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INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Mineral Development Corporation (Private) Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Mineral Development Corporation (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the 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 statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017) in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information comprises of directors' report for the year ended June 30, 2024 but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a. proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and 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 Company's business; and
- d) no zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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Other Matter

The Financial Statements of Pakistan Mineral Development Corporation (Private) Limited for the year ended June 30, 2023 were audited by another auditor who expressed unmodified opinion on those statements on January 09, 2024.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Najmussaqlb Shah.

A handwritten signature in black ink, appearing to read "Baker Tilly Mehmoos Idrees Qamar".

Baker Tilly Mehmoos Idrees Qamar
Chartered Accountants
Place: Islamabad

Date: 04 FEB 2025

UDIN: AR202410822p3IUOA5M2

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 -----Pak Rupees in '000'-----	2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	368,507	304,319
Exploration and evaluation assets	5	10,588	-
Long term investments	6	161,500	164,896
Long term loans to employees	7	139,823	175,614
Long term deposits		24,192	18,435
Employee benefit prepayments		67,358	-
Deferred tax assets - net		-	42,700
		771,968	705,964
CURRENT ASSETS			
Stores, spares and loose tools	8	86,496	75,309
Stock in trade	9	219,016	48,592
Trade debts	10	250,409	208,192
Loans and advances	11	490,112	275,463
Other receivables	12	1,664,783	2,318,756
Short term investment	13	11,163,705	4,234,808
Advance tax	14	-	3,519
Cash and bank balances	15	640,055	326,808
		14,514,576	7,491,447
TOTAL ASSETS		15,286,544	8,197,411
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	10,000	10,000
Equity funds from government for specific projects	17	25,000	25,000
Revenue reserves	18	6,832,421	4,406,674
		6,867,421	4,441,674
NON-CURRENT LIABILITIES			
Employee benefits	19	832,940	827,157
Deferred tax liabilities - net	20	95,531	-
		928,471	827,157
CURRENT LIABILITIES			
Contract liabilities	21	96,245	95,251
Insurance fund	22	106,102	94,072
Trade and other payables	23	6,861,517	2,075,691
Security deposits	24	134,001	124,428
Provision for taxation - net	25	292,787	539,138
		7,490,652	2,928,580
TOTAL EQUITY AND LIABILITIES		15,286,544	8,197,411

CONTINGENCIES AND COMMITMENTS 26

The annexed notes from 1 to 43 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHAIRMAN

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 -----Pak Rupees in '000'-----	2023
Revenue	27	4,474,388	3,661,935
Cost of sales	28	(2,608,958)	(2,513,357)
Gross profit		1,865,430	1,148,578
Operating expenses	29	(736,718)	(600,556)
Distribution cost	30	(316,143)	(225,687)
		(1,052,861)	(826,243)
Operating profit		812,569	322,335
Other income	31	4,050,009	2,993,913
Share of profit from associates	32	1,255	1,467
Other expenses	33	(471,480)	(324,001)
Profit before taxation		4,392,353	2,993,714
Tax expense	34	(1,752,110)	(1,105,623)
Profit for the year		2,640,243	1,888,091

The annexed notes from 1 to 43 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER

Board


 CHAIRMAN

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	-----Pak Rupees in '000'-----	
Profit for the year	2,640,243	1,888,091
Other comprehensive income		
Remeasurement gain/ (loss) on employees benefits	140,167	(77,049)
Related deferred tax impact	(54,665)	4,942
	85,502	(72,107)
Total comprehensive income for the year	2,725,745	1,815,984

The annexed notes from 1 to 43 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER

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CHAIRMAN

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED

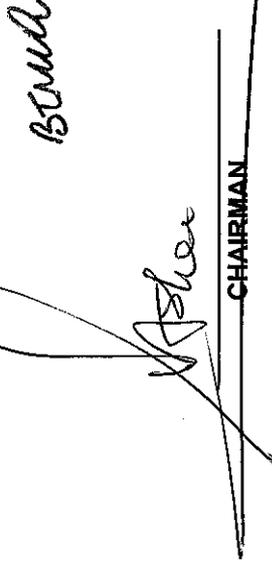
**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

Particulars	Share capital	Government Equity Funds	General Reserve	Insurance Reserve	Depletion Reserve	Unappropriated Profit	Total
Balance as at July 01, 2022	10,000	25,000	683,633	50,000	702,157	1,354,902	2,825,690
Total comprehensive income	-	-	-	-	-	1,815,984	1,815,984
Dividend paid	-	-	-	-	-	(200,000)	(200,000)
Allocation for depletion reserve	-	-	-	-	89,021	(89,021)	-
Balance as at June 30, 2023	10,000	25,000	683,633	50,000	791,178	2,881,865	4,441,674
Balance as at July 01, 2023	10,000	25,000	683,633	50,000	791,178	2,881,865	4,441,676
Total comprehensive income	-	-	-	-	-	2,725,745	2,725,745
Dividend paid	-	-	-	-	-	(300,000)	(300,000)
Allocation for depletion reserve	-	-	-	-	98,298	(98,298)	-
Balance as at June 30, 2024	10,000	25,000	683,633	50,000	889,476	5,209,312	6,867,421

The annexed notes from 1 to 43 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



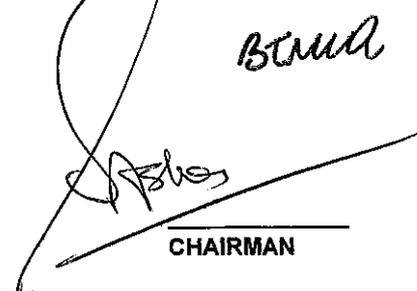
CHAIRMAN

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	-----Pak Rupees in '000'-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,392,353	2,993,714
Adjustment for:		
Depreciation	4.2 56,810	51,515
Impairment loss on capital work-in-progress	419	-
(Gain)/ loss on disposal of fixed assets	(4,131)	630
Interest income	31 (49,164)	(39,063)
Amortization loss of employees long term loans	121,546	174,653
Provision for workers profit participation fund	33 231,177	183,583
Provision for staff benefits	224,879	201,766
Exchange Gain	(17,239)	(135,254)
Profit share from Duddar Lead Zinc Mining Project	(2,479,225)	(1,987,973)
Share of (profit)/ loss from associate	32 (1,255)	(1,467)
	<u>(1,916,182)</u>	<u>(1,551,610)</u>
Cash flow before working capital changes	2,476,171	1,442,104
Working capital changes		
Stores, spares and loose tools	(11,187)	(26,193)
Stock in trade	(170,424)	(19,936)
Trade debts	(42,217)	(130,560)
Other receivables	(660,907)	(250,860)
Contract liabilities	994	-
Insurance fund	12,030	-
Loans and advances	(214,649)	(102,990)
Trade and other payable	4,746,339	1,089,449
	<u>3,659,979</u>	<u>558,910</u>
Net cash generated from operating activities	6,136,150	2,001,014
Tax paid	(1,911,376)	(632,598)
Workers profit participation fund paid	(191,690)	-
Staff retirement benefits paid	(146,285)	(323,766)
Long term loans to employees - net	(36,591)	(126,069)
Security deposits	9,573	30,230
	<u>(2,276,369)</u>	<u>(1,052,202)</u>
Net cash generated from operating activities	3,859,781	948,812
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property plant and equipment	4.2 (115,161)	(30,973)
Acquisition of exploration and evaluation assets	(10,588)	-
Capital work in progress	(6,628)	(6,791)
Proceeds from disposal of property, plant and equipment	4,503	-
Dividend from the associates	4,651	-
Income received from Duddar Lead Zinc Mining Project	3,811,344	940,685
Movement in long term security deposits	(5,757)	-
Short term investments - net	(3,987,992)	-
Net cash (used in)/generated from investing activities	(305,629)	902,921
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(300,000)	(200,000)
Net cash used in financing activities	(300,000)	(200,000)
Net increase in cash and cash equivalents during the year	3,254,152	1,651,732
Cash and cash equivalent at the beginning of the year	4,436,616	2,784,884
Cash and cash equivalent at the end of the year	41 7,690,768	4,436,616

The annexed notes from 1 to 43 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHAIRMAN

PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

- 1.1** Pakistan Mineral Development Corporation (Private) Limited (the Company) was incorporated in Pakistan on June 17, 1974 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company is wholly owned by Government of Pakistan. Registered office of the Company is situated at plot No. 13, Sector H-9, Islamabad and it is domiciled in Islamabad.

1.2 GEOGRAPHICAL LOCATIONS OF PROJECTS AND BRACHES

The Company is engaged in the business of mining, exploration, development and exploitation of mineral deposits e.g. salt, coal, and silica sand. The Company has operations on the following locations:

- | | |
|---------------------------------------|---------------------------------|
| - Salt Mines Khewra, Jhelum | - Coal Mines Sharigh, Harnai |
| - Salt Mines Warcha, Khushab | - Coal Mines Lakhra, Jamshoro |
| - Salt Mines Makrach, Chakwal | - Silica Sand Project, Jamshoro |
| - Salt Mines Kalabagh, Mianwali | - Regional Office Quetta |
| - Salt Mines Jatta BahadurKhel, Karak | - Marketing Office Multan |
| - Coal Mines Sor Range, Quetta | - Regional Office Peshawar |
| - Coal Mines Degari, Quetta | |

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 shall prevail.

2.2 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except loans to employees, employee retirement benefits including gratuity, pension, post-retirement medical and leave salary (leave encashment) which are carried at present value.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pak Rupees, which is the Company's functional currency.

2.4 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical expenditure and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

- (a) Depreciation on property, plant and equipment;
- (b) Recoverable amount and related impairment of depreciable, amortizable and financial assets;
- (c) Provision for taxation and related deferred tax asset or liability;
- (d) Liability against employees' benefit; and
- (e) Other provision, contingent liabilities and contingent assets.

However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the foreseeable period.

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

2.5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES RESULTING FROM ADOPTION OF AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS

2.5.1

AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS BECOMING EFFECTIVE IN CURRENT YEAR

The following amendments to standards have been effective and are mandatory for financial statements of the Organization for the period beginning on or after July 1, 2023.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Definition of Accounting Estimates (Amendments to IAS 8)

International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — other disclosure requirements

International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — Application of the exception and disclosure of that fact

These amendments have no impact on the financial statements.

2.5.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations 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.

	Effective date (annual reporting periods beginning on or after)
IFRS 17 'Insurance Contracts'	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'Foreign Currency Accounting' - effects of changes in foreign exchange rates	January 01, 2025
Amendments to IFRS 7 'Financial Instruments' - Disclosure Supplier Finance Arrangements	January 01, 2026
Amendments to IFRS 09 'Financial Instruments' - Classification and Measurement of Financial Instruments	January 01, 2026

Further, following standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of their applicability in Pakistan.

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRIC 12 Service Concession Arrangement
- IFRS 18 (Presentation and Disclosure of Financial Statements)
- IFRS 19 (Subsidiaries without any Public Accountability: Disclosure)
- IFRS S1 – General requirements for disclosure of sustainability related financial information

- IFRS S2 – Climate Related Disclosures

The following interpretations issued by IASB have been waived off by SECP:

- IFRIC 12 – Service Concession Arrangements
- IFRS 2 – Share based payment in respect of Benazir Employees' Stock Option Scheme

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from 01 July 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that users need to understand other information in the financial statements.

3.1 PROPERTY, PLANT AND EQUIPMENT

These are stated at cost less accumulated depreciation except land and capital work in progress, which are stated at cost less any identified impairment loss.

Depreciation on items of property, plant and equipment, other than leasehold land, is charged to income by using straight line method at the rates specified in Note 4.2 so as to write off the depreciable amount of an asset over its useful life. Leasehold land is amortized over period of lease. Full month's depreciation is charged on assets acquired and retired/disposed off during a specific month as mentioned in note 3.2 of the financial statements.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.2 INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

The Company applies IAS 28 'Investments in Associates and Joint Ventures' in accounting for its investments. Associates are entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The assessment of significant influence considers voting rights, board representation, and other contractual arrangements, regardless of the percentage shareholding. Joint ventures are arrangements whereby the parties have joint control and rights to the net assets of the arrangement. Joint control exists when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, investments are initially recognized at cost. The carrying amount is subsequently adjusted to recognize the Company's share of post-acquisition profits or losses in profit or loss, the Company's share of other comprehensive income, and changes in the Company's share of net assets of the associate or joint venture that are not recognized in profit or loss or other comprehensive income. Distributions received reduce the carrying amount of the investment. Additional investments maintain the equity method even if the ownership interest changes, provided significant influence or joint control is retained.

When the Company's share of losses equals or exceeds its interest in the associate or joint venture, including any unsecured long-term receivables, the Company discontinues recognizing further losses unless it has incurred legal or constructive obligations or made payments on behalf of the investee. At each reporting date, the Company determines whether there is objective evidence of impairment of its investment in associates and joint ventures. If impairment exists, the Company calculates the impairment as the difference between the recoverable amount of the investment and its carrying value. The impairment loss is recognized adjacent to 'Share of profit/(loss) of associates and joint ventures' in the statement of profit or loss.

3.3 LONG TERM LOANS TO EMPLOYEES AND SHORT TERM ADVANCES

Loans to employees are financial assets carried at amortized cost using the effective interest method. These loans, extended as part of employment benefits, include house building loans, car/motorcycle loans, and marriage loans, and are secured against employees' retirement fund balances.

The loans are initially recognized at fair value, being the present value of expected future cash flows discounted at the market interest rate for similar loans. The difference between the fair value and the nominal loan amount represents a prepaid employee benefit and is directly charged to profit or loss in the period in which the loan is disbursed. Interest income is recognized using the effective interest method over the loan tenure.

Subsequently, these loans are measured at amortized cost using the effective interest method. The unwinding of the discount is recognized as interest income in the statement of profit or loss. Current portion of long-term employee loans expected to be recovered within twelve months from the reporting date is classified as current assets.

The Company applies the expected credit loss (ECL) model for impairment of employee loans as required by IFRS 9 'Financial Instruments'. The measurement of ECL reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions. However, given the secured nature of these loans against retirement benefits and recovery through payroll deductions, along with historically negligible default rates, the expected credit losses are minimal.

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PAKISTAN MINERAL DEVELOPMENT CORPORATION (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.4 LONG TERM DEPOSITS

Long-term deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These deposits are initially recognized at fair value plus directly attributable transaction costs. Subsequently, long-term deposits are measured at amortized cost using the effective interest method, less any impairment losses.

3.5 STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools are stated at the lower of moving average cost and net realizable value (NRV) in accordance with IAS 2 'Inventories'. Cost comprises invoice value plus other charges incurred thereon up to the reporting date. Net realizable value signifies the estimated replacement cost. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

For items identified as surplus or having no future economic benefit, a provision is recognized immediately in profit or loss. Items in dispute or subject to legal proceedings are carried at cost less provision for any impairment loss where recovery is considered doubtful.

3.6 STOCK IN TRADE

Stock-in-trade is valued at the lower of cost and net realizable value in accordance with IAS 2 'Inventories'. Cost is determined using the weighted average method and includes costs incurred in bringing the inventories to their present location and condition. Cost comprises direct production costs and appropriate production overheads based on normal operating capacity. Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Cost is systematically accumulated and allocated based on production output, with year-end physical verification procedures to ensure accuracy of quantities. The cost per unit is determined by dividing the total production costs by the total quantity produced during the period.

3.7 TRADE DEBTS AND OTHER RECEIVABLES

Trade debts and other receivables are initially recognized at transaction price, being the amount of consideration that is unconditional. Subsequently, these are measured at amortized cost using the effective interest method, less loss allowance.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance. The expected loss rates are based on the payment profiles of sales over a period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company assesses the credit quality of its counterparties taking into account their financial position, credit rating, past experience and other relevant factors. For customers with external credit ratings, the Company considers such ratings in determining the probability of default. For receivables from government entities, while the risk of default is considered minimal, extended payment cycles are factored into the assessment of expected credit losses.

3.8 SHORT TERM INVESTMENTS

Short-term investments in term deposit receipts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. These investments are classified as current assets when they have maturities of less than twelve months from the reporting date. Interest income on these investments is recognized in profit or loss using the effective interest method.

The Company applies a general approach for calculating expected credit losses (ECL) on short-term investments in accordance with IFRS 9. These investments are placed with banks and financial institutions having sound credit ratings, and are classified in Stage 1 of the ECL model, measured based on 12-month expected credit losses, considering the low credit risk nature of the counterparties.

The investments are derecognized when the rights to receive cash flows from the investments have expired.

3.9 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

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3.10 RETIREMENT AND OTHER SERVICE BENEFITS OBLIGATIONS

The Company operates various post-employment benefit schemes, including both defined benefit and defined contribution plans, and other long-term employee benefits.

Defined Benefit Plans

The Company operates the following defined benefit plans:

- i. A funded pension scheme for permanent employees (officers cadre) who joined on or before November 12, 1998
- ii. A funded gratuity scheme for all permanent employees (staff cadre)
- iii. Post-retirement medical allowance for officers and supervisors

The liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods. Current service cost, past service cost and net interest expense are recognized in profit or loss.

Defined Contribution Plan

The Company operates a defined contribution provident fund scheme for all permanent employees (staff cadre). Equal monthly contributions are made both by the Company and the employees at the rate of 8.33% of basic salary. The Company's contributions are recognized as employee benefit expense in profit or loss when they are due.

Other Long-term Employee Benefits

The Company provides compensated absences benefit to all eligible employees, which is a long-term employee benefit. Employees are entitled to annual leaves at the rate of 1/11th of duty period, which can be accumulated up to 365 days for staff and without limit for officers. Encashment is allowed up to 60 days in a calendar year. The obligation is measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognized in other comprehensive income in the period in which they occur.

The latest actuarial valuations for all schemes were carried out as at June 30, 2024.

The Company uses actuarial assumptions including discount rate, expected rate of salary increase, mortality rates, and medical cost trend rate where applicable. The actuarial valuations involve assumptions about discount rates, future salary increases, mortality rates, medical cost trends where applicable. Due to the long-term nature of these benefits, such estimates are subject to significant uncertainty.

3.11 TRADE AND OTHER PAYABLES

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Due to the short-term nature of trade and other payables, their carrying amounts approximate their fair values. All trade and other payables are presented as current liabilities as payment is due within twelve months after the reporting period. The Company derecognizes these financial liabilities when its obligations are discharged, cancelled or expired.

3.12 SECURITY DEPOSITS

Security deposits represent amounts received from suppliers and contractors and are classified as financial liabilities. These are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. The Company's contractual obligation is to refund these deposits on completion or termination of contracts, subject to fulfillment of agreed terms.

Security deposits not expected to be utilized within three months are invested in term deposit receipts with banks, while maintaining sufficient funds in bank accounts for anticipated near-term refunds. Due to the short-term nature of these deposits, their carrying amounts are considered to be a reasonable approximation of their fair values.

The Company derecognizes the security deposits when its contractual obligations are discharged, cancelled or expired, and the difference between the carrying amount and the consideration paid is recognized in profit or loss.

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3.13 TAXATION

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

Current

Current tax represents the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company, being engaged in the extraction and sale of minerals, is subject to tax under Part II of the Fifth Schedule to the Income Tax Ordinance, 2001, which specifically deals with the computation of profits and gains from the exploration and extraction of minerals.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.14 CONTINGENCIES AND COMMITMENTS

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or the Company has a present legal or constructive 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 obligation cannot be measured with sufficient reliability.

3.15 FINANCIAL INSTRUMENTS

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

3.15.1 FINANCIAL ASSETS

Financial assets held by the Company are measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

3.15.2 FINANCIAL LIABILITIES

Financial liabilities held by the Company are measured at amortized cost.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

Amortised cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

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De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade receivables
- Loans and advances
- Deposits and other receivables
- Short term investments
- Bank balances

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and fair value recognised in other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach to recognise lifetime expected credit losses for trade receivables while general 3-stage approach for long term loans, deposits, other receivables, bank balances to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Recognition of loss allowance

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

3.16 REVENUE RECOGNITION

Sale of goods

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to a customer. Revenue is measured at the fair value of the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to customers, excluding amounts collected on behalf of third parties.

The Company primarily generates revenue from the sale of salt and coal. Revenue is recognized at a point in time when control of the goods is transferred to the customer, generally upon dispatch of the goods. This is the point at which the Company has a present right to payment, the customer has legal title to the goods, physical possession has been transferred, the customer bears the significant risks and rewards of ownership, and the customer has accepted the goods.

The Company generally acts as a principal in its revenue arrangements because it is primarily responsible for fulfilling the promise to provide the specified goods, has inventory risk before the goods are transferred to customers, and has discretion in establishing prices of the goods. In such cases, revenue is recognized on a gross basis.

When customers make advance payments, these amounts are recognized as contract liabilities and reported as "advance from customers" in the statement of financial position. Revenue is subsequently recognized when control of the goods is transferred to the customer as described above.

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Income from tourist resort

Tourist resort revenue comprises mine visitor ticket sales, rail transport (within mine) fees, and salt lamp sales. Revenue from tourist resort operations is recognized at a point in time upon sale of tickets and lamps and upon collection of fees from the customers.

Other income

Interest income is recognized on a time-proportion basis using the effective interest method. Income from MCC Huaye is recognized when the Company's right to receive payment is established, the amount can be reliably measured, and it is probable that the economic benefits will flow to the Company.

Revenue from scrap sales and miscellaneous receipts is recognized when control is transferred to the customer, the amount can be reliably measured, and collection is reasonably assured.

3.17 EXPLORATION AND EVALUATION ASSETS

The Company applies IFRS 6 'Exploration for and Evaluation of Mineral Resources' in accounting for exploration and evaluation expenditures. Exploration and evaluation costs, which include costs directly associated with prospecting, exploration, appraisal, and evaluation activities, are capitalized as E&E assets on an area of interest basis when the rights to explore a specific area have been obtained, and the Company expects to recover the expenditure through successful development and exploitation of resources, or alternatively through their sale. Additionally, capitalization is appropriate when exploration activities in the area of interest have not reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves.

E&E assets are initially measured at cost, comprising the acquisition of rights to explore, topographical, geological, geochemical, and geophysical studies, exploratory drilling, trenching, sampling, and activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources. General and administrative costs are allocated to, and included in, the cost of E&E assets only to the extent that those costs can be related directly to operational activities.

After initial recognition, E&E assets are measured using the cost model. These assets are not depreciated as they are not available for use but are reviewed for impairment indicators at each reporting date. E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The Company considers several factors in assessing impairment, including the expiry or near expiry of the right to explore, lack of budgeted or planned substantive expenditure on further exploration and evaluation activities, cessation of exploration activities due to lack of commercially viable discoveries, and when sufficient data exists to indicate that the carrying amount is unlikely to be recovered in full from successful development or by sale.

When technical feasibility and commercial viability of extracting mineral resources are demonstrable, E&E assets related to that area of interest are first tested for impairment and then reclassified to mining properties within property, plant and equipment or intangible assets, as appropriate. E&E assets are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition is included in profit or loss in the period of derecognition.

3.18 FOREIGN CURRENCIES

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are included in profit and loss account for the year.

3.19 PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.20 DEPLETION RESERVE

It is provided @ 20% of the taxable profit as permissible allowance in accordance with Rule-3, Part-II of 5th Schedule to the Income Tax Ordinance, 2001.

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4 PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		---Pak Rupees in '000'---	
Capital work-in-progress	4.1	6,266	16,172
Operating fixed assets	4.2	362,241	288,147
		<u>368,507</u>	<u>304,319</u>
4.1 Capital work-in-progress			
Opening balance		16,172	9,381
Addition		6,628	6,791
Transfer to PPE		(16,115)	-
Impairment		(419)	-
Closing balance		<u>6,266</u>	<u>16,172</u>

4.2 Operating fixed assets

PARTICULARS	COST			RATE %	ACCUMULATED DEPRECIATION			Written Down Value	
	As at 1-Jul-23	Addition	Disposal		As at 1-Jul-23	For the Year	Disposal		As at 30-Jun-24
	-----Pak Rupees'000'						-----Pak Rupees'000'		
Lease hold land	2,314	-	-	-	900	77	-	1,337	
Free hold land	26,476	152	-	-	-	-	-	26,628	
Roads Bridges and Sidings	33,725	-	-	5%	26,756	561	-	27,317	
Buildings and other structures on free hold land	167,566	33,389	-	5% - 20%	106,270	9,760	-	84,925	
Buildings and other structures on lease hold land	71,088	-	-	10%	41,681	1,483	-	27,924	
Plant and machinery	264,085	14,427	-	10%	222,487	21,944	-	34,081	
Electrical and other installations	135,599	15,858	-	10%	72,821	3,838	-	74,798	
Road and rail transport assets	189,266	22,482	(4,097)	10% - 20%	181,854	7,839	(4,097)	185,596	
Office Equipments	12,739	2,422	(1,624)	10%	5,210	479	(1,610)	9,458	
Furniture and Fixtures	52,129	6,948	(1,439)	10%	35,747	4,267	(1,225)	18,849	
Books	400	-	-	10%	376	2	-	22	
Computers	25,521	7,800	(2,391)	30%	23,580	3,538	(2,261)	6,073	
Sundry equipments	56,103	27,798	(652)	10%	31,182	3,022	(638)	33,566	
Balance as at June 30, 2024	1,037,011	131,276	(10,203)		748,864	56,810	(9,831)	362,241	

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Operating fixed assets - cont'd

PARTICULARS	COST			RATE %	ACCUMULATED DEPRECIATION			Written Down Value	
	As at 1-Jul-22	Additions	Disposal/ Adjustments		As at 1-Jul-22	For the Year	Disposal/ Adjustments		As at 30-Jun-23
	Pak Rupees'000'				Pak Rupees'000'				
Land - Lease hold	2,314	-	-	-	70	1	900	1,414	
Land - Free hold	26,628	-	(152)	-	-	-	-	26,476	
Roads Bridges and Slidings	32,227	1,498	-	5%	621	55	26,756	6,969	
Buildings and other structures on free hold land	151,488	579	15,499	5% - 20%	11,257	(40,302)	106,270	61,296	
Buildings and other structures on lease hold land	69,295	-	1,793	10%	2,131	39,550	41,681	29,407	
Plant and Machinery	269,089	5,996	(11,000)	10%	22,113	1,125	222,487	41,598	
Electrical and other Installations	117,382	4,211	14,006	10%	6,098	11,323	72,821	62,778	
Road and Rail Transport Assets	211,224	725	(22,683)	10% - 20%	2,669	(916)	181,854	7,412	
Office Equipments	12,002	1,231	(494)	10%	356	1,125	5,210	7,529	
Furniture and Fixtures	37,959	5,499	8,671	10%	3,530	409	35,747	16,382	
Books	400	-	-	10%	2	1	376	24	
Computers	29,424	3,835	(7,738)	30%	2,254	(1,718)	23,580	1,941	
Sundry equipments	53,022	7,399	(4,318)	10%	2,545	(16,439)	31,182	24,921	
Balance as at June 30, 2023	1,012,454	30,973	(6,416)		51,515	(5,786)	748,864	288,147	

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	Note	2024 -----Pak Rupees in '000'-----	2023
5 EXPLORATION AND EVALUATION ASSETS			
Exploration licenses	5.1	<u>10,588</u>	<u>-</u>
5.1	This represents the initial cost of the exploration licenses. During the year, Directorate General Mines & Minerals, Balochistan awarded two exploration licenses to the Company for metalloids and precious metals in District Pishin, Balochistan for an area of 498.82 square kms and in District Zhob, Balochistan for an area of 499.72 square kms. The Company is required to enter into Joint Venture Agreement with either Balochistan Mineral Exploration Company (BMEC) or Balochistan Minerals Resources Limited (BMRL). The term of the exploration licenses is three years which can be renewed as per conditions laid down in rule 24 of the Balochistan Mineral Rules, 2002.		
6 LONG TERM INVESTMENTS			
6.1 Investment in related parties			
Sarhad Mineral (Private) Limited	6.1.1	-	-
Lakhra Coal Development Company Limited	6.1.2	-	-
Baluchistan Mineral Exploration Company Limited	6.1.3	160,000	160,000
Investment in FATA joint venture	6.1.4	1,500	4,896
		<u>161,500</u>	<u>164,896</u>
6.1.1 Sarhad Mineral (Private) Limited			
Cost		1,225	1,225
Share of post acquisition reserves			
Share of profit for the year		-	-
Post acquisition losses brought forward		(1,225)	(1,225)
		<u>(1,225)</u>	<u>(1,225)</u>
		<u>-</u>	<u>-</u>

This represent the investment in associate, the Sarhad Mineral (Private) Limited (SML) which is incorporated as a private limited company on May 16,1984. Its registered office is situated at Plot No. 164 A. Phase I, Hayatabad Peshwar. The principal activity of the associate is to exploration, extraction and sale of rock salt from its salt quarries located at Naripanoos district Karak, Khyber Pakhtunkhwa.

PMDC holds 49% (2023: 49%) equity interest, comprising of 137,200 shares of Rs. 10 each, in SML while Sarhad Development Authority (now Khyber Pakhtunkhwa Economic Zones Development and Management Company - KPEZDMC) holds the controlling interest of 51% in SML.

The investment in SML is accounted for using the equity method in accordance with IAS 28 'Investments in Associates and Joint Ventures'. Significant influence is evidenced through board representation, including the Chairman position, participation in policy-making processes, and involvement in key management decisions through appointment of the Executive Finance-cum-Secretary.

Prior to FY 2006-07, SML's revenue was solely dependent on revenue from export of salt to Afghanistan. However, the ban on salt imports by Afghanistan in October 2007 had a significant impact on SML's revenues, leading to persistent losses since then. Consequently, SML's equity funds were completely eroded. The management has recorded the losses up to the cost of investment.

Summarized financial information is as follows:

Financial year	Assets	Liabilities	Net assets	Revenues	Profit/ (loss)
	-----Pak Rupees (000)-----				
2024 - Unaudited	12,547	15,190	(2,643)	9,927	194
2023 - Unaudited	8,867	10,693	(1,826)	14,054	482

	2024 -----Pak Rupees in '000'-----	2023
6.1.2 Lakhra Coal Development Company Limited		
Cost	25,000	25,000
Share of post acquisition reserves		
Share of loss for the year	-	-
Post acquisition profits brought forward	(25,000)	(25,000)
	<u>(25,000)</u>	<u>(25,000)</u>
	<u>-</u>	<u>-</u>

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The Company holds a 50% equity interest in Lakhra Coal Development Company Limited (LCDC), company established to develop and operate coal mines and limestone quarries for supply of coal and limestone to Lakhra Power Generation Company Limited (LPGCL) - coal based power plant of WAPDA. The Company's equity interest comprises 2,197,360 shares of Rs. 10 each and 6% through LCDCL Employees Empowerment Trust. The transfer of shares to LCDCL Employees Empowerment Trust was pursuant to decision made at the 63rd meeting of the Board of Directors of LCDC in November 2009 to meet the requirements of the Benazir Employees Stock Option Scheme (BESOS). Government of Sindh and WAPDA each own a 25% equity interest in LCDC.

Joint control is established through a shareholders' agreement dated February 1, 1990. This agreement mandates unanimous consent from all parties for critical strategic, financial, and operational decisions. Unanimous consent is required for key decisions, including amendments to constitutional documents, the sale of substantial assets, and the selection of new projects. Additionally, the Company has the authority to appoint the Managing Director of LCDC and three out of seven members of the Board of Directors.

The investment is accounted for under the equity method of accounting and the arrangement qualifies as a joint venture as per IFRS 11 'Joint Arrangements'.

The Company has historically operated coal mining facilities at the Lakhra coal fields in District Jamshoro, Sindh, through mining rights initially granted in 1985. The Company is currently engaged in ongoing litigation regarding these mining rights at the Lakhra coal fields. These rights, originally granted through a 30-year lease expiring in 2015, were subject to renewal applications. The Company's application for lease renewal was declined by the Government of Sindh in September 2017, pursuant to a decision taken by the coal mines committee on May 24, 2017.

The provincial government's primary justification for this decision was a policy decision to develop provincial power generation projects through entities owned by the Government of Sindh, aiming to meet provincial energy requirements through local expertise development. The Company challenged this decision on multiple grounds, including its substantial investment in exploration and infrastructure development, its established supply arrangements with WAPDA's thermal power plants, with 25% of supply dedicated to the Government of Sindh, and the right of renewal under Rule 48 of the Sindh Mining Concession Rules, 2002.

Subsequently, the Government of Sindh granted mining rights to Sindh Lakhra Coal Mining Company (SLCMC), a provincial entity, without competitive bidding.

The matter subsequently reached the Honorable Supreme Court of Pakistan, which on June 1, 2022, issued a judgment mandating competitive bidding for the mining rights while granting the Company a right of first refusal on matching the highest bid subject to meeting bidding requirements. However, the judgement by the Honorable Supreme Court has not been implemented yet. The Company has filed contempt proceedings in September 2023 against provincial authorities for alleged non-compliance with the Honorable Supreme Court's directives, particularly regarding the conduct of competitive bidding and the Company's right of first refusal. The hearing for contempt proceedings is pending hearing.

Total unrecognized share of loss for the year is Rs. 2.96 million and cumulative unrecognized share of losses up to June 30, 2024 amounts to Rs. 106.51 million.

Summarized financial information are as follows:

Financial year	Assets	Liabilities	Net assets	Revenues	Profit/ (loss)
	-----Pak Rupees (000)-----				
2024 - unaudited	117,694	188,871	(71,177)	-	(5,928)
2023 - unaudited	117,980	183,229	(65,249)	-	(4,530)

6.1.3 Baluchistan Mineral Exploration Company Limited

The Company entered into a Shareholders' Agreement with the Government of Balochistan (GoB) on August 13, 2020 as a result of which Baluchistan Mineral Exploration Company Limited (BMEC) was incorporated on August 19, 2020 primarily focusing on prospecting, exploration, and surveying of mineral resources. BMEC would conduct geological surveys, exploration activities, and would provide technical expertise for mineral development projects. Upon successful identification of prospective sites, the GoB would determine the development approach, whether through public sector entities, private sector partnerships, or through auction processes.

Under the terms of the agreement, the Company has subscribed to 16,000,000 ordinary shares, representing 10% of the BMEC's shareholding, for a consideration of Rs. 160 million in November 2020. Despite holding less than 20% of the voting power, management has determined that the Company exercises significant influence over BMEC based on the contractual rights and obligations established in the Shareholders' Agreement. These rights include, but are not limited to, representation on the Board of Directors, participation in policy-making processes, and involvement in significant financial and operating decisions through 'Reserved Matters' as specified in the Agreement. Furthermore, the Agreement stipulates that the Company's presence is essential for establishing quorum in both board and shareholder meetings, thereby ensuring its effective participation in all major decision-making processes.

The investment is accounted for as an 'Associate' using the equity method in accordance with IAS 28 'Investments in Associates and Joint Ventures'.

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	Note	2024 -----Pak Rupees in '000'-----	2023
6.1.4 FATA joint venture			
Cost		1,926	1,926
Share of post acquisition reserves			
Share of profit for the year	32	1,255	1,467
Post acquisition profits brought forward		29,677	28,210
		30,932	29,677
Dividend received		(31,358)	(26,707)
		<u>1,500</u>	<u>4,896</u>

The Company is a party to a joint venture agreement for the Soapstone Mining Project, established on August 7, 2003, with Khyber Pakhtunkhwa Economic Zones Development and Management Company (KPEZDMC, formerly FATA Development Authority). The project operates through a subsequent operational agreement dated April 3, 2017, engaging HZM MARMI e PIETRE (Smc-Pvt) Ltd as the mining operator. The project's primary objective is soapstone exploration and mining operations in Kurram Agency, Khyber Pakhtunkhwa.

The original agreement stipulated a profit-sharing ratio of 30% for the Company and 70% for KPEZDMC. A subsequent addendum modified this ratio to 51% for the Company and 49% for KPEZDMC, coinciding with a change in the performing party. However, this modification is currently under dispute. On May 6, 2019, KPEZDMC (via letter No. 692-94/FDA/Min:Dev:/28-MP) formally contested the revised profit-sharing arrangement, asserting its inconsistency with the original investment ratio of 70:30. As of the reporting date, resolution of the profit-sharing ratio remains pending.

The arrangement requires unanimous consent in key strategic and operational decisions. The operational agreement explicitly requires consultation with the Company for mining activities, establishes mutual oversight over operations, and restricts unilateral assignment of rights by either party. Furthermore, the arrangement is structured through a separate vehicle where parties have rights to the net assets, with clear delineation of responsibilities - the Company providing infrastructure and KPEZDMC managing local coordination, while HZM conducts mining operations. The arrangement is classified as a joint venture under IFRS 11 'Joint Arrangements' and accordingly, the investment is accounted for using the equity method of accounting as prescribed in IAS 28 'Investments in Associates and Joint Ventures'

Share of income for the year includes impairment loss Rs. 426,030 recorded on the investment i.e., difference of the book value and break-up value of the investment. Due to dispute on profit sharing, the share of income has been accounted for at 30% of the profits/income from joint venture.

Summarized financial information are as follows:

Financial year	Assets	Liabilities	Net assets	Revenues	Profit / (loss)
	-----Pak Rupees (000)-----				
2024 - unaudited	13,156	8,155	5,001	3,854	(1,420)
2023 - unaudited	28,949	6,139	22,810	8,761	4,891

	Note	2024 -----Pak Rupees in '000'-----	2023
7 LONG TERM LOANS TO EMPLOYEES			
House Building Advance	7.1	142,087	136,454
Car/ motor cycle	7.2	76,673	52,665
Marriage loan	7.3	10,651	11,504
		229,411	200,623
Less: current maturity of long term loans to employees		(89,588)	(25,009)
		<u>139,823</u>	<u>175,614</u>

7.1 House Building Advance

Opening balance	136,454	147,686
Additions during the year	138,636	140,148
Recovery during the year	(64,991)	(67,668)
Loss on additions and change in interest rate	(97,812)	(111,528)
Interest charged	29,800	27,816
Closing balance	<u>142,087</u>	<u>136,454</u>

7.2 Car/motor cycle

Opening balance	52,665	52,423
Additions during the year	57,619	26,183
Recovery during the year	(30,060)	(22,156)
Loss on additions and change in interest rate	(22,210)	(13,052)
Interest charged	18,859	9,267
Closing balance	<u>76,673</u>	<u>52,665</u>

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	Note	2024 -----Pak Rupees in '000'-----	2023
7.3 Marriage loan			
Opening balance		11,504	10,036
Additions during the year		3,841	7,750
Recovery during the year		(3,947)	(5,653)
Loss on additions and change in interest rate		(3,068)	(2,610)
Interest charged		2,321	1,981
Closing balance		<u>10,651</u>	<u>11,504</u>

7.4 Employee loans are carried at present value discounted at the effective interest rate. The primary types of loans include house building loans, car/motorcycle loans, and marriage loans. These loans are extended to employees based on their employment terms. The loans are secured against employees' retirement fund balances and are recovered through deductions made from their salaries on monthly basis.

House building loans are interest-free for staff members while officers pay interest ranging from 0% to 5%. These loans are repaid within a fifteen-year period. Car and motorcycle loans carry interest rates of 5% and 3%, respectively, and are repaid within a six-year period. Marriage loans are interest-free and are repaid within a five-year period.

These loans are currently performing with no delinquencies. Historical analysis shows negligible default rates. Given this credit history and the resulting minimal probability of default and loss given default (LGD), no expected credit loss (ECL) provision has been recognized against these loans.

	Note	2024 -----Pak Rupees in '000'-----	2023
8 STORES, SPARES AND LOOSE TOOLS			
Stores		53,265	51,969
Spares	8.1	33,334	23,482
Loose tools		231	192
Provisions for obsolescence		(334)	(334)
		<u>86,496</u>	<u>75,309</u>

8.1 This include generator procured from M/s MAK & MAK in 2017 against payment of Rs. 16.5 million, representing 72% of the cost. However, generator delivered was not as per specification for which management has initiated a legal case for recovery of amount, which is still pending in Honorable Islamabad High Court.

	Note	2024 -----Pak Rupees in '000'-----	2023
9 STOCKS IN TRADE			
Salt stock		5,857	10,571
Coal stock		213,159	38,021
		<u>219,016</u>	<u>48,592</u>

10 TRADE DEBTS - Unsecured

	Note	2024	2023
Considered			
- good	10.1	250,409	208,192
- doubtful		-	-
		250,409	208,192
Less: Allowances for expected credit losses	10.2	-	-
		<u>250,409</u>	<u>208,192</u>

10.1 Aging analysis

	2024			2023		
	Due from related party	Other parties	Total	Due from related party	Other parties	Total
Not overdue	-	-	-	-	-	-
Past overdue less than 30 days	748	59,480	60,228	454	93,519	93,973
Past overdue 31 to 60 days	3,230	123,424	126,654	455	72,964	73,419
Past overdue 61 to 90 days	-	-	-	-	33,532	33,532
Past overdue more than 91 days	-	63,527	63,527	5,629	1,693	7,268
Total trade receivable	3,978	246,431	250,409	6,538	201,708	208,192
Provision for expected credit loss (ECL)	-	-	-	-	-	-
	<u>3,978</u>	<u>246,431</u>	<u>250,409</u>	<u>6,538</u>	<u>201,708</u>	<u>208,192</u>

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10.2 Trade debts include Rs. 242,927 thousand (97% of the total receivable amount) from the listed entities having strong credit ratings (short-term - A1+ to A2, long-term - A to AA) assigned by VIZ Credit Rating Agency. Given the financial strength and creditworthiness of these listed customers, the company assesses the risk of default on these receivables to be minimal. The receivables are unsecured, and no significant provisions for credit losses are deemed necessary at this stage. Remaining amount is receivable from the government entities for which risk of default is minimal, however, amounts become overdue due to funding gap resulting from fiscal deficit faced by the Government of Pakistan.

	Note	2024 -----Pak Rupees in '000'-----	2023
11 LOANS AND ADVANCES			
Unsecured			
Advance to suppliers/contractor and labour jamadar	11.1	217,248	116,169
Receivable from educational institutions	11.2	46,566	27,221
Receivable from miners		468	823
		264,282	144,213
Secured			
Advances to employees - considered good	11.3	136,242	106,241
Current portion of loans to employees	7	89,588	25,009
		490,112	275,463

11.1 This includes Rs. 208,560 thousand (2023: Rs. 101,215 thousand) provided as an advances to suppliers, contractors, and labor jamadars for provision of explosives for the excavation. Additionally, Rs. 8,688 thousand (2023: Rs. 14,953 thousand) has been allocated for carriage and civil work contracts associated with the execution of agreements.

11.2 These represents receivables from Educational institutions of PMDC (Model High School, Women Degree college and Survey Institute) established in Khewra District Jhelum. The amount is receivable on account of payment of salaries to the staff of Model High School and Degree college.

11.3 Advances to employees includes advances for operational purpose, house rent assistance and against salaries which are recoverable/adjustable within a period of one year.

	Note	2024 -----Pak Rupees in '000'-----	2023
12 OTHER RECEIVABLES			
Unsecured			
Receivable from Niaz Akhtar and others	12.1	55,608	56,488
Raising contractors	12.2	39,554	24,721
Receivable from associated companies	12.3	11,249	6,317
Sales tax refund		47,602	1,435
Receivable from Duddar Lead Zinc Mining Project	12.4	673,093	1,987,973
Other receivables		14,925	13,656
		842,031	2,090,590
Accrued interest		878,360	284,654
Provision against receivable from Niaz Akhtar & others		(55,608)	(56,488)
		1,664,783	2,318,756

12.1 The Company has recognized a full provision of Rs. 55,608 thousand (2023: Rs. 56,488 thousand) against receivables related to embezzlement of funds at the Lakhra Coal Mines project by project accountant in abetment with others. This matter has been investigated by Federal Investigation Agency (FIA) Hyderabad and the case is currently under trial in the Court of Special Judge Anti-Corruption (Central) Hyderabad, with the most recent hearing held on June 27, 2024. Due to the uncertain nature of recovery and ongoing legal proceedings, management has maintained a full provision against these receivables.

12.2 These represent receivables from raising contractors on account of development of mines and cost of store items issued etc., and are recovered from their monthly bills for excavation / lifting of coal and salt or deposit of cash.

12.3 These are receivables from associated companies as described below:

12.3.1 PMDC has paid an amount of Rs. 641 thousand for incorporation of Baluchistan Mineral Exploration Company Limited which is to be recovered through the second tranche of capital injection.

12.3.2 PMDC has invested Rs. 1,608 thousand in Sarhad Mineral Private Limited as additional capital, but the KPK Government has yet to contribute its share. Consequently, the amount paid to Sarhad Mineral Private Limited has been classified as a loan to the company until the capital injection process is complete.

12.3.3 PMDC has been paying salaries to LCDC employees and other related expenses on behalf of LCDC. LCDC has closed its operations due to the facts mentioned in Note 5.1.2. The total outstanding balance as at 30 June, 2024 is Rs. 8,935 thousands (2023: Rs. 4,066 thousands). The maximum outstanding balance during the year is Rs. 9,048 thousand.

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12.4 The Company is engaged in the Duddar Lead-Zinc Project through a series of interconnected agreements. The primary agreement was signed with China Metallurgical Construction (Group) Corporation (MCC) on November 3, 2003, for the development of Duddar Lead-Zinc deposits in Balochistan. Under this agreement, PMDC is entitled to receive 20% of profits after loan repayment, which increases to 25% if distributable profit in any financial year exceeds the feasibility study projections by 20% or more. The project operates under Export Processing Zone (EPZ) status. Upon project conclusion or termination, proceeds from fixed assets and surplus cash are to be shared equally (50:50) between PMDC and MCC after discharge of government dues and other liabilities.

On January 19, 2007, PMDC entered into a subsequent profit-sharing agreement with Balochistan Development Authority (BDA). This agreement stipulates that PMDC shares 50% of its profits from the Duddar Project with BDA. In return, BDA contributes 50% of all expenditures incurred by PMDC related to project implementation and is responsible for constructing and maintaining an all-weather road linking the project site with RCD Highway at its own cost. PMDC is required to make payments to BDA within 30 days from the date of receipt of profit from MCC and transfer of money into PMDC's bank account.

Through Addendum No. 2 dated June 1, 2015, the project's performing party was changed to MCC Huaye Duddar Mining Company (Private) Limited (MHD), which committed to invest approximately USD 106 million (including USD 22.30 million payable to the previous operator). Under this modification, MCC remains liable to PMDC for project performance, while all original terms and conditions continue to apply. The agreements remain effective until final settlement following termination of the main agreement.

	Note	2024 -----Pak Rupees in '000'-----	2023
13 SHORT TERM INVESTMENT			
Term Deposits Receipts	13.1	<u>11,163,705</u>	<u>4,234,808</u>
13.1 This represents term deposit receipts with banks and financial institutions in local currency, carrying interest rate ranging from 19.20% to 23.30% (2023: 15.85% to 21.20%) per annum having original term from 3 months to one year.			
14 TAX REFUNDS DUE FROM GOVERNMENT			
Opening balance		3,519	125,000
Deducted at source during the year		647,264	89,974
Income tax paid in advance against for tax year 2024		768,520	450,000
Less: Adjusted against current year provision	25	<u>(1,419,302)</u>	<u>(661,455)</u>
		<u>-</u>	<u>3,519</u>
15 CASH AND BANK BALANCES			
Cash at bank			
Local currency			
- Current accounts		230,811	184,095
- Deposit accounts	15.1	395,857	141,503
- Cash in hand/ cheque in transit		13,387	1,210
		<u>640,055</u>	<u>326,808</u>
15.1 The savings accounts earns interest at floating rates based on daily bank deposit rates ranging from 12.25% to 19.56% (2023: 13% to 21.55%) per annum.			
16 SHARE CAPITAL	Note	2024 -----Pak Rupees in '000'-----	2023
AUTHORIZED CAPITAL			
100,000,000 (2023: 100,000,000) ordinary shares of Rs. 10 each		<u>1,000,000</u>	<u>1,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
880,000 ordinary shares (2023: 880,000) of Rs. 10/- each issued in cash held by Government of Pakistan through its nominees.	16.1	8,800	8,800
120,000 ordinary shares (2023: 120,000) of 10/- each issued in free to BESOS Trust	16.2	1,200	1,200
		<u>10,000</u>	<u>10,000</u>
16.1 These carry equal rights to vote, dividends and right & bonus issue.			

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16.2 On August 14, 2009, the Government of Pakistan launched Benazir Employees Stock Option Scheme (BESOS) whereby the Government of Pakistan transferred 120,000 shares to PMDC Employees Empowerment Trust ("the Trust") without any payment by the eligible employees subject to transfer back of these shares to the Government of Pakistan as provided in the trust deed. Accordingly, the Government of Pakistan's shareholding in the Company was reduced to 88% from 100% with effect from August 14, 2009. As per the trust deed, such shares were allocated through unit certificates to eligible employees in proportion to their entitlement on the basis of length of service. The trust was entitled to receive dividends declared on or after August 14, 2009, and 50% of such dividends was being distributed among employees on the basis of units held while the balance 50% was being transferred to the Privatization Commission of Pakistan for payment to employees against their surrendered shares/units.

However, the Supreme Court of Pakistan, through its judgment dated December 22, 2021 declared BESOS as unconstitutional and ultra vires to the Constitution of Pakistan. The Court declared all actions, orders, and notifications regarding BESOS as void ab initio. Consequently, all shares transferred under BESOS were to be returned to the Federal Government, and the Trust established under BESOS was to be dissolved. However, the matter is currently pending though the GoP after the decision effectively own 100% share capital of the Company.

17 EQUITY FUNDS FROM GOVERNMENT FOR SPECIFIC PROJECTS

The amount was provided by the government for 50% equity contribution in the Lakhra coal development company limited (LCDCL).

	Note	2024	2023
-----Pak Rupees in '000'-----			
18 REVENUE RESERVES			
General reserves	18.1	683,633	683,633
Insurance reserves	18.2	50,000	50,000
Depletion reserve		889,476	791,176
Unappropriated profit		5,209,312	2,881,865
		<u>6,832,421</u>	<u>4,406,674</u>

18.1 General reserves

The Company maintains a general reserve, established in 2004-05, to mitigate uncertainties related to potential privatization. While the Government of Pakistan had initially approved the Company's privatization and the Privatization Commission had initiated the process in 2003, with subsequent developments in 2007 for corporatization of individual projects (particularly Khewra Salt Mines and Lakhra Coal Mining Project), no binding agreements have been finalized to date.

18.2 Insurance reserves

The Company maintains a self-insurance program for risks not covered under mandatory insurance requirements of the Insurance Ordinance, 2000. This program provides coverage for the head office and all project operations, excluding certain specified categories of mine labor. The self-insurance reserve was initially established at Rs. 6 million pursuant to a Board resolution dated March 1, 1989. Subsequently, in the 140th Annual General Meeting held on October 26, 2011, shareholders approved doubling this reserve over a two-year period to address future contingencies. In response to increased obligations arising from enhanced workmen compensation claims, group insurance, and financial assistance packages mandated by Federal and Provincial governments, the Board has authorized an increase in the insurance reserve to Rs. 50 million. These reserves are to be invested in fixed deposits with scheduled banks.

The self-insurance reserves composition is as follows:

	2024	2023
-----Pak Rupees in '000'-----		
Workmen compensation claim	35,000	35,000
Group insurance claim	12,000	12,000
Motor vehicle accident claim	3,000	3,000
	<u>50,000</u>	<u>50,000</u>

The self-insurance funds are currently invested in term deposit receipts with commercial banks. Upon winding up of the self-insurance schemes, the fund balances will be transferred to the head office account.

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	Note	2024 -----Pak Rupees in '000'-----	2023
19 EMPLOYEE BENEFITS			
Compensated absences (leave encashment)	19.1	146,685	137,297
Post-retirement medical benefit	19.2	679,833	650,014
Medical absences cost	19.5	6,422	4,931
		<u>832,940</u>	<u>792,242</u>
Pension Fund Trust	19.3	(20,141)	309
Employees Gratuity Trust	19.4	(47,217)	34,606
		<u>(67,358)</u>	<u>34,915</u>
		<u>765,582</u>	<u>827,157</u>
Transferred to:			
Employee benefits prepayments		67,358	-
		<u>832,940</u>	<u>827,157</u>
19.1 Compensated absences (leave encashment)			
	19.1.1	<u>146,685</u>	<u>137,297</u>
19.1.1 The movement in the present value of defined benefit obligation is as follows:			
Balance as at beginning of the year		137,297	155,495
Current service cost		14,698	13,902
Interest cost		17,958	15,328
Remeasurement due to:			
-Experience adjustments		23,285	36,475
Benefits paid during the year		(46,553)	(83,903)
		<u>146,685</u>	<u>137,297</u>
19.1.2 Expense recognized in the statement of profit or loss:			
Current service cost		14,698	13,902
Interest cost		17,958	15,328
Remeasurement of other long term benefits		23,285	36,475
Expense charge in Statement of profit or loss		<u>55,941</u>	<u>65,705</u>
	Note	2024	2023
		-----Pak Rupees in '000'-----	
19.1.3 Expense recognized in the Statement of Comprehensive Income:			
Remeasurement due to experience on obligation		-	-

19.1.4 Sensitivity analysis

Sensitivity analysis is performed by changing only one assumption at a time while keeping the other assumptions constant. Sensitivity analysis of discount rate and salary increase rate is presented in the below table:

	2024		2023	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1%	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	131,676	164,364	123,369	153,656
Salary increase rate	163,903	131,796	153,369	123,381

19.1.5 The principal actuarial assumptions used in the actuarial valuation are as follows:

	2024	2023
Discount rate used for year end obligation	15.75%	13.50%
Discount rate used for interest cost in profit or loss	14%	15.75%
Rate of salary increase (long term)	14.00%	14.75%
Retirement assumption	60 years	60 years
Mortality rate	SLIC with 1 year set back for males and	SLIC 2001-2005 set back 1-4 year
Withdrawal rate	Age based (per appendix)	Age based (per appendix)

The estimated charge to profit or loss for the next year is Rs. 37,588 thousand
The average duration of the defined benefit obligation as at 30 June 2024 is 11 years.

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	Note	2024 -----Pak Rupees in '000'-----	2023
19.2 Post-retirement medical benefit			
Present value of defined benefit obligation	19.2.1	<u>679,833</u>	<u>650,014</u>
19.2.1 The movement in the present value of defined benefit obligation is as follows:			
Balance as at beginning of the year		650,014	584,678
Current service cost		5,404	4,857
Interest cost		99,993	76,963
Remeasurement due to:			
-Experience adjustments		(45,297)	12,672
Benefits paid during the year		<u>(30,281)</u>	<u>(29,156)</u>
		<u>679,833</u>	<u>650,014</u>
19.2.2 Expense recognized in the Statement of profit or loss:			
Current service cost		5,404	4,857
Interest cost		99,993	76,963
Expense charge in Statement of profit or loss		<u>105,396</u>	<u>81,820</u>

19.2.3 Expense recognized in the Statement of comprehensive income:

Remeasurement due to experience on obligation		<u>(45,297)</u>	<u>12,672</u>
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19.2.4 Sensitivity analysis

Sensitivity analysis is performed by changing only one assumption at a time while keeping the other assumptions constant.

Sensitivity analysis of discount rate and salary increase rate is presented in the below table:

	2024		2023	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	621,476	748,037	562,763	722,369
Medical allowance increase rate	751,934	617,286	721,115	556,040

19.2.5 The principal actuarial assumptions used in the actuarial valuation are as follows:

	2024	2023
Discount rate used for year end obligation	15.75%	13.50%
Discount rate used for interest cost in profit or loss	14%	15.75%
Rate of salary increase (long term)	12%	13.75%
Retirement assumption	60 years	60 years
Mortality rate	SLIC with 1 year set back for males and	SLIC 2001-2005 set back 1-4 year
Withdrawal rate	Age based (per appendix)	Age based (per appendix)

The estimated charge to profit or loss for the next year is Rs. 102,021 thousand.

The average duration of the defined benefit obligation as at 30 June 2024 is 9 years.

	Note	2024 -----Pak Rupees in '000'-----	2023
19.3 Pension			
Net liability/(asset) of defined benefit obligation		<u>(20,141)</u>	<u>309</u>
The amount recognized in the Statement of financial position is as follows:			
Present value of defined benefit obligation	19.3.1	956,791	822,031
Fair value of plan assets	19.3.2	<u>(976,933)</u>	<u>(821,722)</u>
Net liability/(asset) at end of the year		<u>(20,141)</u>	<u>309</u>

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Note	2024 -----Pak Rupees in '000'-----	2023
19.3.1 The movement in the present value of defined benefit obligation is as follows:		
Balance as at beginning of the year	822,031	785,338
Current service cost	35,565	29,656
Interest cost	127,181	99,791
Remeasurement due to:		
-Experience adjustments	1,073	(461)
Benefits paid during the year	<u>(29,059)</u>	<u>(92,293)</u>
	<u>956,791</u>	<u>822,031</u>
19.3.2 The movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	821,722	649,448
Interest income on plan assets	127,264	94,187
Remeasurement due to:		
-Investment return	55,336	(18,376)
Contributions	1,670	188,756
Benefits paid during the year	<u>(29,059)</u>	<u>(92,293)</u>
	<u>976,933</u>	<u>821,722</u>
19.3.3 Expense recognized in the statement of profit or loss:		
Service cost		
-Current service cost	35,565	29,656
Net interest	(83)	(460,515)
Expense charge in Statement of profit or loss	<u>35,482</u>	<u>35,260</u>
19.3.4 Expense recognized in the Statement of Comprehensive Income:		
Remeasurement due to:		
-Experience adjustment on obligation	1,073	(461)
-Investment return	(55,336)	18,376
Expense charge in Statement of comprehensive income	<u>(54,263)</u>	<u>17,915</u>

19.3.5 Sensitivity analysis

Sensitivity analysis is performed by changing only one assumption at a time while keeping the other assumptions constant. Sensitivity analysis of discount rate and salary increase rate is presented in the below table:

	2024		2023	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	830,219	1,115,831	721,158	948,149
Salary increase	1,060,803	865,654	901,028	752,574

19.3.6 The principal actuarial assumptions used in the actuarial valuation are as follows:

	2024	2023
Discount rate used for year end obligation	14%	15.75%
Discount rate used for interest cost in profit or loss	15.75%	13.50%
Rate of salary increase (long term)	14.75%	9.25%
Retirement assumption	80 years	60 years
Mortality rate	SLIC with 1 year set back for males and SLIC with 4 years set back	SLIC 2001-2005 set back 1-4 year
Withdrawal rate	Age based (per appendix)	Age based (per appendix)

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	2024 PKR '000'	2023 PKR '000'
19.3.7 Expected benefit payments		
Year 1	35,834	4,964
Year 2	92,017	91,174
Year 3	23,831	108,419
Year 4	16,396	32,281
Year 5	38,048	22,111
Year 6 to 10	239,948	249,561

The estimated charge to profit or loss for the next year is Rs. 50,249 thousand.
The average duration of the defined benefit obligation as at 30 June 2024 is 15 years.

	Note	2024 -----Pak Rupees in '000'-----	2023
19.3.8 Composition of plan assets			
Investment Account		700,000	690,000
Accrued Interest on Investment		56,833	36,717
Investment Receivable		-	10,000
Cash at Bank		274,404	140,126
Payables		(54,304)	(55,121)
		<u>976,933</u>	<u>821,722</u>
19.4 Gratuity			
Net liability/(asset) of defined benefit obligation		<u>(47,217)</u>	<u>34,606</u>
The amount recognized in the Statement of financial position is as follows:			
Present value of defined benefit obligation	19.4.1	489,638	456,784
Fair value of plan assets	19.4.2	(536,855)	(422,178)
Net liability/(asset) at end of the year		<u>(47,217)</u>	<u>34,606</u>
19.4.1 The movement in the present value of defined benefit obligation is as follows:			
Balance as at beginning of the year		456,784	427,935
Current service cost		26,456	23,350
Interest cost		68,808	52,318
Remeasurement due to:		-	-
-Experience adjustments		(22,589)	33,963
Benefits paid during the year		(39,821)	(80,782)
		<u>489,638</u>	<u>456,784</u>
19.4.2 The movement in the fair value of plan assets is as follows:			
Fair value of plan assets at beginning of the year		422,178	438,308
Interest income on plan assets		68,695	55,200
Remeasurement due to:		-	-
-Investment return		18,018	(12,498)
Contributions		67,785	21,950
Benefits paid during the year		(39,821)	(80,782)
		<u>536,855</u>	<u>422,178</u>
19.4.3 Expense recognized in the Statement of profit or loss:			
Service cost			
-Current service cost		26,456	23,350
Net interest		113	(2,882)
Expense charge in Statement of profit or loss		<u>26,569</u>	<u>20,468</u>
19.4.4 Expense recognized in the Statement of other comprehensive income:	Note	2024 -----Pak Rupees in '000'-----	2023
Remeasurement due to:			
-Experience adjustments on obligation		(22,589)	33,963
-Investment return		(18,018)	12,498
Expense charge in Statement of comprehensive income		<u>(40,607)</u>	<u>46,461</u>

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19.4.5 Sensitivity analysis

Sensitivity analysis is performed by changing only one assumption at a time while keeping the other assumptions constant. Sensitivity analysis of discount rate and salary increase rate is presented in the below table:

	2024		2023	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1%	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	449,317	536,514	421,763	498,652
Salary increase	535,809	449,188	498,442	421,210

19.4.6 The principal actuarial assumptions used in the actuarial valuation are as follows:

	2024	2023
Discount rate used for year end obligation	15.75%	13.50%
Discount rate used for interest cost in profit or loss	14%	15.75%
Rate of salary increase (long term)	14%	14.75%
Retirement assumption	60 years	60 years
Mortality rate	SLIC 2001-2005 set back 1-4 year	SLIC 2001-2005 set back 1-4 year
Withdrawal rate	Age based (per appendix)	Age based (per appendix)

19.4.7 Expected benefit payments

	2024 PKR '000'	2023 PKR '000'
Year 1	30,854	29,145
Year 2	50,715	50,848
Year 3	34,776	67,291
Year 4	74,225	41,702
Year 5	51,757	88,884
Year 6 to 10	250,642	313,191

The estimated charge to profit or loss for the next year is Rs. 19,236 thousand.
The average duration of the defined benefit obligation as at 30 June 2024 is 9 years.

	Note	2024 -----Pak Rupees in '000'-----	2023
19.4.8 Composition of plan assets			
Investment Account		100,000	380,000
Accrued Interest on Investment		19,100	15,414
Cash at Bank		417,754	26,763
		<u>536,854</u>	<u>422,177</u>

19.5 Medical Leaves Plan

19.5.1	<u>6,422</u>	<u>4,931</u>
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19.5.1 The movement in the present value of defined benefit obligation is as follows:

Balance as at beginning of the year	4,931	6,419
Current service cost	229	267
Interest cost	777	867
Remeasurement due to:		
-Experience adjustments	485	(2,622)
	<u>6,422</u>	<u>4,931</u>

19.5.2 Expense recognized in the Statement of profit or loss:

Current service cost	229	267
Interest cost	777	867
Remeasurement of other long term benefits	485	(2,622)
Expense charge in Statement of profit or loss	<u>1,491</u>	<u>(1,488)</u>

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	Note	2024	2023
		-----Pak Rupees in '000'-----	
19.5.3 Expense recognized in the Statement of comprehensive income:			
Remeasurement due to experience on obligation		-	-

19.5.4 Sensitivity analysis

Sensitivity analysis is performed by changing only one assumption at a time while keeping the other assumptions constant. Sensitivity analysis of discount rate and salary increase rate is presented in the below table:

	2024		2023	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1%	Effect of 1% decrease
	Rupees in '000'		Rupees in '000'	
Discount rate	5,676	7,362	4,358	5,653
Salary increase rate	7,398	5,648	5,681	4,337

19.5.5 The principal actuarial assumptions used in the actuarial valuation are as follows:

	2024	2023
Discount rate used for interest cost in profit or loss	15.75%	13.50%
Discount rate used for year end obligation	14%	15.75%
Rate of salary increase (long term)	13%	14.75%
Retirement assumption	60 years	60 years
Mortality rate	SLIC 2001-2005 set back 1-4	SLIC 2001-2005 set back 1-4
Withdrawal rate	Age based (per appendix)	Age based (per appendix)

The estimated charge to profit or loss for the next year is Rs. 1,331 thousand.
The average duration of the defined benefit obligation as at 30 June 2024 is 13 years.

	Note	2024	2023
		-----Pak Rupees in '000'-----	
20 DEFERRED TAX LIABILITIES - NET			-
20.1 Deferred taxation - net			
Deferred tax assets		257,873	367,266
Deferred tax liabilities		(353,404)	(324,566)
		(95,531)	42,700
Transferred to deferred tax assets - net		-	(42,700)
	20.1	95,531	-

20.1.1 Movement in deferred taxation

Deferred tax assets/ (liabilities)	As at July 01, 2023	Statement of profit or loss	Other comprehensive income	As at 30 June, 2024

-----Pak Rupees in '000'-----

The balance of deferred tax is in respect of the following temporary differences:

Effect of deductible temporary differences

Long term loans to employees	113,761	(66,358)	-	47,403
Post-retirement medical benefits	253,505	11,630	(54,665)	210,470
	367,266	(54,728)	(54,665)	257,873

Effect of taxable temporary differences

Accelerated depreciation/amortization allowance	16,007	9,499	-	6,508
Reserve for depletion	308,559	(38,337)	-	346,896
	324,566	(28,838)	-	353,404
	42,700	(83,566)	(54,665)	(95,531)

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Deferred tax assets/ (liabilities)	As at July 01, 2022	Statement of profit or loss	Other comprehensive income	As at 30 June, 2023
-----Rupees in '000'-----				
The balance of deferred tax is in respect of the following temporary differences:				
Effect of deductible temporary differences				
Long term loans to employees	-	113,761	-	113,761
Post-retirement medical	192,944	55,619	4,942	253,505
	192,944	169,380	4,942	367,266
Effect of taxable temporary differences				
Accelerated tax depreciation	16,885	(878)	-	16,007
Reserve for depletion	231,712	76,847	-	308,559
	248,597	75,969	-	324,566
	(55,653)	93,411	4,942	42,700

Deferred tax assets and liabilities on temporary differences are measured at the rate of 39% (2023: 39%).

		2024	2023
-----Pak Rupees in '000'-----			
21 CONTRACT LIABILITIES			
Advances from customers	21.1	<u>96,245</u>	<u>95,251</u>
21.1	It represents amount paid by customers to PMDC in advance for purchase of coal and salt. These are inclusive of sale tax, insurance contributions, royalty and excise duty as applicable on projects' sites. These are unsecured and will be adjusted against sales.		
22 INSURANCE FUND			
Insurance Fund	22.1	<u>106,102</u>	<u>94,072</u>
22.1	It represents amount received from raising contractors to cover compensation payment to be paid by the Company to workers of raising contractors in case of any fatal accident. This amount is collected at the rate of Rs. 20 per each tone of production of coal and at the rate of Rs.10 per each tone of production of salt.		
		2024	2023
	Note	-----Pak Rupees in '000'-----	
23 TRADE AND OTHER PAYABLES			
Trade creditors		93,404	75,907
Accrued liabilities	23.1	1,189,713	335,992
Withholding income tax payable		29,538	28,003
Royalty, excise duty and other taxes		53,717	60,665
Contractors current account		232,213	127,666
Other liabilities		7,771	44,354
Payable to Balochistan Development Authority (BDA)	23.2	5,023,540	1,210,970
Provision for workers' profit participation fund	23.3	231,621	192,134
		<u>6,861,517</u>	<u>2,075,691</u>
23.1 Accrued liabilities			
Salaries, wages and other benefits	23.1.1	277,045	253,022
Employee old age benefit contribution (EOBI)		18,418	13,346
Accrual for other operational expenses		894,250	69,624
		<u>1,189,713</u>	<u>335,992</u>
23.1.1	This includes an amount of Rs. 180,439 thousand (2023: Rs. 174,760 thousand) which represents bonus payable to employees, miners and coal cutters.		
23.2	This represents the amount payable to the Balochistan Development Authority (BDA) that PMDC received from the Duddar Lead-Zinc Project in Balochistan.		
		2024	2023
	Note	-----Pak Rupees in '000'-----	
23.3 Provision for workers' profit participation fund			
Opening balance		192,134	8,551
Charge for the year		231,177	149,348
Prior period adjustment		-	34,235
Payments made during the year		(191,690)	-
		<u>231,621</u>	<u>192,134</u>

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	Note	2024 -----Pak Rupees in '000'-----	2023
24 SECURITY DEPOSITS			
		134,001	124,428
		<u>134,001</u>	<u>124,428</u>

These mainly includes interest free deposits from raising and carriage contractors and goods/services' vendors and are repayable on demand. These deposits are kept in separate bank account and invested in short term TDRs, having maturity of one to three months from time to time.

	Note	2024 -----Pak Rupees In '000'-----	2023
25 PROVISION FOR TAXATION - NET			
Provision for taxation		1,712,089	1,200,593
Less: Advance tax adjusted		<u>(1,419,302)</u>	<u>(661,455)</u>
		<u>292,787</u>	<u>539,138</u>

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 The Company is currently involved in litigation regarding the ownership rights of land measuring 18,606 Kanals and 17 Marlas in village Rakh Dandot (Khewra Salt Mines). On September 5, 2023, the Lahore High Court, Rawalpindi Bench dismissed the Company's Civil Revision Petition challenging these rights, upholding that while the Company maintains mining operation rights (subject to licensing and royalties), the ownership of land and mineral rights vests with the Provincial Government. This ruling was based on Section 49 of the West Pakistan Land Revenue Act 1967 and the 1982 Attorney General's Award. As per viewpoint of the legal counsel, the Company is the owner of the land as per land records (Register Haq-Daran-Zameen) and the said land was illegally transferred from the Central Government to the Province of Punjab, and the entries in the Revenue Record in this regard are invalid and unlawful.

The Company has filed a petition before the Honorable Supreme Court of Pakistan challenging the judgment of the High Court, which is currently pending adjudication and has not yet been scheduled for hearing.

26.1.2 On March 12, 2010, the Director General Mines and Minerals Department, Government of Punjab ("DG") issued a show cause notice to the Company based on a Survey Committee Report dated January 22, 2010. The notice alleged unauthorized mining activities in Main Salt Mine at Warcha, District Khushab, beyond the granted lease area, claiming unauthorized excavation of 3,145,972 tons of rock salt. Subsequently, on September 4, 2023, the DG imposed a penalty of Rs. 1,415,687 thousand against the Company. The Company filed an appeal before the Secretary Mines and Minerals Department, Government of Punjab ("Secretary"), which was dismissed through order dated December 29, 2023. The Company maintains that the alleged unauthorized mining areas were developed prior to 1982, during which period the Company and its predecessor (WPIDC) were operating these salt mines under federal domain. Following the Constitution of Pakistan, 1962, when salt mining became a provincial subject, the Company applied for and obtained necessary mining leases. The Company is of the view that the mining activities in the disputed chambers were carried out prior to 1982 and were subsequently regularized through a Provincial Cabinet decision dated September 20, 2002, after payment of applicable royalties and the Survey Committee's calculations are disputed as they measured only 1/4th of the alleged area and extrapolated the remaining quantity without actual measurement. Further, the total alleged unauthorized excavation (3,145,972 tons) is approximately double the Company's total reported production (1,686,143 tons) from the mine over 30 years (1980-2011), indicating significant discrepancies in the Survey Committee's findings. In addition, historical records including accident registers from 1951 and 1973, measurement books from 1980, and various mine plans demonstrate the existence and development of these chambers prior to 1982.

The Company has challenged both orders before the Lahore High Court which through its interim order dated April 22, 2024, has suspended the operation of the impugned orders. The matter is pending adjudication. Based on the opinion of legal counsel and the merits of the Company's case, particularly the documentary evidence supporting pre-1982 development of the disputed area and its subsequent regularization, management believes that there are reasonable grounds to contest these orders. Therefore, no provision has been made in these financial statements in respect of this matter.

26.1.3 Income Tax

A case for Tax Year 2020 is pending before DC/Commissioner CTO regarding audit proceedings under section 177(1) of Income Tax Ordinance 2001. The Company has submitted various clarifications as requested by FBR, with the latest response provided on July 18, 2024.

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26.1.4 Sales Tax - Federal Board of Revenue

Sales tax audit case for tax year 2019-20 involving Rs. 403.974 million is currently pending before ATIR, following an appeal filed by the FBR department against a favorable decision received by the Company from Commissioner (Appeals) on February 17, 2023.

Additionally, for tax year 2019, a case involving Rs. 2.274 million relating to short payment of sales tax has been remanded back by Commissioner (Appeals) on April 26, 2022. The Company had deposited Rs. 0.227 million for auto-stay of recovery in this case.

For tax year 2018, two separate cases are under remand proceedings - one involving Rs. 9.656 million regarding short realization of sales tax due to alleged concealment of sales, and another for Rs. 4.987 million concerning inadmissible adjustment of input tax on coal. Both cases were originally decided against the Company by the Deputy Commissioner, CTO, but have been remanded back by Commissioner (Appeals) on August 31, 2023, for verification and detailed scrutiny respectively.

26.1.5 Sales Tax - Sindh Revenue Board

Regarding Sindh sales tax matters, two significant appeals are pending. The first case (SRA No. 206/2019) involves recovery of Rs. 257.67 million pertaining to tax periods 2012 to 2017, arising from Order dated May 20, 2019, issued by Assistant Commissioner -SRB Hyderabad. The second case (SRA No. 405/2019) relates to recovery of Rs. 8.86 million for the period July 2017 to June 2018, stemming from Order dated November 21, 2019. Stay orders have been obtained from Sindh High Court in both cases.

26.2 Commitments

There is no commitment as of reporting date (2023: Nil).

	Note	2024 -----Pak Rupees in '000'-----	2023
27 REVENUE			
Gross sales		5,207,736	4,235,722
Sales tax		(733,348)	(573,787)
Net sales	27.1	<u>4,474,388</u>	<u>3,661,935</u>
27.1 Product wise breakup of net sales is as follows:			
- Sales of Salt		3,144,575	2,190,983
- Sales of Coal		1,226,105	1,377,015
		4,370,680	3,567,998
Income from tourist resort		103,708	93,937
		<u>4,474,388</u>	<u>3,661,935</u>
28 COST OF SALES			
Salary, wages and other benefits		1,087,617	970,039
Excavation charges		746,036	668,201
Development cost		20,132	22,873
Material and stores		224,009	254,305
Depreciation		36,597	36,048
Mine visiting and tourist resort cost		83,961	86,830
Other overhead		231,602	163,973
Carriage expense		408,363	331,025
Changes in stock		(229,359)	(19,937)
		<u>2,608,958</u>	<u>2,513,357</u>
29 OPERATING EXPENSES			
Salary, wages and other benefits	29.1	635,283	534,828
Repair and maintenance		20,608	12,770
Audit fee and out of pocket		2,462	1,728
Depreciation		6,986	4,625
Miscellaneous		71,379	46,605
		<u>736,718</u>	<u>600,556</u>

29.1 Salary, wages and other benefits include amounts paid to Key Management Personnel as mentioned in note 38 and note 39.

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	Note	2024 -----Pak Rupees in '000'-----	2023 -----Pak Rupees in '000'-----
30 DISTRIBUTION COST			
Salary, wages and other benefits		58,874	52,950
Loading and transportation		63,008	32,415
Depreciation		5,471	5,654
Royalty and other taxes		171,519	108,852
Miscellaneous expenses		17,271	25,816
		<u>316,143</u>	<u>225,687</u>
31 OTHER INCOME			
Income from financial assets			
Interest income		1,373,174	734,395
Income from non-financial assets			
Rental income		15,998	14,214
Interest income under IFRS 9		49,164	39,063
Miscellaneous	31.1	99,692	217,401
Adjustment and reversal	31.2	32,756	867
Income from Duddar Lead Zinc	31.3	2,479,225	1,987,973
		<u>2,676,835</u>	<u>2,259,518</u>
		<u>4,050,009</u>	<u>2,993,913</u>

31.1 This includes commission income from excavation in deep areas, surplus from the insurance pool, exchange gain on receipt of profit share from MCC, gain on sale of scrap and stores, and other miscellaneous income sources.

31.2 This represent the reversals of provisions against gratuity, pension and medical expenses recognized by the entity in prior year.

31.3 The Company has accrued USD 2 million (equivalent to Rs. 673,093 thousand) as its share of profit for the period January 1, 2023, to December 31, 2023 (2023: USD 6 million or Rs. 1,987,973 thousand for the period from January 1, 2022 to December 31, 2022). This represents PMDC's effective share of 10% (50% of the 20% total entitlement) of project profits, with the remaining 10% being BDA's share. An additional Rs. 1,806,132 thousand has been recognized as income, representing settlement of disputed profit claims for the period 2016 to 2019 between PMDC and MCC. The timing of profit recognition aligns with MCC's financial year-end of December 31, and accordingly, the share of profit is booked until December 31, 2023.

		2024 -----Pak Rupees in '000'-----	2023 -----Pak Rupees in '000'-----
32 SHARE OF PROFIT FROM ASSOCIATES			
FATA joint venture		1,255	1,467
33 OTHER EXPENSES			
Amortization loss of employees long term loans		121,546	174,653
Workers profit participation fund		231,177	149,348
Interest cost on employee benefit		118,757	-
		<u>471,480</u>	<u>324,001</u>
34 TAXATION			
Current tax			
- Current year		1,712,089	1,200,593
- Prior year		(43,545)	(1,559)
		1,668,544	1,199,034
Deferred tax		83,566	(93,411)
		<u>1,752,110</u>	<u>1,105,623</u>
Reconciliation of current tax charge			
Profit for the year		4,392,353	2,993,714
Tax at applicable tax rates of 39% (2023: 39%)		1,713,018	1,167,548
Tax effect of depletion allowance		(38,299)	(31,260)
Long term loans to employees - discounting and interest income		28,229	52,880
Accelerated tax depreciation and gain on disposal		(1,240)	(1,674)
Staff retirement benefits		11,629	14,208
Allowance for rental income		(1,248)	(1,109)
Effect of prior year taxation		(43,545)	(1,559)
Effect of temporary differences		83,566	(93,411)
		<u>1,752,110</u>	<u>1,105,623</u>

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35 RELATED PARTY TRANSACTIONS

The Company deals with several state-controlled entities, directly or indirectly controlled by the Government of Pakistan through Government authorities, agencies, affiliates and other organizations. Transactions with these state-controlled are not very significant. The related parties also includes associated companies, joint venture, key management personnel of the Company and post employment benefit plans (Gratuity fund, Pension fund and Provident Fund). There is no related party transaction to be disclosed in financial statements.

Name of the related party	Transactions type	Relationship and percentage shareholding	Transactions during the year	
			2024	2023
			Rupees in '000'	
FATA joint venture	Share of profit/(Loss) of associate	30% Joint venture	1,255	1,467
FATA joint venture	Dividend received from associate	30% Joint venture	4,651	26,707
Sarhad Mineral (Private) Limited	Amount received for stores issued	49% Associate	-	-
LCDCL	Salaries of employees paid	50% Joint Venture	4,867	1,388
LCDCL	Refund of payment against BESOS	50% Joint Venture	14,312	
BMEC	Equity investment	10% Associate	-	-
Utility store	Amount received sale of salt	Government Entity	9,640	8,766
Utility store	Sale of salt	Government Entity	7,080	3,607

Name of the related party	Nature of balance	Relationship and percentage shareholding	Balance as at	
			2024	2023
			Rupees in '000'	
FATA joint venture	Equity Investment	30% Joint venture	1,500	4,896
LCDCL	Receivable against salary to employees	50% Joint Venture	8,935	4,068
BMEC	Equity Investment	10% Associate	160,000	160,000
BMEC	Receivable	10% Associate	641	641
Utility store	Receivable against sales	Government Entity	3,978	6,538

36 NUMBER OF EMPLOYEES

	---Number---	
	2024	2023
Officers	107	92
Supervisors	31	31
Staff and workers	954	1,013
Apprentices / management trainees	-	-
	1,092	1,136

37 NUMBER OF MINERS

	---Number---	
	2024	2023
Salt cutters	1,233	781
Coal cutters	385	240
	1,618	1,021

38 KEY MANAGEMENT PERSONAL

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39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including benefits applicable to managing director, directors and executives of the Company are given below:

	2024			2023		
	Chief Executive	Directors	Executive	Chief Executive	Directors	Executives
	Pak Rupees in '000'					
Managerial remuneration	18,360	34,550	50,794	647	12,069	49,850
Boarding/Lodging Reimbursement	-	7,571	-	-	2,579	-
Rent, Utilities and conveyance	-	7,037	29,801	-	-	26,722
Bonus and incentives	-	-	71,573	-	-	48,397
Other Allowances	-	2,191	2,335	-	-	2,922
Cooperation fee	-	300	-	-	-	-
Total	18,360	51,649	154,503	647	14,648	127,891
Number of persons	1	11	25	1	8	27

39.1 The chief executive, General Managers and Deputy General Managers are provided with a Company maintained car. Managerial remuneration represents the meeting fees paid to non-executive directors. Travelling expenses of directors for official purposes are reimbursed by the Company on actual basis.

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40 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

40.1 The following table shows the carrying amounts of financial assets and financial liabilities:

	Note	2024 -----Pak Rupees in '000'-----	2023
Financial assets - amortized cost			
Loans and advances	7 & 11	276,445	228,667
Long term deposits		24,192	18,435
Trade debts	10	250,409	208,192
Other receivables	12	1,664,783	2,318,756
Short term investment	13	11,163,705	4,234,808
Cash and bank balances	15	640,055	326,808
		<u>14,019,589</u>	<u>7,335,666</u>
Financial liabilities - amortized cost			
Trade and other payables	23	6,546,641	1,794,889
Security deposits	24	134,001	124,428
		<u>6,680,642</u>	<u>1,919,317</u>

40.2 The Company has not disclosed the fair value for these financial assets and financial liabilities, as these are either short term in nature or reprised periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

The Company has exposure to the credit risk, liquidity risk and market risk from its use of financial instruments.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The board of directors of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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40.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from loans and advances, deposits, investments, trade debts and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

The credit quality of the Company's financial assets have been assessed below by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations. The Company's credit risk exposures and its credit quality are categorized under the following headings:

	2024	2023
	-----Pak Rupees in '000'-----	
Counterparties without external credit ratings		
Loans and advances	276,445	451,077
Long term deposits	24,192	18,435
Trade debtors - unsecured considered good	250,409	208,192
Other receivables	719,065	2,034,102
	<u>1,270,111</u>	<u>2,711,806</u>
Counterparties with external credit		
Short term investment	11,163,705	4,234,808
Bank balances	640,055	325,598
Accrued	878,360	284,654
	<u>12,682,120</u>	<u>4,845,060</u>

Cash/investments is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Bank	Rating Agency	Short term/ long term rating	2024	2023
			-----Rupees in '000'-----	
Habib Bank Limited	VIS	A-1+/AAA	487,272	837,728
The Bank of Punjab	PACRA	A-1+/AA+	3,347,690	1,878,000
Habib Metropolitan Bank Limited	PACRA	A-1+/AA+	-	-
Bank Al-Falah Limited.	PACRA	A-1+/AA+	7,531,938	1,713,559
National Bank of Pakistan	PACRA	A-1+/AAA	331,657	73,291
Zarai Taraqati Bank Limited	VIS	A-1+/AAA	13	10
Askari Bank Limited	PACRA	A-1+/AA+	15,498	6,340
Allied Bank Limited	PACRA	A-1+/AAA	68,590	49,426
Soneri Bank Limited	PACRA	A-1+/AA-	107	107
Sindh Bank Limited	VIS	A-1+/AA-	1	1
United Bank Limited	VIS	A-1+/AAA	7,075	1,417
Faysal Bank Limited	PACRA/VIS	A-1+/AA	-	-
MCB Bank Limited	PACRA	A-1+/AAA	534	527
			<u>11,790,374</u>	<u>4,560,406</u>

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40.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Further liquidity position of the Company is monitored by the board through budgets, cash flow projections and comparison with actual results.

Following is the maturity analysis of financial liabilities:

	Carrying amount	Six months or less	Six to twelve months	Above five years
-----Rupees in '000'-----				
June 30, 2024				
Trade and other payables	6,546,641		5,815,098	
Security deposits	134,001	-	134,001	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2023				
Trade and other payables	1,794,889	1,667,223	221,738	-
Security deposits	124,428	-	124,428	-
	<u>2,013,389</u>	<u>1,667,223</u>	<u>346,166</u>	<u>-</u>

40.5 Market risk

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

40.5.1 Markup rate risk

The markup rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in the market markup rates. The Company adopts a policy to ensure that markup rate risk is minimized by investing its surplus funds in fixed rate investments like TDRs.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Profile

At the reporting date the markup rate profile of the Company's markup-bearing financial instruments is:

	Note	2024	2023
-----Pak Rupees in '000'-----			
Financial assets			
Investment - at amortized cost	12	11,163,705	4,234,808
Bank balances	14	640,055	325,598
		<u>11,803,760</u>	<u>4,560,406</u>

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40.5.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions of receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risk.

		2024	2023
	Note	-----Pak Rupees in '000'-----	
41 CASH AND CASH EQUIVALENTS			
Short term highly liquid investments	13	7,050,713	4,109,808
Cash and bank balances	15	640,055	326,808
		<u>7,690,768</u>	<u>4,436,616</u>

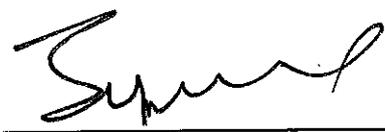
42 EVENTS AFTER THE REPORTING DATE

The Company has been under consideration for privatization by the Government of Pakistan. In August 2024, the federal cabinet approved the inclusion of PMDC in the privatization list. However, the Company has not been included in the privatisation program for 2024-29 published by Privatization Commission of Paksitan. This is considered a non-adjusting event as per International Accounting Standard (IAS) 10 'Events after the Reporting Period' and accordingly has no impact on the figures reported in these financial statements as at June 30, 2024.

43 GENERAL

All figures have been rounded off to nearest Rupee in thousands.

These financial statements have been authorized for issue by the Board of Directors in their meeting held on 10-01-2025.



 CHIEF EXECUTIVE OFFICER

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 CHAIRMAN