	27.1.4	-	843,272	46,124	27,061	729,948	55,282
Fair value of plan assets	27.1.5	(1,408)	-	-	(28,989)	-	-
Net liability / (asset) in the statement of financial position		(1,408)	843,272	46,124	(1,928)	729,948	55,282
27.1.4 Movement in present value of defined benefit obligation							
Balance at beginning of the year		27,061	729,948	55,282	33,472	750,905	55,217
Current service cost		347	40,775	864	721	34,934	1,096
Interest cost		1,593	99,588	5,280	4,059	109,555	6,864
Benefits paid		(27,003)	(55,873)	(24,560)	(10,778)	(89,253)	(22,013)
Remeasurement on obligation		(1,998)	28,834	9,258	(413)	(76,193)	14,118
Balance at end of the year		-	843,272	46,124	27,061	729,948	55,282
27.1.5 Movement in fair value of plan assets							
Balance at beginning of the year		28,989	-	-	34,246	-	-
Expected return on plan assets		1,820	-	-	4,165	-	-
Benefits paid		(27,003)	-	-	(10,778)	-	-
Remeasurement on plan assets		(2,398)	-	-	1,356	-	-
Balance at end of the year		1,408	-	-	28,989	-	-
27.1.6 Movement in net liability in the statement of financial position							
Balance at beginning of the year		(1,928)	729,948	55,282	(774)	750,905	55,217
Expense recognised for the year		120	140,363	6,144	615	144,489	7,960
Contributions made by the Corporation / benefits paid		-	(55,873)	(24,560)	-	(89,253)	(22,013)
Remeasurements recognised in other comprehensive income - net		400	28,834	9,258	(1,769)	(76,193)	14,118
		(1,408)	843,272	46,124	(1,928)	729,948	55,282
27.1.7 The amounts recognised in profit or loss							
Current service cost		347	40,775	864	721	34,934	1,096
Net interest amount		(227)	99,588	5,280	(106)	109,555	6,864
		120	140,363	6,144	615	144,489	7,960
Less: charged to subsidiaries		-	2,544	-	-	2,040	-
	40	120	137,819	6,144	615	142,449	7,960

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	2026			2025		
	Employees' gratuity		Post retirement medical benefits	Employees' gratuity		Post retirement medical benefits
	Funded	Unfunded		Funded	Unfunded	
	----- (Rupees in '000) -----					
27.1.8 Remeasurements recognised in other comprehensive income						
(Gain) / loss arising from						
Financial assumptions	(1,998)	28,834	9,258	(361)	(21,501)	(418)
Gain arising from						
Experience adjustment	-	-	-	(52)	(54,692)	14,536
Remeasurement of fair value of plan assets	2,398	-	-	(1,356)	-	-
	400	28,834	9,258	(1,769)	(76,193)	14,118

	2026		2025	
	(Rupees in '000)	%	(Rupees in '000)	%
27.1.9 Categories / composition of plan assets				
Cash and cash equivalents	1,407	100%	28,989	100%

27.1.10 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.

27.1.11 Actual (loss) / gain on plan assets during the year ended June 30, 2026 was Rs. (0.569) million (2025: Rs. 5.530 million).

27.1.12 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%	-	-	(759,600)	936,783
Salary increase rate	1%	-	-	938,502	(762,502)

27.1.13 The weighted average duration of the defined benefit obligations for funded and unfunded gratuity scheme is nil year (2025: 0.44 year) and 10.91 years (2025: 9.67 years) respectively.

27.1.14 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:

		Post Retirement Medical Benefits Permanent Employees	
Change in assumption		Increase in assumption	Decrease in assumption
		(Rupees in '000)	
Discount rate	1%	(45,153)	47,151
Medical cost escalation rate	1%	47,214	(45,074)

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

27.1.15 The weighted average duration of the defined benefit obligations post retirement medical benefit scheme for permanent employees is 1.92 years (2025: 1.98 years).

27.1.16 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.

27.2 Employees' compensated absences

27.2.1 The disclosures made in notes 27.2.2 to 27.2.3 of these unconsolidated financial statements are based on the information included in the actuarial valuation as of June 30, 2026.

27.2.2 As stated in note 6.17 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:

	2026	2025
Discount rate	11.75%	11.75%
Future salary increases - for permanent employees For this year 2026-27 / 2025-26 and onwards	11.75%	11.75%
Future salary increases - for contractual employees For this year 2026-27 / 2025-26 and onwards	11.75%	11.75%

Note 2026 2025
----- (Rupees in '000) -----

27.2.3 Reconciliation of statement of financial position

Present value of employees compensated absences (recognised)	419,350	375,897
--	---------	---------

27.2.4 Movement in present value of employees compensated absences

Balance at beginning of the year	375,897	323,437
Current service cost	127,932	61,318
Interest cost	49,158	49,197
Remeasurements of obligation	4,708	46,476
Benefits paid	(138,345)	(104,531)
Balance at end of the year	419,350	375,897

27.2.5 The amounts recognized in profit or loss

Current service cost	127,932	61,318
Interest cost	49,158	49,197
	177,090	110,515

40

27.2.6 Remeasurements recognised in other comprehensive income

Loss / (gain) from changes in financial assumptions	4,708	(11,072)
Experience adjustment	-	57,548
	4,708	46,476

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

- 27.2.7** 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:

		Employees Compensated Absences	
	Change in assumption	Increase in assumption	Decrease in assumption
		----- (Rupees in '000) -----	
Discount rate	1%	(379,840)	464,947
Future salary rate	1%	466,482	(377,895)

- 27.2.8** The risks to which the scheme exposes the Corporation are disclosed in note 27.1.16 of these unconsolidated financial statements.

- 27.2.9** 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.

- 27.3** Expected retirement benefits costs for the year ending June 30, 2027 are as follows:

	(Rupees in '000)
Gratuity	
- funded	-
- unfunded	144,193
Post-retirement medical benefits	5,047
Compensated absences	178,948

- 27.4 Maturity Profile**

	2026			
	Employees' gratuity		Post retirement medical benefits	Employees Compensated Absences
	Funded	Unfunded		
------(Rupees in '000)-----				
Weighted average duration of the present value of defined benefit obligations (in years)	-	10.91	1.98	9.30
Distribution of timing of benefit payments (time in periods)				
1	28,954	34,890	22,147	-
2	-	72,641	9,936	-
3	-	16,951	8,072	-
4	-	27,243	-	-
5	-	73,603	-	-
6 - 10	-	535,570	-	-

- 27.5** During the year, the Corporation contributed Rs. 2.250 million (2025: Rs. 4.217 million) to the provident fund.

- 28. TRADE AND OTHER PAYABLES**

	Note	2026	2025
------(Rupees in '000)-----			
Creditors		764,791	327,957
Current account balances with subsidiary companies	28.1	79,812,033	102,726,756
Agents' and owners' balances		929,625	610,953
Accrued liabilities		765,780	1,148,187
Deposits	28.2	83,308	86,637
Workers' Profit Participation Fund (WPPF)	28.3	16,030	94,759
Withholding tax payable		142,191	161,584
Other liabilities		239,597	95,918
		82,753,355	105,252,751

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

28.1 The break-up of current account balances with subsidiary companies is as follows:

	2026	2025
	------(Rupees in '000)-----	
Bolan Shipping (Private) Limited	10,543,724	8,527,293
Chitral Shipping (Private) Limited	2,685,414	2,464,963
Hyderabad Shipping (Private) Limited	2,735,162	2,815,313
Pakistan Marine and Shipping Services Company (Private) Limited	613,734	614,271
National Ship Management and Crewing (Private) Limited	1,321,372	1,321,909
Khairpur Shipping (Private) Limited	10,885,757	8,830,447
Makran Shipping (Private) Limited	309,648	311,517
Malakand Shipping (Private) Limited	2,769,801	2,253,249
Multan Shipping (Private) Limited	771,291	773,943
Sargodha Shipping (Private) Limited	9,831,168	7,260,328
Sibi Shipping (Private) Limited	1,581,009	1,227,360
Shalamar Shipping (Private) Limited	15,734,904	13,075,698
Swat Shipping (Private) Limited	1,167,374	1,167,972
Lalazar Shipping (Private) Limited	9,859,681	8,517,767
Johar Shipping (Private) Limited	1,223,578	1,224,176
Lahore Shipping (Private) Limited	2,362,311	15,200,341
Karachi Shipping (Private) Limited	1,907,730	11,362,441
Quetta Shipping (Private) Limited	3,508,702	15,778,080
Pakistan Cooperative Ship Stores (Private) Limited	(327)	(312)
	<u>79,812,033</u>	<u>102,726,756</u>

28.2 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, these deposits are kept in separate bank accounts.

	Note	2026	2025
		------(Rupees in '000)-----	
28.3 Workers' Profit Participation Fund			
Balance at beginning of the year		94,759	477,963
Reversal during the year		-	(163,861)
Charge for the year	40	16,051	92,454
Paid during the year		(94,780)	(311,797)
Balance at end of the year		<u>16,030</u>	<u>94,759</u>

28.4 This includes retention money amounting to Rs. 172.969 million pertaining to Karachi Shipyard & Engineering Works Limited (KS&EW) in respect of the construction of a container vessel.

29. CONTRACT LIABILITIES

Represents advance received from various related parties and customers. Revenue recognised from amounts included in contract liabilities at beginning of the year amounted to Rs. 416.758 million (2025: Rs. 85.170 million).

	Note	2026	2025
		------(Rupees in '000)-----	
30. PROVISION AGAINST DAMAGE CLAIMS			
Balance at beginning of the year		25,988	22,408
(Reversal) / charge during the year	40 & 41	(9,349)	3,580
Balance at end of the year		<u>16,639</u>	<u>25,988</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
31. CONTINGENCIES AND COMMITMENTS			
31.1 Contingencies			
The Corporation is contingently liable for:			
Insurance & Claims	31.1.1	16,639	25,988
Legal cases	31.1.2	68,100	68,100
Employees cases	31.1.3	82,597	82,597
Sindh Sales Tax	31.1.4	2,935,797	2,935,797
Income Tax	31.1.5	16,847,369	16,847,369
		<u>19,950,502</u>	<u>19,959,851</u>

31.1.1 Insurance & Claims

The status of orders passed are as follows:

S.No.	Vessels Name	Year	(Rupees in '000)	Status of the case
1	Various	Various	16,639	The contingent liability in respect of claims not acknowledged by the Corporation, aggregated to Rs. 197.119 million (2025: Rs. 228.259 million). These claims mainly relate to deficiencies in shipping documentation, delay in delivery of cargo and damages to cargo. A sum of Rs. 180.481 million (2025: Rs. 202.271 million) approximately would be recoverable from P&I Club, Steamship Mutual Underwriting Association (Bermuda) Limited in the event these claims are accepted by the Corporation. As a matter of prudence, management has made a total provision of Rs. 16.639 million (2025: Rs. 25.988 million) against the aforementioned claims in these unconsolidated financial statements.

31.1.2 Legal Cases

The status of orders passed are as follows:

S.No.	Vessels Name	Year	(Rupees in '000)	Status of the case
1	N/A	N/A	68,100	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 Corporation disclaims any liability in respect of the above-mentioned amounts and any accretions to it upto final determination and settlement of the matters.

31.1.3 Employees cases

The status of orders passed are as follows:

S.No.	Employees Name	Year	(Rupees in '000)	Status of the case
1	Various	Various	82,597	Certain other claims have been filed against the Corporation in respect of employees' matters for an aggregate amount of approximately Rs. 82.597 million (2025: 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

31.1.4 Sindh Sales Tax

S.No.	Year	(Rupees in '000)	Status of the case
1	2015	2,935,797	The Sindh Revenue Board (SRB) issued show cause notice dated April 17, 2015 under the provisions of sections 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 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, in 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 is confident that the subject matter will eventually be decided in favour of the Corporation.

31.1.5 Income Tax

S.No.	Year	(Rupees in '000)	Status of the case
1	1990	1,293,694	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. In 2018, this hearing was remanded to the High Court of Sindh. The Honourable High Court of Sindh, vide its judgment dated April 21, 2025, disposed of the Corporation's reference application filed under Section 133 of the Income Tax Ordinance, 2001, by referring the matter to the Federal Board of Revenue under Section 134A of the Ordinance for constitution of an Alternative Dispute Resolution Committee (ADRC). Being aggrieved by the aforesaid judgment, the Corporation has filed Civil Petitions for Leave to Appeal before the Honourable Supreme Court of Pakistan, challenging the applicability of Section 134A to pending reference proceedings and the mandatory referral of such proceedings to ADRC, and the matter is pending adjudication before the Honourable Supreme Court of Pakistan.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
2	2011	251,092	In 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. In 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.
3	2012	107,499	In 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). In 2015, 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. 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. 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, has taken this matter with the tax department for withdrawal of notice. During the year, the aforementioned notice dated June 30, 2025 was recalled by the Commissioner Inland Revenue. Fresh appeal effect proceedings were accordingly initiated through notice dated December 12, 2025, issued under section 124 read with section 122(5A) of the Ordinance, to give effect to the appellate order dated March 15, 2023 passed by CIR(A). The Corporation furnished a detailed response vide its letter dated December 29, 2025, and the appeal effect order was subsequently passed on March 27, 2026, correctly giving effect to the CIR(A) order dated March 15, 2023.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
4	2013	303,333	In 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 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.
5	2014	184,059	In 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. ATIR directed the case to ADRC, Corporation challenged the case at Islamabad High Court . The management, in consultation with its tax advisor, is confident that the subject matters in respect of tax year 2014 will eventually be decided in favour of the Corporation.
6	2008-2013	2,695,496	In 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, in 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 Alternative Dispute Resolution

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
			Committee (ADRC). However the Corporation Company filed Civil Review Petitions seeking review of the order dated Septmeber 11, 2025 passed by the Honourable Supreme Court, whereby the Civil Petitions were disposed of with a direction to refer the matter to the Alternative Dispute Resolution Committee under Section 134A of the Income Tax Ordinance, 2001. The Review Petitions are presently pending adjudication before the Honourable Supreme Court. The management is confident that the subject matters in respect of tax year 2015 will eventually be decided in favour of the Corporation.
7	2014	899,500	In 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, 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 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.
8	2016	91,592	In 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. In 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. Subsequently,, 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
9	2017	318,212	In 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 CIR(A) 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. In 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. 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.
10	2015	1,279,035	In 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. In 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. In 2025, 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 order was subsequently recalled by the Commissioner, fresh appeal effect proceedings were initiated through notice dated December 12, 2025. The appeal effect order was thereafter passed on March 30, 2026, correctly giving effect to the CIR(A) order dated March 16, 2023, except for non-consideration of business loss while computing income for super tax under section 4C(2). The Corporation has accordingly filed an appeal before the CIR(A) on April 27, 2026, which has been heard but kept in abeyance pending the decision of the Islamabad High Court on the challenge to amendments introduced in sections 131 and 134A of the Ordinance.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
11	2018	550,772	In 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 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.
12	2019	5,810,364	In 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 through 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 Appellate Tribunal Inland Revenue (ATIR). The appeal effect proceedings in respect of the aforesaid appellate order dated January 13, 2022, were finalized during the year, whereby correct effect has been given to the said order. On June 29, 2025, the ACIR issued further order subsequent to the order passed under section 122(5A) dated September 17, 2021. Through the said order, the ACIR has alleged that the current account balance appearing in the financial statements of the Corporation represents a loan / advance, and therefore, the same has been treated as dividend under clause (e) of Section 2(19) of the Income Tax Ordinance, 2001, subject to tax under Section 5 at the rate of 15%, raising demand of Rs. 5.333 billion. The Corporation, being aggrieved with the impugned order filed an appeal before the CIRA. Meanwhile, The Corporation also filed a writ petition in the Islamabad High Court (IHC) pleading that the amendments brought through Tax Laws (Amendment) Act, 2024, in relation to requirement for SOEs in certain cases to refer the matter to Alternate Dispute Resolution Committee, are unconstitutional. The IHC through order dated November 11, 2025 has granted interim relief until the matter is decided by the Court. Subsequently, FBR issued a recovery notice under section 138(1) on November 27, 2025, consequently the Corporation made payment of the full amount under protest. The Corporation filed an appeal before the Commissioner Inland Revenue (Appeals) on December 12, 2025; however, the appeal is in abeyance till the decision of the Islamabad High Court on Tax Laws (Amendment) Act, 2024, as described above. Management, based on the opinion of the tax advisor, believes that reasonable arguments exist to contest the case and positive outcome is expected. Therefore, no provision has been recorded in these financial statements.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

S.No.	Year	(Rupees in '000)	Status of the case
13	2020	271,121	In 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 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.
14	2021	577,400	In 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 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.
15	2022	658,000	In 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. In 2025, 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 issues have already been decided by CIR(A) in favor of the Corporation. The management 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.
16	2023	1,556,200	In 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. ATIR directed the case to ADRC, Corporation challenged the case at Islamabad High Court. 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.

TOTAL

19,950,502

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

31.2 Commitments

31.2.1 Outstanding letters of guarantee amounted to Rs. 8.766 million (2025: Rs. 24.066 million).

31.2.2 The Corporation had provided an undertaking amounting to USD 11.6 million (Rs. 3,222.131 million) in 2016 & 2017 to one of the vendor / supplier of another state owned entity. This undertaking had been provided due to arrest of two of its managed vessels operated by its subsidiaries which had been released subsequently. The Government of Pakistan had provided a counter guarantee to the Corporation in relation to the aforesaid undertaking.

31.2.3 Commitments in respect of Enterprise Resource Planning (ERP) implementation and maintenance amounts to USD 0.417 million (Rs. 115.830 million) and USD 0.192 million (Rs. 53.332 million) respectively.

31.2.4 The Group has entered into an agreement on March 02, 2024 with Karachi Shipyard & Engineering Works Limited (KS&EW) for construction of a container feeder vessel for consideration of USD 24.750 million (equivalent to Rs. 6,874.805 million). As at June 30, 2026, the Group has made total payment of USD 12.454 million (equivalent to Rs. 3,459.369 million) and the balance amount of USD 12.296 million (equivalent to Rs. 3,415.436 million) will be made upon completion of remaining milestones.

	Note	2026 ------(Rupees in '000)-----	2025 ------(Rupees in '000)-----
32. FREIGHT INCOME - foreign flag vessels			
Voyage charter revenue		11,971,519	2,871,075
Overage premium		(56,103)	(13,315)
Ocean losses		(145,918)	(11,706)
		<u>11,769,498</u>	<u>2,846,054</u>
Slot charter revenue		1,647,998	2,436,948
Sindh sales tax		(608)	(377)
		<u>13,416,888</u>	<u>5,282,625</u>
33. SERVICE FEES			
Technical and commercial services fee		1,148,526	888,125
Administrative and financial services fee		382,841	296,041
Sales tax		(30,258)	(30,877)
	33.1 & 33.2	<u>1,501,109</u>	<u>1,153,289</u>
33.1 Corporation charges 1.5%, 1.5% and 1% of freight revenue, as technical service fee, as commercial services fee and as administrative and financial service fee for the services provided to the subsidiaries, respectively.			
33.2 Sindh sales tax charged amounting to Rs. 30.258 million (2025: Rs. 30.877 million).			
34. OTHER OPERATING ACTIVITIES			
Demurrage income		605,898	58,132
Add-war risk income		1,726,643	26,448
Income from miscellaneous claims		108,491	73,511
		<u>2,441,032</u>	<u>158,091</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
35. FLEET EXPENSES			
Charter, hire and related expenses	35.1	8,036,516	3,831,368
Diesel, fuel and lubricants consumed		1,652,849	386,192
Port, light, canal and customs dues		1,127,735	250,042
Demurrage expense		65,837	58,066
Agency commission and brokerage		24,549	24,842
Insurance		58,892	33,198
Repairs and maintenance		57,558	63,628
Services sales tax		92,724	16,151
Add-war risk expense		1,092,800	-
Sundry expenses		24,279	9,823
		12,233,739	4,673,310
35.1 Charter, hire and related expenses - foreign flag vessels:			
- voyage charter expenses		7,290,903	2,356,608
- slot charter expenses		745,613	1,474,760
		8,036,516	3,831,368
36. VESSEL MANAGEMENT EXPENSES			
Workshop management		189,889	183,099
Salaries, benefits and allowances	36.1	841,025	1,000,759
General establishment expenses	36.2	220,573	253,426
Rates and taxes		4,893	5,140
Insurance		7,018	6,728
Depreciation on property, plant and equipment	7.6	72,203	67,028
Amortisation	9.2	35,813	34,754
		1,371,414	1,550,934
36.1	This includes Rs. 1.476 million (2025: Rs. 3.291 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.		
		2026	2025
		------(Rupees in '000)-----	
36.2 General establishment expenses			
Repairs and maintenance		28,317	34,330
Medical		39,946	50,554
Security		4,233	4,220
Travelling and conveyance		22,042	11,426
Entertainment and canteen subsidy		5,347	5,935
Uniform and liveries		2,728	3,110
Printing and stationery		2,984	10,348
Telephone, telex and postage		15,807	17,225
Light, power and water		51,848	61,537
Computer expenses		16,247	23,962
Vehicle running, repairs and maintenance		31,074	30,779
		220,573	253,426

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
37. REAL ESTATE EXPENSES			
Salaries, benefits and allowances	37.1	66,393	71,718
General establishment expenses	37.2	23,415	46,729
Rates and taxes		3,783	4,860
Insurance		6,449	4,583
Depreciation on property, plant and equipment	7.6	44,846	40,919
Legal and professional charges		1,114	1,659
		146,000	170,468

37.1 This includes Rs 0.113 million (2025: Rs. 0.239 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.

		2026	2025
	Note	(Rupees in '000)	
37.2 General establishment expenses			
Repairs and maintenance		9,467	8,258
Security charges		13,225	13,407
Light, power and water		723	25,064
		23,415	46,729

38. ADMINISTRATIVE EXPENSES			
Salaries, benefits and allowances	38.1	384,119	208,389
General establishment expenses	38.2	168,539	96,790
Rates and taxes		452	428
Scholarship and training expenses		13,352	16,653
Insurance		648	561
Depreciation on property, plant and equipment	7.6	6,663	5,586
Depreciation on right-of-use-assets	8	1,802	1,802
Amortisation	9.2	3,305	2,896
Directors' fee	48.3	27,701	27,056
Legal and professional charges		61,601	72,093
Sales tax expenses		17,540	20,824
Events and gathering		1,091	432
		686,813	453,510

38.1 This includes Rs 0.671 million (2025: Rs. 0.687 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, 2026

	Note	2026 ------(Rupees in '000)-----	2025
38.2 General establishment expenses			
Repairs and maintenance		12,933	7,149
Medical expenses		18,244	10,527
Contribution to group term insurance		3,407	2,980
Security charges		390	352
Travelling and conveyance		10,067	2,379
Entertainment and canteen subsidy		2,442	1,236
Books, periodicals and subscription		20,800	23,028
Uniform and liveries		252	259
Printing and stationery		1,363	2,155
Telephone, telex and postage		1,459	1,435
Light, power and water		23,680	12,814
Computer expenses		7,421	4,990
Advertisement and publicity		26,520	12,815
Vehicle running, repairs and maintenance		14,192	6,409
Ship inspection charges		12,723	-
Sundry expenses		12,646	8,262
		168,539	96,790
39. IMPAIRMENT (REVERSAL) ON FINANCIAL ASSETS			
Impairment / (reversal) for ECL on:			
Trade debts	16.4	(79,019)	(1,343,431)
Agents' and owners' balances	17.1	2,903	(2,042)
Other receivables	20.5	(25,009)	23,878
		(101,125)	(1,321,595)
40. OTHER EXPENSES			
Donations	40.1	13,623	29,382
Auditors' remuneration	40.2	8,634	7,936
Employees' gratuity			
- funded	27.1.7	120	615
- unfunded	27.1.7	137,819	142,449
		137,939	143,064
Post-retirement medical benefits	27.1.7	6,144	7,960
Employees' compensated absences	27.2.5	177,090	110,515
Loss on revaluation of long-term investments in listed companies - net	12	6,725	-
Provision against damage claims	30	-	3,580
Realised exchange loss		83,892	62,118
Unrealised exchange loss		195,822	-
Loss on sale of bunker		3,922	-
Workers' Profit Participation Fund	28.3	16,051	92,454
Write off against property, plant and equipment	7.1	294	-
Others		20,893	7,538
		671,029	464,547

40.1 This includes donation made to Pakistan Marine Academy (PMA) as a scholarship for students amounting to Rs. 9.182 million and Pakistan Hindu Council amounting to Rs. 1.3 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, 2026

40.2 Auditors' remuneration

	2026			2025		
	Grant Thornton Anjum Rahman	Yousuf Adil Chartered Accountants	Total	Grant Thornton Anjum Rahman	Yousuf Adil Chartered Accountants	Total
Statutory audit fee	2,174	2,174	4,348	2,070	2,070	4,140
Fee for review of half yearly financial statements	846	846	1,692	805	805	1,610
Fee for review report on Code of corporate governance	242	242	484	230	230	460
Fee for audit of consolidated financial statements	302	302	604	288	288	576
Statutory certifications	300	-	300	-	-	-
Out of pocket expenses	603	603	1,206	575	575	1,150
	4,467	4,167	8,634	3,968	3,968	7,936

41. OTHER INCOME

Income from saving accounts, treasury bills and term deposits		
- Conventional	1,736,496	2,058,605
- Shariah compliant	83,757	100,234
Income from long-term loans to employees	-	2,180
Dividend income from		
- Conventional mutual funds	25,154	44,114
- Shariah compliant mutual funds	-	2,290
- Listed companies	1,993	1,993
Capital gain on mutual funds	2,909,282	4,989,762
Unrealized gain on mutual funds	22.2	235,158
Unrealised exchange gain	-	310,435
Reversal of provision against damage claims	30	9,349
Gain on revaluation of investment properties	10	242,105
Gain on revaluation of long-term investments in listed companies	12	-
Liabilities no longer payable written back	41.1	787,900
Insurance claim income		358
Agency fee		4,758
Gain on disposal of property, plant and equipment		50
Gain on disposal of scrap		7,319
Container detention charges		3,370
Workshop income		202,894
Income from recovery of HVAC charges - net		72,843
Income from manning service		5,260
Commission income		42,206
Unwinding of long-term loan discounting		15,919
Others		23,674
	6,409,845	8,629,808

41.1 This represents liabilities and provisions written back during the year as the respective amounts were no longer payable, comprising of demurrage payables amounting to Rs. 540.768 million, provision for charter hire and allied expenses amounting to Rs. 160.852 million, bonus provision amounting to Rs. 85.709 million and other liabilities no longer payable amounting to Rs. 0.571 million.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	(Rupees in '000)
42. FINANCE COSTS			
Mark-up on long-term financing	42.1	2,254,177	375,313
Amortisation of arrangement fees	25.3	27,861	915
Mark-up on lease liabilities	26	693	902
Discounting on long-term loan		17,317	40,469
Bank charges		3,845	2,133
		2,303,893	419,732

42.1 Mark-up under Islamic mode of financing during the year amounted to Rs. 2,254.177 million (2025: Rs. 375.313 million).

43. LEVIES

Final taxes	43.1	543,262	790,145
Minimum taxes	43.2	225,166	106,646
Super tax		18,873	15,468
		787,301	912,259

43.1 These represent final taxes paid on voyage charter revenue based on gross registered tonnage, dividend income and capital gain account as per section 37A of the Income Tax Ordinance, 2001 respectively, and are recognised 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.

43.2 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 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.

		2026	2025
	Note	(Rupees in '000)	(Rupees in '000)
44. TAXATION			
Tax charge for:			
- current year		951,844	1,493,411
- prior year		(151,126)	(49,951)
		800,718	1,443,460
- Deferred tax (income) / expense	14.1	(16,831)	108,645
		783,887	1,552,105

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
44.1. Relationship between tax expense and accounting profit			
Accounting profit before levies and tax		<u>6,817,162</u>	<u>9,143,281</u>
Tax rate		<u>29%</u>	<u>29%</u>
Tax on accounting profit		<u>1,976,977</u>	<u>2,651,551</u>
Tax saving due to lower tax rates			
- Voyage Charter		(464,222)	(192,667)
- Dividend income		(3,801)	(6,776)
- Capital gain		(407,299)	(698,567)
Effect of super tax		479,268	769,428
Effect of tax from income from property		18,167	27,055
Effect of minimum tax on services		284,992	108,212
Effect of tax on deemed income		-	3,599
Levies		(787,301)	(912,259)
Effect of prior year		(151,126)	(49,951)
Deferred tax		(16,831)	108,645
Effect of inadmissible income		(144,937)	(256,165)
		<u>783,887</u>	<u>1,552,105</u>
Effective tax rate		<u>11%</u>	<u>17%</u>
45. EARNINGS PER SHARE - basic and diluted			
Profit for the year (Rupees in '000)		<u>5,245,974</u>	<u>6,678,917</u>
Weighted average ordinary shares in issue during the year (Number)	45.1	<u>198,095,070</u>	<u>198,095,070</u>
Earnings per share - basic and diluted (Rupees)		<u>26.48</u>	<u>33.72</u>
45.1	There are no dilutive potential ordinary shares outstanding as at June 30, 2026 and 2025.		

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
46. CASH GENERATED FROM OPERATIONS			
Profit before taxation		6,029,861	8,231,022
Adjustments for non-cash and other items:			
Depreciation on:			
Property, plant and equipment	7.6	123,712	113,533
Right-of-use assets	8	1,802	1,802
Amortisation on intangibles	9	39,118	37,650
Gain on disposal of property, plant and equipment	41	(50)	-
Write-off of disposal of property, plant and equipment	40	294	-
Unrealized loss / (gain) on revaluation of foreign currency balances	40 & 41	195,822	(310,435)
Amortisation of arrangement fee	25.3	27,861	915
Provision for employees' gratuity	27.1.7	137,939	143,064
Provision for post-retirement medical benefits	27.1.7	6,144	7,960
Provision for employees' compensated absences	27.2.5	177,090	110,515
Provision for workers' profit participation fund	40	16,051	92,454
(Reversal) / provision against damage claims	30	(9,349)	3,580
Dividend income	41	(27,147)	(48,397)
Capital gain on mutual funds	41	(2,909,282)	(4,989,762)
Unrealized gain on mutual funds	41	(235,158)	(83,380)
(Reversal) / Impairment loss on financial assets	39	(101,125)	(1,321,595)
Liabilities no longer payable written back	41	(787,900)	(311,263)
Income from saving account, treasury bills and term deposit	41	(1,820,253)	(2,158,839)
Finance cost on:			
Long-term financing - secured	42	2,254,177	375,313
Lease liabilities	42	693	902
Discounting on long-term loan	42	17,317	40,469
Unwinding of long-term loan	41	(15,919)	(3,499)
Gain on revaluation of investment properties	41	(242,105)	(218,650)
Loss / (gain) on revaluation of long-term investments in listed companies	40 & 41	6,725	(49,037)
Levies		787,301	912,259
Working capital changes	46.1	(23,133,824)	23,737,635
		(19,460,205)	24,314,216
46.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(133,103)	(128,940)
Trade debts - unsecured		(1,278,818)	1,070,486
Agents' and owners' balances - unsecured		(17,130)	6,910
Loans and advances		(83,205)	(10,873)
Trade deposits and short-term prepayments		(23,909)	(89,788)
Other receivables		492,338	(347,722)
Contract assets		(466,777)	375,080
		(1,510,604)	875,153
Increase / (decrease) in current liabilities			
Trade and other payables		(21,726,400)	22,635,978
Contract liabilities		103,180	226,504
		(21,623,220)	22,862,482
		(23,133,824)	23,737,635

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
	Note	(Rupees in '000)	
47. CASH AND CASH EQUIVALENTS			
Short-term investments having maturity of three months or less	22	5,000,000	18,817,963
Cash and bank balances	23	7,394,450	6,030,196
		12,394,450	24,848,159

48. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTORS AND OTHER EXECUTIVES

The aggregate amount of remuneration including all benefits payable to the Chairman & Chief Executive, Executive Directors and other Executives of the Corporation were as follows:

	2026	2025	2026	2025	2026	2025
	Chief Executive Officer (Note 48.1)		Executive Directors (Note 48.2)		Other Executives	
Managerial remuneration and allowances	38,184	6,471	44,251	42,484	302,401	280,427
Retirement benefits						
- note 48.4	-	-	-	-	2,251	4,217
House rent	-	-	11,320	11,032	85,404	97,019
Conveyance	-	-	-	-	8,672	8,462
Medical	5,405	754	7,370	8,081	29,919	32,809
Utilities	-	-	1,849	2,096	18,012	19,877
Personal staff subsidy	-	-	-	-	111	365
Club membership fee and expenses	-	-	267	267	-	-
Bonus	-	-	22,696	7,416	175,716	53,295
Other allowances	-	-	1,080	3,136	134,940	89,103
	43,589	7,225	88,833	74,512	757,426	585,574
Number of persons	1	1	4	4	106	103

48.1 Comparative period, Chief executive officer (CEO) was appointed on April 30, 2025.

48.2 Executive Directors represent the designation of the key personnel and are not the members of Board of Directors of the Corporation.

48.3 The aggregate amount charged in the unconsolidated financial statements for fee to 10 (2025: 10) non-executive directors was Rs 27.701 million (2025: Rs 27.056 million).

48.4 Retirement benefits represent amount contributed towards various retirement benefit plans. The Executives of the Corporation are entitled to retirement benefits as outlined in note 6.16 to these unconsolidated financial statements.

48.5 The Chief Executive is provided with a Corporation maintained car, while the Executive Directors and other Executives are provided with car allowance in lieu of Corporation owned cars.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

49. FINANCIAL INSTRUMENTS BY CATEGORY

FINANCIAL ASSETS

Fair value through profit or loss

	Note	2026 (Rupees in '000)	2025
Long term investments	12	79,186	85,911
Short term investment - mutual funds	22	32,481,285	40,240,246
		<u>32,560,471</u>	<u>40,326,157</u>

Amortised cost

Loans - employees	13	107,479	113,682
Trade debts - unsecured	16	2,146,160	788,323
Agents' and owners' balances - unsecured	17	19,554	5,327
Trade deposits	19	86,844	116,304
Interest accrued on bank deposits and short-term investments		649,766	190,355
Other receivables	20	530,793	998,122
Short-term investments	22	17,095,399	21,667,963
Cash and bank balances	23	7,394,450	6,030,196
		<u>28,030,445</u>	<u>29,910,272</u>
		<u>60,590,916</u>	<u>70,236,429</u>

FINANCIAL LIABILITIES

Amortised cost

Trade and other payables	28	82,595,134	104,996,408
Unclaimed dividend		493,426	335,964
Long-term financing	25	43,722,515	1,953,498
Lease liabilities	26	10,630	12,753
Provision against damage claims	29	16,639	25,988
Accrued mark-up on long-term financing		1,187,289	41,885
		<u>128,025,633</u>	<u>107,366,496</u>

50. FINANCIAL RISK MANAGEMENT

50.1 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, 2026. The policies for managing each of these risks are summarised below:

50.1.1 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	2026 (Rupees in '000)	2025
Loans - employees	13	107,479	113,682
Trade debts - unsecured	16	2,146,160	788,323
Agents' and owners' balances - unsecured	16	19,554	5,327
Trade deposits	18	86,844	116,304
Other receivables	20	530,793	998,122
Short-term investments	22	49,576,684	61,908,209
Interest accrued on bank deposits and short-term investments		649,766	190,355
Bank balances	23	7,391,556	6,025,079
		<u>60,508,836</u>	<u>70,145,401</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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	AAA	A-1+
Habib Metro Bank Limited	PACRA	AAA	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
Soneri Bank Limited	PACRA	AA	A-1+
Sindh Bank Limited	VIS	AA-	A-1+
Dubai Islami 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+
First Women Bank	PACRA	A	A-1
Bank Makramah	VIS	A-	A-2

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:

	Note	2026 ----- (Rupees in '000) -----	2025
Public Sector	16.1 & 20.1	2,251,052	1,991,090
Private Sector		1,055,903	541,715
		3,306,955	2,532,805

Out of Rs. 3,306.955 million (2025: Rs. 2,532.805 million), the Corporation has recognised an allowance of ECL amounting to Rs. 523.604 million (2025: Rs. 624.729 million).

50.1.2 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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:

	2026	2025	2026	2025
Trade debts	8,912	643	2,475,533	182,308
Other receivables	174	240	48,247	68,108
Agents' and owners' balances	165	101	45,829	28,699
Short-term investments	-	61,400	-	17,401,761
Bank balances	11,086	6,313	3,079,420	1,789,177
Trade and other payables	(1,705)	(4,166)	(473,692)	(1,180,667)
	<u>18,632</u>	<u>64,531</u>	<u>5,175,337</u>	<u>18,289,386</u>

	2026	2025
	PKR / USD	
Average rate	280.86	279.85
Reporting date rate	277.77	283.42

As at June 30, 2026, 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. 258.767 million (2025: Rs. 914.469 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	
	2026	2025
	----- (Rupees in '000) -----	
Exposure to interest rate risk		
Variable rate instruments		
Cash and bank balances - saving accounts	3,738,975	3,788,958
Long-term financing	(43,722,515)	(1,953,498)
	<u>(39,983,540)</u>	<u>1,835,460</u>
Fixed rate instruments		
Short-term investments Term-deposits with banks	17,095,399	21,667,963

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, 2026 would decrease / increase by Rs. 399.835 million (2025: Rs. 18.355 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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.

As at reporting date, the Corporation is exposed to price risk in respect of its investments in shares of quoted companies amounting to Rs. 79.086 million (2025: Rs. 85.811 million), as well as net asset value risk in respect of its investments in units of mutual funds amounting to Rs. 32,481.285 million (2025: Rs. 40,240.246 million), as quoted by the Mutual Funds Association of Pakistan (MUFAP) and mentioned in notes 12 & 22, respectively.

If price would have been 1% higher / lower with all others variables held constant, total comprehensive income for the year of the Corporation would have been higher / lower by Rs. 325.603 million (2025: Rs. 403.260 million).

50.1.3 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
2026					
Long-term financing	65,038,873	8,026,603	8,695,004	35,524,308	12,792,958
Lease liabilities	8,012,221	3,058,970	3,241,815	1,711,436	-
Unclaimed dividend	493,426	493,426	-	-	-
Trade and other payables	82,595,134	82,595,134	-	-	-
Accrued mark-up on long-term financing	1,187,289	1,187,289	-	-	-
Provision against damage claims	16,639	16,639	-	-	-
	157,343,582	95,378,061	11,936,819	37,235,744	12,792,958
	Total contractual cash flows	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
2025					
Long-term financing	2,214,327	1,028,705	948,716	236,906	-
Lease liabilities	10,898,915	2,886,694	3,058,970	4,953,251	-
Unclaimed dividend	335,964	335,964	-	-	-
Trade and other payables	104,996,408	104,996,408	-	-	-
Accrued mark-up on long-term financing	41,885	41,885	-	-	-
Provision against damage claims	25,988	25,988	-	-	-
	118,513,487	109,315,644	4,007,686	5,190,157	-

50.1.4 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.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

Fair value hierarchy

As at June 30, 2026, 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, 2024 (note 7).

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, 2026 (note 10).

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:

		2026			
		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	79,186	-	-	79,186
Short-term investments - mutual funds	22	32,481,285	-	-	32,481,285
		32,560,471	-	-	32,560,471
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	-	-	4,850,358	4,850,358
		32,560,471	-	7,727,241	40,287,712
		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	85,911	-	-	85,911
Short-term investments - mutual funds	22	40,240,246	-	-	40,240,246
		40,326,157	-	-	40,326,157
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
		40,326,157	-	7,484,685	47,810,842

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

51 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, 2026 and 2025 were as follows:

	Note	2026 ------(Rupees in '000)-----	2025
Long-term financing - secured	25	43,722,515	1,953,498
Total equity		13,842,177	19,159,691
Total		57,564,692	21,113,189
Debt-to-equity ratio		76:24	10:90

52. ENTITY WIDE INFORMATION

52.1 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.

52.2 Information about services

The Corporation's principal classes of services accounted for the following amount of revenue:

	2026 ------(Rupees in '000)-----	2025
Transportation of dry cargo	1,647,390	2,436,571
Transportation of liquid cargo	11,769,498	2,846,054
Rental income	360,051	330,374
Other operating activities	2,441,032	158,091
Services fee	1,501,109	1,153,289
	17,719,080	6,924,379

52.3 Information about geographical areas

The Corporation does not hold non-current assets in any foreign country.

52.4 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:

	2026 Revenue		2025 Revenue	
	(Rupees in '000)	% of Total	(Rupees in '000)	% of Total
Client 1	10,274,492	59	1,648,337	25
Client 2	3,483,564	20	1,049,162	16
Client 3	649,467	4	732,873	11
	14,407,523	83	3,430,372	52
Other clients	2,951,506	17	3,163,633	48
Total revenue - shipping	17,359,029	100	6,594,005	100

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

53. 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:

Nature of transactions	Relationship with the Corporation	Note	2026 ------(Rupees in '000)-----	2025
Freight income - foreign flag vessels				
Pak Arab Refinery Limited (PARCO)			9,167,304	1,312,499
Pak Refinery Limited (PRL)			575,050	572,683
District Controller of Stores (DCOS)			515,915	732,873
Heavy Industries Taxila Cantt. (HIT)			61,281	12,763
National Transmission & Despatch Company (NTDC)			-	881
National Authorities			484,893	540,081
Officer Commanding (PAF)	State owned / controlled entities		93,963	77,609
Pakistan Ordnance Factory (POF)			27,932	53,675
Pakistan Security Printing Corporation (PSPC)			86,761	194,677
Pakistan Airport Authority (PAA)			98	-
Store Liason Officer (SLO)			13,859	14,813
Sui Northern Gas Pipeline Limited (SNGPL)			127,306	520,349
Sui Southern Gas Corporation (SSGC)			198,274	254,018
Water And Power Development Authority (WAPDA)			27,315	12,039
Total			11,379,951	4,298,960
Service fee				
Bolan Shipping (Pvt) Ltd			126,991	81,965
Chitral Shipping (Pvt) Ltd			36,473	28,901
Hyderabad Shipping (Pvt) Ltd			42,754	40,257
Khairpur Shipping (Pvt) Ltd			136,664	92,364
Malakand Shipping (Pvt) Ltd			49,745	33,601
Multan Shipping (Pvt) Ltd			30,887	18,814
Sargodha Shipping (Pvt) Ltd	Subsidiaries		191,749	218,691
Sibi Shipping (Pvt) Ltd			48,562	30,667
Shalamar Shipping (Pvt) Ltd			238,941	181,863
Lalazar Shipping (Pvt) Ltd			203,814	219,562
Lahore Shipping (Pvt) Ltd			175,043	67,258
Karachi Shipping (Pvt) Ltd			165,712	-
Quetta Shipping (Pvt) Ltd			53,774	139,346
Total			1,501,109	1,153,289
Rental income				
Bureau Veritas			14,366	13,057
Pakistan Telecommunication Company Limited (PTCL)	State owned / controlled entities		983	927
FBR - Commissionor AEOL	/ Common director		11,030	11,364
National Bank of Pakistan (NBP)			7,235	6,577
Total			33,614	31,925

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

		2026	2025
		(Rupees in '000)	
Nature of transactions	Relationship with the Corporation		
Rates and taxes	State owned / controlled entities / Common director		
Karachi Port Trust (KPT)		1,478	1,425
Income from other operating activities - note 34			
Pak Arab Refinery Limited	State owned / controlled entities	1,107,188	51,358
Pak Refinery Limited		74,417	29,847
Total		1,181,605	81,205
Retirement benefit costs charged	Subsidiaries	2,544	2,040
Contribution to provident fund	Employees benefit plan	2,251	4,217
Dividend to Government of Pakistan	Government holding	5,723,869	4,625,348
Special appropriation Prime Minister's Austerity Fund	Government holding	4,000,000	-
Remuneration and other benefits	Key management Personal	132,422	81,737
Directors' fee and traveling allowance	Key management Personal	27,701	27,056

53.1 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.

53.2 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 % 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	Arwen Tech (Pvt) Limited	Common director	N/A
5	Bureau Veritas	Common director	N/A
6	Central Power Generation Company Limited	State owned/controlled entity	N/A
7	Civil Aviation Authority	State owned/controlled entity	N/A
8	District Controller of Stores	State owned/controlled entity	N/A
9	Embarkation Commandant	State owned/controlled entity	N/A
10	EZ Lite Technologies (Private) Limited	Common director	N/A
11	Federal Bureau of Revenue- Commissioner AEOI	State owned/controlled entity	N/A
12	Frontier Saltworks (Private) Limited	Common director	N/A
13	Gawadar Port Authority	State owned/controlled entity	N/A
14	Ghafooria Industries (Private) Limited	Common director	N/A
15	Global Frontier (Private) Limited	Common director	N/A
16	Gul Ahmed Power Company (Private) Limited	Common director	N/A
17	Gul Ahmed Holding (Private) Limited	Common director	N/A
18	Gul Ahmed Textile Mills Limited	Common director	N/A
19	Gul Ahmed Renewable Energy Company (Private) Limited	Common director	N/A

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

S.No.	Name	Basis of relationship	Aggregate % of shareholding in the Company
20	Heavy Industries Taxila	State owned/controlled entity	N/A
21	I.T Distributors (Private) Limited	Common director	N/A
22	Ideas Holding(Private) Limited	Common director	N/A
23	Karachi Port Trust	State owned/controlled entity / Common director	N/A
24	Kot Addu Power Company Limited	State owned/controlled entity	N/A
25	Lahore Electric Supply Company Limited	State owned/controlled entity	N/A
26	National Bank of Pakistan	State owned/controlled entity	N/A
27	National Disaster Risk Management Fund	State owned/controlled entity / Common director	N/A
28	National Telecommunication Corporation	State owned/controlled entity	N/A
29	National Security Printing Company Private Limited	State owned/controlled entity / Common director	N/A
30	National Insurance Company Limited	State owned/controlled entity	N/A
31	National Transmission & Despatch Company Limited	State owned/controlled entity	N/A
32	Naval Stores	State owned/controlled entity	N/A
33	Nadra Technologies Limited	Common director	N/A
34	Nextgen Minig Solutions (Private) Limited	Common director	N/A
35	Pakistan Retail Business Council	Common director	N/A
36	Pakistan Business Council	Common director	N/A
37	Pakistan Ordinance Factory	State owned/controlled entity	N/A
38	Pak Arab Refinery Limited	State owned/controlled entity	N/A
39	Pakistan Airport Authority	State owned/controlled entity	N/A
40	Pakistan Machine Tool Factory	State owned/controlled entity	N/A
41	Pakistan Refinery Limited	State owned/controlled entity	N/A
42	Pakistan Security Printing Corporation	State owned/controlled entity	N/A
43	Pakistan State Oil Company Limited	State owned/controlled entity	N/A
44	Pakistan Telecommunication Company Limited	State owned/controlled entity	N/A
45	Pakistan Petroleum Limited	State owned/controlled entity	N/A
46	Punjab Thermal Power Limited	Common director	N/A
47	PRIMCO Limited	Common director	N/A
48	Port Qasim Authority	State owned/controlled entity / Common director	N/A
49	Quaid-e-Azam Thermal Power Plant	Common director	N/A
50	Trading Corporation of Pakistan (TCP)	State owned/controlled entity	N/A
51	Sezan International Limited	Common director	N/A
52	Siddiqsons Energy Limited	Common director	N/A
53	Stores Liaison Officers (PAF)	State owned/controlled entity	N/A
54	Sui Northern Gas Pipelines Limited	State owned/controlled entity	N/A
55	Sui Southern Gas Company Limited	State owned/controlled entity	N/A
56	Swisstex Chemicals (Private) Limited	Common director	N/A
57	TPL Properties Limited	Common director	N/A
57	Wah Brass Mills (Private) Limited	State owned/controlled entity	N/A
58	Water and Power Development Authority	State owned/controlled entity	N/A
59	Zahid Jee Textile	Common director	N/A
60	Directors / Executives	Key management personnel	N/A

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

54. NUMBER OF EMPLOYEES

The average and total number of employees during the year and as at June 30, 2026 and 2025 respectively are as follows:

	2026 ------(Numbers)-----	2025
Average number of employees during the year	620	636
Number of employees as at the end of the year	631	608

55. RECONCILIATION OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2026			2025		
	Long-term financing	Unclaimed dividend	Lease Liabilities	Long-term financing	Unclaimed dividend	Lease Liabilities
	------(Rupees in '000)-----					
Balance at beginning of the year	1,953,498	335,964	12,753	2,821,383	203,955	14,508
Changes from financing cash flows						
Repayment	(1,965,892)	-	(1,419)	(868,800)	-	-
Obtained	43,707,048	-	-	-	-	-
Dividend paid	-	(6,379,674)	-	-	(5,150,527)	-
Total changes from financing activities	41,741,156	(6,379,674)	(1,419)	(868,800)	(5,150,527)	-
Other non cash changes						
Amortisation of arrangement fee	27,861	-	-	915	-	-
Reclassified to other liabilities	-	-	(1,397)	-	-	(2,657)
Accretion of interest	-	-	693	-	-	902
Impact of termination of leases	-	-	-	-	-	-
Final dividend	-	4,556,185	-	-	3,301,585	-
Interim dividend	-	1,980,951	-	-	1,980,951	-
Total other changes	27,861	6,537,136	(704)	915	5,282,536	(1,755)
Balance at end of the year	43,722,515	493,426	10,630	1,953,498	335,964	12,753

56. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statements of the fund:

	2026 ------(Rupees in '000)-----	2025
Size of the fund - Total assets	123,196	230,187
Fair value of investments	121,413	224,637
Percentage of investment made	98.55%	94.29%

56.1 The cost of above investments amounted to Rs. 116.963 million (2025: Rs. 217.040 million).

56.2 The break-up of fair value of investments is as follows:

	2026 ------(Percentage)-----	2025	2026 ------(Rupees in '000)-----	2025
Mutual funds	52.83	49.00	61,792	107,396
Treasury bills	42.30	41.00	49,472	88,356
Debt securities	-	7.00	-	15,000
Bank balances	4.87	3.00	5,699	6,288
	100	100	116,963	217,040

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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 formulated for this purpose.

57. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

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	2026 ------(Rupees in '000)-----	2025
Financing as per Islamic Mode			
Long-term financing (including current portion)	25	43,722,515	1,953,498
Short term financing and leasing		-	-
Interest accrued on conventional loans		-	-
Shariah Compliant Long-term investments			
Siemens (Pakistan) Engineering Company Limited	12	10,844	10,556
Pakistan State Oil Company Limited	12	68,242	75,255
Short term investments		-	-
Shariah Compliant bank balances and TDRs			
Term-deposits with banks	22	-	-
Bank Balances	23	1,819,429	730,256
Shariah compliant revenue			
Freight income - foreign flag vessels	32	13,416,888	5,282,625
Service fees	33	1,501,109	1,153,289
Other operating activities	34	2,441,032	158,091
Rental income		360,051	360,051
Exchange gain earned from actual currency			
Realised exchange loss	40	83,892	62,118
Unrealised exchange loss		195,822	-
Unrealised exchange gain	41	-	310,435
Profit paid on Islamic mode of financing			
Long-term financing	42	2,254,177	376,234
Source and detailed breakup of other income			
Non-Shariah Compliant			
Income from saving accounts, treasury bills and term deposits	41	1,736,496	2,058,605
Dividend income from conventional mutual funds	41	25,154	44,114
Capital gain on mutual funds	41	2,909,282	4,989,762
Unrealized gain on mutual funds	41	235,158	83,380
Income from recovery of HVAC charges - net	41	72,843	-
Others	41	21,005	(6,385)
Shariah Compliant			
Income from saving accounts, treasury bills and term deposits	41	83,757	100,234
Dividend income from shariah compliant mutual funds	41	-	2,290
Dividend income - listed companies	41	1,993	1,993
Capital gain on mutual funds	41	-	16,249
Others	41	2,669	10,611

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended June 30, 2026

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 Islami Bank Limited	Bank Balance
MCB Islamic Bank Limited	Bank Balance
Faysal Bank Limited	Funded Facility & Bank Balance

58. EVENTS AFTER REPORTING PERIOD

The Board of Directors in their meeting held on September 28, 2026 have proposed for the year ended June 30, 2026 cash dividend of Rs 10 per share amounting to Rs 1,980.951 million subject to the approval of the members at the annual general meeting to be held on October 28, 2026. These unconsolidated financial statements for the year ended June 30, 2026 do not include the effect of this appropriation which will be accounted for subsequent to the year end.

59. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation in these financial statements.

60. GENERAL

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

61. DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue on September 28, 2026 by the Board of Directors of the Corporation.


Syed Zeeshan Taqvi
Chief Financial Officer


Syed Jarar Haider Kazmi
Chief Executive Officer


Mr. Khalil Ahmed
Director

Pattern of Shareholding

As at June 30, 2026

# Of Shareholders	Shareholdings'Slab			Total Shares Held
10037	1	to	100	297,278
4858	101	to	500	1,001,850
930	501	to	1000	680,617
961	1001	to	5000	1,950,455
114	5001	to	10000	799,589
30	10001	to	15000	366,073
25	15001	to	20000	445,412
13	20001	to	25000	297,577
10	25001	to	30000	281,960
3	30001	to	35000	97,745
1	35001	to	40000	38,250
1	40001	to	45000	45,000
1	45001	to	50000	50,000
2	55001	to	60000	114,658
3	60001	to	65000	191,700
2	65001	to	70000	135,384
2	80001	to	85000	168,811
1	90001	to	95000	94,750
2	95001	to	100000	193,207
2	115001	to	120000	234,629
1	135001	to	140000	136,604
2	145001	to	150000	295,500
1	160001	to	165000	161,000
1	185001	to	190000	186,312
2	200001	to	205000	403,883
1	225001	to	230000	230,000
1	230001	to	235000	230,277
1	265001	to	270000	269,646
1	295001	to	300000	298,579
1	305001	to	310000	307,666
1	315001	to	320000	315,107
1	485001	to	490000	490,000
1	495001	to	500000	500,000
1	615001	to	620000	618,435
1	625001	to	630000	627,217
1	675001	to	680000	679,192
1	725001	to	730000	730,000
1	890001	to	895000	892,060
1	2900001	to	2905000	2,902,219
1	3135001	to	3140000	3,135,862
1	3745001	to	3750000	3,750,000
1	173450001	to	173455000	173,450,565
17022				198,095,069

Categories of Shareholding

As at June 30, 2026

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government Holding			
DIRECTOR GENERAL PORT & SHIPPING	1	173,450,565	87.56
Directors, Chief Executive Officer and their spouse(s) and minor children			
AHSAN ALI MALIK	1	94,750	0.05
SANILAH ARSAL	1	10,000	0.01
CAPTAIN (R) SARFARAZ INAYATULLAH	1	16,500	0.01
Associated Companies, undertakings and related parties			
MOHAMMADI ENGG. WORKS LTD	1	6,672	0.00
M/S PNSC EMPLOYEES EMPOWERMENT TRUST	1	2,902,219	1.47
MOHSIN ALI /	2	1,297,627	0.66
FAST TRACK PROJECTS & LOGISTICS (PRIVATE) LIMITED	1	19,500	0.01
FLOAT SECURITIES (PVT.) LIMITED	1	5,000	0.00
NIT and ICP	13	741,060	0.37
Banks Development Financial Institutions, Non-Banking Financial Institutions	65	1,008,365	0.51
Insurance Companies	9	15,869	0.01
Modarabas and Mutual Funds			
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	203,055	0.10
CDC - TRUSTEE NBP STOCK FUND	1	3,135,862	1.58
CDC - TRUSTEE NBP BALANCED FUND	1	95,707	0.05
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	1	116,370	0.06
CDC - TRUSTEE ABL STOCK FUND	1	200,828	0.10
CDC - TRUSTEE AL HABIB STOCK FUND	1	315,107	0.16
CDC - TRUSTEE NBP SARMAYA IZAFI FUND	1	64,200	0.03
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1	269,646	0.14
CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND	1	20,000	0.01
General Public*			
a. Local	16,702	12,248,113	6.18
b. Foreign	69	56,433	0.03
Foreign Companies	7	7,575	0.00
Others	134	1,793,017	0.91
Totals	17,022	198,095,069	100.00

Share holders holding 10% or more	Shares Held	Percentage
DIRECTOR GENERAL PORT & SHIPPING	173,450,565	87.56

*Including 3913 shareholders whose current domicile is not known

Notice of Annual General Meeting

Notice is hereby given that the 48th 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 Wednesday, the 28th October, 2026 at 1100 hours to transact the following business:

ORDINARY BUSINESS

1. To confirm minutes of the 47th Annual General Meeting of the Members of the Corporation held on 28th October, 2025.
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 30th June, 2026.

In accordance with section 223(7) of the Companies Act, 2017 and pursuant to the SECP S.R.O 389(I)/2023, dated: 21st March 2023 the Annual Audited financial statements may be viewed and downloaded by QR code and weblink below:

Web-link	QR Code
https://pnscl.com.pk/financial-statements.html	

To consider and approve Board's recommendation to pay 100% Cash Dividend (i.e.) Rs. 10 per share to the members.

3. To consider appointment of joint auditors of the Corporation for the year ending 2026-27 and to fix their remuneration.
4. To transact any other business with the permission of the chair.

Karachi
Dated: 06th October 2026

By order of the Board
Muhammad Javid Ansari
Company Secretary

Notes:

- i) The Share Transfer Books of the Corporation will remain closed from 22nd October, 2026 to 28th October, 2026 (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 21st, 2026 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 Corporations 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:

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) 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 entitles) by members.

D) Withholding Tax on Dividend (Mandatory)

- i. The current prescribed rates for the deduction of withholding tax under section 150 of the Income Tax Ordinance 2001 from payment of dividend by the companies are as under.

a)	For filers of income tax returns	15%
b)	For non -filers of income tax returns	30%

- 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.

E) 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	Principal Member		Joint Member(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.

F) 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

G) 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 Corporation www.pnsc.com.pk and the Corporation 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 dully filled-in Consent Form alongwith 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.

H) 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.

I) 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.

J) Code of Conduct for Members in General Meeting

- I. Pursuant to the provision of Section 215 of Companies Act, 2017 (the "Act")
 - i. 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.
 - ii. 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.
 - iii. 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.

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 the Corporation hereby states that no gifts, in any form, shall be distributed to its members at the general meeting.

K) Availability of Audited Financial Statements on Corporation's website

The audited financial statements of the Corporation for the year ended 30th June, 2026 will be available in due course on the Corporation's website <https://pnscl.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 48th Annual General Meeting of the Corporation to be held
on Wednesday, October 28th, 2026 at 11:00 am and at any adjournment thereof.

Signed by me/us this _____ day of _____ 2026.

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

اڑتالیسواں سالانہ اجلاس عام - 2026

پراکسی فارم

میں / ہم _____ ساکن _____ (مکمل پتہ)
پاکستان نیشنل شپنگ کارپوریشن کے ممبر کی حیثیت سے _____ عمومی شیئرز کی تحویل رکھتے ہیں۔
رجسٹرڈ فوئیو 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 بدھ 28 اکتوبر 2026 کو صبح 11:00 بجے یا التوا کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہونے والے کمپنی کے 48 ویں سالانہ اجلاس عام میں میرے / ہمارے پراکسی کی حیثیت سے شرکت کریں اور ووٹ دیں۔
اس پر میری / ہماری طرف سے _____ 2026 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:

(i) Shareholder's details:	
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	
(ii) Shareholder's Bank Account details:	
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@pnscl.com.pk
www.pnscl.com.pk